



September 2023

# INVESTOR PRESENTATION

FORAGE  
**ORBIT**  **GARANT**  
DRILLING

TSX: **OGD**

# Cautionary Statements

## Forward-Looking Information

Certain statements contained herein constitute “forward-looking statements” which reflect the current expectations of management regarding the Company’s future growth, results of operations, performance, business prospects and opportunities based on information currently available to it. Wherever possible, words such as “may”, “would”, “could”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “estimate”, “aim”, “endeavor” and similar expressions have been used to identify these forward-looking statements. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the “Risk Factors” section of the company’s public filings. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained herein are based upon what management currently believes to be reasonable assumptions, there can be no assurance that actual results, performance or achievements will be consistent with the forward-looking statements. Forward-looking statements are made as of the date hereof and Orbit Garant may not, and does not assume any obligation to, update or revise these forward-looking statements other than as specifically required by applicable law. For more information concerning the Company’s risks and uncertainties, please refer to the Company’s most recent MD&A and Annual Information Form which are available on [www.sedarplus.ca](http://www.sedarplus.ca).

## Non-IFRS Measures

This presentation makes reference to certain non-IFRS measures, including EBITDA, Adjusted EBITDA and Adjusted Gross Margin, that do not have standardized meanings prescribed by IFRS and could be calculated differently by other companies. The Company believes that these 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 is defined as net earnings (loss) before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding the impact of the write-down of inventories from restructuring in Burkina Faso. Adjusted gross margin is defined as gross profit excluding depreciation and the write-down of inventories from restructuring in Burkina Faso. Please refer to reconciliation in Appendix.

# Company Overview

- ~ 1,300 Employees
- 212 Drill Rigs
- Underground & Surface Drilling



- Head office
- Regional offices
- Field operations

**Regional offices:** Sudbury, ON, Moncton, NB, United States, Chile, Guyana, Guinea, and Burkina Faso  
**Current field operations:** Canada, Chile, Guyana, Guinea and Burkina Faso

Val-d'Or



Chile

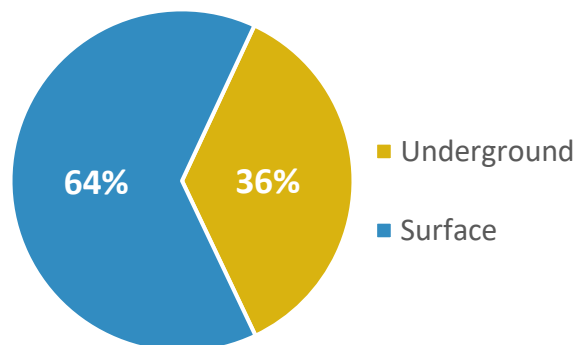


Burkina Faso

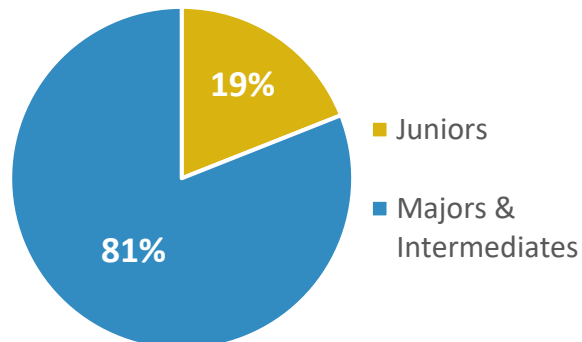


## Market Position (by % of revenue\*)

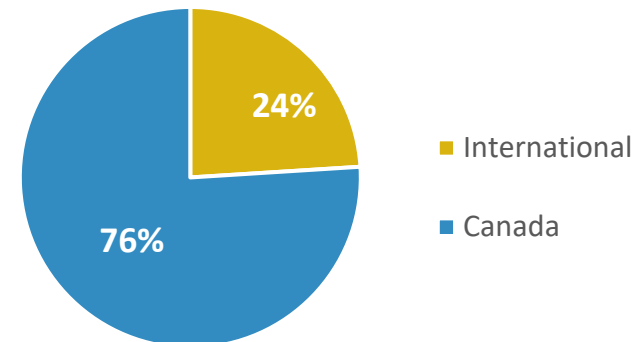
### Drilling Activity



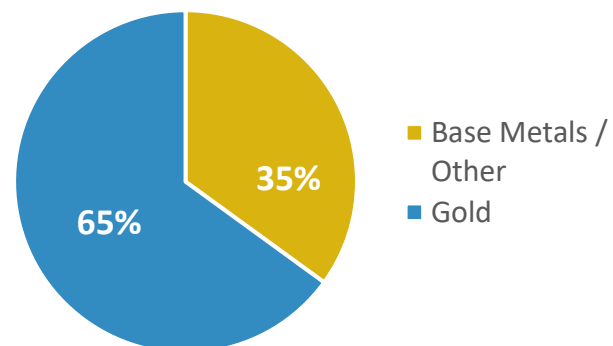
### Customers



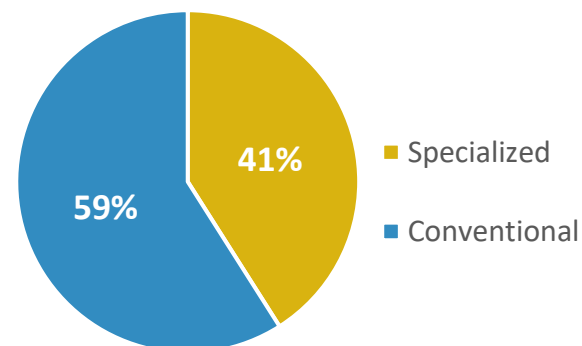
### Regions



### Resource Exposure



### Drilling Services



\* For the fiscal year ended June 30, 2023

***Diversified revenue mix with a weighting towards gold and major / intermediate mining companies***



## Competitive Strengths

- Long-established, leading Canadian-based mineral driller focused primarily on gold projects in Canada
- Combined surface and underground expertise / specialized drilling
- Senior management field experience
- Focus on continuous innovation
- Vertically-integrated manufacturing operations
- Strong health & safety and driller training programs
- Long-standing customer relationships
- Ability to service customers in South America / West Africa

***Well positioned to continue building market share***

# Drilling Services & Expertise



**Surface**

- Standard diamond coring / core rod
- Standard / reverse circulation and grade control
- AWL - PWL calibre
- Geotechnical drilling
- Directional core drilling



**Underground**

- Standard rod / core rod
- AWL - HWL calibre
- Geotechnical drilling
- Directional core drilling



**Specialized Drilling**

- Drilling projects that are in remote locations or, because of the scope, complexity or technical nature of the work, cannot be undertaken by smaller conventional drilling companies

***Full service offering with expertise in specialized drilling***

# Vertical Integration / Health & Safety / Driller Training

- Vertically integrated manufacturing operations provide competitive advantage
  - Ability to design and manufacture custom drill rigs and equipment for customers at a competitive cost with faster delivery
  - Key to continuous innovation (e.g. computerized control and monitoring technology)
  - In-house drill rig maintenance / modification supports optimum utilization rates and performance
- Health & Safety and Environmental practices align with, or exceed, the strict requirements of senior mining companies
- Driller training program based in Val-d'Or
- Ongoing training for new technologies, techniques and safety / environmental standards

**UL 2724 ECOLOGO® Certified for suppliers of the mineral exploration industry**



***Superior quality, reliability and customer value***



# Continuous Innovation

## Computerized Monitoring and Control Technology

### Performance Highlights

- Greater accuracy
- Improved productivity (+30%)
- Fewer consumables
- Rig components last longer
- Easier to train personnel

### Additional Feature Benefits for Customers

- Real-time, remote monitoring of drilling progress
- Ability to view core samples remotely



***Competitive differentiation through continuous innovation***



## Strong Customer Relationships



***Core competitive strengths support long-term customer relationships***

# International Operations

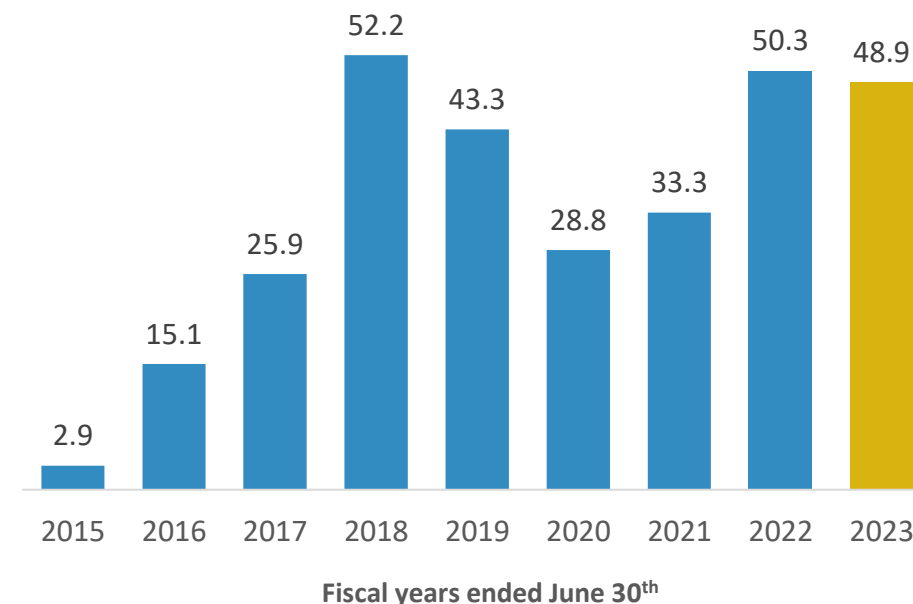
## Chile / South America

- Operating subsidiary established in Chile (FY 2013)
- Acquisition of Captagua in FY 2016
- Strong platform for growth in Chile / South America
- 18 surface drill rigs / 7 underground drill rigs (as at June 30, 2023)

## West Africa

- Operating subsidiaries established in Ghana (FY 2015), Burkina Faso (FY 2016), and Guinea (FY 2021)
- Acquisition of the drilling business of Projet Production International (Q2 2019)
- Planning to exit Burkina Faso in second quarter of Fiscal 2024
- 14 surface drill rigs (as at June 30, 2023) / 5 drills recently sold, 5 drills were returned to Canada, and 2 were returned to Chile

## International Revenue (\$ millions)<sup>1</sup>

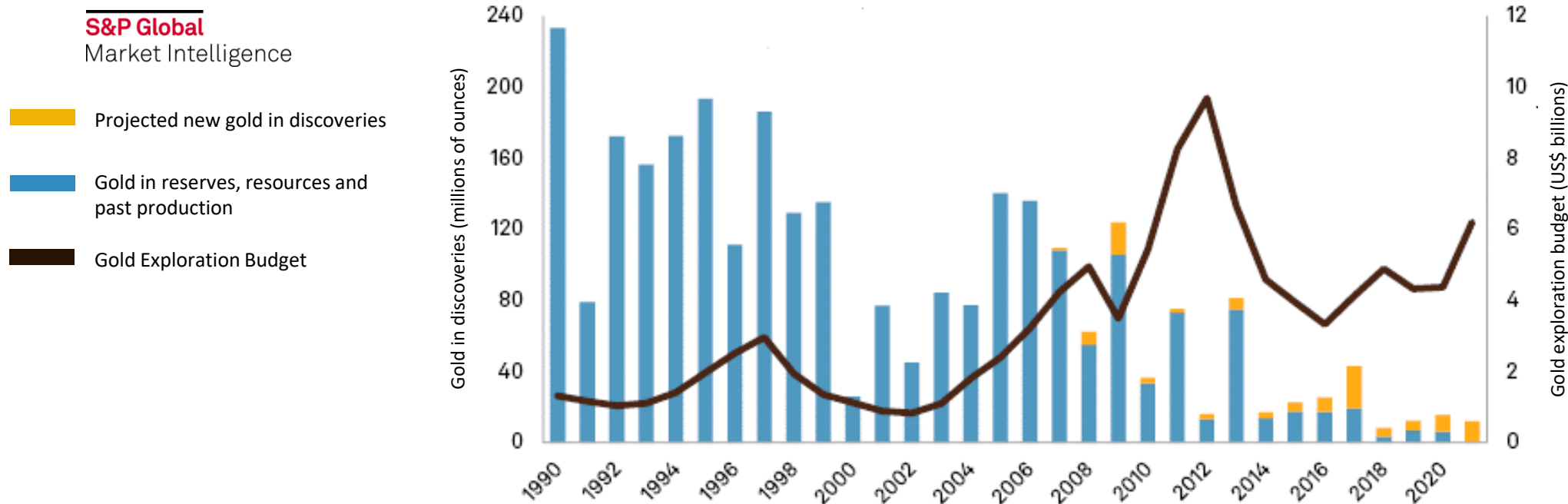


1) International revenue in Fiscal 2020 and Fiscal 2021 reflects the negative impact of the COVID-19 pandemic. The revenue decline in FY 2020 also reflects the conclusion of a multi-year drilling contract in Chile at the beginning of Q4 2019. Drilling activity returned to pre-pandemic levels in West Africa during Fiscal 2021, and in Chile during Q1 2022.

**Surface and underground drilling expertise in international markets**

# Low Global Gold Discovery Rates

## Global Gold Discoveries vs. Exploration Spending, 1990-2021

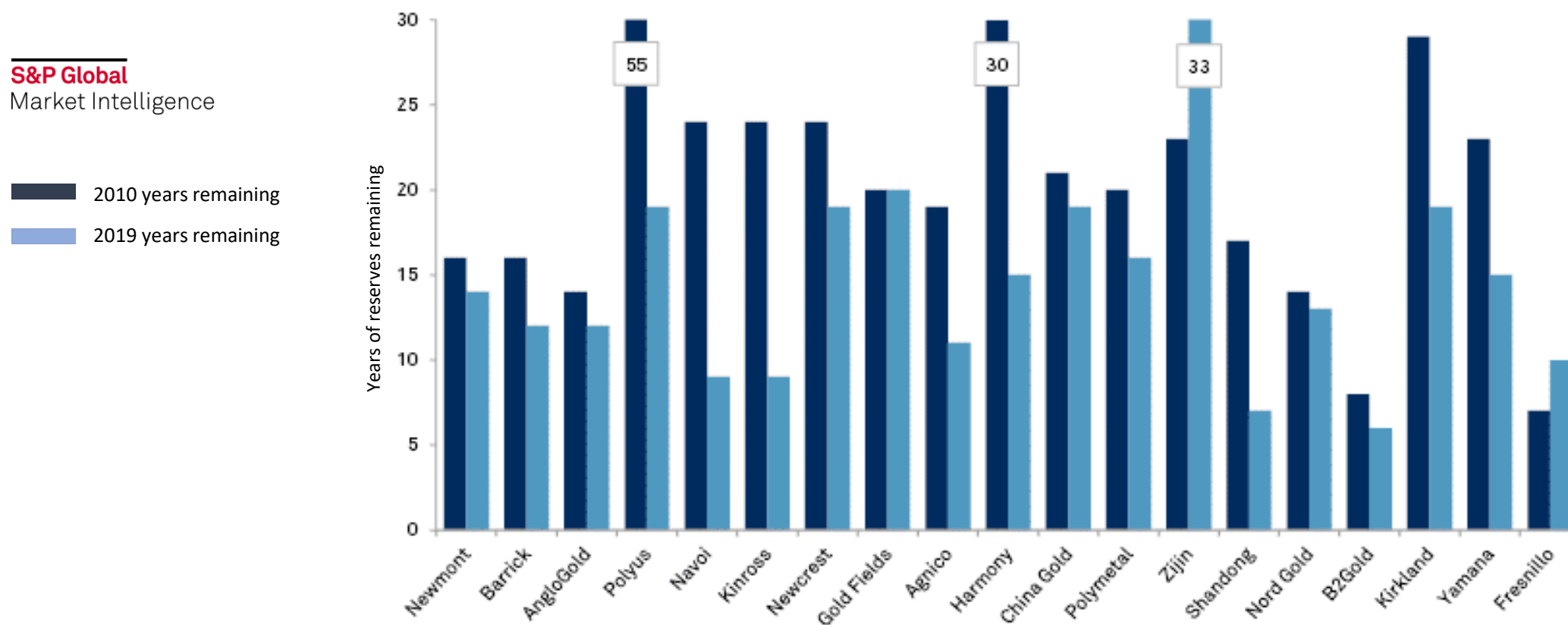


- Gold discovery rates are relatively low despite very high levels of exploration spending
- Major gold discoveries remain very rare



# Declining Reserves in Global Gold Sector

## Major Gold Producers' Years of Reserves Remaining, 2010 vs. 2019



- The mineable reserves of most senior gold producers have dropped sharply, driving the need for significant spending on exploration and mine development

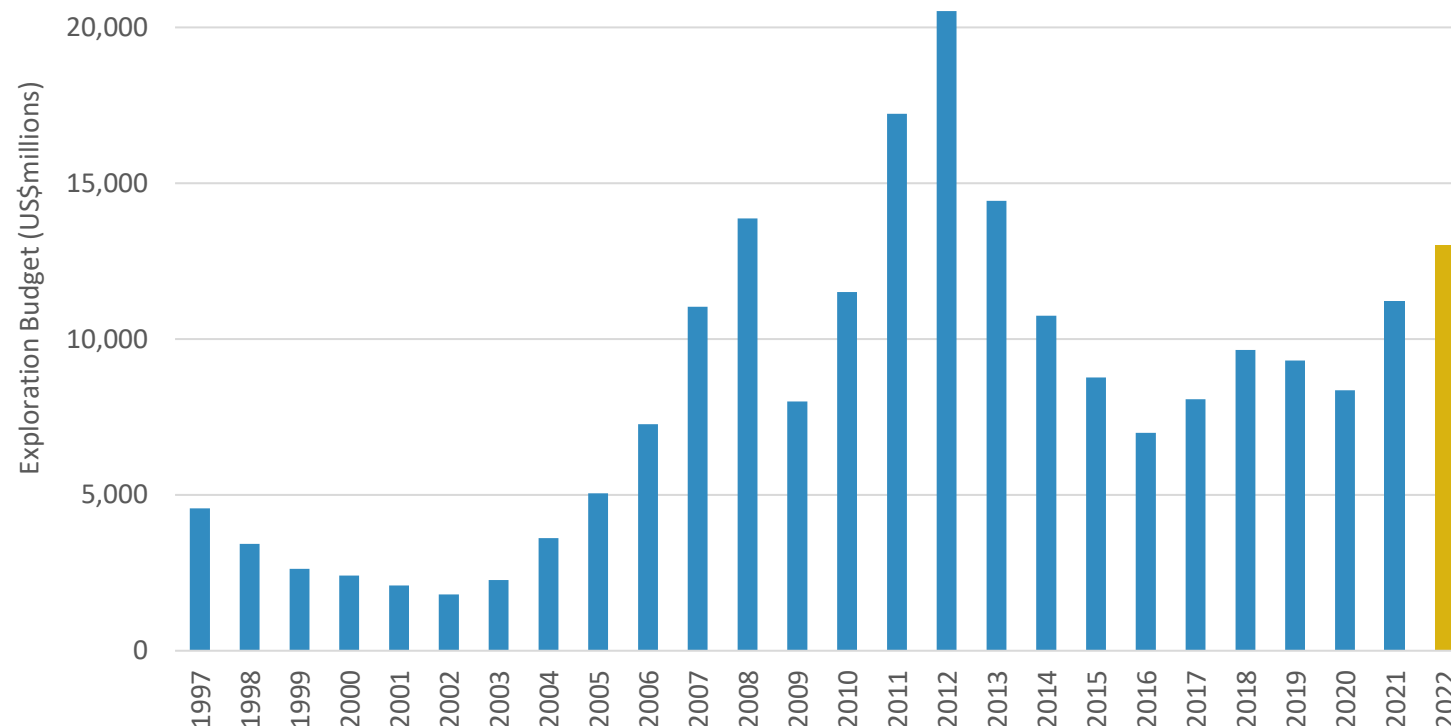
# Global Exploration Budgets

## Annual nonferrous exploration budgets, 1997-2022

**S&P Global**

Market Intelligence

- 2022 aggregate global nonferrous exploration budgets totaled **US\$13.0 billion**
  - ◆ ~16% increase from US\$11.2 billion in 2021 and the largest amount since 2013
- Growth driven primarily by gold, as well as the “green metals” (copper, nickel and lithium)
- Reflects positive sentiment from the pandemic recovery and energy transition efforts
- Budgets expected to decline 10% to 20% in 2023, reflecting global economic uncertainty
  - ◆ A 20% decline in 2023 would still result in higher budgets compared to any year from 2015 to 2020



**Exploration budgets have rebounded from lows in 2016 and the impact of COVID-19 in 2020**

## Gold Price (USD\$) (September 21, 2023)

- Spot gold price reached record high of ~US\$2,075 per ounce in August 2020 and is currently trading at historically strong levels
- Current price of gold (~US\$1,921) is 62% above its trailing 5-year low in September 2018
- Strong price of gold supports access to capital for mining companies, and high levels of mineral exploration and development spending
- Gold-related operations accounted for 65% of Orbit Garant's revenue in Fiscal 2023

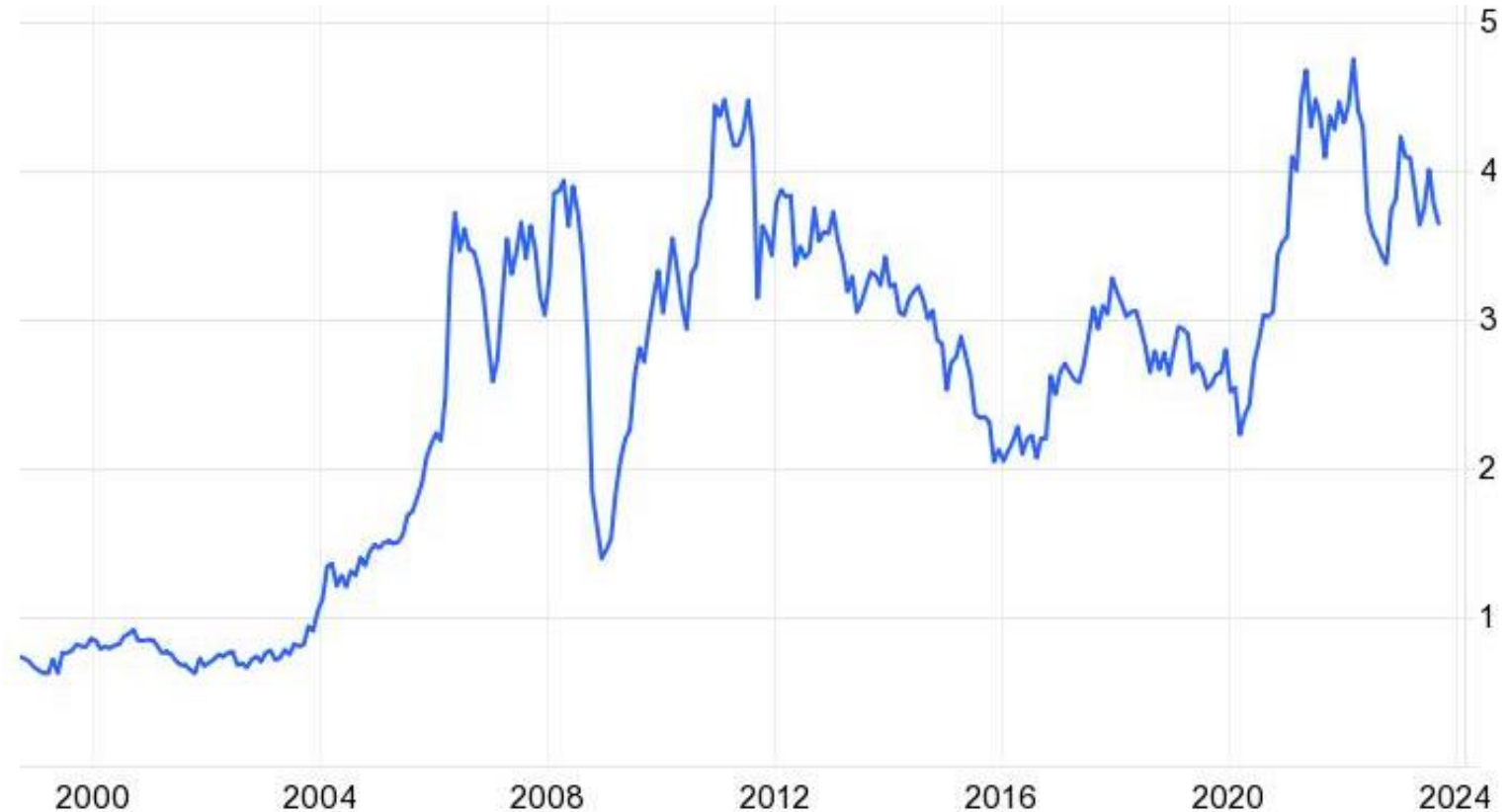


***Strong incentive for gold miners to boost exploration and development budgets***



## Copper Price (USD\$) (September 21, 2023)

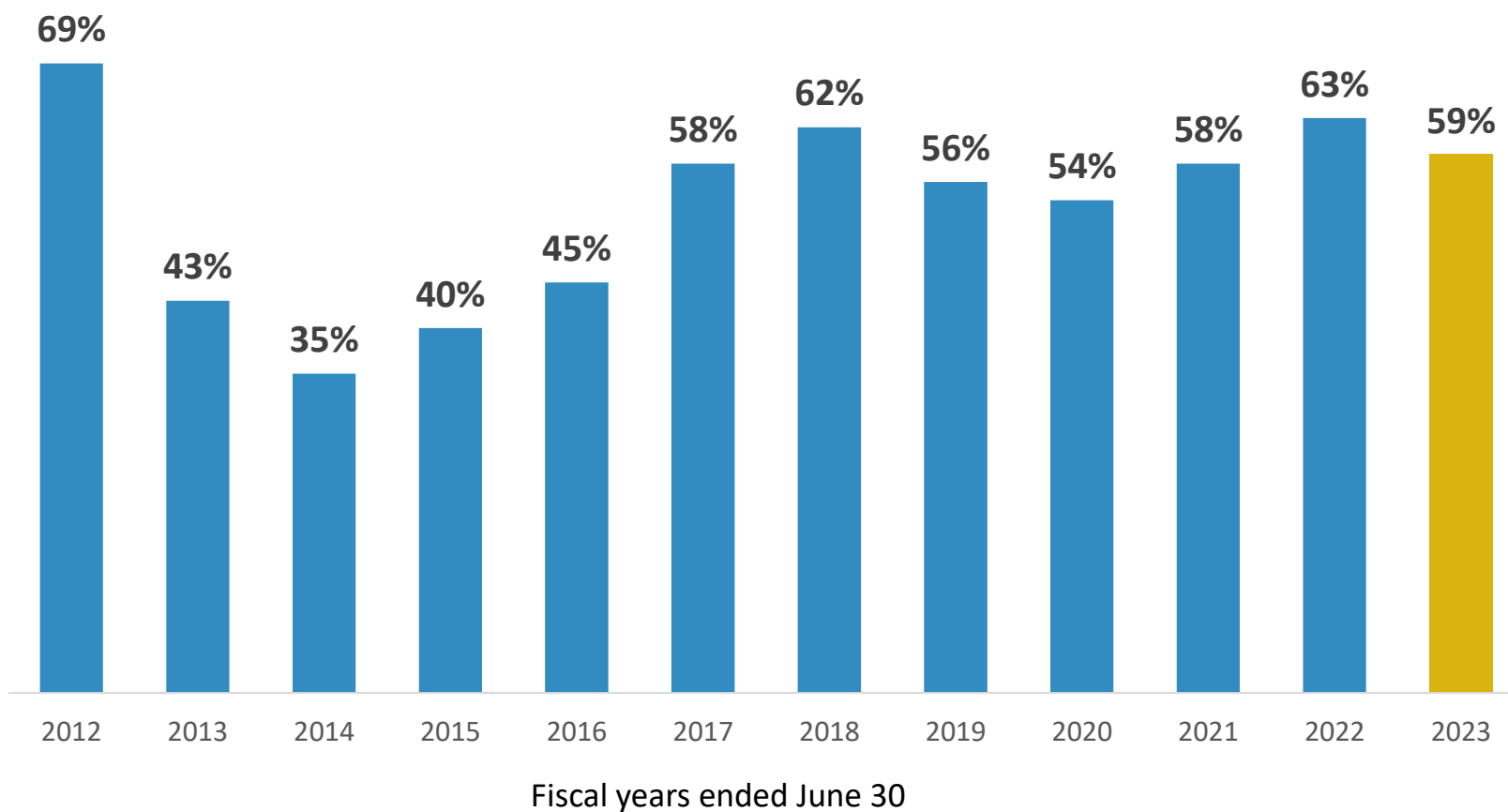
- Copper price reached record level above US\$4.90 per pound in March 2022, and remains elevated
- Strong long-term demand outlook
  - Copper has an important role in the electrification of the global economy needed to achieve “net-zero” emissions targets
- Copper supply expected to lag demand over the long term
- Orbit Garant’s Chilean operations provide exposure to copper



***Strength in copper price supports profitability for miners  
and increased exploration / development spending***

# Utilization Rates

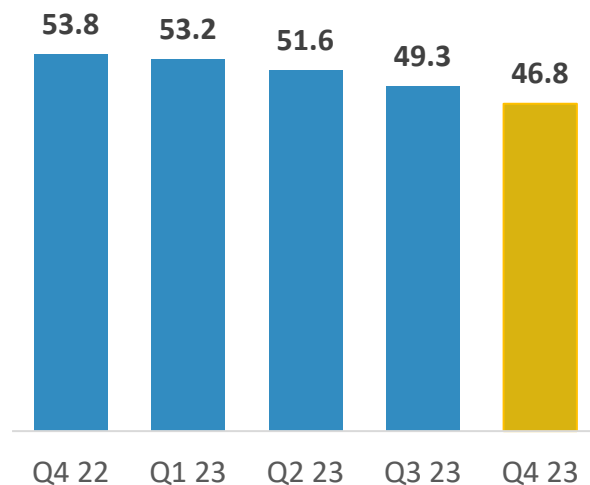
(Average Annual Utilization Rate %)



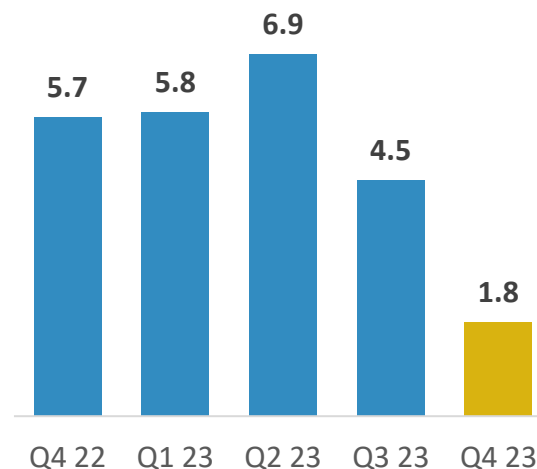
***Target utilization rate of ~75%***

# Q4 2023 Financial Review

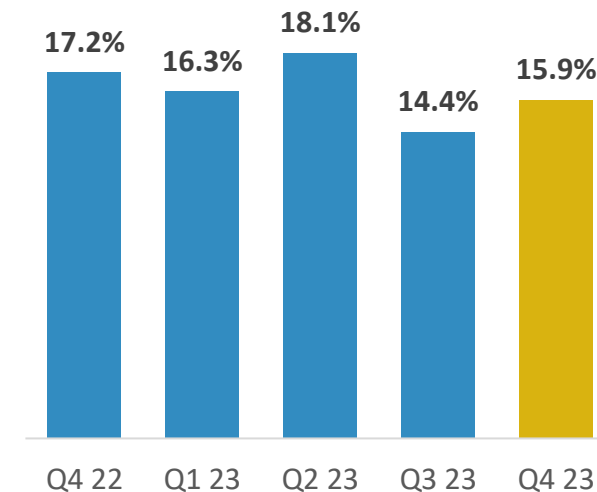
**Revenue**  
(\$ millions)



**Adjusted EBITDA<sup>1</sup>**  
(\$ millions)



**Adjusted Gross Margin<sup>1</sup>**



Q4 2023 G&A Expense:  
**\$5.1 million (10.9% of revenue)**

Q4 2022 G&A Expense:  
**\$3.8 million (7.0% of revenue)**

Q4 2023 EPS:  
**(\$0.11)**

Q4 2022 EPS:  
**\$0.01**

1) Adjusted Gross Margin is a non-IFRS measure and is defined as Gross Profit excluding depreciation expenses and write-down of inventories from restructuring in Burkina Faso. Adjusted EBITDA is a non-IFRS measure and is defined as earnings before interest, taxes, depreciation, amortization, and write-down of inventories from restructuring in Burkina Faso. See "Reconciliation of Non-IFRS measures" in the Appendix of this presentation.

***Q4 results impacted by temporary reduction of drilling in Canada late in the quarter due to forest fires and decisions by certain customers; projects impacted by forest fires fully resumed in July 2023***



# Fiscal 2023 Financial Review

(\$ millions, except margin % and per share amounts)	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2022
Revenue	201.0	195.5
Gross Profit	18.3	13.7
Adjusted EBITDA <sup>1</sup>	19.1	10.0
Adjusted Gross Margin <sup>1</sup>	16.2%	12.2%
G&A expenses	16.4	14.5
Net earnings (loss)	(0.7)	(6.6)
Net earnings (loss) per share	(\$0.02)	\$(0.18)

1) Adjusted EBITDA is defined as net earnings (loss) before interest, taxes, depreciation, amortization, and write-down of inventories from restructuring in Burkina Faso. Adjusted Gross Margin is defined as Gross Profit excluding depreciation expenses and write-down of inventories from restructuring in Burkina Faso. See "Reconciliation of Non-IFRS measures" in the Appendix of this presentation.

**Record revenue and improved profitability in Fiscal 2023 due to strong customer demand; net earnings impacted by \$4.2 million restructuring charge relating to decision to exit Burkina Faso**

# Solid Balance Sheet

(\$ millions)	As at June 30, 2023	As at June 30, 2022
Cash and cash equivalents	2.2	1.0
Total current assets	82.0	91.2
Total assets	127.6	137.1
Total current liabilities	31.6	37.8
Long-term debt and lease liabilities	33.0	36.1
Total shareholder equity	61.6	62.5
Working capital	50.4	53.4

On September 9, 2022, the Company entered into an additional loan agreement with the Business Development Bank of Canada, which provides for a term loan of \$8.47 million. The loan bears interest at a fixed rate of 6.7% per year, has a 20-year term, and is repayable in 240 consecutive monthly payments from November 2022 until October 2042. The fixed interest rate may be reduced by 0.2% from October 2023 if the Company meets certain financial covenants. As a result of this agreement, and in order to extract the Company's head office building from the borrowing base under its Credit Agreement, the Company entered into a third amending agreement to its Credit Agreement with National Bank in which the amount available for borrowing under the revolving facility was reduced from \$35 million to \$30 million, and modifications were made to certain financial covenants applicable to Q1 2023 and to future quarters.

# Strategic Direction: Bottom Line Orientation

## Five-Point Plan

1. Primary focus on Canadian gold drilling operations
2. Prioritize longer-term, specialized drilling contracts with major and intermediate customers
3. Opportunistic international contracts with high degree of cost and margin certainty
4. Continued investment in driller training / computerized drilling technology
5. Team-oriented leadership structure / foster collaboration and personal accountability



***Company targeting adjusted gross margins in excess of 20%***



# Investment Highlights

- Industry leader in mineral drilling innovation and specialized drilling (underground & surface)
- Comprehensive infrastructure with turn-key customer solutions and vertically-integrated manufacturing operations
- Long-term relationships with leading mining companies
- Low-risk, diversified exposure to mining sector, which is benefiting from strong gold and copper prices
- Strong exposure to gold – focused primarily on driving growth in Canadian gold drilling operations
- Active in Chile (copper) and West Africa (gold) – two highly significant mineral exploration markets
- Nonferrous mineral exploration and resource development increased an estimated 16% in 2022 to US\$13.0 billion, the most since 2013 (Source: S&P Global Market Intelligence)
- Improved contract pricing, increased specialized drilling activity and cost controls drove stronger profitability in Fiscal 2023

***Well positioned to continue building market share and stakeholder value***



## APPENDIX

FORAGE  
**ORBIT G GARANT**  
DRILLING





# Capital Market Profile



ANALYST COVERAGE:



**TSX: OGD**

Recent close (September 21, 2023): \$0.64

52-week high / low: \$0.97 / \$0.43

Market Cap: ~\$24 million

Shares Outstanding: 37,372,756

Fully Diluted: 39,332,756

Institutional / retail: ~ 40% / 60% (float)



***Management own approximately 27% of shares outstanding  
providing strong alignment with shareholders***

# Board of Directors



<b>Jean-Yves Laliberté <sup>1 2</sup></b> <b>Chair of the Board of Directors</b>	<ul style="list-style-type: none"> <li>• More than 25 years of experience in finance and accounting with extensive experience in the mining sector</li> <li>• Chair of Cartier Resources Inc. (previously served as Chief Financial Officer)</li> <li>• Former Chief Financial Officer of Abitex Resources Inc. / Former Chief Financial Officer of Scorpio Mining Company</li> <li>• Professional Chartered Accountant (CPA, CA) designation</li> </ul>
<b>Pierre Alexandre</b> <b>President &amp; CEO</b> <b>Director</b>	<ul style="list-style-type: none"> <li>• Co-founder and largest shareholder of Orbit Garant</li> <li>• More than 36 years of experience in diamond drilling</li> <li>• Expertise in operational planning and business development</li> </ul>
<b>Mario Jacob <sup>1 2</sup></b> <b>Director</b>	<ul style="list-style-type: none"> <li>• More than 20 years of experience in corporate finance, including substantial experience in Quebec's mining industry</li> <li>• Co-founder and Managing Director of NCP Investment Management, and President and Director of Maximus Capital Inc.</li> <li>• Currently a Director of Cartier Resources Inc., Dundee Sustainable Technologies Inc. and Soluroc inc.</li> <li>• Certified director in Quebec, having received the Administrateur de sociétés certifié (ASC) designation in 2009</li> </ul>
<b>Pierre Rougeau <sup>1 2*</sup></b> <b>Director</b>	<ul style="list-style-type: none"> <li>• More than 30 years of experience in finance and business administration</li> <li>• Former Chief Financial Officer / Executive Vice President at Richmond Mines Inc.</li> <li>• Held senior executive roles at Abitibi Consolidated Inc. and AbitibiBowater Inc.</li> <li>• Former investment banker at Geoffrion Leclerc Inc., Scotia Capital and UBS Warburg</li> </ul>
<b>Nicole Veilleux <sup>1* 2</sup></b> <b>Director</b>	<ul style="list-style-type: none"> <li>• Chartered Professional Accountant with more than 30 years of experience in finance, including extensive experience in the Quebec mining sector</li> <li>• Former Vice President, Finance at Richmond Mines Inc.</li> <li>• Former auditor at KPMG LLP and financial analyst at Norbord Inc. and le Fonds régional de solidarité de l'Abitibi Témiscamingue</li> </ul>

1. Member of Audit Committee (\* Denotes Committee Chair)

2. Member of Corporate Governance and Compensation Committee (\* Denotes Committee Chair)



# Senior Management

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**Pierre Alexandre**  
**President & CEO**

- Co-founder and largest shareholder of Orbit Garant
- More than 36 years of experience in diamond drilling
- Expertise in operational planning and business development

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**Sylvain Laroche**  
**Chief Operating Officer**

- Joined Orbit Garant in 2006, assumed COO duties in December 2022
- Previously served as Orbit Garant's Corporate Manager
- Former Human Resources Manager and Operations Manager for Groupe Boisvert
- More than 20 years of experience in operations management, business development, and administration

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**Daniel Maheu**  
**Chief Financial Officer**

- Joined Orbit Garant in 2010; assumed CFO duties in May 2021
  - Previously served as Orbit Garant's corporate controller, performing critical duties in finance and operations
  - Held management positions at transport companies from 1998 to 2010, including Controller and CFO of two transportation companies
  - Professional Chartered Accountant (CPA, CA) designation
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# Reconciliation of Non-IFRS Financial Measures

- “EBITDA”: Net earnings (loss) before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding the impact of the write-down of inventories from restructuring in Burkina Faso. 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, income taxes and restructuring costs. 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.

(unaudited) (in millions of dollars)	Q4 2023	Q4 2022	Fiscal 2023	Fiscal 2022
Net earnings (loss) for the period	(4.1)	0.5	(0.7)	(6.6)
Add:				
Finance costs	0.9	0.7	3.4	2.2
Income tax expense	(2.1)	1.9	1.1	3.2
Depreciation and amortization	2.9	2.6	11.1	11.2
EBITDA	(2.4)	5.7	14.9	10.0
Write-down of inventories from restructuring in Burkina Faso	4.2	-	4.2	-
Adjusted EBITDA	1.8	5.7	19.1	10.0
Contract revenue	46.8	53.8	201.0	195.5
Adjusted EBITDA margin (%) <sup>(1)</sup>	3.8	10.6	9.5	5.1

(1) Adjusted EBITDA, divided by contract revenue X 100

- “Adjusted gross profit” and “adjusted gross margin”: Adjusted Gross Profit is defined as gross profit excluding depreciation and write-down of inventories from restructuring in Burkina Faso. 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 expenses. As a result, Management believes they provide useful and comparable benchmarks for evaluating the Company’s performance.

(unaudited) (in millions of dollars)	Q4 2023	Q4 2022	Fiscal 2023	Fiscal 2022
Contract revenue	46.8	53.8	201.0	195.5
Cost of contract revenue	46.2	46.8	182.7	181.7
Less:				
depreciation	(2.6)	(2.3)	(10.1)	(10.0)
write-down of inventories from restructuring in Burkina Faso	(4.2)	-	(4.2)	-
Direct costs	39.4	44.5	168.4	171.7
Adjusted gross profit	7.4	9.3	32.6	23.8
Adjusted gross margin (%) <sup>(2)</sup>	15.9	17.2	16.2	12.2

(2) Adjusted gross profit, divided by contract revenue X 100