FORAGE ORBIT 40 ans/years GARANT DRILLING

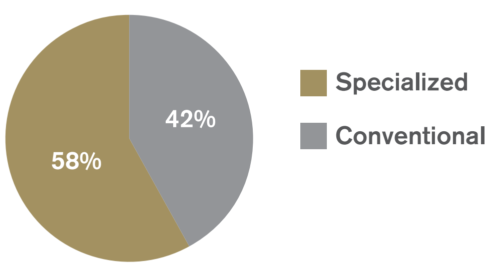
ANNUAL REPORT 2025

PROFILE

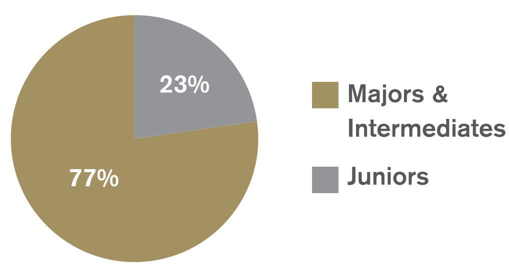
Headquartered in Val-d'Or, Québec, Orbit Garant Drilling (TSX: OGD) is one of the largest Canadian-based mineral drilling companies, providing both underground and surface drilling services in Canada and internationally through its 186 drill rigs and approximately 1,100 employees. Orbit Garant provides services to major, intermediate and junior mining companies, through each stage of mining exploration, development and production. The Company also provides geotechnical drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies.

MARKET POSITION (by percentage of revenue[1])

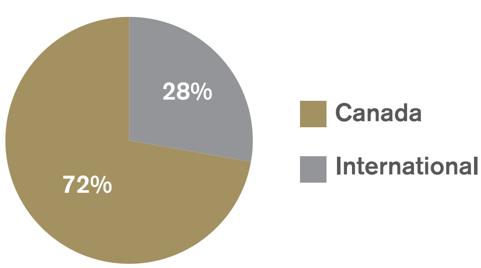
DRILLING SERVICES



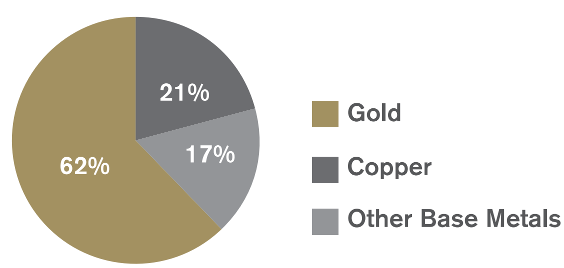
CUSTOMERS



REGIONS



RESOURCE EXPOSURE



1. For the year ended June 30, 2025

To our shareholders,

On behalf of Orbit Garant's Board of Directors, management, and our 1,100 employees across Canada and South America, I am pleased to present our fiscal 2025 annual report. We are proud of our achievements as we continue to focus on delivering sustainable profitability to create long-term value for our shareholders.

The return of Pierre Alexandre, co-founder of Orbit Garant, as President and CEO in November 2022, marked a new era for Orbit Garant. His primary objective was to realign our operations to better position the Company for sustainable profitable growth. Supported by our Board, senior management, and dedicated teams of personnel across our operations, he initiated several strategic changes, including sharpening our focus on our core operations in Canada and South America, and fostering a more team-oriented leadership structure. When I took over last December, Orbit Garant had already made strong progress with these initiatives. My focus has since been to reinforce our team approach and further advance the strategic direction that Pierre established, to elevate Orbit Garant to the next level of performance.

Our focus on senior and well-financed intermediate customers in Canada and South America, our disciplined business strategy and continuous operational improvement program, as well as our exit from West Africa are the core strategic initiatives that drove our highest net earnings in more than 10 years in fiscal 2025.

Our solid performance is also attributable to strong support from our customers. The price of gold is currently at record high levels, and the price of copper also remains at the high end of its historical trading range, which provides a strong incentive for mining companies to continue to invest in mine exploration and development activities. As we continue to deliver quality service, we expect a sustained level of demand from senior and well-financed intermediate companies in fiscal 2026, albeit in a cost-conscious industry environment that dictates competitive pricing.

With more than 60% of our revenue from gold drilling operations in fiscal 2025, we are well positioned to benefit from gold exploration and development spending. We are also well positioned to benefit from copper exploration and development spending with our presence in Chile, the largest copper producing country in the world.

Demand from junior exploration companies in Canada has been constrained due to challenging financing conditions for those companies, but we are now starting to see increased financing activity on the junior side. We have extensive relationships in the junior mining sector, which positions us to selectively pursue projects when demand picks up again. Our primary focus will remain on senior and intermediate customers, but we still have significant available drilling capacity in Canada, and we can easily mobilize drill rigs with minimal capital expenditures as opportunities arise. We also see potential to expand our regional presence in Canada, particularly in northern Ontario.

Our growth in cash flow from operations in fiscal 2025 provided us with the flexibility to both significantly reduce our debt level and buy back shares through our normal course issuer bid. During fiscal 2025, we repaid a net amount of $7.5 million on our credit facility, reducing our long-term debt under the facility, including an undrawn US$5.0 million revolving credit facility and the current portion, to $14.0 million at year-end, down from $21.5 million at the end of fiscal 2024. Pursuant to our normal course issuer bid, we repurchased and cancelled 68,916 common shares at a weighted average price of $0.82 per share during fiscal 2025. These capital allocation activities will help drive further value creation for shareholders.

Calendar year 2025 marks the 40th year of operations for Orbit Garant. We are proud of our history and the progress we have made in building our market presence as well as our industry and community relationships over the years. As a long-established, leading mineral drilling company, we have a strong foundation of competitive strengths to continue to build on, including:

- Our combined surface and underground drilling expertise and advanced specialized drilling capabilities;
- Our focus on continuous innovation, including our computerized drilling technology;
- Our vertically integrated manufacturing operations;
- Strong health and safety, and driller training programs; and,
- Long-standing customer relationships with leading mining companies operating in Canada and South America.

Our strategic focus on Canada and South America, disciplined business strategy and continuous operational improvement program are working well for us, and we are going to stick to it as we continue to work hard to strengthen our market position and profitability.

In closing, I want to take this opportunity to thank all of our people for their many contributions to our strong performance in fiscal 2025. Our success would not be possible without the dedication and collaboration of all our team members across our operations. I also extend our appreciation to my fellow Board members for their leadership and ongoing commitment to the success of Orbit Garant.

With the right strategic focus, strong competitive position, exceptional personnel and supportive industry fundamentals, we believe that we are well positioned to drive enhanced profitability on a sustainable basis and build long-term value for shareholders. We appreciate your continued support.

Sincerely,

Daniel Maheu
President & Chief Executive Officer

MD&A and Consolidated Financial Statements

YEAR END AND FOURTH QUARTER FISCAL 2025

SEPTEMBER 24, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This MD&A should be read in conjunction with the audited consolidated financial statements for the fiscal years ended June 30, 2025 ("Fiscal 2025") and June 30, 2024 ("Fiscal 2024") and the notes thereto which are available on the SEDAR+ website at www.sedarplus.ca.

The Company's Fiscal 2025 audited consolidated financial statements, and the accompanying notes ("Financial Statements") were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are in Canadian dollars, except where otherwise noted.

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

This MD&A is dated September 24, 2025. 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.sedarplus.ca.

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 world economic climate as it relates to the mining industry, the Canadian economic environment, the Company's ability to attract and retain customers and manage its assets and operating costs, the political situation in certain jurisdictions, and the operating environments in which the Company operates.

Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on these forward-looking statements.

The Company disclaims any intention and assumes no obligation to update any forward-looking statement, even if new information becomes available, as a result of future events or for any other reasons except in accordance with applicable securities laws. Risks that could cause the Company's actual results to materially differ from its current expectations are discussed in this MD&A. For a more complete discussion of the risk factors that could cause the Company's actual results to materially differ from its current expectations, please refer to the Company's Annual Information Form dated September 24, 2025, accessible via www.sedarplus.ca.

NON-IFRS FINANCIAL MEASURES

Financial data has been prepared in conformity with IFRS. However, certain measures used in this MD&A 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. The Company uses non-IFRS measures including Adjusted Net Earnings (loss) before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), "Adjusted EBITDA Margin", "Adjusted Gross Profit" and "Adjusted Gross Margin". 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.

For a description of how Orbit Garant defines these non-IFRS Measures and for reconciliations to the nearest IFRS measures for the periods presented in this MD&A, please see "Reconciliation of Non-IFRS Measures" on page 22.

FISCAL 2025 SUMMARY

- Revenue totalled $189.1 million, an increase of 4.3% compared to $181.2 million in Fiscal 2024
- Gross margin increased to 15.0% from 11.7% in Fiscal 2024
- Adjusted gross margin (1) increased to 19.5% from 15.9% in Fiscal 2024
- Net earnings were $7.5 million compared to a net loss of $2.4(2) million in Fiscal 2024
- Adjusted EBITDA (1) increased to $21.7 million from $14.7(2) million in Fiscal 2024
- Orbit Garant repurchased and cancelled 68,916 Common Shares at a weighted average price of $0.82 per share pursuant to its normal course issuer bid program

(1) See "Reconciliation of non-IFRS financial measures."

(2) As adjusted. See note 2 to the Company's audited financial statements and page 9 of this MD&A.

CORPORATE OVERVIEW

Orbit Garant (TSX: OGD) is one of the largest Canadian-based mineral drilling companies, with 186 drill rigs and approximately 1,100 employees. Headquartered in Val-d'Or, Québec, the Company provides both underground and surface drilling services in Canada and internationally to major, intermediate, and junior mining companies, through each stage of mineral exploration, mine development and production. Orbit Garant also provides geotechnical and water drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies. The majority of Orbit Garant's business activity is conducted in Canada. The Company has regional offices and facilities in Sudbury, Ontario and Moncton, New Brunswick to support its Canadian business activities. Orbit Garant has worked on international projects in the United States, Mexico, Guyana, Chile, Argentina, Kazakhstan, Burkina Faso, Ghana, and Guinea. The Company has international operating subsidiaries in Santiago, Chile and Georgetown, Guyana to support its current international operations. Following the decision to cease its operations in West Africa, the Company finalized its exit from West Africa in the fourth quarter of Fiscal 2024 ("Q4 2024").

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 manufactures conventional drill rigs and ancillary equipment for third-party customers from its facilities in Val-d'Or, Québec and Sudbury, Ontario. Orbit Garant focuses on "specialized drilling", which refers to drilling projects that are in remote locations or, in the opinion of Management, because of the scope, complexity or technical nature of the work, cannot be undertaken by smaller conventional drilling companies.

The Company has two operating segments: Canada (including surface drilling, underground drilling, and manufacturing Canada), and International (including surface drilling and underground drilling).

For Fiscal 2025:

- Specialized drilling services, which typically generate a higher gross margin than conventional drilling services, accounted for approximately 58% of the Company's total revenue, compared to 42% in Fiscal 2024.

- Approximately 62% of the Company's revenues were generated by gold related operations, approximately 21% were generated by copper related operations and the remaining 17% was related to other base metal operations and others.

- Approximately 77% of Orbit Garant's revenue was generated from major and intermediate mining company projects, compared to 87% in Fiscal 2024. Orbit Garant's drilling contracts with major and intermediate customers typically range from one to five years in length.

- Approximately 72% of Orbit Garant's revenue was generated from domestic drilling projects, and approximately 28% was generated from international drilling contracts, compared to 73% and 27%, respectively, in Fiscal 2024.

BUSINESS STRATEGY

Orbit Garant's goal is to be a leading Canadian-based mineral drilling company, through the pursuit of both domestic and international market opportunities, and through the provision of best-in-class underground and surface drilling services, equipment, and personnel for all stages of the mining and minerals business, including exploration, development, and production. The Company employs the following business strategies:

- Focus primarily on major and well-financed intermediate mining and exploration companies operating in Canada and other stable jurisdictions;
- Provide conventional, specialized, and geotechnical drilling services;
- Manufacture customized drill rigs and equipment to fit the needs of customers;
- Maintain a commitment to technological innovation and advanced drilling technologies, such as the Company's ongoing implementation of computerized monitoring and control technologies;
- Provide training for the Company's personnel to continuously improve efficiency and to maintain the availability of a skilled labour force;
- Maintain a high level of health and safety standards throughout our operations and promote protection of the environment in the regions where we operate;
- Establish and maintain long-term relationships with customers; and
- Maintain a sound balance sheet and a disciplined management of our capital resources.

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$3,730 per ounce, representing an increase of approximately 40% compared to a year ago. The current price has more than doubled from its trailing five-year price low of approximately US$1,615 per ounce in September 2022. On September 23, 2025, the spot price of gold traded at a record high of approximately US$3,791 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 metal 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 aluminum, copper and zinc are higher compared to 12 months ago, while the spot prices of lead and nickel are lower. The spot price for copper, the metal widely considered to be the most sensitive to macroeconomic activity, was approximately US$4.50 per pound a year ago and at the time of this report was approximately US$4.76 per pound, an increase of approximately 6%. The spot prices of aluminum, copper and lead are currently near the mid-points of their respective trailing five-year price ranges, while the spot prices of nickel and zinc are near the lower ends of their trailing five-year price ranges.

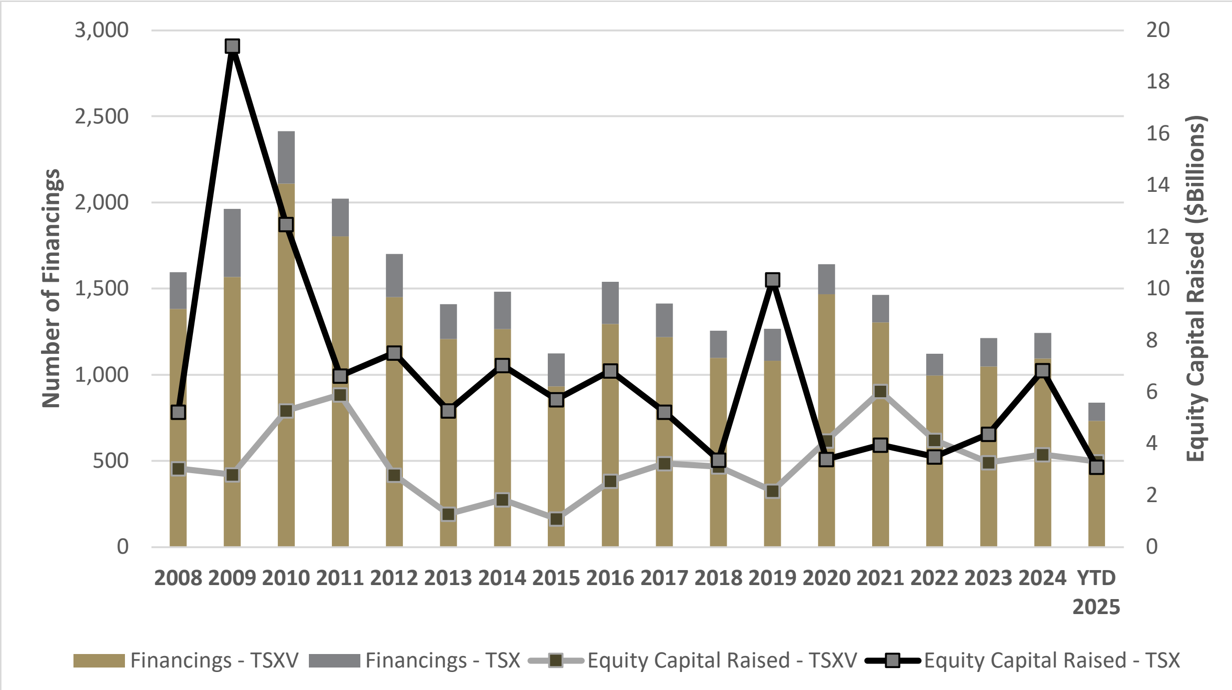
Iron Ore

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$105 per tonne, compared to approximately US$92 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 prices have been highly favourable for mining companies seeking to raise capital to fund exploration and/or development activities. Prices for the primary base metals have been mixed over the last 12 months. However, the price of copper, the flagship base metal, has remained favourable for mining companies seeking to raise capital. Overall financing activity for mining companies listed on the Toronto Stock Exchange ("TSX") and TSX Venture Exchange ("TSX-V") in the first eight months of 2025 was slightly higher than the comparable periods in 2024 and 2023. Due to various global macroeconomic factors other than metal prices, junior mining companies continue to face challenging financing conditions that are restricting their exploration and development activity. However, junior mining companies have raised more equity capital to date in 2025 than they did in the comparable periods in 2024 and 2023.

TSX / TSX-V Mining Sector Financings (2008 to August 2025)



Mining companies listed on the TSX and TSX-V completed 837 financings and raised $6.4 billion of equity capital during the first eight months of 2025, according to TMX Group. By comparison, they completed 794 financings and raised $7.9 billion of equity capital during the first eight months of 2024, which included a large $1.6 billion equity offering completed by First Quantum Minerals Ltd. In the comparable period in 2023, mining companies completed 818 financings and raised $5.1 billion of equity capital.

According to reports from S&P Global Market Intelligence (November 2024 and December 2024), global exploration budgets for nonferrous metals totaled an estimated US$12.5 billion in 2024, a decline of approximately 3% from 2023 levels. S&P noted that grassroots and late-stage exploration budgets decreased by 8% and 5%, respectively, compared to 2023 levels, while mine site exploration budgets increased by 2%. Despite the year-over-year decline in global exploration budgets, the total for 2024 represents the third highest annual level since 2013. For 2025, S&P anticipates that global exploration budgets will likely follow "a similar track" to 2024.

OVERALL PERFORMANCE

Results of operations for the year ended June 30, 2025

FISCAL YEARS ENDED JUNE 30 * ($millions)		Fiscal 2025	Fiscal 2024	2025 vs. 2024 Variance
Revenue *		**189.1**	181.2	**7.9**
Gross profit *		**28.3**	21.2	**7.1**
Gross margin (%)		**15.0**	11.7	**3.3**
Adjusted gross margin (%) (1)		**19.5**	15.9	**3.6**
Net earnings (loss) *		**7.5**	(2.4)(3)	**9.9**
Net earnings (loss) per common share	- Basic ($)	**0.20**	(0.06) (3)	**0.26**
	- Diluted ($)	**0.20**	(0.06) (3)	**0.26**
Adjusted EBITDA * (2)		**21.7**	14.7(3)	**7.0**

(1) Reflects gross margin, excluding depreciation expenses and gain in disposal of property, plant and equipment. See "Reconciliation of non-IFRS financial measures."
(2) Adjusted EBITDA = Earnings before interest, taxes, depreciation, amortization, the effect of the substantial modification of a receivable and expected credit loss, reclassification of cumulative translation adjustments, and interest revenue from the long-term receivable. See "Reconciliation of non-IFRS financial measures."
(3) As adjusted. See note 2 to the audited consolidated financial statements and page 9 of this MD&A.

Orbit Garant had 186 drill rigs as at June 30, 2025, compared to 188 drill rigs at the end of Fiscal 2024. During Fiscal 2025, the Company manufactured three new computerized drill rigs and one new conventional drill rig, purchased one new reverse circulation drill rig, sold one reverse circulation drill rig, and six conventional drill rigs were dismantled. Orbit Garant currently has 46 drill rigs outfitted with its computerized monitoring and control technology.

Normal Course Issuer Bid

On October 28, 2024, Orbit Garant announced its intention to make a normal course issuer bid (the "NCIB Program") to purchase outstanding common shares of Orbit Garant (the "Common Shares") on the open market in accordance with the rules of the TSX. Pursuant to the NCIB Program, Orbit Garant may purchase, from time to time, in aggregate up to 1,868,637 Common Shares over a 12-month period commencing on October 31, 2024, and terminating on October 30, 2025.

During Fiscal 2025, Orbit Garant repurchased and cancelled 68,916 Common Shares at a weighted average price of $0.82 per share pursuant to the NCIB Program.

Sale of Assets in West Africa

Orbit Garant completed its final drilling program in Burkina Faso during the second quarter of Fiscal 2024 ("Q2 2024"). Orbit Garant subsequently made the decision to not renew its drilling contract in Guinea, which was completed at the end of Q2 2024, as the Company determined that it was no longer financially viable to maintain drilling activities in West Africa considering its exit from Burkina Faso.

During Q4 2024, the Company entered into an agreement to sell its inventories located in West Africa for an amount of $1.2 million, and its property, plant and equipment for an amount of $6.3 million, and recorded a short-term receivable as compensation, for an amount of $7.5 million.

As at June 30, 2024, for accounting purposes, the Company recorded a derecognition of the short-term receivable and the recognition of a new long-term receivable of $3.9 million following a significant change in contractual payment terms of the receivable. The effect of this substantial modification of the receivable was a loss of $3.5 million included in the expenses of the Consolidated Statements of Loss in Fiscal 2024. The Company also recognized an expected credit loss on this receivable for an amount of $1.7 million in the Consolidated Statements of Loss in Fiscal 2024.

As a result of this transaction, a disposal of foreign operations was recognized in Q4 2024, and an amount of $1.4 million of cumulative translation adjustments related to these foreign operations was reclassified from Equity to Net earnings (loss).

Orbit Garant is now primarily focusing on its operations in Canada and South America. The Company's exit from West Africa had a positive impact on its gross margins in Fiscal 2025.

The figures for Fiscal 2024 and Q4 2024 have been adjusted to correct for immaterial errors in accounting for foreign exchange variations, including the reclassification of cumulative translation adjustments to net earnings for subsidiaries that have ceased their foreign operations' activities in accordance with IAS 21. Please refer to note 2 to the Company's audited consolidated financial statements.

In addition, the quarterly figures for Fiscal 2025 were adjusted to include reclassification of translation adjustments to account for the subsidiaries that have ceased operations in Q4 2024.

SELECTED ANNUAL FINANCIAL INFORMATION

For the years ended June 30 *($millions)	Fiscal 2025	Fiscal 2024	Fiscal 2023
Contract revenue			
Drilling Canada *	136.1	132.6	152.1
Drilling International *	53.0	48.6	48.9
Total *	189.1	181.2	201.0
Gross profit *	28.3	21.2	18.3
Gross margin (%)	15.0	11.7	9.1
Adjusted gross margin (%) (1)	19.5	15.9	16.2
Net earnings (loss) *	7.5	(2.4)(3)	(0.7)
Net earnings (loss) per common share ($)	0.20	(0.06) (3)	(0.02)
Net earnings (loss) per common share diluted ($)	0.20	(0.06) (3)	(0.02)
Total assets *	130.6	119.9	127.6
Long-term debt including current portion *	26.3	31.4	34.3
Lease liabilities including current portion*	6.4	2.8	1.2
Adjusted EBITDA * (2)	21.7	14.7(3)	19.1
Adjusted EBITDA margin (%) (2)	11.5	8.1(3)	9.5
Total metres drilled (million)	1.2	1.3	1.6

(1) Reflects gross margin, excluding depreciation expenses and gain in disposal of property, plant and equipment. See "Reconciliation of non-IFRS financial measures."
(2) Adjusted EBITDA = Earnings before interest, taxes, depreciation, amortization, the write-down of inventories from restructuring in Burkina Faso, the effect of the substantial modification of a receivable and expected credit loss, reclassification of cumulative translation adjustments, and interest revenue from the long-term receivable. See "Reconciliation of non-IFRS financial measures."
(3) As adjusted. See note 2 to the audited consolidated financial statements and page 9 of this MD&A.

RESULTS OF OPERATIONS

FISCAL 2025 COMPARED TO FISCAL 2024

Contract Revenue

Revenue for Fiscal 2025 totalled $189.1 million, an increase of 4.3% compared to $181.2 million for Fiscal 2024.

Canada revenue totalled $136.1 million for Fiscal 2025, an increase of 2.6% compared to $132.6 million for Fiscal 2024, reflecting higher revenue per metre drilled.

International revenue totalled $53.0 million for 2025, an increase of 9.0% compared to $48.6 million for Fiscal 2024, reflecting increased drilling activity in South America.

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

Gross profit for Fiscal 2025 was $28.3 million compared to $21.2 million for Fiscal 2024. Gross margin for Fiscal 2025 was 15.0% compared to 11.7% for Fiscal 2024. Depreciation expenses totalling $9.1 million are included in the cost of contract revenue for Fiscal 2025, compared to depreciation expenses totalling $9.9 million for Fiscal 2024. Adjusted gross margin, excluding depreciation expenses and a gain on disposal of property, plant and equipment was 19.5% for Fiscal 2025, compared to 15.9% for Fiscal 2024. The increase in gross profit, gross margin and adjusted gross margin was primarily attributable to increased drilling activity in South America, higher revenue per metre drilled in Canada and the cessation of drilling activities in West Africa during Q2 2024, which were unprofitable.

General and Administrative Expenses

General and administrative ("G&A") expenses were $16.7 million, or 8.8% of revenue, for Fiscal 2025, compared to $16.4 million, or 9.1% of revenue, for Fiscal 2024.

Operating Results

Earnings from operations in Fiscal 2025 were $14.9 million, compared to earnings from operations of $8.3 million in Fiscal 2024.

Canada's operating earnings totalled $7.1 million in Fiscal 2025, compared to operating earnings of $6.4 million in Fiscal 2024, reflecting higher revenue per metre drilled.

International's operating earnings totalled $7.8 million in Fiscal 2025, compared to operating earnings of $1.9 million in Fiscal 2024, primarily reflecting increased drilling activity in South America and the cessation of drilling activities in West Africa during Q4 2024, which were unprofitable.

Foreign Exchange (Gain) Loss

Foreign exchange gain was a negligible amount in Fiscal 2025, compared to a $0.8 million[1] foreign exchange loss in Fiscal 2024.

[1] As adjusted. See note 2 to the audited consolidated financial statements and page 9 of this MD&A.

Adjusted EBITDA (see Reconciliation of non-IFRS financial measures)

Adjusted EBITDA totalled $21.7 million in Fiscal 2025, compared to adjusted EBITDA of $14.7 million[1] in Fiscal 2024. The increase was primarily attributable to increased operating earnings in South America and Canada, and a favourable foreign exchange variation.

[1] As adjusted. See note 2 to the audited consolidated financial statements and page 9 of this MD&A.

Financial Expenses

Interest costs related to long-term debt and bank charges were $2.9 million in Fiscal 2025, compared to $3.5 million in Fiscal 2024, reflecting a decrease in interest rates and debt level.

Sale of Assets in West Africa

During Fiscal 2024, Orbit Garant entered into an agreement to sell its inventories and its property, plant and equipment located in West Africa and recorded a receivable totalling $7.5 million as compensation. During Q4 2024, the Company also recorded the effect of the substantial modification of a receivable and expected credit loss totalling $5.2 million, as discussed above.

As a result of this transaction, a disposal of foreign operations was recognized in Q4 2024, and an amount of $1.4 million of cumulative translation adjustments related to these foreign operations was reclassified from Equity to Net earnings (loss).

Interest Revenue

During Fiscal 2025, the Company recorded $1.3 million of interest revenue on the long-term receivable related to the sale of assets in West Africa, compared to nil in Fiscal 2024.

Income Tax Expense (Recovery)

Income tax expense was $2.5 million in Fiscal 2025, compared to an income tax recovery of $3.7 million in Fiscal 2024. The effective tax rate for Fiscal 2025 results primarily from the recognition of previously unrecognized tax deductions and tax losses of prior periods, partially offset by no deferred tax assets being recognized for certain international operations, and the recognition of probable tax expense adjustment to prior years for certain international subsidiaries.

Net Earnings (Loss)

Net earnings in Fiscal 2025 were $7.5 million, or $0.20 per share (diluted), compared to a net loss of $2.4 million[(1)], or $0.06 per share (diluted)[(1)], in Fiscal 2024. The Company's net earnings in Fiscal 2025 were primarily attributable to increased operating earnings in South America and Canada, the effect of a substantial modification of a receivable and expected credit loss and the reclassification of cumulative translation adjustments in Q4 2024, the interest revenue on long-term receivable and a more favourable foreign exchange variance, partially offset by increased income tax expense**.**

[(1)] As adjusted. See note 2 to the audited consolidated financial statements and page 9 of this MD&A.

The figures for Fiscal 2024 and Q4 2024 have been adjusted to correct for immaterial errors in accounting for foreign exchange variations, including the reclassification of cumulative translation differences to net earnings for subsidiaries that have ceased their foreign operations' activities in accordance with IAS 21. Please refer to note 2 to the Company's audited consolidated financial statements.

In addition, the quarterly figures for Fiscal 2025 were adjusted to include reclassification of translation adjustments from the subsidiaries that have ceased operations in Q4 2024.

SUMMARY OF QUARTERLY RESULTS

* ($millions)		Fiscal 2025				Fiscal 2024			
		June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30
Contract revenue *		47.2	50.0	43.5	48.4	45.3	48.2	43.4	44.3
Gross profit (1)*		7.6	5.9	7.2	7.6	7.5	6.4	3.0	4.3
Gross margin %		16.0	11.9	16.5	15.8	16.6	13.2	6.8	9.7
Net earnings (loss) *		2.2	1.9(3)	0.5(3)	2.9(3)	(2.3) (2)	2.0	(1.7)	(0.4)
Net earnings (loss) per common share ($)	- Basic	0.06	0.05(3)	0.01(3)	0.08	(0.06) (2)	0.05	(0.05)	-
	- Diluted	0.06	0.05(3)	0.01(3)	0.08	(0.06) (2)	0.05	(0.05)	-

(1) Includes amortization and depreciation expenses related to operations, gain on disposal of property, plant and equipment.
(2) As adjusted. See note 2 to the audited consolidated financial statements.
(3) As adjusted. The quarterly figures for Fiscal 2025 were adjusted to include reclassification of translation adjustments from the subsidiaries that have ceased operations in Q4 2024.

SEASONALITY

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

ANALYSIS OF THE FOURTH QUARTER OF FISCAL 2025 ("Q4 2025"), COMPARED TO THE FOURTH QUARTER OF FISCAL 2024 ("Q4 2024")

Contract Revenue

Revenue for Q4 2025 totalled $47.2 million, an increase of 3.9% compared to $45.3 million for Q4 2024.

Canada revenue totalled $33.8 million in Q4 2025, an increase of $1.0 million, or 2.7%, compared to $32.8 million in Q4 2024, reflecting higher revenue per metre drilled.

International revenue totalled $13.4 million on Q4 2025, an increase of $0.9 million, or 7.0%, compared to $12.5 million in Q4 2024, reflecting increased drilling activity in South America.

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

Gross profit in Q4 2025 was $7.6 million, compared to $7.5 million in Q4 2024. Gross margin was 16.0% compared to 16.6% for Q4 2024. Depreciation expenses totalling $2.3 million are included in the cost of contract revenue for Q4 2025, compared to $2.6 million for Q4 2024. Adjusted gross margin, excluding depreciation expenses and a gain on disposal of property, plant and equipment, was 20.2% in Q4 2025, compared to 17.8% in Q4 2024. The increase in gross profit and adjusted gross margin in Q4 2025 was primarily attributable to increased drilling activity in South

America, higher revenue per metre drilled in Canada, and the cessation of drilling activities in West Africa during Q2 2024.

General and Administrative Expenses

G&A expenses were $4.2 million, or 9.0% of revenue, in Q4 2025, compared to $4.3 million, or 9.4% of revenue, in Q4 2024.

Operating Results

Earnings from operations in Q4 2025 were $4.2 million, compared to earnings from operations of $4.3 million in Q4 2024.

Canada's operating earnings totalled $2.4 million, compared to operating earnings of $2.1 million in Q4 2024, reflecting higher revenue per metre drilled.

International's operating earnings were $1.8 million in Q4 2025, compared to operating earnings of $2.2 million in Q4 2024. The decline in Q4 2025 was primarily attributable to start-up costs for a new project in South America, partially offset by increased drilling activity.

Foreign Exchange Loss (Gain)

Foreign exchange loss was $0.4 million in Q4 2025, compared to a foreign exchange gain of $0.6 million[(1)] in Q4 2024.
[(1)] As adjusted. See note 2 to the audited consolidated financial statements and page 9 of this MD&A.

Adjusted EBITDA (see Reconciliation of non-IFRS financial measures)

Adjusted EBITDA totalled $5.5 million in Q4 2025, compared to $6.7 million[(1)] in Q4 2024. The decrease was primarily attributable to an unfavourable foreign exchange variance and start-up costs for a new project in South America, partially offset by increased operating earnings in Canada.
[(1)] As adjusted. See note 2 to the audited consolidated financial statements and page 9 of this MD&A.

Financial Expenses

Interest costs related to long-term debt, lease liabilities and bank charges were $0.6 million in Q4 2025, compared to $0.8 million in Q4 2024, reflecting a decrease in interest rates and debt level.

Sale of Assets in West Africa

During Fiscal 2024, Orbit Garant entered into an agreement to sell its inventories and its property, plant and equipment located in West Africa and recorded a receivable totalling $7.5 million as compensation. During Q4 2024, the Company also recorded the effect of the substantial modification of a receivable and expected credit loss totalling $5.2 million, as discussed above.

As a result of this transaction, a disposal of foreign operations was recognized in Q4 2024, and an amount of $1.4 million of cumulative translation adjustments related to these foreign operations was reclassified from Equity to Profit or Loss.

Income Tax Recovery

Income tax recovery was a negligible amount in Q4 2025, compared to a recovery of $1.2 million in Q4 2024. The effective tax rate in Q4 2025 primarily reflects the recognition of previously unrecognized tax deductions and tax losses of prior periods.

Net Earnings (Loss)

Net earnings in Q4 2025 were $2.2 million, or $0.06 per share (diluted), compared to a net loss of $2.3 million[1], or $0.06 per share (diluted)[1], in Q4 2024. Orbit Garant's net earnings for Q4 2025 were primarily attributable to the effect of the substantial modification of a receivable and expected credit loss and the reclassification of cumulative translation adjustments in Q4 2024, partially offset by a slight reduction in consolidated operating earnings, and a reduced income tax recovery in Q4 2025 compared to Q4 2024.

(1) As adjusted. See note 2 to the audited consolidated financial statements and page 9 of this MD&A.

EFFECT OF EXCHANGE RATE

The Company realizes portions of its business activities in the following foreign currencies: US dollars ("US $") and Chilean unit of account ("CLF"), and is thus exposed to foreign exchange fluctuations. Orbit Garant does not use derivative instruments to manage this risk.

As at June 30, 2025, the Company had the following amounts of cash and accounts receivable in foreign currencies and has provided the respective impact on earnings before income taxes ("EBIT") in Canadian dollars, if the corresponding foreign exchange rates were to change by plus or minus 10%:

($000s)	USD/CAD	CLF/CLP	USD/GYD
Net exposure on monetary assets (liabilities)	(865)	(2,330)	549
EBIT impact +/- 10% CAD$	(64)	(171)	40

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 $21.6 million in Fiscal 2025, compared to $13.0[1] million in Fiscal 2024.

(1) As adjusted. See note 2 to the audited consolidated financial statements and page 9 of this MD&A.

The change in non-cash operating working capital items was an inflow of $0.7 million, compared to an outflow of $0.1 million in Fiscal 2024. The change in non-cash operating working capital in Fiscal 2025 was primarily attributable to:

- $3.0 million related to an increase in accounts payable, and
- $0.1 million related to a decrease in accounts receivable, and
- $0.1 million related to a decrease in prepaid expenses, partially offset by
- $2.5 million related to an increase in inventories.

Investing Activities

Cash used in investing activities totalled $8.6 million in Fiscal 2025, compared to $6.0 million in Fiscal 2024. During Fiscal 2025, $11.5 million was used for the acquisition of property, plant and equipment and intangible assets, partially offset by a cash inflow of $2.9 million on disposal of property, plant and equipment, and the collection of the long-term receivable. During Fiscal 2024, $8.7 million was used for the acquisition of property, plant and equipment, and intangible assets, partially offset by a cash inflow of $2.7 million on disposal of property, plant and equipment and the collection of the long-term receivable.

Financing Activities

During Fiscal 2025, the Company repaid a net amount of $6.7 million from its factoring liability, long-term debt and lease liabilities, compared to a repayment of $5.3 million in Fiscal 2024.

Orbit Garant's primary sources of liquidity are cash flows from operations and borrowings under revolving credit facilities (collectively, the "Credit Facility") with National Bank of Canada, in its capacity as agent ("National Bank") and financial institutions parties thereto from time to time as lenders (the "Lenders"). On November 2, 2023, the Company entered into a fifth amended and restated credit agreement with National Bank and the Lenders in respect of the Credit Facility (the "Credit Agreement") as amended by a first amending agreement to the Credit Agreement dated as of March 26, 2024, and as further amended by a second amending agreement to the Credit Agreement dated as of September 27, 2024. The Credit Facility consists of a $30.0 million revolving credit facility, and a US$5.0 million revolving credit facility guaranteed by Export Development Canada ("EDC") through the export guarantee program. The Credit Facility is secured by a first rank hypothec on the universality of all present and future assets, except for those noted below, and expires on November 2, 2026.

Orbit Garant repaid a net amount of $7.5 million in Fiscal 2025 on its Credit Facility, compared to a repayment of $0.7 million in Fiscal 2024. The Company's long-term debt, under the Credit Facility, including the current portion, was $14.0 million as at June 30, 2025, compared to $21.5 million as at June 30, 2024. No amounts were drawn under the revolving US$5.0 million portion of the Credit Facility as at June 30 2025, compared to US$3.0 million ($4.1 million) drawn as at June 30, 2024.

On November 29, 2024, Orbit Garant entered into a loan agreement (the "EDC Loan Agreement") with EDC, which provides for a term loan in the principal amount of US$2.0 million. This loan bears interest at a fixed rate of 8.12% per year, has a four-year term and the principal amount is repayable by way of 48 consecutive monthly payments from June 2025 until May 2029. The Company's obligations under the EDC Loan Agreement are: a) secured by a second ranking hypothec on the universality of all present and future assets; and (b) guaranteed on a solidary (joint and several) basis by certain of our subsidiaries. The loan was used to fund the manufacture of three new computerized surface drill rigs for the Company's Chilean operations.

As at June 30, 2025, the Company's working capital totalled $50.4 million, compared to $48.6 million as at June 30, 2024. Orbit Garant'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 needs for capital expenditures and repayment of its debt obligations. Orbit Garant's principal capital expenditures are related to the acquisition of drill rigs and related drilling equipment.

Sources of Financing

As at June 30, 2025, the Company complied with all covenants in the Credit Agreement, the EDC Loan Agreement and in the loan agreement (the "BDC Loan Agreement") with the Business Development Bank of Canada ("BDC"). The Company expects that availability under the Credit Facility will continue to provide it with sufficient liquidity to fund its working capital and capital asset acquisition requirements.

Orbit Garant's primary sources of liquidity are cash flows from operations and borrowings under its Credit Facility. The Credit Facility matures on November 2, 2026. As at June 30, 2025, the Company had drawn $14.0 million ($21.5 million as at June 30, 2024) under the Credit Facility.

Availability under the Credit Facility is subject to a borrowing base that is determined by the value of the Company's inventory, accounts receivable and real estate. Except as noted below, all of Orbit Garant's assets are pledged as security for the Company's obligations under the Credit Facility. In addition, the Company's obligations under the US$5.0 million revolving credit facility are guaranteed by EDC. As at June 30, 2025, the borrowing base for the Credit Facility was $30.0 million and US$5.0 million, and the available amounts were $16.0 million and US$4.6 million.

The Credit Agreement contains covenants that limit Orbit Garant's ability to undertake certain actions without prior approval of the Lender, including *inter alia*: i) mergers, liquidations, dissolutions and changes of ownership; ii) the incurrence of additional indebtedness; iii) encumbering the Company's assets; iv) guarantees, loans, other financial assistance, investments and acquisitions that may be made by the Company; v) investing in or entering into derivative instruments, paying dividends and/or making other capital distributions to related parties; vi) capital expenditures exceeding mutually agreed upon limits; vii) amending or entering into certain agreements and viii) certain asset sales. The Credit Agreement also contains a number of financial covenants that the Company must comply with.

In February 2021, Orbit Garant Chile S.A. ("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 this financing agreement, including the current portion, amounted to $2.0 million as at June 30, 2025 ($2.1 million as at June 30, 2024).

On September 9, 2022, Orbit Garant entered into 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 6.50% 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 was reduced by 0.20% in November 2023, following the Company's compliance with certain financial covenants. Orbit Garant's obligations under the BDC Loan Agreement are: (a) secured by a first ranking immovable hypothec on the building serving as the Company's head office in Val-d'Or, Quebec; and (b) guaranteed on a solidary (joint and several) basis by certain of the Company's subsidiaries. Orbit Garant's long-term debt under the BDC Loan Agreement, including the current portion, amounted to $7.9 million as at June 30, 2025 ($8.1 million as at June 30, 2024).

On November 29, 2024, Orbit Garant entered into the EDC Loan Agreement, which provides for a term loan in the principal amount of US$2.0 million. This loan bears interest at a fixed rate of 8.12% per year, has a four-year term and the principal amount is repayable by way of 48 consecutive monthly payments from June 2025 until May 2029. The Company's obligations under the EDC Loan Agreement are: a) secured by a second ranking hypothec on the universality of all present and future assets; and (b) guaranteed on a solidary (joint and several) basis by certain of our subsidiaries. Orbit Garant's long-term debt under the EDC Loan Agreement, including the current portion, amounted to US$ 2.0 million ($2.7 million) as at June 30, 2025 (nil as at June 30, 2024).

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

As at June 30, 2025, the Company had future contractual obligations as follows:

($000s)	Total	Within 1 year	2-3 years	4-5 years	Subsequent years
Long-term debt	31,940	1,733	18,713	2,142	9,352
Lease liabilities	6,400	1,748	3,059	1,239	354
Short-term leases	606	552	32	22	-
Total	38,946	4,033	21,804	3,403	9,706

OUTSTANDING SECURITIES AS AT SEPTEMBER 24, 2025

Number of common shares	37,749,840
Number of options	1,983,000
Fully diluted	39,732,840

During Fiscal 2025, Orbit Garant issued 530,000 options and 291,000 options were cancelled. The Company issued 276,000 common shares as a result of options being exercised. Additionally, Orbit Garant repurchased and cancelled 68,916 of its common shares pursuant to its NCIB Program.

Between the end of Fiscal 2025 and the date of this MD&A, the Company has issued 170,000 common shares from options being exercised.

RELATED PARTY TRANSACTIONS

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

During Fiscal 2025, and Fiscal 2024, the Company entered into the following transactions with its related company and with persons related to directors:

($000s)	Fiscal 2025	Fiscal 2024
Revenue	172	151
Expenses	62	24

As at June 30, 2025, a negligible amount was a receivable resulting from these transactions (a negligible amount as at June 30, 2024)

All these related party transactions are made in the normal course of business and 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)	Fiscal 2025	Fiscal 2024
Salaries and fees	1,491	1,047
Share-based compensation	158	104
Total	1,649	1,151

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The material accounting policies information is described in note 3 of the Fiscal 2025 audited consolidated financial statements. The preparation of financial statements in accordance with IFRS requires the Company's Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and contingent liabilities on the reporting date and amounts of revenues and expenses for the relevant period. Although Management regularly reviews its estimates, actual results may differ. The impact of changes to accounting estimates is recognized in the period during which the change occurs, and in the affected future periods, when applicable. Areas in which the estimates and assumptions are significant, or which are complex, are presented as follows:

A- CRITICAL ACCOUNTING ESTIMATES

Long-term receivable

On initial recognition, the Company recognizes the long-term receivable at fair value, estimated as the present value of contractual cash flows over the agreement term, discounted using a rate that reflects the risk associated to the counterparty and rates prevailing on the market for such instruments.

The carrying amount of the long-term receivable is presented net of an allowance for expected credit loss. The probability of default considered in the estimate is based on historical data for comparable entities. Loss given default (LGD) reflects the Company's ability to execute its right to take possession of the assets given in guarantee under the contract. The amount and timing of cash flows expected to be recovered upon a default event is based on probability-weighted scenarios and the actual cash shortfall may differ from the resulting estimated expected credit loss. Management will review the appropriateness of the allowance for expected credit loss at the earliest of each reporting period, or when new information becomes available that may give rise to a change in conditions or assumptions initially used in the estimation.

Income taxes and deferred income taxes

The Company determines its income tax expense and its income tax assets and liabilities based on its interpretation of applicable tax legislation, including tax treaties between the various countries in which it operates, as well as underlying rules and regulations. Such interpretations involve judgments and estimates that may be challenged in government tax audits, to which the Company is regularly subject. New information may also become available, which would cause the Company to change its judgment regarding the adequacy of existing income tax assets and liabilities. Any such changes will have an impact on net earnings (loss) for the period in which they occur.

In the calculation of income taxes and deferred tax assets and liabilities, estimates must be used to determine the appropriate rates and amounts, and to take into account the probability of realization of tax assets. Deferred tax assets also reflect the benefit of unused tax losses and deductions that can be carried forward to reduce current income taxes in future years. This assessment requires the Company to make significant estimates in determining whether or not it is probable that the deferred tax assets can be recovered from future taxable income and therefore, that they can be recognized in the Company's consolidated financial statements. The Company relies, among other things, on its past experience to make this assessment.

B- JUDGMENTS

Impairment of non-financial assets

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

Functional currency

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

STANDARDS AND INTERPRETATIONS ADOPTED AND NOT YET ADOPTED

A) Adopted

The following standards and amendments to existing standards have been adopted by the Company on July 1, 2024, and have had no significant impact on the Company's Consolidated Financial Statements:

1) IAS 1 (amended) – Presentation of Financial Statements – (amendment – Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants, effective for periods beginning on or after January 1, 2024)

B) Not yet adopted

The Company has not applied the following IASB standard amendment that has been issued, but is not yet effective:

1) IAS 21 (amended) – The Effect of Changes in Foreign Exchange Rates - The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not, effective for periods beginning on or after January 1, 2025

2) IFRS 18 (amended) – Presentation and Disclosure of Financial Statements - The standard replaces IAS 1, Presentation of Financial Statements, and includes requirements for the presentation and disclosure of information in financial statements, such as the presentation of subtotals within the statement of operations and the disclosure of management-defined performance measures within the financial statements.

The adoption of the amendment to IAS 21 is not expected to have a significant impact on the Consolidated Financial Statements. The Company is currently in the process of assessing the impact the adoption of IFRS 18 will have on the Consolidated Financial Statements.

RECONCILIATION OF NON - IFRS FINANCIAL MEASURES

<u>EBITDA, adjusted EBITDA and adjusted EBITDA margin:</u> EBITDA is defined as net earnings (loss) before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding the impact of (i) the effect of the substantial modification of a receivable and expected credit loss, (ii) reclassification of cumulative translation adjustments and (iii) the interest revenue from the collection of the long-term receivable. Adjusted EBITDA margin is defined as the percentage of adjusted EBITDA to contract revenue.

<u>Adjusted gross profit and adjusted gross margin:</u> Adjusted gross profit is defined as gross profit excluding depreciation, and gain on the disposal of property, plant and equipment. Adjusted gross margin is defined as the percentage of adjusted gross profit to contract revenue.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

Management believes that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are important measures when analyzing its operating profitability, as they remove the impact of financing costs, certain non-cash items, income taxes and restructuring costs. As a result, Management considers these measures as useful and comparable benchmarks for evaluating the Company's performance, as companies rarely have the same capital and financing structure.

Reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

(unaudited) (in millions of dollars)	Q4 2025	Q4 2024	Fiscal 2025	Fiscal 2024
Net earnings (loss) for the period	**2.2**	(2.3)(2)	**7.5**	(2.4)(2)
Add:				
Finance costs	**0.6**	0.8	**2.9**	3.5
Income tax expense (recovery)	**-**	(1.2)	**2.5**	(3.7)
Depreciation and amortization	**2.7**	2.8	**10.1**	10.7
EBITDA	**5.5**	0.1(2)	**23.0**	8.1(2)
Effect of the substantial modification of a receivable and expected credit loss	**-**	5.2	**-**	5.2
Reclassification of cumulative translation differences	**-**	1.4(2)	**-**	1.4(2)
Interest revenue on long-term receivable	**-**	-	**(1.3)**	-
Adjusted EBITDA	**5.5**	6.7(2)	**21.7**	14.7(2)
Contract Revenue	**47.2**	45.3	**189.1**	181.2
Adjusted EBITDA margin (%) (1)	**11.7**	14.7(2)	**11.5**	8.1(2)

(1) Adjusted EBITDA, divided by contract revenue X 100
(2) As adjusted. See note 2 to the audited consolidated financial statements and page 9 of this MD&A.

Adjusted Gross Profit and Adjusted Gross Margin

Although adjusted gross profit and adjusted gross margin are not recognized pecuniary 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 Adjusted Gross Margin

(unaudited) (in millions of dollars)	Q4 2025	Q4 2024	Fiscal 2025	Fiscal 2024
Contract revenue	**47.2**	45.3	**189.1**	181.2
Cost of contract revenue (including depreciation)	**39.6**	37.8	**160.8**	160.1
Less depreciation	**(2.3)**	(2.6)	**(9.1)**	(9.9)
Add gain on disposal of property, plant and equipment	**0.4**	2.0	**0.5**	2.2
Direct costs	**37.7**	37.2	**152.2**	152.4
Adjusted gross profit	**9.5**	8.1	**36.9**	28.8
Adjusted gross margin (%) (1)	**20.2**	17.8	**19.5**	15.9

(1) Adjusted gross margin, 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 24, 2025. 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 occur, the business, financial condition, liquidity and results of operations of the Company could be affected materially and adversely.

Pandemics, Force Majeure, and Natural Disasters

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

Risk Related to Structure to the Business and Industry

Cyclical Downturns

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

Sensitivity to General Economic Conditions

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

Reliance on and Retention of Employees

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

Increased Cost of Sourcing Consumables

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

Country Risks

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

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

Tax Risks

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

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

Leverage and Restrictive Covenants

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

The Credit Agreement contains numerous restrictive covenants that limit the discretion of Orbit Garant's Management with respect to certain business matters. These covenants place significant restrictions on, among other things, changes in ownership and the ability of Orbit Garant to create liens or other encumbrances, to pay dividends or make certain other payments, investments, acquisitions, capital expenditures, loans and guarantees and to sell or otherwise dispose of assets and merge with another entity. In addition, the Credit Agreement contains financial covenants that require Orbit Garant to meet certain financial ratios and financial condition tests. A failure to comply with the obligations in the Credit Agreement could result in a default that, if not cured or waived, could permit acceleration of the relevant indebtedness. If the indebtedness under the Credit Agreement were to be accelerated, there can be no assurance that the assets of Orbit Garant would be sufficient to repay in full that indebtedness. In addition, the Credit Agreement will mature no later than November 2, 2026. There can be no assurance that future borrowings or equity financing will be available to Orbit Garant or available on acceptable terms, in an amount sufficient to repay the Credit Agreement at maturity or to fund Orbit Garant's needs thereafter. This could have a material adverse effect on the business, financial condition and results of operations of Orbit Garant.

Access of Customers to Equity Markets

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

Acquisitions

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

Supply of Consumables

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

Competition

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

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

Ability to Sustain and Manage Growth

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

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

Future Acquisition Strategy

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

Customer Contracts

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

International Expansion and Instability

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

Operational Risks and Liability

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

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

Currency Exposure

Orbit Garant conducts some of its activities in US dollars (US $) and in Chilean unit of account (CLF), and is thus exposed to foreign exchange fluctuations. As at June 30, 2025, we had US $, and CLF assets and liabilities exposures of approximately $1.4 and $2.3 million respectively, expressed in Canadian dollars. This exposure could change in the future, and a significant portion of our revenue could potentially be denominated in currencies other than the Canadian dollar, fluctuations of which could cause a negative impact on our financial performance

Business Interruptions

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

Risk to the Company's Reputation

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

Corruption, Bribery and Fraud

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

Environment, Health and Safety Requirements and Related Considerations

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

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

Climate Change Risk

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

Insurance Limits

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

Legislative and Regulatory Changes

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

Legal and Regulatory Risk

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

Cyber-Security Risk

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

Risk Related to Structure and Common Shares

Equity Market Risks

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

Influence of Existing Shareholders

As at June 30, 2025, Pierre Alexandre, Director and Executive Vice President, holds or controls, directly or indirectly, approximately 21% of Orbit Garant's outstanding Common Shares. As a result, this shareholder has the ability to influence Orbit Garant's strategic direction and policies, including any merger, consolidation, or sale of all or substantially all of its assets, and the election and composition of Orbit Garant's Board of Directors. The foregoing ability to affect the control and direction of Orbit Garant could reduce its attractiveness as a target for potential takeover bids and business combinations, and correspondingly, affect its share price.

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

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

Dilution

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

Dividend Payments

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

Credit Risk

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

In order to reduce the credit risk, the Company is using insurance coverage from EDC on certain accounts receivable from its customers. The insurance program provides under certain terms and conditions an insurance coverage amount of up to 90% of unpaid accounts. As at June 30, 2025, the amount of the insurance coverage from EDC represents 3% of the accounts receivable (4% as at June 30, 2024).

As at June 30, 2025, 89% (78% as at June 30, 2024) of the trade accounts receivable are aged as current and 4% are impaired (4% as at June 30, 2024).

One major customer represents more than 10% of the trade accounts receivable, at 32% of the trade accounts receivable as at June 30, 2025 (two major customers represented 41% as at June 30, 2024).

Two major customers represent more than 10% of total contract revenue, at 35% of total contract revenue for the year ended June 30, 2025 (for the year ended June 30, 2024, two major customers represented 33% of total contract revenue).

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

Interest Rate Risk

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

As at June 30, 2025, the Company estimates that a 100-basis point increase or decrease in interest rates would have caused a corresponding annual variation in net earnings (loss) and comprehensive earnings (loss) of $ 0.1 million ($0.2 million as at June 30, 2024).

Equity Market Risk

The Company is subject to equity market risk by owning common shares of publicly traded companies as investments.

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

Fair Value

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

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

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.

OUTLOOK

Demand from major and well-financed intermediate mining companies for mineral drilling services in Canada remains generally strong, while demand from junior exploration and certain intermediate mining companies is being negatively impacted by macroeconomic factors which have restricted their access to capital. The strong sustained demand for mineral drilling services from major and well-financed intermediate mining companies has resulted in increased wage costs for experienced drillers in Canada. Following the COVID-19 pandemic, global inflation in costs for supplies and materials has also impacted the mineral drilling industry. To offset increased wage costs in Canada and the higher costs of supplies and materials globally, Orbit Garant was able to adjust its pricing on several of its drilling contracts during the first half of Fiscal 2023. However, customer pricing pressure has since limited the Company's ability to negotiate pricing. Management believes the current weakness in demand for mineral drilling services from junior exploration companies is having a negative impact on industry pricing. While management is encouraged by the recent uptick in financing activity by junior exploration companies, it has not immediately resulted in higher demand for mineral drilling services.

Management believes that the long-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. The current near-record price of gold supports exploration and development spending on gold projects. Orbit Garant is well positioned to benefit from strong demand for drilling services in the gold sector as it generated approximately 62% of its revenue from gold related projects during Fiscal 2025.

S&P Global Market Intelligence forecasts that gold production in Canada will rise at a compound annual growth rate of 9% between 2023 and 2027. Orbit Garant generated approximately 72% of its revenue from its Canadian operations in Fiscal 2025 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 $0.72 US dollars.

The long-term market sentiment for copper is positive due to tight supply-demand fundamentals and its key 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 coming years. 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.

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 41 underground drill rigs featuring its computerized monitoring and control technology. 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. Orbit Garant is now manufacturing surface drill rigs featuring computerized monitoring and control technology. The Company had five computerized surface drill rigs at the end of Fiscal 2025.

Looking ahead, Orbit Garant intends to primarily focus on its drilling operations in Canada and South America, prioritizing longer-term, specialized drilling contracts with major and intermediate customers. The Company will continue to focus on: disciplined management of its variable cost structure and cash, optimizing its drill rig utilization, increasing productivity rates, technology innovation, driller training, retaining key personnel, and maintaining strong health and safety and environmental standards.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

As at June 30, 2025, the CEO and CFO evaluated the design and operation of the Company's DC&P. Based on that evaluation, the CEO and CFO concluded that the Company's DC&P was effective as at June 30, 2025.

The CEO and the CFO are responsible for designing internal controls over financial reporting ("ICFR") or causing them to be designed under their supervision. The Company's ICFR are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and its preparation of financial statements for external purposes in accordance with IFRS.

As discussed above, the inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company, have been detected. Therefore, no matter how well designed, ICFR have inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

During Fiscal 2025, Management, including its CEO and CFO, evaluated the existence and design of the Company's ICFR and confirmed there were no changes to the ICFR that have occurred during the year which materially affected, or are reasonably likely to materially affect, the Company's ICFR. The Company continues to review and document its disclosure controls and its ICFR, and may, from time to time make changes aimed at enhancing their effectiveness and to ensure that its systems evolve with the business. As at June 30, 2025, an evaluation was carried out, under the supervision of the CEO and CFO, of the effectiveness of the Company's ICFR as defined in NI 52-109. Based on this evaluation the CEO and the CFO concluded that the design and operation of these ICFR were effective.

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

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Orbit Garant Drilling Inc.

Opinion

We have audited the consolidated financial statements of Orbit Garant Drilling Inc. (the "Entity"), which comprise:

- the consolidated statements of financial position as at June 30, 2025 and June 30, 2024
- the consolidated statements of earnings (loss) and comprehensive earnings (loss) for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at June 30, 2025 and June 30, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"*Auditor's Responsibilities for the Audit of the Financial Statements*"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended June 30, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of the Existence of Inventories

Description of the matter

We draw attention to Notes 3 and 7 to the consolidated financial statements.

The Entity's inventories mainly include spare parts and consumables located on mining sites and warehouses. As at June 30, 2025, the Entity holds inventories of $45.9 million. Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

Why the matter is a key audit matter

We identified the assessment of the existence of inventories as a key audit matter given the magnitude of the inventories balance and due to the extent of audit effort needed in observing the inventory that is held in numerous locations and which represented area of higher assessed risk of material misstatement.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

For a selection of locations, we observed the Entity's physical inventory counts near year-end and performed independent test counts for a sample of items which we compared to the Entity's records.

Evaluation of expected credit loss of a long-term receivable

Description of the matter

We draw attention to Notes 3, 4, 9 and 24 to the consolidated financial statements.

The Entity had a long-term receivable with a carrying value before expected credit loss ("ECL") of $3,478, including a past due balance of $463, and an allowance for ECL of $1,644. This long-term receivable is measured at amortized cost using the effective interest method. Since this long-term receivable has become credit-impaired during the year, the Entity has started to apply the effective interest rate to the amortized cost net of the ECL. The Entity measured the lifetime expected credit loss on this long-term receivable as the present value of all discounted cash shortfalls (the difference between the cash inflows due to the Entity in accordance with the contract and the cash inflows that the Company expects to receive).

Significant assumptions in determining the ECL included the:

- Probability of default based on historical data for comparable entities.
- Probability-weighting, timing and amount of expected cash shortfall under each scenario considered by the Entity, including reflecting the Entity's ability to execute its right to take possession of the asset given as guaranty under the contract.
- Discount rate used to determine the present value of all discounted cash shortfall.

Why the matter is a key audit matter

We identified the evaluation of ECL of a long-term receivable as a key audit matter. This matter represented an area of higher risk of material misstatement given the high degree of estimation uncertainty in determining the ECL of the long-term receivable. In addition, significant auditor judgment was required in evaluating the results of our audit procedures due to the sensitivity of the Entity's determination of the ECL to minor changes to certain significant assumptions and due to the Entity's significant judgement in determining the probability-weighting of the collection scenarios.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter:

We compared the amount and timing of the Entity's estimated monthly expected cash receipts of the long-term receivable to actual monthly installments received from the buyer during the year and subsequent to year-end, and to past due amounts.

We challenged the consistency of the expected cash shortfall of the long-term receivable and of the probability-weighting assumption of the scenarios considered by the Entity to determine the ECL, with the information obtained from reading the Entity's internal communications to management and the Board of Directors, including information relating to the buyer's financial condition and history of default.

We evaluated the appropriateness of the discount rate assumption used by the Entity in the determination of the ECL by comparing to a discount rate range that was independently developed using publicly available market data for comparable entities.

We evaluated the appropriateness of the probability of default assumption used by the Entity in the determination of the ECL on the long-term receivable against publicly available default rate data for comparable entities.

We compared the amount of expected cash shortfalls assumption used by the Entity in its determination of the ECL under the scenario that the Entity would execute its right to take possession of the asset given as guaranty under the contract to source documents of similar sale of assets transactions, as adjusted to take into account a liquidation basis.

Other Information

Management is responsible for the other information. Other information comprises the information:

- Included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- Other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

KPMG

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditor's report is Marie David.

KPMG LLP*

Montréal, Canada

September 24, 2025

*CPA auditor, public accountancy permit No. A131681

ORBIT GARANT DRILLING INC.
Consolidated Statements of Earnings (Loss)
For the years ended June 30, 2025 and 2024

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

	Notes	June 30 2025	Adjusted - Note 2 June 30 2024
		$	$
Contract revenue	25	189,052	181,240
Cost of contract revenue	6	160,769	160,069
Gross profit		28,283	21,171
Expenses			
General and administrative expenses	6	16,713	16,443
Finance costs	6	2,872	3,474
Interest revenue	9	(1,301)	-
Foreign exchange (gain) loss		(46)	817
Reclassification of cumulative translation adjustments	2	-	1,358
Effect of the substantial modification of a receivable and expected credit loss	9	-	5,184
	6	18,238	27,276
Earnings (loss) before income taxes		10,045	(6,105)
Income tax expense (recovery)	18		
Current		1,607	187
Deferred		901	(3,910)
		2,508	(3,723)
Net earnings (loss)		7,537	(2,382)
Net earnings (loss) per share	17		
Basic		0.20	(0.06)
Diluted		0.20	(0.06)

See accompanying notes to consolidated financial statements.

ORBIT GARANT DRILLING INC.
Consolidated Statements of Comprehensive Earnings (Loss)
For the years ended June 30, 2025 and 2024
(in thousands of Canadian dollars)

	June 30 2025	Adjusted - Note 2 June 30 2024
	$	$
Net earnings (loss)	7,537	(2,382)
Other comprehensive earnings (loss)		
Cumulative translation adjustments	309	(537)
Reclassification of cumulative translation adjustments to net earnings (loss) from disposal of subsidiaries	-	1,358
Other comprehensive earnings	309	821
Comprehensive earnings (loss)	7,846	(1,561)

See accompanying notes to consolidated financial statements.

ORBIT GARANT DRILLING INC.

Consolidated Statements of Changes in Equity

For the years ended June 30, 2025 and 2024

(in thousands of Canadian dollars)

Year ended June 30, 2025

		Share capital	Equity-settled reserve	Retained earnings	Accumulated other comprehensive loss	Shareholders' equity
		$	$	$	$	$
		(Note 17)				
Balance as at July 1, 2024		59,204	923	2,759	(2,657)	60,229
Total comprehensive earnings						
Net earnings		-	-	7,537	-	7,537
Other comprehensive earnings						
Cumulative translation adjustments		-	-	-	309	309
Other comprehensive earnings		-	-	-	309	309
Transactions with shareholders, recorded directly in equity						
Share-based compensation	(Note 17)	-	222	-	-	222
Share buyback	(Note 17)	(56)	-	-	-	(56)
Stock options exercised	(Note 17)	255	(71)	-	-	184
Stock options cancelled	(Note 17)	-	(74)	74	-	-
Total transactions with shareholders		199	77	74	-	350
Balance as at June 30, 2025		59,403	1,000	10,370	(2,348)	68,425

Year ended June 30, 2024

		Share capital	Equity-settled reserve	Retained earnings	Adjusted - Note 2 Accumulated other comprehensive loss	Adjusted - Note 2 Shareholders' equity
		$	$	$	$	$
		(Note 17)				
Balance as at June 30, 2023 - as reported		59,204	981	5,786	(4,327)	61,644
Reclassification of cumulative translation adjustments to net earnings (loss) from disposal of subsidiaries		-	-	(849)	849	-
Balance as at July 1, 2023 - adjusted - Note 2		59,204	981	4,937	(3,478)	61,644
Total comprehensive earnings (loss)						
Net loss		-	-	(2,382)	-	(2,382)
Other comprehensive earnings (loss)						
Cumulative translation adjustments					(537)	(537)
Reclassification of cumulative translation adjustments to net earnings (loss) from disposal of subsidiaries		-	-	-	1,358	1,358
Other comprehensive earnings		-	-	-	821	821
Transactions with shareholders, recorded directly in equity						
Share-based compensation	(Note 17)	-	146	-	-	146
Stock options cancelled	(Note 17)	-	(204)	204	-	-
Total transactions with shareholders		-	(58)	204	-	146
Balance as at June 30, 2024		59,204	923	2,759	(2,657)	60,229

See accompanying notes to consolidated financial statements.

ORBIT GARANT DRILLING INC.
Consolidated Statements of Financial Position
As at June 30, 2025 and June 30, 2024
(in thousands of Canadian dollars)

	Notes	June 30 2025	Adjusted - Note 2 June 30 2024
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		3,488	332
Trade and other receivables	24	30,622	30,530
Inventories	7	45,937	42,964
Income taxes receivable		707	537
Prepaid expenses		644	734
Current portion of long-term receivable	9	1,374	552
Current portion of net investment in finance leases	10	55	-
		82,827	75,649
Non-current assets			
Investments	8	1,220	1,411
Long-term receivable	9	460	1,692
Net investment in finance leases	10	7	-
Property, plant and equipment	11	35,295	33,394
Right-of-use assets	12	6,966	3,211
Intangible assets	13	442	211
Deferred tax assets	18	3,425	4,309
Total assets		130,642	119,877
LIABILITIES			
Current liabilities			
Trade and other payables		28,761	25,410
Income taxes payable		801	117
Current portion of long-term debt	14	1,167	450
Current portion of lease liabilities	15	1,748	1,060
		32,477	27,037
Non-current liabilities			
Long-term debt	14	25,088	30,909
Lease liabilities	15	4,652	1,702
		62,217	59,648
EQUITY			
Share capital	17	59,403	59,204
Equity-settled reserve		1,000	923
Retained earnings		10,370	2,759
Accumulated other comprehensive loss		(2,348)	(2,657)
Equity attributable to shareholders		68,425	60,229
Total liabilities and equity		130,642	119,877

Contingencies and commitments and guarantees (notes 20 and 21)

APPROVED BY THE BOARD

(signed) Daniel Maheu
Daniel Maheu, Director

(signed) Nicole Veilleux
Nicole Veilleux, Director

See accompanying notes to consolidated financial statements.

ORBIT GARANT DRILLING INC.
Consolidated Statements of Cash Flows
For the years ended June 30, 2025 and 2024
(in thousands of Canadian dollars)

	Notes	June 30 2025	Adjusted - Note 2 June 30 2024
		$	$
OPERATING ACTIVITIES			
Earnings (loss) before income taxes		10,045	(6,105)
Items not affecting cash			
Depreciation of property, plant and equipment	11	8,691	9,928
Depreciation of right-of-use assets	12	1,306	656
Amortization of intangible assets	13	78	147
Gain on disposal of property, plant and equipment	11	(515)	(2,195)
(Gain) loss on disposal of right-of-use assets	12	(4)	17
Effect of the substantial modification of a receivable and expected credit loss	9	-	5,184
Reclassification of cumulative translation adjustments	2	-	1,358
Share-based compensation	17	222	146
Finance costs	6	2,872	3,474
Interest revenue from long-term receivable	9	(1,301)	-
Net change in fair value of investments	8	191	341
		21,585	12,951
Changes in non-cash operating working capital items	19	651	(76)
Income taxes paid		(979)	(50)
Finance costs paid		(2,738)	(3,309)
		18,519	9,516
INVESTING ACTIVITIES			
Proceeds from disposal of investments	8	-	68
Collection of long-term receivable	9	1,710	71
Collection of net investment in finance leases	10	44	-
Acquisition of property, plant and equipment	11	(11,195)	(8,673)
Proceeds from disposal of property, plant and equipment		1,178	2,623
Acquisition of intangible assets	13	(309)	(69)
		(8,572)	(5,980)
FINANCING ACTIVITIES			
Proceeds from factoring		8,640	17,003
Repayment on factoring		(8,619)	(18,328)
Proceeds from long-term debt		118,895	98,315
Repayment of long-term debt		(124,164)	(101,171)
Financing fees paid		(56)	(217)
Repayment of lease liabilities		(1,499)	(1,160)
Proceeds from stock options exercised		184	-
Repurchase of common shares	17	(56)	-
		(6,675)	(5,558)
Effect of exchange rate variation on cash and cash equivalent		(116)	173
Increase (decrease) in cash and cash equivalents		3,156	(1,849)
Cash and cash equivalents, beginning of period		332	2,181
Cash and cash equivalents, end of period		3,488	332

See accompanying notes to consolidated financial statements.

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

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 and South America.

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%
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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The IFRS accounting policies set out below were consistently applied to all periods presented.

The preparation of consolidated financial statements in conformity with IFRS 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.

These 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 consolidated financial statements were approved for issue by the Board of Directors of Orbit Garant Drilling Inc. on September 24, 2025.

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

2. BASIS OF PREPARATION (continued)

The comparative figures have been adjusted in these consolidated financial statements to correct for immaterial errors in accounting for foreign exchange, including the reclassification of cumulative translation differences to net earnings for subsidiaries that have ceased their foreign operations' activities in accordance with IAS 21. The impact on the statements was as follows:

Caption	As previously reported	Adjustment	As adjusted
	$	$	$
Consolidated Statements of Earnings (Loss)			
Foreign exchange (gain) loss	1,110	(293)	817
Reclassification of cumulative translation adjustments	-	1,358	1,358
Earnings (loss) before income taxes	(5,040)	(1,065)	(6,105)
Net earnings (loss)	(1,317)	(1,065)	(2,382)
Net loss per share (Basic and Diluted)	(0.04)	(0.02)	(0.06)
Consolidated Statements of Comprehensive Earnings (Loss)			
Cumulative translation adjustments	(244)	(293)	(537)
Reclassification of cumulative translation adjustments to net earnings (loss) from disposal of subsidiaries	-	1,358	1,358
Other comprehensive earnings	(244)	1,065	821
Consolidated Statements of Changes in Equity			
Retained earnings, beginning of year	5,786	(849)	4,937
Accumulated other comprehensive loss, beginning of year	(4,327)	849	(3,478)
Cumulative translation adjustments	(244)	(293)	(537)
Reclassification of cumulative translation differences to net earnings (loss) from disposal of subsidiaries	-	1,358	1,358
Net loss	(1,317)	(1,065)	(2,382)
Other comprehensive earnings	(244)	1,065	821
Retained earnings, end of year	4,673	(1,914)	2,759
Accumulated other comprehensive loss, end of year	(4,571)	1,914	(2,657)
Consolidated Statements of Financial Position			
Retained earnings	4,673	(1,914)	2,759
Accumulated other comprehensive loss	(4,571)	1,914	(2,657)
Consolidated Statements of Cash Flows			
Earnings (loss) before income taxes	(5,040)	(1,065)	(6,105)
Reclassification of cumulative translation adjustments	-	1,358	1,358
Cash flow from operations	9,223	293	9,516
Effect of exchange rate variation on cash and cash equivalent	466	(293)	173

3. MATERIAL ACCOUNTING POLICIES INFORMATION

Principles of consolidation

The 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 consolidated statements of earnings (loss) from the effective date of acquisition to the effective date of disposal, as appropriate. Intercompany transactions and balances are eliminated on consolidation.

Foreign currency translation

The functional currency of the Company is the Canadian dollar. Transactions denominated in a currency other than the functional currency of the Company or of a foreign subsidiary, are accounted for using the exchange rate prevailing on the transaction date. On each reporting date, monetary items denominated in a foreign currency are translated using the exchange rate prevailing on that date, and non-monetary items that are measured at historical cost are not adjusted. Exchange differences are recognized in net earnings (loss) in the period during which they occur.

The assets and liabilities of foreign subsidiaries whose functional currency is not the Canadian dollar are translated into Canadian dollars by applying the exchange rate prevailing at the reporting date. Revenue and expense items are translated at the average exchange rate for the period. Exchange differences are recognized in Other comprehensive loss ("OCL") under "Cumulative translation adjustments" and are accumulated in equity. The accumulated amount of exchange differences is reclassified in net loss upon loss of control of a foreign operation. Additionally, foreign exchange gains and losses related to certain intercompany loans that are permanent in nature are included in OCL under "Cumulative translation adjustments" and are accumulated in equity.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial instruments (continued)

Asset/Liability	Classification
Cash and cash equivalents	Amortized cost
Trade and other receivables	Amortized cost
Long-term receivable	Amortized cost
Investments	Fair value through profit or loss
Trade and other payables	Amortized cost
Factoring liability	Amortized cost
Long-term debt	Amortized cost

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if

(a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

(b) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and/or interest.

Financial assets measured at fair value

These assets are measured at fair value and changes therein, including any interest or dividend income, are recognized in net earnings (loss). However, for investments in equity instruments that are not held for trading, the Company may elect at initial recognition to present gains and losses in other comprehensive income. For such investments measured at fair value through other comprehensive income, gains and losses are never reclassified to net income, and no impairment is recognized in net income.

Financial liabilities measured at amortized cost

A financial liability is subsequently measured at amortized cost, using the effective interest method.

Financial liabilities measured at fair value

Financial liabilities measured at fair value are initially recognized at fair value and are remeasured at each reporting date with any changes therein recognized in net loss. The Company has no financial liabilities measured at fair value.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the consolidated statements of financial position when and only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Trade and other receivables and Long term receivable

Trade and other receivables consist of amounts due from normal business activities. Long term receivables include amounts due outside the normal course of business whose term exceeds 12 months. An allowance for expected credit losses is maintained to reflect an impairment risk for trade and other receivables and long term receivable based on an expected credit loss model which factors in changes in credit quality since the initial recognition of receivable based on customer risk categories. Credit loss are also provided for based on collection history and specific risks identified on a customer-by-customer basis.

Subsequently, the Long term receivables is measured at amortized cost using the effective interest method and adjusted for interest and collection of long term receivable. In calculating the present value of collection of long term receivable, the Company uses the rate representing the market risk at the long term receivable commencement date. The interest on financial assets that are not purchased or originated credit-impaired instruments is calculated by using the effective interest method, which shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently have become credit-impaired. For those financial assets, the Company apply the effective interest rate to the amortised cost, which is net of the impairment, of the financial asset in subsequent reporting periods.

Impairment of financial assets

The Company recognizes loss allowances for expected credit loss on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date and other debt securities for which credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when:
– the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
– the financial asset is more than 90 days past due.

Expected credit loss is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all discounted cash shortfalls (the difference between the cash inflows due to the Company in accordance with the contract and the cash inflows that the Company expects to receive). Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Inventories

The Company maintains an inventory of operating supplies, motors, drill rods and drill bits on mining sites and warehouses. These inventories are valued at the lower of cost and net realizable value. Net realizable value is determined using the estimated selling price less estimated costs to complete the sale. Cost is determined on the first-in, first-out basis. Used and revised inventories are adjusted to reflect consumption and the level of refurbishment. The amount of any write-down of inventories can be reversed when the circumstances that led to the write-down no longer exist.

Investments

Investments in publicly traded securities are classified as fair value through profit or loss. Fair value through profit or loss investments are recorded at fair value, with changes in fair value recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost represents the acquisition costs, net of government grants and investment tax credits, or manufacturing costs, including preparation, installation and testing costs. The manufacturing costs for drilling equipment include the material, direct labour and indirect specific costs.

Significant improvements are capitalized and amortized over the useful life of the asset.

Property, plant and equipment are recorded at cost and depreciation is calculated using the straight-line method based on their estimated useful life using the following periods:

	Useful life	Residual value
Buildings and components	5 to 40 years	-
Drilling equipment	5 to 10 years	0 - 20%
Vehicles	5 years	-
Other	3 to 10 years	-

Property, plant and equipment (continued)

The depreciation is calculated on the cost of an asset less its residual value and begins when the property, plant and equipment are ready for their intended use. Land is not depreciated.

Depreciation methods, residual values and the useful lives of significant property, plant and equipment are reviewed at each financial year-end. Any change is accounted for prospectively as a change in accounting estimate.

Impairment of non-financial assets

For the purposes of assessing impairment, assets are grouped in cash-generating units ("CGU"), which represent the lowest levels for which there are separately identifiable cash inflows generated by those assets. The Company reviews, at the end of each reporting period, whether events or circumstances have occurred to indicate that the carrying amounts of its non-financial assets with finite useful lives may be less than their recoverable amounts.

An impairment loss is recognized in the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. Any excess amount of impairment is recognized and attributed to assets in the CGU, prorated to the carrying amount of each asset in the CGU.

An impairment loss recognized in prior periods for non-financial assets with finite useful lives and intangible assets having an indefinite useful life, can be reversed through the consolidated statements of earnings (loss) to the extent that the carrying amount at the date that the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Income taxes

Current income taxes are recognized with respect to amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred income tax assets and liabilities is recognized in earnings in the period that includes the substantive enactment date. A deferred tax asset is recognized initially when it is probable that future taxable income will be sufficient to use the related tax benefits. A deferred tax expense or benefit is recognized in other comprehensive loss or otherwise directly in equity to the extent that it relates to items that are recognized in other comprehensive loss or directly in equity in the same or a different period.

In the course of the Company's operations, there are a number of uncertain tax positions due to the complexity of certain transactions and due to the fact that related tax interpretations and legislation are continually changing. When a tax position is uncertain, the Company recognizes an income tax benefit or reduces an income tax liability only when it is probable that the tax benefit will be realized in the future or that the income tax liability is no longer probable.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets on leases

Right-of-use assets are initially measured at cost, comprised of the initial measurement of the corresponding lease liabilities, lease payments made on or before the commencement date and any initial direct costs incurred, less any lease incentives received. They are subsequently depreciated on a straight-line basis on the lease term and reduced by impairment losses, if any. If it is reasonably certain that the Company will exercise the purchase options, the underlying asset is depreciated on the basis of its estimated useful life. Right-of-use assets may also be adjusted to reflect the re-measurement of related lease liabilities.

The lease term includes the renewal option only if it is reasonably certain to be exercised. The lease terms range from 3 to 5 years for land and buildings and from 1 to 5 years for vehicles.

The Company has elected not to recognize a right-of-use asset and liability for leases where the total lease term is less than or equal to twelve months and for leases of low value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index and the exercise price of a purchase option reasonably certain to be exercised. Subsequently, the lease liability is measured at amortized cost using the effective interest method and adjusted for interest and lease payments. In calculating the present value of lease payments, the Company uses the incremental borrowing rate as at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Subsequently, the carrying amount of the lease liability is remeasured if there has been a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to exercise a purchase option for the underlying asset.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Revenue recognition

The Company performs various types of drilling services within the mining and minerals industry. Contracts entered into cover services that involve different processes and continuous drilling services activities in a sequential set of mobilization, drilling, and demobilization activities, which are invoiced to the customer as those activities progress. These activities and processes are accounted for as separate performance obligations.

Revenue from services rendered is recognized in the consolidated statement of earnings (loss) over time. The Company has a contractual right to consideration from a customer for an amount that corresponds directly with the value to the customer of the performance completed to date. As a result, the Company recognizes revenue based on the actual activities performed at the related contract rate.

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and value-added taxes.

Customers are generally invoiced on a semi-monthly or monthly basis. Payment is received according to standard payment terms, which range generally between 30 to 60 days.

Contract prepayments are recorded as deferred revenue until performance is achieved and are credited against contract billings in accordance with the contract terms.

Share options

The Company uses the fair value method under IFRS 2 to account for share options. In accordance with this method, compensation cost is measured at the fair value of the option at the grant date using the Black-Scholes option pricing model and is amortized to earnings over the vesting period. The fair value is recognized as an expense with a corresponding increase in equity-settled reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest and is net of share options cancelled prior to being vested. When unexercised share options are forfeited or expired, the amounts are transferred to retained earnings.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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

A) CRITICAL ACCOUTING ESTIMATES

Long-term receivable

On initial recognition, the Company recognizes the long-term receivable at fair value, estimated as the present value of contractual cash flows over the agreement term, discounted using a rate that reflects the risk associated to the counterparty and rates prevailing on the market for such instruments.

The carrying amount of the long-term receivable is presented net of an allowance for expected credit loss. The probability of default considered in the estimate is based on historical data for comparable entities. Loss given default (LGD) reflects the Company’s ability to execute its right to take possession of the assets given in guarantee under the contract. The amount and timing of cash flows expected to be recovered upon a default event is based on probability-weighted scenarios and the actual cash shortfall may differ from the resulting estimated expected credit loss. Management will review the appropriateness of the allowance for expected credit loss at the earliest of each reporting period, or when new information becomes available that may give rise to a change in conditions or assumptions initially used in the estimation.

Income taxes and deferred income tax assets

The Company determines its income tax expense and its income tax assets and liabilities based on its interpretation of applicable tax legislation, including tax treaties between the various countries in which it operates, as well as underlying rules and regulations. Such interpretations involve judgments and estimates that may be challenged in government tax audits, to which the Company is regularly subject. New information may also become available, which would cause the Company to change its judgment regarding the adequacy of existing income tax assets and liabilities. Any such changes will have an impact on net earnings (loss) for the period in which they occur.

In the calculation of income taxes and deferred tax assets and liabilities, estimates must be used to determine the appropriate rates and amounts, and to take into account the probability of realization of tax assets. Deferred tax assets also reflect the benefit of unused tax losses and deductions that can be carried forward to reduce current income taxes in future years. This assessment requires the Company to make significant estimates in determining whether or not it is probable that the deferred tax assets can be recovered from future taxable income and therefore, that they can be recognized in the Company's consolidated financial statements. The Company relies, among other things, on its past experience to make this assessment.

B) JUDGMENTS

Impairment of non-financial assets

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

Functional currency

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

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

5. STANDARDS AND INTERPRETATIONS ADOPTED AND NOT YET ADOPTED

A) ADOPTED

The following standards and amendments to existing standards have been adopted by the Company on July 1, 2024 and have had no significant impact on the Company's Consolidated Financial Statements:

1) IAS 1 (amended) – Presentation of Financial Statements – (amendment – Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants, effective for periods beginning on or after January 1, 2024)

B) NOT YET ADOPTED

The Company has not applied the following IASB standard amendment that has been issued, but is not yet effective:

1) IAS 21 (amended) – The Effect of Changes in Foreign Exchange Rates - The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not, effective for periods beginning on or after January 1, 2025.

2) IFRS 18 (amended) – Presentation and Disclosure of Financial Statements - The standard replaces IAS 1, Presentation of Financial Statements, and includes requirements for the presentation and disclosure of information in financial statements, such as the presentation of subtotals within the statement of operations and the disclosure of management-defined performance measures within the financial statements.

The adoption of the amendment to IAS 21 is not expected to have a significant impact on the Consolidated Financial Statements. The Company is currently in the process of assessing the impact the adoption of IFRS 18 will have on the Consolidated Financial Statements.

6. EXPENSES BY NATURE

Detail of the depreciation and amortization expenses

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

	June 30 2025	June 30 2024
	$	$
Cost of contract revenue	9,159	9,815
General and administrative expenses	916	916
Total depreciation and amortization	10,075	10,731

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

6. EXPENSES BY NATURE (continued)

Principal expenses by nature

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

	June 30 2025	Adjusted - Note 2 June 30 2024
	$	$
Depreciation and amortization	10,075	10,731
Employee benefits expense	96,166	93,108
Cost of inventories	40,729	40,415
Lease expense [(a)]	12,166	10,824
Interest on long-term debt	2,316	3,144
Interest on lease liabilities	363	185
Factoring charges and other interest	193	145
Reclassification of cumulative translation adjustments	-	1,358
Effect of the substantial modification of a receivable and expected credit loss	-	5,184
Other expenses	16,999	22,251
Total cost of contract revenue and expenses	179,007	187,345
Cost of contract revenue	160,769	160,069
Other expenses	18,238	27,276
Total cost of contract revenue and expenses	179,007	187,345

[(a)] This amount consists of lease payments related with short term lease agreements. No sublease payments or contingent rent payments were made or received. No sublease income is expected as all assets held under lease agreements are used exclusively by the Company.

7. INVENTORIES

	June 30 2025	June 30 2024
	$	$
Spare parts	15,032	14,410
Consumables	29,472	27,507
Other	1,433	1,047
	45,937	42,964

Spare parts mainly include motors and machine parts. Consumables mainly include limited life tools, rods, hammers, wire lines and casings.

During the year, an amount of $40,729 (2024: $40,415) has been accounted for a cost of inventories recognized as an expense and included in cost of contract revenue.

During the year, an amount of $679 (2024: nil) has been accounted for as a write-down of inventories as a result of net realizable value being lower than cost. As at June 30, 2025 and 2024, no amount has been accounted as a reversal of a write-down of inventory.

The Company's credit facilities are in part secured by a general assignment of the Company's inventories.

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

8. INVESTMENTS

	June 30 2025	June 30 2024
	$	$
Investments in public companies, beginning of the year	1,411	320
Conversion of trade receivables	-	1,500
Proceeds from disposal of investments	-	(68)
Change in fair value of investments measured at fair value through profit or loss	(191)	(341)
Investments in public companies, end of the year	1,220	1,411

The Company holds common shares in publicly traded companies. These shares are classified as fair value through profit or loss and are reported at fair value, reflecting their quoted share price at the reporting date. The change in fair value of investments is included in general and administrative expenses. The original cost is $2,385 ($2,385 as at June 30, 2024).

9. LONG-TERM RECEIVABLE

The summary of the activity related to the long-term receivable for the years ended June 30, 2025 and 2024 is as follows:

	June 30 2025	June 30 2024
	$	$
Long-term receivable, beginning of year	2,244	-
Proceeds from disposal of inventories, property, plant and equipment [(a)]	-	7,501
Interest revenue	1,301	-
Collection of long-term receivable including related interest revenue	(1,710)	(71)
Change in effect of the subtantial modification of a receivable [(b)]	-	(3,540)
Change in expected credit loss on long-term receivable [(b)]	-	(1,644)
Foreign exchange differences	(1)	(2)
	1,834	2,244
Current portion	1,374	552
Balance, end of year	460	1,692

(a) During fiscal year 2024, the Company entered into an agreement to sell inventories for an amount of $1,161, and property, plant and equipment, for an amount of $6,340, located in West Africa and recorded a short-term receivable as compensation, for an amount of $7,501. A gain on disposal of property, plant and equipment totalling $296 is included in cost of contract revenue related to this transaction. This information is presented as a non-monetary transaction in the consolidated statements of cash flows.

(b) As at June 30, 2024, the Company recorded the derecognition of the short-term receivable of $7,428 and the recognition of a new long-term receivable of $3,888 following a significant change in contractual payment terms of the receivable. The new contractual terms provide monthly instalments of US$135 bearing no interests, which were discounted using a rate of 45%, representing the market risk and using a duration equal to the number of monthly instalments necessary to recover the full amount of the initial compensation. The effect of this substantial modification of the receivable is a loss of $3,540 included in the expenses of the consolidated statements of earnings (loss). The Company also recognized an expected credit loss on this receivable for an amount of $1,644 in the consolidated statements of earnings (loss).

As at June 30, 2025, the carrying value of the long-term receivable before expected credit loss is $3,478 ($3,888 as at June 30, 2024) and the allowance for expected credit loss is $1,644 ($1,644 as at June 30, 2024). During the year, the long-term receivable became credit-impaired and the situation remains unchanged as at June 30, 2025 (The long-term receivable was not credit-impaired as at June 30, 2024) . As at June 30, 2025, the long-term receivable past due is 463 $ including interest.

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

10. NET INVESTMENT IN FINANCE LEASES

The summary of the activity related to the net investment in finance leases for the year ended June 30, 2025 is as follows:

	June 30 2025
	$
Net investment in finance leases, beginning of year	-
Proceeds from disposal of property, plant and equipment	107
Interest revenue	8
Collection of net investment in finance leases including related interest revenue	(53)
	62
Current portion	55
Balance, end of period	7

Lease payments receivable in the next years are as follows:

	June 30 2025
	$
Within one year	60
Later than one year and no later than five years	7
	67
Less: discounting impact	(5)
Present value of lease payments receivable	62

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

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and components	Drilling equipment	Vehicles	Other	Total
Cost	$	$	$	$	$	$
Balance as at July 1, 2024	2,258	11,590	83,312	26,296	1,832	125,288
Additions	-	435	8,206	2,538	16	11,195
Transfer from right-of-use assets (note 12)	-	-	-	122	-	122
Disposals and write-offs [(1)]	-	-	(1,634)	(1,313)	(4)	(2,951)
Effect of movements in exchange rates	13	6	155	12	2	188
Balance as at June 30, 2025	2,271	12,031	90,039	27,655	1,846	133,842
Accumulated Depreciation						
Balance as at July 1, 2024	-	6,786	65,490	18,076	1,542	91,894
Depreciation	-	435	5,164	3,046	46	8,691
Transfer from right-of-use assets (note 12)	-	-	-	10	-	10
Disposals and write-offs [(1)]	-	-	(1,063)	(1,116)	(3)	(2,182)
Effect of movements in exchange rates	-	2	122	8	2	134
Balance as at June 30, 2025	-	7,223	69,713	20,024	1,587	98,547

	Land	Buildings and components	Drilling equipment	Vehicles	Other	Total
Cost	$	$	$	$	$	$
Balance as at July 1, 2023	2,466	11,691	95,877	25,148	2,083	137,265
Additions	-	178	4,587	3,784	124	8,673
Transfer from right-of-use assets (note 12)	-	-	-	1,042	-	1,042
Disposals and write-offs [(1)]	-	(182)	(15,671)	(3,482)	(342)	(19,677)
Effect of movements in exchange rates	(208)	(97)	(1,481)	(196)	(33)	(2,015)
Balance as at June 30, 2024	2,258	11,590	83,312	26,296	1,832	125,288
Accumulated Depreciation						
Balance as at July 1, 2023	-	6,563	70,306	17,432	1,808	96,109
Depreciation	-	416	6,152	3,287	73	9,928
Transfer from right-of-use assets (note 12)	-	-	-	280	-	280
Disposals and write-offs [(1)]	-	(159)	(9,650)	(2,779)	(308)	(12,896)
Effect of movements in exchange rates	-	(34)	(1,318)	(144)	(31)	(1,527)
Balance as at June 30, 2024	-	6,786	65,490	18,076	1,542	91,894
June 30, 2024:						
Net book value	2,258	4,804	17,822	8,220	290	33,394
June 30, 2025:						
Net book value	2,271	4,808	20,326	7,631	259	35,295

(1) A gain on disposal of property, plant and equipment totalling $515 for the year ended June 30, 2025 (a gain of $2,195 for the year ended June 30, 2024) is included in cost of contract revenue.

Drilling equipment includes construction work in progress for an amount of $664 ($474 as at June 30, 2024).

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

12. RIGHT-OF-USE ASSETS

		Buildings and components	Drilling equipment	Vehicles	Total
Cost		$	$	$	$
Balance as at July 1, 2024		1,360	-	2,634	3,994
Additions		966	2,996	1,406	5,368
Disposals and write-offs		(360)	-	(132)	(492)
Variable lease payment adjustment		-	-	14	14
Transferred to property, plant and equipment	(Note 11)	-	-	(122)	(122)
Effect of movements in exchange rates		5	(47)	2	(40)
Balance as at June 30, 2025		1,971	2,949	3,802	8,722
Accumulated Depreciation					
Balance as at July 1, 2024		233	-	550	783
Depreciation		333	352	621	1,306
Disposals and write-offs		(218)		(100)	(318)
Transferred to property, plant and equipment	(Note 11)	-	-	(10)	(10)
Effect of movements in exchange rates		-	(4)	(1)	(5)
Balance as at June 30, 2025		348	348	1,060	1,756

		Buildings and components	Drilling equipment	Vehicles	Total
Cost		$	$	$	$
Balance as at July 1, 2023		1,037	-	2,249	3,286
Additions		1,256	-	1,514	2,770
Disposals and write-offs		(933)	-	-	(933)
Variable lease payment adjustment		-	-	5	5
Reassessment of the lease term		-	-	(69)	(69)
Transferred to property, plant and equipment	(Note 11)	-	-	(1,042)	(1,042)
Effect of movements in exchange rates		-	-	(23)	(23)
Balance as at June 30, 2024		1,360	-	2,634	3,994
Accumulated Depreciation					
Balance as at July 1, 2023		917	-	444	1,361
Depreciation		249		407	656
Disposals and write-offs		(933)		-	(933)
Transferred to property, plant and equipment	(Note 11)	-	-	(280)	(280)
Effect of movements in exchange rates		-	-	(21)	(21)
Balance as at June 30, 2024		233	-	550	783
June 30, 2024:					
Net book value		1,127	-	2,084	3,211
June 30, 2025:					
Net book value		1,623	2,601	2,742	6,966

A loss disposal of right-of-use-assets totalling $4 for the year ended June 30, 2025 (A loss disposal of right-of-use-assets totalling $17 for the year ended June 30, 2024) is included in cost of contract revenue. A gain disposal of right-of-use-assets totalling $8 for the year ended June 30, 2025 (A gain disposal of right-of-use-assets totalling nil for the year ended June 30, 2024) is included in general and administrative expenses.

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

13. INTANGIBLE ASSETS

	Software	Patents	Technological planning and design	Total
Cost	$	$	$	$
Balance as at July 1, 2024	2,466	64	-	2,530
Additions	68	30	211	309
Effect of movements in exchange rates	1	-	-	1
Balance as at June 30, 2025	2,535	94	211	2,840
Accumulated Depreciation				
Balance as at July 1, 2024	2,298	21	-	2,319
Depreciation	58	10	10	78
Effect of movements in exchange rates	1	-	-	1
Balance as at June 30, 2025	2,357	31	10	2,398

	Software	Patents	Technological planning and design	Total
Cost	$	$	$	$
Balance as at July 1, 2023	2,449	48	-	2,497
Additions	53	16	-	69
Disposals and write-offs	(22)	-	-	(22)
Effect of movements in exchange rates	(14)	-	-	(14)
Balance as at June 30, 2024	2,466	64	-	2,530
Accumulated Depreciation				
Balance as at July 1, 2023	2,187	14	-	2,201
Depreciation	140	7	-	147
Disposals and write-offs	(17)	-	-	(17)
Effect of movements in exchange rates	(12)	-	-	(12)
Balance as at June 30, 2024	2,298	21	-	2,319
June 30, 2024:				
Net book value	168	43	-	211
June 30, 2025:				
Net book value	178	63	201	442

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

14. LONG-TERM DEBT

	June 30 2025	June 30 2024
	$	$
Revolving credit facility authorized for a maximum amount of $30,000, bearing interest at prime rate plus 0.50%, effective rate as at June 30, 2025 of 5.45% (June 30, 2024: interest at prime rate plus 2.00%, effective rate of 8.95%), 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]	13,883	17,189
Loan, bearing interest at 6.50%, payable in monthly instalments of $63 including interest, maturing in October 2042, secured by a first rank hypothec on a land and building [c] [f]	7,764	7,996
Revolving credit facility authorized for a maximum amount of $6,822 (US$5,000), bearing interest at base rate plus 0.25%, effective rate as at June 30, 2025 of 8.25% (June 30, 2024: interest at base rate plus 0.25%, effective rate of 9.25%), 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] [e]	-	4,106
Loan of $2,672 (US$1,958), bearing interest at rates of 8.12%, payable in monthly instalments of $57 (US$42) plus interest, maturing in May 2029, secured by a second rank hypothec on the universality of all present and future assets [g] [i]	2,644	-
Loan of CLF 35 (June 30, 2024: CLF 39), bearing interest at rates of 3.30%, payable in monthly instalments of $24 (CLF 0.43), maturing in February 2028, secured by land and building. [h]	1,964	2,068
	26,255	31,359
Current portion	(1,167)	(450)
	25,088	30,909

[a] The Revolving credit facility bears 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 0.84%. The rate is variable based on the quarterly calculation of a financial ratio and can vary from (a) prime rate plus 0.50% to 2.75% or (b) banker's acceptance rate plus 1.50% to 3.75%.

[b] As at June 30, 2025, an unamortized amount of $117 ($211 as at June 30, 2024), 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 June 30, 2025, an unamortized amount of $108 ($114 as at June 30, 2024), 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 September 27, 2024, the Company signed the second amendment to the 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. Availability under Credit Facility is subject to borrowing base that is determined by the value of the Company's inventory, accounts receivable and real estate. As at June 30, 2025, the borrowing base for the Credit Facility was $30,000 and US$5,000 and the available amounts were $16,000 and US$4,610.

14. LONG-TERM DEBT (continued)

(e) As at June 30, 2025, the Company had utilized US$390 (June 30, 2024: US$1,655) of this facility for outstanding stand-by letters of credit.

(f) 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. The Company’s long-term debt under the BDC Loan Agreement including the current portion amounted to $7,872 as at June 30, 2025 ($8,110 as at June 30, 2024)

(g) On November 29, 2024, the Company entered into the EDC Loan Agreement, which provides for a term loan in the principal amount of US$2,000. This loan bears interest at a fixed rate of 8.12% per year, has a 4-year term and is repayable by way of 48 consecutive monthly payments from June 2025 until May 2029. The Company’s obligations under the EDC Loan Agreement are: a) secured by a second ranking hypothec on the universality of all present and future assets; and (b) guaranteed on a solidary (joint and several) basis by certain of our subsidiaries. The Company’s long-term debt under the EDC Loan Agreement including the current portion amounted to US$1,958 ($2,672) as at June 30, 2025 (nil as at June 30, 2024).

(h) As at June 30, 2025, an unamortized amount of $17 ($23 as at June 30, 2024), 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.

(i) As at June 30, 2025, an unamortized amount of $28 (nil as at June 30, 2024), 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 16). As at June 30, 2025, the Company was compliant with its financial covenants (June 30, 2024: the Company was compliant with its financial covenants).

As at June 30, 2025, the prime rate in Canada was 4.95% for Canadian loans (6.95% as at June 30, 2024) and the prime rate in United States was 7.50% and the base rate in the United States was 8.00% for US loans (8.50% and 9.00% respectively as at June 30, 2024).

As at June 30, 2025, principal payments required in the next years are as follows:

	$
Within one year	1,167
Later than one year and no later than five years	18,938
More than five years	6,420
	26,525

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

As at June 30, 2025 $000s	Total	Within one year	Later than one but no later than five years	Later than five years
	$	$	$	$
CAN	21,872	254	15,198	6,420
US (US$1,958)	2,672	682	1,990	-
Chilean UF (CLF 35)	1,981	231	1,750	-
	26,525	1,167	18,938	6,420

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

14. LONG-TERM DEBT (continued)

Reconciliation of movements of long-term debt to cash flows arising from financing activities:

	2025	2024
	$	$
Balance, beginning of year	31,359	34,338
Net change in the revolving credit facility	(7,549)	(859)
Increase in other long-term debts	2,795	-
Repayment of other long-term debts	(515)	(1,997)
Financing fees related to loans	(56)	(217)
Amortization of financing fees related to loans	134	165
Impact of the change in foreign exchange rates on the foreign currency debts	87	(71)
Balance, end of year	26,255	31,359

15. LEASE LIABILITIES

The summary of the activity related to the lease liabilities for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
	$	$
Lease liabilities recognized, beginning of year	2,762	1,219
Additions	5,368	2,770
Disposals	(28)	-
Finance costs	363	185
Payment of lease liabilities, including related finance costs	(1,862)	(1,345)
Variable lease payment adjustment	14	5
Reassessment of lease term	(150)	(69)
Foreign exchange differences	(67)	(3)
	6,400	2,762
Current portion	1,748	1,060
Balance, end of year	4,652	1,702

Lease payments required in the next years are as follows:

	June 30 2025
	$
Within one year	2,190
Later than one year and no later than five years	4,912
Later than five years	385
	7,487
Less: discounting impact	(1,087)
Present value of lease payments	6,400

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

16. CAPITAL MANAGEMENT

The Company includes long-term debt, lease liabilities, 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:

	June 30 2025	Adjusted - Note 2 June 30 2024
	$	$
Long-term debt	26,255	31,359
Lease liabilities	6,400	2,762
Share capital	59,403	59,204
Equity-settled reserve	1,000	923
Retained earnings	10,370	2,759
Accumulated other comprehensive loss	(2,348)	(2,657)
Cash and cash equivalents	(3,488)	(332)
	97,592	94,018

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 June 30, 2025, as mentioned in Note 14, the Company complied with its financial covenants (June 30, 2024: 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.

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

17. 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.

	June 30, 2025		June 30, 2024	
Common shares	Number of shares	$	Number of shares	$
Balance, beginning of the year	37,372,756	59,204	37,372,756	59,204
Movement in share capital:				
Share buyback [a]	(68,916)	(56)	-	-
Stock options exercised	276,000	255	-	-
Balance, end of the year	37,579,840	59,403	37,372,756	59,204

[a] During the current fiscal year, the Company initiated its Normal Course Issuer Bid ("NCIB"), ending October 30, 2025. For the year ended June 30, 2025, the Company repurchased and cancelled 68,916 common shares at a cost of $56 and an average price of $0.82 per share.

Net earnings (loss) per share

Diluted net earnings (loss) per common share was calculated based on net loss divided by the average number of common shares outstanding using the treasury stock method. For 2024, stock options are not included in the computation of diluted net loss per share as their inclusion would be anti-dilutive.

Net earnings (loss) per share - basic		June 30 2025		June 30 2024
Net earnings (loss) attributable to common shareholders	$	7,537	$	(2,382)
Weighted average basic number of common shares outstanding		37,395,763		37,372,756
Net earnings (loss) per share - basic	$	0.20	$	(0.06)

Net earnings (loss) per share - diluted		June 30 2025		June 30 2024
Net earnings (loss) attributable to common shareholders	$	7,537	$	(2,382)
Weighted average basic number of common shares outstanding		37,395,763		37,372,756
Adjustment to average number of common share - stock options		669,156		-
Weighted average diluted number of common shares outstanding		38,064,919		37,372,756
Net earnings (loss) per share - diluted	$	0.20	$	(0.06)

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

17. SHARE CAPITAL (continued)

Stock option plan

On June 26, 2008, the Company established an equity-settled option plan (the Stock Option Plan), which is intended to aid in attracting, retaining and motivating the Company's officers, employees, directors and consultants. The Stock Option Plan has been prepared in accordance with the TSX's policies on listed company security-based compensation arrangements. Persons eligible to be granted options under the option plan are: any director, officer or employee of the Company or of any subsidiary company controlled by any such person or a family trust of which at least one trustee is any such person and all of the beneficiaries of which are such person and his or her spouse or children.

The aggregate number of common shares which may be issued from treasury upon the exercise of options under the Stock Option Plan shall not exceed 10% of the issued and outstanding common shares. The number of common shares which may be reserved for issuance pursuant to options granted under the Stock Option Plan, together with common shares reserved for issuance from treasury under any other employee-related plan of the Company, or options for services granted by the Company to any one person, shall not exceed 5% of the then aggregate issued and outstanding common shares.

The Board of Directors, through the recommendation of the Corporate Governance and Compensation Committee, manages the Stock Option Plan and determines, among other things, optionees, vesting periods, exercise price and other attributes of the options, in each case pursuant to the Stock Option Plan, applicable securities legislation and the rules of the TSX. Options vest at a rate ranging from 20% to 33% per annum commencing 12 months after the date of grant and expire no later than 7 years after the grant date. Options are forfeited when the option holder ceases to be a director, officer or employee of the Company. The exercise price for any option may not be less than the fair market value (the closing price of the common shares on the TSX on the last trading day on which common shares traded prior to such day, or the average of the closing bid and ask prices over the last five trading days, if no trades accrued over that period) of the common shares at the time of the grant of the option.

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

		June 30, 2025		June 30, 2024
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Outstanding at the beginning of the year	2,190,000	0.72	1,960,000	0.95
Granted during the year	530,000	0.83	590,000	0.57
Exercised during the year [(a)]	(276,000)	0.67	-	-
Cancelled during the year	(291,000)	0.90	(360,000)	1.74
Outstanding at end of the year	2,153,000	0.73	2,190,000	0.72
Exercisable at end of the year	1,056,326	0.76	1,253,331	0.84

[(a)] For the year ended June 30, 2025, the weighted average market share price at the date of exercise was $1.61.

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

17. SHARE CAPITAL (continued)

The following table summarizes information on share options outstanding as at June 30, 2025:

Range of exercise price $	Number of options outstanding at June 30, 2025	Weighted average remaining life (years)	Weighted average exercise price $	Number of options exercisable at June 30, 2025	Weighted average exercise price $
0.50 - 0.99	1,897,000	2.96	0.68	800,326	0.66
1.00 - 1.49	256,000	0.97	1.07	256,000	1.07
	2,153,000			1,056,326	

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 2025	Granted in 2024
Risk-free interest rate	3.04%	3.54% to 3.87%
Expected life (years)	3	3
Expected volatility (based on historical volatility)	62.02%	61.75% to 66.76%
Expected dividend yield	0%	0%
Fair value of options granted	$0.54	$0.38 to $0.44

During the years 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:

	June 30 2025	June 30 2024
	$	$
Expense related to share-based compensation	222	146

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

18. INCOME TAXES

Income tax expense (recovery) comprises the following:

	June 30 2025	June 30 2024
Current tax	$	$
Current year	1,312	157
Prior years adjustments	295	30
	1,607	187
Deferred tax		
Current year	900	(3,887)
Prior years adjustements	1	(23)
	901	(3,910)
	2,508	(3,723)

	June 30 2025	June 30 2024
	$	$
Earnings (loss) before income taxes	10,045	(6,105)
Statutory rates	26.50%	26.50%
Income taxes based on statutory rates	2,662	(1,618)
Increase (decrease) of income taxes due to the following:		
Non-deductible expenses and other permanent differences	(89)	366
Non-deductible share-based compensation expense	59	38
Difference of income tax rates between territories	(21)	(171)
Withholding taxes	14	22
Change in unrecognized temporary differences	169	2,908
Recognition of previously unrecognized deductible temporary differences and tax losses of prior periods	(576)	(5,283)
Non-taxable portion of capital gain	(5)	8
Prior years adjustments	296	7
Other	(1)	-
Total income tax expense	2,508	(3,723)

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

18. INCOME TAXES (continued)

Deferred income taxes are based on differences between the accounting and tax values of assets and liabilities and consist of the following at the dates presented:

	July 1 2024	Recognized in statements of earnings (loss)	Exchange rate variation	June 30 2025
	$	$	$	$
Deferred income tax assets:				
Intangible assets	19	(17)	-	2
Loss carried forward	4,268	(980)	-	3,288
Non-deductible provisions	1,600	139	26	1,765
Lease liabilities	883	940	19	1,842
Investments	130	26	-	156
Total deferred income tax assets	6,900	108	45	7,053
Deferred income tax liabilities:				
Property, plant and equipment	2,591	1,009	28	3,628
Total deferred income tax liabilities	2,591	1,009	28	3,628
Net deferred income tax assets	4,309	(901)	17	3,425

	July 1 2023	Recognized in statements of earnings (loss)	Exchange rate variation	June 30 2024
	$	$	$	$
Deferred income tax assets:				
Intangible assets	23	(4)	-	19
Loss carried forward	369	3,899	-	4,268
Non-deductible provisions	1,705	136	(241)	1,600
Lease liabilities	742	232	(91)	883
Investments	83	47	-	130
Total deferred income tax assets	2,922	4,310	(332)	6,900
Deferred income tax liabilities:				
Property, plant and equipment	2,337	400	(146)	2,591
Total deferred income tax liabilities	2,337	400	(146)	2,591
Net deferred income tax assets	585	3,910	(186)	4,309

As at June 30, 2025, no deferred tax liability was recognized for temporary differences arising from investments in subsidiaries because the Company controls the decisions affecting the realization of such liabilities and it is probable that the temporary differences will not reverse in the foreseeable future. The Company recognized a deferred income tax asset on certain non-capital losses because it is probable that sufficient taxable profit will be available from future oprations.

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

18. INCOME TAXES (continued)

Tax losses, for which no deferred tax assets were recognized, expire as follows:

	Guinea	Burkina Faso
	$	$
June 30, 2027	2,415	7,303
June 30, 2028	676	3,972
June 30, 2029	-	3,265

19. ADDITIONAL INFORMATION RELATING TO THE STATEMENTS OF CASH FLOWS

Changes in non-cash operating working capital items:

	June 30 2025	June 30 2024
	$	$
Trade and other receivables	104	(2,957)
Inventories	(2,500)	2,901
Prepaid expenses	90	277
Trade and other payables	2,957	(297)
	651	(76)

20. 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.

21. COMMITMENTS AND GUARANTEES

Commitments

The Company has entered into short-term and low asset value lease agreements expiring beetween 2026 and 2028 which call for total lease payments of $606 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 three years amount to $552 for 2026, $32 for 2027 and $22 for 2028.

Guarantees

As at June 30, 2025, the Company issued some bank guarantees in favor of customers for a total amount of $5,836 (year ended June 30, 2024: $3,434), maturing beetween July 2025 and October 2026. For the years ended June 30, 2024 and 2025, the Company has not made any payments in connection with these guarantees.

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

22. 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:

	June 30 2025	June 30 2024
	$	$
Revenues	172	151
Expenses	62	24

As at June 30, 2025, an amount of $8 was receivable resulting from these transactions (June 30, 2024: $6).

In addition, for the twelve-month period ended June 30, 2025, repayments of a lease liability totalling $111 were made to Dynamitage Castonguay Ltd. (June 30, 2024 : $93).

Transactions with an associate party

The Company entered into the following transactions with Sarliaq-Orbit Garant Inc.:

	June 30 2025	June 30 2024
	$	$
Revenues	32,820	33,308

As at June 30, 2025, trade and other receivables included an amount receivable of $2,706 from Sarliaq-Orbit Garant Inc. (June 30, 2024: $2,801).

As at June 30, 2025, investment in an associate totalling nil in financial statement (June 30, 2024: nil).

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.

23. KEY MANAGEMENT COMPENSATION

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

	June 30 2025	June 30 2024
	$	$
Salaries and fees	1,491	1,047
Share-based compensation	158	104
	1,649	1,151

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

24. 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.

Currency risk

The Company realizes a part of its activities in US dollars (US $) and in Chilean Unit of Account (CLF). The Company's exposure to currency risk other than the functional currency on its consolidated financial statements was as follows as at June 30, 2025:

	USD/CAD	CLF/CLP	USD/GYD
Net exposure on monetary assets (liabilities)	(865)	(2,330)	549
Impact on earnings before income taxes [a]	(64)	(171)	40

[a] The Company has estimated that a 10% variation in the foreign exchange rates would have caused a corresponding annual change in net earnings (loss).

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.

In order to reduce the credit risk, the Company is using insurance coverage from Export Development Canada ("EDC") on certain accounts receivable from its customers. The insurance program provides under certain terms and conditions an insurance coverage amount of up to 90% of certain accounts receivable. As at June 30, 2025, the amount of the insurance coverage from EDC represents 3% of the accounts receivable (4% as at June 30, 2024).

The carrying amounts for accounts receivable are net of allowances for expected credit loss, which are estimated based on aging analysis of receivables, past experience, current conditions and forecasts of future economic conditions as well as specific risks associated with the customer, including information of a forward-looking nature and other relevant information. The maximum exposure to credit risk is the carrying value of the financial assets.

The allowance for expected credit loss is established based on the Company's best estimate on the recovery of balances for which collection may be uncertain. Uncertainty of collection may become apparent from various indicators, such as a deterioration of the credit situation of a given client or delay in collection when the aging of invoices exceeds the normal payment terms. Management regularly reviews accounts receivable and assesses the appropriateness of the allowance for expected credit loss. The Company is also exposed to credit risk on the gross long-term receivable (note 9).

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

24. FINANCIAL INSTRUMENTS (continued)

The aging of trade receivable balances and the allowance for expected credit loss as at June 30, 2025 and June 30, 2024 were as follows:

	June 30 2025	June 30 2024
	$	$
Current	28,169	23,668
Past due 0-30 days	915	3,919
Past due more than 30 days	2,499	1,996
Total trade receivables	31,583	29,583
Less: allowance for expected credit loss	1,255	980
	30,328	28,603

The change in the allowance for expected credit loss on trade receivables is detailed below:

	June 30 2025	June 30 2024
	$	$
Balance at beginning of year	980	905
Change in allowance, other than write-offs and recoveries	53	225
Write-offs of accounts receivable	(11)	-
Recoveries	(32)	-
Foreign exchange translation differences	265	(150)
Balance at end of year	1,255	980

As at June 30, 2025, 89% (June 30, 2024: 78%) of the trade and other receivables are aged as current and 4% are impaired (June 30, 2024: 4%). Given that expected credit losses are minimal, the expected credit losses by trade accounts receivable aging have not been presented.

One major customer represent more than 10% of the trade accounts receivable, 32% as at June 30, 2025 (June 30, 2024, Two major customers represented 41% of trade accounts receivable).

Two majors customers represent more than 10% of total contract revenue, at 35% for the year ended June 30, 2025 (year ended June 30, 2024, two majors customer represented 33%).

Credit risk also arises from cash and cash equivalents with banks and financial institutions. This risk is limited because the counterparties are mainly Canadian banks with high credit ratings.

The Company does not enter into derivatives to manage credit risk.

Interest rate risk

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

As at June 30, 2025, the Company has estimated that a 100 basis point increase or decrease in interest rates would have caused a corresponding annual variation in net earnings (loss) and comprehensive loss of $103 (June 30, 2024, $158).

Equity market risk

The Company is subject to equity market risk by owning common shares of publicly traded companies.

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

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

24. 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 data.

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 June 30, 2025, the investments are measured at fair value and are classified as a Level 1 financial instrument as their fair value is determined using quoted prices in the active markets.

As at June 30, 2025	Carrying value	Fair value	Level 1	Level 2	Level 3
	$	$	$	$	$
Financial assets measured at amortized cost					
Cash and cash equivalents	3,488	3,488			
Trade and other receivables	30,622	30,622			
Long-term receivable	1,834	1,834			
Financial assets measured at fair value					
Investments	1,220	1,220	1,220	-	-
Financial liabilities measured at amortized cost					
Trade and other payables	28,761	28,761			
Long-term debt	26,255	26,578	-	26,578	-

As at June 30, 2024	Carrying value	Fair value	Level 1	Level 2	Level 3
	$	$	$	$	$
Financial assets measured at amortized cost					
Cash and cash equivalents	332	332			
Trade and other receivables	30,530	30,530			
Long-term receivable	2,244	2,244			
Financial assets measured at fair value					
Investments	1,411	1,411	1,411	-	-
Financial liabilities measured at amortized cost					
Trade and other payables	25,410	25,410			
Long-term debt	31,359	30,585	-	30,585	-

There were no transfers of amounts between Level 1, Level 2 and Level 3 financial instruments for the year ended June 30, 2025.

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

24. FINANCIAL INSTRUMENTS (continued)

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 receivable is determined using an evaluation of the estimated market value using a discount rate, adjusted for the customer's own credit risk, that reflects current market conditions.

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.

Liquidity risk

Liquidity risk arises from the Company's management of working capital, the finance costs and principal repayments on its debt instruments. It is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. In Note 13 are details of undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The Company enters into receivable purchase agreements (commonly referred to as "factoring agreements") with different banks as part of its normal working capital financing. The Company receives 100% of the value of the specific sales invoice less a charge between 0.52% and 0.61%. As at June 30, 2025, trade receivables include nil related to factored accounts (nil as at June 30, 2024).

The following table present the undiscounted contractual cash flows including principal and interest payments for the financial liabilities based on their remaining contractual maturities:

					As at June 30, 2025
	Carrying value	Total	0 - 1 year	Later than one year and no later than five years	More than five years
	$	$	$	$	$
Trade and other payables	28,761	28,761	28,761	-	-
Long-term debt	26,255	31,940	1,733	20,855	9,352
Lease liabilities	6,400	7,487	2,190	4,912	385
	61,416	68,188	32,684	25,767	9,737

25. 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.

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

25. SEGMENTED INFORMATION (continued)

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

		Adjusted - Note 2
	June 30 2025	June 30 2024
Contract revenue	$	$
Canada	136,051	132,598
International [(1)]	53,001	48,642
	189,052	181,240
Earnings from operations		
Canada	7,143	6,440
International	7,744	1,908
	14,887	8,348
General and corporate expenses related to head office[(2)]	3,271	4,437
Finance costs	2,872	3,474
Interest revenue	(1,301)	-
Reclassification of cumulative translation adjustments	-	1,358
Effect of the substantial modification of a receivable and expected credit loss	-	5,184
Income tax expense	2,508	(3,723)
	7,350	10,730
Net earnings (loss)	7,537	(2,382)
[(1)] The International operating segment included		
Chilean revenue	44,377	39,571

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

Depreciation and amortization		
Canada	7,460	7,526
International	1,699	2,289
Total depreciation and amortization included in earnings (loss) from operations	9,159	9,815
Unallocated and corporate assets	916	916
Total depreciation and amortization	10,075	10,731

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

25. SEGMENTED INFORMATION (continued)

	As at June 30, 2025	As at June 30, 2024
	$	$
Identifiable assets		
Canada	90,849	89,881
Chile	32,598	23,591
International - Other	7,195	6,405
	130,642	119,877
Property, plant and equipment		
Canada	25,723	27,359
Chile	9,454	5,704
International - Other	118	331
	35,295	33,394
Right-of-use assets		
Canada	3,824	2,686
Chile	2,957	294
International - Other	185	231
	6,966	3,211
Intangible assets		
Canada	413	204
Chile	29	7
	442	211

	June 30 2025	June 30 2024
	$	$
Non-current assets acquisitions		
Canada	7,766	9,044
International	8,371	2,200
Unallocated and corporate assets	735	268
	16,872	11,512

Notes

Directors

André Pagé [1, 2]
Corporate Director and Consultant
Chair of the Board of Directors

Pierre Alexandre
Executive Vice President,
Orbit Garant Drilling Inc.

Daniel Maheu
President and Chief Executive Officer,
Orbit Garant Drilling Inc.

Mario Jacob [1, 2]
Corporate Director and Consultant

Pierre Rougeau [1, 2*]
Corporate Director and Consultant

Nicole Veilleux [1*, 2]
Corporate Director and Consultant

1 Member of Audit Committe.
2 Member of Corporate Governance and Compensation Committee.
* Denotes Committee Chair.

Officers

Daniel Maheu
President and Chief Executive Officer

Pierre Alexandre
Executive Vice President

Sylvain Laroche
Chief Operating Officer

Pier-Luc Laplante
Chief Financial Officer

Head Office
3200 Jean-Jacques Cossette Blvd.
Val-d'Or, Quebec
J9P 6Y6
Tel: 866-824-2707
Fax: 801-824-2195
www.orbitgarant.com

Stock Exchange Listing
Toronto Stock Exchange
Trading Symbol: OGD

Common Shares Outstanding
37,579,840 (as at June 30, 2025)

Investor Relations
Daniel Maheu
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Email: investors@orbitgarant.com

Bruce Wigle
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Email: investors@orbitgarant.com

Transfer Agent and Registrar
TSX Trust Company
1700-1190 Avenue des Canadiens-de-Montréal
Montreal, QC
H3B 0G7
Tel: 1-800-387-0825
www.tsxtrust.com

General Counsel
Gowling WLG (Canada) LLP

Auditors
KPMG LLP

Annual Meeting
Thursday, December 4, 2025
Orbit Garant Head Office
3200 Jean-Jacques Cossette Blvd.
Val-d'Or, Quebec

The meeting will commence at 10:00 a.m. (ET)

FORAGE ORBIT 40 Ans/years GARANT DRILLING

CONTACT

Should you have any questions regarding Orbit Garant Drilling and its operations, please do not hesitate to contact us at one of our offices listed below. It will be our pleasure to assist you and we look forward to working with you to address your specific needs.

HEAD OFFICE

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J9P 6Y6
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CANADA

QUEBEC

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T: 866 824-2707

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Orbit Garant Drilling Services Inc.
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NEW BRUNSWICK

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SOUTH AMERICA

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GUYANA

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