NEWS RELEASE

FORACO INTERNATIONAL REPORTS Q2 2020

Toronto, Ontario/Marseille, France – July 31, 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 second quarter 2020. All figures are expressed in US Dollars (US$) unless otherwise indicated.

"We are glad to report our 2020 second quarter revenue at 47.4 M$ a 3% decrease only at constant exchange rates compared to the same quarter last year. This confirms the resilience of our business model and the quality of our execution in these unprecedented disrupted times. Canada and Brazil were the most impacted by the Covid 19 crisis which disturbed our commercial and operational activities as governments and customers rushed to mitigate this crisis. Overall, our financial performance remained at satisfactory levels and in certain areas such as Australia, Africa and Russia we recorded remarkable increase in revenue YoY. On a consolidated basis, the profitability of the Group improved compared to previous quarters." said Daniel Simoncini, Chairman and Co-CEO." Our utilization rate reached 47% from 50% in Q2 2019 and only marginal adjustments to our fixed costs were required. We benefit from the fundamental operational improvements which we have successfully implemented over the previous periods and we consider that our current organization is adequate to meet our expectations of the market."

"Despite the pandemic and the related slight contraction in revenue, all financial indicators continued to show improvements. In the second quarter of 2020, we recorded an EBITDA of US$ 10.2 million or 21.5% of revenue vs US$ 7.3 million or 13.5% of revenue in Q2 last year. The free cash flow before debt service was US$ 8.3 million this quarter vs US$ 2.3 million in Q2 2019. We posted a net profit of US$ 3.2 million this quarter." said Jean-Pierre Charmensat Co-CEO and Chief Financial Officer. "We complied with all covenants at June 30, 2020. We have also been successful in securing the low interest loans guaranteed by the French government in order to further strengthen our liquidity position, the drawing of the funds being subject to an agreement with our lenders on certain additional conditions. In any case, we believe that the progress we made in the past across the business has well positioned us for the upcoming challenges."

Highlights – Q2 2020

Revenue

- The impact of Covid-19 on the Q2 2020 revenue has been uneven between regions. The pandemic affected revenue in certain important operation centers, particularly in North and South America but solid activities were recorded in other areas.

- Overall, revenue of the period amounted to US$ 47.4 million compared to US$ 54.1 million in Q2 2019, a decrease of 12%, but the Q2 2020 revenue decrease at constant exchange rates was limited to 3%.

- This trend is confirmed by the rigs utilization rate which remained relatively high at 47% in Q2 2020 compared to 50% in Q2 2019.

Profitability

- The Q2 2020 gross margin including depreciation within cost of sales was US$ 11.2 million (or 23.6% of revenue) compared to US$ 8.5 million (or 15.7% of revenue) in Q2 2019. Performance on contracts improved due to continued close control over our operations which allowed us to generate satisfactory margins across regions including the successful conclusion of a contract generating US$ 2.0 million net margin.

- During the quarter, EBITDA amounted to US$ 10.2 million (or 21.5% of revenue), a 38% increase compared to US$ 7.3 million (or 13.6% of revenue) for the same quarter last year.

Highlights – H1 2020

Revenue

- H1 2020 revenue amounted to US$ 97.0 million compared to US$ 99.3 million in H1 2019 a decrease of 2%. Excluding foreign exchange variance, revenue increased by 6%.

Profitability

- H1 2020 gross margin including depreciation within cost of sales was US$ 16.4 million (or 16.9% of revenue) compared to US$ 12.7 million (or 12.8% of revenue) in H1 2019. This improvement is mainly due to satisfactory control over our operations.

- During the semester, EBITDA amounted to US$ 14.6 million (or 15.1% of revenue), compared to US$ 10.8 million (or 10.9% of revenue) for the same period last year.

Net debt

- The net debt excluding the impact of the implementation of IFRS 16 was US$ 127.7 million as at June 30, 2020 compared to US$ 128.9 million as at December 31, 2019. The net debt including the impact of IFRS 16 was US$ 131.2 million as at June 30, 2020.

Selected financial data

(In thousands of US$) *(unaudited)*	**Three-month period ended June 30,**		**Six-month period ended June 30,**	
	2020	**2019**	**2020**	**2019**
Revenue	**47,351**	**54,093**	**97,022**	**99,295**
Gross profit (1)	**11,164**	**8,466**	**16,427**	**12,703**
As a percentage of sales	*23.6%*	*15.7%*	*16.9%*	*12.8%*
EBITDA	**10,161**	**7,343**	**14,626**	**10,787**
As a percentage of sales	*21.5%*	*13.6%*	*15.1%*	*10.9%*
Operating profit / (loss)	**6,062**	**2,979**	**6,186**	**2,053**
As a percentage of sales	*12.8%*	*5.5%*	*6.4%*	*2.1%*
Profit / (loss) for the period	**3,277**	**1,291**	**1,212**	**(2,642)**
Attributable to:				
Equity holders of the Company	1,726	597	(316)	(3,382)
Non-controlling interests	1,551	694	1,529	740
EPS (in US cents)				
Basic	1.88	0.66	(0.35)	(3.77)
Diluted	1.92	0.66	(0.35)	(3.77)

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

Financial results

Revenue

(In thousands of US$) - *(unaudited)*	Q2 2020	% change	Q2 2019	H1 2020	% change	H1 2019
Reporting segment						
Mining	40,129	-18%	48,920	80,509	-11%	90,324
Water	7,222	+40%	5,187	16,513	+84%	8,971
Total revenue	***47,351***	***-12%***	***54,093***	***97,022***	***-2%***	***99,295***
Geographic region						
Europe, Middle East and Africa	17,758	11%	15,936	32,863	7%	25,133
South America	6,718	-48%	12,892	15,804	-30%	22,649
North America	11,570	-25%	15,370	29,846	-13%	34,463
Asia Pacific	11,305	14%	9,895	18,509	9%	17,050
Total revenue	***47,351***	***-12%***	***54,093***	***97,022***	***-2%***	***99,295***

Q2 2020

Revenue of the quarter decreased from US$ 54.1 million in Q2 2019 to US$ 47.4 million in Q2 2020 (-12%). Excluding currency fluctuations, revenue only decreased by 3%.

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 40% 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$ 17.8 million compared to US$ 15.9 million in Q2 2019, an increase of 11% (21% without foreign exchange variance). Each area showed improved activity. In Africa, new deep-water wells contracts mobilized in 2019 continued in Q2 2020 and will continue through 2020. In Russia, activity increased by 12% with new significant contracts secured during Q1 2020.

Revenue in South America decreased by 48% (31% excluding adverse foreign exchange rate variance) at US$ 6.7 million in Q2 2020 (US$ 12.9 million in Q2 2019). The activity in the region was particularly impacted by the effect of the pandemic which disrupted the commercial and operational activities.

Activity in North America decreased with revenue at US$ 11.6 million in Q2 2020 compared to US$ 15.4 million in Q2 2019. This decrease is mainly due to disruptions affecting a certain number of contracts linked to the Covid 19 pandemic. The activities postponed are due to resume in Q3 2020.

In Asia Pacific, Q2 2020 revenue amounted to US$ 11.3 million, an increase of 14% (24% without foreign exchange variance). New contracts were mobilized during the quarter and will continue through 2020.

H1 2020

H1 2020 revenue amounted to US$ 97.0 million compared to US$ 99.3 million in H1 2019, a decrease of 2%. The H1 2020 revenue increased by 6% after adjusting for currency fluctuations.
In EMEA, revenue increased by 7%, to US$ 32.9 million in H1 2020 from US$ 25.1 million in H1 2019. Each area showed improved activity.

Revenue in South America decreased by 30% at US$ 15.8 million in H1 2020 (US$ 22.6 million in H1 2019). The activity in the region was particularly impacted by the effect of the Covid-19 pandemic which disrupted the commercial and operational activities during Q2 2020.

Revenue in North America decreased by 13% to US$ 29.8 million in H1 2020 from US$ 34.5 million in H1 2019. This decrease is mainly due to disruptions affecting a certain number of contracts in Q2 2020 linked to the Covid-19 pandemic. The activities postponed are due to resume in Q3 2020.

In Asia Pacific, H1 2020 revenue amounted to US$ 18.5 million, an increase of 9%. New contracts were mobilized during the period and will continue through 2020.

Gross profit

(In thousands of US$) - *(unaudited)*	Q2 2020	% change	Q2 2019	H1 2020	% change	H1 2019
Reporting segment						
Mining..	8,650	+11%	7,768	12,169	7%	11,385
Water	2,514	n/a	698	4,258	*n/a*	1,318
Total gross profit / (loss)	***11,164***	***32%***	***8,466***	***16,427***	***29%***	***12,703***

Q2 2020

The Q2 2020 gross margin including depreciation within cost of sales was US$ 11.2 million (or 23.6% of revenue) compared to US$ 8.5 million (or 15.7% of revenue) in Q2 2019. The gross profit improved due to better performance on contracts.

H1 2020

The H1 2020 gross margin including depreciation within cost of sales was US$ 16.4 million (or 16.9% of revenue) compared to US$ 12.7 million (or 12.8% of revenue) in H1 2019. This improvement is mainly due to the close control over our operations.

Selling, General and Administrative Expenses

(In thousands of US$) - *(unaudited)*	Q2 2020	% change	Q2 2019	H1 2020	% change	H1 2019
Selling, general and administrative expenses	5,102	-7%	5,487	10,241	-4%	10,650

Q2 2020

SG&A decreased compared to the same quarter last year. The Company adapted its staff cost in the context of the current uncertain environment

H1 2020

SG&A decreased by 4% compared to the same period last year. As a percentage of revenue, SG&A was stable.

Operating result

(In thousands of US$) - *(unaudited)*	Q2 2020	% change	Q2 2019	H1 2020	% change	H1 2019
Reporting segment						
Mining	4,326	+55%	2,783	3,667	n/a	1,653
Water..................................	1,736	n/a	196	2,519	n/a	400
Total operating profit / (loss) .	**6,062**	***+103%***	**2,979**	**6,186**	***n/a***	**2,053**

Q2 2020

The operating profit was US$ 6.1 million, a US$ 3.1 million improvement as a result of the close control over our operations and SG&A expenses.

H1 2020

The operating profit was US$ 6.2 million in H1 2020, a US$ 4.1 million improvement compared to H1 2019 as a result of better performance on contracts and controlled SG&A.

Financial position

The following table provides a summary of the Company's cash flows for H1 2020 and H1 2019:

(In thousands of US$)	H1 2020	H1 2019
Cash generated by operations before working capital requirements	**14,626**	**10,788**
Working capital requirements	(2,177)	(174)
Income tax paid (received)	(928)	(1,540)
Purchase of equipment in cash	(4,147)	(5,736)
Free Cash Flow before debt servicing	**7,375**	**3,339**
Debt variance	(4,183)	(1,567)
Interests paid	(1,451)	(1,707)
Acquisition of treasury shares	-	(14)
Dividends paid to non-controlling interests	(676)	-
Net cash generated / (used in) financing activities	**(6,310)**	**(3,288)**
Net cash variation	**1,065**	**51**
Foreign exchange differences	(694)	(755)
Variation in cash and cash equivalents	**370**	**(704)**

In H1 2020, the cash generated from operations before working capital requirements amounted to US$ 14.6 million compared to US$ 10.8 million in H1 2019.

In H1 2020, the working capital requirement was US$2.2 million compared to US$ 0.2 million in the same period last year.

During the period, the Capex was US$ 4.1 million in cash compared to US$ 5.7 million in H1 2019. The Capex mainly relates to major rigs overhauls, ancillary equipment and rods.

Free cash flow before debt servicing was US$ 7.4 million in H1 2020 compared to US$ 3.3 million in H1 2019.

As at June 30, 2020, cash and cash equivalents totaled US$ 16.4 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 June 30, 2020, net debt excluding IFRS 16 implementation amounted to US$ 127.7 million (US$ 128.9 million as at December 31, 2019).

Bank guarantees as at June 30, 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 June 30, 2020, the Company met its financial covenants. Despite the current economic environment, and assuming that the health crisis does not deteriorate further, the Company believes that it will have adequate financial resources to continue in operation for a period of at least twelve months.

Currency exchange rates

The exchange rates for the periods under review are provided in the Management's Discussion and Analysis of Q2 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)*	Q2 2020	Q2 2019	H1 2020	H1 2019
Operating profit / (loss)..	6,062	2,979	6,186	2,053
Depreciation expense	4,054	4,320	8,350	8,645
Non-cash employee share-based compensation	45	45	90	90
EBITDA	***10,161***	***7,343***	***14,626***	***10,787***

Conference call and webcast

On July 31, 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=1350286&tp_key=19b3d85897

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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