

A Global Leader in Mineral and Water Drilling Services



TSX : FAR

Lithium exploration, Argentina

FORACO.COM

At a Glance



#3 mineral drilling services contractor worldwide by number of drills
2021 revenue of \$270M & \$314M TTM



Outperform main competition on profitability & growth



Over 2,900 employees Q3 2022
Operate 302 rigs.



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



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

Capital Market Profile



Corporate Headquarters: **Marseille, France**

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

Shares Issued and Outstanding: **99.3 million**

Share Price (Nov 1st 2022): **C\$1.32**

Market Capitalization: **C\$ 132 million**

52 Week High/Low: **C\$2.45 /\$0.92**

Number of Employees: **~2,900**



Shareholding structure*

61% FLOAT

34% DANIEL SIMONCINI,
JEAN-PIERRE CHARMENSAT

5% OTHER DIRECTORS
AND MANAGEMENT

FORACO Provides Drilling Solutions Across the Mining and Water Spaces

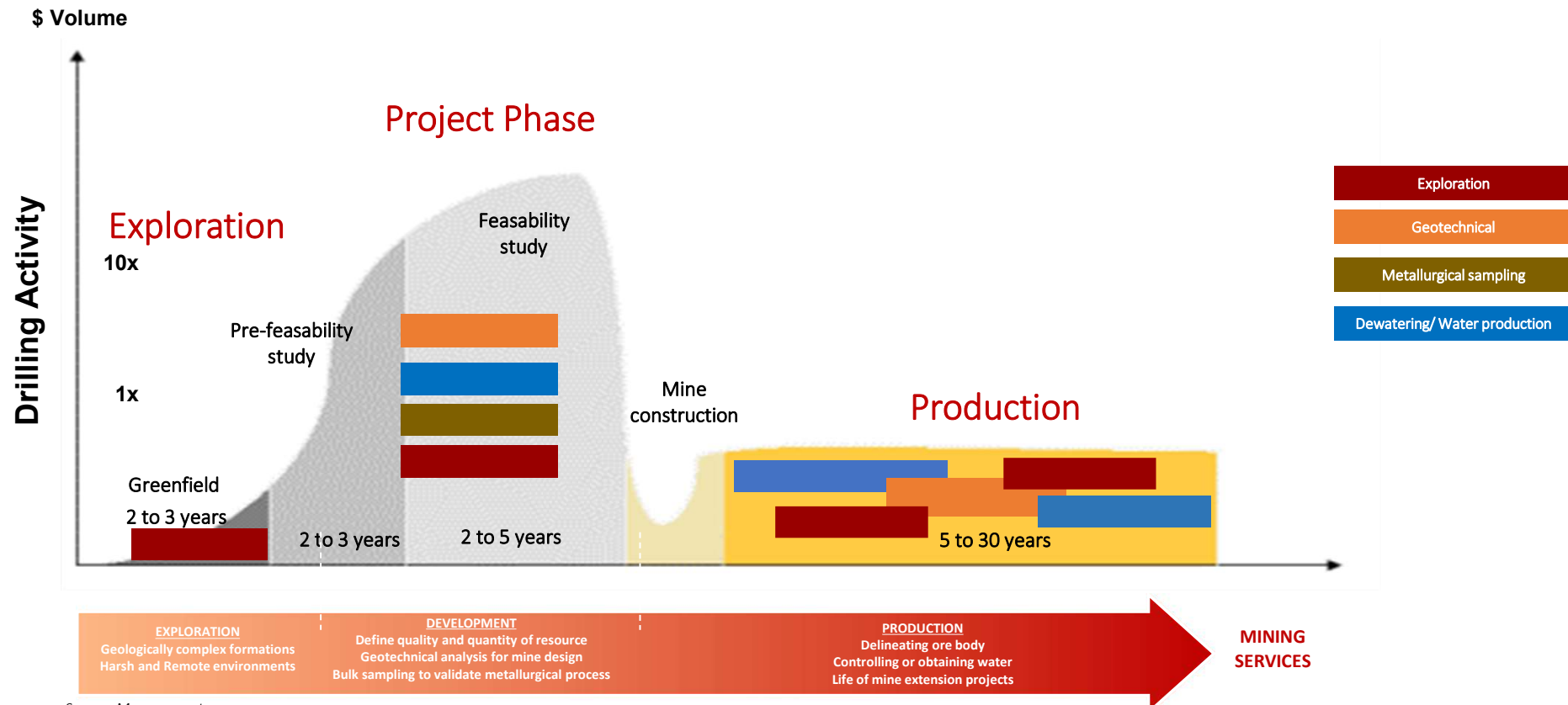


Deep coring rigs, Labrador

Foraco's Business is to Provide Drilling Solutions Across the Mining and Water Protection and Supply Cycles



DRILLING IS NEEDED AT EVERY STAGE OF A MINE LIFE CYCLE





Market Fundamentals Pointing To Sustained Growth

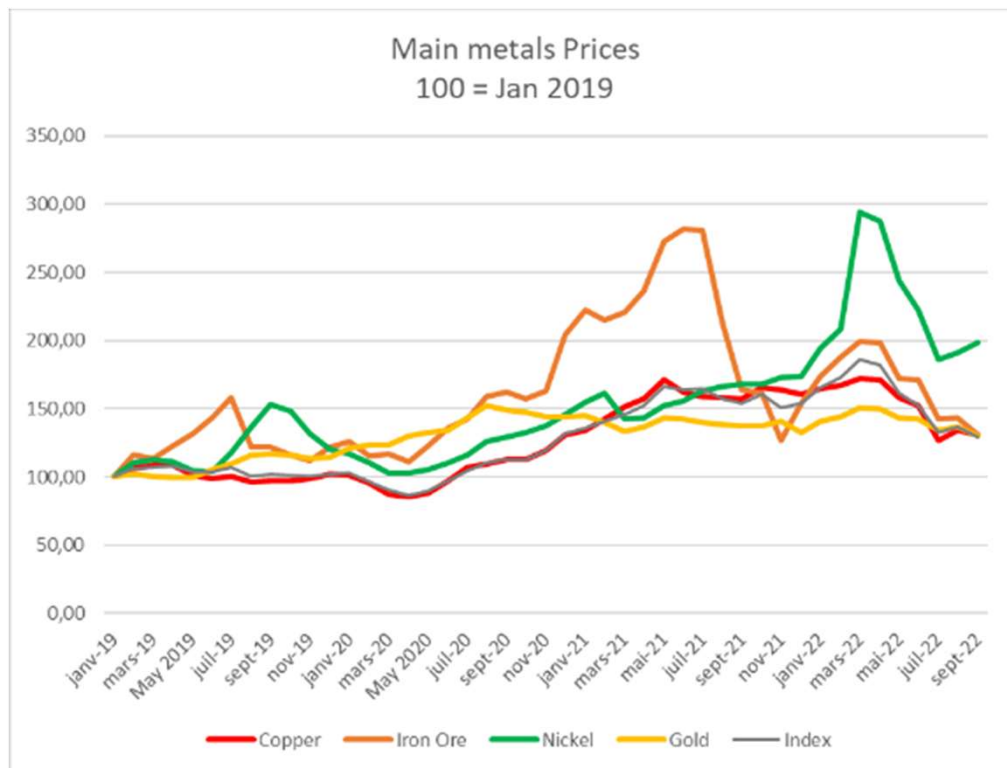
EV Metals Demand on the Rise – Gold
Reserves Shrink – Most Grades Fall

Deep coring, South Australia

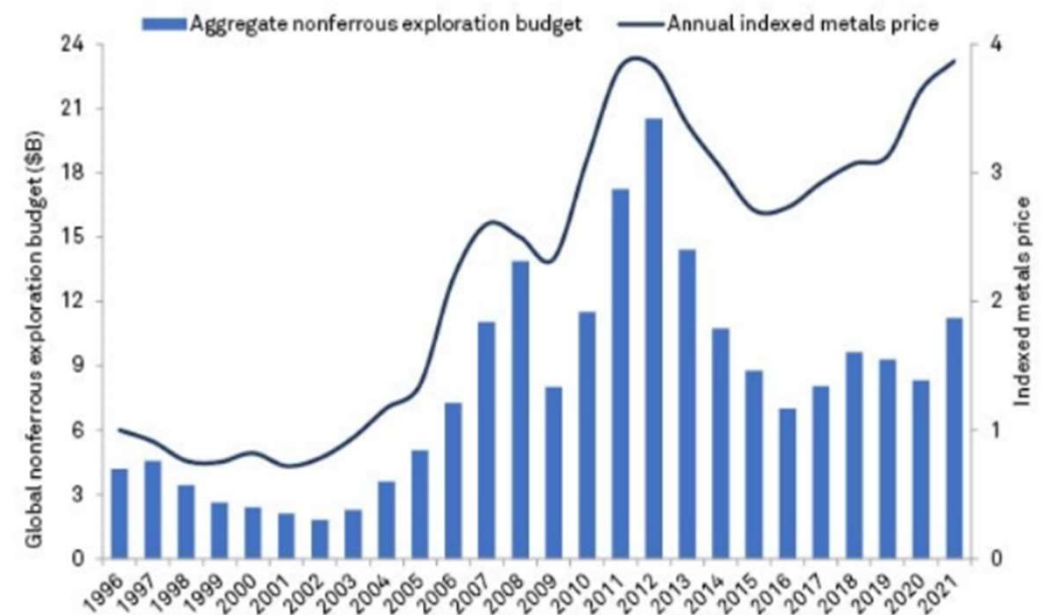
Metal Prices



The Fundamental Driver For Mining And Mineral Drilling Activity



Annual nonferrous exploration budgets, 1996-2021

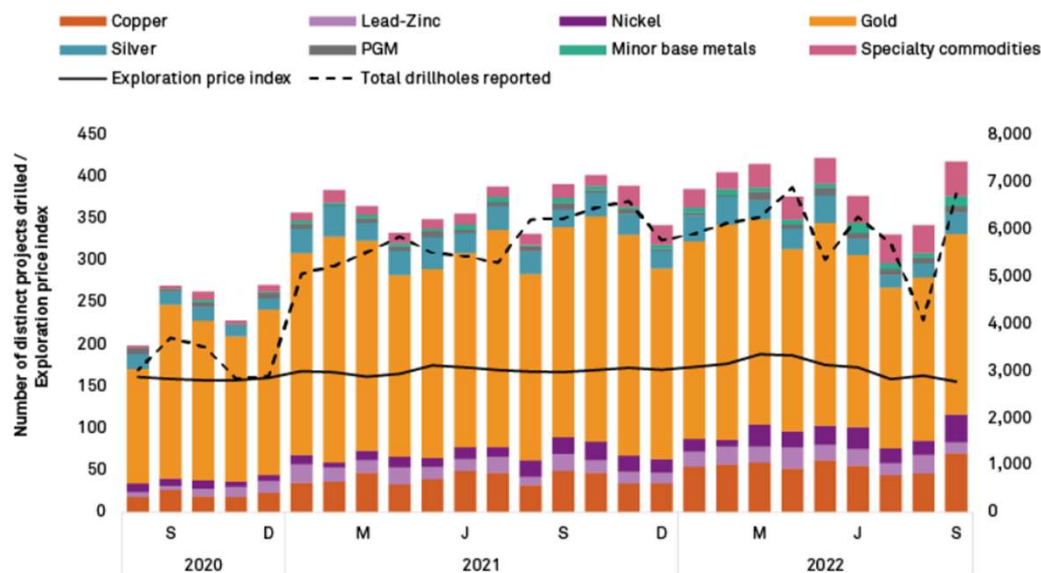


2022 YTD Upstream Market Activity: Growing And Focused on a Few Countries



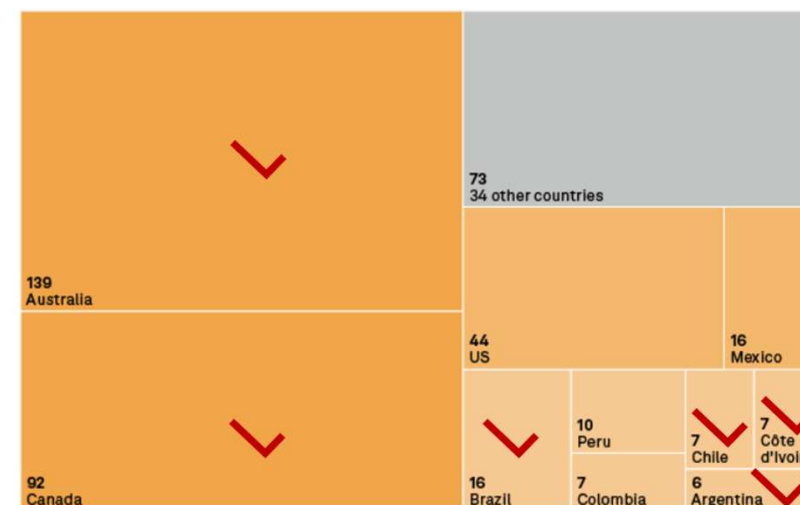
Gold projects drilled, up 11% month over month to 215, comprise more than half the total projects drilled in September. The number of minor base metals projects drilled more than doubled month over month to 128, as more tin projects were explored or extended, nearly matching the almost three-year high in June 2022. Nickel and copper led the increase among major base metals as both posted record-high counts of projects drilled for the month. Nickel projects almost doubled to 33, while copper projects grew by half to 70 — values not seen since the start of our records in 2012. Drilled projects under specialty commodities reached their highest level since March 2015 with a 24% jump to 41, mostly driven by increased drilling activities in lithium and uranium projects.

Project drilling activity by commodity, August 2020-September 2022



Data as of Oct. 5, 2022.
PGM = platinum group metals.
Does not include bulk commodities, e.g., iron ore, manganese, coal, bauxite, potash, phosphates and chromite.
Source: S&P Global Market Intelligence.
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Countries with most projects reporting drilling, September 2022



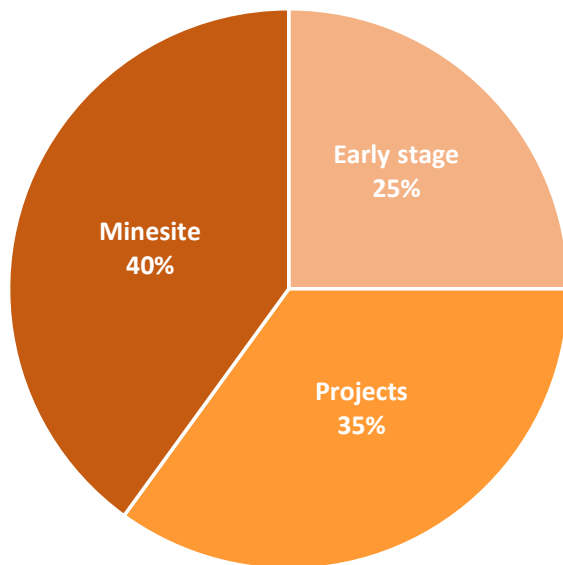
✓ FAR in the country

<https://www.spglobal.com/marketintelligence/en/news-insights/research/im-october-2022-increased-green-metals-activity-boosts-drilling-metrics>

Drilling Expenditures Are Poised To Rise When Considering Metal Demand Expectations And Falling Grades



**2022 Reported Drilling Exploration \$
Up 16% YoY**



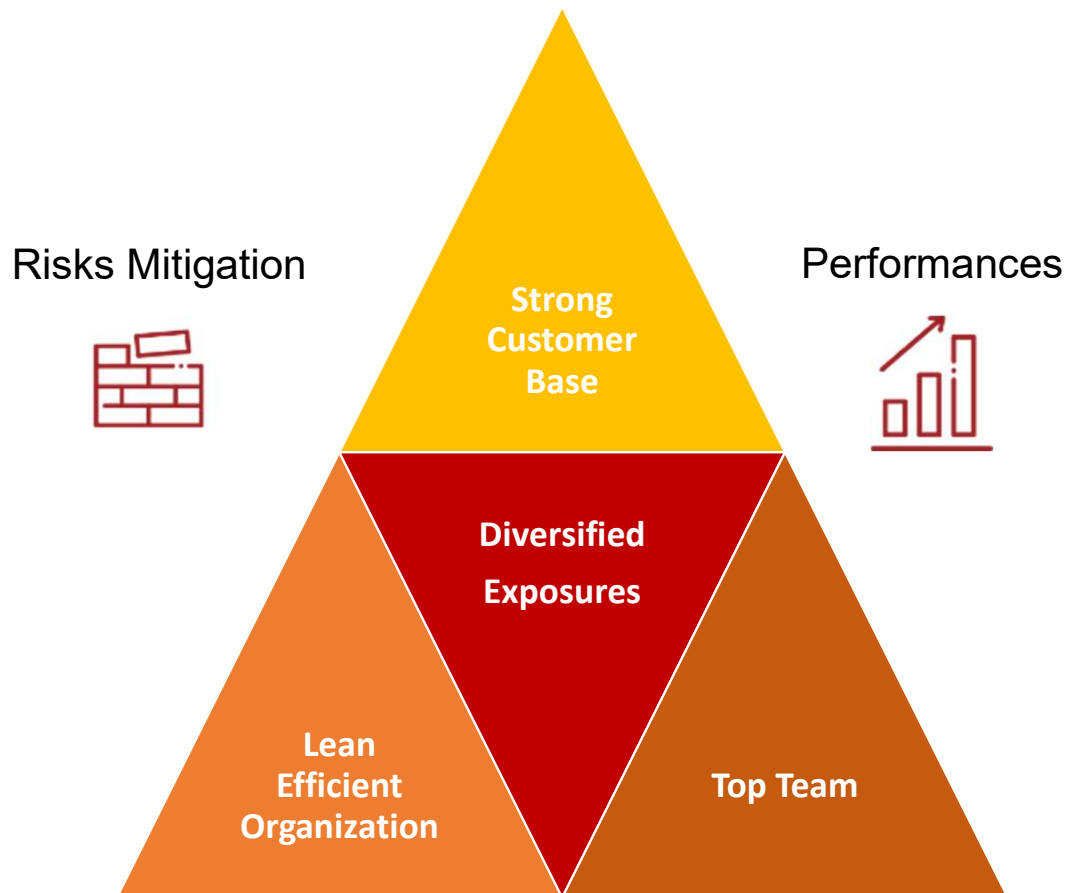
- EV metals (Copper, Nickel, Cobalt and Rare Earths) are under significant growing tension
- Large Cap gold reserves have decreased 35% since 2012
- Iron Ore is still way above LT average
- Summer 22 prices contraction as recession fears grew despite fundamentals with Li and Nickel as exceptions
- Tier One Clients such as Vale, Rio Tinto, Teck, BHP etc. are signalling a strong drilling activity in their 2023 budgets
- Increasing signs point to imminent squeeze in certain metals such as copper or nickel

Resilient Business Model
Highly Adaptive
Outperforming Market



Deep Coring Ontario, Canada

Foraco Strategy Is To De-Risk Most Dimensions of Its Business To Deliver Superior Performances



- Target the most demanding and sustainable Client Base: Tier 1 (Majors)
- Diversify all exposures to de-risk the business model: jurisdictions, customers, commodities, type of services and mines cycle
- Recruit, train, empower and develop an excellent international management team
- Adopt the leanest and most efficient organization: decentralization of operational decisions with razor sharp jobs financial monitoring, centralized strategy.
- Make Foraco a good and safe place to work

A Bit of History...



Minas Conga, Peru 1999

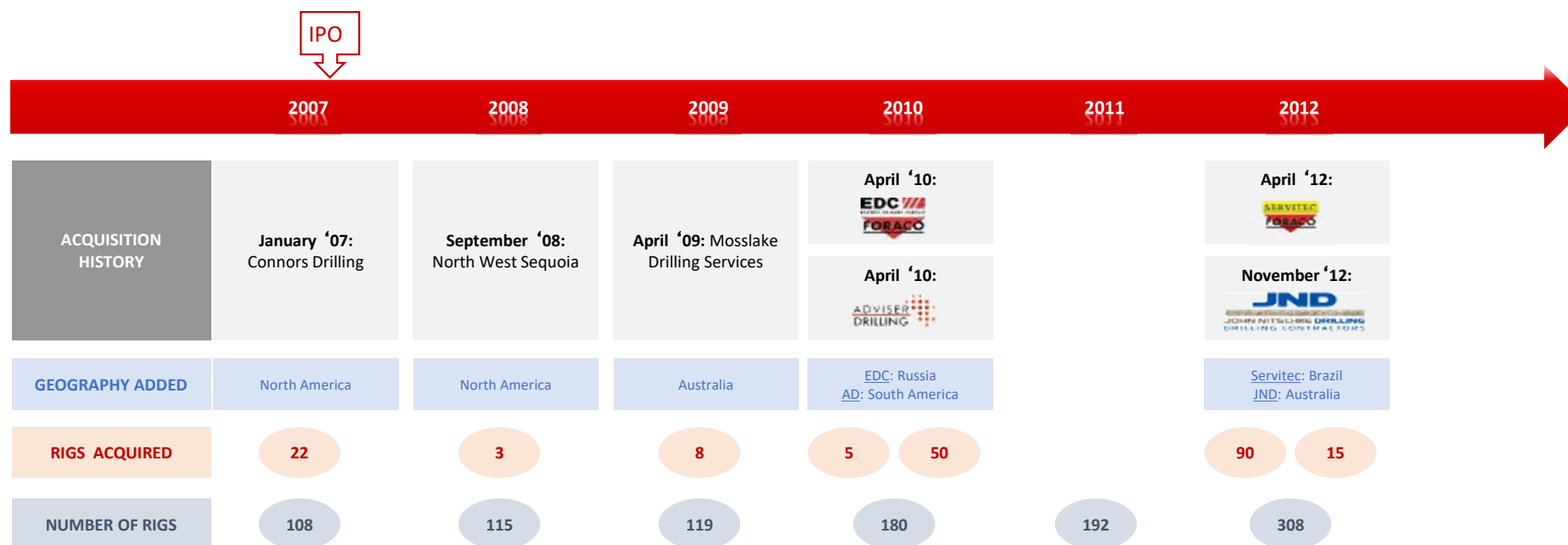
2007-2012 : Rolled out a Unique Resilient Business Model



Build Up Strategy to Establish a Global Footprint and Credibility with Senior Clients

Revenue grew from 103 M\$ to 368 M\$ and EBITDA from 24 M\$ to 83 M\$

Headcount from 655 to 4,500



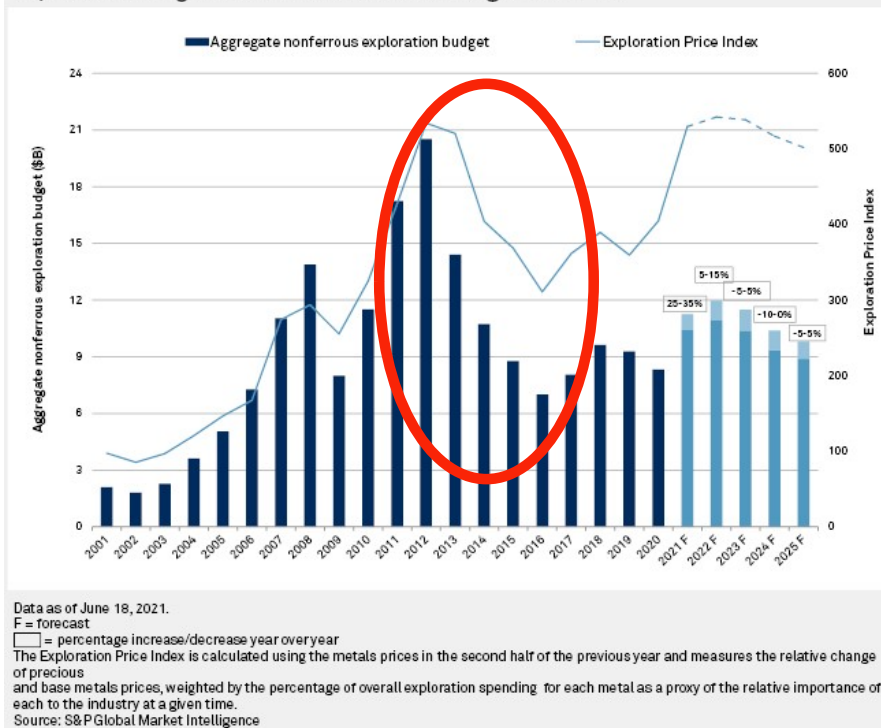
Source: Management

2013-2016: Survived the most severe recession in 30 years



Revenue shrinks from 247 M\$ to 115 M\$ and EBITDA from 38 M\$ to 7 M\$
Headcount reduced to 1,500

Exploration budgets 2001-20 and forecast budgets 2021-25



Source: Management

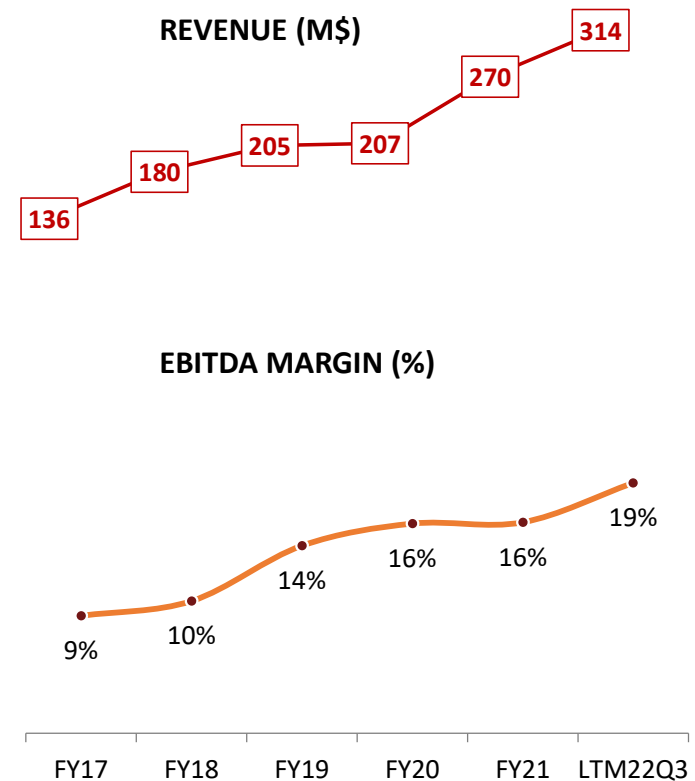
- **Maintained a positive EBITDA during recessionary market conditions**
- Managed working capital requirements
- Avoided liquidity risk
- Kept our strengths at the bottom-of-a-cycle
- Continued to focus on quality and safety
- **Retained best employees and expertise**
- Continued to address all commodities
- **Retained most of our Top Tier Clients**
- Focused on technological services like the directional drilling and frugal R&D (Remotely Controlled Rig)
- Kept operational and G&A costs under control

2017-Present: Organic Growth and Profitability Restoration



Revenue rebounds from 136 M\$ to 314 M\$ and EBITDA from 12 M\$ to 58 M\$ (2022 Q3 LTM)
Headcount up to 2,900

- Adjusted footprint marginally to focus fleet on most stable jurisdictions
- **Regained pricing power to offset inflation**
- Focus on high tech or client critical contracts
- **Successfully signed a row of significant multi-years contracts with long term Tier 1 customers**
- Booked a record high order book at end of 2021
- Deployed efficient HR policy to attract, retain and develop young professionals
- Deployed our directional deep coring services in Canada, Brazil and Australia
- **Renegotiated our debt without any significant equitization**



Foraco Today

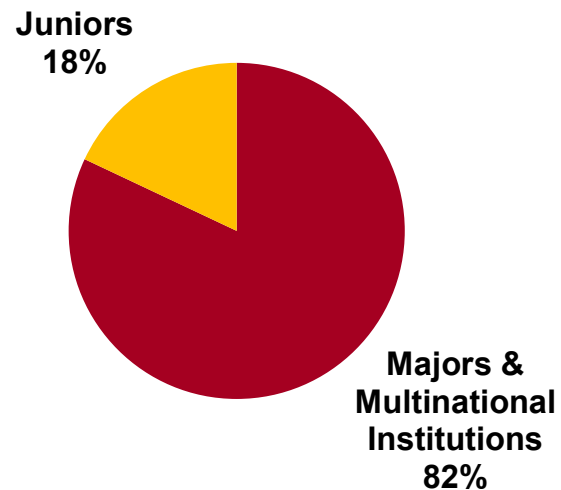


Large Diameter Dewatering Well
Australia

Strong and Consolidated Tier One Customers Base



REVENUE BY TIER FY 2021



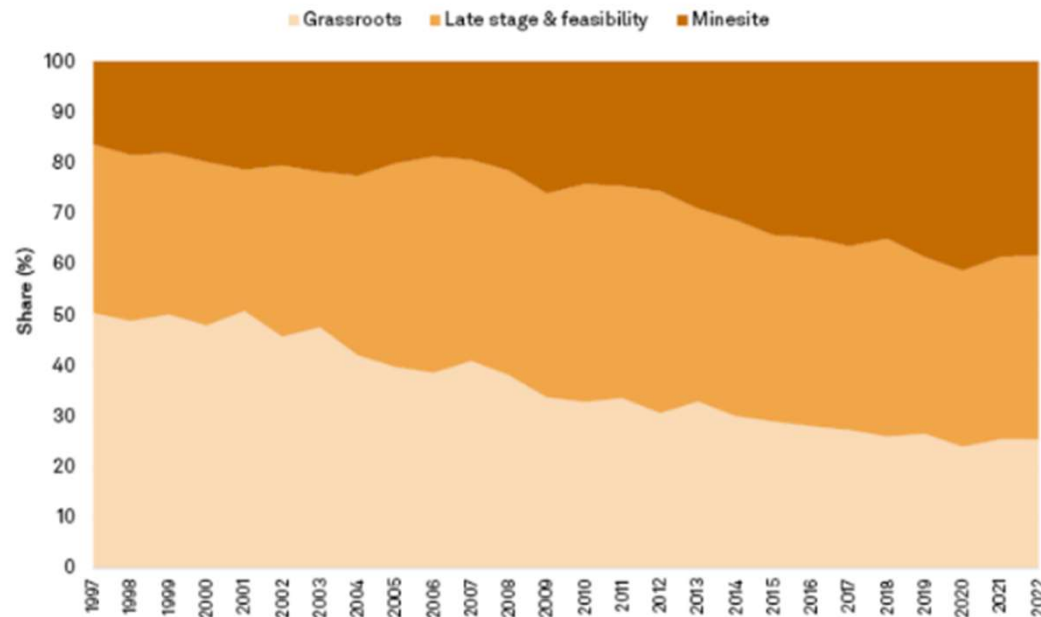
MAIN CUSTOMERS



Foraco Has Built A Significant Position In The Most Resilient Downstream Part Of The Mine Cycle

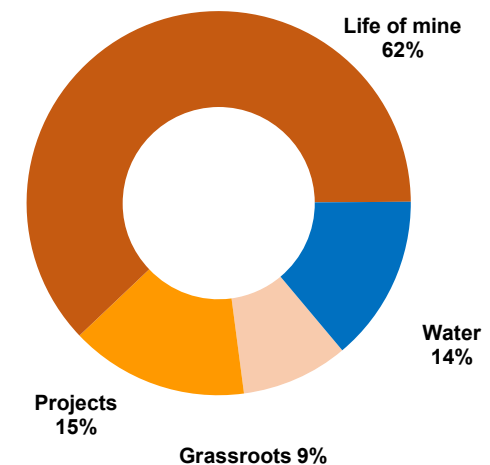


Share of global budget by stage, 1997-2022



Data as of Sep. 26, 2022.
Source: S&P Global Market Intelligence.
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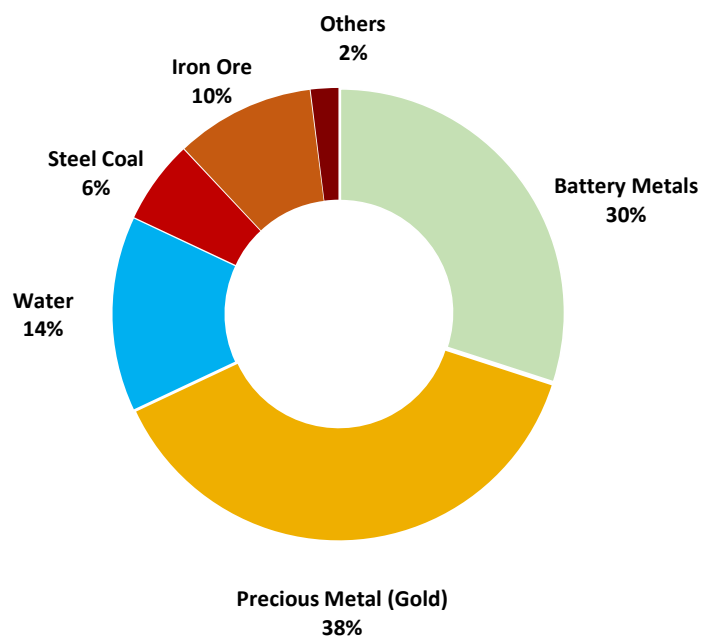
FORACO REVENUES BY MINE CYCLE (FY21)



Diversified Exposures : Increased Resilience To Cycles



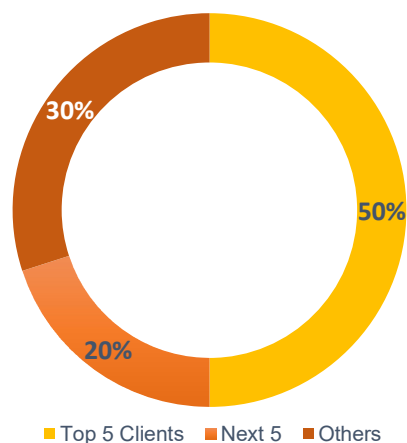
REVENUES BY COMMODITIES
(FY21)



**Broad spread of commodity exposure
No dependence upon any particular resource**

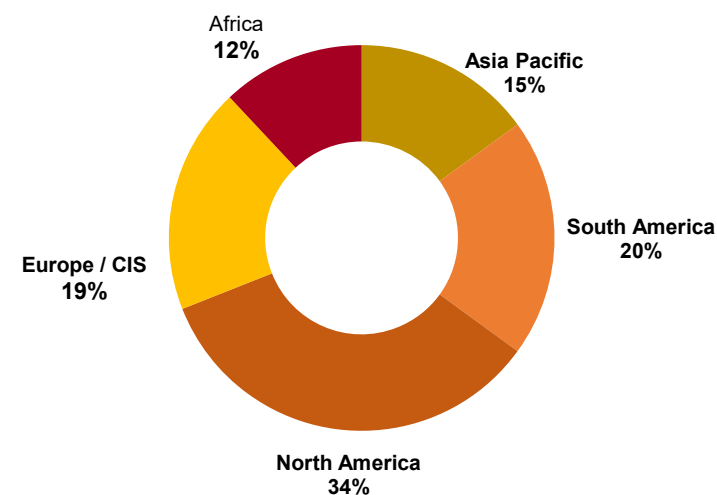
Source: Management

TOP CUSTOMERS
(FY21)



**Foraco top ten Customers
account for 70% of revenue**

REVENUES BY GEOGRAPHY
(FY21)

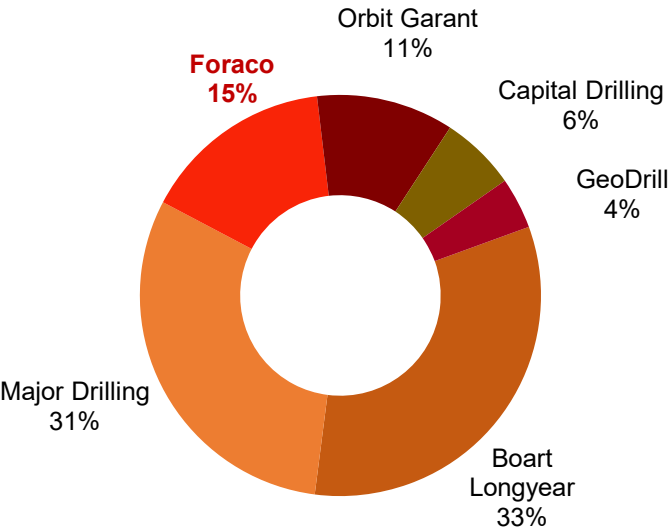


**Foraco geographical exposure
is diversified mostly in stable
jurisdictions**

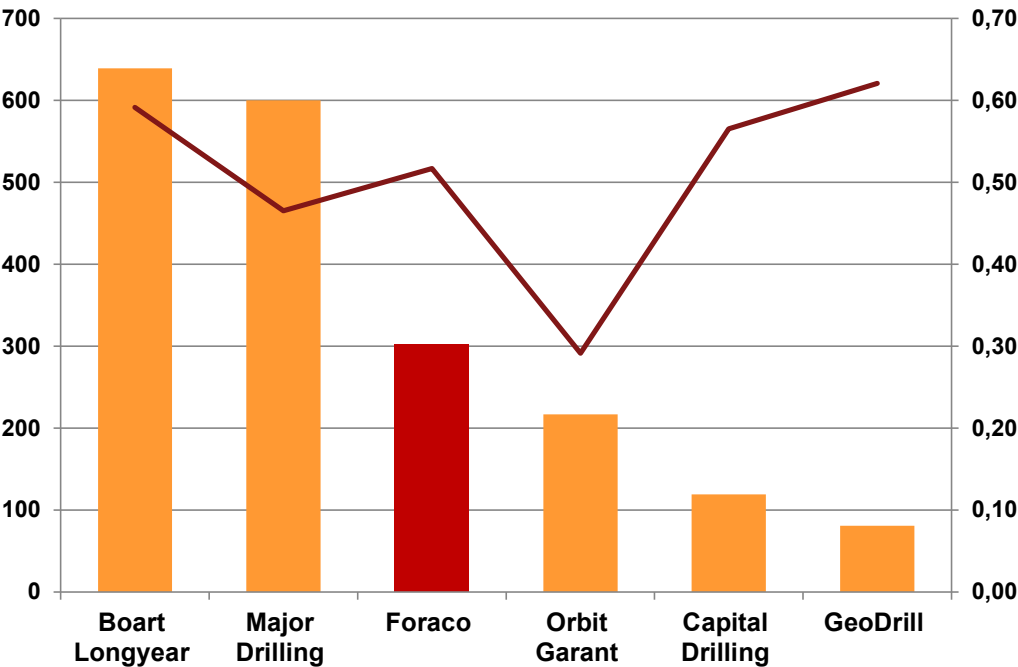
Global Fleet Stable and Pricing Power Coming Back



Main Global Competitors Rig Count



Last Reported Quarterly Revenue per Rig (MU\$) Vs Fleet Size



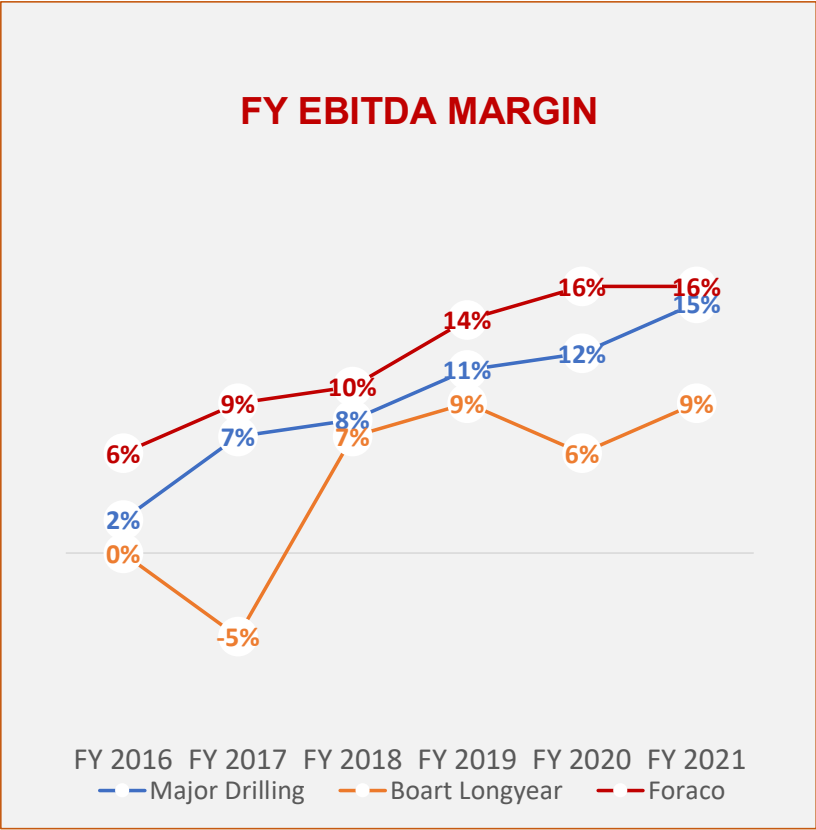
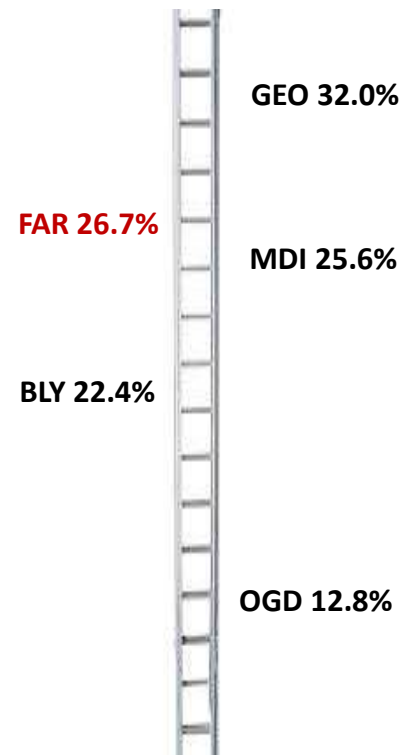
Sources: Annual reports, Companies, Brokers, Management estimates

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

Consistent Superior Profitability



Last Reported Quarterly GM



Sources: Public reports, Companies, Brokers, Management estimates

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

Foraco's Ingredients For Success



An Experienced International Workforce Retained by a Fair, Progressive and Efficient HR 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



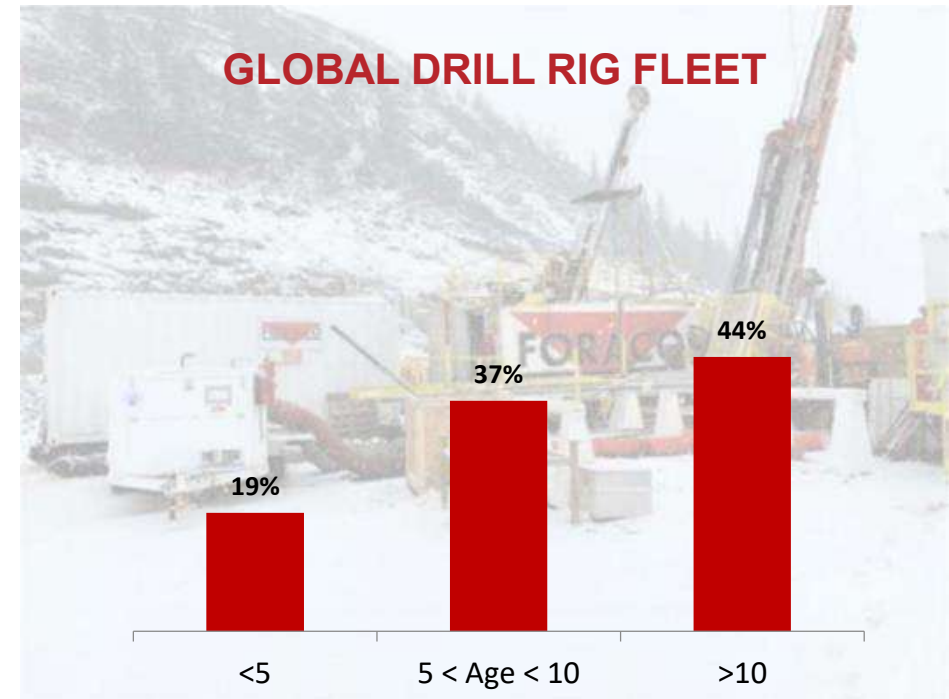
A Versatile Drill Fleet In Constant Evolution



302 Drill Rigs

62 Rotary & RC
190 Diamond
18 Combination
32 Underground

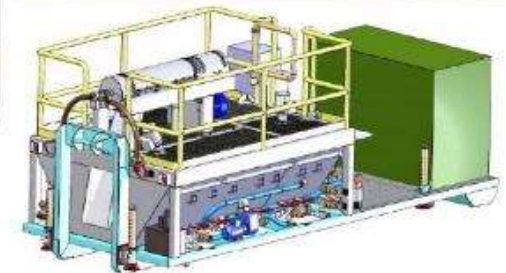
- 40 new rigs were added to the fleet since 2017
- FAR invests approx. 8% of its revenue in CAPEX
- Current market value of equipment estimated at USD\$120M
- Replacement value of a rig is between \$0.5 M and \$2.5 M
- New rig has an operational life of 15 to 20 years
- A rig can be rebuilt every 10 years, regaining another decade of market life



Innovation As One Of Our Founding Value



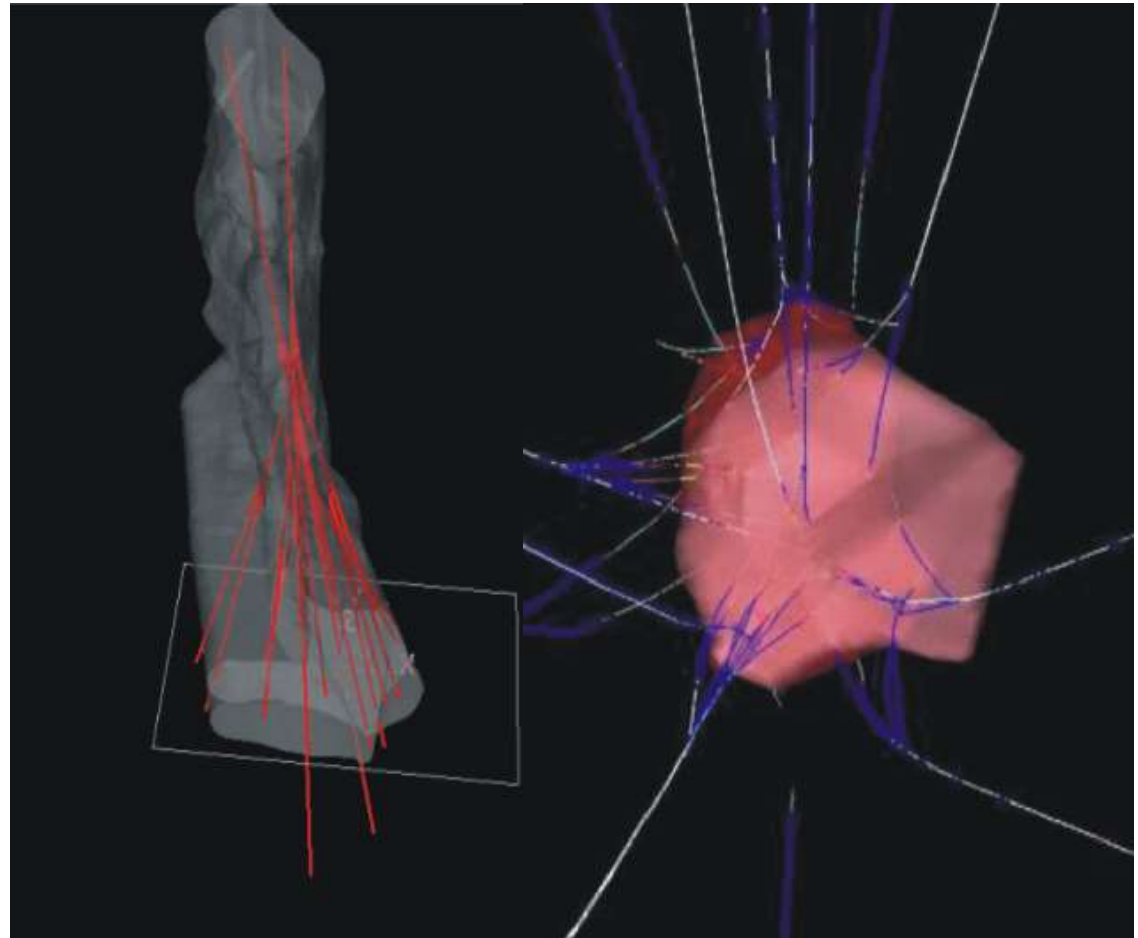
- Pioneered first wireless remote RC rig with fully featured Measure While Drilling (MWD)
- Awarded DMIRS Engineering Award of Merit
- Introduced in 2019 the next generation of remote RC (functional isolation/electronic exclusion zones)
- Will roll out early 2023 a new generation of water well specialized rig
- **We aim to reduce drill time and enhance crews safety**



Deep Directional Coring Drilling Lead



- 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**



Water Well Drilling Recognized Leadership



- 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..)



Forward Strategy



Remotely operated rig Pilbara, Australia

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
- Increased exposure to EV metals
- Reinforce our leadership in groundwater management



The Path Forward



STRENGTHEN BALANCE SHEET:

- 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



In a Nutshell: A 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

Appendixes



Historical Performance



<i>In US\$m, FYE 31/12</i>	2017A	2018A	2019A	2020A	2021A	CAGR 17A-21A
INCOME STATEMENT						
Revenues	135.7	180.0	205.4	207.1	269.7	14.7%
% Growth	17.8%	32.6%	14.1%	0.8%	30.2%	
Gross Profit (1)	14.4	21.9	21.1	38.2	46.8	26.6%
% Margin	10.6%	12.2%	10.3%	18.4%	17.4%	
EBITDA	12.1	18.1	29.3	34.1	43.0	28.9%
% EBITDA	8.9%	10.1%	14.3%	16.5%	15.9%	
EBIT	(6.7)	1.1	11.0	17.2	24.1	n.m
% EBIT	-4.9%	0.6%	5.4%	8.3%	8.9%	
CASH FLOW STATEMENTS						
EBITDA	12.1	18.1	29.3	34.1	43.0	28.9%
Var. of Working Capital	0.0	(6.8)	(0.6)	3.3	(4.0)	
Other	(0.1)	0.1	0.0	(6.9)	(10.0)	
Cash from operations	12.0	11.4	28.7	30.5	29.0	
Capex	(9.5)	(12.7)	(12.5)	(13.3)	(18.6)	
Free Cash Flow	2.5	(1.3)	16.2	17.2	10.4	
Rigs	302	302	302	302	302	0.0%
Employees	1,526	1,882	1,946	2,109	2,891	13.6%

Source: Management

Notes: (1) Includes amortization and depreciation expenses related to operations;

ESG Report Summary



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



2021: gathered data in all branches to estimate our current impact:

- CO2 emission: 63,825 TCO2
- Water consumption: 1,088,500 m3
- Energy: 935,120 Gj



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



Foraco has collective bargaining agreements covering 56% of its workforce in complement of labor laws

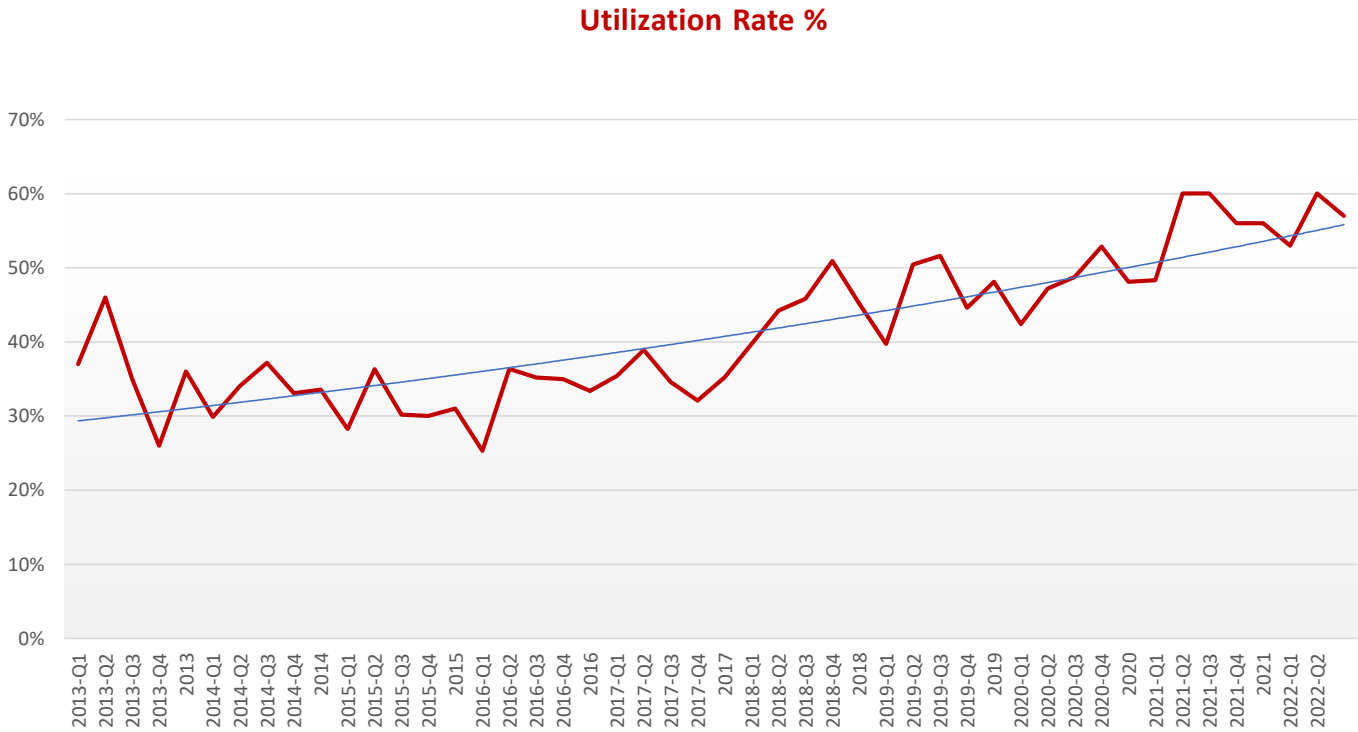


Foraco has a strong safety at work policy and systems in place: Zero LTI in 2021, TRIFR of 1.69 for 5,332,518 hours reported



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 : no whistleblow in 2021




Since 2016 Bottom Out Fleet Gained 20% in Booking



Source: Management

Revenue Generation: Characteristics, Monitoring and Risks



<p>CHARACTERISTICS</p> 	<ul style="list-style-type: none"> • Contracts typically used to range between 3 months and 1 year, during the downturn. Today, more and more clients ask for the optionality to extend their ongoing contracts (Rio, BHP, Teck...). Since 2017 and the market recovery, the duration of the contracts now ranges between 1 year and 3 years • Invoicing is based on work performed and issued monthly • Contracts are based on (i) meterage and price per meter (ii) hourly rate for Client time
<p>MONITORING</p> 	<ul style="list-style-type: none"> • Tender procedures follow a very rigorous process • Management considers that monitoring of contracts is key and implemented a strong financial reporting system • Monitoring the profitability of all its contracts is performed on a monthly basis
<p>RISKS</p> 	<ul style="list-style-type: none"> • The Company is a pure player in the domain of drilling and does not perform the diagnostic and analysis of the geotechnical samples which it extracts. This role is performed by the clients thus limiting the risk of litigation • There is a no history of claims • Contracts are signed by local entities and are denominated in local currencies. Local costs are mainly in the same currency as the contract



Heli Air Core Drilling, New Caledonia



**For more information
please contact**

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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.

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