GEODRILL LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED MARCH 31, 2024

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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("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 months ended March 31, 2024 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 months ended March 31, 2024, and also in conjunction with the audited annual consolidated financial statements and corresponding MD&A for the year ended December 31, 2023.

This MD&A is dated May 11, 2024. 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.sedarplus.ca.

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 two South American countries.

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 Bouake, Cote d'Ivoire, at Bamako, Mali, at Marsa Alam, Egypt, at Lima, Peru and at La Serena, Chile 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.

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: The Company continues to maintain its strong presence in West Africa in two primary countries being Ghana and Cote d'Ivoire. During Q1 2024 and subsequent to quarter end, the Company secured contracts totaling US$150M including two significant multi-rig multi-year contracts. Specifically, the Company successfully secured a very significant multi-rig, multi-year surface contract with a tier one miner who was an existing client that commenced drilling in Q1 2024. Subsequent to Q1 2024, effective April 1, 2024 the Company also successfully secured a very significant multi-rig, multi-year underground contract with a tier one miner who is a new client. Both contracts were subject to a rigorous tender process in which the Company was successful on both bids. The multi-rig, multi-year surface contract with the existing client ramped up during Q1 2024 whereas the multi-rig, multi-year underground contract with the new client will commence in Q2 2024. The Company believes that the secured contracts totaling US$150M will add to revenue and profitability in West Africa over the next three to five years.

The Company is also continuing to increase drilling activities in Senegal and is still drilling in Mali but to a lesser extent. Management's plans for its primary countries in West Africa and Senegal include continuing to add more rigs for existing clients and adding new clients.

Egypt: The Company continues to maintain and grow its strong presence in Egypt, supported by its long term underground contract with a tier one client, and management's plans for Egypt include continuing to add more rigs for existing clients and adding new clients.

South America: The Company was able to drill in both Chile and Peru during Q1 2024. Management's intention is to diversify its client base so it can drill throughout the winter season and to continue to add rigs and clients in Chile, 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 Chile, Peru and Brazil (although the Company is not active in Brazil) and is considering other South American countries for expansion.

- **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 an 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, Chile and Peru by local branches of these suppliers and other local suppliers.

- **Local Knowledge**: The Company's local 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 South America:** The Company is able to mobilize drill rigs and associated ancillary equipment on a timely basis at the request of 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, Mali, Senegal, Egypt, Chile and Peru. The Company's drilling focus is still principally on gold and is still primarily in West Africa, however, the Company has diversified its geographic footprint and also provides drilling services to clients in Egypt, Senegal, Peru and Chile. The Company will take advantage of drilling opportunities in other minerals, including copper, lithium, zinc, iron ore, manganese, uranium, phosphate and energy. In addition, the proximity to other African countries and other South American countries 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 March 31, 2024, four customers individually contributed 10% or more to the Group's revenue. One customer contributed 16%, two customers contributed 14% and one customer contributed 10%.

For the three months ended March 31, 2023, two customers individually contributed 10% or more to the Group's revenue. One customer contributed 14% and one customer contributed 13%.

OUTSTANDING SECURITIES AS OF MAY 11, 2024

The Company is authorized to issue an unlimited number of Ordinary Shares. As of May 11, 2024, the Company has the following securities outstanding:

Number of Ordinary Shares	47,163,170
Number of Options	3,813,230
Diluted	50,976,400

For the three months ended March 31, 2024, 780,000 options were issued. Subsequent to the quarter end and up to and including May 11, 2024, 241,770 shares were issued as a result of options being exercised.

OVERALL PERFORMANCE

The Company generated revenue of US$34.7M for the first quarter of 2024, a decrease of US$2.9M or 8% when compared to US$37.6M for the first quarter of 2023. The decrease in revenue is a result of a slower January in the first quarter of 2024 compared to the first quarter of 2023 as certain clients took longer to resume drilling activities following the holiday season.

The gross profit for the first quarter of 2024 was US$7.4M, being 21% of revenue compared to a gross profit of US$12.2M, being 32% of revenue for the first quarter of 2023. The gross profit decrease is a result of the decrease in revenue of US$2.9M and the increase in cost of sales of US$1.8M. See "Supplementary Disclosure – Non IFRS Measures" on page 12.

The selling, general and administrative ("SG&A") expenses for the first quarter of 2024 was US$4.0M, being 12% of revenue compared to a SG&A of US$4.5M, being 12% of revenue for the first quarter of 2023.

The foreign exchange loss for the first quarter of 2024 was US$0.1M compared to a foreign exchange gain of US$0.4M for the first quarter of 2023 as a result of fluctuations in foreign currencies.

Other gain for the first quarter of 2024 was US$0.1M compared to an other loss of less than US$0.1M for the first quarter of 2023 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 first quarter of 2024 was US$3.5M, compared to EBIT of US$8.0M for the first quarter of 2023 (see "Supplementary Disclosure - Non - IFRS Measures" on page 12).

EBITDA (as defined herein) for the first quarter of 2024 was US$6.7M or 19% of revenue compared to US$10.5M or 28% of revenue for the first quarter of 2023 (see "Supplementary Disclosure – Non-IFRS Measures" on page 12).

The net income for the first quarter of 2024 was US$2.1M or US$0.04 per Ordinary Share (US$0.04 per Ordinary Share diluted), compared to US$6.1M for the first quarter of 2023 or US$0.13 per Ordinary Share (US$0.13 per Ordinary Share diluted).

RESULTS OF OPERATIONS

SELECTED FINANCIAL INFORMATION

(in US$ 000s)	Three Months Ended Mar 31 2024	Mar 31 2023	% Change Mar 31 2024 vs 2023
Revenue	**34,667**	**37,562**	**(8%)**
Cost of Sales	**(27,223)**	**(25,386)**	**7%**
Cost of Sales (%)	79%	68%	
Gross Profit	**7,445**	**12,176**	**(39%)**
Gross Profit Margin (%)	21%	32%	
Selling, General and Administrative Expenses	**(3,995)**	**(4,507)**	**(11%)**
Selling, General and Administrative Expenses (%)	12%	12%	
Foreign Exchange (Loss) / Gain	**(109)**	**377**	
Other Gain / (Loss)	**137**	**(72)**	
Profit from Operating Activities	**3,478**	**7,974**	**(56%)**
Profit from Operating Activities (%)	10%	21%	
EBIT*	**3,478**	**7,975**	**(56%)**
EBIT (%)	10%	21%	
Finance Cost	**(236)**	**(112)**	
Finance Cost (%)	1%	0%	
Profit Before Taxation	**3,242**	**7,863**	**(59%)**
Profit Before Taxation (%)	9%	21%	
Income Tax Expense	**(1,128)**	**(1,733)**	
Income Tax Expense (%)	3%	5%	
Net Income	**2,114**	**6,130**	**(66%)**
Net Income (%)	6%	16%	
EBITDA **	**6,663**	**10,451**	**(36%)**
EBITDA (%)	19%	28%	
Income Per Share			
Basic	**0.04**	**0.13**	
Diluted	**0.04**	**0.13**	
Total Assets	**151,953**	**148,609**	
Total Long - Term Liabilities	**4,970**	**3,038**	
Cash Dividend Declared***	**NIL**	**0.04**	

See "Supplementary Disclosure - Non-IFRS Measures" on page 12.

*EBIT = Earnings before interest and taxes.

**EBITDA = Earnings before interest, tax, depreciation and amortization.

*** A CAD$0.04 semi-annual dividend was declared on March 4, 2023.

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2024 COMPARED TO THREE MONTHS ENDED MARCH 31, 2023

Revenue

The Company recorded revenue of US$34.7M for the first quarter of 2024, compared to US$37.6M for the first quarter of 2023, representing a decrease of 8%. The decrease in revenue is a result of a slower January in the first quarter of 2024 compared to the first quarter of 2023 as certain clients took longer to resume drilling activities following the holiday season.

Cost of Sales and Gross Profit

Cost of Sales for the first quarter of 2024 were US$27.2M, compared to US$25.4M for the first quarter of 2023, being an increase of US$1.8M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US$0.9M due to higher wages and inflationary costs.
- Drill rig expenses and fuel costs decreased by US$0.3M consistent with the decrease in drilling activity and revenue.
- Depreciation expense increased by US$0.8M as a result of recent additions to the Company's drill rigs and plant and equipment.
- Repairs and maintenance increased by $0.4M as more repairs were required in the quarter.

The gross profit for the first quarter of 2024 was US$7.4M, compared to a gross profit of US$12.2M for the first quarter of 2023, being a decrease of US$4.7M. The gross profit percentage for the first quarter of 2024 was 21% and for the first quarter of 2023 it was 32%.

Selling, General and Administrative Expenses

SG&A expenses for the first quarter of 2024 were US$4.0M, compared to US$4.5M for the first quarter of 2023, being a decrease of US$0.5M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses decreased by US$0.2M consistent with the Company's decreased activities.
- Depreciation expense decreased by US$0.1M relating to a greater proportion of the Company's motor vehicle fleet being fully depreciated.
- Expected lifetime credit loss decreased by US$0.2M due to a change in the aging profile of trade receivables and management's estimate of specific provisions.

Foreign Exchange (Loss) / Gain

Foreign exchange loss for the first quarter of 2024 was US$0.1M compared to a foreign exchange gain of US$0.4M in the first quarter of 2023 as a result of fluctuations in foreign currencies.

Other Gain / (Loss)

Other gain for the first quarter of 2024 was US$0.1M compared to an other loss of less than US$0.1M in the first quarter of 2023 relating to gains on listed equity investments held at fair value through profit and loss that the Company held.

Income from Operating Activities

Income from operating activities (after cost of sales, SG&A expenses, foreign exchange gain or loss and other gain) for the first quarter of 2024 was US$3.5M, compared to US$8.0M in the first quarter of 2023.

EBIT and EBIT Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 12)

The EBIT (as defined herein) for the first quarter of 2024 was US$3.5M, compared to EBIT of US$8.0M for the first quarter of 2023.

EBITDA and EBITDA Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 12)

EBITDA was US$6.7M for the first quarter of 2024 or 19% compared to US$10.5M or 28% of revenue for the first quarter of 2023.

Depreciation

Depreciation for the first quarter of 2024 was US$3.2M (US$2.9M in cost of sales and US$0.3M in SG&A) compared to US$2.5M (US$2.1M in cost of sales and US$0.4M in SG&A) for the first quarter of 2023.

Income Tax Expense

Income tax expense for the first quarter of 2024 was US$1.1M compared to income tax expense of US$1.7M for the first quarter of 2023. The income tax expense of US$1.1M was comprised of US$1.0M relating to tax expense on taxable income, US$0.4M relating to withholding tax offset by US$0.3M relating to a deferred tax recovery.

Net income

The net income for the first quarter of 2024 was US$2.1M, or US$0.04 per Ordinary Share (US$0.04 per Ordinary Share diluted), compared to US$6.1M for the first quarter of 2023, or US$0.13 per Ordinary Share (US$0.13 per Ordinary Share diluted).

SUMMARY OF QUARTERLY RESULTS

	2024	2023				2022		
(in US$ 000s)	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Revenue	34,667	30,062	30,292	32,629	37,562	30,900	35,166	39,151
Revenue Increase / (Decrease) %	*15%*	*(1%)*	*(7%)*	*(13%)*	*22%*	*(12%)*	*(10%)*	*17%*
Gross Profit	7,445	4,850	5,804	7,758	12,176	7,436	10,912	12,419
Gross Margin (%)	*21%*	*16%*	*19%*	*24%*	*32%*	*24%*	*31%*	*32%*
Net Earnings / (Loss)	2,114	(1,377)	(2,950)	1,962	6,130	3,441	3,619	5,907
Per Share - Basic	0.04	(0.03)	(0.06)	0.04	0.13	0.07	0.08	0.13
Per Share - Diluted	0.04	(0.03)	(0.06)	0.04	0.13	0.06	0.08	0.13

The Company’s revenue of US$34.7M represents an increase on a quarter over quarter basis by US$4.6M or 15% for the first quarter of 2024, compared to the fourth quarter ended December 31, 2023. On a quarter to quarter basis, the Company’s revenue decreased by US$2.9M or 8% compared to the first quarter of 2023. In Q1 2024, the Company has been able to increase its gross profit back to approximately US$7.4M and as a result has reported positive net earnings again compared to net losses in Q3 2023 and Q4 2023.

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, and the first quarter of 2024 was affected by the shutdown. The second quarter is typically affected by the Easter shutdown of exploration activities affecting some of the rigs for up to one week, however, Easter occurred in Q1 2024 but the Company was not impacted by Easter. The wet season occurs (in some geographical areas where the Group operates, particularly in 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 foreign 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 Mar 31 2024	Mar 31 2023
Net cash (used in) / generated from operating activities	(1,151)	2,673
Net cash used in investing activities	(4,790)	(3,075)
Net cash (used in) / generated from financing activities	(1,841)	3,201
Effect of movement in exchange rates on cash	(199)	6
Net (decrease) / increase in cash	(7,981)	2,805

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As at March 31, 2024, the Company had cash of US$7.7M and loans payable of US$10.3M resulting in net debt (excluding lease liabilities) of US$2.6M. In addition, the Company has US$4.0M still available on the US$10.0M Revolving Line of Credit and US$4.5M still available on the US$7.5M 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.

FIRST QUARTER ENDED MARCH 31, 2024

Operating Activities

In the first quarter of 2024, the Company used net cash from operating activities of US$1.2M, as compared to generating US$2.7M in the first quarter of 2023. The Company realized profit before taxation of US$3.2M for the first quarter of 2024, however, the changes in non-cash items, changes in working capital items and the payment of finance costs and income taxes decreased cash by US$4.4M, resulting in cash used in operations of US$1.2M.

Investing Activities

In the first quarter of 2024, the Company's net investment in property, plant and equipment was US$4.8M compared to US$3.1M in the first quarter of 2023. The Company continues to reinvest and 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. In addition to reinvesting and upgrading its existing fleet, the Company invested significantly in property, plant and equipment in Q1 2024 to support the two very significant multi-rig, multi-year contracts. The Company purchased five used underground drilling rigs and ancillary equipment for approximately US$1.9M to support the new multi-rig, multi-year drilling contract and the Company purchased ancillary drilling equipment for approximately US$0.6M to support the new multi-rig, multi-year surface contract. Plant and equipment additions in the first quarter of 2024 included used drill rigs, costs associated with rebuilding existing drill rigs and related equipment, new light vehicles and costs associated with completing certain workshops and supply bases.

Financing Activities

In the first quarter of 2024, the Company used net cash of US$1.8M from financing activities. The Company received loans of US$3.0M, repaid loans in the amount of US$4.7M and paid lease liabilities of

US$0.2M. The Company was able to draw down US$3M on its newly approved US$7.5M Medium Term Loan to support the purchase of property, plant and equipment for the two multi-rig, multi-year contracts. In the first quarter of 2023, the Company generated net cash of US$3.2M relating to financing activities. The Company received loans of US$4.0M, repaid loans in the amount of US$0.7M, paid lease liabilities of US$0.2M and received US$0.1M from the exercise of stock options.

Contractual Obligations

Contractual Obligations (in US$ 000s)	Payments Due by				
	Total	2024	2025	2026	2027
Loans (1)	10,938	8,098	1,510	1075	255
Lease liablities (2)	638	435	170	33	-
Purchase obligations (3)	2,580	2,580	-	-	-
Total Contractual Obligations	14,156	11,113	1,680	1,108	255

(1) Loans refer to amounts owing on the US$10.0M Revolving Line of Credit, US$6.0M Medium Term Loan, US$4.0M Medium Term Loan and the US$7.5M Medium Term Loan, including the related interest.
(2) The lease liabilities relate to the lease payments 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.
(3) The purchase obligation relates to the purchase of two drill rig that the Company expects to be shipped in the third quarter of 2024.

Contractual obligations will be funded in the short-term by cash as at March 31, 2024 of US$7.7M, the US$4.0M still available on the US$10.0M Revolving Line of Credit, the US$4.5M still available on the US$7.5M Medium Term Loan and any cash flow generated from operations.

OUTLOOK

The Company has operated in West Africa for 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, Chile and Peru during the first quarter of 2024. 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, however, as the capital markets have been extremely challenging in the past 12 months, the Company is providing more drilling services to the majors and intermediates. During Q1 2024 and subsequent to quarter end, the Company secured contracts totaling US$150M and believes that these contracts will add to revenue and profitability over the next three to five years.

As at March 31, 2024, the Company had 85 drill rigs of which 74 drill rigs are available for operation, 9 drill rigs are in the workshop and two are being manufactured. In addition, the Company rented four rigs, resulting in a total drill rig fleet as at March 31, 2024, of 89 rigs.

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	
(US$ 000s)	**Mar 31, 2024**	**Mar 31, 2023**
Total comprehensive income	2,114	6,130
Add: Income taxes	1,128	1,733
Add: Finance costs	236	112
Earnings Before Interest and Taxes (EBIT)	3,478	7,975
Add: Depreciation & Amortization	3,185	2,476
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	6,663	10,451

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 March 31, 2024, 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 March 31, 2024.

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.

Management has evaluated the design and operation of the Company's internal controls over financial reporting as of March 31, 2024, and has concluded that such controls over financial reporting are effective. There are no material weaknesses that have been identified by management in this regard.

There were no changes in the Company's internal control over financial reporting during the period beginning on January 1, 2024 and ending on March 31, 2024, 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, 2023 which can be found on the SEDAR+ website at www.sedarplus.ca, 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, however, although the Company has been transitioning to more senior and intermediate customers and away from juniors that may face capital raising challenges, credit risk is still present.

Credit Risk

The Company provides credit to its clients in the normal course of its operations. The Company provides for lifetime expected credit losses (ECLs) for trade receivables. The Company uses the simplified approach to recognizing ECLs for its trade receivables that don't have a significant financing component. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience applied to the aging of receivables, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at each reporting date. In addition, the Company had certain accounts in the greater than 90 days category were taking longer to pay and certain accounts were having difficulty paying and therefore the Company needed to provide for certain specific accounts. The estimates and underlying assumptions of the trade receivables are reviewed on an ongoing basis. Management needs to make significant judgments, estimates and assumptions in determining the carrying values of the trade receivables and in 2023 increased the non-cash expected credit loss provisions by approximately US$4.6M. Management will need to assess the carrying value of the trade receivables on an ongoing basis and the future estimate of the carrying value as determined each quarter may decrease significantly depending on debtors continued ability to pay and their financial well-being. As at March 31, 2024, an amount of US$15.4M or 30% of the trade accounts receivable are aged over 90 days. As at March 31, 2024 the Company has approximately US$5.5M in non-cash expected credit loss provisions against its greater than 90 day category of trade receivables resulting in net trade receivables in the greater than 90 day category of US$6.9M. As at March 31, 2024, the aging of the trade receivable balances aged over 90 days has decreased from December 31, 2023 as follows:

	March 31, 2024		December 31, 2023	
	US$ Gross	US$ Net of ECL	US$ Gross	US$ Net of ECL
Less than 30 days	14,409,940	14,406,601	9,147,271	9,145,296
31 - 60 days	13,353,415	13,347,643	8,149,560	8,146,518
61 - 90 days	1,699,973	1,680,375	3,266,754	3,232,614
91 days and greater	12,481,963	6,938,798	15,189,574	9,747,048
	41,945,291	36,373,417	35,753,159	30,271,476

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 March 31, 2024 and December 31, 2023.

RELATED PARTY TRANSACTIONS

Related party	Relationship	Location	2024	2023
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%
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%
Geodrill for Leasing and Specialized Services Freezone LLC	Subsidiary	Egypt	100%	100%
Geodrill Leasing Company Limited	Subsidiary	Isle of Man	100%	100%
Geodrill Senegal SARL	Subsidiary	Senegal	100%	100%
Recon Drilling S.A.C.	Subsidiary	Peru	95%	95%
Geo-Drill SARL	Subsidiary	Mali	95%	95%
Recon Drilling Chile SPA	Subsidiary	Chile	95%	95%
Geodrill BF	Branch	Burkina Faso	100%	100%
Geodrill Mali	Branch	Mali	100%	100%
Geodrill Limited Zambia	Branch	Zambia	100%	100%
Geodrill Mauritius Limited Egypt	Branch	Egypt	100%	100%
The Harper Family Settlement	Significant shareholder	Isle of Man	-	-
GTS Drilling Ltd	Common Control	Ghana	-	-

(i) Transactions with related parties

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

The Harper Family Settlement owns 37.3% (December 31, 2023: 37.3%) of the issued share capital of Geodrill Limited.

On October 1, 2022, 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$230,000 per annum and rent for the Accra property of US$93,000 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, 2024; 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 March 31, 2024, the right-of-use assets relating to the properties above was US$157,972 (December 31, 2023: US$275,146) and the related lease liabilities were US$159,723 (December 31, 2023: US$263,836).

(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 year comprised:

	March 31, 2024 US$	March 31, 2023 US$
Short-term benefits	1,378,372	1,635,184
Share-based payment arrangements	137,390	192,559
	1,515,762	1,827,743

MATERIAL ACCOUNTING POLICIES

The Company's IFRS significant accounting policies are provided in Note 2 to the quarterly unaudited consolidated financial statements as at and for the period ended March 31, 2024 and Note 2 to the audited annual consolidated financial statements for the year ended December 31, 2023 and can be found on SEDAR+ at www.sedarplus.ca.

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.

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, 2023 and 2022. The financial position and performance of the Company as at and for the period ended March 31, 2024 was particularly affected by the impairment of certain accounts receivable.

Trade receivables are initially recorded at fair value. The carrying amounts for trade accounts receivable are net of lifetime expected credit losses ("ECL"). The measurement of the ECL allowance for trade accounts receivable requires the use of management judgment in choosing estimation techniques, selecting key inputs and making significant assumptions about future economic conditions and credit behavior of the customers, including the likelihood of customers defaulting and the resulting losses.

Management uses a provision matrix to determine the ECL for trade receivables. The provision matrix is used to estimate future credit losses based on the Company's historical credit loss experience. The ECL determined by the provision matrix is adjusted for current and forward-looking information relating to future economic conditions and factors specific to individual debtors that were identified to be higher risk of default. Significant judgements are made in determining the adjustments for these factors.

Additional Information

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