



**FOR IMMEDIATE RELEASE**

**GEODRILL REPORTS SECOND QUARTER 2021 FINANCIAL RESULTS  
- Delivers Another Strong Quarter -**

**TORONTO, August 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 and six month periods ended June 30, 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 Q2-2021:**

- Generated revenue of \$30.6M an increase of 47% compared to Q2-2020;
- Achieved EBITDA of \$7.4M or 24% of revenue;
- Achieved strong profitability by increasing net income to \$4.0M or \$0.09 per Ordinary share compared to \$3.3M or \$0.07 per Ordinary share in Q2-2020;
- Generated a Return on Capital Employed (ROCE) of 21% and Return on Equity (ROE) of 16%, compared to 11% and 5% respectively in Q2-2020; and
- On August 11, 2021, the Geodrill Board of Directors declared a semi-annual dividend of CDN\$0.01 per share, payable on September 8, 2021, to shareholders of record at the close of business on August 25, 2021.

**Operational and Strategic Highlights:**

- Continued to maintain high utilization rate of approximately 70%;
- Secured and extended multi-rig contracts in our core operations in the Ivory Coast, Burkina Faso, Ghana and Mali, three being long-term contracts;
- Mobilized two rigs to Egypt, our first contract in this new geographic region, and expect to be drilling this quarter while the Company continues to expand its footprint in Egypt;
- Subsequent to quarter end, secured a 4 rig long term underground drilling contract in Ghana;
- Consolidated our efforts to develop a formalized global ESG Framework to benefit and be aligned with all of our stakeholders;
- Awarded the Millennium Excellence Awards, Ghana's most prestigious award honouring the best institutions and individuals in all sectors of the Ghanaian economy for their contributions to national development; and
- As at August 11, 2021 the Company increased its rig fleet to 70 rigs.

**Outlook:**

- Continued robust demand for drilling services that supports strong utilization rates throughout the remainder of 2021;

- Higher utilization rates across the mineral drilling industry is driving more positive pricing; 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 June 30, 2021</b>	<b>For the three months ended June 30, 2020</b>	<b>For the six months ended June 30, 2021</b>	<b>For the six months ended June 30, 2020</b>
Revenue	US\$30,576	US\$20,862	US\$61,241	US\$38,865
Gross profit	US\$8,333	US\$6,635	US\$17,965	US\$9,750
Gross profit margin	27%	32%	29%	25%
EBITDA <sup>(1)(2)</sup>	US\$7,390	US\$6,470	US\$17,412	US\$8,684
EBITDA margin	24%	31%	28%	22%
Net Earnings	US\$3,965	US\$3,281	US\$9,618	US\$3,398
Earnings per share – basic	US\$0.09	US\$0.07	US\$0.21	US\$0.08

### Notes:

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

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

“We closed the first half of 2021 with outstanding momentum underscored by strong financial and operating performance. Year to date, we grew revenue 58%, net income 183% and EBITDA 101%,” said Greg Borsk, Chief Financial Officer at Geodrill. “Strong market fundamentals and robust demand for our services provides the foundation for solid revenue performance for the remainder of 2021.”

“We achieved another record-setting quarter delivering increased revenue, earnings per share, and return on equity. Our significant organic growth, in concert with industry tailwinds demonstrates the strength of our market position and sets the stage for continued long-term profitability,” said Dave Harper, President and CEO of Geodrill. “We enter the second half of 2021 focused on growth, as we execute on a number of long-term initiatives including expanding our global reach in Egypt and South America to drive future profitability. Buoyed by macro-economic trends, including strong metal prices, falling gold reserves, and increased exploration activity, our momentum and outlook remain positive to continue to deliver industry-leading performance.”

**Geodrill’s condensed interim consolidated financial statements and management’s discussion & analysis (“MD&A”), for the three month period ended June 30, 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 10:00 am EDT to discuss the financial results.**

You can join the call by dialing 1888 664 6392 or local 416 764 8659. A live audio webcast of the conference call will also be available through:

[https://produceredition.webcasts.com/starthere.jsp?ei=1480669&tp\\_key=0027025498](https://produceredition.webcasts.com/starthere.jsp?ei=1480669&tp_key=0027025498)

### **About Geodrill Limited**

Geodrill has been successful in establishing a leading market position in Ghana, Burkina Faso, Cote d'Ivoire and Mali. The Company is also expanding its geographic presence into Egypt in North Africa, and Peru in South America. With the largest fleet of multi-purpose rigs, Geodrill provides a broad selection of diverse drilling services, including exploration, delineation, underground and grade control drilling, to meet the specific needs of its clients. The Company's client mix is made up of senior mining, intermediate and junior exploration 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 and six month periods ended June 30, 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 June 30, 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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