



**Unaudited Interim Condensed Consolidated
Financial Statements**

Third Quarter Fiscal 2025

(For the three and nine-month periods ended March 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 (Loss)

For the three and nine month periods ended March 31, 2025 and 2024

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

(Unaudited)

	Notes	March 31 2025 (3 months) \$	March 31 2024 (3 months) \$	March 31 2025 (9 months) \$	March 31 2024 (9 months) \$
Contract revenue	21	50,064	48,206	141,917	135,867
Cost of contract revenue	4	44,102	41,840	121,170	122,219
Gross profit		5,962	6,366	20,747	13,648
Expenses (income)					
General and administrative expenses		4,316	3,729	12,480	12,185
Foreign exchange (gain) loss		(1,963)	1,059	(2,538)	1,458
Finance costs		723	908	2,286	2,643
Interest revenue		(444)	-	(1,299)	-
	4	2,632	5,696	10,929	16,286
Earnings (loss) before income taxes		3,330	670	9,818	(2,638)
Income tax expense (recovery)	14				
Current		34	(60)	1,940	14
Deferred		644	(1,235)	506	(2,509)
		678	(1,295)	2,446	(2,495)
Net earnings (loss)		2,652	1,965	7,372	(143)
Net earnings (loss) per share	13				
Basic		0.08	0.05	0.20	-
Diluted		0.08	0.05	0.20	-

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

For the three and nine month periods ended March 31, 2025 and 2024

(in thousands of Canadian dollars)

(Unaudited)

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Net earnings (loss)	2,652	1,965	7,372	(143)
Other comprehensive earnings (loss)				
Cumulative translation adjustments, net of income tax of \$(4) (March 31, 2024: \$12)	(278)	(95)	(1,323)	(567)
Other comprehensive earnings (loss), net of income tax	(278)	(95)	(1,323)	(567)
Comprehensive earnings (loss)	2,374	1,870	6,049	(710)

ORBIT GARANT DRILLING INC.

Interim Condensed Consolidated Statements of Changes in Equity

For the nine month periods ended March 31, 2025 and 2024

(in thousands of Canadian dollars)

(Unaudited)

Nine-month period ended March 31, 2025					Total
	Share capital	Equity-settled reserve	Retained earnings	Accumulated other comprehensive loss	Shareholders' equity
	\$	\$	\$	\$	\$
	(Note 13)				
Balance as at July 1, 2024	59,204	923	4,673	(4,571)	60,229
Total comprehensive earnings (loss)					
Net earnings	-	-	7,372	-	7,372
Other comprehensive loss					
Cumulative translation adjustments	-	-	-	(1,323)	(1,323)
Other comprehensive loss	-	-	-	(1,323)	(1,323)
Transactions with shareholders, recorded directly in equity					
Share-based compensation (Note 13)	-	157	-	-	157
Share buyback (Note 12)	(56)	-	-	-	(56)
Stock options exercised (Note 13)	37	(13)	-	-	24
Stock options cancelled (Note 13)	-	(74)	74	-	-
Total transactions with shareholders	(19)	70	74	-	125
Balance as at March 31, 2025	59,185	993	12,119	(5,894)	66,403

Nine-month period ended March 31, 2024					Total
	Share capital	Equity-settled reserve	Retained earnings	Accumulated other comprehensive loss	Shareholders' equity
	\$	\$	\$	\$	\$
	(Note 13)				
Balance as at July 1, 2023	59,204	981	5,786	(4,327)	61,644
Total comprehensive loss (earnings)					
Net loss	-	-	(143)	-	(143)
Other comprehensive loss					
Cumulative translation adjustments	-	-	-	(567)	(567)
Other comprehensive loss	-	-	-	(567)	(567)
Transactions with shareholders, recorded directly in equity					
Share-based compensation (Note 13)	-	102	-	-	102
Stock options cancelled	-	(204)	204	-	-
Total transactions with shareholders	-	(102)	204	-	102
Balance as at March 31, 2024	59,204	879	5,847	(4,894)	61,036

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

As at March 31, 2025 and June 30, 2024

(in thousands of Canadian dollars)

(Unaudited)

	Notes	March 31 2025	June 30 2024
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		1,052	332
Trade and other receivables		38,721	30,530
Inventories		44,368	42,964
Income taxes receivable		257	537
Prepaid expenses		565	734
Current portion of long-term receivable	6	1,228	552
Current portion of net investment in finance leases	7	54	-
		86,245	75,649
Non-current assets			
Investments	5	1,247	1,411
Long-term receivable	6	1,207	1,692
Net investment in finance leases	7	22	-
Property, plant and equipment	8	35,488	33,394
Right-of-use assets		6,842	3,211
Intangible assets		421	211
Deferred tax assets		3,883	4,309
Total assets		135,355	119,877
LIABILITIES			
Current liabilities			
Trade and other payables		29,092	25,410
Income taxes payable		1,533	117
Current portion of long-term debt	9	1,085	450
Current portion of lease liabilities	10	1,649	1,060
		33,359	27,037
Non-current liabilities			
Long-term debt	9	30,926	30,909
Lease liabilities	10	4,667	1,702
		68,952	59,648
EQUITY			
Share capital	13	59,185	59,204
Equity-settled reserve		993	923
Retained earnings		12,119	4,673
Accumulated other comprehensive loss		(5,894)	(4,571)
Equity attributable to shareholders		66,403	60,229
Total liabilities and equity		135,355	119,877

Contingencies and commitments (notes 16 and 17)

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 nine month periods ended March 31, 2025 and 2024

(in thousands of Canadian dollars)

(Unaudited)

		March 31 2025 (3 months) \$	March 31 2024 (3 months) \$	March 31 2025 (9 months) \$	March 31 2024 (9 months) \$
	Notes				
OPERATING ACTIVITIES					
Earnings (loss) before income taxes		3,330	670	9,818	(2,638)
Items not affecting cash					
Depreciation of property, plant and equipment		2,179	2,193	6,531	7,380
Depreciation of right-of-use assets		390	158	882	453
Amortization of intangible assets		17	13	48	133
Gain on disposal of property, plant and equipment	8	(40)	(22)	(152)	(176)
Share-based compensation	13	64	43	157	102
Finance costs		723	908	2,286	2,643
Interest revenue from long-term receivable	6	(444)	-	(1,299)	-
Net change in fair value of investments	5	40	12	164	165
		6,259	3,975	18,435	8,062
Changes in non-cash operating working capital items	15	(1,783)	(774)	(6,775)	1,112
Income taxes paid		(87)	(27)	(284)	(39)
Finance costs paid		(695)	(863)	(2,177)	(2,526)
		3,694	2,311	9,199	6,609
INVESTING ACTIVITIES					
Proceeds from disposal of investments	5	-	-	-	68
Collection of long-term receivable	6	567	-	1,304	-
Collection of net investment in finance leases	7	12	-	30	-
Acquisition of property, plant and equipment	8	(1,506)	(1,824)	(8,623)	(7,028)
Proceeds from disposal of property, plant and equipment	8	164	147	588	449
Acquisition of intangible assets		(239)	(11)	(257)	(56)
		(1,002)	(1,688)	(6,958)	(6,567)
FINANCING ACTIVITIES					
Proceeds from factoring		615	3,422	7,706	11,481
Repayment on factoring		(2,738)	(2,634)	(7,674)	(11,431)
Proceeds from long-term debt		30,400	26,348	91,895	72,895
Repayment of long-term debt		(29,717)	(28,202)	(91,590)	(73,347)
Financing fees paid		(33)	(20)	(55)	(184)
Repayment of lease liabilities		(423)	(343)	(1,075)	(876)
Proceeds from stock options exercised		24	-	24	-
Repurchase of common shares	12	(20)	-	(56)	-
		(1,892)	(1,429)	(825)	(1,462)
Effect of exchange rate changes on cash and cash equivalents		(276)	370	(696)	52
Increase (decrease) in cash and cash equivalents		524	(436)	720	(1,368)
Cash and cash equivalents, beginning of the period		528	1,249	332	2,181
Cash and cash equivalents, end of the period		1,052	813	1,052	813

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 and nine month periods ended March 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, 2024 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, 2024. They remained unchanged for the three and nine-month periods ended March 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 2024 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 May 7, 2025.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 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. Seasonality of operations

The third quarter is normally the Company's weakest quarter in terms of profitability due to the gradual ramp-up of operations after the shutdown of mining and exploration activities over the holiday season and the more difficult weather conditions in Canada.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2025 and 2024

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

(Unaudited)

4. 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:

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Cost of contract revenue	2,357	2,159	6,793	7,265
General and administrative expenses	229	205	668	701
Total depreciation and amortization	2,586	2,364	7,461	7,966

Principal expenses by nature

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

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Depreciation and amortization	2,586	2,364	7,461	7,966
Employee benefits expense	25,032	24,959	70,701	69,766
Cost of inventories	11,287	9,989	33,142	30,616
Lease expenses ^(a)	3,232	3,413	8,880	9,150
Interest on long-term debt	566	823	1,861	2,392
Interest on lease liabilities	115	53	243	130
Factoring charges and other interest	42	32	182	121
Other expenses	3,874	5,903	9,629	18,364
Total cost of contract revenue and expenses	46,734	47,536	132,099	138,505
Cost of contract revenue	44,102	41,840	121,170	122,219
Other expenses	2,632	5,696	10,929	16,286
Total cost of contract revenue and expenses	46,734	47,536	132,099	138,505

^(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 nine month periods ended March 31, 2025 and 2024

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

(Unaudited)

5. INVESTMENTS

	Nine-month period ended March 31, 2025	Year ended 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	(164)	(341)
Investments in public companies, end of the period	1,247	1,411

6. LONG-TERM RECEIVABLE

	Nine-month period ended March 31, 2025	Year ended June 30, 2024
	\$	\$
Long-term receivable, beginning of year	2,244	-
Proceeds from disposal of inventories, property, plant and equipment	-	7,501
Interest revenue	1,299	-
Collection of long-term receivable including related interest revenue	(1,304)	(71)
Effect of the substantial modification of a receivable	-	(3,540)
Expected credit loss on long-term receivable	-	(1,644)
Foreign exchange differences	196	(2)
	2,435	2,244
Current portion	1,228	552
Balance, end of period	1,207	1,692

As at March 31, 2025, the carrying value of the long-term receivable before expected credit loss is \$4,079 (\$3,888 as at June 30, 2024) and the allowance for expected credit loss is \$1,644 (\$1,644 as at June 30, 2024). The long-term receivable is not past due.

7. NET INVESTMENT IN FINANCE LEASES

	Nine-month period ended March 31, 2025
	\$
Net investment in finance leases, beginning of year	
Proceeds from disposal of property, plant and equipment	107
Interest revenue	6
Collection of net investment in finance leases including related interest revenue	(37)
	76
Current portion	54
Balance, end of period	22

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2025 and 2024

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

(Unaudited)

7. NET INVESTMENT IN FINANCE LEASES (continued)

Lease payments receivable in the next years are as follows:

	March 31 2025
	\$
Within one year	60
Later than one year and no later than five years	23
	83
Less: discounting impact	(7)
Present value of lease payments receivable	76

8. PROPERTY, PLANT AND EQUIPMENT

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Acquisition of property, plant and equipment	1,506	1,824	8,623	7,028
Proceeds from disposal of property, plant and equipment	(164)	(147)	(588)	(449)
Gain on disposal of property, plant and equipment	(40)	(22)	(152)	(176)

A gain on disposal of property, plant and equipment is included in cost of contract revenue for \$32 and in General and administrative expenses for \$8.

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2025 and 2024

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

(Unaudited)

9. LONG-TERM DEBT

	March 31 2025	June 30 2024
	\$	\$
Revolving credit facility authorized for a maximum amount of \$7,188 (US\$5,000), bearing interest at base rate plus 0.25%, effective rate as at March 31, 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
Revolving credit facility authorized for a maximum amount of \$30,000, bearing interest at prime rate plus 0.50%, effective rate as at March 31, 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)}	19,263	17,189
Loan, bearing interest at 6.50%, payable in monthly instalments of \$63, maturing in October 2042, secured by a first rank hypothec on a land and building ^{(c) (f)}	7,823	7,996
Loan of US\$2,000, bearing interest at rates of 8.12%, payable in monthly instalments of \$60 (US\$42) from June 2025, maturing in May 2029, secured by a second rank hypothec on the universality of all present and future assets ^{(g) (i)}	2,845	-
Loan of CLF 36 (June 30, 2024: CLF 39), bearing interest at rates of 3.30%, payable in monthly instalments of \$22 (CLF 0.43), maturing in February 2028, secured by land and building. ^(h)	2,080	2,068
	32,011	31,359
Current portion	(1,085)	(450)
	30,926	30,909

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2025 and 2024

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

(Unaudited)

9. 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 Company 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 March 31, 2025, an unamortized amount of \$137 (\$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 March 31, 2025, an unamortized amount of \$110 (\$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 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 March 31, 2025, the borrowing base for the Credit Facility was \$30,000 and US\$5,000 and the undrawn amounts were \$10,600 and US\$4,610
- (e) As at March 31, 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.
- (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\$2,000 (\$2,875) as at March 31, 2025 (nil as at June 30, 2024).
- (h) As at March 31, 2025, an unamortized amount of \$19 (\$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 March 31, 2025, an unamortized amount of \$30 (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 11). As at March 31, 2025, the Company was compliant with its financial covenants (June 30, 2024: the Company was compliant with its financial covenants).

As at March 31, 2025, the prime rate in Canada was 4.95% for Canadian loans (6.95% as at June 30, 2024), 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 March 31, 2025, principal payments required in the next years are as follows:

	\$
Within one year	1,085
Later than one year and no later than five years	24,718
More than five years	6,504
	32,307

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2025 and 2024

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

(Unaudited)

9. LONG-TERM DEBT (continued)

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

As at March 31, 2025 \$000s	Total	Within one year	Later than one and no later than five years	Later than five years
	\$	\$	\$	\$
CAN	27,333	250	20,579	6,504
US (US\$2,000)	2,875	599	2,276	-
Chilean UF (CLF 36)	2,099	236	1,863	-
	32,307	1,085	24,718	6,504

10. LEASE LIABILITIES

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

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Lease liabilities recognized, beginning of period	4,043	2,970	2,762	1,219
Additions	2,736	243	4,688	2,531
Disposals	-	-	(28)	-
Finance cost	115	53	243	130
Payment of lease liabilities, including related finance costs	(538)	(396)	(1,318)	(1,006)
Variable lease payment adjustment ^(a)	6	-	11	1
Reassessment of the lease term	(150)	(69)	(150)	(69)
Foreign exchange differences	104	(12)	108	(17)
	6,316	2,789	6,316	2,789
Current portion	1,649	591	1,649	591
Balance, end of period	4,667	2,198	4,667	2,198

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

Lease payments required in the next years are as follows:

	March 31 2025
	\$
Within one year	2,090
Later than one year and no later than five years	4,958
Later than five years	422
	7,470
Less: discounting impact	(1,154)
Present value of lease payments	6,316

ORBIT GARANT DRILLING INC.

Notes to Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended March 31, 2025 and 2024

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

(Unaudited)

11. 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:

	March 31 2025	June 30 2024
	\$	\$
Long-term debt	32,011	31,359
Lease liabilities	6,316	2,762
Share capital	59,185	59,204
Equity-settled reserve	993	923
Retained earnings	12,119	4,673
Accumulated other comprehensive loss	(5,894)	(4,571)
Cash and cash equivalents	(1,052)	(332)
	103,678	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 March 31, 2025, as mentioned in Note 9, the Company complied with its 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.

12. SHARE BUYBACK

During the current fiscal year, the Company initiated its Normal Course Issuer Bid ("NCIB"), ending October 30, 2025. For the three months ended March 31, 2025, the Company repurchased and cancelled 24,628 common shares at a cost of \$20 and an average price of \$0.83 per share. For the nine months ended March 31, 2025, the Company repurchased and cancelled 68,916 common shares at a cost of \$56 and an average price of \$0.82 per share.

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13. 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.

	Nine-month period ended March 31, 2025		Year ended June 30, 2024	
	Number of shares	\$	Number of shares	\$
Common shares				
Balance, beginning of the period	37,372,756	59,204	37,372,756	59,204
Movement in share capital:				
Share buyback (Note 12)	(68,916)	(56)	-	-
Stock options exercised	45,000	37	-	-
Balance, end of the period	37,348,840	59,185	37,372,756	59,204

Net earnings (loss) per share

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

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
Net earnings (loss) per share - basic				
Net earnings (loss) attributable to common shareholders	\$ 2,652	\$ 1,965	\$ 7,372	\$ (143)
Weighted average basic number of common shares outstanding	37,326,764	37,372,756	37,357,487	37,372,756
Net earnings (loss) per share - basic	\$ 0.08	\$ 0.05	\$ 0.20	\$ -

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
Net earnings (loss) per share - diluted				
Net earnings (loss) attributable to common shareholders	\$ 2,652	\$ 1,965	\$ 7,372	\$ (143)
Weighted average basic number of common shares outstanding	37,326,764	37,372,756	37,357,487	37,372,756
Adjustment to average number of common share - stock options	770,000	7,386	418,969	-
Weighted average diluted number of common shares outstanding	38,096,764	37,380,142	37,776,456	37,372,756
Net earnings (loss) per share - diluted	\$ 0.08	\$ 0.05	\$ 0.20	\$ -

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13. SHARE CAPITAL (continued)

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

	March 31, 2025 (9 months)		March 31, 2024 (9 months)	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the period	2,190,000	0.72	1,960,000	0.95
Granted during the period	530,000	0.83	515,000	0.56
Exercised during the period	(45,000)	0.54	-	-
Cancelled during the period	(291,000)	0.90	(360,000)	1.74
Outstanding at end of the period	2,384,000	0.72	2,115,000	0.72
Exercisable at end of the period	1,262,326	0.75	1,163,336	0.82

The following table summarizes information on share options outstanding as at March 31, 2025:

Range of exercise price \$	Outstanding at March 31, 2025	Weighted average remaining life (years)	Weighted average exercise price \$	Exercisable at March 31, 2025	Weighted average exercise price \$
0.50 - 0.99	2,114,000	2.95	0.68	992,326	0.66
1.00 - 1.49	270,000	1.22	1.07	270,000	1.07
	2,384,000			1,262,326	

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%	3.87%
Expected life (years)	3	3
Expected volatility (based on historical volatility)	62.02%	66.76%
Expected dividend yield	0%	0%
Fair value of options granted	0.54 \$	0.38 \$

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

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Expense related to share-based compensation	64	43	157	102

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14. INCOME TAXES

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Earnings (loss) before income taxes	3,330	670	9,818	(2,638)
Statutory rates	26.50%	26.50%	26.50%	26.50%
Income taxes based on statutory rates	882	178	2,602	(699)
Increase (decrease) of income taxes due to the following:				
Non-deductible expenses	13	19	39	66
Non-deductible share-based compensation expense	17	11	42	27
Difference of income tax rates between territories	(15)	(80)	(27)	(51)
Withholdings taxes	3	4	13	16
Income tax assets unrecognized	250	342	413	540
Recognition of previously unrecognized deductible temporary differences and tax losses of prior periods	(486)	(1,742)	(855)	(2,374)
Non-taxable portion of capital gain	12	(26)	(80)	(12)
Prior years adjustments	-	-	296	(23)
Other	2	(1)	3	15
Total income tax expense (recovery)	678	(1,295)	2,446	(2,495)

15. ADDITIONAL INFORMATION RELATING TO THE STATEMENTS OF CASH FLOWS

Changes in non-cash operating working capital items:

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Trade and other receivables	(3,819)	(7,919)	(7,602)	(7,272)
Inventories	2,087	1,533	(935)	1,140
Prepaid expenses	(152)	(103)	171	106
Trade and other payables	101	5,715	1,591	7,138
	(1,783)	(774)	(6,775)	1,112

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16. 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.

17. 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 \$231 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 \$169 for 2026, \$32 for 2027 and \$30 for 2028.

Guarantees

As at March 31, 2025, the Company issued some bank guarantees in favor of customers for a total amount of \$6,011 (June 30, 2024: \$3,434), maturing between April 2025 and October 2026. For the nine-month periods ended March 31, 2025 and 2024, the Company has not made any payments in connection with these guarantees.

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18. 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:

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Revenues	40	37	124	109
Expenses	-	7	12	16

As at March 31, 2025, an amount of \$4 was receivable resulting from these transactions (June 30, 2024: \$6).

In addition, for the nine-month period ended March 31, 2025, repayments of a lease liability totalling \$78 were made to Dynamitage Castonguay Ltd. (March 31, 2024: \$69).

Transactions with associate parties

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

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Revenues	7,486	8,953	23,135	24,752

As at March 31, 2025, trade and other receivables included an amount receivable of \$2,468 from one of the Company's associates (June 30, 2024: \$2,801).

As at March 31, 2025, the investment in an associate totaled nil in the interim condensed consolidated statements of financial position (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.

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19. 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 :

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Salaries and fees	296	197	770	609
Share-based compensation	46	30	114	72
	342	227	884	681

20. FINANCIAL INSTRUMENTS

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

Credit risk

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

Fair value

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

The fair value of the long-term 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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20. 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 March 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 March 31, 2025	Carrying value	Fair value	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$
Financial assets measured at amortized cost					
Cash and cash equivalents	1,052	1,052			
Trade and other receivables	38,721	38,721			
Long-term receivable	2,435	2,435			
Financial assets measured at fair value					
Investments	1,247	1,247	1,247	-	-
Financial liabilities measured at amortized cost					
Trade and other payables	29,092	29,092			
Long-term debt	32,011	32,011	-	32,011	-

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 three and nine month periods ended March 31, 2025.

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21. SEGMENTED INFORMATION

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

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

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

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
Contract revenue	\$	\$	\$	\$
Canada	36,143	37,188	102,314	99,752
International ⁽¹⁾	13,921	11,018	39,603	36,115
	50,064	48,206	141,917	135,867
Earnings (loss) from operations				
Canada	1,085	3,149	4,696	4,279
International	1,343	137	5,991	(321)
	2,428	3,286	10,687	3,958
General and corporate expenses ⁽²⁾	(1,181)	1,708	(118)	3,953
Finance costs	723	908	2,286	2,643
Interest revenue	(444)	-	(1,299)	-
Income tax expense	678	(1,295)	2,446	(2,495)
	(224)	1,321	3,315	4,101
Net earnings (loss)	2,652	1,965	7,372	(143)
⁽¹⁾ The International operating segment included Chilean revenue	11,797	9,826	32,886	28,575

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

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
Depreciation and amortization	\$	\$	\$	\$
Canada	1,847	1,922	5,668	5,617
International	510	237	1,126	1,649
Total depreciation and amortization included in earnings (loss) from operations	2,357	2,159	6,794	7,266
Unallocated and corporate assets	229	205	667	700
Total depreciation and amortization	2,586	2,364	7,461	7,966

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21. SEGMENTED INFORMATION (continued)

	As at March 31, 2025	As at June 30, 2024
	\$	\$
Identifiable assets		
Canada	92,314	89,881
Chile	34,739	23,591
International - Other	8,302	6,405
	135,355	119,877
Property, plant and equipment		
Canada	25,734	27,359
Chile	9,396	5,704
International - Other	358	331
	35,488	33,394
Right-of-use assets		
Canada	3,372	2,686
Chile	3,262	294
International - Other	208	231
	6,842	3,211
Intangible assets		
Canada	393	204
Chile	28	7
	421	211

	March 31 2025 (3 months)	March 31 2024 (3 months)	March 31 2025 (9 months)	March 31 2024 (9 months)
	\$	\$	\$	\$
Non-current assets acquisitions				
Canada	2,127	1,516	5,475	7,737
International	1,992	548	7,547	1,623
Unallocated and corporate assets	362	14	546	255
	4,481	2,078	13,568	9,615