

Orbit Garant Reports Fiscal 2026 Third Quarter Financial Results

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Company announces a major new specialized drilling contract in Canada expected to generate revenue exceeding \$100 million over the initial five-year term;

[Orbit Garant Drilling Inc.](#) (TSX: OGD) ("Orbit Garant" or the "Company") today announced its financial results for the three nine-month periods ended March 31, 2026 ("Q3 2026" and "YTD 2026", respectively). All dollar amounts are in Canadian dollars unless otherwise stated.

The Company also announced today that, subsequent to the end of Q3 2026, it commenced mobilizing drill rigs for a new specialized drilling contract in Canada with a major mining company. This contract also includes a client extension option for an additional two years. Management estimates that this project will generate revenue exceeding \$100 million over the initial five-year term. Orbit Garant expects to finance the \$20 million in required capital expenditures for modification or manufacturing of the rigs and related inventory through its internally generated cash flows, an increase in available borrowings on its Credit Facility, and securing a new term loan.

Financial Highlights

(\$ amounts in millions, except per share amounts)	Three months ended March 31, 2026	Three months ended March 31, 2025	Nine months ended March 31, 2026	Nine months ended March 31, 2025
Revenue	51.4	50.0	146.0	141.9
Gross Profit	2.9	5.9	15.0	20.7
Gross Margin (%)	5.7	11.9	10.3	14.6
Adjusted Gross Margin (%) ¹	10.3	16.5	15.1	19.3
Adjusted EBITDA ¹	1.4	5.4	10.1	16.2
Net earnings	(1.2)	1.9	0.4	5.3
Net earnings per share				
- Basic and diluted (\$)	(0.03)	0.05	0.01	0.14

(1) This is a non-IFRS measure and is not a standardized financial measure. The Company's method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, the definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Reconciliation of Non-IFRS financial measures" on page 3 of this news release for more information about each non-IFRS measure and for the reconciliations to the most directly comparable IFRS financial measures.

"Our overall level of drilling activity continued to increase in the quarter, as we reached our highest drill utilization rate in ten years at 67% and recorded our highest third quarter revenue in Company history. Our fiscal third quarter is typically our weakest quarter due to the gradual ramp-up of operations after the shutdown of mining and exploration activities over the winter season and more difficult winter weather conditions in Canada. This year, we experienced more severe winter weather conditions than usual, which had a negative impact on productivity on all of our surface drilling operations. Our profitability was also negatively impacted by legacy pricing on contracts from previous quarters, continued modifications to a drilling program in North America, as well as a decline in certain international specialized drilling activities, and the ramp up of drill rigs under new contracts in Canada. With our increasing drilling activity and drill utilization rates, we expect profitability to improve in our fourth quarter, which is typically one of our strongest quarters on a seasonal basis," said Daniel Maheu, President and CEO of Orbit Garant.

"We continue to bid on new drilling projects, and the pricing environment has become more favourable compared to the start of this fiscal year. We expect this strong customer demand to continue, supported by strong metals pricing, particularly for copper, and the robust financing environment for mining companies. In 2025, mining companies listed on the TSX and Venture completed aggregate equity financings totaling more than \$16 billion, a 53% increase compared to 2024," continued Daniel Maheu. "Subsequent to quarter end, we started mobilizing additional drill rigs for a new, long-term drilling contract with a major gold mining customer in Canada. We expect this new contract to generate more than \$100 million in revenue over the initial five-year term."

five-year term."

Third Quarter Results

Revenue for Q3 2026 totalled \$51.4 million, an increase of 2.7% compared to \$50.0 million for the three-month period ended March 31, 2025 ("Q3 2025"). Canada revenue totalled \$36.3 million in Q3 2026, an increase of 0.5% compared to \$36.0 million in Q3 2025. The increase was attributable to increased overall drilling activity, partially offset by lower average revenue per metre drilled resulting from a decline in metres drilled on certain specialized drilling projects due to more severe winter weather conditions compared to Q3 2025, and legacy pricing on contracts from previous quarters. International revenue totalled \$15.1 million in Q3 2026, an increase of 8.2% compared to \$13.9 million in Q3 2025. The increase reflects increased overall drilling activity in both Chile and Guyana, partially offset by continued modifications to an existing drilling program and lower average revenue per metre drilled due to a decline in certain specialized drilling activities.

Gross profit for Q3 2026 was \$2.9 million, or 5.7% of revenue, compared to \$5.9 million, or 11.9% of revenue, in Q3 2025. Adjusted gross margin¹, excluding depreciation expenses and a gain on disposal of property, plant and equipment, was 16.5% in Q3 2026, compared to 16.5% in Q3 2025. The decrease in gross profit, gross margin and adjusted gross margin¹ reflected the mobilization of drill rigs under new long-term contracts in Canada and their associated ramp-up periods, legacy pricing on contracts from previous quarters, and more severe winter weather conditions in Canada compared to Q3 2025, which negatively impacted productivity on all surface drilling projects. Continued modifications to a drilling program and a decline in certain specialized drilling activities in South America also negatively impacted profitability.

General and Administrative expenses were \$4.5 million, or 8.8% of revenue, in Q3 2026, compared to \$4.3 million, or 8.6% of revenue, in Q3 2025.

Adjusted EBITDA¹ totalled \$1.4 million in Q3 2026 compared to \$5.4 million in Q3 2025. The decrease was primarily attributable to the mobilization of drill rigs under new long-term contracts in Canada and the related ramp-up, legacy pricing on contracts from previous quarters in Canada and the negative impact of the more severe winter weather conditions in Canada on all surface drilling projects. Continued modifications to a drilling program and a decline in certain specialized drilling activities in South America also negatively impacted Adjusted EBITDA¹. A negligible foreign exchange gain in Q3 2026, compared to a foreign exchange gain of \$1.2 million in Q3 2025 also contributed to the decline in Adjusted EBITDA¹.

Net loss for Q3 2026 was \$1.2 million, or \$0.03 per share (diluted), compared to net earnings of \$1.9 million, or \$0.05 per share (diluted), in Q3 2025. The net loss for Q3 2026 is attributable to the factors discussed above.

Liquidity and Capital Resources

The Company withdrew a net amount of \$4.8 million on its Credit Facility in Q3 2026 mostly related to net capital expenditures of \$3.6 million, compared to a withdrawal of \$0.8 million in Q3 2025. The Company's long-term debt under the Credit Facility, including the current portion, was \$20.8 million as at March 31, 2026, compared to \$14.0 million as at June 30, 2025.

On October 28, 2025, the Company announced that the Toronto Stock Exchange ("TSX") accepted its notice of intention to launch a normal course issuer bid (the "NCIB Program") to purchase outstanding common shares of Orbit Garant on the open market in accordance with the rules of the TSX. Pursuant to the NCIB Program, Orbit Garant may purchase, from time to time, in up to 500,000 common shares over a 12-month period commencing on October 31, 2025, and terminating on October 31, 2026. During Q3 2026, Orbit Garant repurchased and cancelled 20,450 Common Shares at a weighted average price of \$1.80 per share pursuant to the NCIB Program. During Q3 2026 and up to May 13, 2026, the Company issued 311,000 Common Shares as a result of options being exercised.

As at May 13, 2026, Orbit Garant had 38,170,939 common shares issued and outstanding.

As at March 31, 2026, the Company's working capital totalled \$52.7 million compared to \$50.4 million as at June 30, 2025. Orbit Garant's working capital requirements are primarily related to the funding of inventory and the financing of accounts receivable.

Orbit Garant's unaudited interim condensed consolidated financial statements and management's discussion and analysis for Q3 2026 are available via the Company's website at www.orbitgarant.com or SEDAR+ at www.sedarplus.ca.

Conference Call

Daniel Maheu, President and CEO, and Pier-Luc Laplante, CFO, will host a conference call for analysts and investors on Thursday, May 14, 2026 at 10:00 a.m. (ET). To join the conference call without operator assistance, you can register at <https://registrations.events/easyconnect/8692219/recNPNKYKQyckGsp6/> to receive an instant call back. Alternatively, you can dial 647-932-3411 or 1-800-715-9871 to reach a live operator that will join you into the call.

A live webcast of the call will be available on Orbit Garant's website at <http://www.orbitgarant.com/en/events>. The webcast will be archived following conclusion of the call. To access a replay of the conference call dial 647-362-9199 or 1-800-770-2033 and enter passcode: 8692219 #. The replay will be available until May 21, 2026.

RECONCILIATION OF NON - IFRS FINANCIAL MEASURES

Financial data has been prepared in conformity with International Financial Reporting Standards ("IFRS"). However, certain non-IFRS financial measures used in this discussion and analysis do not have any standardized meaning under IFRS and could be calculated differently by other companies. The Company believes that certain non-IFRS financial measures, when presented in conjunction with comparable IFRS financial measures, are useful to investors and other readers because the information is an appropriate measure to evaluate the Company's operating performance. Internally, the Company uses this non-IFRS financial information as an indicator of business performance. These measures are provided for information purposes, in addition to, and not as a substitute for, measures of financial performance prepared in accordance with IFRS.

EBITDA, adjusted EBITDA and adjusted EBITDA margin: EBITDA is defined as net earnings (loss) before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding the impact of the interest revenue from the contract revenue, long-term receivable, net of expected credit loss. Adjusted EBITDA margin is defined as adjusted EBITDA to contract revenue.

Adjusted gross profit and adjusted gross margin: Adjusted gross profit is defined as gross profit excluding depreciation, and gain on disposal of equipment. Adjusted gross margin is defined as the percentage of adjusted gross profit to adjusted gross revenue. EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

Management believes that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are important measures when analyzing operating profitability, as they remove the impact of financing costs, certain non-cash items, income taxes and restructuring costs. As a result, Management considers these measures as useful and comparable benchmarks for evaluating the Company's performance, as companies rarely have the same capital and financing structure.

Reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

(unaudited)	3 months ended 3 months ended 9 months ended 9 months ended			
(in millions of dollars)	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Net earnings (loss) for the period	(1.2)	1.9	0.4	5.3
Add:				
Finance costs	0.7	0.7	1.9	2.3
Income tax expense (recovery)	(1.1)	0.7	(0.3)	2.4
Depreciation and amortization	3.0	2.5	8.3	7.5
EBITDA	1.4	5.8	10.3	17.5
Interest revenue on long-term receivable -		(0.4)	(0.2)	(1.3)
Adjusted EBITDA	1.4	5.4	10.1	16.2
Contract Revenue	51.4	50.0	146.0	141.9
Adjusted EBITDA margin (%) ⁽¹⁾	2.8	10.8	7.0	11.4

⁽¹⁾ Adjusted EBITDA, divided by contract revenue X 100

Adjusted Gross Profit and Adjusted Gross Margin

Although adjusted gross profit and adjusted gross margin are not recognized financial measures defined by IFRS, Management considers them to be important measures as they represent the Company's core profitability, without the impact of depreciation expense. As a result, Management believes they provide a useful and comparable benchmark for evaluating the Company's performance.

Reconciliation of Adjusted Gross Profit and Adjusted Gross Margin

(unaudited)	3 months ended 3 months ended 9 months ended 9 months ended			
(in millions of dollars)	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Contract revenue	51.4	50.0	146.0	141.9
Cost of contract revenue (including depreciation)	48.5	44.0	131.0	121.2
Less depreciation	(2.8)	(2.3)	(7.6)	(6.8)
Add gain on disposal of property, plant and equipment	0.4	-	0.5	0.1
Direct costs	46.1	41.7	123.9	114.5
Adjusted gross profit	5.3	8.3	22.1	27.4
Adjusted gross margin (%) ⁽¹⁾	10.3	16.5	15.1	19.3

⁽¹⁾ Adjusted gross profit, divided by contract revenue X 100

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 180 drill rigs and approximately 1,300 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.

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. 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. Risks and uncertainties that could cause actual results, performance or achievements to differ materially include the world economic climate as it relates to the mining industry; the Canadian economic environment; the Company's ability to attract and retain customers and to manage its assets and operating costs; the political situation in certain jurisdictions in which the Company operates and the operating environment in the jurisdictions in which the Company operates, as well as the risks and uncertainties are discussed in the Company's regulatory filings available at www.sedarplus.ca. 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 except as required by applicable securities laws.

SOURCE Orbit Garant Drilling Inc.

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