



FORACO

A Global Leader in Mineral and Water Drilling Services

TSX : FAR

FORACO.COM

Forward-Looking Statements



Certain statements herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Such forward-looking statements or information include, but are not limited to, statements or information with respect to: the business and development of the Company; the Company's future business and strategies; and requirements for additional capital and future financing. Forward-looking statements or information also includes information contained in pro forma financial statements.

Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things, the assumptions made in connection with the preparation of the pro forma financial statements. Although our management believes that the assumptions made and the expectations represented by such statement or information are reasonable, there can be no assurance that a forward-looking statement or information referenced herein will prove to be accurate.

Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information.

Readers should also refer to the Company's Annual Information Form for the year ended December 31, 2020 and the Company's most recent Management Discussion and Analysis and the risk factors discussed in such documents for additional information on risks and uncertainties relating to forward-looking statements and information. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Also, many of the factors are beyond the control of the Company. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to reissue or update any forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information contained in this presentation are qualified by this cautionary statement.

FORACO provides drilling solutions across the Mining and Water Cycles

FORACO does NOT work for Oil, Gas or Thermal Coal



Capital Market Profile



Corporate Headquarters: **Marseille, France**

Stock Symbol and Exchange: **TSX: FAR**

Shares Issued and Outstanding: **99.3 million**

Share Price (as of Dec 6th 2021): **C\$2.30**

Market Capitalization: **C\$ 226 million**

52 Week High/Low: **C\$2.45 /\$0.45**

Number of Employees: **~2,700**



Shareholding structure*

56% FLOAT

38% DANIEL SIMONCINI,
JEAN-PIERRE CHARMENSAT

6% OTHER DIRECTORS
AND MANAGEMENT

At a Glance



#3 mineral drilling services contractor worldwide by number of drills (302) and 2020 revenue of \$207M



Outperform main competition on profitability & growth



Over 2,700 employees in Sept. 2021
Operate 302 rigs.



Operating in the main mining regions (Canada, USA, Australia, Chile, Brazil, West Africa and Russia)



Solid growth since 2017 with recent additional traction from EV metals and Gold



Strong customer base focused on Tier One mining companies



Significant Exposure to EV metals exploration and production

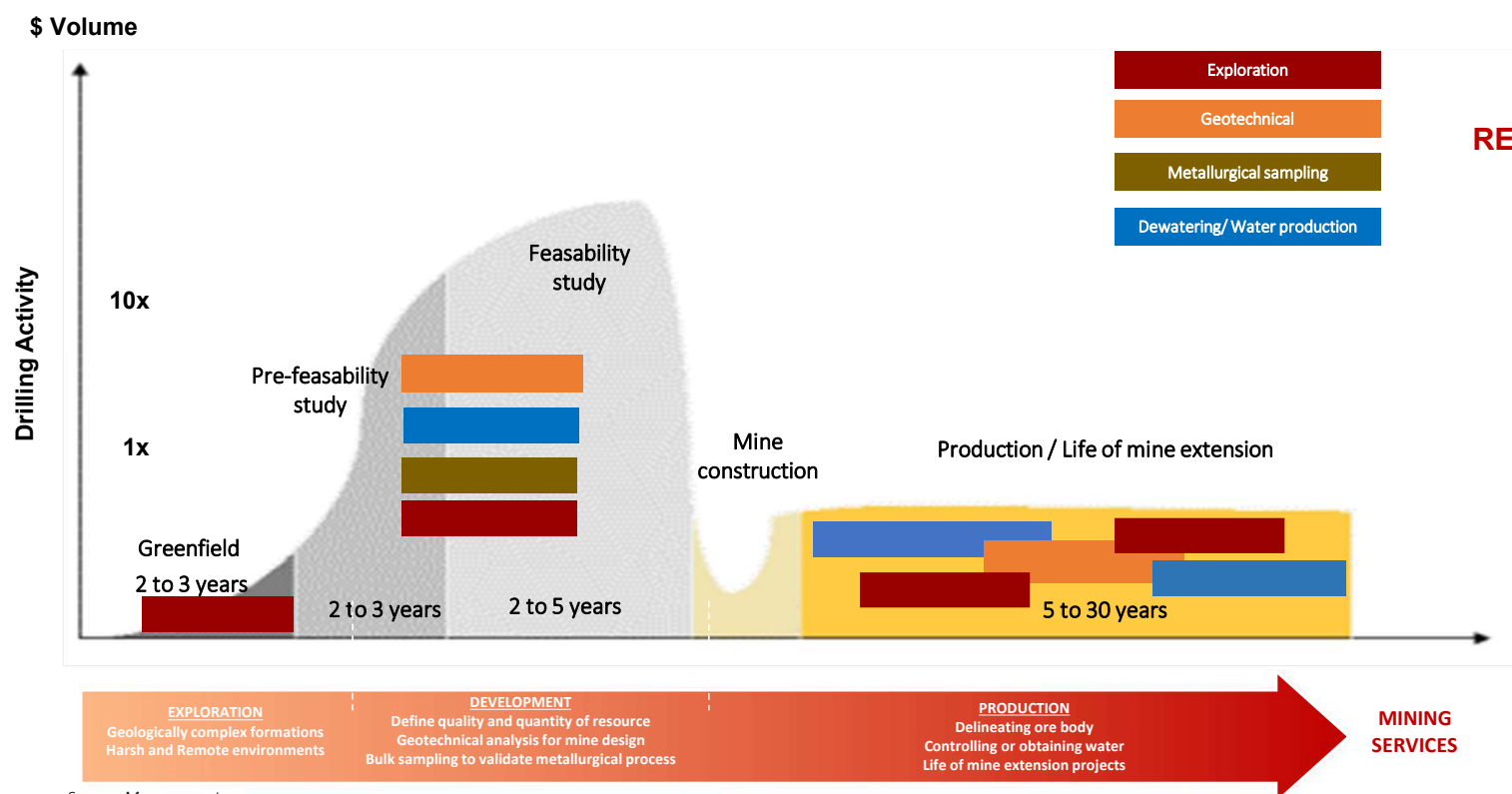


Leader in ground water drilling and monitoring

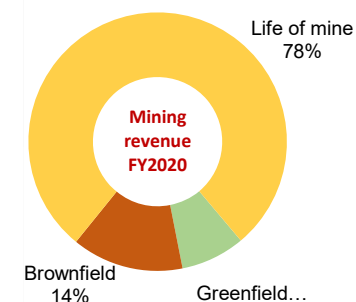
Foraco's Business is to provide Drilling Solutions across the Mining and Water supply and protection Cycles



DRILLING IS NEEDED AT EVERY STAGE OF THE MINE LIFE CYCLE



REVENUES BY MINE CYCLE (FY20)



Foraco has a significant position in the most resilient downstream part of the mine life cycle

ESG Policy



Adopted SASB Sustainability Accounting Standards : Metals and Mining 2018-10



2021: will gather data in all branches to estimate first Environment metrics by YE

- CO2 emission
- Water consumption and recycling
- Energy Management
- Waste management



Foraco does not work in conflict zones and has developed a systematic cooperation approach with natives or local community groups wherever possible.



Foraco has collective bargaining agreements in most of its workplace which complement local labor laws



Foraco has effective systems in place and a strong safety at work policy to eliminate any incident via training and coaching its workforce.



Foraco has a strong business ethics policy and procedures that are compliant with Europe's most stringent anti corruption rules like Sapin 2 law and OECD rules

ESG Metrics Dashboard



Metrics TBD by YE2021

Indigenous rights and local community relations:



- 64 shifts were lost as non-technical delays in 2020 following local community protest against 2 Customers in New Caledonia. As a contractor, Foraco could not access mine sites.
- 2% of Foraco workforce comes from native groups. 96% are nationals

Labor relations:



- 56% of our workforce benefit from a collective bargain agreement
- Zero days of strike or lockouts were reported in 2020



Health and Safety

- No fatality.
- 2020 LTIFR is 0.45
- 2020 TRIFR is 2.03
- 9.45 hours of training per employee

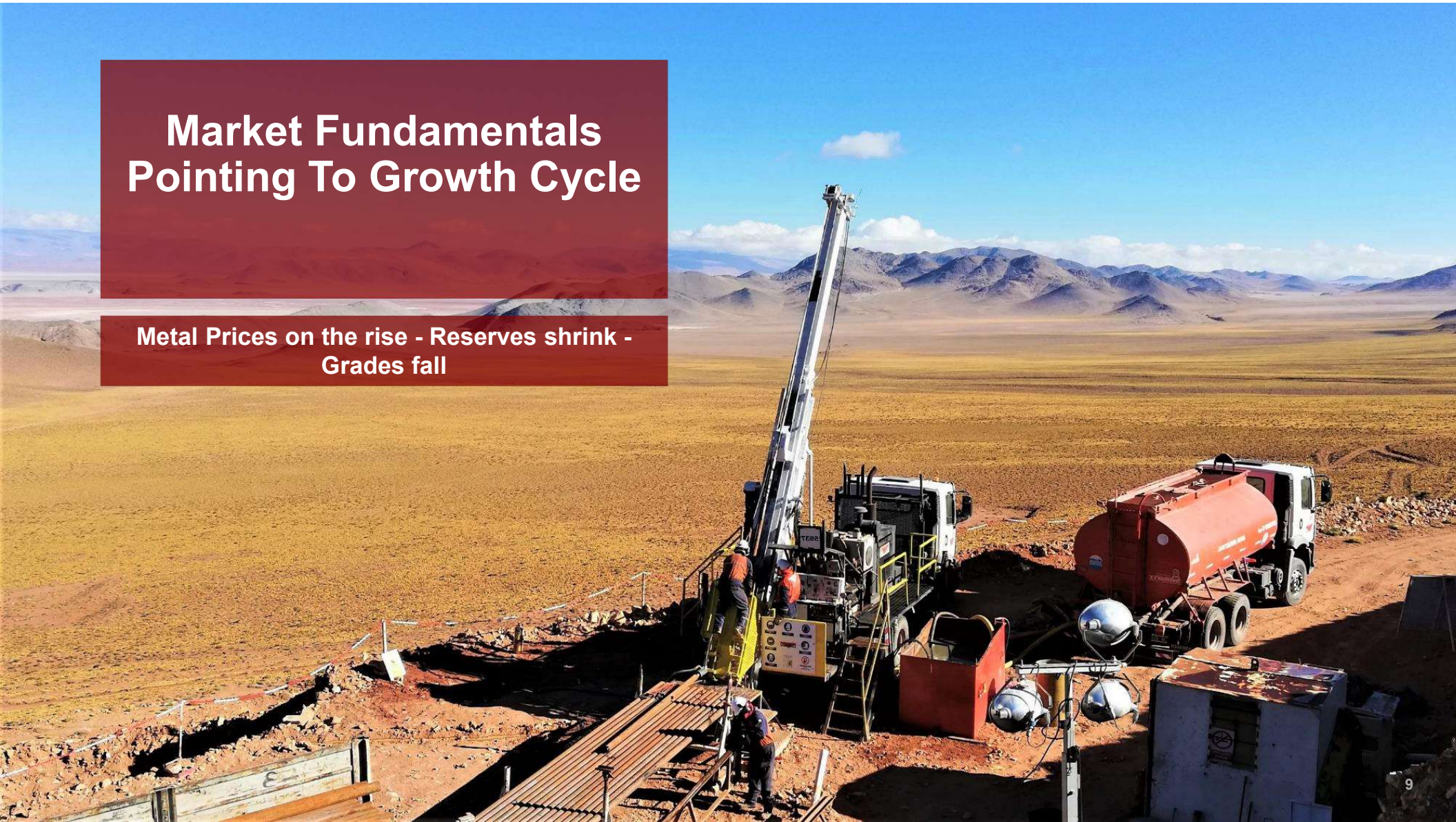


Business Ethics and Transparency

- Zero calls to Whistle Blower in 2020
- Zero reports to our Compliance Officer
- Foraco does not work in one of the 47 lowest ranked countries for corruption perception by Transparency International

Market Fundamentals Pointing To Growth Cycle

Metal Prices on the rise - Reserves shrink -
Grades fall



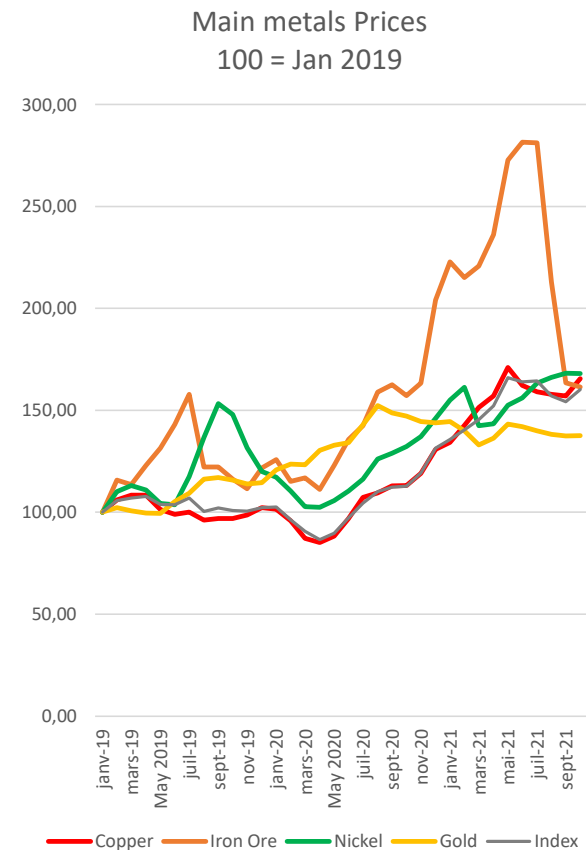
Metal Prices Leading Driver For Mining And Mineral Drilling Activity



EV metals are under significant tension :
Copper, Nickel, Cobalt and rare earths

Iron Ore is under price
pressure but way above LT
average

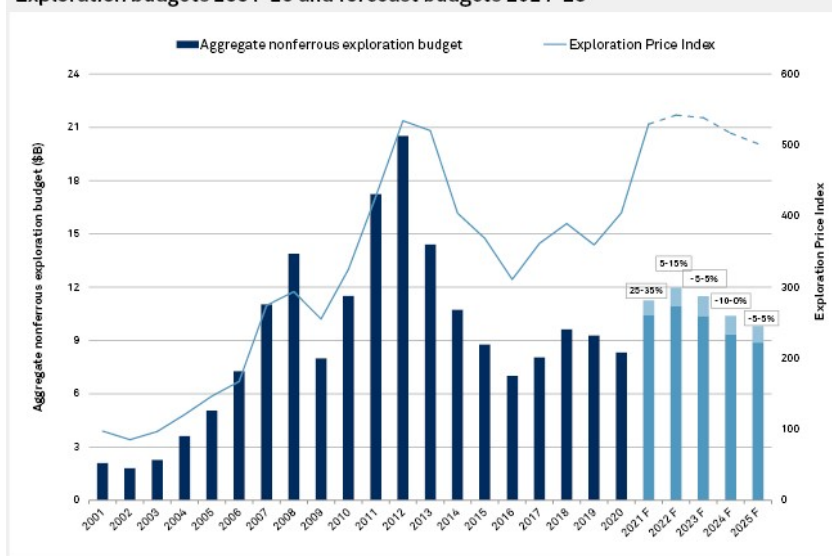
Large Cap gold reserves have
decreased 35% since 2012
and current prices are
excellent



Global Exploration Expenditures Are Poised To Rise When Considering Metal Prices And Falling Grades

- Minex estimates that global exploration expenditures will rise 32% from \$11.3bn in 2019 to \$14.9bn in 2023
- S&P Global Market Intelligence reports the global budget for **non-ferrous metals exploration** increased 25-35% in 2021 after 2 years of decline and will peak in 2022.

Exploration budgets 2001-20 and forecast budgets 2021-25



Data as of June 18, 2021.

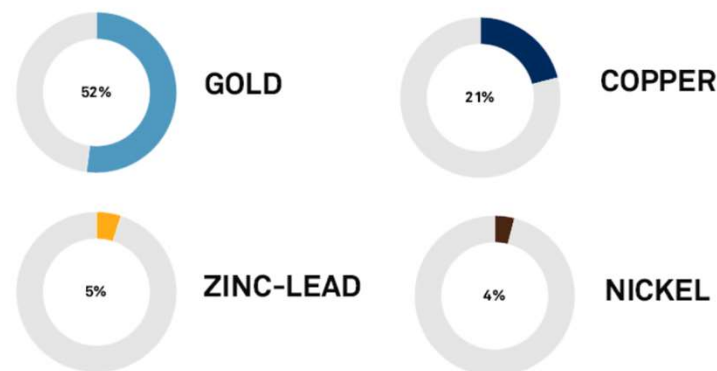
F = forecast

□ = percentage increase/decrease year over year

The Exploration Price Index is calculated using the metals prices in the second half of the previous year and measures the relative change of precious and base metals prices, weighted by the percentage of overall exploration spending for each metal as a proxy of the relative importance of each to the industry at a given time.

Source: S&P Global Market Intelligence

Share of 2020 exploration budget by commodity



As of September 25, 2020 Source: S&P Global Market Intelligence

Growth Platform Ready To Embark In New Upturn with a Resilient Business Model

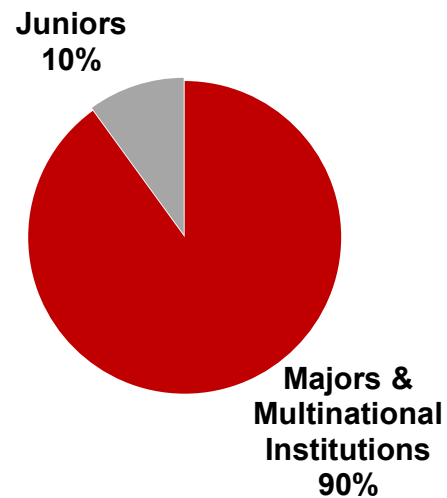
**Strong Tier One Customer Base
People, Assets, Innovation Spirit**



Strong Customer Relationships



REVENUE BY CUSTOMER FY 2020



MAIN CUSTOMERS

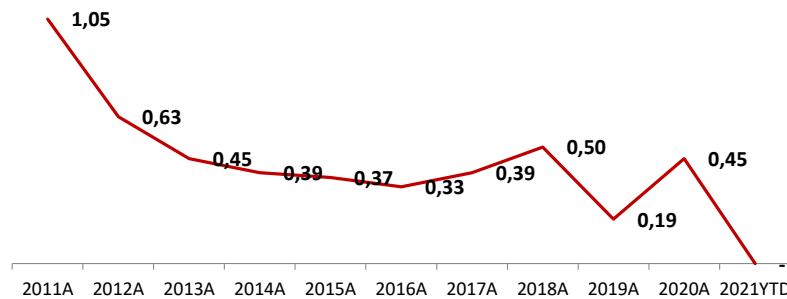


Relying on Experienced International Workforce



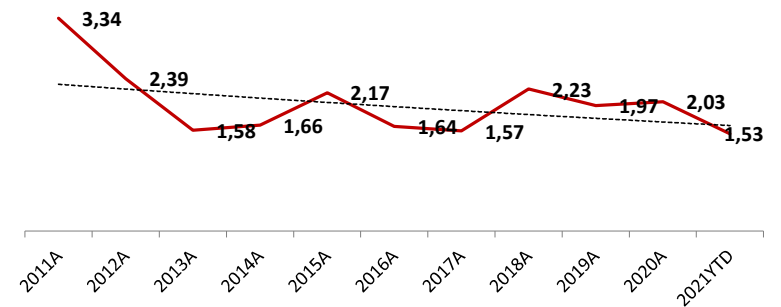
SAFETY RECORDS

Lost Time Injury Rate Trend
(per 200,00 hours)



Source: Management

Total Recordable Injury Frequency Rate
(per 200,00 hours)



... Retained by a Fair, Progressive and Efficient Human Resources Policy



Sustainable Long Term Contracts



Long term Employment Opportunities



Leading Class HSEC (Health, Safety, Environment and Community) and Productivity



Investment in Skills and Knowledge



Long Term Financial Incentive for executives



Engaged and Empowered Employees



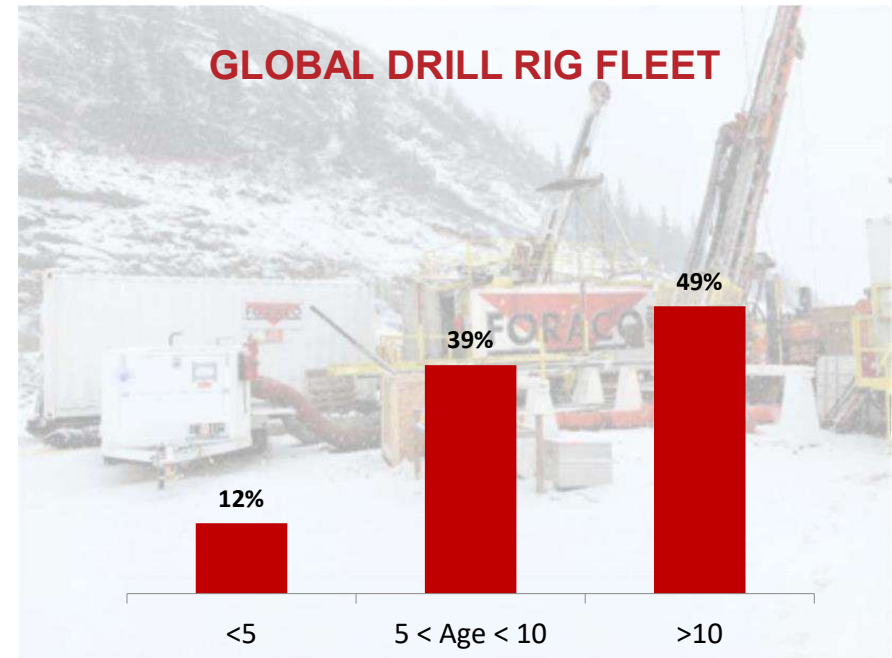
Operating A Versatile Drill Fleet



302 Drill Rigs

62 Rotary & RC
190 Diamond
18 Combination
32 Underground

- Current market value of equipment estimated at USD\$120M
- Replacement value of a rig is between \$0.3 M and \$2.5 M
- New rig has an operational life of 15 to 20 years
- A rig can be rebuilt every 10 years, regaining another decade of market life
- The company invests approx. 8% of its revenue in CAPEX

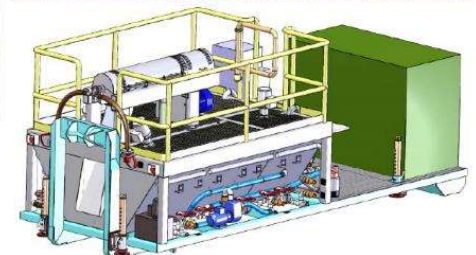


Foraco Is A Recognized Innovator



- Pioneered first wireless remote RC rig with fully featured Measure While Drilling (MWD)
- Awarded 2017 DMIRS Engineering Award of Merit
- Introduced in 2019 the next generation of remote RC (functional isolation/electronic exclusion zones)
- Working to roll out early 2022 a new generation of water well specialized rig

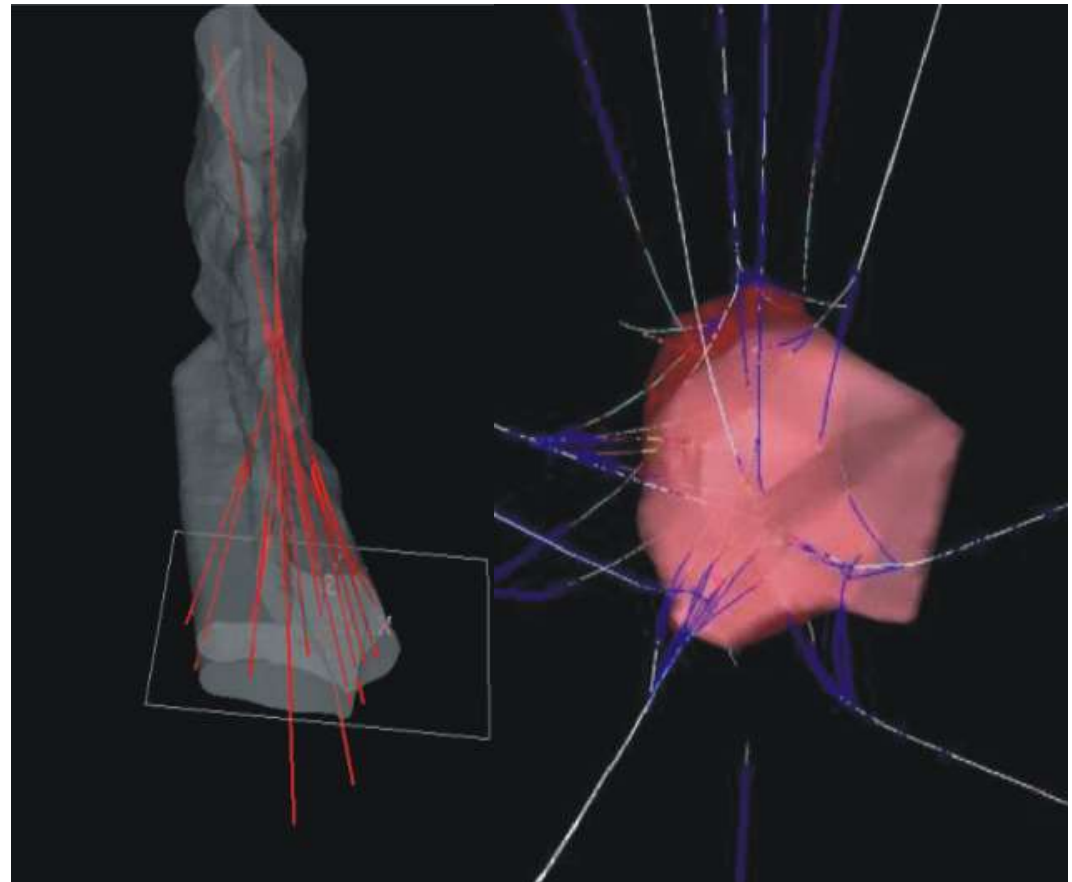
**REDUCING DRILL TIMES AND
ENHANCE CREW SAFETY**



A Leader In Deep Directional Drilling



- Techniques and tools which allow to steer in 3D drilling through hard rock in order to follow a preset 3D trajectory
- Without directional drilling the hole geometry is dictated by the geological natural conditions
- FAR has setup a JV with the developers of the Continuous Wedging Tool (CWT) to market and operate their tool in North America, Brazil, and West Africa
- The CWT complements Foraco's existing deep directional drilling expertise
- Customer benefits: significant financial savings together with the best geo data



A Leader In Water Well Drilling



- Technical leadership in large diameter flooded reverse technique
- Front runner in drilling groundwater in situ treatment wells (Selenium)
- More than 42,000 drinking water drilled in West Africa
- Rural zones water supply expertise
- Extension of water drilling technique to solution mining (Lithium, Magnesium..)

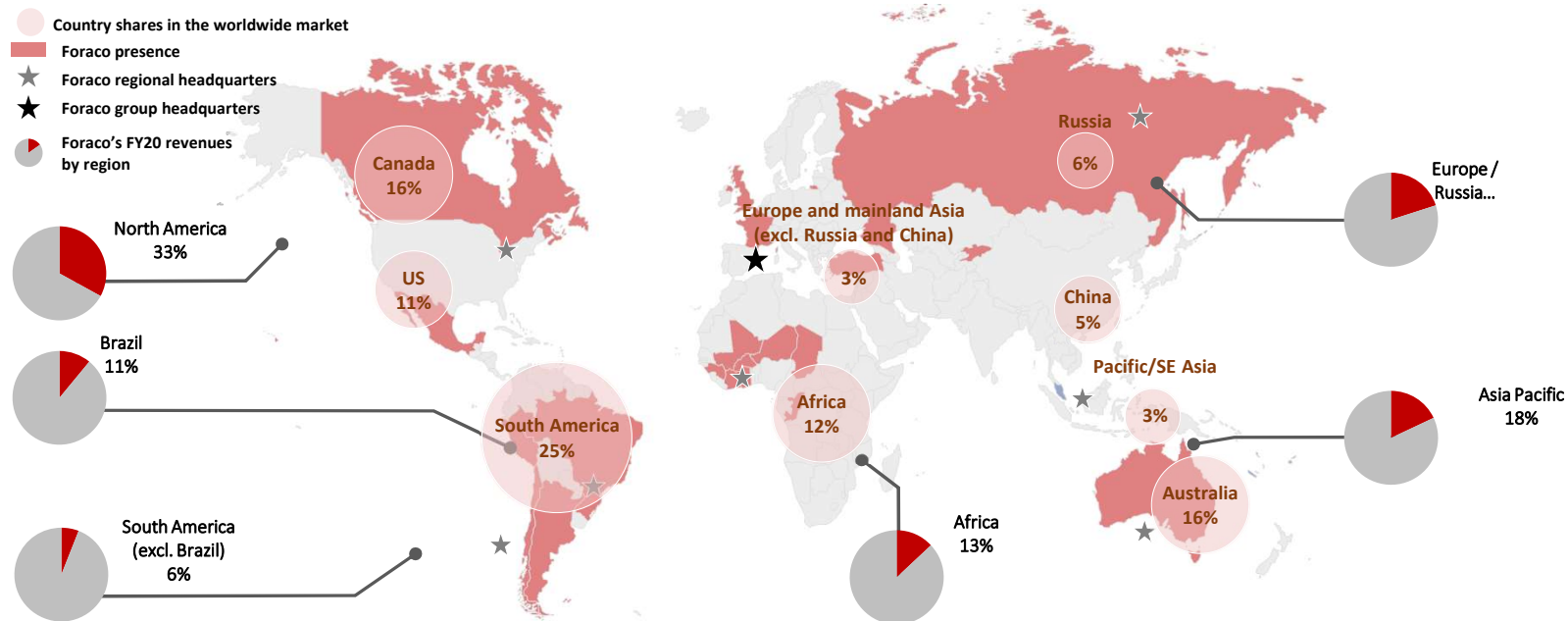


A photograph of a forest with a logging truck in the background. The truck is white with a red stripe and the word "FORECO" on its side. The forest has many trees with yellow and orange autumn leaves. The sky is overcast.

**Resilient Business Model
Highly Adaptive
Outperforming Market**

**Risk Mitigation from Diversification
Exposure To Green Commodities**

Present in Main Mining Destinations (86% coverage)



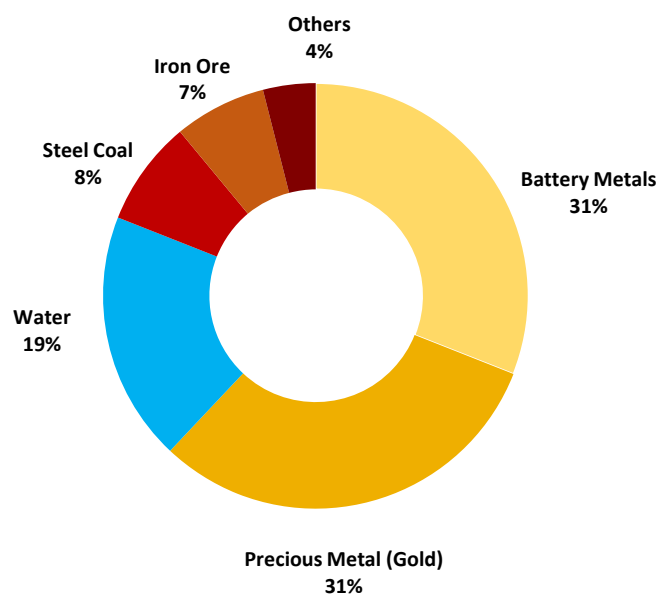
- South America (28%), Canada (15%) and Australia (14%) are the **key mining markets**
- Foraco is well positioned in the **top world mining regions** with presence in Canada, in South America, in Europe and Russia, Africa and in Australia, regions representing **83% of the worldwide spending**

Source: S&P « World Exploration Trends » - Nov 2020 - Management

Diversified Exposures : Increased Resilience to cycles



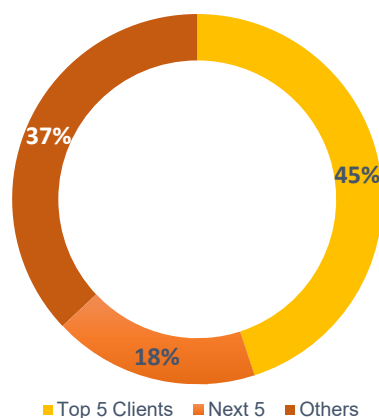
REVENUES BY COMMODITIES
(FY20)



Broad spread of commodity exposure
No dependence upon any particular resource

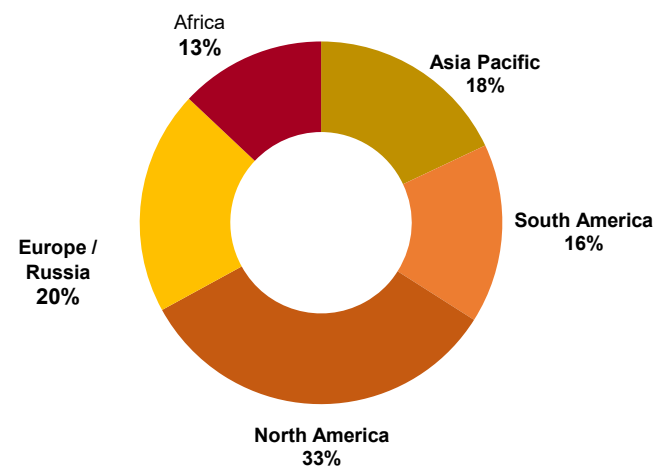
Source: Management

TOP CUSTOMERS
(FY20)



Foraco Top ten Customers
account for 63% of Revenue

REVENUES BY GEOGRAPHY
(FY20)

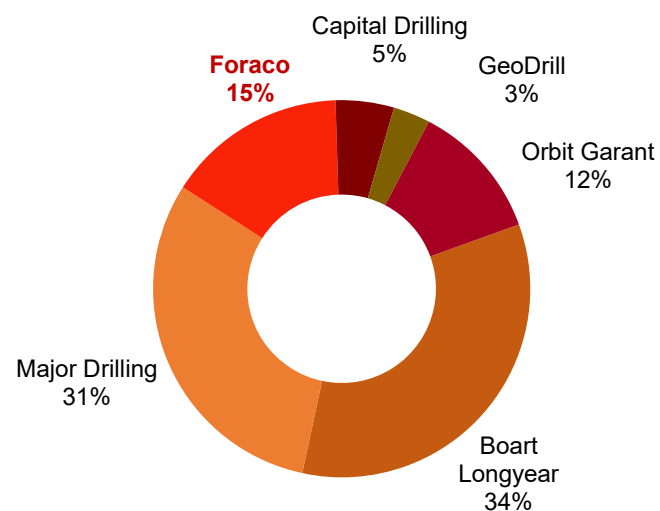


Foraco geographical exposure
is diversified mostly in stable
jurisdictions

#3 World Mineral Driller Consistent superior profitability

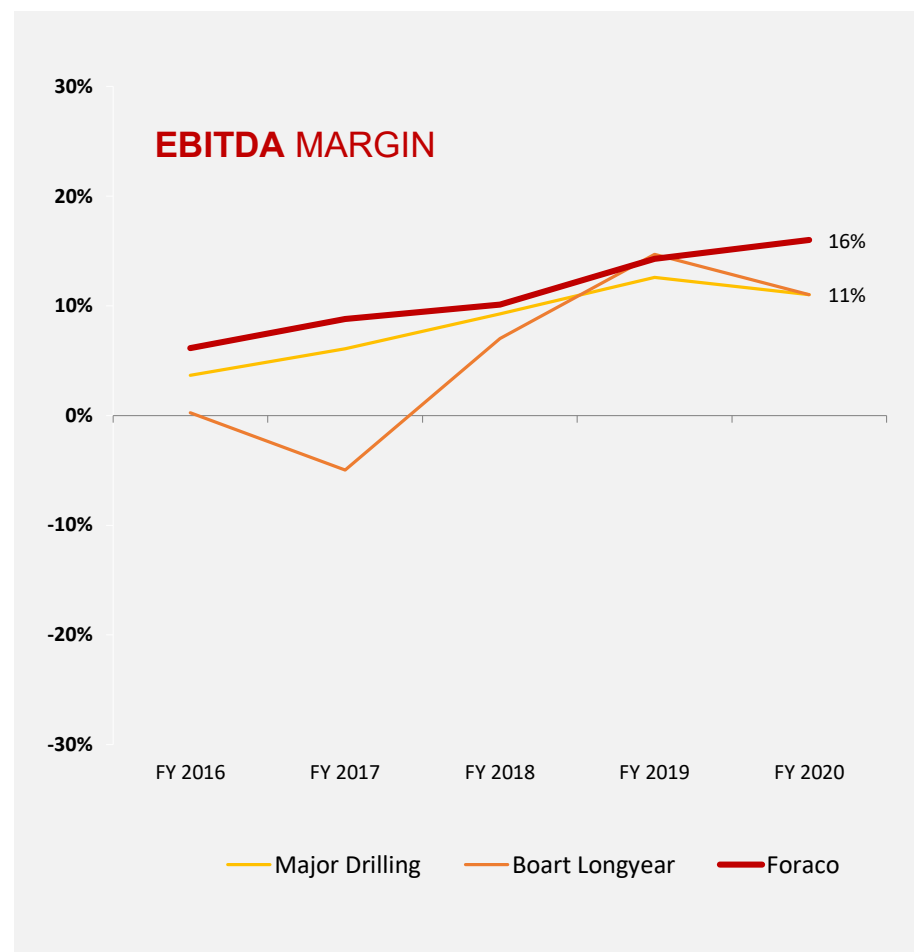


MAIN GLOBAL COMPETITORS RIG COUNT:



Sources: Annual reports, Companies, Brokers, Management estimates

Notes: Figures calendarized for Major Drilling at year ended December,31; average USD/CAN exchange rate over the period



Forward Strategy



Positioned for Growth

- Take advantage of our strengths as market recovers: deploy specific and innovative techniques in additional regions, growth within Majors, long term contracts..
- Continue to grow in battery metals
- Reinforce our leadership in groundwater management
- Roll out a performing and auditable ESG policy SASB compliant



The path forward



STRENGTHEN BALANCE SHEET:

- LT Debt reduced by 50 M\$ in Q3
- Take the opportunity of solid economic activity to generate significant cash-flows
- Grow strong cash position and decrease debt to a comfortable level
- Resume dividends payout ASAP



Financial Data

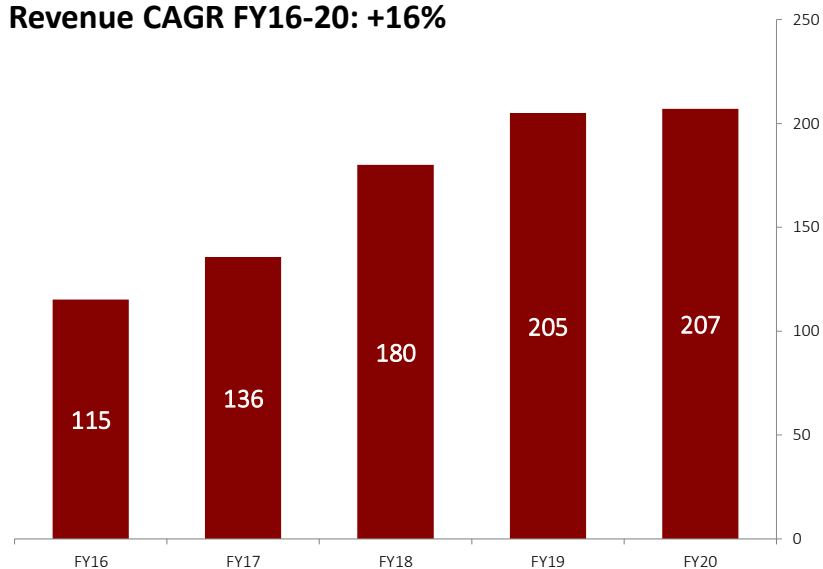


Steady Growth Since 2016 Bottom Out



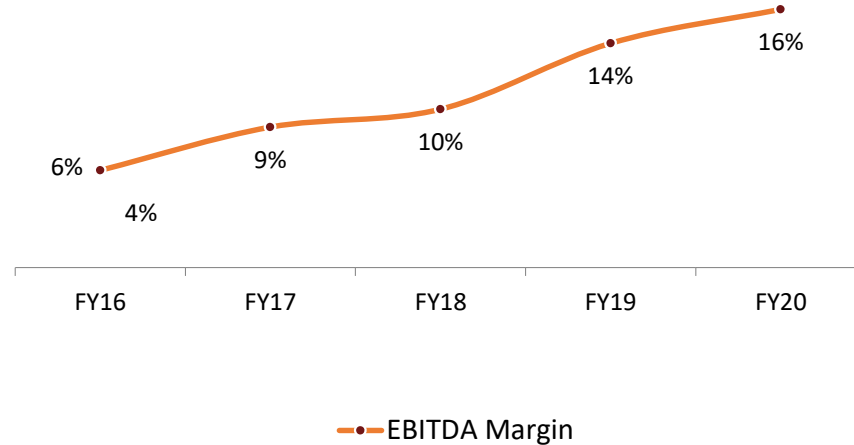
REVENUE (IN US\$M)

Revenue CAGR FY16-20: +16%



EBITDA MARGIN

EBITDA CAGR FY16-20: +48%



Source: Management

Historical Performance



<i>in US\$m, FYE 31/12</i>	2016A	2017A	2018A	2019A	2020A	CAGR 16A-20A
INCOME STATEMENT						
Revenues	115,2	135,7	180,0	205,4	207,1	15,8%
% Growth ⁽¹⁾	na	17,9%	32,6%	14,1%	0,8%	
Gross Profit	4,6	14,4	21,9	32,1	38,2	69,6%
% Margin	4,0%	10,6%	12,2%	15,6%	18,4%	
EBITDA	7,1	12,1	18,1	29,3	34,1	48,1%
% Margin	6,2%	8,9%	10,0%	14,3%	16,5%	
EBIT	(14,4)	(6,7)	1,1	11,0	17,2	n.m.
% Margin	(12,5%)	(5,0%)	0,6%	5,4%	8,3%	
CASH FLOW STATEMENTS						
EBITDA	7,1	12,1	18,1	29,3	34,1	48,1%
Var. of Working Capital	(5,8)	0,0	(6,8)	(0,6)	3,3	
Other	(1,3)	(0,1)	0,1	-	(6,9)	
Cash from operations	0,0	12,0	11,3	28,7	30,6	n.m.
Capex	(6,5)	(9,5)	(12,7)	(12,5)	(13,3)	
Free Cash Flow (pre interests and taxes)	(6,5)	2,5	(1,4)	16,2	17,2	n.m.
Rigs	302	302	302	302	302	0,0%
Employees	1 536	1 526	1 882	1 946	2 106	8,2%

Source: Management

Notes: (1) Includes amortization and depreciation expenses related to operations; (2) Excluding financial interests and taxes

Debt Restructuring Completed

On July 7, 2021, the Company finalized its financial reorganization related to the early redemption of its euro-denominated bonds maturing in May 2022. The Company raised US\$ 100 million of new bonds for the purpose of financing the transaction. The refinancing resulted in a reduction of the net debt of 51.3 M\$ and the extension of the maturity through the end of 2025.

Proforma Balance sheet June 30, 2021

<i>In USD m</i>	June 30, 2021 Proforma	June 30, 2021
Cash and cash equivalent	20.0	20.1
Working Capital	30.9	30.4
Total current assets	50.9	50.5
Property, Plant and Equipment	40.1	40.1
Goodwill	70.5	70.5
Other LT assets - liabilities	17.3	26.3
Total long-term assets	127.9	136.9
Equity	69.7	26.9
Total borrowings	109.1	160.5
Net Debt	89.1	140.4

Compelling Investment Proposition



3rd largest global mineral driller – well respected by industry



World-class Customer base. 90% Tier one. Rated FAR services at 82.4/100 in latest survey.



50% of activity linked to green energy and water



Agile and innovative and with highly rated drill crews and management



Well diversified global geographical presence



Solid management team aligned with shareholders



Demonstrated financial and operational resilience during difficult times



Superior profitability

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