GEODRILL LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FIRST QUARTER ENDED MARCH 31, 2019

Management's discussion and analysis ("MD&A") is a review of the operations, the liquidity and the results of operations and capital resources of Geodrill Limited ("Geodrill", the "Company" or the "Group"). The consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion contains forward-looking information. Please see "Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions relating to this MD&A.

This MD&A is a review of activities and results for the three months ended March 31, 2019 as compared to the corresponding period in the previous year and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2019, and also in conjunction with the audited annual consolidated financial statements and corresponding MD&A for the year ended December 31, 2018.

This MD&A is dated May 11, 2019. Disclosure contained in this document is current to that date unless otherwise stated.

Additional information relating to Geodrill, including the Company's Annual Information Form, can be found on SEDAR at www.sedar.com.

All references to "US$" are to United States dollars and all references to "CDN$" are to Canadian dollars.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries, future growth, results of operations, capital needs, performance, business prospects and opportunities. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected ", "budget", "scheduled ", "estimates", "forecasts", "intends", "anticipates" or "believes" or variations (including negative variations) of such words or by the use of words or phrases that state that certain actions, events or results "may", "could ", "would ", "might" or "will " be taken, occur or be achieved.

Forward-looking information is based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking information, there may be other factors that may cause actions, events or results to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize or should assumptions underlying such forward-looking information prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking information contained in this MD&A.

Forward-looking information contained herein is made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

Corporate Overview

Geodrill operates a fleet of Multi-Purpose, Core, Air-Core, Grade Control and Underground drill rigs. The multi-purpose rigs can perform both reverse circulation ("RC") and diamond core ("Core") drilling and can switch from one to the other with little effort or downtime. Multi-purpose rigs provide clients with the efficiency and high productivity of RC drilling and the depth and accuracy of Core drilling without the need to have two different drill rigs on site.

The Company's rigs and support equipment also incorporate a fleet of boosters and auxiliary compressors, which enable Geodrill to achieve high-quality sampling and operations to greater depths.

The state-of-the-art workshops and supply bases at Anwiankwanta, Ghana, at Ouagadougou, Burkina Faso, at Bouake, Cote d'Ivoire, at Bamako, Mali and at Chingola, Zambia provide centralized locations for storage of inventory, equipment and supplies, which in turn minimizes trucking, shipping and supply costs and allows the rigs and inventory to be mobilized to drill sites with minimal delay.

An experienced management team and workforce, a modern fleet of drill rigs and state-of-the-art workshops and supply bases have contributed to Geodrill's reputation as a results-oriented drilling company that strives to achieve greater drilling depths and provide better quality samples than its competitors in the shortest possible time, safely and in a cost-effective and environmentally conscious manner.

Business Strategy

The Company competes with other drilling companies on the basis of price, accuracy, reliability and experience in the marketplace. The Company's competitors consist of both large public companies as well as small local operators.

Management believes that the Company has a number of attributes that result in competitive advantages including:

- **Business Development**: The Company continually improves its operations including the following recent and ongoing developments:

  Maintaining of the Company's strong presence in West Africa in four primary countries being Ghana, Burkina Faso, Cote d'Ivoire and Mali, and the Company is operating in the African Copperbelt in Zambia.

- **A Modern Fleet of Drill Rigs and World Class Workshops:** The Company has accumulated modern state-of-the-art drilling rigs, and established centrally located world class workshops to promote client satisfaction through reliable operational performance. In addition, within the workshop in Ghana is a manufacturing facility with the capacity to produce ancillary equipment such as RC drill rods and RC wire-line drill subs in-house, reducing downtime and reliance on suppliers for these items.

- **Establishing, building and maintaining long-standing relationships with customers:** The Company has strong client relationships. Typically, a longer term client relationship for the Company originally commenced as a short term drill contract won under a competitive bidding process, which has been continually renewed as the respective drilling program of the client has progressed through various phases.

- **Support of well-established international and local vendors:** The Company has fostered long standing relationships with international vendors in Australia, Europe, North America and China and has also been supported in West Africa and Zambia by local branches of these suppliers and other local suppliers.

- **Local Knowledge**: The Company's West African market knowledge, expertise and experience have enabled Geodrill to further develop the local networks required to support its operations.

- **Presence in West Africa and the African Copperbelt:** The Company is able to mobilize drill rigs and associated ancillary equipment within a few days of a request by a client. The well-resourced, centrally located workshops further reduce downtime, as the Company can fairly quickly reach most of its current customer sites.

- **An Active and Experienced Management Team:** Geodrill is led by Dave Harper, President and Chief Executive Officer, Terry Burling, Chief Operating Officer, Greg Borsk, Chief Financial Officer and Greig Rodger, Executive General Manager. This group is also supported by: Stephan Rodrigue, Business Development Manager and Don Seguin, Health, Safety and Environmental ("HSE") Manager.

- **A Skilled and Dedicated Workforce:** A favorable compensation and benefits package, coupled with the Company's track record of quality hiring and commitment to frequent, relevant continuous training programs for both permanent and contract employees, has reduced unplanned workforce turnover even during robust mining cycles. This has also increased efficiency and productivity, ensuring the availability and continuity of a skilled labor force.

- **Maintaining a high level of safety standards to protect its people and the environment**: The Company's HSE Group oversees the design, implementation, monitoring and evaluation of the Company's HSE standards, which standards are generally considered to be stringent standards for drilling firms globally and are higher than what is currently required in all local markets in which Geodrill currently operates. Every aspect of Geodrill's operations is designed to meet the highest HSE standards and includes induction meetings, at least one safety meeting per work site, including non-exploration work sites, regular safety audits and detailed investigations of incidents.

- **Commitment to Excellence:** Geodrill is committed to being a company of the highest standard in every aspect of its business operations. This is the framework used by the Company to guide its personnel towards the Company's goals and to be the customer-preferred partner in providing world class drilling services in West Africa and the African Copperbelt.

Market Participants and Geodrill's Client Base

The Company's client base is predominately in Ghana, Burkina Faso, Cote d'Ivoire and Mali. For the first quarter of 2019, Ghana accounted for 49% of the Company's revenue and Burkina Faso, Cote d'Ivoire, Mali and Zambia collectively accounted for 51% of the Company's revenue, compared to Ghana accounting for 29% of the Company's revenue and Burkina Faso, Cote d'Ivoire and Mali collectively accounting for 71% of the Company's revenue in the first quarter of 2018.

Management's plans include continuing to add new clients in West Africa where gold is the primary mineral and adding new clients in the African Copperbelt where copper is the primary mineral. The Company will, however, take advantage of opportunities in other minerals, including lithium, iron ore, manganese, uranium, phosphate and energy. In addition, the proximity to countries such as Senegal, Mauritania, Liberia, Sierra Leone, Nigeria and Cameroon positions the Company favorably in its ability to service these markets as well, if it so chooses. The Company's clients drilling programs are still predominately for gold in Ghana, Burkina Faso, Cote d'Ivoire and Mali, however, the Company also provides drilling services to clients exploring for copper in Zambia.

The signing of a drilling contract and the actual commencement of drilling do not always happen simultaneously, and in numerous situations there may be a two to three month interval between the signing of an agreement and the commencement of drilling. In addition, given the short-term nature of drilling contracts, there can be no assurance that any contract that the Company currently has will be extended or renewed on terms favorable to the Company. In the event that any of its current contracts are not extended or renewed on favorable terms, or replaced with new contracts, this could have a significant impact on the Company's operations.

For the three months ended March 31, 2019, four customers individually contributed 10% or more to the Company's revenue. One customer contributed 20%, one customer contributed 17%, one customer contributed 16% and one customer contributed 10%.

For the three months ended March 31, 2018, four customers individually contributed 10% or more to the Company's revenue. One customer contributed 29%, two customers contributed 11% each and one customer contributed 10%.

OUTSTANDING SECURITIES AS OF MAY 11, 2019

The Company is authorized to issue an unlimited number of Ordinary Shares. As of May 11, 2019, the Company has the following securities outstanding:

Number of Ordinary Shares	43,884,500
Number of Options	4,388,450
Diluted	48,272,950

From January 1, 2019 to May 11, 2019, 310,000 options were exercised.

OVERALL PERFORMANCE

Revenue Per Country

	Three months ended			
	March 31 2019		March 31 2018	
Location	US$ 000's	%	US$ 000's	%
Ghana	10,860	49%	7,074	29%
Burkina Faso and other	11,267 [(1)]	51%	17,178 [(2)]	71%
	22,127	100%	24,252	100%

[(1)] Included in Burkina Faso and other is Burkina Faso, Cote d'Ivoire, Mali and Zambia.
[(2)] Included in Burkina Faso and other is Burkina Faso, Cote d'Ivoire, and Mali.

Meters Drilled Per Country

	Three months ended			
	March 31		March 31	
Location	2019	%	2018	%
Ghana	98,144	36%	95,418	30%
Burkina Faso and other	174,910 [(1)]	64%	227,468 [(2)]	70%
	273,054	100%	322,886	100%

[(1)] Included in Burkina Faso and other is Burkina Faso, Cote d'Ivoire, Mali and Zambia.
[(2)] Included in Burkina Faso and other is Burkina Faso, Cote d'Ivoire, and Mali.

The Company generated revenue of US$22.1M in the first quarter of 2019, a decrease of US$2.1M or 9% when compared to US$24.3M in the first quarter of 2018. The Company's revenue decreased as the Company drilled less meters and had a different mix of meters drilled in Q1 2019 compared to Q1 2018. Meters drilled in the first quarter of 2019 totaled 273,054 which is a decrease of 15% when compared to 322,886 meters drilled in the first quarter of 2018, however, revenue only decreased by 9% as a result of the changes in the type of meters drilled. In Q1 2019, the Company drilled a higher percentage of reverse circulation and surface core meters versus Q1 2018 and a lower percentage of grade control and air core meters. Reverse circulation and surface core meters are priced higher than grade control and air core meters which contributed to the fact that meters drilled decreased by 15% whereas revenue decreased by only 9%.

The gross profit for the first quarter of 2019 was US$6.4M, being 29% of revenue compared to a gross profit of US$7.5M, being 31% of revenue for the first quarter of 2018. The gross profit decrease is a result of the decrease in revenue of US$2.1M and the decrease in cost of sales of US$1.0M. See "Supplementary Disclosure – Non IFRS Measures" on page 14 and page 15.

EBITDA (as defined herein) for the first quarter of 2019 was US$5.8M, being 26% of revenue, consistent to US$5.8M, being 24% of revenue for the first quarter of 2018. See "Supplementary Disclosure – Non-IFRS Measures" on page 14 and page 15.

The EBIT (as defined herein)) for the first quarter of 2019 was US$3.9M, compared to EBIT of US$4.3M, for the first quarter of 2018. See “Supplementary Disclosure - Non - IFRS Measures" on page 14 and page 15.

The net income for the first quarter of 2019 was US$1.5M or US$0.04 per Ordinary Share (US$0.03 per Ordinary Share fully diluted), compared to US$1.4M for the first quarter of 2018 or US$0.03 per Ordinary Share (US$0.03 per Ordinary Share fully diluted).

SELECTED FINANCIAL INFORMATION

	Three months Ended		% Change
(in US$ 000s)	**2019**	**2018**	**2019 vs 2018**
Revenue	**22,127**	**24,252**	**(9%)**
Cost of Sales	**15,751**	**16,717** (1)	**(6%)**
Cost of Sales (%)	71%	69%	
Gross Profit	**6,376**	**7,535**	**(15%)**
Gross Profit Margin (%)	29%	31%	
Selling, General and Administrative Expenses	**2,715**	**3,091** (1)	**(12%)**
Selling, General and Administrative Expenses (%)	12%	13%	
Foreign Exchange Gain/(Loss)	**260**	**(106)**	
Profit from Operating Activities	**3,921**	**4,338**	**(10%)**
Profit from Operating Activities (%)	18%	18%	
Finance Income	**3**	**1**	
EBIT*	**3,924**	**4,339**	**(10%)**
EBIT (%)	18%	18%	
Finance Cost	**137**	**115**	
Finance Cost (%)	1%	0%	
Profit Before Taxation	**3,787**	**4,224**	**(10%)**
Profit Before Taxation (%)	17%	17%	
Income Tax Expense	**2,259**	**2,856**	**(21%)**
Income Tax Expense (%)	10%	12%	
Net Income	**1,528**	**1,368**	**12%**
Net Income (%)	7%	6%	
EBITDA **	**5,774**	**5,824**	**(1%)**
EBITDA (%)	26%	24%	
Meters Drilled	**273,054**	**322,886**	**(15%)**
Income Per Share			
Basic	**0.04**	**0.03**	
Diluted	**0.03**	**0.03**	
Total Assets	**87,439**	**84,761**	**3%**
Total Long - Term Liabilities	**4,429**	**2,407**	**84%**
Cash Dividend Declared	**NIL**	**NIL**	

(1) For the quarter ended March 31, 2018, the Company reclassified US$3,909,301 from selling, general and administrative expenses to cost of sales. This reclassification had no impact on the net income or earnings per share for the current or prior periods presented as the reclassification relates to the Unaudited Consolidated Statement of Comprehensive Income only and has no effect on the other unaudited financial statements.

*EBIT = Earnings before interest and taxes.

**EBITDA = Earnings before interest, tax, depreciation and amortization.

See "Supplementary Disclosure - Non-IFRS Measures" on page 14 and page 15.

RESULTS OF OPERATIONS

Revenue

The Company recorded revenue of US$22.1M for the first quarter of 2019, compared to US$24.3M for the first quarter of 2018, representing a decrease of 9%. The decrease in revenue is largely attributable to less meters being drilled in Q1 2019 versus Q1 2018, however, this was partially offset by the mix in meters. In Q1 2019, the Company drilled a higher percentage of reverse circulation and surface core meters versus Q1 2018 and a lower percentage of grade control and air core meters. The percentage of meters drilled for Q1 2019 and Q1 2018 are as follows:

	Three months ended	
Meter Type Percentages	Mar 31 2019	Mar 31 2018
Reverse circulation	52%	44%
Surface core	17%	12%
Grade control	14%	25%
Air core	13%	18%
Underground core	4%	1%
	100%	100%

Cost of Sales and Gross Profit

Cost of Sales were US$15.7M for the first quarter of 2019, compared to US$16.7M for the first quarter of 2018, being a decrease of US$1.0M. For the first quarter of 2018, the Company reclassified US$3.8M to cost of sales from selling, general and administrative expenses. This reclassification had no impact on the net income or earnings per share for the current or prior periods presented as the reclassification relates to the Unaudited Consolidated Statement of Comprehensive Income only and has no effect on the other unaudited financial statements.

The decrease in cost of sales for the first quarter of 2019 as compared to the first quarter of 2018 of US$1.0M reflects the following:

- Wages, employee benefits, external services, contractors and other expenses decreased by US$1.0M due to less workers being employed in Q1 2019 versus Q1 2018 and less services were required due to the lower amount of meters drilled and lower revenue in Q1 2019 versus Q1 2018.

- Drill rig expenses and fuel costs decreased by US$0.3M. The reason that drill rig expenses and fuel costs decreased by US$0.3M was as a result of drilling less meters in Q1 2019 versus Q1 2018.

- Depreciation expense increased by US$0.3M as a result of significant additions in the previous years to the Company's property, plant and equipment.

The gross profit for the first quarter of 2019 was US$6.4M, compared to a gross profit of US$7.5M for the first quarter of 2018, being a decrease of US$1.1M. The gross profit percentage for the first quarter of 2019 was 29% compared to 31% for the first quarter of 2018.

Selling, General and Administrative ("SG&A") Expenses

SG&A expenses were US$2.7M for the first quarter of 2019, compared to US$3.1M for the first quarter of 2018, being a decrease of US$0.4M. For the first quarter of 2018, the Company reclassified US$3.8M from selling, general and administrative expenses to cost of sales.

The decrease in SG&A expenses of US$0.4M for the first quarter of 2019 as compared to the first quarter of 2018 reflects the following:

- Wages, employee benefits, external services, contractors and other expenses decreased by US$0.5M associated with less wages and external services being required in the quarter.

- Depreciation expense increased by US$0.1M as a result of additional depreciation on the right-of-use assets that were recorded on January 1, 2019.

Income from Operating Activities

Income from operating activities (after cost of sales, SG&A expenses and foreign exchange gain or loss) for the first quarter of 2019 was US$3.9M, as compared to US$4.3M in the first quarter of 2018.

EBITDA Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 14 and page 15)

EBITDA margin for the first quarter of 2019 was 26% compared to 24% for the first quarter of 2018.

EBIT Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 14 and page 15)

EBIT margin for 2019 was remained unchanged at 18% when compared to an EBIT margin for 2018.

Depreciation

Depreciation of property, plant and equipment and right-of-use assets was US$1.9M (US$1.8M in cost of sales and US$0.1M in SG&A) for the first quarter of 2019 compared to US$1.5M (US$1.4M in cost of sales and US$0.1M in SG&A) for the first quarter of 2018.

Income Tax Expense

Income tax expense was US$2.3M for the first quarter of 2019 compared to income tax expense of US$2.9M for the first quarter of 2018. The current tax expense from withholding tax on revenue amounted to US$1.5M and the current tax expense relating to tax on taxable income amounted to US$0.2M. In addition to the current tax expense, the first quarter 2019 tax expense includes an amount of US$0.6M relating to deferred taxes primarily relating to the utilization of the tax loss carry forwards in the first quarter of 2019.

Net income

The net income was US$1.5M for the first quarter of 2019, or US$0.04 per Ordinary Share (US$0.03 per Ordinary Share fully diluted), compared to US$1.4M for the first quarter of 2018, or US$0.03 per Ordinary Share (US$0.03 per Ordinary Share fully diluted).

SUMMARY OF QUARTERLY RESULTS

	2019	2018				2017		
(in US$ 000s)	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Revenue	22,127	20,396	16,610	27,280	24,252	20,609	20,832	22,621
Revenue Increase / (Decrease) %	*8%*	*23%*	*(39%)*	*12%*	*18%*	*(1%)*	*(8%)*	*22%*
Gross Profit	6,376	5,296 (1)	1,072 (1)	8,361 (1)	7,535 (1)	3,121 (1)	6,672 (1)	7,040 (1)
Gross Margin (%)	*29%*	*26%*	*6%*	*31%*	*31%*	*15%*	*32%*	*31%*
Net Earnings / (Loss)	1,528	386	(3,468)	2,376	1,369	(513)	2,608	2,115
Per Share - Basic	0.04	0.02	(0.08)	0.06	0.03	(0.01)	0.06	0.05
Per Share - Diluted	0.03	0.01	(0.08)	0.05	0.03	(0.01)	0.06	0.05

(1) The Company reclassified amounts from selling, general and administrative expenses to cost of sales. The reclassifications more accurately reflects industry classification and characterizes certain costs that are more variable in nature from selling, general and administrative expenses to cost of sales. The reclassifications had no impact on the net earnings / (loss) per share for the prior periods presented.

The Company's revenue increased on a quarter over quarter basis by US$1.7M or 8% for the first quarter ended March 31, 2019 compared to the fourth quarter ended December 31, 2018. This is the result of more meters being drilled in Q1 2019 versus Q4 2018. The Company was able to generate gross profit of US$6.4M in the current quarter. On a quarter to quarter basis, the Company's revenue decreased by US$2.1M compared to the first quarter ended March 31, 2018, as less meters were drilled in Q1 2019 versus Q1 2018. The Company's revenue continues to average in excess of US$20M per quarter. In the last eight quarters, the Company has only once recorded revenue less than US$20M, which was in Q3 2018, when the Company was severely impacted by the wet season.

The operations have tended to exhibit a seasonal pattern. The first and fourth quarters are affected due to shutdown of exploration activities, often for extended periods over the holiday season. The second quarter is typically affected by the Easter shutdown of exploration activities affecting some of the rigs for up to one week. The wet season occurs (in some geographical areas where the Company operates, particularly in Burkina Faso and Mali) normally in the third quarter, but in the recent years the global weather pattern has become somewhat erratic. In the third quarter of 2018, the Company was impacted by the wet season. The Company has historically taken advantage of the wet season and has scheduled the third quarter for maintenance and rebuild programs for drill rigs and equipment.

Effect of Exchange Rate Movements

The Company's receipts and disbursements are denominated in US Dollars and local currencies. The Company's main exposure to exchange rate fluctuations arises from certain capital costs, wage costs and purchases denominated in other currencies.

The Company's revenue is invoiced in US Dollars and local currencies. The Company's purchases are in Australian Dollars, US Dollars, Euros, Canadian Dollars and local currencies. Other local expenses include purchases and wages which are paid in the local currency.

SELECTED INFORMATION FROM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in US$ 000s)	Three months Ended Mar 31 2019	Mar 31 2018
Net cash generated from / (used in) operating activities	2,238	6,335
Net cash used in investing activities	(2,136)	(3,082)
Net cash used in financing activities	(759)	(475)
Effect of movement in exchange rates on cash	(36)	59
Net (decrease) / increase in cash	(693)	2,837

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As at March 31, 2019, the Company had cash of US$3.9M and US$3.0M still available on the US$3.5M Revolving Line of Credit. As at March 31, 2019, the Company had loans payable of US$5.7M. Since the Company has loans payable, the Company continues to monitor its cash and its capital spending in conjunction with the loans that need to be repaid. As at May 11, 2019, the Company had drawn down US$0.5M on the US$3.5M Revolving Line of Credit.

FIRST QUARTER ENDED MARCH 31, 2019

Operating Activities

In the first quarter of 2019, the Company generated net cash from operating activities of US$2.2M, as compared to net cash from operating activities of US$6.3M in the first quarter of 2018. The Company realized a profit before taxation of US$3.8M for the first quarter of 2019, however, the changes in non-cash items and changes in working capital items decreased cash by US$1.6M, resulting in cash generated from operations of US$2.2M.

Investing Activities

In the first quarter of 2019, the Company's net investment in property, plant and equipment was US$2.1M compared to US$3.1M in the first quarter of 2018. The Company continues to grow and believes that one of the Company's greatest attributes is its ability to maintain a modern fleet of drill rigs and related equipment. The Company understands the importance of this and has significantly invested in its property, plant and equipment. Plant and equipment additions in the first quarter of 2019 included three drill rigs, costs associated with rebuilding existing drill rigs and related equipment, new light vehicles and costs associated with completing certain operating bases. The Company continues to balance the need to grow and reinvest in its property, plant and equipment while ensuring there is enough cash to satisfy the debt repayments as they come due.

Financing Activities

In the first quarter of 2019, the Company used net cash of US$0.7M relating to financing activities. The Company repaid loans in the amount of US$0.6M, paid lease liabilities of US$0.1M, received US$0.2M from the exercise of stock options and paid an amount of US$0.2M on the related party payables. In the

first quarter of 2018, the Company used net cash of US$0.5M relating to financing activities. The Company repaid loans in the amount of US$0.6M and received US$0.1M from the exercise of stock options.

Contractual Obligations

Contractual Obligations in US$	Payments Due by			
	Total	2019	2020	2021
Lease Liabilities [1]	650,000	330,000	240,000	80,000
Loans [2]	5,900,000	2,500,000	2,300,000	1,100,000
Total Contractual Obligations	**6,550,000**	**2,830,000**	**2,540,000**	**1,180,000**

(1) The lease liability relate to the lease payments for the two real estate properties, as fully disclosed under "Transactions with Related Parties". The annual rent payable shall be reviewed on an upward only basis every two years based on USA inflation data. In addition, the lease liabilities includes amounts for other operating sites.
(2) Loans refer to the US$6.5M Medium Term Loan, the US$3.5M Revolving Line of Credit and the Equipment Loan, including the related interest.

Contractual obligations will be funded in the short-term by cash as at March 31, 2019 of US$3.9M, cash flow generated from operations, and the US$3.0M amount still available on the US$3.5M Revolving Line of Credit.

OUTLOOK

The Company is continuing to see a recovery in the mineral drilling sector and is optimistic that the recovery will continue throughout 2019. In addition, although meter pricing remains competitive in the industry, the Company is witnessing prices continuing to stabilize.

As at March 31, 2019, the Company had 67 drill rigs, of which 57 drill rigs were available for operation, seven drill rigs were in the workshop and three drill rigs were in transit.

The Company's drill rig fleet available for operation or planned to be available for operation is noted below:

Make - Model	Type	Available for Operation as at Mar 31, 2019 No. of Rigs		Planned to be available for Operation as at Jun 30, 2019 No. of Rigs		Planned to be available for Operation as at Sep 30, 2019 No. of Rigs		Planned to be available for Operation as at Dec 31, 2019 No. of Rigs	
UDR - 650	Multi-Purpose	2	1x1996 1x2003	2	1x1996 1x2003	2	1x1996 1x2003	2	1x1996 1x2003
UDR - KL900	Multi-Purpose	3	1x1998 1x1999 1x2003	3	1x1998 1x1999 1x2003	3	1x1998 1x1999 1x2003	3	1x1998 1x1999 1x2003
Sandvik - DE840	Multi-Purpose							1	1x2019
Sandvik - DE820	Multi-Purpose	4	1x2007 3x2008	4	1x2007 3x2008	5	1x2007 4x2008	5	1x2007 4x2008
Sandvik - DE810	Multi-Purpose	7	1x2010 6x2012	8	1x2010 7x2012	9	1x2010 7x2012 1x2019	9	1x2010 7x2012 1x2019
EDM - 2000	Multi-Purpose	3	1x2010 1x2011 1x2017	4	2x2010 1x2011 1x2017	5	3x2010 1x2011 1x2017	5	3x2010 1x2011 1x2017
Austex - X900	Multi-Purpose	8	4x2011 1x2012 1x2016 2x2017	8	4x2011 1x2012 1x2016 2x2017	8	4x2011 1x2012 1x2016 2x2017	8	4x2011 1x2012 1x2016 2x2017
UDR - 200	Core	1	1x2008	1	1x2008	1	1x2008	1	1x2008
Sandvik - DE710	Core	8	2x2008 1x2009 5x2010	9	2x2008 1x2009 6x2010	9	2x2008 1x2009 6x2010	9	2x2008 1x2009 6x2010
Sandvik - DE740	Core	8	3x2008 1x2009 2x2011 2x2012	9	4x2008 1x2009 2x2011 2x2012	9	4x2008 1x2009 2x2011 2x2012	9	4x2008 1x2009 2x2011 2x2012
Austex - X300	Aircore Grade Control	6	2x2010 3x2011 1x2016	7	2x2010 3x2011 1x2016 1x2018	7	2x2010 3x2011 1x2016 1x2018	7	2x2010 3x2011 1x2016 1x2018
Austex - X350	RC / Grade Control	1	1x2016	1	1x2016	1	1x2016	1	1x2016
GEO-X350	RC / Grade Control							1	1x2019
Boart Longyear - LM90	Underground	6	1x2017 4x2018 1x2019	6	1x2017 4x2018 1x2019	6	1x2017 4x2018 1x2019	6	1x2017 4x2018 1x2019
Total Drill Rigs Available for Operation		**57**		**62**		**65**		**67**	

	As at Mar 31, 2019		Planned as at Jun 30, 2019		Planned as at Sep 30, 2019		Planned as at Dec 31, 2019	
	No. of Rigs	Type	No. of Rigs	Type	No. of Rigs	Type	No. of Rigs	Type
Available for Operation	27	Multi-Purpose	29	Multi-Purpose	32	Multi-Purpose	33	Multi-Purpose
	17	Core Only	19	Core Only	19	Core Only	19	Core Only
	6	Air core / grade control	7	Air core / grade control	7	Air core / grade control	7	Air core / grade control
	1	RC Grade Control	1	RC Grade Control	1	RC Grade Control	2	RC Grade Control
	6	Underground	6	Underground	6	Underground	6	Underground
TOTAL AVAILABLE FOR OPERATION	57		62		65		67	
In W/Shop	5	Multi-Purpose	4	Multi-Purpose	1	Multi-Purpose		
	1	Air core / grade control	1	RC Grade Control	1	RC Grade Control		
	1	RC / Grade Control						
Total in W/Shop	7		5					
Manufacturing - in production								
Total Manufacturing								
In transit	2	Core Only						
	1	Multi-Purpose						
Total in transit	3							
TOTAL DRILL RIGS	67		67		65		67	

SUPPLEMENTARY DISCLOSURE - NON-IFRS MEASURES

EBIT is defined as Earnings before Interest and Taxes and EBITDA is defined as Earnings before Interest, Taxes, Depreciation and Amortization. The definitions are used in this MD&A as measures of financial performance. The Company believes EBIT and EBITDA are useful to investors because they are frequently used by securities analysts, investors and other interested parties to evaluate companies in the same industry. However, EBIT and EBITDA are not measures recognized by IFRS and do not have standardized meanings prescribed by IFRS. EBIT and EBITDA should not be viewed in isolation and do not purport to be alternatives to net income or gross profit as indicators of operating performance or cash flows from operating activities as a measure of liquidity. EBIT and EBITDA do not have standardized meanings prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies. Also, EBIT and EBITDA should not be construed as alternatives to other financial measures determined in accordance with IFRS.

Additionally, EBIT and EBITDA are not intended to be measures of free cash flow for management's discretionary use, as they do not consider certain cash requirements such as capital expenditures, contractual commitments, interest payments, tax payments and debt service requirements.

Gross profit margin is defined as gross profit as a percentage of revenue. Gross profit margin does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies.

The following table is a reconciliation of Geodrill's results from operations to EBIT and EBITDA:

(US$ 000s)	Three months ended Mar 31, 2019	Mar 31, 2018
Income from Operating Activities	3,921	4,338
Add: Finance Income	3	1
Earnings Before Interest and Taxes (EBIT)	**3,924**	**4,339**
Add: Depreciation and Amortization	1,850	1,486
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	**5,774**	**5,825**

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer (the "CEO") and the Chief Financial Officer (the "CFO") of the Company are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") for the Company as defined under Multilateral Instrument 52-109 issued by the Canadian Securities Administrators. The CEO and the CFO have designed such DC&P, or caused them to be designed under their supervision, to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. As at March 31, 2019, the CEO and CFO evaluated the design and operation of the Company's DC&P. Based on that evaluation, the CEO and CFO concluded that the Company's DC&P were effective as at March 31, 2019.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of its consolidated financial statements in accordance with IFRS.

There were no changes in the Company's internal control over financial reporting during the period beginning on January 1, 2019 and ending on March 31, 2019, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISK FACTORS

A complete discussion of general risks and uncertainties may be found in the Company's Annual Information Form for the fiscal year ended December 31, 2018 which can be found on the SEDAR website at www.sedar.com, and which continue to apply to the business of the Company. The Company is not aware of any significant changes to risk factors from those disclosed at that time.

FAIR VALUES OF FINANCIAL INSTRUMENTS

As at March 31, 2019 and December 31, 2018, the Company did not hold any financial assets at fair value through profit or loss, derivatives or available-for-sale financial assets.

The carrying values of cash, trade and other receivables, trade and other payables and related party payables approximate their fair value due to the relatively short period to maturity of the instruments. The carrying value of loans payable approximates their fair value as the fixed rate loans have been acquired recently and their carrying value continues to reflect fair value.

There were no financial instruments classified as level 2 or 3 in the fair value hierarchy at March 31, 2019 and December 31, 2018.

Financial Instruments by Category

	Financial Assets US$	Financial Liabilities US$	Carrying Amount US$	Total Fair Value US$
March 31, 2019				
Financial assets				
Trade and other receivables	20,343,259	-	20,343,259	20,343,259
Cash	3,924,321	-	3,924,321	3,924,321
	24,267,580	-	24,267,580	24,267,580
Financial liabilities				
Trade and other payables	-	11,524,935	11,524,935	11,524,935
Related party payables	-	693,000	693,000	693,000
Loans payable	-	5,676,307	5,676,307	5,676,307
Lease liabilities	-	649,640	649,640	649,640
	-	18,543,882	18,543,882	18,543,882
December 31, 2018				
Financial assets				
Trade and other receivables	19,061,759	-	19,061,759	19,061,759
Cash	4,617,083	-	4,617,083	4,617,083
	23,678,842	-	23,678,842	23,678,842
Financial liabilities				
Trade and other payables	-	10,761,017	10,761,017	10,761,017
Related party payables	-	923,025	923,025	923,025
Loans payable	-	6,278,236	6,278,236	6,278,236
	-	17,962,278	17,962,278	17,962,278

RELATED PARTY TRANSACTIONS

Related party	Relationship	Country of Incorporation	Ownership Interest 2018	2017
Geodrill Ghana Limited	Subsidiary	Ghana	100%	100%
D.S.I. Services Limited	Subsidiary	British Virgin Islands	100%	100%
Geotool Limited	Subsidiary	British Virgin Islands	100%	100%
Geo-Forage BF SARL	Subsidiary	Burkina Faso	100%	100%
Geo-Forage Cote d'Ivoire SARL	Subsidiary	Cote d'Ivoire	100%	100%
Geo-Forage Mali SARL	Subsidiary	Mali	100%	100%
Geo-Forage Senegal SARL	Subsidiary	Senegal	100%	100%
Geodrill Limited in Zambia	Registered foreign operating entity	Zambia	100%	100%
Geodrill Cote d'Ivoire SARL	Subsidiary	Cote d'Ivoire	100%	N/A
Geodrill Mauritius Limited	Subsidiary	Mauritius	100%	N/A
The Harper Family Settlement	Significant shareholder	Isle of Man	-	-

(i) Transactions with related parties

Transactions with companies within the Group have been eliminated on consolidation.

The Harper Family Settlement owns 40.1% (December 31, 2018: 40.1%) of the issued share capital of Geodrill Limited.

On October 1, 2015, Geodrill Ghana Limited entered into lease agreements with The Harper Family Settlement for the Anwiankwanta property and for the Accra property, both for a five year term at rates consistent with those determined pursuant to the October 1, 2014 rent review. The material terms of the five year lease agreements include: (i) the annual rent payable shall be reviewed on an upward only basis every two years; and (ii) only Geodrill Ghana Limited can terminate the leases by giving twelve months' notice. On October 1, 2016, in conjunction with the rent review, Geodrill Ghana Limited agreed to the increase in rent for the Anwiankwanta property to US$186,000 per annum and the increase in rent for the Accra property to US$78,000 per annum. It was also agreed that all future rent increases will be based on USA inflation data. On August 17, 2018, the lease agreements were updated to arrange for appropriate property damage and liability insurance but all other terms and conditions remained unchanged. On October 1, 2018, in conjunction with the rent review, Geodrill Ghana Limited agreed to the increase in rent for the Anwiankwanta property to US$194,000 per annum and the increase in rent for the Accra property to US$82,000 per annum.

For the period ending March 31, 2019, the right-of-use balance relating to the property above was US$390,427, and the related lease liability of US$394,229

(ii) Key management personnel and directors' transactions

The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. 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 Group and other 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 Group.

Key management personnel and directors' compensation for the year comprised:

	March 31, 2019 US$	March 31, 2018 US$
Short-term benefits	952,273	611,063
Share-based payment arrangements	30,923	84,854
	983,196	695,917

(iii) Related party balances

The related party payable outstanding as at March 31, 2019 amounts to US$693,000 (December 31, 2018: US$923,025) as the Group repaid US$230,025 for the period ending March 31, 2019. The related party payable is to The Harper Family Settlement, is unsecured, interest free and is repayable on demand at the option of the lender.

SIGNIFICANT ACCOUNTING POLICIES

The Company's IFRS significant accounting policies are provided in Note 2 to the audited annual consolidated financial statements for the year ended December 31, 2018 and can be found on SEDAR at www.sedar.com.

NEW AND FUTURE ACCOUNTING STANDARDS

a. Adoption of new and amended accounting pronouncements

IFRS 16 – Leases

The Group has adopted IFRS 16 retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening Statement of Financial Position on January 1, 2019.

On transition, the Group has opted to apply the following practical expedients:
1) The Group used single discount rate to the portfolio of operating leases
2) Opted not to apply IFRS 16 to operating leases for which the lease term ends within 12 months of the date of initial application.

As the opening balances have not been restated, the 2018 balance are classified and measured as follows:

(i) Classification

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are stated as assets of the Company at the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. The corresponding liability to the lessor is included in the Consolidated Statement of Financial Position as a finance lease obligation. Finance costs are charged to profit or loss over the term of the relevant lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period.

Leases where significant portions of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(ii) Lease payments

Payments made under operating leases are charged to comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place. Minimum lease payments made under finance leases are apportioned between finance expense and a reduction of the outstanding lease liability.

Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 8%.

	January 1, 2019 US$
Operating lease commitments disclosed as at December 31, 2018	663,600
Discounted using the lessee's incremental borrowing rate at the date of initial application	608,314
Add: Additional lease liabilities recognized as at December 31, 2018	89,536
(Less): short-term leases recognized on a straight-line basis as expense	(4,800)
Lease liabilities recognized as at January 1, 2019	693,050
Of which are:	
Current lease liabilities	332,969
Non-current lease liabilities	360,081
	693,050

The right-of-use assets were measured at the amount equal to the lease liability, US$693,050, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Statement of Financial Position as at December 31, 2018, US$75,249. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognized right-of-use assets relate to the following types of assets:

	January 1, 2019 US$
Properties	768,299
Total right-of-use asset	768,299

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making

judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values are described in the Company's audited consolidated financial statements for the years ended December 31, 2018 and 2017.

Additional Information

Additional information relating to Geodrill, including the Company's Annual Information Form can be found on SEDAR at www.sedar.com.