NEWS RELEASE

FORACO INTERNATIONAL REPORTS Q1 2020

Toronto, Ontario/Marseille, France – May 1st, 2020. Foraco International SA (TSX:FAR) (the “Company” or “Foraco”), a leading global provider of mineral drilling services, today released its unaudited financial results for the first quarter 2020. All figures are expressed in US Dollars (US$) unless otherwise indicated.

“The Covid-19 pandemic has significantly impacted the world since the beginning of 2020. Our first priority is to ensure the health and well-being of our employees, and as of today, none of our people has been tested positive. The next priority is to ensure business continuity and to support our customers to keep their operations running. The impact of the pandemic on our activity in Q1 2020 was relatively limited in our main operations centers and overall, we continued to outperform the market growth with a 16% increase adjusted for currency fluctuations when compared to Q1 2019 and a revenue at USD 49.7 million this quarter” said Daniel Simoncini, Chairman and Co-CEO. “Some operations were suspended late March, but we did not receive any cancellation orders. We anticipate that Q2 activity will be heavily penalized by the diverse lock downs and social distancing imposed by governments but we hope that we will revert to a positive trend in the next quarters as in most of our operating jurisdictions there is a clear consensus that governments consider minerals and metals activity as an essential industry. We will be particularly vigilant on the evolution of the market and will make sure that we take the appropriate actions to adapt quickly and when necessary.

“Q1 2020 started off on very positive bases in the continuity of the promising 2019. In spite of the outbreak which penalized the last part of the quarter, our performance for the period remained solid from a financial standpoint. We generated an EBITDA of US$ 4.5 million, a 30% increase compared to US$ 3.4 million for the same quarter last year. When the crisis broke, we reacted quickly and immediately took a number of operational and financial measures to protect our cash position including cost cuts, postponing of capex and other non-essential expenditures, applying for low interest loans guaranteed by governments and other government stimulus packages. We also entered into negotiation with our lenders to implement a standstill period for the debt service and revisit the covenants applicable to the forthcoming quarters” said Jean-Pierre Charmensat Co-CEO and Chief Financial Officer. “We are proud of our team and of the flexibility of our organization. We have proven our resilience during the downturn which has shaken the industry in the 2010s and our capacity to rebound when the economy recovered. We are confident in our capacity to overcome this challenging situation”

Highlights – Q1 2020

Revenue

- Q1 2020 revenue amounted to US$ 49.7 million compared to US$ 45.2 million in Q1 2019, an increase of 10%. The Q1 2020 revenue increased by 16% after adjusting for currency fluctuations.

- The rigs utilization rate was 42% in Q1 2020 compared to 46% in Q1 2019. The evolution of the Q1 2020 utilization rate compared to Q1 2019 can be explained by the increased contribution of water activity with high added value.
- Profitability

Profitability

- The Q1 2020 gross margin including depreciation within cost of sales was US$ 5.3 million (or 10.6% of revenue) compared to US$ 4.2 million (or 9.4% of revenue) in Q1 2019. This increase is due to improved performance on contracts and continued effective cost control over our operating expenses.

- During the quarter, EBITDA amounted to US$ 4.5 million (or 9.0% of revenue), a 30% increase compared to US$ 3.4 million (or 7.6% of revenue) for the same quarter last year.

Net debt

- The net debt excluding the impact of the implementation of IFRS 16 was US$ 131.3 million as at March 31, 2020 compared to US$ 128.9 million as at December 31, 2019. This increase is mainly linked to the negative free cash flow generated during the period (US$ 1.6 million) and to the capitalized interest (US$ 5.5 million). The net debt including the impact of IFRS 16 is US$ 135.0 million as at March 31, 2020.

Selected financial data

(In thousands of US$) *(unaudited)*	Three-month period ended March 31,	
	2020	**2019**
Revenue	**49,671**	**45,201**
Gross profit (1)	**5,263**	**4,237**
As a percentage of sales	*10.6%*	*9.4%*
EBITDA	**4,465**	**3,444**
As a percentage of sales	*9.0%*	*7.6%*
Operating profit / (loss)	**124**	**(926)**
As a percentage of sales	*0.2%*	*-2.0%*
Profit / (loss) for the period	**(2,064)**	**(3,933)**
Attributable to:		
Equity holders of the Company	(2,042)	(3,979)
Non-controlling interests	(22)	46
EPS (in US cents)		
Basic	(2.27)	(4.43)
Diluted	(2.27)	(4.43)

(1) This line item includes amortization and depreciation expenses related to operations

Financial results

Revenue

(In thousands of US$) - *(unaudited)*	Q1 2020	% change	Q1 2019
Reporting segment			
Mining	40,380	-3%	41,465
Water	9,291	n/a	3,736
Total revenue	***49,671***	***10%***	***45,201***
Geographic region			
Europe, Middle East and Africa	15,106	64%	9,197
South America	9,085	-7%	9,758
North America	18,275	-4%	19,092
Asia Pacific	7,204	1%	7,154
Total revenue	***49,671***	***10%***	***45,201***

Q1 2020

Revenue of the quarter increased from US$ 45.2 million in Q1 2019 to US$ 49.7 million in Q1 2020 (+10%).

The long-standing presence of the Company in the water segment enabled it to develop unique applications for the mining sector. These applications which require the use of certain specific assets and which now represent a growing part of the Company's revenue led the management to assess the performance of these activities separately from the mining sector. These activities which include the mining dewatering are now classified in the water segment. The historical figures presented in the table above have been restated to present comparative data in a homogeneous manner.

The 149% increase in revenue in the water segment is the result of the leveraging of the Company's expertise applied to mining dewatering.

In EMEA revenue for the quarter was US$ 15.1 million compared to US$ 9.2 million in Q1 2019, an increase of 64%. Each area showed improved activity. In Africa, new deep-water wells contracts mobilized in 2019 continued in Q1 2020 and will continue through 2020. In Russia, activity increased by 58% with new significant contracts secured during Q1 2020.

Revenue in South America decreased by 7% at US$ 9.1 million in Q1 2020 (US$ 9.8 million in Q1 2019). The activity in the region was impacted by adverse foreign exchange rate. Without this impact, activity increased by 9% compared to Q1 2019.

Activity in North America slightly decreased with revenue at US$ 18.3 million in Q1 2020 compared to US$ 19.1 million in Q1 2019. As explained above, this decrease is mainly due to disruptions affecting a limited number of contracts linked to the Covid 19 pandemic. The activities postponed are due to resume in Q2 2020.

In Asia Pacific, Q1 2020 revenue amounted to US$ 7.2 million, stable compared to the same period last year. Using Q1 2019 foreign exchange rates, revenue increased by 9%.

Gross profit

(In thousands of US$) - *(unaudited)*	Q1 2020	% change	Q1 2019
Reporting segment			
Mining	3,519	-10%	3,874
Water	1,744	n/a	363
Total gross profit / (loss)	***5,263***	***24%***	***4,237***

Q1 2020

The Q1 2020 gross margin including depreciation within cost of sales was US$ 5.3 million (or 10.6% of revenue) compared to US$ 4.2 million (or 9.4% of revenue) in Q1 2019. This increase is due to improved performance on contracts and continued effective cost control over our operating expenses.

Selling, General and Administrative Expenses

(In thousands of US$) - *(unaudited)*	Q1 2020	% change	Q1 2019
Selling, general and administrative expenses	5,139	0%	5,163

Q1 2020

SG&A was stable compared to the same quarter last year.

Operating result

(In thousands of US$) - *(unaudited)*	Q1 2020	% change	Q1 2019
Reporting segment			
Mining	(659)	n/a	(953)
Water.................................	783	n/a	27
Total operating profit / (loss) .	**124**	***n/a***	**(926)**

Q1 2020

The operating profit was US$ 0.1 million, a US$ 1.1 million improvement as a result of increased activity, improved gross margin and controlled SG&A expenses.

Financial position

The following table provides a summary of the Company's cash flows for Q1 2020 and Q1 2019:

(In thousands of US$)	Q1 2020	Q1 2019
Cash generated by operations before working capital requirements	**4,466**	**3,445**
Working capital requirements	(1,976)	1,489
Income tax paid (received)	(688)	(903)
Purchase of equipment in cash	(2,777)	(3,025)
Free Cash Flow before debt servicing	**(975)**	**1,006**
Debt variance	(1,942)	(1,143)
Interests paid	(627)	(800)
Acquisition of treasury shares	-	(5)
Dividends paid to non-controlling interests	(676)	-
Net cash generated / (used in) financing activities	**(3,245)**	**(1,948)**
Net cash variation	**(4,220)**	**(942)**
Foreign exchange differences	(541)	(273)
Variation in cash and cash equivalents	**(4,761)**	**(1,215)**

In Q1 2020, the cash generated from operations before working capital requirements amounted to US$ 4.5 million compared to US$ 3.4 million in Q1 2019.
In Q1 2020, the working capital requirement was US$2.0 million compared to a positive US$ 1.5 million in the same period last year.

During the period, the Capex was US$ 2.8 million in cash, a stable amount compared to Q1 2019. The Capex mainly relates to major rigs overhauls, ancillary equipment and rods.

Free cash flow before debt servicing was US$ (1.0) million in Q1 2020 compared to US$ 1.0 million in Q1 2019.

As at March 31, 2020, cash and cash equivalents totaled US$ 11.3 million compared to US$ 16.1 million as at December 31, 2019. Cash and cash equivalents are mainly held at or invested within top tier financial institutions. As at March 31, 2020, net debt excluding IFRS 16 implementation amounted to US$ 131.3 million (US$ 128.9 million as at December 31, 2019).

Bank guarantees as at March 31, 2020 totaled US$ 9.0 million compared to US$ 6.5 million as at December 31, 2019. The Company benefits from a confirmed contract guarantee line of € 12.7 million (US$ 14.0 million).

Going concern and impairment testing

As at March 31, 2020, the Company met its financial covenants. However, given the current economic uncertainties, management has taken a number of operational and financial measures to protect the Company's cash position including (i) adapting the cost structure to the current environment (ii) postponing non-essential expenditures (iii) applying for loans guaranteed by governments and other incentives and (iv) entering into negotiation with its lenders to implement a standstill period for the debt service and revisit the covenants applicable to the forthcoming quarters. On the basis of the above, the Company believes that it will have adequate financial resources to continue in operation for a period of at least twelve months.

As at December 31, 2019, the Company conducted impairment testing for goodwill at the level of each geographic region using the expected discounted cash flows method. Based on the internal forecasts and projections made, the expected discounted future cash flows generally exceeded, and sometimes significantly, the goodwill carrying amounts. As at March 31, 2020, the Company reperformed an impairment testing for the regions which presented a lower headroom. As mentioned in the preceding section, there is considerable uncertainty regarding the business impacts of the Covid-19 pandemic. However, based on the current information available including customers' feedback and the Company's backlog there were no indications of impairment.

Currency exchange rates

The exchange rates for the periods under review are provided in the Management's Discussion and Analysis of Q1 2020.

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.

Reconciliation of the EBITDA is as follows:

(In thousands of US$) *(unaudited)*	Q1 2020	Q1 2019
Operating profit / (loss)..	124	(926)
Depreciation expense	4,296	4,325
Non-cash employee share-based compensation	45	45
EBITDA	***4,465***	***3,444***

Strategy

The Company's strategy is to become 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. The Company intends to develop and grow its services offered across the world with a focus on stable jurisdictions, high tech drilling services, optimal commodities mix - with a significant involvement in water related drilling services and choose carefully its customers. The Company expects it will execute its strategy primarily through organic growth in the near future.

Conference call and webcast

On May 1st, 2020, Company Management will conduct a conference call at 10:00 am ET to review the financial results. The call will be hosted by Daniel Simoncini, Chairman and co-CEO, and Jean-Pierre Charmensat, co-CEO and CFO.

You can join the call by dialing 1-888-231-8191 or 1-647-427-7450. You will be put on hold until the conference call begins. A live audio webcast of the Conference Call will also be available through:

https://produceredition.webcasts.com/starthere.jsp?ei=1311733&tp_key=b7a8fd3065

An archived replay of the webcast will be available for 90 days.

About Foraco International SA

Foraco International SA (TSX: FAR) is a leading global mineral drilling services company that provides a comprehensive and reliable service offering in mining and water projects. Supported by its founding values of integrity, innovation and involvement, Foraco has grown into the third largest global drilling enterprise with a presence in 22 countries across five continents. For more information about Foraco, visit www.foraco.com.

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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, 2020, 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.