NEWS RELEASE

Major Drilling Announces Second Quarter Results - Earnings Up 120%

MONCTON, New Brunswick (December 4, 2019) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its second quarter of fiscal year 2020, ended October 31, 2019.

Highlights

In millions of Canadian dollars (except earnings per share)	Q2-20	Q2-19	YTD-20	YTD-19
Revenue	$121.2	$105.5	$238.6	$204.0
Gross profit	34.0	28.9	64.7	52.3
As percentage of revenue	28.1%	27.4%	27.1%	25.7%
EBITDA(1)	20.5	15.6	38.4	25.7
As percentage of revenue	16.9%	14.8%	16.1%	12.6%
Net earnings	7.3	3.3	13.3	0.8
Earnings per share	0.09	0.04	0.17	0.01

(1) Earnings before interest, taxes, depreciation and amortization (see "non-IFRS financial measure")

- Quarterly revenue was $121.2 million, up 15% from the same quarter last year.
- Gross margin percentage for the quarter was 28.1%, compared to 27.4% for the corresponding period last year.
- EBITDA was up more than 30% to $20.5 million for the quarter as compared to the same period last year (the impact of IFRS 16 Leases ("IFRS 16") was minimal at $0.5 million).
- Net earnings were $7.3 million or $0.09 per share for the quarter, compared to $3.3 million or $0.04 per share for the prior year quarter.
- Net cash is up $12.8 million during the quarter to $22.5 million.

"Demand for our services continued to grow in all of our regions this quarter, driven primarily by market share growth as customers value our specialized expertise and safety culture," said Denis Larocque, President and CEO of Major Drilling Group International Inc. "We had a very good operational quarter all around, which has allowed us to produce good margins. Margins were also strengthened by a one-time revenue adjustment from escalation and currency clauses on one of our contracts."

"The Company's EBITDA increased by 30% with a 15% revenue growth, demonstrating the Company's operational leverage. We continue to reap productivity benefits from the tools we've developed over the last few years and from our enhanced training and skilled labour force. Also, our administrative costs remained relatively stable despite the revenue growth."

"The Company improved its net cash position by $12.8 million to $22.5 million this quarter. We spent $5.5 million on capital expenditures, adding one new rig to our fleet, as well as rod handlers and support equipment and disposed of one rig, in line with our strategy of improving our fleet and services. The fleet total remains unchanged at 601 rigs," added Mr. Larocque.

"We are continuing to improve the suite of services we offer our customers with new innovative solutions and improved equipment, through increased hands-free rod handling capacity, computerized rigs and deep hole capacity. We have established mutually beneficial partnerships with several of our senior customers to develop these innovative solutions."

"It is important to note that we are now in our third quarter, traditionally the weakest quarter of our fiscal year, as mining and exploration companies shut down, often for extended periods over the holiday season. As usual, due to the time it takes to mobilize once new contracts are awarded, a slow start-up pace is expected in January and February. Additionally, the Company schedules substantial overhaul and maintenance work on its equipment during this slower period. These factors result in reduced revenue, increased costs, and reduced margins in the third quarter," said Mr. Larocque.

"Following the end of the second quarter, on November 1st, the Company closed a transaction to acquire the shares of Norex Drilling Limited. The transaction was completed by payment of a cash portion of $15.2 million (subject to post-closing debt, working capital adjustments and holdbacks) out of the Company's current cash balance and the issuance of 334,169 common shares of the Company. In addition, an earn-out of up to $2.5 million will be payable in cash following the third anniversary of the closing, subject to certain conditions."

"Looking forward to the fourth quarter and beyond, senior customers are still working through their budget process and have yet to decide on post-holiday exploration plans. The price of gold, which historically has accounted for approximately 50% of the Company's drilling activity, has remained above US$1,400 an ounce over the last four months, which has produced some good cash flow generation and improved balance sheets for our senior gold customers. Although exploration expenditures are down globally in calendar 2019, we have increased our revenue with senior mining companies by 24% as we continue to build our relationships with these customers. As activity increases, we expect to face labour and materials cost inflation. We are in a position to react quickly to customers' demands as the Company's financial strength has allowed it to invest in safety equipment, innovation and to maintain its equipment in excellent condition."

"Finally, I am pleased to announce that Ms. Sybil Veenman has been appointed to the Company's Board of Directors. Ms. Veenman brings over 20 years of mining industry experience both as a public company director and a senior executive. Previously, she was Senior Vice-President and General Counsel and a member of the executive leadership team at Barrick Gold Corporation. She currently serves as a director at Royal Gold Inc., IAMGOLD, NexGen Energy Ltd. and Noront Resources Ltd."

Second Quarter Ended October 31, 2019

Total revenue for the quarter was $121.2 million, up 15% from revenue of $105.5 million recorded in the same quarter last year. The favourable foreign exchange translation impact for the quarter, when comparing to the effective rates for the same period last year, is estimated at $1 million on revenue, with a negligible impact on net earnings.

Revenue for the quarter from Canada - U.S. drilling operations increased by 16% to $65.3 million, compared to the same period last year, with both regions demonstrating growth. Our U.S. operations experienced another strong quarter of revenue growth due to increased market share with senior customers.

South and Central American revenue increased by 2% to $29.8 million for the quarter, compared to the same quarter last year. A strong quarter in Mexico and Brazil was offset by a continued slowdown in Argentina due to political uncertainty, as well as business interruptions in Chile and Suriname due to unforeseen political and civil unrest.

Asian and African operations reported revenue of $26.1 million, up 32% from the same period last year. Indonesia and Southern Africa continued their recent growth trends, which more than offset the loss of revenue from closing our Burkina Faso operations in the previous year.

The overall gross margin percentage for the quarter was 28.1%, compared to 27.4% for the same period last year. A good operational quarter, somewhat strengthened by a one-time revenue adjustment from escalation and currency clauses on one of our contracts, contributed to the margin growth.

General and administrative costs were $11.5 million, an increase of $0.3 million compared to the same quarter last year. The marginal increase was mainly driven by our share-based compensation plan that was impacted by the positive upward movement of the share price over the quarter, offset by the impact of IFRS 16.

Net earnings were $7.3 million or $0.09 per share ($0.09 per share diluted) for the quarter, compared to net earnings of $3.3 million or $0.04 per share ($0.04 per share diluted) for the prior year quarter.

Non-IFRS Financial Measure

The Company uses the non-IFRS financial measure, EBITDA. The Company believes this non-IFRS financial measure is key, for both management and investors, in evaluating performance at a consolidated level. EBITDA is commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. This measure does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

Forward-Looking Statements

Some of the statements contained in this news release may be forward-looking statements, such as, but not limited to, those relating to: worldwide demand for gold and base metals and overall commodity prices; the level of activity in the mining industry and the demand for the Company's services; the Canadian and international economic environments; the Company's ability to attract and retain customers and to manage its assets and operating costs; sources of funding for its clients (particularly for junior mining companies); competitive pressures; currency movements (which can affect the Company's revenue in Canadian dollars); the geographic distribution of the Company's operations; the impact of operational changes; changes in jurisdictions in which the Company operates (including changes in regulation); failure by counterparties to fulfill contractual obligations; and other factors as may be set forth as well as objectives or goals including words to the effect that the Company or management expects a stated condition to exist or occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements by reason of factors such as, but not limited to, the factors set out in the discussion on pages 14 to 18 of the 2019 Annual Report entitled "General Risks and Uncertainties", and such other documents as available on SEDAR at www.sedar.com. All such factors should be considered carefully when making decisions with respect to the Company. The Company does not undertake to update any forward-looking statements, including those statements that are incorporated by reference herein, whether written or oral, that may be made from time to time by or on its behalf, except in accordance with applicable securities laws.

About Major Drilling

Major Drilling Group International Inc. is one of the world's largest drilling services companies primarily serving the mining industry. Established in 1980, Major Drilling has over 1,000 years of combined experience within its management team alone. The Company maintains field operations and offices in Canada, the United States, Mexico, South America, Asia, Africa and Europe. Major Drilling provides a complete suite of drilling services including surface and underground coring, directional, reverse circulation, sonic, geotechnical, environmental, water-well, coal-bed methane, shallow gas, underground percussive/longhole drilling, surface drill and blast, and a variety of mine services.

Webcast/Conference Call Information

Major Drilling Group International Inc. will provide a simultaneous webcast and conference call to discuss its quarterly results on Thursday, December 5, 2019 at 9:00 AM (EST). To access the webcast, which includes a slide presentation, please go to the investors/webcast section of Major Drilling's website at www.majordrilling.com and click on the link. Please note that this is listen-only mode.

To participate in the conference call, please dial 416-340-2216 and ask for Major Drilling's Second Quarter Results Conference Call. To ensure your participation, please call in approximately five minutes prior to the scheduled start of the call.

For those unable to participate, a taped rebroadcast will be available approximately one hour after the completion of the call until midnight, Friday, December 20, 2019. To access the rebroadcast, dial 905-694-9451 and enter the passcode 4640647#. The webcast will also be archived for one year and can be accessed on the Major Drilling website at www.majordrilling.com.

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Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Operations
(in thousands of Canadian dollars, except per share information)
(unaudited)

	Three months ended October 31		Six months ended October 31	
	2019	2018	**2019**	2018
TOTAL REVENUE	**$ 121,182**	$ 105,501	**$ 238,641**	$ 203,986
DIRECT COSTS	**87,164**	76,570	**173,933**	151,655
GROSS PROFIT	**34,018**	28,931	**64,708**	52,331
OPERATING EXPENSES				
General and administrative	**11,466**	11,244	**23,235**	23,642
Other expenses	**1,575**	1,257	**2,733**	2,296
Gain on disposal of property, plant and equipment	**(19)**	(107)	**(144)**	(286)
Foreign exchange loss	**541**	918	**466**	944
Finance costs	**204**	208	**423**	451
Depreciation of property, plant and equipment	**9,972**	10,131	**19,689**	21,275
	23,739	23,651	**46,402**	48,322
EARNINGS BEFORE INCOME TAX	**10,279**	5,280	**18,306**	4,009
INCOME TAX - PROVISION (RECOVERY) (note 7)				
Current	**3,553**	2,821	**5,447**	5,577
Deferred	**(533)**	(802)	**(433)**	(2,347)
	3,020	2,019	**5,014**	3,230
NET EARNINGS	**$ 7,259**	$ 3,261	**$ 13,292**	$ 779
EARNINGS PER SHARE (note 8)				
Basic	**$ 0.09**	$ 0.04	**$ 0.17**	$ 0.01
Diluted	**$ 0.09**	$ 0.04	**$ 0.17**	$ 0.01

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Comprehensive Earnings

(in thousands of Canadian dollars)
(unaudited)

	Three months ended October 31		Six months ended October 31	
	2019	2018	**2019**	2018
NET EARNINGS	**$ 7,259**	$ 3,261	**$ 13,292**	$ 779
OTHER COMPREHENSIVE EARNINGS				
Items that may be reclassified subsequently to profit or loss				
Unrealized (loss) gain on foreign currency translations (net of tax)	**(2,383)**	(223)	**(8,139)**	2,304
Unrealized gain (loss) on derivatives (net of tax)	**768**	(199)	**936**	(341)
COMPREHENSIVE EARNINGS	**$ 5,644**	$ 2,839	**$ 6,089**	$ 2,742

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Changes in Equity
For the six months ended October 31, 2019 and 2018
(in thousands of Canadian dollars)
(unaudited)

	Share capital	Reserves	Share-based payments reserve	Retained earnings	Foreign currency translation reserve	Total
BALANCE AS AT MAY 1, 2018	$ 241,264	$ 36	$ 19,721	$ 41,360	$ 70,021	$ 372,402
Share-based compensation	-	-	277	-	-	277
	241,264	36	19,998	41,360	70,021	372,679
Comprehensive earnings:						
Net earnings	-	-	-	779	-	779
Unrealized gain on foreign currency translations	-	-	-	-	2,304	2,304
Unrealized loss on derivatives	-	(341)	-	-	-	(341)
Total comprehensive earnings	-	(341)	-	779	2,304	2,742
BALANCE AS AT OCTOBER 31, 2018	$ 241,264	$ (305)	$ 19,998	$ 42,139	$ 72,325	$ 375,421
BALANCE AS AT MAY 1, 2019	**$ 241,264**	**$ (570)**	**$ 20,247**	**$ 23,276**	**$ 78,783**	**$363,000**
Share-based compensation	**-**	**-**	**141**	**-**	**-**	**141**
	241,264	**(570)**	**20,388**	**23,276**	**78,783**	**363,141**
Comprehensive earnings:						
Net earnings	**-**	**-**	**-**	**13,292**	**-**	**13,292**
Unrealized loss on foreign currency translations	**-**	**-**	**-**	**-**	**(8,139)**	**(8,139)**
Unrealized gain on derivatives	**-**	**936**	**-**	**-**	**-**	**936**
Total comprehensive earnings	**-**	**936**	**-**	**13,292**	**(8,139)**	**6,089**
BALANCE AS AT OCTOBER 31, 2019	**$ 241,264**	**$ 366**	**$ 20,388**	**$ 36,568**	**$ 70,644**	**$369,230**

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)
(unaudited)

	Three months ended October 31		Six months ended October 31	
	2019	2018	**2019**	2018
OPERATING ACTIVITIES				
Earnings before income tax	**$ 10,279**	$ 5,280	**$ 18,306**	$ 4,009
Operating items not involving cash				
Depreciation of property, plant and equipment	**9,972**	10,131	**19,689**	21,275
Gain on disposal of property, plant and equipment	**(19)**	(107)	**(144)**	(286)
Share-based compensation	**51**	128	**141**	277
Finance costs recognized in earnings before income tax	**204**	208	**423**	451
	20,487	15,640	**38,415**	25,726
Changes in non-cash operating working capital items	**982**	(614)	**(4,632)**	(3,547)
Finance costs paid	**(204)**	(208)	**(423)**	(451)
Income taxes paid	**(2,750)**	(2,545)	**(4,604)**	(4,557)
Cash flow from operating activities	**18,515**	12,273	**28,756**	17,171
FINANCING ACTIVITIES				
Repayment of lease liabilities (note 3)	**(544)**	-	**(844)**	-
Repayment of long-term debt	**(291)**	(538)	**(556)**	(1,273)
Cash flow used in financing activities	**(835)**	(538)	**(1,400)**	(1,273)
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment (note 6)	**(5,543)**	(7,025)	**(16,108)**	(12,851)
Proceeds from disposal of property, plant and equipment	**462**	7,075	**728**	7,766
Cash flow (used in) from investing activities	**(5,081)**	50	**(15,380)**	(5,085)
Effect of exchange rate changes	**(60)**	427	**38**	900
INCREASE IN CASH	**12,539**	12,212	**12,014**	11,713
CASH, BEGINNING OF THE PERIOD	**26,841**	20,757	**27,366**	21,256
CASH, END OF THE PERIOD	**$ 39,380**	$ 32,969	**$ 39,380**	$ 32,969

Major Drilling Group International Inc.
Interim Condensed Consolidated Balance Sheets
As at October 31, 2019 and April 30, 2019
(in thousands of Canadian dollars)
(unaudited)

	October 31, 2019	April 30, 2019
ASSETS		
CURRENT ASSETS		
Cash	$ **39,380**	$ 27,366
Trade and other receivables	**90,687**	88,029
Note receivable	**304**	560
Income tax receivable	**2,917**	3,978
Inventories	**92,291**	90,325
Prepaid expenses	**6,397**	5,099
	231,976	215,357
PROPERTY, PLANT AND EQUIPMENT (note 6)	**160,695**	164,266
DEFERRED INCOME TAX ASSETS	**23,053**	23,374
GOODWILL	**58,050**	58,300
	$ **473,774**	$ 461,297
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	$ **66,352**	$ 63,376
Income tax payable	**1,078**	1,209
Current portion of lease liabilities (note 3)	**1,614**	-
Current portion of long-term debt	**977**	1,060
	70,021	65,645
LEASE LIABILITIES (note 3)	**3,183**	-
LONG-TERM DEBT	**15,860**	16,298
DEFERRED INCOME TAX LIABILITIES	**15,480**	16,354
	104,544	98,297
SHAREHOLDERS' EQUITY		
Share capital	**241,264**	241,264
Reserves	**366**	(570)
Share-based payments reserve	**20,388**	20,247
Retained earnings	**36,568**	23,276
Foreign currency translation reserve	**70,644**	78,783
	369,230	363,000
	$ **473,774**	$ 461,297

1. NATURE OF ACTIVITIES

Major Drilling Group International Inc. (the "Company") is incorporated under the Canada Business Corporations Act and has its head office at 111 St. George Street, Suite 100, Moncton, NB, Canada. The Company's common shares are listed on the Toronto Stock Exchange ("TSX"). The principal source of revenue consists of contract drilling for companies primarily involved in mining and mineral exploration. The Company has operations in Canada, the United States, Mexico, South America, Asia, Africa and Europe.

2. BASIS OF PRESENTATION

Statement of compliance
These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies as outlined in the Company's annual Consolidated Financial Statements for the year ended April 30, 2019, except as described in note 3.

On December 4, 2019, the Board of Directors authorized the financial statements for issue.

Basis of consolidation
These Interim Condensed Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the period are included in the Interim Condensed Consolidated Statements of Operations from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-group transactions, balances, income and expenses are eliminated on consolidation, where appropriate.

Basis of preparation
These Interim Condensed Consolidated Financial Statements have been prepared based on the historical cost basis except for certain financial instruments that are measured at fair value, using the same accounting policies and methods of computation as presented in the Company's annual Consolidated Financial Statements for the year ended April 30, 2019, except as described in note 3.

3. ADOPTION OF NEW IFRS

The Company adopted IFRS 16 Leases ("IFRS 16"), which replaces IAS 17 Leases, for its annual period beginning May 1, 2019 using the modified retrospective approach whereby no restatement of comparative periods is required. Under IAS 17, leases of property, plant and equipment were recognized as finance leases when substantially all the risks and rewards of ownership of the underlying assets were transferred. All other leases were classified as operating leases. IFRS 16 requires lessees to recognize right-of-use assets, representing its right to use the underlying asset, and lease liabilities, representing its obligation to make payments. Right-of-use assets are measured at cost, comprised of the initial measurement of the corresponding lease liabilities, lease payments made on or before the commencement date and any initial direct costs. They are subsequently depreciated on a straight-line basis and reduced by impairment losses, if any. Right-of-use assets may also be adjusted to reflect the re-measurement of related lease liabilities. Lease liabilities are initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Subsequently, the lease liability is measured at amortized cost using the effective interest rate method and adjusted for interest and lease payments.

(in thousands of Canadian dollars, except per share information)

3. ADOPTION OF NEW IFRS (Continued)

On transition, the Company recognized lease liabilities and right-of-use assets for 14 leases, previously classified as operating leases, in the amount of $2,903. As permitted by IFRS 16, the Company elected not to recognize lease liabilities and right-of-use assets for short-term leases (lease term of 12 months or less) and leases of low-value assets. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets as at the transition date.

Operating lease commitments disclosed as at April 30, 2019	$	4,147
Less: short-term operating lease commitments		(1,006)
		3,141
Discounted using the incremental borrowing rate		(238)
Lease liabilities recognized as at May 1, 2019		**2,903**
Add: additional lease liabilities recognized during the period		**2,671**
Finance costs		**67**
Repayment of lease liabilities		**(844)**
		4,797
Current portion		**1,614**
Balance as at October 31, 2019	**$**	**3,183**

In prior periods presented, before the adoption of IFRS 16, expenses for lease liabilities were included with general and administrative expenses on the Company's Statement of Operations.

Right-of-use assets
The recognized right-of-use assets are included in property, plant and equipment on the Company's Interim Condensed Consolidated Balance Sheet.

Balance as at May 1, 2019	**$**	**2,903**
Add: additional right-of-use assets recognized during the period		**2,671**
Depreciation		**(777)**
Balance as at October 31, 2019	**$**	**4,797**

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of financial statements, in conformity with International Financial Reporting Standards ("IFRS"), requires management to make judgments, estimates and assumptions that are not readily apparent from other sources, which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Significant areas requiring the use of management estimates relate to the useful lives of property, plant and equipment for depreciation purposes, property, plant and equipment and inventory valuation, determination of income and other taxes, assumptions used in the compilation of share-based payments, fair value of assets acquired and liabilities assumed in business acquisitions, amounts recorded as accrued liabilities and allowance for doubtful accounts, and impairment testing of goodwill.

(in thousands of Canadian dollars, except per share information)

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS (Continued)

The Company applied judgment in determining the functional currency of the Company and its subsidiaries, the determination of cash-generating units ("CGUs"), the degree of componentization of property, plant and equipment, the recognition of provisions and accrued liabilities, and the determination of the probability that deferred income tax assets will be realized from future taxable earnings.

5. SEASONALITY OF OPERATIONS

The third quarter (November to January) is normally the Company's weakest quarter due to the shutdown of mining and exploration activities, often for extended periods over the holiday season.

6. PROPERTY, PLANT AND EQUIPMENT

Capital expenditures for the three and six months ended October 31, 2019 were $5,543 (2018 - $7,025) and $16,108 (2018 - $12,851).

7. INCOME TAXES

The income tax provision for the period can be reconciled to accounting earnings before income tax as follows:

	Q2 2020	Q2 2019	**YTD 2020**	YTD 2019
Earnings before income tax	**$ 10,279**	$ 5,280	**$ 18,306**	$ 4,009
Statutory Canadian corporate income tax rate	**27%**	27%	**27%**	27%
Expected income tax provision based on statutory rate	**2,775**	1,426	**4,942**	1,083
Non-recognition of tax benefits related to losses	**277**	489	**372**	1,516
Utilization of previously unrecognized losses	**(238)**	(24)	**(583)**	(72)
Other foreign taxes paid	**154**	178	**322**	294
Rate variances in foreign jurisdictions	**(143)**	(9)	**(161)**	(61)
Permanent differences and other	**195**	(41)	**122**	470
Income tax provision recognized in net earnings	**$ 3,020**	$ 2,019	**$ 5,014**	$ 3,230

The Company periodically assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Company records its best estimate of these tax liabilities, including related interest charges. Inherent uncertainties exist in estimates of tax contingencies due to changes in tax laws. While management believes they have adequately provided for the probable outcome of these matters, future results may include favourable or unfavourable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved, or when the statutes of limitations lapse.

8. EARNINGS PER SHARE

All of the Company's earnings are attributable to common shares, therefore, net earnings is used in determining earnings per share.

	Q2 2020	Q2 2019	**YTD 2020**	YTD 2019
Net earnings	**$ 7,259**	$ 3,261	**$ 13,292**	$ 779
Weighted average number of shares:				
Basic (000s)	**80,300**	80,300	**80,300**	80,300
Diluted (000s)	**80,330**	80,311	**80,308**	80,323
Earnings per share				
Basic	**$ 0.09**	$ 0.04	**$ 0.17**	$ 0.01
Diluted	**$ 0.09**	$ 0.04	**$ 0.17**	$ 0.01

The calculation of diluted earnings per share for the three and six months ended October 31, 2019 excludes the effect of 2,696,237 and 2,961,091 options, respectively (2018 - 3,495,854 and 3,530,102) as they were anti-dilutive.

The total number of shares outstanding on October 31, 2019 was 80,299,984 (2018 - 80,299,984).

9. SEGMENTED INFORMATION

The Company's operations are divided into the following three geographic segments, corresponding to its management structure: Canada - U.S.; South and Central America; and Asia and Africa. The services provided in each of the reportable segments are essentially the same. The accounting policies of the segments are the same as those described in the Company's annual Consolidated Financial Statements for the year ended April 30, 2019, except as described in note 3. Management evaluates performance based on earnings from operations in these three geographic segments before finance costs, general corporate expenses and income taxes. Data relating to each of the Company's reportable segments is presented as follows:

	Q2 2020	Q2 2019	**YTD 2020**	YTD 2019
Revenue				
Canada - U.S.*	**$ 65,337**	$ 56,493	**$ 126,294**	$ 107,806
South and Central America	**29,785**	29,173	**62,471**	55,913
Asia and Africa	**26,060**	19,835	**49,876**	40,267
	$ 121,182	$ 105,501	**$ 238,641**	$ 203,986

*Canada - U.S. includes revenue of $26,902 and $26,349 for Canadian operations for the three months ended October 31, 2019 and 2018, respectively and $53,867 and $51,003 for the six months ended October 31, 2019 and 2018, respectively.

(in thousands of Canadian dollars, except per share information)

9. SEGMENTED INFORMATION (Continued)

	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Earnings (loss) from operations				
Canada - U.S.	$ 7,078	$ 6,732	$ 12,416	$ 8,047
South and Central America	1,128	(620)	2,986	(1,358)
Asia and Africa	5,085	823	8,897	1,694
	13,291	6,935	24,299	8,383
Finance costs	204	208	423	451
General corporate expenses*	2,808	1,447	5,570	3,923
Income tax	3,020	2,019	5,014	3,230
	6,032	3,674	11,007	7,604
Net earnings	$ 7,259	$ 3,261	$ 13,292	$ 779

*General corporate expenses include expenses for corporate offices and stock options.

	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Capital expenditures				
Canada - U.S.	$ 3,459	$ 3,054	$ 11,923	$ 6,897
South and Central America	831	1,677	1,573	3,451
Asia and Africa	374	2,294	1,580	2,503
Unallocated and corporate assets	879	-	1,032	-
Total capital expenditures	$ 5,543	$ 7,025	$ 16,108	$ 12,851
Depreciation				
Canada - U.S.	$ 4,530	$ 4,823	$ 8,985	$ 10,170
South and Central America	3,762	3,019	7,439	6,254
Asia and Africa	1,647	2,200	3,204	4,697
Unallocated and corporate assets	33	89	61	154
Total depreciation	$ 9,972	$ 10,131	$ 19,689	$ 21,275

	October 31, 2019	April 30, 2019
Identifiable assets		
Canada - U.S.*	$ 224,774	$ 205,871
South and Central America**	134,884	138,605
Asia and Africa	110,728	104,173
Unallocated and corporate assets**	3,388	12,648
Total identifiable assets	$ 473,774	$ 461,297

*Canada - U.S. includes property, plant and equipment at October 31, 2019 of $32,311 (April 30, 2019 - $31,573) for Canadian operations.

**Amounts presented in comparative period under unallocated and corporate assets have been allocated to other segments consistent with current year presentation.

(in thousands of Canadian dollars, except per share information)

10. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, trade and other receivables, demand credit facilities and trade and other payables approximate their fair value due to the relatively short period to maturity of the instruments. The carrying value of long-term debt approximates its fair value.

Financial assets and liabilities measured at fair value are classified and disclosed in one of the following categories:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company's derivatives are classified as level 2 financial instruments. There were no transfers of amounts between level 1, level 2 and level 3 financial instruments for the quarter ended October 31, 2019.

Credit risk

As at October 31, 2019, 87.3% (April 30, 2019 - 85.6%) of the Company's trade receivables were aged as current and 1.3% (April 30, 2019 - 1.1%) of the trade receivables were impaired.

The movements in the allowance for impairment of trade receivables during the six and twelve month periods were as follows:

	October 31, 2019	April 30, 2019
Opening balance	**$ 863**	$ 928
Increase in impairment allowance	**263**	919
Recovery of amounts previously impaired	**-**	(207)
Write-off charged against allowance	**-**	(760)
Foreign exchange translation differences	**(45)**	(17)
Ending balance	**$ 1,081**	$ 863

Foreign currency risk

As at October 31, 2019, the most significant carrying amounts of net monetary assets (which may include intercompany balances with other subsidiaries) that: (i) are denominated in currencies other than the functional currency of the respective Company subsidiary; and (ii) cause foreign exchange rate exposure, including the impact on earnings before income taxes ("EBIT"), if the corresponding rate changes by 10%, are as follows:

	Rate variance	**IDR/USD**	**MNT/USD**	**USD/AUD**	**USD/CLP**	**MZN/USD**	**COP/USD**	**USD/ZAR**
Net exposure on monetary assets		$ 8,754	$ 3,644	$ 3,184	$ 2,736	$ 1,801	$ 1,662	$ (5,263)
EBIT impact	+/-10%	973	405	354	304	200	185	585

	Rate variance	**USD/CAD**	**MXP/USD**	**Other**
Net exposure on monetary assets		$ (6,278)	$ (1,370)	$ (503)
EBIT impact	+/-10%	698	152	56

(in thousands of Canadian dollars, except per share information)

10. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

The following table details contractual maturities for the Company's financial liabilities:

	1 year	2-3 years	4-5 years	Total
Trade and other payables	$ 66,352	$ -	$ -	$ 66,352
Lease liabilities (interest included)	1,681	2,592	995	5,268
Long-term debt (interest included)	1,630	2,037	15,705	19,372
	$ 69,663	**$ 4,629**	**$ 16,700**	**$ 90,992**

11. SUBSEQUENT EVENT

On November 1, 2019, the Company acquired all of the issued and outstanding shares of privately-held Norex Drilling Limited ("Norex"), a family-owned drilling and exploration drilling contractor based in Timmins, Ontario, Canada. The purchase price for the acquisition is valued at $19.7 million, consisting of a cash payment of $15.2 million payable on closing (subject to post-closing debt, working capital adjustments, and holdbacks) and the issuance of 334,169 common shares of the Company, valued on the closing of the transaction by the volume weighted average price of the shares on the TSX for the 10 trading days before the closing date and an earn-out of up to $2.5 million, payable in cash following the third anniversary of the closing, subject to certain conditions.