



ORBIT GARANT DRILLING INC.

ANNUAL INFORMATION FORM

September 19, 2023

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ANNUAL INFORMATION FORM 2023

Throughout this document, the terms “we”, “us”, “the Company”, and “Orbit Garant” refer to either Orbit Garant Drilling Inc. or Orbit Garant Drilling Inc. together with our wholly owned subsidiaries, including:

- *Orbit Garant Drilling Services Inc.*;
- *9116-9300 Québec Inc. (“**Soudure Royale**”)*;
- *Drift Exploration Drilling Inc. and Drift de Mexico S.A. de C.V., (referred to collectively as “**Drift**”)*;
- *Orbit Garant Drilling Ghana Ltd.*;
- *Perforación Orbit Garant Peru S.A.C.*;
- *Orbit Garant Drilling (Guyana) Inc.*;
- *Forage Orbit Garant BF S.A.S.*;
- *Orbit Garant Chile S.A. and*
- *Forage Orbit Garant Guinée SARLU*

In this Annual Information Form (“AIF”), unless otherwise indicated, all dollar amounts are expressed in Canadian dollars, and the statistical and financial data are presented as at June 30, 2023.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This AIF contains “forward-looking information” (as defined under applicable securities laws). Forward-looking information is typically identified by words such as “believe”, “expect”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and by conditional verbs such as “will”, “may”, “should”, “could” or “would”. These statements reflect our current beliefs and are based on the information currently available to us.

By its very nature, forward-looking information involves significant known and unknown risks. Important assumptions relating to the forward-looking information contained in this AIF include expansion, capital expenditures, competitive conditions, market conditions and general economic conditions.

Many factors could cause our actual results, performance or achievements to differ from what we have expressed or implied in our forward-looking statements in this document, and we encourage you not to rely unduly on those statements.

For a description of the risks and uncertainties that could cause actual results to differ from our current expectations, please see the section titled “Risks and uncertainties in our Business, Industry and Markets”, as well as in our other filings with Canadian securities commissions on SEDAR+ (www.sedarplus.ca).

The forward-looking statements in this AIF have been made with the best information available to us at the time, and, except as may be required pursuant to applicable law, there will be no further updating or revisions of the forward-looking statements, once the document is filed.

GLOSSARY OF TERMS

In this AIF, we use a number of industry-related terms and acronyms which we define as follows:

“**air drill**” means a drill that uses compressed air to force a diamond drill bit through rock to cut a cylindrical core, typically (although not exclusively) in underground locations when a reasonably shallow hole is required in a difficult location.

“**base metals**” means non-precious metals such as copper, zinc, nickel, lead and aluminum.

“**BRIC**” refers collectively to Brazil, Russia, India and China.

“**CDDA**” means the Canadian Diamond Drilling Association, an association supporting mining companies, drilling contractors, manufacturers and suppliers in the provision of drilling services and products.

“**diamond core drilling**” means the use of an annular drill bit with an industrial-grade diamond crown to cut a cylindrical core through solid rock. A wire line device is used to retrieve the core sample being cut by the diamond drill bit without having to remove the entire string of hollow rods from the hole.

“**directional drilling**” refers to the technique of steering the direction of a drill hole to the desired angle.

“**geotechnical drilling**” means drilling that is generally done to determine the nature of soil or rock formation in order to better understand the geology or to interpret structural conditions in preparation for construction of, among other things, bridges, roads, buildings, dams and marine structures. This type of drilling can be performed using various types of augers, casing core drilling barrels and specialized sampling tools.

“**intermediate mining companies**” refers to companies with mining-related revenues over US\$50 million but less than US\$500 million annually.

“**junior mining companies**” refers to companies that are typically involved in mineral exploration that do not have significant current mining-related revenues.

“**major mining companies**” refers to large, global mining companies with revenues of more than US\$500 million annually.

“**reverse circulation drilling**” means the surface drilling process whereby a pneumatic piston forces compressed air and water down the outer shell of a double-walled rod and drives a tungsten-studded button bit to cut and hammer the rock. Air, water, and rock chips are then sucked back up the inner rod by the air differential. At the top, the rock and water are separated by a cyclone, and the rock is deposited in a sample collection container.

“**specialized drilling**” means drilling for projects that are located in remote regions or that, because of their scope, complexity or technical challenges, require specialized knowledge and/or equipment and cannot generally be completed by small conventional drilling companies.

“**underground drilling**” means diamond core drilling that is completed at an underground mine and usually occurs during the development and production stages of the mining process.

ABOUT ORBIT GARANT

PROFILE

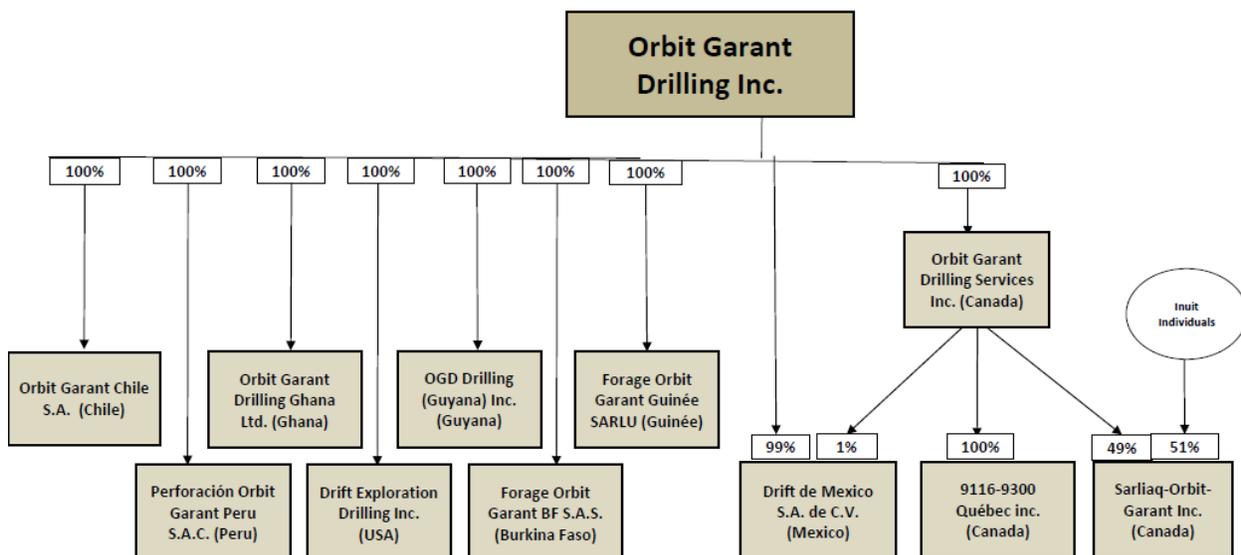
Orbit Garant Drilling is one of the largest Canadian-based mineral drilling companies, with 212 drill rigs, approximately 1,300 employees, and revenue of \$201.0 million for the fiscal year ended June 30, 2023 (“Fiscal 2023”) compared \$195.5 million for the Fiscal year ended June 30, 2022, (“Fiscal 2022”). We provide both underground and surface drilling services in Canada and internationally to major, intermediate and junior mining companies, through each stage of mineral exploration, mine development and production. We also provide geotechnical and water drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies. We also manufacture conventional and specialized drill rigs for our own use and occasionally for third-party customers.

OUR CORPORATE STRUCTURE

Name, Address and Incorporation

Orbit Garant Drilling is a corporation amalgamated under the *Canada Business Corporations Act* Our registered head office is located at 3200, boul. Jean-Jacques Cossette, Val-d’Or, Québec, Canada, J9P 6Y6.

Orbit Garant’s Organizational Chart (as at September 19, 2023)



GENERAL DEVELOPMENT OF OUR BUSINESS

Our history dates back more than three decades, to the founding of our two main predecessor companies, Forages Garant & Frères Inc. (“Forages Garant”), and Forage Orbit Inc. (“Orbit”), which were combined in 2007 to create Orbit Garant Drilling Inc. On June 26, 2008, we completed our initial public offering of our Common Shares on the Toronto Stock Exchange (“TSX”) under the symbol “OGD”. Since then we have expanded our business significantly by way of a number of acquisitions.

Joint Ventures with First Nations and Inuit Communities

Orbit Garant owns a 49% interest in Sarliaq-Orbit-Garant Inc which is a joint venture with the Inuit Community in Rankin Inlet, Nunavut, created in October 2016. This joint venture provides preferred access for us to drilling contracts in the respective First Nation and Inuit communities and territories and supports local community development initiatives.

International Expansion

To facilitate the expansion of our operations in West Africa and South America, we have formed subsidiaries in:

- Chile (Orbit Garant Chile S.A. – formerly Captagua);
- Burkina Faso (Forage Orbit Garant BF S.A.S.);
- Ghana (Orbit Garant Drilling Ghana Limited);
- Guyana (Orbit Garant Drilling (Guyana) Inc.);
- Peru (Orbit Garant Drilling Peru S.A.C.); and
- Guinea (Forage Orbit Garant Guinée SARLU)

CREDIT FACILITY

Our primary sources of liquidity are cash flows from operations and borrowings under a credit facility (the “**Credit Facility**”) with National Bank of Canada Inc., in its capacity as agent (“**National Bank**”). On March 8, 2021, we entered into a fourth amended and restated credit agreement with, among others, National Bank in respect of the Credit Facility, which was subsequently amended by a first amending agreement dated as of November 22, 2021 and a second amending agreement dated as of May 10, 2022 (collectively, the “**Credit Agreement**”). On the date hereof, the Credit Facility (as amended by the Third Amending Agreement (defined below)) consists of a \$30.0 million revolving credit facility and a US\$5.0 million revolving credit facility guaranteed by Export Development Canada (“**EDC**”). The current term of the Credit Agreement expires on November 2, 2024.

On September 9, 2022, we entered into an additional loan agreement with the Business Development Bank of Canada (the “**BDC Loan Agreement**”), which provides for a term loan in the principal amount of \$8.47 million. This loan bears interest at a fixed rate of 6.70% per year, has a 20-year term and is repayable by way of 240 consecutive monthly payments from November 2022 until October 2042. The fixed interest rate may be reduced by 0.20% from October 2023, if certain financial covenants are met by Orbit Garant. Our obligations under the BDC Loan Agreement are: (a) secured by a first ranking immovable hypothec on the building serving as our head office located in Val-d'Or, Quebec (the “**Property**”); and (b) guaranteed on a solidary (joint and several) basis by certain of our subsidiaries.

As a result of us entering into the BDC Loan Agreement and in order to extract the Property from the borrowing base under the Credit Agreement, we entered into a third amending agreement to the Credit Agreement with National Bank on September 9, 2022 (the “**Third Amending Agreement**”), pursuant to which the amount available for borrowing

under the revolving facility contemplated under the Credit Agreement was reduced, as of that date, from \$35.0 million to \$30.0 million. Other noteworthy amendments made pursuant to the Third Amending Agreement include consents by National Bank to authorize the first ranking immovable hypothec on the Property pursuant to the BDC Loan Agreement and modifications to certain financial covenants of the Company applicable to our first fiscal quarter of 2023 and future quarters.

ORBIT GARANT TODAY – AN OVERVIEW OF OUR BUSINESS

Orbit Garant is one of the largest providers of surface and underground mineral drilling services in Canada. We also have a significant international market presence in surface and underground mineral drilling. We are currently working on international projects in the Chile, Guyana, Burkina Faso and Guinea.

Underground drilling is typically undertaken at the production stage where it is required to delineate mineral deposits and to assist the mine operator in identifying where production efforts should be focused.

Surface drilling is typically undertaken at the exploration stage to assess a potential mineral resource, in the initial stages of delineating a known mineral deposit, or identifying potential extensions to a known mineral deposit.

We provide services to major mining companies, such as Agnico-Eagle Mines, Anglo American, IAMGold, Pan American Silver, Eldorado Gold, Alamos Gold, Vale and intermediate mining companies, including, Osisko Mining, Hecla Mining and Wesdome Gold Mines, as well as several junior mining companies.

OUR STRATEGIC DIRECTION

Orbit Garant's goal is to be a Canadian based leading mineral drilling company, through the pursuit of both domestic and international market opportunities, and through the provision of best-in-class underground and surface drilling services, equipment and personnel for all stages of the mining and minerals business, including exploration, development and production.

We employ the following business strategies:

- Focus primarily on major and well-financed intermediate mining and exploration companies operating in Canada and other stable jurisdictions;
- Provide conventional, specialized and geotechnical drilling services;
- Manufacture customized drills and equipment to fit the needs of customers;
- Maintain a commitment to technological innovation and advanced drilling technologies, such as our current implementation of computerized monitoring and control technologies;
- Provide training for our personnel to continuously improve labour efficiency and the availability of a skilled labour force;
- Maintain a high level of health and safety standards in the workplace and promote protection of the environment;
- Establish and maintain long-term relationships with customers;
- Cross-sell drilling services to existing customers;
- Maintain a sound balance sheet and a judicious deployment of capital; and
- Evaluate strategic acquisition opportunities to enhance value for the Company's stakeholders.

OUR GEOGRAPHIC SEGMENTS AND MARKETS



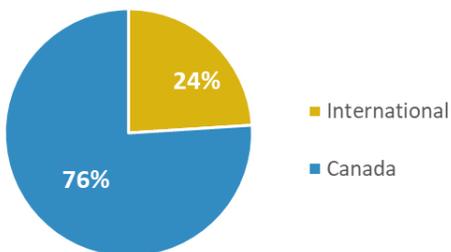
 Head office
  Regional offices
  Field operations

Regional offices: Sudbury, ON, Moncton (Dieppe), NB, Winnemucca (Nevada), U.S.A.; Santiago, Chile; Georgetown, Guyana; Ouagadougou, Burkina Faso; and in Conakry, Guinea

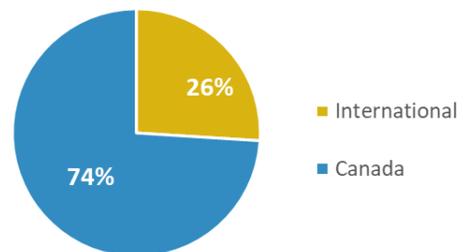
Current field operations: Canada, United States, Chile, Guinea, Burkina Faso and Guyana

Contract Drilling Revenue (% contribution)

2023



2022



Canada

Our Canadian drilling operations, which include both surface and underground drilling equipment and personnel, provide services in Québec, Ontario, New Brunswick, Prince Edward Island, Newfoundland and Labrador, and Nunavut. Our manufacturing operations are conducted in Val-d'Or, Quebec and Sudbury, Ontario.

Revenue for the domestic drilling segment was \$152.1 million for Fiscal 2023, compared to \$145.2 million for Fiscal 2022.

International

Our International drilling operations, which include surface and underground drilling equipment and personnel, provide services in South America, West Africa and the United States.

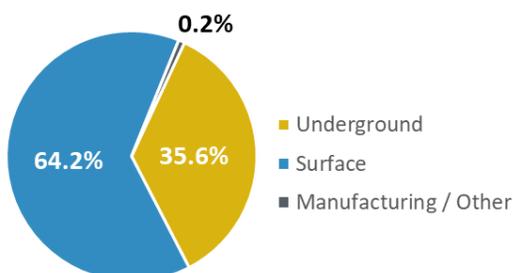
Revenue for the international drilling segment was \$48.9 million for Fiscal 2023, which includes \$30.1 million in revenue from our operations in Chile, compared to \$50.3 million for Fiscal 2022, which includes \$27.1 million in revenue from our operations in Chile.

OUR PRODUCTS AND SERVICES

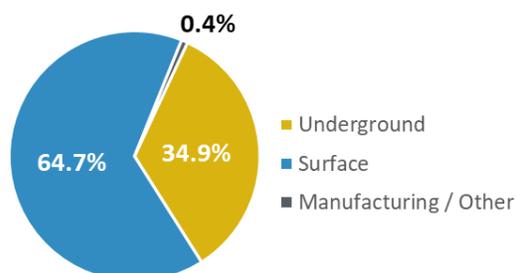
We provide surface and underground drilling services to the mining and exploration industry in Canada and abroad. We also provide water and geotechnical drilling services to mining or mineral exploration companies, engineering and environmental consulting firms and government agencies. Finally, we also manufacture custom drill rigs for our customers' projects and conventional drill rigs for third parties.

Revenue from Operations (% contribution)

2023



2022



Surface Drilling

The largest component of our business is providing surface drilling services (both diamond core and reverse circulation drilling) to our domestic and international customers. In general, surface drilling is required by mining and exploration companies in order to evaluate mineral deposits and determine if they can be developed economically. Such drilling services generally involve the use of hydraulic drill rigs to drill into soil and rock formations from the surface to obtain core samples that are delivered to the customer for evaluation and analysis.

Surface drilling accounted for approximately \$129.1 million, or 64.2%, of our revenue for Fiscal 2023, compared to \$126.5 million, or 64.7%, of revenue for Fiscal 2022.

Our specialized, high-quality approach

The surface drilling contracts for which we compete often involve operating in harsh environments, such as desert terrain, rainforests, swampland, high altitudes, arctic and subarctic regions, on barges and other remote locations. We evaluate each prospective project based on the complexity of the work required and then propose a custom-designed package of equipment, drill methods and procedures as the optimum approach for the project. Working in conjunction with our internal engineering department, we design or modify specialty surface drill rigs, such as heli-portable surface drill rigs, to meet the specific requirements of our customers. We also manufacture and provide other ancillary support equipment, such as water recirculation systems, heat recovery systems, systems to enhance fuel efficiency and automated rod handling systems.

In addition to providing conventional surface drilling services, we offer the following specialized surface drilling services:

- deep hole drilling (1,000 metres and beyond);
- directional drilling;
- large diameter drilling (using PQ-sized (4⁷/₈ inches) diameter drill bits);
- water drilling;
- heli-portable drill rigs;
- geotechnical drilling services; and
- hard rock (iron formation) drilling.

Our average surface drilling contract is for projects totalling 5,000 to 10,000 metres that take six to 12 months to complete, but we occasionally sign longer term contracts with our larger customers. Occasionally, as market conditions and capacity permit, we conduct smaller programs in the range of 2,500 total metres that take approximately three months to complete.

We plan to use our scale, scope, specialized expertise and technological innovation to expand our surface drilling business both in Canada and internationally.

Underground Drilling

Underground drilling is an essential component of underground exploration, development and ongoing mine operations. Our underground drilling services principally involve the use of electric hydraulic drills that are used to drill longer, often larger-diameter holes required for exploration and delineation of new underground mine reserves. Our underground fleet also includes air drills that are smaller and more manoeuvrable than the electric-hydraulic drills and are typically used in ongoing mine operations to help with detailed definition of ore bodies.

Underground drilling services accounted for approximately \$71.6 million, or 35.6%, of our revenue for Fiscal 2023, compared to \$68.3 million, or 34.9%, of our revenue for Fiscal 2022.

Our Specialized High Quality Approach

Working in conjunction with our internal technical design department, we design and manufacture custom underground drill rigs that provide enhanced drill rig mobility, including mobile handling systems. We also manufacture underground drill rigs that can drill deeper, with larger diameters and perform “up holes”. Many of our underground drill rigs feature our unique computerized monitoring and control technology, which improves productivity and drilling accuracy, while reducing costs. This technology also accelerates driller training so that our less experienced drillers can achieve greater productivity levels in a shorter period. Other benefits of our computerized monitoring and control systems include real-

time, remote monitoring of drilling progress and the ability of our customers to view core samples remotely. More recent models of our customized underground drill rigs also now include our automated rod handling systems, which further improves productivity and provides for greater driller safety.

Manufacturing

We manufacture and maintain high-quality surface and underground drills, primarily to support our drilling services, and, to a lesser extent, to sell to other drilling companies. Our drill rigs are designed and engineered to meet the rigorous demands of the mineral drilling industry and to exceed our customers' expectations. While not a major revenue generator, we believe our integrated manufacturing operations add considerable value to our drilling services offering.

Our focus on quality, safety and reliability

Drilling services for ongoing mining operations are generally undertaken for an extended period of time and underground drilling contracts are typically entered into for a period of one to two years. Because of the mobilization and de-mobilization costs associated with changing drilling suppliers mid-stream, customers are reluctant to change suppliers unless the new provider is either substantially cheaper, or if there has been a safety issue with the incumbent. Our comprehensive employee health and safety program has resulted in an excellent safety record, which we believe enhances our competitive position in securing and retaining drilling contracts.

OUR EMPLOYEES

Both underground and surface drilling require a high degree of expertise and technical competence to ensure that the core samples are extracted properly, and to accurately and efficiently delineate the location, composition and extent of the mineral deposit while maintaining safety protocols. Our pricing and revenue is typically based on the number of metres drilled, but the productivity, and therefore profitability, of a drilling project is largely determined by how effectively our drillers extract core samples.

Maintaining a skilled and experienced workforce is a critical component for any company operating in the mineral drilling services industry and it is something at which we have excelled. We have been able to attract and retain a highly skilled workforce of approximately 1,300 employees.

The following table summarizes the number of employees at Orbit Garant by function, as at June 30, 2023:

Employees assigned to drilling operations :	1,081
Support :	132
Administration :	64
Total :	<u>1,277</u>

Employee Share Purchase Plan

In December 2021, we implemented an Employee Share Purchase Plan ("ESPP") in Canada to encourage all full-time employees, including senior management, to purchase common shares of the Company. Shares are purchased on the open market and are not newly issued shares. Eligible employees can contribute up to 10% of their annual base salary through payroll deductions. We pay a corresponding contribution equivalent to 50% of the participant's contribution. Participation in the ESPP is voluntary.

Developing qualified drillers and driller helpers

Our drills are operated by personnel known as “drillers” and “driller helpers”. Drillers most often begin their careers as driller helpers, where they develop the skills necessary to operate drilling machinery by assisting seasoned drillers. Occasionally, two drillers will share a helper, but the most common ratio is one to one. Typically, a helper is promoted to a driller within one year. Employees are usually paid a base hourly rate plus a performance bonus based on metres drilled. We established our pay scale on the recommendation of the CDDA and we attempt to structure compensation to reward drillers who exceed productivity expectations.

In order to enhance the capabilities of our drillers and driller helpers, we, in collaboration with the local school board in Val-d’Or, Québec, have established a training course program to certify students as drillers. The program curriculum requires that students complete a practical component by acting as driller helpers with Orbit Garant. Our arrangement with the Val-d’Or school board is exclusive and provides us with access to students to recruit for permanent employment upon completion of the program certification.

OUR DRILL FLEET

We currently have 212 drill rigs, of which 95 are underground drill rigs (including 83 electric drills and 12 air drills) and 117 are surface drill rigs (including 103 hydraulic drills, 14 reverse circulation drills and four air drills).

The following table shows the number of drill rigs for each of our geographic segments as at June 30, 2023:

Geographic location	Number of drills	Percentage
Canada	173	82%
International	39	18%
Total	212	100%

We refurbish our drill rigs every five to seven years in order to extend their useful life.

The depth to which a rig can drill is primarily a function of its capacity to hold a drill string, which can weigh up to several tons, and its torque power to rotate the drill string in a bore hole. We maintain rigs that are able to drill to a depth of approximately 3,000 metres in order to meet the range of drilling services required by our customers.

Orbit Garant’s drill rigs are complemented by ancillary assets such as trucks and light vehicles, mud systems (pumps and tanks) and air compressors. We can also provide other more specialized ancillary support equipment, such as water recirculation systems, heat recovery systems and systems to enhance fuel efficiency.

OUR CUSTOMERS AND CONTRACTS

Drilling contracts are typically awarded following a tender process and prices are typically quoted on a per metre (or foot) basis and, in certain circumstances, as a day rate per drill rig. Customers generally pay for costs such as fuel, gas, food and lodging for our employees, as well as certain costs related to the mobilization and demobilization of drilling operations.

We have developed strong customer relationships and we have served some of our customers for more than 20 years.

Our underground drilling customers are typically major gold and base metal mining companies with which we have long-standing relationships. The costs of mobilizing and demobilizing a new drilling contractor, as well as the disruption

to the customer's operation, places us in a favourable position when bidding to retain an underground contract for an existing customer.

Our services are provided under both short-term (three to 12 months) and long-term (two to five years) contracts. Pricing may be periodically renegotiated to reflect changing market conditions.

Our surface drilling customers are a mix of intermediate and major mining companies, as well as junior mining companies exploring for gold and base metals.

For Fiscal 2023, approximately 81% of revenue from our drilling operations was derived from more established intermediate and major mining companies, and approximately 19% was generated from services provided to junior mining companies.

OUR COMPETITIVE ENVIRONMENT

The mineral drilling services industry is comprised of a number of small regional competitors as well as multinational corporations, including Boart Longyear Ltd, Foraco International S.A., Geodrill Limited, Major Drilling Group International Inc., and others.

We compete against both multinational and smaller regional drilling service providers on the basis of price, accuracy, safety, productivity, reliability, experience and environmental record. We believe that we are differentiated from smaller regional providers due to our: highly qualified personnel, comprehensive training programs, high standards in health and safety, high-quality service, specialized drilling expertise, focus on technology innovation and competitive pricing.

Orbit Garant is one of the few market players that is vertically-integrated, enabling us to help our customers plan and execute all aspects of their drilling programs, through exploration, development and production. Our manufacturing capability provides us with a competitive advantage as it enables us to quickly build custom drill rigs at a cost that is significantly lower than purchasing from an external supplier. We also perform rig maintenance services to support optimum drill rig utilization rates and manufacture other support equipment and consumables. We are also able to manufacture conventional drill rigs for third parties.

We are also well positioned to take advantage of our innovative, computerized monitoring and control drilling technology. At the end of Fiscal 2023, we had 44 drill rigs featuring this technology, which reduces operating costs, improves productivity, provides enhanced safety and improves our cost competitiveness.

CAPITAL EXPENDITURES

To maintain our high quality standards and provide customers with superior service and specifically tailored solutions, we remain committed to investing in technological innovation and advanced drilling technologies.

Capital expenditures on purchased equipment totalled \$8.4 million net of proceeds from the disposal of \$1.0 million in equipment in Fiscal 2023, compared to capital expenditures of \$10.8 million in Fiscal 2022. Our Board of Directors has approved a Fiscal 2024 capital expenditure budget of \$8.9 million, which is primarily intended for the acquisition of drill rigs and related drilling equipment. Our Board of Directors and senior management team will continuously monitor market conditions, including metals prices and customer demand, and adjust our capital expenditure budget as required.

SUPPLIERS

During Fiscal 2023, we spent approximately \$69.9 million on materials, supplies and services, sourced from over 300 suppliers, with the top 10 suppliers accounting for approximately 32% of the total dollar value of supplies purchased during the year.

The largest (by volume) and most important items we purchase include drill rods, grease and other lubricants, cylinders, hydraulic pumps, wire cables, drill bits, hoses, diamond bits and reaming shells.

Our largest suppliers are currently Di-Corp, Fordia Group Inc., Dynamik and BDI Canada Inc. We maintain good relations with all of our suppliers and take advantage of volume discounts when possible.

HUMAN RESOURCES AND SAFETY

Our human resources department evaluates the effectiveness and deployment of our drillers and oversees health and safety standards. This department plays a key role in recruiting and training personnel, retaining highly skilled drillers and ensuring that our people are operating in a safe environment. We have implemented a high-quality health and safety program with qualified trainers who make sure that all drillers receive the necessary training to ensure a safe workplace. In addition, for certain job sites, our customers impose their own safety policies. Our standard practice is to comply with the higher safety standard, whether that standard is ours or that of our customer.

REGULATORY ENVIRONMENT

Our operations are subject to a broad range of federal, provincial, state and local laws and regulations governing environmental, transportation and occupational health and safety matters. We believe that we are in full compliance with the laws and regulations pertaining to our operations.

ENVIRONMENTAL PROTECTION

Our operations are subject to environmental regulation under the laws of Canada, the United States and any other jurisdiction where we operate. Our customers are responsible for obtaining the environmental permits necessary for our drilling activities and our policy is to comply with all applicable environmental standards and regulations.

Some of the equipment we manufacture and utilize – such as water recirculation systems, heat recovery systems and fuel efficiency systems – are designed to meet and exceed environmental standards while generating operating efficiencies and performance enhancements.

RISKS AND UNCERTAINTIES IN OUR BUSINESS, INDUSTRY AND MARKETS

The following is a summary of the risk factors that relate to our business operations and the industry within which we operate, and should be read in conjunction with the detailed information appearing elsewhere in this Annual Information Form. While we have endeavoured to provide a comprehensive list, these risks and uncertainties may not be the only ones relevant to the Company. Unknown risks or those that may seem immaterial at this time could also have a negative impact on our future operations and results.

Risks Related to our Business and the Industry

Cyclical Downturns

Demand for drilling services and products is driven by the level of mineral exploration and development activities conducted by mining companies. Those activities are driven primarily by commodity prices, which are subject to cyclical demand. We face an ongoing risk that low commodity prices could substantially reduce future exploration and drilling

expenditures by mining companies, resulting in a decline in demand for our services, with a negative impact on our revenue, financial condition, cash flows and growth prospects.

Sensitivity to General Economic Conditions

Our business is influenced by a variety of global and country-specific economic and business conditions (including inflation, interest rates, exchange rates and access to debt and capital markets), as well as by monetary and regulatory policies. Deterioration in domestic or global economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could have an adverse impact on our financial performance and condition, cash flows and growth prospects.

Attracting and Retaining Qualified Drillers

A supply of drillers qualified to operate our drills is essential to our business, so our ability to attract, train and retain high quality drillers is a high priority. Failing to retain qualified drillers or attract and train new ones could have an adverse effect on our financial performance, financial condition, cash flows and growth prospects. As well, rising rates paid to drillers and helpers would exert pressure on our profit margins if we are unable to pass on the higher costs to our customers.

The Increased Cost of Sourcing Materials and Supplies

When bidding on an underground drilling contract, the cost of sourcing materials and supplies is a key consideration in deciding upon the pricing. Underground drilling contracts are typically for one to two years and expose the Company to the risk of increased costs over the time period. An unanticipated increase in the cost of labor or materials and supplies during that period could reduce our profit margins with an adverse impact on our financial performance, financial condition, cash flows and growth prospects.

Country Risks

We conduct business internationally in numerous regions of different countries and with this comes the risk of dealing with business and political systems in a variety of jurisdictions. Unanticipated events in a country (precipitated by developments within or external to the country), such as economic, political, tax related, regulatory or legal changes (or changes in interpretation), could, directly or indirectly, have a material negative impact on operations and assets. The risks include, but are not limited to, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, changes in mining or investment policies, nationalization/expropriation of projects or assets, corruption, delays in obtaining or inability to obtain necessary permits, nullification of existing mining claims or interests therein, hostage takings, labour unrest, opposition to mining from environmental or other non-governmental organisations or shifts in political attitude that may adversely affect the business. There has been an emergence of a trend by governments to increase their participation in the industry and thereby their revenues through increased taxation, expropriation, or otherwise. This could negatively impact the level of foreign investment in mining and exploration activities and thus drilling demand in these regions. Such events could result in reductions in revenue and additional transition costs as equipment is shifted to other locations. Nationalization/expropriation of mining projects has a direct impact on suppliers (such as the Company) to the mining industry.

While the Company works to mitigate its exposure to potential country risk events, the impact of any such event is mostly not under the Company's control, is highly uncertain and unpredictable and will be based on specific facts and circumstances. As a result, the Company can give no assurance that it will not be subject to any country risk event, directly or indirectly, in the jurisdictions in which it operates.

Tax Risks

The Company operates in many countries and is therefore subject to many different forms of taxation in various jurisdictions throughout the world, including but not limited to, property tax, income tax, withholding tax, commodity tax, social security and other payroll related taxes, foreign currency and capital repatriation laws. An unfavorable interpretation of the current tax legislation could have a material adverse effect on the profitability of the Company or may lead to disagreements with tax authorities regarding the interpretation of tax law.

Tax law and administration is extremely complex and often requires the Company to make subjective determinations. The Company must make assumptions about, but not limited to, the tax rates in various jurisdictions, the effect of tax treaties between jurisdictions and taxable income projections due to tax law and its administration which are extremely complex. To the extent that such assumptions differ from actual results, or if such jurisdictions were to change or modify such laws or the current interpretation thereof, the Company may have to record additional tax expenses and liabilities, including interest and penalties. Moreover, there is a risk in which the countries where the Company operates may change their current tax regime with little prior notice or that the tax authorities in these jurisdictions may attempt to claim tax on the global revenue of the Company

The Impact of Leverage and Restrictive Covenants

Through the Credit Facility we have access to credit facilities to fund, among other things, working capital and acquisitions. The degree to which Orbit Garant is leveraged could have important consequences, including:

- a limit on our ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future;
- a reduction in funds available for future operations if a significant portion of our cash flow from operations must be dedicated to debt payments; and
- the impact of variable interest rates, which expose us to the risk of increased interest costs.

As well, the Credit Agreement contains a number of restrictive covenants that limit management discretion with respect to certain business matters, including:

- changes in ownership of the Company;
- our ability to create liens or other encumbrances;
- our ability to pay dividends or make certain other payments, investments, acquisitions, capital expenditures, loans and guarantees; and
- our ability to sell or otherwise dispose of assets and merge with another entity.

The Credit Agreement contains financial covenants that require us to meet certain financial ratios and financial condition tests. A failure to comply with the obligations in the Credit Facility could result in a default which, if not addressed, could lead to acceleration of the debt burden. If indebtedness under the Credit Agreement were to be accelerated, there can be no assurance that the assets of Orbit Garant would be sufficient to cover the debt. In addition, the Credit Facility will mature no later than November 2, 2024. There is no guarantee that future borrowings or equity financing will be available to us on acceptable terms, in an amount sufficient to repay indebtedness under the Credit Facility at maturity or to fund our needs thereafter. This could, in turn, have an adverse effect on our business and financial condition.

As at June 30, 2023, we complied with all covenants in the Credit Agreement.

Our Customers' Access to Equity Markets

Economic factors and equity market conditions could make it more difficult for mining companies, particularly junior mining companies, to raise money to fund exploration activity. This could result in reduced demand for drilling services and could have an adverse effect on our business.

Acquisitions

Part of our core business strategy is to grow through strategic acquisitions, and acquisitions may expose us to unanticipated business risks or liabilities for which we may not be fully indemnified or insured. The success of any acquisition depends on the successful integration of existing and new computer systems, equipment and personnel. Any issues arising from the integration of an acquired business, including the integration of the accounting software, may require significant management, financial or personnel resources that would otherwise be dedicated to the ongoing development and expansion of our existing operations, and that, in turn, could have a negative impact on our business.

Supply of Key Materials

If we experience a rapid, significant increase in demand for our services, it could put pressure on our ability to manufacture and deliver the new drills and associated materials necessary to meet the increased customer demand in a timely manner. Any impediment to delivering the required equipment could have a negative impact on our capacity and ability to generate incremental revenue.

Competition

We face considerable competition from several large drilling services companies as well as from a number of smaller, regional competitors. Some of our competitors have been in the drilling services industry for a longer period of time and have substantially greater financial resources than we do. The capital cost to acquire drilling rigs is relatively low, enabling existing competitors to finance expansion while providing the opportunity for new competitors to enter the market. Increased competition in the drilling services market may adversely affect our market share, profitability and growth opportunities, including geographic growth.

In addition, there can be no guarantee that the scale advantage we currently enjoy in the Val-d'Or region will continue. Any erosion of our competitive position could have an adverse impact on our business. A significant portion of the drilling services business is based on contracts awarded through a competitive tender process. We face the risk of losing potential new contracts to competitors if we are unable to demonstrate a competitive advantage when it comes to reliable performance, technical competence and competitive pricing as part of the tender process, or if mining companies decide not to undertake a competitive tender process.

Our Ability to Sustain and Manage Growth

Our ability to grow depends on a number of factors, many of which are beyond our control, such as commodity prices, the ability of mining companies to raise financing and the demand for raw materials from large, emerging economies such as BRIC. We are also subject to a variety of business risks generally associated with growing companies. Future growth and expansion could place a strain on the management team and will likely require the recruitment of additional management resources. There is no guarantee that we will be able to:

- manage expanding operations (including any acquisitions) effectively;
- sustain or accelerate growth or ensure that growth results in profitable operations;
- attract and retain sufficient management resources necessary for continued growth; or
- complete successful strategic investments and acquisitions.

The failure to accomplish any of these goals could have an adverse effect on our business and growth prospects.

Future Acquisition Strategy

One of our core business strategies is to grow through strategic acquisitions, in addition to organic growth. There is considerable competition within the drilling services industry for attractive acquisition targets. As we pursue this strategy, there is no guarantee that:

- future acquisition opportunities will exist on acceptable terms;
- newly acquired or developed entities will be successfully integrated into our operations; or
- adequate financing will be available on acceptable terms.

Cancellation and Renewal of Customer Contracts

Our contracts with surface drilling customers are typically for a term of six to twelve months and our contracts for underground drilling customers are typically for a term of one to two years. We face the risk of cancellation, as contracts may be cancelled by the customer on short notice in certain circumstances, with limited or no amounts payable to us. There is also a risk that existing contracts may not be renewed or replaced. The failure to renew or replace existing contracts and cancellation of existing contracts could have an adverse effect on our business.

International Expansion and Instability

Most of our operations are in Canada, which is relatively stable, but international expansion entails additional political and economic risk. Some of the countries and regions that we have targeted for expansion are undergoing industrialization and urbanization and do not have the economic, political or social stability enjoyed by more developed nations. Other countries have experienced political or economic instability in the past and may be subject to risks beyond our control. These could include war or civil disturbances, political, social and economic instability, corruption, nationalization, terrorism, natural disasters, expropriation without fair compensation or cancellation of contract rights, significant changes in government policies, breakdown of the rule of law, and onerous new regulations, tariffs, taxes and other barriers. As a result, our operations, assets, employees and repatriation of revenue could be impaired or adversely affected by factors related to international expansion. The Company has contracted insurance coverage and Credit Insurance from EDC to reduce certain risks in certain countries.

Pandemics, Force Majeure and Natural Disasters

The Company has been affected by COVID-19 pandemic and may in the future be affected by pandemics similar to the COVID-19 coronavirus pandemic as well as others force majeure events and natural disasters. The likelihood and magnitude of such events are inherently difficult to predict, and their significance is highly uncertain and may depend on factors beyond the Company and its control. A prolonged economic disruption, following such an event or disaster, including the COVID-19 outbreak, may have a material and adverse impact on revenues, cash flow and profitability of the Company, including, without limitation, by compromising employee health and productivity in the workplace, disruption of supply chains and the business of the Company's customers.

Operational Risks and Liability

Risks associated with our drilling operations include, in the case of employees, personal injury and loss of life and, in the case of the Company, damage and destruction to property and equipment, the release of hazardous substances in the environment, and the interruption or suspension of drill site operation due to unsafe drill operations. Any of these events could have an adverse impact on our business, including financial loss, key personnel loss, legal proceedings, and damage to our reputation.

As well, in all aspects of our business, we face external and internal operational risks related to processes, systems and people, including business disruptions, technology failures, theft and fraud, damage to assets, employee safety,

regulatory compliance issues and business integration issues, any of which could have an adverse impact on our business.

Currency Exposure

Orbit Garant conducts some of its activities in US dollars (US \$), in Chilean Pesos (CLP), in Ghanaian Cedi (GHS), in West African Francs (XOF) and in Guinean Francs (GNF) and is thus exposed to foreign exchange fluctuations. As at June 30, 2023, we had US \$, CLP, GHS, XOF and GNF revenue exposures of approximately \$(0.1), \$2.7, \$0.2, \$1.2, and \$0.6 million respectively, expressed in Canadian dollars. This exposure could change in the future and a significant portion of our revenue could potentially be denominated in currencies other than the Canadian dollar, fluctuations of which could cause a negative impact on our financial performance.

Business Interruptions

Business interruptions may result from a variety of factors, including regulatory intervention, delays in necessary approvals and permits, health and safety issues, personnel issues or logistics issues. In addition, we operate in a variety of remote geographic locations, some of which are prone to inclement weather conditions and natural or other disasters, including forest fires. Any business interruptions could have an adverse impact on our business.

Reputational Risk

Any negative publicity, whether true or not, would be a risk to our reputation, and could cause a decline in our customer base, with an adverse impact on our business. As every risk we face could have an impact on our reputation, reputational risk cannot be managed in isolation from other types of risk. It is vital that every employee and representative of the Company upholds our strong reputation by complying with all applicable policies, legislation and regulations as well as by creating positive experiences with our customers, stakeholders and the public.

Corruption, Bribery and Fraud

The Company is required to comply with the Canadian Corruption of Foreign Public Officials Act (“CFPOA”) as well as similar applicable laws in other jurisdictions, which prohibit companies from engaging in bribery or other prohibited payments or gifts to foreign public officials for the purpose of retaining or obtaining business. The Company’s policies mandate compliance with these laws. However, there can be no assurance that the policies and procedures and other safeguards that the Company has implemented in relation to its compliance with these laws will be effective or that Company employees, agents, suppliers or other industry partners have not engaged or will not engage in such illegal conduct for which the Company may be held responsible. Violations of these laws could disrupt the Company’s business and result in a material adverse effect on its business and operations.

Insurance Limits

While we maintain property, general liability and business interruption insurance, there is no guarantee:

- that this insurance will continue to be offered on an economically feasible basis; or
- that all events that could give rise to a loss or liability are insurable; or
- that the amount of insurance we carry will, at all times, be sufficient to cover each and every loss or claim that may occur involving our assets or operations.

Legal and Regulatory Risk

The mining and drilling industries are highly regulated and we are subject to complex legal, environmental and health and safety regulations which may differ in the different jurisdictions where we operate. Failing to comply with regulations could lead to penalties, including fines or even suspension of operations, which could have a significant impact on our

business and on our financial strength and future earnings potential. Furthermore, our mineral exploration customers are also subject to similar legal, regulatory, health and safety regulations which could affect their operations or, in some cases, their decision to go ahead with mineral exploration or mine development. That, in turn, could have a negative impact on our business.

Legislative and Regulatory Changes

Changes to any of the laws, rules, regulations or policies affecting our operations would have an impact on our business and could significantly and adversely affect our operations and financial performance.

Environment, Health and Safety Requirements and Related Risks

Our operations are subject to a broad range of federal, provincial, state and local laws and regulations, as well as permits and other approvals relating to the protection of the environment and workers' health and safety. These laws and regulations govern everything from our operations' air emissions and water discharges to the handling of non-hazardous and hazardous waste (including waste water), and the storage, handling, disposal and clean-up of dangerous goods and hazardous materials such as chemicals, as well as anything else that could have an impact on the health and safety of workers or the general public. We are subject to these laws wherever we operate, in Canada and in other jurisdictions. This means we may be involved from time to time in administrative and judicial proceedings and inquiries relating to Environment, Health and Safety Requirements. Any proceedings or inquiries of that nature could have an adverse effect on our business, financial condition and results of operations.

The drilling activities and operations at our worksites may involve operating hazards that could result in personal injury and loss of life. As noted in the "Insurance Limits" section, there is no guarantee that our insurance will be sufficient or effective against all claims or hazards to which we may be subject or that we will be able to continue to obtain adequate insurance protection. A successful claim or damage resulting from a hazard for which we are not fully insured could have an adverse impact on our business. As well, if our implementation of health and safety and environmental policies is seen to be inadequate, our reputation and relationships with customers may deteriorate, which could lead to the loss of contracts.

Climate Change Risk

The Company operates in various regions and jurisdictions where environmental laws are evolving and are not consistent. Several governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased cost at some of the Company's operations. In addition, the physical effect of climate change, such as extreme weather conditions, natural disasters including forest fires, resource shortages and changing sea levels, could have an adverse financial impact on operations located in the regions where these conditions occur

Cyber-Security Risk

While information systems are integral to supporting the Company's business, due to the nature of the Company's services, it is not considered to be subject to the same level of cyber security risks as companies operating in sectors where sensitive information is at the core of their business. Nevertheless, the Company is potentially exposed to risks ranging from internal human error to uncoordinated individual attempts to gain unauthorised access to its information technology systems, to sophisticated and targeted measures directed at the Company and its systems, clients or service providers. Any such disruptions in the Company's systems or the failure of the systems to operate as expected could, depending on the magnitude of the problem, result in the loss of client information, a loss of current or future business, reputational harm and/or potential claims against the Company, all of which could have an adverse effect on the Company's business, financial condition and operating results. The Company continues to enhance its efforts to

mitigate these risks. It invests in technology security initiatives to better identify and address any vulnerabilities including periodic third party vulnerability assessments, testing user knowledge of cyber security best practices, and audits of security processes and procedures. In addition, the Company continues to increase the employees' awareness of security policies through ongoing communications.

RISKS RELATED TO OUR CAPITAL STRUCTURE AND COMMON SHARES

Equity Market Risks

There are always risks associated with any investment in equity securities. The market price of our Common Shares may fluctuate as it is subject to the impact of numerous domestic and global factors, such as:

- general economic conditions;
- general mining industry and drilling industry conditions;
- general equity market conditions;
- actual or anticipated fluctuations in our results of operations;
- changes in our estimates (or those of securities analysts) of our future results of operations; and
- other risks identified in this section.

Influence of Existing Shareholders

As at September 19, 2023, Pierre Alexandre, our President and Chief Executive Officer held or controlled, directly or indirectly, approximately 24% of our outstanding Common Shares. As a result, he has the ability to influence the Company's strategic direction and policies (including any merger, consolidation or sale of our assets), as well as the election and composition of our Board of Directors. His ability to affect Orbit Garant's control and direction could reduce the Company's attractiveness as a target for potential take-over bids and business combinations, and that, in turn, could affect the price of our Common Shares.

Future Sales of Common Shares by the Company's Existing Shareholders

Certain shareholders, including Pierre Alexandre, hold or control significant blocks of shares of the Company. The decision of any of these shareholders to sell a substantial number of Common Shares in the public market could result in a material imbalance in demand for the Company's shares and therefore a decline in the market price of the Common Shares. In addition, the perception among the public that such sales may occur could also result in a reduction in the market price of the Common Shares.

Dilution

We may raise additional funds in the future by issuing equity securities and holders of Common Shares have no preemptive rights in connection with such further issuances. As well, additional Common Shares may be issued in connection with the exercise of options granted. Any additional equity issuances could, depending on the issue price of the securities, substantially dilute the interests of Common Shareholders.

Dividend Payments

We do not expect to pay dividends, as our policy is to use cash for future growth or debt repayment. As well, our Credit Agreement places restrictions on the declaration of dividends.

Credit Risk

We provide credit to our customers in the normal course of operations, and are therefore subject to the risk of financial loss from defaults. Our policy is to provide credit solely to creditworthy counterparties and to obtain sufficient collateral, where appropriate, as a means of mitigating the risk. On a continuing basis, we carry out credit checks on our customers and maintain provisions for contingent credit losses. Demand for our drilling services depends upon the level of mineral exploration and development activities conducted by mining companies, particularly with respect to gold, nickel and copper.

In order to reduce the credit risk, the Company is using insurance coverage from Export Development Canada (“EDC”) on certain accounts receivable from its customers. The insurance program provides under certain terms and conditions an insurance coverage amount of up to 90% of unpaid accounts. As at June 30, 2023, the amount of the insurance coverage from EDC represents approximately 4% of the amount of the accounts receivable (4% as at June 30, 2022).

As at June 30, 2023, 72% (73% as at June 30, 2022) of the trade accounts receivable are aged as current and 3% are impaired (1% as at June 30, 2022).

Three major customers represent 41% of the trade accounts receivable as at June 30, 2023 (one major customer represented 12% as at June 30, 2022).

One major customer represents 18% of the contract revenue for the year ended June 30, 2023 (for the year ended June 30, 2022, one major customer represented 13% of the contract revenue).

Credit risk also arises from cash and cash equivalents held with banks and financial institutions. This risk is limited because the counterparties are mainly Canadian banks with high credit ratings.

We do not use derivatives to manage credit risk.

Interest Rate Risk

As a significant part of our long-term debt bears interest at variable rates, we are subject to interest rate risk.

As at June 30, 2023 the Company estimates that a 100 basis point increase or decrease in interest rate would have caused a corresponding annual increase or decrease in net earnings (loss) and comprehensive earnings (loss) of \$ 0.2 million (\$0.3 million as at June 30, 2022).

Fair Value

The fair value of cash and cash equivalents, trade and others receivables, trade and others payables and factoring liability is approximately equal to their carrying values due to their short-term maturity.

The fair value of long-term debt is determined using an evaluation of the estimated market value using a discount rate, adjusted for the Company’s own credit risk, that reflects current market conditions.

DIVIDEND POLICY: WE REINVEST IN THE BUSINESS

Our long-standing policy is to reinvest earnings to finance the growth and development of our business. We have not declared any dividends in the past three years, nor do we intend to pay dividends in the foreseeable future. Any future determination to pay cash dividends will be at the discretion of our Board of Directors (“the Board”), and will depend on our financial condition, results of operations, capital requirements and other relevant factors, including any restrictions contained in the Credit Agreement.

DESCRIPTION OF OUR CAPITAL STRUCTURE

Orbit Garant is authorized to issue an unlimited number of Common Shares and an unlimited number of preference shares, issuable in series (the “**Preference Shares**”).

As of June 30, 2023, there were 37,372,756 Common Shares and no Preference Shares issued and outstanding.

Common Shares

Registered holders of our Common Shares are entitled to receive a notice of and attend meetings of Orbit Garant’s shareholders, and to vote at these meetings on the basis of one vote per share. Registered holders are also entitled to participate, on a prorated basis, in any distribution of our net assets in the event of the liquidation, dissolution or winding-up of the Company (subject to any preferential rights of any Preference Shares or any other shares which may rank prior to the Common Shares).

Holders of Common Shares are entitled to dividends, if, as and when declared by the Board, subject to any preferential rights of any Preference Shares, if issued. Holders of Common Shares are not, as shareholders, generally liable for any liability, act or default of the Company.

Preference Shares

The Board may, from time to time, issue Preference Shares in one or more series, and may determine the designations, rights, privileges, restrictions and conditions of any Preference Shares issued.

Stock Option Plan

On the closing of Orbit Garant’s initial public offering, we adopted a stock option plan, which was prepared in accordance with TSX’s policies on listed company security-based compensation arrangements (the “**Stock Option Plan**”). Those eligible for options under the Stock Option Plan include any director, officer or employee of Orbit Garant, of our subsidiaries, a corporation controlled by an eligible individual, or a family trust of which at least one trustee is an eligible person and of which all of the beneficiaries are the eligible person and his or her spouse or children.

The aggregate number of common shares which may be issued from treasury under the Stock Option Plan shall not exceed 10% of the issued and outstanding common shares.

The number of Common Shares which may be issued or reserved for issuance to any one person under the Stock Option Plan, or any other employee-related plan or options for services granted by the Company, may not exceed 5% of the aggregate issued and outstanding Common Shares at that time. Without the approval of our non-insider shareholders, no option will be granted under the Stock Option Plan if the grant would result in the number of Common Shares which may be issued or reserved for issuance under the Stock Option Plan and all other share compensation arrangements exceeding 10% of outstanding Common Shares.

The Board, through the recommendation of the Corporate Governance and Compensation Committee, administers the Stock Option Plan and determines, among other things; options, vesting periods, exercise price and other attributes of the options (pursuant to the Stock Option Plan, applicable securities legislation and the rules of the TSX). The exercise price for any option may not be less than the fair market value (the closing price of the Common Shares on the TSX on the last trading day on which Common Shares traded prior to such day, or the average of the closing bid and ask prices over the last five trading days if no trades occurred over that period) of the Common Shares at the time of the grant of the option. Options may be exercised during a period determined under the Stock Option Plan, and may not exceed 10 years. In the event that an option expires during a Blackout Period (as defined in the Stock Option Plan) or within nine business days following the expiration of a Blackout Period, the expiration of the option will be automatically extended to the tenth business day following the expiration of the Blackout period.

As at June 30, 2023, there were 1,960,000 stock options issued and outstanding.

Options vest at the rate ranging from 20% to 33% per year, commencing 12 months after the date of grant and expire no later than 7 years after the grant date. In the event of a transaction that would result in a “change of control” under the Stock Option Plan, the Board may declare either that all options are then exercisable, or that all (or some) the options may be exercised only within a set 30-day period. Under the Stock Option Plan, a change of control is generally defined as:

- the sale of all (or substantially all) the Company’s assets;
- an acquisition by an offer for a majority of the voting rights attaching to the Common Shares; or
- the completion of a merger or a similar transaction whereby the shareholders of the Company would hold less than 50% of the voting securities of the resulting entity.

If an option holder ceases to be a director, officer or employee of Orbit Garant or one of our subsidiaries, all of that holder’s unvested options will terminate (all options, whether vested or unvested, will terminate if the option holder resigns or is terminated for just cause). Vested options will terminate on the earlier of the expiry date of the option or 30 days after the holder’s termination (unless the event of termination is death or termination not for cause, in which case the period will be extended to one year). Options are not transferable, except that on the death of an option holder, options may be exercised by a legal representative or by a person who acquires the option by bequest or inheritance.

The Board may amend the Stock Option Plan without shareholder approval in instances such as the following:

- (i) amendments of a “housekeeping” nature;
- (ii) a change to the vesting provision of any option;
- (iii) a change to the termination provisions of any option that does not entail an extension beyond the original expiration date;
- (iv) the introduction of a cashless exercise feature payable in securities, whether or not such a feature provides for a full deduction of the number of underlying securities from the Stock Option Plan reserve;
- (v) the addition of a form of financial assistance and any amendment to a financial assistance provision, which is adopted; and
- (vi) a change to the eligible participants of the Stock Option Plan.

THE MARKET FOR OUR SECURITIES

Our Common Shares are listed and posted for trading on the Toronto Stock Exchange (“TSX”) under the symbol “OGD”, as they have been since June 26, 2008. The following table provides the reported high and low prices and the trading volume for the Common Shares on the TSX for the fiscal year ended June 30, 2023:

Year High:	\$0.97
Year Low:	\$0.43
Total Volume	6,071,817

Month	Year	High (C\$)	Low (C\$)	Volume
June	2023	0.91	0.72	332,819
May	2023	0.97	0.75	815,337
April	2023	0.94	0.82	214,297
March	2023	0.89	0.72	588,320
February	2023	0.77	0.50	2,351,047
January	2023	0.65	0.45	1,023,111
December	2022	0.55	0.45	185,730
November	2022	0.80	0.51	157,245
October	2022	0.60	0.46	91,373
September	2022	0.60	0.43	116,007
August	2022	0.75	0.52	131,390
July	2022	0.62	0.50	65,141

ORBIT GARANT'S DIRECTORS AND OFFICERS

Directors:

Name, Province and Country of residence	Position with Orbit Garant	Director since	Principal Occupation (if not with Orbit Garant)
Pierre Alexandre Québec, Canada	Director, President and Chief Executive Officer	2007	
Jean-Yves Laliberté ^{1,3,5} Québec, Canada	Director, Chairman	2008	Corporate Director and Consultant
Pierre Rougeau ^{3,4} Québec, Canada	Director	2020	Corporate Director and Consultant
Nicole Veilleux ^{2,5} Québec, Canada	Director	2020	Corporate Director and Consultant
Mario Jacob ^{3,5} Québec, Canada	Director	2023	Corporate Director and Consultant

(1) Non-Executive Chair of the Board of Directors

(2) Chair of the Audit Committee

(3) Member of the Audit Committee

(4) Chair of the Corporate Governance and Compensation Committee

(5) Member of the Corporate Governance and Compensation Committee

The term of office of each director will expire at the time of the next annual meeting.

Executive Officers:

Name, Province and Country of Residence	Position with Orbit Garant
Pierre Alexandre, Québec, Canada	President, Chief Executive Officer and Director
Daniel Maheu, Québec, Canada	Chief Financial Officer, Corporate Secretary
Sylvain Laroche, Québec, Canada	Chief Operating Officer

In each case, the officer's position with Orbit Garant indicated above is that officer's principal occupation.

Share ownership

As at September 19, 2023, the directors and executive officers, as a group, owned or controlled, directly or indirectly, 9,138,820 Common Shares representing approximately 25% of the outstanding Common Shares of the Company.

Employment History

The principal occupations of the directors and executive officers for the previous five years are described below. Except as otherwise disclosed in this Annual Information Form, no director or executive officer has any material conflict of interest with the Company.

Pierre Alexandre: President, Chief Executive Officer and Director. Mr. Pierre Alexandre co-founded Orbit Garant Drilling in January 2007 and under his leadership the Company has grown to become one of the most prominent Canadian operators in diamond drilling. He was previously the founder, President and CEO of Orbit Drilling (1986). Mr. Alexandre has more than 40 years of experience in the diamond drilling industry, with a particular expertise in operational planning and business relationship development and he has a valuable understanding of how to succeed in the drilling industry. From 1974 to 1983, he worked as a surface driller for various drilling companies. As President and CEO of Orbit Garant, he draws from his hands-on drilling experience to provide technical operating advice to the Company and is still active in generating domestic and international expansion.

Jean-Yves Laliberté: Chair of the Board and Director. Mr. Laliberté has more than 30 years of experience in finance and accounting with extensive experience in the mining sector. From June 2007 to May 2015, he has served as Chief Financial Officer of Cartier Resources Inc., a publicly listed exploration company based in Québec and Director since May 2015. From May of 2008 to April 2011, he served as Chief Financial Officer of Abitex Resources Inc., a publicly listed mineral exploration company based in Québec. Mr. Laliberté is also self-employed. Previously, between April of 2006 and April of 2007, he served as Chief Financial Officer of Scorpio Mining Company. Prior to that, he worked with Richmond Mines Inc., serving as Controller from 1989 to 1994 and as Vice President, Finance for Richmond Mines Inc. and Louvem Mines Inc. from 1994 to 2006. Prior to 1989, he was with KPMG LLP. Mr. Laliberté received his Bachelor degree in Accounting from the Université du Québec en Abitibi-Témiscamingue in 1985 and is a member of the Professional Chartered Accountant (CPA) and an ICD.D certification granted by the Institute of Corporate Directors.

Pierre Rougeau: Chair of the Governance and Compensation Committee and Director. Mr. Rougeau has more than 30 years of experience in finance and business administration and is currently working as a private business consultant. From 2012 to 2014, Mr. Rougeau was Executive Vice President and Chief Financial Officer of Richmond Mines Inc. Prior thereto, he was Executive Vice President, Operations and Sales for AbitibiBowater Inc. (2007 to 2011) and Chief Financial Officer and Senior Vice President, Corporate Development at Abitibi Consolidated Inc. from 2001 to 2007. Mr. Rougeau previously worked in investment banking at Geoffrion Leclerc Inc., Scotia Capital and UBS Warburg, providing corporations with services related to capital raising, mergers and acquisitions, and business valuations (1981 to 2001). Mr. Rougeau has also previously served on the Board of Directors of La Senza Inc. and SFK Pulp.

Mr. Rougeau holds a Bachelor of Science in Business Administration (Accounting) from Saint Louis University and a Master of Science (Finance) from Sherbrooke University.

Nicole Veilleux : Chair of the Audit Committee and Director. Ms. Veilleux is a Chartered Professional Accountant (CPA, auditor) with more than 30 years of experience in finance, including extensive experience in the Quebec mining sector. She worked at Richmond Mines Inc. for approximately 20 years, where she served in a number of senior finance roles. She was Vice President, Finance when the firm was acquired by Alamos Gold Inc. in 2017. Ms. Veilleux also previously served as an Auditor at KPMG LLP and as a Financial Analyst at Norbord Industries Inc. and le Fonds régional de solidarité de l'Abitibi-Témiscamingue. She is currently a member of the Board of Directors of Abcourt Mines Inc., a junior mining company active in Quebec, and was previously a member of the audit and finance committee of the Quebec Mining Association.

Mario Jacob: Director. Mr. Jacob has more than 20 years of experience in corporate finance, including significant experience in Quebec's mining sector. He currently serves as Managing Director of NCP Investment Management, a wealth management firm he co-founded in 2012, and President and Director of Maximus Capital Inc., a consulting firm specializing in corporate financing and reorganization that he founded in 2003. Mr. Jacob is also a Director of Cartier Resources Inc., Dundee Sustainable Technologies Inc. and Soluroc Inc. Previously, he served as a Director of Osisko Exploration James Bay Inc. and its predecessor Virginia Mines Inc. A lawyer by training, Mr. Jacob was called to the Quebec Bar in 1995. He is a certified director in Quebec, having received the ``Administrateur de sociétés certifiées`` (ASC) designation in 2009.

Daniel Maheu: Chief Financial Officer. Mr. Maheu joined Orbit Garant in January 2010 and was appointed Chief Financial Officer in May 2021 and has more than 25 years of experience in Financial Management and Planning. He is responsible for overseeing the financial strategy, planning and analysis, accounting and financial reporting, as well as tax and treasury functions of the Company. He made his debut at Orbit Garant as a Corporate Controller and from 1998 to 2010 he held various management positions in transport companies, including that of Controller and Chief Financial Officer. Mr. Maheu holds a Bachelor's Degree in Administration from HEC Montréal and has the designation of Chartered Professional Accountant (CPA).

Sylvain Laroche: Chief Operating Officer. Mr. Laroche joined Orbit Garant Drilling in 2006. Prior to being appointed as Chief Operating Officer, he held the positions of Corporate Manager, Division Manager and Administration Manager. From 1998 to 2006, he was Human Resources Manager and Operations Manager for Groupe Boisvert, a major company specialized in the transportation of forest products. He has more than 20 years of experience in operations management, business development, administration and he played a key role in the Company's expansion. M. Laroche holds a Bachelor of Business Administration from the Université du Québec. His methodical approach and ability to manage personnel are great assets for the Company, enabling him to bring contract negotiations and the Company's expansion efforts in Canada and around the world to a successful conclusion.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is subject to certain claims and lawsuits from time to time in the course of carrying on our business. With the exception of legal proceedings in which we are involved in the ordinary course of business and which, in our opinion, are not material, the Company is not involved in any legal proceedings at present.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this Annual Information Form, no director, executive officer or shareholder (or any of their known associates or affiliates) who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Common Shares, has had any material interest, direct or indirect, in any transaction within the last three years, or in any proposed transaction, that has or could materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is TSX Trust Company at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

As at September 19, 2023, the following is the only material contract of the Company beyond those which we have entered into in the ordinary course of business.

- (i) The Stock Option Plan.

A copy of this contract is available on SEDAR+ at www.sedarplus.ca.

INTEREST OF EXPERTS

KPMG LLP is the auditor of the Company and is independent within the meaning of the Code of Ethics of the “Ordre des comptables professionnels agréés du Québec”.

AUDIT COMMITTEE INFORMATION

The full text of the Orbit Garant Audit Committee Charter is attached to this document as Appendix “A”. Audit Committee members include, Jean-Yves Laliberté, Pierre Rougeau, Nicole Veilleux and Mario Jacob; all of whom are independent and financially literate within the meaning of the applicable securities laws. For a description of each Audit Committee Member’s education and experience relevant to the performance of his or her responsibilities as an Audit Committee Member, please see “Orbit Garant’s Directors and Officers Employment History”.

Mrs. Nicole Veilleux is the Chair of the Audit Committee

Pre-Approval Policies and Procedures

It is within the Audit Committee’s mandate to review and pre-approve any engagements for non-audit services provided by the Company’s external auditors or their affiliates, together with the fees for these services, and to consider the impact of this on the independence of the external auditors. The Committee determines whether the external auditors should be prohibited from providing any non-audit services to the Company, and may establish a pre-approval procedure to satisfy the Committee’s requirements for all non-audit services.

External Auditor Service Fees (by category)

The following fees were billed by our external auditor, KPMG LLP during the last two fiscal years are set out in the table below. "Audit Fees" refers to the aggregate fees billed for our annual financial statements and for the services normally provided by the auditor in connection with our statutory and regulatory filings. "Audit Related Fees" refers to aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements, but are not reported above in the Audit Fees section. These include due diligence related to mergers and acquisitions, accounting consultations and audits in connection with acquisitions, internal control reviews, assistance with aspects of tax accounting, services not required by state or regulation and consultation regarding financial accounting and reporting standards. "Tax Fees" include fees for professional services billed for tax compliance, advice, planning and assistance with tax specific transactions by the external auditor. "All Others Fees" include all fees billed by the Company's external auditors for services not covered in the other three categories.

Fiscal Year	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees	Total
2023	\$449,507	\$4,280	\$53,019	\$12,600	\$519,406
2022	\$468,298	\$5,350	\$48,466	\$0	\$522,114

ADDITIONAL INFORMATION

Additional information relating to Orbit Garant may be found on the System for Electronic Document Analysis and Retrieval, which may be accessed on SEDAR+ at www.sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Common Shares and securities authorized for issuance under equity compensation plans, if applicable, will be provided in the Information Circular for our Annual Meeting of Shareholders, to be held on November 30, 2023. Additional financial information is also provided in Orbit Garant's Audited Consolidated Financial Statements and Management's Discussion and Analysis for the year ended June 30, 2023.

APPENDIX A

ORBIT GARANT DRILLING INC. ("Orbit Garant" or the "Corporation")

CHARTER OF THE AUDIT COMMITTEE (the "Committee")

1. Objectives

The Committee will assist the Corporation's board of directors (the "**Board of Directors**" or the "**Board**") in fulfilling its oversight responsibilities, in particular by reviewing the Corporation's accounting framework, financial and performance information, internal controls, risk tolerance and compliance with applicable legislation. In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management of the Corporation ("**Management**") and external auditors.

2. Interpretation, Composition and Meeting Particulars

- Key definitions are found in *Schedule 1*.
- Details on Composition are found in *Schedule 2*.
- Details on Meetings and Resources are found in *Schedule 3*.

3. Responsibilities and Duties

3.1 General Responsibilities

While the Committee has the responsibilities and powers set forth below, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate. This is the responsibility of Management and the external auditors. It is the duty of the Committee to conduct investigations, to resolve disagreements, if any, between Management and the external auditors and to assure compliance with laws and regulations. The Audit Committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between Management and the external auditor, regarding financial reporting (Section 2.3 (3) of Regulation 52-110).

3.2 Review of Mandate of the Committee

The Board of Directors shall review and reassess the adequacy of this mandate on an annual basis.

3.3 Public disclosed financial information

3.3.1 The Committee shall review and recommend for approval by the Board of Directors, before release to the public:

3.3.1.1 unaudited interim condensed consolidated financial statements;

3.3.1.2 audited consolidated annual financial statements, in conjunction with the report of the external auditors;

- 3.3.1.3 all public disclosure documents containing audited or unaudited financial information, including any prospectus, the annual information form and the management's discussion and analysis of financial condition and results of operations, as well as related press releases, including earnings guidance; and
 - 3.3.1.4 the compliance of Management certification of financial reports with applicable legislation and attestation of the Corporation's disclosure controls and procedures.
 - 3.3.2 The Committee shall review and report to the Board of Directors any report or document which accompanies published financial statements (to the extent such a report discusses financial condition or operating results) or which includes financial information extracted or derived from the financial statements of the Corporation for consistency of disclosure with the financial statements themselves.
 - 3.3.3 In its review of financial statements, the Committee should obtain an explanation from Management of all significant variances between comparative reporting periods and an explanation from Management for items which vary from expected or budgeted amounts as well as from previous reporting periods.
 - 3.3.4 In its review of financial statements, the Committee should review and report to the Board of Directors any unusual or extraordinary items, transactions with related parties, and adequacy of disclosures, asset and liability carrying values, income tax status and related reserves, qualifications, if any, contained in letters of representation and business risks, uncertainties, commitments and contingent liabilities.
 - 3.3.5 The Committee shall review any litigation, claim or other contingency and any regulatory or accounting initiative that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee.
 - 3.3.6 In its review of financial statements, the Committee shall review the appropriateness of the Corporation's significant accounting principles and practices, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices.
- 3.4 Financial reporting and accounting trends

The Committee shall:

- 3.4.1 review and assess the effectiveness of accounting policies and practices concerning financial reporting;
- 3.4.2 review with Management and with the external auditors any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of Management that may be material to financial reporting;
- 3.4.3 question Management and the external auditors regarding significant financial reporting issues discussed and the method of resolution; and
- 3.4.4 review general accounting trends and issues of accounting policy, standards and practices which affect or may affect the Corporation.

3.5 Internal controls

- 3.5.1 The Committee shall review and monitor the Corporation's internal control procedures, programs and policies, and assess the adequacy and effectiveness of internal controls over the accounting and financial reporting systems.
 - 3.5.2 The Committee shall review:
 - 3.5.2.1 the evaluation of internal controls by the external auditors, together with Management's response;
 - 3.5.2.2 the working relationship between Management and external auditors; and
 - 3.5.2.3 internal control procedures to ensure compliance with the law and avoidance of conflicts of interest.
 - 3.5.3 The Committee shall undertake private discussions with staff in charge of the audit function to establish internal audit independence, the level of co-operation received from Management, the adequacy and effectiveness of internal controls, details on any related party transaction, the degree of interaction with the external auditors, and any unresolved material differences of opinion or disputes.
- 3.6 External auditors
- 3.6.1 The Committee shall recommend to the Board of Directors the appointment of the external auditors, which must be a member of the Canadian Public Accountability Board (CPAB). The external auditors shall report directly to the Audit Committee (section 2.2 of Regulation 52-110) and that the Audit Committee shall be directly responsible for overseeing the work of the external auditors (section 2.3 (3) of Regulation 52-110).
 - 3.6.2 The Committee shall receive every year a report from the external auditors regarding the auditors' independence, discuss such report with the auditors, and if so determined by the Committee, recommend that the Board of Directors take appropriate action to satisfy itself as to the independence of the auditors.
 - 3.6.3 The Committee shall take appropriate steps to assure itself that the external auditors are satisfied with the quality of the Corporation's accounting principles and that the accounting estimates and judgments made by Management reflect an appropriate application of International Financial Reporting Standards (IFRS).
 - 3.6.4 The Committee shall undertake private discussions on a regular basis with the external auditors to review, among other matters, the quality of financial personnel, the level of co-operation received from Management, any unresolved material differences of opinion or disputes and the effectiveness of the work of the internal audit.

If considered appropriate, the Committee shall establish separate systems of reporting to the Committee by each of Management and the external auditor.
 - 3.6.5 The Committee shall review the terms of the external auditors' engagement and the appropriateness and reasonableness of the proposed audit fees as well as the compensation of any advisors retained by the Committee and shall make recommendations in that respect to the Board of Directors.

- 3.6.6 The Committee shall review and pre-approve any engagements for non-audit services provided by the external auditors or their affiliates, together with the fees for such services, and consider the impact of this on the independence of the external auditors in accordance with Schedule 4. The Committee shall determine what the non-audit services are, that the external auditors are prohibited from providing to the Corporation and may establish a procedure to satisfy the pre-approval requirements by the Committee of all non-audit services in accordance with Schedule 4.
- 3.6.7 When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by regulations and the planned steps for an orderly transition.

The Committee shall review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant it.
- 3.6.8 The Committee shall review all reportable events, including disagreements, unresolved issues and consultations on a routine basis whether or not there is to be a change of auditors.
- 3.6.9 When discussing auditor independence, the Committee will consider both rotating the lead audit partner or audit partner responsible for reviewing the audit after a certain number of years and establishing hiring policies for employees or former employees of its external auditor.
- 3.6.10 The Committee must review and approve, if applicable, the Corporation's hiring policies regarding partners, employees or former partners and employees of the present and former external auditors of the Corporation.

3.7 Audit procedures

- 3.7.1 The Committee shall review the audit plans and shall inquire as to the extent to which the planned audit scope can be relied upon to detect weaknesses in internal control or fraud or other illegal acts. The audit plan should be reviewed with the external auditors and with Management, and the Committee should recommend to the Board of Directors the scope of the external audit as stated in the audit plan.
- 3.7.2 The Committee shall review any problems experienced by the external auditors in performing the audit, including any restrictions imposed by Management or significant accounting issues on which there was a disagreement with Management.
- 3.7.3 The Committee shall review the post audit or Management letter containing the recommendations of the external auditors, and Management's response and subsequent follow-up to any identified weakness.

3.8 Risk Management and other responsibilities

- 3.8.1 The Committee shall put in place procedures to receive and handle complaints or concerns received by the Corporation about accounting or audit matters including the anonymous submission by employees of concerns respecting accounting or auditing matters.
- 3.8.2 The Committee shall review such litigations, claims, transactions or other contingencies as the external auditors or any officer of the Corporation may bring to its attention, and shall periodically review the Corporation's Risk Management Programs and Comprehensive Computer Disaster Recovery Plans.

- 3.8.3 The Committee shall examine any proposed policy of the Corporation on use of derivatives and monitor any risk associated thereto.
- 3.8.4 The Committee shall review the related party transactions in line with the applicable securities rules and regulations.
- 3.8.5 At the request of the Board of Directors, the Committee shall review business risks that could affect the ability of the Corporation to achieve its business plan.
- 3.8.6 The Committee shall review uncertainties, commitments, and contingent liabilities material to financial reporting.
- 3.8.7 The Committee shall review the effectiveness of control and control systems utilized by the Corporation in connection with the financial reporting of the Corporation.
- 3.8.8 The Committee shall review material valuation issues.
- 3.8.9 The Committee shall review the quality and accuracy of accounting systems, the adequacy of the protections against damage and disruption, and security of confidential information through information systems reporting of the Corporation.
- 3.8.10 The Committee shall review material matters relating to audits of subsidiaries.
- 3.8.11 The Committee shall review cases where Management has sought accounting advice on a specific issue from an accounting firm other than the one appointed as auditor.
- 3.8.12 The Committee shall review any legal matters that could have a significant impact on the financial statements.
- 3.8.13 The Committee shall consider other matters of a financial nature it feels are important to its mandate or as directed by the Board of Directors.
- 3.8.14 The Committee shall report regularly to the Board of Directors on its proceedings, reviews undertaken and any associated recommendations.
- 3.8.15 The Committee shall have the right, for the purpose of discharging the powers and responsibilities of the Committee, to inspect any relevant records of the Corporation and its subsidiaries.

4. Compensation

Members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may determine from time to time.

No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory or other compensatory fee from the Corporation or any of its related parties or subsidiaries.

Approved by the Board of Directors on May 9 , 2019

Schedule 1

Interpretation

“Accounting or Related Financial Experience” means the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with International Financial Reporting Standards (IFRS).

“Audit Services” means the professional services rendered by the issuer’s external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with the laws applicable in securities matters.

“Committee” means the Audit Committee of the Board of Directors of the Corporation.

“Executive Officer” means, with respect to an entity, an individual who is chair of the entity, President and Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer, a Vice President of a principal business unit, an officer of any subsidiary or any other individual who performs policy-making functions in respect of an entity.

“External Auditor” means a public accounting firm that is retained by the Corporation or any of its subsidiaries to provide Audit Services to the Corporation or any of its subsidiaries, including each of such firm’s affiliated member firm;

“Financially Literate” An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements.

“Unrelated or Independent Directors” means a director who is “independent” within the meaning set out in National Policy 52-110 – *Audit Committees*.

“Non-audit services” means services other than “**Audit Services**”

“Public Traded Subsidiary” means a subsidiary company, participating voting shares of which are listed for trading on a recognized stock exchange.

Schedule 2

1. Composition

- 1.1 The Committee shall consist solely of Independent Directors, all of whom shall be Financially Literate and at least one of whom shall have Accounting or Related Financial Experience;
- 1.2 Following each Annual General Meeting of Shareholders, the Board of Directors shall elect a minimum of three Directors and a maximum of five Directors, who shall meet all independence and experience requirements, to serve on the Committee until the close of the next Annual General Meeting of Shareholders of the Corporation or until the member ceases to be a Director, resigns or is replaced, whichever first occurs. Any member may be removed from office or replaced at any time by the Board of Directors. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all the powers of the Committee so long as quorum remains.
- 1.3 The Board of Directors shall appoint one of the members of the Committee as the chairman of the Committee (the "**Chairman**"). If the Chairman is absent from a meeting, the members shall select a Chairman from those in attendance to act as Chairman of the meeting.

Schedule 3

1. Meetings and Resources

Regular meetings of the Committee shall be held at least quarterly. The Committee should meet within 45 days following the end of the first three financial quarters of the Corporation and shall meet within 90 days following the end of the fiscal year of the Corporation. The Committee shall have one additional meeting annually for the purposes of discussing general topics relevant to the Committee. Special meetings of the Committee may be called by the Chairman of the Committee, the external auditors, the Chairman of the Board of Directors of the Corporation or the Chief Financial Officer of the Corporation.

- 1.1 The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than a majority of the acting members of the Committee from time to time.
- 1.2 Unless otherwise determined by the Board of Directors, the Committee shall have the power to fix its quorum and to regulate its procedure. Matters decided by the Committee shall be decided by majority vote.
- 1.3 Notice of each meeting shall be given to each member, the external auditors, the Chairman of the Board of Directors of the Corporation, the President and CEO and the Chief Financial Officer of the Corporation, any or all of whom shall be entitled to attend, unless a member of that Committee believes that there is a potential conflict of interest in which event only members of the Committee and such other people that the Committee determines necessary will be permitted to attend.
- 1.4 Members of the Committee shall have full access to information of the Corporation (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Corporation with Management, employees, the external auditor and others as they consider appropriate.
- 1.5 Notice of Meeting, may be given orally or by letter, telephone facsimile transmission, telephone or electronic device not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting. The Notice need not state the purpose or purposes for which the meeting is being held.
- 1.6 Opportunities should be afforded periodically to the external auditors and the senior Management to meet separately with the Committee. The Committee and the Chairman should meet at least once per year with Management and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chairman should meet with Management quarterly in connection with the Corporation's interim financial statements.
- 1.7 The Committee shall have the authority to retain special legal counsel, accountant or other consultants as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee at the Corporation's expense. The Audit Committee has the authority to set and pay the compensation for any advisors employed by the Audit Committee (section 4.1 of Regulation 52-110).
- 1.8 The Chairman of the Committee shall appoint a Secretary of all meetings of the Committee and such Secretary shall maintain minutes of all meetings and deliberations of the Committee. A copy of the minutes shall be provided to each member of the Committee.

Schedule 4

POLICY REGARDING PRE-APPROVAL OF SERVICES PROVIDED BY THE EXTERNAL AUDITOR

1. GENERAL

- 1.1 **Purpose.** The Corporation and its subsidiary entities engage its External Auditor from time to time to provide both Audit Services and Non-Audit Services. The Corporation believes that it may be appropriate to engage the External Auditor to provide certain Non-Audit Services given that the External Auditor possesses unique knowledge of the business and affairs of the Corporation and its subsidiaries and can provide necessary and valuable services to the Corporation and its subsidiaries. The Committee has established this Policy for the pre-approval of services provided to the Corporation and its subsidiaries by the External Auditor for the purpose of identifying, mitigating and/or eliminating potential threats to the independence of the External Auditor.
- 1.2 **Application.** This Policy applies to the Corporation and all of its subsidiary entities. Similar policies are in place at the Publicly Traded Subsidiaries, governing these subsidiaries and their subsidiaries.
- 1.3 **Reporting.** Individuals, who become aware of a situation or incident where this Policy has been, or may be breached, must report the situation or incident immediately. Officers or employees of the Corporation or any of its wholly owned subsidiary entities should report to an Executive Officer of the Corporation. Members of the Board of Directors should report to the Chairman of the Board of the Corporation.
- 1.4 **Consequences of Non-Compliance with this Policy.** Any Director, Officer or other employee of the Corporation or any of its wholly owned subsidiary entities who violates this Policy may face disciplinary action up to and including termination of his or her appointment or employment. Violation of this Policy could also result in other sanctions and/or liability for damages for the director, officer or other employee and/or the Corporation.

2. AUDIT SERVICES

The Committee's approval of the terms of the engagement of the External Auditor for Audit Services and the recommendation to the Board of Directors that a public accounting firm be appointed; the External Auditor of the Corporation shall constitute pre-approval of the Audit Services set forth in Schedule A, ("Audit Services") which Schedule shall be reviewed periodically by the Committee and amended as the Committee may deem necessary or advisable.

3. NON-AUDIT SERVICES

- 3.1 **Prohibited Non-Audit Services.** Neither the Corporation nor any of its subsidiary entities shall engage the External Auditor to provide, directly or indirectly, any of the Non-Audit Services set forth in Schedule B ("*Prohibited Non-Audit Services*").

3.2 Permitted Non-Audit Services Budget.

- (a) The CFO shall submit a detailed annual budget, prior to the start of each fiscal year, of Permitted Non-Audit Services (the “Permitted Non-Audit Services Budget”) that the CFO would like to have pre-approved for the upcoming fiscal year. The Committee shall review and, if appropriate, recommend to the Board of Directors that the Permitted Non-Audit Services Budget be approved. At each quarterly meeting of the Committee the CFO shall provide the Committee with a reconciliation of the actual amount of Permitted Non-Audit Services actually incurred against the amount anticipated in the Budget and their best estimate of any additional Permitted Non-Audit Services specific services that they would like to have the Auditor perform. The Committee shall review and, if appropriate, recommend to the Board of Directors that the amended Permitted Non-Audit Services Budget presented at that quarterly meeting be approved.
- (b) Any specific requests for engaging the External Auditor to provide a Permitted Non-Audit Service that does not form part of the Permitted Non-Audit Services Budget (and therefore has not been pre-approved) will be made by the CFO directly to the Chairman of the Committee; provided, however, that at no time can the aggregate of the Permitted Non-Audit Service that has not been pre-approved exceed five percent (5%) of the total amount of fees reasonably expected to be paid to the Auditor in that fiscal year (the “Maximum Non-Approved Permitted Non-Audit Services”). At each meeting of the Committee they shall review and, if appropriate, approve the Permitted Non-Audit Services that were not pre-approved and have been incurred. If the Committee does not approve that expenditure the Maximum Non-Approved Permitted Non-Audit Services for that fiscal year shall be reduced by the amount of the expenditure incurred. If the Committee approves that expenditure the Permitted Non-Audit Services Budget shall be deemed to be amended accordingly and the Maximum Non-Approved Permitted Non-Audit Services shall be re-set as if the expenditure had not been incurred.

3.3 **Independence.** In reviewing Permitted Non-Audit Services for pre-approval, the Committee shall consider the impact of all such services and associated fees on the independence of the External Auditor.

3.4 **Corporate Procedures.** The Committee may establish and maintain appropriate procedures to implement this Policy.

3.5 **Procedures of the External Auditor.** The Corporation shall provide a copy of this Policy to the External Auditor and shall require that the External Auditor implement its own policies and procedures to ensure that Prohibited Non-Audit Services are not provided to the Corporation or to any of its subsidiary entities and that all Permitted Non-Audit Services that are provided to the Corporation or to any of its subsidiary entities have been pre-approved in accordance with this Policy.

3.6 **Publicly Traded Subsidiaries.** The Committee shall require that the Secretary of the Committee, table a report annually, from the Secretary of each Publicly Traded Subsidiary’s Audit confirming that:

- (i) such subsidiary has in place a policy substantially the same as the Policy, governing such subsidiary and its subsidiaries; and
- (ii) that the policy of such subsidiary governing Audit Services, Prohibited Non-Audit Services and Permitted Non-Audit Services conforms with Policy and the appropriate Schedules under paragraph 2 and 3 hereof.

Schedule A

AUDIT SERVICES – ORBIT GARANT DRILLING

1. Audits of Consolidated Financial Statements and services normally provided in connection with statutory and regulatory filings or engagements, including consultation on accounting issues, attendance at Audit Committee meetings and other services integral to audits of financial statements for the Corporation and its subsidiaries.
2. Compliance letters, agreed-upon procedures, reviews and similar reports based on Audited Consolidated Financial Statements for the Corporation and its subsidiaries.
3. Other audit engagements that may become necessary in compliance with future regulatory requirements, including audit of Management's assessment of internal controls and audit of internal controls. Services include coordination and review activities that assist in identifying potential audit considerations associated with an anticipated attest engagement.

Schedule B

PROHIBITED NON-AUDIT SERVICES

1. **Management Functions:** make a Management decision or perform Management functions for the Corporation or any of its subsidiary entities including: (i) authorizing, approving, executing or consummating a transaction; (ii) having or exercising authority on behalf of the Corporation or any of its subsidiary entities; (iii) determining which recommendation of external auditor will be implemented; or (iv) reporting in a Management role to those charged with governance of the Corporation or any of its subsidiaries entities.
2. **Journal Entries and Sources Documents:** (i) prepare or change a journal entry, determine or change an account code or a classification for a transaction or prepare or change another accounting record without the approval of Management; or (ii) prepare a source document or originating data, or make a change to such a document or data.
3. **Accounting or Bookkeeping:** accounting or bookkeeping services related to the accounting records or financial statements to be audited including: (i) maintaining or preparing the accounting records of the Corporation or any of its subsidiary entities; (ii) preparing the financial statements or preparing financial statements which form the basis of the financial statements on which the audit report is provided; or (iii) preparing or originating source data underlying such financial statements, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during the audit of such financial statements.
4. **Valuation:** valuation services to the Corporation or any of its subsidiary entities unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during the audit of the financial statements.
5. **Actuarial:** actuarial services to the Corporation or any of its subsidiary entities unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during the audit of the financial statements.
6. **Internal Audit:** internal audit services to the Corporation or any of its subsidiary entities that relate to the internal accounting controls, financial systems or financial statements of the Corporation or any of its subsidiary entities unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during the audit of the financial statements.
7. **Financial Information Systems Design and Implementation:** financial information systems design or implementation services where such services involve; (i) directly or indirectly operating, or supervising the operation of the information system of the Corporation or any of its subsidiary entities, or managing the local area network of the Corporation or any of its subsidiary entities; (ii) designing or implementing a hardware or software system that aggregates source data underlying the financial statements or generates information that is significant to the financial statements or other financial information systems of the Corporation or any of its subsidiary entities taken as a whole, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the financial statements.
8. **Expert and Legal:** expert opinion or other expert services for the purpose of advocating the interest of the Corporation or any of its subsidiary entities in a civil, criminal, regulatory, administrative or legislative proceeding or investigating, or legal services.

9. **Human Resources:** provide any of the following services to the Corporation or any of its subsidiary entities: (i) searching for seeking out prospective candidates for Management, executive or director positions; (ii) engaging in psychological testing, or other formal testing or evaluation programs; (iii) undertaking reference checks of prospective candidates for an executive or director position; (iv) acting as a negotiator or mediator on behalf of the Corporation or any of its subsidiary entities with respect to employees or future employees with respect to any condition of employment, including position, status or title, compensation or fringe benefits; or (v) recommending or advising the entity to hire a specific candidate for a specific job.
10. **Corporate Finance:** (i) promoting, dealing in or underwriting the securities of the Corporation or any of its subsidiary entities; (ii) making investment decisions on behalf of the Corporation or any of its subsidiary entities, or otherwise having discretionary authority over the investments of the Corporation or any of its subsidiary entities; (iii) executing a transaction to buy or sell investment of the Corporation or any of its subsidiary entities; or (iv) having custody of assets of the Corporation or any of its subsidiary entities, including taking temporary possession of securities purchased by the Corporation or any of its subsidiary entities.
11. **Other Services:** any other services prohibited by the Canadian Institute of Chartered Accountants, the Canadian Public Accountability Board or other regulatory body of competent jurisdiction.

Schedule C

ORBIT GARANT DRILLING

**PRE-APPROVED LIST
PERMITTED NON-AUDIT SERVICES**

A. AUDIT-RELATED SERVICES

1. Reviews of securities filing, letters to underwriters and other services related to financings for the Corporation and its subsidiaries.
2. Review of unaudited interim condensed consolidated financial statements of the Corporation and related regulatory filings.
3. Audits/specified procedures related to reports and filings.

B. TAX SERVICES

Tax consultations and assistance for the Corporation, its subsidiaries and certain mutual funds in connection with all tax matters, including, without limitation, income taxes, property taxes, commodity taxes, capital taxes and payroll taxes.

C. OTHER SERVICES

1. Translation services for Unaudited Interim Condensed Consolidated and Audited Consolidated Annual Financial Statements, MD&A, quarterly and annual reports to shareholders and if applicable, Annual Information Forms, for the Corporation and its subsidiaries.
2. Financial and tax due diligence on proposed acquisitions, divestitures or discontinued operations for the Corporation and its subsidiaries.