



**Unaudited Interim Condensed Consolidated
Financial Statements**

Second Quarter Fiscal 2024

(For the three and six-month periods ended December 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 (Loss) Earnings**

For the three and six-month periods ended December 31, 2023 and 2022

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

(Unaudited)

	Notes	December 31 2023 (3 months) \$	December 31 2022 (3 months) \$	December 31 2023 (6 months) \$	December 31 2022 (6 months) \$
Contract revenue	17	43,345	51,621	87,662	104,859
Cost of contract revenue	3	40,581	44,842	80,750	91,845
Gross profit		2,764	6,779	6,912	13,014
Expenses					
General and administrative expenses	3	4,126	3,875	8,087	7,774
Foreign exchange loss (gain)		402	(1,215)	398	(1,962)
Finance costs		881	821	1,735	1,567
	3	5,409	3,481	10,220	7,379
(Loss) earnings before income taxes		(2,645)	3,298	(3,308)	5,635
Income tax expense	10				
Current		41	861	75	2,122
Deferred		(1,011)	314	(1,274)	313
		(970)	1,175	(1,199)	2,435
Net (loss) earnings		(1,675)	2,123	(2,109)	3,200
Net (loss) earnings per share	9				
Basic		(0.05)	0.06	(0.06)	0.09
Diluted		(0.05)	0.06	(0.06)	0.09

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

For the three and six-month periods ended December 31, 2023 and 2022

(in thousands of Canadian dollars)

(Unaudited)

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
	\$	\$	\$	\$
Net (loss) earnings	(1,675)	2,123	(2,109)	3,200
Other comprehensive (loss) earnings				
Cumulative translation adjustments, net of income tax of \$12 (December 31, 2022: \$65)	21	134	(472)	(373)
Other comprehensive (loss) earnings	21	134	(472)	(373)
Comprehensive (loss) earnings	(1,654)	2,257	(2,581)	2,827

ORBIT GARANT DRILLING INC.
Interim Condensed Consolidated Statements of Changes in Equity

For the six-month periods ended December 31, 2023 and 2022

(in thousands of Canadian dollars)

(Unaudited)

Six-month period ended December 31, 2023					Total
	Share capital	Equity-settled reserve	Retained earnings	Accumulated other comprehensive loss	Shareholders' equity
	\$	\$	\$	\$	\$
	(Note 9)				
Balance as at July 1, 2023	59,204	981	5,786	(4,327)	61,644
Total comprehensive (loss) earnings					
Net loss	-	-	(2,109)	-	(2,109)
Other comprehensive loss					
Cumulative translation adjustments	-	-	-	(472)	(472)
Other comprehensive loss	-	-	-	(472)	(472)
Transactions with shareholders, recorded directly in equity					
Share-based compensation (Note 9)	-	59	-	-	59
Share options cancelled (Note 9)	-	(204)	204	-	-
Total transactions with shareholders	-	(145)	204	-	59
Balance as at December 31, 2023	59,204	836	3,881	(4,799)	59,122

Six-month period ended December 31, 2022					Total
	Share capital	Equity-settled reserve	Retained earnings	Accumulated other comprehensive loss	Shareholders' equity
	\$	\$	\$	\$	\$
	(Note 9)				
Balance as at July 1, 2022	59,204	1,624	5,729	(4,052)	62,505
Total comprehensive earnings (loss)					
Net earnings	-	-	3,200	-	3,200
Other comprehensive loss					
Cumulative translation adjustments	-	-	-	(373)	(373)
Other comprehensive loss	-	-	-	(373)	(373)
Transactions with shareholders, recorded directly in equity					
Share-based compensation (Note 9)	-	42	-	-	42
Share options cancelled	-	(454)	454	-	-
Total transactions with shareholders	-	(412)	454	-	42
Balance as at December 31, 2022	59,204	1,212	9,383	(4,425)	65,374

ORBIT GARANT DRILLING INC.
Interim Condensed Consolidated Statements of Financial Position

As at December 31, 2023 and June 30, 2023

(in thousands of Canadian dollars)

(Unaudited)

	Notes	December 31 2023	June 30 2023
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		1,249	2,181
Trade and other receivables		29,393	30,538
Inventories		47,588	47,674
Income taxes receivable		598	580
Prepaid expenses		803	1,017
		79,631	81,990
Non-current assets			
Investments	4	99	320
Property, plant and equipment	5	41,199	41,156
Right-of-use assets		3,260	1,925
Intangible assets		220	296
Deferred tax assets		1,729	1,876
Total assets		126,138	127,563
LIABILITIES			
Current liabilities			
Trade and other payables		27,955	27,621
Income taxes payable		52	1
Factoring liability		549	1,449
Current portion of long-term debt	6	1,215	1,994
Current portion of lease liabilities	7	1,071	528
		30,842	31,593
Non-current liabilities			
Deferred tax liabilities		-	1,291
Long-term debt	6	34,275	32,344
Lease liabilities	7	1,899	691
		67,016	65,919
EQUITY			
Share capital	9	59,204	59,204
Equity-settled reserve		836	981
Retained earnings		3,881	5,786
Accumulated other comprehensive loss		(4,799)	(4,327)
Equity attributable to shareholders		59,122	61,644
Total liabilities and equity		126,138	127,563

Contingencies and commitments (notes 12 and 13)

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 six-month periods ended December 31, 2023 and 2022

(in thousands of Canadian dollars)

(Unaudited)

		December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
	Notes	\$	\$	\$	\$
OPERATING ACTIVITIES					
(Loss) earnings before income taxes		(2,645)	3,298	(3,308)	5,635
Items not affecting cash					
Depreciation of property, plant and equipment		2,577	2,640	5,187	5,177
Depreciation of right-of-use assets		145	131	295	252
Amortization of intangible assets		56	49	120	96
Gain on disposal of property, plant and equipment	5	(85)	(333)	(154)	(278)
Share-based compensation	9	33	16	59	42
Finance costs		881	821	1,735	1,567
Net change in fair value of investments	4	72	(14)	153	21
		1,034	6,608	4,087	12,512
Changes in non-cash operating working capital items	11	3,008	(2,808)	1,886	(4,502)
Income taxes paid		(8)	(454)	(12)	(464)
Finance costs paid		(1,006)	(862)	(1,827)	(1,592)
		3,028	2,484	4,134	5,954
INVESTING ACTIVITIES					
Proceeds from disposal of investments	4	68	-	68	-
Acquisition of property, plant and equipment	5	(2,592)	(1,778)	(5,204)	(4,760)
Proceeds from disposal of property, plant and equipment	5	166	454	302	665
Acquisition of intangible assets		(19)	(12)	(45)	(24)
		(2,377)	(1,336)	(4,879)	(4,119)
FINANCING ACTIVITIES					
Proceeds from factoring		3,244	3,903	8,059	5,644
Repayment on factoring		(3,143)	(3,064)	(8,797)	(5,296)
Proceeds from long-term debt		24,447	28,769	46,547	64,200
Repayment of long-term debt		(25,152)	(32,264)	(45,145)	(66,856)
Repayment of lease liabilities		(253)	(234)	(533)	(454)
		(857)	(2,890)	131	(2,762)
Effect of exchange rate changes on cash and cash equivalents		(28)	73	(318)	(39)
Decrease in cash		(234)	(1,669)	(932)	(966)
Cash and cash equivalents, beginning of the period		1,483	1,721	2,181	1,018
Cash and cash equivalents, end of the period		1,249	52	1,249	52

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 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"), incorporated 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%

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 3 to the Company's annual audited consolidated financial statements for the year ended June 30, 2023 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 4 in the Company's annual audited consolidated financial statements for the year ended June 30, 2023. They remained unchanged for the three and six-month periods ended December 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 2023 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 February 7, 2024.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 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. 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:

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
	\$	\$	\$	\$
Cost of contract revenue	2,540	2,570	5,107	5,033
General and administrative expenses	238	250	495	492
Total depreciation and amortization	2,778	2,820	5,602	5,525

Principal expenses by nature

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

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
	\$	\$	\$	\$
Depreciation and amortization	2,778	2,820	5,602	5,525
Employee benefits expense	22,408	25,826	44,808	51,690
Cost of inventories	10,291	9,220	20,627	22,443
Interest on long-term debt	803	548	1,569	1,005
Interest on lease liabilities	48	33	77	63
Factoring charges and other interest	30	240	89	499
Other expenses	9,632	9,636	18,198	17,999
Total cost of contract revenue, general and administrative expenses, foreign exchange loss (gain) and finance costs	45,990	48,323	90,970	99,224
Cost of contract revenue	40,581	44,842	80,750	91,845
General and administrative expenses, foreign exchange loss (gain) and finance costs	5,409	3,481	10,220	7,379
Total cost of contract revenue, general and administrative expenses, foreign exchange loss (gain) and finance costs	45,990	48,323	90,970	99,224

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 31, 2023 and 2022

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

(Unaudited)

4. INVESTMENTS

	Six-month period ended December 31, 2023	Year ended June 30, 2023
	\$	\$
Investments in public companies, beginning of the year	320	146
Conversion of trade receivables	-	485
Proceeds from disposal of investments	(68)	-
Change in fair value of investments measured at fair value through profit or loss	(153)	(311)
Investments in public companies, end of the period	99	320

5. PROPERTY, PLANT AND EQUIPMENT

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
	\$	\$	\$	\$
Acquisition of property, plant and equipment	2,592	1,778	5,204	4,760
Proceeds from disposal of property, plant and equipment	(166)	(454)	(302)	(665)
Gain on disposal of property, plant and equipment	(85)	(333)	(154)	(278)

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 six-month periods ended December 31, 2023 and 2022

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

(Unaudited)

6. LONG-TERM DEBT

	December 31 2023	June 30 2023
	\$	\$
Loan of US\$2,000 (June 30, 2023: US\$2,000) authorized for a maximum amount of \$6,613 (US\$5,000), bearing interest at base rate plus 0.25%, effective rate as at December 31, 2023 of 9.25% (June 30, 2023: interest at base rate plus 0.25%, effective rate of 9.00%), maturing in November 2026, secured by a first rank hypothec on the universality of all present and future assets, except for those noted below ^(d)	2,645	2,648
Loan authorized for a maximum amount of \$30,000, bearing interest at prime rate plus 1.50%, effective rate as at December 31, 2023 of 8.70% (June 30, 2023: interest at prime rate plus 1.50%, effective rate of 8.45%), maturing in November 2026, secured by a first rank hypothec on the universality of all present and future assets, except for those noted below ^{(a) (b) (d)}	21,756	19,454
Loan, bearing interest at 6.50%, payable in monthly instalments of \$63, maturing in October 2042, secured by a first rank hypothec on a land and building ^{(c) (e)}	8,107	8,212
Loan of US\$580 (June 30, 2023: US\$1,160), bearing interest at prime rate plus 2.75%, effective rate as at December 31, 2023 of 11.25% (June 30, 2023: bearing interest at prime rate plus 2.75%, effective rate of 11.00%), payable in monthly instalments of \$128 (US\$97) (June 30, 2023 : \$128 (US\$97)) maturing in July 2024, secured by a third rank hypothec on the universality of all present and future assets	767	1,536
Loan of CLF 40 (June 30, 2023: CLF 42), bearing interest at rates of 3.30%, payable in monthly instalments of \$22 (CLF 0.43), maturing in February 2028, secured by a land and bulding. ^(f)	2,215	2,488
	35,490	34,338
Current portion	(1,215)	(1,994)
	34,275	32,344

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 31, 2023 and 2022

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

(Unaudited)

6. 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 Corporation 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) As at December 31, 2023, an unamortized amount of \$244 (\$146 as at June 30, 2023), 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) As at December 31, 2023, an unamortized amount of \$117 (\$121 as at June 30, 2023), 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 November 2, 2023, the Company entered into a fifth amended and restated credit agreement with National Bank of Canada in respect of the Credit Facility. The Credit Facility consists of a revolving credit facility in the amount of \$30,000 along with a revolving credit facility in the amount of US\$5,000, that will expire November 2, 2026. In addition, the Company's obligations under the US\$5,000 revolving credit facility are guaranteed by EDC.
- (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 6.50% per year since November 2023, has a duration of 240 consecutive monthly payments from November 2022 until October 2042. 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) As at December 31, 2023, an unamortized amount of \$27 (\$34 as at June 30, 2023), 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 8). As at December 31, 2023, the Company was compliant with its financial covenants (June 30, 2023: the Company was compliant with its financial covenants).

As at December 31, 2023, the prime rate in Canada was 7.20% for Canadian loans (6.95% as at June 30, 2023), the prime rate in United States was 8.50% and the base rate in the United States was 9.00% for US loans (8.25% and 8.75%, respectively as at June 30, 2023).

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

	\$
Within one year	1,215
Later than one year and no later than five years	27,781
Later than five years	6,882
	<u>35,878</u>

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 31, 2023 and 2022

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

(Unaudited)

6. LONG-TERM DEBT (continued)

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

As at December 31, 2023 \$000s	Total	Within one year	Later than one but no later than five years	Later than five years
	\$	\$	\$	\$
CAN	30,224	235	23,107	6,882
US (US\$2,580)	3,412	767	2,645	-
Chilian UF (CLF 40)	2,242	213	2,029	-
	35,878	1,215	27,781	6,882

7. LEASE LIABILITIES

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

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
	\$	\$	\$	\$
Lease liabilities recognized, beginning of period	2,086	2,109	1,219	2,066
Additions	1,138	122	2,288	382
Finance cost	48	33	77	63
Payment of lease liabilities, including related finance costs	(301)	(267)	(610)	(517)
Variable lease payment adjustment ^(a)	1	2	1	5
Foreign exchange differences	(2)	12	(5)	12
	2,970	2,011	2,970	2,011
Current portion	1,071	760	1,071	760
Balance, end of period	1,899	1,251	1,899	1,251

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

Lease payments required in the next years are as follows:

	December 31 2023
	\$
Within one year	1,253
Later than one year and no later than five years	2,118
	3,371
Less: discounting impact	(401)
Present value of lease payments	2,970

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 31, 2023 and 2022

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

(Unaudited)

8. 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 cash equivalents in its definition of capital.

The Company's capital structure is as follows:

	December 31 2023	June 30 2023
	\$	\$
Long-term debt	35,490	34,338
Lease liabilities	2,970	1,219
Factoring liability	549	1,449
Share capital	59,204	59,204
Equity-settled reserve	836	981
Retained earnings	3,881	5,786
Accumulated other comprehensive loss	(4,799)	(4,327)
Cash and cash equivalents	(1,249)	(2,181)
	96,882	96,469

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 December 31, 2023, as mentioned in Note 6, the Company complied with its covenants (June 30, 2023: 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.

9. 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.

	Six-month period ended December 31, 2023		Year ended June 30, 2023	
	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:	-	-	-	-
Balance, end of the period	37,372,756	59,204	37,372,756	59,204

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 31, 2023 and 2022

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

(Unaudited)

9. SHARE CAPITAL (continued)

Net (loss) earnings per share

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

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
Net (loss) earnings per share - basic				
Net (loss) earnings attributable to common shareholders	\$ (1,675)	\$ 2,123	\$ (2,109)	\$ 3,200
Weighted average basic number of common shares outstanding	37,372,756	37,372,756	37,372,756	37,372,756
Net (loss) earnings per share - basic	\$ (0.05)	\$ 0.06	\$ (0.06)	\$ 0.09

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
Net (loss) earnings per share - diluted				
Net (loss) earnings per share - basic shareholders	\$ (1,675)	\$ 2,123	\$ (2,109)	\$ 3,200
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	-	2,870	-	6,329
Weighted average diluted number of common shares outstanding	37,372,756	37,375,626	37,372,756	37,379,085
Net (loss) earnings per share - diluted	\$ (0.05)	\$ 0.06	\$ (0.06)	\$ 0.09

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

	December 31, 2023 (6 months)		December 31, 2022 (6 months)	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding at the beginning of the period	1,960,000	0.95	3,243,500	1.24
Granted during the period	515,000	0.56	475,000	0.53
Cancelled during the period	(360,000)	1.74	(970,000)	1.51
Outstanding at end of the period	2,115,000	0.72	2,748,500	1.02
Exercisable at end of the period	1,138,336	0.82	1,837,169	1.17

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9. SHARE CAPITAL (continued)

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

Range of exercise price \$	Outstanding at December 31, 2023	Weighted average remaining life (years)	Weighted average exercise price \$	Exercisable at December 31, 2023	Weighted average exercise price \$
0.50 - 1.49	2,115,000	3.06	0.72	1,138,336	0.82
	2,115,000			1,138,336	

The Company's calculations of the fair value of options granted were made using the Black-Scholes option-pricing model. The following table summarizes the grant date fair value calculations with weighted average assumptions:

	Granted in 2024
Risk-free interest rate	3.87%
Expected life (years)	3
Expected volatility (based on historical volatility)	66.76%
Expected dividend yield	0%
Fair value of options granted	0.38 \$

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:

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
Expense related to share-based compensation	\$ 33	\$ 16	\$ 59	\$ 42

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10. INCOME TAXES

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
	\$	\$	\$	\$
(Loss) earnings before income taxes	(2,645)	3,298	(3,308)	5,635
Statutory rates	26.50%	26.50%	26.50%	26.50%
Income taxes based on statutory rates	(701)	874	(877)	1,493
Increase (decrease) of income taxes due to the following:				
Non-deductible expenses	19	24	47	35
Non-deductible share-based compensation expense	9	4	16	11
Difference of income tax rates between territories	(25)	(9)	12	47
Withholdings taxes	8	-	12	-
Income tax assets unrecognized	338	(222)	228	518
Recognition of previously unrecognized deductible temporary differences and tax losses of prior periods	(666)	-	(644)	-
Non-taxable portion of capital gain	56	38	14	(106)
Prior years adjustments	(23)	481	(23)	478
Other	15	(15)	16	(41)
Total income tax expense	(970)	1,175	(1,199)	2,435

11. ADDITIONAL INFORMATION RELATING TO THE STATEMENTS OF CASH FLOWS

Changes in non-cash operating working capital items:

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
	\$	\$	\$	\$
Restricted cash	-	(871)	-	(871)
Trade and other receivables	2,879	5,623	647	5,305
Inventories	3,137	(979)	(393)	(3,742)
Prepaid expenses	41	130	209	(27)
Trade and other payables	(3,049)	(6,711)	1,423	(5,167)
	3,008	(2,808)	1,886	(4,502)

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12. 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.

13. COMMITMENTS AND GUARANTEES

Commitments

The Company has entered into short-term and low asset value lease agreements expiring between 2024 and 2025 which call for total lease payments of \$105 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 two years amount to \$76 for 2024 and \$29 for 2025.

Guarantees

For the six-month period ended December 31, 2023, the Company issued some bank guarantees in favor of customers for a total amount of \$2,795 (June 30, 2023: \$762), maturing between January 2024 and November 2024. For the six-month periods ended December 31, 2023 and 2022, the Company has not made any payments in connection with these guarantees.

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14. 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:

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
Revenues	\$ 44	\$ -	\$ 72	\$ 13
Expenses	2	36	9	74

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

In addition, for the six-month period ended December 31, 2023, repayments of a lease liability totalling \$45 were made to Dynamitage Castonguay Ltd. (December 31, 2022: \$42).

Transactions with associate parties

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

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
Revenues	\$ 7,513	\$ 9,171	\$ 15,798	\$ 18,152

As at December 31, 2023, trade and other receivables included an amount receivable of \$1,245 from one of the Company's associates (June 30, 2023: \$3,612).

As at December 31, 2023, the investment in an associate totaled \$0 in the interim condensed consolidated statements of financial position (June 30, 2023: \$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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15. 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 :

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
	\$	\$	\$	\$
Salaries and fees	211	281	412	537
Share-based compensation	23	12	42	24
	234	293	454	561

16. 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 the long-term debt is determined using an evaluation of the estimated market value using a discount rate, adjusted for the Company's own credit risk, that reflects current market conditions.

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16. 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 December 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 December 31, 2023	Carrying value	Fair value	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$
Financial assets measured at amortized cost					
Cash and cash equivalents	1,249	1,249			
Trade and other receivables	29,393	29,393			
Financial assets measured at fair value					
Investments	99	99	99	-	-
Financial liabilities measured at amortized cost					
Trade and other payables	27,955	27,955			
Factoring Liability	549	549			
Long-term debt	35,490	34,562	-	34,562	-
As at June 30, 2023	Carrying value	Fair value	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$
Financial assets measured at amortized cost					
Cash and cash equivalents	2,181	2,181			
Trade and other receivables	30,538	30,538			
Financial assets measured at fair value					
Investments	320	320	320	-	-
Financial liabilities measured at amortized cost					
Trade and other payables	27,621	27,621			
Factoring Liability	1,449	1,449			
Long-term debt	34,338	33,494	-	33,494	-

There were no transfers of amounts between Level 1, Level 2 and Level 3 financial instruments for the three and six month period ended December 31, 2023.

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17. 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:

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
Contract revenue	\$	\$	\$	\$
Canada	29,611	38,285	62,565	81,069
International ⁽¹⁾	13,734	13,336	25,097	23,790
	43,345	51,621	87,662	104,859
(Loss) earnings from operations				
Canada	(407)	5,385	981	10,685
International	(124)	(1,617)	(309)	(3,597)
	(531)	3,768	672	7,088
General and corporate expenses ⁽²⁾	1,233	(351)	2,245	(114)
Finance costs	881	821	1,735	1,567
Income tax expense	(970)	1,175	(1,199)	2,435
	1,144	1,645	2,781	3,888
Net (loss) earnings	(1,675)	2,123	(2,109)	3,200

⁽¹⁾ The International operating segment included

Chilean revenue :	10,751	7,984	18,749	13,588
West African revenue:	2,575	4,532	5,922	7,909

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

	December 31 2023 (3 months)	December 31 2022 (3 months)	December 31 2023 (6 months)	December 31 2022 (6 months)
Depreciation and amortization	\$	\$	\$	\$
Canada	1,888	1,712	3,695	3,366
International	652	858	1,412	1,667
Total depreciation and amortization included in (loss) earnings from operations	2,540	2,570	5,107	5,033
Unallocated and corporate assets	238	250	495	492
Total depreciation and amortization	2,778	2,820	5,602	5,525

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17. SEGMENTED INFORMATION (continued)

	As at December 31, 2023	As at June 30, 2023		
	\$	\$		
Identifiable assets				
Canada	89,720	89,456		
Chile	22,060	20,476		
West Africa	11,082	14,461		
International - Other	3,276	3,170		
	126,138	127,563		
Property, plant and equipment				
Canada	28,436	27,386		
Chile	6,083	6,297		
West Africa	6,333	7,308		
International - Other	347	165		
	41,199	41,156		
Right-of-use assets				
Canada	3,119	1,850		
Chile	138	41		
West Africa	-	11		
International - Other	3	23		
	3,260	1,925		
Intangible assets				
Canada	205	256		
Chile	9	30		
West Africa	6	10		
	220	296		
	December 31	December 31	December 31	December 31
	2023	2022	2023	2022
	(3 months)	(3 months)	(6 months)	(6 months)
	\$	\$	\$	\$
Non-current assets acquisitions				
Canada	3,037	1,589	6,221	4,364
International	615	129	1,075	576
Unallocated and corporate assets	97	177	241	194
	3,749	1,895	7,537	5,134