FORAGE ORBIT GARANT DRILLING

MANAGEMENT'S DISCUSSION AND ANALYSIS

THIRD QUARTER FISCAL 2018

(Three and nine-month periods ended March 31, 2018)

May 10, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MD&A") is a review of the results of operations, the liquidity and the capital resources of Orbit Garant Drilling Inc. This discussion contains forward-looking statements. Please see ''Forward-Looking Statements'' for a discussion of the risks, uncertainties and assumptions relating to these statements.

This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine-month periods ended March 31, 2018; as compared with the corresponding period of the previous year and also with the audited consolidated financial statements and MD&A contained in the Company's annual report for the fiscal year ended June 30, 2017.

The Company's third quarter of Fiscal 2018 unaudited interim condensed consolidated financial statements and the accompanying notes were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are in Canadian dollars, except when otherwise noted.

In this MD&A, references to the "Company" or to "Orbit Garant" shall mean, as the context may require, either Orbit Garant Drilling Inc. or Orbit Garant Drilling Inc. together with its wholly owned subsidiaries.

This MD&A is dated May 10, 2018. Disclosure contained in this document is current to that date unless otherwise stated.

Percentage calculations are based on numbers in the Financial Statements and may not correspond to rounded figures presented in this MD&A.

Additional information relating to the Company, including the Company's Annual Information Form dated September 6, 2017, which can be found under the Company's profile on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Securities laws encourage companies to disclose forward-looking information in order for investors to have a better understanding of a company's future prospects and make informed investment decisions.

This MD&A contains forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are "forward-looking" because they are based on current expectations, estimates and assumptions about: the markets in which the Company operates; the world economic climate as it relates to the mining industry; the Canadian economic environment; and the Company's ability to attract and retain customers and to manage its assets and operating costs.

Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on these forward-looking statements.

The Company disclaims any intention and assumes no obligation to update any forward-looking statement, even if new information becomes available, as a result of future events or for any other reasons except in accordance with applicable securities laws. Risks that could cause the Company's actual results to materially differ from its current expectations are discussed in this MD&A. For a more complete discussion of the risk factors that could cause the Company's actual results to materially differ from its current expectations, please refer to the Company's Annual Information Form dated September 6, 2017, accessible via www.sedar.com.

FISCAL 2018 THIRD QUARTER SUMMARY

- Revenue increased 44.3% to $43.1 million in the third quarter of Fiscal 2018 ("Q3 FY2018"), compared to $29.9 million in the third quarter of Fiscal 2017 ("Q3 FY2017")
- Gross margin was 5.2%, up from 3.9% in Q3 FY2017
- Adjusted gross margin (excluding depreciation expense)(1) was 9.8%, compared to 10.7% in Q3 FY2017
- EBITDA(1) was $0.9 million, compared to $(0.5) million in Q3 FY2017
- Net loss was $1.3 million, compared to a net loss of $2.2 million in Q3 FY2017
- Metres drilled in Q3 FY2018 totalled 378,640, an increase of 20.9% compared to 313,184 metres drilled in Q3 FY2017.

(1) See "Reconciliation of Non-IFRS measures"

Orbit Garant has now achieved thirteen consecutive quarters of year-over-year growth in revenue. The Company's $128.6 million in revenue for the first nine months of fiscal 2018 represents its highest total over this period in Company history. Orbit Garant's revenue growth reflects: i) increasing customer demand and drilling volumes in Canada; and ii) increased international business activity resulting from the Company's strategy to expand its international operations in strategic markets. With increasing customer demand for drilling services and solid revenue growth momentum, Orbit Garant is expecting its profitability to improve in Fiscal 2018 relative to Fiscal 2017, due to higher drill utilization rates, improving productivity and price increases on new contracts. While Orbit Garant has generated improved margins and profitability for the year-to-date period, the Company experienced a decline in productivity in its Canadian and Chilean operations in the third quarter of fiscal 2018. With the significant increase in drilling volumes as the Company continues to build market share, Orbit Garant has been expanding its workforce to meet demand utilizing less experienced drillers on certain projects. The Company's margins in the quarter were also impacted by higher fuel and maintenance costs, partially due to adverse weather conditions.

CORPORATE OVERVIEW

From its head office and base of operations in Val-d'Or, Québec, Orbit Garant, with more than 1,300 employees and a fleet of 220 drill rigs, provides surface and underground drilling services to the mining and exploration industry in Canada and internationally. The Company also provides geotechnical drilling services to mining or mineral exploration companies, engineering and environmental consulting firms and government agencies. The majority of Orbit Garant's business activity is currently conducted in Canada. Orbit Garant has regional offices and facilities in Sudbury, Ontario and Moncton, New Brunswick to support its Canadian business activities. The Company has worked on international projects in the United States, Mexico, Guyana, Chile, Kazakhstan and West Africa. The Company currently has international operating subsidiaries in: Santiago, Chile; Lima, Peru; Georgetown, Guyana; Ouagadougou, Burkina Faso; and Takoradi, Ghana.

Orbit Garant has a comprehensive infrastructure that is vertically integrated with its subsidiary, Soudure Royale, which manufactures drill rigs for the Company and third parties. Soudure Royale provides the Company with a competitive advantage in the provision of drilling services and equipment.

Orbit Garant focuses on "specialized drilling", which refers to drilling projects that are in remote locations or, in the opinion of Management, because of the scope, complexity or technical nature of the work, cannot be undertaken by smaller conventional drilling companies.

The Company has two operating segments: Canada (including surface drilling, underground drilling and manufacturing Canada), and International.

For the nine-month period ended March 31, 2018:

- Specialized drilling services, which typically generate a higher gross margin than conventional drilling services, accounted for approximately 59% of the Company's total revenue, compared to 53% in the first nine months of FY2017.
- Approximately 63% of the Company's revenues were generated by gold related operations, and approximately 37% was generated by base metal related and other operations.
- Surface and underground drilling services accounted for approximately 67% and 33%, respectively, of the Company's revenue.
- Approximately 80% of Orbit Garant's revenue was generated from major and intermediate mining company projects, compared to 79% in the same period a year ago. Orbit Garant's drilling contracts with major and intermediate customers are typically from one to five years in length.
- Approximately 70% of Orbit Garant's revenue was generated from domestic drilling projects, and approximately 30% was generated from international drilling contracts.

BUSINESS STRATEGY

Orbit Garant's goal is to be the leading Canadian-based mineral drilling company. This will be achieved through the pursuit of both domestic and international market opportunities and through the provision of best-in-class underground and surface drilling services, equipment and personnel for all stages of the mining and minerals business, including exploration, development and production. The Company employs the following business strategies:

- Focus primarily on major and well-financed intermediate mining and exploration companies operating in stable jurisdictions;
- Provide conventional, specialized and geotechnical drilling services;
- Manufacture customized drills and equipment to fit the needs of customers;
- Maintain a commitment to Research and Development ("R&D") and advanced drilling technologies, such as the Company's current implementation of computerized monitoring and control technologies;
- Maintain a high level of health and safety standards in the workplace and promote protection of the environment;
- Provide training for the Company's personnel to continuously improve labour efficiency and the availability of a skilled labour force;
- Establish and maintain long-term relationships with customers;

- Cross-sell drilling services to existing customers;
- Expand the Company's base of operations in strategic regions, such as the Company's acquisition of Captagua Ingeniería S.A. ("Captagua"), based in Santiago, Chile, in December 2015. On August 16, 2016, the name of Captagua was changed to Orbit Garant Chile S.A. ("OG Chile");
- Maintain a sound balance sheet and a judicious deployment of capital; and
- Evaluate strategic acquisition opportunities to enhance value for the Company's stakeholders.

INDUSTRY OVERVIEW

Orbit Garant provides drilling services, in Canada and internationally, to the minerals industry through all stages of mine development, from exploration through production. Client mining companies consist of major (or senior), intermediate, and junior companies (which generally focus on exploration only). Mining companies' budgets for external drilling services, such as those offered by Orbit Garant, are typically determined by ferrous (iron) and non-ferrous (precious and base) metals prices, and the availability of capital to finance exploration (particularly in the case of juniors) and development programs, and/or ongoing mining operations.

Gold

Gold prices are determined by the balance between supply (primarily mine production) and the many sources of demand including global demand for gold jewelry, investment demand, and to a much lesser extent, demand from industrial applications. Following a prolonged rally in the price of gold that started in 2001 and resulted in a peak price of more than US$1,900 per ounce in September 2011, the price of gold entered a period of overall decline starting in January 2013, when it was at approximately US$1,700 per ounce. The spot price of gold reached a trailing five-year price low of approximately US$1,049 per ounce in December 2015. Gold has strengthened since then, reaching yearly highs of approximately US$1,375 per ounce and US$1,358 per ounce in 2016 and 2017, respectively. The spot price of gold was approximately US$1,306 per ounce on January 1, 2018. At the time of this report, the spot price of gold was approximately US$1,321 per ounce, an increase of 26.7% from its trailing five-year price low in December 2015, and an increase of 1.9% since the start of 2018.

Base Metals

Base metals' prices generally reflect global economic conditions, as these metals are used primarily in infrastructure, industrial and manufacturing applications. Demand from emerging markets, particularly China and India, has a major influence on base metals markets. As emerging markets advance their economic development, their infrastructure and industrial bases expand. Further, residents typically become more affluent, driving increased demand for manufactured goods.

Aluminum, copper, lead, nickel and zinc are the primary base metals. At the time of this report, the respective spot prices for these primary base metals were higher than 12 months ago. The spot price for copper, the metal widely considered to be the most sensitive to macroeconomic activity, was approximately US$2.49 per pound a year ago and at the time of this report was approximately US$3.11 per pound, an increase of 26.8%. The spot price for nickel has strengthened recently and is currently near the mid-point of its trailing five-year price range; the spot price for copper is near the upper end of its trailing five-year price range, and the spot prices for aluminum, lead and zinc are at or near their trailing five-year highs.

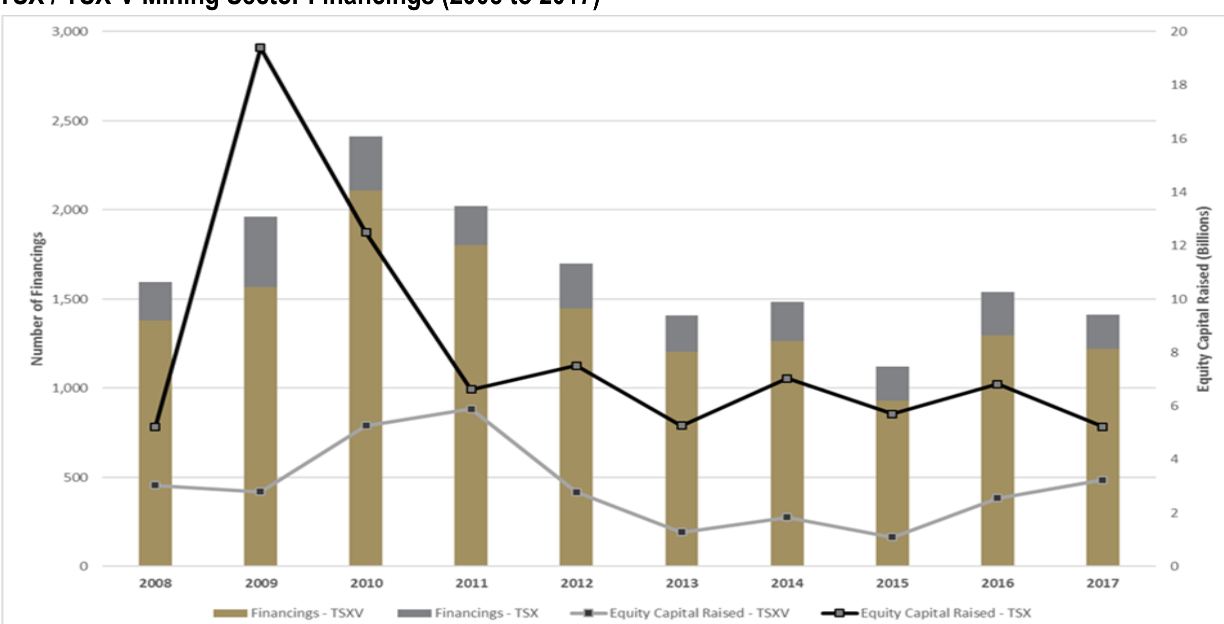
Iron Ore

Iron ore prices are determined by the global demand for steel, as more than 95% of mined iron ore is used to make steel. As both the world's largest consumer and producer of steel, China is widely regarded as having the most influence on global iron ore market prices. Continuing urbanization of the world's population, particularly in China and India, the world's most populous countries, is fueling global steel consumption, and long-term demand is expected to continue to trend higher. In the short term, the spot price of iron ore is principally affected by seasonal effects, short term mismatches between supply and demand and other factors. At the time of this report, the spot price of iron ore was approximately US$62.20 per tonne, compared to approximately US$55.84 per tonne one year ago. Iron ore remains well below its trailing five-year high of approximately US$150 per tonne.

Market Participants

The mining sector continues to build on a market recovery that began in early 2016. Strengthened metals prices have resulted in heightened investor interest in mining equities. As a result, companies across the mining sector have experienced stronger equity valuations, increased cash flow and improved access to capital over the past two years. According to TMX Group, mining companies listed on the TSX and TSX-Venture exchanges completed 1,413 financings in 2017 and raised a total of $8.5 billion of equity capital. That built on another strong year in 2016, in which miners completed 1,540 financings and raised $9.4 billion of equity capital. By comparison, miners completed just 1,123 financings in 2015 and raised $6.8 billion of equity capital. Notably, junior mining companies on the TSX-Venture Exchange have benefited from stronger market conditions since the start of 2016. They raised a combined total of $5.8 billion of equity capital in 2016 and 2017, according to TMX Group, compared to $2.9 billion combined in the prior two years. For the first three months of 2018, mining companies listed on the TSX and TSX-Venture exchanges completed 331 financings, raising a total of $1.9 billion of equity capital, which was similar to the 394 financings and $2.3 billion of equity capital in the first three months of 2017. The mining sector is now in a significantly stronger capital position than it was at the start of 2016. While Management is encouraged by the increased annual levels of financing completed over the past two years, current annual levels are still significantly below those seen during the peak of the last cycle between the years 2009 and 2011.

TSX / TSX-V Mining Sector Financings (2008 to 2017)



With enhanced access to capital and improved market conditions, a greater number of mining companies are currently armed with more cash and stronger balance sheets, and have increased their spending on mineral exploration and mine development. As a result, drill utilization rates across the industry have increased and the global oversupply of mineral drilling services capacity is declining.

According to research published by S&P Global Market Intelligence (World Exploration Trends, March 2018) global exploration spending for nonferrous metals increased to an estimated US$8.4 billion in 2017, compared to US$7.3 billion in 2016. This represented the first annual increase in global exploration spending since 2012, following four consecutive years of declining expenditures. S&P Global Market Intelligence forecasts that global exploration spending for nonferrous metals for 2018 will increase by a further 15% to 20% year-over-year.

According to Natural Resources Canada's latest national survey on mineral exploration and deposit appraisal expenditures, mining companies in Canada spent $2.1 billion on these activities in 2017, an increase of 29.6% compared to $1.6 billion in 2016. Natural Resources Canada forecasts that 2018 mineral exploration and deposit appraisal expenditures in Canada will increase 6.6% from 2017 levels, based on reported spending intentions.

OVERALL PERFORMANCE

Results of operations for the third quarter ended March 31, 2018

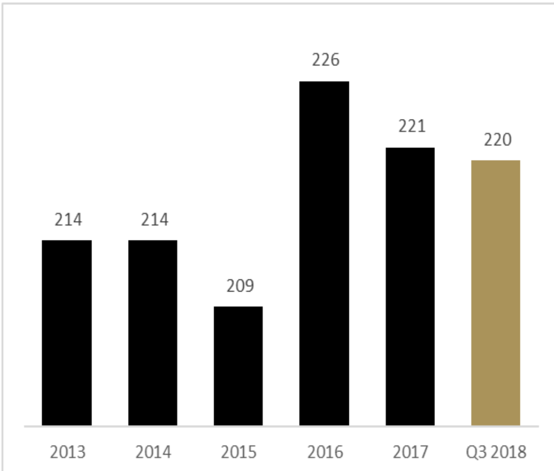
THIRD QUARTER ENDED MARCH 31 * ($millions)	Fiscal 2018 3rd Quarter	Fiscal 2017 3rd Quarter	2018 vs. 2017 Variance
Revenue *	**43.1**	29.9	**13.2**
Gross profit *	**2.2**	1.2	**1.0**
Gross margin (%)	**5.2**	3.9	**1.3**
Adjusted gross margin (%) (1)	**9.8**	10.7	**(0.9)**
Net earnings (loss) *	**(1.3)**	(2.2)	**0.9**
Net earnings (loss) per common share - Basic ($)	**(0.04)**	(0.06)	**0.02**
- Diluted ($)	**(0.04)**	(0.06)	**0.02**
EBITDA * (2)	**0.9**	(0.5)	**1.4**
Metres drilled	**378,640**	313,184	**65,456**

(1) Reflects gross margin, excluding depreciation expenses. See "Reconciliation of non-IFRS financial measures"
(2) EBITDA = Earnings before interest, taxes, depreciation and amortization. See "Reconciliation of non-IFRS financial measures"

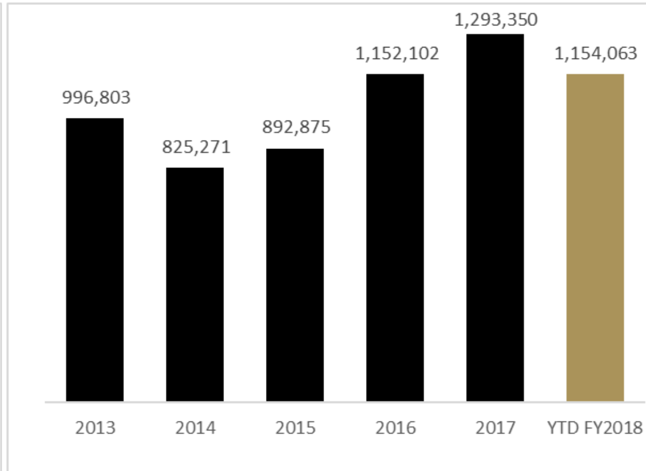
During Q3 FY2018, Orbit Garant drilled 378,640 metres, an increase of 20.9% compared to 313,184 metres drilled in Q3 FY2017. The Company's average revenue per metre drilled in Q3 FY2018 was $113.56 compared to $95.17 in Q3 FY2017. The increase in average revenue per metre drilled is primarily attributable to increased specialized drilling activity in Chile and Canada, as specialized drilling is priced at a higher rate than conventional drilling. The Company also benefitted from improved pricing on certain drilling contracts in Canada.

The size of the Company's drill fleet was at 220 drill rigs at the end of Q3 FY2018. During the quarter ended March 31, 2018, Soudure Royale manufactured four new drill rigs while four conventional drill rigs were dismantled. Orbit Garant currently has 33 drill rigs outfitted with its computerized monitoring and control technology.

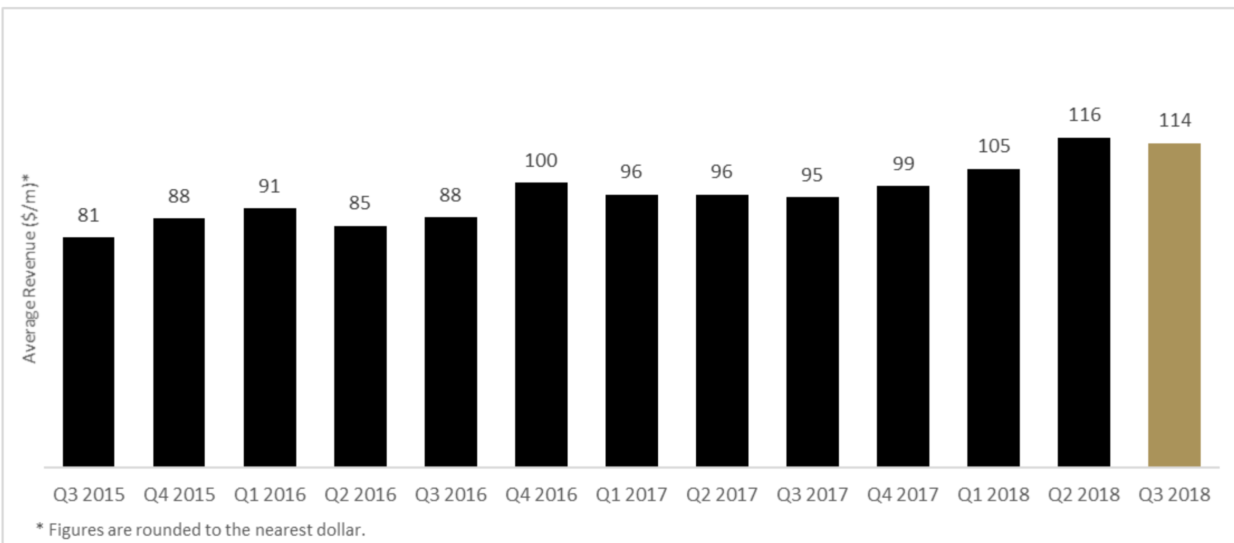
Number of Drills



Metres Drilled



Average Revenue per Metre Drilled



ANALYSIS OF THE THIRD QUARTER OF FISCAL 2018 COMPARED TO THE THIRD QUARTER OF FISCAL 2017

Contract Revenue

Revenue in Q3 FY2018 totalled $43.1 million, an increase of $13.2 million, or 44.3%, from $29.9 million in Q3 FY2017. Revenue growth was primarily attributable to higher average revenue per meter drilled in Canada and increased drilling activity in Canada and Chile.

Canada revenue was $30.2 million in Q3 FY2018, an increase of $6.8 million, or 29.1%, from $23.4 million in Q3 FY2017. The increase was primarily attributable to higher average revenue per meter drilled, mostly due to an increase in specialized drilling activity and to an increased number of metres drilled.

International revenue, net of inter-segment revenue, was $12.9 million in Q3 FY2018, compared to $6.5 million in Q3 FY2017, representing an increase of $6.4 million. Revenue growth was primarily attributable to increased drilling activity in Chile. Orbit Garant generated $10.3 million in revenue from operations in Chile in the quarter, compared to $5.3 million in Q3 FY2017. The remaining increase in International revenue was primarily attributable to increased drilling activity in Guyana and Burkina Faso.

Gross Profit and Margins (Adjusted gross profit and margins - see Reconciliation of non-IFRS measures)

Gross profit for Q3 FY2018 increased to $2.2 million, compared to $1.2 million in Q3 FY2017. Gross margin increased to 5.2%, up from 3.9% in Q3 FY2017. Depreciation expenses totalling $2.0 million are included in cost of contract revenue for Q3 FY2018, in line with Q3 FY2017. Adjusted gross margin, excluding depreciation expenses, was 9.8% in Q3 FY2018, compared to 10.7% in Q3 FY2017. The increase in gross profit and gross margin was primarily attributable to higher drilling volumes in Canada and Chile, including increased specialized drilling activity, partially offset by a decline in productivity and the temporary suspension on a major contract in Chile. The decline in productivity was primarily attributable to a higher proportion of less experienced drillers on certain projects in Canada and Chile. The Company also experienced higher fuel and maintenance costs in Canada, due to increased fuel prices and adverse weather conditions, compared to Q3 FY2017.

General and Administrative Expenses

General and administrative (G&A) expenses were $3.9 million (representing 9.2% of revenue) in Q3 FY2018, compared to $3.8 million (representing 12.6% of revenue) in Q3 FY2017.

Operating Results

Operating loss for Q3 FY2018 was $0.8 million, compared to an operating loss of $1.9 million in Q3 FY2017.

Drilling Canada's operating earnings totalled $0.1 million, compared to an operating loss of $0.5 million in Q3 FY2017, reflecting higher average revenue per metre drilled and increased business activity.

Drilling International's operating loss totalled $0.9 million, compared to an operating loss of $1.4 million in Q3 FY2017. The Company's operating loss in the quarter was attributable to a decline in productivity, partially offset by increased business activity, despite the temporary suspension of a major contract in Chile.

Foreign Exchange (Gain) Loss

Foreign exchange gain was $0.3 million in Q3 FY2018, compared to a loss of $0.1 million in Q3 FY2017.

EBITDA (see Reconciliation of non-IFRS measures)

Earnings before interest, taxes, depreciation and amortization ("EBITDA") totalled $0.9 million in Q3 FY2018, compared to $(0.5) million in Q3 FY2017.

Financial Expenses

Interest costs related to long-term debt and bank charges were $0.4 million in Q3 FY2018, compared to $0.3 million in Q3 FY2017.

Income Tax (Recovery)

Income tax recovery was $0.5 million for Q3 FY2018, compared to income tax recovery of $0.8 million in Q3 FY2017.

Net Earnings (Loss)

The Company's net loss for Q3 FY2018 was $1.3 million, or $0.04 per share, compared to a net loss of $2.2 million, or $0.06 per share, in Q3 FY2017. Higher gross profit and margins, as discussed above, contributed to the reduction in the Company's net loss for Q3 FY2018.

NINE MONTHS ENDED MARCH 31, 2018 COMPARED TO NINE MONTHS ENDED MARCH 31, 2017

NINE MONTHS ENDED MARCH 31 * ($millions)	Fiscal 2018 Nine Months	Fiscal 2017 Nine Months	2018 vs. 2017 Variance
Revenue *	**128.6**	87.8	**40.8**
Gross profit *	**14.0**	5.6	**8.4**
Gross margin (%)	**10.9**	6.3	**4.6**
Adjusted gross margin (%) (1)	**15.5**	14.1	**1.4**
Net (loss) earnings *	**1.2**	(4.3)	**5.5**
Net (loss) earnings per common share - Basic ($)	**0.03**	(0.12)	**0.15**
- Diluted ($)	**0.03**	(0.12)	**0.15**
EBITDA * (2)	**9.2**	2.0	**7.2**
Metres drilled	**1,154,060**	917,149	**236,911**

(1) Reflects gross margin, excluding depreciation expenses. See "Reconciliation of non-IFRS financial measures"
(2) EBITDA = Earnings before interest, taxes, depreciation and amortization. See "Reconciliation of non-IFRS financial measures"

Contract Revenue

Revenue totalled $128.6 million for the nine-month period ended March 31, 2018, an increase of $40.8 million, or 46.5%, from $87.8 million during the comparable period in fiscal 2017. Revenue growth was primarily attributable to increased drilling activity in Canada and Chile, including a higher proportion of specialized drilling activity.

Canada revenue totalled $90.5 million for the nine months ended March 31, 2018, an increase of $21.6 million, or 31.4%, compared to $68.9 million for the same period last fiscal year. The increase was primarily attributable to a greater number of metres drilled, increased specialized drilling activity, and higher pricing on certain new contracts.

International revenue, net of inter-segment revenue, totalled $38.2 million for the nine months ended March 31, 2018, compared to $19.0 million in the comparable period last fiscal year, an increase of $19.2 million. International revenue growth was attributable to increased specialized drilling activity in Chile due to the continued expansion of OG Chile. International includes $30.2 million in revenue from Chile, compared to $14.5 million in the comparable period a year ago. The remaining increase in international revenue was primarily attributable to new projects in Burkina Faso.

Gross Profit and Margins (Adjusted gross profit and margins - see Reconciliation of non-IFRS measures)

Gross profit for the first nine months of fiscal 2018 was $14.0 million, an increase of $8.4 million from $5.6 million in the comparable period of fiscal 2017. Gross margin for the first nine months of fiscal 2018 was 10.9% compared to 6.3% for the same period a year ago. Depreciation expenses totalling $5.9 million are included in cost of contract revenue for the nine-month period ended March 31, 2018, compared to $6.8 million for the comparable period last fiscal year. Adjusted gross margin, excluding depreciation expenses, increased to 15.5% for the first nine months of fiscal 2018, compared to adjusted gross margin of 14.1% for the comparable period last fiscal year. The increase in gross profit, gross margin and adjusted gross margin were primarily attributable to higher drilling volumes in both Canada and internationally, including increased specialized drilling activity. The Company also benefitted from higher pricing on certain new contracts in Canada.

General and Administrative Expenses

G&A expenses were $12.0 million (representing 9.3% of revenue) for the nine-month period ended March 31, 2018, compared to $11.1 million (representing 12.7% of revenue) for the comparable period a year ago. The increase in G&A expenses reflect the Company's growth in Canada and internationally.

Operating Results

Earnings from operations for the nine-month period ended March 31, 2018 were $5.0 million, compared to an operating loss of $3.6 million for the first nine months of fiscal 2017.

Drilling Canada's operating earnings totalled $4.5 million, compared to an operating loss of $0.6 million in the first nine months of fiscal 2017, reflecting increased business activity.

Drilling International's operating earnings were $0.5 million, compared to an operating loss of $3.0 million in the first nine months of fiscal 2017. The positive variance is primarily attributable to an increase in metres drilled and new drilling projects.

Foreign Exchange (Gain) Loss

Foreign exchange gain was $0.6 million for the nine-month period ended March 31, 2018, compared to a gain of $0.1 for the comparable period last year.

EBITDA (see Reconciliation of non-IFRS measures)

EBITDA totalled $9.2 million for the nine-month period ended March 31, 2018, an increase of $7.0 million from $2.0 million in the comparable period last fiscal year.

Financial Expenses

Interest costs related to long-term debt and bank charges were $1.3 million for the first nine months of fiscal 2018, compared to $0.7 million for the first nine months of fiscal 2017.

Income Tax (Recovery)

Income tax expense was $0.1 million in the nine-month period ended March 31, 2018, compared to an income tax recovery of $1.8 million for the comparable period in fiscal 2017.

Net Earnings (Loss)

Net earnings for the nine-month period ended March 31, 2018 were $1.2 million, or $0.03 per share, compared to a net loss of $4.3 million, or $0.12 per share, in the first nine months of fiscal 2017. Higher gross profit and margins, as discussed above, contributed to the Company's net earnings for the first nine months of fiscal 2018.

SUMMARY OF QUARTERLY RESULTS

* ($millions)		Fiscal 2018			Fiscal 2017				Fiscal 2016
		March 31	**Dec. 31**	**Sept. 30**	**June 30**	**Mar. 31**	**Dec. 31**	**Sept. 30**	**June 30**
Contracta revenue *		**43.1**	43.0	42.5	37.4	29.9	27.4	30.5	33.4
Gross profitt *		**2.2**	5.1	6.7	2.4	1.2	1.5	2.9	4.3
Gross margin %		**5.2**	11.7	15.9	6.6	3.9	5.5	9.4	12.8
Net earnings (loss) *		**(1.3)**	0.8	1.7	(1.6)	(2.2)	(1.9)	(0.2)	4.4[1]
Net earnings (loss) per common share ($)	- Basic	**(0.04)**	0.02	0.05	(0.05)	(0.06)	(0.05)	(0.01)	0.12[1]
	- Diluted	**(0.04)**	0.02	0.05	(0.05)	(0.06)	(0.05)	(0.01)	0.12[1]

[(1)] Net earnings for the quarter ended June 30, 2016 were positively affected by a $5.0 million one-time gain related to negative goodwill.

The decrease of the gross margin between the quarters ended December 31, 2017 and March 31, 2018 is principally attributable to seasonality, lower productivity and the temporary suspension of a major contract in Chile.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Cash flow from operations (before changes in non-cash operating working capital items, finance costs and income taxes paid), was $0.9 million in Q3 FY2018, compared to $(0.5) million in Q3 FY2017.

The change in non-cash operating working capital items was an inflow of $1.5 million in Q3 FY2018, compared to an outflow of $6.1 million in Q3 FY2017. The change in non-cash operating working capital in Q3 FY2018 was primarily attributable to:

- $5.7 million related to a increase in accounts payable, and
- $0.5 million related to an decrease in inventory offset by
- $4.7 million related to a increase in accounts receivable and prepaid expenses

Investing Activities

Cash used in investing activities totalled $2.7 million in Q3 FY2018, compared to $1.0 million in Q3 FY2017. During Q3 FY2018, $2.8 million was used for the acquisition of property, plant and equipment. In Q3 FY2017, $1.3 million was used for the acquisition of property, plant and equipment, partially offset by a cash inflow of $0.3 million on disposal of property, plant and equipment.

Financing Activities

During Q3 FY2018, the Company generated $1.0 million from financing activities, compared to $5.4 million in Q3 FY2017.

The Company withdrew a net amount of $2.1 million during Q3 FY2018 on its secured, three-year revolving credit facility (the "Credit Facility") with National Bank of Canada Inc. (the "Lender"), compared to a draw of $6.0 million in Q3 FY2017. The Company's long-term debt under the Credit Facility, including the current portion, was $18.8 million as at March 31, 2018, compared to $13.6 million as at June 30, 2017. The Company's debt was incurred to support working capital requirements and the acquisition of capital assets, principally property, plant and equipment.

Orbit Garant's Chilean subsidiary (OG Chile) enters into receivable purchase agreements (commonly referred to as "factoring agreements") with different banks as part of its normal working capital financing. The Company receives 100% of the value of the specific sales invoice less a charge of between 0.46% and 0.52%. As at March 31, 2018, trade receivables included $4.0 million related to factored accounts, compared to $0.7 million as at June 30, 2017.

The Company made capital lease payments (net of proceeds from finance lease) of $0.2 million, in line with Q3 FY2017.

As at March 31, 2018, the Company's working capital was $51.4 million, compared to $30.8 million as at June 30, 2017. The increase in working capital resulted from the reclassification of the outstanding amount under the Credit Facility from current to non-current liabilities as a new Credit Facility was signed on November 2, 2017. The Company's working capital requirements are primarily related to the funding of inventory and the financing of accounts receivable.

Sources of Financing

Orbit Garant's primary sources of liquidity are cash flow from operations and borrowings under the Credit Facility. As at March 31, 2018, the Company had drawn $18.8 million ($13.6 million as at June 30, 2017) under the Credit Facility and complied with all covenants in the Credit Facility.

On November 2, 2017, the Company and the Lender entered into a new credit agreement that replaces the Credit Facility with a new three-year credit facility (the "New Credit Facility") consisting of a $30 million revolving credit facility, a US$3 million letter of credit facility and a US$3 million revolving credit facility. The New Credit Facility will be used to fund working capital and capital expenditure requirements and the Company's long-term acquisition program as well performance bonds required to secure drilling contracts.

Availability under the main revolving facility under the New Credit Facility is subject to a borrowing base that is determined by the value of the Company's inventory, accounts receivable and real estate. All of Orbit Garant's assets are pledged as security for the Company's obligations under the New Credit Facility. In addition, the Company's obligations under the US$3 million letter of credit facility and US$3 million revolving credit facility are guaranteed by Export Development Canada.

The New Credit Facility contains covenants that limit the Company's ability to undertake certain actions, without prior approval of the Lender, including: i) mergers, liquidations, dissolutions and changes of ownership; ii) the incurrence of additional indebtedness; iii) encumbering the Company's assets; iv) guarantees, loans, investments and acquisitions that may be made by the Company; v) investing in or entering into derivative instruments, paying dividends and/or making other capital distributions to related parties; vi) capital expenditures exceeding mutually agreed upon limits; and vii) certain asset sales. The New Credit Facility also contains a number of financial covenants that the Company must comply with if more than $12.5 million is drawn under the New Credit Facility.

The Company believes that it will be able to generate sufficient cash flow to meet its current and future working capital expenditures and debt obligations. The Company's principal capital expenditures are related to the acquisition of drill rigs and other assets included in property, plant and equipment.

As at March 31, 2018, the Company had complied with all covenants of the Credit Facility.

OUTSTANDING SECURITIES AS AT MAY 10, 2018

Number of common shares	**36,147,119**
Number of options	**2,511,500**
Fully diluted	**38,658,619**

On December 5, 2017, the Company issued 490,000 options at an exercise price of $2.10. During Q3 FY2018 30,000 options were cancelled. In April 2018, 5,000 options were exercised and 35,000 options were cancelled.

RELATED PARTY TRANSACTIONS

Transactions with related parties

The Company is related to Dynamitage Castonguay Ltd., company owned by directors.

On February 28, 2017, the Company granted a loan maturing no later than February 28, 2019 for the amount of $1.2 million to the President and Chief Executive Officer in connection with the exercise of his option to purchase 942,000 shares of Orbit Garant Drilling Inc. The loan bears interest at a rate of 4% annually and is secured by a pledge of shares and guarantee from 670550 Canada Inc. On December 15, 2017, the President and Chief Executive Officer repaid an amount of $0.6 million, reducing the balance of the loan to $0.6 million.

The Company entered into the following transactions with its related company and with persons related to directors:

*($thousands)	3 months ended March 31, 2018	3 months ended March 31, 2017	9 months ended March 31, 2018	9 months ended March 31, 2017
Revenue*	**77**	**39**	**274**	**83**
Expenses*	**37**	**22**	**159**	**79**

As at March 31, 2018, an amount of $0.7 million was a receivable resulting from these transactions ($1.3 million as at June 30, 2017).

All of these related party transactions made in the normal course of business measured at the exchange amount, which is the amount established and agreed to by the parties.

Key management personnel and directors' transactions

The definition of key management includes the close members of the family of key personnel and any entity over which key management exercises control. The key management personnel have been identified as directors of the Company and key management staff. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Company.

Compensation paid to key management personnel and directors are as follows:

*($thousands)	3 months ended March 31, 2018	3 months ended March 31, 2017	9 months ended March 31, 2018	9 months ended March 31, 2017
Compensation*	297	267	894	837

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"). The IFRS accounting policies set out in Note 4 to the Company's annual audited consolidated statements for the year ended June 30, 2017 were consistently applied to all periods presented other than noted in Note 3. These interim condensed consolidated financial statements have not been subject to a review engagement by the Company's external auditors.

The preparation of financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates assumptions and judgements. It also requires Management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are disclosed in Note 5 of the Company's annual audited consolidated financial statements for the year ended June 30, 2017. They remained unchanged for the three and nine-month periods ended March 31, 2018.

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the investments, which have been presented at fair value and in Canadian dollars, which is the currency of the primary economic environment in which the Company operates ("functional currency"). All values are rounded to the nearest thousand dollars, except where otherwise indicated.

These unaudited interim condensed consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's 2017 annual audited consolidated financial statements.

These unaudited interim condensed consolidated financial statements were approved for issue by the Board of Directors of Orbit Garant Drilling Inc. on May 10, 2018.

Principles of Consolidation

The Company's unaudited interim condensed consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. A subsidiary is an entity controlled by the Company. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, independently of its percentage of participation. The existence and effect of potential voting rights are considered when the Company controls another entity.

Income and expenses of subsidiaries acquired or disposed of during a period are included in the unaudited interim condensed consolidated statement of earnings (loss) from the effective date of acquisition to the effective date of disposal, as appropriate. Intercompany transactions and balances are eliminated on consolidation.

RECONCILIATION OF NON - IFRS FINANCIAL MEASURES

Financial data has been prepared in conformity with IFRS. However, certain measures used in this discussion and analysis do not have any standardized meaning under IFRS and could be calculated differently by other companies. The Company believes that certain non-IFRS financial measures, when presented in conjunction with comparable IFRS financial measures, are useful to investors and other readers because the information is an appropriate measure to evaluate the Company's operating performance. Internally, the Company uses this non-IFRS financial information as an indicator of business performance. These measures are provided for information purposes, in addition to, and not as a substitute for, measures of financial performance prepared in accordance with IFRS.

EBITDA: Net earnings (loss) before interest, taxes, depreciation and amortization.

Adjusted gross profit and margin: Contract revenue less operating costs. Operating expenses comprise material and service expenses, personnel expenses, other operating expenses, excluding depreciation.

EBITDA

Management believes that EBITDA is an important measure when analyzing its operating profitability, as it removes the impact of financing costs, certain non-cash items and income taxes. As a result, Management considers it a useful and comparable benchmark for evaluating the Company's performance, as companies rarely have the same capital and financing structure.

Reconciliation of EBITDA

(unaudited) (in millions of dollars)	3 months ended March 31, 2018	3 months ended March 31, 2017	9 months ended March 31, 2018	9 months ended March 31, 2017
Net (loss) earnings for the period	**(1.3)**	(2.2)	**1.2**	(4.3)
Add:				
Finance costs	**0.4**	0.3	**1.3**	0.7
Income tax expense (recovery)	**(0.5)**	(0.8)	**0.1**	(1.8)
Depreciation and amortization	**2.3**	2.2	**6.6**	7.4
EBITDA	**0.9**	(0.5)	**9.2**	2.0

Adjusted Gross Profit and Margin

Although adjusted gross profit and margin are not recognized financial measures defined by IFRS, Management considers them to be important measures as they represent the Company's core profitability, without the impact of depreciation expenses. As a result, Management believes they provide useful and comparable benchmarks for evaluating the Company's performance.

(unaudited) (in millions of dollars)	3 months ended March 31, 2018	3 months ended March 31, 2017	9 months ended March 31, 2018	9 months ended March 31, 2017
Contract revenue	**43.1**	29.9	**128.6**	87.8
Cost of contract revenue (including depreciation)	**40.9**	28.7	**114.6**	82.2
Less depreciation	**(2.0)**	(2.0)	**(5.9)**	(6.8)
Direct costs	**38.9**	26.7	**108.7**	75.4
Adjusted gross profit	**4.2**	3.2	**19.9**	12.4
Adjusted gross margin (%) [1]	**9.8**	10.7	**15.5**	14.1

[1] Adjusted gross profit, divided by contract revenue X 100

RISK FACTORS

The following are certain factors relating to the Company's business and the industry within which it operates. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and should be read in conjunction with, the detailed information appearing elsewhere in this report and in the Company's Annual Information Form dated September 6, 2017. These risks and uncertainties are not the only ones relevant to the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the business, financial condition, liquidity and results of operations of the Company could be affected materially and adversely.

Risk Related to Structure and Common Shares

Equity Market Risks

There is a risk associated with any investment in shares. The market price of securities such as the Common Shares of the Company are affected by numerous factors including, but not limited to, general market conditions, actual or anticipated fluctuations in the Company's results of operations, changes in estimates of future results of operations by the Company or securities analysts, risks identified in this section and other factors. In addition, the financial markets have experienced significant price and volume fluctuations that have sometimes been unrelated to the operating performance of the issuers or the industries in which they operate. Consequently, the trading price of the Common Shares may fluctuate.

Influence of Existing Shareholders

As at May 10, 2018, Pierre Alexandre, Vice Chairman and Vice President of Corporate Development of the Company, holds or controls, directly or indirectly, approximately 26% of Orbit Garant's outstanding Common Shares. As a result, this shareholder has the ability to influence Orbit Garant's strategic direction and policies, including any merger, consolidation or sale of all or substantially all of its assets, and the election and composition of Orbit Garant's Board of Directors. The foregoing ability to affect the control and direction of Orbit Garant could reduce its attractiveness as a target for potential takeover bids and business combinations, and correspondingly affect its share price.

Future Sales of Common Shares by the Company's Existing Shareholders

Certain shareholders, including Pierre Alexandre, hold or control significant blocks of shares of the Company. The decision of any of these shareholders to sell a substantial number of Common Shares in the public market could result in a material imbalance in demand for the Company's shares and therefore a decline in the market price of the Common Shares. In addition, the perception among the public that such sales may occur could also result in a reduction in the market price of the Common Shares.

Dilution

Orbit Garant may raise additional funds in the future by issuing equity securities. Holders of Common Shares will have no pre-emptive rights in connection with such further issuances. Additional Common Shares may be issued by Orbit Garant in connection with the exercise of options granted. Such additional equity issuances could, depending on the price at which such securities are issued, substantially dilute the interests of the holders of Common Shares.

OUTLOOK

The gradual recovery in the mining sector, which began in early 2016, continued throughout 2017 and into 2018. Metal prices have rebounded, and mining equity valuations are trading significantly above the lows reached at the bottom of the last cycle. For example, as at the date of this report, the S&P/TSX Global Mining Index has increased approximately 95% from its low in January 2016, and the S&P/TSX Global Gold Index has increased approximately 63% from its low in September 2015. This market rebound began after more than three years of highly challenging market conditions in which metal prices declined. As a result of the gradual recovery, investor interest in the sector has increased and a greater number of mining companies have raised capital since early 2016. Accordingly, a significant number of mining companies have improved their capital positions since early 2016 and have increased their exploration and mine development budgets. S&P Global Market Intelligence forecasts that global exploration spending for nonferrous metals in 2018 will increase by 15% to 20% compared to 2017.

As a result of continued improvement in mining industry conditions, demand for drilling services has improved. Drill utilization rates began to increase in late 2016 and continued to improve throughout 2017. This has reduced the oversupply of mineral drilling services capacity in the market. Price increases typically occur after a rebound in utilization rates. While global drilling prices remain competitive at present, they have largely stabilized, and Orbit Garant is now seeing opportunities to increase pricing on new contracts. Management is encouraged by the recent positive developments and believes that they could continue to have a positive impact on operations in 2018, as senior and intermediate mining companies look to replenish depleting reserves and junior exploration companies strive to identify, or further delineate, new mineral deposits. As a result, the Company expects its profitability to improve in Fiscal 2018 relative to Fiscal 2017, due to higher utilization rates, improving productivity and price increases on new contracts.

An additional positive factor for mining companies operating in Canada is the current lower value of the Canadian dollar relative to the US dollar, as their expenses are typically in Canadian dollars and their revenues are denominated in US dollars. At the time of this report, the value of the Canadian dollar was approximately 0.78 US dollars.

Management believes the outlook for the mineral drilling industry is positive and is encouraged by the Company's increasing business activity both in Canada and its international markets. Management remains focused on maximizing stakeholder value principally by controlling costs, optimizing drill rig utilization, increasing productivity rates, continuing to focus on technology innovation, retaining key personnel, maintaining strong health and safety standards, and evaluating opportunities to further expand Orbit Garant's market presence both in Canada and abroad. Orbit Garant has now established operating subsidiaries in Burkina Faso, Chile, Ghana, Guyana and Peru. In South America, Orbit Garant is currently working on projects in Chile and Guyana. In West Africa, the Company is currently working on projects in Burkina Faso and Ghana. The Company is actively pursuing new opportunities to grow its business in both regions.

Management believes the Company's proprietary computerized monitoring and control drilling technology will increasingly be an important contributor in reducing both labour and consumable drilling costs, enhancing driller productivity rates and improving safety. Orbit Garant currently has 33 drill rigs featuring its computerized monitoring and control technology, all of which are currently deployed on customer projects. These next generation drill rigs have achieved a significant increase in productivity compared to that achieved using conventional drill rigs. Orbit Garant's customers have responded positively to the improved performance and potential of the new drill rigs, which has led to renewals of underground drilling contracts for longer terms.

Orbit Garant will continue to monitor market conditions closely and manage its staff and inventory levels, capital expenditures and balance sheet accordingly. With its sound balance sheet, the Company remains committed to pursuing value-enhancing growth opportunities in Canada and internationally.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's CEO and the CFO are responsible for designing internal controls over financial reporting ("ICFR") or causing them to be designed under their supervision. The Company's ICFR are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and its preparation of financial statements for external purposes in accordance with IFRS.

As discussed above, the inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company, have been detected. Therefore, no matter how well designed, ICFR have inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

For the fiscal nine months ended March 31, 2018, there have been no significant changes to the ICFR and no change in the assessment of the effectiveness of the Company's ICFR. Accordingly, the CEO and CFO have concluded that the design and operation were effective at a reasonable assurance level as at the end of the period covered by this report.