MANAGEMENT'S DISCUSSION AND ANALYSIS

THIRD QUARTER FISCAL 2020

(Three and nine-month periods ended March 31, 2020)

June 15, 2020

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, 2020; 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, 2019.

The Company's third quarter of Fiscal 2020 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 June 15, 2020. 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 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. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Risks and uncertainties that could cause actual results, performance or achievements to differ materially include the ability of the jurisdictions in which the Company operates to manage and cope with the implications of COVID-19, the impact of measures taken by such jurisdictions to control the spread of COVID-19 on the Company's operations, and the economic and financial implications of COVID-19 to the Company.

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 18, 2019, accessible via www.sedar.com

COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 to be a global pandemic. Governments responded to the COVID-19 outbreak by implementing emergency measures to minimize the spread of the illness, including the temporary shutdown of businesses deemed to be non-essential. These measures caused significant economic disruption, as well as volatility in equity markets, commodity prices and foreign exchange rates.

Orbit Garant's operations were significantly impacted by these measures beginning late in its fiscal 2020 third quarter ("Q3 FY2020"), as a number of its drilling projects were put on hold or postponed. In Quebec, as a result of the provincial government's order to minimize non-essential business activity, the Company's operations were suspended from March 24, 2020 until April 20, 2020, at which time they were permitted to resume in a gradual and supervised manner. In addition, drilling activity on certain projects in Nunavut Territory and Ontario was temporarily reduced or suspended. Orbit Garant's international drilling operations were also affected, either as a result of government restrictions or customer decisions to reduce or delay certain projects in this challenging environment.

Orbit Garant considers the health and safety of its personnel, customers, suppliers, and the communities in which it operates to be a top priority. The Company has implemented precautionary health and safety measures across its operations, based on the recommendations, or directives, issued by the public health authorities and governments in the various jurisdictions in which the Company operates.

Management has taken several measures to mitigate the economic impact of COVID-19 on its business and operations. To ensure Orbit Garant's continuing ability to meet its financial and contractual obligations, the Company has: (i) applied for government grants and subsidies made available by various governments in response to COVID-19 (ii) reworked its cost structure and postponed non-essential expenses; and (iii) made arrangements with Export Development Canada ("EDC") to temporarily suspend principal and interest payments on its loans from EDC untill October 2020 (see Note 18 in the Q3 FY2020 Financial Statements): and (iv) made arrangements with National Bank of Canada ("BNC") to modify the covenants in its senior credit facility (the "Credit Facility") applicable to Q3 FY2020 and future quarters. The Company believes that as a result of these measures it will continue to meet its obligations under its credit facilities and have sufficient resources to carry on its business operations.

Operationally, the Company has undertaken multiple initiatives to reduce costs and manage its liquidity position during the current period of reduced drilling activities. These include a significant reduction in capital expenditures, lower purchases of inventory items and a program to progressively reduce overall inventory levels. Importantly, these measures were implemented without impacting the Company's ability to ramp up its business. In addition, effective April 1, 2020, Orbit Garant's Management and Directors agreed to take a temporary 15% reduction in their remuneration to further support the Company.

As at March 31, 2020, Orbit Garant had not recorded or received any benefit related to the Canadian Emergency Wage Subsidy ("CEWS") program. The Company expects to receive and record benefits from this program in the next quarter.

The long-term impact of COVID-19 is unknown. While Management is encouraged to see governments gradually re-opening Canadian and other economies, it is uncertain if or when the Company's drilling activity will reach pre-pandemic levels. Management will continue to monitor the situation carefully. As part of its business continuity plan, the Company continues to manage its variable cost structure and cash to support its reduced level of operations during this period, while maintaining the flexibility required to resume more normalized operations as COVID-19 related restrictions are lifted, customer drilling projects are resumed and general economic conditions improve.

FISCAL 2020 THIRD QUARTER SUMMARY

- Revenue decreased 3.8% to $36.0 million in the third quarter of Fiscal 2020 ("Q3 FY2020"), compared to $37.4 million in the third quarter of Fiscal 2019 ("Q3 FY2019")
- Gross margin decreased to 3.5% from 8.2% in Q3 FY2019
- Adjusted gross margin (excluding depreciation expense)[1] was 10.2%, compared to 14.3% in Q3 FY2019
- EBITDA[1] totalled $0.4 million, compared to $1.4 million in Q3 FY2019
- Net loss was $3.4 million, or $0.09 per share, compared to net loss of $1.4 million, or $0.04 per share, in Q3 FY2019
- Metres drilled in Q3 FY2020 totalled 358,580, compared to 361,642 metres drilled in Q3 FY2019.

(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 231 drill rigs and more than 1,200 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, Argentina, Kazakhstan, Burkina Faso, Ghana and Liberia. The Company has established international operating subsidiaries in: Winnemucca, (Nevada) USA; Santiago, Chile; Buenos Aires, Argentina; 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 providing 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, 2020:

- Specialized drilling services, which typically generate a higher gross margin than conventional drilling services, accounted for approximately 45% of the Company's total revenue, compared to 60% in the first nine months of fiscal 2019.
- Approximately 69% of the Company's revenues were generated by gold related operations, and approximately 31% were generated by base metal related and other operations.
- Surface and underground drilling services accounted for approximately 57% and 43%, respectively, of the Company's revenue.
- Approximately 82% of Orbit Garant's revenue was generated from major and intermediate mining company projects, compared to 85% in the first nine months of fiscal 2019. Orbit Garant's drilling contracts with major and intermediate customers are typically from one to five years in length.

- Approximately 79% of Orbit Garant's revenue was generated from domestic drilling projects, and approximately 21% was generated from international drilling projects.

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 drilling business of Projet Production International BF S.A. ("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.

The price of gold has increased significantly in the last 12 months. At the time of this report, the spot price of gold was approximately US$1,726 per ounce, representing an increase of approximately 29% compared to a year ago and an increase of approximately 65% from its trailing five-year price low in late 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. The spot prices of aluminum, copper, lead and zinc are lower compared to 12 months ago, while the spot price of nickel is higher. The spot price for copper, the metal widely considered to be the most sensitive to macroeconomic activity, was approximately US$2.63 per pound a year ago and at the time of this report was approximately US$2.59 per pound, a slight decline of 1.5%. The spot prices of copper and nickel are currently near the mid-points of their respective trailing five-year price ranges, while the spot prices of aluminum, lead and zinc are currently near the lower end of their respective trailing five-year price ranges.

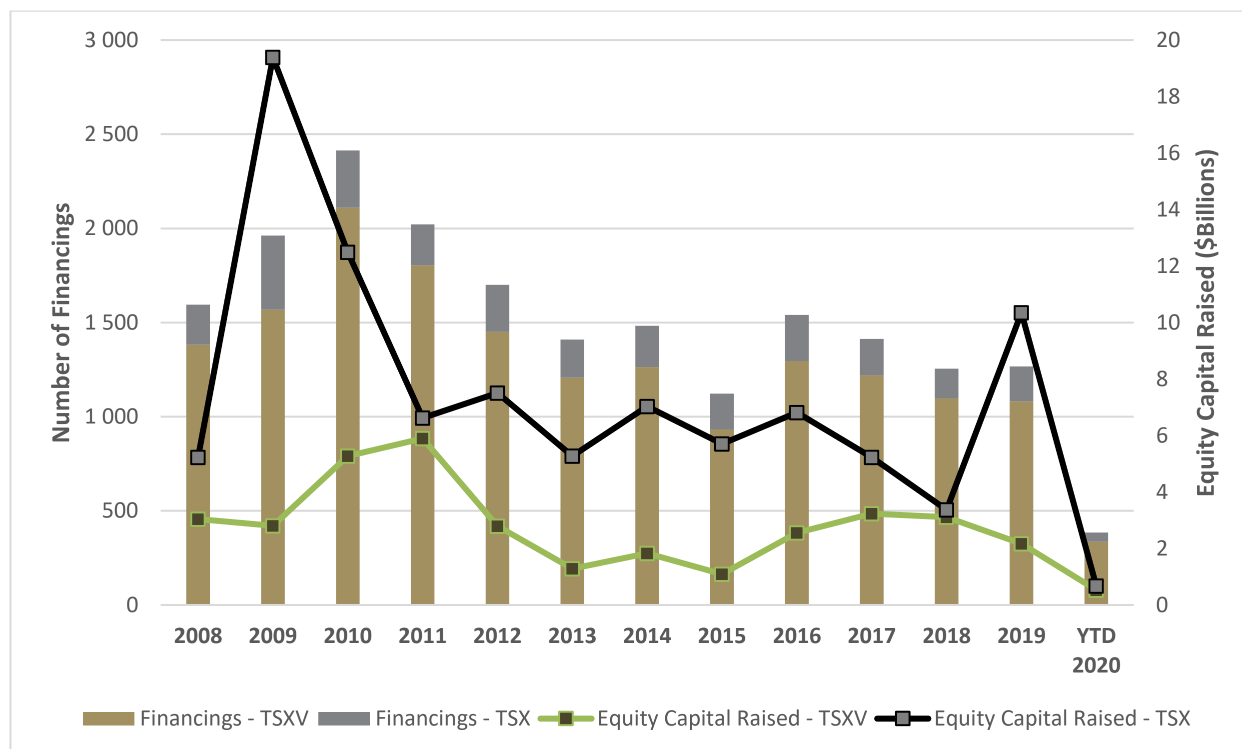
Iron Ore

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$103 per tonne, compared to approximately US$106 per tonne one year ago. The spot price of iron ore is currently above the mid-point of its trailing five-year price range, but below the trailing five-year high of US$123 per tonne.

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. While the mining sector as a whole is currently in a stronger position compared to the start of the recovery, the recent performance of the sector has been mixed. The price of gold has strengthened in the last 12 months, recently trading at its highest levels since 2012. Accordingly, the share valuations of gold mining companies have increased significantly, as reflected by the approximately 54% year-over-year increase in the S&P/TSX Global Gold Index (June 12, 2019 to June 12, 2020). However, the performance of the base metals has been weaker during the same period, and the stock performance of base metal mining companies has generally lagged gold mining companies. During March 2020, base metal prices declined sharply as the COVID-19 pandemic negatively impacted the global economy, though prices have subsequently rebounded from the lows reached during that month. The S&P/TSX Global Base Metals Index was down approximately 18% from June 12, 2019 to June 12, 2020.

TSX / TSX-V Mining Sector Financings (2008 to the four months ended April 30, 2020)



While mining financing activity was stronger in the first four calendar months of 2020 compared to the same period in 2019, it was weaker than the comparable periods in 2018 and 2017. According to TMX Group, mining companies listed on the Toronto Stock Exchange ("TSX") and the TSX-Venture Exchange ("TSX-V") completed 385 financings in the first four months of 2020 that raised a cumulative $1.2 billion. In the same period in 2019, these firms completed 353 financings that raised $851 million. By comparison, there were 448 mining financings that raised $2.9 billion in the first four months of 2018, and 505 mining financings that raised $2.6 billion in the first four months of 2017, according to TMX Group.

A report from S&P Global Market Intelligence Metals and Mining Research (May 2020) stated that global mining financing totaled US$376 million in April 2020, an increase of 21% compared to US$311 million in March 2020. S&P noted that junior and intermediate mining firms were able to raise funds during the month despite the global shutdown of national economies due to the COVID-19 pandemic. Three of the five largest mining financings of 2020 were completed in April, and all of them were completed by companies not yet in production.

According to research from S&P Global Market Intelligence's World Exploration Trends 2019 report (March 2020), global exploration budgets for nonferrous metals were an estimated $9.8 billion in 2019. That represents a decline of 3% compared to 2018, an increase of 15% compared to 2017, and an increase of 36% compared to 2016. The annual increases in global nonferrous exploration budgets in 2017 and 2018 followed four consecutive years of declining expenditures. S&P expects global exploration budgets for nonferrous metals to remain relatively flat in 2020 compared to 2019, with gains in gold exploration spending likely to be offset by a decline in exploration for other commodities.

OVERALL PERFORMANCE

Results of operations for the third quarter ended March 31, 2020

THIRD QUARTER ENDED MARCH 31 * ($millions)	Fiscal 2020 3rd Quarter	Fiscal 2019 3rd Quarter	2020 vs. 2019 variance
Revenue *	**36.0**	37.4	**(1.4)**
Gross profit *	**1.3**	3.1	**(1.8)**
Gross margin (%)	**3.5**	8.2	**(4.7)**
Adjusted gross margin (%) (1)	**10.2**	14.3	**(4.1)**
Net loss*	**(3.4)**	(1.4)	**(2.0)**
Net loss per common share - Basic ($)	**(0.09)**	(0.04)	**(0.05)**
- Diluted ($)	**(0.09)**	(0.04)	**(0.05)**
EBITDA * (2)	**0.4**	1.4	**(1.0)**
Metres drilled	**358,580**	361,642	**(3,062)**

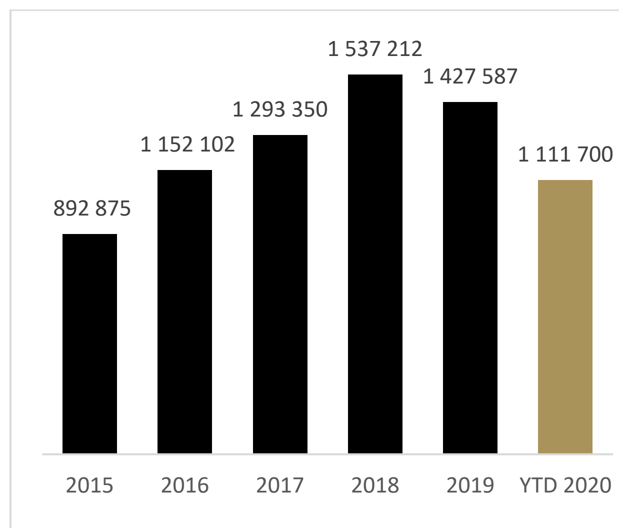
(1) Reflects gross margin, excluding depreciation expenses. See "Reconciliation of non-IFRS financial measures"
(2) EBITDA = Earnings before interest, taxes, depreciation and amortization. See "Reconciliation of non-IFRS financial measures"

Beginning in mid-March 2020, the Company's operations were negatively impacted by the COVID-19 pandemic, as activity on some projects was reduced, while some projects were suspended. The pandemic impacted all regions in which the Company operates. In Quebec, all drilling activity was suspended between March 24, 2020 and April 20, 2020 as a result of the provincial government's order to minimize non-essential business activity. In addition, drilling activity on certain projects in Nunavut Territory, Ontario, and the Company's international operations was reduced or temporarily suspended. Orbit Garant's international drilling operations were also adversely affected, either as a result of government restrictions or customer decisions to reduce or delay certain projects in this challenging environment. The Company did not record or receive any benefits related to the CEWS program in Q3 FY2020, but expects to receive and record a benefit from this program in the next quarter.

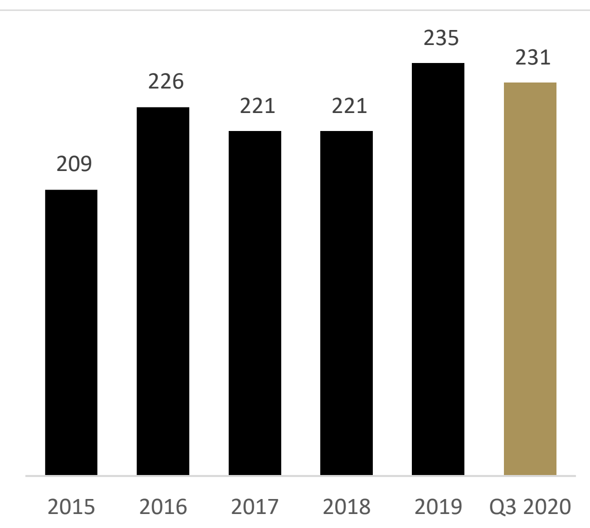
During Q3 FY2020, Orbit Garant drilled 358,580 metres, compared to 361,642 metres drilled in Q3 FY2019. The Company's average revenue per metre drilled in Q3 FY2020 was $100.26, compared to $103.27 in Q3 FY2019. The decrease in average revenue per metre drilled is primarily attributable to a decrease in international specialized drilling activity during Q3 FY2020, primarily due to the completion of a large drilling contract in Chile during the fourth quarter of fiscal 2019 and decreased drilling activity in Burkina Faso and Ghana.

Orbit Garant had 231 drill rigs as at March 31, 2020. During the quarter, Soudure Royale manufactured one new computerized drill rig and two conventional drill rigs. Four conventional drill rigs were dismantled and one was sold. Orbit Garant currently has 43 drill rigs outfitted with its computerized monitoring and control technology.

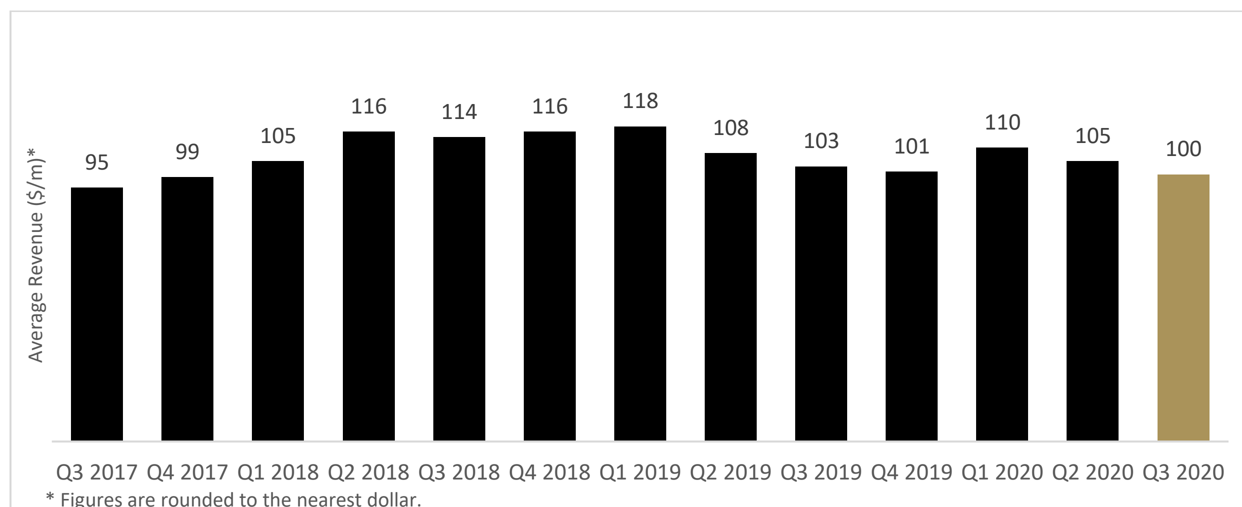
Metres Drilled



Number of Drills



Average Revenue per Metre Drilled



ANALYSIS OF THE THIRD QUARTER OF FISCAL 2020 COMPARED TO THE THIRD QUARTER OF FISCAL 2019

Contract Revenue

Revenue in Q3 FY2020 totalled $36.0 million, a decrease of $1.4 million, or 3.8%, from $37.4 million in Q3 FY2019. The decline was primarily attributable to a decrease in international drilling activity, partially offset by an increase in metres drilled in Canada. Beginning in mid-March 2020, the Company's operations were impacted by the COVID-19 pandemic, resulting in reduced drilling activity at certain projects and temporary shutdowns of others.

Canada revenue totalled $28.6 million in Q3 FY2020, an increase of $3.5 million, or 13.7%, from $25.1 million in Q3 FY2019. The increase was attributable to an increase in metres drilled, despite the impact of COVID-19 beginning in mid-March. The month of March is typically a very good one for drilling activity in Canada. In fact, despite the impact of COVID-19 in the second half of March, the Company's revenue in Canada was up 13.7% from the prior year period.

International revenue totalled $7.4 million in Q3 FY2020, compared to $12.3 million in Q3 FY2019, a decrease of $4.9 million. The decrease was primarily attributable to lower revenue in Chile ($4.2 million in Q3 FY2020 compared to $7.6 million in Q3 FY2019), resulting from the completion of a multi-year contract in the fourth quarter of fiscal 2019, and lower revenue in Burkina Faso and Ghana attributable to lower drilling activity. The Company believes that the recent civil protests in Chile, regional security concerns in Burkina Faso, and the impact of COVID-19 beginning in mid-March resulted in delays or interruptions to drilling projects in these countries during Q3 FY2020.

Gross Profit and Margins (see Reconciliation of non-IFRS financial measures)

Gross profit for Q3 FY2020 was $1.3 million, compared to $3.1 million in Q3 FY2019. Gross margin was 3.5%, compared to 8.2% in Q3 FY2019. Depreciation expenses totalling $2.4 million are included in cost of contract revenue for Q3 FY2020, compared to $2.3 million in Q3 FY2019. Adjusted gross margin, excluding depreciation expenses, was 10.2% in Q3 FY2020, compared to 14.3% in Q3 FY2019. The decline in gross profit, gross margin and adjusted gross margin was primarily attributable to the completion of a large drilling contract in Chile during the fourth quarter of fiscal 2019, decreased drilling activity in Burkina Faso and Ghana, and the impact of COVID-19 beginning in mid-March. Gross margin was also negatively impacted by demobilization costs attributable to the termination of two large contracts during Q3 FY2020.

General and Administrative Expenses

General and administrative (G&A) expenses were $4.0 million (representing 11.1% of revenue) in Q3 FY2020, compared to $4.2 million (representing 11.1% of revenue) in Q3 FY2019. G&A expenses in Q3 FY2019 included $0.2 million of acquisition and integration costs related to the acquisition of the drilling business of PPI in Burkina Faso. There were no such costs in Q3 FY2020.

Operating Results

Loss from operations for Q3 FY2020 was $2.0 million, compared to an operating loss of $0.2 million in Q3 FY2019.

Drilling Canada's operating loss was $0.5 million, compared to an operating loss of $1.8 million in Q3 FY2019, reflecting increased business activity.

Drilling International's operating loss was $1.5 million, compared to operating earnings of $1.6 million in Q3 FY2019. The operating loss is primarily attributable to decreased specialized drilling activity.

Foreign Exchange Gain (Loss)

Foreign exchange gain was $0.3 million in Q3 FY2020, compared to a foreign exchange loss of $0.3 million in Q3 FY2019.

EBITDA (see Reconciliation of non-IFRS financial measures)

Earnings before interest, taxes, depreciation and amortization ("EBITDA") totalled $0.4 million in Q3 FY2020, compared to $1.4 million in Q3 FY2019.

Financial Expenses

Interest costs related to long-term debt, lease liabilities and bank charges were $0.7 million in Q3 FY2020, compared to $0.6 million in Q3 FY2019.

Income Tax (Recovery)

Income tax expense was $0.2 million for Q3 FY2020, compared to income tax recovery of $0.6 million in Q3 FY2019. Tax expense for Q3 FY2020 was impacted by non-affected losses.

Net Loss

The Company's net loss for Q3 FY2020 was $3.4 million, or $0.09 per share, compared to a net loss of $1.4 million, or $0.04 per share, in Q3 FY2019. Lower gross profit and margins in international operations, as discussed above, contributed to the Company's increased net loss for Q3 FY2020.

NINE MONTHS ENDED MARCH 31, 2020 COMPARED TO NINE MONTHS ENDED MARCH 31, 2019

NINE MONTHS ENDED MARCH 31 * ($millions)	Fiscal 2020 Nine Months	Fiscal 2019 Nine Months	2020 vs. 2019 Variance
Revenue *	**117.6**	108.4	**9.2**
Gross profit *	**10.6**	11.6	**(1.0)**
Gross margin (%)	**9.0**	10.7	**(1.7)**
Adjusted gross margin (%) (1)	**15.1**	16.7	**(1.6)**
Net loss *	**(4.6)**	(2.7)	**(1.9)**
Net loss per common share - Basic ($)	**(0.12)**	(0.07)	**(0.05)**
- Diluted ($)	**(0.12)**	(0.07)	**(0.05)**
EBITDA * (2)	**6.5**	5.7	**0.8**
Metres drilled	**1,111,700**	989,005	**122,695**

(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 $117.6 million for the nine-month period ended March 31, 2020, an increase of $9.2 million, or 8.5%, compared to $108.4 million for the comparable period in fiscal 2019. The increase in revenue was primarily attributable to growth in drilling activity in Canada. Beginning in mid-March 2020, the Company's operations were impacted by the COVID-19 pandemic, resulting in reduced drilling activity at certain projects and temporary shutdowns of others.

Canada revenue totalled $92.6 million for the first nine months of fiscal 2020, an increase of $14.8 million, or 19.0%, compared to $77.8 million for the same period last fiscal year. The increase was primarily attributable to an increase in metres drilled.

International revenue totalled $25.0 million for the nine months ended March 31, 2020, compared to $30.6 million in the comparable period last fiscal year, a decrease of $5.6 million. International includes $13.4 million of revenue from Chile, compared to $20.5 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, and also reflects a decline in drilling activity in Burkina Faso and Ghana, partially offset by increased drilling activity in Guyana and Argentina.

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

Gross profit for the first nine months of fiscal 2020 was $10.6 million, compared to $11.6 million in the comparable period in fiscal 2019. Gross margin was 9.0%, compared to 10.7% for the same period a year ago. Depreciation expenses totalling $7.1 million are included in cost of contract revenue for the first nine months of fiscal 2020, compared to $6.5 million for the corresponding period last fiscal year. Adjusted gross margin, excluding depreciation expenses, was 15.1% for the first nine months of fiscal 2020, compared to adjusted gross margin of 16.7% for the comparable period last fiscal year. The decrease in gross profit, gross margin and adjusted gross margin was primarily attributable to a decline in international specialized drilling activity, partially offset by increased drilling activity in Canada.

General and Administrative Expenses

G&A expenses were $12.5 million (representing 10.7% of revenue) for the nine-month period ended March 31, 2020, compared to $12.9 million (representing 11.9% of revenue) for the comparable period a year ago. G&A expenses for the first nine months of fiscal 2019 included $0.9 million attributable to acquisition and integration costs related to PPI, compared to $0.9 million for the first nine months of fiscal 2020.

Operating Results

Earnings from operations for the nine-month period ended March 31, 2020 were $1.1 million, compared to operating earnings of $2.1 million for the first nine months of fiscal 2019.

Drilling Canada's operating earnings totalled $4.8 million, compared to an operating loss of $2.3 million in the comparable period in fiscal 2019, reflecting an increase in metres drilled.

Drilling International's operating loss was $3.7 million, compared to operating earnings of $4.4 million in the first nine months of fiscal 2019. The operating loss for the first nine months of fiscal 2020 is primarily attributable to a decrease in specialized drilling activity.

Foreign Exchange Gain (Loss)

Foreign exchange gain was negligible for the nine-month period ended March 31, 2020, compared to a foreign exchange loss of $0.3 million in the first nine months of fiscal 2019.

EBITDA (see Reconciliation of non-IFRS financial measures)

EBITDA was $6.5 million for the nine-month period ended March 31, 2020, compared to $5.7 million in the comparable period last fiscal year. EBITDA in the first nine months of fiscal 2020 represented 5.5% of sales, compared to 5.3% of sales in the first nine months of fiscal 2019.

Financial Expenses

Interest costs related to long-term debt, lease liabilities and bank charges were $2.1 million for the first nine months of fiscal 2020, compared to $1.5 million during the comparable period last fiscal year.

Income Tax (Recovery)

Income tax expense was $0.6 million in the nine-month period ended March 31, 2020, compared to an income tax recovery of $0.5 million for the comparable period in fiscal 2019.

Net Loss

Net loss for the first nine months of fiscal 2020 was $4.6 million, or $0.12 per share, compared to a net loss of $2.7 million, or $0.07 per share, for the first nine months of fiscal 2019.

SUMMARY OF QUARTERLY RESULTS

* ($millions)		Fiscal 2020			Fiscal 2019				Fiscal 2018
		Mar. 31	Dec . 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30
Contract revenue *		**36.0**	38.3	43.3	44.4	37.4	33.7	37.3	44.5
Gross profit * [1]		**1.3**	2.4	6.9	4.7	3.1	2.9	5.6	7.5
Gross margin %		**3.5**	6.3	16.0	10.6	8.2	8.6	15.0	16.8
Net earnings (loss) *		**(3.4)**	(2.4)	1.1	(0.8)	(1.4)	(1.7)	0.4	3.3
Net earnings (loss) per common share ($)	- Basic	**(0.09)**	(0.06)	0.03	(0.02)	(0.04)	(0.04)	0.01	0.09
	- Diluted	**(0.09)**	(0.06)	0.03	(0.02)	(0.04)	(0.04)	0.01	0.09

[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 paid and income taxes paid), was $0.5 million in Q3 FY2020, compared to $1.4 million in Q3 FY2019.

The change in non-cash operating working capital items was an inflow of $2.5 million in Q3 FY2020, compared to an inflow of $1.0 million in Q3 FY2019. The change in non-cash operating working capital in Q3 FY2020 was primarily attributable to a $1.1 million increase in accounts payable and a $1.5 million decrease in inventory, partially offset by a $0.1 million increase in accounts receivable and prepaid expenses.

Investing Activities

Cash used in investing activities totalled $2.7 million in Q3 FY2020, compared to $1.7 million in Q3 FY2019. During Q3 FY2020, $2.8 million was used for the acquisition of property, plant and equipment, partially offset by a cash inflow of $0.1 million on disposal of investments, property, plant and equipment. In Q3 FY2019, $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 investments, property, plant and equipment.

Financing Activities

During Q3 FY2020, the Company generated $0.8 million from financing activities, compared to $1.0 million in Q3 FY2019.

Orbit Garant's primary sources of liquidity are cash flows from operations and borrowings under the Credit Facility. On December 12, 2018, the Company and National Bank entered into a Third Amended and Restated Credit Agreement in respect of the Credit Facility and on June 28, 2019 the Company and National Bank entered into an amendment to the Third Amended and Restated Credit Agreement. Pursuant to the Third Amended and Restated Credit Agreement, as amended, the Credit Facility consists of a $35.0 million revolving credit facility and a US$5.0 million revolving credit facility guaranteed by EDC. The current term of the Credit Facility expires on November 2, 2021. Further amendments to the Third Amended and Restated Credit Agreement were executed in March and June 2020 to modify certain of the financial covenants

The Company withdrew a net amount of $1.5 million during Q3 FY2020 on the Credit Facility, compared to a repayment of $2.6 million in Q3 FY2019. The Company's long-term debt under the Credit Facility, including US$1.0 million ($1.4 million) from the US$5.0 million revolving facility and the current portion, was $31.9 million as at March 31, 2020, compared to $25.3 million as at June 30, 2019. This increase was incurred to support working capital requirements and the acquisition of capital assets, property, plant and equipment.

As at March 31, 2020, the Company's working capital was $56.0 million, compared to $55.1 million as at June 30, 2019. 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 flows 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, 2020, 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 flows from operations and borrowings under its Credit Facility. As at March 31, 2020, the Company had drawn $31.9 million ($25.3 million as at June 30, 2019) 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 EDC.

The 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 on November 2, 2021.

On December 20, 2018 Orbit Garant entered into an additional loan agreement with EDC for a term loan in the principal amount of up to US$5,150,000 for the purposes of financing the acquisition of certain assets of PPI that was completed on October 11, 2018 (the "EDC Loan"). Orbit Garant is required to repay this loan in 57 consecutive monthly installments commencing May 2019, and maturing January 2024. The Company's obligations under the EDC Loan are secured by a third ranking hypothec over all of Orbit Garant'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. Orbit Garant's long-term debt under the EDC Loan, including the current portion, amounted to $6.2 million as at March 31, 2020 ($3.2 million as at June 30, 2019). On October 9, 2019, Orbit Garant withdrew an amount of $3.4 million (US$2,575,000) to fund the final payment in connection with the acquisition of certain assets of PPI.

On April 23, 2020, the Company and EDC made arrangements whereby, among other things, all payments of principal and interest under the EDC loans were deferred until October 16, 2020 and therefore the terms of these loans were extended by six months.

In May 2020, Orbit Garant Chile S.A., a wholly owned subsidiary of the Company, obtained two loans totaling CLP$1,000 million (approximately $1.7 million) from Banco Scotiabank. The loans bear interest at a rate of 3.5% per annum, have a term of 36 months and are 70% guaranteed by the Chilean government as part of a government program in response to COVID-19. The loans have no capital repayments for the first six months and the interest over such period will be capitalized over the remaining period of the loans.

Orbit Garant believes that it will continue to meet its obligations under its credit facilities and have sufficient resources to carry on its business operations.

OUTSTANDING SECURITIES AS AT JUNE 15, 2020

Number of common shares	**37,021,756**
Number of options	**3,270,500**
Fully diluted	**40,292,256**

On December 4, 2019, the Company issued 696,000 options at an exercise price of $0.90 per share. During FY2020, 386,000 options were cancelled.

RELATED PARTY TRANSACTIONS

Transactions with related parties

The Company is related to Dynamitage Castonguay Ltd. ("Dynamitage"), a company in which one of Orbit Garant's directors has an interest.

During the three and nine-month periods ended March 31, 2020 and 2019, Orbit Garant entered into the following transactions with Dynamitage and with persons related to directors:

*($thousands)	3 months ended March 31, 2020	3 months ended March 31, 2019	9 months ended March 31, 2020	9 months ended March 31, 2019
Revenue*	12	80	45	241
Expenses*	37	37	112	115

As at March 31, 2020, a negligible amount was receivable resulting from these transactions (June 30, 2019, $0.1 million).

All of these related party transactions made in the normal course of business are 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 for the three and nine-month periods ended March 31, 2020 amounted to $0.3 million and $1.1 million, respectively ($0.3 million and $1.5 million, respectively, for the three and nine-month periods ended March 31, 2019).

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, 2019 were consistently applied to all periods presented, except for the adoption of new standards effective July 1, 2019 as described 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, 2019. They remained unchanged for the three and nine-month periods ended March 31, 2020.

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, which 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 2019 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 June 15, 2020.

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.

STANDARDS AND INTERPRETATIONS ADOPTED

The following standards and amendments to existing standards have been adopted by the Company on July 1, 2019:

IFRS 16 – Leases

The Company adopted IFRS 16, which replaces IAS 17, for its annual period beginning July 1, 2019 using the modified retrospective approach whereby no restatement of comparative periods is required. Under IAS 17, leases of property, plant and equipment were recognized as finance leases when substantially all the risks and rewards of ownership of underlying assets were transferred. All other leases were classified as operating leases. IFRS 16 requires lessees to recognize right-of-use assets, representing its right to use the underlying asset, and lease liabilities, representing its obligation to make payments. Right-of-use assets are initially measured at cost, comprised of the initial measurement of the corresponding lease liabilities, lease payments made on or before the commencement date and any initial direct costs incurred, less any lease incentives received. They are subsequently depreciated on a straight-line basis and reduced by impairment losses, if any. If it is reasonably certain that the Company will exercise the purchase options, the underlying asset is depreciated on the basis of its estimated useful life. Right-of-use assets may also be adjusted to reflect the re-measurement of related lease liabilities. Lease liabilities are initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index and the exercise price of a purchase option reasonably certain to be exercised. Subsequently, the lease liability is measured at amortized cost using the effective interest method and adjusted for interest and lease payments.

Impact on transition to IFRS 16 – Leases

Upon adoption of IFRS 16, assets under finance leases were reclassified from property, plant and equipment to right-of-use assets and related obligations under finance leases were reclassified from long-term debt to lease liabilities, at

the carrying amounts measured under IAS 17 as at June 30, 2019. Right-of-use assets and lease liabilities for these assets previously classified as finance leases are recognized in accordance with the requirements of IFRS 16 starting July 1, 2019.

On transition, the Company elected to measure the right-of-use asset at an amount equal to the lease liability (subject to certain adjustments) for leases classified as operating leases under IAS 17. As a result, the Company recorded lease liabilities of $4.6 million and right-of-use assets of $4.5 million, net of the deferred lease inducements of $0.1 million, including leases previously recognized as finance leases under IAS 17. As permitted by IFRS 16, the Company elected not to recognize lease liabilities and right-of-use assets for short-term leases (lease term of 12 months of less) and leases of low-value assets. The Company also used hindsight to determine the lease term where the contract contains purchase, extension, or termination options and relied on the assessment of the onerous lease provisions under IAS 37 Provisions, contingent liabilities and contingent assets, instead of performing an impairment review.

IFRIC 23 – Uncertainty over Income Tax Treatments

This interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation is applicable for annual periods beginning on or after January 1, 2019. The interpretation requires an entity to (i) contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (ii) reflect an uncertainty in the amount of income tax payable (recoverable) if it is probable that it will pay (or recover) an amount for the uncertainty; and (iii) measure a tax uncertainty based on the most likely amount or expected value depending on whichever method better predicts the amount payable (recoverable). The adoption of IFRIC 23 did not have an impact on the Company's interim condensed consolidated financial statements.

IAS 29 – Financial Reporting in Hyperinflationary Economies

Argentina was designated a hyper-inflationary economy as of July 1, 2018 for accounting purposes as a result of various qualitative factors with respect to the economic environment. Entities reporting under IFRS are required to apply the inflation adjustment since the applicable conditions for such application have been satisfied. The Company's subsidiary in Argentina uses the Argentine peso as its functional currency and therefore IAS 29 has been applied to these interim condensed consolidated financial statements.

IAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be adjusted based on an appropriate general price index to express the effects of inflation and shall be stated in terms of the measuring unit current at the end of the reporting period. All non-monetary assets and liabilities must be adjusted for inflation to reflect their purchasing power at the reporting date. Likewise, the statement of comprehensive income (income statement and other items of comprehensive income) must be restated to adjust for the inflation recorded over the period. Monetary items do not need to be restated, since they already reflect their purchasing power at the reporting date.

The Argentine subsidiary has elected to use the combined index from the Wholesale Price Index (Indice de Precios Mayoristas or "IPIM") and the National Consumer Price Index (Indice de Precios al Consumidor Nacional or "IPC") as published by the National Institute of Statistics and Census of the Republic of Argentina (INDEC) to measure the impact of inflation on its financial position and results. The cumulative adjusting factor from September 1st, 2019 through March 31st, 2020 was 27.5%.

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: 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, 2020	3 months ended March 31, 2019	9 months ended March 31, 2020	9 months ended March 31, 2019
Net earnings (net loss) for the period	**(3.4)**	(1.4)	**(4.6)**	(2.7)
Add:				
Finance costs	**0.7**	0.6	**2.1**	1.5
Income tax expense (recovery)	**0.2**	(0.6)	**0.6**	(0.5)
Depreciation and amortization	**2.9**	2.8	**8.4**	7.4
EBITDA	**0.4**	1.4	**6.5**	5.7

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, 2020	3 months ended March 31, 2019	9 months ended March 31, 2020	9 months ended March 31, 2019
Contract revenue	**36.0**	37.4	**117.6**	108.4
Cost of contract revenue (including depreciation)	**34.7**	34.4	**107.0**	96.8
Less depreciation	**(2.4)**	(2.3)	**(7.1)**	(6.5)
Direct costs	**32.3**	32.1	**99.9**	90.3
Adjusted gross profit	**3.7**	5.3	**17.7**	18.1
Adjusted gross margin (%) [(1)]	**10.2**	14.3	**15.1**	16.7

[(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 18, 2019. 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.

COVID-19

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises, including COVID-19.

COVID-19 negatively affected the Company and its customers in Q3 2020, and further spreading of the infection could continue to impact customers, vendors, suppliers and other counterparties and materially impact the Company's business, operations and financial condition. The extent to which COVID-19 impacts the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the COVID-19 outbreak. In particular, the continued spread of COVID-19 or a resurgence of infections in jurisdictions that have previously controlled the pandemic could result in a slowdown or temporary suspension in operations or a re-imposition of restrictions on the operation of non-essential services.

The risks to the Corporation's business include, without limitation, the risk of breach of material contracts and customer agreements, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, prolonged restrictive measures put in place in order to control an outbreak of contagious disease or other adverse public health developments in Canada or any of the markets in which the Company operates and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the Company's business, financial condition and results of operations.

There can be no assurance that the Company will not ultimately see its workforce productivity reduced or that the Company will not incur increased medical costs / insurance premiums as a result of these health risks. Under the circumstances the Company or its customers, suppliers and other counterparties may be forced to declare force majeure on certain contracts. In addition, the coronavirus pandemic could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for drilling services, the Company's prospects and its ability to achieve its objectives. The Company continues to monitor the situation and the impact COVID-19 may have on its business.

OUTLOOK

Orbit Garant continues to monitor market conditions in the mining sector and the impact of COVID-19 on its business. The COVID-19 pandemic is expected to have a continuing negative impact on the Company's business in the near term. While Orbit Garant is now gradually ramping back up its operations in Canada, the Company's operations continue to be restricted in its international markets. It is currently unclear if or when Orbit Garant's drilling activity will reach pre-pandemic levels.

While market conditions may fluctuate in the near term, Management believes that the longer-term outlook for drilling in the gold industry is positive, as many mining companies are facing declining reserves. Accordingly, increased spending on exploration and new mine development will be required for the industry to remain viable in the long term as the reserves at existing mines are being depleted. S&P Global Market Intelligence forecasts lower global gold

production beyond 2022 due to declining reserves and expects that by 2024 more than 15% of global gold production will come from mines that are not yet in production. With the price of gold currently at its highest levels since 2012, combined with declining reserves, many mining companies will be incentivized to increase exploration and development spending on gold projects. Orbit Garant is well positioned for increased drilling services demand in the gold sector as it derives approximately 70% of its revenue from gold related projects.

Orbit Garant generated 79% of its revenue from its Canadian operations in the first nine months of fiscal 2020. S&P Global Market Intelligence forecasts that Canada is the only major gold-producing country in the world in which output is expected to increase significantly over the next five years. As such, Orbit Garant is well positioned to benefit from the positive outlook for the gold mining sector in Canada. 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 believes the current global economic downturn caused by COVID-19 could have a further negative impact on demand and prices for base metals, including copper. However, Management is encouraged by the recent rebound in the copper price, which has increased by approximately 23% from its low of US$2.10 per pound in March 2020. Many industry analysts expect that declining copper reserves may necessitate increased exploration activity for copper in the coming years.

Orbit Garant has operating subsidiaries in active international mining markets, including Argentina, Burkina Faso, Chile, Ghana, Guyana and Peru. These international operations provide enhanced market, customer and commodity diversification and have provided the Company with increased access to higher margin specialized drilling activity. In South America, Orbit Garant is currently working on projects in Chile, Guyana and Argentina. In West Africa, the Company is currently working on projects in Burkina Faso and Ghana.

While Management remains positive about the long-term outlook for its international markets, the recent political volatility and civil unrest in Chile and regional security concerns in Burkina Faso resulted in the delay or interruption of certain mineral drilling projects in these countries during the Company's 2020 fiscal year. This was prior to the COVID-19 pandemic, which disrupted most of the Company's remaining mineral drilling projects in these countries. While the political situation in Chile remains uncertain, the Company believes that the impact of the situation on mineral drilling projects has now diminished. While Orbit Garant's drilling projects in Burkina Faso are in areas of the country that have historically experienced less incidents of violence, Management believes that mineral drilling activity across the country are now impacted by security concerns. The Company continues to monitor the situation in Burkina Faso and is actively seeking drilling projects in other jurisdictions in West Africa. Orbit Garant's policy is to only work in areas where the security of its employees can be appropriately maintained. Management continues to closely monitor developments in both Burkina Faso and Chile.

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 43 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.

Management will remain focused on maximizing stakeholder value by: managing its variable cost structure and cash, optimizing its drill rig utilization, increasing productivity rates, continuing to focus on technology innovation, retaining key personnel, and maintaining strong health and safety standards, as it gradually ramps up its operations in the jurisdictions that have lifted COVID-19 related restrictions. Orbit Garant will also continue to evaluate opportunities to further expand its market presence both in Canada and abroad. As COVID-19 related restrictions are lifted, customer drilling projects are resumed and general economic conditions improve, the Company believes that it is positioned for long-term success.

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 nine months ended March 31, 2020, 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.