GEODRILL LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SECOND QUARTER ENDED JUNE 30, 2022

Management's discussion and analysis ("MD&A") is a review of the operations, the liquidity and the results of operations and capital resources of Geodrill Limited ("Geodrill", the "Company" or the "Group"). The consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion contains forward-looking information. Please see "Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions relating to this MD&A.

This MD&A is a review of activities and results for the three and six months ended June 30, 2022 as compared to the corresponding period in the previous year and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2022, and also in conjunction with the audited annual consolidated financial statements and corresponding MD&A for the year ended December 31, 2021.

This MD&A is dated August 6, 2022. Disclosure contained in this document is current to that date unless otherwise stated.

Additional information relating to Geodrill, including the Company's Annual Information Form, can be found on SEDAR at www.sedar.com.

All references to "US$" are to United States dollars and all references to "CAD$" are to Canadian dollars.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries, future growth, results of operations, capital needs, performance, business prospects and opportunities. Often, but not always, forward-looking information 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 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 information is 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 information involves 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 information contained in this MD&A. 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 information, 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 information prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking information contained in this MD&A.

Forward-looking information contained herein is made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

Corporate Overview

Geodrill operates a fleet of Multi-Purpose, Core, Air-Core, Grade Control and Underground drill rigs. The multi-purpose rigs can perform both reverse circulation ("RC") and diamond core ("Core") drilling and can switch from one to the other with little effort or downtime. Multi-purpose rigs provide clients with the efficiency and high productivity of RC drilling and the depth and accuracy of Core drilling without the need to have two different drill rigs on site. The Company currently has operations in five African countries and one South American country.

The Company's rigs and support equipment also incorporate a fleet of boosters and auxiliary compressors, which enable Geodrill to achieve high-quality sampling and operations to greater depths.

The state-of-the-art workshops and supply bases at Anwiankwanta, Ghana, at Ouagadougou, Burkina Faso, at Bouake, Cote d'Ivoire, at Bamako, Mali, and at Lima, Peru provide centralized locations for storage of inventory, equipment and supplies, which in turn minimizes trucking, shipping and supply costs and allows the rigs and inventory to be mobilized to drill sites with minimal delay.

An experienced management team and workforce, a modern fleet of drill rigs and state-of-the-art workshops and supply bases have contributed to Geodrill's reputation as a results-oriented drilling company that strives to achieve greater drilling depths and provide better quality samples than its competitors in the shortest possible time, safely and in a cost-effective and environmentally conscious manner.

The Company continues to stress the Health and safety of its employees as its greatest concern and is strictly enforcing our COVID-19 policies and procedures throughout the Company's operations. Implementing and ensuring policies and procedures regarding screening, monitoring, good hygiene and social distancing protocols are observed. Certain countries in which we currently have operations in had restricted travel for all persons and had focused on limiting travel and in most cases required entrants to complete a negative polymerase chain reaction ("PCR") test before entry was allowed into the country, however, the restrictions on travel have begun to ease in the first two quarters of 2022. The Company has sufficient capital and human resources in each country and is able to continue to execute on clients' drilling programs. Mining and mining related activities are deemed essential and are continuing for the moment as we continue to undertake drilling projects for our clients.

Business Strategy

The Company competes with other drilling companies on the basis of price, accuracy, reliability and experience in the marketplace. The Company's competitors consist of both large public companies as well as small local operators.

Management believes that the Company has a number of attributes that result in competitive advantages including:

- **Business Development**: The Company continually improves its operations including the following recent and ongoing developments:

  West Africa and the African Copperbelt: The Company continues to maintain its strong presence in West Africa in four primary countries being Ghana, Burkina Faso, Cote d'Ivoire and Mali. In the African copperbelt in Zambia, the Company currently is not drilling and has redeployed its rigs and ancillary equipment to other countries to keep up with demand. Management's plans in West Africa include continuing to add more rigs for existing clients, expanding the scope of drilling services to include drill and blast capabilities and adding new clients.

  South America: The Company is currently operating in South America in Peru. Management's intention is to continue to add rigs and clients in Peru and other South American countries as it believes the need for specialized drilling in South America will support Geodrill's expansion into South America. Geodrill has corporate entities in both Peru and Brazil and is considering other South American countries for expansion.

  Egypt: The Company secured its first drilling contract in Egypt in 2021. During the first quarter of 2022, the Company secured its second drilling contract as it was awarded a significant multi-rig, multi-year underground drilling contract. Depending on utilization and the availability of rigs, tender proposals and Geodrill's confidence to acquire new drill rigs, the Company intends to continue to expand its footprint in Egypt.

- **A Modern Fleet of Drill Rigs and World Class Workshops:** The Company has accumulated modern state-of-the-art drilling rigs, and continues to invest in new rigs and ancillary equipment with established centrally located world class workshops to promote client satisfaction through reliable operational performance. In addition, within the workshop in Ghana is a manufacturing facility with the capacity to produce ancillary equipment such as RC drill rods and RC wire-line drill subs in-house, reducing downtime and reliance on suppliers for these items.

- **Establishing, building and maintaining long-standing relationships with customers:** The Company has strong client relationships. Typically, a longer term client relationship for the Company originally commenced as a short term drill contract won under a competitive bidding process, which has been continually renewed as the respective drilling program of the client has progressed through various phases.

- **Support of well-established international and local vendors:** The Company has maintained long standing relationships with international vendors in Australia, Europe, North and South America and China and has also been supported in West Africa, Egypt and Peru by local branches of these suppliers and other local suppliers.

- **Local Knowledge**: The Company's market knowledge, expertise and experience have enabled Geodrill to further develop the local networks required to support its operations.

- **Presence in West Africa, Egypt and Peru:** The Company is able to mobilize drill rigs and associated ancillary equipment within a few days of a request by a client. The well-resourced, centrally located workshops further reduce downtime, as the Company can fairly quickly reach most of its current customer sites.

- **An Active and Experienced Management Team:** Geodrill is led by Dave Harper, President and Chief Executive Officer, Terry Burling, Chief Operating Officer, Greg Borsk, Chief Financial Officer and Greig Rodger, Executive General Manager. This group is also supported by: Stephan Rodrigue, Zone Manager – Francophone West Africa and Don Seguin, Health, Safety and Environmental ("HSE") Manager.

- **A Skilled and Dedicated Workforce:** A favorable compensation and benefits package, coupled with the Company's track record of quality hiring and commitment to frequent, relevant continuous training programs for both permanent and contract employees, has reduced unplanned workforce turnover even during robust mining cycles. This has also increased efficiency and productivity, ensuring the availability and continuity of a skilled labor force.

- **Environmental, Social and Governance (ESG)**: The Company has always considered our ESG initiatives first and foremost and it is at the center of everything we do. Operating in the mining sector, our impact on the environment has been a key focus for the Company as we continually strive to improve the environment. Our Social impact has been focused on the communities we work in, giving back to the orphanages, schools and shelters but also making sure we transfer the expertise and knowledge of our most experienced employees in developing local employees. Our governance initiatives including our code of conduct and ethics policy, whistleblower policy, bribery and diversity policy are developed by our board of directors and carried out by senior management throughout the organization so that each stakeholder in Geodrill understands the importance of good governance.

- **Maintaining a high level of safety standards to protect its people and the environment**: The Company's HSE Group oversees the design, implementation, monitoring and evaluation of the Company's HSE standards, which standards are generally considered to be stringent standards for drilling firms globally and are higher than what is currently required in all local markets in which Geodrill currently operates. Every aspect of Geodrill's operations is designed to meet the highest HSE standards and includes induction meetings, at least one safety meeting per work site, including non-exploration work sites, regular safety audits and detailed investigations of incidents.

- **Commitment to Excellence:** Geodrill is committed to being a company of the highest standard in every aspect of its business operations. This is the framework used by the Company to guide its personnel towards the Company's goals and to be the customer-preferred partner in providing world class drilling services.

Market Participants and Geodrill's Client Base

The Company currently operates in Ghana, Cote d'Ivoire, Burkina Faso, Mali, Egypt and Peru. The Company's drilling focus is still principally on gold and is still primarily in West Africa, however, the Company also provides drilling services to clients in Egypt and Peru. The Company will, however, take advantage of opportunities in other minerals, including lithium, zinc, iron ore, manganese, uranium, phosphate and energy. In addition, the proximity to African countries such as Senegal, Mauritania, Liberia, Sierra Leone, Nigeria and Cameroon positions the Company favorably in its ability to service these markets as well, if it so chooses.

The signing of a drilling contract and the actual commencement of drilling do not always happen simultaneously, and in numerous situations there may be a two to three month interval between the signing of an agreement and the commencement of drilling. In addition, given the short-term nature of drilling contracts, there can be no assurance that any contract that the Company currently has will be extended or renewed on terms favorable to the Company. In the event that any of its current contracts are not extended or renewed on favorable terms, or replaced with new contracts, this could have a significant impact on the Company's operations.

For the three months ended June 30, 2022, two customers individually contributed 10% or more to the Group's revenue. One customer contributed 20% and one customer contributed 12%.

For the three months ended June 30, 2021, three customers individually contributed 10% or more to the Group's revenue. One customer contributed 26%, one customer contributed 14% and one customer contributed 11%.

For the six months ended June 30, 2022, three customers individually contributed 10% or more to the Group's revenue. One customer contributed 17%, one customer contributed 12% and one customer contributed 11%.

For the six months ended June 30, 2021, three customers individually contributed 10% or more to the Group's revenue. One customer contributed 27%, one customer contributed 14% and one customer contributed 11%.

OUTSTANDING SECURITIES AS OF AUGUST 6, 2022

The Company is authorized to issue an unlimited number of Ordinary Shares. As of August 6, 2022, the Company has the following securities outstanding:

Number of Ordinary Shares	46,836,400
Number of Options	2,600,000
Diluted	49,436,400

For the six months ended June 30, 2022, 1,520,000 shares were issued as a result of options being exercised, 780,000 options were issued and 110,000 options were cancelled.

OVERALL PERFORMANCE

The Company generated revenue of US$39.2M in the second quarter of 2022, an increase of US$8.6M or 28% when compared to US$30.6M in the second quarter of 2021. The increase in revenue is a result of the increase in demand for the Company's drilling services. With the gold price averaging approximately US$1,870 during the second quarter of 2022, global exploration spending continues to be strong. The majority of exploration spending is on gold and in conjunction with the increase in the gold price, the Company which drills approximately 95% for clients exploring for gold, has also seen the impact on its clients. The intermediates and senior clients are continuing to generate sufficient cash flows from their operations and are expanding their exploration budgets accordingly.

The gross profit for the second quarter of 2022 was US$12.4M, being 32% of revenue compared to a gross profit of US$8.3M, being 27% of revenue for the second quarter of 2021. The gross profit increase is a result of the increase in revenue of US$8.6M offset by an increase in cost of sales of US$4.5M. See "Supplementary Disclosure – Non IFRS Measures" on page 15.

The selling, general and administrative ("SG&A") expenses for the second quarter of 2022 were US$2.7M, being 7% of revenue compared to SG&A expenses of US$3.4M, being 11% of revenue for the second quarter of 2021.

The foreign exchange loss for the second quarter of 2022 was US$0.6M compared to a gain of US$0.2M for the second quarter of 2021, as a result of fluctuations in foreign currencies.

The other loss for the second quarter of 2022 was US$0.6M compared to a gain of less than US$0.1M for the second quarter of 2021 relating to gains and losses on listed equity investments held at fair value through profit and loss that the Company holds.

The EBIT (as defined herein) for the second quarter of 2022 was US$8.6M, compared to EBIT of US$5.1M, for the second quarter of 2021. See “Supplementary Disclosure - Non - IFRS Measures" on page 15.

The EBITDA (as defined herein) for the second quarter of 2022 was US$11.2M, being 29% of revenue, compared to US$7.4M, being 24% of revenue for the second quarter of 2021. See “Supplementary Disclosure – Non-IFRS Measures” on page 15.

The net income for the second quarter of 2022 was US$5.9M or US$0.13 per Ordinary Share (US$0.13 per Ordinary Share fully diluted), compared to US$4.0M for the second quarter of 2021 or US$0.09 per Ordinary Share (US$0.09 per Ordinary Share fully diluted).

SELECTED FINANCIAL INFORMATION

(in US$ 000's)	Three Months Ended Jun 30 2022	Jun 30 2021	% Change Jun 30 2022 vs 2021	Six Months Ended Jun 30 2022	Jun 30 2021	% Change Jun 30 2022 vs 2021
Revenue	**39,151**	**30,576**	**28%**	**72,560**	**61,241**	**18%**
Cost of Sales	**(26,732)**	**(22,243)**	**20%**	**(50,330)**	**(43,276)**	**16%**
Cost of Sales (%)	68%	73%		69%	71%	
Gross Profit	**12,419**	**8,333**	**49%**	**22,230**	**17,965**	**24%**
Gross Profit Margin (%)	32%	27%		31%	29%	
Selling, General and Administrative Expenses	**(2,653)**	**(3,439)**	**(23%)**	**(5,804)**	**(6,484)**	**(10%)**
Selling, General and Administrative Expenses (%)	7%	11%		8%	11%	
Foreign Exchange (Loss) / Gain	**(569)**	**192**		**(581)**	**(8)**	
Other (Loss) / Income	**(620)**	**29**		**444**	**1,313**	
Income from Operating Activities	**8,576**	**5,115**	**68%**	**16,288**	**12,786**	**27%**
Income from Operating Activities (%)	22%	17%		22%	21%	
EBIT*	**8,576**	**5,115**	**68%**	**16,288**	**12,786**	**27%**
EBIT (%)	22%	17%		22%	21%	
Finance Cost	**(200)**	**(158)**		**(362)**	**(251)**	
Profit Before Taxation	**8,376**	**4,957**	**69%**	**15,926**	**12,535**	**27%**
Profit Before Taxation (%)	21%	16%		22%	20%	
Income Tax Expense	**(2,469)**	**(992)**		**(4,068)**	**(2,917)**	
Income Tax Expense (%)	6%	3%		6%	5%	
Net income	**5,907**	**3,965**	**49%**	**11,858**	**9,618**	**23%**
Net Income (%)	15%	13%		16%	16%	
EBITDA **	**11,189**	**7,390**	**51%**	**21,541**	**17,412**	**24%**
EBITDA (%)	29%	24%		30%	28%	
Earnings Per Share						
Basic	**0.13**	**0.09**		**0.26**	**0.21**	
Diluted	**0.13**	**0.09**		**0.25**	**0.21**	
Total Assets	**140,728**	**119,203**		**140,728**	**119,203**	
Total Long - Term Liabilities	**8,318**	**5,500**		**8,318**	**5,500**	
Cash Dividend Declared***	**NIL**	**NIL**		**0.03**	**0.01**	

See "Supplementary Disclosure Non IFRS Measures" on page 15

*EBIT = Earnings before interest and taxes

**EBITDA = Earning before interest, taxes, depreciation and amortization

*** A CAD$0.03 dividend was declared on March 18, 2022 and a CAD$0.01 dividend was declared on March 5, 2021

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2022 COMPARED TO THREE MONTHS ENDED JUNE 30, 2021

Revenue

The Company generated revenue of US$39.2M for the second quarter of 2022, compared to US$30.6M for the second quarter of 2021, representing an increase of 28%. This is a significant achievement for the Company as this is the highest quarterly revenue ever recorded in the Company's history. The increase in revenue is a result of the increase in demand for the Company's drilling services. In addition to West Africa, in the second quarter of 2022, the Company also derived revenue from both Egypt and Peru. The Company has invested a significant amount of capital into its drill fleet and has advantages in the form of experience in the market place, accuracy, reliability and safety, which have been key factors in the awarding of contracts and the increase in the Company's revenue. In addition to significantly expanding its rig fleet, the Company has also been successful in expanding its client base to include a mix of majors, intermediates and juniors which has contributed to the increase in overall drilling activity and a well balanced mix of drilling services.

Cost of Sales and Gross Profit

Cost of Sales were US$26.7M for the second quarter of 2022, compared to US$22.2M for the second quarter of 2021, being an increase of US$4.5M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US$2.7M consistent with the significant increase in drilling activity and revenue.

- Drill rig expenses increased by US$1.4M consistent with the increase in drilling activity and revenue.

- Repairs and maintenance costs increased by US$0.1M as more repairs were completed on the Company's drill rigs and plant and equipment.

- Depreciation expense increased by US$0.3M as a result of significant additions in the previous years to the Company's drill rigs and plant and equipment.

The gross profit for the second quarter of 2022 was US$12.4M, compared to a gross profit of US$8.3M for the second quarter of 2021, being an increase of US$4.1M. The gross profit percentage for the second quarter of 2022 was 32% compared to 27% for the second quarter of 2021.

Selling, General and Administrative ("SG&A") Expenses

SG&A expenses were US$2.7M for the second quarter of 2022, compared to US$3.4M for the second quarter of 2021, being a decrease of US$0.8M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses decreased by US$0.9M in the second quarter of 2022 versus the second quarter of 2021. The increase in wages, employee benefits, external services, contractors and other expenses was US$0.2M, however, the Company received a US$1.1M VAT refund in the second quarter of 2022 which resulted in a net decrease of US$0.9M.

- Depreciation expense increased by US$0.1M as a result of recent additions to the Company's motor vehicle fleet.

Foreign Exchange Loss

Foreign exchange loss for the second quarter of 2022 was US$0.6M compared to a gain of US$0.2M for the second quarter of 2021 as a result of fluctuations in foreign currencies. In the second quarter of 2022, the Company incurred losses in relation to holding cash and having trade receivables denominated in foreign currencies as a result of the US Dollar strengthening.

Other Loss / Gain

Other loss for the second quarter of 2022 was US$0.6M compared to a gain of less than US$0.1M for the second quarter of 2021 relating to losses and gains respectively on listed equity investments held at fair value through profit and loss that the Company holds.

Income from Operating Activities

Income from operating activities (after cost of sales, SG&A expenses, foreign exchange gain or loss and other gains or losses) for the second quarter of 2022 was US$8.6M, as compared to US$5.1M in the second quarter of 2021.

EBIT and EBIT Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 15)

EBIT was US$8.6M for the second quarter of 2022 or 22%, compared to US$5.1M or 17% for the second quarter of 2021.

EBITDA and EBITDA Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 15)

EBITDA was US$11.2M for the second quarter of 2022 or 29%, compared to US$7.4M or 24% for the second quarter of 2021.

Depreciation

Depreciation of property, plant and equipment and right-of-use assets was US$2.6M (US$2.3M in cost of sales and US$0.3M in SG&A) for the second quarter of 2022 compared to US$2.3M (US$2.0M in cost of sales and US$0.3M in SG&A) for the second quarter of 2021.

Income Tax Expense

Income tax expense for the second quarter ended June 30, 2022 was US$2.5M compared to income tax expense of US$1.0M for the second quarter ended June 30, 2021. The income tax expense of US$2.5M in the second quarter ended June 30, 2022 was comprised of US$1.2M relating to tax expense on taxable income, US$0.7M relating to withholding tax and US$0.6M relating to a deferred tax charge.

Net income

The Company realized net income of US$5.9M for the second quarter of 2022, or US$0.13 per Ordinary Share (US$0.13 per Ordinary Share fully diluted), compared to US$4.0M for the second quarter of 2021, or US$0.09 per Ordinary Share (US$0.09 per Ordinary Share fully diluted).

SIX MONTHS ENDED JUNE 30, 2022 COMPARED TO SIX MONTHS ENDED JUNE 30, 2021

Revenue

The Company recorded revenue of US$72.6M for the six months ended June 30, 2022, compared to US$61.2M for the six months ended June 30, 2021, representing an increase of 18%. The increase in revenue is a result of the increase in demand for the Company's drilling services. In addition to West Africa, in the six months ended June 30, 2022, the Company also derived revenue from both Egypt and Peru. The Company has operated in West Africa for almost 25 years and has invested a significant amount of capital into its drill fleet and has advantages in the form of experience in the market place, accuracy, reliability and safety, which have been key factors in the awarding of contracts and the increase in the Company's revenue. In addition to significantly expanding its rig fleet, the Company has also been successful in expanding its client base to include a mix of majors, intermediates and juniors which has contributed to the increase in overall drilling activity and a well balanced mix of drilling services.

Cost of Sales and Gross Profit

The cost of sales for the six months ended June 30, 2022 was US$50.3M, compared to cost of sales of US$43.3M for the six months ended June 30, 2021, being an increase of US$7.0M and reflects the following:

- Drill rig expenses and fuel costs increased by US$1.6M consistent with the increase in drilling activity and revenue.

- Wages, employee benefits, external services, contractors and other expenses increased by US$4.7M consistent with the increase in drilling activity and revenue.

- Repairs and maintenance increased by US$0.3M as more repairs were completed on the Company's drill rigs and plant and equipment.

- Depreciation expense increased by US$0.4M as a result of significant additions in the previous years to the Company's property, plant and equipment.

The gross profit for the six months ended June 30, 2022 was US$22.2M, compared to a gross profit of US$18.0M for the six months ended June 30, 2021, being an increase of US$4.2M. The gross profit percentage for the six months ended June 30, 2022 was 31% compared to a gross profit percentage of 29% for the six months ended June 30, 2021.

Selling, General and Administrative ("SG&A") Expenses

SG&A expenses were US$5.8M for the six months ended June 30, 2022, compared to US$6.5M for the six months ended June 30, 2021, being a decrease of US$0.7M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses decreased by US$0.5M in the first half of 2022 versus the first half of 2021. The increase in wages, employee benefits, external services, contractors and other expenses was US$1.6M, however, the Company received a US$2.1M VAT refund in the first half of 2022 which resulted in a net decrease of US$0.5M.

- Estimated lifetime credit losses decreased by US$0.3M due to a change in the aging profile of trade receivables.

- Depreciation expense increased by US$0.1M as a result of recent additions to the Company's motor vehicle fleet.

Foreign Exchange Loss

Foreign exchange loss for the six months ended June 30, 2022 was US$0.6M compared to a loss of less than US$0.1M for the six months ended June 30, 2021 as a result of fluctuations in foreign currencies. In the six months ended June 30 2022, the Company incurred losses in relation to holding cash and having trade receivables denominated in foreign currencies as a result of the US Dollar strengthening.

Other Gain

Other gain for the six months ended June 30, 2022 was US$0.4M compared to US$1.3M for the six months ended June 30, 2021 relating to gains on listed equity investments held at fair value through profit and loss that the Company holds.

Income from Operating Activities

Income from operating activities (after cost of sales, SG&A expenses and foreign exchange gain or loss) for the six months ended June 30, 2022 was US$16.3M compared to US$12.8M for the six months ended June 30, 2021.

EBIT and EBIT Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 15)

EBIT was US$16.3M for the six months ended June 30, 2022 or 22% compared to US$12.8M or 21% for the six months ended June 30, 2021.

EBITDA and EBITDA Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 15)

EBITDA was US$21.5M for the six months ended June 30, 2022 or 30% compared to US$17.4M or 28% for the six months ended June 30, 2021.

Depreciation

Depreciation of property, plant and equipment for the six months ended June 30, 2022 was US$5.3M (US$4.6M in cost of sales and US$0.7M in SG&A) compared to US$4.6M (US$4.1M in cost of sales and US$0.5M in SG&A) for the six months ended June 30, 2021.

Income Tax Expense

Income tax expense was US$4.1M for the six months ended June 30, 2022 compared to income tax expense of US$2.9M for the six months ended June 30, 2021. The current tax expense of US$4.1M was comprised of US$1.1M relating to withholding tax, US$2.0M relating to tax expense on taxable income and US$1.0M relating to a deferred tax charge.

Net Income

The net income was US$11.9M for the six months ended June 30, 2022, or US$0.26 per Ordinary Share (US$0.25 per Ordinary Share fully diluted), compared to US$9.6M for the six months ended June 30, 2021, or US$0.21 per Ordinary Share (US$0.21 per Ordinary Share fully diluted).

SUMMARY OF QUARTERLY RESULTS

	2022		2021				2020	
(in US$ 000s)	**Jun 30**	**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**	**Dec 31**	**Sep 30**
Revenue	39,151	33,409	26,741	27,232	30,576	30,665	24,706	18,864
Revenue Increase / (Decrease) %	*17%*	*25%*	*(2%)*	*(11%)*	*(0%)*	*24%*	*31%*	*(10%)*
Gross Profit	12,419	9,811	6,493	5,640	8,333	9,632	6,903	4,261
Gross Margin (%)	*32%*	*29%*	*24%*	*21%*	*27%*	*31%*	*28%*	*23%*
Net Earnings	5,907	5,951	2,758	1,742	3,965	5,653	2,154	1,962
Per Share - Basic	0.13	0.13	0.06	0.04	0.09	0.13	0.05	0.04
Per Share - Diluted	0.13	0.13	0.06	0.04	0.09	0.13	0.05	0.04

The Company's revenue of US$39.2M represents an increase on a quarter over quarter basis by US$5.8M or 17% for the second quarter ended June 30, 2022 compared to the first quarter ended March 31, 2022. This was the result of the Company being extremely busy in Q2 2022 and recording its highest ever quarterly revenue for the second quarter in a row. The Company was able to generate gross profit of US$12.4M in the current quarter. On a quarter to quarter basis, the Company's revenue increased by US$8.6M or 28% compared to the second quarter ended June 30, 2021. The increase in revenue over the prior year's comparable quarter is a result of an increase in demand for drilling services and is consistent with the industry trend of increased drilling activity, especially in the gold sector.

The operations have tended to exhibit a seasonal pattern. The first and fourth quarters are affected due to shutdown of exploration activities, often for extended periods over the holiday season, however the first quarter of 2022 was extremely busy and not affected by the holiday season. The second quarter is typically affected by the Easter shutdown of exploration activities affecting some of the rigs for up to one week, however the second quarter remained extremely busy and was not affected by Easter. The wet season occurs (in some geographical areas where the Group operates, particularly in Burkina Faso and Mali) normally in the third quarter, but in recent years the global weather pattern has become somewhat erratic. The Group has historically taken advantage of the wet season and has scheduled the third quarter for maintenance and rebuild programs for drill rigs and equipment.

Effect of Exchange Rate Movements

The Company's receipts and disbursements are denominated in US Dollars and local currencies. The Company's main exposure to exchange rate fluctuations arises from holding foreign currencies, having receivables in foreign currencies, certain capital costs, wage costs and purchases denominated in other currencies.

The Company's revenue is invoiced in US Dollars and local currencies. The Company's purchases are in Australian Dollars, US Dollars, Euros, Canadian Dollars and local currencies. Other local expenses include purchases and wages which are paid in the local currency.

SELECTED INFORMATION FROM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in US$ 000s)	Three months Ended Jun 30 2022	Three months Ended Jun 30 2021	Six months Ended Jun 30 2022	Six months Ended Jun 30 2021
Net cash generated from operating activities	1,262	5,181	8,876	2,147
Net cash used in investing activities	(4,554)	(3,554)	(8,756)	(4,950)
Net cash generated from financing activities	464	2,897	2,987	6,480
Effect of movement in exchange rates on cash	(351)	(298)	(597)	(86)
Net (decrease) / increase in cash	(3,179)	4,226	2,510	3,591

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As at June 30, 2022, the Company had cash of US$11.8M, loans payable of US$8.9M, and US$7.0M still available on the US$10.0M Revolving Line of Credit, US$0.5M still available on the US$6.0M Medium Term Loan, and US$2.0M still available on the US$4.0M Medium Term Loan. Since the Company has loans payable, the Company continues to monitor its cash and its capital spending in conjunction with the loans that need to be repaid.

SECOND QUARTER ENDED JUNE 30, 2022

Operating Activities

In the second quarter of 2022, the Company generated net cash from operating activities of US$1.3M, as compared to US$5.2M in the second quarter of 2021. The Company realized a profit before taxation of US$8.4M for the second quarter of 2022, however the changes in non-cash items and changes in working capital items decreased cash by US$7.1M, resulting in cash being generated by operations of US$1.3M.

Investing Activities

In the second quarter of 2022, the Company's investment in property, plant and equipment was US$4.6M compared to US$3.6M in the second quarter of 2021. The Company continues to upgrade its fleet in order to maintain a modern fleet of drill rigs and related equipment. The Company understands the importance of this and has significantly invested in its property, plant and equipment. Plant and equipment additions in the second quarter of 2022 included a new rig, costs associated with rebuilding existing drill rigs and related equipment, new light vehicles and leasehold improvements.

Financing Activities

In the second quarter of 2022, the Company generated net cash of US$0.5M relating to financing activities. The Company received loans of US$2.0M, repaid loans in the amount of US$2.5M, received US$2.2M from the exercise of stock options, paid dividends of US$1.1M and paid lease liabilities of US$0.2M. In the second quarter of 2021, the Company generated net cash of US$2.9M relating to financing activities. The Company received loans of US$4.5M, issued a loan to a future subsidiary of US$0.7M, repaid loans in the amount of US$0.5M, received US$0.4M from the exercise of stock options, paid dividends of US$0.4M, repaid related party balances of US$0.2M and paid lease liabilities of US$0.2M.

SIX MONTHS ENDED JUNE 30, 2022

Operating Activities

In the six months ended June 30, 2022, the Company generated cash from operating activities of US$8.9M, as compared to generating cash from operating activities of US$2.1M in the six months ended June 30, 2021. The Company realized income before taxation of US$15.9M for the six months ended June 30, 2022; however, the changes in non-cash items and changes in working capital items decreased cash by US$7.0M resulting in cash generated from operations of US$8.9M.

Investing Activities

In the six months ended June 30, 2022, the Company's investment in property, plant and equipment was US$8.8M compared to US$5.0M in the six months ended June 30, 2021. The Company continues to upgrade its fleet in order to maintain a modern fleet of drill rigs and related equipment. The Company understands the importance of this and has significantly invested in its property, plant and equipment. Plant and equipment additions in the six months ended June 30, 2022 included the purchase of new rigs, costs associated with rebuilding existing drill rigs and related equipment, new light vehicles and costs associated with completing certain operational bases and certain sites at client premises.

Financing Activities

During the six months ended June 30, 2022, the Company generated cash of US$3.0M relating to financing activities. The Company received loans of US$5.0M, repaid loans in the amount of US$3.0M, received US$2.5M from the exercise of stock options, paid dividends of US$1.1M and paid lease liabilities of US$0.5M. In the six months ended June 30, 2021, the Company generated cash of US$6.5M relating to financing activities. The Company received loans of US$8.5M, repaid loans in the amount of US$1.1M, received US$0.8M from the exercise of stock options, issued a loan to a future subsidiary of US$0.6M, paid dividends of US$0.4M, repaid related party balances of US$0.4M and paid lease liabilities of US$0.3M.

Contractual Obligations

Contractual Obligations **(in US$ 000s)**	Payments Due by					
	Total	2022	2023	2024	2025	2026 and older
Loans [1]	9,605	1,640	5,925	1,700	340	-
Purchase obligation [2]	340	340	-	-	-	-
Lease liabilities [3]	1,244	323	503	245	140	33
Total Contractual Obligations	11,189	2,303	6,428	1,945	480	33

(1) Loans refer to amounts owing on the US$6.0M Medium Term Loan, US$4.0M Medium Term Loan, and amounts drawn on the US$10.0M Revolving Line of Credit, including the related interest.
(2) Purchase obligations relate to the balance owing on the purchase of a drill rig that the Company expects to be shipped in the second half of 2022.
(3) The lease liabilities relate to the lease payments and related interest for the two real estate properties, as fully disclosed under "Transactions with Related Parties". In addition, the lease liabilities includes amounts for other operating sites.

Contractual obligations will be funded in the short-term by cash as at June 30, 2022 of US$11.8M, US$7.0M still available on the US$10.0M Revolving Line of Credit, US$0.5M still available on the US$6.0M Medium term Loan, US$2.0M still available on the US$4.0M and cash flow generated from operations.

OUTLOOK

In the first half of 2022, the Company recorded its two highest ever quarterly revenues. The Company has operated in West Africa for almost 25 years and has invested a significant amount of capital into its drill rig fleet operating in the region with advantages in the form of experience in the market place, accuracy, reliability and safety, which have been key factors in the awarding of contracts and the increase in the Company's revenue. The Company also continued to drill in Egypt and Peru during the first half of 2022. The Company has also been successful in expanding its client base to include a mix of majors, intermediates and juniors which has contributed to the increase in overall drilling activity and a well balanced mix of drilling services. The Company is continuing to see a robust mining and exploration cycle and is optimistic that this cycle will continue throughout 2022.

As at June 30, 2022, the Company owns 75 drill rigs, of which 65 drill rigs were available for operation, nine drill rigs were in the workshop and one drill rig was being manufactured. In addition, the Company rented six rigs in the first half of 2022, resulting in total rigs of 81.

SUPPLEMENTARY DISCLOSURE - NON-IFRS MEASURES

EBIT is defined as Earnings before Interest and Taxes and EBITDA is defined as Earnings before Interest, Taxes, Depreciation and Amortization. The definitions are used in this MD&A as measures of financial performance. The Company believes EBIT and EBITDA are useful to investors because they are frequently used by securities analysts, investors and other interested parties to evaluate companies in the same industry. However, EBIT and EBITDA are not measures recognized by IFRS and do not have standardized meanings prescribed by IFRS. EBIT and EBITDA should not be viewed in isolation and do not purport to be alternatives to net income or gross profit as indicators of operating performance or cash flows from operating activities as a measure of liquidity. EBIT and EBITDA do not have standardized meanings prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies. Also, EBIT and EBITDA should not be construed as alternatives to other financial measures determined in accordance with IFRS.

Additionally, EBIT and EBITDA are not intended to be measures of free cash flow for management's discretionary use, as they do not consider certain cash requirements such as capital expenditures, contractual commitments, interest payments, tax payments and debt service requirements.

Gross profit margin is defined as gross profit as a percentage of revenue. Gross profit margin 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.

The following table is a reconciliation of Geodrill's results from operations to EBIT and EBITDA:

	Three months ended		Six months ended	
(US$ 000s)	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
Total comprehensive income	5,907	3,965	11,858	9,617
Add: Income taxes	2,469	992	4,068	2,917
Add: Finance costs	200	158	362	251
Earnings Before Interest and Taxes (EBIT)	**8,576**	**5,115**	**16,288**	**12,786**
Add: Depreciation and Amortization	2,613	2,275	5,253	4,626
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	**11,189**	**7,390**	**21,541**	**17,412**

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer (the "CEO") and the Chief Financial Officer (the "CFO") of the Company are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") for the Company as defined under Multilateral Instrument 52-109 issued by the Canadian Securities Administrators. The CEO and the CFO have designed such DC&P, or caused them to be designed under their supervision, to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. As at June 30, 2022, the CEO and CFO evaluated the design and operation of the Company's DC&P. Based on that evaluation, the CEO and CFO concluded that the Company's DC&P were effective as at June 30, 2022.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of its consolidated financial statements in accordance with IFRS.

There were no changes in the Company's internal control over financial reporting during the period beginning on January 1, 2022 and ending on June 30, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISK FACTORS

A complete discussion of general risks and uncertainties may be found in the Company's Annual Information Form for the fiscal year ended December 31, 2021 which can be found on the SEDAR website at www.sedar.com, and which continue to apply to the business of the Company. The Company is not aware of any significant changes to risk factors from those disclosed at that time and is continuing to address the ECOWAS sanctions on Mali and Burkina Faso and also the ongoing Russia Ukraine conflict.

ECOWAS Sanctions

The Economic Community of West African States ("ECOWAS") placed sanctions on Mali in January 2022. These sanctions were in response to Mali delaying elections to December 2025 instead of the previously agreed timeline of February 2022. On July 3, 2022 ECOWAS removed the economic, financial and diplomatic sanctions imposed on Mali earlier in 2022 following the interim Malian Government's announcement of a two-year transition to presidential elections and the promulgation of a new electoral law. The Company continues to operate in Mali and is monitoring the situation. The Company is also continuing to monitor the impact of the January 2022 military coup in Burkina Faso and ECOWAS's position. The Company continues to operate in Burkina Faso and is monitoring the situation.

Russia Ukraine Conflict

The Russian invasion of Ukraine and the Russia Ukraine conflict is likely to have wide-ranging consequences on the peace and stability of the region and the rest of the world. As the Company operates in Africa and Peru, it has not been directly impacted by the Russia Ukraine conflict. The impact of the Russia Ukraine impact on Europe, and on the Euro, impacted foreign exchange reported by the Company.

In April 2022, the Euro / USD has recently traded at a five-year low. In certain countries, the Company invoices in and holds CFA, and the Company has local payrolls that are paid in CFA. Since the CFA is linked to the Euro, the Company's foreign exchange may be impacted by a devaluing Euro and CFA. Any gains or losses relating to other foreign currency exposures may not offset the gains or losses resulting from the net CFA exposure. The Company does not expect foreign currency gains or losses to have a material adverse effect on the Company's performance, however, the Company will continue to monitor its foreign exchange exposure.

FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying values of cash, trade and other receivables, trade and other payables and related party payables approximate their fair value due to the relatively short period to maturity of the instruments. The carrying value of loans payable approximates their fair value as the fixed rate loans have been acquired recently and their carrying value continues to reflect fair value. The fair value of financial assets held at fair value through profit and loss are measured using quoted market prices.

There were no financial instruments classified as level 2 or 3 in the fair value hierarchy at June 30, 2022 and December 31, 2021.

RELATED PARTY TRANSACTIONS

Related party	Relationship	Incorporation	2022	2021
Geodrill Mauritius Limited	Subsidiary	Mauritius	100%	100%
Geodrill Ghana Ltd	Subsidiary	Ghana	100%	100%
Geodrill Cote d'Ivoire SARL	Subsidiary	Cote d'Ivoire	100%	100%
Geodrill BF	Registered foreign operating entity	Cote d'Ivoire	100%	100%
Geodrill Mali	Registered foreign operating entity	Cote d'Ivoire	100%	100%
Geodrill Limited Zambia	Registered foreign operating entity	Zambia	100%	100%
Drilling Services Malta Limited	Subsidiary	Malta	100%	100%
Vannin Resources, Unipessoal Limitada	Subsidiary	Madeira	100%	100%
Geodrill Sondagens LTDA	Subsidiary	Brazil	100%	100%
Silver Back Egypt for Mining and Drilling Services S.A.E.	Subsidiary	Egypt	100%	100%
Recon Drilling S.A.C.	Subsidiary	Peru	95%	95%
Geo-Drill SARL	Subsidiary	Mali	95%	95%
The Harper Family Settlement	Significant shareholder	Isle of Man	-	-
Geotool Limited	Subsidiary	British Virgin Islands	N/A[(1)]	N/A[(1)]

(1) Geotool Limited was dissolved during 2021.

(i) Transactions with related parties

Transactions with companies within the Group have been eliminated on consolidation.

The Harper Family Settlement owns 37.4% (December 31, 2021: 38.6% of the issued share capital of Geodrill Limited.

On October 1, 2020, Geodrill Ghana Ltd entered into new lease agreements with The Harper Family Settlement for the Anwiankwanta property and for the Accra property, both for a two year term and rent for the Anwiankwanta property of US$202,000 per annum and rent for the Accra property of US$82,000 per annum. The material terms of the two year lease agreements include: (i) the annual rent payable shall be reviewed on an upward only basis on or before October 1, 2022; and (ii) only Geodrill Ghana Ltd can terminate the leases by giving twelve months' notice. It was also agreed that all future rent increases will be based on USA inflation data.

For the period ending June 30, 2022, the right-of-use assets relating to the properties above was US$66,591 (December 31, 2021: US$199,773) and the related lease liabilities were US$71,000 (December 31, 2021: US$209,104).

The Group has paid fees to MS Risk Limited during the six month period ended June 30, 2022 of US$11,500 (June 30, 2021 of US$Nil). One of the directors of MS Risk Limited is also a director of Geodrill Limited.

(ii) Key management personnel and directors' transactions

The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes the close members of the family of key personnel and any entity over which key management exercises control. The key management personnel have been identified as directors of the Group and other management staff. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group.

Key management personnel and directors' compensation for the period comprised:

	Three month period ended June 30,		Six month period ended June 30,	
	2022	**2021**	**2022**	**2021**
	US$	**US$**	**US$**	**US$**
Short-term benefits	1,481,679	1,270,980	3,298,368	2,833,505
Share-based payment arrangements	125,032	44,243	159,487	143,030
	1,606,711	1,315,223	3,457,855	2,976,535

DIVIDENDS

On April 8, 2022, the Company paid a semi-annual dividend of CAD$0.03 per share, to shareholders of record on the close of business on March 18, 2022.

On September 8, 2021, the Company paid a semi-annual dividend of CAD$0.01 per share, to shareholders of record on the close of business on August 25, 2021.

On April 2, 2021, the Company paid a semi-annual dividend of CAD$0.01 per share, to shareholders of record on the close of business on March 26, 2021.

SIGNIFICANT ACCOUNTING POLICIES

The Company's IFRS significant accounting policies are provided in Note 2 to the audited annual consolidated financial statements for the year ended December 31, 2021 and can be found on SEDAR at www.sedar.com.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values are described in the Company's audited consolidated financial statements for the years ended December 31, 2021 and 2020.

Additional Information

Additional information relating to Geodrill, including the Company's Annual Information Form can be found on SEDAR at www.sedar.com.