

GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025

(unaudited)
(in United States dollars)

GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
As at March 31, 2026 and December 31, 2025

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GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

As at March 31, 2026 and December 31, 2025

	Note	March 31, 2026 US\$	December 31, 2025 US\$
Assets			
Non-current assets			
Deferred tax asset	7(iv)	448,395	-
Property, plant and equipment	8	72,915,821	73,508,429
Right-of-use assets	9	788,550	1,148,751
Total non-current assets		74,152,766	74,657,180
Current assets			
Financial assets at fair value through profit or loss	10	268,227	1,674,381
Inventories	11	38,744,245	36,536,983
Prepayments		1,978,735	2,082,554
Trade and other receivables	12	50,128,048	44,355,696
Cash		12,292,082	17,294,142
Total current assets		103,411,337	101,943,756
Total assets		177,564,103	176,600,936
Equity and liabilities			
Equity			
Share capital		29,448,804	28,462,124
Share-based payment reserve		3,756,745	3,883,700
Retained earnings		85,409,692	85,765,976
Capital and reserves attributable to owners of Geodrill Limited		118,615,241	118,111,800
Non-controlling interests	13	(701,151)	(694,140)
Total equity		117,914,090	117,417,660
Liabilities			
Non-current liabilities			
Deferred tax liability	7(iv)	2,379,624	1,971,330
Loans payable	14	2,284,674	1,325,635
Lease liabilities		152,862	195,819
Total non-current liabilities		4,817,160	3,492,784
Current liabilities			
Trade and other payables	15	34,767,734	33,556,600
Loans payable	14	8,142,917	8,129,212
Lease liabilities		511,523	630,405
Taxes payable	7(ii)	11,410,679	13,374,275
Total current liabilities		54,832,853	55,690,492
Total equity and liabilities		177,564,103	176,600,936

GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE
(LOSS) / INCOME (UNAUDITED)

For the three months ended March 31, 2026 and 2025

	Note	March 31, 2026 US\$	March 31, 2025 US\$
Revenue		48,429,619	48,751,710
Cost of sales	6	(41,233,544)	(35,200,073)
Gross profit		7,196,075	13,551,637
Selling, general and administrative expenses	6	(5,979,119)	(4,993,149)
Expected lifetime credit recovery	12	108,639	196,764
Foreign exchange gain / (loss)		289,082	(56,006)
Other income		12,919	466,251
Results from operating activities		1,627,596	9,165,497
Finance income		10,314	13,544
Finance costs		(248,025)	(247,813)
Income before taxation		1,389,885	8,931,228
Income tax expense	7(i)	(1,505,897)	(3,359,467)
(Loss) / income and total comprehensive (loss) / income for the year		(116,012)	5,571,761
(Loss) / income and total comprehensive (loss) / income for the year is attributable to:			
Owners of Geodrill Limited		(109,001)	5,612,684
Non-controlling interests		(7,011)	(40,923)
		(116,012)	5,571,761
(Loss) / earnings per share for income attributable to the ordinary equity holders of the Company			
Basic	21(i)	\$(0.00)	\$0.12
Diluted	21(ii)	\$(0.00)	\$0.12

GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN
EQUITY (UNAUDITED)

For the three months ended March 31, 2026 and 2025

	<u>Attributable to owners of Geodrill Limited</u>				Total Equity US\$
	Share Capital US\$	Share-based Payment Reserve US\$	Retained Earnings US\$	Non- controlling interests US\$	
Balance at January 1, 2026	28,462,124	3,883,700	85,765,976	(694,140)	117,417,660
Loss and total comprehensive loss for the year	-	-	(109,001)	(7,011)	(116,012)
Share buy-back and cancellation	12,488	-	(247,283)	-	(234,795)
Exercise of stock option	745,344	(146,548)	-	-	598,796
Equity-settled stock options	228,848	(62,806)	-	-	166,042
Cash-settled stock options	-	(31,404)	-	-	(31,404)
Issuance of stock options	-	113,803	-	-	113,803
Balance at March 31, 2026	29,448,804	3,756,745	85,409,692	(701,151)	117,914,090
Balance at January 1, 2025	28,547,515	3,946,719	87,382,062	(349,534)	119,526,762
Income and total comprehensive income for the year	-	-	5,612,684	(40,923)	5,571,761
Equity-settled stock options	20,735	(9,035)	-	-	11,700
Cash-settled stock options	-	(253,352)	-	-	(253,352)
Issuance of stock options	-	99,681	-	-	99,681
Balance at March 31, 2025	28,568,250	3,784,013	92,994,746	(390,457)	124,956,552

GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2026 and 2025

	March 31, 2026 US\$	March 31, 2025 US\$
Cash flows from operating activities		
Income before taxation	1,389,885	8,931,228
<i>Adjustments for:</i>		
Depreciation expense	4,253,010	4,403,660
Movement in expected lifetime credit losses	(108,639)	(196,764)
Change in provision for inventory obsolescence and write down	(5,525)	352,979
Share-based payment expense	362,865	111,381
Finance income	(10,314)	(13,544)
Finance costs	248,025	247,813
Income on current financial assets at fair value through profit and loss	(12,919)	(466,251)
Unrealized foreign exchange gain	(142,567)	(106,954)
	5,973,821	13,263,548
Disposals of financial assets at fair value through profit and loss	1,419,073	274,491
Change in inventories	(2,201,737)	1,245,268
Change in prepayments	103,819	756,744
Change in trade and other receivables	(5,662,363)	(19,071,100)
Change in trade and other payables	1,558,961	4,732,046
	1,191,574	1,200,997
Finance income received	8,964	13,544
Finance costs paid	(248,379)	(248,138)
Income taxes paid	(3,509,594)	(720,607)
Net cash (used in) / generated from operating activities	(2,557,435)	245,796
Investing activities		
Purchase of property, plant and equipment	(2,994,637)	(3,644,348)
Net cash used in investing activities	(2,994,637)	(3,644,348)
Financing activities		
Loans received	4,000,000	4,000,000
Loan payments	(3,027,256)	(556,349)
Lease liabilities payments	(41,422)	(275,391)
Share buy-back	(234,795)	-
Net cash used in financing activities	696,527	3,168,260
Effect of movement in exchange rates on cash	(146,515)	162,960
Net decrease in cash	(5,002,060)	(67,332)
Cash at beginning of the period	17,294,142	13,051,518
Cash at end of the period	12,292,082	12,984,186

GEODRILL LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

For the three months ended March 31, 2026 and 2025

1. GENERAL INFORMATION

Geodrill Limited (the “Company” or “Geodrill”) is a company registered and domiciled in the Isle of Man. The address of the Company’s registered office is Ragnall House, 18 Peel Road, Douglas, Isle of Man, IM1 4LZ. The unaudited condensed interim consolidated financial statements of the Company for the periods ended March 31, 2026 and 2025 comprise the interim financial statements of the Company and its wholly owned subsidiaries, Geodrill Ghana Ltd, Geodrill Mauritius Limited, Geodrill Cote d’Ivoire SARL, Drilling Services Malta Limited, Vannin Resources, Unipessoal Limitada, Geodrill Sondagens LTDA, Silver Back Egypt for Mining and Drilling Services S.A.E., Geodrill for Leasing and Specialized Services Freezone LLC, Geodrill Leasing Company Limited, Geodrill Senegal SARL, Geodrill for Mining Specialized Services 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 the Company owns a 95% shareholding, Recon Drilling Chile SPA of which the Company owns a 95% shareholding and Geo-Drill SARL of which the Company owns a 95% shareholding, GTS Drilling Ltd a company under common control, collectively referred to as the “Group”.

The Group is primarily a provider of mineral exploration drilling services. These unaudited condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of Geodrill on May 8, 2026.

2. BASIS OF PREPARATION

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2026 have been prepared in accordance with IAS 34, Interim Financial Reporting, on a basis consistent with the accounting policies as presented in Note 2 disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2025. Certain information and footnote disclosure normally included in annual financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”) has been omitted or condensed. The accounting policies applied in these unaudited condensed interim consolidated financial statements are consistent with those applied in the preparation of, and disclosed in, the consolidated annual financial statements for the year ended December 31, 2025.

(b) Basis of measurement

The unaudited condensed interim consolidated financial statements are prepared on the historical cost basis except where otherwise stated.

(c) Functional and presentation currency

The unaudited condensed interim consolidated financial statements are presented in United States dollars which is the Group’s functional and presentation currency.

GEODRILL LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

For the three months ended March 31, 2026 and 2025

2. BASIS OF PREPARATION (CONTINUED)

(d) Critical accounting estimates and judgments

In preparing these unaudited condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2025.

(e) Trade receivables

Trade receivables are initially stated at their fair value. The carrying amounts for accounts receivable are net of allowances for doubtful accounts, which represent management's estimate of lifetime expected credit losses ("ECL"). 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.

3. MATERIAL ACCOUNTING POLICIES AND CRITICAL ESTIMATES AND JUDGEMENTS

These unaudited condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Group as at and for the year ended December 31, 2025.

Critical estimates and judgements applicable to these financial statements remain consistent with those disclosed in the annual consolidated financial statements of the Group as at and for the year ended December 31, 2025.

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

Management uses a provision matrix to determine the ECL for trade receivables. The provision matrix is used to estimate future credit losses based on the Group's historical credit loss experience. The ECL determined by the provision matrix is adjusted for current and forward-looking information relating to future economic conditions and factors specific to individual debtors that were identified to be at higher risk of default. Significant judgements are made in determining the adjustments for these factors. There are large aged trade receivable balances for which judgement is required to determine the measurement of the impairment provision at the reporting date.

GEODRILL LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

For the three months ended March 31, 2026 and 2025

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The following sets out the Group's basis of determining fair values of:

(a) Trade and other receivables

The fair value of trade and other receivables approximates their carrying value due to their short term nature.

(b) Cash

Cash consists of cash at bank and cash on hand. The fair value of cash approximates its carrying values due to its short term nature.

(c) Trade and other payables

The fair value of trade and other payables approximates their carrying values, due to their short term nature.

(d) Loans payable

The fair value of the loans payable approximates their carrying value.

(e) Share-based payment transactions

The fair value of stock options is measured using the Black-Scholes model. Measurement inputs include the share price on the measurement date, exercise price of the instrument, expected volatility, expected term of the instruments (based on historical experience and general option holder behavior), expected dividends, expected forfeiture rates and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair values.

(f) Financial assets held at fair value through profit and loss

Financial assets held at fair value through profit and loss consist of listed equity securities and their fair value is measured using quoted market prices.

GEODRILL LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

For the three months ended March 31, 2026 and 2025

5. SEGMENT REPORTING

The primary format of operating segments is based on the Group's management and internal reporting structure, which is submitted to the Chief Executive Officer (CEO) who is the Chief Operating Decision Maker. Due to the integrated nature of the Group's operations and re-deployment of drill rigs within Africa, the Group maintains only one operating segment. The Group has operations in South America, however, this is not material to the Group's operations and therefore not considered to be a reportable segment.

For the three months ended March 31, 2026, three customers individually contributed 10% or more to the Group's revenue. Two customers contributed 13% and one customer contributed 11%.

For the three months ended March 31, 2025, one customer individually contributed 10% or more to the Group's revenue. That customer contributed 23%.

6. EXPENSES BY NATURE

The Group presents certain expenses in the Condensed Interim Consolidated Statements of Comprehensive Income by function. The following table presents those expenses by nature:

	March 31, 2026	March 31, 2025
	US\$	US\$
Expenses		
Wages and employee benefits	19,159,218	15,064,309
Drill rig expenses	12,592,783	12,114,862
External services, contractors and others	9,642,302	7,236,262
Depreciation	4,253,010	4,403,660
Repairs and maintenance	1,565,350	1,374,129
	<hr/> 47,212,663	<hr/> 40,193,222
	March 31, 2026	March 31, 2025
	US\$	US\$
Cost of sales	41,233,544	35,200,073
Selling, general and administrative expenses	5,979,119	4,993,149
	<hr/> 47,212,663	<hr/> 40,193,222

GEODRILL LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

For the three months ended March 31, 2026 and 2025

7. TAXATION

(i) Income tax expense

	March 31, 2026 US\$	March 31, 2025 US\$
Current tax expense (iii)	1,545,998	2,904,899
Deferred tax (recovery) / expense (iv)	(40,101)	454,568
	<u>1,505,897</u>	<u>3,359,467</u>

(ii) Taxes payable

	Balance at Jan. 1 US\$	Payments during the period US\$	Charge for the period US\$	Balance at Mar. 31 US\$
2026	13,374,275	(3,509,594)	1,545,998	11,410,679
2025	3,755,387	(720,607)	2,904,899	5,939,679

(iii) Reconciliation of effective tax rate

	March 31, 2026 US\$	March 31, 2025 US\$
Income before tax	1,389,885	8,931,228
Corporate tax at 25% ⁽¹⁾	347,471	2,232,807
Add:		
Effect of different rate tax countries	789,756	387,354
Deferred tax liability on undistributed profits of subsidiary	468,750	400,000
Tax effect of amounts that are not deductible in calculating taxable income	(224,388)	204,418
Tax expense before withholding tax	1,381,589	3,224,579
	99.4%	36.1%
Add:		
Withholding tax	124,308	134,888
Total tax expense	<u>1,505,897</u>	<u>3,359,467</u>
Effective tax rate	<u>108.3%</u>	<u>37.6%</u>

GEODRILL LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

For the three months ended March 31, 2026 and 2025

7. TAXATION (CONTINUED)

(iv) Deferred tax

	March 31, 2026	December 31, 2025
	US\$	US\$
Deferred tax asset	448,395	-
Deferred tax liability	(2,379,624)	(1,971,330)
Balance at end of the period	(1,931,229)	(1,971,330)

(v) Recognized deferred tax assets and liabilities and movement in the period

Deferred tax assets and liabilities are attributable to the following:

	March 31, 2026	December 31, 2025
	US\$	US\$
Tax losses carried forward ⁽¹⁾	4,074,468	3,686,587
Deferred tax asset not recognized ⁽²⁾	(3,398,929)	(3,450,442)
Deferred tax on undistributed profits	(485,958)	(75,000)
Property, plant and equipment	(2,483,906)	(2,348,681)
Movement in expected lifetime credit losses	101,786	-
Provision for inventory obsolescence	261,310	216,206
Total	(1,931,229)	(1,971,330)

	March 31, 2026	December 31, 2025
	US\$	US\$
Balance at January 1	(1,971,330)	(1,837,104)
(Expense) / recovery for the period	40,101	(134,226)
Balance at end of the period	(1,931,229)	(1,971,330)

⁽¹⁾ The Group has tax losses in numerous jurisdictions that are available for the years December 31, 2027 through December 31, 2031.

⁽²⁾ Deferred tax assets in numerous jurisdictions have not been recognized in the financial statements because it is not probable that future taxable profit will be available against which the Group can utilize the related tax benefits. Deferred tax assets have been recognized where it is considered probable that the Group will generate sufficient future taxable income to utilize the related tax benefits.

GEODRILL LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

For the three months ended March 31, 2026 and 2025

7. TAXATION (CONTINUED)

(vi) Tax, Customs and Transfer Pricing audits

During 2025, the Group received a formal notice of recovery from a tax authority in Côte d'Ivoire for tax amounts owing for the years 2022 to 2024. The notice of recovery was for missing payments in the amount of CFA4,714,639,248 (US\$8.4M) with an additional amount of penalties of CFA4,997,517,602 (US\$8.9M). The Group has obtained all of the remittance certificates from the tax authority's tax platform indicating that the missing payments have been remitted.

In late December 2025, the tax authorities initiated certain measures with the intent of restricting the Group's operations in the country. 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. In early 2026, the Group entered into a memorandum of understanding with the Côte d'Ivoire tax authorities in respect of the above-mentioned notice of recovery.

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, during the fourth quarter of 2025, the Group re-evaluated its estimate of the required accrual for this tax. As of March 31, 2026, the Group has paid CFA 1,500,000,000 (US\$2.7M) related to the memorandum of understanding.

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.

GEODRILL LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the three months ended March 31, 2026 and 2025

8. PROPERTY, PLANT AND EQUIPMENT

2026	Motor Vehicles US\$	Plant & Equipment US\$	Drill Rigs (1) US\$	Land & Leasehold Improvements US\$	Capital Work in Progress (CWIP) US\$	Total US\$
Cost						
Balance at January 1, 2026	11,851,397	41,050,401	95,909,564	11,018,375	10,272,803	170,102,540
Additions	-	-	-	-	3,420,618	3,420,618
Reclassifications from CWIP	295,716	2,258,987	1,251,553	383,500	(4,189,756)	-
Assets retired during the period	(283,592)	(471,650)	(1,245,213)	(37,888)	-	(2,038,343)
Balance at March 31, 2026	11,863,521	42,837,738	95,915,904	11,363,987	9,503,665	171,484,815
Accumulated Depreciation						
Balance at January 1, 2026	9,415,580	31,036,013	50,723,726	5,418,792	-	96,594,111
Charge for the period	250,144	953,036	2,573,112	236,934	-	4,013,226
Assets retired during the period	(283,592)	(471,650)	(1,245,213)	(37,888)	-	(2,038,343)
Balance at March 31, 2026	9,382,132	31,517,399	52,051,625	5,617,838	-	98,568,994
Carrying amounts at March 31, 2026	2,481,389	11,320,339	43,864,279	5,746,149	9,503,665	72,915,821

(1) Drill rigs include drill rigs components and rebuilds which are depreciated at the appropriate rates in accordance with the Group's accounting policies.

GEODRILL LIMITED
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8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2025	Motor Vehicles US\$	Plant & Equipment US\$	Drill Rigs (1) US\$	Land & Leasehold Improvements US\$	Capital Work in Progress (CWIP) US\$	Total US\$
Cost						
Balance at January 1, 2025	12,076,881	36,420,694	85,901,614	10,122,181	17,797,593	162,318,963
Additions	-	-	-	-	18,525,079	18,525,079
Reclassifications from CWIP	1,283,914	5,976,943	17,892,818	896,194	(26,049,869)	-
Assets retired during the year	(1,509,398)	(1,347,236)	(7,884,868)	-	-	(10,741,502)
Balance at December 31, 2025	11,851,397	41,050,401	95,909,564	11,018,375	10,272,803	170,102,540
Accumulated Depreciation						
Balance at January 1, 2025	9,838,778	28,694,749	47,869,544	4,544,719	-	90,947,790
Charge for the year	1,086,200	3,688,500	10,739,050	874,073	-	16,387,823
Assets retired during the year	(1,509,398)	(1,347,236)	(7,884,868)	-	-	(10,741,502)
Balance at December 31, 2025	9,415,580	31,036,013	50,723,726	5,418,792	-	96,594,111
Carrying amounts at December 31, 2025	2,435,817	10,014,388	45,185,838	5,599,583	10,272,803	73,508,429

(1) Drill rigs include drill rigs components and rebuilds which are depreciated at the appropriate rates in accordance with the Group's accounting policies.

GEODRILL LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

For the three months ended March 31, 2026 and 2025

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation has been charged in comprehensive income as follows:

	March 31, 2026	March 31, 2025
	US\$	US\$
Cost of sales	3,781,873	3,976,273
Selling, general and administrative expenses	231,353	196,719
	<u>4,013,226</u>	<u>4,172,992</u>

As at March 31, 2026, property, plant and equipment with a carrying amount of US\$30,828,702 (December 31, 2025: US\$31,902,171) have been pledged as security for certain loans (Note 14).

9. RIGHT-OF-USE ASSETS

	March 31, 2026	December 31, 2025
	US\$	US\$
Cost		
Balance at January 1,	2,627,002	2,014,710
Additions	139,798	876,355
Disposals	(704,736)	(264,063)
Balance at the end of the period	<u>2,062,064</u>	<u>2,627,002</u>
Accumulated Depreciation		
Balance at January 1,	1,478,251	703,313
Charge for the period	239,784	944,798
Assets expired in the period	(444,521)	(169,860)
Balance at the end of the period	<u>1,273,514</u>	<u>1,478,251</u>
Carrying amounts at the end of the period	<u>788,550</u>	<u>1,148,751</u>

The amount of depreciation recognized as an expense in the three months ended March 31, 2026 was US\$239,784 (March 31, 2025: US\$230,668).

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10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group classifies listed equity investments that are held for trading as financial assets at fair value through profit or loss (FVTPL). Movements are shown in the table below:

	March 31, 2026 US\$	December 31, 2025 US\$
Balance at January 1,	1,674,381	6,469,704
Additions	-	49,953
Disposals	(1,419,073)	(7,854,019)
Profit through profit and loss	12,919	3,008,743
Balance at end of the period	268,227	1,674,381

11. INVENTORIES

	March 31, 2026 US\$	December 31, 2025 US\$
Inventories on hand	38,710,250	37,568,128
Inventories in transit	1,938,949	879,334
Provision for obsolescence	(1,904,954)	(1,910,479)
	<u>38,744,245</u>	<u>36,536,983</u>

The amount of inventories recognized as expense in the three months ended March 31, 2026 is US\$13,927,609 (three months ended March 31, 2025: US\$13,941,500).

As at March 31, 2026, inventories with a carrying amount of US\$16,000,000 (December 31, 2025: US\$16,000,000) have been pledged as security for certain loans (Note 14).

12. TRADE AND OTHER RECEIVABLES

	March 31, 2026 US\$	December 31, 2025 US\$
Trade receivables	44,466,039	37,754,357
Expected life time credit losses	(1,283,188)	(1,200,142)
Net trade receivables	43,182,851	36,554,215
Sundry receivables	6,945,197	7,801,481
	<u>50,128,048</u>	<u>44,355,696</u>

As at March 31, 2026, trade receivables with a carrying amount of US\$15,971,239 (December 31, 2025: US\$14,521,014) have been pledged as security for certain loans (Note 14).

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations. The Group's customers are given 30 to 60 day credit periods for services rendered. Certain customers take longer than 60 days to settle their accounts.

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12. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group provides for expected credit losses for trade receivables based on the aging of trade receivables as described in Notes 2 and 3. As at March 31, 2026, an amount of US\$5.1M or 11% of the trade accounts receivable are aged over 90 days. As at March 31, 2026 the Group has approximately US\$1.2M in provisions against its greater than 90 day category of trade receivables.

As at March 31, 2026, the aging of the trade receivable balances aged over 90 days has increased from December 31, 2025 as follows:

	March 31, 2026		December 31, 2025	
	US\$ Gross	US\$ Net of ECL	US\$ Gross	US\$ Net of ECL
Less than 30 days	26,207,761	26,201,604	20,829,817	20,824,745
31 - 60 days	8,913,563	8,909,258	9,086,861	9,082,428
61 - 90 days	4,254,153	4,173,567	3,289,686	3,229,493
91 days and greater	5,090,562	3,898,422	4,547,993	3,417,549
	<u>44,466,039</u>	<u>43,182,851</u>	<u>37,754,357</u>	<u>36,554,215</u>

The movements in the expected lifetime credit losses is as follows:

	March 31, 2026 US\$	December 31, 2025 US\$
Balance at January 1	1,200,142	1,901,540
Expected lifetime credit loss in the period	(108,639)	(455,605)
Amounts recovered / (written off) in the period	191,685	(245,793)
Balance at end of period	<u>1,283,188</u>	<u>1,200,142</u>

13 NON-CONTROLLING INTERESTS

	March 31, 2026 US\$	December 31, 2025 US\$
Recon Drilling Chile SPA (5%)	(526,073)	(516,538)
Recon Drilling S.A.C. (5%)	(175,078)	(177,602)
Balance at end of period	<u>(701,151)</u>	<u>(694,140)</u>

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14. LOANS PAYABLE

	March 31, 2026	December 31, 2025
	US\$	US\$
US\$10M Revolving Line of Credit (i)	3,000,000	4,000,000
US\$7.5M Medium Term Loan (ii)	3,500,000	4,375,000
Equipment Loan (iii)	927,591	1,079,847
US\$9.5M Medium Term Loan (iv)	3,000,000	-
Total	10,427,591	9,454,847
Current portion of loans	8,142,917	8,129,212
Non-current portion of loans	2,284,674	1,325,635

(i) US\$10.0M Revolving Line of Credit

The Group has a US\$10.0M Revolving Line of Credit (the “US\$10.0M Revolving Line of Credit”) with Ecobank Ghana Limited until January 31, 2027. Interest is repayable monthly and principal is repayable one year after drawdown. The US\$10.0M Revolving Line of Credit bears interest at the applicable 3 months Secured Overnight Financing Rate (SOFR) plus a margin of 4.91% per annum on any utilized portion and is subject to periodic review in line with market conditions. The US\$10.0M Revolving Line of Credit is secured by certain assets of the Group (Note 8, Note 11 and Note 12). The US\$10.0M Revolving Line of Credit may be repaid prior to maturity by the Group without penalty or other costs other than interest accrued to the date of such repayment. The US\$10.0M Revolving Line of Credit is subject to, and as at March 31, 2026, the Group was in compliance with normal course covenants. As at March 31, 2026, the Group has outstanding US\$3.0M on the US\$10.0M Revolving Line of Credit leaving US\$7.0M still available for drawdown.

(ii) US\$7.5M Medium Term Loan

The Group has a US\$7.5M Medium Term Loan (the “US\$7.5M Medium Term Loan”) with Ecobank Ghana Limited until March 31, 2027. Multiple drawings are permitted under the US\$7.5M Medium Term Loan and principal amounts are repayable quarterly over twelve quarters whereas interest is repayable monthly. The US\$7.5M Medium Term Loan bears interest at the applicable 3 months Secured Overnight Financing Rate (SOFR) plus a margin of 4.91% per annum on any utilized portion and is subject to periodic review in line with market conditions. The US\$7.5M Medium Term Loan is secured by certain assets of the Group (Note 8, Note 11 and Note 12). The US\$7.5M Medium Term Loan may be repaid prior to maturity by the Group subject to a 5% penalty on principal and interest accrued to the date of such repayment. The effective interest rate of the US\$7.5M Medium Term Loan is 9.5%. The US\$7.5M Medium Term Loan is subject to, and as at March 31, 2026, the Group was in compliance with normal course covenants. As at March 31, 2026, the Group had drawn US\$7.5M on the US\$7.5M Medium Term Loan.

(iii) Equipment Loan

The Group has a Term Loan Facility Agreement (“Equipment Loan”) with Sandvik Financial Services AB (PUBL) (“Sandvik”) for up to US\$2.0M relating to the purchase of a drill rig. The Equipment Loan requires the repayment of the loan over a period of 36 months with payments being made monthly. The Equipment Loan bears interest at 8.7% per annum, includes an arrangement fee and stipulates that final title to the rig will only pass once all payments have been made. All other risks and rewards of ownership lie with the Group. The effective interest rate of the Equipment Loan is 8.9%.

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14. LOANS PAYABLE (CONTINUED)

(iv) US\$9.5M Medium Term Loan

The Group has a US\$9.5M Medium Term Loan (the “US\$9.5M Medium Term Loan”) with Ecobank Ghana Limited until January 31, 2027. Multiple drawings are permitted under the US\$9.5M Medium Term Loan and principal amounts are repayable quarterly over twelve quarters whereas interest is repayable monthly. The US\$9.5M Medium Term Loan bears interest at the applicable 3 months Secured Overnight Financing Rate (SOFR) plus a margin of 4.91% per annum on any utilized portion and is subject to periodic review in line with market conditions. Any unutilized amounts after six months from January 30, 2026 bear a commitment fee of 0.15% per annum. The US\$9.5M Medium Term Loan is secured by certain assets of the Group (Note 8, Note 11 and Note 12). The US\$9.5M Medium Term Loan may be repaid prior to maturity by the Group subject to a 5% penalty on principal and interest accrued to the date of such repayment. The effective interest rate of the US\$9.5M Medium Term Loan is 8.8%. The US\$9.5M Medium Term Loan is subject to, and as at March 31, 2026, the Group was in compliance with normal course covenants. As at March 31, 2026, the Group had drawn US\$3.0M on the US\$9.5M Medium Term Loan leaving US\$6.5M still available for drawdown.

15. TRADE AND OTHER PAYABLES

	March 31, 2026	December 31, 2025
	US\$	US\$
Trade payables	15,588,756	15,225,298
Other creditors and accrued expenses	14,948,508	14,518,871
VAT liability	4,230,470	3,812,431
	<u>34,767,734</u>	<u>33,556,600</u>

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

There were no financial instruments classified as level 2 or 3 in the fair value hierarchy at March 31, 2026 and December 31, 2025.

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17. RELATED PARTY TRANSACTIONS

Related party	Relationship	Location	2026	2025
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%
Geodrill for Mining Specialized Services LLC ⁽¹⁾	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 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	-	-

⁽¹⁾ Previously known as Company AL-TANQIB AL-MUTAKHIS For Mining LLC.

(i) Transactions with related parties

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

The Harper Family Settlement owns 36.8% (December 31, 2025: 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 period ending March 31, 2026, the right-of-use assets relating to the properties above was US\$160,181 (December 31, 2025: US\$240,271) and the related lease liabilities were US\$169,819 (December 31, 2025: US\$252,239).

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17. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Key management personnel and directors' transactions

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

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

	March 31, 2026	March 31, 2025
	US\$	US\$
Short-term benefits	1,332,461	2,152,944
Share-based payment arrangements	362,865	567,034
	<u>1,695,326</u>	<u>2,719,978</u>

18. COMMITMENTS

As at March 31, 2026, the Group had capital commitments of US\$375,000 in relation to the purchase of a new drill rig (December 31, 2025: US\$Nil).

19. SHARE CAPITAL AND RESERVES

(i) Share capital

Shares have no par value and the number of authorized shares is unlimited.

Share capital

	March 31, 2026	December 31, 2025
Shares issued and fully paid	47,513,120	47,119,870
Shares reserved for share option plan	4,751,312	4,711,987
Total shares issued and reserved	<u>52,264,432</u>	<u>51,831,857</u>

Reconciliation of changes in issued shares

	March 31, 2026	December 31, 2025
Shares issued at January 1,	47,119,870	47,163,170
Stock options exercised	504,850	-
Share buy-back	(111,600)	(43,300)
Shares issued at end of period	<u>47,513,120</u>	<u>47,119,870</u>

All shares rank equally with regards to the Group's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders' meetings of the Group.

During the period ended March 31, 2026, the Group re-purchased 63,200 shares and cancelled 111,600 shares under its NCIB at an average price of CAD\$3.85 (for the year ended December 31, 2025, Group re-purchased 91,700 shares, of which 43,300 were cancelled before December 31, 2025, under its NCIB at an average price of CAD\$3.82).

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19. SHARE CAPITAL AND RESERVES (CONTINUED)

(ii) Share-based payment reserve

The share-based payment reserve is comprised of the equity portion of the share-based payment transaction as per the Company's share option plan.

The share-based payment expense for the three month period ended March 31, 2026 amounted to US\$362,865 (March 31, 2025: US\$567,034) and was included in selling, general and administrative expenses in the Condensed Interim Consolidated Statements of Comprehensive Income.

(iii) Retained earnings

This represents the residual of cumulative profits of the Group. Total retained earnings of US\$85,409,692 includes US\$84,909,692 available for distribution to shareholders and US\$500,000 of undistributable reserves.

20. (LOSS) / EARNINGS PER SHARE

(i) Basic (loss) / earnings per share

The calculation of basic (loss) / earnings per share for the three month period ended March 31, 2026 was based on the (loss) / earnings attributable to ordinary shareholders of US\$(109,001) (2025: US\$5,612,684) and on the weighted average number of ordinary shares outstanding of 47,204,453 (2025: 47,163,170), calculated as follows:

	March 31, 2026	March 31, 2025
	US\$	US\$
(Loss) / income attributable to ordinary shareholders	(109,001)	5,612,684

Weighted average number of ordinary shares

	March 31, 2026	March 31, 2025
	Shares	Shares
Issued ordinary shares	47,204,453	47,163,170
(Loss) / earnings per share	\$(0.00)	\$0.12

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20. (LOSS) / EARNINGS PER SHARE (CONTINUED)

(ii) Diluted (loss) / earnings per share

The calculation of diluted loss per share for the three month period ended March 31, 2026 was based on the loss attributable to ordinary shareholders of US\$(109,001) (2025: income of US\$5,612,684) and on the weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares outstanding of 48,088,235 (2025: 47,974,350), calculated as follows:

	March 31, 2026	March 31, 2025
	US\$	US\$
(Loss) / income attributable to ordinary shareholders	(109,001)	5,612,684

Weighted average number of ordinary shares - diluted

	March 31, 2026	March 31, 2025
	Shares	Shares
Weighted average number of ordinary shares - basic	47,204,453	47,163,170
Effect of share options in issue	883,782 ⁽¹⁾	811,180 ⁽²⁾
	<u>48,088,235</u>	<u>47,974,350</u>

(Loss) / diluted earnings per share	\$(0.00)	\$0.12
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(1) For the three months ended March 31, 2026, 3,120,000 options in issue were dilutive and were included in the calculation of the diluted earnings per share, however, they did not have an effect on the diluted earnings per share amount.

(1) For the three months ended March 31, 2025, 2,250,000 options in issue were dilutive and were included in the calculation of the diluted earnings per share, however, they did not have an effect on the diluted earnings per share amount.

21. DIVIDENDS

No dividends were paid in 2025 or 2024, and no dividends were declared through to May 8, 2026.

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22. EQUITY-SETTLED SHARE-BASED PAYMENTS

Share Option Plan (“SOP”)

The Company has established a SOP, which is intended to aid in attracting, retaining and motivating the Group’s employees, directors, consultants and advisors through the granting of stock options.

The maximum aggregate number of Ordinary Shares reserved for issuance pursuant to the SOP shall not exceed 10% of the total number of Ordinary Shares then outstanding. The maximum number of Ordinary Shares reserved for issuance pursuant to the SOP and any other security based compensation arrangements of the Company is 10% of the total number of Ordinary Shares then outstanding.

	March 31, 2026		December 31, 2025	
	Number of shares subject to option	Weighted average exercise price	Number of shares subject to option	Weighted average exercise price
Balance beginning, Jan. 1	3,420,000	CAD\$2.33	3,780,000	CAD\$2.13
Total granted in the period	390,000	CAD\$3.50	390,000	CAD\$3.05
Total cash-settled options in the period ⁽¹⁾	(90,000)	CAD\$1.94	(750,000)	CAD\$1.71
Total options exercised in the period ⁽²⁾	(420,000)	CAD\$1.94	-	-
Total equity-settled options in the period ⁽³⁾	(180,000)	CAD\$1.94	-	-
Balance ending	3,120,000	CAD\$2.56	3,420,000	CAD\$2.33

⁽¹⁾ 90,000 options were cash-settled, resulting in no new shares being issued.

⁽²⁾ 420,000 options were exercised, resulting in 420,000 new shares being issued.

⁽³⁾ 180,000 options were equity-settled, resulting in 84,850 new shares being issued.

The following table summarizes the options outstanding at March 31, 2026:

Options	Exercise prices	Number of options outstanding	Weighted average remaining contractual life	Number of options exercisable
Granted on May 16, 2022	CAD\$2.20	780,000	1 Yr & 2 mos	780,000
Granted on March 13, 2023	CAD\$3.05	780,000	2 Yrs	780,000
Granted on March 11, 2024	CAD\$1.71	780,000	3 Yrs	780,000
Granted on March 10, 2025	CAD\$3.05	390,000	4 Yrs	260,000
Granted on March 9, 2026	CAD\$3.50	390,000	5 Yrs	130,000

The fair values of options granted were calculated using the Black-Scholes option pricing model with the following assumptions:

Granted on	May 16, 2022	March 13, 2023	March 11, 2024	March 10, 2025	March 9, 2026
Risk free interest rate	2.73%	2.90%	3.42%	2.63%	2.91%
Expected dividend yield	3%	3%	2%	1%	0%
Stock price volatility	38%	39%	42%	37%	35%
Expected life of options	5 years	5 years	5 years	5 years	5 years
Forfeiture rate	30%	30%	30%	30%	30%

Where relevant, the expected life used in the model used to determine the accounting value attributable to the options has been adjusted based on management’s best estimate of the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on historical share price volatility over relevant periods.

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23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On May 6, 2026, the Group drew US\$3.0M on the US\$9.5M Medium Term Loan. As at May 9, 2026, the Group had drawn a total of US\$6.0M on the US\$9.5M Medium Term Loan leaving US\$3.5M still available for drawdown.