FORACO INTERNATIONAL S.A.

MANAGEMENT'S DISCUSSION & ANALYSIS

Three-month and six-month periods ended June 30, 2021

FORACO INTERNATIONAL S.A.

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following Management’s Discussion and Analysis (“MD&A”) relates to the results of operations, liquidity and capital resources of Foraco International S.A. (“Foraco” or the “Company”). This report has been prepared by Management and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three-month and six-months periods ended June 30, 2021, including the notes thereto. These quarterly unaudited interim financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”). Following the decision taken by the Accounting Standards Board, IFRS became the accounting standards for all issuers in Canada on January 1, 2011. The Company adopted IFRS and made an explicit and unreserved statement that its consolidated financial statements comply with IFRS in 2004.

Except as otherwise stated in Note 2 to the unaudited interim condensed consolidated financial statements, these quarterly unaudited condensed interim consolidated financial statements were prepared using accounting policies and methods consistent with those used in the preparation of the Company’s audited consolidated financial statements for the year ended December 31, 2020. Except when otherwise stated, all amounts presented in this MD&A are denominated in US Dollars (“US$”). The discussion and analysis within this MD&A are as of July 29, 2021.

Caution concerning forward-looking statements

This document may contain “forward-looking statements” and “forward-looking information” within the meaning of applicable securities laws. These statements and information include estimates, forecasts, information and statements as to Management's expectations with respect to, among other things, the future financial or operating performance of the Company and capital and operating expenditures. Often, but not always, forward-looking statements and information can be identified by the use of words such as “may”, “will”, “should”, “plans”, “expects”, “intends”, “anticipates”, “believes”, “budget”, and “scheduled” or the negative thereof or variations thereon or similar terminology. Forward-looking statements and information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned that any such forward-looking statements and information are not guarantees and there can be no assurance that such statements and information will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company’s expectations are disclosed under the heading “Risk Factors” in the Company's Annual Information Form dated March 30, 2021, which is filed with Canadian regulators on SEDAR (www.sedar.com). The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information whether as a result of new information, future events or otherwise. All written and oral forward-looking statements and information attributable to Foraco or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

This MD&A is presented in the following sections:

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Business Overview

Headquartered in Marseille, France, Foraco is a worldwide drilling service provider with presence in 22 countries and 5 continents. On June 30, 2021, the Company had 2,455 employees and operated 302 drill rigs worldwide, providing a diverse range of drilling services to its customer base. The Company has developed and acquired significant expertise in destructive and non-destructive drilling, as well as proprietary drill rig design capabilities. These capabilities allow Foraco to tailor solutions to meet the specific conditions and drilling requirements of certain customers, such as mining companies, governmental organizations and international development funds. Through its global operations the Company services a range of industries focusing on mining and water.

Foraco specializes in drilling in harsh environments and isolated locations including arctic, desert and mountainous regions, generally under conditions where operations are challenged by logistical matters and geographic barriers. The Company's engineers and technicians have developed special drilling methods which respond to the requirements of certain areas in which geology prevents the use of standard techniques and equipment. The Company has specialized equipment for, among other uses, helicopter-based drilling campaigns, combination rigs able to perform multi-drilling technique contracts, desert-suited rigs and large diameter core sampling systems.

Interim Consolidated Financial Highlights

Simplified Balance Sheet

The table below presents in the proforma column the assets, equity and liabilities of the Company assuming that the financial reorganization completed on July 7, 2021 was effective as at June 30, 2021.

in thousands of US$	June 30, 2021	June 30, 2021	December 31, 2020
	Proforma		
Non-current assets	131,390	140,467	136,324
Current assets	88,376	88,376	70,481
Cash and cash equivalents	19,978	20,084	20,960
Total assets	**239,741**	**248,927**	**227,765**
-	-	-	-
Total equity	69,725	26,858	17,802
Borrowings	109,053	160,488	162,612
Non-current liabilities	3,317	3,428	4,087
Current liabilities	57,647	58,153	43,265
Total equity and liabilities	**239,741**	**248,927**	**227,765**
Net Debt	**89,069**	**140,404**	**141,652**

Income Statement

(In thousands of US$) *(unaudited)*	Three-month period ended June 30,			Six-month period ended June 30,		
	2021 proforma	2021	2020	2021 proforma	2021	2020
Revenue	**75,668**	**75,668**	**47,351**	**130,219**	**130,219**	**97,022**
Gross profit / (loss) (1)	**15,809**	**15,809**	**11,164**	**21,850**	**21,850**	**16,427**
As a percentage of sales	*20.9%*	*20.9%*	*23.6%*	*16.8%*	*16.8%*	*16.9%*
EBITDA	**14,705**	**14,705**	**10,161**	**19,819**	**19,819**	**14,626**
As a percentage of sales	*19.4%*	*19.4%*	*21.5%*	*15.2%*	*15.2%*	*15.1%*
Operating profit / (loss)	**10,049**	**10,049**	**6,062**	**10,852**	**10,852**	**6,186**
As a percentage of sales	*13.3%*	*13.3%*	*12.8%*	*8.3%*	*8.3%*	*6.4%*
Profit / (loss) for the period	**31,681**	**5,656**	**3,277**	**30,716**	**4,691**	**1,212**
Attributable to:						
Equity holders of the	29,830	3,805	1,726	28,834	2,809	(316)
Non-controlling interests	1,851	1,851	1,551	1,882	1,882	1,529
EPS (in US cents)						
Basic	30.05	4.27	1.88	29.05	3.15	(0.35)
Diluted	29.83	4.15	1.92	28.96	3.06	(0.35)

(1) includes amortization and depreciation expenses related to operations.

Balance Sheet

- On July 7, 2021, the Company finalized its financial reorganization through the raising of US$ 100 million of new bonds and the early redemption of its euro-denominated bonds maturing in May 2022.

- The proforma net debt including the impact of the financial reorganization and of IFRS 16 was US$ 89.1 million as at June 30, 2021 compared to US$ 141.7 million as at December 31, 2020.

- Following this reorganization, the proforma net debt to equity ratio is 1.3 and the proforma leverage ratio (Net debt / TTM EBITDA) is 2.3.

Three-month period ended June 30, 2021 – Q2 2021

Revenue

- Revenue of the period amounted to US$ 75.7 million compared to US$ 47.4 million in Q2 2020, an increase of 60%. The Company benefited from favourable market dynamics and the lower impact of Covid-19 on the 2021 operations compared to 2020,

- This trend is confirmed by the rig utilization rate which increased to 60% in Q2 2021 compared to 48% in Q1 2021 and 47% in Q2 2020.

Profitability

- The Q2 2021 gross margin including depreciation within cost of sales was US$ 15.8 million (or 20.9% of revenue) compared to US$ 11.2 million (or 23.6% of revenue) in Q2 2020. Ongoing contracts reported solid performances while some new contracts in mobilization phase generated a lower percentage of gross margin.

- During the quarter, EBITDA amounted to US$ 14.7 million (or 19.4% of revenue), a 45% increase compared to US$ 10.2 million (or 21.5% of revenue) for the same quarter last year.

Six-month period ended June 30, 2021 – H1 2021

Revenue

- H1 2021 revenue amounted to US$ 130.2 million compared to US$ 97.0 million in H1 2020 an increase of 34%.

Profitability

- H1 2021 gross margin including depreciation within cost of sales was US$ 21.9 million (or 16.8% of revenue) compared to US$ 16.4 million (or 16.9% of revenue) in H1 2020.

- During the semester, EBITDA amounted to US$ 19.9 million (or 15.2% of revenue), compared to US$ 14.6 million (or 15.1% of revenue) for the same period last year.

Results of Operations

Comparison of the three-month periods ended June 30, 2021 and June 30, 2020

Revenue

The following table provides a breakdown of the Company's revenue for Q2 2021 and Q2 2020 by reporting segment and geographic region:

(In thousands of US$) - *(unaudited)*	Q2 2021	% change	Q2 2020
Reporting segment			
Mining	64,737	61%	40,129
Water	10,931	51%	7,222
Total revenue	***75,668***	***60%***	***47,351***
Geographic region			
North America	25,723	122%	11,570
Europe, Middle East and Africa	24,474	38%	17,758
South America	12,819	91%	6,718
Asia Pacific	12,652	12%	11,305
Total revenue	***75,668***	***60%***	***47,351***

Revenue of the quarter increased from US$ 47.4 million in Q2 2020 to US$ 75.7 million in Q2 2021 (60%).

The significant increase in revenue for both reporting segments is the result of the combination of favorable market dynamics and the lower impact of Covid-19 on the Q2 2021 operations.
Activity in North America increased 122% with revenue at US$ 25.7 million in Q2 2021 compared to US$ 11.6 million in Q2 2020. This increase is mainly due to new significant contracts secured during Q4 2020 and less disruptions linked to the Covid 19 pandemic.

In EMEA revenue for the quarter was US$ 24.5 million compared to US$ 17.8 million in Q2 2020, an increase of 38%. Each area showed improved activity. In Africa, new contracts mobilized in Q1 2021 continued in Q2 2021 and will continue through 2021. In Russia, activity increased by 24% thanks to new significant contracts secured during Q1 2021.

Revenue in South America increased by 91% at US$ 12.9 million in Q2 2021 (US$ 6.7 million in Q2 2020). The activity in the region was particularly impacted in Q2 2020 by the effect of the pandemic which disrupted the commercial and operational activities.

In Asia Pacific, Q2 2021 revenue amounted to US$ 12.7 million, an increase of 12%. New contracts were mobilized during the quarter and will continue through 2021.

Gross Profit

The following table provides a breakdown of the Company's gross profit by reporting segment for Q2 2021 and Q2 2020:

(In thousands of US$) - *(unaudited)*	Q2 2021	% change	Q2 2020
Reporting segment			
Mining	12,870	49%	8,650
Water	2,939	17%	2,514
Total gross profit	***15,809***	***42%***	***11,164***

The Q2 2021 gross margin including depreciation within cost of sales was US$ 15.8 million (or 20.9% of revenue) compared to US$ 11.2 million (or 23.6% of revenue) in Q2 2020. Ongoing contracts reported solid performances while some new contracts in mobilization phase generated a lower percentage of gross margin. All regions face ongoing pressures on supply chains and procurement and operate in a tight labor market which generates inflation on costs and impact the project gross margins. There is generally a time lag before these costs increases can be passed through selling prices.

Selling, General and Administrative Expenses

The following table provides an analysis of the selling, general and administrative expenses (SG&A):

(In thousands of US$) - *(unaudited)*	**Q2 2021**	**% change**	**Q2 2020**
Selling, general and administrative expenses	5,760	13%	5,102

SG&A increased compared to the same quarter last year mainly due to one off costs related to the early redeemed loans. As a percentage of revenue, SG&A decreased from 10.8% in Q2 2020 to 7.6% in Q2 2021.

Operating result

The following table provides a breakdown of the Company's operating result for Q2 2021 and Q2 2020 by reporting segment:

(In thousands of US$) - *(unaudited)*	**Q2 2021**	**% change**	**Q2 2020**
Reporting segment			
Mining	7,942	84%	4,326
Water	2,107	21%	1,736
Total operating profit (loss)	**10,049**	***66%***	**6,062**

The operating profit was US$ 10.1 million, a US$ 4.0 million increase as a result of the increase in activity and the continued control over the operations and SG&A expenses.

Finance costs

Net financial expenses were stable at US$ 2.6 million in Q2 2021 compared to US$ 2.1 million in Q2 2020.

Income tax

In Q2 2021, the corporate income tax expense was US$ 1.8 million compared to US$ 0.7 million in the same period last year. The income tax expense is recognized based on Management’s best estimate of the average annual income tax rate expected for the full financial year on a tax jurisdiction by tax jurisdiction basis.

Comparison of the six-month periods ended June 30, 2021 and June 30, 2020

Revenue

The following table provides a breakdown of the Company's revenue for H1 2021 and H1 2020 by reporting segment and geographic region:

(In thousands of US$) - *(unaudited)*	H1 2021	% change	H1 2020
Reporting segment			
Mining	109,839	36%	80,509
Water	20,380	23%	16,513
Total revenue	***130,219***	***34%***	***97,022***
Geographic region			
North America	44,358	49%	29,846
Europe, Middle East and Africa	43,302	31%	32,863
South America	22,399	42%	15,804
Asia Pacific	20,160	9%	18,509
Total revenue	***130,219***	***34%***	***97,022***

H1 2021 revenue amounted to US$ 130.2 million compared to US$ 97.0 million in H1 2020, an increase of 34%.

The increase in revenue is the result of the combination of favorable market dynamics and the lower impact of Covid-19 on the 2021 operations.

Revenue in North America increased by 49% to US$ 44.4 million in H1 2021 from US$ 29.8 million in H1 2020, a growth driven by long term contracts This increase is also due to the fact that Q2 2020 was particularly affected by the Covid-19 pandemic.

In EMEA, revenue increased by 31%, to US$ 43.3 million in H1 2021 from US$ 32.9 million in H1 2020. Both CEI and Africa areas showed sustained activity.

Revenue in South America increased by 42% at US$ 22.4 million in H1 2021 (US$ 15.8 million in H1 2020). The activity in the region was particularly impacted by the effect of the Covid-19 pandemic in H1 2020.

In Asia Pacific, H1 2021 revenue amounted to US$ 20.2 million, an increase of 9%.

Gross Profit

The following table provides a breakdown of the Company's gross profit by reporting segment for H1 2021 and H1 2020:

(In thousands of US$) - *(unaudited)*	H1 2021	% change	H1 2020
Reporting segment			
Mining	17,622	45%	12,169
Water	4,228	*0%*	4,258
Total gross profit / (loss)	***21,850***	***33%***	***16,427***

The H1 2021 gross margin including depreciation within cost of sales was US$ 21.9 million compared to US$ 16.4 million in H1 2020. Ongoing contracts reported solid performances while some new contracts in mobilization phase generated a lower percentage of gross margin. All regions face ongoing inflationary pressures on operating costs. There is generally a time lag before these costs increases can be passed on through selling prices.

Selling, General and Administrative Expenses

The following table provides an analysis of the selling, general and administrative expenses (SG&A):

(In thousands of US$) - *(unaudited)*	H1 2021	% change	H1 2020
Selling, general and administrative expenses	10,988	7%	10,241

SG&A increased by 7% compared to the same period last year. As a percentage of revenue, SG&A decreased from 10.6% to 8.4% of revenue.

Operating result

The following table provides a breakdown of the Company's operating result for H1 2021 and H1 2020 by reporting segment:

(In thousands of US$) - *(unaudited)*	H1 2021	% change	H1 2020
Reporting segment			
Mining	8,363	128%	3,667
Water	2,489	-1%	2,519
Total operating gain (loss)	**10,852**	*75%*	**6,186**

The operating profit was US$ 10.9 million in H1 2021, a US$ 4.7 million improvement compared to H1 2020 as a result of the increase in activity and the continued control over the operations and SG&A expenses.

Finance costs

Net financial expenses increased to US$ 4.6 million in H1 2021 from US$ 4.5 million in H1 2020.

Income tax

In H1 2021, the corporate income tax expense was US$ 1.5 million, compared to US$ 0.5 million for the same period last year. The income tax loss is recognized based on Management's best estimate of the average annual income tax rate expected for the full financial year on a tax jurisdiction by tax jurisdiction basis.

Seasonality

The worldwide presence of the Company reduces its overall exposure to seasonality and its influence on business activity, the first quarter being the weakest. In West Africa, most of the Company's operations are suspended between July and October due to the rainy season. In Canada, seasonal slow periods occur during the winter freeze and spring thaw or break-up periods. Depending on the latitude, this can occur anytime from October until late December (freezing) and from mid-April through to mid-June (break-up). Operations at mining sites continue throughout the year. Russia is also affected by the winter period during which operations are suspended. In Asia Pacific and in South America, where the Company operates exclusively in the Mining segment, a seasonal slowdown in activity occurs around year-end during the vacation period. Certain contracts are also affected in Chile in July and August when the winter season peaks.

Effect of Exchange Rates

The Company operates in a very large number of countries with functional currencies (Euros, Canadian Dollars, Australian Dollars, Chilean Pesos, Brazilian Reals and Russian Rubles) different than the US Dollar, the presentation currency of the Group. The significant variation of the US Dollar over the last quarters has had a substantial impact on the Company's financial statements. The impact of exchange rates on each significant line item of the income statement is reported above.

However, the Company mitigates its net exposure to foreign currency fluctuations by balancing its costs, revenues and financing in local currencies, resulting in a natural hedge.

The exchange rates against the US$ for the periods under review are as follows:

	Average Q2 2021	% change	Average Q2 2020	Average Q1 2021	% change	Average Q1 2020	Closing Q2 2021	% change	Closing Q4 2020
€	0.83	9%	0.91	0.83	-9%	0.91	0.84	-3%	0.81
CAD	1.23	11%	1.39	1.27	-6%	1.34	1.24	3%	1.28
AUD	1.30	15%	1.52	1.29	-15%	1.52	1.33	2%	1.31
CLP	716	13%	823	723	-10%	804	733	-3%	713
BRL	5.31	1%	5.37	5.47	23%	4.45	4.93	5%	5.20
RUB	74.17	-3%	72.32	74.39	11%	66.79	72.54	2%	74.19

Please note that the H1 2021 was marked by significant exchange rate fluctuations and that this affected most currencies.

Liquidity and Capital Resources

The following table provides a summary of the Company's cash flows for H1 2021 and H1 2020:

(In thousands of US$)	H1 2021	H1 2020
Cash generated by operations before working capital requirements	**19,819**	**14,626**
Working capital requirements	(3,011)	(2,177)
Income tax paid	(3,126)	(928)
Purchase of equipment in cash	(10,463)	(4,147)
Free Cash Flow before debt servicing	**3,219**	**7,375**
Debt variance	(3,132)	(4,183)
Interests paid	(775)	(1,451)
Acquisition of treasury shares	-	-
Dividends paid to non-controlling interests	(225)	(676)
Net cash generated / (used in) financing activities	**(4,132)**	**(6,310)**
Net cash variation	**(913)**	**1,065**
Foreign exchange differences	37	(694)
Variation in cash and cash equivalents	**(876)**	**370**
Cash and cash equivalents at the end of the period	**20,084**	**16,423**

In H1 2021, the cash generated from operations before working capital requirements amounted to US$ 19.8 million compared to US$ 14.6 million in H1 2020.

In H1 2021, the working capital requirement was US$3.0 million compared to US$ 2.2 million in the same period last year.

During the period, the Capex was US$ 10.5 million in cash compared to US$ 4.1 million in H1 2020. The higher 2021 Capex is driven by the increased activity. Capex relates to acquisition of rigs, major rigs overhauls, ancillary equipment and rods.

As at June 30, 2021, cash and cash equivalents totaled US$ 20.1 million compared to US$ 21.0 million as at December 31, 2020. Cash and cash equivalents are mainly held at or invested within top tier financial institutions.

As at June 30, 2021, the proforma net debt including operation lease obligation (IFRS 16) implementation amounted to US$ 89.1 million (US$ 141.7 million as at December 31, 2020).

Bank guarantees as at June 30, 2021 totaled US$ 6.3 million compared to US$ 8.1 million as at December 31, 2020. The Company benefits from a confirmed contract guarantee line of € 6.5 million (US$ 7.7 million).

Covid 19

Key profitability indicators continue to improve period over period despite the continuing uncertainties linked to the Covid-19 pandemic. The market for commodities is supported by the global economic recovery and the increased demand for energy transition and water management.

Impairment testing

As at December 31, 2020, the Company performed impairment tests at the level of each geographic region using the carrying value of the Company's long lived assets based on the expected discounted cash flows method. Based on the internal forecasts and projections made, the expected discounted future cash flows exceeded each of the long-lived asset's carrying amount for each geographic region and accordingly no impairment was recognized as at December 31, 2020.
In light of its current financial performance, the Company considers that there is no triggering event which would justify an impairment testing as at June 30, 2021.

Cash Transfer Restrictions
Foraco operates in a number of different countries where cash transfer restrictions may exist. The Company organizes its business so as to ensure that the majority of payments are collected in countries where there are no such restrictions. No excess cash is held in countries where cash transfer restrictions exist.

Related-Party Transactions

For details of related-party transactions, please refer to Note 14 of the unaudited condensed interim consolidated financial statements.

Capital Stock

As at June 30, 2021, the total common shares of the Company are distributed as follows:

	Proforma	%	Number of shares	%
Common shares held directly or indirectly by principal shareholders	34,155,191	34.41%	34,155,191	37.97%
Common shares held directly or indirectly by individuals in their capacity as members of the Board of Directors *	1,164,754	1.17%	1,164,754	1.29%
Common shares held by the Company**	725,657	0.73%	725,657	0.81%
Common shares held by the public	63,306,196	63.79%	53,906,196	59.93%
Total common shares issued and outstanding	**99,251,798**		**89,951,798**	
Common shares held by the Company	(725,657)		(725,657)	
Total common shares issued and outstanding excluding shares held by the Company	**98,526,141**		**89,226,141**	

**In the table above, the shares owned indirectly are presented as an amount corresponding to the pro rata of the ownership interest*

***725,657 common shares are held by the Company to meet the Company's obligations under the employee free share plan and for the purposes of potential acquisitions.*

Critical Accounting Estimates

The unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS. The Company's significant accounting policies are described in Note 2 to the annual and unaudited condensed interim consolidated financial statements. As required by IAS 1, the depreciation of property, plant and equipment related to operations is included within cost of sales.

Non-IFRS measures

EBITDA represents Net income before interest expense, income taxes, depreciation, amortization and non-cash share based compensation expenses. EBITDA is a non-IFRS quantitative measure used to assist in the assessment of the Company's ability to generate cash from its operations. The Company believes that the presentation of EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the drilling industry. EBITDA is not defined in IFRS and should not be considered to be an alternative to Profit for the period or Operating profit or any other financial metric required by such accounting principles.

Net debt corresponds to the current and non-current portions of borrowings and the consideration payable related to acquisitions, net of cash and cash equivalents. The lease obligations are included in the net debt calculation.

Reconciliation of EBITDA is as follows:

(In thousands of US$) *(unaudited)*	Q2 2021	Q2 2020	H1 2021	H1 2020
Operating profit / (loss)	10,049	6,062	10,852	6,186
Depreciation expense	4,606	4,054	8,867	8,350
Non-cash employee share-based compensation	50	45	100	90
EBITDA	***14,705***	***10,161***	***19,819***	***14,626***

Litigation and claims

Generally, the Company is subject to legal proceedings, claims and legal action arising in the ordinary course of business. The Company's Management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Subsequent Events

On July 7, 2021, the Company finalized its financial reorganization through the raising of US$ 100 million of new bonds and the early redemption of its euro-denominated bonds maturing in May 2022. The early redemption of these bonds amounting to US$ 146.8 million has been completed by way of a repayment of US$ 91.0 million in cash using the June 30, 2021 exchange rate resulting in a US$ 55.8 million debt reduction and the issuance of 9.3 million ordinary shares in favour of the former bondholders.

This financial reorganisation also includes the early repayment or rescheduling of certain other loans, the renegotiation of the corporate guarantee lines and some amendments to the Corporate Governance of the Company in favour of the new shareholders. As part of the financial reorganization, the Company deleveraged its balance sheet, extended its debt maturity through the end of 2025 and eased its financial constraints and covenants.

The debt maturity before and after the financial reorganization is as follows:

	June 30, 2021	
In thousands US$	**New debt maturity**	**Former debt maturity**
Credit lines	1,747	1,747
Long-term debt		
Within one year	1,228	151,971
Between 1 and 2 years	5,424	404
Between 2 and 3 years	10,223	205
Between 3 and 4 years	10,032	12
Between 4 and 5 years	74,250	-
Total	**102,904**	**154,339**

The accounting profit of the transaction before tax can be analysed as follows:

Book value of the bonds as at June 30, 2021 per accounting	145,871
Fair value of the 9,300,000 shares issued to the benefit of the former bond holders	-16,938
Cash payable to the former bond holders	-90,997
Profit before transaction costs	**37,936**
Costs other than financial related to the new financing	-2,518
Gain on refinancing	**35,418**

Strategy

The Company’s strategy is to secure its position as a leading actor in the mineral drilling services sector, assisting its customers to explore or manage their deposits throughout the whole cycle, with a special focus on life of mines extension activity. As developed economies focus on “green” recovery, there will be an increased need for key resources such as copper, nickel, lithium, and special attention to water management. The Company anticipated the increased environmental, social and governance (ESG) requirements. The Company intends to develop and grow its services offered across the world with a focus on high tech drilling services, optimal commodities mix with a significant involvement in water related drilling services and stable jurisdictions. The Company expects it will execute its strategy primarily through organic growth in the near future.

Risk Factors

For a comprehensive discussion of the important factors that could impact the Company’s operating results, please refer to the Company's Annual Information Form dated March 30, 2021, under the heading “Risk Factors”, which has been filed with Canadian regulators on SEDAR (www.sedar.com).