



**FOR IMMEDIATE RELEASE**

**GEODRILL REPORTS FIRST QUARTER 2021 FINANCIAL RESULTS  
-Strong Utilization Drives Record Revenue and Profitability-**

**TORONTO, May 12, 2021** - Geodrill Limited ("Geodrill" or the "Company") (TSX:GEO), a leading West African based drilling company, reported its financial results for the three month period ended March 31, 2021. 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 Overview Q1-2021:**

- Generated record revenue of \$30.7M an increase of 70% compared to Q1-2020 and a 24% increase over the sequential quarter;
- Achieved record EBITDA of \$10M or 33% of revenue compared to \$2.2M or 12% of revenue in Q1-2020 up 352%;
- Achieved strong profitability by significantly increasing net income to \$5.7M or \$0.13 per Ordinary share compared to \$0.1M in Q1-2020;
- Generated a Return on Capital Employed (ROCE) of 22% and Return on Equity (ROE) of 17%; compared to 13% and 4% respectively for Q1-2020; and
- Initiated a semi-annual dividend to shareholders.

**Operational and Strategic Highlights:**

- Increased rig utilization to 75% compared to 50% for Q1-2020 and 70% for Q4-2020;
- Secured new drilling contract in Egypt and extended the Company's contract in Peru expanding the Company's footprint in new geographic locations;
- Secured and extended contracts in our core operations in the Ivory Coast, Burkina Faso, Ghana and Mali, three being long-term contracts; and
- Systematically integrated ESG climate and broader sustainability factors into our operations beginning with sustainable water and energy solutions including converting Company's head office in Accra, Ghana, to solar power.

**Outlook:**

- Significant financings in recent history continues to drive future demand; drilling services in West Africa has increased significantly in 2021;
- Rig fleet, currently 68 rigs with additional rigs in manufacturing and on order to meet growing demand; and
- Extremely active tendering market, with particularly strong demand in exploration drilling.

## Financial Summary

<b>US\$ 000s</b> (except earnings per share and percentages)	<b>For the three months ended Mar 31, 2021</b>	<b>For the three months ended Mar 31, 2020</b>
Revenue	US\$30,665	US\$18,003
Gross profit	US\$9,632	US\$3,115
Gross profit margin	31%	17%
EBITDA <sup>(1)(2)</sup>	US\$10,022	US\$2,215
EBITDA margin	33%	12%
Net Earnings	US\$5,652	US\$117
Earnings per share – basic	US\$0.13	US\$0.00
Return on Equity (ROE)	17%	4%
Return on Capital Employed (ROCE)	22%	13%

**Notes:**

(1) EBITDA = earnings before interest, taxes, depreciation and amortization

(2) Please see “*Non-IFRS Measures*” below for additional discussion

“We began 2021 with the strongest quarterly financial performance in the Company’s history - outperforming in all key metrics. With strong industry tailwinds and increased utilization, we were able to grow revenue 70% and EBITDA 352%,” said Greg Borsk, Chief Financial Officer at Geodrill. “With a strong gold price, our principal commodity exposure, demand for our services remains strong. We will continue to focus on providing premium drilling services that set Geodrill apart, in turn, delivering steady revenue growth and a strong balance sheet.”

“We achieved strong profitability this quarter; Rig for rig, Geodrill continues to outperform the competition. We kept a sharp focus on our capital markets objectives too – significantly increasing our return on capital. With this in mind, we are undertaking the strategic initiatives required to drive the growth of the Company and shareholder value,” said Dave Harper, President and CEO of Geodrill. “We leveraged opportunities to continue to diversify geographically, increasing regional revenue exposure beyond West Africa and continue to benefit from a robust exploration environment. With current gold prices, we anticipate that significant capital spending by senior producers and junior exploration companies will continue to drive drilling activity in 2021 and beyond.”

**Geodrill’s condensed interim consolidated financial statements and management’s discussion & analysis (“MD&A”), for the three month period ended March 31, 2021, 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).**

**Management of the Company will host a conference call at 10:30 am EDT to discuss the financial results.**

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=1451845&tp\\_key=2d20699c55](https://produceredition.webcasts.com/starthere.jsp?ei=1451845&tp_key=2d20699c55)

### **About Geodrill Limited**

Geodrill is a leading exploration drilling company in Africa, with a fleet of 68 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](http://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 month period ended March 31, 2021 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 quarter ended March 31, 2021 and the Company's Annual Information Form dated March 29, 2021 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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