

Geodrill Reports Third Quarter 2023 Financial Results

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TORONTO, Nov. 13, 2023 - [Geodrill Ltd.](#) ("Geodrill" or the "Company") (TSX: GEO) (OTCQX: GEODF), a leading West African based drilling company, reported its financial results for the three month and nine month period ended September 30, 2023. All figures are reported in U.S. dollars (\$), unless otherwise indicated. Geodrill's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Financial Overview Q3-2023:

- Recorded revenue of \$30.3M, a 14% decrease compared to Q3-2022;
- Recorded EBITDA of \$0.6M or 2% of revenue which includes a \$3.6M non-cash expected credit loss provision related to the aging of trade receivables - (excluding this provision EBITDA would have been \$4.2M or 14% of revenue for Q3-2023);
- Net loss for Q3-2023 was \$(3.0)M - (excluding the \$3.6M non-cash expected credit loss provision related to the aging of a trade receivable, the net income would have been \$0.6M for Q3-2023); and
- Ended the quarter with net cash (excluding right of use liabilities) of \$3.6M.

Operational and Strategic Highlights Q3-2023:

- In the primary countries in which Geodrill operates being Ghana, Cote d'Ivoire and Egypt, revenue increased on a quarter to quarter basis;
- Added 4 new drilling contracts in the quarter, two in South America, one in Ivory Coast and one in Egypt totalling approximately \$10M;
- Achieved new milestone 14M LTI free hours at end Q3 2023;
- The Company due to security concerns wound-up its drill programs in Burkina Faso, and redeployed the rigs to other countries;
- The Company during the quarter had minimal activity in Peru and did not drill in Chile as a result of inclement weather conditions and is now drilling in both Peru and Chile in Q4 2023;
- The Company had certain drill programs end in Mali during the quarter; and
- Further diversified its presence in West Africa with a new drilling contract in Senegal.

Outlook:

- Intermediate and senior mining companies generating cash continues to drive demand for drilling;
- Capital markets continue to be challenging impacting junior and intermediate exploration companies needing to raise capital; and
- Bidding market remains robust, with strong demand for drilling in all geographic locations.

Financial Summary

US\$ 000s (except earnings per share and percentages)	For the three months ended Sept 30, 2023	For the three months ended Sept 30, 2022	For the nine months ended Sept 30, 2023	For the nine months ended Sept 30, 2022
Revenue	30,292	35,166	100,483	107,726
Gross profit	5,804	10,912	25,738	33,141
Gross profit margin	19 %	31 %	26 %	31 %
EBITDA ⁽¹⁾⁽²⁾	646	9,303	17,307	30,843
EBITDA margin	2 %	26 %	17 %	29 %
Net (Loss)/Income	(2,950)	3,619	5,141	15,477
(Loss)/Earnings per share - basic	\$(0.06)	\$0.08	\$0.11	\$0.33
Total Equity	111,279	103,567	111,279	103,567

Notes:

(1) EBITDA = earnings before interest, taxes, depreciation and amortization

(2) Please see "Non-IFRS Measures" below for additional discussion

"Revenue was adversely impacted by certain drilling programs that came to an end and certain programs were only able to start drilling very late in the quarter. We made a prudent decision to keep staff employed in certain regions in anticipation of the fourth quarter drilling. In parallel, we saw the aging of our greater than 90 day receivables increase and booked a large non-cash expected credit loss provision in the quarter, which further impacted net income and EBITDA, resulting in a net loss. While the challenging capital markets have affected exploration drilling for junior companies, we are focused on meeting demand from our senior mining customers and continue to navigate these tough market conditions," said Greg Borsk, Chief Financial Officer.

"Geodrill's long-term outlook remains positive. We will continue to rely upon our decades of experience and operational efficiency as we adjust to the market conditions and challenges for the remainder of 2023. We take a long-term approach that is flexible enough to adjust to the day-to-day realities of the business while maintaining a focus on our core values. We remain confident in our ability to recapture momentum and return traditional value to shareholders," said Dave Harper, President and CEO of Geodrill.

Geodrill's condensed interim consolidated financial statements and management's discussion & analysis ("MD&A"), for the three month and nine period ended September 30, 2023, are available via Geodrill's website at www.geodrill-gh.com and will be available on SEDAR at www.sedar.com. Management of the Company will host a conference call at 10:00 am ET to discuss the financial results.

Q3 2023 Conference Call Information

Date & Time: Monday, November 13, 2023 at 10:00 a.m. ET

Telephone: Toll Free (North America) 1-888-664-6392
International 1-416-764-8659

Conference ID: 899095 #

Webcast: <https://app.webinar.net/Y0qbzPxzKga>

Conference Call Replay

Telephone: Toll Free Replay (North America) 1-888-390-0541
International Replay 1-416-764-8677

Event Code: 899095 #
Joanna Longo, Terre Partners, (416) 575 6965, jlongo@geodrill-gh.com

The conference call replay will be available from 12:00 p.m. ET on November 20, 2023 until 11:59 p.m. ET.

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About Geodrill Limited

<https://www.rohstoff-welt.de/news/457527--Geodrill-Reports-Third-Quarter-2023-Financial-Results.html>

Geodrill has been successful in establishing a leading market position in Ghana and Cote d'Ivoire. The Company also operates in other African jurisdictions including Egypt, Mali, Senegal and is expanding its geographic presence in the South American countries of Chile and Peru. With the largest fleet of multi-purpose rigs, Geodrill provides a broad selection of diverse drilling services, including exploration, delineation, underground and grade control drilling, to meet the specific needs of its clients. The Company's client mix is made up of senior mining, intermediate and junior exploration companies. www.geodrill-gh.com

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Forward-looking statements are based on certain assumptions and analyses made by the Company 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 statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements contained in this press release including, without limitation those described in the Management's Discussion & Analysis for the year ended September 30, 2023 and the Company's Annual Information Form dated March 28, 2023 under the heading "Risk Factors". Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking statements, 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 statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this press release. The forward-looking information and forward-looking statements contained herein are made as of the date of this press release and the Company disclaims any obligation to update or review such information or statements, whether as a result of new information, future events or otherwise, except as required by law.

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