

Investor Presentation, November 2017

# WE ARE GEODRILL



**GEODRILL**

# 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

As at November 24 2017

## MAJOR SHAREHOLDERS

D. Harper 41.2%

Sustainable capital 13.3%

Maxam Capital 9.9%

Aegis Capital 8%

AGF 5%

## ANALYST COVERAGE

Beacon Securities Cormark Securities

Clarus Securities Paradigm Capital  
TD Securities

## CAPITAL STRUCTURE

Symbol TSX-GEO

Shares Outstanding 42.5 M

Fully Diluted 45.5 M

52 Week Range \$2.82 - \$1.70

IPO Date Dec 16, 2010

IPO Price \$2.00

Market Capitalization \$85 M

# Hard Core Drillers



**25%  
CAGR**

**WEST AFRICAN  
PURE PLAY**

**INDUSTRY LEADING  
METRICS**

**58  
RIGS**

100%  
organic growth

Focused stronghold  
in mining rich area

Higher than industry  
average  
EBITDA margin

1 to 58 rigs  
since inception

# Positioned for growth

## **HIGH PERFORMANCE RIG FLEET**

- Tier-1 rig fleet attracts top tier clients
- Less downtime, more consistent results

## **FINANCIAL FLEXIBILITY**

- Able to maintain pricing discipline
- Remains efficient and maintains margins

## **FOCUS ON CORE MARKET**

- High-growth market
- Trusted management team with strong geographical knowledge

## **CUSTOMER MIX**

- Well-established, long-term client relationships
- 80% senior mining top-tier customers

## **Opportunities for Growth**

- Secured **FIRST** underground drilling contract
- Junior exploration returning



# Superior Fleet of Multipurpose Rigs

## **HIGH EFFICIENCY** **HIGH PERFORMANCE**

Multipurpose rigs can switch between reverse circulation and diamond core drilling with minimal effort and little downtime

Multipurpose rigs do not have to be retooled or retrofitted to drill for different minerals

Our rig fleet is most modern in industry

Fleet currently consists of 58 rigs



# Our Mechanical Advantage

State-of-the-art operations facility ensures our fleet is well-maintained

- Workshop manufactures up to 300 different frequently replaced parts including drill rods

Workshops centrally located to client projects:

- Able to reach projects to deliver repaired parts quickly; reduced need to ship parts from out-of-country
- Less downtime for rigs awaiting repair

Contingency plan with sufficient inventory and fuel for a month reduces work stoppages/disruptions



Our people make the difference

## **HIGHLY TRAINED AND SKILLED WORKFORCE DRIVES PRODUCTIVITY**

All operations designed to meet the highest health and safety standards

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90% of workforce are contract, non-unionized employees

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Mutual respect, good working environment means low turnover

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Low turnover maintains consistency, delivers improving results





# Top Tier Customer Base

- Newmont (GH)
- Kinross (GH)
- Acacia Mining (BF)
- Centamin (BF)
- Newcrest (CI)
- Roxgold (BF)
- Asanko Gld (GH)
- Endeavour (GH)
- Endeavour (CI)
- Endeavour (BF)
- Avnel Gold (ML)
- Tietto Gold (CI)
- Perseus (CI)
- Perseus (GH)
- Semafo (BF)
- Star Goldfields (GH)
- Apollo Consolidated (CI)
- Anglo American (Zambia)



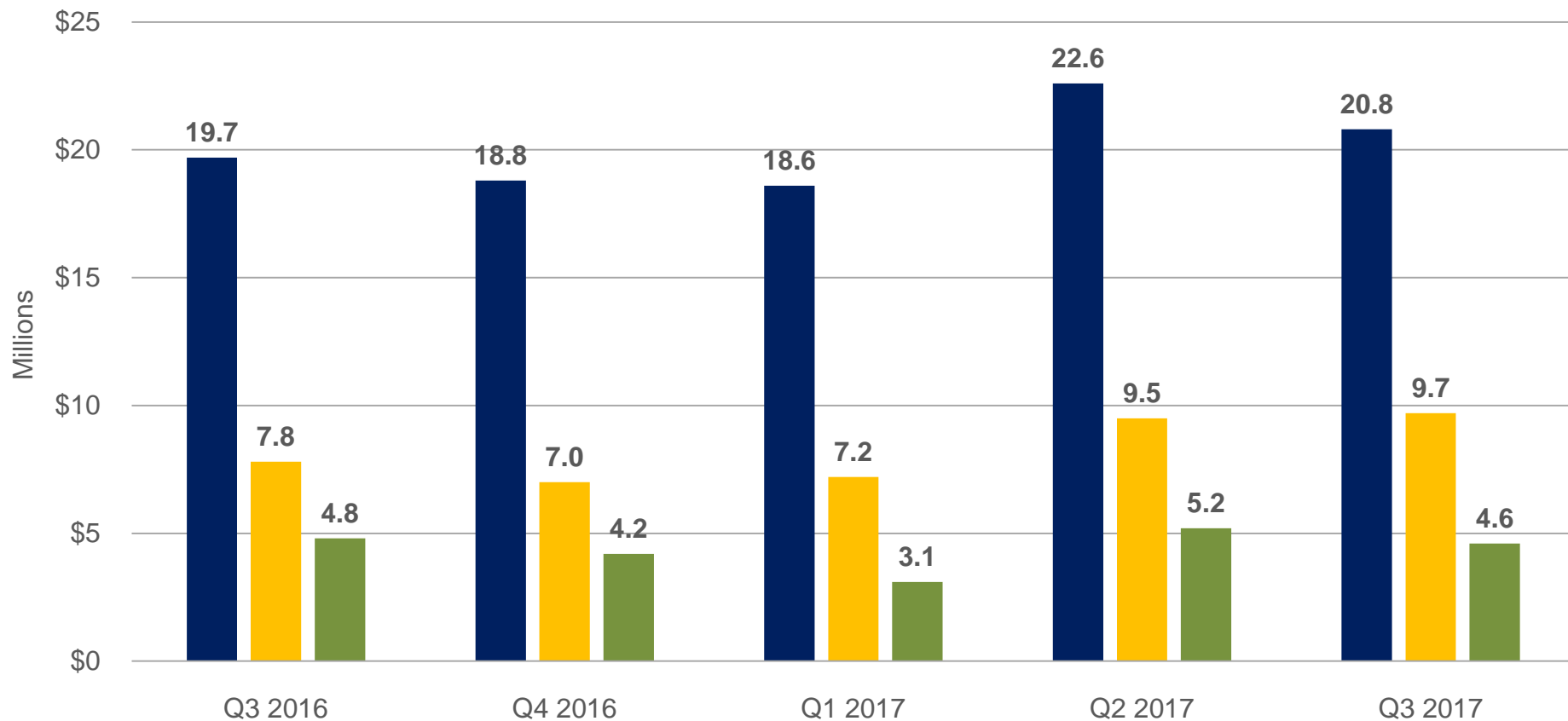
# Strong Financial Performance

## 16.5% Y/Y Growth

Q3 2016 – Q3 2017

All figures in U.S. Dollars

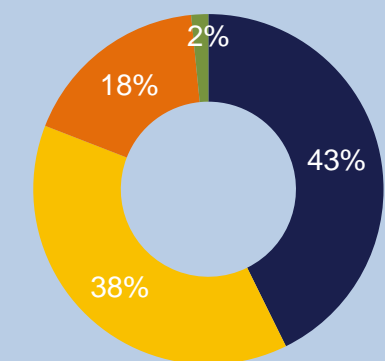
■ Revenue (US) ■ Gross Profit ■ EBITDA



# Balance Sheet

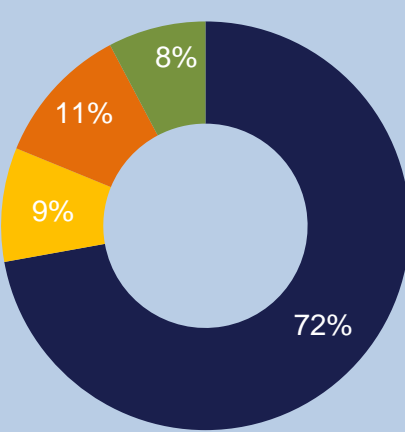
in USD	Sept 30, 2017
Current Assets	\$44.5M
Non-current Assets	\$38.8M
Total Assets	\$83.3M
Current Liabilities <sup>1</sup>	\$17.7M
Total Debt	\$4.8M
Total Liabilities	\$22.5M
Total Equity	\$60.8M
NTBV	\$1.41 USD \$1.80 CDN

**Current Assets**  
**\$44.5M**



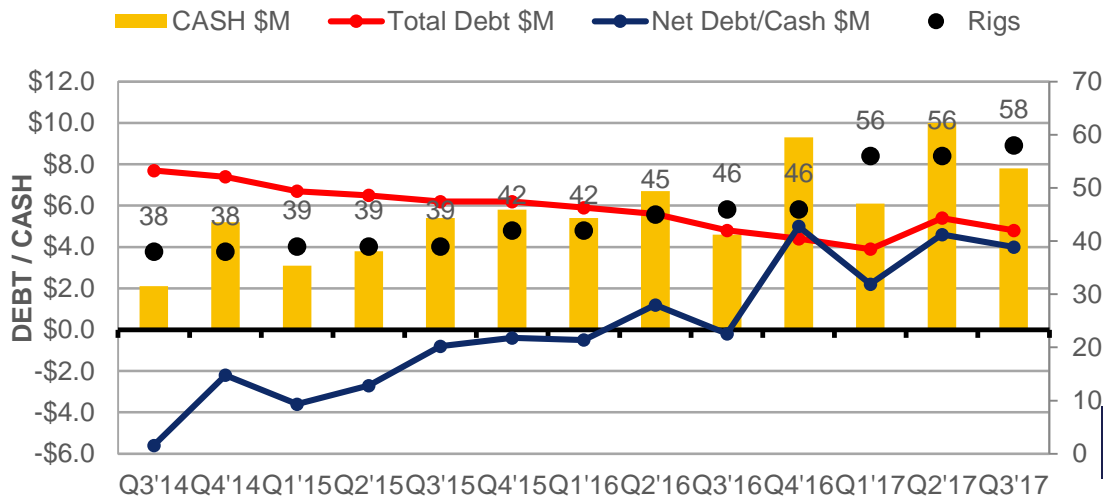
Inventory	\$19.0M
Receivables	\$17.0M
Cash	\$7.8M
Prepayments	\$0.7M

**Non-Current Assets**  
**\$38.8M**



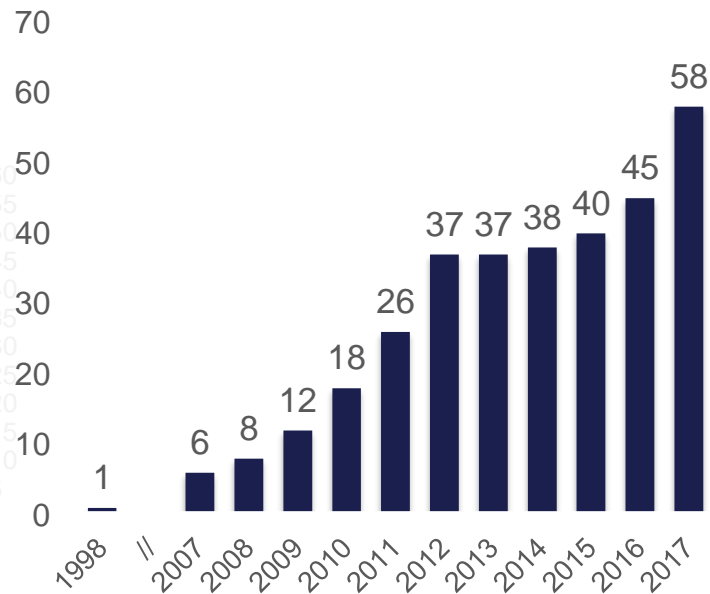
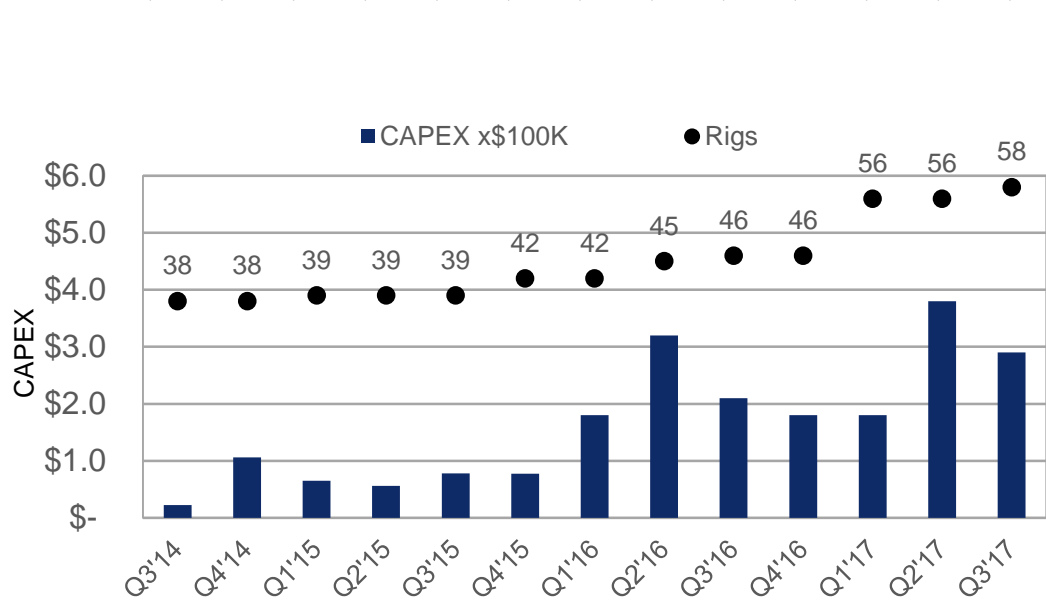
Drill rigs	\$28.0M
Plant & Equip.	\$3.5M
CWIP	\$4.3M
Vehicles & Leasehold Improvements	\$3.0M

# Progressive Balance Sheet

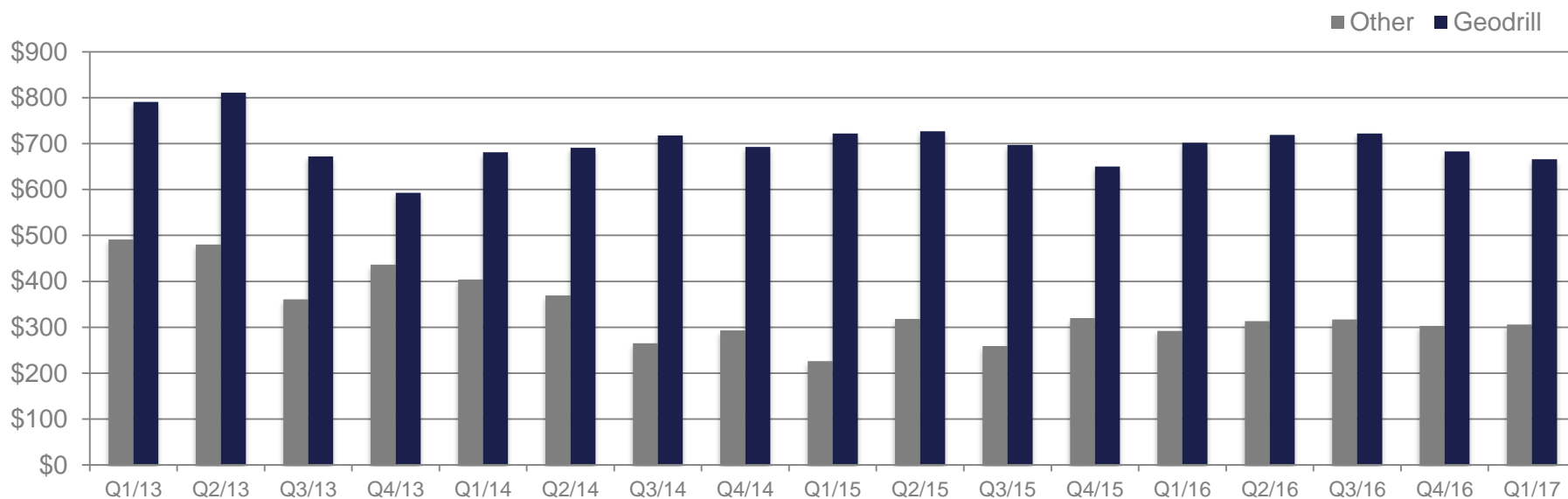


- Q3-17 Total Debt \$4.8M
- Cash \$7.8M
- Net Cash \$3.0M

## 20 Year Rig Growth Chart



# Our metrics are leading the industry



Highest ARPOR  
(Average Revenue  
Per Operating Rig)

We drilled the most metres  
with our modern high  
performance fleet

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

# Compelling Valuation

## TD SECURITIES – MINERAL DRILLERS COMP TABLE

August 14, 2017

	Reporting	Net	Mkt.	EV	ND/	EBITDA (\$mm)		EV/EBITDA(\$mm)				
Name	Ticker	Currency	Price	Debt	Cap	\$mm	P/BV	EBITDA	Current Yr	Next Yr	Current Yr	Next Yr
<b>METALS &amp; MINERAL DRILLERS</b>												
Boart Longyear	BLY-au	AS	\$0.06	675.8	\$54	\$766	-0.2x	nmf	nmf	nmf	nmf	nmf
<b>Major Drilling</b>	<b>MDI-t</b>	<b>C\$</b>	<b>\$8.20</b>	<b>-18.1</b>	<b>\$657</b>	<b>\$639</b>	<b>1.6x</b>	<b>neg</b>	<b>\$49.6</b>	<b>\$66.9</b>	<b>12.9x</b>	<b>9.6x</b>
Layne Christensen	LAYN-us	US\$	\$9.92	108.6	\$196	\$305	3.3x	1.9x	\$32.7	\$56.8	9.3x	5.4x
Ausdrill	ASL-au	A\$	\$2.13	191.3	\$665	\$856	0.8x	1.1x	\$143.6	\$178.2	6.0x	4.8x
Foraco Intl	FAR-t	C\$	\$0.37	114.1	\$33	\$147	0.3x	nmf	nmf	nmf	nmf	nmf
Orbit Garant	O GD-t	C\$	\$1.78	17.5	\$64	\$82	0.8x	nmf	nmf	nmf	nmf	nmf
<b>Energold</b>	<b>EGD-v</b>	<b>C\$</b>	<b>\$0.39</b>	<b>13.1</b>	<b>\$21</b>	<b>\$34</b>	<b>0.3x</b>	<b>3.0x</b>	<b>-\$0.8</b>	<b>\$4.3</b>	<b>42.0</b>	<b>7.9x</b>
<b>GEODRILL</b>	<b>GEO-t</b>	<b>US\$</b>	<b>C\$2.12</b>	<b>-5.8</b>	<b>C\$95</b>	<b>C\$89</b>	<b>1.3x</b>	<b>-0.2x</b>	<b>\$19.2</b>	<b>\$25.7</b>	<b>3.7x</b>	<b>2.7x</b>
Average							1.0x				14.8x	6.1x

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.

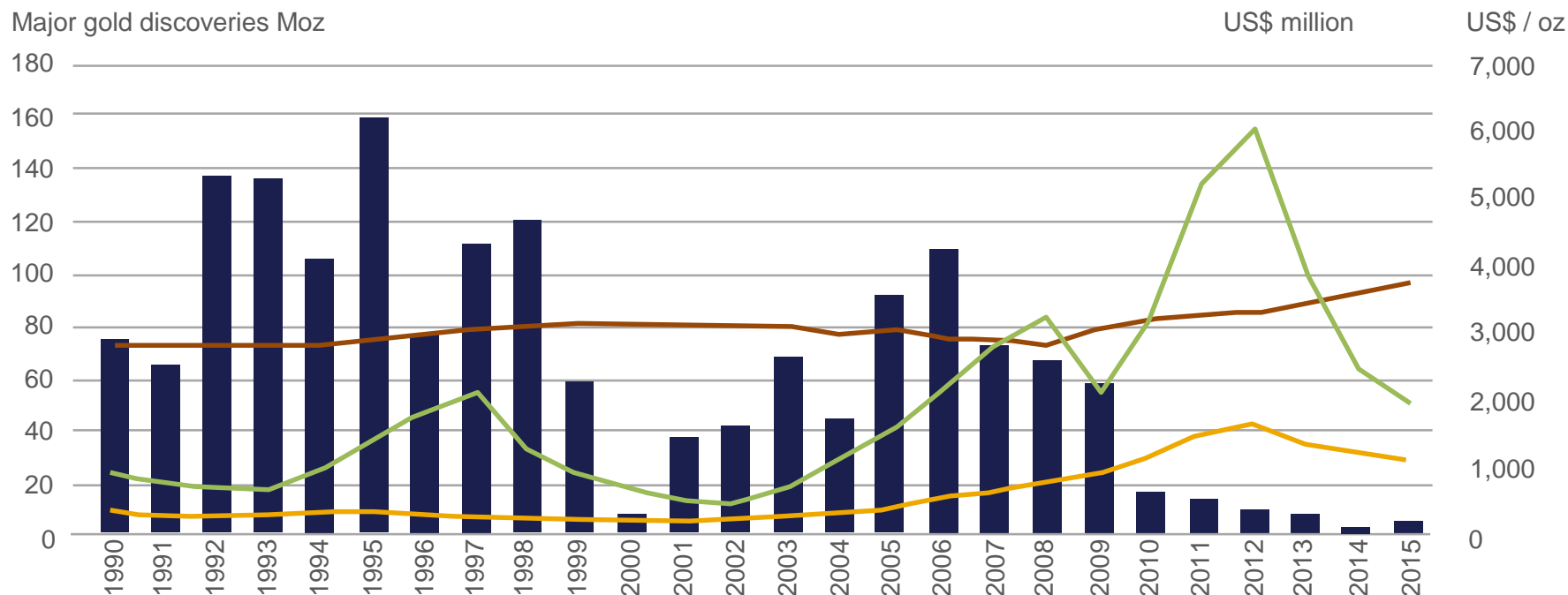
Current Yr estimates are based on FY2017 except for MDI which is FY2018.

Source: Company reports, TD Securities Inc.

# A Dearth of New Discoveries

## GOLD IN MAJOR NEW DISCOVERIES AND EXPLORATION BUDGETS

■ Gold discoveries Moz     
 — Gold production Moz     
 — Exploration budgets \$m     
 — Gold price \$/oz



\*Mining Weekly September 27th 2016

# The Investment Thesis

- The Cycle has turned and Geodrill will benefit
- Most profitable drilling company in the mineral drilling sector
- Remained cash flow positive even during the downturn
- High performance rigs will continue to drive solid margins
- Industry-leading utilization rates and growing market share
- Strong demand and improved pricing
- Compelling valuation



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