



FOR IMMEDIATE RELEASE

GEODRILL REPORTS SECOND QUARTER 2020 FINANCIAL RESULTS

TORONTO, August 12, 2020 - 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, 2020. 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").

Financial and Operational Highlights for Q2-2020:

- Improved EBITDA margin to 31% compared to 29% in Q2-2019;
- Increased net income to \$3.3M or \$0.07 per Ordinary Share compared to \$2.5M, or \$0.06 per Ordinary Share for Q2-2019; and
- Increased cash in the quarter by \$2.5M, ending Q2 2020 with cash of \$7.3M;
- Decreased debt to \$2.2M, resulting in industry leading Debt-to-Equity ratio of 3%;
- Ended the quarter with net cash of \$5.1M;
- Renewed the Company's NCIB for a further year as an opportunity to return value to shareholders;
- Continued with long-term contracts and maintained average revenue per shift amounts;
- Expanded into a new geographical location with the mobilization of three rigs into Latin America; and
- Secured six new multi-rig contracts and extended four contracts with junior and mid-tier exploration companies.

Financial Summary

US\$ 000s (except earnings per share, meters drilled and percentages)	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Revenue	20,862	27,787	38,865	49,914
Gross profit	6,635	8,903	9,750	15,279
Gross profit margin	32%	32%	25%	31%
EBITDA ⁽¹⁾⁽²⁾	6,470	7,942	8,684	13,716
EBITDA margin	31%	29%	22%	27%
Earnings per share - basic	0.07	0.06	0.08	0.09
Meters drilled	368,168	344,308	650,097	617,362

Notes:

- (1) EBITDA = earnings before interest, taxes, depreciation and amortization
- (2) Please see “*Non-IFRS Measures*” below for additional discussion

“While the world has changed over the past few months, our model to deliver solid results has remained the same, growing our value proposition for investors. Consistent with our strategy, during the second quarter, we generated strong cash, maintained a robust balance sheet, took steps to reduce costs and improved our effective tax rate, demonstrating the success of our operating platform and commitment to capital discipline,” said Greg Borsk, Chief Financial Officer of Geodrill.

“Fueled by all-time high gold prices and increased utilization, our outlook for the second half of the year remains exceedingly positive. A strong gold price has increased cash flow of mining companies and increased industry financings has expanded exploration budgets which in turn is driving increased drilling activity and utilization. Positive signs of a strong demand for drilling services include the resumption of exploration projects in Burkina Faso, Cote D’Ivoire and Mali. Other strong early indicators include increased drilling activity from both miners and junior companies during wet season, which is typically our slowest season. As a result, the Company has mobilized rigs from Zambia to capture the strong momentum in the market,” said Dave Harper, President and CEO of Geodrill.

“We believe there are several catalysts that form key parts of a transformational year for Geodrill. These include improving gold markets; expansion into a new geographical location; and entering a new drilling vertical – significantly broadening our opportunities for growth. While we continue to maintain our strong presence in West Africa, Latin America represents a large growth market in which we will begin to establish a footprint. Significantly, we expanded our service offering to include drill-blast services. This enables Geodrill to offer clients integrated mining services and provides the ability to pursue growth opportunities across a broader base of mine-site based clients. Additionally, it offers larger revenue and earnings opportunities with more stable production-based activities. Our initiatives have greatly enhanced our long-term outlook. We look forward to creating additional value for our shareholders in the second half of 2020 with increased utilization driving strong free cash flow and expansion initiatives to position Geodrill for future growth,” add Dave Harper.

Geodrill’s condensed interim consolidated financial statements and management’s discussion & analysis (“MD&A”), for the three and six months period ended June 30, 2020, are available via Geodrill’s website at www.geodrill-gh.com and will be available on SEDAR at www.sedar.com.

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

https://produceredition.webcasts.com/starthere.jsp?ei=1343532&tp_key=bf258e981d

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 7 days. Toll-Free Dial-In Number: 1 855 859 2056 using Conference ID: 3597845.

About Geodrill Limited

Geodrill is a leading exploration drilling company in Africa, with a fleet of 67 mineral drilling rigs. The Company has operations in Ghana, Burkina Faso, Cote d'Ivoire, Mali, and Zambia. Operating the largest modern fleet of multi-purpose rigs on the African continent, Geodrill provides Reverse Circulation, Diamond Core, Deep Directional Drilling, Air-Core, Grade Control, Geo-Tech and Water Borehole drilling services to major, intermediate and junior mining companies. www.geodrill-gh.com

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 months period ended June 30, 2020 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.

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