

# **Orbit Garant Expands West African Operations with US\$6.4 Million Acquisition in Burkina Faso**

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VAL-D'OR, QC, Oct. 12, 2018 /CNW/ - [Orbit Garant Drilling Inc.](#) (TSX: OGD) ("Orbit Garant" or the "Company") today announced that its operating subsidiary based in Ouagadougou, Burkina Faso, Forage Orbit Garant BF S.A.S. ("Orbit Garant BF"), has acquired the drilling business of Projet Production International BF S.A., based in Burkina Faso, through an asset purchase agreement for a total purchase price of US\$6.4 million (the "Acquisition"). Through the Acquisition, Orbit Garant BF has added 13 surface drills, related support equipment, and existing customer contracts in Burkina Faso. Orbit Garant BF has also retained approximately 100 employees, including experienced drillers and support personnel, who will now be based in Orbit Garant BF's offices in Ouagadougou. The Company expects the Acquisition to add approximately C\$12 million in incremental revenue and generate positive cash flow and earnings for its fiscal year ended June 30, 2019.

"Burkina Faso has emerged as one of largest gold producing countries in Africa and one of the most active exploration markets on the continent. This acquisition significantly strengthens our presence in Burkina Faso and the broader West African mineral drilling market, positioning us to pursue new growth opportunities," said Eric Alexandre, President and CEO of Orbit Garant. "We are employing the same strategy with this acquisition as we did in Chile, namely to establish a presence in a targeted market and then strengthen that presence with a local, prudent acquisition. Three years ago, we had virtually no presence in Chile and today we are one of the larger mineral drilling companies in that market. We have an opportunity to duplicate that success in West Africa given the increasing drilling activity in that market."

Orbit Garant will fund the US\$6.4 million purchase price through draws on its credit facility and the issuance of common shares of the Company to Projet Production International BF S.A.. The cash component of the transaction is US\$5.15 million, with US\$2.575 million paid on closing, and US\$2.575 million paid 12 months after the closing date. The remaining US\$1.25 million of the purchase price will be satisfied through the issuance of 861,637 common shares at a price of \$1.8939 per share, from the Company's treasury. The price of the common shares is based on the volume weighted average price on the Toronto Stock Exchange for the five trading days preceding the closing day of the transaction, October 11, 2018.

#### About Orbit Garant

Headquartered in Val-d'Or, Quebec, Orbit Garant is one of the largest Canadian-based mineral drilling companies, providing both underground and surface drilling services in Canada and internationally through its 235 drill rigs and more than 1,200 employees. Orbit Garant provides services to major, intermediate and junior mining companies, through each stage of mining exploration, development and production. The Company also provides geotechnical drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies. For more information, please visit the Company's website at [www.orbitgarant.com](http://www.orbitgarant.com).

#### Forward-looking information

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to business of [Orbit Garant Drilling Inc.](#) (the "Company") and the environment in which it operates. Forward-looking statements are identified by words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions and include statements regarding the anticipated financial and operational benefits of its acquisition of the drilling business described in this press release. These statements are based on the Company's expectations, estimates, forecasts and projections. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. These risks and uncertainties are discussed in the Company's regulatory filings available at [www.sedar.com](http://www.sedar.com). There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances.

SOURCE [Orbit Garant Drilling Inc.](#)

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