GEODRILL LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED JUNE 30, 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") including its wholly owned subsidiaries, Geodrill Ghana Ltd, Geodrill Mauritius Limited, Geodrill Cote d'Ivoire SARL, Drilling Services Malta Limited, Vannin Resources, Unipessoal Limitada, Geodrill Sondagens LTDA, Silver Back Egypt for Mining and Drilling Services S.A.E., Geodrill for Leasing and Specialized Services Freezone LLC, Geodrill Leasing Company Limited, Geodrill Senegal SARL, Geodrill Zambia Limited being Geodrill Limited's registered foreign Zambian operating entity, Geodrill BF being Geodrill Cote d'Ivoire SARL's registered foreign Burkina Faso operating entity, Geodrill Mali being Geodrill Cote d'Ivoire SARL's registered foreign Mali operating entity, Geodrill Mauritius Egypt Branch Limited being Geodrill Mauritius Limited's registered foreign Egypt operating entity, Recon Drilling S.A.C. of which Geodrill owns a 95% shareholding, Recon Drilling Chile SPA of which Geodrill owns a 95% shareholding and Geo-Drill SARL of which Geodrill owns a 95% shareholding, GTS Drilling Ltd a company under common control, collectively referred to as the "Group". The unaudited condensed interim 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 and six months ended June 30, 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 and six months ended June 30, 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 August 11, 2024. Disclosure contained in this document is current to that date unless otherwise stated.

Additional information relating to Geodrill, including Geodrill'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 Group, 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 Group 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 Group 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 Group 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 Group 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

The Group 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 Group currently has operations in five African countries and two South American countries.

The Group's rigs and support equipment also incorporate a fleet of boosters and auxiliary compressors, which enable the Group 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 the Group'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 Group competes with other drilling companies on the basis of price, accuracy, reliability and experience in the marketplace. The Group's competitors consist of both large public companies as well as small local operators.

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

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

West Africa: The Group continues to maintain its strong presence in West Africa in two primary countries being Ghana and Cote d'Ivoire. During the first half of 2024, the Group secured contracts totaling US$150M including two significant multi-rig multi-year contracts. Specifically, the Group 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. Effective April 1, 2024 the Group 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 Group was successful on both bids. The Group 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 Group 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 Group 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 Group was able to drill in both Chile and Peru during Q1 2024, however in Q2 Chile shut down for the winter. 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 the Group's expansion into South America. The Group has corporate entities in Chile, Peru and Brazil (although the Group 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 Group 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 Group has strong client relationships. Typically, a longer term client relationship for the Group 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 Group 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 Group's local market knowledge, expertise and experience have enabled the Group to further develop the local networks required to support its operations.

- **Presence in West Africa, Egypt and South America:** The Group 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 Group can fairly quickly reach most of its current customer sites.

- **An Active and Experienced Management Team:** The Group 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 Group'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 Group 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 Group 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 of the Group understands the importance of good governance.

- **Maintaining a high level of safety standards to protect its people and the environment**: The Group's HSE Group oversees the design, implementation, monitoring and evaluation of the Group'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 the Group currently operates. Every aspect of the Group'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:** The Group is committed to being a company of the highest standards in every aspect of its business operations. This is the framework used by the Group to guide its personnel towards the Group's goals and to be the customer-preferred partner in providing world class drilling services.

Market Participants and the Group's Client Base

The Group currently operates in Ghana, Cote d'Ivoire, Mali, Senegal, Egypt, Chile and Peru. The Group's drilling focus is still principally on gold and is still primarily in West Africa, however, the Group has diversified its geographic footprint and also provides drilling services to clients in Egypt, Peru and Chile. The Group 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 Group favorably in its ability to service these markets as well, if it so chooses.

In addition, given the short-term nature of drilling contracts, there can be no assurance that any contract that the Group currently has will be extended or renewed on terms favorable to the Group. 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 Group's operations.

For the three months ended June 30, 2024, three customers individually contributed 10% or more to the Group's revenue. One customer contributed 23%, one customer contributed 16% and one customer contributed 13%.

For the three months ended June 30, 2023, three customers individually contributed 10% or more to the Group's revenue. One customer contributed 23%, one customer contributed 11% and one customer contributed 10%.

For the six months ended June 30, 2024, three customers individually contributed 10% or more to the Group's revenue. One customer contributed 20%, one customer contributed 15% and one customer contributed 13%.

For the six months ended June 30, 2023, two customers individually contributed 10% or more to the Group's revenue. One customer contributed 18% and one customer contributed 12%.

OUTSTANDING SECURITIES AS OF AUGUST 11, 2024

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

Number of Ordinary Shares	47,163,170
Number of Options	3,780,000
Diluted	50,943,170

For the six months ended June 30, 2024, 780,000 options were issued, 241,770 options were exercised and 33,230 options expired. Subsequent to the quarter end and up to August 11, 2024 no further transactions occurred.

OVERALL PERFORMANCE

The Group generated record revenue of US$41.2M for the second quarter of 2024, an increase of US$8.5M or 26% when compared to US$32.6M for the second quarter of 2023. This is a significant achievement for the Group as this is the highest quarterly revenue ever recorded in the Group's history. The increase in revenue is largely due to the Group securing two significant multi-rig multi-year contracts in the first half of 2024.

The gross profit for the second quarter of 2024 was US$12.7M, being 31% of revenue compared to a gross profit of US$7.8M, being 24% of revenue for the second quarter of 2023. The gross profit increase is a result of the increase in revenue of US$8.5M and the increase in cost of sales of US$3.6M. See "Supplementary Disclosure – Non IFRS Measures" on page 14.

The selling, general and administrative ("SG&A") expenses for the second quarter of 2024 was US$4.7M, being 11% of revenue compared to SG&A of US$3.9M, being 12% of revenue for the second quarter of 2023.

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

Other loss for the second quarter of 2024 was US$0.1M compared to an other loss of US$0.4M for the second quarter of 2023 relating to losses on listed equity investments held at fair value through profit and loss that the Group holds.

The EBIT (as defined herein) for the second quarter of 2024 was US$7.5M, compared to EBIT of US$3.5M for the second quarter of 2023 (see "Supplementary Disclosure - Non - IFRS Measures" on page 14).

EBITDA (as defined herein) for the second quarter of 2024 was US$10.7M or 26% of revenue compared to US$6.2M or 19% of revenue for the second quarter of 2023 (see "Supplementary Disclosure – Non-IFRS Measures" on page 14).

The net income for the second quarter of 2024 was US$4.8M or US$0.10 per Ordinary Share (US$0.10 per Ordinary Share diluted), compared to US$2.0M for the second quarter of 2023 or US$0.04 per Ordinary Share (US$0.04 per Ordinary Share diluted).

RESULTS OF OPERATIONS

SELECTED FINANCIAL INFORMATION

	Three Months Ended		% Change	Six Months Ended		% Change
	Jun 30	Jun 30	Jun 30	Jun 30	Jun 30	Jun 30
(in US$ 000s)	**2024**	**2023**	**2024 vs 2023**	**2024**	**2023**	**2024 vs 2023**
Revenue	**41,176**	**32,629**	**26%**	**75,843**	**70,191**	**8%**
Cost of Sales	**(28,455)**	**(24,871)**	**14%**	**(55,678)**	**(50,257)**	**11%**
Cost of Sales (%)	69%	76%		73%	72%	
Gross Profit	**12,721**	**7,758**	**64%**	**20,165**	**19,934**	**1%**
Gross Profit Margin (%)	31%	24%		27%	28%	
Selling, General and Administrative Expenses	**(4,697)**	**(3,911)**	**20%**	**(8,693)**	**(8,418)**	**3%**
Selling, General and Administrative Expenses (%)	11%	12%		11%	12%	
Foreign Exchange (Loss) / Gain	**(403)**	**65**		**(512)**	**442**	
Other (Loss) / Gain	**(87)**	**(425)**		**50**	**(496)**	
Profit from Operating Activities	**7,533**	**3,488**	**116%**	**11,011**	**11,462**	**(4%)**
Profit from Operating Activities (%)	18%	11%		15%	16%	
EBIT*	**7,533**	**3,488**	**116%**	**11,012**	**11,461**	**(4%)**
EBIT (%)	18%	11%		15%	16%	
Finance Income	**15**	**-**		**15**	**-**	
Finance Cost	**(278)**	**(234)**		**(514)**	**(345)**	
Finance Income / Cost (%)	1%	1%		1%	0%	
Profit Before Taxation	**7,271**	**3,254**	**123%**	**10,513**	**11,117**	**(5%)**
Profit Before Taxation (%)	18%	10%		14%	16%	
Income Tax Expense	**(2,433)**	**(1,292)**		**(3,561)**	**(3,025)**	
Income Tax Expense (%)	6%	4%		5%	4%	
Net Income	**4,838**	**1,962**	**147%**	**6,952**	**8,091**	**(14%)**
Net Income (%)	12%	6%		9%	12%	
EBITDA **	**10,664**	**6,212**	**72%**	**17,328**	**16,661**	**4%**
EBITDA (%)	26%	19%		23%	24%	
Income Per Share						
Basic	**0.10**	**0.04**		**0.15**	**0.17**	
Diluted	**0.10**	**0.04**		**0.15**	**0.17**	
Total Assets	**157,029**	**153,483**		**157,029**	**153,483**	
Total Long - Term Liabilities	**4,491**	**5,330**		**4,491**	**5,330**	
Cash Dividend Declared***	**NIL**	**NIL**		**NIL**	**0.04**	

See "Supplementary Disclosure - Non-IFRS Measures" on page 14.

*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 JUNE 30, 2024 COMPARED TO THREE MONTHS ENDED JUNE 30, 2023

Revenue

The Group recorded record revenue of US$41.2M for the second quarter of 2024, compared to US$32.6M for the second quarter of 2023, representing an increase of 26%. This is a significant achievement for the Group as this is the highest quarterly revenue ever recorded in the Group's history. The increase in revenue is largely due to the Group securing two significant multi-rig multi-year contracts in the first half of 2024.

Cost of Sales and Gross Profit

Cost of Sales for the second quarter of 2024 were US$28.5M, compared to US$24.9M for the second quarter of 2023, being an increase of US$3.6M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US$1.7M consistent with the increase in drilling activity and revenue and due to higher wages and inflationary costs.

- Drill rig expenses and fuel costs increased by US$1.5M consistent with the increase in drilling activity and revenue.

- Depreciation expense increased by US$0.4M as a result of recent additions to the Group's drill rigs and plant and equipment.

The gross profit for the second quarter of 2024 was US$12.7M, compared to a gross profit of US$7.8M for the second quarter of 2023, being an increase of US$4.9M. The gross profit percentage for the second quarter of 2024 was 31% and for the second quarter of 2023 it was 24%.

Selling, General and Administrative Expenses

SG&A expenses for the second quarter of 2024 were US$4.7M, compared to US$3.9M for the second quarter of 2023, being an increase of US$0.8M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US$1.4M consistent with the Group's increased activities.

- Expected lifetime credit loss decreased by US$0.6M 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 second quarter of 2024 was US$0.4M compared to a foreign exchange gain of less than US$0.1M in the second quarter of 2023 as a result of fluctuations in foreign currencies.

Other Loss

Other loss for the second quarter of 2024 was US$0.1M compared to an other loss of US$0.4M in the second quarter of 2023 relating to gains on listed equity investments held at fair value through profit and loss that the Group 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 second quarter of 2024 was US$7.5M, compared to US$3.5M in the second quarter of 2023.

EBIT and EBIT Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 14)

The EBIT (as defined herein) for the second quarter of 2024 was US$7.5M, compared to EBIT of US$3.5M for the second quarter of 2023.

EBITDA and EBITDA Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 14)

EBITDA was US$10.7M for the second quarter of 2024 or 26% compared to US$6.2M or 19% of revenue for the second quarter of 2023.

Depreciation

Depreciation for the second quarter of 2024 was US$3.1M (US$2.7M in cost of sales and US$0.4M in SG&A) compared to US$2.7M (US$2.3M in cost of sales and US$0.4M in SG&A) for the second quarter of 2023.

Income Tax Expense

Income tax expense for the second quarter of 2024 was US$2.4M compared to income tax expense of US$1.3M for the second quarter of 2023. The income tax expense of US$2.4M was comprised of US$1.7M relating to tax expense on taxable income and US$0.4M relating to withholding tax and a US$0.3M relating to a deferred tax charge.

Net income

The net income for the second quarter of 2024 was US$4.8M, or US$0.10 per Ordinary Share (US$0.10 per Ordinary Share diluted), compared to US$2.0M for the second quarter of 2023, or US$0.04 per Ordinary Share (US$0.04 per Ordinary Share diluted).

SIX MONTHS ENDED JUNE 30, 2024 COMPARED TO SIX MONTHS ENDED JUNE 30, 2023

Revenue

The Group recorded revenue of US$75.8M for the six months ended June 30, 2024, compared to US$70.2M for the six months ended June 30, 2023, representing an increase of 8%. The increase in revenue is the result of the Group continuing to be busy in its primary countries and also due to the Group securing two significant multi-rig multi-year contracts in the first half of 2024.

Cost of Sales and Gross Profit

Cost of Sales for the six months ended June 30, 2024 were US$55.7M, compared to US$50.3M for the six months ended June 30, 2023, being an increase of US$5.4M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US$2.6M consistent with the increase in drilling activity and revenue and due to higher wages and inflationary costs.

- Drill rig expenses and fuel costs increased by US$1.2M consistent with the increase in drilling activity and revenue.

- Depreciation expense increased by US$1.2M as a result of recent additions to the Group's drill rigs and plant and equipment.

- Repairs and maintenance increased by $0.4M as more repairs were required in the first six months of 2024.

The gross profit for the six months ended June 30, 2024 was US$20.2M, compared to a gross profit of US$19.9M for the six months ended June 30, 2023, being an increase of US$0.3M. The gross profit percentage for the six months ended June 30, 2024 was 27% and for the six months ended June 30, 2023 it was 28%.

Selling, General and Administrative Expenses

SG&A expenses for the six months ended June 30, 2024 were US$8.7M, compared to US$8.4M for the six months ended June 30, 2023, being an increase of US$0.3M and reflecting the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US$1.2M consistent with the Group's increased activities.

- Expected lifetime credit loss decreased by US$0.8M due to a change in the aging profile of trade receivables and managements estimate of specific provisions.

- Depreciation expense decreased by US$0.1M relating to a greater proportion of the Group's motor vehicle fleet being fully depreciated.

Foreign Exchange (Loss) / Gain

Foreign exchange loss for the six months ended June 30, 2024 was US$0.5M compared to a foreign exchange gain of US$0.4M in the six months ended June 30, 2023 as a result of fluctuations in foreign currencies.

Other Gain / (Loss)

Other gain for the six months ended June 30, 2024 was less than US$0.1M compared to other loss of US$0.5M in the six months ended June 30, 2023 relating to losses and gains on listed equity investments held at fair value through profit and loss that the Group held.

Income from Operating Activities

Income from operating activities (after cost of sales, SG&A expenses, foreign exchange gain or loss and other loss or gain) for the six months ended June 30, 2024 was US$11.0M, compared to US$11.5M in the six months ended June 30, 2023.

EBIT and EBIT Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 14)

The EBIT (as defined herein) for the six months ended June 30, 2024 was US$11.0M, compared to EBIT of US$11.5M for the six months ended June 30, 2023.

EBITDA and EBITDA Margin (see "Supplementary Disclosure – Non-IFRS Measures" on page 14)

EBITDA was US$17.3M for the six months ended June 30, 2024 or 23% of revenue compared to US$16.7M or 24% of revenue for the six months ended June 30, 2023.

Depreciation

Depreciation for the six months ended June 30, 2024 was US$6.3M (US$5.6M in cost of sales and US$0.7M in SG&A) compared to US$5.2M (US$4.4M in cost of sales and US$0.8M in SG&A) for the six months ended June 30, 2023.

Income Tax Expense

Income tax expense for the six months ended June 30, 2024 was US$3.6M compared to income tax expense of US$3.0M for the six months ended June 30, 2023. The income tax expense of US$3.6M was comprised of US$2.8M relating to tax expense on taxable income and US$0.8M relating to withholding tax.

Net income

The net income for the six months ended June 30, 2024 was US$7.0M, or US$0.15 per Ordinary Share (US$0.15 per Ordinary Share diluted), compared to US$8.1M for the six months ended June 30, 2023, or US$0.17 per Ordinary Share (US$0.17 per Ordinary Share diluted).

SUMMARY OF QUARTERLY RESULTS

	2024		2023				2022	
(in US$ 000s)	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Revenue	41,176	34,667	30,062	30,292	32,629	37,562	30,900	35,166
Revenue Increase / (Decrease) %	*19%*	*15%*	*(1%)*	*(7%)*	*(13%)*	*22%*	*(12%)*	*(11%)*
Gross Profit	12,721	7,445	4,850	5,804	7,758	12,176	7,436	10,912
Gross Margin (%)	*31%*	*21%*	*16%*	*19%*	*24%*	*32%*	*24%*	*31%*
Net Earnings / (Loss)	4,838	2,114	(1,377)	(2,950)	1,962	6,130	3,441	3,619
Per Share - Basic	0.10	0.04	(0.03)	(0.06)	0.04	0.13	0.07	0.08
Per Share - Diluted	0.10	0.04	(0.03)	(0.06)	0.04	0.13	0.06	0.08

The Group's record revenue of US$41.2M which represents an increase on a quarter over quarter basis by US$6.5M or 19% for the second quarter of 2024, compared to the first quarter of 2024. On a quarter to quarter basis, the Group's revenue increased by US$8.5M or 26% compared to the second quarter of 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 and the Group was not impacted by Easter. The wet season occurs (in some geographical areas where the Group operates) 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. The winter season occurs (in some high altitude geographical areas where the Group operates, particularly in Chile) normally in the second and third quarter. The Group has historically taken advantage of the winter season in Chile and has scheduled the second and third quarter for maintenance and rebuild programs for drill rigs and equipment.

Effect of Exchange Rate Movements

The Group's receipts and disbursements are denominated in US Dollars and local currencies. The Group'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 Group's revenue is invoiced in US Dollars and local currencies. The Group'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

	Three months Ended		Six months Ended	
	Jun 30	Jun 30	Jun 30	Jun 30
(in US$ 000s)	2024	2023	2024	2023
Net cash generated from operating activities	5,924	3,528	4,773	6,201
Net cash used in investing activities	(2,845)	(4,869)	(7,635)	(7,944)
Net cash (used in) / generated from financing activities	(906)	1,781	(2,747)	4,982
Effect of movement in exchange rates on cash	(141)	71	(340)	77
Net increase in cash	2,032	511	(5,949)	3,316

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As at June 30, 2024, the Group had cash of US$9.7M and loans payable of US$9.4M resulting in net cash (excluding lease liabilities) of US$0.3M. In addition, the Group 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 Group has loans payable, the Group continues to monitor its cash and its capital spending in conjunction with the loans that need to be repaid.

SECOND QUARTER ENDED JUNE 30, 2024

Operating Activities

In the second quarter of 2024, the Group generated net cash from operating activities of US$5.9M, as compared to generating US$3.5M in the second quarter of 2023. The Group realized profit before taxation of US$7.3M for the second 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$1.4M, resulting in cash generated from operations of US$5.9M.

Investing Activities

In the second quarter of 2024, the Group's net investment in property, plant and equipment was US$2.8M compared to US$4.9M in the second quarter of 2023. The Group continues to reinvest and upgrade its fleet in order to maintain a modern fleet of drill rigs and related equipment. The Group understands the importance of this and has invested in its property, plant and equipment. Plant and equipment additions in the second quarter of 2024 included 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 second quarter of 2024, the Group used net cash of US$0.9M from financing activities. The Group received loans of US$4.0M, repaid loans in the amount of US$4.9M, received US$0.2M from the exercise of stock options and paid lease liabilities of US$0.2M. In the second quarter of 2023, the Group generated net cash of US$1.8M relating to financing activities. The Group received loans of US$4.0M, paid dividends of US$1.4M, repaid loans in the amount of US$0.7M, paid lease liabilities of US$0.3M and received US$0.1M from the exercise of stock options.

SIX MONTHS ENDED JUNE 30, 2023

Operating Activities

In the six months ended June 30, 2024, the Group generated net cash from operating activities of US$4.8M, as compared to US$6.2M in the six months ended June 30, 2023. The Group realized profit before taxation of US$10.5M for the six months ended June 30, 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$5.7M, resulting in cash generated from operations of US$4.8M.

Investing Activities

In the six months ended June 30, 2024, the Group's net investment in property, plant and equipment was US$7.6M compared to US$7.9M in the six months ended June 30, 2023. The Group continues to reinvest and upgrade its fleet in order to maintain a modern fleet of drill rigs and related equipment. The Group 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 Group invested significantly in property, plant and equipment in the first half 2024 to support the two very significant multi-rig, multi-year contracts. The Group 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 Group 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 half 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 six months ended June 30, 2024, the Group used net cash of US$2.7M in financing activities. The Group received loans of US$7.0M, repaid loans in the amount of US$9.6M, paid lease liabilities of US$0.4M and received US$0.2M from the exercise of stock options. In the six months ended June 30, 2023, the Group generated net cash of US$5.0M relating to financing activities. The Group received loans of US$8.0M, paid dividends of US$1.4M, repaid loans in the amount of US$1.3M, paid lease liabilities of US$0.5M 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)]	10,180	3,200	5,645	1,080	255
Lease liablities [(2)]	430	240	160	30	-
Purchase obligations [(3)]	2,650	2,650	-	-	-
Total Contractual Obligations	13,260	6,090	5,805	1,110	255

(1) Loans refer to amounts owing on the US$10.0M Revolving Line of Credit, 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 rigs that the Group expects to be shipped in the third quarter of 2024.

Contractual obligations will be funded in the short-term by cash as at June 30, 2024 of US$9.7M, 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 Group has operated in West Africa for over 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 Group's revenue. The Group also continued to drill in Egypt, Chile and Peru during the first half of 2024. The Group 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 Group is providing more drilling services to the majors and intermediates. During the first half of 2024, the Group 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 June 30, 2024, the Group had 87 drill rigs of which 75 drill rigs are available for operation, 8 drill rigs are in the workshop, two are in transit and two are being manufactured. In addition, the Group rented four rigs, resulting in a total drill rig fleet as at June 30, 2024, of 91 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 Group 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 the Group's results from operations to EBIT and EBITDA:

	Three months ended		Six months ended	
(US$ 000s)	**Jun 30, 2024**	**Jun 30, 2023**	**Jun 30, 2024**	**Jun 30, 2023**
Total comprehensive income	4,838	1,962	6,952	8,091
Add: Income taxes	2,433	1,292	3,561	3,025
Add: Finance costs	262	235	499	345
Earnings Before Interest and Taxes (EBIT)	7,533	3,489	11,012	11,461
Add: Depreciation & Amortization	3,131	2,724	6,316	5,200
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	10,664	6,213	17,328	16,661

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer (the "CEO") and the Chief Financial Officer (the "CFO") of the Group are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") for the Group 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 Group 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 Group's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. As at June 30, 2024, the CEO and CFO evaluated the design and operation of the Group's DC&P. Based on that evaluation, the CEO and CFO concluded that the Group's DC&P were effective as at June 30, 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 Group's financial reporting and the preparation of its consolidated financial statements in accordance with IFRS.

Management has evaluated the design and operation of the Group's internal controls over financial reporting as of June 30, 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 Group's internal control over financial reporting during the period beginning on January 1, 2024 and ending on June 30, 2024, that have materially affected, or are reasonably likely to materially affect, the Group's internal control over financial reporting.

RISK FACTORS

A complete discussion of general risks and uncertainties may be found in Geodrill'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 Group. The Group is not aware of any significant changes to risk factors from those disclosed at that time, however, although the Group 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 Group provides credit to its clients in the normal course of its operations. The Group provides for lifetime expected credit losses (ECLs) for trade receivables. The Group 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 Group'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 Group had certain accounts in the greater than 90 days category that were taking longer to pay and certain accounts were having difficulty paying and therefore the Group 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 June 30, 2024, an amount of US$9.7M or 22% of the trade accounts receivable are aged over 90 days. As at June 30, 2024 the Group has approximately US$5.4M 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$4.3M. As at June 30, 2024, the aging of the trade receivable balances aged over 90 days has decreased from December 31, 2023 as follows:

	June 30, 2024		December 31, 2023	
	US$ Gross	US$ Net of ECL	US$ Gross	US$ Net of ECL
Less than 30 days	21,304,345	21,299,545	9,147,271	9,145,296
31 - 60 days	6,963,079	6,959,938	8,149,560	8,146,518
61 - 90 days	5,517,768	5,420,807	3,266,754	3,232,614
91 days and greater	9,741,932	4,342,465	15,189,574	9,747,048
	43,527,124	38,022,755	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 June 30, 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 37.1% (December 31, 2023: 37.3%) of the issued share capital of Geodrill.

On October 1, 2022, the Group 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 the Group 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, 2024, the right-of-use assets relating to the properties above was US$78,986 (December 31, 2023: US$275,146) and the related lease liabilities were US$80,750 (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 Geodrill 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:

	Three month period ended June 30,		Six month period ended June 30,	
	2024	2023	2024	2023
	US$	US$	US$	US$
Short-term benefits	1,533,683	1,222,005	2,912,055	2,937,689
Share-based payment arrangements	50,189	73,255	187,579	265,813
	1,583,872	1,295,260	3,099,634	3,203,502

MATERIAL ACCOUNTING POLICIES

The Group's IFRS significant accounting policies are provided in Note 2 to the quarterly unaudited consolidated financial statements as at and for the period ended June 30, 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 Group's audited consolidated financial statements for the years ended December 31, 2023 and 2022.

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 Group'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 Geodrill's Annual Information Form can be found on SEDAR+ at www.sedarplus.ca.