

**GEODRILL LIMITED**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

Management’s discussion and analysis (“MD&A”) is a review of the operations, the liquidity and the results of operations and capital resources of Geodrill Limited (“Geodrill”) including its wholly owned subsidiaries, Geodrill Ghana Ltd, Geodrill Mauritius Limited, Geodrill Cote d’Ivoire SARL, Drilling Services Malta Limited, Vannin Resources, Unipessoal Limitada, Geodrill Sondagens LTDA, Silver Back Egypt for Mining and Drilling Services S.A.E., Geodrill for Leasing and Specialized Services Freezone LLC, Geodrill Leasing Company Limited, Geodrill Senegal SARL, Company AL-TANQIB AL-MUTAKHIS For Mining LLC, Geodrill Zambia Limited being Geodrill Limited’s registered foreign Zambian operating entity, Geodrill Mali being Geodrill Cote d’Ivoire SARL’s registered foreign Mali operating entity, Geodrill Mauritius Egypt Branch Limited being Geodrill Mauritius Limited’s registered foreign Egypt operating entity, Recon Drilling S.A.C. of which Geodrill owns a 95% shareholding, Recon Drilling Chile SPA of which Geodrill owns a 95% shareholding and Geo-Drill SARL of which Geodrill owns a 95% shareholding, GTS Drilling Ltd a company under common control, collectively referred to as the “Group”. The consolidated financial statements were prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB). This discussion contains forward-looking information. Please see “Forward-Looking Information” for a discussion of the risks, uncertainties and assumptions relating to this MD&A.

This MD&A should be read in conjunction with the audited annual consolidated financial statements for the years ended December 31, 2025 and 2024 and notes thereto.

This MD&A is dated February 28, 2026. Disclosure contained in this document is current to that date unless otherwise stated.

Additional information relating to Geodrill, including Geodrill’s Annual Information Form, can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

All references to “US\$” are to United States dollars and all references to “CAD\$” are to Canadian dollars.

**FORWARD-LOOKING INFORMATION**

This MD&A contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Group, future growth, results of operations, capital needs, performance, business prospects and opportunities. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “believes” or variations (including negative variations) of such words or by the use of words or phrases that state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking information is based on certain assumptions and analyses made by the Group in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained in this MD&A. Although the Group has attempted to identify important factors that could cause actual actions, events or results to differ

materially from those described in such forward-looking information, there may be other factors that may cause actions, events or results to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize or should assumptions underlying such forward-looking information prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking information contained in this MD&A.

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

## **Corporate Overview**

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

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

The state-of-the-art workshops and supply bases at Anwiankwanta, Ghana, at Bouake, Cote d’Ivoire, at Marsa Alam, Egypt and at La Serena, Chile provide centralized locations for storage of inventory, equipment and supplies, which in turn minimizes trucking, shipping and supply costs and allows the rigs and inventory to be mobilized to drill sites with minimal delay.

## **Business Strategy**

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

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

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

### **Africa**

**West Africa:** The Group continues to maintain its strong presence in West Africa operating in Ghana, Cote d’Ivoire and Senegal, supported by numerous multi-rig, multi-year contracts with tier one clients. Management’s plans for West Africa are to add more rigs for existing clients, add new clients and to consider new countries in West Africa to operate in.

**Middle East and North Africa (“MENA”):** The Group continues to operate and maintain and grow its strong presence in Egypt, supported by its multi-rig, multi-year underground contract with a tier one client. The Group has incorporated a company in the Kingdom of

Saudi Arabia in anticipation of tendering on drilling contracts. Management's plans for MENA are to add more rigs for existing clients, add new clients and to consider new countries in MENA to operate in.

### South America

Chile and Peru: The Group operates in Chile. In Chile the Group was able to secure a multi-rig, multi-year contract and was able to diversify its client base so it can drill throughout the winter season. Management's intention is to focus on Chile, on large clients and multi-rig jobs and to continue to add rigs and clients. The Group believes having a significant operation in Chile is important and has moved all rigs and ancillary support equipment from Peru to Chile and completed its last job in Peru in the fourth quarter of 2025. In addition to Chile and Peru, the Group has a corporate entity in Brazil (although the Group is not active in Brazil). Management's plans for South America are to add more rigs for existing clients, add new clients and to consider new countries in South America to operate in.

- **A Modern Fleet of Drill Rigs and World Class Workshops:** The Group has accumulated modern state-of-the-art drilling rigs, and continues to invest in additional rigs and ancillary equipment with established centrally located world class workshops to promote client satisfaction through reliable operational performance. In addition, within the workshop in Ghana is a manufacturing facility with the capacity to produce ancillary equipment such as RC drill rods and RC wire-line drill subs in-house, reducing downtime and reliance on suppliers for these items.
- **Establishing, building and maintaining long-standing relationships with customers:** The Group has strong client relationships. Typically, a longer term client relationship for the Group originally commenced as a short term drill contract won under a competitive bidding process, which has been continually renewed as the respective drilling program of the client has progressed through various phases.
- **Support of well-established international and local vendors:** The Group has maintained long standing relationships with international vendors in Australia, Europe, North and South America and China and has also been supported in West Africa, Egypt and Chile by local branches of these suppliers and other local suppliers.
- **Local Knowledge:** The Group's local market knowledge, expertise and experience have enabled the Group to further develop the local networks required to support its operations.
- **Presence in West Africa, Egypt and South America:** The Group is able to mobilize drill rigs and associated ancillary equipment on a timely basis at the request of a client. The well-resourced, centrally located workshops further reduce downtime, as the Group can fairly quickly reach most of its current customer sites.
- **An Active and Experienced Management Team:** The Group is led by Dave Harper, President and Chief Executive Officer, Terry Burling, Chief Operating Officer, Greg Borsk, Chief Financial Officer and Greig Rodger, Executive General Manager. This group is also supported by: Stephan Rodrigue, Zone Manager – Francophone West Africa and Don Seguin, Health, Safety and Environmental ("HSE") Manager.
- **A Skilled and Dedicated Workforce:** A favorable compensation and benefits package, coupled with the Group's track record of quality hiring and commitment to frequent, relevant continuous training programs for both permanent and contract employees, has reduced unplanned workforce turnover

even during robust mining cycles. This has also increased efficiency and productivity, ensuring the availability and continuity of a skilled labor force.

- **Environmental, Social and Governance (ESG):** The Group has always considered our ESG initiatives first and foremost and it is at the center of everything we do. Operating in the mining sector, our impact on the environment has been a key focus for the Group as we continually strive to improve the environment. Our Social impact has been focused on the communities we work in, giving back to the orphanages, schools and shelters but also making sure we transfer the expertise and knowledge of our most experienced employees in developing local employees. Our governance initiatives, including our code of conduct and ethics policy, whistleblower policy, bribery and diversity policy, are developed by our board of directors and carried out by senior management throughout the organization so that each stakeholder of the Group understands the importance of good governance.
- **Maintaining a high level of safety standards to protect its people and the environment:** The Group's HSE Department oversees the design, implementation, monitoring and evaluation of the Group's HSE standards, which standards are generally considered to be stringent standards for drilling firms globally and are higher than what is currently required in all local markets in which the Group currently operates. Every aspect of the Group's operations is designed to meet the highest HSE standards and includes induction meetings, at least one safety meeting per work site, including non-exploration work sites, regular safety audits and detailed investigations of incidents.
- **Commitment to Excellence:** The Group is committed to being a company of the highest standards in every aspect of its business operations. This is the framework used by the Group to guide its personnel towards the Group's goals and to be the customer-preferred partner in providing world class drilling services.

### **Market Participants and Geodrill's Client Base**

The Group currently operates in Ghana, Cote d'Ivoire, Senegal, Egypt and Chile. The Group's drilling focus is still principally on gold and is still primarily in West Africa, however, the Group has diversified its geographic footprint and also provides drilling services to clients in Egypt and Chile. The Group will take advantage of drilling opportunities in other minerals, including copper, lithium, zinc, iron ore, manganese, uranium, phosphate and energy. In addition, the proximity to other Middle Eastern and African countries and other South American countries positions the Group favorably in its ability to service these markets as well, if it so chooses.

In addition, given the short-term nature of certain drilling contracts, there can be no assurance that any contract that the Group currently has will be extended or renewed on terms favorable to the Group. In the event that any of its current contracts are not extended or renewed on favorable terms, or replaced with new contracts, this could have a significant impact on the Group's operations.

For the year ended December 31, 2025, one customer contributed 17% to the Group's revenue.

For the year ended December 31, 2024, three customers contributed 40% to the Group's revenue.

### **OUTSTANDING SECURITIES AS OF DECEMBER 31, 2025**

Geodrill is authorized to issue an unlimited number of Ordinary Shares. As of December 31, 2025, Geodrill has the following securities outstanding:

Number of Ordinary Shares	47,119,870
Number of Options	<u>3,420,000</u>
Diluted	<u>50,539,870</u>

For the year ended December 31, 2025, 750,000 options were settled for cash, 390,000 options were issued and 91,700 shares were re-purchased, of which 43,300 shares were cancelled before December 31, 2025, under the Normal Course Issuer Bid (“NCIB”). Subsequent to the year end and up to and including February 28, 2026, 55,800 shares were re-purchased and 93,700 were cancelled before February 28, 2026, under the NCIB but no further shares were issued as a result of options being exercised and no further options were issued.

## OVERALL PERFORMANCE

The Group generated its highest ever revenue of US\$184.9M for 2025, an increase of US\$41.9M or 29% when compared to US\$143.1M for 2024. The record revenue was a result of the Group’s ability to maintain a strong presence in West Africa and Egypt where revenue increased by US\$20.7M. In addition to the increase in revenue in West Africa and Egypt, the Group’s strategy to diversify its operations to South America including the significant ramp-up of operations in South America in 2025, resulted in an increase of revenue of US\$21.2M in South America for 2025 compared to 2024.

The gross profit for 2025 was US\$33.4M, compared to a gross profit of US\$34.7M for 2024, being a decrease of US\$1.3M. The gross profit margin for 2025 was 18% and for 2024 it was 24%, a decline of 25%.

In West Africa and Egypt, the gross profit margin decline was due to a change in the meter mix towards more core meters versus reverse circulation meters, the impact of higher wages, inflationary costs and the appreciation of the Ghana Cedi in the year, resulting in higher cost of sales for payroll and other costs originating in this local currency.

South America continued to operate at a gross profit loss for 2025 and 2024. The Group has made the strategic decision to ramp up its South American operations and has increased the rig count to 19 drill rigs in South America as at December 31, 2025, up from 10 rigs as at December 31, 2024. In conjunction with approximately doubling the number of rigs over the year, revenue increased from US\$8.2M in 2024 to US\$29.4M in 2025, or by approximately US\$21.2M. The Group has, however, incurred cost of sales exceeding revenue in 2025 in relation to the rapid ramp up and starting of jobs in South America. The gross loss in 2025 was predominately from our large job in Chile that significantly ramped up in 2025, resulting in additional costs for staffing, training, and safety, and it took longer to start drilling while incurring costs in anticipation of drilling. Furthermore, once operational, the Group was not able to achieve acceptable drilling time in 2025 due to onboarding delays, coupled with operational issues which adversely affected revenue resulting in a gross loss, as the majority of the costs were fixed salaries and fixed operating costs. In 2024, the gross loss related to not having economies of scale in South America and periods of no drilling activity during winter months. (See “Supplementary Disclosure – Non IFRS Measures” on page 17).

The selling, general and administrative (“SG&A”) expenses for 2025 were US\$20.5M, being 11% of revenue compared to SG&A of US\$16.6M, being 12% of revenue for 2024.

The expected lifetime credit recovery for 2025 was US\$0.5M compared to an expected lifetime credit recovery of US\$3.9M for 2024.

The foreign exchange gain for 2025 was US\$1.2M compared to a foreign exchange loss of US\$(1.2)M for 2024 as a result of fluctuations in foreign currencies. The gain in 2025 was largely due to the appreciation of the CFA, resulting in large foreign exchange gains on the Group's cash and receivables held in Cote d'Ivoire.

Other income for 2025 was US\$3.3M compared to an other loss of US\$(2.4)M for 2024 relating to gains and losses on listed equity investments held at fair value through profit and loss that the Group holds.

The EBIT (as defined herein) for 2025 was US\$17.8M, compared to EBIT of US\$18.3M for 2024. See "Supplementary Disclosure - Non - IFRS Measures" on page 17.

EBITDA (as defined herein) for 2025 was US\$35.2M, being 19% of revenue compared to US\$31.1M, 22% of revenue for 2024. See "Supplementary Disclosure – Non-IFRS Measures" on page 17.

The net loss for 2025 was US\$(1.9)M or a loss of US\$(0.03) per Ordinary Share (US\$(0.03) per Ordinary Share diluted), compared to net income of US\$9.1M for 2024 or earnings per share of US\$0.20 per Ordinary Share (US\$0.19 per Ordinary Share diluted). The net loss for 2025 of US\$(1.9)M was due to the reduced gross profit margin of 18% in 2025 versus 24% in 2024 and the additional tax in the year of US\$8.4M relating to current tax from prior years (see Risk Factors – Tax Risk on page 20).

## RESULTS OF OPERATIONS

### SELECTED FINANCIAL INFORMATION

(in US\$ 000s)	<u>Fiscal Year Ended</u>		<u>% Change</u>
	2025	2024	2025 vs 2024
<b>Revenue</b>	<b>184,915</b>	<b>143,054</b>	<b>29%</b>
<b>Cost of Sales</b>	<b>(151,493)</b>	<b>(108,377)</b>	<b>40%</b>
<i>Cost of Sales (%)</i>	82%	76%	
<b>Gross Profit</b>	<b>33,422</b>	<b>34,677</b>	<b>(4%)</b>
<i>Gross Profit Margin (%)</i>	18%	24%	
<b>Selling, General and Administrative Expenses</b>	<b>(20,525)</b>	<b>(16,647)</b>	<b>23%</b>
<i>Selling, General and Administrative Expenses (%)</i>	11%	12%	
<b>Expected Lifetime Credit Recovery</b>	<b>456</b>	<b>3,878</b>	
<b>Foreign Exchange Gain / (Loss)</b>	<b>1,230</b>	<b>(1,210)</b>	
<b>Other Income / (Loss)</b>	<b>3,264</b>	<b>(2,416)</b>	
<b>Profit from Operating Activities</b>	<b>17,847</b>	<b>18,282</b>	<b>(2%)</b>
<i>Profit from Operating Activities (%)</i>	10%	13%	
<b>EBIT*</b>	<b>17,847</b>	<b>18,282</b>	<b>(2%)</b>
<i>EBIT (%)</i>	10%	13%	
<b>Finance Income</b>	<b>54</b>	<b>57</b>	
<b>Finance Cost</b>	<b>(1,117)</b>	<b>(1,076)</b>	
<i>Finance Cost (%)</i>	1%	1%	
<b>Profit Before Taxation</b>	<b>16,784</b>	<b>17,263</b>	<b>(3%)</b>
<i>Profit Before Taxation (%)</i>	9%	12%	
<b>Income Tax Expense</b>	<b>(18,655)</b>	<b>(8,199)</b>	
<i>Income Tax Expense (%)</i>	10%	6%	
<b>Net (Loss) / Income</b>	<b>(1,871)</b>	<b>9,064</b>	<b>(121%)</b>
<i>Net (Loss) / Income (%)</i>	(1%)	6%	
<b>EBITDA **</b>	<b>35,180</b>	<b>31,101</b>	<b>13%</b>
<i>EBITDA (%)</i>	19%	22%	
<b>(Loss) / Income Per Share</b>			
<b>Basic</b>	<b>(0.03)</b>	<b>0.20</b>	
<b>Diluted</b>	<b>(0.03)</b>	<b>0.19</b>	
<b>Total Assets</b>	<b>176,601</b>	<b>161,492</b>	
<b>Total Long - Term Liabilities</b>	<b>3,493</b>	<b>4,579</b>	
<b>Cash Dividend Declared</b>	<b>NIL</b>	<b>NIL</b>	

See "Supplementary Disclosure - Non-IFRS Measures" on page 17.

\*EBIT = Earnings before interest and taxes.

\*\*EBITDA = Earnings before interest, taxes, depreciation and amortization.

## RESULTS OF OPERATIONS

### FISCAL 2025 COMPARED TO FISCAL 2024

#### Revenue

The Group generated its highest ever revenue of US\$184.9M for 2025, an increase of US\$41.9M or 29% when compared to US\$143.1M for 2024. The record revenue was a result of the Group's ability to maintain a strong presence in West Africa and Egypt where revenue increased by US\$20.7M. In addition to the increase in revenue in West Africa and Egypt, the Group's strategy to diversify its operations to South America including the significant ramp-up of operations in South America in 2025, resulted in an increase of revenue of US\$21.2M in South America for 2025 compared to 2024.

#### Cost of Sales and Gross Profit

Cost of Sales for 2025 were US\$151.5M, compared to US\$108.4M for 2024, being an increase of US\$43.1M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US\$24.5M as the Group has ramped up operational personnel in West Africa and Egypt and significantly ramped up operational personnel in South America. In addition, the annual adjustment to salary and wages, along with the appreciation of the Ghana CEDI, impacted the increase of US\$24.5M.
- Drill rig expenses and fuel costs increased by US\$14.2M consistent with the increase in drilling activity and revenue.
- Depreciation expense increased by US\$4.3M as a result of significant additions in the previous years to the Group's property, plant and equipment.
- Repairs and maintenance increased by US\$0.1M as more repairs were required in the year ended December 31, 2025.

The gross profit for 2025 was US\$33.4M, compared to a gross profit of US\$34.7M for 2024, being a decrease of US\$1.3M. The gross profit margin for 2025 was 18% and for 2024 it was 24%, a decline of 25%.

In West Africa and Egypt, the gross profit margin decline was due to a change in the meter mix towards more core meters versus reverse circulation meters, the impact of higher wages, inflationary costs and the appreciation of the Ghana CEDI in the year, resulting in higher cost of sales for payroll and other costs originating in this local currency.

South America continued to operate at a gross profit loss for 2025 and 2024. The Group has made the strategic decision to ramp up its South American operations and has increased the rig count to 19 drill rigs in South America as at December 31, 2025, up from 10 rigs as at December 31, 2024. In conjunction with approximately doubling the number of rigs over the year, revenue increased from US\$8.2M in 2024 to US\$29.4M in 2025, or by approximately US\$21.2M. The Group has, however, incurred cost of sales exceeding revenue in 2025 in relation to the rapid ramp up and starting of jobs in South America. The gross loss in 2025 was predominately from our large job in Chile that significantly ramped up in 2025, resulting in additional costs for staffing, training, and safety, and it took longer to start drilling while incurring costs in anticipation of drilling. Furthermore, once operational, the Group was not able to

achieve acceptable drilling time in 2025 due to onboarding delays, coupled with operational issues which adversely affected revenue resulting in a gross loss, as the majority of the costs were fixed salaries and fixed operating costs. In 2024, the gross loss related to not having economies of scale in South America and periods of no drilling activity during winter months. (See “Supplementary Disclosure – Non IFRS Measures” on page 17).

### **Selling, General and Administrative Expenses**

SG&A expenses for 2025 were US\$20.5M, compared to US\$16.6M for 2024, being an increase of US\$3.9M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US\$3.7M due to higher wages and inflationary costs.
- Depreciation expense increased by US\$0.2M as a result of recent additions to the right of use assets.

### **Expected Lifetime Credit Recovery**

The expected lifetime credit recovery for 2025 was US\$0.5M compared to an expected lifetime credit recovery of US\$3.9M for 2024. The expected lifetime credit recovery was higher in 2024 as a large trade receivable was settled via shares resulting in the reversal of the non-cash expected credit loss provision of approximately US\$4.2M in 2024.

### **Foreign Exchange Gain**

Foreign exchange gain for 2025 was US\$1.2M compared to a foreign exchange loss of US\$(1.2)M in 2024 as a result of fluctuations in foreign currencies. The gain in 2025 was largely due to the appreciation of the CFA, resulting in large foreign exchange gains on the Group’s cash and receivables in Cote d’Ivoire.

### **Other Income**

Other income for 2025 was US\$3.3M compared to an other loss of US\$(2.4)M in 2024 relating to gains and losses on listed equity investments held at fair value through profit and loss that the Group holds.

### **Income from Operating Activities**

Income from operating activities (after cost of sales, SG&A expenses, foreign exchange gain or loss and other income or loss) for 2025 was US\$17.8M, compared to US\$18.3M in 2024.

### **EBIT and EBIT Margin (see “Supplementary Disclosure – Non-IFRS Measures” on page 17)**

EBIT was US\$17.8M for 2025 or 10% compared to US\$18.3M or 13% for 2024.

### **EBITDA and EBITDA Margin (see “Supplementary Disclosure – Non-IFRS Measures” on page 17)**

EBITDA was US\$35.2M for 2025 or 19% compared to US\$31.1M or 22% for 2024.

### **Depreciation**

Depreciation for 2025 was US\$17.3M (US\$15.5M in cost of sales and US\$1.8M in SG&A) compared to US\$12.8M (US\$11.3M in cost of sales and US\$1.5M in SG&A) for 2024.

### **Income Tax Expense**

Income tax expense for 2025 was US\$18.7M compared to income tax expense of US\$8.2M for 2024. The income tax expense of US\$18.7M was comprised of US\$15.0M relating to tax expense on taxable income (of which US\$8.4M relates to current tax from prior years (see Risk Factors – Tax Risk on page 20)), US\$3.6M relating to withholding tax and US\$0.1M relating to deferred tax.

### **Net (loss) / income**

The net loss for 2025 was US\$(1.9)M or a loss of US\$(0.03) per Ordinary Share (US\$(0.03) per Ordinary Share diluted), compared to net income of US\$9.1M for 2024 or earnings per share of US\$0.20 per Ordinary Share (US\$0.19 per Ordinary Share diluted). The net loss for 2025 of US\$(1.9)M was due to the reduced gross profit margin of 18% in 2025 versus 24% in 2024 and the additional tax in the year of US\$8.4M relating to current tax from prior years (see Risk Factors – Tax Risk on page 20).

## SELECTED FINANCIAL INFORMATION

(in US\$ 000s)	Fourth Quarter Ended		% Change 2025 vs 2024
	Dec 31 2025	Dec 31 2024	
<b>Revenue</b>	<b>46,846</b>	<b>33,119</b>	<b>41%</b>
<b>Cost of Sales</b>	<b>(41,285)</b>	<b>(26,959)</b>	<b>53%</b>
<i>Cost of Sales (%)</i>	88%	81%	
<b>Gross Profit</b>	<b>5,561</b>	<b>6,160</b>	<b>(10%)</b>
<i>Gross Profit Margin (%)</i>	12%	19%	
<b>Selling, General and Administrative Expenses</b>	<b>(6,093)</b>	<b>(4,454)</b>	<b>37%</b>
<i>Selling, General and Administrative Expenses (%)</i>	13%	13%	
<b>Expected Lifetime Credit Recovery</b>	<b>527</b>	<b>4,471</b>	
<b>Foreign Exchange Loss</b>	<b>(345)</b>	<b>(984)</b>	
<b>Other Income Loss</b>	<b>(636)</b>	<b>(2,497)</b>	
<b>(Loss) / Profit from Operating Activities</b>	<b>(986)</b>	<b>2,695</b>	
<i>(Loss) / Profit from Operating Activities (%)</i>	(2%)	8%	
<b>EBIT*</b>	<b>(986)</b>	<b>2,695</b>	
<i>EBIT (%)</i>	(2%)	8%	
<b>Finance Income</b>	<b>15</b>	<b>16</b>	
<b>Finance Cost</b>	<b>(239)</b>	<b>(284)</b>	
<i>Finance Income / Cost (%)</i>	0%	1%	
<b>(Loss) / Profit Before Taxation</b>	<b>(1,210)</b>	<b>2,427</b>	
<i>(Loss) / Profit Before Taxation (%)</i>	(3%)	7%	
<b>Income Tax Expense</b>	<b>(10,054)</b>	<b>(2,926)</b>	
<i>Income Tax Expense (%)</i>	21%	9%	
<b>Net Loss</b>	<b>(11,264)</b>	<b>(499)</b>	
<i>Net Loss (%)</i>	(24%)	(2%)	
<b>EBITDA **</b>	<b>3,415</b>	<b>6,144</b>	<b>(44%)</b>
<i>EBITDA (%)</i>	7%	19%	
<b>Loss Per Share</b>			
<b>Basic</b>	<b>(0.24)</b>	<b>(0.01)</b>	
<b>Diluted</b>	<b>(0.23)</b>	<b>(0.01)</b>	
<b>Total Assets</b>	<b>176,601</b>	<b>161,492</b>	
<b>Total Long - Term Liabilities</b>	<b>3,493</b>	<b>4,579</b>	
<b>Cash Dividend Declared</b>	<b>NIL</b>	<b>NIL</b>	

See "Supplementary Disclosure - Non-IFRS Measures" on page 17.

\*EBIT = Earnings before interest and taxes.

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

## **FOURTH QUARTER ENDED DECEMBER 31, 2025 COMPARED TO FOURTH QUARTER ENDED DECEMBER 31, 2024**

### **Revenue**

The Group recorded revenue of US\$46.8M for the fourth quarter ended December 31, 2025, compared to US\$33.1M for the fourth quarter ended December 31, 2024, an increase of US\$13.7M or 41%. The increase in revenue for the fourth quarter ended December 31, 2025 was a result of the Group's strategy to diversify its operations to South America including the significant ramp-up of operations in South America in 2025, resulting in an increase of revenue of US\$9.9M for the fourth quarter ended December 31, 2025, compared to the fourth quarter ended December 31, 2024. In addition, the Group's ability to maintain a strong presence in West Africa and Egypt increased revenue by US\$3.8M for the fourth quarter ended December 31, 2025, compared to the fourth quarter ended December 31, 2024.

### **Cost of Sales and Gross Profit**

Cost of Sales for the fourth quarter of 2025 were US\$41.3M, compared to US\$27.0M for the fourth quarter of 2024, being an increase of US\$14.3M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US\$7.4M as the Group has ramped up operational personnel in West Africa and Egypt and significantly ramped up operational personnel in South America.
- Drill rig expenses and fuel costs increased by US\$5.7M consistent with the increase in drilling activity and revenue.
- Depreciation expense increased by US\$1.0M as a result of significant additions in the previous years to the Group's property, plant and equipment.
- Repairs and maintenance increased by US\$0.2M as more repairs were required in the quarter ended December 31, 2025.

The gross profit for the fourth quarter ended December 31, 2025 was US\$5.6M, compared to a gross profit of US\$6.2M for the fourth quarter ended December 31, 2024, being a decrease of US\$0.6M. The gross profit margin for the fourth quarter ended December 31, 2025 was 12% and for the fourth quarter ended December 31, 2024 it was 19%, a decline of 36%.

West Africa and Egypt were responsible for the gross profit margin decline in the fourth quarter ended December 31, 2025. The gross profit margin decline was due to a change in the meter mix towards more core meters versus reverse circulation meters, the impact of higher wages, inflationary costs and the appreciation of the Ghana CEDI in the year, resulting in higher cost of sales for payroll and other costs originating in this local currency.

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

SG&A expenses for the fourth quarter ended December 31, 2025 were US\$6.1M, compared to US\$4.5M for the fourth quarter ended December 31, 2024, being an increase of US\$1.6M and reflects the following:

- Wages, employee benefits, external services, contractors and other expenses increased by US\$1.6M in Q4 2025 versus Q4 2024 due to higher wages and inflationary costs and additional costs incurred on external services.

### **Expected Lifetime Credit Recovery**

The expected lifetime credit recovery for the fourth quarter ended December 31, 2025 was US\$0.5M compared to an expected lifetime recovery of US\$4.5M for the fourth quarter ended December 31, 2024. The expected lifetime credit recovery was higher in the fourth quarter ended December 31, 2024 as a large trade receivable was settled via shares resulting in the reversal of the non-cash expected credit loss provision of approximately US\$4.2M in the fourth quarter of 2024.

### **Foreign Exchange Loss**

Foreign exchange loss for the fourth quarter ended December 31, 2025 was US\$(0.3)M compared to a loss of US\$(1.0)M in the fourth quarter ended December 31, 2024 as a result of fluctuations in foreign currencies.

### **Other Loss**

Other loss for the fourth quarter ended December 31, 2025 was US\$(0.6)M compared to a loss of US\$(2.5)M in the fourth quarter ended December 31, 2024 relating to losses on listed equity investments held at fair value through profit and loss that the Group holds.

### **(Loss) / Income from Operating Activities**

Loss from operating activities (after cost of sales, SG&A expenses, foreign exchange gain or loss and other loss or gain) for the fourth quarter ended December 31, 2025 was US\$(1.0)M, compared to income of US\$2.7M for the fourth quarter ended December 31, 2024.

### **EBIT and EBIT Margin (see “Supplementary Disclosure – Non-IFRS Measures” on page 17)**

EBIT was US\$(1.0)M for the fourth quarter of 2025, compared to US\$2.7M for the fourth quarter ended December 31, 2024.

### **EBITDA and EBITDA Margin (see “Supplementary Disclosure – Non-IFRS Measures” on page 17)**

EBITDA was US\$3.4M for the fourth quarter ended December 31, 2025 or 7% compared to US\$6.1M or 19% for the fourth quarter ended December 31, 2024.

### **Depreciation**

Depreciation for the fourth quarter ended December 31, 2025 was US\$4.4M (US\$3.9M in cost of sales and US\$0.5M in SG&A) compared to US\$3.4M (US\$3.0M in cost of sales and US\$0.5M in SG&A) for the fourth quarter ended December 31, 2024.

### **Income Tax Expense**

Income tax expense for the fourth quarter ended December 31, 2025 was US\$10.1M compared to income tax expense of US\$2.9M for the fourth quarter ended December 31, 2024. The income tax expense of US\$10.1M was comprised of, US\$8.4M relating to current tax from prior periods (see Risk Factors – Tax Risk on page 20), US\$0.1M tax expense on taxable income, US\$1.5M relating to withholding tax and US\$0.1M relating to deferred tax.

### **Net Loss**

Net loss was US\$(11.3)M for the fourth quarter ended December 31, 2025, or a loss of US\$(0.24) per Ordinary Share (US\$(0.23) per Ordinary Share diluted), compared to a net loss of US\$(0.5)M for the fourth quarter ended December 31, 2024, or a loss of US\$(0.01) per Ordinary Share (US\$(0.01) per Ordinary Share diluted). The net loss for 2025 of US\$(11.3)M was due to the reduced gross profit margin of 12% in

the fourth quarter of 2025 versus 24% in the fourth quarter of 2024 and the additional tax in the quarter of US\$8.4M relating to current tax from prior years (see Risk Factors – Tax Risk on page 20).

## SUMMARY OF QUARTERLY RESULTS

(in US\$ 000s)	2025				2024			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec-31	Sep 30	Jun 30	Mar 31
Revenue	46,846	38,967	50,350	48,752	33,119	34,091	41,176	34,667
Revenue Increase / (Decrease) %	20%	(23%)	3%	47%	(3%)	(17%)	19%	15%
Gross Profit	5,561	2,360	11,949	13,552	6,160	8,351	12,721	7,445
Gross Margin (%)	12%	6%	24%	28%	19%	24%	31%	21%
Net (Loss) / Earnings	(11,264)	(1,507)	5,328	5,572	(499)	2,611	4,838	2,114
Per Share - Basic	( 0.24 )	( 0.03 )	0.11	0.12	( 0.01 )	0.06	0.10	0.04
Per Share - Diluted	( 0.23 )	( 0.03 )	0.11	0.12	( 0.01 )	0.06	0.10	0.04

The Group's revenue of US\$46.8M represents an increase of US\$7.9M or by 20% for the fourth quarter ended December 31, 2025 compared to the third quarter ended September 30, 2025. On a year to year basis, the Group's quarterly revenue increased by US\$13.7M or 41% for the fourth quarter ended December 31, 2025 compared to the fourth quarter ended December 31, 2024. The increase in revenue of 20% in Q4 2025 versus Q3 2025 and the increase in revenue of 41% in Q4 2025 versus Q4 2024 both are a result of ramping up in South America and the strong presence in West Africa and Egypt.

The operations have tended to exhibit a seasonal pattern. The first and fourth quarters are affected due to shutdown of exploration activities, often for extended periods over the holiday season, and the first and fourth quarters of 2025 were affected by the shutdown. The second quarter is typically affected by the Easter shutdown of exploration activities affecting some of the rigs for up to one week, however, Easter occurred in Q1 2025 and the Group was not impacted by Easter in the second quarter. The wet season occurs (in some geographical areas where the Group operates) normally in the third quarter, but in recent years the global weather pattern has become somewhat erratic. The Group has historically taken advantage of the wet season and has scheduled the third quarter for maintenance and rebuild programs for drill rigs and equipment. The winter season occurs (in some high altitude geographical areas where the Group operates, particularly in Chile) normally in the second and third quarter. The Group has historically taken advantage of the winter season in Chile and has scheduled the second and third quarter for maintenance and rebuild programs for drill rigs and equipment.

### Effect of Exchange Rate Movements

The Group's receipts and disbursements are denominated in US Dollars and certain local currencies. The Group's main exposure to exchange rate fluctuations arises from holding foreign currencies, having receivables in foreign currencies, certain capital costs, wage costs and purchases denominated in foreign currencies. The Group's revenue is invoiced in US Dollars and certain local currencies. The Group's purchases are in Australian Dollars, US Dollars, Euros, Canadian Dollars and local currencies. Other local expenses include purchases and wages which are paid in the local currency.

## SELECTED INFORMATION FROM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in US\$ 000s)	Fiscal year end		Fourth quarter end	
	Dec 31	Dec 31	Dec 31	Dec 31
	2025	2024	2025	2024
Net cash generated from operating activities	23,967	21,050	1,628	8,710
Net cash used in investing activities	(17,905)	(20,677)	(4,380)	(8,738)
Net cash used in financing activities	(2,778)	(2,349)	(1,505)	(772)
Effect of movement in exchange rates on cash	959	(611)	(27)	(451)
<b>Net increase / (decrease) in cash</b>	<b>4,243</b>	<b>(2,587)</b>	<b>(4,284)</b>	<b>(1,251)</b>

## LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

As at December 31, 2025, the Group had cash of US\$17.3M and loans payable of US\$9.5M resulting in net cash (excluding lease liabilities) of US\$7.8M. In addition, the Group has US\$9.5M still available on the US\$9.5M Medium Term Loan and US\$6.0M still available on the US\$10.0M Revolving Line of Credit. Since the Group has loans payable, the Group continues to monitor its cash and its capital spending in conjunction with the loans that need to be repaid.

### FISCAL 2025

#### Operating Activities

In 2025, the Group generated net cash from operating activities of US\$24.0M, as compared to US\$21.1M in 2024. The Group realized profit before taxation of US\$16.8M for 2025, and the changes in non-cash items, changes in working capital items and the payment of finance costs and income taxes increased cash by US\$7.2M, resulting in cash generated from operations of US\$24.0M.

#### Investing Activities

In 2025, the Group's net investment in property, plant and equipment was US\$17.9M compared to US\$20.7M in 2024. The Group continues to reinvest and upgrade its fleet in order to maintain a modern fleet of drill rigs and related equipment. The Group understands the importance of this and has significantly invested in its property, plant and equipment. Plant and equipment additions in 2025 included additional drill rigs, costs associated with rebuilding existing drill rigs and related equipment, additional trucks, additional light vehicles and costs associated with completing certain workshops and supply bases.

#### Financing Activities

In 2025, the Group used net cash of US\$2.8M relating to financing activities. The Group received loans of US\$10.5M, repaid loans in the amount of US\$11.3M, paid lease liabilities of US\$1.1M, paid cash-settled options of US\$0.7M and paid US\$0.2M to repurchase the Company's shares. In 2024, the Group used net cash of US\$2.3M relating to financing activities. The Group received loans of US\$10.8M, repaid loans in the amount of US\$12.6M, paid lease liabilities of US\$0.8M and received US\$0.2M from the exercise of stock options.

## FOURTH QUARTER ENDED DECEMBER 31, 2025

### Operating Activities

In the fourth quarter of 2025, the Group generated net cash from operating activities of US\$1.6M, as compared to US\$8.7M in the fourth quarter of 2024. The Group realized loss before taxation of US\$(1.2)M for the fourth quarter of 2025, and the changes in non-cash items, changes in working capital items and the payment of finance costs and income taxes increased cash by US\$2.8M, resulting in cash generated from operations of US\$1.6M.

### Investing Activities

In the fourth quarter of 2025, the Group's investment in property, plant and equipment was US\$4.3M compared to US\$8.7M in the fourth quarter of 2024. The Group continues to upgrade its fleet in order to maintain a modern fleet of drill rigs and related equipment. The Group understands the importance of this and has significantly invested in its property, plant and equipment. Plant and equipment additions in the fourth quarter of 2025 included costs associated with rebuilding existing drill rigs and related equipment, additional trucks, additional light vehicles and costs associated with completing certain workshops and supply bases.

### Financing Activities

In the fourth quarter of 2025, the Group used cash of US\$1.5M relating to financing activities as compared to using cash of US\$0.8M in the fourth quarter of 2024. The Group repaid loans in the amount of US\$1.0M, paid lease liabilities of US\$0.3M and paid US\$0.2M to repurchase the Company's shares. In the fourth quarter of 2024, the Group repaid loans in the amount of US\$0.6M and paid lease liabilities of US\$0.2M.

### Contractual Obligations

Contractual Obligations (in US\$ 000s)	Payments Due by			
	Total	2026	2027	2028
Loans <sup>(1)</sup>	9,940	8,580	1,360	-
Lease liabilities <sup>(2)</sup>	900	690	130	80
Total Contractual Obligations	10,840	9,270	1,490	80

<sup>(1)</sup> Loans refer to amounts owing on the US\$10.0M Revolving Line of Credit, the US\$7.5M Medium Term Loan and the Equipment Loan, including the related interest.

<sup>(2)</sup> The lease liabilities relate to the lease payments for the two real estate properties, as fully disclosed under "Transactions with Related Parties". In addition, the lease liabilities includes amounts for other operating sites.

Contractual obligations will be funded in the short-term by cash as at December 31, 2025 of US\$17.3M, the US\$9.5M still available on the US\$9.5M Medium Term Loan, the US\$6.0M still available on the US\$10.0M Revolving Line of Credit and any cash flow generated from operations.

### OUTLOOK

The Group has operated in West Africa for over 25 years and has invested a significant amount of capital into its drill rig fleet operating in the region with advantages in the form of experience in the market place, accuracy, reliability and safety, which have been key factors in the awarding of contracts and the increase in the Group's revenue. The Group also operates in Egypt, Chile and Peru and has also invested a significant amount of capital in Egypt and Chile to support the multi-rig multi-year contracts. The Group has decided to focus on Chile in South America and is in the process of transferring rigs and ancillary

support equipment from Peru to Chile. The Group has also been successful in expanding its client base to include a mix of majors, intermediates and juniors which has contributed to the increase in overall drilling activity and a well balanced mix of drilling services. The Group is providing more drilling services to the majors and intermediates. The Group has secured numerous multi-year, multi-rig contracts and believes that these contracts will add to revenue and profitability over the next three to five years.

As at December 31, 2025, the Group had 98 drill rigs of which 96 drill rigs are available for operation and two drill rigs are in the workshop. In addition, the Group rented two rigs, resulting in a total drill rig fleet as at December 31, 2025, of 100 rigs.

## SUPPLEMENTARY DISCLOSURE - NON-IFRS MEASURES

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

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

Gross profit margin is defined as gross profit as a percentage of revenue. Gross profit margin does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies.

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

(US\$ 000s)	Year ended		Three months ended	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Total comprehensive income	(1,871)	9,064	(11,264)	(499)
Add: Income taxes <sup>(1)</sup>	18,655	8,199	10,054	2,926
Add: Net finance costs	1,063	1,019	224	268
Earnings Before Interest and Taxes (EBIT)	17,847	18,282	(986)	2,695
Add: Depreciation & Amortization	17,333	12,819	4,401	3,449
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	35,180	31,101	3,415	6,144

<sup>(1)</sup> Included in the year and quarter ended December 31, 2025, is an amount of US\$8.4M in relation to current tax of prior years in Cote d'Ivoire (see Risk Factors - Tax Risk on page 20).

## **DISCLOSURE CONTROLS AND PROCEDURES**

The Chief Executive Officer (the “CEO”) and the Chief Financial Officer (the “CFO”) of the Group are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) for the Group as defined under Multilateral Instrument 52-109 issued by the Canadian Securities Administrators. The CEO and the CFO have designed such DC&P, or caused them to be designed under their supervision, to provide reasonable assurance that information required to be disclosed by the Group in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Group’s management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. As at December 31, 2025, the CEO and CFO evaluated the design and operation of the Group’s DC&P. Based on that evaluation, the CEO and CFO concluded that the Group’s DC&P were effective as at December 31, 2025.

## **INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

Management has evaluated the design and operation of the Group’s internal controls over financial reporting as of December 31, 2025, and has concluded that such controls over financial reporting are effective. There are no material weaknesses that have been identified by management in this regard.

There were no changes in the Group’s internal control over financial reporting during the period beginning on January 1, 2025 and ending on December 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Group’s internal control over financial reporting.

## **RISK FACTORS - Introduction**

The following discussion outlines certain relevant risk factors according to the Group’s business and industry within which it operates. These risks are not the only risks facing the Group. Additional risks and uncertainties presently not known to the Group may also impair the operations and could potentially affect the Group.

### **Risks Related to the Business and the Industry – order of presentation**

- 1. Country, Geopolitical and Regulatory Risk**
- 2. Tax, Legal Structure and Cross-Border Compliance Risk**
- 3. Market Demand, Revenue and Industry Cycle Risk**
- 4. Commercial / Contracting / Competitive Risk**
- 5. Customer Credit and Receivables Risk**
- 6. Treasury, Foreign Exchange, Liquidity and Financial Asset Risk**
- 7. Operational Delivery, HSE and Business Interruption Risk**
- 8. Supply Chain and Input Cost Risk**
- 9. People, Skills and Workforce Risk**
- 10. Cyber and Systems Risk**
- 11. Reputation Risk**
- 12. Equity Market and Shareholder Risk**

## **1) Country, Geopolitical and Regulatory Risk**

### **Political Instability**

The Group's drilling activities are in West Africa (Ghana, Cote d'Ivoire, and Senegal), Egypt and Chile. Conducting business in West Africa, Egypt and Chile presents political and economic risks including, but not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation and labour unrest. Changes in mining or investment policies or shifts in political attitudes may also adversely affect the Group's business. Business may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production and exploration activities, currency remittance, income taxes, environmental legislation, land use, land claims of local people, water use and safety. The effect of these factors cannot be accurately predicted, however, the Group keeps abreast of all political issues and is prepared to act accordingly.

### **International Expansion and Instability**

Expansion internationally entails additional political and economic risk. Some of the countries and areas that the Group may target for expansion could be undergoing industrialization and urbanization and do not have the economic, political or social stability that many developed nations now possess. Other countries have experienced political or economic instability in the past and may be subject to risks beyond the Group's control, such as war or civil disturbances, political, social and economic instability, corruption, nationalization, terrorism, expropriation without fair compensation or cancellation of contract rights, significant changes in government policies, breakdown of the rule of law and regulations and new tariffs, taxes and other barriers, changes in mining or investment policies or shifts in political attitude that may adversely affect the business. There has been an emergence of a trend by some governments to increase their participation, 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 transition costs as equipment is shifted to other locations.

### **Geographic Expansion**

Expansion into new jurisdictions also brings additional geographic and currency risk. There is a risk that the operations, assets, employees or repatriation of revenues could be impaired by factors specific to the regions into which Geodrill may choose to expand.

### **Uncertain Legal and Regulatory Frameworks**

The Group's business and operations are potentially subject to the uncertain legal and regulatory frameworks in the countries in which it operates. Laws, regulations and local rules governing business entities in these countries may change and are often subject to a number of possibly conflicting interpretations by business entities, government departments and the courts. Laws and regulations may be promulgated and overseen by different government entities or departments, which may be national, regional or municipal and these entities may differ in their interpretation and enforcement of the laws and regulations. The business, financial condition, profitability and results of operations of the Group could potentially be adversely affected by changes in and uncertainty surrounding governmental policies, in particular with respect to business laws and regulations, licenses and permits, taxation, exchange control regulations, labor laws and expropriation.

Given the uncertain legal and regulatory framework in the African countries and Chile, there is a risk that the necessary licenses, permits, certificates, consents and authorizations to implement or conduct operations may not be obtained by either the client or the Group under conditions or within time frames that make such operations viable and that changes to applicable laws, regulations or the governing authorities may result in additional material expenditure or time delays.

### **Local Content Requirements**

The Group has drilling activities currently in Ghana, Cote d'Ivoire, Senegal, Egypt and Chile. The Group has always considered the local communities and districts in which it operates and has specifically hired local workers and supported local community initiatives. In 2025, approximately 95% of the Group's workforce was local to the countries in which it operated. In certain jurisdictions in which the Group operates, there are discussions regarding granting contracts to companies that are locally owned or a percentage of the Group is locally owned. As the Group is a publicly listed entity, if local ownership content requirements become mandated, this may affect the way the Group operates or is structured in certain jurisdictions in which it operates.

In Ghana, the Ghana Minerals and Mining (Local Content and Local Participation) Regulations 2020 (L.I.2431) became effective December 22, 2020 and the Ghana Minerals Commission commenced the implementation of the fourth edition of its procurement list in 2022 that limited surface drilling to companies strictly incorporated in Ghana with exclusive Ghanaian directors and shareholders and underground drilling to companies incorporated in Ghana with a minimum of 30% Ghanaian directors and shareholders. The Group operates in Ghana through Geodrill Ghana Ltd, a wholly owned subsidiary and GTS Drilling Ltd, a fully incorporated company in Ghana and wholly owned by Dave Harper. The Group continues to monitor the local content and participation requirements in Ghana.

In Cote d'Ivoire, the country is currently reviewing local content in the mining sector. They are requesting that Mining Companies, Subcontractors, Service Providers and Suppliers engaged in Mining Activities must submit a Local Content plan to the Administration in charge of mining. This plan describes the activities as well as the forecasts for the acquisition of local goods and services, the use of Ivorian companies and the skills necessary for their realization. The plan must comply with the provisions of this law and its implementing decrees. It must demonstrate continuous and measurable development, in particular, of the following elements; employment and training of nationals; the replacement of expatriate staff by nationals; the use of Ivorian Companies; the use of local goods and services; transfer of technology and know-how to Ivorian companies; promotion of research and development; recourse to local financial and insurance services; and valorization or transformation after a production threshold. The Group continues to monitor the local content and participation requirements in Cote d'Ivoire.

In Senegal, the Group continues to monitor the local content and participation requirements.

## **2) Tax, Legal Structure and Cross-Border Compliance Risk**

### **Tax Risk**

The Group has organized its structure and its operations in part based on certain assumptions about various tax laws including, among others, income tax and withholding tax, foreign currency and capital repatriation laws and other relevant laws of a variety of jurisdictions. While the Group believes that such assumptions are correct, there can be no assurance that foreign taxing or other authorities will reach the same conclusion. If such assumptions are incorrect, or if such jurisdictions were to change or modify such laws or the current interpretation thereof, the Group may suffer adverse tax and financial consequences.

The Group has drilling activities currently in Ghana, Cote d'Ivoire, Senegal, Egypt and Chile and has previously operated in Zambia, Burkina Faso, Mali and Peru. The Group has subsidiaries or branches in Ghana, Cote d'Ivoire, Mali, Senegal, Zambia, Mauritius, Isle of Man, Malta, Madeira, Egypt, Saudi Arabia, Chile, Peru and Brazil. There is a risk in which the countries where Geodrill 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 revenues of the Group. A change to the tax regimes in these countries or an unfavorable interpretation of the current tax legislation could have a material adverse effect on the profitability of the Group. There is also a risk that countries where the Group has operated in the past may attempt to assess taxes.

In Cote d'Ivoire, in early 2026, the Group entered into a memorandum of understanding with the Côte d'Ivoire tax authorities in respect of the previously disclosed notice of recovery. In late December 2025, the tax authorities initiated certain measures with the intent of restricting the Group's operations. In order to ensure the continuous operations in Côte d'Ivoire, and following a series of discussions with the tax authorities, management determined that it was in the best interest of the Group to agree to a settlement as the Group continues to seek recovery of all additional taxes paid from the registered tax agency who we hold responsible for this dispute.

Pursuant to the terms of the memorandum of understanding, the Group has agreed to pay a total of CFA4,714,639,248 (US\$8.4M), which is required to be paid in monthly instalments of CFA500,000,000 (US\$0.9M) beginning in January 2026. As part of the agreement, the Côte d'Ivoire tax authorities have waived all related penalties totaling CFA4,997,517,602 (US\$8.9M). As a result of this agreement, the Group has re-evaluated its estimate of the required accrual for this tax.

In Burkina Faso, the tax authority has assessed that Geodrill had a permanent establishment in Burkina Faso for the years 2016 through 2018 and that Geodrill was subject to direct taxes, penalties and interest in the amount of CFA5,232,253,593 (US\$9.4M). Geodrill maintained that it did not have a permanent establishment in Burkina Faso in the years of the assessment and that it operated in Burkina Faso as a non-resident tax-payer and that its taxes were paid to the tax authorities directly from Geodrill's clients on Geodrill's behalf. In 2021, Geodrill filed its discharge for the amounts owing under the assessment with the administrative courts in Burkina Faso and in 2023, Geodrill received the ruling from the administrative court dismissing the entire assessment and was also awarded an amount of CFA1,500,000 for expenses incurred. The Burkina Faso tax authority, however, has not paid the CFA1,500,000 and has appealed the ruling. In 2023, due to security concerns, the Group wound up its operations in Burkina Faso and redeployed all of its equipment to other countries, ceasing to operate in Burkina Faso. As at February 28, 2026, the administrative courts have not responded to the appeal, nor have they set a trial date.

Management believes for all other matters that the ultimate amount of liability, if any, for any pending assessments (either alone or combined) would not materially affect the Group's operations, liquidity or financial position taken as a whole. However, the ultimate outcome of these audits is uncertain.

### **Substance requirements**

Geodrill Limited is incorporated in the Isle of Man and certain of the Group's other subsidiaries are incorporated in other countries where, similar to the Isle of Man, there has been an increased focus on substance requirements. The Group maintains its head office in the Isle of Man and in addition to local head office staff, the Group has a local director and corporate secretary based in the Isle of Man. In 2025, the Group held two meetings in person in the Isle of Man. The Group held its 2025 Annual General Meeting in the Isle of Man and will also hold its 2026 Annual General Meeting in the Isle of Man. The Group has reviewed the necessary requirements and has concluded that it is directed and managed in

and from the Isle of Man, there is adequate physical presence in the Isle of Man, there is adequate proportionate expenditure and there are core income generating activities conducted in the Isle of Man and therefore has determined that it fulfils the relevant substance requirements, however, there is always a risk that the authorities will dispute the Group's conclusions. The Group has also reviewed and has concluded that it meets the substance requirements for its Mauritius, Malta and Madeira subsidiaries. However, there is always a risk that the authorities will dispute the Group's conclusions and such disputes may have an adverse effect on the business, financial condition and results of operations of the Group.

### **Risks due to Foreign Incorporation**

Geodrill Limited is incorporated under and governed by the laws of the Isle of Man and consequently shareholders may not have the same rights and protections as they would have under provincial or federal corporate law in Canada. There can be no assurance that shareholder rights and remedies available under the corporate law of the Isle of Man will be enforceable in Canada through Canadian courts or that any orders of the courts of the Isle of Man made under such corporate law will be enforceable in Canada.

## **3) Market Demand, Revenue and Industry Cycle Risk**

### **Cyclical Downturns**

The Group's business is highly dependent upon the levels of mineral exploration, development and production activity by mining companies in Africa and Chile. In recent years, certain countries in West Africa such as Ghana, Cote d'Ivoire and Senegal, have seen an increase in mining and exploration primarily focused on gold. In 2023, the Group achieved revenues of US\$130.5M. In 2024, the Group achieved revenues of US\$143.1M. In 2025, the Group achieved revenues of US\$184.9M.

The operations and financial results of Geodrill may be materially adversely affected by increases or declines in the price of gold and other commodities. The prices of gold and other commodities fluctuate widely and are affected by numerous factors beyond Geodrill's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and foreign currencies, global and regional supply and demand and the political and economic conditions of major metals-producing countries throughout the world. The price of gold and other commodities has fluctuated widely, and future serious price declines could cause continued exploration, development of and commercial production by Geodrill's clients to be impracticable. In such event, the operational and financial results from drilling operations would suffer.

Industry experience indicates that prevailing and projected prices of commodities are major influences on the Group's clients' activity levels and planned expenditures. In the past, strong commodities market conditions have led to an increased supply of drill rigs to the market. In the event of a sustained decrease in demand for drilling activities, the market may be oversupplied with drill rigs, which may result in downward pressure on drilling service providers' margins and drilling operations. In addition, historically when commodity prices fall below certain levels, it is not uncommon for mining and exploration expenditures to decline in the following twelve month period. There is a risk that a significant, sustained fall in commodity prices could substantially reduce future mining expenditures, particularly in relation to exploration and production, leading to a decline in demand for the drilling services offered by the Group which may have a material adverse effect and impact on the Group's business, financial position, results of operations and prospects.

## **Global Financial Condition**

Global financial conditions may impact the ability of the Group and its clients to obtain equity or debt financing in the future on terms that are favorable. Worldwide economic conditions, in particular, economic conditions of countries such as the United States and China, influence the activity in the mining industry which in turn has an effect on the demand for the drilling services provided by Geodrill. Increased levels of volatility and market turmoil could adversely affect the Group's results of operations and the trading price of the Ordinary Shares.

## **Sensitivity to General Economic Conditions**

The operating and financial performance of the Group is influenced by a variety of international and country-specific general economic and business conditions (including inflation, interest rates and exchange rates), access to debt and capital markets, as well as monetary and regulatory policies. A deterioration in domestic or international general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could have a material adverse effect on the financial performance, financial position and condition, cash flows, distributions, share price and growth prospects of the Group.

## **Inability to Sustain or Increase Revenue Levels**

The Group recorded revenue of US\$184.9M in 2025 versus US\$143.1M in 2024, or an increase of US\$41.9M. In 2024, the Group recorded revenue of US\$143.1M in 2024 versus US\$130.5M in 2023, or an increase of US\$12.5M. The Group's ability to sustain or increase its revenue will depend on a number of factors, many of which are beyond the Group's control, including, but not limited to, commodity prices, the ability of mining companies to raise financing and the global demand for materials. In addition, the Group is subject to a variety of business risks generally associated with growing companies. The Group is not currently contemplating adding a significant number of rigs but will continue to explore geographic expansion. Expanding into other jurisdictions could place significant strain on the Group's management personnel and the Group may need to recruit additional personnel to service these jurisdictions.

There can be no assurance that the Group will be able to sustain or increase its revenue or that such increased revenue, if achieved, will result in profitable operations, that it will be able to attract and retain sufficient management personnel necessary. The failure to accomplish any of the foregoing could have a material adverse effect on the Group's financial performance, financial condition, cash flows and growth prospects. Further, as the Group increases its geographical footprint, it may need to expand its operations base or establish a new operations base in order to continue to maintain its fleet of drill rigs.

## **4) Commercial / Contracting / Competitive Risk**

### **Competition**

The Group faces considerable competition from several large drilling services companies and a number of smaller regional competitors. Some of the Group's competitors have been in the drilling services industry for a longer period of time. This may mean that they are perceived as being able to offer a greater range of services at more competitive prices than the Group. In addition, new and current competitors willing to provide services at a lower cost will likely continue to occur as demand for drilling services tightens. Increased competition in the drilling services market may adversely affect the Group's current market share, profitability and growth opportunities. Any erosion of the Group's competitive position could have

a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

A significant portion of the drilling services business is a result of being awarded contracts through a competitive tender process. It is possible that the Group may lose potential new contracts to competitors if it is unable to demonstrate reliable performance, technical competence and competitive pricing as part of the tender process or if mining companies elect not to undertake a competitive tender process, or the Group does not continue to provide a premium service as compared to other competitors, to its existing client base which would cause it to lose its reputation in the market place.

### **Client Contracts**

The Group's drilling client contracts are typically based on meters to drill and range for a term of one month to five years and can be cancelled by the client on short or no notice in certain circumstances with limited or no amounts payable to the Group. The short duration of contract periods, typical for the drilling industry, does not provide any certainty of long-term cash flows. There is a risk that existing contracts may not be renewed or replaced and that the drill rigs may not be able to be placed with alternative clients. The failure to renew or replace some or all of these existing contracts and cancellation of existing contracts could have a material adverse effect on the Group's financial performance, financial condition, cash flows and growth prospects.

## **5) Customer Credit and Receivables Risk**

### **Credit Risk**

The Group provides credit to its clients in the normal course of its operations. The Group provides for lifetime expected credit losses (ECLs) for trade receivables. The Group uses the simplified approach to recognizing ECLs for its trade receivables that do not have a significant financing component. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience applied to the aging of receivables, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at each reporting date. In addition, in 2023 and 2024 the Group had noticed that certain accounts in the greater than 90 days category were taking longer to pay and certain accounts were having difficulty paying and therefore the Group needed to provide for certain specific accounts. The estimates and underlying assumptions of the trade receivables are reviewed on an ongoing basis. Management needs to make significant judgments, estimates and assumptions in determining the carrying values of the trade receivables. In 2023 management increased the non-cash expected credit loss provisions by approximately US\$4.6M. In 2024, a large trade receivable was settled via shares resulting in the reversal in 2024 of the non-cash expected credit loss provision of approximately US\$4.2M. Management will need to assess the carrying value of the trade receivables on an ongoing basis and the future estimate of the carrying value as determined each quarter may decrease significantly depending on debtors continued ability to pay and their financial well-being. As at December 31, 2025, an amount of US\$4.5M or 12% of the trade accounts receivable are aged over 90 days. As at December 31, 2025 the Group has approximately US\$1.1M in non-cash expected credit loss provisions against its greater than 90 day category of trade receivables resulting in net trade receivables in the greater than 90 day category of US\$3.4M. The Group's normal credit terms are 30 to 60 days. The Group continues to follow up regularly with clients that have trade accounts receivable aged over 90 days. Most of the clients with trade accounts receivable balances aged over 90 days are in the process of raising additional capital.

## Dependence on Customers with Capital Raising Challenges

From time to time, the Group may be dependent on customers for a significant portion of revenue and net income who, due to their relative size, could be challenged to attract funding to achieve their business plans. Should a number of our customers face serious capital raising constraints, there can be no guarantee that the Group will be able to secure sufficient replacement customers, potentially leading to future reduced revenue and income levels. Consequently, the Group continues to work to expand its client base to mitigate its exposure to customers with capital raising challenges. If our customers with trade accounts receivable balances aged over 90 days face serious capital raising constraints and are unable to raise capital, the Group may need to provide for additional expected life time credit losses which could have a material impact on net income in any given quarter. As at December 31, 2025, the aging of the trade receivable balances aged over 90 days has decreased from December 31, 2024 as follows:

	December 31, 2025		December 31, 2024	
	US\$ Gross	US\$ Net of ECL	US\$ Gross	US\$ Net of ECL
Less than 30 days	20,829,817	20,824,745	9,220,129	9,217,882
31 - 60 days	9,086,861	9,082,428	9,528,527	9,523,928
61 - 90 days	3,289,686	3,229,493	2,178,707	2,136,802
91 days and greater	4,547,993	3,417,549	4,897,613	3,044,825
	37,754,357	36,554,215	25,824,976	23,923,437

## 6) Treasury, Foreign Exchange, Liquidity and Financial Asset Risk

### Foreign Currency Exposure

The Bank of Ghana granted approval in 2023 and 2024 for the Group in Ghana to receive a portion of its payments in US dollars. If the Group has significant cash and receivables in Ghana Cedi it may be exposed to currency fluctuations between the US Dollar and the Ghana Cedi. In 2025 the Bank of Ghana granted approval for the Group to receive all of its payments in US dollars. The Group also has significant amounts of CFA relating to operating in certain French West African countries. Although the exchange rate of the CFA is linked to the EURO and it has been fairly stable in the past, there can be no assurance that it will continue to be stable. In addition, there is also a significant part of the Group's foreign exchange exposure to the Australian and Canadian dollar in relation to international purchases. As a result, the Group is exposed to currency fluctuations and exchange rate risks. Currency fluctuations and exchange rate risks between the value of the US dollar and the value of certain foreign currencies may increase the cost of the Group's operations and could adversely affect financial results.

### Concentration of Currency

The Group receives the majority of its revenues in US dollars and CFA, and as result, the majority of the Group's cash is in US dollars and CFA. To facilitate the payment of certain international suppliers and expenses, the Group holds the majority of its cash in US dollars and CFA to pay international suppliers. There can be no assurance that in the future, the Group will be able to continue to hold the majority of its cash in US dollars and CFA.

### Debt Level

In response to the need to finance capital equipment and general corporate expenditures including working capital needs, the Group has needed to borrow funds. As a result, the Group has loans payable outstanding. With loans payable outstanding and the required payments, the Group will need to monitor its cash on hand, and its investing activities in response to the level of debt and scheduled loan

repayments. The debt requires repayments of principal and interest of approximately US\$9.9M in 2026 and 2027. The Group has in the past been able to repay debt from cash on hand and cash flow generated from operations, however, there is no certainty that the Group will continue to generate positive cash flow from operations. As at December 31, 2025, the Group had US\$17.3M of cash and US\$9.5M still available on the US\$9.5M Medium Term Loan and US\$6.0M available on the US\$10.0M Revolving Line of Credit. As at February 28, 2026, the Group had US\$6.0M available on the US\$10.0M Revolving Line of Credit and US\$6.5M still available on the US\$9.5M Medium Term Loan.

### **Equity Price Risk**

The Group holds equity investments in listed companies and is exposed to equity price risk. The equity investments are held for sale and not held for strategic purposes. At December 31, 2025, the Group had decreased their equity investments to approximately US\$1.7M. If equity prices had been 10% higher or lower and all other variables were held constant, the Group's equity and profit or loss as at December 31, 2025 would have increased or decreased by US\$167,438 (2024: US\$646,970).

## **7) Operational Delivery, HSE and Business Interruption Risk**

### **Operational Risks and Liability**

Risks associated with drilling include, in the case of employees, personal injury and loss of life and, in the case of the Group, damage and destruction to property, equipment, release of hazardous substances to the environment, including potential environmental liabilities associated with the Group's fuel storage activities, and interruption or suspension of drill site operation due to unsafe drill operations. The occurrence of any of these events may have an adverse effect on the Group, including financial loss, key personnel loss, legal proceedings and damage to the Group's reputation.

In addition, poor or failed internal processes, people or systems, along with external events could negatively impact the Group's operational and financial performance. The risk of this loss, known as operational risk, is present in all aspects of the business of the Group, including, but not limited to, business disruptions, drill rig failures, theft and fraud, damage to assets, employee safety, regulatory compliance issues and business integration issues.

Advances in exploration, development and production technology which could reduce the demand for drilling services may have an adverse impact on the financial performance of the Group.

### **Business Interruptions**

Business interruptions may result from a variety of factors, including regulatory intervention, political elections, delays in necessary approvals and permits, health and safety issues or supply bottlenecks and seasonal or extraordinary weather conditions. In addition, the Group operates in geographic locations which are prone to political risks including terrorism and natural or other disasters. Further, logistical risks such as road conditions, ground conditions and political interference may affect the Group's ability to quickly mobilize or demobilize its drill rigs. The occurrence of business interruptions or conditions could have a material adverse effect on the Group's financial performance, financial condition, cash flows and growth prospects.

## **Environment, Labor and Health and Safety Requirements and Related Considerations**

The drilling services industry is regulated by environmental and health and safety regulations. To the extent that the Group fails to comply with laws and regulations, it could lose client contracts and be subject to suspension of operations or other penalties. In addition, accidents at the sites at which the Group operates could adversely affect the Group's ability to retain client contracts and win new business.

The Group is subject to the labour laws and regulations of the various countries in which it operates. Although none of the Group's employees are currently unionized, there is the potential that some or all of its employees may become unionized in the future. There can be no assurance that the Group will not experience labour problems in the future, such as prolonged work stoppages due to labour strikes, which may have an adverse effect on its results of operations and financial conditions.

Clients are required to hold certain permits and approvals in order for the Group to conduct operations. Clients are generally responsible for obtaining the environmental permits necessary for drilling. There is no assurance that clients will be able to renew or obtain the permits or approvals which are required for the drilling services the Group provides to them, in the time frame anticipated or at all. Any failure to renew, maintain or obtain the required permits or approvals may result in interruption or delay to operations and may have an adverse impact on the Group's business, financial position, results of operations and prospects. In addition, clients rely on concessions, licenses and permits to conduct their activities. Any modification or revocation of these concessions, licenses or permits could result in a decrease in demand for the services of the Group or in contracts with clients being terminated.

### **Insurance Limits**

The Group maintains, to a limited extent, fixed property, motor and general liability insurance. The Group does not insure all of its drill rigs nor its goods in transit, as management has determined that the cost of the premiums outweigh the benefits at this time. Regarding the insurance that the Group does have, there can be no assurance that such insurance will continue to be offered on an economically feasible basis, that all events that could give rise to a loss or liability are insurable or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the assets or operations of the Group. The Group does not carry business interruption insurance or key man insurance and, as such, any such interruption or loss would have an adverse effect on the financial position of the Group. To the extent that Geodrill incurs losses not covered by its insurance policies, the funds available for operations will be reduced.

## **8) Supply Chain and Input Cost Risk**

### **Supply of Consumables**

The Group's operations could place pressure on the ability of its vendors to manufacture and deliver to the Group consumables used in its drilling activities. Any negative impact on the ability of the vendors to deliver their products may constrain the Group's ability to increase its capacity and increase or maintain revenue and profitability.

### **Increased Cost of Sourcing Consumables and Drilling Equipment**

When bidding on a drilling contract, the cost of consumables (including fuel) is a key consideration in deciding upon the pricing of a contract. A material increase in the cost of consumables (including fuel) could result in materially higher costs and could materially reduce the Group's financial performance,

financial condition, cash flows and growth prospects. Although the Group mitigates the risk of sourcing and pricing of consumables by keeping an inventory and having the capacity to fabricate certain consumable equipment, such as RC drill pipe and RC wire-line drill subs, there remains a risk that the pricing and availability of certain other consumables such as fuel could have a material negative effect on the Group's operations. Additionally, the delay or inability of suppliers to supply key manufacturing inputs, such as steel and other raw materials, may delay manufacturing certain consumables such as RC drill pipe and RC wire-line drill subs, that may have an adverse effect on the operations and the financial position of the Group's business.

## **9) People, Skills and Workforce Risk**

### **Dependence on Certain Key Personnel**

The success of the Group was, and is currently, largely dependent on the performance of senior management and, in particular, Dave Harper, Terry Burling, Greg Borsk, Greig Rodger and Stephan Rodrigue. The senior management group is also supported by numerous drilling supervisors, HSE personnel and other management employees to manage its immediate operations as well as the obligations of running a public company. The loss of the senior management personnel would likely have a materially adverse effect on the Group's business and prospects. Additionally, there is no assurance that the Group can maintain the services of its other management or its key drillers required to operate the business. The Group does not maintain key person insurance on the lives of any of its senior management.

### **Specialized Skills and Cost of Labor Increases**

The Group may not be able to recruit or retain drillers and other key personnel who meet the Group's high standards. A failure by the Group to retain qualified drillers or attract and train new qualified drillers could have a material adverse effect on the Group's financial performance, financial condition, cash flows and growth prospects.

## **10) Cyber and Systems Risk**

### **Cybercrime**

Cybercrime is now recognized as one of the biggest threats to global businesses. The agile nature of business, along with remote working technology, has left more companies open to the risk of cyber-attacks. These crimes range from the malicious, perhaps politically or ideologically motivated through to data or financial theft which may be orchestrated by the amateur hacker or by organized crime. Failure to identify and address these threats would leave the Group vulnerable to a cyber-attack. The Group continually updates its hardware and software to the highest standard to protect it against cybercrime. In addition to this, on an annual basis the Group has a third party perform a vulnerability assessment on its network.

## **11) Reputation Risk**

### **Risk to the Group's Reputation**

Risks to the reputation of the Group, including any negative publicity, whether true or not, could cause a decline in the Group's customer base and have a material adverse impact on the Group's financial performance, financial condition, cash flows and growth prospects. All risks have an impact on reputation and, as such, reputational risk cannot be managed in isolation from other types of risk. Every employee

and representative of the Group is charged with upholding its strong reputation by complying with all applicable policies, legislation and regulations as well as creating positive experiences with the Group's customers, stakeholders and the public.

## **12) Equity Market and Shareholder Risk**

### **Equity Market Risks**

The Ordinary Shares of the Group are listed and traded on the TSX under the symbol GEO and on the OTCQX under the symbol GEODF. There is a risk associated with any investment in the Ordinary Shares. The market price of securities such as the Ordinary Shares of the Group are affected by numerous factors including, but not limited to, general market conditions, actual or anticipated fluctuations in the Group's results of operations, changes in estimates of future results of operations by the Group or securities analysts, risks identified in this section and other factors. In addition, the financial markets have experienced significant price and volume fluctuations that have sometimes been unrelated to the operating performance of the issuers or the industries in which they operate.

### **The Influence of Existing Shareholders and Future Sales by The Harper Family Settlement and Dave Harper**

The Harper Family Settlement and Dave Harper holds or controls, directly or indirectly, 18,604,100 Ordinary Shares representing approximately 39.4% of the Group's issued Ordinary Shares. As a result, The Harper Family Settlement and Dave Harper have the ability to influence the Group's strategic direction and policies, including any sale of all or substantially all of its assets, the election and composition of the Board of Directors, the amendment of the Group's Memorandum and Articles of Association and the declaration of dividends. The foregoing ability to influence the control and direction of the Group could adversely affect investors' perception of the Group's corporate governance and reduce its attractiveness as a target for potential take-over bids and business combinations, and correspondingly affect its share price.

Sales of a large number of Ordinary Shares by The Harper Family Settlement or Dave Harper in the public markets, or the potential for such sales, could decrease the trading price of the Ordinary Shares and could impair Geodrill's ability to raise capital through future sales of Ordinary Shares.

### **Dilution**

The Group may raise additional funds in the future by issuing equity securities. Holders of Ordinary Shares will have no pre-emptive rights in connection with such further issues. Additional Ordinary Shares may be issued by the Group in connection with the exercise of options. Such additional equity issuances could, depending on the price at which such securities are issued, substantially dilute the interests of the holders of Ordinary Shares.

### **Dividend Payments**

The Group paid no dividends in 2025 and 2024. Payment of any future dividends will be at the discretion of the Board of Directors after taking into account many factors, including the Group's earnings, operating results, financial condition and current and anticipated cash needs.

## FAIR VALUES OF FINANCIAL INSTRUMENTS

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

There were no financial instruments classified as level 2 or 3 in the fair value hierarchy at December 31, 2025 and 2024.

## FINANCIAL RISK MANAGEMENT

### Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for managing risk, methods used to measure the risks and the Group's management of capital.

### Risk management framework

The Board of directors has overall responsibility for the oversight of the Group's risk management framework.

The Group's management team is responsible for developing and monitoring the Group's risk management policies. The team meets periodically to discuss corporate plans, evaluate progress reports and establish action plans to be taken. The day-to-day implementation of the Board's decisions rests with the CEO.

#### (i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash.

#### *Trade and other receivables*

The Group's exposure to credit risk is minimized as customers are given 30 to 60 day credit periods for services rendered.

As at December 31, 2025, two customers contributed more than 28% to the Group's trade receivables.

As at December 31, 2024, five customers contributed more than 60% to the Group's trade receivables.

### Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>2025</b>	<b>2024</b>
	<b>US\$</b>	<b>US\$</b>
Trade and other receivables	44,355,696	30,237,595
Cash	17,294,142	13,051,518
	<hr/> 61,649,838	<hr/> 43,289,113

For Cash, the Group only maintains funds with independent parties, and only entities with a good reputation are accepted as counterparties.

For trade and other receivables, the Group assesses the quality of the counterparties, taking into account its financial position, past experience and other factors.

The maximum exposure to credit risk for trade and other receivables at the reporting dates by type was:

	<b>2025</b>	<b>2024</b>
	<b>US\$</b>	<b>US\$</b>
Mining and exploration companies	36,554,215	23,923,437
Others	7,801,481	6,314,158
	<hr/> 44,355,696	<hr/> 30,237,595

The ageing of trade receivables due from mining and exploration companies at the reporting dates was:

	<b>December 31, 2025</b>		<b>December 31, 2024</b>	
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
	<b>Gross</b>	<b>Net of ECL</b>	<b>Gross</b>	<b>Net of ECL</b>
Less than 30 days	20,829,817	20,824,745	9,220,129	9,217,882
31 - 60 days	9,086,861	9,082,428	9,528,527	9,523,928
61 - 90 days	3,289,686	3,229,493	2,178,707	2,136,802
91 days and greater	4,547,993	3,417,549	4,897,613	3,044,825
	<hr/> 37,754,357	<hr/> 36,554,215	<hr/> 25,824,976	<hr/> 23,923,437

### (ii) Liquidity risk

Liquidity risk is the risk that the Group either does not have sufficient financial resources available to meet all of its obligations and commitments as they fall due, or can access them only at excessive cost. The Group's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due by monitoring and scheduling cash in bank movements and reinvesting profits earned.

The Group's obligation and principal repayments on its financial liabilities are presented in the following table:

	Total US\$	Within One Year US\$	Greater than One Year US\$
<b>December 31, 2025</b>			
<b>Non-derivative financial liability</b>			
Trade and other payables	33,556,600	33,556,600	-
Loans payable	9,454,847	8,129,212	1,325,635
Lease liabilities	826,224	630,405	195,819
Balance at December 31, 2025	43,837,671	42,316,217	1,521,454
<b>December 31, 2024</b>			
<b>Non-derivative financial liability</b>			
Trade and other payables	25,013,065	25,013,065	-
Loans payable	10,240,432	7,910,585	2,329,847
Lease liabilities	1,119,725	707,447	412,278
Balance at December 31, 2024	36,373,222	33,631,097	2,742,125

**(iii) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns. Management regularly monitors the level of market risk and considers appropriate strategies to mitigate those risks. Sensitivity analysis relating to key market risks has been provided below.

**(a) Foreign currency risk**

The Group is exposed to currency risk on cash, financial assets at fair value through profit and loss, trade and other receivables, trade payables and taxes payable that are denominated in currencies other than the functional currency. The other currencies in which these transactions are denominated are EURO, Ghana Cedis (GHS), British Pound (GBP), Central African Franc (CFA), Australian Dollar (AUD), Canadian Dollar (CAD), Zambian Kwacha (ZMW), Egyptian Pound (EGP), Brazilian Real (BRL), Peruvian Sol (PEN) and Chilean Peso (CLP).

The Group's significant exposure to foreign currency risk was as follows based on foreign currency amounts.

**December 31, 2025**

	EURO	GHS	CFA	AUD	CAD	CLP
Cash	-	10,607,211	2,938,438,610	72,177	240,730	446,327,119
Financial assets at fair value through profit and loss	-	-	-	60,000	2,154,750	-
Trade and other receivables	3,686	34,658,738	7,255,061,729	-	108,214	5,392,521,664
Trade payables	(48,235)	(27,879,216)	(861,808,686)	(4,731,429)	(1,893,564)	(6,102,473,618)
Taxes payable	-	-	(7,437,274,924)	-	-	-
Lease Liabilities	-	(1,488,255)	(24,191,892)	-	-	(112,510,516)
Gross exposure	(44,549)	15,898,478	1,870,224,837	(4,599,252)	610,130	(376,135,351)

**December 31, 2024**

	EURO	GHS	CFA	AUD	CAD	CLP
Cash	1,014,100	13,513,045	2,794,351,644	246,169	45,302	3,411,777
Financial assets at fair value through profit and loss	-	-	-	466,294	8,355,448	-
Trade and other receivables	6,552	21,889,149	7,159,675,205	-	-	75,273,414
Trade payables	(10,534)	(21,103,833)	(644,355,936)	(2,896,570)	(2,227,780)	(1,802,480,261)
Taxes payable	-	-	(750,479,606)	-	-	-
Lease Liabilities	-	(196,688)	(53,959,007)	-	-	(257,613,566)
Gross exposure	1,010,118	14,101,673	8,505,232,300	(2,184,107)	6,172,970	(1,981,408,636)

The following significant exchange rates applied during the years:

US\$1=	2025		2024	
	Reporting Rate	Average Rate	Reporting Rate	Average Rate
EURO	0.8517	0.8952	0.9626	0.9212
GHS	10.5064	12.8530	14.7017	14.2216
CFA	558.6870	587.1921	631.4540	604.2670
AUD	1.4963	1.5578	1.6116	1.5087
CAD	1.3707	1.4014	1.4371	1.3629
CLP	900.5960	956.4528	993.5620	934.3864

**Sensitivity analysis on currency risks**

The following table shows the effect of a strengthening or weakening US\$ against all other currencies on equity and profit or loss. This sensitivity analysis indicates the potential impact on equity and profit or loss based upon the foreign currency exposures, (see "foreign currency risk" above) and it does not represent actual or future gains or losses. The sensitivity analysis is based on a change of 10% in the closing exchange rate per currency recorded in the course of the respective financial year.

A strengthening/weakening of the US\$, by the rates shown in the table, against the following currencies would have increased/decreased equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

As at December 31,		2025		2024	
		Profit or Loss impact before tax		Profit or Loss impact before tax	
	% Change	US\$	% Change	US\$	
EURO	±10	±5,231	±10	±104,936	
GHS	±10	±151,322	±10	±95,919	
CFA	±10	±334,754	±10	±1,346,928	
AUD	±10	±307,375	±10	±135,524	
CAD	±10	±44,512	±10	±429,543	
CLP	±10	±41,765	±10	±199,425	

**(b) Interest rate risk**

The Group is exposed to interest rate risk on its bank balances and loans.

**Profile**

At the reporting dates, the interest rate profiles of the Group's interest-bearing financial instruments were:

	2025 US\$	2024 US\$
<b>Variable rate instruments</b>		
Bank balances	17,294,142	13,051,518
<b>Fixed rate instruments</b>		
Loans	9,454,847	10,240,432

**Sensitivity analysis for variable rate instruments**

A change of 200 basis points in the interest rate at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2025 and 2024.

As at December 31,		2025			2024		
		Profit or Loss impact before tax		Profit or Loss impact before tax		Equity	
	% Change	US\$	US\$	% Change	US\$	US\$	
Bank balances	±2%	±345,883	±345,883	±2%	±261,030	±261,030	

**(c) Investment in Equity Price risk**

The Group holds equity investments and is exposed to equity price risk. The equity investments are held for sale and not held for strategic purposes.

If equity prices had been 10% higher or lower and all other variables were held constant, the Groups equity and profit or loss as at December 31, 2025 would increase/decrease by US\$167,438 (2024: US\$646,970).

#### (iv) Capital management

The Group manages its capital structure and makes adjustments to it to effectively support the Group's operations. In the definition of capital the Group includes, as disclosed on its consolidated statement of financial position: share capital, retained earnings, reserves and loans. The Group's capital at December 31, 2025 and 2024 is as follows:

Capital Management	2025 US\$	2024 US\$
Loans payable	9,454,847	10,240,432
Share capital	28,462,124	28,547,515
Share-based payment reserve	3,883,700	3,946,719
Retained earnings	85,765,976	87,382,062
	127,566,647	130,116,728

#### RELATED PARTY TRANSACTIONS

Related party	Relationship	Location	2025	2024
Geodrill Mauritius Limited	Subsidiary	Mauritius	100%	100%
Geodrill Ghana Ltd	Subsidiary	Ghana	100%	100%
Geodrill Cote d'Ivoire SARL	Subsidiary	Cote d'Ivoire	100%	100%
Drilling Services Malta Limited	Subsidiary	Malta	100%	100%
Vannin Resources, Unipessoal Limitada	Subsidiary	Madeira	100%	100%
Geodrill Sondagens LTDA	Subsidiary	Brazil	100%	100%
Silver Back Egypt for Mining and Drilling Services S.A.E.	Subsidiary	Egypt	100%	100%
Geodrill for Leasing and Specialized Services Freezone LLC	Subsidiary	Egypt	100%	100%
Geodrill Leasing Company Limited	Subsidiary	Isle of Man	100%	100%
Geodrill Senegal SARL	Subsidiary	Senegal	100%	100%
Company AL-TANQIB AL-MUTAKHIS For Mining LLC	Subsidiary	Saudi Arabia	100%	100%
Recon Drilling S.A.C.	Subsidiary	Peru	95%	95%
Geo-Drill SARL	Subsidiary	Mali	95%	95%
Recon Drilling Chile SPA	Subsidiary	Chile	95%	95%
Geodrill BF	Branch	Burkina Faso	NA <sup>(1)</sup>	100%
Geodrill Mali	Branch	Mali	100%	100%
Geodrill Limited Zambia	Branch	Zambia	100%	100%
Geodrill Mauritius Limited Egypt	Branch	Egypt	100%	100%
The Harper Family Settlement	Significant shareholder	Isle of Man	-	-
GTS Drilling Ltd	Common Control	Ghana	-	-

<sup>(1)</sup> This company has been dissolved during the year.

#### (i) Transactions with related parties

Transactions with companies within the Group have been eliminated on consolidation. The Harper Family Settlement owns 37.1% (December 31, 2024: 37.1%) of the issued share capital of Geodrill Limited. On October 1, 2024, Geodrill Ghana Ltd entered into new lease agreements with The Harper Family Settlement for the Anwiankwanta property and for the Accra property, both for a two year term and rent for the Anwiankwanta property of US\$244,000 per annum and rent for the Accra property of US\$99,000

per annum. The material terms of the two year lease agreements include: (i) the annual rent payable shall be reviewed on an upward only basis on or before October 1, 2026; and (ii) only Geodrill Ghana Ltd can terminate the leases by giving twelve months' notice. It was also agreed that all future rent increases will be based on USA inflation data.

For the year ending December 31, 2025, the right-of-use assets relating to the properties above was US\$240,271 (December 31, 2024: US\$554,623) and the related lease liabilities were US\$252,239 (December 31, 2024: US\$560,849).

**(ii) Key management personnel and directors' transactions**

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

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

	<b>2025</b>	<b>2024</b>
	<b>US\$</b>	<b>US\$</b>
Short-term benefits	5,853,652	5,685,392
Share-based payment arrangements	666,722	276,470
	<u>6,520,374</u>	<u>5,961,862</u>

**SIGNIFICANT ACCOUNTING POLICIES**

The Group's audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The significant accounting policies are described in the audited financial statements for the years ended December 31, 2025 and 2024.

**NEW AND FUTURE ACCOUNTING STANDARDS**

**a. Adoption of new and amended accounting pronouncements**

In 2025, there have been no new or amended accounting pronouncements that have had a material impact on Group's consolidated financial statements.

**New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions with the exception of the standard detailed below:

### *IFRS 18 Presentation and Disclosure in the Financial Statements*

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The Group is currently evaluating the impact of this standard on its consolidated financial statements. The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

### *Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7*

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. This amendment is not expected to have a material impact on the entity in the current or future reporting periods. The Group will apply the new standard from its mandatory effective date of January 1, 2026.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

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

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

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values are described in the Company's audited consolidated financial statements for the years ended December 31, 2025 and 2024.

### **Additional Information**

Additional information relating to Geodrill, including the Company's Annual Information Form can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).