



MANAGEMENT'S DISCUSSION AND ANALYSIS

THIRD QUARTER FISCAL 2023

(Three and nine-month periods ended March 31, 2023)

May 10, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine-month periods ended March 31, 2023 as compared with the corresponding periods of the previous year and also with the audited consolidated financial statements and MD&A contained in the Company's annual report for the fiscal year ended June 30, 2022 ("Fiscal 2022") and the notes thereto, which are available on the SEDAR website at www.sedar.com.

The Company's third quarter of Fiscal 2023 ("Q3 2023") unaudited interim condensed consolidated financial statements and the accompanying notes were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are in Canadian dollars, except when otherwise noted.

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

This MD&A is dated May 10, 2023. 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. Certain risk factors 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.

FISCAL 2023 THIRD QUARTER SUMMARY

- Revenue totalled \$49.3 million, an increase of 9.2% compared to \$45.2 million during the third quarter of Fiscal 2022 ("Q3 2022")
- Gross margin was 9.4% compared to 0.7% in Q3 2022
- Adjusted gross margin ⁽¹⁾ (excluding depreciation expense) was 14.4% compared to 6.7% in Q3 2022
- EBITDA ⁽¹⁾ totalled \$4.5 million, an increase of \$5.0 million compared to \$(0.5) million in Q3 2022
- Net earnings were \$0.2 million, compared to a net loss of \$4.1 million in Q3 2022

(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 212 drill rigs and approximately 1,300 employees. Headquartered in Val-d'Or, Québec, the Company provides both underground and surface drilling services in Canada and internationally to major, intermediate and junior mining companies, through each stage of mineral exploration, mine development and production. Orbit Garant also provides geotechnical and water drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies. The majority of Orbit Garant's business activity is conducted in Canada. The Company has regional offices and facilities in Sudbury, Ontario and Moncton, New Brunswick, to support its Canadian operations. 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; and 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 reportable operating segments: Canada (including surface drilling, underground drilling and manufacturing Canada), and International (including surface drilling and underground drilling).

For the nine-month period ended March 31, 2023:

- Specialized drilling services, which typically generate a higher gross margin than conventional drilling services, accounted for approximately 40% of the Company's total revenue, compared to 31% in the first nine months of Fiscal 2022.
- Approximately 66% of the Company's revenues were generated by gold related operations, and approximately 34% were generated by base metal related and other operations.
- Surface and underground drilling services accounted for approximately 64% and 36%, respectively, of the Company's revenue.
- Approximately 70% of Orbit Garant's revenue was generated from major and intermediate mining company projects, compared to 71% in the first nine months of Fiscal 2022. Orbit Garant's drilling contracts with major and intermediate customers are typically from one to five years in length.
- Approximately 78% of Orbit Garant's revenue was generated from domestic drilling projects, and approximately 22% was generated from international drilling contracts, compared to 73% and 27%, respectively, in the first nine months of Fiscal 2022.

BUSINESS STRATEGY

Orbit Garant's goal is to be a leading 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;
- Maintain a sound balance sheet and a judicious deployment of capital; and
- Evaluate strategic acquisition opportunities to enhance value for the Company's stakeholders.

INDUSTRY OVERVIEW

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

Gold

Gold prices are determined by the balance between supply (primarily mine production) and the many sources of demand including global demand for gold jewelry, investment demand, and to a much lesser extent, demand from industrial applications.

At the time of this report, the spot price of gold was approximately US\$2,029 per ounce, representing an increase of approximately 10% compared to a year ago and an increase of approximately 73% from its trailing five-year price low in August 2018. During August 2020, the spot price of gold traded at a record high of approximately US\$2,075 per ounce.

Base Metals

Aluminum, copper, lead, nickel and zinc are the primary 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.

The spot prices of aluminium, copper, nickel and zinc are currently lower compared to 12 months ago, while the spot price of lead is higher. The spot price for copper, the metal widely considered to be the most sensitive to macroeconomic activity, was approximately US\$4.20 per pound a year ago and at the time of this report was approximately US\$3.82 per pound, a decline of approximately 9%. The spot price of copper, which reached a low of approximately US\$2.10 per pound in March 2020, is currently above the mid-point of its trailing five-year price range. The spot price of lead is also above the mid-point of its trailing five-year price range, while the spot prices of aluminum, nickel and zinc are below the mid-points of their respective trailing five-year price ranges.

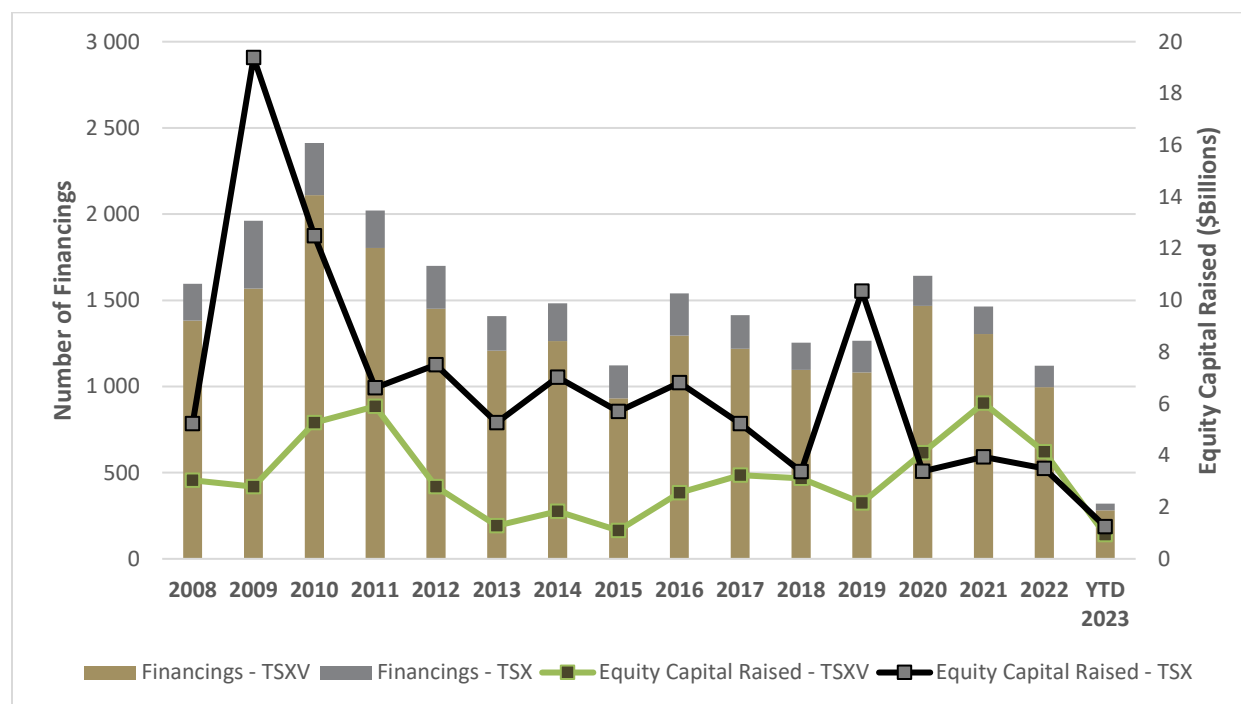
Iron Ore

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\$107 per tonne, compared to approximately US\$127 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

Over the last 12 months, gold and base metals prices have been relatively favourable for mining companies seeking to raise capital to fund exploration and/or development activities. However, mining financing activity in 2022 and the first three months of 2023 was below the comparable levels of 2021.

TSX / TSX-V Mining Sector Financings (2008 to March 31, 2023)



Mining companies listed on the Toronto Stock Exchange (“TSX”) and the TSX-Venture Exchange (“TSX-V”) completed 320 financings and raised \$2.2 billion of equity capital during the first three months of 2023, according to TMX Group. By comparison, they completed 285 financings and raised \$2.1 billion of equity capital during the first three months of 2022. In the comparable period of 2021, they completed 457 financings and raised \$3.6 billion of equity capital.

According to reports from S&P Capital IQ Metals and Mining Research, drilling results were reported from 262 projects in March 2023, compared to 345 projects in February 2023 and 397 projects in January 2023. The total number of drill holes in March 2023 was 2,964, compared to 5,020 in February and 8,678 in January. While the 2,964 drill holes in March 2023 represented the lowest monthly total since November 2020, the 8,678 drill holes in January 2023 represented the largest number reported in a single month since S&P Capital IQ began tracking the data in 2014.

According to a report from S&P Global Market Intelligence (October 2022), global exploration budgets for nonferrous metals increased by an estimated 16% to US\$13.0 billion in 2022, from US\$11.2 billion in 2021, reflecting the industry’s continued recovery from the negative impact of the COVID-19 pandemic. S&P noted that strong metal prices supported continued investment in exploration and/or development programs by mining companies in 2022. For 2023, S&P forecasts that global exploration budgets for nonferrous metals will decline by 10% to 20% from 2022 levels. While

S&P expects 2023 to be a “down year”, it anticipates an upward trend in nonferrous exploration spending over the medium term as rising demand strains the supply pipeline for many commodities.

OVERALL PERFORMANCE

Results of operations for the third quarter ended March 31, 2023

THIRD QUARTER ENDED MARCH 31 * (\$millions)	Fiscal 2023 3 rd Quarter	Fiscal 2022 3 rd Quarter	2023 vs. 2022 Variance
Revenue *	49.3	45.2	4.1
Gross profit *	4.6	0.3	4.3
Gross margin (%)	9.4	0.7	8.7
Adjusted gross margin (%) ⁽¹⁾	14.4	6.7	7.7
Net earnings (loss) *	0.2	(4.1)	4.3
Net earnings (loss) per common share - Basic (\$)	0.01	(0.11)	0.12
- Diluted (\$)	0.01	(0.11)	0.12
EBITDA * ⁽²⁾	4.5	(0.5)	5.0

⁽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.”

As at March 31, 2023, Orbit Garant had 212 drill rigs compared to 217 drill rigs at the end of Fiscal 2022. During Q3 2023, the Company sold four conventional drill rigs. Orbit Garant currently has 44 drill rigs outfitted with computerized monitoring control technology.

ANALYSIS OF THE THIRD QUARTER OF FISCAL 2023, COMPARED TO THE THIRD QUARTER OF FISCAL 2022

Contract Revenue

Revenue for Q3 2023 totalled \$49.3 million, an increase of 9.2% compared to \$45.2 million in Q3 2022, reflecting increased specialized drilling activity and improved pricing in Canada, partially offset by a decline in international drilling activity.

Canada revenue totalled \$38.5 million in Q3 2023, an increase of 18.5% compared to \$32.5 million in Q3 2022, reflecting increased specialized drilling activity and improved pricing. Orbit Garant’s domestic revenue in Q3 2022 also reflects temporary interruptions with work in progress due to the Omicron outbreak.

International revenue totalled \$10.8 million in Q3 2023, compared to \$12.7 million in Q3 2022, reflecting a reduction of drilling activity in Burkina Faso, partially offset by increased drilling activity in Chile and Guinea. Orbit Garant’s international revenue in Q3 2022 also reflects temporary interruptions with work in progress in Chile due to the Omicron outbreak.

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

Gross profit for Q3 2023 was \$4.6 million, an increase of \$4.3 million from \$0.3 million in Q3 2022. Gross margin for Q3 2023 was 9.4%, compared to 0.7% in Q3 2022. Depreciation expenses totalling \$2.5 million are included in the cost of contract revenue for Q3 2023, compared to \$2.7 million in Q3 2022. Adjusted gross margin, excluding

depreciation expenses, was 14.4% in Q3 2023, compared to adjusted gross margin of 6.7% in Q3 2022. The increases in gross profit, gross margin, adjusted gross profit and adjusted gross margin were primarily attributable to increased specialized drilling activity, improved pricing and cost controls. Prior year margins were impacted by project ramp-up costs in Canada, mobilization costs for new, long-term projects in Guinea and Chile, and temporary interruptions with work in progress in Canada and Chile due to the Omicron outbreak.

General and Administrative Expenses

General and Administrative ("G&A") expenses were \$3.6 million, or 7.2% of revenue, in Q3 2023, compared to \$3.8 million, or 8.5% of revenue, in Q3 2022.

Operating Results

Earnings from operations were \$2.1 million for Q3 2023, compared to an operating loss of \$2.9 million in Q3 2022.

Drilling Canada's operating earnings totalled \$4.2 million in Q3 2023, compared to operating earnings of \$0.5 million in Q3 2022. Drilling Canada's operating earnings in Q3 2023 were positively impacted by a higher proportion of specialized drilling activity, improved pricing, cost controls and decreased project ramp-up costs. Operating earnings in Q3 2022 also reflect temporary interruptions with work in progress due to the Omicron outbreak.

Drilling International's operating loss totalled \$2.1 million in Q3 2023, compared to an operating loss of \$3.4 million in Q3 2022. The year-over-year reduction in operating loss was attributable to increased drilling activity in Guinea and Chile, a reduction in mobilization costs related to the Company's projects in Guinea and Chile, and decreased drilling activities in Burkina Faso. The Company also experienced temporary interruptions with work in progress in Chile due to the Omicron outbreak during Q3 2022.

Foreign Exchange (Gain) Loss

Foreign exchange gain was \$0.7 million in Q3 2023, compared to a gain of \$0.1 million in Q3 2022.

EBITDA (see Reconciliation of non-IFRS financial measures)

Earnings before interest, taxes, depreciation and amortization ("EBITDA") increased to \$4.5 million in Q3 2023 from a negative \$(0.5) million in Q3 2022. The increase was primarily attributable to increased specialized drilling activity, improved pricing, cost controls, and a \$0.7 million foreign exchange gain. Prior year margins were impacted by project ramp-up costs in Canada, mobilization costs for new, long-term projects in Guinea and Chile, and Omicron-related work interruptions, as discussed above.

Financial Expenses

Interest costs related to long-term debt and bank charges were \$0.9 million in Q3 2023, compared to \$0.5 million in Q3 2022, reflecting general interest rate increases.

Income Tax

Income tax expense was \$0.7 million in Q3 2023, compared to a tax expense of \$0.2 million in Q3 2022. The effective tax rate for Q3 2023 results from the fact that no deferred tax assets were recognized for tax losses from international operations.

Net Earnings (Loss)

Net earnings for Q3 2023 were \$0.2 million, or \$0.01 per share, compared to a net loss of \$4.1 million, or \$0.11 per share, in Q3 2022. The positive variance is primarily attributable to a higher proportion of specialized drilling activity, improved pricing, cost controls, and a \$0.7 million foreign exchange gain, partially offset by a \$0.5 million increase in income tax. Net earnings in Q3 2023 also reflect decreased project ramp-up costs in Canada, a reduction in mobilization costs for drilling projects in Guinea and Chile, and the absence of Omicron-related work interruptions, as discussed above.

NINE MONTHS ENDED MARCH 31, 2023, COMPARED TO NINE MONTHS ENDED MARCH 31, 2022

NINE MONTHS ENDED MARCH 31 * (\$millions)	Fiscal 2023 Nine Months	Fiscal 2022 Nine Months	2023 vs. 2022 Variance
Revenue *	154.2	141.6	12.6
Gross profit *	17.7	6.8	10.9
Gross margin (%)	11.5	4.8	6.7
Adjusted gross margin (%) ⁽¹⁾	16.3	10.3	6.0
Net earnings (loss) *	3.4	(7.1)	10.5
Net earnings (loss) per common share - Basic (\$)	0.09	(0.19)	0.28
- Diluted (\$)	0.09	(0.19)	0.28
EBITDA * ⁽²⁾	17.3	4.3	13.0

⁽¹⁾ Reflects gross margin, excluding depreciation expenses. See "Reconciliation of non-IFRS financial measures"

⁽²⁾ EBITDA = Earnings before interest, taxes, depreciation and amortization. See "Reconciliation of non-IFRS financial measures"

Contract Revenue

Revenue totalled \$154.2 million for the nine-month period ended March 31, 2023, an increase of 8.9% compared to \$141.6 million during the comparable period in Fiscal 2022, reflecting increased specialized drilling activity and improved pricing in Canada, partially offset by a decline in international drilling activity.

Canada revenue totalled \$119.6 million for the first nine months of Fiscal 2023, an increase of \$16.5 million compared to \$103.1 million for the same period last fiscal year. The increase reflects increased specialized drilling activity and improved pricing.

International revenue totalled \$34.6 million for the nine months ended March 31, 2023, a decrease of \$3.9 million compared to \$38.5 million in the comparable period last fiscal year. The decline was primarily due to a reduction of drilling activities in Burkina Faso, partially offset by increased drilling activities in Guinea.

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

Gross profit for the first nine months of Fiscal 2023 was \$17.7 million, compared to \$6.8 million in the comparable period of Fiscal 2022. Gross margin was 11.5%, compared to 4.8% for the same period a year ago. Depreciation expenses totalling \$7.5 million are included in cost of contract revenue for the first nine months of Fiscal 2023, compared to \$7.7 million during the same period a year ago. Adjusted gross margin, excluding depreciation expenses, was 16.3% in the first nine months of Fiscal 2023, compared to adjusted gross margin of 10.3% in the same period a year ago. The increases in gross profit, gross margin, adjusted gross profit and adjusted gross margin were primarily attributable to increased specialized drilling activity, improved pricing and cost controls. Prior year margins were impacted by project ramp-up costs in Canada, mobilization costs for new, long-term projects in Guinea and Chile, and Omicron-related work interruptions starting in November 2021.

General and Administrative Expenses

G&A expenses were \$11.3 million, or 7.4% of revenue, for the nine-month period ended March 31, 2023, compared to \$10.8 million, or 7.6% of revenue, in the same period a year ago.

Operating Results

Earnings from operations for the nine-month period ended March 31, 2023, were \$9.2 million, compared to an operating loss of \$1.7 million for the first nine months of Fiscal 2022.

Drilling Canada's operating earnings totalled \$14.9 million, compared to operating earnings of \$6.2 million in the first nine months of Fiscal 2022. Drilling Canada's operating earnings in the first nine months of Fiscal 2023 were positively impacted by increased specialized drilling activity, improved pricing, cost controls and decreased project ramp-up costs. Drilling Canada's operating earnings in the first nine months of Fiscal 2022 also reflect Omicron-related work interruptions starting in November 2021.

Drilling International's operating loss was \$5.7 million, compared to an operating loss of \$7.9 million in the first nine months of Fiscal 2022. The year-over-year reduction in operating loss was attributable to increased drilling activity in Guinea and Chile, a reduction in mobilization costs related to the Company's projects in Guinea and Chile, decreased drilling activities in Burkina Faso and the absence of Omicron-related work interruptions in Chile, as discussed above.

Foreign Exchange (Gain) Loss

Foreign exchange gain was \$2.7 million for the nine-month period ended March 31, 2023, compared to a foreign exchange loss of \$0.3 million in the first nine months of Fiscal 2022.

EBITDA (see Reconciliation of non-IFRS financial measures)

EBITDA totalled \$17.3 million for the nine-month period ended March 31, 2023, compared to \$4.3 million in the comparable period last fiscal year. The increase was primarily attributable to increased specialized drilling activity, improved pricing, cost controls and a \$2.7 million foreign exchange gain. Prior year margins were impacted by project ramp-up costs in Canada, mobilization costs for new, long-term projects in Guinea and Chile, and Omicron-related work interruptions starting in November 2021.

Financial Expenses

Interest costs related to long-term debt, lease liabilities and bank charges were \$2.4 million for the first nine months of Fiscal 2023, compared to \$1.5 million during the comparable period last year, reflecting general interest rate increases.

Income Tax

Income tax expense was \$3.2 million in the nine-month period ended March 31, 2023, compared to \$1.3 million for the comparable period in Fiscal 2022. The effective tax rate for the nine-month period ended March 31, 2023, results from the fact that no deferred tax assets were recognized for international operations.

Net Earnings (Loss)

Net earnings for the nine-month period ended March 31, 2023, were \$3.4 million, or \$0.09 per share, compared to a net loss of \$7.1 million, or \$0.19 per share, for the first nine months of Fiscal 2022. The positive variance is primarily attributable to a higher proportion of specialized drilling activity, improved pricing and cost controls. The \$2.7 million foreign exchange gain in the first nine months of Fiscal 2023 was offset by a \$1.7 million increase in income tax and a \$0.9 million increase in interest expense. Net earnings in the first nine months of Fiscal 2023 also reflect decreased project ramp-up costs in Canada, a reduction in mobilization costs for drilling projects in Guinea and Chile, and the absence of Omicron-related work interruptions.

SUMMARY OF QUARTERLY RESULTS

* (\$millions)	Fiscal 2023			Fiscal 2022			Fiscal 2021		
	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	
Contract revenue *	49.3	51.6	53.3	53.8	45.2	45.9	50.6	51.1	
Gross profit ⁽¹⁾ *	4.6	6.8	6.2	6.9	0.3	2.7	3.8	3.0	
Gross margin %	9.4	13.1	11.7	12.8	0.7	6.0	7.4	5.9	
Net earnings (loss) *	0.2	2.1	1.1	0.5	(4.1)	(1.7)	(1.3)	(2.2)	
Net earnings (loss) per common share (\$)	- Basic	0.01	0.05	0.03	0.01	(0.10)	(0.05)	(0.04)	(0.06)
	- Diluted	0.01	0.05	0.03	0.01	(0.10)	(0.05)	(0.04)	(0.06)

Seasonality of operations

The Company's fiscal third quarter is typically the weakest 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.

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 \$4.3 million in Q3 2023, compared to \$(0.8) million in Q3 2022.

The change in non-cash operating working capital items was an outflow of \$3.3 million, compared to an inflow of \$3.4 million in Q3 2022. The change in non-cash operating working capital in Q3 2023 was primarily attributable to:

- \$2.6 million related to a decrease in accounts payable, and
- \$2.6 million related to an increase in accounts receivable and prepaid expenses, partially offset by
- \$1.9 million related to a decrease in inventory.

Investing Activities

Cash used in investing activities totalled \$2.0 million in Q3 2023, compared to \$2.1 million in Q3 2022. During Q3 2023, \$2.3 million was used for the acquisition of property, plant and equipment and intangible assets, partially offset by a cash inflow of \$0.3 million on disposal of investments, property, plant and equipment. During Q3 2022, \$2.4 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 \$0.3 million on disposal of investments, property, plant and equipment.

Financing Activities

During Q3 2023, the Company withdrew a net amount of \$3.2 million on its long-term debt and lease and factoring liabilities compared to a withdrawal of \$1.0 million in Q3 2022.

Orbit Garant's primary sources of liquidity are cash flows 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 entered into a fourth amended and restated credit agreement with National Bank, among others, in respect of the Credit Facility, which was subsequently amended by a first amending agreement on November 22, 2021, and a second amending agreement on May 10, 2022 (collectively, the "Credit Agreement"). On the date hereof, the Credit Facility (as amended by the Third Amending Agreement (defined below)) consists of a \$30.0 million revolving credit facility and a US\$5.0 million revolving credit facility guaranteed by Export Development Canada (the "EDC Loan Agreement"). The Credit Agreement expires on November 2, 2024.

On September 9, 2022, Orbit Garant 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. This loan bears interest at a fixed rate of 6.7% 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 0.2% from October 2023, if certain financial covenants are met by Orbit Garant. The Company's obligations under the BDC Loan Agreement are: (a) secured by a first ranking immovable hypothec on the building serving as Orbit Garant's head office in Val-d'Or, Quebec (the "Property"); and (b) guaranteed on a solidary (joint and several) basis by certain of our subsidiaries.

As a result of Orbit Garant 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 from \$35.0 million 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 Q1 2023 and future quarters.

The Company withdrew a net amount of \$2.6 million in Q3 2023 on its Credit Facility, compared to a withdrawal of \$2.1 million in Q3 2022. The Company's long-term debt, under the Credit Facility, including US\$1.0 million (\$1.4 million) drawn from the US\$5.0 million revolving credit facility and the current portion, was \$24.3 million as at March 31, 2023, compared to \$31.5 million as at June 30, 2022. This reduction primarily reflects the utilization of a substantial portion of the \$8.47 million loan agreement from the BDC that was secured in Q1 2023.

As at March 31, 2023, the Company's working capital totalled \$55.9 million, compared to \$53.4 million as at June 30, 2022. 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 March 31, 2023, the Company complied with all covenants in the Credit Agreement, the EDC Loan Agreement and the BDC 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 Agreement matures on November 2, 2024. As at March 31, 2023, the Company had drawn \$24.3 million (\$31.5 million as at June 30, 2022) from the Credit Facility.

Availability under the Credit Facility is subject to a borrowing base that is determined by the value of the Company's eligible inventory and accounts receivable. Except as noted for the BDC Loan Agreement and for the EDC Loan, all of Orbit Garant's assets are pledged in favor of National Bank as security for the Company's obligations under the Credit Agreement. In addition, the Company's obligations under the US\$5.0 million revolving credit facility are guaranteed by Export Development Canada.

The Credit Agreement contains covenants that limit the ability of the Company and its subsidiaries to undertake certain actions without prior approval of the National Bank, 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 certain 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 Export Development Canada 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 Projet Production International BF S.A. in Ouagadougou, Burkina Faso 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 junior hypothec over all of Orbit Garant's assets. Orbit Garant's long-term debt under the EDC Loan, including the current portion, amounted to \$2.0 million as at March 31, 2023 (\$3.0 million as at June 30, 2022).

In May 2020, Orbit Garant Chile S.A. ("OG Chile") a 100% owned subsidiary based in Santiago, 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. Orbit Garant's long-term debt under the loans from Banco Scotiabank, including the current portion, amounted to \$0.2 million as at March 31, 2023 (\$0.6 million as at June 30, 2022).

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. Orbit Garant's long-term debt under the financing agreement from Banco Scotiabank, including the current portion, amounted to \$2.6 million as at March 31, 2023 (\$2.1 million as at June 30, 2022).

On September 2022, the Company entered into the BDC Loan Agreement as described above for a principal amount of \$8.47 million. This 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. Orbit Garant's long-term debt under the BDC Loan Agreement, including the current portion, amounted to \$8.3 million as at March 31, 2023 (nil as at June 30, 2022).

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.

OUTSTANDING SECURITIES AS AT MAY 10, 2023

Number of common shares	37,372,756
Number of options	1,960,000
Fully diluted	39,332,756

On December 1, 2022, the Company issued 475,000 options at an exercise price of \$0.53 per share. On February 8, 2023, the Company issued 75,000 options at an exercise price of \$0.56 per share. As of May 10, 2023, 1,833,500 options have been cancelled in Fiscal 2023.

RELATED PARTY TRANSACTIONS

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

During the three and nine-month periods ended March 31, 2023, and March 31, 2022, the Company entered into the following transactions with its related company and with persons related to directors:

*(\$thousands)	3 months ended March 31, 2023	3 months ended March 31, 2022	9 months ended March 31, 2023	9 months ended March 31, 2022
Revenue*	7	7	20	9
Expenses*	21	52	95	123

As at March 31, 2023, a negligible amount was a receivable resulting from these transactions (a negligible amount as at June 30, 2022).

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

Key management personnel and directors' transactions

The definition of key management includes the close members of the family of key personnel and any entity over which key management exercises control. The key management personnel have been identified as directors of the Company and key management staff. Close members of 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)	3 months ended March 31, 2023	3 months ended March 31, 2022	9 months ended March 31, 2023	9 months ended March 31, 2022
Salaries and fees	191	245	728	751
Share-based compensation	20	18	45	68
Total	211	263	773	819

BASIS OF PREPARATION

Basis of presentation

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, ("IAS 34"). The IFRS accounting policies 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 unaudited 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 unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis except for the investments, which are measured at fair value, and share-based compensation, which is measured in

accordance with IFRS 2, *Share-Based Payment*. They are presented in Canadian dollars, which is the currency of the primary economic environment in which the Company operates ("functional currency"). All values are rounded to the nearest thousand dollars, except where otherwise indicated.

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

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

Principles of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during 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.

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: Earnings (loss) before interest, taxes, depreciation and amortization.

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

EBITDA

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

Reconciliation of EBITDA

(unaudited) (in millions of dollars)	3 months ended March 31, 2023	3 months ended March 31, 2022	9 months ended March 31, 2023	9 months ended March 31, 2022
Net earnings (loss) for the period	0.2	(4.1)	3.4	(7.1)
Add:				
Finance costs	0.9	0.5	2.4	1.5
Income tax expense	0.7	0.2	3.2	1.3
Depreciation and amortization	2.7	2.9	8.3	8.6
EBITDA	4.5	(0.5)	17.3	4.3

Adjusted Gross Profit and Margin

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

Reconciliation of Adjusted Gross Profit and Margin

(unaudited) (in millions of dollars)	3 months ended March 31, 2023	3 months ended March 31, 2022	9 months ended March 31, 2023	9 months ended March 31, 2022
Contract revenue	49.3	45.2	154.2	141.6
Cost of contract revenue (including depreciation)	44.7	44.9	136.5	134.8
Less depreciation	(2.5)	(2.7)	(7.5)	(7.7)
Direct costs	42.2	42.2	129.0	127.1
Adjusted gross profit	7.1	3.0	25.2	14.5
Adjusted gross margin (%) ⁽¹⁾	14.4	6.7	16.3	10.3

⁽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, 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 pandemic, 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 pandemic, the Company continues to closely monitor its impact 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 pandemic may have on its business and workforce.

Risk Related to Structure and Common Shares

Equity Market Risks

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

Influence of Existing Shareholders

As of May 10, 2023, Pierre Alexandre, President and Chief Executive Officer, holds or controls, directly or indirectly, approximately 24% of Orbit Garant's outstanding Common Shares. As a result, this shareholder has the ability to influence Orbit Garant's strategic direction and policies, including any merger, consolidation or sale of all or substantially all of its assets, and the election and composition of Orbit Garant's Board of Directors. The foregoing ability to affect the control and direction of Orbit Garant could reduce its attractiveness as a target for potential takeover bids and business combinations, and correspondingly affect its share price.

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

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

Dilution

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

OUTLOOK

The 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 and the war in Ukraine 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 supplies and materials globally, the Company has been implementing price increases on its drilling contracts. Orbit Garant expects to gradually increase its capacity utilization and driller productivity to drive 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 supports exploration and development spending on gold projects. Orbit Garant is well positioned to benefit from increased drilling services demand in the gold sector as it derives approximately 66% 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 78% of its revenue from its Canadian operations in the first three quarters of Fiscal 2023 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.

Copper prices have increased slightly to date in 2023, and long-term market sentiment for the metal is positive due to tight supply-demand fundamentals and its important role in the electrification of the global economy. 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 Guinea and Burkina Faso. Due to the ongoing political instability and security concerns in Burkina Faso, the Company intends to fulfill its existing contracts, but gradually reduce its presence in the country.

Management believes the Company's proprietary computerized monitoring and control drilling technology will increasingly be an important contributor in reducing both labour and consumable drilling costs, enhancing driller training and productivity rates, and improving safety. Orbit Garant currently has 44 drill rigs featuring its computerized monitoring and control technology, all of which are currently deployed on customer projects. These next generation drill rigs have demonstrated a significant increase in productivity rates compared to conventional drill rigs. Orbit Garant's customers have responded positively to this improved performance, which has led to new or renewed underground drilling contracts for longer terms.

Looking ahead, Orbit Garant intends to primarily focus on its Canadian gold drilling operations, prioritizing longer-term, specialized drilling contracts with major and intermediate customers. The Company will selectively pursue international drilling opportunities in South America in West Africa when there is a high degree of cost and margin certainty. Orbit Garant will continue to focus on disciplined management of its variable cost structure and cash, optimizing its drill rig utilization, increasing productivity rates, continuing to focus on technology innovation, retaining key personnel, and maintaining strong health and safety standards. The Company's primary objective is to maximize profitability on a sustainable basis.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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.

For the three and nine-month periods ended March 31, 2023; there have been no significant changes to the ICFR and no change in the assessment of the effectiveness of the Company's ICFR. Accordingly, the CEO and CFO have concluded that the design and operation were effective at a reasonable level as at the end of the period covered by this report.