MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR END AND FOURTH QUARTER
FISCAL 2022

September 20, 2022

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 audited consolidated financial statements for the fiscal years ended June 30, 2022 ("Fiscal 2022") and June 30, 2021 ("Fiscal 2021") and the notes thereto which are available on the SEDAR website at www.sedar.com.

The Company's Fiscal 2022 audited 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 September 20, 2022. 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 20, 2022, accessible via www.sedar.com.

COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a global pandemic. Governments responded by implementing emergency measures to minimize the spread of the virus, 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, as a number of its drilling projects were put on hold or postponed.

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 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 took several measures to mitigate the economic impact of COVID-19 on its business and implemented multiple initiatives to reduce costs and manage its liquidity position during the period in which drilling activities were reduced.

Activity levels have now returned to pre-pandemic levels in most regions the Company operates in. Management continues to closely monitor the impact of the pandemic in the jurisdictions in which it operates. As part of its business continuity plan, Orbit Garant continues to manage its variable cost structure and cash prudently, while maintaining the flexibility required to adapt to any potential increase in COVID-19 related business restrictions.

FISCAL 2022 SUMMARY

- Revenue totalled $195.5 million, an increase of 19.7% compared to $163.3 million in Fiscal 2021
- Gross margin decreased to 7.0 % from 12.4% in Fiscal 2021
- Adjusted gross margin(1) (excluding depreciation expense) decreased to 12.2% from 17.9% in Fiscal 2021
- EBITDA(1) totalled $10.0 million, compared to $17.6 million in Fiscal 2021
- Net loss was $6.6 million, compared to net earnings of $2.3 million in Fiscal 2021; and
- Metres drilled totalled 1,813,999 compared to 1,661,396 metres drilled in Fiscal 2021

(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 217 drill rigs and approximately 1,400 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 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 Guinea. The Company has established international operating subsidiaries in: Winnemucca (Nevada), U.S.A.; Santiago, Chile; Georgetown, Guyana; Ouagadougou, Burkina Faso; Takoradi, Ghana and in Conakry, Guinea, to support its international operations.

Orbit Garant has a comprehensive infrastructure with vertically integrated manufacturing capabilities. The Company manufactures custom drill rigs and ancillary equipment for its own use and also manufactures conventional drill rigs for third-party customers from its facilities in Val-d'Or, Québec. 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 (including surface drilling and underground drilling).

For Fiscal 2022:

- Specialized drilling services, which typically generate a higher gross margin than conventional drilling services, accounted for approximately 33% of the Company's total revenue, compared to 36% in Fiscal 2021.
- Approximately 71% of the Company's revenues were generated by gold related operations, and approximately 29% were generated by base metal related and other operations.
- Surface and underground drilling services accounted for approximately 65% and 35%, respectively, of the Company's revenue.
- Approximately 70% of Orbit Garant's revenue was generated from major and intermediate mining company projects, compared to 73% in Fiscal 2021. Orbit Garant's drilling contracts with major and intermediate customers are typically from one to five years in length.
- Approximately 74% of Orbit Garant's revenue was generated from domestic drilling projects, and approximately 26% was generated from international drilling contracts, compared to 80% and 20% respectively in Fiscal 2021.

BUSINESS STRATEGY

Orbit Garant's goal is to be the leading Canadian-based mineral drilling company, 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.

Employee Share Purchase Plan

In December 2021, the Company implemented the Employee Share Purchase Plan ("ESPP") in Canada to encourage all full-time employees, including senior management, to purchase ordinary shares of the Company. Shares are purchased on the open market and are not newly issued shares. Eligible employees can contribute up to 10% of their annual base salary through payroll deductions. The Company pays a corresponding contribution equivalent to 50% of the participant's contribution. Participation in the ESPP is voluntary.

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 is lower today compared to 12 months ago. At the time of this report, the spot price of gold was approximately US$1,665 per ounce, representing a decline of approximately 6% compared to a year ago and an increase of approximately 42% from its trailing five-year price low in August 2018. During March 2022, the spot price of gold traded at near-record levels above US$2,000 per ounce.

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 aluminium, copper and lead are lower compared to 12 months ago, and the spot prices of nickel and zinc are higher. The spot price for copper, the metal widely considered to be the most sensitive to macroeconomic activity, was approximately US$4.13 per pound a year ago and at the time of this report was approximately US$3.52 per pound, a decline of approximately 15%. The spot prices of the primary base metals are currently near the mid-points of their respective trailing five-year price ranges.

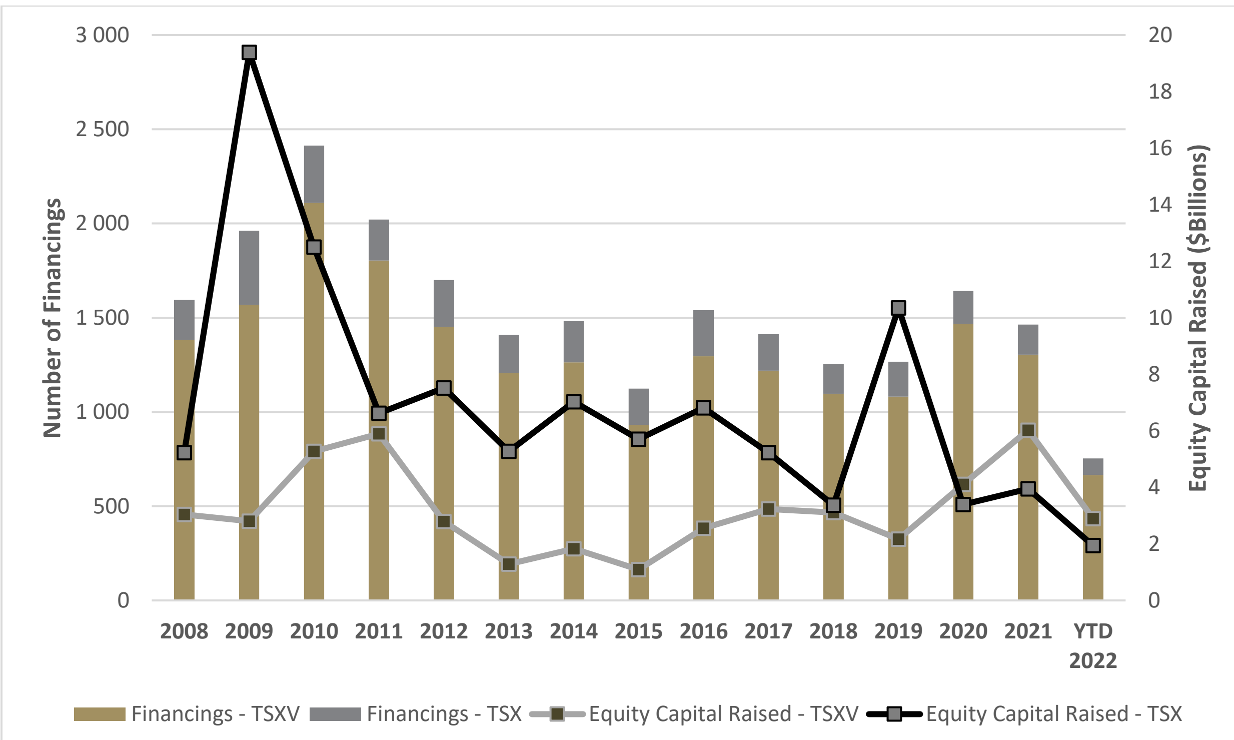
Iron Ore

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$100 per tonne, compared to approximately US$104 per tonne one year ago. In May 2021, the spot price of iron ore reached a record high of approximately US$233 per tonne.

Market Participants

The mining industry has strengthened since a prolonged downturn ended in early 2016. Metal prices have increased, driving higher mining equity valuations and increased financing activity. Over the past 12 months, market conditions have been favourable for both precious metals and base metals mining companies, supported by the relatively strong prices of gold and base metals. While market conditions remain favourable, metal prices have declined from early 2022 levels, and financing activity to date in 2022 has been lower compared to 2021 levels.

TSX / TSX-V Mining Sector Financings (2008 to August 31, 2022)



Mining companies listed on the Toronto Stock Exchange ("TSX") and the TSX-Venture Exchange ("TSX-V") completed 753 financings and raised $4.8 billion of equity capital during the first eight months of 2022, according to TMX Group. By comparison, they completed 1,018 financings and raised $7.3 billion of equity capital in the first eight months of 2021. In the comparable period in 2020, they completed 1,064 financings and raised $4.6 billion of equity capital.

Global mineral exploration activity slowed down in the summer of 2022 after a very active spring. According to S&P Capital IQ Metals and Mining Research (September 2022), drilling results were reported from 341 projects in August 2022, a small increase from 330 projects in July, which was a 19-month low. Results were reported from 376 projects in June 2022 and a record 421 projects in May 2022. The total number of drill holes reported in August 2022 was 4,059, representing a month-over-month decline of 29% from 5,679 in July.

According to a report from S&P Global Market Intelligence (April 2022), global exploration budgets for nonferrous metals increased 35% to US$11.2 billion in 2021, from US$8.3 billion in 2020. The increase reflected a recovery in market conditions following the negative impact of the COVID-19 pandemic in 2020. For 2022, S&P forecasts that global exploration budgets for nonferrous metals will increase a further 5% to 15% from 2021 levels, citing strong metal prices and financing activity. However, S&P noted that Russia's invasion of Ukraine has created uncertainty over commodity markets and the broader global economy that could persist "for some time".

OVERALL PERFORMANCE

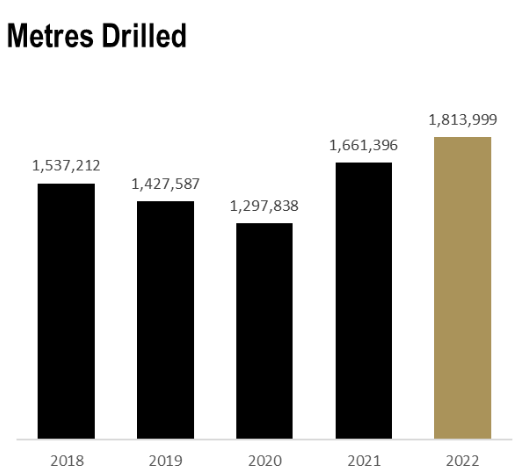
Results of operations for the year ended June 30, 2022

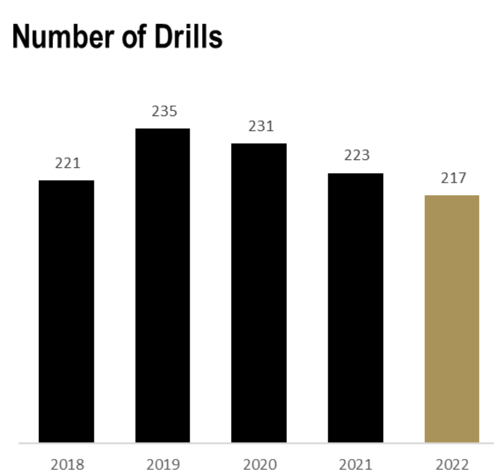
FISCAL YEARS ENDED JUNE 30 * ($millions)	Fiscal 2022	Fiscal 2021	2022 vs. 2021 Variance
Revenue *	**195.5**	163.3	**32.2**
Gross profit *	**13.7**	20.3	**(6.6)**
Gross margin (%)	**7.0**	12.4	**(5.4)**
Adjusted gross margin (%) (1)	**12.2**	17.9	**(5.7)**
Net earnings (loss) *	**(6.6)**	2.3	**(8.9)**
Net earnings (loss) per common share - Basic ($)	**(0.18)**	0.06	**(0.24)**
- Diluted ($)	**(0.18)**	0.06	**(0.24)**
EBITDA * (2)	**10.0**	17.6	**(7.6)**
Metres drilled	**1,813,999**	1,661,396	**152,603**

(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 Fiscal 2022, Orbit Garant drilled 1,813,999 metres, an increase of 9.2% compared to 1,661,396 metres drilled in Fiscal 2021. Average revenue per metre drilled in Fiscal 2022 was $107.40, compared to $97.45 in Fiscal 2021. The increase in average revenue per metre drilled is primarily attributable to increased pricing on drilling contracts in Canada, partially offset by a lower proportion of specialized drilling activity.

The Company had 217 drill rigs as at June 30, 2022, compared to 223 drill rigs at the end of Fiscal 2021. During Fiscal 2022, the Company purchased three new drill rigs to be used in Guinea, while six conventional drill rigs were dismantled and three were sold. Orbit Garant currently has 43 drill rigs outfitted with computerized monitoring control technology.





SELECTED ANNUAL FINANCIAL INFORMATION

For the years ended June 30 *($millions)	Fiscal 2022	Fiscal 2021	Fiscal 2020
Contract revenue			
Drilling Canada *	145.2	130.0	109.0
Drilling International *	50.3	33.3	28.8
Total *	195.5	163.3	137.8
Gross profit *	13.7	20.3	12.9
Gross margin (%)	7.0	12.4	9.4
Adjusted gross margin (%) (1)	12.2	17.9	16.3
Net earnings (loss) *	(6.6)	2.3	(7.4)
Net earnings (loss) per common share ($)	(0.18)	0.06	(0.20)
Net earnings (loss) per common share diluted ($)	(0.18)	0.06	(0.20)
Total assets *	137.1	138.1	129.8
Long-term debt including current portion *	36.9	32.4	36.7
Lease liabilities including current portion*	2.1	2.0	4.6
EBITDA * (2)	10.0	17.6	6.8
EBITDA % (2)	5.1	10.9	4.9
Total metres drilled (million)	1.8	1.7	1.3

(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".

RESULTS OF OPERATIONS

FISCAL 2022 COMPARED TO FISCAL 2021

Contract Revenue

Revenue in Fiscal 2022 totalled $195.5 million, an increase of 19.7% compared to $163.3 million in Fiscal 2021, reflecting a global increase in the Company's drilling activities and increased pricing on contracts in Canada.

Canada revenue totalled $145.2 million in Fiscal 2022, an increase of 11.7% compared to $130.0 million in Fiscal 2021. The increase was primarily attributable to the year-over-year increase in the price per metre drilled.

International revenue increased 50.9% to $50.3 million in Fiscal 2022, compared to $33.3 million in Fiscal 2021, reflecting new, long-term contracts in Chile and Guinea.

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

Gross profit for Fiscal 2022 was $13.7 million, compared to $20.3 million in Fiscal 2021. Gross margin was 7.0% compared to 12.4% in Fiscal 2021. Depreciation expenses totalling $10.0 million are included in cost of contract revenue for Fiscal 2022, compared to $8.9 million in Fiscal 2021. Adjusted gross margin, excluding depreciation expenses, was 12.2% in Fiscal 2022, compared to 17.9% in Fiscal 2021.

Gross profit and margins were negatively impacted by increased driller training costs, a decline in productivity because of a higher proportion of less experienced drillers, adverse weather conditions affecting drilling operations more than usual in Q3 2022 and higher wage and project ramp-up costs in Canada. Internationally, the Company incurred significant mobilization costs related to new, long-term contracts in Guinea and Chile. Orbit Garant is also experiencing supply chain disruptions and cost inflation for materials and fuel in all the regions in which it operates, which has also negatively impacted gross margins. The Company also experienced Omicron-related work interruptions starting in late November 2021 and into Q3 2022. In addition, the cost of contract revenue was reduced by $2.9 million in Fiscal 2021 as a result of financial support recorded from the Canadian Emergency Wage Subsidy ("CEWS") program. Orbit Garant was no longer eligible for the CEWS program in Fiscal 2022.

General and Administrative Expenses

General and administrative (G&A) expenses were $14.5 million in Fiscal 2022, in line with Fiscal 2021. G&A expenses decreased to 7.4% of revenues in Fiscal 2022 compared to 8.9% in Fiscal 2021. G&A expenses were reduced by $0.3 million in Fiscal 2021 resulting from financial support recorded from the CEWS program. Orbit Garant was no longer eligible for the CEWS program in Fiscal 2022.

Operating Results

Earnings from operations for Fiscal 2022 were $2.4 million, compared to $9.5 million in Fiscal 2021.

Drilling Canada's operating earnings totalled $12.2 million in Fiscal 2022, compared to operating earnings of $15.2 million in Fiscal 2021. The decrease is primarily attributable to increased driller training and project ramp-up costs, Omicron-related work interruptions and higher costs of materials, fuel and wages, partially offset by increased pricing on drilling contracts. The decline also reflects the $2.9 million in financial support that Orbit Garant recorded from the CEWS program in Fiscal 2021, as discussed above. The Company was no longer eligible for the program in Fiscal 2022.

Drilling International's operating loss was $9.8 million in Fiscal 2022, compared to an operating loss of $5.7 million in Fiscal 2021. The increased operating loss for Fiscal 2022 is primarily attributable to the impact of the significant mobilization costs related to new long-term contracts, Omicron-related work interruptions and higher costs of materials and fuel, as discussed above.

Foreign Exchange Loss

Foreign exchange loss was $0.4 million in Fiscal 2022, compared to a foreign exchange loss of $0.7 million in Fiscal 2021.

Provision for litigation

As disclosed in the Contingency section of the Company's MD&A for the fiscal year ended June 30, 2021, a claim against a subsidiary of the Company was confirmed by a court in Burkina Faso. The Company recorded a provision of $1.96 million in Q4 2020 for this claim and additional legal fees. On April 1, 2021, the Court of Appeal in Burkina Faso ruled in favor of Orbit Garant and overturned the original decision. As a result, the recognized liability was reversed during Q3 2021.

EBITDA (see Reconciliation of non-IFRS financial measures)

EBITDA was $10.0 million for Fiscal 2022, compared to $17.6 million in Fiscal 2021. The decrease was primarily attributable to increased driller training, project ramp-up costs, new project mobilization costs, Omicron-related work interruptions and higher costs of materials, fuel and wages, partially offset by increased drilling activities globally and increased pricing on drilling contracts in Canada. EBITDA in Fiscal 2021 was positively impacted by the $3.2 million in financial support that the Company recorded from the CEWS program and the reversal of the $1.96 million for litigation in Burkina Faso in Q3 2021, as discussed above.

Financial Expenses

Interest costs related to long-term debt, lease liabilities and bank charges were $2.2 million in Fiscal 2022, compared to $2.3 million during Fiscal 2021.

Income Tax

Income tax expense was $3.2 million in Fiscal 2022, compared to an income tax expense of $2.5 million in Fiscal 2021. The effective tax rate for Fiscal 2022 was negatively impacted mainly by non Canadian tax losses for which no deferred tax assets were recognized, as it was the case for a portion of Fiscal 2021.

Net Earnings (Loss)

Net loss for Fiscal 2022, was $6.6 million, or $0.18 per share, compared to net earnings of $2.3 million, or $0.06 per share, in Fiscal 2021. The negative variance reflects increased driller training and project ramp-up costs, new project mobilization costs, higher costs of materials, fuel and wages, the cessation of financial support from the CEWS program, the reversal of the provision for litigation in Burkina Faso recorded in Q3 2021, as discussed above, partially offset by increased drilling activity globally and increased pricing on drilling contracts in Canada.

SUMMARY OF QUARTERLY RESULTS

* ($millions)		Fiscal 2022				Fiscal 2021			
		June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30
Contract revenue *		53.8	45.2	45.9	50.6	51.1	40.5	36.1	35.6
Gross profit [(1)]*		6.9	0.3	2.7	3.8	3.0	3.2	5.4	8.7
Gross margin %		12.8	0.7	6.0	7.4	5.9	7.8	14.9	24.6
Net earnings (loss) *		0.5	(4.1)	(1.7)	(1.3)	(2.2)	0.7	0.3	3.5
Net earnings (loss) per common share ($)	- Basic	0.01	(0.10)	(0.05)	(0.04)	(0.06)	0.02	0.01	0.09
	- Diluted	0.01	(0.10)	(0.05)	(0.04)	(0.06)	0.02	0.01	0.09

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

SEASONALITY

The Company's quarterly revenue reflects certain seasonal factors. In underground drilling operations, scheduled mine shutdowns over holiday and summer periods at some locations reduce revenue during these periods. In domestic and international surface drilling operations, weather conditions often cause drilling programs to pause, or to be planned around seasonal fluctuations.

ANALYSIS OF THE FOURTH QUARTER OF FISCAL 2022 ("Q4 2022"), COMPARED TO THE FOURTH QUARTER OF FISCAL 2021 ("Q4 2021")

Contract Revenue

Revenue for Q4 2022 totalled $53.8 million, an increase of 5.3% compared to $51.1 million for Q4 2021, reflecting an increase in pricing on contracts in Canada.

Canada revenue totalled $42.0 in Q4 2022, an increase of 10.4% compared to $38.1 million in Q4 2021, reflecting sustained domestic demand for the Company's drilling services in Q4 2022 and improved pricing on drilling contracts.

International revenue decreased to $11.8 million in Q4 2022 from $13.0 million in Q4 2021. The decrease reflects a reduction of drilling activity in Burkina Faso, partially offset by increased drilling activities in Guinea and Chile.

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

Gross profit for Q4 2022 was $6.9 million, an increase of 130.6% from $3.0 million in Q4 2021. Gross margin for Q4 2022 was 12.8% compared to 5.9% in Q4 2021. Depreciation expenses totalling $2.3 million are included in the cost of contract revenue for Q4 2022, compared to $2.0 million in Q4 2021. Adjusted gross margin, excluding depreciation expenses, was 17.2% in Q4 2022, compared to adjusted gross margin of 9.8% in Q4 2021. The increase in gross profit, gross margin and adjusted gross margin was primarily attributable to an increase in average revenue per metre drilled, decreased project ramp-up costs in Canada, and a reduction in mobilization costs for new, long-term projects in Guinea and Chile.

General and Administrative Expenses

G&A expenses were $3.8 million, or 7.0% of revenue, in Q4 2022, compared to $3.9 million, or 7.7% of revenue, in Q4 2021.

Operating Results

Earnings from operations for Q4 2022 were $4.0 million compared to a negligible amount in Q4 2021.

Drilling Canada's operating earnings totalled $6.0 million in Q4 2022, compared to $1.6 million in Q4 2021. Canada's drilling operating earnings in Q4 2022 were positively impacted by an increase in average revenue per metre drilled and decreased project ramp-up costs, as discussed above.

Drilling International's operating loss totalled $2.0 million in Q4 2022, compared to an operating loss of $1.6 million in Q4 2021. The negative variance was primarily attributable to the decrease in drilling activities in Burkina Faso, partially offset by increased drilling operations and a reduction in mobilization costs for new, long-term projects in Guinea and Chile.

Foreign Exchange Loss (Gain)

Foreign exchange loss was $0.1 million in Q4 2022, compared to $0.2 million in Q4 2021.

EBITDA (see Reconciliation of non-IFRS financial measures)

EBITDA totalled $5.7 million in Q4 2022, compared to $ 1.2 million in Q4 2021. The increase was primarily attributable to increased pricing on drilling contracts in Canada, as discussed above.

Financial Expenses

Interest costs related to long-term debt and bank charges were $0.7 million in Q4 2022, compared to $0.5 million in Q4 2021.

Income Tax

Income tax expense was $1.9 million in Q4 2022, compared to a tax expense of $0.5 million in Q4 2021.

Net Earnings (Loss)

Net earnings for Q4 2022 were $0.5 million, or $0.01 per share, compared to a net loss of $2.2 million, or $0.06 per share, in Q4 2021. The positive variance is primarily attributable to increased pricing on drilling contracts, decreased project ramp-up costs in Canada, and a reduction in mobilization costs for new, long-term projects in Guinea and Chile, as discussed above.

EFFECT OF EXCHANGE RATE

The Company realizes portions of its business activities in the following foreign currencies: US dollars ("US $"), Chilean Pesos ("CLP"), Argentine Pesos ("ARS"), Ghanaian cedi ("GHS"), West African Francs ("XOF"), and Guinean Francs ("GNF"), and is thus exposed to foreign exchange fluctuations. Orbit Garant does not actively manage this risk.

As at June 30, 2022, and 2021, the Company had the following amounts of cash and accounts receivable in foreign currencies and has provided the respective impact on earnings before income taxes ("EBIT") in Canadian dollars, if the corresponding foreign exchange rates were to change by plus or minus 10%:

As at June 30, 2022 *($millions)	US $	CLP	GHS	XOF	GNF
Cash*	0.1	42.3	-	332.2	1,321.6
Accounts receivable*	0.5	1,381.8	5.9	609.4	3,656.4
EBIT impact +/- 10%*	(0.1)	-	0.1	-	0.1

As at June 30, 2021 *($millions)	US $	CLP	GHS	XOF	GNF
Cash*	1.1	527.3	0.2	3.8	7,157.0
Accounts receivable*	1.2	1,904.4	5.6	1,552.5	7,678.8
EBIT impact +/- 10%*	0.1	(0.3)	0.1	(0.5)	0.1

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Cash flow from operations (before changes in non-cash operating working capital items, finance costs and income taxes paid), was $9.3 million in Fiscal 2022, compared to $15.5 million in Fiscal 2021.

The change in non-cash operating working capital items was an outflow of $1.1 million, compared to an outflow of $3.4 million in Fiscal 2021.The change in non-cash operating working capital in Fiscal 2022 was primarily attributable to:

- $6.1 million related to an increase in inventory, and
- $0.4 million related to an increase in accounts receivable and prepaid expenses, partially offset by
- $5.4 million related to an increase in accounts payable

Investing Activities

Cash used in investing activities totalled $10.8 million in Fiscal 2022, compared to $6.7 million in Fiscal 2021. During Fiscal 2022, $12.0 million was used for the acquisition of property, plant and equipment and intangible assets, partially offset by a cash inflow of $1.2 million on disposal of investments, property plant and equipment. During Fiscal 2021, $7.9 million was used for the acquisition of property, plant and equipment, intangible assets and for deposits on purchased equipment, partially offset by a cash inflow of $1.2 million on disposal of investments, property, plant and equipment.

Financing Activities

During Fiscal 2022, cash flow of $2.7 million was generated from financing activities. In Fiscal 2021, the Company repaid a net amount of $3.8 million of its long-term debt and lease liabilities.

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., in its capacity as agent ("National Bank"). On March 8, 2021, the Company and National Bank entered into a fourth amended and restated credit agreement in respect of the Credit Facility which was subsequently amended by a first amending agreement dated as of November 22, 2021 and a second amending agreement dated as of May 10, 2022 (collectively, the "Credit Agreement"). This Credit Facility, as at June 30, 2022, consisted of a $35.0 million revolving credit facility and a US$5.0 million revolving credit facility guaranteed by Export Development Canada ("EDC"). The Credit Agreement expires on November 2, 2024

The Company withdrew a net amount of $7.3 million Fiscal 2022 on its Credit Facility, compared to a reimbursement of $4.4 million in Fiscal 2021. The Company's long-term debt, under the Credit Facility, including US$1.0 million ($1.3 million) drawn from the US$5.0 million revolving credit facility and the current portion, was $31.5 million as at June 30, 2022, compared to $24.3 million as at June 30, 2021. The debt was used to support working capital requirements and the acquisition of capital assets, property, plant and equipment.

As at June 30, 2022, the Company's working capital totalled $53.4 million, compared to $54.0 million as at June 30, 2021. 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 repayment of its debt obligations. The Company's principal capital expenditures are related to the acquisition of drill rigs and related drilling equipment.

Sources of Financing

As at June 30, 2022, the Company complied with all covenants in the Credit Agreement and in the EDC Loan agreement. The Company expects that availability under the Credit Facility will continue to provide it with sufficient liquidity to fund its working capital and capital asset acquisition requirements.

Orbit Garant's primary sources of liquidity are cash flows from operations and borrowings under its Credit Facility. The Credit Facility matures no later than November 2, 2024. As at June 30, 2022, the Company had drawn $31.5 million ($24.3 million as at June 30, 2021) under the Credit Facility.

Availability under Credit Facility is subject to a borrowing base that is determined by the value of the Company's inventory, accounts receivable and real estate. Except as noted below, 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 Agreement 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 Agreement also contains a number of financial covenants that the Company must comply with.

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$5.15 million 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 million was used to reduce the amount drawn from the Company's Credit Facility. On October 9, 2019, Orbit Garant withdrew an amount of $3.4 million (US$2.575 million) 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 Loan were deferred until October 16, 2020, and therefore the terms of these loans were extended by six months. Orbit Garant's long-term debt under the EDC Loan including the current portion amounted to $3.0 million as at June 30, 2022 ($4.3 million as at June 30, 2021).

In May 2020, OG Chile obtained a total of approximately $1.7 million in loans 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. The loans had no capital repayments for the first six months and the interest over such period is capitalised over the remaining term of the loans.

In February 2021, OG Chile, entered into a financing agreement with Banco Scotiabank for a total of approximately $2.6 million in order to purchase the office building it had rented for several years. This agreement bears interest at a rate of 3.3% per annum, has a term of 84 months and is guaranteed by OG Chile's real estate assets.

On September 9, 2022, the Company entered into an additional loan agreement with the Business Development Bank of Canada (the "BDC Loan Agreement") which provides for a term loan in the principal amount of $8.47 million. The loan bears interest at a fixed rate of 6.70% per year, has a 20 year term and is repayable by way of 240 consecutive monthly payments from November 2022 until October 2042. The fixed interest rate may be reduced by 0.20% from November 2023, if certain financial covenants are met by the Company. The Company's obligations under the BDC Loan Agreement are secured: (a) by a first ranking immovable hypothec on the building serving as the Company's head office located in Val-d'Or, Quebec (the "Property"); and (b) guaranteed on a solidary (joint and several) basis by certain of the Company's subsidiaries.

As a result of the Company entering into the BDC Loan Agreement and in order to extract the Property from the borrowing base under the Credit Agreement the Company entered into a third amending agreement to the Credit Agreement with National Bank on September 9, 2022 (the "Third Amending Agreement"), pursuant to which the amount available for borrowing under the revolving facility contemplated under the Credit Agreement was reduced, as of that date, from $35.0 to $30.0 million. Other noteworthy amendments made pursuant to the Third Amending Agreement include consents by National Bank to authorize the first ranking immovable hypothec on the Property pursuant to the BDC Loan Agreement and modifications to certain financial covenants of the Company applicable to the Company's first fiscal quarter of 2023 and future quarters.

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

As at June 30, 2022, the Company had future contractual obligations as follows:

($000s)	Total	Less than 1 year	1-3 years	4-5 years	Subsequent years
Long-term debt	37,213	2,222	33,588	186	1,217
Lease liabilities	2,066	675	709	292	390
Operating leases	171	132	39	-	-
Total	39,450	3,029	34,336	478	1,607

OUTSTANDING SECURITIES AS AT SEPTEMBER 20, 2022

Number of common shares	37,372,756
Number of options	3,243,500
Fully diluted	40,616,256

During Fiscal 2022, the Company cancelled 99,000 options.

RELATED PARTY TRANSACTIONS

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

During the twelve-month periods ended June 30, 2022 and June 30, 2021, the Company entered into the following transactions with its related company and with persons related to directors:

($000s)	12 months ended June 30, 2022	12 months ended June 30, 2021
Revenue	31	10
Expenses	172	162

As at June 30, 2022, a negligible amount was a receivable resulting from these transactions (a negligible amount as at June 30, 2021)

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

Key management personnel and directors' transactions

The definition of key management includes the close members of the family of key personnel and any entity over which key management exercises control. The key management personnel have been identified as directors of the Company and key management staff. Close members of the 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 is as follows:

($000s)	12 months ended June 30, 2022	12 months ended June 30, 2021
Salaries and fees	1,054	1,187
Share-based compensation	84	42
Total	1,138	1,229

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The significant accounting policies are described in note 4 of the Fiscal 2022 audited consolidated financial statements. The preparation of financial statements in accordance with IFRS requires the Company's Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and contingent liabilities on the reporting date and amounts of revenues and expenses for the relevant period. Although Management regularly reviews its estimates, actual results may differ. The impact of changes to accounting estimates is recognized in the period during which the change occurs, and in the affected future periods, when applicable. Areas in which the estimates and assumptions are significant, or which are complex, are presented as follows:

A- CRITICAL ACCOUNTING ESTIMATES

Inventories

Part of the inventory was estimated based on the number of drills on mining site. In estimating the cost of this inventory, management takes into account the estimated amount of inventory per drill, based on the most reliable evidence available at the time the estimate was made.

Impairment of non-financial assets

The Company also uses its judgment to determine whether an impairment test must be performed due to the presence of potential impairment indicators. In applying its judgment, the Company relies primarily on its knowledge of its business and the economic environment. Significant management estimates are required to determine the recoverable amount of the cash-generating unit ("CGU") including estimates of future cash flows. Differences in estimates could affect whether tangible and intangible assets are in fact impaired and the dollar amount of that impairment. Significant assumptions are used by management to determine the projected revenue, operating expenses, utilization, discount rates and market pricing. Notably, these estimates are made in the context of COVID-19, an unprecedented global pandemic, resulting in a higher degree of uncertainty. Consequently, the impact on the Consolidated Financial Statements of future periods could be material.

Deferred income tax assets

The assessment of the probability in which deferred tax assets can be utilized is based on the Company's latest approved budget forecast, which is adjusted for significant non-taxable income (and expenses) and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by Management based on specific facts and circumstances.

Income taxes

The Company is subject to income taxes in various jurisdictions. Judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due in the future. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

B- JUDGMENTS

Functional currency

In determining the functional currency of its foreign subsidiaries, the Company needs to evaluate different factors such as the currency that mainly influences sales prices and costs, the economic environment and the degree of autonomy of the subsidiary. Following the evaluation of the different factors, when the functional currency is not obvious, the Company uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Significant judgment in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Company reassesses the lease term for whether significant event of change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew has occurred.

RECONCILIATION OF NON - IFRS FINANCIAL MEASURES

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

EBITDA:	Net earnings (loss) before interest, taxes, depreciation and amortization.
Adjusted gross profit and margin:	Contract revenue less operating costs. Operating expenses comprise material and service expenses, personnel expenses, other operating expenses, excluding depreciation.

EBITDA

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

Reconciliation of EBITDA

(unaudited) (in millions of dollars)	3 months ended June 30, 2022	3 months ended June 30, 2021	12 months ended June 30, 2022	12 months ended June 30, 2021	12 months ended June 30, 2020
Net earnings (loss) for the period	0.5	(2.2)	(6.6)	2.3	(7.4)
Add:					
Finance costs	0.7	0.5	2.2	2.3	2.7
Income tax expense	1.9	0.5	3.2	2.5	0.2
Depreciation and amortization	2.6	2.4	11.2	10.5	11.3
EBITDA	5.7	1.2	10.0	17.6	6.8

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 June 30, 2022	3 months ended June 30, 2021	12 months ended June 30, 2022	12 months ended June 30, 2021	12 months ended June 30, 2020
Contract revenue	53.8	51.1	195.5	163.3	137.8
Cost of contract revenue (including depreciation)	46.8	48.1	181.7	143.1	124.9
Less depreciation	(2.3)	(2.0)	(10.0)	(8.9)	(9.5)
Direct costs	44.5	46.1	171.7	134.2	115.4
Adjusted gross profit	9.3	5.0	23.8	29.1	22.4
Adjusted gross margin (%) (1)	17.2	9.8	12.2	17.9	16.3

(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 20, 2022. 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.

Pandemics, Force Majeure and Natural Disasters

The Company may be affected by pandemics such as the COVID-19 coronavirus, force majeure events and natural disasters. The likelihood and magnitude of such events are inherently difficult to predict, and their significance is highly uncertain and may depend on factors beyond the Company and its control. A prolonged economic disruption, following such an event or disaster, including the ongoing COVID-19 outbreak, may have a material and adverse impact on revenues, cash flow and profitability of the Company, including, without limitation, by compromising employee health and productivity in the workplace, disruption of supply chains and the business of the Company's customers.

With respect to the ongoing COVID-19 outbreak, the Company continues to closely monitor the impact of the pandemic in the jurisdictions in which it operates and across the organization, ensuring that policies, procedures and plans are in place to help minimize the negative impact that the outbreak has on its business and workforce.

Risk Related to Structure to the Business and Industry

Cyclical Downturns

Demand for drilling services and products depends significantly on the level of mineral exploration and development activities conducted by mining companies, which in turn, are driven significantly by commodity prices. There is a continued risk that low commodity prices could substantially reduce future exploration and drilling expenditures by mining companies, which in turn, could result in a decline in the demand for the drilling services offered by the Company and would materially impact the Company's revenue, financial condition, cash flows and growth prospects.

Sensitivity to General Economic Conditions

The operating and financial performance of Orbit Garant is influenced by a variety of international and country-specific general economic and business conditions (including inflation, interest rates and exchange rates), access to debt and capital markets, as well as monetary and regulatory policies. Deterioration in domestic or international general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could have a material adverse effect on the financial performance and condition, cash flows and growth prospects of the Company.

Reliance on and Retention of Employees

In addition to the availability of capital for equipment, a key limiting factor in the growth of drilling services companies is the supply of qualified drillers, on whom the Company relies upon to operate its drills. As such, the ability to attract, train and retain high quality drillers is a high priority for all drilling services providers. A failure by the Company to retain qualified drillers or attract and train new qualified drillers could have a material adverse effect on the Company's financial performance, financial condition, cash flows and growth prospects. In addition, rising rates paid to drillers and helpers will exert pressure on the Company's profit margins if it is unable to pass on such higher costs to its customers through price increases.

Increased Cost of Sourcing Consumables

When bidding on an underground drilling contract, the cost of sourcing consumables is a key consideration in deciding upon the pricing. Underground drilling contracts are typically for one to two years and expose the Company to an increase in the cost of consumables and labor during that period. A material increase in the cost of labor or consumables during that period could result in materially higher costs and could materially reduce the Company's financial performance, financial condition, cash flows and growth prospects.

Country Risks

The Company does business internationally in numerous regions of different countries and with this comes the risk of dealing with business and political systems in a variety of jurisdictions. Unanticipated events in a country (precipitated by developments within or external to the country), such as economic, political, legal, tax related, regulatory or legal changes (or changes in interpretation), could, directly or indirectly, have a material negative impact on operations and assets. The risks include, but are not limited to, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, changes in mining or investment policies, nationalization/expropriation of projects or assets, corruption, delays in obtaining or inability to obtain necessary permits, nullification of existing mining claims or interests therein, hostage takings, labour unrest, opposition to mining from environmental or other non-governmental organisations or shifts in political attitude that may adversely affect the business. There has been an emergence of a trend by governments to increase their participation in the industry and thereby their revenues through increased taxation, expropriation, or otherwise. This could negatively impact the level of foreign investment in mining and exploration activities and thus drilling demand in these regions. Such events could result in reductions in revenue and additional transition costs as equipment is shifted to other locations. Nationalization/expropriation of mining projects has a direct impact on suppliers (such as the Company) to the mining industry.

While the Company works to mitigate its exposure to potential country risk events, the impact of any such event is mostly not under the Company's control, is highly uncertain and unpredictable and will be based on specific facts and circumstances. As a result, the Company can give no assurance that it will not be subject to any country risk event, directly or indirectly, in the jurisdictions in which it operates.

Tax Risks

Orbit Garant operates in many countries and is therefore subject to many different forms of taxation in various jurisdictions throughout the world, including but not limited to, property tax, income tax, withholding tax, commodity tax, social security and other payroll related taxes, foreign currency and capital repatriation laws. An unfavorable interpretation of the current tax legislation could have a material adverse effect on the profitability of the Company or may lead to disagreements with tax authorities regarding the interpretation of tax law.

Tax law and its administration are extremely complex and often require the Company to make subjective determinations. The Company must make assumptions about, but not limited to, the tax rates in various jurisdictions, the effect of tax treaties between jurisdictions and taxable income projections due to tax law and its administration which are extremely complex. To the extent that such assumptions differ from actual results, or if such jurisdictions were to change or modify such laws or the current interpretation thereof, the Company may have to record additional tax expenses and liabilities, including interest and penalties. Moreover, there is a risk in which the countries where the Company operates may change their current tax regime with little prior notice or that the tax authorities in these jurisdictions may attempt to claim tax on the global revenues of the Company.

Leverage and Restrictive Covenants

Orbit Garant entered into the Credit Agreement in order to provide it with credit facilities to fund, among other things, working capital and acquisitions. The degree to which Orbit Garant is leveraged could have important consequences, including: i) Orbit Garant's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; ii) a significant portion of Orbit Garant's cash flow from operations may be dedicated to the payment of the principal of and interest on its indebtedness, thereby reducing funds available for future operations; and iii) certain of Orbit Garant's borrowings (including borrowings under the Credit Agreement) will be at variable rates of interests, which exposes Orbit Garant to the risk of increased interest rates which may have an adverse effect on Orbit Garant's financial condition.

The Credit Agreement contains numerous restrictive covenants that limit the discretion of Orbit Garant's Management with respect to certain business matters. These covenants place significant restrictions on, among other things, changes in ownership and the ability of Orbit Garant to create liens or other encumbrances, to pay dividends or make certain other payments, investments, acquisitions, capital expenditures, loans and guarantees and to sell or otherwise dispose of assets and merge with another entity. In addition, the Credit Agreement contains financial covenants that require Orbit Garant to meet certain financial ratios and financial condition tests. A failure to comply with the obligations in the Credit Agreement could result in a default that, if not cured or waived, could permit acceleration of the relevant indebtedness. If the indebtedness under the Credit Agreement were to be accelerated, there can be no assurance that the assets of Orbit Garant would be sufficient to repay in full that indebtedness. In addition, the Credit Agreement will mature no later than November 2, 2024. There can be no assurance that future borrowings or equity financing will be available to Orbit Garant or available on acceptable terms, in an amount sufficient to repay the Credit Agreement at maturity or to fund Orbit Garant's needs thereafter. This could have a material adverse effect on the business, financial condition and results of operations of Orbit Garant.

Access of Customers to Equity Markets

Economic factors may make it more difficult for mining companies, particularly junior mining companies, to raise money to fund exploration activity. This difficulty would have an adverse impact on the demand for drilling services and could have a material adverse effect on the financial performance, financial condition, cash flows and growth prospects of the Company.

Acquisitions

Orbit Garant is continuously seeking business acquisitions. It may be exposed to business risks or liabilities for which it may not be fully indemnified or insured. The ongoing integration of existing and new computer systems, equipment and personnel may impact the success of the acquisitions. Any issues arising from the integration of the acquired businesses, including the integration of the accounting software, may require significant management, financial or personnel resources that would otherwise be available for ongoing development and expansion of the Company's existing operations. If this happens, it may have a material adverse effect on the financial performance, financial condition, cash flows and growth prospects of the Company.

Supply of Consumables

If the Company should grow, it could put pressure on its ability to manufacture or otherwise obtain new drills and consumables required to conduct the Company's drilling operations. This could constrain Orbit Garant's ability to increase its capacity and increase or maintain revenue and profitability.

Competition

The Company faces competition from several large drilling services companies and many smaller, regional competitors. Some of the Company's competitors have been in the drilling services industry for a longer period and have substantially greater financial and other resources than the Company has. Increased competition in the drilling services market may adversely affect the Company's current market share, profitability and growth opportunities. The capital cost to acquire drilling rigs is relatively low, enabling competitors to finance expansion and providing opportunity for new competitors to enter the market. This dynamic exposes the Company to the risk of reduced market share and scope for geographic growth, as well as lower revenue and margin for its existing business.

A significant portion of the drilling services business is a result of being awarded contracts through a competitive tender process. It is possible that the Company will lose potential new contracts to competitors if it is unable to demonstrate reliable performance, technical competence and competitive pricing as part of the tender process or if mining companies elect not to undertake a competitive tender process.

Ability to Sustain and Manage Growth

Orbit Garant's ability to grow will depend on a number of factors, many of which are beyond the Company's control, including, but not limited to, commodity prices, the ability of mining companies to raise financing and the demand for raw materials from large, emerging economies such as Brazil, Russia, India and China ("BRIC") economies. In addition, the Company is subject to a variety of business risks generally associated with growing companies. Future growth and expansion could place significant strain on the Company's Management personnel and likely will require the Company to recruit additional management personnel.

There can be no assurance that the Company will be able to: i) manage its expanding operations (including any acquisitions) effectively; ii) sustain or accelerate its growth or that such growth, if achieved, will result in profitable operations; iii) attract and retain sufficient management personnel necessary for continued growth; or, iv) successfully make strategic investments or acquisitions. The failure to accomplish any of the foregoing could have a material adverse effect on the Company's financial performance, financial condition, cash flows and growth prospects.

Future Acquisition Strategy

Orbit Garant intends to grow through acquisitions in addition to organic growth. There is considerable competition within the drilling services industry for attractive acquisition targets. It is not possible to ensure that future acquisition opportunities will exist on acceptable terms, or that newly acquired or developed entities will be successfully integrated into the Company's operations. Additionally, the Company cannot give assurances that it will be able to secure the adequate financing on acceptable terms to pursue this strategy.

Customer Contracts

The Company's surface drilling customer contracts are typically for a term of six (6) to twelve (12) months and its underground drilling customer contracts are typically for a term of one to two years and can be cancelled by the customer on short notice in prescribed circumstances with limited or no amounts payable to the Company. There is a risk that existing contracts may not be renewed or replaced. The failure to renew or replace some or all of these existing contracts and cancellation of existing contracts could have a material adverse effect on the Company's financial performance, financial condition, cash flows and growth prospects. In addition, consolidation by the Company's customers could materially and adversely affect the Company's results of operations and financial condition.

International Expansion and Instability

Expansion internationally entails additional political and economic risk. Some of the countries and areas targeted by the Company for expansion are undergoing industrialization and urbanization and do not have the economic, political or social stability that many developed nations now possess. Other countries have experienced political or economic instability in the past and may be subject to risks beyond the Company's control, such as war or civil disturbances, political, social and economic instability, corruption, nationalization, terrorism, expropriation without fair compensation or cancellation of contract rights, significant changes in government policies, breakdown of the rule of law and regulations and new tariffs, taxes and other barriers. There is a risk that the Company's operations, assets, employees or repatriation of revenue could be impaired or adversely affected by factors related to the Company's international expansion and have a material adverse effect on the financial performance, financial condition, cash flow and growth prospects of the Company.

Operational Risks and Liability

Risks associated with drilling include, in the case of employees, personal injury and loss of life and, in the case of the Company, damage and destruction to property, equipment, release of hazardous substances to the environment and interruption or suspension of drill site operation due to unsafe drill operations. The occurrence of any of these events may have an adverse effect on the Company, including financial loss, key personnel loss, legal proceedings and damage to the Company's reputation.

In addition, poor or failed internal processes, people or systems, along with external events could negatively impact the Company's operational and financial performance. The risk of this loss, known as operational risk, is present in all aspects of the business of the Company, including, but not limited to, business disruptions, technology failures, theft and fraud, damage to assets, employee safety, regulatory compliance issues or business integration issues. The number and significance of the changes and the possibility that the Company may not be able to successfully implement the changes made, may adversely affect the performance of the business and its financial condition, cash flows and growth prospects of the Company.

Currency Exposure

Orbit Garant conducts some of its activities in US $, CLP, ARS, GHS, XOF and GNF and is thus exposed to foreign exchange fluctuations. As at June 30, 2022, the Company had the following currency risk exposure related to financial assets and liabilities in US $, CLP, ARS, GHS, XOF and GNF of approximately: $(1.1), $(0.5), $0.0, $1.3, $(0.4) and $0.1 million, respectively in Canadian dollars ($1.2, $(3.6), $0.0, $1.8, $(7.4) and $1.4 respectively in Canadian dollars as at June 30, 2021). This exposure could change in the future and a significant portion of our revenue could potentially be denominated in currencies other than the Canadian dollar, fluctuations of which could cause a negative impact on our financial performance.

Business Interruptions

Business interruptions can occur as a result of a variety of factors, including regulatory intervention, delays in necessary approvals and permits, health and safety issues or product input supply bottlenecks. In addition, the Company operates in a variety of geographic locations, some of which are prone to inclement weather conditions, natural or other disasters. The occurrence of such conditions or any business interruption could have a material adverse effect on the Company's financial performance, financial condition, cash flows and growth prospects.

Risk to the Company's Reputation

Risks to the Company's reputation could include any negative publicity, whether true or not, and could cause a decline in the Company's customer base and have a material adverse impact on the Company's financial performance, financial condition, cash flows and growth prospects. All risks have an impact on reputation, and as such, reputational risk cannot be managed in isolation from other types of risk. Every employee and representative of the Company is charged with upholding its strong reputation by complying with all applicable policies, legislation and regulations as well as creating positive experiences with the Company's customers, stakeholders and the public.

Corruption, Bribery and Fraud

Orbit Garant is required to comply with the Canadian *Corruption of Foreign Public Officials Act* ("CFPOA") as well as similar applicable laws in other jurisdictions, which prohibit companies from engaging in bribery or other prohibited payments or gifts to foreign public officials for the purpose of retaining or obtaining business. The Company's policies mandate compliance with these laws. However, there can be no assurance that the policies and procedures and other safeguards that the Company has implemented in relation to its compliance with these laws will be effective or that Company employees, agents, suppliers or other industry partners have not engaged or will not engage in such illegal conduct for which the Company may be held responsible. Violations of these laws could disrupt the Company's business and result in a material adverse effect on its business and operations.

Environment, Health and Safety Requirements and Related Considerations

The Company's operations are subject to a broad range of federal, provincial, state and local laws and regulations as well as permits and other approvals, including those relating to the protection of the environment and workers' health and safety governing, among other things, air emissions, water discharges, non-hazardous and hazardous waste (including waste water), storage, handling, disposal and clean-up of dangerous goods and hazardous materials such as chemicals, remediation of releases and workers' health and safety in Canada and elsewhere (the "Environment, Health and Safety Requirements"). As a result of the Company's operations, it may be involved from time to time in administrative and judicial proceedings and inquiries relating to Environment, Health and Safety Requirements. Future proceedings or inquiries could have a material adverse effect on the Company's business, financial condition and results of operations.

The activities at clients' worksites may involve operating hazards that can result in personal injury and loss of life. There can be no assurance that the Company's insurance will be sufficient or effective under all circumstances or against all claims or hazards to which it may be subject or that it will be able to continue to obtain adequate insurance protection. A successful claim or damage resulting from a hazard for which it is not fully insured could adversely affect the Company's results of operations. In addition, if the Company is seen not to adequately implement health and safety and environmental policies, its relationships with its customers may deteriorate, which may result in the loss of contracts and restrict its ability to obtain new contracts.

Climate Change Risk

Orbit Garant operates in various regions and jurisdictions where environmental laws are evolving and may be different according to each jurisdiction. Several governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased cost in some of the Company's operations. In addition, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages and changing sea levels could have an adverse financial impact on operations located in the regions where these conditions occur.

Insurance Limits

The Company maintains property, general liability and business interruption insurance. However, there can be no assurance that such insurance will continue to be offered on an economically feasible basis, that all events that could give rise to a loss or liability are insurable, or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the assets or operations of the Company.

Legislative and Regulatory Changes

Changes to any of the laws, rules, regulations or policies affecting the business of the Company would have an impact on the Company's business and may significantly and adversely affect the operations and financial performance of the Company.

Legal and Regulatory Risk

The mining and drilling industries are highly regulated by legal, environmental and health and safety regulations. Failure to comply with such regulations could lead to penalties, including fines or suspension of operations which could have a significant impact on the financial strength and future earnings potential of the Company. Furthermore, the Company's mineral exploration customers are also subject to similar legal, regulatory, health and safety regulations which could materially affect their decision to go ahead with mineral exploration or mine development and thereby indirectly negatively impact the Company.

Cyber-Security Risk

While information systems are integral to supporting the Company's business, due to the nature of the Company's services, it is not considered to be subject to the same level of cyber security risks as companies operating in sectors where sensitive information is at the core of their business. Nevertheless, the Company is potentially exposed to risks ranging from internal human error to uncoordinated individual attempts to gain unauthorised access to its information technology systems, to sophisticated and targeted measures directed at the Company and its systems, clients or service providers. Any such disruptions in the Company's systems or the failure of the systems to operate as expected could, depending on the magnitude of the problem, result in the loss of client information, a loss of current or future business, reputational harm and/or potential claims against the Company, all of which could have an adverse effect on the Company's business, financial condition and operating results. The Company continues to enhance its efforts to mitigate these risks. It invests in technology security initiatives to better identify and address any vulnerability including periodic third-party vulnerability assessments, testing user knowledge of cyber security best practices, and audits of security processes and procedures. In addition, the Company continues to increase the employees' awareness of security policies through ongoing communications.

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 September 20, 2022, Pierre Alexandre, Vice Chairman and Vice President of Corporate Development of the Company, holds or controls, directly or indirectly, approximately 23% 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.

Dividend Payments

Orbit Garant does not expect to pay dividends as it intends to use cash for future growth or debt repayment. In addition, the Credit Agreement places restrictions on the ability of Orbit Garant to declare or pay dividends.

Credit Risk

The Company provides credit to its customers in the normal course of its operations. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. It carries out, on a continuing basis, credit checks on its customers and maintains provisions for contingent credit losses. Demand for the Company's drilling services depends upon the level of mineral exploration and development activities conducted by mining companies, particularly with respect to gold, nickel and copper.

During these unprecedented market challenges, COVID-19 may adversely affect the Company's customers and their solvency. Our customers' financial difficulties can negatively impact the Company's results of operations and financial condition, especially if those customers were to delay or default in payment owed to the Company. Collection of trade and other receivables from third parties remains a priority for the Company under the current situation.

In order to reduce the credit risk, the Company is using insurance coverage from EDC on certain accounts receivable from its customers. The insurance program provides under certain terms and conditions an insurance coverage amount of up to 90% of unpaid accounts. As at June 30, 2022, the amount of the insurance coverage from EDC represents 4% of the accounts receivable (6% as at June 30, 2021).

As at June 30, 2022, 73% (75% as at June 30, 2021) of the trade accounts receivable are aged as current and 1% are impaired (1% as at June 30, 2021).

One major customer represents 12% of the trade accounts receivable as at June 30, 2022 (two major customers represented 15% as at June 30, 2021).

One major customer represents 13% of the contract revenue for the year ended June 30, 2022 (for the year ended June 30, 2021, one major customer represented 12% of the contract revenue).

Credit risk also arises from cash and cash equivalents with banks and financial institutions. This risk is limited because the counterparties are mainly Canadian banks with high credit ratings. The Company does not enter into derivatives to manage credit risk.

Interest Rate Risk

The Company is subject to interest rate risk since a significant part of the long-term debt bears interest at variable rates.

As at June 30, 2022, the Company estimates that a 100 basis point increase or decrease in interest rates would have caused a corresponding annual increase or decrease in net earnings (loss) and comprehensive earnings (loss) of $0.3 million ($0.2 million as at June 30, 2021).

Equity Market Risk

Equity market risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors the general trends in the stock markets and individual equity movements and determines the appropriate course of actions to be taken by the Company.

Fair Value

The fair value of cash and equivalents, trade and other receivables, trade and other payables and factoring liability is approximately equal to their carrying values due to their short-term maturity.

The fair value of long-term debt approximates its carrying value as most of it bears interest at a variable rate and has financing conditions similar to those currently available to the Company.

OUTLOOK

Orbit Garant continues to monitor market conditions in the mining sector and the impact of the COVID-19 pandemic on its business. Orbit Garant's business activity in Canada and West Africa has now surpassed pre-pandemic levels, while the Company's business activity in Chile, which began to ramp up in the latter half of Q4 2021, has returned to pre-pandemic levels. The current high level of customer demand in Canada has resulted in a shortage of experienced drillers, which has impeded productivity levels in the near term. Further, the shortage has resulted in increased wage costs for experienced drillers. The Company is not experiencing a shortage of experienced drillers in its international operations. Orbit Garant is addressing the shortage of experienced drillers in Canada through its driller training program, increased wages and its computerized drilling technology. The impact of the pandemic on global supply chains has resulted in higher costs for supplies and materials. To offset the increased wage costs in Canada and the higher costs of materials globally, the Company is implementing price increases on its drilling contracts. Orbit Garant expects to gradually increase its capacity utilization and driller productivity as the mining cycle progresses, driving growth in margins.

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 mine development will be required for the industry to remain viable in the long term. The current strong price of gold may incentivize mining companies to increase exploration and development spending on gold projects in the near term. Orbit Garant is well positioned to benefit from increased drilling services demand in the gold sector as it derives approximately 71% of its revenue from gold related projects.

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 through 2024. Orbit Garant generated approximately 74% of its revenue from its Canadian operations in Fiscal 2022 and 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 $0.75 US dollars.

While the current price of copper at approximately US$3.52 per pound remains relatively strong and well above its price of US$2.10 per pound at the onset of the pandemic in March 2020, it is down approximately 15% from a year ago. This decline reflects the current negative investor sentiment towards the global economic outlook amid a rising interest rate environment. Many industry analysts expect that declining global copper reserves may necessitate increased exploration and development spending for copper over the near to long term. Orbit Garant is well positioned for increased spending on copper exploration and development projects due to its presence in Chile, which is the global leader in copper production.

Orbit Garant's international operations provide enhanced market, customer and commodity diversification, as well as increased access to higher margin specialized drilling activity. 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 Guinea.

In January 2022, members of Burkina Faso's military ousted the country's President in a coup, citing his inability to stem the violence from Islamic extremists. The military junta appointed a new President, who stated that he would restore security and order in the country. However, while Orbit Garant's drilling projects in Burkina Faso are in areas of the country that have historically experienced fewer incidents of violence, the Company did experience delays to its drilling operations in the fourth quarter of Fiscal 2022. The Company continues to monitor the political situation in Burkina Faso. Orbit Garant's policy is to only work in jurisdictions where the security of its employees can be appropriately maintained.

In September 2021, members of Guinea's military ousted the country's President in a coup, following widespread civil protests against the former President extending his tenure beyond the two-term limit. A new interim President was appointed by the country's military in October 2021. Orbit Garant's operations have not been impacted by the change in political leadership in Guinea and the Company continues to monitor the situation.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The CEO and the CFO of the Company are responsible for establishing and maintaining disclosure controls and procedures (DC&P) for the Company as defined under Multilateral Instrument 52-109 issued by the Canadian Securities Administrators. The CEO and the CFO have designed such DC&P, or caused them to be designed under their supervision, to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and includes controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure.

As at June 30, 2022, the CEO and CFO evaluated the design and operation of the Company's DC&P. Based on that evaluation, the CEO and CFO concluded that the Company's DC&P was effective as at June 30, 2022.

The 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.

During Fiscal 2022, Management, including its CEO and CFO, evaluated the existence and design of the Company's ICFR and confirmed there were no changes to the ICFR that have occurred during the year which materially affected, or are reasonably likely to materially affect, the Company's ICFR. The Company continues to review and document its disclosure controls and its ICFR, and may, from time to time make changes aimed at enhancing their effectiveness and to ensure that its systems evolve with the business. As of June 30, 2022, an evaluation was carried out, under the supervision of the CEO and CFO, of the effectiveness of the Company's ICFR as defined in NI 52-109. Based on this evaluation the CEO and the CFO concluded that the design and operation of these ICFR were effective.

The evaluations were conducted in accordance with the framework and criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), a recognized control model, and the requirements of NI 52-109.