



**Unaudited Interim Condensed Consolidated
Financial Statements**

Third Quarter Fiscal 2023

(For the three and nine-month periods ended March 31, 2023 and 2022)

These interim condensed consolidated financial statements have not been reviewed by the Company's independent auditors.

ORBIT GARANT DRILLING INC.**Interim Condensed Consolidated Statements of Earnings (Loss)**

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars, except for data per share)

(Unaudited)

	Notes	March 31 2023 (3 months) \$	March 31 2022 (3 months) \$	March 31 2023 (9 months) \$	March 31 2022 (9 months) \$
Contract revenue	18	49,345	45,191	154,203	141,644
Cost of contract revenue	4	44,699	44,862	136,542	134,814
Gross profit		4,646	329	17,661	6,830
Expenses (income)					
General and administrative expenses		3,574	3,819	11,349	10,762
Foreign exchange (gain) loss		(731)	(101)	(2,693)	330
Finance costs		862	492	2,429	1,522
	4	3,705	4,210	11,085	12,614
Earnings (loss) before income taxes		941	(3,881)	6,576	(5,784)
Income tax expense (recovery)	11				
Current		507	365	2,629	601
Deferred		237	(181)	550	750
		744	184	3,179	1,351
Net earnings (loss)		197	(4,065)	3,397	(7,135)
Net earnings (loss) per share	10				
Basic		0.01	(0.11)	0.09	(0.19)
Diluted		0.01	(0.11)	0.09	(0.19)

ORBIT GARANT DRILLING INC.**Interim Condensed Consolidated Statements of Comprehensive Earnings (Loss)**

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars)

(Unaudited)

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
	\$	\$	\$	\$
Net earnings (loss)	197	(4,065)	3,397	(7,135)
Other comprehensive earnings (loss)				
Cumulative translation adjustments	11	(603)	(362)	(1,647)
Other comprehensive earnings (loss), net of income tax	11	(603)	(362)	(1,647)
Comprehensive earnings (loss)	208	(4,668)	3,035	(8,782)

ORBIT GARANT DRILLING INC.

Interim Condensed Consolidated Statements of Changes in Equity

For the nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars)

(Unaudited)

Nine-month period ended March 31, 2023					Total
	Share capital	Equity-settled reserve	Retained earnings	Accumulated other comprehensive loss	Shareholders' equity
	\$	\$	\$	\$	\$
Balance as at July 1, 2022	(Note 10) 59,204	1,624	5,729	(4,052)	62,505
Total comprehensive earnings (loss)					
Net earnings	-	-	3,397	-	3,397
Other comprehensive loss					
Cumulative translation adjustments	-	-	-	(362)	(362)
Other comprehensive loss	-	-	-	(362)	(362)
Transactions with shareholders, recorded directly in equity					
Share-based compensation (Note 10)	-	75	-	-	75
Share options cancelled	-	(490)	490	-	-
Total transactions with shareholders	-	(415)	490	-	75
Balance as at March 31, 2023	59,204	1,209	9,616	(4,414)	65,615

Nine-month period ended March 31, 2022					Total
	Share capital	Equity-settled reserve	Retained earnings	Accumulated other comprehensive loss	Shareholders' equity
	\$	\$	\$	\$	\$
Balance as at July 1, 2021	(Note 10) 59,204	1,452	12,342	(2,650)	70,348
Total comprehensive loss (earnings)					
Net loss	-	-	(7,135)	-	(7,135)
Other comprehensive loss					
Cumulative translation adjustments	-	-	-	(1,647)	(1,647)
Other comprehensive loss	-	-	-	(1,647)	(1,647)
Transactions with shareholders, recorded directly in equity					
Share-based compensation (Note 10)	-	171	-	-	171
Share options cancelled	-	(34)	34	-	-
Total transactions with shareholders	-	137	34	-	171
Balance as at March 31, 2022	59,204	1,589	5,241	(4,297)	61,737

ORBIT GARANT DRILLING INC.

Interim Condensed Consolidated Statements of Financial Position

As at March 31, 2023 and June 30, 2022

(in thousands of Canadian dollars)

(Unaudited)

	Notes	March 31 2023	June 30 2022
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		1,411	1,018
Restricted cash	14	960	-
Trade and other receivables		37,236	39,401
Inventories		52,643	49,006
Income taxes receivable		624	664
Prepaid expenses		1,219	1,077
		94,093	91,166
Non-current assets			
Investments	5	522	146
Property, plant and equipment	6	41,864	41,403
Right-of-use assets		1,553	2,388
Intangible assets		337	320
Deferred tax assets		1,852	1,636
Total assets		140,221	137,059
LIABILITIES			
Current liabilities			
Trade and other payables		29,604	33,578
Income taxes payable		2,168	12
Factoring liability		3,646	1,317
Current portion of long-term debt	7	2,175	2,222
Current portion of lease liabilities	8	591	675
		38,184	37,804
Non-current liabilities			
Deferred tax liabilities		1,140	657
Long-term debt	7	34,917	34,702
Lease liabilities	8	365	1,391
		74,606	74,554
EQUITY			
Share capital	10	59,204	59,204
Equity-settled reserve		1,209	1,624
Retained earnings		9,616	5,729
Accumulated other comprehensive loss		(4,414)	(4,052)
Equity attributable to shareholders		65,615	62,505
Total liabilities and equity		140,221	137,059

Contingencies and commitments (notes 13 and 14)

APPROVED BY THE BOARD

Pierre Alexandre, Director

Nicole Veilleux, Director

ORBIT GARANT DRILLING INC.

Interim Condensed Consolidated Statements of Cash Flows

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars)

(Unaudited)

	Notes	March 31 2023 (3 months) \$	March 31 2022 (3 months) \$	March 31 2023 (9 months) \$	March 31 2022 (9 months) \$
OPERATING ACTIVITIES					
Earnings (loss) before income taxes		941	(3,881)	6,576	(5,784)
Items not affecting cash					
Depreciation of property, plant and equipment		2,546	2,805	7,723	8,000
Depreciation of right-of-use assets		135	129	387	388
Amortization of intangible assets		49	-	145	141
Gain on disposal of property, plant and equipment	6	(175)	(423)	(453)	(865)
Derecognition of right-of-use assets and lease liabilities		(132)	-	(132)	-
Share-based compensation	10	32	40	75	171
Finance costs		862	492	2,429	1,522
Net change in fair value of investments	5	88	43	109	31
		4,346	(795)	16,859	3,604
Changes in non-cash operating working capital items	12	(3,303)	3,380	(7,803)	6,613
Income taxes paid		49	46	(415)	(97)
Finance costs paid		(845)	(414)	(2,437)	(1,483)
		247	2,217	6,204	8,637
INVESTING ACTIVITIES					
Proceeds from disposal of investments	5	-	28	-	28
Acquisition of property, plant and equipment	6	(2,165)	(2,443)	(6,925)	(8,022)
Proceeds from disposal of property, plant and equipment	6	299	311	964	1,123
Acquisition of intangible assets		(134)	-	(158)	-
		(2,000)	(2,104)	(6,119)	(6,871)
FINANCING ACTIVITIES					
Proceeds from factoring		7,193	1,792	12,837	9,112
Repayment on factoring		(5,657)	(2,153)	(10,953)	(10,678)
Proceeds from long-term debt		23,744	21,489	87,944	71,593
Repayment of long-term debt		(21,844)	(19,978)	(88,700)	(71,518)
Repayment of lease liabilities		(239)	(168)	(693)	(486)
		3,197	982	435	(1,977)
Effect of exchange rate changes on cash and cash equivalents		(85)	(796)	(127)	(1,652)
Increase (decrease) in cash and cash equivalents		1,359	299	393	(1,863)
Cash and cash equivalents, beginning of the period		52	1,094	1,018	3,256
Cash and cash equivalents, end of the period		1,411	1,393	1,411	1,393

See accompanying notes to interim condensed consolidated financial statements.

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ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars, except for data per share and option data)

(Unaudited)

1. DESCRIPTION OF BUSINESS

Orbit Garant Drilling Inc. (the "Company"), amalgamated under the *Canada Business Corporations Act*, mainly operates a surface and underground diamond drilling business. The Company has operations in Canada, United States, Central and South America and West Africa.

The Company's head office is located at 3200, boul. Jean-Jacques Cossette, Val-d'Or (Québec), Canada. The Company holds interests in several entities. The percentage of voting rights in its subsidiaries and its associates is as follows:

	% of voting rights
Orbit Garant Drilling Services Inc.	100%
9116-9300 Québec inc.	100%
Drift Exploration Drilling Inc.	100%
Drift de Mexico SA de CV	100%
Orbit Garant Chile S.A.	100%
Orbit Garant Drilling Ghana Limited	100%
Perforación Orbit Garant Peru S.A.C.	100%
OGD Drilling (Guyana) Inc.	100%
Forage Orbit Garant BF S.A.S.	100%
Forage Orbit Garant Guinée SARLU	100%
Sarliaq-Orbit Garant Inc.	49%
Tumiit Orbit Garant Inc.	49%

2. BASIS OF PREPARATION

Basis of presentation

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, ("IAS 34"). The IFRS accounting policies that are set out in Note 4 to the Company's annual audited consolidated financial statements for the year ended June 30, 2022 were consistently applied to all periods presented. These interim condensed consolidated financial statements have not been subject to a review engagement by the Company's independent auditors.

The preparation of interim condensed consolidated financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates, assumptions and judgments. It also requires Management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are disclosed in Note 5 in the Company's annual audited consolidated financial statements for the year ended June 30, 2022. They remained unchanged for the three and nine-month periods ended March 31, 2023.

These interim condensed consolidated financial statements have been prepared on a historical cost basis except for the investments, which are measured at fair value, and share-based compensation which is measured in accordance with IFRS 2, *Share-Based Payment*. They are presented in Canadian dollars, which is the currency of the primary economic environment in which the Company operates ("functional currency"). All values are rounded to the nearest thousand dollars, except where otherwise indicated.

These interim condensed consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's 2022 annual audited consolidated financial statements.

These interim condensed consolidated financial statements were approved for issue by the Board of Directors of Orbit Garant Drilling Inc. on May 10, 2023.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars, except for data per share and option data)

(Unaudited)

2. BASIS OF PREPARATION (continued)

Principles of consolidation

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

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

3. Seasonality of operations

The third quarter is normally the Company's weakest quarter in terms of profitability due to the gradual ramp-up of operations after the shutdown of mining and exploration activities over the holiday season and the more difficult weather conditions in Canada.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars, except for data per share and option data)

(Unaudited)

4. EXPENSES BY NATURE

Detail of the depreciation and amortization expenses

The depreciation expense of property, plant and equipment, depreciation of right-of-use assets and the amortization expense of intangible assets have been charged to the interim condensed consolidated statements of earnings as follows:

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
	\$	\$	\$	\$
Cost of contract revenue	2,470	2,707	7,503	7,699
General and administrative expenses	260	227	752	830
Total depreciation and amortization	2,730	2,934	8,255	8,529

Principal expenses by nature

Cost of contract revenue, general and administrative expenses, foreign exchange (gain) loss and finance costs by nature are as follows:

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
	\$	\$	\$	\$
Depreciation and amortization	2,730	2,934	8,255	8,529
Employee benefits expense	25,170	24,266	76,860	72,638
Cost of inventories	10,992	10,843	35,047	31,871
Other expenses	9,512	11,029	27,465	34,390
Total cost of contract revenue, general and administrative expenses, foreign exchange (gain) loss and finance costs	48,404	49,072	147,627	147,428
Cost of contract revenue	44,699	44,862	136,542	134,814
General and administrative expenses, foreign exchange (gain) loss and finance costs	3,705	4,210	11,085	12,614
Total cost of contract revenue, general and administrative expenses, foreign exchange (gain) loss and finance costs	48,404	49,072	147,627	147,428

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars, except for data per share and option data)

(Unaudited)

5. INVESTMENTS

	Nine-month period ended March 31, 2023	Year ended June 30, 2022
	\$	\$
Investments in public companies, beginning of the year	146	259
Conversion of trade receivables	485	-
Proceeds from disposal of investments	-	(28)
Change in fair value of investments measured at fair value through profit or loss	(109)	(85)
Investments in public companies, end of the period	522	146

6. PROPERTY, PLANT AND EQUIPMENT

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
	\$	\$	\$	\$
Acquisition of property, plant and equipment	2,165	2,443	6,925	8,022
Proceeds from disposal of property, plant and equipment	(299)	(311)	(964)	(1,123)
Gain on disposal of property, plant and equipment	(175)	(423)	(453)	(865)

The gain on disposal of property, plant and equipment is included in cost of contract revenue.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars, except for data per share and option data)

(Unaudited)

7. LONG-TERM DEBT

	March 31 2023	June 30 2022
	\$	\$
Loan of US\$1,000 (June 30, 2022: US\$1,000) authorized for a maximum amount of \$6,767 (US\$5,000), bearing interest at base rate plus 0.25%, effective rate as at March 31, 2023 of 8.75% (June 30, 2022: interest at base rate plus 0.25%, effective rate of 5.50%), maturing in November 2024, secured by a first rank hypothec on the universality of all present and future assets, except for those noted below ^(d)	1,353	1,289
Loan authorized for a maximum amount of \$30,000, bearing interest at prime rate plus 1.50%, effective rate as at March 31, 2023 of 8.20% (June 30, 2022: interest at prime rate plus 3.75%, effective rate of 7.45%), maturing in November 2024, secured by a first rank hypothec on the universality of all present and future assets, except for those noted below ^{(a) (b) (d)}	22,766	30,003
Loan, bearing interest at 6.70%, payable in monthly instalments of \$64, maturing in October 2042, secured by a first rank hypothec on a land and building ^{(c) (e)}	8,263	-
Loan of US\$1,450 (June 30, 2022: US\$2,320), bearing interest at prime rate plus 2.75%, effective rate as at March 31, 2023 of 10.75% (June 30, 2022: bearing interest at prime rate plus 2.75%, effective rate of 7.50%), payable in monthly instalments of \$131 (US\$97) (June 30, 2022 : \$125 (US\$97)), maturing in July 2024, secured by a third rank hypothec on the universality of all present and future assets	1,962	2,990
Loans of CLP\$80,345 (June 30, 2022: CLP\$400,925), bearing interest at rates of 3.50%, payable in monthly instalments of \$61 (CLP\$35,501) (June 30, 2022: \$50 (CLP\$35,501)), maturing in June 2023.	151	558
Loan of CLF 43 (June 30, 2022: CLF 46), bearing interest at rates of 3.30%, payable in monthly instalments of \$22 (CLF 0.43), maturing in February 2028, secured by land and building. ^(f)	2,597	2,084
	37,092	36,924
Current portion	(2,175)	(2,222)
	34,917	34,702

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars, except for data per share and option data)

(Unaudited)

7. LONG-TERM DEBT (continued)

- (a) The Loans bear interest at either (a) the bank's prime rate plus an applicable margin based on a financial covenant or (b) the banker's acceptance rate plus an applicable margin based on a financial covenant. In addition, the Company incurs commitment fees, varying between 0.35% to 1.07%. The rate is variable based on the quarterly calculation of a financial ratio and can vary from (a) prime rate plus 0.50% to 3.75% or (b) banker's acceptance rate plus 1.50% to 4.75%.
- (b) An unamortized amount of \$146 (\$254 as at June 30, 2022), representing financing fees, has been netted against the long-term debt. This amount is being amortized to earnings over the term of the debt, using the effective interest method.
- (c) An unamortized amount of \$122 (\$0 as at June 30, 2022), representing financing fees, has been netted against the long-term debt. This amount is being amortized to earnings over the term of the debt, using the effective interest method.
- (d) On May 10, 2022, the Company signed an amendment to the Fourth Amended and Restated Credit Agreement with National Bank of Canada, consisting of a revolving credit facility in the amount of \$35,000 along with a revolving credit facility in the amount of US\$5,000, that will expire November 2, 2024. On September 9, 2022, as a consequence of securing a new term loan with Business Development Bank of Canada, the amended and restated Credit Agreement has been reduced from \$35,000 to \$30,000. As at March 31, 2023, the US Credit facility used was US\$600 (US\$200 as at June 30, 2022).
- (e) On September 9, 2022, the Company entered into a additional loan agreement with the Business Development Bank of Canada (the "BDC Loan Agreement") for a term loan in the principal amount of \$8,470. The loan bears interest at a fixed rate of 6.70% per year, has a duration of 240 consecutive monthly payments from November 2022 until October 2042. The fixed rate may be reduced by 0.20% from November 2023, if certain covenants of a financial nature are met. The Company's obligations under the BDC Loan Agreement are secured by a first ranking hypothec on the land and building serving as the Company's head office located in Val-d'Or.
- (f) An unamortized amount of \$37 (\$35 as at June 30, 2022), representing financing fees, has been netted against the long-term debt. This amount is being amortized to earnings over the term of the debt, using the effective interest method.

Under the terms of the long-term debt agreements, the Company must satisfy certain restrictive covenants as to minimum financial ratios (Note 9). As at March 31, 2023, the Company was compliant with its financial covenants (June 30, 2022: the Company was compliant with its financial covenants).

As at March 31, 2023, the prime rate in Canada was 6.70% for Canadian loans (3.70% as at June 30, 2022), the prime rate in United States was 8.00% and the base rate in the United States was 8.50% for US loans (4.75% and 5.25%, respectively as at June 30, 2022).

As at March 31, 2023, principal payments required in the next years are as follows:

					\$
Within one year					2,175
Later than one year and no later than five years					28,173
More than five years					7,049
					<u>37,397</u>

Long-term debt before unamortized financing costs by currency and by term are as follows:

As at March 31, 2023		Within	Later than one	Later than
\$000s	Total	one year	and no later than	five years
	\$	\$	five years	\$
CAN	30,485	226	23,210	7,049
US (US\$3,050)	4,127	1,570	2,557	-
Chilean UF (CLF 43)	2,634	228	2,406	-
Chilean pesos (CLP\$80,345)	151	151	-	-
	<u>37,397</u>	<u>2,175</u>	<u>28,173</u>	<u>7,049</u>

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars, except for data per share and option data)

(Unaudited)

8. LEASE LIABILITIES

The summary of the activity related to the lease liabilities for the three-month and nine-month periods ended March 31, 2023 and 2022 is as follows:

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
	\$	\$	\$	\$
Lease liabilities recognized, beginning of period	2,011	2,360	2,066	1,996
Additions	-	-	382	722
Disposals	-	-	-	(29)
Finance cost	14	34	77	104
Payment of lease liabilities, including related finance costs	(253)	(202)	(770)	(590)
Variable lease payment adjustment ^(a)	1	3	6	5
Reassessment of the lease term	(821)	-	(821)	-
Foreign exchange differences	4	15	16	2
	956	2,210	956	2,210
Current portion	591	734	591	734
Balance, end of period	365	1,476	365	1,476

^(a) The variable lease payments depend on an index or a rate.

Lease payments required in the next years are as follows:

	March 31 2023
	\$
Within one year	623
Later than one year and no later than five years	382
	1,005
Less: discounting impact	(49)
Present value of lease payments	956

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars, except for data per share and option data)

(Unaudited)

9. CAPITAL MANAGEMENT

The Company includes long-term debt, lease liabilities, factoring liability, share capital, equity-settled reserve, retained earnings, accumulated other comprehensive loss and cash and equivalents in its definition of capital.

The Company's capital structure is as follows:

	March 31 2023	June 30 2022
	\$	\$
Long-term debt	37,092	36,924
Lease liabilities	956	2,066
Factoring liability	3,646	1,317
Share capital	59,204	59,204
Equity-settled reserve	1,209	1,624
Retained earnings	9,616	5,729
Accumulated other comprehensive loss	(4,414)	(4,052)
Cash and equivalents	(1,411)	(1,018)
	105,898	101,794

The Company's objective when managing its capital structure is to maintain financial flexibility in order to i) preserve access to capital markets; ii) meet financial obligations; and iii) finance internally generated growth and potential new acquisitions. To manage its capital structure, the Company may adjust spending, issue new shares, issue new debt or repay existing debts.

Under the terms of certain of the Company's debt agreements, the Company must satisfy certain financial covenants, such as Senior debt to earnings before income taxes, interest, depreciation and amortization ratio, Senior debt to capitalization ratio and fixed charge coverage ratio. Such agreements also limit, among other things, the Company's ability to incur additional indebtedness, create liens, engage in mergers or acquisitions and make dividend and other payments. As at March 31, 2023, as mentioned in Note 7, the Company complied with its covenants (June 30, 2022: the Company was compliant with its financial covenants).

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary, dependent on various factors.

The Company's objectives with regards to capital management remain unchanged from the prior year.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2023 and 2022

(in thousands of Canadian dollars, except for data per share and option data)

(Unaudited)

10. SHARE CAPITAL

Authorized, an unlimited number of common and preferred shares:

Common shares, participating and voting, without nominal or par value

Preferred shares rights privileges, restrictions and conditions must be adopted before their issuance by a resolution of the Board of Directors of the Company.

	Nine-month period ended March 31, 2023		Year ended June 30, 2022	
	Number of shares	\$	Number of shares	\$
Common shares				
Balance, beginning of the period	37,372,756	59,204	37,372,756	59,204
Shares issued:				
For stock options exercised	-	-	-	-
Balance, end of the period	37,372,756	59,204	37,372,756	59,204

Net earnings (loss) per share

Diluted net earnings (loss) per common share was calculated based on net earnings (loss) divided by the average number of common shares outstanding using the treasury shares method. For the numbers in the comparative periods, share options are not included in the computation of diluted net loss per share as their inclusion would be anti-dilutive.

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
Net earnings (loss) per share - basic				
Net earnings (loss) attributable to common shareholders	\$ 197	\$ (4,065)	\$ 3,397	\$ (7,135)
Weighted average basic number of common shares outstanding	37,372,756	37,372,756	37,372,756	37,372,756
Net earnings (loss) per share - basic	\$ 0.01	\$ (0.11)	\$ 0.09	\$ (0.19)

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
Net earnings (loss) per share - diluted				
Net earnings (loss) attributable to common shareholders	\$ 197	\$ (4,065)	\$ 3,397	\$ (7,135)
Weighted average basic number of common shares outstanding	37,372,756	37,372,756	37,372,756	37,372,756
Adjustment to average number of common share - stock options	17,591	-	9,561	-
Weighted average diluted number of common shares outstanding	37,390,347	37,372,756	37,382,317	37,372,756
Net earnings (loss) per share - diluted	\$ 0.01	\$ (0.11)	\$ 0.09	\$ (0.19)

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10. SHARE CAPITAL (continued)

All stock options outstanding are granted to directors, officers and employees. Details regarding the stock options outstanding are as follows:

	March 31, 2023 (9 months)		March 31, 2022 (9 months)	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the period	3,243,500	1.24	3,342,500	1.24
Granted during the period	550,000	0.53	-	-
Cancelled during the period	(1,113,500)	1.41	(99,000)	1.11
Outstanding at end of the period	2,680,000	1.03	3,243,500	1.24
Exercisable at end of the period	1,693,669	1.21	2,106,500	1.43

The following table summarizes information on share options outstanding as at March 31, 2023:

Range of exercise price \$	Outstanding at March 31, 2023	Weighted average remaining life (years)	Weighted average exercise price \$	Exercisable at March 31, 2023	Weighted average exercise price \$
0.50 - 1.49	2,020,000	3.05	0.79	1,033,669	0.86
1.50 - 2.49	660,000	0.68	1.74	660,000	1.74
	2,680,000			1,693,669	

During the periods mentioned below, the total expense related to share-based compensation to employees and directors has been recorded and presented in general and administrative expenses as follows:

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
Expense related to share-based compensation	\$ 32	\$ 39	\$ 75	\$ 171

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11. INCOME TAXES

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
Earnings (loss) before income taxes	\$ 941	\$ (3,881)	\$ 6,576	\$ (5,784)
Statutory rates	26.50%	26.50%	26.50%	26.50%
Income taxes based on statutory rates	249	(1,028)	1,743	(1,533)
Increase (decrease) of income taxes due to the following:				
Non-deductible expenses	18	26	53	73
Non-deductible share-based compensation expense	9	10	20	45
Difference of income tax rates between territories	38	32	85	111
Withholdings taxes	294	26	294	157
Income tax assets unrecognized	454	962	972	2,584
Non-taxable portion of capital gain	28	8	(78)	(34)
Prior years adjustments	(379)	134	98	(55)
Other	33	14	(8)	3
Total income tax expense	744	184	3,179	1,351

12. ADDITIONAL INFORMATION RELATING TO THE STATEMENTS OF CASH FLOWS

Changes in non-cash operating working capital items:

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
Restricted cash	\$ (22)	\$ -	\$ (893)	\$ -
Trade and other receivables	(2,546)	(1,296)	2,759	5,888
Inventories	1,971	(1,688)	(1,771)	(6,012)
Prepaid expenses	(67)	(93)	(94)	8
Trade and other payables	(2,639)	6,457	(7,804)	6,729
	(3,303)	3,380	(7,803)	6,613

A non-cash transaction between Trade and other receivables and investment of \$485 was recorded for the three and nine-month periods ended March 31, 2023.

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13. CONTINGENCIES

The Company is subject to various claims that arise in the normal course of business. Management believes that adequate provisions have been made in the accounts where appropriate. Although it is not possible to estimate the extent of potential costs and losses, if any, management believes that the ultimate resolution of such contingencies will not have a material adverse effect on the financial position of the Company.

14. COMMITMENTS AND GUARANTEES

Commitments

The Company has entered into short-term and low asset value lease agreements expiring in 2023 which call for total lease payments of \$72 for the rental of offices. None of the lease agreements contain renewal or purchase options or escalation clauses or any restrictions. The lease payments under these lease agreements for the next year amount to \$72 for 2023.

Guarantees

As at March 31, 2023, the Company issued some bank guarantees in favor of customers for a total amount of \$2,219 (June 30, 2022: \$1,644), maturing between May 2023 and December 2023. For the nine-month periods ended March 31, 2023 and 2022, the Company has not made any payments in connection with these guarantees.

The restricted cash consist of term deposits held as collateral for some of those guarantees.

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15. RELATED AND ASSOCIATE PARTY TRANSACTIONS

Transactions with related parties

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

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

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
Revenues	\$ 7	\$ 7	\$ 20	\$ 9
Expenses	21	52	95	123

As at March 31, 2023, an amount of \$7 was receivable resulting from these transactions (June 30, 2022: \$0).

In addition, for the nine-month period ended March 31, 2023, repayments of a lease liability totalling \$63 were made to Dynamitage Castonguay Ltd. (March 31, 2022: \$63).

Transactions with associate parties

The Company entered into the following transactions with its associate parties in Note 1:

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
Revenues	\$ 6,982	\$ 4,306	\$ 25,109	\$ 16,939

As at March 31, 2023, trade and other receivables included an amount receivable of \$4,235 from one of the Company's associates (June 30, 2022: \$4,322).

As at March 31, 2023, the investment in an associate totaled \$0 in the interim condensed consolidated statements of financial position (June 30, 2022: \$0).

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

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16. KEY MANAGEMENT COMPENSATION

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

The compensation recognized for the key management remuneration and director's fees is analysed as follows :

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
	\$	\$	\$	\$
Salaries and fees	191	245	728	751
Share-based compensation	20	18	45	68
	211	263	773	819

17. FINANCIAL INSTRUMENTS

The Company is exposed to various risks related to its financial assets and liabilities. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks, or the methods used to measure them, from previous years, unless otherwise stated in this note.

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.

Fair value

The fair value of cash and cash 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 some of it bears interest at a variable rate and has financing conditions similar to those currently available to the Company, whereas the most significant fixed interest rate loan was contracted in September 2022.

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17. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The methodology used to measure the Company's financial instruments accounted for at fair value is determined based on the following hierarchy:

Level	Basis for determination of fair value
Level 1	Quoted prices in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability.
Level 3	Inputs for the asset or liability that are not based on observable market

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

As at March 31, 2023, the investments are measured at fair value and are classified as a Level 1 financial instrument as the fair value is determined using quoted prices in the active markets.

As at March 31, 2023	Carrying value	Fair value	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$
Financial assets measured at amortized cost					
Cash and cash equivalents	1,411	1,411			
Trade and other receivables	37,236	37,236			
Financial assets measured at fair value					
Investments	522	522	522	-	-
Financial liabilities measured at amortized cost					
Trade and other payables	29,604	29,604			
Factoring Liability	3,646	3,646			
Long-term debt	37,092	37,092			

As at June 30, 2022	Carrying value	Fair value	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$
Financial assets measured at amortized cost					
Cash and cash equivalents	1,018	1,018			
Trade and other receivables	39,401	39,401			
Financial assets measured at fair value					
Investments	146	146	146	-	-
Financial liabilities measured at amortized cost					
Trade and other payables	33,578	33,578			
Factoring Liability	1,317	1,317			
Long-term debt	36,924	36,924			

There were no transfers of amounts between Level 1, Level 2 and Level 3 financial instruments for the three and nine month periods ended March 31, 2023.

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18. SEGMENTED INFORMATION

The Company is separated into two geographical reportable segments: Canada and International (US, Central and South America and West Africa). The elements of the results and the financial situation are divided between the segments, based on destination of contracts or profits. Data by geographical areas follow the same accounting rules as those used for the consolidated accounts. Transfers between segments are carried out at market prices.

Operational sectors are presented using the same criteria as for the production of the internal report to the chief operating decision maker, who allocates the resources and evaluates the performance of the operational sectors. The chief operating decision maker is considered to be the President and Chief Executive Officer, who evaluates the performance of both segments by the revenues of ordinary activities from external clients and earnings (loss) from operations.

Data relating to each of the Company's reportable operating segments are presented as follows:

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
Contract revenue	\$	\$	\$	\$
Canada	38,523	32,516	119,591	103,149
International ⁽¹⁾	10,822	12,675	34,612	38,495
	49,345	45,191	154,203	141,644
Earnings (loss) from operations				
Canada	4,211	523	14,897	6,172
International	(2,148)	(3,417)	(5,745)	(7,852)
	2,063	(2,894)	9,152	(1,680)
General and corporate expenses ⁽²⁾	260	495	147	2,582
Finance costs	862	492	2,429	1,522
Income tax expense	744	184	3,179	1,351
	1,866	1,171	5,755	5,455
Net earnings (loss)	197	(4,065)	3,397	(7,135)
⁽¹⁾ The International operating segment included				
West African revenue	2,662	4,971	10,571	14,151
Chilean revenue	7,549	6,489	21,137	20,695

⁽²⁾ General and corporate expenses include expenses for corporate offices, share options, foreign exchange (gain) loss and certain unallocated costs.

	March 31 2023 (3 months)	March 31 2022 (3 months)	March 31 2023 (9 months)	March 31 2022 (9 months)
Depreciation and amortization	\$	\$	\$	\$
Canada	1,678	1,525	5,045	4,716
International	792	1,182	2,458	2,983
Total depreciation and amortization included in earnings (loss) from operations	2,470	2,707	7,503	7,699
Unallocated and corporate assets	260	227	752	830
Total depreciation and amortization	2,730	2,934	8,255	8,529

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18. SEGMENTED INFORMATION (continued)

	As at March 31, 2023	As at June 30, 2022		
	\$	\$		
Identifiable assets				
Canada	95,302	92,099		
Chile	21,650	15,906		
West Africa	20,806	26,090		
International - Other	2,463	2,964		
	<u>140,221</u>	<u>137,059</u>		
Property, plant and equipment				
Canada	26,864	26,168		
Chile	6,702	5,296		
West Africa	8,116	9,785		
International - Other	182	154		
	<u>41,864</u>	<u>41,403</u>		
Right-of-use assets				
Canada	1,424	1,424		
Chile	54	83		
West Africa	42	819		
International - Other	33	62		
	<u>1,553</u>	<u>2,388</u>		
Intangible assets				
Canada	286	219		
Chile	39	85		
West Africa	12	16		
	<u>337</u>	<u>320</u>		
	March 31	March 31	March 31	March 31
	2023	2022	2023	2022
	(3 months)	(3 months)	(9 months)	(9 months)
	\$	\$	\$	\$
Non-current assets acquisitions				
Canada	1,672	1,849	6,037	4,626
International	464	580	1,040	4,048
Unallocated and corporate assets	163	14	357	70
	<u>2,299</u>	<u>2,443</u>	<u>7,434</u>	<u>8,744</u>