



FOR IMMEDIATE RELEASE

## GEODRILL REPORTS SECOND QUARTER 2016 FINANCIAL RESULTS

**TORONTO, August 8, 2016** - Geodrill Limited ("Geodrill" or the "Company") (TSX:GEO), a leading West African based drilling company, reported its financial results for the three and six month periods ended June 30, 2016. All figures are reported in U.S. dollars (\$), unless otherwise indicated. Geodrill's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

### Highlights for Q2-2016:

- Increased revenue by 21% and meters drilled by 19% compared to Q2-2015;
- Realized net income of \$2.5M or \$0.06 per share compared to a net income of \$1.8M for Q2-2015 or \$0.04 per share;
- Achieved the ninth consecutive quarter of positive EBITDA margins ranging from 9% to 33%;
- Secured new client contracts including Anglo-American PLC in Zambia, Perseus Amara Mining Ltd in Cote d'Ivoire, and Acacia Mining PLC in Burkina Faso;
- Continued to grow the Company's rig fleet which now totals 45 rigs;
- Completed the new operational base in Cote d'Ivoire; and
- Ended Q2-2016 with net cash of \$1.2M.

### Financial Summary

<b>US\$ 000s</b> (except earnings per share, meters drilled and percentages)	<b>For the three months ended June 30, 2016</b>	<b>For the three months ended June 30, 2015</b>	<b>For the six months ended June 30, 2016</b>	<b>For the six months ended June 30, 2015</b>
Revenue	19,420	16,001	34,871	25,389
Gross profit	7,767	6,572	14,366	8,581
Gross profit margin	40%	41%	41%	34%
Earnings per share – basic	0.06	0.04	0.10	0.01
EBITDA <sup>(1)(2)</sup>	5,428 <sup>(3)</sup>	5,310	10,247 <sup>(3)</sup>	6,501
EBITDA margin	28%	33%	29%	26%
Meters drilled	251,412	211,678	492,475	334,217

#### Notes:

- (1) EBITDA = earnings before interest, taxes, depreciation and amortization
- (2) Please see "Non-IFRS Measures" below for additional discussion
- (3) Includes a charge of \$578,000 relating to unrecoverable Value Added Tax.

“Geodrill continues to deliver strong financial performance driven by increased customer demand for our drilling services. This highlights the strength of our business model of maintaining a superior rig fleet and that remains a differentiating advantage in West Africa,” said Dave Harper, President and CEO of Geodrill. “We increased revenue, delivered another consecutive quarter of positive EBITDA margins, secured multi-rig contracts with major mining companies, grew our rig fleet adding three additional rigs, and completed our workshop in the Ivory Coast to further support our growing presence in West Africa. We are also pleased to have secured a contract with a Tier 1 mining company Anglo American, our first in Zambia. Based on the continued increase in the drilling activity levels and strong demand across our client base, we believe the mineral drilling industry is recovering from the downturn over the past four years.”

**Geodrill’s condensed interim consolidated financial statements and management’s discussion & analysis (“MD&A”), for the three and six month periods ended June 30, 2016, are available via Geodrill’s website at [www.geodrill-gh.com](http://www.geodrill-gh.com) and will be available on SEDAR at [www.sedar.com](http://www.sedar.com).**

**Following the release, management of the Company will host a conference call at 10:00 am EDT to discuss the financial results.**

**You can join the call by dialing 1-888-231-8191 or 647-427-7450. A live audio webcast of the conference call will also be available through:**

**<http://event.on24.com/r.htm?e=1223095&s=1&k=6058C3F66B90D083392A22E4D6AC98AA>**

Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be needed to hear the webcast. An archived replay of the webcast will be available for 90 days. Operator Assisted Toll-Free Dial-In Number: (888) 231-8192.

### **About Geodrill Limited**

Geodrill has been successful in establishing a leading market position in Ghana and Burkina Faso and also operates in other West African jurisdictions including Cote d’Ivoire and Mali. The Company provides a broad selection of diverse drilling services, including exploration, delineation and grade control, to meet the specific needs of its clients. Geodrill operates a fleet of high performance multi-purpose rigs, which offer the versatility of being able to perform both reverse circulation and diamond core drilling. Geodrill’s client mix is made up majors, intermediates and juniors that are exploring for gold and other minerals. The Company’s operational proximity to countries such as Mauritania, Liberia, Sierra Leone, Nigeria and Cameroon positions the Company favourably in its ability to service these markets.

### **Non-IFRS Measures**

EBITDA is defined as Earnings before Interest, Taxes, Depreciation and Amortization and is used 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 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 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. Please see the Company's MD&A for the three and six month periods ended June 30, 2016 for the EBITDA reconciliation.

### **Forward Looking Information**

*This press release may contain "forward-looking information" which may include, but is not limited 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 and phrases, 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 statements are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements contained in this press release including, without limitation those described in the Management's Discussion & Analysis for the quarters ended June 30, 2016 and the Company's Annual Information Form dated March 30, 2016 under the heading "Risk Factors". Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking statements, there may be other factors that may cause actions, events or results to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize or should assumptions underlying such forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this press release. The forward-looking information and forward-looking statements contained herein are made as of the date of this press release and the Company disclaims any obligation to update or review such information or statements, whether as a result of new information, future events or otherwise, except as required by law.*

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