GEODRILL LIMITED

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

March 30, 2011

TABLE OF CONTENTS

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, 2010 and December 31, 2009, together with the auditor's report thereon.

The Financial Statements and MD&A are available for review on the SEDAR website 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, 2010. 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, 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 the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: cyclical downturns, revenues and EBITDA, global financial condition, foreign currency exposure, dependence on certain key personnel, ongoing integration of business systems, sensitivity to general economic conditions, political instability, specialized skills and cost of labour increases, increased cost of sourcing consumables and drilling equipment, access of customers to equity markets, expansion plans, competition, inability to sustain and manage growth, customer contracts, operational risks and liability, business interruptions, risk to the Company's reputation, lack of experience in managing a public entity, environment, labour and health and safety requirements and related considerations, insurance limits, uncertain legal and regulatory frameworks, tax risk, credit risk, fair value, future expansion strategy, risks due to foreign incorporation, difficulty enforcing judgments and effecting service of process, equity market risks, influence of existing shareholders and future sales by the Harper Family Settlement, future sales of Ordinary Shares (as defined herein) by the Harper Family Settlement, dilution and lack of dividend payments.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as 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

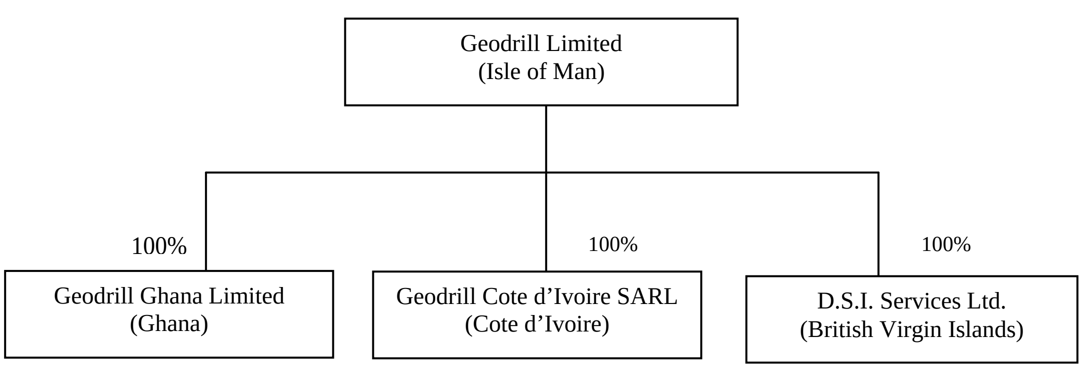
Name, Address and Incorporation

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 registered office is located at Ragnall House (First Floor), 18 Peel Road, Douglas, Isle of Man IM1 4LZ. The registered agent for the Company is Kingston Management (Isle of Man) Limited. The operational base 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 three wholly-owned subsidiaries, Geodrill Ghana Limited (which operates contracts in Ghana), Geodrill Cote d'Ivoire SARL (which has historically operated contracts in Cote d'Ivoire) and D.S.I. Services Ltd. (whose role is to purchase certain capital equipment and pay certain expenses). The Company directly operates its contracts in Burkina Faso.

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



GENERAL DEVELOPMENT OF THE BUSINESS

In December, 2010, the Company completed an initial public offering and listing on the Toronto Stock Exchange (the "**Offering**"). The Company's material expenditures during the past fiscal year have been to complete the Offering, costs relating to the acquisition of addition drill rigs and hiring additional staff. During the two prior years, the Company increased revenues through purchasing additional drill rigs.

During the year ended December 31, 2010, the Company increased the number of drill rigs in operation from 10 drill rigs to 18 drill rigs. The Company expects that the six drill rigs currently in transit will arrive in Ghana and be operational by the end of March 2011. The Company also ordered six additional drill rigs, and expects that those six drill rigs will be operational and in the field by the end of 2011, bringing the total number of rigs in operation to 30 drill rigs.

The Company's objectives include: expanding the business by acquiring additional drill rigs and providing capacity to current clients and new clients who require additional drill rigs. The Company has historically chosen to pursue its growth initiatives organically through the acquisition of new drill rigs rather than through the acquisition of other drilling companies. Management will, however, continue to consider all alternatives and maintain a watching brief as opportunities arise.

Three Year History

The Company was incorporated in June 1998 and commenced operations in Ghana in September of the same year with one UDR-KL900 drill rig. Shortly after, Geodrill ordered a second rig to meet anticipated demand for its services. Over the course of the first 18 months of operations, several short term exploration contracts led to longer term programs and a third rig was purchased by Geodrill to keep up with the needs of the Ghanaian market.

In 2001, the Company expanded into Cote d'Ivoire and Togo, where it successfully operated until its withdrawal in 2004 due to changes in the socio-political and economic climates of those two countries. For the next four years, Geodrill operated solely in Ghana and expanded its fleet to 10 drill rigs. At the end of 2008, the political climate in both Cote d'Ivoire and Burkina Faso had greatly improved and Geodrill was eager to ensure that all drill rigs were fully utilized in the face of the global economic slow-down. Accordingly, management re-assessed the corporate opportunities and the buoyant market for drilling services in those two countries and chose to re-enter Cote d'Ivoire and enter into Burkina Faso. The close geological proximity to Ghana and the 'in-country' familiarity and goodwill that had been built during its previous operations in Cote d'Ivoire helped facilitate the Company's successful re-entry into that still expanding and robust growth market.

In 2003, the Company had four drill rigs in operation and increased their fleet to five rigs for 2004 and continued with the fleet of five rigs until 2006. At the end of 2007, Geodrill had six rigs and had an average of 5.25 drill rigs in operation during the year. At the end of 2008, the Company had nine rigs and an average of 7.0 drill rigs in operation during the year. The Company also won new drilling contracts and extended the tenure for some existing contracts during 2008.

At the end of 2009, Geodrill had 11 rigs in operation and had an average of 9.42 drill rigs in operation during the year. The average figure of drill rigs in operation takes into account the number of months during the year that the drill rigs were operating and as such contains fractions to account for periods during the year when the drill rigs were not in operation such as when a drill rig was in shipping, at the warehouse for maintenance or retooling or idle (only during 2008/09) and to account for situations where the drill rigs were acquired part way through the year .

During 2009, Geodrill re-entered the Cote d'Ivoire market and operated in Burkina Faso for the first time.

As part of a pre-Offering reorganization, on July 13, 2010, Geodrill Cote d'Ivoire SARL became a wholly-owned subsidiary of Geodrill. Prior to that time, Geodrill Cote d'Ivoire SARL was owned by David Harper, the President and Chief Executive Officer of the Company.

To assist in financing the Company's growth strategy, including the acquisition of additional drill rigs in advance of the Offering, on July 14, 2010, the Company received a AUD$2 million convertible loan (the "**Convertible Loan Note**") from Terry Burling, the Chief Operating Officer of the Company. The Convertible Loan Note was unsecured and paid interest at a rate of 8% per annum. On closing of the Offering, the principal amount owing under the Convertible Loan Note was automatically converted into 1,976,000 ordinary shares of the Company. Unpaid and accrued interest was paid to Mr. Burling in cash.

In preparation of the Offering and as part of the pre-Offering reorganization, on November 1, 2010, the board of directors of Geodrill ratified, confirmed and approved a resolution passed by Geodrill Ghana Limited on September 30, 2010 declaring a dividend to its shareholder, Geodrill, of $2,350,000, which was satisfied by the distribution of Geodrill Ghana Limited's following real estate assets: (i) administrative office buildings owned and a long-term lease in respect to the land situated at 20B Aviation Road, Airport Residential Area, Accra, Ghana; and (ii) operations base and workshop owned and a long-term lease in respect to the land located in Anwiankwanta, Ghana (the "**Real Estate Dividend**"), which assets were subsequently distributed to Geodrill's shareholders and are currently held by the Harper Family Settlement. K. Kyei Consultancy Services provided an independent valuation report on the properties. Each of the Company and Geodrill Ghana Limited used the September 2010 valuation report as a guideline to determine the fair market value of the real estate assets and valued the real estate assets as at September 30, 2010 at $2,150,000, with the balance of $200,000 being a tax provision based on the Real Estate Dividend. Subsequent to the distribution of the Real Estate Dividend, Geodrill Ghana Limited entered into an agreement with the Harper Family Settlement to lease the Anwiankwanta property at $112,000 per annum and the Accra property at $48,000 per annum. The material terms of the 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 valuators/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 November 17, 2010, in order to assist the Company's working capital position in advance of the Offering, the Harper Family Settlement, provided a bridge loan to the Company in the amount of AUD$2 million (the "**Bridge Loan**"). The Bridge Loan paid interest at a rate of 6% per annum. The Bridge Loan was repaid in full from the proceeds of the Offering.

On account of the ongoing parliamentary election and the historic threat of political instability during election periods, the Company suspended operations in Cote d'Ivoire during 2010 and redeployed its drill rigs to other contracts in Ghana and Burkina Faso. The Company is closely monitoring the political situation in Cote d'Ivoire and may re-enter Cote d'Ivoire in the near future.

DESCRIPTION OF BUSINESS

General

Geodrill Limited is a leading West African based drilling company currently operating in Ghana and Burkina Faso. The Company specializes in providing reverse circulation ("**RC**") and diamond core ("**Core**") drilling services using a modern fleet of drill rigs. Geodrill provides exploration and development drilling services to major, intermediate and junior mining companies with exploration and development operations in West Africa.

An experienced workforce and management team coupled with a modern fleet of drill rigs have contributed to Geodrill's reputation as a results oriented drilling company that strives to achieve greater 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 customer service and customer sensitivities and a rigorous health, safety and environmental protection program.

Geodrill's experienced management team is led by David Harper, the President and Chief Executive Officer, Terry Burling, the Chief Operating Officer, and Ian Lacey, the Chief Financial Officer and Secretary. The Company's lean management, 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, and to maintain and grow market share even in an industry-wide slowdown, as was the case during the global financial crisis in 2009 during which Geodrill recorded slight marginal growth. Management believes that Geodrill's ability to maintain its operating performance in the face of the global economic slowdown shows its operational resilience and is indicative of its solid relationships with its clients.

Geodrill operates a fleet of multipurpose, core and air-core drill rigs. The multipurpose rigs can perform both RC and Core drilling and can switch from one to the other with little effort or down-time. This provides customers with the efficiency and high productivity of RC drilling and the depth and accuracy of Core drilling without the need to have two different drill rigs on site. The Company's rigs and support equipment also incorporate a fleet of boosters and auxiliary compressors which enable Geodrill to achieve high quality sampling and operations to greater depths.

The state-of-the-art workshop and supply base at Anwiankwanta, near Kumasi, Ghana, 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 has generally performed RC drilling and Core drilling but has recently added air-core drilling (typically used for shallow RC reconnaissance programs) to its services in order to meet the specific needs of its diverse client base.

During the rainy season, Geodrill is generally able to continue its operations in certain steep terrained areas where some of its rigs are located. In flat lying areas, Geodrill typically redeploys its rigs in advance of the rainy season to other areas where the rigs can continue to operate, thus minimizing the seasonality fluctuations of Geodrill's overall operations.

Geodrill's existing clients and potential new clients continue to request additional rig capacity across the countries within which it currently operates as well as in neighbouring countries in which Geodrill does not currently have operations. A robust and relatively stable commodities price has led to the increased need for mining services and, due to maturing markets and increased regulatory hurdles for mining in developed countries, many mining and exploration companies are now looking towards resource rich emerging markets, such as Africa, for their production growth. This has provided the Company with a diverse client base, including:

(i) producing companies eager to increase their production profile and ensure an increased run-of-mill at the current pricing profile;

(ii) development and emerging producers looking to advance their projects by converting "mineral resources" to "mineral reserves" (the latter being a technical classification that indicates increased certainty and is often required before a production decision can be properly made), which requires tighter drilling patterns; and

(iii) exploration companies looking to increase prospects through increased exploration budgets.

Management believes that Geodrill's efficient operations, skilled workforce, strong and experienced management team, local knowledge and presence in West Africa and focus on customer service have provided the Company with a competitive advantage.

The Company has a historic success rate of more than 95% in the competitive tender proposal process, meaning that it wins over 95% of the tenders on which it bids. Throughout Geodrill's 12 year history, it has generally operated at full capacity (other than during a six month period in 2008/09 resulting from the global financial crisis at that time). As such, the Company is often unable to bid on invitations to tender for drill contracts that the Company receives, both from existing and potential new clients, as the Company does not have available rigs. Management internally refers to this situation as the '110% utilization factor'. The Company expects that the six drill rigs currently in transit will arrive in Ghana and be operational by the end of March

2011. The Company also ordered six additional drill rigs, and expects that those six drill rigs will be operational and in the field by the end of 2011, bringing the total number of rigs in operation to 30 drill rigs. The Company plans to place them with existing clients who are currently under-serviced and to use any additional capacity to bid on additional contract opportunities.

Management expects that its strategy of organic growth will allow Geodrill to better service existing clients as well as expand its current client base. The Company plans on adopting this growth strategy across the two countries in which it currently operates, while continuing to assess expansion opportunities throughout West Africa and other jurisdictions of Africa to meet demand for its services and expertise.

Clients

The Company has provided drilling services to numerous mining and exploration companies, including:

- Ampella Mining Limited
- AngloGold Ashanti Limited
- Azumah Resources Limited
- Carbine Resources Limited
- Castle Minerals Limited
- Eurasian Natural Resource Corporation (ENRC) / Central African Mining & Exploration Company PLC (CAMEC)
- Golden Star Resources Ltd.
- Gryphon Minerals Limited
- Keegan Resources Inc.
- Lihir Gold Limited
- Newmont Mining Corporation
- Perseus Mining Limited
- Red Back Mining Inc. (prior to its acquisition by Kinross Gold Corp.)
- Resolute Mining Limited

The diversity of major, intermediate and junior mining clients, coupled with the different drilling services that Geodrill provides, allows the Company to minimize its exposure to the cyclical nature of the commodities industry. The Company has the ability to service junior mining companies that typically undertake higher margin exploratory work during periods of expansion and intermediate and major mining companies that are typically better positioned to maintain stable operations during all phases of the industry cycle. This diverse client base better enables the Company to maintain a steady and reliable income stream during all stages of the commodities cycle more effectively than drilling companies that focus on a specific client type or service.

Geodrill's current client mix is predominately made up of gold companies (exploration, development and production). The drilling services performed by Geodrill are not however gold specific and can be easily applied to other precious and base metals. Its 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.

West Africa has become the scene of intense competition amongst international mining companies as the price of minerals has risen following the 2009 global financial crisis. At the centre of this development is the recognition that West Africa hosts some of the largest remaining undeveloped mineral deposits, containing iron ore, gold, bauxite and diamonds. Management's expansion plans include taking advantage of opportunities in other minerals, including iron ore, which may not follow the same economic cycles as precious metals. The proximity of Ghana to countries such as Mauritania, Guinea, Liberia, Sierra Leone, the Democratic Republic of the Congo, Niger, Nigeria, Cameroon and Togo positions the Company favourably in its ability to service these markets as well if it so chooses.

The Company has strong client relationships, having serviced two of its clients for over 10 years. All longer term client relationships of the Company originally commenced as short term drill contracts won under competitive bidding processes, which have been continually renewed as the respective drilling program of the client has progressed through the various phases. The Company has received testimonials from senior persons at each of: Ampella Mining Limited, Azumah Resources Limited, Castle Minerals Limited, Keegan Resources Inc., Perseus Mining Limited and Gryphon Minerals Limited, which cite high levels of customer 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, there can be no assurance that any contract that the Company currently services will be extended, renewed or renewed on favourable terms to the Company. However, on account of: (i) the robust demand for Geodrill's services with existing and potential new customers; (ii) the number of tender proposals that Geodrill has historically been asked to bid on; and (iii) the high success rate of the Company in past competitive tender processes (more than a 95% success rate), the Company is confident that it can redeploy its drill rigs to other locations without a significant interruption to the Company's operations in the event that any of its current contracts are not extended, renewed or renewed on favourable terms.

Geodrill's business is not substantially dependent on any one customer or contract. As at December 31, 2010, one major customer represented 17% of the trade accounts receivable, while other major customers represented 16%, 15%, 15% and 12% respectively. The balance of customers represented less than 10% each.

Market Share and Growth

Geodrill has been successful in establishing a leading market position in each of the countries in which it operates. The Company believes that it has earned and currently maintains a position as a market leader in Ghana and is well positioned in Burkina Faso (and Cote d'Ivoire, prior to its departure in 2010).

The Company has historically financed its growth internally by reinvesting profits into the business through the acquisition of additional drill rigs and ancillary equipment. The Company's vertical integration and low cost operations, driven by organic growth, have resulted in revenues and EBITDA[1] of approximately $17.1 million and $8.3 million, respectively, for the 12 month period ended December 31, 2007, $25.3 million and $10.2 million respectively, for the 12 month period ended December 31, 2008 and approximately $25.6 million and $8.3 million, respectively, for the twelve month period ended December 31, 2009. This represents an increase in revenue of approximately 50% and approximately the same EBITDA over this three year period. For the twelve month period ended December 31, 2010, the Company had revenues of $45.1 million and EBITDA of $14.3 million. The Company does not provide financial forecasts and there is no assurance that the Company will maintain these revenues and EBITDA numbers in the future.

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 offers two principal types of drilling services, Reverse Circulation and Diamond Core:

> 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 then air-core drilling but less expensive than Core drilling. RC drilling produces rock chips

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[1] **Non-IFRS Measures**: EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortisation and is used in this MD&A as a measure of financial performance. The Company believes EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to evaluate companies in the Company's industry. However, EBITDA is not a measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. EBITDA should not be viewed in isolation and does not purport to be an alternative to net income or gross profit as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. EBITDA does not have a standardized meaning prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and EBITDA should not be construed as an alternative to other financial measures determined in accordance with IFRS.

Additionally, EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as capital expenditures, contractual commitments, interest payments, tax payments and debt service requirements.

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

Year ended December 31	**2007 ($)**	**2008 ($)**	**2009 ($)**	**2010 ($)**
Results from operating activities	6,769,014	7,864,319	5,109,406	10,242,495
Add back: depreciation and amortisation	1,486,272	2,375,230	3,151,266	4,061,170
Earnings before interest, taxation, depreciation and amortisation (EBIDTA)	**8,255,286**	**10,239,549**	**8,260,672**	**14,303,665**

rather than core. 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.

Diamond Core – Core drilling is used to drill to depths of up to 1,500 metres. Core drilling 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.

Although not a principal focus, the Company also provides Air-Core drilling services to meet the diverse needs of its client base:

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. Air-core drilling 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 customers 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 customer. 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 customer. 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 2010, the Company drilled 276,486 meters in Ghana, 165,437 meters in Burkina Faso and 39,341 meters in Cote d’Ivoire (61%, 26% and 13% of total revenue respectively). The drill rigs previously operating in Cote d’Ivoire have recently been redeployed to service contracts in Ghana and Burkina Faso while the Company continues to monitor the political situation in Cote d’Ivoire.

In 2010, the Company derived approximately 80% of its revenues from RC drilling and approximately 20% from Core drilling (the mix was approximately 79% RC and 21% Core during 2009, 74% RC and 26% Core during 2008 and was approximately 77% RC and 23% Core during 2007 and 2006). These proportions, however, vary from year to year. RC drilling is the method of choice for obtaining consistently high quality rock samples with speed and efficiency, while the pricing of RC drilling allows customers to extend their budgets.

Geodrill has been able to succeed throughout the various stages of the economic cycle by offering both exploration and delineation drilling services to both producing issuers and exploration companies. Historically, exploration drilling has accounted for approximately 60% of revenues during boom points of the economic cycle, with the remaining 40% being attributed to delineation programs. This revenue split has historically changed to approximately 60% delineation and 40% exploration during less robust periods of the economic cycle.

As determined by management of the Company based on publicly available information in respect of its competitors, it believes that its gross revenue per rig per annum is among the best in the industry: $3.3 million (2007), $3.6 million (2008), $2.7 million (2009) and $3 million (2010). According to management estimates and publicly available information in respect of some of its competitors, this compares favourably to what management has determined to be the industry norm of about $1.0 million per rig per annum. Management believes that Geodrill's EBITDA margin for 2010 of 31.7% is more than what management has determined to be the industry average.

The Company expects that it will continue to expand its fleet of drill rigs through the acquisition of new drill rigs as demand for the Company's services grows. The Company expects that the majority of the new rigs to be purchased, following the arrival of the twelve drill rigs previously mentioned, will be multipurpose drill rigs. However, additional core only and air-core rigs may be purchased to meet the specific demands of the marketplace. The Company may also pursue the acquisition of existing drilling companies as opportunities arise.

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.

Budgeting and Monitoring

Geodrill has implemented internal annual budgets, to be discussed at the beginning 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.

Fuel expenses constitute up to approximately 10% of revenue and are the single largest expense item after wages. Geodrill carefully monitors fuel consumption by each drill rig on each project and compiles a periodic report that is scrutinized by the Chief Operating Officer and the Chief Executive Officer. Although the ratio of fuel to revenue varies according to the drilling methodology and ground conditions of each project, management has found that this report provides an early indication of performance problems at a project.

Equipment

During the year ended December 31, 2010, the Company increased the number of drill rigs in operation from 10 drill rigs to 18 drill rigs. The Company expects that the six drill rigs currently in transit will arrive in Ghana and be operational by the end of March 2011. The Company also ordered six additional drill rigs, and expects that those six drill rigs will be operational and in the field by the end of 2011, bringing the total number of rigs in operation to 30 drill rigs.

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.

Current Drill Rig Fleet

Make - Model	Type	No. of Rigs	Currently in Operation	No. of Rigs	Planned to be Operational by March 31, 2011	No. of Rigs	Planned to be Operational by December 31, 2011
UDR – 650	Multipurpose	2	1 × 2003 1 × 1993				
UDR – KL900	Multipurpose	4	1 × 2007 1 × 2003 1 × 1999 1 × 1998				
Sandvik – DE820	Multipurpose	4	1 × 2010 3 × 2008				
EDM – 2000	Multipurpose			2	2 × 2011		
Austex – X900	Multipurpose			1	1 × 2011	5	5 × 2011
Sandvik – DE710	Core	6	5 × 2010 1 × 2009	2	2 × 2011		
Austex – X300	Air-Core	2	2 × 2010	1	1 × 2011	1	1 × 2011
Total Drill Rigs		**18**		**6**		**6**	

Multipurpose Rigs

Geodrill’s President and Chief Executive Officer, David Harper, was a pioneer of the multipurpose technique. Multipurpose 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. 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. Approximately 60% of the Company’s fleet of drill rigs (including those rigs currently in shipping or under construction) have multipurpose capabilities. All of Geodrill’s crawler mounted multipurpose drill rigs have on board compressor boosters, which minimize the equipment footprint in environmentally sensitive locations.

Core Only Rigs

Core only rigs are smaller than multipurpose rigs. The Company operates six Sandvik – DE710 core only rigs (with an additional two rigs in shipping), 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 two Austex – X300 air-core rigs (with two additional air-core rigs in shipping or under construction). 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 multipurpose 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; that is, the lifting of 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 multipurpose drill rig has a primary compressor onboard in order to perform basic drilling operations. Geodrill maintains, for every RC and multipurpose rig, separate truck-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-ups, 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.

Operations Base

Geodrill Ghana Limited leases and operates from a 10 acre operations base near Kumasi, Ghana, that includes office and housing facilities for some of the Company's workforce, as well as a world class workshop from which it constantly maintains and updates its rigs and equipment to the highest industry standards. The operations base stores inventory, including drilling consumables and spare parts, rig engines, rotation heads, hydraulic components, compressors, tracks and fuel. As a contingency plan, Geodrill typically stores approximately four weeks' worth of fuel for its operations. Geodrill Ghana Limited also leases and maintains an administrative office in Accra, Ghana.

The workshop includes CNC machining and RC drill pipe manufacturing capabilities which allow the Company to decrease its reliance on supplier relationships in connection with certain essential consumables, including RC and wire-line drill subs that the Company is able to manufacture at the workshop. At present, the Company manufactures up to 260 different consumable items in the workshop. The Company's high level of productivity per drill rig reflects the well maintained nature of its rigs and assists in maintaining Geodrill's leadership position.

The centrally located operations base provides 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 and reduces downtime if repairs or replacement parts are needed at the drill sites. The Company's well resourced 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 the workshop and operations base enables the Company to reach most of its current program sites within a 12 hour drive. The location of its operations base also eliminates the need for multiple regional or branch offices or facilities for Geodrill's current operations. As business continues to increase in Burkina Faso, it is envisaged that a secondary operations base with repair and administration support may be required.

Workforce

As at December 31, 2010, Geodrill had 266 employees organized into two departments: Operations and Administration. Unlike some of its competitors, Geodrill employs very few expatriates. Approximately 90% of its employees are contract workers, while the remaining 10% 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 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. During the next nine months, Geodrill plans to install a computerized human resource management system.

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.

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 bits are sourced from Australia, the United States and Canada while certain other larger items such as vehicles may be sourced from Japan and Europe. In 2010, Geodrill sourced supplies, inventory and equipment from more than 20 different sources. Geodrill's policy to promptly pay suppliers, coupled with a need for consumable supplies, positions Geodrill prominently with most of its suppliers. In addition, the Company's ability to manufacture certain RC drill pipe and RC and wire-line drill subs minimises its reliance on suppliers for these consumables, thereby reducing price fluctuations and delays in delivery times that it might otherwise experience using external suppliers.

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.

Management believes that the Company has a number of attributes that make its performance sustainable and that provide a solid base for continued growth, while providing a competitive advantage over its peers, including:

Young and Modern Fleet of Drill Rigs and World Class Workshop: Modern drill rigs with an average age of less than 2 years, and a centrally located world class workshop to promote customer satisfaction through reliable operational performance. In addition, a manufacturing facility with the capacity to produce ancillary equipment such as RC drill pipe and RC wire-line drill subs in-house reduces down time and supplier reliance for these items

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

Presence in West Africa: The Company is able to mobilize drill rigs and associated ancillary equipment within a few days of request by a client. The well resourced, centrally located workshop further reduces downtime, as the Company can reach most of its current program sites within a 12 hour drive.

Low Cost Operator: The Company has developed low cost operations by maximizing efficiencies, minimizing administrative, overhead and other fixed costs and maintaining a lean management team which has allowed Geodrill to maintain and grow market share even during past periods of industry slow down.

Active and Experienced Management: Geodrill is led by David Harper, President and Chief Executive Officer, Terry Burling, Chief Operating Officer, Ian Lacey, Chief Financial Officer and Secretary, and Roy Sinke, General Manager, who collectively have over 90 years experience in the drilling industry, with a majority of those years being in West Africa.

Skilled and Dedicated Workforce: A favourable compensation and benefits package, coupled with the Company's commitment and track record of hiring and training permanent and contract employees, has reduced unplanned workforce turnover even during robust mining cycles.

Operational Structure

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	• typically comprises approximately 80% of the Company's workforce; • 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 Health, Safety and Environmental ("**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 and executes salary payments.
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; • is currently implementing an enterprise resource planning system, which includes the accounting system, the human resource management system, inventory and assets; and • is planning to develop a document management control system.

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. As discussed above, the Company's Health, Safety and Environmental Group oversees the design, implementation, monitoring and evaluation of the Company's HSE standards, which standards closely conform to Australian mandated standards. The Australian standards are generally considered to be stringent standards for drilling firms globally and are higher than what is currently required in all local markets in which Geodrill currently operates. Every aspect of Geodrill's operations is designed to meet the highest HSE standards and includes induction meetings, at least one safety meeting per work site, including non-exploration work sites, regular safety audits and detailed investigations of incidents and accidents.

RISK FACTORS

The following discussion summarizes the principal risk factors that apply to the Company's business 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.

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 will cause a decline in the demand for the drilling rigs and drilling services, which could have a material adverse effect on the Company's business, financial position, resulting operations and prospects.

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, fluctuation in the value of the United States 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 recent years, and future serious price declines could cause continued exploration, development of and commercial production from Geodrill's customers 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 a major influence on the Company's clients' activity levels and planned expenditures. Gold and base metal prices are currently at levels well above historical averages. Strong commodities market conditions have led to an increased supply of drilling rigs to the market. In the event of a sustained decrease in demand, the market may be oversupplied with drilling 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 significant, sustained fall in commodity prices could substantially reduce future mining expenditures, particularly in relation to exploration and production, 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 experienced increasing cash generation from favourable revenues and EBITDA in the past. However, there can be no assurance that this will continue in the future. It may be difficult for the Company to maintain historic EBITDA growth figures, as it did in the past, as the Company expands its operations.

Global Financial Condition

Global financial conditions have been subject to increased volatility in recent years and numerous financial institutions have either gone into bankruptcy or have received capital bail-outs or other relief from governmental authorities. These factors may impact the ability of the Company and its customers 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 during 2009 and 2010, if these 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.

Foreign Currency Exposure

The Company receives the majority of its revenues in U.S. dollars. However, a significant part of the Company's costs are in Australian dollars. 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.

Dependence on Certain Key Personnel

The success of the Company is currently largely dependent on the performance of management and, in particular, David Harper, Terry Burling and Ian Lacey. The Company's lean management structure may be strained as the Company pursues growth opportunities in the future as well as meets the additional obligations of running a public company. The loss of the services of these persons would likely have a materially adverse effect on the Company's business and prospects. Additionally, there is no assurance that the Company can maintain the services of its management or its key drillers required to operate the business. The Company does not maintain key person insurance on the lives of any of its key personnel.

Ongoing Integration of Business Systems

The Company is installing an enterprise resource planning system including new financial, inventory, operating information and technology systems. These systems are designed to improve the business operations and management oversight. However, there may be a level of disruption to the business with incorrect information produced and relied upon while implementation and training is being implemented and completed - management's attention may be diverted to ensuring the successful integration of the new technology during this process. The Company's financial performance, financial condition, cash flows and growth prospects may be adversely affected by any implementation problems associated with the business systems.

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 operations are currently based in Ghana and Burkina Faso, West Africa. Conducting operations in West 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. Operations 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.

Specialized Skills and Cost of Labour Increases

A key limiting factor in the growth of drilling services companies is the supply of qualified drillers, upon whom the Company relies to operate its drills. The increase in demand for drilling services has created a situation where there is a shortage of qualified drillers and competition for drillers is intense. As such, the ability to attract, train and retain high quality drillers is a high priority for all drilling services providers. The Company may not be able to recruit or retain drillers and other key personnel who meet the Company's high standards, especially as it pursues growth opportunities. 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. In addition, rising rates paid to drillers and helpers will exert pressure on the Company's profit margins if it is unable to pass on such higher costs to its customers through price increases.

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. Due to the worldwide increased demand for drilling services, the industry is experiencing tightness in the supply of drilling equipment, including drills, and this could impede the Company's ability to grow its business. 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 equipments, 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.

Access of Customers to Equity Markets

Economic factors may make it more difficult for mining companies, particularly junior mining companies, to raise money to fund exploration activity. This difficulty would have an adverse impact on the demand for drilling services and could have a material adverse effect on the financial performance, financial condition, cash flows and growth prospects of the Company.

Expansion Plans

The Company's expansion plans partly rely on the anticipated addition to its drill rig fleet of six additional drill rigs being operational by the end of the first quarter of 2011 and six additional rigs becoming operational before December 31, 2011. A significant delay in delivery or time lag between manufacture, shipping, delivery, commissioning and dispatch to the field may have a material adverse effect on the expansion plans of the Company.

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 than the Company. The capital cost to acquire drill rigs is relatively low, enabling current competitors to expand and new competitors to enter the market. In addition, new and current competitors willing to provide services at a lower cost may occur as the West African mining market matures. 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 and competitive pricing as part of the tender process or if mining companies elect not to undertake a competitive tender process.

Inability to Sustain and Manage Growth

The Company's revenue has grown in recent years. The Company's ability to sustain its growth will depend 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. In addition, the Company is subject to a variety of business risks generally associated with growing companies. Future growth and expansion could place significant strain on the Company's management personnel and key drillers and likely will require the Company to recruit additional management personnel and train and retain additional key drillers and mechanics.

There can be no assurance that the Company will be able to manage its expanding operations (including any acquisitions) effectively, that it will be able to sustain or accelerate its growth or that such growth, if achieved, will result in profitable operations, that it will be able to attract and retain sufficient management personnel necessary for continued growth or that it will be able to successfully make strategic investments or acquisitions. 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 number of rigs, 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.

Customer Contracts

The Company's drilling customer contracts are typically for a term of three months to one year and can be cancelled by the customer 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 customers. The failure to renew or replace some or all of these existing contracts and cancellation of existing contracts could have a material adverse effect on the Company's financial performance, financial condition, cash flows and growth prospects.

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' 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.

Lack of Experience in Managing a Public Entity

Management has historically operated the business of the Company as a privately owned company. The individuals who constitute the Company's senior management team have limited experience for managing a publicly traded entity. The Company may be adversely affected if these individuals are unable to satisfactorily manage a public entity and ensure the Company's compliance with all continuous disclosure and other requirements applicable to public entities.

Environment, Labour and Health and Safety Requirements and Related Considerations

The drilling services industry is regulated by environmental and health and safety regulations. 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. 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. Although none of Geodrill'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. However, 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 affect on the financial position of the Company. To the extent that Geodrill incurs losses not covered by its insurance policies, the funds available for sustaining and growing 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 West 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 customer 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) 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. Geodrill is an Isle of Man company with operations currently in Ghana, Burkina Faso and British Virgin Islands. There is a risk in which the countries where Geodrill operates may change their current tax regime with little or no prior notice or that the tax authorities in these jurisdiction 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 customers in the normal course of its operations. As at December 31, 2010, 100% of the trade accounts receivable are aged as less than 60 days and none are considered to be impaired.

One major customer represents 17% of the trade accounts receivable as at December 31, 2010. Major customers represented 16%, 15%, 15%, 12% respectively. The balance all represented less than 10% each.

Credit risk also arises from cash and cash equivalents with banks. This risk is limited, as it is spread over various countries and banking institutions.

Fair Value

The fair values of cash, accounts receivable, accounts payable and accrued liabilities is approximately equal to their carrying values due to their short-term maturity period.

Future Expansion Strategy

Although the Company currently expects to grow organically through the acquisition of drill rigs rather than other companies, the Company may in the future determine to pursue growth targets through corporate acquisitions. There is considerable competition within the drilling services industry for suitable acquisition targets. There can be no assurance that suitable candidates will be identified at acceptable prices or that the Company will be able to finance or complete potential acquisitions. The Company's future acquisitions may be subject to unanticipated risks or liabilities. In addition, there can be no assurance that any such acquisitions will be profitable or be successfully integrated into the Company's operations, that any such integration will be smooth or that such acquisition and integration will not have a material adverse effect on the Company's business, financial position, results of operations and prospects.

Expansion into new geographies organically and via acquisitions also brings additional geographic and currency risk. 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.

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.

Difficulty Enforcing Judgments and Effecting Service of Process

Some of the directors and officers of Geodrill and Shareholders and some of the experts named in this AIF reside outside of Canada. Some or all of the assets of those persons and Geodrill may be located outside of Canada. Furthermore, Geodrill and its subsidiaries are incorporated under the laws of a foreign jurisdiction and each resides outside of Canada. Although Geodrill has appointed Cassels Brock & Blackwell LLP, Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2, Canada as its respective agent for service of process in Canada, it may not be possible for investors to collect from Geodrill or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against Geodrill its Shareholders and any of their respective directors and officers and certain of the experts. Moreover, it may not be possible for investors to effect service of process within Canada upon the parties referred to above.

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

The Harper Family Settlement shareholders holds or controls, directly or indirectly, 17,500,000 Ordinary Shares representing approximately 41.2% of the Company's issued Ordinary Shares. As a result, the Harper Family Settlement will have the ability to affect the control of 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 affect 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.

Future Sales of Ordinary Shares by the Harper Family Settlement

Sales of a large number of Ordinary Shares 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.

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 granted following the completion of the Offering. 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.

Lack of Dividend Payments

Geodrill does not pay dividends as it intends to use cash for future growth. Other than the Real Estate Dividend in 2010, issued in connection with the pre-Offering reorganization of the Company, no dividends on the Ordinary Shares have been paid to date. 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.

DIVIDENDS

The Company has never declared or paid cash dividends on the Ordinary Shares. 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.

DESCRIPTION OF CAPITAL STRUCTURE

The Company does not have an authorized share capital and may issue an unlimited number of no par value shares, of which as at December 31, 2010 there were 42,476,000 issued and outstanding Ordinary Shares.

Subject to any rights or restrictions attached to any 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.

The Company granted 1,440,000 incentive stock options to Directors and Officers on the closing of the Offering.

MARKET FOR SECURITIES

Trading Price and Volume

The Ordinary Shares are listed and traded on the Toronto Stock Exchange 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 Toronto Stock Exchange on a monthly basis during the fiscal year ended December 31, 2010**.**

Month	**High**	**Low**	**Volume**
December 21-31	CDN$2.50	CDN$2.40	1,938,500

Prior Sales

Date of Issuance	Number of Securities	Price per Security	Aggregate Price
April 15, 1998 [(1)]	2 Ordinary Shares	£1	£2
November 1, 2010 [(2)]	29,999,998 Ordinary Shares	N/A	N/A
December 16, 2010	7,500,000 Ordinary Shares from Treasury	CDN$2.00	CDN$15,000,000
December 16, 2010	1,976,000 Ordinary Shares upon conversion of the Convertible Loan Note	CDN$1.00	CDN$1,976,000 [(3)]
December 21, 2010	3,000,000 Ordinary Shares from Treasury (Over-Allotment)	CDN$2.00	CDN$6,000,000

Notes:
[(1)] Issued on incorporation of the Company.
[(2)] The Company divided the Ordinary Shares 1:15,000,000 and converted the Ordinary Shares into shares of no par value from shares of £1, pursuant to a shareholders' resolution dated November 1, 2010.
[(3)] AUD$2 million based on a conversion rate of AUD$1 = CDN$0.9880.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Redcroft Limited and Bluecroft Limited, who are nominee shareholders of Geodrill for the Harper Family Settlement of which David Harper is the sole beneficiary, (each a "**Selling Shareholder**") entered into a lock-up agreement (the "**Lock-up Agreement**") on December 16, 2010 pursuant to which each Selling Shareholder agreed that, during the lock-up period outlined in the Release Schedule below, the Selling Shareholders will not, directly or indirectly, offer, sell, contract to sell, transfer, assign, pledge, grant any option to purchase, make any short sale or otherwise dispose of any Ordinary Shares of the Company or any securities or financial instruments convertible into, exercisable or exchangeable for, or that represent the right to receive, Ordinary Shares of the Company, beneficially owned or controlled directly or indirectly by the Selling Shareholder.

The Lock-up Agreement shall not apply to: (a) transfers to affiliates (as defined in the *Securities Act* (Ontario)), or (b) transfers as a distribution to a shareholder or beneficiary of the Selling Shareholder; provided, in each of (a) and (b), that any such transferee shall first execute a lock-up agreement in substantially the same form covering the remainder of the lock-up period, or (c) transfers made pursuant to a *bona fide* take-over bid made to all holders of the Ordinary Shares of the Company or similar acquisition transaction provided that in the event that the take-over or acquisition transaction is not completed, any securities shall remain subject to the restrictions contained in the Lock-up Agreement.

The Ordinary Shares held by the Selling Shareholders and any Ordinary Shares issuable pursuant to options held by the Selling Shareholder on closing upon completion of the Offering (a total of 17,500,000 Ordinary Shares representing 41.2% of the issued and outstanding Ordinary Shares) (the "**Lock-up Shares**") will be released as follows:

Release Schedule

Date	**% of Lock-up Shares Released**
On December 21, 2010, the listing date of the Ordinary Shares on the TSX	No shares released from the lock-up
On June 21, 2011	¼ of the Lock-up Shares
On December 21, 2011	⅓ of the remaining Lock-up Shares
On June 21, 2012	½ of the remaining Lock-up Shares
On December 21, 2012	The remaining Lock-up Shares

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 December 31, 2010, an aggregate of 19,476,000 Ordinary Shares (representing approximately 45.85% 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**
David Harper [(4)] President, Chief Executive Officer and Director Accra, Ghana	November 1, 2010 [(5)] [(6)]	President and Chief Executive Officer of the Company	17,500,000 (41.2%) [(7)]
Ian Lacey Chief Financial Officer and Secretary Cornwall, United Kingdom	November 1, 2010 [(5)]	Chief Financial Officer and Secretary of the Company	Nil

Name, Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number and Percentage of Ordinary Shares held
Terry Burling Chief Operating Officer Accra, Ghana	November 1, 2010 (5) (6)	Chief Operating Officer of the Company	1,976,000 (4.65%)
Roy Sinke General Manager Sooke, British Columbia	January 1, 2011	General Manager of the Company, and previously was a General Manager for Major Drilling International (2005 to 2010)	Nil
John Bingham (1) (3) (4) Chairman of the Board of Directors Douglas, Isle of Man	September 24, 2004	Director of numerous licensed fiduciary services companies	Nil
Colin Jones (2) (3) (4) Director Toronto, Ontario	November 15, 2010	Executive Vice President of Dundee Resources Ltd. (a resource investment subsidiary of Dundee Corporation)	Nil
Allen Palmiere (1) (2) (3) Director Georgetown, Ontario	November 15, 2010	President and Chief Executive Officer of Adriana Resources Inc. (a development and production company focused on iron ore mineral resources)	Nil
Victoria Prentice (1) (2) Director Braddan, Isle of Man	September 24, 2004	Director of Kingston Management (Isle of Man) Limited (a fiduciary service provider)	Nil

Notes:
(1) Member of the Audit Committee.
(2) Member of the Corporate Governance and Nominating Committee.
(3) Member of the Compensation Committee.
(4) Member of the Health, Safety and Environmental Committee.
(5) The Board of Directors passed a resolution appointing the officers of the Company on November 1, 2010. The effective date of the employment agreements for David Harper and Terry Burling is January 1, 2010 and the effective date of the employment agreement for Ian Lacey is August 18, 2010.
(6) Since 2007, David Harper has been the Managing Director and Terry Burling has been a director of Geodrill Ghana Limited.
(7) Held through Redcroft Limited and Bluecroft Limited as nominees for the Harper Family Settlement of which Mr. Harper is the sole beneficiary.

Corporate Cease Trade Orders

Other than as described herein, 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.

Mr. Allen Palmiere was a director of Constellation Copper Corporation ("**Constellation**") when the securities regulatory authorities having jurisdiction issued a management cease trade order on November 28, 2007 for failing to file interim financial statements for the nine month period ended September 30, 2007. The order was subsequently revoked on January 16, 2008 after the interim financial statements were filed. On November 20, 2008, Constellation announced that it was delayed in the filing of its September 30, 2008 interim financial statements and requested that the securities regulatory authorities put into place a management cease trade order. Subsequently, in December 2008, Constellation made an assignment in bankruptcy. See "*Bankruptcies*" below. In early 2009, the various securities regulatory authorities issued cease trade orders in respect of the company.

Bankruptcies

Other than as described herein, 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.

Mr. Allen Palmiere was a director of Constellation when it filed an assignment in bankruptcy in December 2008 under the *Bankruptcy and Insolvency Act* (Canada).

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 directors and officers or other members of management of the Company or of any proposed director, officer or other member of management as a result of their outside business interests 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 Schedule "A" hereto.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	**Independent** [(1)]	**Financially Literate** [(1)]
Allen Palmiere (Chair)	Yes	Yes
John Bingham	Yes	Yes
Victoria Prentice	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.

Allen Palmiere: Mr. Palmiere holds a Bachelor of Commerce, Accounting and Management Information Systems and is a Chartered Accountant. Mr. Palmiere has been a senior officer and/or director and has served on audit committees 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 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.

Victoria Prentice: Ms. Prentice has spent 15 years working within the corporate and trust industry. As a director of a licensed and regulated fiduciary service provider, she is conversant with both the duties and responsibilities of acting as a director on the boards of companies and also with the corporate governance aspect of operating in a regulated environment. Ms. Prentice is familiar with the financial reporting requirements of companies through her involvement on their boards and has experience in dealing with financial statements. She has also acted as Company Secretary to a licensed financial services company.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completely financial year has the Company relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of 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 Schedule "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 and travel related expenses for the annual audit. "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
2010	$250,000	Nil	Nil	Nil
2009	$3,500	Nil	Nil	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 principal shareholder of the Company, 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 will materially affect the Company.

Transactions with Related Parties

a) Effective July 13, 2010, the Company effected a reorganization to recognize Geodrill Cote d'Ivoire SARL as part of Geodrill. The shares in Geodrill Cote d'Ivoire SARL were previously held by David Harper, President and Chief Executive Officer of the Company, the sole beneficiary of the Harper Family Settlement. Prior to the reorganization, Geodrill Cote d'Ivoire SARL was effectively managed by the officers of Geodrill.

b) Trans Traders Limited ("**TTL**") is a company owned by Redcroft Limited and Bluecroft Limited who were previously the only shareholders of Geodrill. TTL was responsible for centralised offshore procurement for Geodrill prior to May 2010. TTL ceased to be the purchasing arm of Geodrill in June 2010. During the intervening period between D.S.I. Services Limited commencing the Company's purchasing in November 2010, purchasing was undertaken between June 2010 and November 2010 individually by Geodrill Ghana and Geodrill. As of December 31, 2010 the Company had a debt owing to TTL in the amount of $923,025. The Company expects to repay such debt, (interest which has been waived for the last quarter of 2010 and the calendar year 2011), to TTL over the next 12 months out of the cash flow generated by operations.

c) On October 28, 2010, the Company acquired D.S.I. Services Limited, a subsidiary company originally incorporated on September 9, 2010, situated in the British Virgin Islands. D.S.I. Services Limited commenced trading in November 2010, to act as the Company's purchasing arm.

d) From January 1 to December 31, 2010, Geodrill paid management fees of $23,574 (2009 – $14,647) to Kingston Management (Isle of Man) Ltd ("**Kingston Management**"). Two of the directors of Kingston Management (being John Bingham and Victoria Prentice) are also directors of Geodrill. Kingston Management is the trustee for the Harper Family Settlement.

e) Real property is held in Ghana through long term leases with the government authorities rather than as freehold interests. On November 1, 2010, the board of directors of Geodrill ratified, confirmed and approved a resolution passed by Geodrill Ghana Limited on September 30, 2010 declaring a dividend to its shareholder, Geodrill, of $2,350,000, which was satisfied by the distribution of Geodrill Ghana Limited's following real estate assets: (i) administrative office buildings owned and a long-term lease in respect to the land situated at 20B Aviation Road, Airport Residential Area, Accra, Ghana; and (ii) operations base and workshop owned and a long-term lease in respect to the land located in Anwiankwanta, Ghana, which assets were subsequently distributed to Geodrill's shareholders and are currently held by the Harper Family Settlement, the ultimate beneficial shareholder of the Company. K. Kyei Consultancy Services provided an independent valuation report on the properties. Each of the Company and Geodrill Ghana Limited used the September 2010 valuation report as a guideline to determine the fair market value of the real estate assets and valued the real estate assets as at September 30, 2010 at $2,150,000, with the balance of $200,000 being a tax provision based on the Real Estate Dividend. Subsequent to the distribution of the Real Estate Dividend, Geodrill Ghana Limited entered into an agreement with the Harper Family Settlement to lease the Anwiankwanta property at $112,000 per annum and the Accra property at $48,000 per annum. The material terms of the 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 valuators/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.

f) In July 14, 2010, the Company received the AUD$2 million Convertible Loan Note from Terry Burling, the Chief Operating Officer of the Company. The Convertible Loan Note was unsecured and paid interest at a rate of 8% per annum. On closing of the Offering, the principal amount owing under the Convertible Loan Note was automatically converted into 1,976,000 Ordinary Shares to Mr. Burling on closing of the Offering.

g) On November 17, 2010, in order to assist the Company's working capital position in advance of the Offering, the Harper Family Settlement, the then ultimate beneficial shareholder of the Company, provided the Bridge Loan to the Company in the amount of AUD$2 million. The Bridge Loan paid interest at a rate of 6% per annum, was unsecured and repayable on demand. The Bridge Loan was repaid in full from the proceeds of the Offering.

h) The Company provides loans to its employees as an advance of the salaries payable to its employees, which are generally used by the employees to assist with sundry purchases and advance housing rental costs in Ghana. Under the rental system in Ghana, it is typical for landlords to require an advance deposit of up to three years' rent. Geodrill Ghana Limited has set up a separate account out of which these loans are made and subsequent repayments are deposited back into this account. As of December 31, 2010, the aggregate amount of employee loans outstanding was $81,970 (2009 – $28,091).

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Ordinary Shares is Equity Financial Trust Company located at 200 University Avenue, Suite 400, 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 and are still in effect, other than as follows:

1. Agency Agreement dated December 9, 2010 among the Company, the Selling Shareholders and the Agents;

2. 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; and

3. Lock-up Agreement dated December 16, 2010 among the Company, Clarus Securities Inc. and the Selling Shareholders.

The material contracts described above are available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

Names of Experts

Following are the names of each person or company who is named as having prepared or certified a report, valuation, statement or opinion described, included or referred to in a filing made under National Instrument 51-102 by the Company during or relating to the financial year ended December 31, 2010, whose profession or business gives authority to such report, valuation, statement or opinion:

1. KPMG Incorporated (regarding the Financial Statements and auditor’s report thereon)

Interests of Experts

KPMG Incorporated 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, where applicable, will be contained in the management information circular of the Company to be dated in April 2011.

Additional financial information is provided in the Company's Financial Statements and management's discussion & analysis for the financial year ended December 31, 2010.

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.