GEODRILL LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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") as issued by the International Accounting Standards Board (IASB). 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 and nine months ended September 30, 2023 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 and nine months ended September 30, 2023, and also in conjunction with the audited annual consolidated financial statements and corresponding MD&A for the year ended December 31, 2022.

This MD&A is dated November 11, 2023. 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$" are to United States dollars and all references to "CAD$" 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 currently has operations in five African countries and two South American countries.

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 Bouake, Cote d'Ivoire, at Bamako, Mali, at Lima, Peru and at La Serena, Chile 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:

    West Africa: The Company continues to maintain its strong presence in West Africa in two primary countries being Ghana and Cote d'Ivoire and is still drilling in Mali but to a lesser extent. In Burkina Faso, due to security concerns the Company completed its final drill program in the third quarter of 2023. In the third quarter of 2023, the Company has commenced drilling in Senegal. In Zambia, the Company currently is not drilling and has redeployed its rigs and ancillary equipment to other countries to keep up with demand. Management's plans for its primary countries in West Africa include continuing to add more rigs for existing clients and adding new clients.

Egypt: The Company secured its first drilling contract in Egypt in 2021. During the first quarter of 2022, the Company secured its second drilling contract as it was awarded a significant multi-rig, multi-year underground drilling contract. In Q3 2022, the Company secured an additional two contracts. In Q2 2023, the Company secured an additional contract. Depending on utilization and the availability of rigs, tender proposals and opportunities to acquire new drill rigs, the Company intends to continue to expand its footprint in Egypt.

South America: The Company has set up operations in South America in Chile and Peru however, in the third quarter of 2023, the Company drilled only in Peru near the end of the third quarter. The Company will be drilling in the fourth quarter of 2023 in both Peru and Chile. Management's intention is to continue to add rigs and clients in Chile, Peru and other South American countries as it believes the need for specialized drilling in South America will support Geodrill's expansion into South America. Geodrill has corporate entities in Chile, Peru and Brazil and is considering other South American countries for expansion.

- **A Modern Fleet of Drill Rigs and World Class Workshops:** The Company has accumulated modern state-of-the-art drilling rigs, and continues to invest in new rigs and ancillary equipment with an 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 maintained long standing relationships with international vendors in Australia, Europe, North and South America and China and has also been supported in West Africa, Egypt, Chile and Peru by local branches of these suppliers and other local suppliers.

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

- **Presence in West Africa, Egypt and South America:** The Company is able to mobilize drill rigs and associated ancillary equipment on a timely basis at the request of 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, Zone Manager – Francophone West Africa 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.

- **Environmental, Social and Governance (ESG)**: The Company has always considered our ESG initiatives first and foremost and it is at the center of everything we do. Operating in the mining sector, our impact on the environment has been a key focus for the Company as we continually strive to improve the environment. Our Social impact has been focused on the communities we work in, giving back to the orphanages, schools and shelters but also making sure we transfer the expertise and knowledge of our most experienced employees in developing local employees. Our governance initiatives including our code of conduct and ethics policy, whistleblower policy, bribery and diversity policy are developed by our board of directors and carried out by senior management throughout the organization so that each stakeholder in Geodrill understands the importance of good governance.

- **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.

Market Participants and Geodrill's Client Base

The Company currently operates in Ghana, Cote d'Ivoire, Mali, Senegal, Egypt, Chile and Peru. The Company's drilling focus is still principally on gold and is still primarily in West Africa, however, the Company has diversified its geographic footprint and also provides drilling services to clients in Egypt, Senegal, Peru and Chile. The Company will take advantage of drilling opportunities in other minerals, including copper, lithium, zinc, iron ore, manganese, uranium, phosphate and energy. In addition, the proximity to other African countries and other South American countries positions the Company favorably in its ability to service these markets as well, if it so chooses.

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 September 30, 2023, four customers individually contributed 10% or more to the Group's revenue. One customer contributed 21%, one customer contributed 16%, one customer contributed 14% and one customer contributed 11%.

For the three months ended September 30, 2022, two customers individually contributed 10% or more to the Group's revenue. One customer contributed 19% and one customer contributed 11%.

For the nine months ended September 30, 2023, two customers individually contributed 10% or more to the Group's revenue. One customer contributed 19% and one customer contributed 13%.

For the nine months ended September 30, 2022, two customers individually contributed 10% or more to the Group's revenue. One customer contributed 17% and one customer contributed 10%.

OUTSTANDING SECURITIES AS OF NOVEMBER 11, 2023

The Company is authorized to issue an unlimited number of Ordinary Shares. As of November 11, 2023, the Company has the following securities outstanding:

Number of Ordinary Shares	46,921,400
Number of Options	3,275,000
Diluted	50,196,400

For the nine months ended September 30, 2023, 85,000 shares were issued as a result of options being exercised, 780,000 options were issued and 20,000 options were cancelled.

OVERALL PERFORMANCE

The Company generated revenue of US$30.3M for the third quarter of 2023, a decrease of US$4.9M or 14% when compared to US$35.2M in the third quarter of 2022. In West Africa, for the two primary countries in which the Company operates being Ghana and Cote d'Ivoire, and including Egypt and Senegal, revenue increased on a quarter to quarter basis by US$1.1M. In Burkina Faso, revenue decreased by approximately US$3.1M on a quarter to quarter basis as due to security concerns the Company has wound up all its drill programs in Burkina Faso and has redeployed drilling rigs to other countries. In Mali, revenue decreased by approximately US$2.2M as certain drilling programs came to an end in the third quarter of 2023. In South America, revenue decreased by US$0.7M as the Company only recommenced drilling in Peru late in the third quarter of 2023. With the gold price averaging approximately US$1,925 during the third quarter of 2023, management expects intermediates and major clients' drilling for gold will continue to be strong. The intermediates and majors are continuing to generate sufficient cash flows from their operations and are continuing to spend on production and exploration drilling. The capital markets have been extremely challenging in the third quarter of 2023, as the Company is witnessing less drilling activity from juniors as they are not able to access the capital markets for the necessary funds for their exploration drilling programs.

The gross profit for the third quarter of 2023 was US$5.8M, being 19% of revenue compared to a gross profit of US$10.9M, being 31% of revenue for the third quarter of 2022. The gross profit decrease is a result of the decrease in revenue of US$4.9M combined with an increase in cost of sales of US$0.2M. See "Supplementary Disclosure – Non IFRS Measures" on page 15.

The selling, general and administrative ("SG&A") expenses for the third quarter of 2023 were US$7.7M, being 25% of revenue compared to a SG&A of US$3.9M, being 11% of revenue for the third quarter of 2022. The reason why the Q3 2023 SG&A increased by US$3.8M or 98% is due to the Company recording non-cash expected credit loss provisions of approximately US$3.6M related to the aging of the Company's trade receivables as management has determined to take certain specific credit loss provisions for certain customers. The recording of the non-cash expected loss provision has resulted in the Company recording a deferred tax asset of US$0.7M as in certain jurisdictions where the Company operates, it is considered probable that the Company will generate future taxable income to utilize the related tax benefits.

The foreign exchange loss for the third quarter of 2023 was less than US$0.1M consistent with a foreign exchange loss of US$0.1M for the third quarter of 2022 as a result of fluctuations in foreign currencies.

Other losses for the third quarter of 2023 were US$0.2M compared to other losses of less than US$0.1M for the third quarter of 2022, related to losses on listed equity investments held at fair value through profit and loss that the Company holds.

The EBIT (as defined herein) for the third quarter of 2023 was US$(2.1)M, however, as described in the SG&A paragraph above this includes a US$3.6M non-cash expected credit loss provision related to the aging of the Company's trade receivables, excluding this provision, EBIT would have been US$1.5M for the third quarter of 2023, compared to EBIT of US$6.8M for the third quarter of 2022 (see "Supplementary Disclosure - Non - IFRS Measures" on page 15).

EBITDA (as defined herein) for the third quarter of 2023 was US$0.6M or 2% of revenue, however, as described in the SG&A paragraph above this includes a US$3.6M non-cash expected credit loss provision related to the aging of the Company's trade receivables, excluding this provision, EBITDA would have been US$4.2M or 14% of revenue for the third quarter of 2023, compared to US$9.3M or 26% of revenue for the third quarter of 2022 (see "Supplementary Disclosure – Non-IFRS Measures" on page 15).

The net loss for the third quarter of 2023 was US$(3.0)M or US$(0.06) loss per Ordinary Share (US$(0.06) loss per Ordinary Share diluted), however, as described in the SG&A paragraph above this includes a US$3.6M non-cash expected credit loss provision related to the aging of the Company's trade receivables, excluding this provision, net loss would have been net income of US$0.6M in the third quarter of 2023 or US$0.01 per Ordinary Share (US$0.01 per Ordinary Share diluted) compared to net income of US$3.6M for the third quarter of 2022 or US$0.08 per Ordinary Share (US$0.08 per Ordinary Share diluted).

RESULTS OF OPERATIONS

SELECTED FINANCIAL INFORMATION

(in US$ 000's)	Three Months Ended Sep 30 2023	Sep 30 2022	% Change Sep 30 2023 vs 2022	Nine Months Ended Sep 30 2023	Sep 30 2022	% Change Sep 30 2023 vs 2022
Revenue	**30,292**	**35,166**	**(14%)**	**100,483**	**107,726**	**(7%)**
Cost of Sales	**(24,487)**	**(24,254)**	**1%**	**(74,744)**	**(74,585)**	**0%**
Cost of Sales (%)	81%	69%		74%	69%	
Gross Profit	**5,804**	**10,912**	**(47%)**	**25,738**	**33,141**	**(22%)**
Gross Profit Margin (%)	19%	31%		26%	31%	
Selling, General and Administrative Expenses	**(7,659)**	**(3,867)**	**98%**	**(16,077)**	**(9,672)**	**66%**
Selling, General and Administrative Expenses (%)	25%	11%		16%	9%	
Foreign Exchange (Loss) / Gain	**(58)**	**(139)**		**384**	**(720)**	
Other (Loss) / Income	**(217)**	**(59)**		**(713)**	**385**	
(Loss) / Income from Operating Activities	**(2,130)**	**6,846**	**(131%)**	**9,332**	**23,134**	**(60%)**
(Loss) / Income from Operating Activities (%)	(7%)	19%		9%	21%	
EBIT*	**(2,129)**	**6,846**	**(131%)**	**9,332**	**23,134**	**(60%)**
EBIT (%)	(7%)	19%		9%	21%	
Finance Cost	**(284)**	**(195)**		**(629)**	**(557)**	
(Loss) / Profit Before Taxation	**(2,413)**	**6,651**	**(136%)**	**8,704**	**22,577**	**(61%)**
(Loss) / Profit Before Taxation (%)	(8%)	19%		9%	21%	
Income Tax Expense	**(537)**	**(3,032)**		**(3,562)**	**(7,100)**	
Income Tax Expense (%)	2%	9%		4%	7%	
Net (Loss) / Income	**(2,950)**	**3,619**	**(182%)**	**5,141**	**15,477**	**(67%)**
Net (Loss) / Income (%)	(10%)	10%		5%	14%	
EBITDA **	**646**	**9,303**	**(93%)**	**17,307**	**30,843**	**(44%)**
EBITDA (%)	2%	26%		17%	29%	
(Loss) / Earnings Per Share						
Basic	**(0.06)**	**0.08**		**0.11**	**0.33**	
Diluted	**(0.06)**	**0.08**		**0.11**	**0.33**	
Total Assets	**153,210**	**148,096**		**153,210**	**148,096**	
Total Long - Term Liabilities	**3,402**	**6,241**		**3,402**	**6,241**	
Cash Dividend Declared***	**Nil**	**0.03**		**0.04**	**0.06**	

See "Supplementary Disclosure Non IFRS Measures" on page 15

*EBIT = Earnings before interest and taxes

**EBITDA = Earning before interest, taxes, depreciation and amortization

*** A CAD$0.04 Semi-annual dividend was declared on March 4, 2023.

*** A CAD$0.03 Semi-annual dividend was declared on March 18, 2022.

*** A CAD$0.03 Semi-annual dividend was declared on September 23, 2022.

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 2023 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2022

Revenue

The Company recorded revenue of US$30.3M for the third quarter of 2023, compared to US$35.2M for the third quarter of 2022, representing a decrease of 14%. The decrease in revenue was largely attributable to slower operations from Burkina Faso, Mali and South America on a quarter to quarter basis as the Company due to security concerns completed its last contract in Burkina Fasom, had several drill programs wind-up in Mali and only recommenced drilling in Peru late in the third quarter of 2023.

Cost of Sales and Gross Profit

Cost of Sales for the third quarter of 2023 were US$24.5M, compared to US$24.3M for the third quarter of 2022, being an increase of US$0.2M and reflects the following:

- Drill rig expenses and fuel costs decreased by US$1.4M, consistent with the decrease in drilling activity and revenue.
- Wages, employee benefits, external services, contractors and other expenses increased by US$1.3M due to higher wages and inflationary costs.
- Depreciation expense increased by US$0.3M as a result of recent additions to the Company's drill rigs and plant and equipment.

The gross profit for the third quarter of 2023 was US$5.8M, compared to a gross profit of US$10.9M for the third quarter of 2022, being a decrease of US$5.1M.

Selling, General and Administrative Expenses

SG&A expenses for the third quarter of 2023 were US$7.7M, compared to US$3.9M for the third quarter of 2022, being an increase of US$3.8M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US$0.4M due to higher wages and inflationary costs.
- Expected lifetime credit loss increased by US$3.4M due to a change in the aging profile of trade receivables and managements estimate of additional specific provisions resulting in non-cash expected credit loss provisions made in the quarter of US$3.6M. The Company has had an increase in the trade receivable balance aged over 90 days and has needed to provide additional disclosure on this risk (see "Risk Factors" on page 16).

Foreign Exchange Loss

Foreign exchange loss for the third quarter of 2023 was less than US$0.1M consistent with a foreign exchange loss of US$0.1M in the third quarter of 2022 as a result of fluctuations in foreign currencies.

Other Loss

Other loss for the third quarter of 2023 was US$0.2M compared to other loss of less than US$0.1M in the third quarter of 2022 relating to losses on listed equity investments held at fair value through profit and loss that the Company held.

(Loss) / Income from Operating Activities

Loss from operating activities (after cost of sales, SG&A expenses, foreign exchange gain or loss and other loss or gain) for the third quarter of 2023 was US$(2.1)M, however, as described in the SG&A paragraph above this includes a US$3.6M non-cash expected credit loss provision related to the aging of the Company's trade receivables, excluding this provision, loss from operating activities would have been income from operating activities of US$1.5M for the third quarter of 2023, compared to income of US$6.8M in the third quarter of 2022.

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

The EBIT (as defined herein) for the third quarter of 2023 was US$(2.1)M, however, as described in the SG&A paragraph above this includes a US$3.6M non-cash expected credit loss provision related to the aging of the Company's trade receivables, excluding this provision, EBIT would have been US$1.5M for the third quarter of 2023, compared to EBIT of US$6.8M for the third quarter of 2022.

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

EBITDA was US$0.6M for the third quarter of 2023 or 2%, however, as described in the SG&A paragraph above this includes a US$3.6M non-cash expected credit loss provision related to the aging of the Company's trade receivables, excluding this provision, EBITDA would have been US$4.2M or 14% of revenue for the third quarter of 2023, compared to US$9.3M or 26% of revenue for the third quarter of 2022.

Depreciation

Depreciation for the third quarter of 2023 was US$2.8M (US$2.5M in cost of sales and US$0.3M in SG&A) compared to US$2.5M (US$2.1M in cost of sales and US$0.4M in SG&A) for the third quarter of 2022.

Income Tax Expense

Income tax expense for the third quarter of 2023 was US$0.5M compared to income tax expense of US$3.0M for the third quarter of 2022. The income tax expense decrease is due to the lower profit before tax in the third quarter of 2023 versus the third quarter of 2022. The income tax expense of US$0.5M for the third quarter of 2023 was comprised of US$0.8M relating to tax expense on taxable income, US$2.3M relating to a deferred tax recovery and US$2.0M relating to withholding tax expense.

Net (loss) / income

The net loss for the third quarter of 2023 was US$(3.0)M, or US$(0.06) per Ordinary Share (US$(0.06) per Ordinary Share diluted), however, as described in the SG&A paragraph above this includes a US$3.6M non-cash expected credit loss provision related to the aging of the Company's trade receivables, excluding this provision, net loss would have been net income of US$0.6M in the third quarter of 2023 or US$0.01 per Ordinary Share (US$0.01 per Ordinary Share diluted), compared to income of US$3.6M for the third quarter of 2022, or US$0.08 per Ordinary Share (US$0.08 per Ordinary Share diluted).

NINE MONTHS ENDED SEPTEMBER 30, 2023 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 2022

Revenue

The Company recorded revenue of US$100.5M for the nine months ended September 30, 2023, compared to US$107.7M for the nine months ended September 30, 2022, representing a decrease of US$7.2M or 7%. The decrease in revenue was largely attributable to the Company's decision due to security concerns to withdraw from Burkina Faso, resulting in less revenue of US$9.9M from Burkina Faso for the nine months ended September 2023 versus the nine months ended September 30, 2022.

Cost of Sales and Gross Profit

Cost of Sales for the nine months ended September 30, 2023 were US$74.7M, compared to US$74.6M for the nine months ended September 30, 2022, being an increase of US$0.1M and reflects the following:

- Drill rig expenses and fuel costs decreased by US$1.3M, consistent with the decrease in drilling activity and revenue.
- Wages, employee benefits, external services, contractors and other expenses increased by US$1.3M due to higher wages and inflationary costs.
- Depreciation expense increased by US$0.2M as a result of recent additions to the Company's drill rigs and plant and equipment.
- Repairs and maintenance decreased by US$0.1M as less repairs were required in the quarter.

The gross profit for the nine months ended September 30, 2023 was US$25.7M, compared to a gross profit of US$33.1M for the nine months ended September 30, 2022, being a decrease of US$7.4M. The gross profit percentage for the nine months ended September 30, 2023 was 26% and for the nine months ended September 30, 2022 it was 31%.

Selling, General and Administrative Expenses

SG&A expenses for the nine months ended September 30, 2023 were US$16.1M, compared to US$9.7M for the nine months ended September 30, 2022, being an increase of US$6.4M and reflecting the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US$2.0M due to higher wages and inflationary costs.
- Expected lifetime credit loss increased by US$4.4M due to a change in the aging profile of trade receivables and managements estimate of additional specific provisions resulting in non-cash expected credit loss provisions made in the nine months ended September 30, 2023 of US$4.9M. The Company has had an increase in the trade receivable balance aged over 90 days and has needed to provide additional disclosure on this risk (see "Risk Factors" on page 16).

- Depreciation expense increased by US$0.1M as a result of recent additions to the Company motor vehicle fleet.

Foreign Exchange Gain / (Loss)

Foreign exchange gain for the nine months ended September 30, 2023 was US$0.4M compared to a foreign exchange loss of US$(0.7)M in the nine months ended September 30, 2022 as a result of fluctuations in foreign currencies.

Other (Loss) / Gain

Other loss for the nine months ended September 30, 2023 was US$(0.7)M compared to other gain of US$0.4M in the nine months ended September 30, 2022 relating to losses and gains on listed equity investments held at fair value through profit and loss that the Company held.

Income from Operating Activities

Income from operating activities (after cost of sales, SG&A expenses, foreign exchange gain or loss and other loss or gain) for the nine months ended September 30, 2023 was US$9.3M, however, as described in the SG&A paragraph above this includes a US$4.9M non-cash expected credit loss provision related to the aging of the Company's trade receivables, excluding this provision, income from operating activities would have been US$14.2M for the nine months ended September 30, 2023, compared to US$23.1M in the nine months ended September 30, 2022.

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

The EBIT (as defined herein) for the nine months ended September 30, 2023 was US$9.3M, however, as described in the SG&A paragraph above this includes a US$4.9M non-cash expected credit loss provision related to the aging of the Company's trade receivables, excluding this provision, EBIT would have been US$14.2M for the nine months ended September 30, 2023, compared to EBIT of US$23.1M for the nine months ended September 30, 2022.

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

EBITDA was US$17.3M for the nine months ended September 30, 2023 or 17%, however, as described in the SG&A paragraph above this includes a US$4.9M non-cash expected credit loss provision related to the aging of the Company's trade receivables, excluding this provision, EBITDA would have been US$22.2M or 22% of revenue for the nine months ended September 30, 2023, compared to US$30.8M or 29% of revenue for the nine months ended September 30, 2022.

Depreciation

Depreciation for the nine months ended September 30, 2023 was US$8.0M (US$6.9M in cost of sales and US$1.1M in SG&A) compared to US$7.7M (US$6.7M in cost of sales and US$1.0M in SG&A) for the nine months ended September 30, 2022.

Income Tax Expense

Income tax expense for the nine months ended September 30, 2023 was US$3.6M compared to income tax expense of US$7.1M for the nine months ended September 30, 2022. The income tax expense decrease is due to the lower profit before tax in the nine months ended September 30, 2023 versus the nine months ended September 30, 2022. The income tax expense of US$3.6M was comprised of

US$2.5M relating to tax expense on taxable income, US$1.3M relating to a deferred tax recovery and US$2.4M relating to withholding tax.

Net income

The net income for the nine months ended September 30, 2023 was US$5.1M, or US$0.11 per Ordinary Share (US$0.11 per Ordinary Share diluted), however, as described in the SG&A paragraph above this includes a US$4.9M non-cash expected credit loss provision related to the aging of the Company's trade receivables, excluding this provision, net income would have been US$10.0M in the nine months ended September 30, 2023 or US$0.21 per Ordinary Share (US$0.21 per Ordinary Share diluted), compared to US$15.5M for the nine months ended September 30, 2022, or US$0.33 per Ordinary Share (US$0.33 per Ordinary Share diluted).

SUMMARY OF QUARTERLY RESULTS

	2023			2022				2021
(in US$ 000s)	**Sep 30**	**Jun 30**	**Mar-31**	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**	**Dec 31**
Revenue	30,292	32,629	37,562	30,900	35,166	39,151	33,409	26,741
Revenue (Decrease) / Increase %	*(7%)*	*(13%)*	*22%*	*(12%)*	*(10%)*	*17%*	*25%*	*(2%)*
Gross Profit	5,804	7,758	12,176	7,436	10,912	12,419	9,811	6,493
Gross Margin (%)	*19%*	*24%*	*32%*	*24%*	*31%*	*32%*	*29%*	*24%*
Net (Loss) / Earnings	(2,950)	1,962	6,130	3,441	3,619	5,907	5,951	2,758
Per Share - Basic	(0.06)	0.04	0.13	0.07	0.08	0.13	0.13	0.06
Per Share - Diluted	(0.06)	0.04	0.13	0.06	0.08	0.13	0.13	0.06

The Company's revenue of US$30.3M represents a decrease on a quarter over quarter basis by US$2.3M or 7% for the third quarter of 2023, compared to the second quarter of 2023. On a quarter to quarter basis, the Company's revenue decreased by US$4.9M or 14% compared to the third quarter of 2022.

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, however the first quarter of 2023 was busy and not affected by the shutdown. The second quarter is typically affected by the Easter shutdown of exploration activities affecting some of the rigs for up to one week, however, the second quarter was not affected by Easter. The wet season occurs (in some geographical areas where the Group operates, particularly in Mali) normally in the third quarter, but in recent years the global weather pattern has become somewhat erratic, however, the third quarter was affected by the wet season. The Group 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 holding foreign currencies, having receivables in foreign currencies, certain capital costs, wage costs and purchases denominated in foreign 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

	Three months ended		Nine months ended	
(in US$ 000s)	Sep 30 2023	Sep 30 2022	Sep 30 2023	Sep 30 2022
Net Cash generated from operating activities	826	6,591	7,027	15,467
Net Cash used in investing activities	(3,377)	(3,381)	(11,322)	(12,137)
Net Cash provided from financing activities	1,224	4,192	6,206	7,179
Effect of movement in exchange rates on cash	(221)	(109)	(143)	(706)
Net (decrease) / increase in cash	(1,548)	7,293	1,768	9,803

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As at September 30, 2023, the Company had cash of US$16.2M and loans payable of US$12.6M resulting in net cash (excluding lease liabilities) of US$3.6M. In addition, the Company has US$0.5M still available on the US$6.0M Medium Term Loan and US$2.0M still available on the US$4.0M Medium Term Loan. 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.

THIRD QUARTER ENDED SEPTEMBER 30, 2023

Operating Activities

In the third quarter of 2023, the Company generated net cash from operating activities of US$0.8M, as compared to US$6.6M in the third quarter of 2022. The Company realized loss before taxation of US$2.4M for the third quarter of 2023, and the changes in non-cash items, changes in working capital items and the payment of finance costs and income taxes increased cash by US$3.2M, resulting in cash generated from operations of US$0.8M.

Investing Activities

In the third quarter of 2023, the Company's net investment in property, plant and equipment was US$3.4M compared to US$4.2M in the third quarter of 2022. The Company continues to reinvest and upgrade its fleet in order 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 third quarter of 2023 included a new drill rig, costs associated with rebuilding existing drill rigs and related equipment, new light vehicles and costs associated with completing certain workshops and supply bases.

Financing Activities

In the third quarter of 2023, the Company generated net cash of US$1.2M from financing activities. The Company received loans of US$2.0M, repaid loans in the amount of US$0.7M and paid lease liabilities of US$0.1M. In the third quarter of 2022, the Company generated net cash of US$4.2M relating to financing activities. The Company received loans of US$5.1M, repaid loans in the amount of US$0.7M and paid lease liabilities of US$0.2M.

NINE MONTHS ENDED SEPTEMBER 30, 2023

Operating Activities

In the nine months ended September 30, 2023, the Company generated net cash from operating activities of US$7.0M, as compared to US$15.5M in the nine months ended September 30, 2022. The Company realized profit before taxation of US$8.7M for the nine months ended September 30, 2023, however, the changes in non-cash items, changes in working capital items and the payment of finance costs and income taxes decreased cash by US$1.7M, resulting in cash generated from operations of US$7.0M.

Investing Activities

In the nine months ended September 30, 2023, the Company's net investment in property, plant and equipment was US$11.3M compared to US$12.1M in the nine months ended September 30, 2022. The Company continues to reinvest and upgrade its fleet in order 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 nine months ended September 30, 2023 included a new drill rig, costs associated with rebuilding existing drill rigs and related equipment, new light vehicles and costs associated with completing certain workshops and supply bases.

Financing Activities

In the nine months ended September 30, 2023, the Company generated net cash of US$6.2M from financing activities. The Company received loans of US$10.0M, paid dividends of US$1.4M, repaid loans in the amount of US$2.0M, paid lease liabilities of US$0.6M and received US$0.1M from the exercise of stock options. In the nine months ended September 30, 2022, the Company generated net cash of US$7.2M relating to financing activities. The Company received loans of US$10.1M, repaid loans in the amount of US$3.6M, received US$2.5M from the exercise of stock options, paid dividends of US$1.1M and paid lease liabilities of US$0.7M.

Contractual Obligations

Contractual Obligations (in US$ 000s)	Payments Due by				
	Total	2023	2024	2025	2026 and older
Loans (1)	13,300	935	12,025	340	-
Lease liabilities (2)	905	175	522	175	33
Purchase obligation (3)	1,850	-	1,850	-	-
Total Contractual Obligations	16,055	1,110	14,397	515	33

(1) Loans refer to amounts owing on the US$10.0M Revolving Line of Credit, US$6.0M Medium Term Loan and the US$4.0M Medium Term Loan, including the related interest.
(2) The lease liabilities relate to the lease payments for the two real estate properties, as fully disclosed under "Transactions with Related Parties". In addition, the lease liabilities includes amounts for other operating sites.
(3) The purchase obligation relates to the purchase of a drill rig that the Company expects to be shipped in the third quarter of 2024.

Contractual obligations will be funded in the short-term by cash as at September 30, 2023 of US$16.2M, the US$0.5M still available on the US$6.0M Medium Term Loan, the US$2.0M still available on the US$4.0M Medium Term Loan and cash flow generated from operations.

OUTLOOK

The Company has operated in West Africa for 25 years and has invested a significant amount of capital into its drill rig fleet operating in the region with advantages in the form of experience in the market place, accuracy, reliability and safety, which have been key factors in the awarding of contracts and the long-term increase in the Company's revenue. The Company also continued to drill in Egypt during the third quarter of 2023. The Company further diversified its presence in West Africa as it started drilling in Senegal in the third quarter of 2023 and the Company recommenced drilling in Peru late in the third quarter of 2023. The Company has also been successful in expanding its client base to include a mix of majors, intermediates and juniors which has contributed to the increase in overall drilling activity and a well balanced mix of drilling services, however, as the capital markets have been extremely challenging in the third quarter of 2023, the Company is lately providing more drilling services to the majors and intermediates.

As at September 30, 2023, the Company had 77 drill rigs of which 75 drill rigs are available for operation and two drill rigs are in the workshop. In addition, the Company rented four rigs, resulting in a total drill rig fleet as at September 30, 2023, of 81 rigs.

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:

	Three months ended		Nine months ended	
(US$ 000s)	**Sep 30, 2023**	**Sep 30, 2022**	**Sep 30, 2023**	**Sep 30, 2022**
Total comprehensive income	(2,950)	3,619	5,141	15,477
Add: Income taxes	537	3,032	3,562	7,100
Add: Finance costs	284	195	629	557
Earnings Before Interest and Taxes (EBIT)	(2,129)	6,846	9,332	23,134
Add: Depreciation & Amortization	2,775	2,457	7,975	7,709
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	646	9,303	17,307	30,843

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 September 30, 2023, 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 September 30, 2023.

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.

Management has evaluated the design and operation of the Company's internal controls over financial reporting as of September 30, 2023, and has concluded that such controls over financial reporting are effective. There are no material weaknesses that have been identified by management in this regard.

There were no changes in the Company's internal control over financial reporting during the period beginning on January 1, 2023 and ending on September 30, 2023, 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, 2022 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 other than the following:

Credit Risk

The Company provides credit to its clients in the normal course of its operations. The Company provides for lifetime expected credit losses (ECLs) for trade receivables. The Company uses the simplified approach to recognizing ECLs for its trade receivables that don't have a significant financing component. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience applied to the aging of receivables, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at each reporting date. In addition, recently the Company had noticed that certain accounts in the greater than 90 days category were taking longer to pay and certain accounts were having difficulty paying and therefore the Company needed to provide for certain specific accounts. The estimates and underlying assumptions of the trade receivables are reviewed on an ongoing basis. Management needs to make significant judgments, estimates and assumptions in determining the carrying values of the trade receivables and in the third quarter of 2023 increased the non-cash expected credit loss provisions by approximately US$3.6M. Management will need to assess the carrying value of the trade receivables on an ongoing basis and the future estimate of the carrying value as determined each quarter may decrease significantly depending on debtors continued ability to pay and their financial well-being. As at September 30, 2023, an amount of US$15.4M or 37% of the trade accounts receivable are aged over 90 days. As at September 30, 2023 the Company has approximately US$6.1M in non-cash expected credit loss provisions against its greater than 90 day category of trade receivables. The Company's normal credit terms are 30 to 60 days. The Company continues to follow up regularly with clients that have trade accounts receivable aged over 90 days. Most of the clients with trade accounts receivable balances aged over 90 days are in the process of raising additional capital.

Dependence on Customers with Capital Raising Challenges

From time to time, the Company may be dependent on customers for a significant portion of revenue and net income who, due to their relative size, could be challenged to attract funding to achieve their business plans. Should a number of our customers face serious capital raising constraints, there can be no guarantee that the Company will be able to secure sufficient replacement customers, potentially leading to future reduced revenue and income levels. Consequently, the Company continues to work to expand its client base to mitigate its exposure to customers with capital raising challenges. If our customers with trade accounts receivable balances aged over 90 days face serious capital raising constraints and are unable to raise capital, the Company may need to provide for additional expected life time credit losses which could have a material impact on net income in any given quarter.

As at September 30, 2023, the aging of the trade receivable balances aged over 90 days has increased from December 31, 2022 as follows:

	September 30, 2023		December 31, 2022	
	US$ Gross	US$ Net of ECL	US$ Gross	US$ Net of ECL
Less than 30 days	14,303,057	14,299,006	11,280,758	11,278,002
31 - 60 days	6,807,295	6,805,347	10,634,892	10,629,948
61 - 90 days	5,073,411	4,967,020	5,387,768	5,274,693
91 days and greater	15,393,888	9,263,720	7,594,788	6,325,929
	41,577,651	35,335,093	34,898,206	33,508,572

FAIR VALUES OF FINANCIAL INSTRUMENTS

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. The fair value of financial assets held at fair value through profit and loss are measured using quoted market prices.

There were no financial instruments classified as level 2 or 3 in the fair value hierarchy at September 30, 2023 and December 31, 2022.

RELATED PARTY TRANSACTIONS

Related party	Relationship	Location	2023	2022
Geodrill Mauritius Limited	Subsidiary	Mauritius	100%	100%
Geodrill Ghana Ltd	Subsidiary	Ghana	100%	100%
Geodrill Cote d'Ivoire SARL	Subsidiary	Cote d'Ivoire	100%	100%
Drilling Services Malta Limited	Subsidiary	Malta	100%	100%
Vannin Resources, Unipessoal Limitada	Subsidiary	Madeira	100%	100%
Geodrill Sondagens LTDA	Subsidiary	Brazil	100%	100%
Silver Back Egypt for Mining and Drilling Services S.A.E.	Subsidiary	Egypt	100%	100%
Geodrill for Leasing and Specialized Services Freezone LLC	Subsidiary	Egypt	100%	100%
Geodrill Leasing Company Limited	Subsidiary	Isle of Man	100%	100%
Geodrill Senegal SARL	Subsidiary	Senegal	100%	N/A
Recon Drilling S.A.C.	Subsidiary	Peru	95%	95%
Geo-Drill SARL	Subsidiary	Mali	95%	95%
Recon Drilling Chile SPA	Subsidiary	Chile	95%	95%
Geodrill BF	Branch	Burkina Faso	100%	100%
Geodrill Mali	Branch	Mali	100%	100%
Geodrill Limited Zambia	Branch	Zambia	100%	100%
Geodrill Mauritius Egypt Branch Limited	Branch	Egypt	100%	100%
The Harper Family Settlement	Significant shareholder	Isle of Man	-	-
GTS Drilling Ltd	Common Control	Ghana	-	-

(i) Transactions with related parties

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

The Harper Family Settlement owns 37.3% (December 31, 2022: 37.4%) of the issued share capital of Geodrill Limited.

On October 1, 2022, Geodrill Ghana Ltd entered into new lease agreements with The Harper Family Settlement for the Anwiankwanta property and for the Accra property, both for a two year term and rent for the Anwiankwanta property of US$230,000 per annum and rent for the Accra property of US$93,000 per annum. The material terms of the two year lease agreements include: (i) the annual rent payable shall be reviewed on an upward only basis on or before October 1, 2024; and (ii) only Geodrill Ghana Ltd can terminate the leases by giving twelve months' notice. It was also agreed that all future rent increases will be based on USA inflation data.
For the period ending September 30, 2023, the right-of-use assets relating to the properties above was US$302,942 (December 31, 2022: US$530,148) and the related lease liabilities were US$314,192 (December 31, 2022: US$534,780).

The Group has paid fees to MS Risk Limited during the nine month period ended September 30, 2023 of US$Nil (September 30, 2022 of US$36,677). One of the directors of MS Risk Limited is also a director of Geodrill Limited.

(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:

	Three month period ended September 30,		Nine month period ended September 30,	
	2023	2022	2023	2022
	US$	US$	US$	US$
Short-term benefits	861,074	1,345,433	3,736,264	4,643,801
Share-based payment arrangements	62,794	52,082	328,607	211,570
	923,868	1,397,515	4,064,871	4,855,371

SIGNIFICANT ACCOUNTING POLICIES

The Company's IFRS significant accounting policies are provided in Note 2 to the quarterly unaudited consolidated financial statements as at and for the period ended September 30, 2023 and Note 2 to the audited annual consolidated financial statements for the year ended December 31, 2022 and can be found on SEDAR at www.sedar.com.

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.

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, 2022 and 2021. The financial position and performance of the Company as at and for the period ended September 30, 2023 was particularly affected by the impairment of certain accounts receivable.

Trade receivables are initially recorded at fair value. The carrying amounts for trade accounts receivable are net of lifetime expected credit losses ("ECL"). The measurement of the ECL allowance for trade accounts receivable requires the use of management judgment in choosing estimation techniques, selecting key inputs and making significant assumptions about future economic conditions and credit behavior of the customers, including the likelihood of customers defaulting and the resulting losses.

Management uses a provision matrix to determine the ECL for trade receivables. The provision matrix is used to estimate future credit losses based on the Company's historical credit loss experience. The ECL determined by the provision matrix is adjusted for current and forward-looking information relating to future economic conditions and factors specific to individual debtors that were identified to be higher risk of default. Significant judgements are made in determining the adjustments for these factors. Although the company does not have a history of significant write offs of trade receivables there are large aged trade receivable balances for which judgement is required to determine the measurement of the impairment provision at the reporting date.

Additional Information

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