



**Unaudited Interim Condensed Consolidated
Financial Statements**

Second Quarter Fiscal 2026

(For the three and six-month periods ended December 31, 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 and six-month periods ended December 31, 2025 and 2024

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

(Unaudited)

	Notes	December 31 2025 (3 months) \$	December 31 2024 (3 months) \$	December 31 2025 (6 months) \$	December 31 2024 (6 months) \$
Contract revenue	18	47,980	43,419	94,644	91,854
Cost of contract revenue	3	41,503	36,263	82,509	77,068
Gross profit		6,477	7,156	12,135	14,786
Expenses					
General and administrative expenses		4,515	4,402	8,914	8,162
Foreign exchange (gain) loss		(335)	743	(204)	756
Finance costs		592	804	1,198	1,564
Interest revenue on long-term receivable, net of expected credit loss		1	(433)	(203)	(854)
	3	4,773	5,516	9,705	9,628
Earnings before income taxes		1,704	1,640	2,430	5,158
Income tax expense (recovery)	11				
Current		338	757	510	1,906
Deferred		87	403	292	(138)
		425	1,160	802	1,768
Net earnings		1,279	480	1,628	3,390
Net earnings per share	10				
Basic		0.03	0.01	0.04	0.09
Diluted		0.03	0.01	0.04	0.09

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

For the three and six-month periods ended December 31, 2025 and 2024

(in thousands of Canadian dollars)

(Unaudited)

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
	\$	\$	\$	\$
Net earnings	1,279	480	1,628	3,390
Other comprehensive (loss) earnings				
Cumulative translation adjustments	580	(145)	547	285
Other comprehensive earnings (loss)	580	(145)	547	285
Comprehensive earnings	1,859	335	2,175	3,675

ORBIT GARANT DRILLING INC.

Interim Condensed Consolidated Statements of Changes in Equity

For the three and six-month periods ended December 31, 2025 and 2024

(in thousands of Canadian dollars)

(Unaudited)

Six-month period ended December 31, 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 earnings					
Net earnings	-	-	1,628	-	1,628
Other comprehensive earnings					
Cumulative translation adjustments	-	-	-	547	547
Other comprehensive earnings	-	-	-	547	547
Transactions with shareholders, recorded directly in equity					
Share-based compensation (Note 10)	-	125	-	-	125
Share buyback (Note 10)	(182)	-	-	-	(182)
Stock options exercised (Note 10)	481	(121)	-	-	360
Share options cancelled (Note 10)	-	(3)	3	-	-
Total transactions with shareholders	299	1	3	-	303
Balance as at December 31, 2025	59,702	1,001	12,001	(1,801)	70,903

Six-month period ended December 31, 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	-	-	3,390	-	3,390
Other comprehensive earnings					
Cumulative translation adjustments	-	-	-	285	285
Other comprehensive earnings	-	-	-	285	285
Transactions with shareholders, recorded directly in equity					
Share-based compensation (Note 10)	-	93	-	-	93
Share buyback (Note 10)	(36)	-	-	-	(36)
Share options cancelled (Note 10)	-	(74)	74	-	-
Total transactions with shareholders	(36)	19	74	-	57
Balance as at December 31, 2024	59,168	942	6,223	(2,372)	63,961

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

As at December 31, 2025 and June 30, 2025

(in thousands of Canadian dollars)

(Unaudited)

	Notes	December 31 2025 \$	June 30 2025 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,958	3,488
Trade and other receivables		28,465	30,622
Inventories		52,331	45,937
Income taxes receivable		780	707
Prepaid expenses		417	644
Current portion of long-term receivable	5	1,839	1,374
Current portion of net investment in finance leases		36	55
		85,826	82,827
Non-current assets			
Investments	4	1,264	1,220
Long-term receivable	5	-	460
Net investment in finance leases		-	7
Property, plant and equipment	6	38,304	35,295
Right-of-use assets		7,299	6,966
Intangible assets		479	442
Deferred tax assets		3,188	3,425
Total assets		136,360	130,642
LIABILITIES			
Current liabilities			
Trade and other payables		29,905	28,761
Income taxes payable		901	801
Current portion of long-term debt	7	1,196	1,167
Current portion of lease liabilities	8	2,326	1,748
		34,328	32,477
Non-current liabilities			
Long-term debt	7	26,494	25,088
Lease liabilities	8	4,635	4,652
		65,457	62,217
EQUITY			
Share capital	10	59,702	59,403
Equity-settled reserve		1,001	1,000
Retained earnings		12,001	10,370
Accumulated other comprehensive loss		(1,801)	(2,348)
Equity attributable to shareholders		70,903	68,425
Total liabilities and equity		136,360	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 and six-month periods ended December 31, 2025 and 2024

(in thousands of Canadian dollars)

(Unaudited)

		December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
	Notes	\$	\$	\$	\$
OPERATING ACTIVITIES					
Earnings before income taxes		1,704	1,640	2,430	5,158
Items not affecting cash					
Depreciation of property, plant and equipment		2,287	2,219	4,434	4,352
Depreciation of right-of-use assets		433	281	814	492
Amortization of intangible assets		34	16	66	31
Gain on disposal of property, plant and equipment	6	(66)	(118)	(100)	(112)
Share-based compensation	10	61	49	125	93
Finance costs		592	804	1,198	1,564
Interest revenue on long-term receivable, net of expected credit loss	5	1	(433)	(203)	(854)
Net change in fair value of investments	4	15	330	(44)	124
		5,061	4,788	8,720	10,848
Changes in non-cash operating working capital items	12	3,705	(2,423)	(2,502)	(4,992)
Income taxes paid		(215)	(132)	(542)	(197)
Finance costs paid		(562)	(771)	(1,141)	(1,483)
		7,989	1,462	4,535	4,176
INVESTING ACTIVITIES					
Collection of long-term receivable	5	107	252	212	737
Collection of net investment in finance leases		14	19	26	19
Acquisition of property, plant and equipment	6	(3,076)	(4,906)	(6,723)	(7,117)
Proceeds from disposal of property, plant and equipment	6	89	367	203	424
Acquisition of intangible assets		(77)	(9)	(101)	(18)
		(2,943)	(4,277)	(6,383)	(5,955)
FINANCING ACTIVITIES					
Proceeds from factoring		4,336	4,449	5,648	7,091
Repayment on factoring		(4,336)	(2,289)	(5,648)	(4,936)
Proceeds from long-term debt		26,678	36,395	62,836	61,495
Repayment of long-term debt		(30,278)	(36,261)	(61,428)	(61,873)
Repayment of lease liabilities		(478)	(337)	(969)	(652)
Financing fees paid		(157)	(9)	(157)	(22)
Proceeds from stock options exercised		215	-	360	-
Repurchase of common shares	10	(182)	(36)	(182)	(36)
		(4,202)	1,912	460	1,067
Effect of exchange rate changes on cash and cash equivalents		(304)	619	(142)	908
Increase (decrease) in cash and cash equivalents		540	(284)	(1,530)	196
Cash and cash equivalents, beginning of the period		1,418	812	3,488	332
Cash and cash equivalents, end of the period		1,958	528	1,958	528

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 31, 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 and six-month periods ended December 31, 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 February 11, 2026.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

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

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
	\$	\$	\$	\$
Cost of contract revenue	2,475	2,296	4,768	4,437
General and administrative expenses	279	220	546	438
Total depreciation and amortization	2,754	2,516	5,314	4,875

Principal expenses by nature

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

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
	\$	\$	\$	\$
Depreciation and amortization	2,754	2,516	5,314	4,875
Employee benefits expense	25,152	22,414	49,265	45,669
Cost of inventories	8,258	10,694	18,164	21,855
Lease expenses ^(a)	3,613	2,855	6,807	5,640
Interest on long-term debt	438	602	909	1,296
Interest on lease liabilities	126	72	249	128
Factoring charges and other interest	29	130	40	140
Other expenses	5,906	2,496	11,466	7,093
Total cost of contract revenue and expenses	46,276	41,779	92,214	86,696
Cost of contract revenue	41,503	36,263	82,509	77,068
Other expenses	4,773	5,516	9,705	9,628
Total cost of contract revenue and expenses	46,276	41,779	92,214	86,696

^(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 and six-month periods ended December 31, 2025 and 2024

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

(Unaudited)

4. INVESTMENTS

	Six-month period ended December 31, 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	44	(191)
Investments in public companies, end of the period	1,264	1,220

5. LONG-TERM RECEIVABLE

	Six-month period ended December 31, 2025	Year ended June 30, 2025
	\$	\$
Long-term receivable, beginning of the year	1,834	2,244
Interest revenue	423	1,301
Collection of long-term receivable including related interest revenue	(212)	(1,710)
Expected credit loss on long-term receivable	(220)	-
Foreign exchange differences	14	(1)
	1,839	1,834
Current portion	1,839	1,374
Balance, end of the period	-	460

As at December 31, 2025, the carrying value of the long-term receivable before expected credit loss is \$3,704 (\$3,478 as at June 30, 2025) and the allowance for expected credit loss is \$1,865 (\$1,644 as at June 30, 2025). As at December 31, 2025, the long-term receivable past due is \$1,371 including interest (\$463 as at June 30, 2025).

6. PROPERTY, PLANT AND EQUIPMENT

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
	\$	\$	\$	\$
Acquisition of property, plant and equipment	3,076	4,906	6,723	7,117
Proceeds from disposal of property, plant and equipment	(89)	(367)	(203)	(424)
Gain on disposal of property, plant and equipment	(66)	(118)	(100)	(112)

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

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 31, 2025 and 2024

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

(Unaudited)

7. LONG-TERM DEBT

	December 31 2025	June 30 2025
	\$	\$
Revolving credit facility authorized for a maximum amount of \$30,000, bearing interest at prime rate plus 0.75%, effective rate as at December 31, 2025 of 5.20% (June 30, 2025: interest at prime rate plus 0.50%, effective rate of 5.45%), maturing in December 2029, secured by a first rank hypothec on the universality of all present and future assets, except for those noted below ^{(a) (c)}	15,774	13,883
Loan, bearing interest at 6.50%, payable in monthly instalments of \$63, maturing in October 2042, secured by a first rank hypothec on a land and building ^(b)	7,642	7,764
Loan of \$2,341 (US\$1,708), 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 ^(d)	2,317	2,644
Loan of CLF 33 (June 30, 2025: CLF 35), bearing interest at rates of 3.30%, payable in monthly instalments of \$27 (CLF 0.43), maturing in February 2028, secured by a land and building. ^(e)	1,957	1,964
	27,690	26,255
Current portion	(1,196)	(1,167)
	26,494	25,088

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 31, 2025 and 2024

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

(Unaudited)

7. LONG-TERM DEBT (continued)

- (a) The revolving credit facility bear interest at either (a) the bank's prime rate plus an applicable margin based on a financial covenant or (b) the banker's acceptance rate plus an applicable margin based on a financial covenant. In addition, the Corporation incurs commitment fees, varying between 0.30% to 0.75%. 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 December 31, 2025, an unamortized amount of \$226 (\$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. As at December 31, 2025, an unamortized amount of \$105 (\$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.
- (c) On December 22, 2025, the Company signed the first amendment to the sixth amended and restated credit agreement with National Bank of Canada in respect of the credit facility. The credit facility, which will expire December 22, 2029, consists of a revolving credit facility in the amount of \$30,000 along with a credit facility in the unused amount of US\$5,000 utilized for the purposes of standby letters of credit. The US\$5,000 credit facility bears interest at base rate plus 0.25%, effective rate as at December 31, 2025 of 7.50% (June 30, 2025: interest at base rate plus 0.25%, effective rate of 8.25%). In addition, the Company's obligations under the US\$5,000 credit facility are guaranteed by EDC. 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. As at December 31, 2025, the borrowing base for the credit facility was \$30,000 and the undrawn amounts were \$14,000. As at December 31, 2025, the Company had utilized nil (June 30, 2025: US\$390) of this facility for standby 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\$1,708 (\$2,341) as at December 31, 2025 (US\$1,958 (\$2,672) as at June 30, 2025). As at December 31, 2025, an unamortized amount of \$24 (\$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 December 31, 2025, an unamortized amount of \$14 (\$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 December 31, 2025, the Company was compliant with its financial covenants (June 30, 2025: the Company was compliant with its financial covenants).

As at December 31, 2025, the prime rate in Canada was 4.45% for Canadian loans (4.95% as at June 30, 2025), the prime rate in United States was 6.75% and the base rate in the United States was 7.25% for US loans (7.50% and 8.00%, respectively as at June 30, 2025).

As at December 31, 2025, principal payments required in the next years are as follows:

	\$
Within one year	1,196
Later than one year and no later than five years	20,615
Later than five years	6,248
	<u>28,059</u>

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 31, 2025 and 2024

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

(Unaudited)

7. LONG-TERM DEBT (continued)

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

As at December 31, 2025 \$000s	Total	Within one year	Later than one but no later than five years	Later than five years
	\$	\$	\$	\$
CAN	23,747	263	17,236	6,248
US (US\$1,708)	2,341	685	1,656	-
Chilian UF (CLF 33)	1,971	248	1,723	-
	28,059	1,196	20,615	6,248

8. LEASE LIABILITIES

The summary of the activity related to the lease liabilities for the three-month and six-month periods ended December 31, 2025 and 2024 is as follows:

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
	\$	\$	\$	\$
Lease liabilities recognized, beginning of the period	6,328	3,815	6,400	2,762
Additions	975	613	1,418	1,952
Disposals	-	(28)	(34)	(28)
Finance cost	126	72	249	128
Payment of lease liabilities, including related finance costs	(604)	(409)	(1,218)	(780)
Variable lease payment adjustment ^(a)	3	3	4	5
Foreign exchange differences	133	(23)	142	4
	6,961	4,043	6,961	4,043
Current portion	2,326	1,365	2,326	1,365
Balance, end of the period	4,635	2,678	4,635	2,678

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

Lease payments required in the next years are as follows:

	December 31 2025
	\$
Within one year	2,751
Later than one year and no later than five years	4,837
Later than five years	313
	7,901
Less: discounting impact	(940)
Present value of lease payments	6,961

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and six-month periods ended December 31, 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, factoring liability, share capital, equity-settled reserve, retained earnings, accumulated other comprehensive loss and cash and cash equivalents in its definition of capital.

The Company's capital structure is as follows:

	December 31 2025	June 30 2025
	\$	\$
Long-term debt	27,690	26,255
Lease liabilities	6,961	6,400
Share capital	59,702	59,403
Equity-settled reserve	1,001	1,000
Retained earnings	12,001	10,370
Accumulated other comprehensive loss	(1,801)	(2,348)
Cash and cash equivalents	(1,958)	(3,488)
	103,596	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 December 31, 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 and six-month periods ended December 31, 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.

	Six-month period ended December 31, 2025		Year ended June 30, 2025	
	Number of shares	\$	Number of shares	\$
Common shares				
Balance, beginning of the period	37,579,840	59,403	37,372,756	59,204
Movement in share capital:				
Share buybacks ^(a)	(141,450)	(182)	(68,916)	(56)
Stock options exercised	441,999	481	276,000	255
Balance, end of the period	37,880,389	59,702	37,579,840	59,403

^(a) During the current fiscal year, the Company renewed its Normal Course Issuer Bid ("NCIB"), ending October 30, 2026. For the three and six months ended December 31, 2025, the Company repurchased and cancelled 141,450 common shares at a cost of \$182 and an average price of \$1.29 per share.

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.

	December 31 2025 (3 months)		December 31 2024 (3 months)		December 31 2025 (6 months)		December 31 2024 (6 months)	
Net earnings per share - basic								
Net earnings attributable to common shareholders	\$	1,279	\$	480	\$	1,628	\$	3,390
Weighted average basic number of common shares outstanding		37,914,063		37,372,275		37,799,312		37,372,515
Net earnings per share - basic	\$	0.03	\$	0.01	\$	0.04	\$	0.09
Net earnings per share - diluted								
Net earnings per share - basic shareholders	\$	1,279	\$	480	\$	1,628	\$	3,390
Weighted average basic number of common shares outstanding		37,914,063		37,372,275		37,799,312		37,372,515
Adjustment to average number of common share - stock options		949,090		347,316		1,038,620		258,373
Weighted average diluted number of common shares outstanding		38,863,153		37,719,591		38,837,932		37,630,888
Net earnings per share - diluted	\$	0.03	\$	0.01	\$	0.04	\$	0.09

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10. SHARE CAPITAL (continued)

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

	December 31, 2025 (6 months)		December 31, 2024 (6 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
Granted during the period	545,000	1.32	530,000	0.83
Exercised during the period ^(a)	(441,999)	0.81	-	-
Cancelled during the period	(92,001)	1.00	(291,000)	0.90
Outstanding at end of the period	2,164,000	0.85	2,429,000	0.72
Exercisable at end of the period	1,099,002	0.69	1,282,326	0.75

^(a) For the six-month periods ended December 31, 2025, the weighted average market share price at the date of exercise was \$1.41.

The following table summarizes information on stock options outstanding as at December 31, 2025:

Range of exercise price \$	Outstanding at December 31, 2025	Weighted average remaining life (years)	Weighted average exercise price \$	Exercisable at December 31, 2025	Weighted average exercise price \$
0.50 - 0.99	1,453,000	2.99	0.65	893,002	0.60
1.00 - 1.49	711,000	3.63	1.25	206,000	1.08
	2,164,000			1,099,002	

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 2026	Granted in 2025
Risk-free interest rate	2.73%	3.04%
Expected life (years)	3	3
Expected volatility (based on historical volatility)	52.88%	62.02%
Expected dividend yield	0%	0%
Fair value of options granted	0.81 \$	0.54 \$

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

	December 31 2025 (3 months) \$	December 31 2024 (3 months) \$	December 31 2025 (6 months) \$	December 31 2024 (6 months) \$
Expense related to share-based compensation	61	49	125	93

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11. INCOME TAXES

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
	\$	\$	\$	\$
Earnings before income taxes	1,704	1,640	2,430	5,158
Statutory rates	26.50%	26.50%	26.50%	26.50%
Income taxes based on statutory rates	452	435	644	1,367
Increase (decrease) of income taxes due to the following:				
Non-deductible expenses and other permanent differences	111	300	125	378
Non-deductible share-based compensation expense	16	13	33	25
Difference of income tax rates between territories	(11)	2	3	(11)
Withholding taxes	3	6	6	9
Income tax assets unrecognized	-	323	74	177
Recognition of previously unrecognized deductible temporary differences and tax losses of prior periods	(163)	(132)	(72)	(383)
Non-taxable portion of capital gains	9	(85)	(10)	(92)
Prior years adjustments	6	296	(3)	296
Other	2	2	2	2
Total income tax expense	425	1,160	802	1,768

12. ADDITIONAL INFORMATION RELATING TO THE STATEMENTS OF CASH FLOWS

Changes in non-cash operating working capital items:

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
	\$	\$	\$	\$
Trade and other receivables	7,211	(472)	2,607	(3,783)
Inventories	(1,965)	(630)	(6,098)	(3,022)
Prepaid expenses	54	111	228	323
Trade and other payables	(1,595)	(1,432)	761	1,490
	3,705	(2,423)	(2,502)	(4,992)

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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.

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 \$385 for the rental of offices. None of the lease agreements contain renewal or purchase options or escalation clauses or any restrictions. The lease payments under these lease agreements for the next two years amount to \$343 for 2026, \$37 for 2027 and \$5 for 2028.

Guarantees

As at December 31, 2025, the Company issued some bank guarantees in favor of customers for a total amount of \$6,599 (June 30, 2025: \$5,836), maturing between January 2026 and October 2026. For the six-month periods ended December 31, 2025 and 2024, the Company has not made any payments in connection with these guarantees.

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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:

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
Revenues	\$ 44	\$ 37	\$ 85	\$ 84
Expenses	6	8	35	12

As at December 31, 2025, an amount of \$8 was receivable resulting from these transactions (June 30, 2025: \$8).

In addition, for the six-month period ended December 31, 2025, repayments of a lease liability totalling \$66 were made to Dynamitage Castonguay Ltd. (December 31, 2024: \$48).

Transactions with associate parties

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

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
Revenues	\$ 8,753	\$ 6,990	\$ 17,870	\$ 15,649

As at December 31, 2025, trade and other receivables included an amount receivable of \$815 from one of the Company's associates (June 30, 2025: \$2,706).

As at December 31, 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 the 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 analyzed as follows :

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
	\$	\$	\$	\$
Salaries and fees	336	248	654	475
Share-based compensation	50	36	94	68
	386	284	748	543

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 December 31, 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 December 31, 2025	Carrying value	Fair value	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$
Financial assets measured at amortized cost					
Cash and cash equivalents	1,958	1,958			
Trade and other receivables	28,465	28,465			
Long-term receivable	1,839	1,839			
Financial assets measured at fair value					
Investments	1,264	1,264	1,264	-	-
Financial liabilities measured at amortized cost					
Trade and other payables	29,905	29,905			
Long-term debt	27,690	28,323	-	28,323	-
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 and six-month periods ended December 31, 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 the 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:

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
Contract revenue	\$	\$	\$	\$
Canada	33,815	30,787	67,517	66,172
International ⁽¹⁾	14,165	12,632	27,127	25,682
	47,980	43,419	94,644	91,854
Earnings from operations				
Canada	1,762	1,217	3,432	3,612
International	1,040	2,628	1,560	4,650
	2,802	3,845	4,992	8,262
General and corporate expenses ⁽²⁾	505	1,834	1,567	2,394
Finance costs	592	804	1,198	1,564
Interest revenue on long-term receivable, net				
of expected credit loss	1	(433)	(203)	(854)
Income tax expense	425	1,160	802	1,768
	1,523	3,365	3,364	4,872
Net earnings	1,279	480	1,628	3,390
⁽¹⁾ The International operating segment included				
Chilean revenue :	11,500	10,486	23,080	21,089

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

	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
Depreciation and amortization	\$	\$	\$	\$
Canada	1,885	1,951	3,657	3,821
International	590	345	1,111	616
Total depreciation and amortization included in earnings from operations	2,475	2,296	4,768	4,437
Unallocated and corporate assets	279	220	546	438
Total depreciation and amortization	2,754	2,516	5,314	4,875

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18. SEGMENTED INFORMATION (continued)

	As at December 31, 2025	As at June 30, 2025		
	\$	\$		
Identifiable assets				
Canada	93,926	90,849		
Chile	34,466	32,598		
International - Other	7,968	7,195		
	136,360	130,642		
Property, plant and equipment				
Canada	26,705	25,723		
Chile	10,840	9,454		
International - Other	759	118		
	38,304	35,295		
Right-of-use assets				
Canada	3,486	3,824		
Chile	3,653	2,957		
International - Other	160	185		
	7,299	6,966		
Intangible assets				
Canada	445	413		
Chile	34	29		
	479	442		
	December 31 2025 (3 months)	December 31 2024 (3 months)	December 31 2025 (6 months)	December 31 2024 (6 months)
	\$	\$	\$	\$
Non-current assets acquisitions				
Canada	1,877	1,042	4,522	3,348
International	2,110	4,319	2,878	5,554
Unallocated and corporate assets	141	167	842	185
	4,128	5,528	8,242	9,087