



**Unaudited Interim Condensed Consolidated
Financial Statements**

First Quarter Fiscal 2026

(For the three-month periods ended September 30, 2025 and 2024)

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

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

For the three-month periods ended September 30, 2025 and 2024

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

(Unaudited)

		September 30 2025 (3 months)	September 30 2024 (3 months)
	Notes	\$	\$
Contract revenue	18	46,665	48,435
Cost of contract revenue	3	41,006	40,806
Gross profit		5,659	7,629
Expenses (income)			
General and administrative expenses		4,401	3,759
Foreign exchange loss		132	14
Finance costs		606	760
Interest revenue		(205)	(421)
	3	4,934	4,112
Earnings before income taxes		725	3,517
Income tax expense (recovery)	11		
Current		172	1,149
Deferred		204	(541)
		376	608
Net earnings		349	2,909
Net earnings per share	10		
Basic		0.01	0.08
Diluted		0.01	0.08

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

For the three-month periods ended September 30, 2025 and 2024

(in thousands of Canadian dollars)

(Unaudited)

	September 30 2025 (3 months)	September 30 2024 (3 months)
	\$	\$
Net earnings	349	2,909
Other comprehensive earnings (loss)		
Cumulative translation adjustments	(33)	431
Other comprehensive earnings (loss)	(33)	431
Comprehensive earnings (loss)	316	3,340

ORBIT GARANT DRILLING INC.

Interim Condensed Consolidated Statements of Changes in Equity

For the three-month periods ended September 30, 2025 and 2024

(in thousands of Canadian dollars)

(Unaudited)

Three-month period ended September 30, 2025					Total
	Share capital	Equity-settled reserve	Retained earnings	Accumulated other comprehensive loss	Shareholders' equity
	\$	\$	\$	\$	\$
	(Note 10)				
Balance as at July 1, 2025	59,403	1,000	10,370	(2,348)	68,425
Total comprehensive loss					
Net earnings	-	-	349	-	349
Other comprehensive loss					
Cumulative translation adjustments	-	-	-	(33)	(33)
Other comprehensive loss	-	-	-	(33)	(33)
Transactions with shareholders, recorded directly in equity					
Share-based compensation (Note 10)	-	64	-	-	64
Stock options exercised (Note 10)	188	(43)	-	-	145
Total transactions with shareholders	188	21	-	-	209
Balance as at September 30, 2025	59,591	1,021	10,719	(2,381)	68,950

Three-month period ended September 30, 2024					Total
	Share capital	Equity-settled reserve	Retained earnings	Accumulated other comprehensive loss	Shareholders' equity
	\$	\$	\$	\$	\$
	(Note 10)				
Balance as at July 1, 2024	59,204	923	2,759	(2,657)	60,229
Total comprehensive earnings					
Net earnings	-	-	2,909	-	2,909
Other comprehensive earnings					
Cumulative translation adjustments	-	-	-	431	431
Other comprehensive earnings	-	-	-	431	431
Transactions with shareholders, recorded directly in equity					
Share-based compensation (Note 10)	-	44	-	-	44
Total transactions with shareholders	-	44	-	-	44
Balance as at September 30, 2024	59,204	967	5,668	(2,226)	63,613

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

As at September 30, 2025 and June 30, 2025

(in thousands of Canadian dollars)

(Unaudited)

	Notes	September 30 2025	June 30 2025
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		1,418	3,488
Trade and other receivables		35,182	30,622
Inventories		50,066	45,937
Income taxes receivable		834	707
Prepaid expenses		469	644
Current portion of long-term receivable	5	1,999	1,374
Current portion of net investment in finance leases		50	55
		90,018	82,827
Non-current assets			
Investments	4	1,279	1,220
Long-term receivable	5	6	460
Net investment in finance leases		-	7
Property, plant and equipment		37,006	35,295
Right-of-use assets		6,598	6,966
Intangible assets		434	442
Deferred tax assets		3,210	3,425
Total assets		138,551	130,642
LIABILITIES			
Current liabilities			
Trade and other payables		31,117	28,761
Income taxes payable		819	801
Current portion of long-term debt	7	1,186	1,167
Current portion of lease liabilities	8	1,822	1,748
		34,944	32,477
Non-current liabilities			
Long-term debt	7	30,151	25,088
Lease liabilities	8	4,506	4,652
		69,601	62,217
EQUITY			
Share capital	10	59,591	59,403
Equity-settled reserve		1,021	1,000
Retained earnings		10,719	10,370
Accumulated other comprehensive loss		(2,381)	(2,348)
Equity attributable to shareholders		68,950	68,425
Total liabilities and equity		138,551	130,642

Contingencies and commitments (notes 13 and 14)

APPROVED BY THE BOARD

Daniel Maheu, Director

Nicole Veilleux, Director

ORBIT GARANT DRILLING INC.

Interim Condensed Consolidated Statements of Cash Flows

For the three-month periods ended September 30, 2025 and 2024

(in thousands of Canadian dollars)

(Unaudited)

		September 30 2025 (3 months) \$	September 30 2024 (3 months) \$
	Notes		
OPERATING ACTIVITIES			
Earnings before income taxes		725	3,517
Items not affecting cash			
Depreciation of property, plant and equipment		2,147	2,133
Depreciation of right-of-use assets		381	211
Amortization of intangible assets		32	15
(Gain) loss on disposal of property, plant and equipment	6	(34)	6
Share-based compensation	10	64	44
Finance costs		606	760
Interest revenue from long-term receivable	5	(205)	(421)
Net change in fair value of investments	4	(59)	(206)
		3,657	6,059
Changes in non-cash operating working capital items	12	(6,207)	(2,569)
Income taxes paid		(327)	(65)
Finance costs paid		(579)	(712)
		(3,456)	2,713
INVESTING ACTIVITIES			
Collection of long-term receivable	5	105	485
Collection of net investment in finance leases		12	-
Acquisition of property, plant and equipment	6	(3,647)	(2,211)
Proceeds from disposal of property, plant and equipment	6	114	57
Acquisition of intangible assets		(24)	(9)
		(3,440)	(1,678)
FINANCING ACTIVITIES			
Proceeds from factoring		1,312	2,642
Repayment on factoring		(1,312)	(2,647)
Proceeds from long-term debt		36,158	25,100
Repayment of long-term debt		(31,150)	(25,612)
Financing fees paid		-	(13)
Repayment of lease liabilities		(491)	(315)
Proceeds from stock options exercised		145	-
		4,662	(845)
Effect of exchange rate changes on cash and cash equivalents		164	290
(Decrease) increase in cash		(2,070)	480
Cash and cash equivalents, beginning of the period		3,488	332
Cash and cash equivalents, end of the period		1,418	812

See accompanying notes to interim condensed consolidated financial statements.

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ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three-month periods ended September 30, 2025 and 2024

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

(Unaudited)

1. DESCRIPTION OF BUSINESS

Orbit Garant Drilling Inc. (the "Company"), incorporated under the *Canada Business Corporations Act*, mainly operates a surface and underground diamond drilling business. The Company has operations in Canada 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 interim condensed consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, ("IAS 34"). The IFRS accounting policies that are set out in Note 3 to the Company's annual audited consolidated financial statements for the year ended June 30, 2025 were consistently applied to all periods presented. These interim condensed consolidated financial statements have not been subject to a review engagement by the Company's independent auditors.

The preparation of interim condensed consolidated financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates, assumptions and judgments. It also requires Management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are disclosed in Note 4 in the Company's annual audited consolidated financial statements for the year ended June 30, 2025. They remained unchanged for the three-month period ended September 30, 2025.

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

These interim condensed consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's 2025 annual audited consolidated financial statements.

These interim condensed consolidated financial statements were approved for issue by the Board of Directors of Orbit Garant Drilling Inc. on November 12, 2025.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three-month periods ended September 30, 2025 and 2024

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

(Unaudited)

2. BASIS OF PREPARATION (continued)

Principles of consolidation

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

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

3. EXPENSES BY NATURE

Detail of the depreciation and amortization expenses

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

	September 30 2025 (3 months)	September 30 2024 (3 months)
	\$	\$
Cost of contract revenue	2,293	2,141
General and administrative expenses	267	218
Total depreciation and amortization	2,560	2,359

Principal expenses by nature

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

	September 30 2025 (3 months)	September 30 2024 (3 months)
	\$	\$
Depreciation and amortization	2,560	2,359
Employee benefits expense	24,113	23,255
Cost of inventories	9,941	11,161
Lease expense ^(a)	3,194	2,786
Interest on long-term debt	471	693
Interest on lease liabilities	124	56
Factoring charges and other interest	11	11
Other expenses	5,526	4,597
Total cost of contract revenue and expenses	45,940	44,918
Cost of contract revenue	41,006	40,806
Other expenses	4,934	4,112
Total cost of contract revenue and expenses	45,940	44,918

^(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.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three-month periods ended September 30, 2025 and 2024

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

(Unaudited)

4. INVESTMENTS

	Three-month period ended September 30, 2025	Year ended June 30, 2025
	\$	\$
Investments in public companies, beginning of the year	1,220	1,411
Change in fair value of investments measured at fair value through profit or loss	59	(191)
Balance, end of the period	1,279	1,220

5. LONG-TERM RECEIVABLE

	Three-month period ended September 30, 2025	Year ended June 30, 2025
	\$	\$
Long-term receivable, beginning of year	1,834	2,244
Interest revenue	205	1,301
Collection of long-term receivable including related interest revenue	(105)	(1,710)
Foreign exchange differences	71	(1)
	2,005	1,834
Current portion	1,999	1,374
Balance, end of the period	6	460

As at September 30, 2025, the carrying value of the long-term receivable before expected credit loss is \$3,649 (\$3,478 as at June 30, 2025) and the allowance for expected credit loss is \$1,644 (\$1,644 as at June 30, 2025). As at September 30, 2025, the long-term receivable past due is 932 \$ including interest (\$463 as at June 30, 2025).

6. PROPERTY, PLANT AND EQUIPMENT

	September 30 2025 (3 months)	September 30 2024 (3 months)
	\$	\$
Acquisition of property, plant and equipment	3,647	2,211
Proceeds from disposal of property, plant and equipment	(114)	(57)
(Gain) loss on disposal of property, plant and equipment	(34)	6

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

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three-month periods ended September 30, 2025 and 2024

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

(Unaudited)

7. LONG-TERM DEBT

	September 30 2025 \$	June 30 2025 \$
Revolving credit facility authorized for a maximum amount of \$30,000, bearing interest at prime rate plus 0.50%, effective rate as at September 30, 2025 of 5.20% (June 30, 2025: interest at prime rate plus 0.50%, effective rate of 5.45%), maturing in November 2026, secured by a first rank hypothec on the universality of all present and future assets, except for those noted below ^{(a) (c)}	19,205	13,883
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 ^(b)	7,704	7,764
Loan of \$2,552 (US\$1,833), bearing interest at rates of 8.12%, payable in monthly instalments of \$58 (US\$42) plus interest, maturing in May 2029, secured by a second rank hypothec on the universality of all present and future assets ^(d)	2,525	2,644
Loan of CLF 34 (June 30, 2025: CLF 35), 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 ^(e)	1,903	1,964
	31,337	26,255
Current portion	(1,186)	(1,167)
	30,151	25,088

(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%. As at September 30, 2025, an unamortized amount of \$95 (\$117 as at June 30, 2025), 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.

(b) On September 9, 2022, the Company entered into an 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 \$7,810 as at September 30, 2025 (\$7,872 as at June 30, 2025). As at September 30, 2025, an unamortized amount of \$106 (\$108 as at June 30, 2025), 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.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three-month periods ended September 30, 2025 and 2024

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

(Unaudited)

7. LONG-TERM DEBT (continued)

- (c) 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 unused amount of US\$5,000 (\$6,961), which 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 September 30, 2025, the borrowing base for the Credit Facility was \$30,000 and US\$5,000 and the available amounts were \$10,700 and US\$5,000. As at September 30, 2025, the Company had utilized nil (June 30, 2025: US\$390) of this facility for outstanding stand-by letters of credit.
- (d) 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\$1,833 (\$2,552) as at September 30, 2025 (US\$1,958 (\$2,672) as at June 30, 2025). As at September 30, 2025, an unamortized amount of \$27 (\$28 as at June 30, 2025), 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.
- (e) As at September 30, 2025, an unamortized amount of \$15 (\$17 as at June 30, 2025), representing financing fees, has been netted against the long-term debt. This amount is being amortized to earnings over the term of the debt, using the effective interest method.

Under the terms of the long-term debt agreements, the Company must satisfy certain restrictive covenants as to minimum financial ratios (Note 9). As at September 30, 2025, the Company was compliant with its financial covenants (June 30, 2025: the Company was compliant with its financial covenants).

As at September 30, 2025, the prime rate in Canada was 4.70% for Canadian loans (4.95% as at June 30, 2025), the prime rate in United States was 7.50% and the base rate in the United States was 8.00% for US loans (7.50% and 8.00%, respectively as at June 30, 2025).

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

	\$
Within one year	1,186
Later than one year and no later than five years	24,059
Later than five years	6,335
	<u>31,580</u>

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

As at September 30, 2025		Within	Later than one	Later than
\$000s	Total	one year	but no later than	five years
	\$	\$	\$	\$
CAN	27,110	258	20,517	6,335
US (US\$1,833)	2,552	696	1,856	-
Chilian UF (CLF 34)	1,918	232	1,686	-
	<u>31,580</u>	<u>1,186</u>	<u>24,059</u>	<u>6,335</u>

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three-month periods ended September 30, 2025 and 2024

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

(Unaudited)

8. LEASE LIABILITIES

The summary of the activity related to the lease liabilities for the three-month periods ended September 30, 2025 and 2024 is as follows:

	September 30 2025	September 30 2024
	\$	\$
Lease liabilities recognized, beginning of period	6,400	2,762
Additions	443	1,339
Disposals	(34)	-
Finance costs	124	56
Payment of lease liabilities, including related finance costs	(615)	(371)
Variable lease payment adjustment	1	2
Foreign exchange differences	9	27
	6,328	3,815
Current portion	1,822	1,277
Balance, end of period	4,506	2,538

Lease payments required in the next years are as follows:

	September 30 2025
	\$
Within one year	2,240
Later than one year and no later than five years	4,726
Later than five years	349
	7,315
Less: discounting impact	(987)
Present value of lease payments	6,328

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three-month periods ended September 30, 2025 and 2024

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

(Unaudited)

9. CAPITAL MANAGEMENT

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

	September 30 2025	June 30 2025
	\$	\$
Long-term debt	31,337	26,255
Lease liabilities	6,328	6,400
Share capital	59,591	59,403
Equity-settled reserve	1,021	1,000
Retained earnings	10,719	10,370
Accumulated other comprehensive loss	(2,381)	(2,348)
Cash and cash equivalents	(1,418)	(3,488)
	105,197	97,592

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 September 30, 2025, as mentioned in Note 7, the Company complied with its covenants (June 30, 2025: the Company was compliant with its financial covenants).

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

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

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three-month periods ended September 30, 2025 and 2024

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

(Unaudited)

10. SHARE CAPITAL

Authorized, an unlimited number of common and preferred shares:

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

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

	Three-month period ended September 30, 2025		Year ended June 30, 2025	
Common shares	Number of shares	\$	Number of shares	\$
Balance, beginning of the period	37,579,840	59,403	37,372,756	59,204
Shares issued:				
Share buyback ^(a)	-	-	(68,916)	(56)
For stock options exercised	170,000	188	276,000	255
Balance, end of the period	37,749,840	59,591	37,579,840	59,403

^(a) During the prior fiscal year, the Company initiated its Normal Course Issuer Bid ("NCIB"), ending October 30, 2025. For the three months ended September 30, 2025, the Company did not repurchased and cancelled any common shares.

Net earnings per share

Diluted net earnings per common share was calculated based on net earnings divided by the average number of common shares outstanding using the treasury shares method.

	September 30 2025 (3 months)	September 30 2024 (3 months)
Net earnings per share - basic		
Net earnings attributable to common shareholders	\$ 349	\$ 2,909
Weighted average basic number of common shares outstanding	37,684,568	37,372,756
Net earnings per share - basic	\$ 0.01	\$ 0.08
	September 30 2025 (3 months)	September 30 2024 (3 months)
Net earnings per share - diluted		
Net earnings attributable to common shareholders	\$ 349	\$ 2,909
Weighted average basic number of common shares outstanding	37,684,568	37,372,756
Adjustment to average number of common shares - stock options	1,149,250	123,059
Weighted average diluted number of common shares outstanding	38,833,818	37,495,815
Net earnings per share - diluted	\$ 0.01	\$ 0.08

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three-month periods ended September 30, 2025 and 2024

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

(Unaudited)

10. SHARE CAPITAL (continued)

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

	September 30, 2025 (3 months)		September 30, 2024 (3 months)	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the period	2,153,000	0.73	2,190,000	0.72
Exercised during the period ^(a)	(170,000)	0.86	-	-
Outstanding at end of the period	1,983,000	0.71	2,190,000	0.72
Exercisable at end of the period	886,326	0.74	1,253,331	0.84

^(a) For the three-month period ended September 30, 2025, the weighted average market share price at the date of exercise was \$1.73.

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

Range of exercise price \$	Outstanding at September 30, 2025	Weighted average remaining life (years)	Weighted average exercise price \$	Exercisable at September 30, 2025	Weighted average exercise price \$
0.50 - 0.99	1,727,000	2.97	0.66	630,326	0.61
1.00 - 1.49	256,000	0.72	1.07	256,000	1.07
	1,983,000			886,326	

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

	September 30 2025 (3 months)	September 30 2024 (3 months)
	\$	\$
Expense related to share-based compensation	64	44

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three-month periods ended September 30, 2025 and 2024

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(Unaudited)

11. INCOME TAXES

	September 30 2025 (3 months)	September 30 2024 (3 months)
	\$	\$
Earnings before income taxes	725	3,517
Statutory rates	26.50%	26.50%
Income taxes based on statutory rates	192	932
Increase (decrease) of income taxes due to the following:		
Non-deductible expenses and other permanent differences	14	79
Non-deductible share-based compensation expense	17	12
Difference of income tax rates between territories	13	(13)
Withholding taxes	3	3
Change in unrecognized temporary differences	165	172
Recognition of previously unrecognized deductible temporary differences and tax losses of prior periods	-	(570)
Non-taxable portion of capital gain	(19)	(7)
Prior years adjustments	(9)	-
Total income tax expense	376	608

12. ADDITIONAL INFORMATION RELATING TO THE STATEMENTS OF CASH FLOWS

Changes in non-cash operating working capital items:

	September 30 2025 (3 months)	September 30 2024 (3 months)
	\$	\$
Trade and other receivables	(4,604)	(3,311)
Inventories	(4,133)	(2,392)
Prepaid expenses	174	212
Trade and other payables	2,356	2,922
	(6,207)	(2,569)

13. CONTINGENCIES

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

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14. COMMITMENTS AND GUARANTEES

Commitments

The Company has entered into short-term and low asset value lease agreements expiring between 2026 and 2028 which call for total lease payments of \$480 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 \$426 for 2026, \$41 for 2027 and \$13 for 2028.

Guarantees

For the three-month period ended September 30, 2025, the Company issued some bank guarantees in favor of customers for a total amount of \$4,797 (June 30, 2025: \$5,836), maturing between October 2025 and October 2026. For the three-month periods ended September 30, 2025 and 2024, the Company has not made any payments in connection with these guarantees.

15. RELATED AND ASSOCIATE PARTY TRANSACTIONS

Transactions with related parties

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

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

	September 30 2025 (3 months)	September 30 2024 (3 months)
	\$	\$
Revenues	41	47
Expenses	33	4

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

In addition, for the three-month period ended September 30, 2025, repayments of a lease liability totalling \$29 were made to Dynamitage Castonguay Ltd. (for the three-month period ended September 30, 2024: \$24).

Transactions with an associate party

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

	September 30 2025 (3 months)	September 30 2024 (3 months)
	\$	\$
Revenues	9,117	8,659

As at September 30, 2025, trade and other receivables included an amount receivable of \$2,945 from one of the Company's associates (June 30, 2025: \$2,706).

As at September 30, 2025, the investment in an associate totaled nil in the interim condensed consolidated statements of financial position (June 30, 2025: 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.

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16. KEY MANAGEMENT COMPENSATION

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

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

	September 30 2025 (3 months)	September 30 2024 (3 months)
	\$	\$
Salaries and fees	318	226
Share-based compensation	44	32
	362	258

17. FINANCIAL INSTRUMENTS

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

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.

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17. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

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

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

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

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

As at September 30, 2025	Carrying value	Fair value	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$
Financial assets measured at amortized cost					
Cash and cash equivalents	1,418	1,418			
Trade and other receivables	35,182	35,182			
Long-term receivable	2,005	2,005			
Financial assets measured at fair value					
Investments	1,279	1,279	1,279	-	-
Financial liabilities measured at amortized cost					
Trade and other payables	31,117	31,117			
Long-term debt	31,337	31,798	-	31,798	-
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	-

There were no transfers of amounts between Level 1, Level 2 and Level 3 financial instruments for the three-month period ended September 30, 2025.

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18. SEGMENTED INFORMATION

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

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

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

	September 30 2025 (3 months)	September 30 2024 (3 months)
Contract revenue	\$	\$
Canada	33,703	35,385
International ⁽¹⁾	12,962	13,050
	46,665	48,435
Earnings from operations		
Canada	1,670	2,395
International	519	2,022
	2,189	4,417
General and corporate expenses ⁽²⁾	1,063	561
Finance costs	606	760
Interest revenue	(205)	(421)
Income tax expense	376	608
	1,840	1,508
Net earnings	349	2,909
 (1) The International operating segment included Chilean revenue	 11,580	 10,603

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

	September 30 2025 (3 months)	September 30 2024 (3 months)
Depreciation and amortization	\$	\$
Canada	1,772	1,870
International	521	271
Total depreciation and amortization included in earnings from operations	2,293	2,141
Unallocated and corporate assets	267	218
Total depreciation and amortization	2,560	2,359

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18. SEGMENTED INFORMATION (continued)

	As at September 30, 2025	As at June 30, 2025
	\$	\$
Identifiable assets		
Canada	98,935	90,849
Chile	31,850	32,598
International - Other	7,766	7,195
	138,551	130,642
Property, plant and equipment		
Canada	27,139	25,723
Chile	9,741	9,454
International - Other	126	118
	37,006	35,295
Right-of-use assets		
Canada	3,686	3,824
Chile	2,736	2,957
International - Other	176	185
	6,598	6,966
Intangible assets		
Canada	403	413
Chile	31	29
	434	442
	September 30 2025 (3 months)	September 30 2024 (3 months)
	\$	\$
Non-current assets acquisitions		
Canada	2,645	2,306
International	767	1,235
Unallocated and corporate assets	702	18
	4,114	3,559