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BUSINESS DEVELOPMENT

MESSAGE FROM THE PRESIDENT

As we look back on the last 8 months of the year and look forward to the next 4 months, it is safe to say that 2020 will go down as a very unusual year in the history of Hy-Tech. The rapid onset of the COVID-19 pandemic in North America in early 2020 has had a devastating effect on many businesses and has impacted many lives. We have not been immune to the effects of the COVID-19 pandemic at Hy-Tech but, throughout 2020 we have been successfully working through the operational challenges brought on by the pandemic.

The year began with a fairly typical start. We had a steady ramp-up to 20 drills in the 1st quarter of 2020, operating in 4 countries, and producing approximately 23,000 meters/month. Drilling production changed dramatically in the early 2nd quarter with the onset of the COVID pandemic. Within a few weeks all international and domestic operations came to an abrupt halt by mid-March, apart from 4 drills operating at the Red Chris mine. Our drilling production was reduced to 5,000 meters/ month and our revenue from drilling operations plummeted. At the time, very little was known about the virus. The economy was shutting down and we had no idea when we would be returning to work. During the next few months, our Management team worked together to develop health and safety protocols and procedures to ensure our employees were protected. We prepared a financial plan to ensure there was long-term funding available to support the company through an extended period without revenue from drilling, and we continued to prepare our equipment for a return to work. As in previous years when experiencing a downturn in drilling activity, we used this time to prepare for the next turnaround in the market.

Our field operations did not begin to return to normal levels in Canada until early July which was brought on by an unexpected bull market in precious metals. Gold prices began to rise sharply in the late 2nd quarter and in July topped US\$2,000 per ounce for the first time in history. Silver prices continued to rise to over US\$26 per ounce, an increase of more than 60% over prices last year. The surge in precious metal prices led to a substantial increase in drilling activity. At the end of the 2nd quarter we began ramping up our domestic operations and by the early 3rd quarter we had 30 drills in operation. It seems that some of our clients in Canada have expanded their drilling programs because of improving market conditions and other clients are trying to make up for drilling that was not completed in the 2nd quarter. It is shaping up to be a busy 3rd and 4th quarter for Hy-Tech which will help to offset some of the effects that the 2nd quarter shutdown has had on our operations. International operations will be slower to recover. We currently have 2 drills operating in Alaska and 1 underground drill in Spain. Unfortunately, there is no indication that we will be returning to work in Portugal or Sweden in 2020.

In our strategic planning efforts, we will continue to target the Mine Developers and the Major and Mid-tier mining companies to access larger drilling programs at their operations. As we continue our pursuit of these companies, we will need to ensure that we are adequately prepared to meet all their requirements.

-Brian Butterworth



Photo Credit: Brad Siemens, Pretium (Regional)



Photo Credit: Blade Degen, GCMC (Galore Creek)



Photo Credit: Layne Terrault, Pretium (Regional)

CONTRACTS

The restrictions due to COVID-19 continue to change and evolve now that mitigation plans have shown to be safe and successful. This has resulted in a busy and active summer thus far, and we now know a number of current clients are anticipating the expansion of existing programs as we move into the fall.

Additionally, the current gold market is allowing many companies to raise funds and we continue to have requests as to availability for work in the fall. These are being evaluated and discussed where there is an opportunity for success. All of this activity bodes well for a very busy fall and early winter season.

2020 PROJECTS



OPERATIONS

Summer exploration programs are now in full swing with work underway with Seabridge, Pure Gold, Barkerville, Pretium, HighGold and GT Gold. This work is in addition to the ongoing programs running at Red Chris, Brucejack and Barkerville.

Newmont has cut budgets, so Hy-Tech has finished drilling at Musselwhite. MATSA in Spain is back to normal operations with the remainder of Europe still on hold due to uncertainty around COVID-19. On a positive note, the program at Red Chris was expanded to 8 drills that are expected to turn to the end of the year. All indications are that our clients are eager to make up for delays due to COVID-19.

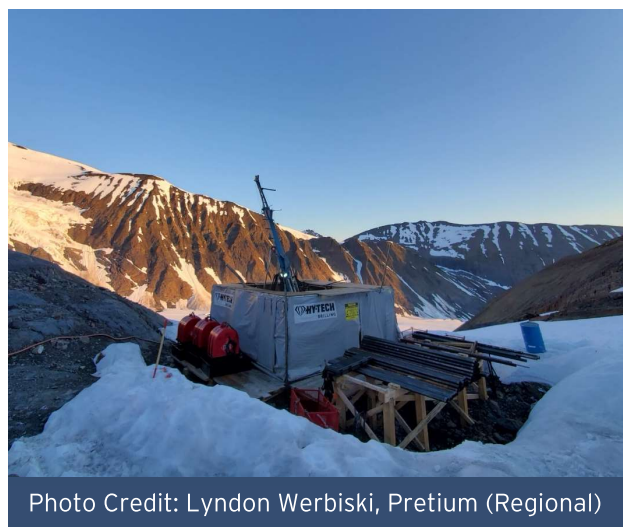


Photo Credit: Lyndon Werbiski, Pretium (Regional)

WHAT OUR CLIENTS ARE SAYING

"Other diamond drilling contractors have been used at Pretium's Brucejack project; however, none have matched Hy-Tech's professionalism, safety and production."

- Pretium Resources Inc.

TRAINING

NEW PART-TIME TRAINER - WESLEY KEATING

We are pleased to announce that Wesley Keating will be taking on the Part-Time Trainer position. He will be joining Barry Nabess in developing and delivering training in the field, as well as facilitating the Driller's Helper Training Program. Wes will continue drilling in the field when he is not assisting with training programs. Wes participated in the 2012 Driller's Helper Training Program and began Drilling in 2015. Wesley has assisted with the Driller's Helper Training Program since 2014 and has experience in various training activities in Canada and Portugal. Welcome to the Environmental Health and Safety Team Wes!



Photo Credit: Alex Krupka, GT Gold

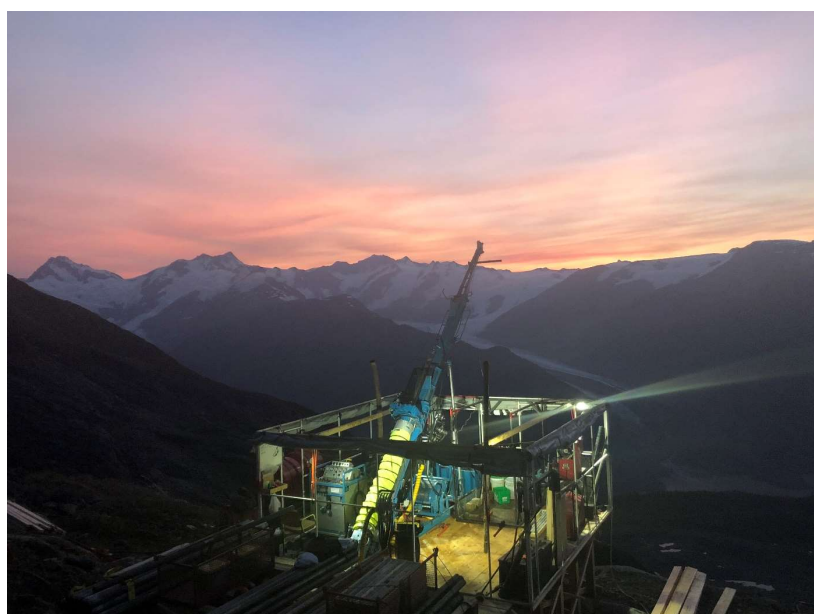


Photo Credit: Cory Martens, Pretium (Regional)



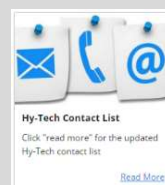
Your DATS percentage being lower than 100% could result in you not being able to return to work. You do not have to wait until your training has expired to do it, so we encourage you to be proactive instead of reactive and complete your training as soon as possible.

As of August 28th, our DATS average was at 90% compliance. Thank you to everyone for keeping up on your DATS training and let's all keep working towards 100%!



DATS IS THE PLACE TO GO FOR EMPLOYEE INFORMATION!

- Contact Information
- Forms
 - Expense Forms
 - OFI Submissions
 - Hazard ID Submissions
 - Benefits
 - RRSP forms & booklets
- Newsletters
- Quit Smoking Assistance



NEW HIRES

WELCOME MATT & KRISTEN

Kristen Pederson has joined the Hy-Tech team as the Field Scheduling & Recruitment (FSR) Administrative Assistant working alongside Dave and Steve to ensure smooth day-to-day operation. Kristen will provide support to the FSR department by helping with the recruitment and onboarding process, while assisting other departments such as HR and administration as required.

Kristen grew up in Smithers, figure skating, playing hockey, and snowmobiling. She now enjoys playing golf in her free time and is teaching her kids to play as well. They eat a lot so thank goodness she likes to cook!



Matt Kulak has joined the team as a Human Resources Coordinator and will be supporting Hy-Tech by focusing on the development and delivery of HR programs, employee support and satisfaction, and contributing to the achievement of company goals and objectives.

Matt grew up in Whitecourt, Alberta and enjoys anything outdoors. Since moving to Smithers in January, Matt has been out in the mountains, sledding, snowboarding, mountain biking, and hiking on the weekends. In his free time, Matt also enjoys metal fabrication, welding, and wrenching on just about anything.



MIKE PURNELL - PURCHASING MANAGER

We are excited to announce the promotion of **Mike Purnell** to the position of **Purchasing Manager** based out of the Smithers head office. As Purchasing Manager, Mike will be responsible for ensuring the availability and efficient movement of equipment and supplies to our field operations and shop locations.

Mike started his drilling career in 1990 in the Golden Triangle of BC working his way through the ranks of 5th Man, Helper, Driller and Foreman. He has worked on projects in Central America, Mexico, the Arctic, and many places in between. He left the industry for a number of years to work in heavy construction and logging before joining Hy-Tech in 2012 where he has filled several different roles: Yardman, Shipper/Receiver, and Logistics Coordinator. Mike will be working closely with Kieran Rysavy as he transitions into his new role.



Photo Credit: Calvin Turko, Pretium (Regional)



Photo Credit: Matt Tymofichuk, Seabridge (Iskut)

HUMAN RESOURCES

LEADERSHIP DEVELOPMENT - CALL FOR VOLUNTEERS

A long-standing goal from Strategic Planning and Foremen's Meetings have been to provide leadership training for our Foreman, Supervisors and Managers to build on current skills and add new ones that will help Hy-Tech continue to grow the best team in the industry.

Our Human Resources Department has been exploring options to find a course or certificate program that would be suitable for our diverse group of Foreman, Supervisors and Managers who are spread out across the country. Our plan is to test out a variety of different options to see which one fits best.

Are you a Foreman, Supervisor or Manager who is interested in helping?

Please contact Coby de Vries at coby.devries@hy-techdrilling.com for more information. All courses are currently being offered online due to COVID-19. This is a great opportunity to grow your leadership skills and help shape leadership development at Hy-Tech.



AVOID

IT'S TIME FOR OUR ANNUAL PERFORMANCE REVIEW. HERE'S HOW YOU'VE BEEN DOING FOR THE PAST YEAR...



ASPIRE

CAN I SHARE SOME FEEDBACK FOR YOU FROM THAT MEETING THIS MORNING?



"The function of leadership is to produce more leaders, not more followers."
-Ralph Nader



Colorado (KSP)

THANK YOU, IAN MOORE - FOR 18 YEARS OF SERVICE AT HY-TECH

Ian began his diamond drilling career with Falcon Drilling in 1987. He started at Hy-Tech as a Driller in 2002, and quickly moved to Foreman and Project Manager.

Ian was instrumental in establishing international operations in Portugal, Ireland, and Spain during his time at Hy-Tech. Ian's greatest strength is his technical expertise and his ability to manage high profile multi-drill projects like Seabridge KSM and Barkerville. Ian's most recent position was Country Manager in Portugal where he supported drill programs in Portugal, Spain, and Sweden.

Ian will be missed by all of us at Hy-Tech, but we know he is looking forward to a sunny retirement in Mexico!



GIVING BACK

2020 SCHOLARSHIP RECIPIENTS

Hy-Tech is proud to support highschool graduates from our local communities by awarding scholarships to students who are not only continuing their studies with post secondary education, but who are role models throughout their schools and communities. This year, Hy-Tech awarded scholarships to seven students, including our IT Tech, Graham Coldwell's daughter Emily.

Ayla Mykyte - Sa-Hali Secondary School

Ayla will be attending Thompson Rivers University in the fall to achieve a Bachelor of Science, eventually leading to medical school. Ayla's admiration and appreciation for family physicians, has led to her choosing a career in the medical field in hopes of becoming a general practitioner herself.

Ethan Leitch - Martensville High School

Ethan plans to start a 4 year apprenticeship through Saskatchewan Polytechnic to become an agricultural technician. Ethan's interest in machinery, work experience around equipment, and his family's involvement in the agriculture industry, has led him to pursue a career in this field.

Marissa Parsons - Smithers Secondary School

Marissa has been accepted to the University of Victoria and will start her studies in the fall to achieve a Bachelor of Fine Arts. Marissa plans to use her degree along with her analytical mind, and passion for drawing to pursue a career in architecture.

Emily Balaneski - La Loche Dene High School

Emily plans to study Arts and Sciences at the University of Saskatchewan to pursue a science degree with the hopes of continuing on to the Western College of Veterinary Medicine. With her love for animals and interest in the sciences, Emily hopes to return to La Loche to open up her own veterinary clinic.

Kurtis Spooner - Hazelton Secondary School

Kurtis hopes to achieve a Bachelor of Arts at the University of Northern British Columbia with a focus on English and Creative Writing. Kurtis plans to pursue his lifelong interest in writing and love for the arts in a career as a novel editor, author, or script writer for movies, T.V. shows, and plays.

Kyle Gelderland - Red Lake District High School

Kyle plans to attend Western University in the fall to achieve a Bachelor of Engineering with a focus on Mechatronic Engineering. Kyle enjoys problem solving, creating new designs, and working with robotic systems, which has sparked his career goal of working with ariel drones to assist with fighting forest fires.

Emily Coldwell - Smithers Secondary School

Emily has been accepted to Vancouver Island University in the fall and plans to achieve a Bachelor of Science majoring in Chemistry. Emily hopes to continue growing her interest and knowledge of chemistry to eventually pursue a career as a Chemical Analyst.



Ethan Leitch



Marissa Parsons



Kyle Gelderland



Emily Coldwell

"Education is not preparation for life; education is life itself."

- John Dewey

WORKPLACE WELLNESS

SHORLEINE CLEAN-UP

While we enjoy the beautiful lakes, rivers, and oceans in our backyards, it is important to be aware of the impact we can have on nature and wildlife around us. Respect for the environment and our stakeholders is one of Hy-Tech's key values. We are committed to upholding high environmental standards everywhere we work, and we hope our employees will have the same standards everywhere they play.

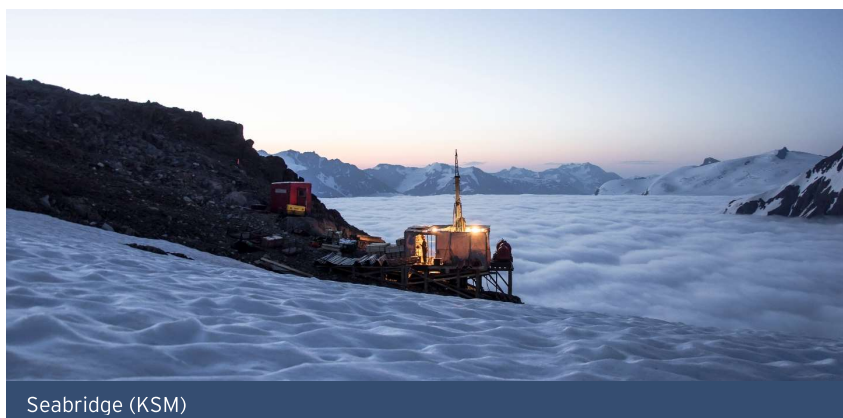


Picking up after yourself is the best way to preserve our local communities; however, we can always do more. **The Great Canadian Shoreline Clean-Up** is a national conservation program, which started in Vancouver, BC, that gives Canadians an opportunity to take action in their communities, one bit of trash at a time. If you are interested in their movement and want to make a difference for nature and wildlife in your area, visit their website at www.shorelinecleanup.ca.

To encourage everyone to acknowledge and respect the beauty of our waters and shorelines, we want you to send us a picture of you and your family enjoying any kind of water activities this summer! Whether you have been boating, paddling, fishing, or just enjoying the waters around you - we want to see it! Send in your pictures to admin@hy-techdrilling.com and be entered into a random draw for a chance to win a Hy-Tech Yeti Mug!



Constantine (Palmer)



Seabridge (KSM)

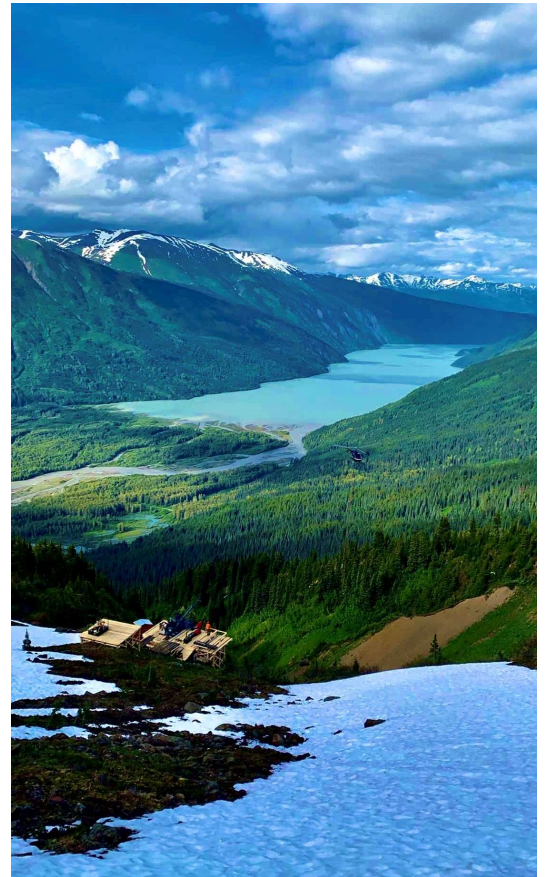


Photo Credit: Nick Richard, Pretium (Regional)



LADIES AND GENTLEMEN BOYS & GIRLS

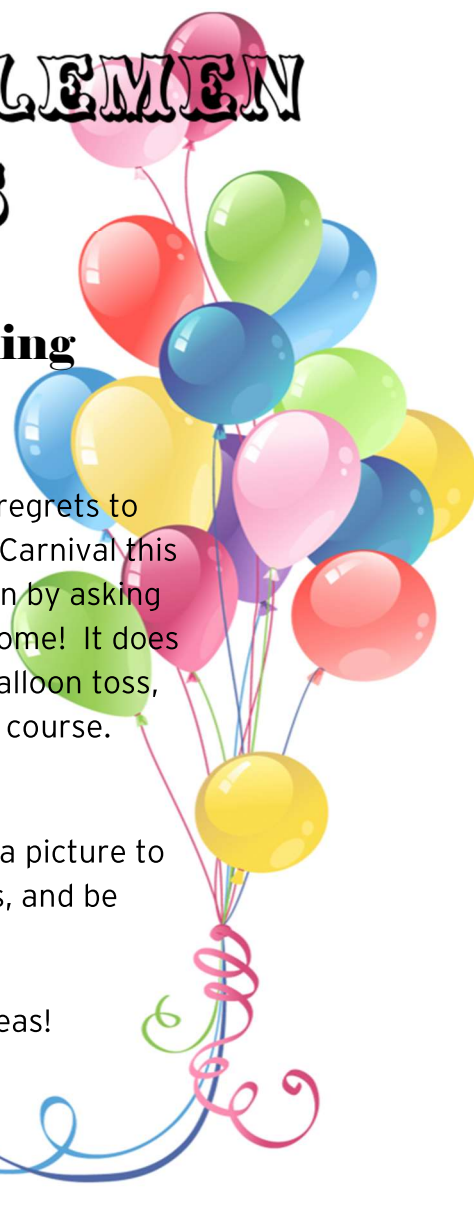
**Come one, come all,
The Hy-Tech Carnival is coming
to your house!!**

Due to COVID-19 being an ongoing situation, Hy-Tech regrets to inform everyone that there will not be an in-person Kids Carnival this year. But we are trying to make the best of the situation by asking kids and parents to create your own Carnival games at home! It does not have to be anything extravagant - maybe a water balloon toss, golf putt-putt in your backyard or a bicycle obstacle course.

Anything you can think of!

Once you have completed your Carnival Activity, send in a picture to admin@hy-techdrilling.com to win amazing kids prizes, and be featured in the next Hy-Times Kidz Korner!

We look forward to seeing everyone's creative ideas!



CONGRATULATIONS TO THE WINNERS OF LAST KIDZ KORNER...

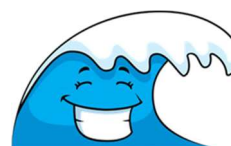
Bently (James Loring), was the winner of the Spot the Difference Challenge! Also, congratulations to **Parker and Alexis Squier** (Cory Squire) for having the best joke submissions!

Parker - *What is a frog's favourite summertime treat?*



A: Hopsicles!

Alexis - *How can you tell that the ocean is friendly?*



A: It waves!