



**ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

March 31, 2015

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GENERAL

Reference is made in this annual information form (the “**Annual Information Form**” or “**AIF**”) to the audited financial statements (the “**Financial Statements**”) and management’s discussion and analysis (the “**MD&A**”) for Geodrill Limited (“**Geodrill**” or the “**Company**”) for the fiscal years ended December 31, 2014 and December 31, 2013, together with the auditor’s report thereon.

The Financial Statements and MD&A are available for review under the Company’s SEDAR profile located at www.sedar.com. All financial information in this Annual Information Form is prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

Unless otherwise noted herein, information in this AIF is presented as at December 31, 2014. In this AIF, references to “\$” are to U.S. dollars, unless otherwise noted.

All references in this AIF to the Company also include references to all subsidiaries of the Company as applicable, unless the context requires otherwise.

STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information contained in this Annual Information Form constitutes “forward-looking information” under Canadian securities legislation, 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 statements 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 AIF, including but not limited to risks related to: debt level, dependence on customers with capital raising challenges, client contracts, competition, cyclical downturns, revenues and EBITDA, global financial condition, Ebola Virus, foreign currency exposure, concentration of currency, dependence on certain key personnel, sensitivity to general economic conditions, political instability, specialized skills and cost of labour increases, increased cost of sourcing consumables and drilling equipment, inability to sustain revenue levels, international expansion and instability, operational risks and liability, business interruptions, risk to the Company’s reputation, environment, labour and health and safety requirements and related considerations, insurance limits, uncertain legal and regulatory frameworks, tax risk, credit risk, risks due to foreign incorporation, equity market risks, influence of existing shareholders and future sales by The Harper Family Settlement and Dave Harper, lack of dividend payments and dilution.

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. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

CORPORATE STRUCTURE

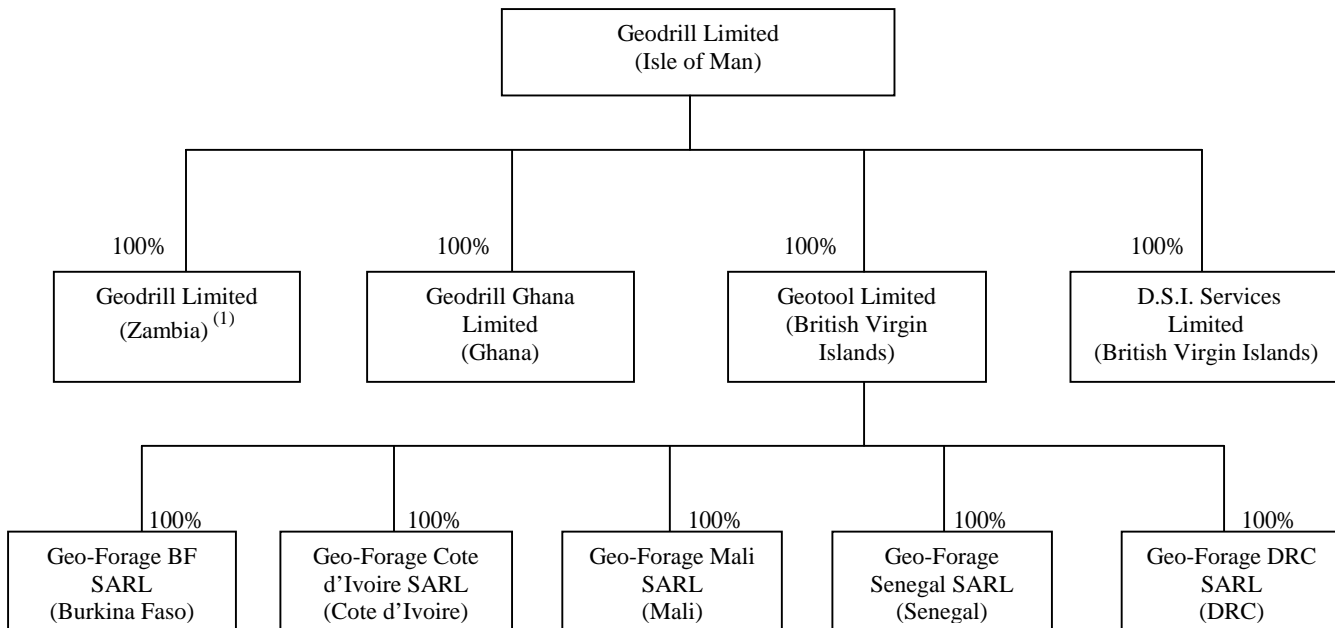
Name, Address and Incorporation

Geodrill Limited was incorporated in the Isle of Man under the *Companies Act 1931 to 1993* on April 15, 1998 as a private company limited by shares. On May 9, 2007, the Company was re-registered under the *Isle of Man Companies Act 2006* (the “**IOM Act**”). On November 15, 2010, the Company amended and restated its memorandum and articles of association to remove the private company restrictions contained therein and adopted memorandum and articles of association for a public company. The Company’s head and registered office is located at Ragnall House (South Suite), 18 Peel Road, Douglas, Isle of Man IM1 4LZ. The registered agent for the Company is Clearwater Fiduciary Services Limited. The corporate location of the Company’s subsidiary, Geodrill Ghana Limited, is located at P.O. Box KIA 16184, 20B Aviation Road, Airport Residential, Accra, Ghana.

Inter-corporate Relationships

The Company has eight wholly-owned subsidiaries, Geodrill Ghana Limited (which enters into and services contracts in Ghana), D.S.I. Services Limited. (whose role is to purchase certain inventory and capital equipment and pay certain expenses), Geotool Limited (which serves as a holding company for certain companies in the group), Geo-Forage BF SARL (which serves as the administrative company in Burkina Faso), Geo-Forage Cote d’Ivoire SARL (which enters into and services contracts in respect of drilling operations in Cote d’Ivoire), Geo-Forage Mali SARL (which enters into and services contracts in respect of drilling operations in Mali), Geo-Forage Senegal SARL (which enters into and services contracts in respect of drilling operations in Senegal) and Geo-Forage DRC SARL (which enters into and services contracts in respect of drilling operations in Democratic Republic of Congo). The Company also has one wholly-owned branch, Geodrill Limited (which enters into and services contracts in Zambia).

The following chart illustrates the Company’s corporate structure, including the jurisdiction of incorporation of each subsidiary and branch and the percentage of voting securities held by the Company in each subsidiary and branch.



Note:

⁽¹⁾ Geodrill Limited is considered a branch, not a subsidiary, under Zambian law.

GENERAL DEVELOPMENT OF THE BUSINESS

In December, 2010, the Company completed an initial public offering and listing on the Toronto Stock Exchange.

As at the year ended December 31, 2014 and as at the date hereof, the Company maintained a fleet of 39 drill rigs, of which 36 were available for operation, two drill rigs were in the workshop and one additional drill rig was on order being manufactured.

The Company strives to be the preferred drilling partner in Africa by providing the safest, most cost-effective drilling services with minimal environmental impact. The Company plans to maintain its relationships with existing customers and develop new customers, both in existing markets and in new markets (geographical and drilling service markets). In order to achieve its goals, the Company will work towards achieving the highest safety standards and focus on customers' needs by responding rapidly to their needs.

The Company commenced operations in Ghana in September 1998 with one drill rig. Since 1998 the Company has grown from operating one rig to 39 rigs and expanded from conducting its operations solely in Ghana to having operated in Burkina Faso, Cote d'Ivoire, Niger, Guinea, Togo, Mali and is now entering the African Copperbelt.

During 2012, the Company expanded its geographic operations as it re-entered Cote d'Ivoire, initiated drilling activity in Niger and entered Guinea in early 2013. Additionally, Geodrill expanded its drilling services offerings by entering into contracts for iron ore, uranium and manganese.

In order to expand its drill rig fleet to meet customer demand, in 2012, the Company entered into two Sale and Purchase agreements with Sandvik Mining and Construction (the "**Sandvik Agreements**") relating to the purchase of six drill rigs with an aggregate cost of \$5.2 million. The Company has made all of the payments required under the Sandvik Agreements.

Between 2012 and 2014, the Company entered into a number of loan arrangements with Zenith Bank (Ghana) Limited ("**Zenith Bank**") to assist in funding the operations of the Company. The Company currently has drawn \$5 million under a credit line and \$2 million under its term loan. The company has an additional \$2 million available to it under the terms of a credit line with Zenith Bank. The Company continues to be in compliance with its covenants under its term loan and credit facilities.

In 2013 and 2014, new subsidiaries were incorporated in Mali (Geo-Forage Mali SARL), Senegal (Geo-Forage Senegal SARL) and the Democratic Republic of Congo (Geo-forage DRC SARL) under Geotool Limited (incorporated in the British Virgin Islands) as part of its initiative to expand its customer base in new African jurisdictions.

The Company continues to believe that there is an industry wide slowdown in drilling activities as there is pressure on early stage exploration companies as financing from the capital markets becomes more challenging and there is also pressure on producing companies as they continue to need to manage their exploration costs in light of increasing costs on the production side of their business. The Company believes that the slowdown in drilling activity will continue into 2015. As such, concurrent with the Company's revenue generating strategy, the Company has taken continuing steps to expand its current client base and aggressively pursue new clients, while taking steps to control costs including, monitoring its workforce and is minimizing certain capital expenditures in 2015.

DESCRIPTION OF BUSINESS

General

Geodrill Limited is a leading West African based drilling company providing exploration and development drilling services to major, intermediate and junior mining companies with exploration, development and production operations in West Africa and the African Copperbelt.

Over the course of the Company's operations in West Africa, the Company has built up a diverse client base, including:

- (i) producing companies eager to increase their production profile and replace depleting mineral resources and mineral reserves;
- (ii) development and emerging producers looking to advance their projects by converting mineral resources to mineral reserves, which requires tighter drilling patterns; and
- (iii) exploration companies looking to increase prospects for project development.

In light of the recent global markets, the Company has placed an emphasis on targeting major and intermediate mining companies so that its client mix is more heavily weighted on companies that not only have greater financial resources to continue drilling operations but are also more reliant on drilling operations to replace depleting mineral resources and mineral reserves or advance their projects. This strategy provides the Company with greater opportunity to utilize an increased number of rigs and improve financial security while it operates in challenging financial markets.

Drilling Services and Operations

Geodrill provides a broad selection of diverse drilling services (both exploration and delineation) to meet the specific needs of its clients. By offering surface drilling as well as specialized and more routine drilling services, the Company has established itself as a "one-stop shop" for drilling services, which it believes is a strong selling feature. In providing this diverse range of drilling services, the Company is able to leverage its performance in one aspect of the drilling cycle to position itself favourably for other projects for the client. Geodrill continually evaluates its suite of offered services with a view to maintaining a leadership position in the industry.

Geodrill's President and Chief Executive Officer, Dave Harper, was a pioneer of the multi-purpose drilling technique. Multi-purpose rigs offer the versatility of being able to perform both reverse circulation ("RC") and diamond core ("Core") drilling (as discussed in more detail below) and can be switched interchangeably mid-way through a hole with little effort or down-time. This provides clients with the advantage of drilling both RC – the method of choice due to its cost savings and high productivity – and Core to complete the hole, avoiding the need to have two types of rigs on site. Having the ability to perform both RC and Core drilling saves the client standby charges, preparation charges and mobilization charges that would normally be associated with switching rigs, effectively reducing the actual cost per metre associated with a drill program. Geodrill also provides Air-core drilling which is relatively inexpensive and as such is often used in first pass exploration drill programs by exploration mining companies.

The respective benefits of Geodrill's three principal types of drilling services, RC, Core and Air-core are as follows:

Reverse Circulation – RC drilling is the most common type of drilling undertaken and is typically used to drill to depths of approximately 400 metres. RC drilling is generally faster than diamond core drilling and generally produces better samples and better penetration than rotary air blast drilling (“**RAB**”). This method is more expensive than Air-core drilling but less expensive than Core drilling. RC drilling produces rock chips rather than a core sample. This method collects samples from depth by pulverizing the rock which is then blown up through an inner tube and collected in a sample bag. This method is often used for reconnaissance and exploration drilling.

Core – Core drilling is used to drill to depths of up to 1,500 metres and utilizes an annular diamond impregnated drill bit attached to the end of hollow drill rods to cut a cylindrical core of solid rock. The core sample is removed at intervals and catalogued. The system is sometimes referred to as “wire-line coring”. The Core drilling process is slower and more expensive than RC drilling but can penetrate greater depths and provide excellent representative samples.

Air-core – Air-core drilling uses steel or tungsten blades to bore a hole into unconsolidated ground. The drill cuttings are removed by the injection of compressed air into the hole. This method of drilling is used to drill the weathered regolith (loose, heterogeneous material covering solid rock) as the drill rig and steel or tungsten blades cannot penetrate fresh rock. Where possible, Air-core drilling is preferred over RAB drilling as it provides a more representative sample. Air-core drilling is relatively inexpensive and is often used in first pass exploration drill programs but is limited to depths of 50-60 metres and is drilled using a smaller rig.

In general, drilling services contracts are awarded following a bidding process. During the process, drilling contractors are solicited by clients to provide quotes with respect to a specific program. Prices are typically quoted on a per metre (or foot) basis (with prices increasing according to depth), including some specified additional charges and, in certain circumstances, a day rate per drilling rig. Costs associated with mobilizing and demobilizing the rigs and ancillary equipment are typically covered by the client. Additional ‘worktime’ charges (being time spent on the program but not producing chargeable metres, including tasks such as hole collaring, running casings, hole surveys and standby time) are also normally charged to the client. Accordingly, careful quoting, efficient drilling, the drill operators’ skills and the reliability of equipment are critical factors in determining the profitability of a program.

The drilling programs are typically short drill programs (three months to one year). Most of Geodrill’s contracts are designed with similar durations. However, due to the high satisfaction rates in respect of Geodrill’s services and the Company’s long-term relationships with its clients, as discussed above, many of these short-term contracts have parlayed into program extensions that in turn have led to the Company’s rigs remaining with specific clients for extended periods of time.

In 2014, the Company drilled a total of 458,606 meters compared to 393,322 meters in 2013. In 2014, the Company drilled 151,717 meters in Ghana and 306,889 meters in Burkina Faso, Cote d’Ivoire, Togo and Mali, collectively.

Revenue Per Country

Location	Fiscal 2014		Fiscal 2013		Fiscal 2012	
	USD 000s	%	USD 000s	%	USD 000s	%
Burkina Faso and other	19,785 ⁽¹⁾	56%	22,999 ⁽²⁾	62%	35,934 ⁽³⁾	55%
Ghana	15,810	44%	14,213	38%	29,652	45%
Total	35,595	100%	37,212	100%	65,586	100%

Notes:

⁽¹⁾ Included in Burkina Faso and other is Cote d'Ivoire, Togo and Mali.

⁽²⁾ Included in Burkina Faso and other is Niger, Cote d'Ivoire and Guinea.

⁽³⁾ Included in Burkina Faso and other is Niger and Cote d'Ivoire.

Meters Drilled Per Country

Location	Fiscal 2014		Fiscal 2013		Fiscal 2012	
	USD 000s	%	USD 000s	%	USD 000s	%
Burkina Faso and other	306,889 ⁽¹⁾	67%	269,748 ⁽²⁾	69%	559,302 ⁽³⁾	68%
Ghana	151,717	33%	123,574	31%	260,184	32%
Total	458,606	100%	393,322	100%	819,486	100%

Notes:

⁽¹⁾ Included in Burkina Faso and other is Cote d'Ivoire, Togo and Mali.

⁽²⁾ Included in Burkina Faso and other is Niger, Cote d'Ivoire and Guinea.

⁽³⁾ Included in Burkina Faso and other is Niger and Cote d'Ivoire.

Meters Drilled Per Type for 2014 and 2013

The meters drilled in 2014 were 5% Air-core, 78% RC and 17% Core as compared to 2013 were 21% Air-core, 57% RC and 22% Core. In connection with Geodrill's increased focus on intermediate and major mining companies, the Company has seen an increase in its RC and Core drilling services over the past few years as RC and Core drilling are typically utilized by larger companies that are performing more precise drilling programs in order to replace mineral resources and mineral reserves and to advance their projects. Correspondingly, the Company has seen a decrease in its Air-core drilling services as exploration mining companies that more typically utilize this "first-pass" early stage drilling service have been financially challenged to fund their exploration programs in recent years. The Company expects the weighting towards its RC and Core drilling services to continue in 2015.

Drilling Rigs and Equipment

In addition to Geodrill's fleet of multi-purpose, Core and Air-core drill rigs, the Company also owns drilling support equipment, including a fleet of boosters and auxiliary compressors which enable Geodrill to achieve high quality sampling and operations to greater depths.

Drill Rig Fleet

As at the year ended December 31, 2014 and as at the date hereof the Company maintained 39 drill rigs, of which 36 were available for operation, two drill rigs were in the workshop and one additional drill rig was on order being manufactured. Approximately 70% of the Company's current fleet of drill rigs have multi-purpose capabilities. All of Geodrill's crawler mounted multi-purpose drill rigs have on board compressor boosters, which minimize the equipment footprint in environmentally sensitive locations.

Geodrill also owns a modern fleet of trucks, track support vehicles and light vehicles. Geodrill's fleet of drill rigs and support equipment incorporate a fleet of boosters and auxiliary compressors which the Company believes to be essential in enabling it to undertake its drilling deeper, drier and faster than most competitors. The Company's drill rig fleet and the drill rigs deployed or planned to be operational in the field are noted below:

Make - Model	Type	Available for Operation as at Mar 31, 2014 No. of Rigs		Available for Operation as at Jun 30, 2014 No. of Rigs		Available for Operation as at Sep 30, 2014 No. of Rigs		Available for Operation as at Dec 31, 2014 No. of Rigs		Planned to be available for Operation by Dec 31, 2015 No. of Rigs	
UDR - 650	Multi-Purpose	2	1x2003 1x1993	1	1x2003	1	1x2003	2	1x2003 1x1993	2	1x2003 1x1993
UDR - KL900	Multi-Purpose	1	1x2003	3	1x2007 1x2003 1x1999	3	1x2007 1x2003 1x1999	3	1x2007 1x2003 1x1999	3	1x2007 1x2003 1x1999
Sandvik - DE820	Multi-Purpose	3	3x2008	3	3x2008	3	3x2008	3	3x2008	5	2x2010 3x2008
Sandvik - DE810	Multi-Purpose	6	6x2012	5	5x2012	6	6x2012	7	6x2012 1x2010	7	6x2012 1x2010
EDM - 2000	Multi-Purpose	2	2x2011	2	2x2011	2	2x2011	3	3x2011	3	3x2011
Austex - X900	Multi-Purpose	5	3x2011 2x 2012	5	3x2011 2x 2012	5	3x2011 2x 2012	5	3x2011 2x 2012	6	3x2011 3x 2012
Sandvik - DE710	Core	8	2x2011 5x2010 1x2009	8	2x2011 5x2010 1x2009	8	2x2011 5x2010 1x2009	8	2x2011 5x2010 1x2009	8	2x2011 5x2010 1x2009
Austex - X300	Aircore	5	2x2011 2x2012 1x2010	5	2x2011 2x2012 1x2010	5	2x2011 2x2012 1x2010	5	2x2011 2x2012 1x2010	5	2x2011 2x2012 1x2010
Total Drill Rigs Available for Operation		32		32		33		36		39	

	As at Mar 31, 2014		As at Jun 30, 2014		As at Sep 30, 2014		As at Dec 31, 2014	
	No. of Rigs	Type	No. of Rigs	Type	No. of Rigs	Type	No. of Rigs	Type
Available for Operation	19	Multi-Purpose	19	Multi-Purpose	20	Multi-Purpose	23	Multi-Purpose
	8	Core Only	8	Core Only	8	Core Only	8	Core Only
	5	Air core	5	Air core	5	Air core	5	Air core
TOTAL AVAILABLE FOR OPERATION	32		32		33		36	
In W/Shop	5	Multi-Purpose	5	Multi-Purpose	4	Multi-Purpose	2	Multi-Purpose
Total in W/Shop	5		5		4		2	
Manufacturing - on hold	1	Multi-Purpose	1	Multi-Purpose	1	Multi-Purpose	1	Multi-Purpose
Total Manufacturing - on hold	1		1		1		1	
TOTAL DRILL RIGS	38		38		38		39	

Split								
Multi-Purpose	25		25		25		26	
Core Only	8		8		8		8	
Air Core	5		5		5		5	
TOTAL	38		38		38		39	

Multi-purpose Rigs

As previously discussed, Multi-purpose rigs offer the versatility of being able to perform both RC and Core drilling and can be switched interchangeably mid-way through a hole with little effort or down-time. This provides clients with the advantage of drilling both RC – the method of choice due to its cost savings and high productivity – and Core to complete the hole, avoiding the need to have two types of rigs on site.

Core Rigs

Core rigs are smaller than multi-purpose rigs. The Company currently operates eight Sandvik – DE710 Core rigs, which are used where the terrain requires use of a smaller rig and equipment, such as in steep jungle terrain and environmentally sensitive areas where minimal disturbance (i.e. site clearance) is required.

Air-core Rigs

The Company operates five Austex – X300 air-core rigs. These rigs are specifically for clients with large concessions who require shallow RC reconnaissance programs. These programs have historically proven important in identifying follow-on RC and Core programs.

KL Rod Handlers

KL Rod Handlers are an integral part of the UDR – KL900/Sandvik – DE820 series multi-purpose drill rigs and provide a safer working environment for the Company’s employees.

The KL Rod Handler was developed to increase safety in the drilling industry by mechanizing the task that most endangers workers, which is lifting rods to and from the rested position to the drilling position.

The KL Rod Handler is designed for improved reliability, safety and productivity with extreme versatility.

The KL Rod Handlers fitted to Geodrill's drill rigs have decreased rod-handling related injuries. Due to the safety benefits of the KL Rod Handler, it has become a standard piece of equipment in Australia and is being introduced on mine sites throughout the world.

Boosters and Auxiliary Compressors

The ability of any RC drill rig to perform effectively is dependent on the air pressure available. Each multi-purpose drill rig has a primary compressor onboard in order to perform basic drilling operations. Geodrill maintains, for every multi-purpose rig a separate truck or crawler mounted booster and auxiliary compressors which, coupled with the onboard system, raises the available air pressure significantly, allowing drilling to be performed to greater depths and with greater efficiency than would be possible with the onboard compressor only. This is a particular advantage when drilling below the water table since the additional air pressure that is available holds back the groundwater to permit deeper, drier drilling.

Support Vehicles

Geodrill operates a wide variety of support vehicles. The Company maintains a fleet of Toyota Landcruiser 4x4 pick-up trucks, MAN trucks 8x8, 8x6, 6x6, 6x4 and 4x4 and numerous other trucks. Purpose-built crawler-mounted support vehicles and 4x4 Bell Tractors assist with smooth drilling operations and allow workers to do their jobs safely in steep terrain without delay.

Client Mix and Market Position

Geodrill has been successful in establishing a leading market position in Ghana and believes that it is well positioned in Burkina Faso and Cote d'Ivoire. The Company also has operated in other West African jurisdictions and is entering into the African Copperbelt.

Geodrill's current client mix is made up juniors, intermediates and majors that are exploring for gold, iron ore, uranium and manganese. The diversity of its clients, coupled with the different drilling services that Geodrill provides, enables the Company to continue to bid competitively for the reduced work available in the current market conditions. Further, the Company's recent focus on generating a greater proportion of its revenues from intermediate and major mining companies has allowed the Company to increase its rig utilization rate. Further, this strategy allows the Company increased opportunity to retain and renew drilling contracts due to the greater financial resources of such companies and their need to replace depleting mineral resources and mineral reserves and advance their projects.

The Company has performed drilling services to major, intermediate and exploration mining companies, including:

- Ampella Mining Limited
- AngloGold Ashanti Limited
- Apollo Gold Corporation
- Asanko Gold Inc.
- Avocet Mining PLC
- Azumah Resources Limited
- Benzu Resources Limited
- Carbine Resources Limited

- Castle Minerals Limited
- Endeavour Mining Corporation
- Eurasian Natural Resource Corporation (ENRC) / Central African Mining & Exploration Company PLC (CAMEC)
- Golden Rim Resources Ltd.
- Ghana Manganese Corp.
- Golden Star Resources Ltd.
- Gryphon Minerals Limited
- Kinross Gold Corp.
- Legend Gold Corp
- Newcrest Mining Limited
- Newmont Mining Corporation
- Norgold Inc.
- Orbis Gold Ltd.
- Pan African Minerals Limited
- Perseus Mining Limited
- Poak Resources Limited
- Resolute Mining Limited
- Roxgold Inc.
- Semafo Inc.
- Star Goldfields Ltd.
- Taruga Gold Limited
- Tietto Minerals
- Vital Metals Ltd.
- West Africa Resources Limited

The Company has strong client relationships. All longer term client relationships of the Company originally commenced as short term drill contracts won under competitive bidding processes, which have historically been renewed. The Company has received testimonials from senior persons at many of its clients, which cite high levels of client satisfaction, commending Geodrill's well maintained rigs, overall efficiency, knowledgeable workforce and high regard for safety and the environment.

Given the short-term nature of drilling contracts and the current financial markets there can be no assurance that any contract that the Company currently services will be extended or renewed on favourable terms to the Company, however, the Company remains hopeful that demand for its services will improve as the economic environment begins to stabilize. While the Company anticipates that 2015 will continue to be impacted by the economic slowdown, it has leveraged shifts in metals and minerals demand so that Geodrill is readily available to provide drilling services to precious and base metals, such as iron ore, uranium and manganese, instead of being a gold specific driller. This expansion into drilling for other minerals allows the Company to take advantage of opportunities which may not follow the same economic cycles as precious metals. The Company's drill rigs do not need to be re-tooled or retro-fitted to conduct drilling activities relating to other precious and base metals and the skill-set of the Company's workers can equally be applied to non-gold drilling activities.

Additionally, the proximity of Ghana to countries such as Mauritania, Liberia, Sierra Leone, Nigeria and Cameroon positions the Company favourably in its ability to service these markets as well if it so chooses.

Operations Bases and Workshops

Geodrill Ghana Limited operates from a base near Kumasi, Ghana, that includes office and housing facilities for some of the Company's workforce, as well as a workshop from which it constantly maintains and updates its rigs and equipment to the highest industry standards. This state-of-the-art workshop and supply base provides a centralized location for repair and storage of equipment and supplies, which in turn minimizes trucking, shipping and supply costs and allows the rigs to be mobilized to drill sites with minimal delay. The workshop includes manufacturing capabilities which allow the Company to minimize its reliance on supplier relationships in connection with certain essential consumables, thereby reducing price fluctuations and delays in delivery times that it might otherwise experience using external suppliers. The Company manufactures over 400 different consumable items in the workshop. The Company's high level of productivity per drill rig reflects the well maintained nature of its rigs.

The well sourced, strategically located operations bases provide Geodrill with the ability to mobilize drill rigs, associated ancillary equipment and its skilled labour force throughout Ghana and Burkina Faso within a few days of receiving a request from a client. Additionally, the workshop reduces downtime if repairs or replacement parts are needed at the drill sites as the Company can fairly quickly reach most of its current customer sites. The workshop is also able to produce custom-built equipment that it uses to transport all supplies needed for different drill operations, thereby reducing the cost of transport and the number of mobilizations required for any particular program. The location of its operations base also eliminates the need for multiple regional or branch offices or facilities for Geodrill's current operations.

In 2012, the Company completed an 80 person camp and workshop facilities in Burkina Faso from which it is able to maintain and update its rigs and equipment to the highest industry standards. The camp includes office and housing facilities for some of the Company's workforce and the operations base stores inventory, including drilling consumables and spare parts, rig engines, rotation heads, hydraulic components, compressors, tracks and fuel.

The Company has and continues to monitor other African jurisdictions where the critical mass of its clients are operating in order to determine where future base camps may be constructed. Accordingly, with increasing revenues being derived out of drilling projects in the Cote d'Ivoire, the Company is currently considering opening a base in the country by the end of 2016. The Company would consider other strategic locations to add further bases which may be necessary to support new contracts in areas not currently serviced by the Company.

Management, Operational Structure and Workforce

An experienced workforce and management, a modern fleet of drill rigs and a state-of-the-art workshop and supply base 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. The Company works to achieve this by making it a goal to have well-trained staff, industry leading equipment coupled with mechanical and logistical support, dedication to client service and client sensitivities and a rigorous health, safety and environmental protection program.

Geodrill's experienced management team is led by Dave Harper, the President and Chief Executive Officer, Terry Burling, the Chief Operating Officer, and Greg Borsk, the Chief Financial Officer. This group is also supported by: Stephan Rodrigue, Business Development Manager, Alan McConnon, Training Manager and Don Seguin, Health, Safety and Environmental ("HSE") & Training Manager. The Company's lean management structure, efficient cost structure and speciality drilling services have enabled the Company to navigate the complex operational landscape and varying market conditions, in

which it operates. However, there can be no assurance that the Company will be able to sustain or accelerate its revenue or that such increased revenue, if achieved, will result in profitable operations, that it will be able to attract and retain sufficient management personnel necessary. The failure to accomplish any of the foregoing could have a material adverse effect on the Company's financial performance, financial condition, cash flows and growth prospects.

Geodrill's workforce is organized into two departments, being the Operations Department and the Administration Department.

Operations Department

The Operations Department is comprised of the following sub-groups, each of which is comprised of employees with specific skills and knowledge.

Exploration Group

- operates the Company's various drill rigs and executes the drilling services required by the Company's clients; and
- a site supervisor manages all aspects of a project, including crew supervision, budgeting, accommodation and liaison with the client's on-site representative.

Maintenance Group

- provides engineering support services for repairs and maintenance of the Company's drill rigs; and
- fabricates and manufactures equipment, including crawler mounted rod carriers, RC drill pipe and RC and wire-line drill subs.

Stock Management Group

- manages the stock of consumables, including fuel and spare parts.

Health, Safety and Environmental Group

- oversees the design, implementation, monitoring and evaluation of HSE standards;
- ensures that all HSE standards are met; and
- designs standard operating procedures for every aspect of Geodrill's operations. These procedures include a minimum of one safety meeting per work site, regular safety audits and detailed investigations of incidents and accidents.

Administration Department

The Administration Department is responsible for all non-operational functions, including finance and administration, human resource management, logistics and information technology.

Finance and Administration Group

- responsible for all financial reporting, including management and statutory reports;
- monitors income by drill rig and by project; and
- manages the monthly cash budget.

Human Resources Management Group

- liaises with departmental managers in the recruitment process, the setting of salary levels and in recommendations for promotions;
- ensures that immigration requirements for expatriate workers are executed efficiently; and
- prepares company-wide payroll.

Logistics Group

- liaises with the Stock Management Group to ensure that procurements, imports (and, rarely, exports) are managed effectively and efficiently.

Information and Technology

- manages technical and information infrastructure; and
- implements and maintains an enterprise resource planning system, which includes the accounting system, the human resource management system, inventory and assets.

Budgeting and Monitoring

Geodrill has implemented internal annual budgets, to be discussed at the end of the first quarter of each financial year. It is expected that each budget will largely be based on current contracts and historic results as well as informal discussions with clients on their plans for the ensuing year. Based on these inputs, the Company will generate internal forecasts for operational and capital requirements, expenses and revenues. Geodrill also prepares internal quarterly profit and loss statements and compares the statements to the budget to determine variances.

Workforce

As at December 31, 2014, Geodrill had approximately 460 employees. Approximately 95% of its employees are contract workers, while the remaining 5% are permanent employees. Geodrill's large number of contract employees allows management to efficiently manage the size of its workforce in the event of a slowdown. The Company has historically compensated its workforce at the high end of the industry range. The Company believes that its remuneration and benefits package and the extensive training programs that it offers to its workers have contributed to the Company's quality hiring and strong employee retention rate.

The Company maintains detailed employee reports which track the deployment and numbers of all staff and their total compensation and safety record (involvement in incidents and accidents). Geodrill holds regularly scheduled supervisors' meetings to review operational and administrative issues.

Drilling requires a high degree of skill and technical competence to ensure both an efficient drill program and accurate results. The Company recognizes that the profitability of any given project is determined in part by how effectively the drill rigs can be operated and the samples collected. Management believes that Geodrill's training and monitoring program facilitates these goals in being achieved.

Competitive Landscape

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

As a result of the sustained down cycle in the mining industry, the Company is also aware that some of its previous competitors have moved out of West Africa and some of its current significant competitors are experiencing financial hardship. The Company is closely monitoring the competitive landscape and will be aggressively pursuing new client opportunities as a result of competitors moving out of the market place.

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

- maintaining a young and modern fleet of drill rigs;
- establishing, building and maintaining long-standing relationships with customers;
- supporting well established international and local vendors;
- implementing West African market knowledge, expertise and experience;
- strategically locating workshops and bases.
- an active and experienced management and operations team;
- a skilled and dedicated workforce;
- maintaining a high level of safety standards to protect its people and the environment and
- a commitment to excellence.

Management believes that Geodrill's strong and experienced management team, efficient operations, skilled workforce, West African local knowledge and strategically located workshops and bases and focus on client service have provided the Company with a competitive advantage.

Business Cycles

Due to the rainy season typically occurring in the third quarter in some geographical areas where the Company operates, particularly in Burkina Faso, the Company's operations historically exhibited a seasonal pattern. However, as a result of the Company's recent focus to weight its client mix more heavily on intermediate and major mining companies the Company has been able to continue drilling from its Brownfield sites during the rainy season as the infrastructure at these sites is more often able to support the Company's drilling operations. Additionally, Geodrill's rigs are generally able to continue their operations in certain steep terrained areas where some of its rigs are located. In flat lying Greenfield sites where some of Geodrill's exploration stage mining clients have projects, the Company may need to delay drilling activities during the rainy season as the earlier stage infrastructure at these sites may be unable to support the Company's drilling operations. The result of the Company's increasing client mix being weighted towards intermediate and major mining companies has reduced the cyclicity of Geodrill's business, which has been beneficial for its rig utilization rate and revenue.

When Greenfield projects do not allow the Company to maintain its drilling operations, the Company is able to use this time for maintenance and rebuilding programs for drill rigs and equipment. In the third quarter of 2014, the rainy season did not affect the Company's drilling operations or revenue as the Company continued to drill throughout the wet season.

The first and fourth quarters are affected due to shutdown of exploration activities over the holiday season and the second quarter is typically affected for up to one week over the Easter holidays.

Health, Safety and Environmental

The Company and its operations are subject to environmental laws and regulations in all the markets in which it operates. Compliance with environmental laws and regulations has not required the Company to make significant capital expenditures in the past and the Company does not expect environmental compliance to require it to make significant capital expenditures in the foreseeable future.

The Company's policy is to comply with all applicable environmental standards and regulations. 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. New and existing clients are extremely interested in both the Company's health and safety record as well as its health and safety policies. Accordingly, 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 and accidents. The Company is keenly aware that its excellent safety record has been an important factor in securing and maintaining drilling contracts and it is committed to providing the safest drilling services possible in order to maintain its reputation and to expand its client base.

Further, the Company monitors the jurisdictions and local communities in which it operates in order to ensure that it has programs in place to manage any environmental or community issues that may arise.

Suppliers

Geodrill does not rely on any one supplier but rather sources inventory and certain consumables and equipment from multiple vendors. Most consumables such as drill rods, lubricants, cylinders, hoses and diamond drill bits are sourced from Australia, the United States and Canada while certain other larger items such as vehicles may be sourced from Japan, Europe and China. In 2014, Geodrill sourced supplies, inventory and equipment from over 30 different suppliers. In addition, the Company's ability to manufacture certain RC drill pipe and RC and wire-line drill subs minimizes its reliance on suppliers for these consumables, thereby reducing price fluctuations and delays in delivery times that it might otherwise experience using external suppliers. The Company continually monitors its inventory levels and takes precautions to proactively order lead-time items.

Social Responsibility

Geodrill is committed to being socially responsible through its participation and donations to various charitable and community initiatives. The Company places particular emphasis on contributing to positive change in the communities in which it operates. Management believes that this core value embraced by the Geodrill corporate culture benefits the Company, its employees, the communities in which it operates and the environment as a whole. Geodrill encourages community growth and development and strives to eliminate practices that harm the public sphere. The Company has donated cash and various items, including power generators and water bores, to local communities, schools and orphanages in Ghana, has built a local boxing gym in Ghana and has been a generous sponsor of the National Boxing Team in Ghana and the Azumah Nelson Foundation, a local charity in Ghana. Additionally, the Company has sponsored education initiatives for students, including school renovations and the donation of computers, to encourage the success of young people in the surrounding communities.

RISK FACTORS

The following discussion outlines certain relevant risk factors according to the Company's business and industry within which it operates and that may have a material adverse effect on the Company's business, financial condition and results of operations, or the trading price of the ordinary shares of the Company (the "**Ordinary Shares**"). These risks are not the only risks facing the Company. Additional risks and uncertainties presently not known to the Company, or that the Company currently believes not to be material, may also impair the operations and could potentially affect the Company.

Debt Level

In response to the need to finance general corporate expenditures including working capital needs, the Company has needed to borrow funds. As a result, the Company has loans payable outstanding. Historically, the Company has reinvested cash generated from operations into property, plant and equipment. With loans payable outstanding and the required payments, the Company will need to monitor its cash on hand, and its operating activities in response to the level of debt and scheduled repayments. The debt requires repayments of principal and interest of approximately \$7.3M in 2015 and a further \$0.9M in 2016. Included in the \$7.3M due in 2015, is a \$5 million credit facility that is due on December 18, 2015. The Company may renew or extend this credit facility depending on cash on hand at the time of maturity. No assurance however can be given that the Company will be able to renew or extend the credit facility or that commercially reasonable terms will be available.

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 its 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.

Client Contracts

The Company's drilling client contracts are typically for a term of one month to six months and can be cancelled by the client on short or no notice in certain circumstances with limited or no amounts payable to the Company. The short duration of contract periods, typical for the drilling industry, does not provide any certainty of long term cash flows. There is a risk that existing contracts may not be renewed or replaced and that the drill rigs may not be able to be placed with alternative clients. Due to the current financial markets, the limited amount of drilling opportunities in West Africa make it important for the Company to maintain excellent relationships with its current clients and to create new opportunities, wherever possible, including by providing new drilling services as needed by its clients. The failure to renew or replace some or all of its existing contracts, the cancellation of existing contracts or the inability to source new contracts in the ordinary course could have a material adverse effect on the Company's financial performance, financial condition, cash flows and growth prospects.

Competition

The Company faces considerable competition from several large drilling services companies and a number of smaller regional competitors. Some of the Company's competitors have been in the drilling services industry for a longer period of time and have substantially greater financial and other resources than the Company. This may mean that they are perceived as being able to offer a greater range of services at more competitive prices than the Company. In addition, new and current competitors willing to provide services at a lower cost will likely continue to occur as demand for drilling services in the West African mining market tightens. Increased competition in the drilling services market may adversely affect the Company's current market share, profitability and growth opportunities. Any erosion of the Company's competitive position could have a material adverse effect on the Company's business, results of operations, financial condition and growth prospects.

A significant portion of the drilling services business is a result of being awarded contracts through a competitive tender process. It is possible that the Company may lose potential new contracts to

competitors if it is unable to demonstrate reliable performance, technical competence, strong health and safety records and competitive pricing as part of the tender process or if mining companies elect not to undertake a competitive tender process, or does not continue to provide a premium service as compared to other competitors, to its existing client base which would cause it to lose its reputation in the market place.

Cyclical Downturns

The Company's business is highly dependent upon the levels of mineral exploration, development and production activity by mining companies in West Africa. A reduction in exploration, development and production activities has caused a decline in the demand for drill rigs and drilling services, which has had a material adverse effect on the Company's business, financial position, resulting operations and prospects. The Company was affected by the industry wide slowdown in drilling activities. In general, there continues to be pressure on early stage exploration companies as financing from the capital markets continues to be challenging and there is also pressure on producing companies as they continue to need to manage their exploration costs in light of increasing costs on the production side of their business.

The operations and financial results of Geodrill may be materially adversely affected by declines in the price of gold and other commodities. The prices of gold and other commodities fluctuate widely and are affected by numerous factors beyond Geodrill's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand and the political and economic conditions of major metals-producing countries throughout the world. The price of gold and other commodities has fluctuated widely in the past, and future serious price declines could cause continued exploration, development of and commercial production by Geodrill's clients to be impracticable. In such event, the operational and financial results from drilling operations would suffer.

Industry experience indicates that prevailing and projected prices of commodities are major influences on the Company's clients' activity levels and planned expenditures. In the event of a sustained decrease in demand, the market may be oversupplied with drill rigs, which may result in downward pressure on drilling service providers' margins and drilling operations. In addition, historically when commodity prices fall below certain levels, it is not uncommon for mining and exploration expenditures to decline in the following 12 month period. There is a risk that a sustained depression of commodity prices could substantially reduce future mining expenditures of current and potential customers, particularly in relation to exploration programs, leading to a decline in demand for the drilling services offered by the Company which may have a material adverse effect and impact on the Company's business, financial position, results of operations and prospects.

Revenues and EBITDA

The Company does not provide financial guidance. The Company has generated positive EBITDA in the past, however, in 2014 the EBITDA decreased compared to 2013, and in 2013 the EBITDA decreased compared to 2012. There can be no assurance that the Company will generate positive EBITDA in the future.

Global Financial Condition

Global financial conditions have been subject to increased volatility in recent years and numerous financial institutions have either gone into insolvency or have received capital bail-outs or other relief from governmental authorities. These factors may impact the ability of the Company and its clients to obtain equity or debt financing in the future on terms that are favourable. Worldwide economic

conditions, in particular, economic conditions of countries such as the United States and China, influence the activity in the mining industry which in turn has an effect on the demand for the drilling services provided by Geodrill. Although there have been numerous indications of economic recovery in recent years, if increased levels of volatility and market turmoil continue, the Company's results of operations could be adversely impacted and the trading price of the Ordinary Shares could be adversely affected.

Ebola Virus

As a company operating in West Africa the Company understands and share the concerns surrounding Ebola that has primarily affected Liberia, Guinea and Sierra Leone. The Company notes that no cases of Ebola have been reported in Ghana, Burkina Faso or Cote d'Ivoire, the main West African counties in which the Company operates. The Company views the safety of its personnel and their families as being of paramount importance. The Company's workers have been given guidance in relation to the symptoms and transmission risks of the disease and how to prevent infection. The Company has not had any workers affected at any of its operations and the Company continues to monitor the situation and provide ongoing education to its workers. The Company notes that the World Health Organization has recently declared Nigeria and Senegal Ebola-free, which the Company sees as positive news.

Foreign Currency Exposure

The Company receives the majority of its revenues in U.S. dollars. In February 2014, the Bank of Ghana implemented revised rules on the operation of foreign exchange accounts and foreign currency accounts that required all transactions in Ghana to be conducted in Ghana Cedi. This impacted the first half of 2014 as the Company received more receipts from customers in Ghanaian Cedi as opposed to U.S. dollars. Effective July 19, 2014, the Company was re-given permission to invoice in U.S. dollars. The Company does have certain expenses payable in Ghanaian Cedi so it may be exposed to currency fluctuations between U.S. dollar and the Ghana Cedi. In addition, there is also a significant part of the Company's foreign exchange exposure to the Australian dollars in relation to international purchases. As a result, the Company is exposed to currency fluctuations and exchange rate risks. Currency fluctuations and exchange rate risks between the value of the U.S. dollar and the value of the Australian dollar may increase the cost of the Company's operations and could adversely affect financial results.

Concentration of Currency

The Company receives the majority of its revenues in U.S. dollars and as result, the majority of the Company's cash is in U.S. dollars. To facilitate the payment of certain international suppliers and expenses, the Company holds the majority of its cash in U.S. dollars in jurisdictions where it can efficiently transfer funds to international suppliers. There can be no assurance that in the future, the Company will be able to continue to hold the majority of its cash in U.S. dollars.

Dependence on Certain Key Personnel

The success of the Company was, and is currently, largely dependent on the performance of its President and Chief Executive Officer, Dave Harper. The loss of the services of Mr. Harper would likely have a materially adverse effect on the Company's business and prospects. The Company does not maintain key person insurance on the lives of Mr. Harper or any of its other key personnel.

Sensitivity to General Economic Conditions

The operating and financial performance of the Company is influenced by a variety of international and country-specific general economic and business conditions (including inflation, interest rates and

exchange rates), access to debt and capital markets, as well as monetary and regulatory policies. A deterioration in domestic or international general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could have a material adverse effect on the financial performance, financial position and condition, cash flows, distributions, share price and growth prospects of the Company.

Political Instability

The Company's drilling activities are in Africa. Conducting business in Africa presents political and economic risks including, but not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation and labour unrest. Changes in mining or investment policies or shifts in political attitudes may also adversely affect the Company's business. Business may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production and exploration activities, currency remittance, income taxes, environmental legislation, land use, land claims of local people, water use and safety. The effect of these factors cannot be accurately predicted, however, the Company keeps abreast of all political issues and is prepared to act accordingly.

Specialized Skills and Cost of Labour Increases

The Company may not be able to recruit or retain drillers and other key personnel who meet the Company's high standards. A failure by the Company to retain qualified drillers or attract and train new qualified drillers could have a material adverse effect on the Company's financial performance, financial condition, cash flows and growth prospects.

Increased Cost of Sourcing Consumables and Drilling Equipment

When bidding on a drilling contract, the cost of consumables (including fuel) is a key consideration in deciding upon the pricing of a contract. While the price of oil dropped in the second half of 2014, fuel remains a key expense item for the Company and a material increase in the cost of consumables (including fuel) could result in materially higher costs and could materially reduce the Company's financial performance, financial condition, cash flows and growth prospects. Although the Company mitigates the risk of sourcing and pricing of consumables by keeping an inventory and having the capacity to fabricate certain consumable equipment, such as RC drill pipe and RC wire-line drill subs, there remains a risk that the pricing and availability of certain other consumables such as fuel could have a material negative effect on the Company's operations. Additionally, the delay or inability of suppliers to supply key manufacturing inputs, such as steel and other raw materials, may delay manufacturing certain consumables such as RC drill pipe and RC wire-line drill subs, that may have an adverse effect on the operations and the financial position of the Company's business.

Inability to Sustain Revenue Levels

The Company's revenue decreased in 2014 compared to 2013, and decreased in 2013 compared to 2012. The Company's ability to maintain or sustain its revenue depends on a number of factors, many of which are beyond the Company's control, including, but not limited to, commodity prices, the ability of mining companies to raise financing and the global demand for materials. The Company is not currently contemplating adding a significant number of rigs but will continue to explore geographic expansion.

There can be no assurance that the Company will be able to sustain or accelerate its revenue or that such increased revenue, if achieved, will result in profitable operations, that it will be able to attract and retain sufficient management personnel necessary. The failure to accomplish any of the foregoing could have a

material adverse effect on the Company's financial performance, financial condition, cash flows and growth prospects. Further, as the Company increases its geographical footprint, it may need to expand its operations base or establish a new operations base in order to continue to maintain its fleet of drill rigs. There is no assurance that the Company will be able to secure additional real estate leases at all or on commercial terms acceptable to the Company.

International Expansion and Instability

Expansion internationally entails additional political, economic, geographic and currency risk. Some of the countries and areas targeted by the Company for expansion are undergoing industrialization and urbanization and do not have the economic, political or social stability that many developed nations now possess. Other countries have experienced political or economic instability in the past and may be subject to risks beyond the Company's control, such as war or civil disturbances, political, social and economic instability, corruption, nationalization, terrorism, expropriation without fair compensation or cancellation of contract rights, significant changes in government policies, breakdown of the rule of law and regulations and new tariffs, taxes and other barriers, changes in mining or investment policies or shifts in political attitude that may adversely affect the business. There has been an emergence of a trend by some governments to increase their participation, through increased taxation, expropriation, or otherwise. This could negatively impact the level of foreign investment in mining and exploration activities and thus drilling demand in these regions. There is a risk that the operations, assets, employees or repatriation of revenues could be impaired by factors specific to the regions into which Geodrill may choose to expand and that such events could result in reductions in revenue and transition costs as equipment is shifted to other locations. Expanding into other African jurisdictions, including those in the African Copperbelt, could place a significant strain on the Company's management personnel and the Company may need to recruit additional personnel to service these jurisdictions.

Operational Risks and Liability

Risks associated with drilling include, in the case of employees, personal injury and loss of life and, in the case of the Company, damage and destruction to property, equipment, release of hazardous substances to the environment, including potential environmental liabilities associated with the Company's fuel storage activities, and interruption or suspension of drill site operation due to unsafe drill operations. The occurrence of any of these events may have an adverse effect on the Company, including financial loss, key personnel loss, legal proceedings and damage to the Company's reputation.

In addition, poor or failed internal processes, people or systems, along with external events could negatively impact the Company's operational and financial performance. The risk of this loss, known as operational risk, is present in all aspects of the business of the Company, including, but not limited to, business disruptions, drill rig failures, theft and fraud, damage to assets, employee safety, regulatory compliance issues and business integration issues.

Advances in exploration, development and production technology which could reduce the demand for drilling services may have an adverse impact on the financial performance of the Company.

Business Interruptions

Business interruptions may result from a variety of factors, including regulatory intervention, delays in necessary approvals and permits, health and safety issues or supply bottlenecks and seasonal or extraordinary weather conditions. In addition, the Company operates in geographic locations which are prone to political risks and natural or other disasters. Further, logistical risks such as road conditions, ground conditions and political interference may affect the Company's ability to quickly mobilize or

demobilize its drill rigs. The occurrence of business interruptions or conditions could have a material adverse effect on the Company's financial performance, financial condition, cash flows and growth prospects.

Risk to the Company's Reputation

Risks to the reputation of the Company, including any negative publicity, whether true or not, could cause a decline in the Company's customer base and have a material adverse impact on the Company's financial performance, financial condition, cash flows and growth prospects. All risks have an impact on reputation and, as such, reputational risk cannot be managed in isolation from other types of risk. Every employee and representative of the Company is charged with upholding its strong reputation by complying with all applicable policies, legislation and regulations as well as creating positive experiences with the Company's customers, stakeholders and the public.

Environment, Labour and Health and Safety Requirements and Related Considerations

The drilling services industry is regulated by environmental and health and safety regulations. Additionally, the Company believes that its excellent safety record has been an important factor in securing and maintaining drilling contracts. Accordingly, it is critical that the Company continues to provide the safest drilling services possible in order to maintain its reputation and to expand its client base. In addition, accidents at the sites at which the Company operates could adversely affect the Company's ability to retain client contracts and win new business.

The Company is subject to the labour laws and regulations of the various countries in which it operates. To the extent that the Company fails to comply with laws and regulations, it could lose client contracts and be subject to suspension of operations or other penalties. Although none of the Company's employees are currently unionized, there is the potential that some or all of its employees may become unionized in the future. There can be no assurance that the Company will not experience labour problems in the future, such as prolonged work stoppages due to labour strikes, which may have an adverse effect on its results of operations and financial conditions.

Clients are required to hold certain permits and approvals in order for the Company to conduct operations. Clients are generally responsible for obtaining the environmental permits necessary for drilling. There is no assurance that clients will be able to renew or obtain the permits or approvals which are required for the drilling services the Company provides to them, in the time frame anticipated or at all. Any failure to renew, maintain or obtain the required permits or approvals may result in interruption or delay to operations and may have an adverse impact on the Company's business, financial position, results of operations and prospects. In addition, clients rely on concessions, licenses and permits to conduct their activities. Any modification or revocation of these concessions, licenses or permits could result in a decrease in demand for the services of the Company or in contracts with clients being terminated.

Insurance Limits

The Company maintains, to a limited extent, fixed property, motor and general liability insurance. The Company does not insure all of its drill rigs nor its goods in transit, as management has determined that the cost of the premiums outweigh the benefits at this time. Regarding the insurance that the Company does have, there can be no assurance that such insurance will continue to be offered on an economically feasible basis, that all events that could give rise to a loss or liability are insurable or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the assets or operations of the Company. The Company does not carry business interruption insurance or key man insurance and, as such, any such interruption or loss would have an adverse effect on the financial

position of the Company. To the extent that Geodrill incurs losses not covered by its insurance policies, the funds available for operations will be reduced.

Uncertain Legal and Regulatory Frameworks

The Company's business and operations are potentially subject to the uncertain legal and regulatory frameworks in the countries in which it operates. Laws, regulations and local rules governing business entities in these countries may change and are often subject to a number of possibly conflicting interpretations, both by business entities, government departments and the courts. Laws and regulations may be promulgated and overseen by different government entities or departments, which may be national, regional or municipal and these entities may differ in their interpretation and enforcement of the laws and regulations. The business, financial condition, profitability and results of operations of the Company could potentially be adversely affected by changes in and uncertainty surrounding governmental policies, in particular with respect to business laws and regulations, licenses and permits, taxation, exchange control regulations, labour laws and expropriation.

Given the uncertain legal and regulatory framework in some of the African countries in which the Company operates or may operate in the future, there is a risk that the necessary licenses, permits, certificates, consents and authorizations to implement or conduct operations may not be obtained by either the client or the Company under conditions or within time frames that make such operations viable and that changes to applicable laws, regulations or the governing authorities may result in additional material expenditure or time delays.

Tax Risk

The Company has organized its group structure and its operations in part based on certain assumptions about various tax laws including, among others, income tax and withholding tax, foreign currency and capital repatriation laws and other relevant laws of a variety of jurisdictions. While the Company believes that such assumptions are correct, there can be no assurance that foreign taxing or other authorities will reach the same conclusion. If such assumptions are incorrect, or if such jurisdictions were to change or modify such laws or the current interpretation thereof, the Company may suffer adverse tax and financial consequences. There is a risk in which the countries where Geodrill operates may change their current tax regime with little prior notice or that the tax authorities in these jurisdictions may attempt to claim tax on the global revenues of the Company. A change to the tax regimes in these countries or an unfavourable interpretation of the current tax legislation could have a material adverse effect on the profitability of the Company.

Credit Risk

The Company provides credit to its clients in the normal course of its operations. The Company had an decrease in its allowance for doubtful accounts of \$0.2M for 2014. However, in recent years the Company has noticed that certain accounts are taking longer to pay and certain accounts are having difficulty paying. The Company has started working with larger clients and as at December 31, 2014, only 15% of the trade accounts receivable are aged over 91 days.

One major client represents 24% of the trade accounts receivable as at December 31, 2014 and two other major clients represents 14%. The remaining clients represented less than 10% each. Credit risk also arises from cash with banks. This risk is limited, as it is spread over various countries and banking institutions.

Risks due to Foreign Incorporation

The Company is incorporated under and governed by the laws of the Isle of Man and consequently shareholders may not have the same rights and protections as they would have under provincial or federal corporate law in Canada. There can be no assurance that shareholder rights and remedies available under the corporate law of the Isle of Man will be enforceable in Canada through Canadian courts or that any orders of the courts of the Isle of Man made under such corporate law will be enforceable in Canada.

Equity Market Risks

There is a risk associated with any investment in the Ordinary Shares. The market price of securities such as the Ordinary Shares of the Company are affected by numerous factors including, but not limited to, general market conditions, actual or anticipated fluctuations in the Company's results of operations, changes in estimates of future results of operations by the Company or securities analysts, risks identified in this section and other factors. In addition, the financial markets have experienced significant price and volume fluctuations that have sometimes been unrelated to the operating performance of the issuers or the industries in which they operate.

The Influence of Existing Shareholders and Future Sales by The Harper Family Settlement and Dave Harper

The Harper Family Settlement and Dave Harper holds or controls, directly or indirectly, 17,623,500 Ordinary Shares representing approximately 41.5% of the Company's issued Ordinary Shares. As a result, The Harper Family Settlement and Dave Harper have the ability to influence the Company's strategic direction and policies, including any sale of all or substantially all of its assets, the election and composition of the Board of Directors, the amendment of the Company's Memorandum and Articles of Association and the declaration of dividends. The foregoing ability to influence the control and direction of the Company could adversely affect investors' perception of the Company's corporate governance and reduce its attractiveness as a target for potential take-over bids and business combinations, and correspondingly affect its share price.

Sales of a large number of Ordinary Shares by The Harper Family Settlement or Dave Harper in the public markets, or the potential for such sales, could decrease the trading price of the Ordinary Shares and could impair Geodrill's ability to raise capital through future sales of Ordinary Shares.

Lack of Dividend Payments

Geodrill does not pay dividends. Geodrill anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board of Directors after taking into account many factors, including Geodrill's earnings, operating results, financial condition, current and anticipated cash needs and restrictions in financing agreements.

Dilution

The Company may raise additional funds in the future by issuing equity securities. Holders of Ordinary Shares will have no pre-emptive rights in connection with such further issues. Additional Ordinary Shares may be issued by the Company in connection with the exercise of options. Such additional equity issuances could, depending on the price at which such securities are issued, substantially dilute the interests of the holders of Ordinary Shares.

DIVIDENDS

Geodrill has not paid dividends during the past three financial years. Geodrill anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the board of directors of the Company after taking into account many factors, including Geodrill's earnings, operating results, financial condition, current and anticipated cash needs and restrictions in financing agreements.

DESCRIPTION OF CAPITAL STRUCTURE

The Company does not have an authorized share capital and may issue an unlimited number of no par value Ordinary Shares, of which as at the date hereof there were 42,512,000 issued and outstanding Ordinary Shares.

Subject to any rights or restrictions attached to any Ordinary Shares, each Ordinary Share confers upon the shareholder: (i) the right to attend and to one vote at a meeting of shareholders or on any resolution of the shareholders; (ii) the right to an equal share in any dividend paid by the Company; and (iii) the right to an equal share in the distribution of the surplus assets of the Company on its winding up.

As of the date hereof, the Company has issued 3,180,000 stock options (the "**Options**"). The Options granted must be exercised no later than five years after the date of grant or such lesser period as the applicable grant may require. The Board will establish the exercise price of an Option at the time each Option is granted, provided that such price shall not be less than the volume weighted average trading price of the Ordinary Shares, calculated by dividing the total value by the total volume of Ordinary Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the Ordinary Shares occurs, for the five trading days immediately preceding the day the Option is granted.

MARKET FOR SECURITIES

Trading Price and Volume

The Ordinary Shares are listed and traded on the TSX under the symbol "GEO". The following table indicates the high and low values and volume with respect to trading activity for the Ordinary Shares on the TSX on a monthly basis during the fiscal year ended December 31, 2014.

Month	High	Low	Volume
January 2014	CDN \$0.92	CDN \$0.71	355,422
February 2014	CDN \$1.15	CDN \$0.88	172,378
March 2014	CDN \$1.02	CDN \$0.85	343,404
April 2014	CDN \$0.95	CDN \$0.85	55,701
May 2014	CDN \$0.91	CDN \$0.74	575,225
June 2014	CDN \$0.91	CDN \$0.76	683,133
July 2014	CDN \$0.92	CDN \$0.82	130,870
August 2014	CDN \$0.92	CDN \$0.82	77,100
September 2014	CDN \$0.90	CDN \$0.65	3,855,862
October 2014	CDN \$0.78	CDN \$0.60	326,950
November 2014	CDN \$0.70	CDN \$0.63	30,857
December 2014	CDN \$0.65	CDN \$0.50	122,458

Prior Sales

The Company issued the following non-trading securities (stock options) that are not listed or quoted on a market-place during the financial year ended December 31, 2014:

Date of Grant	Number of Stock Options Issued	Exercise Price (\$)	Expiry Date
May 22, 2014	390,000	CDN\$0.84	May 22, 2019

DIRECTORS AND OFFICERS

The following table sets forth the name and province and country of residence of each director and executive officer of the Company, as well as such individual's position with the Company, principal occupation within the five preceding years and period of service as a director (if applicable). Each of the directors of the Company will hold office until the next annual meeting of shareholders and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal. As of the date hereof, an aggregate of 19,803,590 Ordinary Shares (representing approximately 47% of all issued and outstanding Ordinary Shares) are beneficially owned or controlled or directed (directly or indirectly) by all of the directors and executive officers of the Company, as a group.

Name, Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number and Percentage of Ordinary Shares held
Dave Harper ⁽⁴⁾ President, Chief Executive Officer and Director Accra, Ghana	November 1, 2010	President and Chief Executive Officer of the Company	17,623,500 (41.5%) ⁽⁷⁾
Greg Borsk Chief Financial Officer Ontario, Canada	August 3, 2012	Chief Financial Officer of the Company and previously was, Controller of Pacific Iron Corp., Co-Head of Mergers and Acquisitions at Byron Capital Markets and Chief Executive Officer of Pine Point Capital Advisors	50,000 (0.1%)
Terry Burling Chief Operating Officer Accra, Ghana	November 1, 2010	Chief Operating Officer of the Company	2,065,100 (4.86%)
Victoria Prentice ⁽⁶⁾ Corporate Secretary Braddan, Isle of Man	September 28, 2004	Corporate Secretary of the Company, Director of Clearwater Fiduciary Services Ltd. (a licensed fiduciary services company) and previously a director of Kingston Management (Isle of Man) Limited (a fiduciary service provider)	10,000 (< 0.1%)
Stephan Rodrigue Business Development Manager Québec, Canada	January 1, 2013	Business Development Manager of the Company and previously was Zone Manager French West Africa and Contract Manager French West Africa at Boart Longyear Inc.	9,990 (< 0.1%)

Name, Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number and Percentage of Ordinary Shares held
John Bingham ^{(1) (2) (3) (4)} Chairman of the Board of Directors Douglas, Isle of Man	September 28, 2004	Client Business Development Manager and a Client Director of Clearwater Fiduciary Services Ltd.	40,000 (0.1%)
Colin Jones ^{(3) (4) (5)} Director Kerikeri, New Zealand	November 15, 2010	Consultant at Orimco (resource investment advisors) and previously an Executive Vice President of Dundee Resources Ltd.	Nil
Ronald Sellwood ^{(1) (2) (3) (5)} Director Salt Lake City, U.S.A.	November 5, 2011	Principal of Rondi Consulting LLC, Rondi Investments LLC and previously was Chief Financial Officer Boart Longyear Limited	Nil
Daniel Im ^{(1) (5)} Director Ontario, Canada	March 13, 2012	Chief Financial Officer Adriana Resources Inc. and previously was a lawyer at Cassels Brock & Blackwell LLP	5,000 (< 0.1%)
Adrian Reynolds ^{(2) (4)} Director Camps Bay, South Africa	April 1, 2014	Director of Mkango Resources Ltd., Aureus Mining Inc. and Digby Wells Environmental and an independent consultant to various companies	Nil

Notes:

⁽¹⁾ Member of the Audit Committee.

⁽²⁾ Member of the Corporate Governance Committee.

⁽³⁾ Member of the Compensation Committee.

⁽⁴⁾ Member of the Health, Safety and Environmental Committee.

⁽⁵⁾ Member of the Nominating Committee.

⁽⁶⁾ Mrs Prentice was appointed Corporate Secretary on September 4, 2013 and resigned as a member of the Board on May 10, 2014.

⁽⁷⁾ 17,500,000 Ordinary Shares are held by Shoredown Limited as Trustee of the Harper Family Settlement of which Mr. Harper is the sole beneficiary. Mr. Harper holds 123,500 Ordinary Shares directly.

Corporate Cease Trade Orders

To the Company's knowledge, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred

while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the Company's knowledge, no director or executive officer of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the Company's knowledge, no director or executive officer of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict is required to disclose such interest and abstain from voting on such matter.

Other than as set forth under the heading below "*Interest of Management and Others in Material Transactions – Transactions with Related Parties*", there are no known existing or potential material conflicts of interest among the Company, its subsidiaries and any directors and officers of the Company or of its subsidiaries, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Company's Audit Committee is set forth at Appendix "A" hereto.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Ronald Sellwood (Chair)	Yes	Yes
John Bingham	Yes	Yes
Daniel Im	Yes	Yes

Note:

⁽¹⁾ As defined by National Instrument 52-110 – *Audit Committees* (“NI 52-110”).

Relevant Education and Experience

Each member of the Audit Committee has education and experience relevant to the responsibilities as an Audit Committee member.

Ronald Sellwood: Mr. Sellwood is a Chartered Accountant and has more than 20 years of international and senior business experience including holding the position of Chief Financial Officer of several publicly listed companies in the mining industry.

John Bingham: Mr. Bingham has over 20 years experience in banking, serving as a senior executive of one of the UK’s largest financial institutions. During his over 15 years experience working within the corporate and trust industry he has held many board positions across a wide range of sectors. Mr. Bingham has current experience working within regulated environments and has hands on experience in liaising with and reporting to regulators in relation to companies’ financial reporting requirements.

Daniel Im: Mr. Im is a Chartered Accountant, a lawyer and currently the Chief Financial Officer of Adriana Resources Inc. Prior to joining Adriana Resources Inc., Mr. Im worked as a securities lawyer at Cassels Brock & Blackwell LLP after obtaining his law degree from Osgoode Hall Law School. Prior to law school, Mr. Im obtained his Chartered Accountant designation in 2003, while working at Deloitte LLP.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completely financial year has the Company relied on an exemption from NI 52-110.

Pre-approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, as described in the Audit Committee Charter attached hereto as Appendix “A”.

External Auditor Service Fees (by category)

The aggregate fees billed by the Company’s external auditors during the last two fiscal years are set out in the table below. “Audit Fees” refers to the aggregate fees billed by the Company’s external auditor for audit services. “Audit Related Fees” refers to aggregate fees billed for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of

the Company's financial statements and not reported under Audit Fees, including the review of interim filings. "Tax Fees" include fees for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. "All Other Fees" include all fees billed by the Company's external auditors for services not covered in the other three categories.

Year	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2014	\$265,000	\$90,000	\$40,000	Nil
2013	\$265,000	\$90,000	\$8,000	Nil

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as noted below and elsewhere in this Annual Information Form, no director, executive officer or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of the Company's outstanding voting securities, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this Annual Information Form that has materially affected or is reasonably expected to materially affect the Company.

Transactions with Related Parties

Trans Traders Limited ("TTL") is a company which is owned by Clearwater Nominees Limited and Clearwater Registrars Limited which shares are held on behalf of the Harper Family Settlement which also owns 41.2% (December 31, 2013: 41.2%) of the issued share capital of Geodrill. As of December 31, 2014 the Corporation had a debt owing to TTL in the amount of \$923,025.

Geodrill Ghana Limited originally entered into an agreement with the Harper Family Settlement to lease the Anwiankwanta property for \$112,000 per annum and the Accra property for \$48,000 per annum. The material terms of the five year lease agreement include: (i) the annual rent payable shall be reviewed on an upward only basis every two years based on the average price of two firms of real estate valuers/surveyors or real estate agents; (ii) at the end of the original five year lease term, Geodrill Ghana Limited shall have the option to renew the lease for an additional five year term with similar rent and conditions; and (iii) either party may terminate the lease agreement provided they give the other party 12 months' notice.

On October 1, 2014 in conjunction with the rent review, Geodrill Ghana Limited agreed to increase the rent for the Anwiankwanta property to \$168,000 per annum and the rent for the Accra property to \$72,000 per annum. The rent for these properties will be reviewed again when the lease expires on September 30, 2015.

Effective May 10, 2013 Clearwater Fiduciary Services Limited was appointed as the licensed and regulated fiduciary service provider to DSI Services Limited and Geotool Limited. From May 31, 2013, Clearwater Fiduciary Services Limited replaced City Trust as registered agent of Geodrill. Fees paid to Clearwater Fiduciary Services Limited for the year ended December 31, 2014 amounted to \$Nil (2013: \$Nil).

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Ordinary Shares is TMX Equity Transfer Services located at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, Canada.

MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business, that are material to the Company and that were entered into by the Company within the most recently completed financial year or before the previous financial year but are still in effect other than, the Lease Agreement dated September 30, 2010 between Geodrill Ghana Limited and The Harper Family Settlement in respect of the operations base and administrative office in Ghana, which is available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

Deloitte LLP has advised the Company that it is independent within the meaning of the International Federation of Accountants.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Additional information, including information concerning directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, for the year ended December 31, 2014, will be contained in the management information circular of the Company for the year ended December 31, 2014.

Additional financial information is provided in the Company's financial statements and management's discussion & analysis for the financial year ended December 31, 2014.

APPENDIX “A”

GEODRILL LIMITED

Charter of the Audit Committee of the Board of Directors

I. PURPOSE

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Geodrill Limited (the “**Company**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company. The Committee’s primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct for senior financial personnel including, if necessary, adopting a corporate code of ethics;
- review the quarterly and annual financial statements and management’s discussion and analysis of the Company’s financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Company’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration;
- provide oversight to related party transactions entered into by the Company; and
- provide oversight of all disclosure relating to financial statements, management’s discussion and analysis and information derived therefrom.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

II. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

III. COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including any stock exchange upon which the securities of the Company trade and all other applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule "A" attached hereto.
3. Each member of the Committee shall be "independent" and "financially literate". An "independent" director is a director who has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of NI 52-110, as set out in Schedule "B" hereto. A "financially literate" director is a director who has the ability to read and understand a set of financial instruments that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
4. Each member of the Committee shall serve at the appointment of the Board, and in any event, only so long as he or she shall be independent. The Committee shall report to the Board.
5. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
6. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
7. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

8. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
9. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
10. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
11. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.
12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.
13. The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of the shareholders.
14. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

IV. RESPONSIBILITIES

A. Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Company publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures.
4. The Committee shall review any press releases containing disclosure regarding financial information, that are required to be reviewed by the Committee under any applicable laws or by one of the other Charters before the Company publicly discloses this information.
5. The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.
6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall follow procedures established as set out in Schedule "C" attached hereto, for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Company.
11. The Committee shall establish the budget process, which process shall include the setting of spending limits and authorizations and periodical reports from the Chief Financial Officer of actual spending as compared to the budget.
12. The Committee shall periodically consider the appropriate size of the Committee with a view to facilitating effective decision making.
13. The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.

B. Independent Auditors

1. The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The pre-approval of the Committee shall be required as further set out in Schedule "D" prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and ensure the independence and objectivity of the external auditors.
5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
8. The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.
11. The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

C. Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

SCHEDULE “A”

GEODRILL LIMITED

Position Description for the Chairman of the Audit Committee

I. Purpose

The Chairman of the Audit Committee of the Board shall be an independent director who is elected by the Board to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company.

II. Who may be Chairman

The Chairman will be selected amongst the independent directors of the Company who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders.

III. Responsibilities

The following are the primary responsibilities of the Chairman:

1. Chairing all meetings of the Committee in a manner that promotes meaningful discussion.
2. Ensuring adherence to the Committee’s Charter and that the adequacy of the Committee’s Charter is reviewed annually.
3. Providing leadership to the Committee to enhance the Committee’s effectiveness, including:
 - (a) Providing the information to the Board relative to the Committee’s issues and initiatives and reviewing and submitting to the Board an appraisal of the Company’s independent auditors and internal auditing functions;
 - (b) Ensuring that the Committee works as a cohesive team with open communication, as well as ensuring open lines of communication among the independent auditors, financial and senior management and the Board of Directors for financial and control matters;
 - (c) Ensuring that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
 - (d) Ensuring that the Committee serves as an independent and objective party to monitor the Company’s financial reporting process and internal control systems, as well as to monitor the relationship between the Company and the independent auditors to ensure independence;
 - (e) Ensuring that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions;

- (f) Ensuring that procedures are in place to review the Company's public disclosure of financial information and assess the adequacy of such procedures periodically;
 - (g) Ensuring that clear hiring policies are put in place for partners and employees, and former partners and employees of the present and former external auditors; and
 - (h) Ensuring that procedures are in place for dealing with complaints received by the Company regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns regarding questionable accounting or auditing matters.
4. Managing the Committee, including:
- (a) Adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
 - (b) Preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
 - (c) Ensuring meetings are appropriate in terms of frequency, length and content;
 - (d) Obtaining and reviewing with the Committee an annual report from the independent auditors, and arranging meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
 - (e) Overseeing the Committee's participation in the Company's accounting and financial reporting process and the audits of its financial statements;
 - (f) Ensuring that the auditors report directly to the Committee, as representatives of the Company's shareholders; and
 - (g) Annually reviewing with the Committee its own performance.
5. Ensuring that a budgeting process is established, which process shall include the setting of spending limits and authorizations and periodical reports from the Chief Financial Officer of actual spending as compared to the budget.

SCHEDULE “B”

National Instrument 52-110 – *Audit Committees* (“NI 52-110”)

Section 1.4 - Meaning of Independence

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer’s internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer’s internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

- (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
- (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 - Additional Independence Requirements for Audit Committee Members

- (1) Despite any determination made under section 1.4 of NI 52-110, an individual who
- (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities,
- is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

- (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

SCHEDULE “C”

GEODRILL LIMITED

Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters

1. The Company shall inform employees on the Company’s intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the “**Complaints Officer**”) designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Company.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

SCHEDULE “D”

GEODRILL LIMITED

Procedures for Approval of Non-Audit Services

1. The Company’s external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Company’s accounting records or financial statements;
 - (b) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (c) actuarial services;
 - (d) internal audit outsourcing services;
 - (e) management functions;
 - (f) human resources;
 - (g) broker or dealer, investment adviser or investment banking services;
 - (h) legal services; and
 - (i) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Company’s accounting standards, from time to time determines is impermissible.
2. In the event that the Company wishes to retain the services of the Company’s external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
3. The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.