

A large yellow drilling rig is the central focus, with two workers in safety gear (hard hats and high-visibility vests) standing near it. The rig is loaded with long pipes. The background shows a clear sky and some trees. The text "WE ARE GEODRILL" is overlaid in the center.

# WE ARE GEODRILL

**GEODRILL**

Investor Presentation January 2016

# Forward Looking Statements

This presentation contains “forward-looking information” and “financial outlook” within the meaning of applicable Canadian securities laws and may contain forward looking information attributed to third party industry sources. These statements and information are predictions only and represent Geodrill’s expectations as of the date of this presentation and Geodrill does not undertake any obligation to update the forward looking information or financial outlook to reflect new information, subsequent events or otherwise. By their nature, forward looking information and financial outlook involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, and projections made will not occur and actual events or results may differ materially from such predictions, forecasts, and projections. Undue reliance should not be placed on such information as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

Forward-looking information is also based upon the assumption that none of the identified risk factors that could cause actual results to differ materially from the forward-looking information will occur. Accordingly, specific reference should be made to the risk factors described in the Annual Financial Statements available on SEDAR.

# Corporate Data



Major Shareholders		Capital Structure	
D. Harper	41.5%	Symbol	TSX-GEO
Maxam Capital	12.75%	Shares Outstanding	42.5 M
Sustainable Capital	11%	Fully Diluted	45.5 M
Aegis Capital	5%	52 Week Range	\$0.99 - \$0.46
AGF	3%	IPO Date	Dec 16, 2010
Analyst Coverage		IPO Price	\$2.00
Beacon Securities	TD Securities	Market Capitalization	\$25 M
GMP Securities			

# Hard Core Drillers



<p><b>24% CAGR</b></p>	<p><b>Pure Play</b></p>	<p><b>Industry Leading Metrics</b></p>	<p><b>40 Rigs</b></p>
<p>Started in 1998 with 1 rig; Currently 40 rigs</p>	<p>Geographically condensed in prospective mining region</p>	<p>On average higher EBITDA margin vs. industry average</p>	<p>100% Organic growth</p>

## Maintaining high performance

- Tier 1 rig fleet attracts work
- Experience management team with strong reputation

## Financial flexibility

- Pricing discipline
- Remain efficient and maintain margins

## Focus on core market

- High-growth market
- Geographic knowledge

## Customer mix

- Solid customer base



# Superior Fleet of Multipurpose Rigs



## High Efficiency High Performance

Multipurpose rigs can perform both reverse circulation and diamond core drilling with minimal effort and down-time

Multipurpose rigs can drill for any mineral without retooling or retro-fitting

Most modern fleet of rigs in the industry

Fleet currently consists of 40 rigs



# Our Mechanical Advantage

State-of-the-art operations facility contributes to the high quality fleet

- Workshop manufactures up to 300 different consumables including drill rods

Workshop centrally located to client projects:

- Shorter distance reduces the time needed to reach projects and deliver the required repairs
- Reduces need to ship parts from out-of-country

Contingency plan includes sufficient inventory required to maintain rigs and a month's supply of fuel



# Highly Trained and Skilled Workforce



## Efficient rig operators drive productivity

Local drillers with low turnover

90% of workforce are contracted employees

Labor force not governed by unions

All aspects of Geodrill's operations are designed to meet the highest health and safety standards





# Top Tier Customer Base

## 2015

- Newmont (GH)
- Kinross (GH)
- Centamin (BF)
- Newcrest (CI)
- Roxgold (BF)
- Asanko Gld (GH)
- Endeavour (GH)
- Endeavour (CI)
- Endeavour (BF)
- Kinross (GH)
- Anvel Gold (ML)
- Tietto Gold (CI)
- Perseus (CI)
- Perseus (GH)
- Semafo (BF)
- Star Goldfields (Gh)
- Taruga Gold (Mali)
- Nordgold (BF)
- Avnel (Mali)



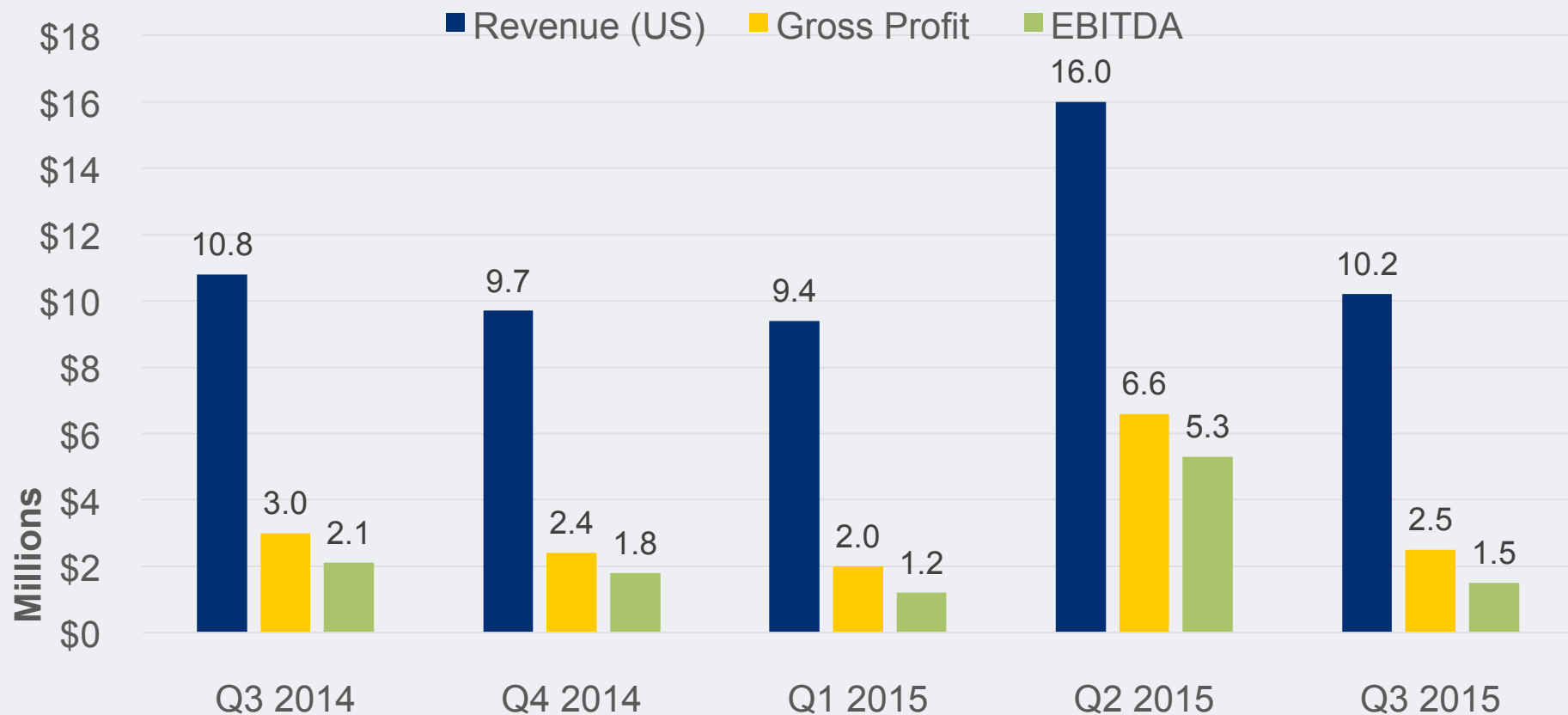


# **GEODRILL RESULTS STAND IN STARK CONTRAST**

**GEODRILL**

## Q3 2014 to Q3 2015

(all figures in U.S. Dollars)



# Balance Sheet

in USD		SEPT 30, 2015			
Cash	\$5.4M	Current Assets <b>\$27.2M</b>		Inventory	\$13.2M
Current Assets	\$27.2M			Receivables	\$7.4M
Current Liabilities	\$14.3M			Cash	\$5.4M
Net Working Capital	\$12.9M			Prepayments	\$1.2M
Total Equity	\$47.9M	Non-Current Assets <b>\$35.0 M</b>		Drill rigs	\$27.3M
Non-Current Assets	\$35.0M			Plant & Equip.	\$4.8M
Total Assets	\$62.2M			CWIP	\$1.8M
Net Tangible book value	\$1.13 USD \$1.60 CDN			Vehicles & Leasehold Improvements	\$1.1M

# While GEO considers growth strategy – others consider survival strategy!

## Layne mineral drilling pipeline evaporates

US-based drilling contractor Layne Christensen Company says margin crimping accompanied a 21% year-on-year decline in its first-quarter mineral exploration revenues to US\$23.3 million, with the shrinking business likely to be a further debt-reduction option following last month's sale of Layne's geoconstruction drilling arm.

Staff reporter | 09 Jun 2015 | 10:45 | Feature |



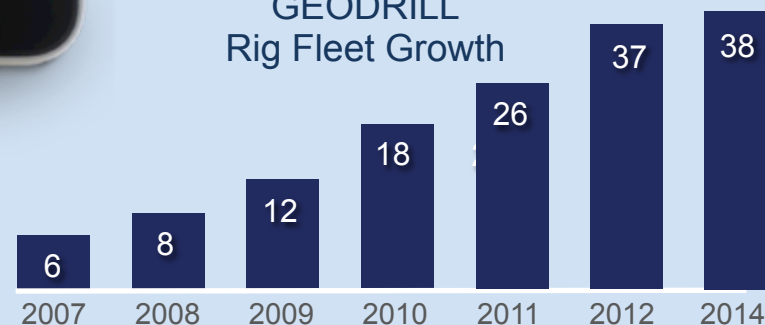
Despite cost-cutting measures, Nasdaq-listed Layne said its cost of sales crept up to 81.1% from 80.7% in FY5 Q1, largely due to “very low activity levels in Africa which produced margin losses”.

–Source Mining Journal Magazine

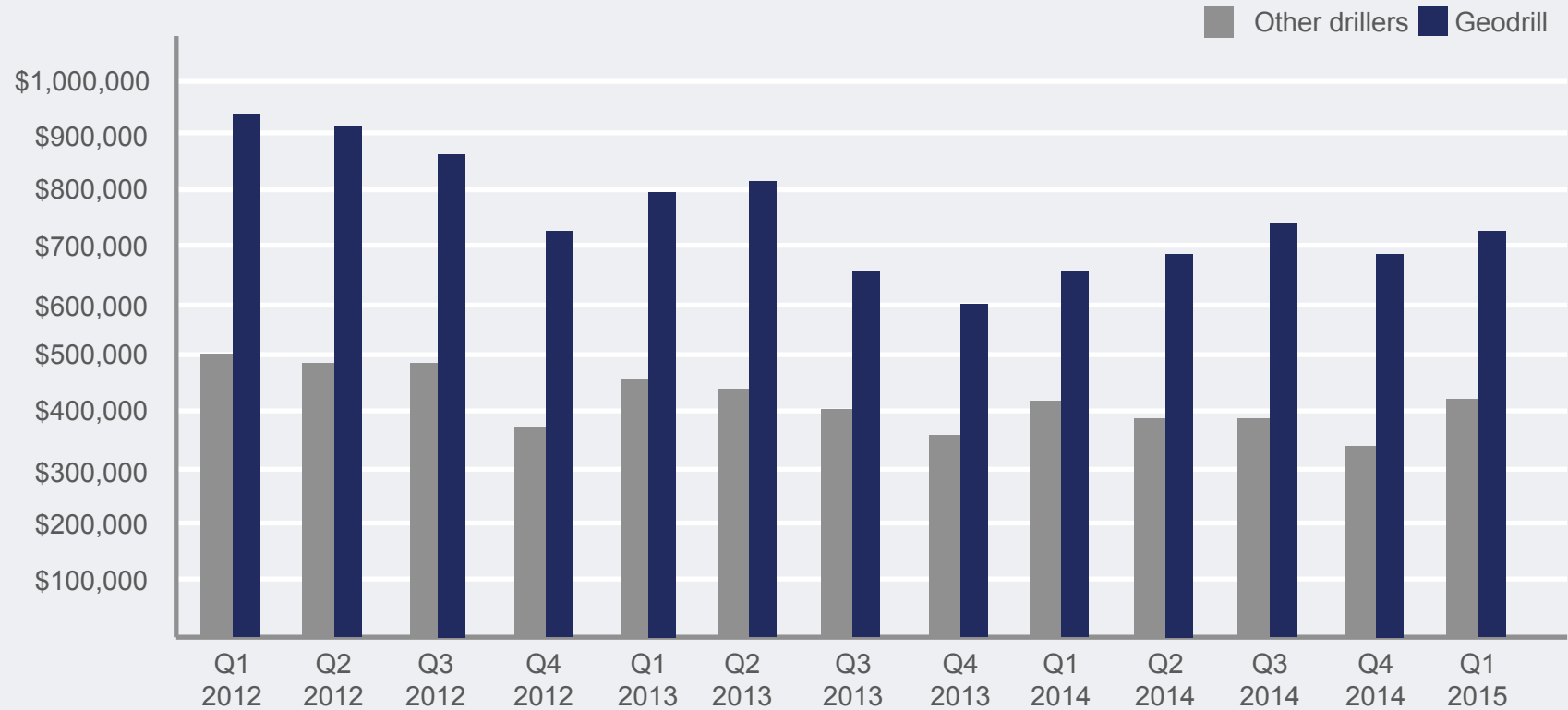
Others downsizing  
– LAYN –  
Revenues declining  
21% Y/Y

GEODRILL –  
Revenues up 50%  
Y/Y with PPE  
24% CAGR

GEODRILL  
Rig Fleet Growth



# The Hole Story!



Highest ARPOR  
(Average Revenue Per Operating Rig)

Modern Fleet means High performance, Higher production – we drill more meters!

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GEO Quarterly ARPOR US\$ 700k = twice competitors C\$ 400k

# Compelling Valuation



## TD Securities – Mineral Drillers Comp Table November 2015

Name	Ticker	Reporting	Price	Mkt.	EV	P/BV	EBITDA (\$mm)		EVIEBITDA(\$mm)	
		Currency		Cap	\$mm		Current Yr	Next Yr	Current Yr	Next Yr
<b>Metals &amp; Mineral Drillers</b>										
Boart Longyear	BLY-au	AS	\$0.08	\$66	\$622	46.4x	n/a	n/a	n/a	n/a
Major Drilling	MDI-t	C\$	\$4.47	\$358	\$325	0.8x	\$36.8	\$36.6	8.8x	8.9x
Layne Christensen	LAYN-us	US\$	\$5.74	\$113	\$238	0.8x	\$22.4	\$47.0	10.6x	5.1x
Ausdrill	ASL-au	A\$	\$0.31	\$95	\$451	0.1x	\$120.4	\$128.8	3.7x	3.5x
Foraco Intl	FAR-t	C\$	\$0.20	\$17	\$111	0.1x	\$nmf	nmf	nmf	nmf
Orbit Garant	O GD-t	C\$	\$0.75	\$25	\$30	0.3x	\$6.8	nmf	4.5x	nmf
Energold	EGD-v	C\$	\$0.60	\$29	\$32	0.3x	-\$4.3	\$4.1	nmf	7.8x
<b>Geodrill</b>	<b>GEO-t</b>	<b>C\$</b>	<b>\$0.53</b>	<b>\$23</b>	<b>\$24</b>	<b>0.4x</b>	<b>\$8.7</b>	<b>\$4.1</b>	<b>2.0x</b>	<b>4.3x</b>
Average						6.1x			5.9x	5.9x

Notes: Consensus Estimates except for GEO, EGD and MDI, which are TD estimates

ASL and OGD's Results are FY Ending June 30; LAYN's Results are FY Ending Jan, 31; MDI's Results are FY Ending Apr. 30.

Current YR estimates are based on FY2015 with the exception of GEO which is FY2014 and LAYN which is 2016.

# Feb 2015 NASDAQ vs Gold



Source: IRESS Data



# OUR VALUE PROPOSITION

- High performance rigs and unrivalled drilling expertise
- Focused on high-growth market
- Improved revenue visibility, pricing stabilized and working capital
- Increased utilization
- Attractive valuation

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