



# Analyst Site Tour

February 11, 2011

**GEODRILL®**

*Exploration Drillers in West Africa*

# 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 Memorandum.

# Leading West African Provider of Drilling Services

**\$2.7mm**

Revenue per rig 2.5x more than industry average of \$1.0 mm

**31%**

EBITDA margin FY 2009 vs. industry average of 18%

**95%**

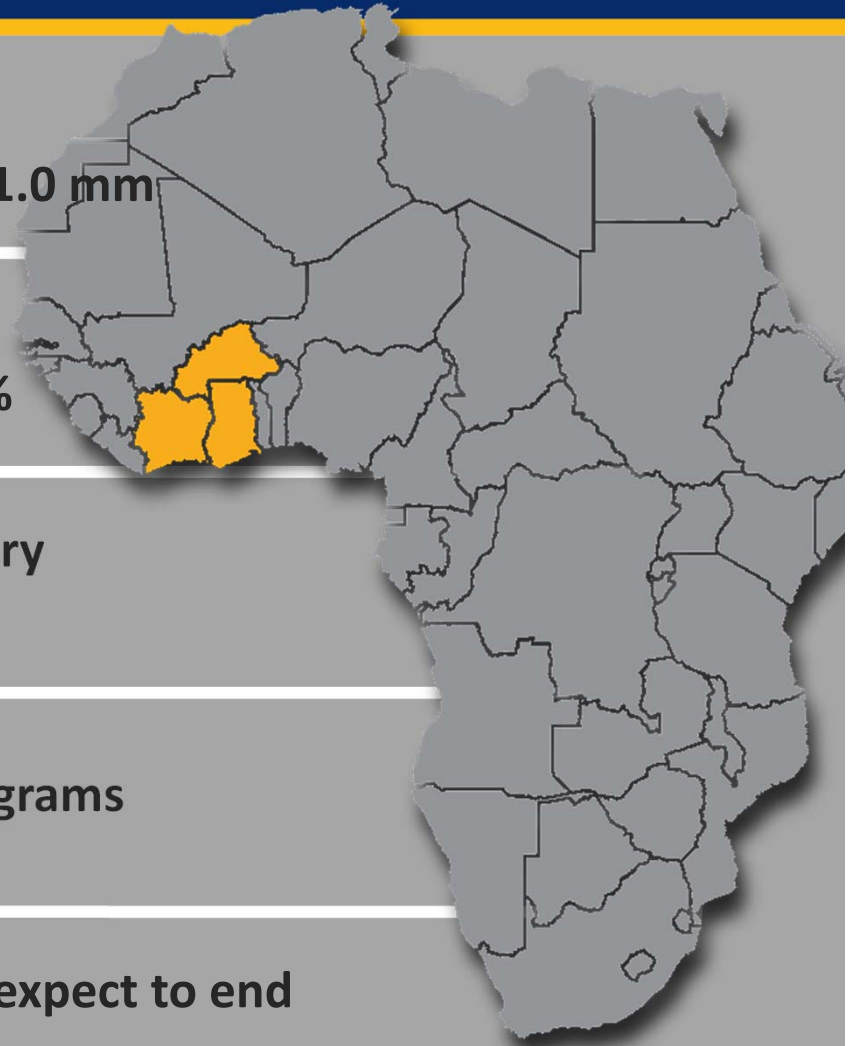
Utilization factor vs. industry average of 60-70%

**160,000m**

Average length of drill programs

**29% CAGR**

Started in 1998 with 1 rig; expect to end 2011 with 30 rigs



# “One-Stop-Shop” Drilling Services

Reverse  
Circulation  
Drilling



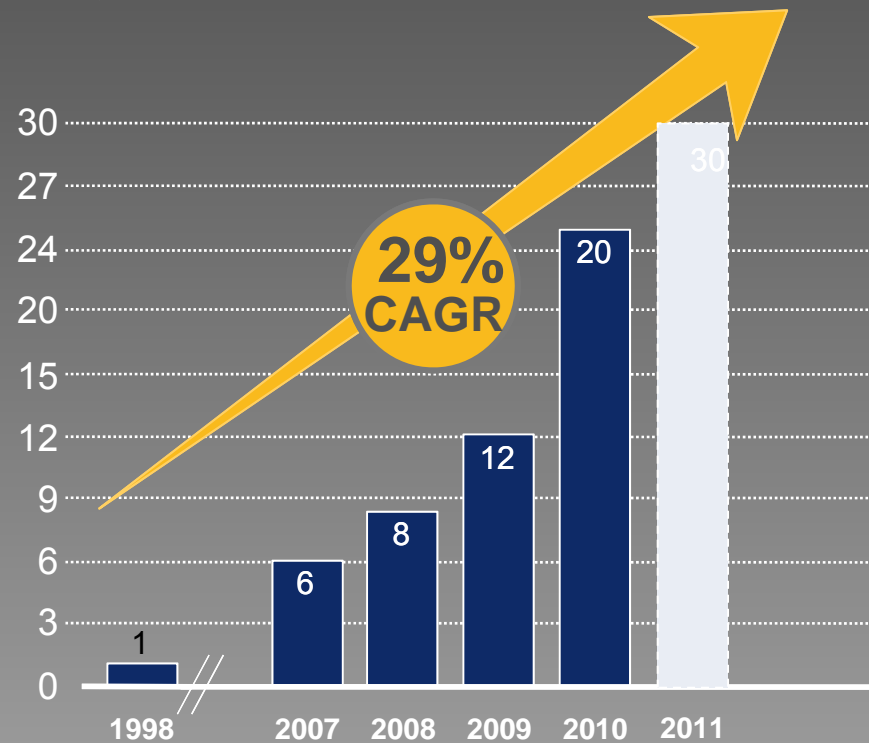
Diamond  
Core  
Drilling



Air-  
Core  
Drilling



## Rigs in Operation

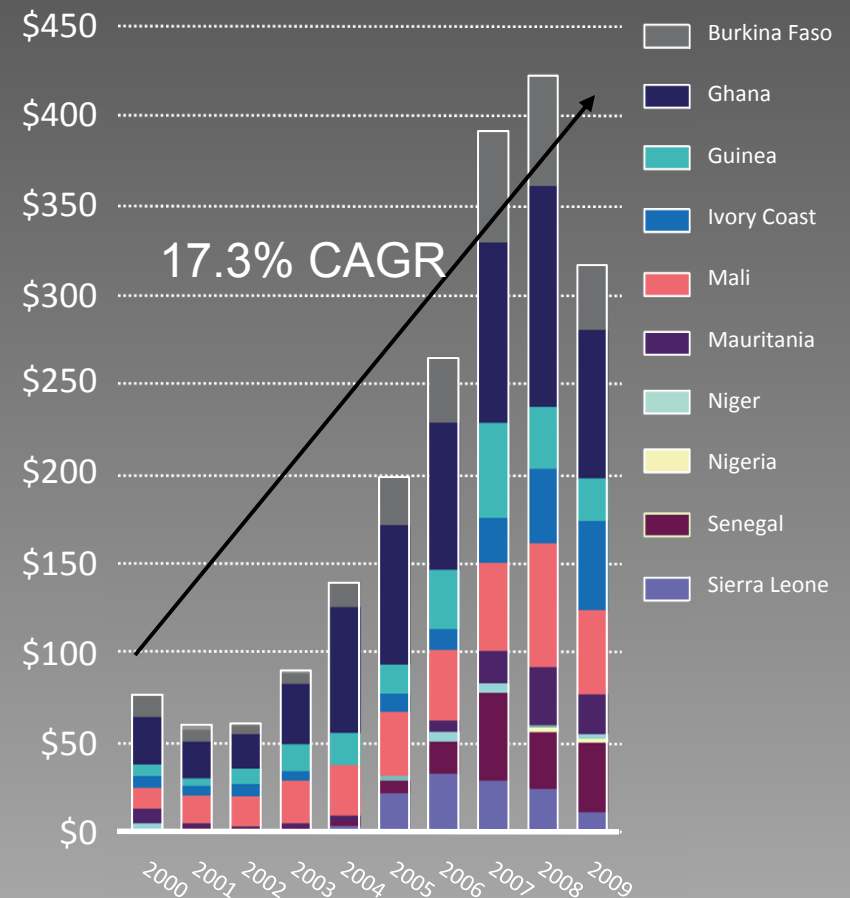


# Mining Opportunity in West Africa

West Africa hosts some of the largest remaining undeveloped mineral deposits in the world

- West Africa accounted for 4.1% of 2009 total worldwide exploration expenditures
  - 460% growth in expenditures since 2001
  - CAGR of 17.3% since 2001
- Several multi-million deposits discovered
- Not just gold
  - Host to multiple mineral deposits including iron ore, bauxite, diamonds, copper, molybdenum, cobalt, mineral sands, lithium, tantalum, niobium and tin
- Geodrill can not keep up with client demand and is often unable to bid on drill contracts
  - Historically operating at full capacity

Total Estimated West African Expenditures<sup>1</sup>





# Competitive Strengths

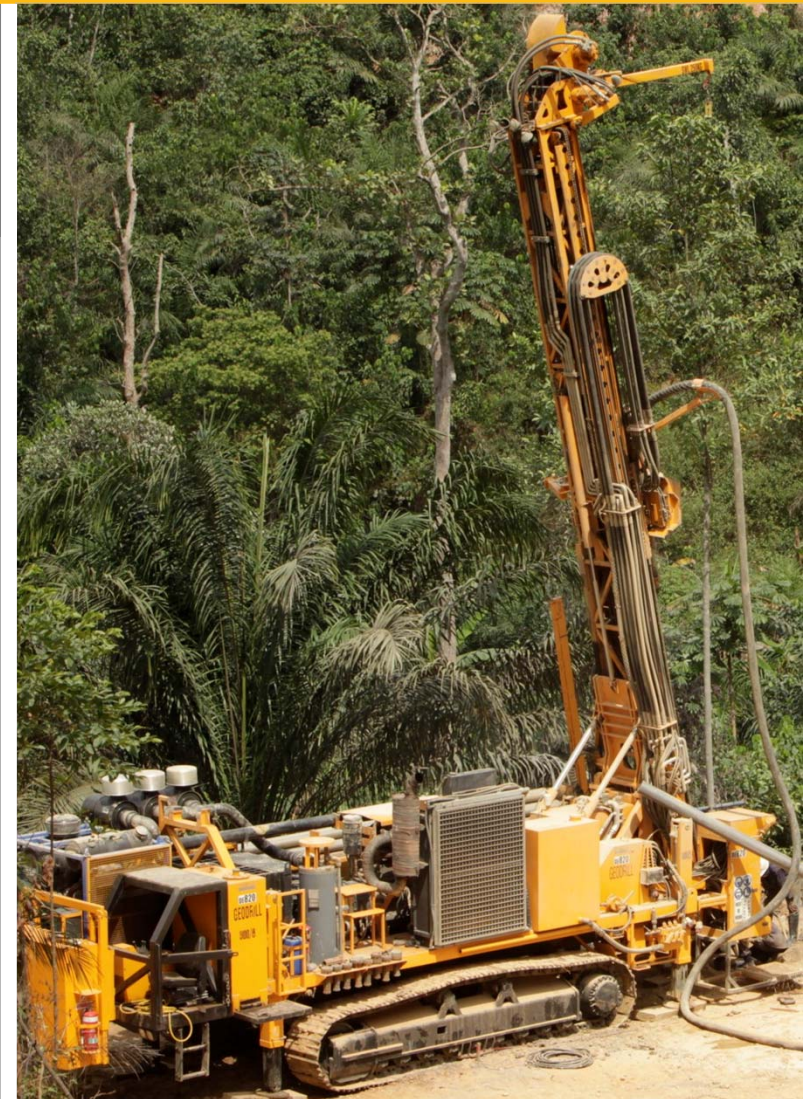
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# Superior Fleet of Multipurpose Rigs

## Pioneer of the “Multipurpose” drill rig

- Geodrill’s multipurpose rigs can perform both reverse circulation and diamond core drilling with minimal effort and down-time
  - Provides the efficiency and productivity of reverse circulation and the depth and accuracy of core drilling
- Multipurpose rigs can drill for any mineral
  - Rigs do not need to be re-tooled or retro-fitted to switch to other precious metals or base metals
- Average age of the fleet is two years
- Fleet currently consists of 18 rigs with 6 additional rigs on order
  - Expected to end 2011 with 30 rigs



# World-Class Workshop

Geodrill's state-of-the-art operations facility contributes to the high quality fleet

- Workshop manufactures up to 260 different consumables including drill rods
- Workshop is within a 12 hour drive to most client projects or deposits
  - 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 allowing Geodrill to drill faster, deeper and more accurately

- Highly trained workforce of local drillers
- Favourable compensation and benefits package has reduced unplanned workforce turnover even during robust mining cycles
  - low turnover rate
- 90% of workforce are contracted employees
  - Allows Geodrill to efficiently manage the size of its workforce in the event of a slowdown
- Labour force not governed by unions
- All aspects of Geodrill's operations are designed to meet the highest health and safety standards
  - Rigs are equipped with KL Rod Handlers, providing drillers with the highest level of safety



# Productivity = Profitability

“The best equipment and the best people create the best results”

- Multi-purpose rigs can provide both RC and Core drilling as well as drill any mineral type
- Average age of fleet is less than two years
- Saves downtime, preparation, mobilization charges, and overall costs

“Rigs breakdown-how fast you can fix them determines your profitability”

- Centralized world-class workshop creating a utilization factor of 95%
- Produces components internally, including drill rods
- Located within a 12 hour drive to most customer drill sites

“Drilling is driven by technology and people”

- Low employee turnover
- Not unionized

**\$2.7mm** Revenue per rig  
More than 2.5x industry average

**31%** EBITDA Margins  
vs. industry average of 18%

**95%** Utilization Factor  
vs. industry average of 60-70%

**Geodrill was the only drilling company to increase drilling revenues in 2009\***

# Diverse Customer Base

	262,000 m DTD*
	30,000 m DTD
	180,000 m DTD
	75,000 m DTD
	340,000 m DTD
	165,000 m DTD
	85,000 m DTD
	130,000 m DTD



# Testimonials

“Geodrill is without exception by far the **most able and well equipped** drilling company we have employed in West Africa. Its rigs are always maintained to the highest standards, break downs are all but unheard of, lost time incidents are extremely rare and it is completely self sufficient and needs little to no input from Azumah staff. I can honestly say that **Geodrill would be by far the best drilling company in all respects that I have encountered.**”

*Stephen Stone, Managing Director, Azumah Resources Limited*

“Castle Minerals has used Geodrill for numerous RC drilling programs in Ghana since 2006. **Geodrill’s staff, equipment and capability is first class** and they remain one of the most professional drilling providers we have ever used.”

*Michael Ivey, Managing Director & CEO, Castle Minerals Limited*

“Keegan has drilled over 180,000 meters at Esaase and it is the opinion of our seasoned geological staff that the powerful UDR-900 drill rigs, in Geodrill’s safe, capable, and efficient hands, are simply four times faster than your average RC rig and **twice as fast as your average Core rig. Geodrill is simply head and shoulders above the competition** and we will continue to use them for all our advanced drill projects”

*Dr. Dan McCoy, Chief Geologist, Keegan Resources Inc.*

“Geodrill has been a major contributor to Perseus’ success in Ghana, and they have conducted their work with a **high regard for safety and the environment** whilst at all times maintaining high rates of drill production. I expect **Geodrill to remain a drill contractor of choice** as we continue to aggressively drill out ore on the Central Ashanti Gold Project.”

*Kevin Thomson, Exploration Manager – West Africa, Perseus Mining Ltd.*

“**Geodrill maintained significantly higher drilling rates** at Banfora Gold Project, while **producing very good quality samples**. Gryphon Minerals are committed to increased drilling in Burkina Faso, using additional drilling capability provided by Geodrill”

*Michael Fox, Exploration Manager, Gryphon Minerals Limited*



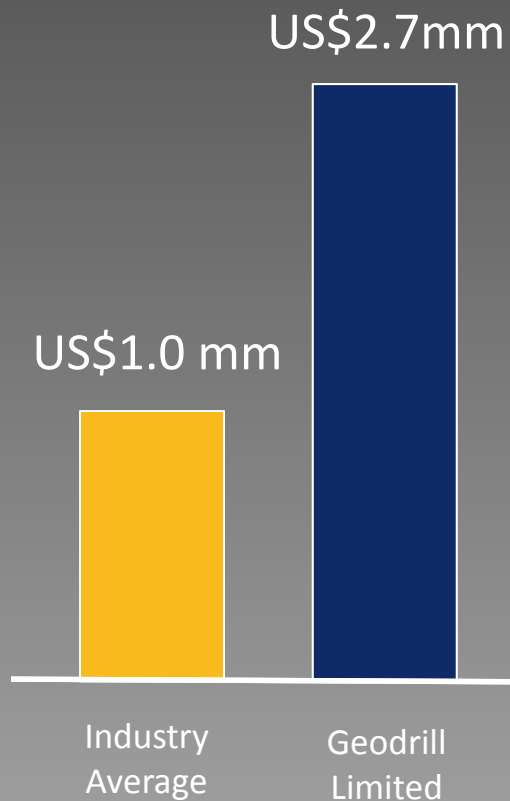
# Financial Performance

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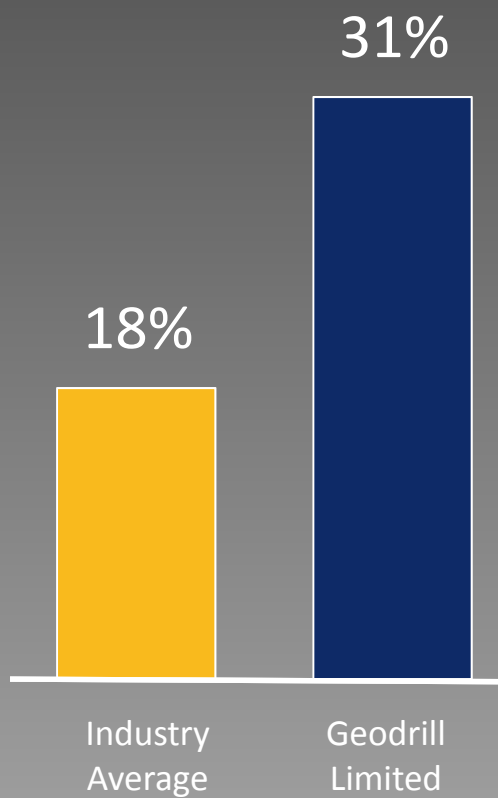
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# Leading EBITDA & EBIT Margins

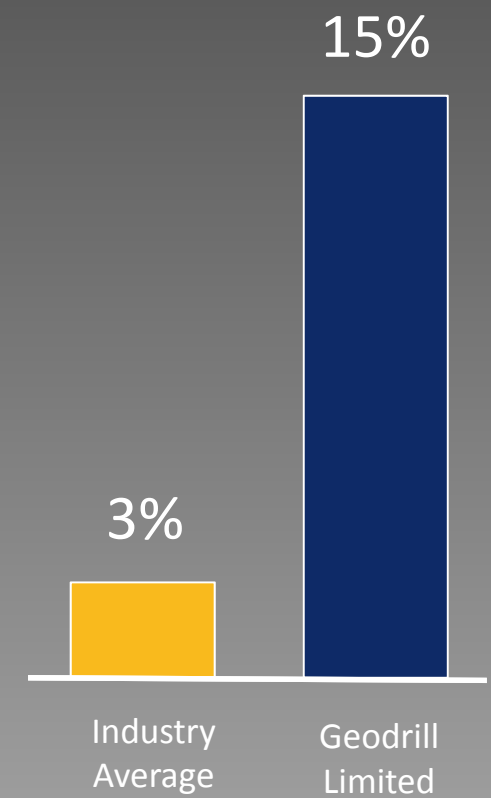
2009 Gross Revenue per Rig



2009 EBITDA Margin



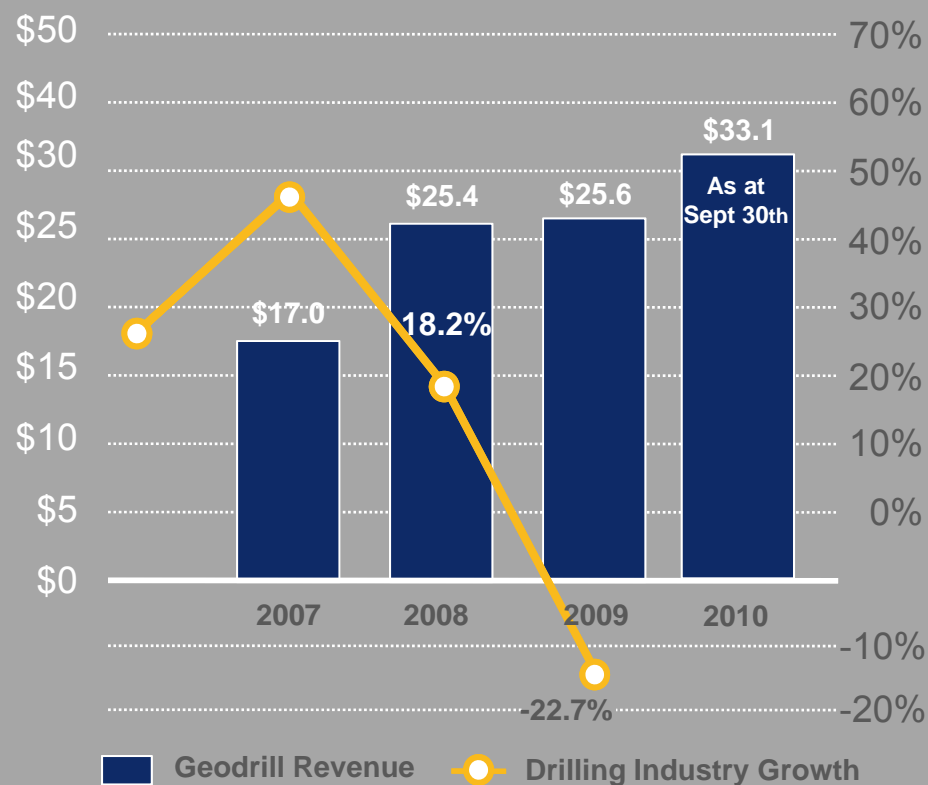
2009 Earnings After Tax Margin



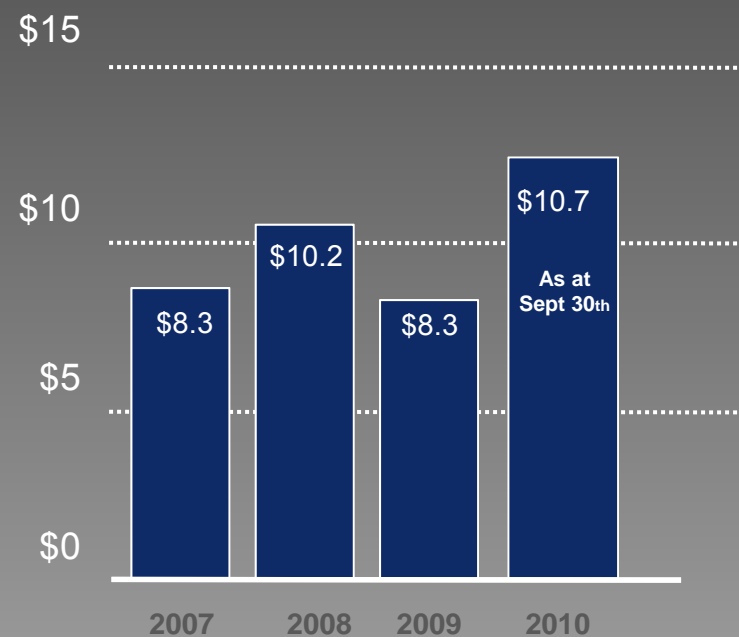
# Strong Record of Growth

Geodrill's multipurpose rigs and leadership position in West Africa have supported strong year-over-year growth including slight growth through the global recession.

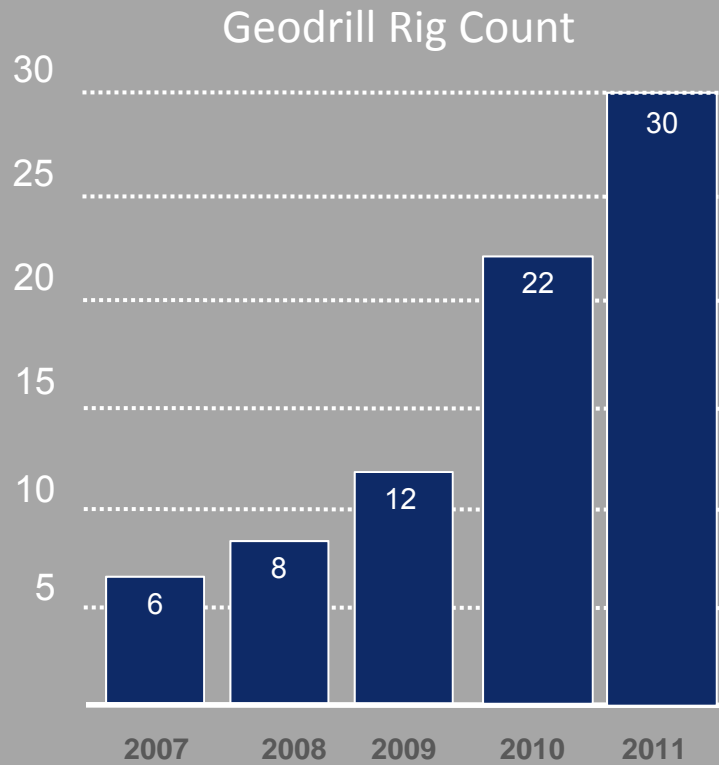
## Geodrill Revenue and Growth



## Geodrill EBITDA



# Increasing Revenue Growth





# Revenue and EBITDA per Rig

Geodrill's revenue model provides scalability as additional rigs are deployed

## REVENUE PER RIG

NUMBER OF RIGS		\$2.5	\$2.6	\$2.7	\$2.8	\$2.9	\$3.0	\$3.1	\$3.2	\$3.3	\$3.4	\$3.5
	15	\$12.0	\$12.5	\$13.0	\$13.4	\$13.9	\$11.4	\$14.9	\$15.4	\$15.8	\$16.3	\$16.8
	18	\$14.4	\$15.0	\$15.6	\$16.1	\$16.7	\$17.3	\$17.9	\$18.4	\$19.0	\$19.6	\$20.2
	21	\$16.8	\$17.5	\$18.1	\$18.8	\$19.5	\$20.2	\$20.8	\$21.5	\$22.2	\$22.8	\$23.5
	24	\$19.2	\$20.0	\$20.7	\$21.5	\$22.3	\$23.0	\$23.8	\$24.6	\$25.3	\$26.1	\$26.9
	27	\$21.6	\$22.5	\$23.3	\$24.2	\$25.1	\$25.9	\$26.8	\$27.6	\$28.5	\$29.4	\$30.2
	30	\$24.0	\$25.0	\$25.9	\$26.9	\$27.8	\$28.8	\$29.8	\$30.7	\$31.7	\$32.6	\$33.6
	33	\$26.4	\$27.5	\$28.5	\$29.6	\$30.6	\$31.7	\$32.7	\$33.8	\$34.8	\$35.9	\$37.0
	39	\$28.8	\$30.0	\$31.1	\$32.3	\$33.4	\$34.6	\$35.7	\$36.9	\$38.0	\$39.2	\$40.3
	39	\$31.2	\$32.4	\$33.7	\$34.9	\$36.2	\$37.4	\$38.7	\$39.9	\$41.2	\$42.4	\$43.7

# Strong Balance Sheet

	Sept 30, 2010	Pro Forma Offering
Cash	\$2,494,801	\$18,494,601
Current Assets	\$14,714,121	\$30,713,921
Current Liabilities	\$11,257,263	\$9,317,063
Net Working Capital	\$3,456,858	\$21,396,858
Fixed Assets	\$20,640,952	\$20,640,952
Debt	\$1,940,200	\$0
Shareholders' Equity	\$20,906,104	\$38,846,104
Total Assets	\$35,355,073	\$51,354,873



# Growth Strategy

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# Growth Strategy

## 1. 29% CAGR

– all profits have been reinvested to facilitate growth

## 2. Organic Growth

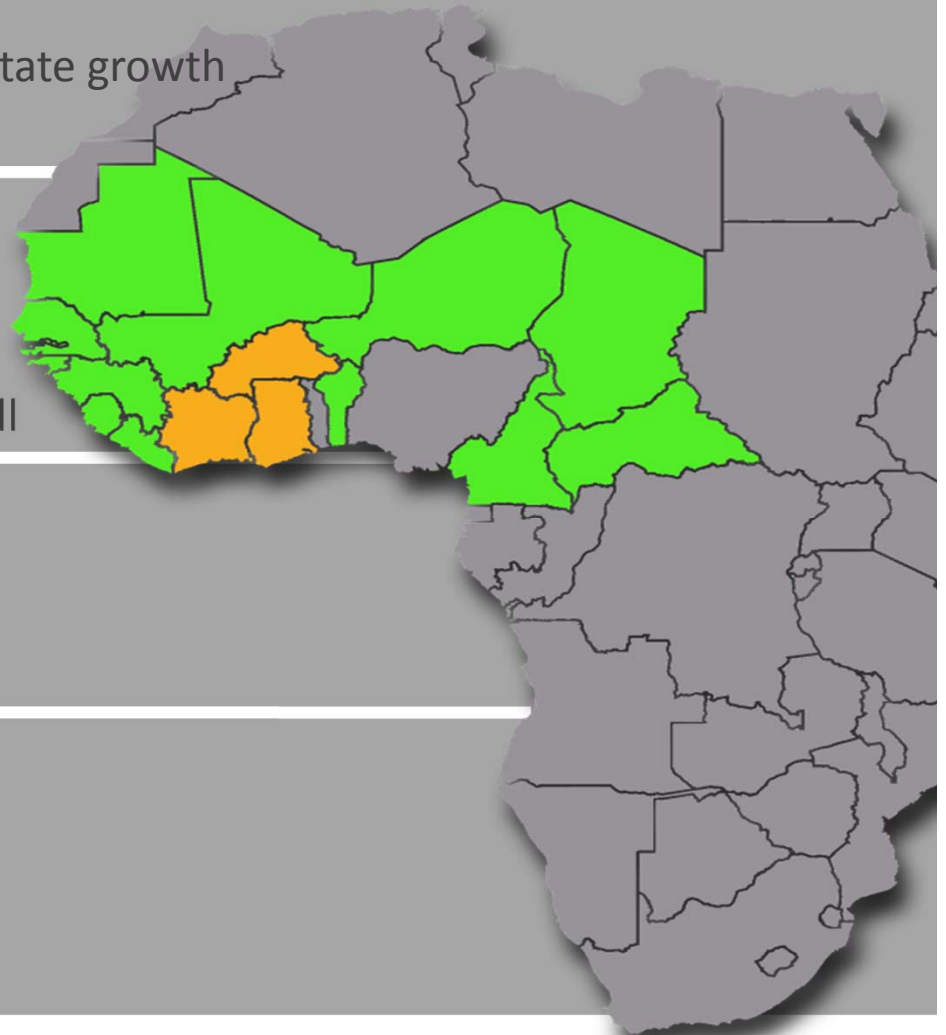
– currently turning down business  
– add rigs to meet client demand  
– cash flows re-invested back into Geodrill

## 3. Expansion opportunities

– expand geographically  
– diversify through other commodities

## 4. Inorganic Growth

– identify acquisition opportunities to consolidate West Africa drilling industry



# Management and Directors

## David Harper

President, CEO & Director

23 years experience in the drilling industry, including 20 years in management and 16 years in Ghana and West Africa; prior to founding Geodrill Limited, spent 12 years at Stanley Mining Services, an African focused drilling company, ultimately becoming the General Manager – West Africa until it's acquisition by Layne Christensen Company.

## Ian Lacey

Chief Financial Officer

Certified Public Accountant (Massachusetts), a Fellow Chartered Accountant (E&W) and he is a member of the Association of Chartered Certified Accountants (UK); over 35 years experience in the finance and accounting industry, including over 20 years of experience working as an expatriate in various overseas locales.

## Terry Burling

Chief Operating Officer

Prior to his appointment as Chief Operating Officer of the Company, Mr. Burling served as Operation Manager for Geodrill overseeing operations of the Company. Mr. Burling has 24 years experience in the drilling industry, including 15 years in Ghana and West Africa (of which 12 years has been with Geodrill). Prior positions held by Mr. Burling include the Supervisor at Stanley Mining Services and Supervisor at Leanda Drilling Pty Ltd.

John Bingham – Chairman

Victoria Prentice – Director

Colin Jones – Director

Allen Palmiere – Director

# Comparable Companies

Company	Enterprise Value (mm)	Number of Rigs	LTM Revenue Per Rig	LTM Net Income %	LTM EBITDA %	EBITDA <sup>1</sup>			EV/EBITDA	
						2009A	2010E	2011E	2010E	2011E
Ausdrill Ltd.	\$966.7	313	\$2.0	7.6%	24.1%	\$124.3	\$149.8	\$187.6	6.5x	5.2x
Boart Longyear Limited	\$2,047.6	1,150	\$1.0	1.9%	13.4%	\$124.6	\$224.0	\$309.8	9.8x	7.1x
Capital Drilling Ltd	\$210.4	65	\$0.9	6.6%	25.1%	nmf	\$20.0	\$32.0	10.5x	6.6x
Energold Drilling Corp.	\$164.3	100	\$0.4	0.5%	7.5%	\$1.5	\$6.9	\$20.8	23.8x	7.9x
FORACO International S.A.	\$212.2	178	\$0.8	6.6%	23.4%	\$38.7	\$37.8	\$54.2	5.6x	3.9x
Layne Christensen Co. <sup>2</sup>	\$611.1	150	\$1.1	2.4%	6.9%	\$79.8	\$89.5	\$95.0	6.8x	6.4x
Major Drilling International	\$1,075.8	547	\$0.7	3.7%	13.2%	\$62.7	\$59.0	\$148.7	18.2x	7.2x
Orbit Garant Drilling Inc.	\$195.9	159	\$0.7	10.9%	25.4%	\$27.6	\$26.9	\$37.8	7.3x	5.2x
Swick Limited	\$126.1	78	\$1.1	-11.9%	20.4%	\$17.4	\$24.5	\$33.2	5.1x	3.8x
			<b>Average</b>	<b>\$1.0</b>	<b>2.4%</b>	<b>17.7%</b>			<b>10.4x</b>	<b>5.9x</b>
			<b>Median</b>	<b>\$0.9</b>	<b>2.4%</b>	<b>20.4%</b>			<b>7.3x</b>	<b>6.4x</b>
<b>Geodrill Limited</b>	<b>\$99.3</b>	<b>20</b>	<b>\$2.2</b>	<b>15.7%</b>	<b>31.0%</b>	<b>\$8.1</b>	<b>\$15.0</b>	<b>\$21.5</b>	<b>6.6x</b>	<b>4.6x</b>

Source: Bloomberg, Capital IQ and management estimates. Market data is at February 7, 2011

(1) EBITDA figures represent calendar year ends

(2) LTM Revenue is comprised solely of the "Mineral Exploration" division, as reported in Layne Christensen Co.'s financial reports. EBITDA and EBITDA % are for the full entity.

# Key to Success

- Well positioned in the industry:
  - Innovative drilling solutions
  - Broad customer base
- Strong track-record of financial performance
- Focused growth strategy
- Proven management team



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