MANAGEMENT'S DISCUSSION AND ANALYSIS

THIRD QUARTER FISCAL 2019

(Three and nine–month periods ended March 31, 2019)

May 9, 2019

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, 2019; as compared with the corresponding periods 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, 2018.

The Company's third quarter of Fiscal 2019 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 9, 2019. 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 for the most recently completed fiscal year, can be found 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, businesses and include statements regarding the anticipated financial and operational benefits of its acquisition of the drilling business described in the Business Acquisition section. 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 12, 2018, accessible via www.sedar.com.

FISCAL 2019 THIRD QUARTER SUMMARY

- Revenue totalled \$37.4 million in the third quarter of Fiscal 2019 ("Q3 FY2019"), compared to \$43.1 million in the third quarter of Fiscal 2018 ("Q3 FY2018")
- Gross margin increased to 8.2% from 5.2% in Q3 FY2018
- Adjusted gross margin (excluding depreciation expense)[1] was 14.3%, compared to 9.8% in Q3 FY2018
- EBITDA[1] increased to \$1.4 million, compared to \$0.9 million in Q3 FY2018
- Net loss was \$1.4 million, compared to a net loss of \$1.3 million in Q3 FY2018
- Metres drilled in Q3 FY2019 totalled 361,642, compared to 378,640 in Q3 FY2018

(1) See Reconciliation of non-IFRS financial measures

CORPORATE OVERVIEW

Orbit Garant (TSX: OGD) is one of the largest Canadian-based mineral drilling companies, with 236 drill rigs and more than 1,300 employees. Headquartered in Val-d'Or, Québec, the Company provides both underground and surface drilling services in Canada and internationally to major, intermediate and junior mining companies, through each stage of mineral exploration, mine development and production. Orbit Garant also provides geotechnical and water drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies. The majority of Orbit Garant's business activity is currently conducted in Canada. The Company has regional offices and facilities in Sudbury, Ontario and Moncton, New Brunswick, to support its Canadian business activities. Orbit Garant has worked on international projects in the United States, Mexico, Guyana, Chile, Kazakhstan and West Africa. The Company has operating subsidiaries in: Santiago, Chile; Lima, Peru; Georgetown, Guyana; Ouagadougou, Burkina Faso; and Takoradi, Ghana, to support its international operations.

Orbit Garant has a comprehensive infrastructure that is vertically integrated with its Val-d'Or, Québec, based 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, 2019:

- Specialized drilling services, which typically generate a higher gross margin than conventional drilling services, accounted for approximately 60% of the Company's total revenue, compared to 59% in the first nine months of fiscal 2018.
- Approximately 68% of the Company's revenues were generated by gold related operations, and approximately 32% were generated by base metal related and other operations.
- Surface and underground drilling services accounted for approximately 52% and 48%, respectively, of the Company's revenue.
- Approximately 85% of Orbit Garant's revenue was generated from major and intermediate mining company projects, compared to 80% in the first nine months of fiscal 2018. Orbit Garant's drilling contracts with major and intermediate customers are typically from one to five years in length.

- Approximately 72% of Orbit Garant's revenue was generated from domestic drilling projects, and approximately 28% was generated from international drilling contracts.

BUSINESS ACQUISITION

On October 11, 2018, Orbit Garant Drilling acquired the drilling business of Projet Production International BF S.A.,("PPI") based in Burkina Faso, through an asset purchase agreement for a total purchase price of $8.3 million (US$6.4 million) (the "Acquisition"). Through the Acquisition, Orbit Garant's wholly-owned subsidiary, Orbit Garant BF S.A.S., ("Orbit Garant BF") added 13 surface drills, related support equipment, and existing customer contracts in Burkina Faso. Orbit Garant BF also retained approximately 100 employees, including experienced drillers and support personnel, who will now be based in Orbit Garant BF's offices in Ouagadougou, Burkina Faso. The Acquisition significantly strengthens Orbit Garant's presence in Burkina Faso and the broader West African mineral drilling market, positioning the Company to pursue new growth opportunities.

The $8.3 million (US$6.4 million) purchase price was satisfied through a $6.7 million (US$5.15 million) payment in cash $3.35 million (US$2.575 million) paid on closing and $3.35 million (US$2.575 million) to be paid 12 months after the closing date, and the issuance of Orbit Garant common shares valued at $1.6 million (US$1.25 million) (861,637 common shares at a price of $1.89 per share). Orbit Garant funded the initial cash payment through a draw on its credit facility. The results of operations for PPI for the period ended March 31, 2019, are included in Orbit Garant's results of operations for the three and nine-month periods ended March 31, 2019.

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 technological innovation and advanced drilling technologies, such as the Company's current implementation of computerized monitoring and control technologies;
- Provide training for the Company's personnel to continuously improve labour efficiency and the availability of a skilled labour force;
- Maintain a high level of health and safety standards in the workplace and promote protection of the environment;
- 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 Orbit Garant Chile S.A. ("OG Chile") based in Santiago, Chile, in December 2015 and the acquisition of the mineral drilling business of PPI in Ouagadougou, Burkina Faso, in October 2018.
- 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.

At the time of this report, the spot price of gold was approximately US$1,285 per ounce, compared to US$1,321 per ounce 12 months ago. The current spot price of gold is approximately 22% higher than its trailing five-year price low in December 2015.

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.

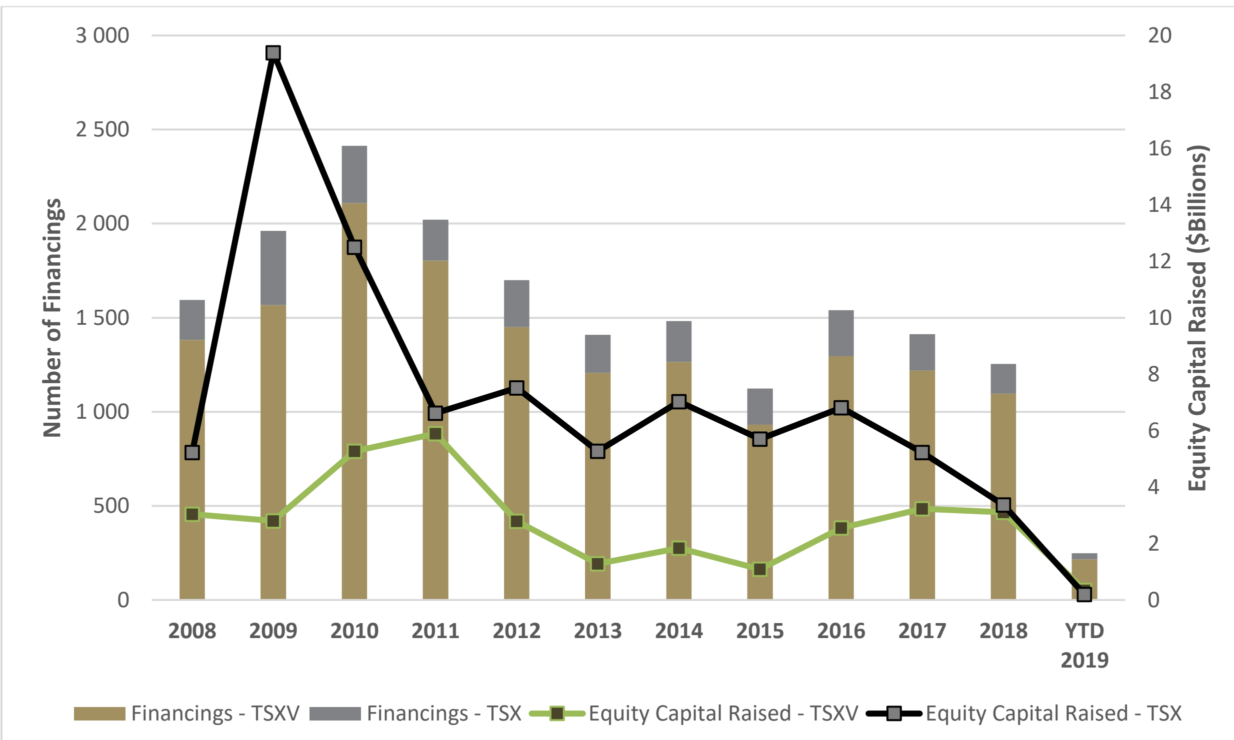
Aluminum, copper, lead, nickel and zinc are the primary base metals. At the time of this report, the respective spot prices for each the primary base metals was lower than 12 months ago. The spot price for copper, the metal widely considered to be the most sensitive to macroeconomic activity, was approximately US$3.18 per pound a year ago and at the time of this report was approximately US$2.77 per pound, a decrease of 13%. The spot prices of copper and zinc are currently near the upper end of their respective trailing five-year price ranges, while the spot prices of aluminum, lead and nickel are currently near the mid-points of their respective trailing five-year price ranges.

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$94 per tonne, compared to approximately US$65 per tonne one year ago. The spot price of iron ore is currently near the upper end of its trailing five-year price range.

Market Participants

The mining sector began to recover from a prolonged downturn in early 2016. Metal prices increased, driving higher mining equity valuations and increased financing activity. However, the recovery paused in mid-2018 as metal prices declined and investor interest in the sector weakened. While current metal prices and equity valuations remain significantly above the market lows prior to the rally in early 2016, financing activity has slowed. According to TMX Group, mining companies listed on the Toronto Stock Exchange ("TSX") and the TSX-Venture Exchange completed 248 financings in the first quarter of 2019, raising an aggregate of $531 million of equity capital, compared to 331 financings that raised $1.9 billion of equity capital in the first quarter of 2018, and 394 financings that raised $2.3 billion of equity capital in the first quarter of 2017. While financing activity was weak in January and February of 2019, it strengthened in March. The broad slowdown in financing activity has created a challenging environment for junior mining companies with poor working capital positions. However, many mining companies have raised capital or generated solid cash flow in recent years, keeping them well positioned to advance exploration and / or development projects.



According to research from S&P Global Market Intelligence's Corporate Exploration Strategies series (March 2019), global exploration budgets for nonferrous metals increased 19% to an estimated US$10.1 billion in 2018, compared to US$8.5 billion in 2017. This represented the second consecutive annual increase in global nonferrous exploration budgets, following four consecutive years of declining expenditures. S&P expects global exploration budgets for nonferrous metals to increase by an additional 5% to 10% in 2019.

OVERALL PERFORMANCE

Results of operations for the third quarter (three-month period) ended March 31, 2019

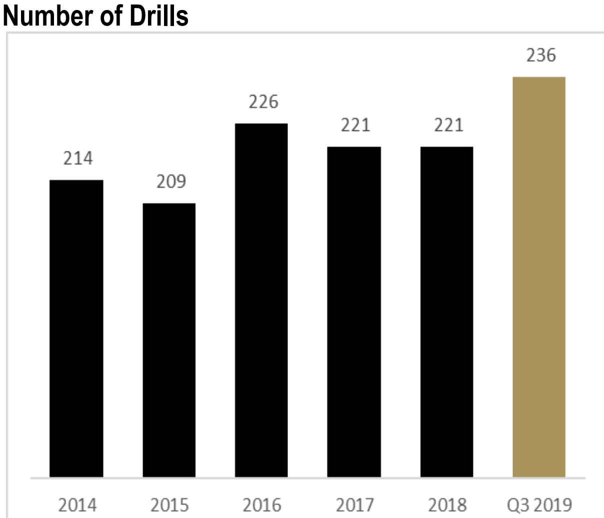
THIRD QUARTER ENDED MARCH 31 * ($millions)		Fiscal 2019 3rd Quarter (three months)	Fiscal 2018 3rd Quarter (three months)	2019 vs. 2018 Variance
Revenue *		**37.4**	43.1	**(5.7)**
Gross profit *		**3.1**	2.2	**0.9**
Gross margin (%)		**8.2**	5.2	**3.0**
Adjusted gross margin (%) (1)		**14.3**	9.8	**4.5**
Net earnings (loss) *		**(1.4)**	(1.3)	**(0.1)**
Net earnings (loss) per common share	- Basic ($)	**(0.04)**	(0.04)	**-**
	- Diluted ($)	**(0.04)**	(0.04)	**-**
EBITDA * (2)		**1.4**	0.9	**0.5**
Metres drilled		**361,642**	378,640	**(16,998)**

(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"

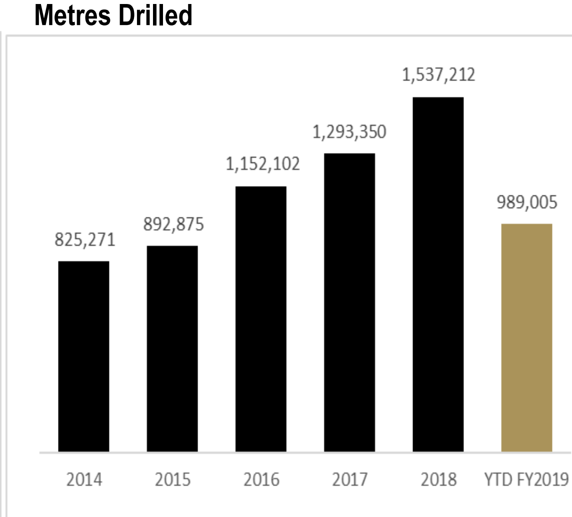
During Q3 FY2019, Orbit Garant drilled 361,642 metres, compared to 378,640 metres drilled in Q3 FY2018, reflecting a slowdown in customer demand in Canada during the quarter. The Company's average revenue per metre drilled in Q3 FY2019 was $103.27, compared to $113.56 in Q3 FY2018. The decrease in average revenue per metre drilled is primarily attributable to a lower proportion of specialized drilling activity in international markets in Q3 FY2019, compared to the same quarter a year ago.

The size of the Company's drill fleet was 236 drill rigs at the end of Q3 FY2019. During the quarter, Soudure Royale manufactured one new computerized drill rig and dismantled one conventional drill rig. Orbit Garant currently has 37 drill rigs outfitted with computerized monitoring control technology. Orbit Garant added 13 surface drill rigs to its fleet in Q2 FY2019 through its acquisition of the mineral drilling business of PPI in Burkina Faso.

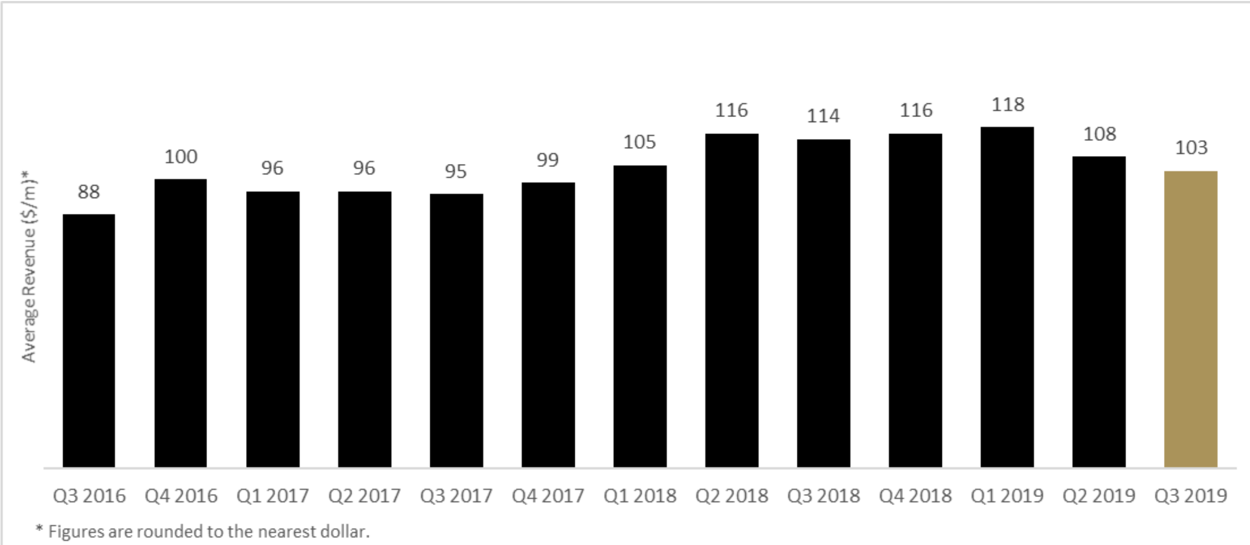
Number of Drills



Metres Drilled



Average Revenue per Metre Drilled



ANALYSIS OF THE THIRD QUARTER OF FISCAL 2019 COMPARED TO THE THIRD QUARTER OF FISCAL 2018 (Three-month period)

Contract Revenue

Revenue in Q3 FY2019 totalled $37.4 million, compared to $43.1 million in Q3 FY2018. The decrease was primarily attributable to a decline in drilling activity in Canada, reflecting lower demand from customers in the quarter.

Canada revenue was $25.1 million in Q3 FY2019, compared $30.2 million in Q3 FY2018, a decrease of $5.1 million. The decrease reflects a decline in metres drilled, partially offset by an increase in average revenue per metre drilled.

International revenue, net of intersegment revenue, was $12.3 million in Q3 FY2019, compared to $12.9 million in Q3 FY2018, a decrease of $0.6 million. International includes $7.6 million in revenue from operations in Chile during the quarter, compared to $10.3 million in Q3 FY2018. The decline in International revenue is primarily attributable to the conclusion of a large drilling contract in Chile during Q3 FY2018, partially offset by an increase in drilling activities in Burkina Faso. Increased drilling in Burkina Faso was attributable to the Company's acquisition of the mineral drilling business of PPI during Q2 FY2019.

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

Gross profit for Q3 FY2019 increased to $3.1 million, from $2.2 million in Q3 FY2018. Gross margin increased to 8.2% in Q3 FY2019, up from 5.2% in Q3 FY2018. Depreciation expenses totalling $2.3 million are included in cost of contract revenue for Q3 FY2019, compared to $2.0 million in Q3 FY2018. Adjusted gross margin, excluding depreciation expenses, increased to 14.3% in Q3 FY2019, compared to 9.8% in Q3 FY2018. The increases in gross profit, gross margin and adjusted gross margin in the quarter were primarily attributable to international operations, as the Company concluded a large, non-profitable drilling contract in Chile during Q3 FY2018 and benefitted from increased drilling activity in Burkina Faso. Orbit Garant's gross margins in Canada were impacted by a reduction in drilling volumes, higher employee-related fixed costs on a lower revenue base and lower productivity attributable to adverse weather conditions, compared to Q3 FY2018.

General and Administrative Expenses

General and administrative (G&A) expenses were $4.2 million in Q3 FY2019 (representing 11.1% of revenue) compared to $3.9 million in Q3 FY2018 (representing 9.2% of revenue). G&A expenses include $0.2 million in integration costs related to the Company's acquisition of PPI in Q2 FY2019.

Operating Results

The Company recorded an operating loss of $0.2 million for Q3 FY2019, compared to an operating loss of $0.8 million in Q3 FY2018.

Drilling Canada's operating loss totalled $1.8 million, compared to operating earnings of $0.1 million in Q3 FY2018, reflecting decreased business activity.

Drilling International's operating earnings totalled $1.6 million, compared to an operating loss of $0.9 million in Q3 FY2018. The increase reflects improved gross margins partially attributable to the conclusion of a large, non-profitable drilling contract in Chile and an increase in drilling volumes in Burkina Faso.

Foreign Exchange (Gain) Loss

Foreign exchange loss was $0.3 million in Q3 FY2019, compared to a gain of $0.3 million in Q3 FY2018.

EBITDA (see Reconciliation of non-IFRS financial measures)

Earnings before interest, taxes, depreciation and amortization ("EBITDA") totalled $1.4 million in Q3 FY2019, compared to $0.9 million in Q3 FY2018.

Financial Expenses

Interest costs related to long-term debt and bank charges were $0.6 million in Q3 FY2019, compared to $0.4 million in Q3 FY2018.

Income Tax (Recovery)

Income tax recovery was $0.6 million for Q3 FY2019, compared to income tax recovery of $0.5 million in Q3 FY2018.

Net Loss

The Company's net loss for Q3 FY2019 was $1.4 million, or $0.04 per share, compared to a net loss of $1.3 million, or $0.04 per share, in Q3 FY2018.

NINE MONTHS ENDED MARCH 31, 2019 COMPARED TO NINE MONTHS ENDED MARCH 31, 2018

NINE MONTHS ENDED MARCH 31 * ($millions)	Fiscal 2019 Nine Months	Fiscal 2018 Nine Months	2019 vs. 2018 Variance
Revenue *	**108.4**	128.6	**(20.2)**
Gross profit *	**11.6**	14.0	**(2.4)**
Gross margin (%)	**10.7**	10.9	**(0.2)**
Adjusted gross margin (%) (1)	**16.7**	15.5	**1.2**
Net earnings (loss) *	**(2.7)**	1.2	**(3.9)**
Net earnings (loss) per common share - Basic ($)	**(0.07)**	0.03	**(0.10)**
- Diluted ($)	**(0.07)**	0.03	**(0.10)**
EBITDA * (2)	**5.7**	9.2	**(3.5)**
Metres drilled	**989,005**	1,154,060	**(165,055)**

(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 $108.4 million for the nine-month period ended March 31, 2019, a decrease of $20.2 million compared to the same period in fiscal 2018. The decrease in revenue was primarily attributable to a decline in drilling activity in Canada and Chile.

Canada revenue totalled $77.8 million for the nine months ended March 31, 2019, a decrease of $12.6 million compared to the same period in the last fiscal year. The decrease was primarily attributable to a decline in metres drilled.

International revenue, net of intersegment revenue, totalled $30.6 million for the nine months ended March 31, 2019, compared to $38.2 million in the corresponding period a year ago, a decrease of $7.6 million. International includes $20.5 million in revenue from Chile, compared to $30.2 million in the comparable period a year ago. The decrease in international revenue is primarily attributable to the conclusion of a large contract in Chile, partially offset by an increase in drilling activity in Burkina Faso. The Company's increased revenue in Burkina Faso is attributable to the acquisition of the mineral drilling business of PPI in Q2 FY2019.

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

Gross profit for the first nine months of fiscal 2019 was $11.6 million, compared to $14.0 million in the corresponding period of fiscal 2018. Gross margin was 10.7% compared to 10.9% in the same period a year ago. Depreciation expenses totalling $6.5 million are included in cost of contract revenue for the nine-month period ended March 31, 2019, compared to $5.9 million for the comparable period last fiscal year. Adjusted gross margin, excluding depreciation expenses, was 16.7% for the first nine months of fiscal 2019, compared to adjusted gross margin of 15.5% for the same period last fiscal year. The decrease in gross profit and gross margin was primarily attributable to lower drilling volumes in Canada, partially offset by improved gross profit and margins in international operations, as the Company concluded a large, non-profitable drilling contract in Chile during Q3 FY2018 and benefitted from increased drilling activity in Burkina Faso.

General and Administrative Expenses

G&A expenses were $12.9 million for the nine-month period ended March 31, 2019 (representing 11.9% of revenue), compared to $12.0 million for the comparable period a year ago (representing 9.3% of revenue). The increase in G&A expenses is primarily attributable to $0.9 million of acquisition and integration costs related to PPI in Q2 FY2019.

Operating Results

Earnings from operations for the nine-month period ended March 31, 2019 were $2.1 million, compared to operating earnings of $5.0 million for the first nine months of fiscal 2018.

Drilling Canada's operating loss was $2.3 million, compared to operating earnings of $4.5 million in the first nine months of fiscal 2018, reflecting a decline in metres drilled.

Drilling International's operating earnings totalled $4.4 million, compared to operating earnings of $0.5 million in the first nine months of fiscal 2018. The increase is primarily attributable to the conclusion of a large, non-profitable drilling contract in Chile and an increase in gross margins on current contracts in Burkina Faso.

Foreign Exchange (Gain) Loss

Foreign exchange loss was $0.3 million for the nine-month period ended March 31, 2019, compared to a foreign exchange gain of $0.6 million in the first nine months of fiscal 2018.

EBITDA (see Reconciliation of non-IFRS financial measures)

EBITDA totalled $5.7 million for the nine-month period ended March 31, 2019, compared to $9.2 million in the comparable period last fiscal year. EBITDA in the first nine months of fiscal 2019 represented 5.3% of sales, compared to 7.2% of sales in the first nine months of fiscal 2018. The decline in EBITDA is primarily attributable to lower drilling volumes in Canada and to $0.9 million of acquisition and integration costs related to PPI in Q2 FY2019.

Financial Expenses

Interest costs related to long-term debt and bank charges were $1.5 million for the first nine months of fiscal 2019, compared to $1.3 million for the first nine months of fiscal 2018.

Income Tax (Recovery)

Income tax recovery was $0.5 million for the nine-month period ended March 31, 2019, compared to an income tax expense of $0.1 million for the comparable period in fiscal 2018.

Net Earnings (Loss)

Net loss for the first nine months of fiscal 2019 was $2.7 million, or $0.07 per share, compared to net earnings of $1.2 million, or $0.03 per share, in the first nine months of fiscal 2018.

SUMMARY OF QUARTERLY RESULTS

* ($millions)		Fiscal 2019			Fiscal 2018				Fiscal 2017
		March 31	**Dec 31**	**Sept. 30**	**June 30**	**Mar. 31**	**Dec. 31**	**Sept. 30**	**June 30**
Contract revenue *		**37.4**	33.7	37.3	44.5	43.1	43.0	42.5	37.4
Gross profit * (1)		**3.1**	2.9	5.6	7.5	2.2	5.1	6.7	2.4
Gross margin %		**8.2**	8.6	15.0	16.8	5.2	11.7	15.9	6.6
Net earnings (loss) *		**(1.4)**	(1.7)	0.4	3.3	(1.3)	0.8	1.7	(1.6)
Net earnings (loss) per common share ($)	- Basic	**(0.04)**	(0.04)	0.01	0.09	(0.04)	0.02	0.05	(0.05)
	- Diluted	**(0.04)**	(0.04)	0.01	0.09	(0.04)	0.02	0.05	(0.05)

(1) Includes amortization and depreciation expenses related to operations.

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), totalled $1.4 million in Q3 FY2019, compared to $0.9 million in Q3 FY2018.

The change in non-cash operating working capital items was an inflow of $1.0 million in Q3 FY2019, compared to an inflow of $1.5 million in Q3 FY2018. The change in non-cash operating working capital in Q3 FY2019 was primarily attributable to a $3.3 million increase in accounts payable and a $0.7 million decrease in inventory, partially offset by a $3.0 million increase in accounts receivable and prepaid expenses.

Investing Activities

Cash used in investing activities totalled $1.7 million in Q3 FY2019, compared to $2.7 million in Q3 FY2018. In Q3 FY2018, $1.9 million was used for the acquisition of property, plant and equipment, partially offset by a cash inflow of $0.2 million on disposal of property, plant and equipment.

Financing Activities

During Q3 FY2019, the Company generated $1.0 million from financing activities, the same amount as in Q3 FY2018.

Orbit Garant's primary sources of liquidity are cash flow from operations and borrowings under a credit facility (the "**Credit Facility**") with National Bank of Canada Inc. ("**National Bank**"). On December 12, 2018, the Company and National Bank entered into a Third Amended and Restated Credit Agreement in respect of the Credit Facility consisting of a revolving credit facility in the amount of $35 million until November 2, 2019 and $30 million thereafter and a US$5 million revolving credit facility. The current term of the Credit Facility expires November 2, 2021.

The Company repaid a net amount of $2.6 million during Q3 FY2019 on its Credit Facility, compared to a withdrawal of $2.1 million in Q3 FY2018. The Company's long-term debt under the Credit Facility, including current portion, was $24.8 million as at March 31, 2019, compared to $18.1 million as at June 30, 2018. The Company's debt was incurred to support working capital requirements, the financing of the acquisition of certain assets of PPI in Q2 FY2019 and the acquisition of capital assets, property, plant and equipment.

The Company made finance lease payments (net of proceeds from finance leases) of $0.2 million, in line with Q3 FY2018.

As at March 31, 2019, the Company's working capital was $55.3 million, compared to $53.3 million as at June 30, 2018. The Company's working capital requirements are primarily related to the funding of inventory and the financing of accounts receivable.

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 property, plant and equipment.

Sources of Financing

As at March 31, 2019, the Company complied with all covenants in the Credit Facility and in the EDC Loan Agreement.

Orbit Garant's primary sources of liquidity are cash flow from operations and borrowings under its Credit Facility. As at March 31, 2019, the Company had drawn $24.8 million ($18.1 million as at June 30, 2018) under the Credit Facility.

Availability under the main revolving facility under the 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 Credit Facility. In addition, the Company's obligations under the US$5.0 million revolving credit facility are guaranteed by Export Development Canada ("**EDC")**.

The Amended and Restated 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 Credit Facility also contains a number of financial covenants that the Company must comply with. In addition, the Credit Facility will mature no later than November 2, 2021.

On December 20, 2018 the Company entered into a Loan Agreement with Export Development Canada (the "**EDC Loan Agreement**") for a term loan in the principal amount of up to US$5,150,000 for the purposes of financing the Company's acquisition of certain assets of PPI that was completed on October 11, 2018. The Company will be required to repay this loan in 57 consecutive monthly installments as from May 2019, maturing January 2024. The Company's obligations under the EDC Loan Agreement are secured by a third ranking hypothec over all of the Company's assets. On January 21, 2019, an initial drawdown of US$2,575,000 was used to reduce the amount drawn from the Company's Credit Facility. The Company's long-term debt under EDC Loan, including current portion, was $3.4 million as at March 31, 2019.

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.

OUTSTANDING SECURITIES AS AT MAY 9, 2019

Number of common shares	37,021,756
Number of options	2,960,500
Fully diluted	39,982,256

On October 11, 2018, the Company issued 861,637 common shares in partial payment for the acquisition in Burkina Faso as described in "**Business Acquisition**". On December 5, 2018, the Company issued 500,000 options at an exercise price of $1.73. In April 2019, 13,000 options were exercised and 23,000 were cancelled.

RELATED PARTY TRANSACTIONS

Transactions with related parties

The Company is related to Dynamitage Castonguay Ltd., a company in which a director has an interest.

On February 28, 2017, the Company granted a loan maturing not 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. The loan bore interest at a rate of 4% annually and was 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 and on December 19, 2018 he repaid the balance of the loan and accrued interest for an amount of $0.7 million.

During the three and nine-month periods ended March 31, 2019, the Company entered into the following transactions with its related company and with persons related to directors:

*($thousands)	3 months ended March 31, 2019	3 months ended March 31, 2018	9 months ended March 31, 2019	9 months ended March 31, 2018
Revenue*	**80**	**77**	**241**	**274**
Expenses*	**37**	**37**	**115**	**159**

As at March 31, 2019, an amount of $0.2 million was receivable resulting from these transactions (March 31, 2018: $0.8 million).

Transactions with associate parties

During the three and nine-month periods ended March 31, 2019, the Company entered into the following transactions with its associate parties:

*($thousands)	3 months ended March 31, 2019	3 months ended March 31, 2018	9 months ended March 31, 2019	9 months ended March 31, 2018
Revenue*	**4,286**	**3,537**	**15,645**	**3,537**

As at March 31, 2019, trade and other receivables included an amount receivable of $1.7 million from one of the Company's associates (June 30, 2018: $1.5 million).

All of these related party transactions made in the normal course of business were 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, 2019	3 months ended March 31, 2018	9 months ended March 31, 2019	9 months ended March 31, 2018
Compensation*	**300**	**297**	**1,470**	**894**

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 3 to the Company's annual audited consolidated statements for the year ended June 30, 2018 were consistently applied to all periods presented, except for the adoption of new standards effective July 1, 2018 as described in Note 4. These interim condensed consolidated financial statements have not been subject to a review engagement by the Company's external auditors.

The preparation of interim condensed consolidated 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 4 of the Company's annual audited consolidated financial statements for the year ended June 30, 2018. They remained unchanged for the three and nine-month periods ended March 31, 2019, except for the business acquisition disclosed in Note 2 of these unaudited interim condensed consolidated financial statements, where estimates and assumptions were used to determine the fair value of assets acquired.

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis except for the investments, which are measured at fair value, and share-based compensation is measured in accordance with IFRS 2, Share-Based Payment. They are presented 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 2018 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 9, 2019.

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, and 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, 2019	3 months ended March 31, 2018	9 months ended March 31, 2019	9 months ended March 31, 2018
Net earnings (net loss) for the period	**(1.4)**	(1.3)	**(2.7)**	1.2
Add:				
Finance costs	**0.6**	0.4	**1.5**	1.3
Income tax expense (recovery)	**(0.6)**	(0.5)	**(0.5)**	0.1
Depreciation and amortization	**2.8**	2.3	**7.4**	6.6
EBITDA	**1.4**	0.9	**5.7**	9.2

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 expense. As a result, Management believes they provide a useful and comparable benchmark for evaluating the Company's performance.

Reconciliation of Adjusted Gross Profit and Margin

(unaudited) (in millions of dollars)	3 months ended March 31, 2019	3 months ended March 31, 2018	9 months ended March 31, 2019	9 months ended March 31, 2018
Contract revenue	**37.4**	43.1	**108.4**	128.6
Cost of contract revenue (including depreciation)	**34.4**	40.9	**96.8**	114.6
Less depreciation	**(2.3)**	(2.0)	**(6.5)**	(5.9)
Direct costs	**32.1**	38.9	**90.3**	108.7
Adjusted gross profit	**5.3**	4.2	**18.1**	19.9
Adjusted gross margin (%) (1)	**14.3**	9.8	**16.7**	15.5

(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 12, 2018. 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 of May 9, 2019, Pierre Alexandre, Vice Chairman and Vice President of Corporate Development of the Company, holds or controls, directly or indirectly, approximately 25% 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

While Orbit Garant experienced lower levels of customer demand in the last two quarters, relative to the first half of calendar 2018, management sees a positive long-term outlook for the industry. Many mining companies are facing declining reserves and production, particularly in the gold mining industry, from which Orbit Garant generates approximately two thirds of its revenue. S&P Global Market Intelligence has reported that 15 of the 20 largest gold producers had shorter reserve lives at the end of 2017 than they did 10 years ago. For the gold industry to remain viable in the long term, increased spending on exploration and mine development will be required. Management is also encouraged that gold prices and the equity valuations of gold mining companies have recovered from the levels reached in September and October of 2018, having traded above those levels throughout 2019.

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 $0.74 US dollars.

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 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, and recently expanded its operations in this region with the acquisition of the mineral drilling business of PPI in Burkina Faso. 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 37 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 is well positioned to pursue value-enhancing growth opportunities in Canada and internationally.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Effective October 11, 2018 the Company completed the acquisition of PPI. The results of PPI's operations have been included in these financial statements since the date of acquisition. However, the Company has not completed the review of the internal controls used by PPI. The Company is in the process of integrating the PPI operations and will be expanding its disclosure controls and procedures and internal controls over its financial reporting compliance program to include PPI over the next year. As a result, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have limited the scope of design of disclosure controls and procedures and testing of internal controls over financial reporting to exclude PPI controls, policies and procedures from the March 31, 2019 certification of internal controls. The acquisition date financial information for PPI is included in the discussion regarding the acquisition contained in the MD&A and Note 2 of the unaudited interim condensed consolidated financial statements.

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 nine months ended March 31, 2019, other than restrictions mentioned above, 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.