GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2025 and 2024

(unaudited)
(in United States dollars)

GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
As at March 31, 2025 and December 31, 2024

CONTENTS

GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
As at March 31, 2025 and December 31, 2024

	Note	March 31, 2025 US$	December 31, 2024 US$
Assets			
Non-current assets			
Property, plant and equipment	*8*	72,157,468	71,371,173
Right-of-use assets	*9*	1,428,319	1,311,397
Total non-current assets		**73,585,787**	**72,682,570**
Current assets			
Financial assets at fair value through profit or loss	*10*	6,709,683	6,469,704
Inventories	*11*	35,088,887	36,687,134
Prepayments		1,607,210	2,363,954
Trade and other receivables	*12*	49,457,240	30,237,595
Cash		12,984,186	13,051,518
Total current assets		**105,847,206**	**88,809,905**
Total assets		**179,432,993**	**161,492,475**
Equity and liabilities			
Equity			
Share capital		28,568,250	28,547,515
Share-based payment reserve		3,784,013	3,946,719
Retained earnings		92,994,746	87,382,062
Capital and reserves attributable to owners of Geodrill Limited		125,347,009	119,876,296
Non-controlling interests	*13*	(390,457)	(349,534)
Total equity		**124,956,552**	**119,526,762**
Liabilities			
Non-current liabilities			
Deferred tax liability	*7(iv)*	2,291,672	1,837,104
Loans payable	*14*	1,927,591	2,329,847
Lease liabilities		317,116	412,278
Total non-current liabilities		**4,536,379**	**4,579,229**
Current liabilities			
Trade and other payables	*15*	31,369,084	25,013,065
Loans payable	*14*	11,756,492	7,910,585
Lease liabilities		874,807	707,447
Taxes payable	*7(ii)*	5,939,679	3,755,387
Total current liabilities		**49,940,062**	**37,386,484**
Total equity and liabilities		**179,432,993**	**161,492,475**
Contingency	23		

GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
For the three months ended March 31, 2025 and 2024

	Note	March 31, 2025 US$	March 31, 2024 US$
Revenue		48,751,710	34,667,339
Cost of sales	*6*	(35,200,073)	(27,222,666)
Gross profit		**13,551,637**	**7,444,673**
Selling, general and administrative expenses	*6*	(4,993,149)	(3,888,987)
Expected lifetime credit recovery / (loss)	*12*	196,764	(106,155)
Foreign exchange loss		(56,006)	(108,579)
Other income	*10*	466,251	137,275
Results from operating activities		**9,165,497**	**3,478,227**
Finance income		13,544	-
Finance costs		(247,813)	(236,299)
Income before taxation		**8,931,228**	**3,241,928**
Income tax expense	*7(i)*	(3,359,467)	(1,127,618)
Income and total comprehensive income for the period		**5,571,761**	**2,114,310**
Income and total comprehensive income for the period is attributable to:			
Ordinary shareholders of the Company		5,612,684	2,102,170
Non-controlling interests		(40,923)	12,140
		5,571,761	**2,114,310**
Earnings per share for income attributable to the ordinary shareholders of the Company			
Basic	*20(i)*	$0.12	$0.04
Diluted	*20(ii)*	$0.12	$0.04

GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
For the three months ended March 31, 2025 and 2024

	Attributable to owners of Geodrill Limited				
	Share Capital US$	Share-based Payment Reserve US$	Retained Earnings US$	Non-controlling interests US$	Total Equity US$
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 period	-	-	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**
Balance at January 1, 2024	28,258,711	3,735,982	78,123,286	(154,540)	109,963,439
Income and total comprehensive income for the period	-	-	2,102,170	12,140	2,114,310
Issuance of stock options	-	137,390	-	-	137,390
Balance at March 31, 2024	**28,258,711**	**3,873,372**	**80,225,456**	**(142,400)**	**112,215,139**

GEODRILL LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2025 and 2024

	March 31, 2025 US$	March 31, 2024 US$
Cash flows from operating activities		
Income before taxation	8,931,228	3,241,928
Adjustments for:		
Depreciation expense	4,403,660	3,184,779
Movement in expected lifetime credit losses	(196,764)	106,155
Change in provision for inventory obsolescence	352,979	(1,795)
Share-based payment expense	111,381	137,390
Finance income	(13,544)	-
Finance costs	247,813	236,299
Gains on financial assets at fair value through profit and loss	(466,251)	(137,275)
Unrealized foreign exchange (gain) / loss	(106,954)	307,337
	13,263,548	**7,074,818**
Disposals of financial assets at fair value through profit and loss	274,491	180,899
Change in inventories	1,245,268	(1,913,023)
Change in prepayments	756,744	(211,558)
Change in trade and other receivables	(19,071,100)	(6,928,891)
Change in trade and other payables	4,732,046	1,929,919
	1,200,997	**132,164**
Finance income received	13,544	-
Finance costs paid	(248,138)	(225,467)
Income taxes paid	(720,607)	(1,057,490)
Net cash generated from / (used in) operating activities	**245,796**	**(1,150,793)**
Investing activities		
Purchase of property, plant and equipment	(3,644,348)	(4,790,496)
Net cash used in investing activities	**(3,644,348)**	**(4,790,496)**
Financing activities		
Loans received	4,000,000	3,000,000
Loan payments	(556,349)	(4,656,818)
Lease liabilities payments	(275,391)	(184,136)
Net cash generated from / (used in) financing activities	**3,168,260**	**(1,840,954)**
Effect of movement in exchange rates on cash	**162,960**	**(198,758)**
Net decrease in cash	**(67,332)**	**(7,981,001)**
Cash at beginning of the period	13,051,518	15,638,682
Cash at end of the period	**12,984,186**	**7,657,681**

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, 2025 and 2024 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, Company AL-TANQIB AL-MUTAKHIS For Mining LLC, Geodrill Zambia Limited being Geodrill Limited’s registered foreign Zambian operating entity, Geodrill BF being Geodrill Cote d’Ivoire SARL’s registered foreign Burkina Faso 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 10, 2025.

2. BASIS OF PREPARATION

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2025 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, 2024. 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, 2024.

(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.

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, 2024.

(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, 2024.

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, 2024.

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.

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.

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, 2025, one customer individually contributed 10% or more to the Group's revenue. That customer contributed 23%.

For the three months ended March 31, 2024, four customers individually contributed 10% or more to the Group's revenue. One customer contributed 10%, two customers contributed 14% and one customer contributed 16%.

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, 2025 US$	March 31, 2024 US$
Expenses		
Wages and employee benefits	15,064,309	11,786,734
Drill rig expenses	12,114,862	8,795,768
External services, contractors and others	7,236,262	5,689,530
Depreciation	4,403,660	3,184,779
Repairs and maintenance	1,374,129	1,654,842
	40,193,222	31,111,653

	March 31, 2025 US$	March 31, 2024 US$
Cost of sales	35,200,073	27,222,666
Selling, general and administrative expenses	4,993,149	3,995,142
	40,193,222	31,217,808

7. TAXATION

(i) Income tax expense

	March 31, 2025 US$	March 31, 2024 US$
Current tax expense (iii)	2,904,899	1,434,010
Deferred tax expense / (recovery) (iv)	454,568	(306,392)
	3,359,467	1,127,618

(ii) Taxes payable

	Balance at Jan. 1 US$	Payments during the period US$	Charge for the period US$	Balance at Mar. 31 US$
2025	3,755,387	(720,607)	2,904,899	5,939,679
2024	175,401	(1,057,490)	1,434,010	551,921

(iii) Reconciliation of effective tax rate

	March 31, 2025 US$	March 31, 2024 US$
Income before tax	8,931,228	3,241,928
Corporate tax at 25%	2,232,807	810,482
Add:		
Effect of differing tax rates	387,354	(593,179)
Deferred tax liability on undistributed profits of subsidiaries	400,000	450,000
Tax effect of amounts that are not deductible in calculating taxable income	204,418	53,608
Tax expense before withholding tax	3,224,579	720,911
	36.1%	22.2%
Add:		
Withholding tax	134,888	406,707
Total tax expense	3,359,467	1,127,618
Effective tax rate	37.6%	34.8%

7. TAXATION (CONTINUED)

(iv) Deferred tax liability

	March 31, 2025 US$	December 31, 2024 US$
Balance at January 1	(1,837,104)	(1,619,574)
Charge for the period	(454,568)	(217,530)
Balance at end of the period	(2,291,672)	(1,837,104)

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

Deferred tax assets and liabilities are attributable to the following:

	March 31, 2025 US$	December 31, 2024 US$
Tax losses carried forward (1)	2,583,534	2,748,972
Deferred tax asset not recognized (2)	(2,290,585)	(2,183,322)
Deferred tax on undistributed profits	(500,000)	(100,000)
Property, plant and equipment	(2,312,615)	(2,509,187)
Provision for inventory obsolescence	227,994	206,433
Total	(2,291,672)	(1,837,104)

(1) The Group has tax losses in numerous jurisdictions that are available for the years December 31, 2025 through December 31, 2029.
(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.

(vi) Tax, Customs and Transfer Pricing audits

The Group is subject to certain tax, customs and transfer pricing audits in the normal course of its business. The Group has received an informal communication from a tax authority in one jurisdiction for tax amounts owing for the years 2022 to 2024. The Group has remittance certificates from the tax authority that demonstrate taxes have been remitted and paid. Based on the information obtained to date, management believes that its position is defensible and will continue to evaluate additional information as it becomes available on the matter.

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.

8. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles US$	Plant & Equipment US$	Drill Rigs (1) US$	Land & Leasehold Improvements US$	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	-	-	-	-	4,959,287	4,959,287
Reclassifications from CWIP	678,861	2,768,503	7,922,336	89,245	(11,458,945)	-
Assets retired during the period	(17,613)	(234,838)	(2,916,852)	-	-	(3,169,303)
Balance at March 31, 2025	**12,738,129**	**38,954,359**	**90,907,098**	**10,211,426**	**11,297,935**	**164,108,947**
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 period	273,350	831,832	2,854,351	213,459	-	4,172,992
Assets retired during the period	(17,613)	(234,838)	(2,916,852)	-	-	(3,169,303)
Balance at March 31, 2025	**10,094,515**	**29,291,743**	**47,807,043**	**4,758,178**	**-**	**91,951,479**
Carrying amounts at March 31, 2025	**2,643,614**	**9,662,616**	**43,100,055**	**5,453,248**	**11,297,935**	**72,157,468**

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

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2024	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, 2024	11,893,196	34,182,385	80,833,363	9,714,005	10,011,355	146,634,304
Additions	-	-	-	-	21,228,902	21,228,902
Reclassifications from CWIP	782,798	2,929,944	8,355,244	1,374,678	(13,442,664)	-
Assets retired during the year	(599,113)	(691,635)	(3,286,993)	(966,502)	-	(5,544,243)
Balance at December 31, 2024	**12,076,881**	**36,420,694**	**85,901,614**	**10,122,181**	**17,797,593**	**162,318,963**
Accumulated Depreciation						
Balance at January 1, 2024	9,456,635	26,615,816	43,605,178	4,697,732	-	84,375,361
Charge for the year	981,256	2,770,568	7,551,359	813,489	-	12,116,672
Assets retired during the year	(599,113)	(691,635)	(3,286,993)	(966,502)	-	(5,544,243)
Balance at December 31, 2024	**9,838,778**	**28,694,749**	**47,869,544**	**4,544,719**	**-**	**90,947,790**
Carrying amounts at December 31, 2024	**2,238,103**	**7,725,945**	**38,032,070**	**5,577,462**	**17,797,593**	**71,371,173**

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

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation has been charged in comprehensive income as follows:

	March 31, 2025 US$	March 31, 2024 US$
Cost of sales	3,976,273	2,899,838
Selling, general and administrative expenses	196,719	146,347
	4,172,992	3,046,185

As at March 31, 2025, property, plant and equipment with a carrying amount of US$22,973,794 (December 31, 2024: US$23,649,178) have been pledged as security for certain loans (Note 14).

9. RIGHT-OF-USE ASSETS

	March 31, 2025 US$	December 31, 2024 US$
Cost		
Balance at January 1,	2,014,710	3,085,878
Additions	347,590	1,339,897
Disposals	-	(2,411,065)
Balance at the end of the period	**2,362,300**	**2,014,710**
Accumulated Depreciation		
Balance at January 1,	703,313	2,379,358
Charge for the period	230,668	702,208
Assets expired in the period	-	(2,378,253)
Balance at the end of the period	**933,981**	**703,313**
Carrying amounts at the end of the period	**1,428,319**	**1,311,397**

The amount of depreciation recognized as an expense in the three months ended March 31, 2025 was US$230,668 (March 31, 2024: US$138,594).

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, 2025 US$	December 31, 2024 US$
Balance at January 1,	6,469,704	174,631
Additions	48,219	9,208,881
Disposals	(274,491)	(497,803)
Gain / (loss) through profit and loss	466,251	(2,416,005)
Balance at end of the period	6,709,683	6,469,704

11. INVENTORIES

	March 31, 2025 US$	December 31, 2024 US$
Inventories on hand	36,259,139	36,699,827
Inventories in transit	584,716	1,389,296
Provision for obsolescence	(1,754,968)	(1,401,989)
	35,088,887	36,687,134

The amount of inventories recognized as expense in the three months ended March 31, 2025 is US$13,941,500 (three months ended March 31, 2024: US$10,427,594).

As at March 31, 2025, inventories with a carrying amount of US$10,500,000 (December 31, 2024: US$10,500,000) have been pledged as security for certain loans (Note 14).

12. TRADE AND OTHER RECEIVABLES

	March 31, 2025 US$	December 31, 2024 US$
Trade receivables	45,247,378	25,824,977
Expected life time credit losses	(1,704,776)	(1,901,540)
Net trade receivables	43,542,602	23,923,437
Sundry receivables	5,914,638	6,314,158
	49,457,240	30,237,595

As at March 31, 2025, trade receivables with a carrying amount of US$13,944,179 (December 31, 2024: US$11,349,811) 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.

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, 2025, an amount of US$2.0M or 4% of the trade accounts receivable are aged over 90 days. As at March 31, 2025 the Group has approximately US$1.6M in provisions against its greater than 90 day category of trade receivables.

As at March 31, 2025, the aging of the trade receivable balances aged over 90 days has decreased from December 31, 2024 as follows:

	March 31, 2025		December 31, 2024	
	US$	US$	US$	US$
	Gross	Net of ECL	Gross	Net of ECL
Less than 30 days	23,016,606	23,011,081	9,220,130	9,217,882
31 - 60 days	17,075,998	17,067,625	9,528,527	9,523,928
61 - 90 days	3,141,105	3,082,679	2,178,707	2,136,802
91 days and greater	2,013,669	381,217	4,897,613	3,044,825
	45,247,378	43,542,602	25,824,977	23,923,437

The movements in the expected life time credit losses is as follows:

	March 31, 2025	December 31, 2024
	US$	US$
Balance at January 1	1,901,540	5,481,683
Movement in expected lifetime credit losses in the period	(196,764)	(3,877,931)
Amounts written off in the period	-	297,788
Balance at end of period	1,704,776	1,901,540

13 NON-CONTROLLING INTERESTS

	March 31, 2025	December 31, 2024
	US$	US$
Recon Drilling S.A.C. (5%)	(109,804)	(92,393)
Recon Drilling Chile SPA (5%)	(313,009)	(288,714)
Geo-Drill SARL (5%)	32,356	31,573
Balance at end of period	(390,457)	(349,534)

14. LOANS PAYABLE

	March 31, 2025	December 31, 2024
	US$	US$
US$10M Revolving Line of Credit (i)	10,000,000	6,000,000
US$7.5M Medium Term Loan (ii)	2,000,000	2,250,000
US$4.0M Medium Term Loan (iii)	166,667	333,333
Equipment Loan (iv)	1,517,416	1,657,099
Total	13,684,083	10,240,432
Current portion of loans	11,756,492	7,910,585
Non-current portion of loans	1,927,591	2,329,847

14. LOANS PAYABLE (CONTINUED)

(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 October 31, 2025. 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 3.91% 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, 2025, the Group was in compliance with normal course covenants. As at March 31, 2025, the Group has outstanding US$10.0M on the US$10.0M Revolving Line of Credit.

(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 December 31, 2025. 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 3.91% 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 1, 2025 bear a commitment fee of 0.15% per annum. 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, 2025, the Group was in compliance with normal course covenants. As at March 31, 2025, the Group had drawn US$3.0M on the US$7.5M Medium Term Loan leaving US$4.5M still available for drawdown.

(iii) US$4.0M Medium Term Loan

The Group has a US$4.0M Medium Term Loan (the "US$4.0M Medium Term Loan") with Ecobank Ghana Limited until May 31, 2025. No further drawings are permitted under the US$4.0M Medium Term Loan and principal amounts are repayable quarterly over twelve quarters whereas interest is repayable monthly. The US$4.0M Medium Term Loan bears interest at the applicable 3 months Secured Overnight Financing Rate (SOFR) plus a margin of 3.91% per annum and is subject to periodic review in line with market conditions. The US$4.0M Medium Term Loan is secured by certain assets of the Group (Note 8, Note 11 and Note 12). The US$4.0M Medium Term Loan 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 effective interest rate of the US$4.0M Medium Term Loan is 8.3%. The US$4.0M Medium Term Loan is subject to, and as at March 31, 2025, the Group was in compliance with normal course covenants. As at March 31, 2025, the Group had drawn US$2.0M on the US$4.0M Medium Term Loan and no further drawdowns are permitted on the US$4.0M Medium Term Loan.

(iv) 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%.

15. TRADE AND OTHER PAYABLES

	March 31, 2025 US$	December 31, 2024 US$
Trade payables	15,850,076	11,794,864
Other creditors and accrued expenses	13,428,892	11,531,653
VAT liability	2,090,116	1,686,548
	31,369,084	25,013,065

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, 2025 and December 31, 2024.

17. RELATED PARTY TRANSACTIONS

Related party	Relationship	Location	2025	2024
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%
Company AL-TANQIB AL-MUTAKHIS For Mining LLC	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 BF	Branch	Burkina Faso	100%	100%
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	-	-

17. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) Transactions with related parties

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

The Harper Family Settlement owns 37.1% (December 31, 2024: 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, 2025, the right-of-use assets relating to the properties above was US$480,542 (December 31, 2024: US$554,623) and the related lease liabilities were US$489,929 (December 31, 2024: US$560,849).

(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, 2025 US$	**March 31, 2024 US$**
Short-term benefits	2,152,944	1,378,372
Share-based payment arrangements	567,034	137,390
	2,719,978	1,515,762

18. COMMITMENTS

As at March 31, 2025, the Group had capital commitments of US$1,700,000 (December 31, 2024: US$nil) relating to the purchase of two drill rigs.

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, 2025	**December 31, 2024**
Shares issued and fully paid	47,163,170	47,163,170
Shares reserved for share option plan	4,716,317	4,716,317
Total shares issued and reserved	51,879,487	51,879,487

Reconciliation of changes in issued shares

	March 31, 2025	**December 31, 2024**
Shares issued at January 1,	47,163,170	46,921,400
Stock options exercised	-	241,770
Shares issued at end of period	47,163,170	47,163,170

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 Company.

During the period ended March 31, 2025, the Company did not re-purchase nor cancel any shares under its NCIB (for the year ended December 31, 2024, the Company did not re-purchase nor cancel any shares under its NCIB).

(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, 2025 amounted to US$567,034 (March 31, 2024: US$137,390) 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$92,994,746 includes US$500,000 of undistributable reserves and US$92,494,746 available for distribution to shareholders.

20. EARNINGS PER SHARE

(i) Basic earnings per share

The calculation of basic earnings per share for the three month period ended March 31, 2025 was based on the earnings attributable to ordinary shareholders of US$5,612,684 (2024: US$$2,102,170) and on the weighted average number of ordinary shares outstanding of 47,163,170 (2024: 46,921,400), calculated as follows:

	March 31, 2025 US$	**March 31, 2024 US$**
Income attributable to ordinary shareholders	5,612,684	2,102,170

Weighted average number of ordinary shares

	March 31, 2025 Shares	**March 31, 2024 Shares**
Issued ordinary shares	47,163,170	46,921,400
Earnings per share	$0.12	$0.04

20. EARNINGS PER SHARE (CONTINUED)

(ii) Diluted earnings per share

The calculation of diluted earnings per share for the three ended March 31, 2025 was based on the earnings attributable to ordinary shareholders of US$5,612,684 (2024: US$2,102,170) and on the weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares outstanding of 47,974,350 (2024: 47,017,657), calculated as follows:

	March 31, 2025 US$	March 31, 2024 US$
Income attributable to ordinary shareholders	5,612,684	2,102,170

Weighted average number of ordinary shares - diluted

	March 31, 2025 Shares	March 31, 2024 Shares
Weighted average number of ordinary shares - basic	47,163,170	46,921,400
Effect of share options in issue	811,180 (1)	96,257 (2)
	47,974,350	47,017,657
Diluted earnings per share	$0.12	$0.04

(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.

(2) For the three months ended March 31, 2024, 1,805,000 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 10, 2025.

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, 2025		**December 31, 2024**	
	Number of shares subject to option	Weighted average exercise price	Number of shares subject to option	Weighted average exercise price
Balance beginning, Jan. 1	3,780,000	CAD$2.13	3,275,000	CAD$2.17
Total granted in the period	390,000	CAD$3.05	780,000	CAD$1.71
Total cash-settled options in the period	(750,000)	CAD$1.71	-	-
Total options exercised in the period	-	-	(225,000)	CAD$1.36
Total equity-settled options in the period	-	-	(50,000)	CAD$1.36
Balance ending	3,420,000	CAD$2.33	3,780,000	CAD$2.13

The following table summarizes the options outstanding at March 31, 2025:

Options	Exercise prices	Number of options outstanding	Weighted average remaining contractual life	Number of options exercisable
Granted on March 15, 2021	CAD$1.94	690,000	1 Yrs	690,000
Granted on May 16, 2022	CAD$2.20	780,000	2 Yrs & 2 mos	780,000
Granted on March 13, 2023	CAD$3.05	780,000	3 Yrs	780,000
Granted on March 11, 2024	CAD$1.71	780,000	4 Yrs	520,000
Granted on March 10, 2025	CAD$3.05	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	**March 15, 2021**	**May 16, 2022**	**March 13, 2023**	**March 11, 2024**	**March 10, 2025**
Risk free interest rate	1.02%	2.73%	2.90%	3.42%	2.63%
Expected dividend yield	1%	3%	3%	2%	1%
Stock price volatility	40%	38%	39%	42%	37%
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.

23. CONTINGENCY

On December 20, 2019, the Burkina Faso Tax Authority's Head of Taxpayers Management Department ("BFTA") made an assessment on Geodrill claiming tax and penalties of $17.9 million (10,460,774,574 CFA) for the years 2016 through 2018.

On December 28, 2020, the Burkina Faso Tax Authority's Head of Taxpayers Management Department ("BFTA") issued a revised assessment on Geodrill claiming reduced tax and penalties of $9.7 million (5,232,253,593 CFA) for the years 2016 through 2018, a reduction from the original December 20, 2019 assessment.

For the years of the revised assessment, the BFTA has assessed that Geodrill had a permanent establishment in Burkina Faso and was subject to taxes, penalties and interest provided in Burkina Faso's tax legislation. Geodrill maintains that it did not have a permanent establishment in Burkina Faso in the years of the revised assessment and operated in Burkina Faso as a non-resident tax payer. As a non-resident tax payer, Geodrill was subject to a withholding tax on a percentage of its revenue as it was not registered with the BFTA and had never obtained a unique financial identification number. During the years 2016 and 2017, Geodrill was subject to a non-resident ten percent (10%) withholding tax and during the year 2018, Geodrill was subject to a twenty percent (20%) non-resident withholding tax. The non-resident withholding tax is paid to the Director General of taxes directly from Geodrill's clients on Geodrill's behalf.

Geodrill has reviewed the BFTA revised assessment and continues to disagree with the BFTA's conclusion and believes it is without merit. Geodrill maintains that it does not have a permanent establishment in Burkina Faso and believes it was appropriately taxed for the years 2016 – 2018 through the non-resident withholding tax system.

On March 7, 2021 Geodrill filed its Notice of Request for a discharge for the amounts owing under the revised assessment with the administrative courts in Burkina Faso. Geodrill as part of its notice for discharge filing highlighted for the courts that it has already been taxed for the years 2016 – 2018 through the non-resident withholding tax system and maintains its position that the revised assessment is without merit.

On January 12, 2023 Geodrill received the ruling from the secretariat of the administrative court dismissing the entire revised assessment and has awarded a payment of 1,500,000 CFA to Geodrill for expenses incurred.

The Burkina Faso tax authorities have appealed the administrative court ruling and Geodrill's legal council is reviewing the notice of appeal.

As at May 10, 2025, the administrative courts have not responded to the appeal nor have they set a trial date.

24. EVENTS OCCURING AFTER THE REPORTING PERIOD

On April 4, 2025, the Group drew US$1.0M on the US$7.5M Term Loan. As at May 10, 2025, the Group had drawn US$4.0M on the US$7.5M Medium Term Loan leaving US$3.5M still available for drawdown.

On April 30, 2025, the Group repaid US$4.0M on the US$10.0M Revolving Line of Credit. As at May 10, 2025, the Group had outstanding US$6.0M on the US$10.0M Revolving Line of Credit leaving US$4.0M still available for drawdown.