



## Major Drilling Announces Third Quarter 2026 Results

**MONCTON, New Brunswick (February 25, 2026)** – Major Drilling Group International Inc. (“Major Drilling” or the “Company”) (TSX: MDI), the largest provider of drilling services to the mining sector, today reported results for the third quarter of fiscal 2026, ended January 31, 2026.

### Quarterly Highlights:

- Revenue of \$184.6 million, up 14.9% from the \$160.7 million recorded in the same quarter last year.
- Adjusted gross margin<sup>(1)</sup> of 14.3% as the Company incurred costs to aggressively prepare for increased activity levels through calendar 2026.
- Net loss of \$10.8 million (or \$0.13 per share), compared to a net loss of \$9.1 million (or \$0.11 per share) for the same period last year.
- The Company increased its net cash<sup>(1)</sup> position by over \$25 million and ended the quarter with \$39.6 million in net cash and total liquidity of \$177.1 million.
- The Company’s outlook for calendar 2026 remains robust, particularly given record high commodity prices and the amount of equity raised by TSX and TSX-V listed companies.

“Our optimism heading into calendar 2026 continues to be driven by a combination of increased financing activity and growing exploration budgets. Based on the most recent TSX Market Intelligence Report, the total amount of equity capital raised in 2025 by mining companies listed on the TSX and TSX-V increased by over 53% to nearly \$16 billion. With the pace and size of these financings continuing to accelerate through the end of the year and into 2026, these funds are expected to increasingly be deployed over the coming quarters and years. Additionally, many of our senior mining customers have recently released sharply higher exploration budgets for calendar 2026, as they are now being rewarded for growing reserve bases and remain well supported by very strong precious and base metal prices,” said Denis Larocque, President and CEO of Major Drilling.

“In preparation for a much busier year, we leveraged our strong financial position to ensure that we are as prepared as possible for what we anticipate will be growing levels of demand throughout the calendar year. While the third fiscal quarter is traditionally the weakest of the year as customers pause operations for the holiday season, we completed several preparatory initiatives, including retaining and hiring additional crews through the holiday season as labour is expected to represent the largest challenge in the industry as activity levels increase. We also proactively ordered additional supplies in order to minimize the impact of any potential future supplier delays, as demand for these items increases, and completed additional maintenance on equipment, beyond what would typically be done in the quarter, to maximize the availability of rigs and support equipment,” Mr. Larocque continued.

“The Company generated \$184.6 million in revenue in the quarter, a 14.9% increase when compared to the same period in the prior year. The adjusted gross margin of 14.3% was below that of the prior year period as the Company took strategic steps to prepare for what is expected to be a much busier year, as well as due to increased start-up and mobilization costs as activity levels ramped up in January at a quicker pace than last year. Despite the seasonally slower quarter and additional preparation costs, the Company increased its net cash position by over \$25 million to nearly \$40 million at quarter end. We continue to invest in our industry leading fleet, spending \$10.3 million on capital expenditures during the quarter, including the addition of 3 new drills and support equipment. We accelerated our fleet optimization and modernization efforts in preparation for a busier year, which resulted in the disposal of 13 older, less efficient drills, bringing the total fleet size to 697 rigs,” said Ian Ross, CFO of Major Drilling.

"Looking ahead to calendar 2026, we expect rigs to gradually be deployed into the field at incrementally higher prices, leading to phased increases in revenue. We continue to see opportunities throughout each of the various regions in which we operate, with stronger growth in exploration spending expected in Canada and the US, followed by gradual increases in other regions. While we have taken proactive measures with respect to the retention and hiring of additional crews, labour is expected to represent the largest ongoing headwind. As a result, although margins are expected to expand as we progress through the year, the pace of margin improvement is anticipated to lag revenue growth."

"Finally, I'm pleased to announce the appointment of Shannon McCrae to our Board of Directors, effective February 25, 2026. Ms. McCrae is a seasoned professional geologist and mining executive with more than 25 years of experience in the resource industry, having held senior executive positions at Barrick Gold and De Beers Canada. Her expertise spans from early-stage exploration activities, with a track record of driving economic discoveries, to mine sites in a number of leading mining jurisdictions. She also serves as a Board member of Gold Fields, Fuerte Metals, and previously served as a Director of Probe Gold, Boart Longyear and Vox Royalty. Ms. McCrae holds the P. Geo and ICD.D professional accreditations and earned a BSc (Geology) from Western University," concluded Mr. Larocque.

In millions of Canadian dollars (except earnings per share)	Q3 2026	Q3 2025	YTD 2026	YTD 2025
Revenue	\$ 184.6	\$ 160.7	\$ 655.4	\$ 540.0
Gross margin	6.6%	10.3%	15.7%	19.0%
Adjusted gross margin	14.3%	19.5%	22.4%	26.6%
EBITDA <sup>(1)</sup>	5.1	7.8	74.9	80.8
As percentage of revenue	2.8%	4.9%	11.4%	15.0%
Net earnings (loss)	(10.8)	(9.1)	13.2	24.9
Earnings (loss) per share	(0.13)	(0.11)	0.16	0.30

<sup>(1)</sup> See "Non-IFRS Financial Measures"

### Third Quarter Ended January 31, 2026

Total revenue for the quarter was \$184.6 million, up 14.9% from revenue of \$160.7 million recorded in the same quarter last year. The unfavourable foreign exchange translation impact on revenue, when compared to the effective rates for the same period last year, was approximately \$1 million, while the impact on net earnings was minimal as expenditures in foreign jurisdictions tend to be in the same currency as revenue.

Revenue for the quarter from Canada - U.S. drilling operations increased by 56.7% to \$67.4 million, compared to the same quarter last year. Despite the continued competitive pricing environment, programs and program extensions running longer into December, in addition to the strategic initiatives implemented earlier in the fiscal year, resulted in a sharp revenue increase in both countries.

South and Central American revenue increased by 4.2% to \$78.5 million for the quarter, compared to the same quarter last year. The increase in revenue was primarily driven by growth in Peru, Colombia and Brazil, offset to some degree by reduced activity in Chile and Argentina and the termination of underperforming contracts to better position the region for improved profitability going forward.

Australasian and African revenue decreased by 8.7% to \$38.7 million, compared to the same period last year. Activity levels continued to be impacted by a slowdown in drilling operations with the Company's largest customer in Indonesia following a mine incident in the previous quarter, however activity levels are expected to continue to rebound to pre-incident levels by the end of fiscal 2026.

Gross margin percentage for the quarter was 6.6%, compared to 10.3% for the same period last year. Depreciation expense totaling \$14.3 million is included in direct costs for the current quarter, versus \$14.8 million in the same quarter last year. Adjusted gross margin, which excludes depreciation expense, was 14.3% for the quarter, compared to 19.5% for the same period last year. The decrease in margins was attributable to higher mobilization costs resulting from earlier start-ups when compared to the prior year period, as well as increased spending on labour retention through the holiday period, the hiring and training of additional crews, increased fleet maintenance, and the purchase of additional supplies, all as part of a decision to maximize the Company's readiness for what is expected to be a much busier calendar year.

Gross margins were also negatively impacted by the Company's decision to terminate underperforming contracts in South America in order to position this region for improved profitability going forward.

General and administrative costs were \$21.6 million, flat compared to the same quarter last year. Annual wage adjustments were offset against reduced Explomin integration costs incurred in the same quarter last year, the first quarter after close.

Other expenses were \$2.1 million, up from \$1.4 million in the same quarter last year, due to share-based compensation expenses, mainly driven by adjustments relating to the increase in the price of the Company's shares during the quarter.

Foreign exchange gain was \$1.0 million compared to a loss of \$1.6 million in the prior year quarter as various local currencies gained against the USD during the quarter.

The income tax provision for the quarter was a recovery of \$1.1 million, compared to a recovery of \$0.8 million for the same quarter last year. The income tax provision was impacted by non-tax affected losses in certain regions.

Net loss was \$10.8 million or \$0.13 per share (\$0.13 per share diluted) for the quarter, compared to net loss of \$9.1 million or \$0.11 per share (\$0.11 per share diluted) for the prior year quarter.

### Non-IFRS Financial Measures

The Company's financial data has been prepared in accordance with IFRS<sup>®</sup> Accounting Standards, with the exception of certain financial measures detailed below. The measures below have been used consistently by the Company's management team in assessing operational performance on both segmented and consolidated levels, and in assessing the Company's financial strength. The Company believes these non-IFRS financial measures are key, for both management and investors, in evaluating performance at a consolidated level and are commonly reported and widely used by investors and lending institutions as indicators of a company's operating performance and ability to incur and service debt, and as a valuation metric. These measures do 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.

### EBITDA - earnings before interest, taxes, depreciation, and amortization:

(in \$000s CAD)	<u>Q3 2026</u>	<u>Q3 2025</u>	<u>YTD 2026</u>	<u>YTD 2025</u>
Net earnings (loss)	\$ (10,843)	\$ (9,101)	\$ 13,176	\$ 24,935
Finance (revenues) costs	184	922	1,464	(233)
Income tax provision	(1,143)	(848)	8,412	10,604
Depreciation and amortization	16,951	16,858	51,805	45,480
EBITDA	<u>\$ 5,149</u>	<u>\$ 7,831</u>	<u>\$ 74,857</u>	<u>\$ 80,786</u>

### Adjusted gross profit/margin - excludes depreciation expense:

(in \$000s CAD)	<u>Q3 2026</u>	<u>Q3 2025</u>	<u>YTD 2026</u>	<u>YTD 2025</u>
Total revenue	\$ 184,633	\$ 160,731	\$ 655,389	\$ 540,033
Less: direct costs	172,451	144,190	552,389	437,237
Gross profit	12,182	16,541	103,000	102,796
Add: depreciation	14,281	14,754	44,022	41,047
Adjusted gross profit	<u>26,463</u>	<u>31,295</u>	<u>147,022</u>	<u>143,843</u>
Adjusted gross margin	14.3%	19.5%	22.4%	26.6%

**Net cash (debt) – cash net of debt, excluding lease liabilities reported under IFRS 16 Leases:**

(in \$000s CAD)

	<u>January 31, 2026</u>	<u>April 30, 2025</u>
Cash and cash equivalents	\$ 88,648	\$ 45,987
Contingent consideration	(21,854)	(22,210)
Long-term debt	(27,238)	(27,682)
Net cash (debt)	<u>\$ 39,556</u>	<u>\$ (3,905)</u>

**Forward-Looking Statements**

This news release includes certain information that may constitute “forward-looking information” under applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this news release that address future events, developments, or performance that the Company expects to occur (including management’s expectations regarding the Company’s objectives, strategies, financial condition, results of operations, cash flows and businesses) are forward-looking statements. Forward-looking statements are typically identified by future or conditional verbs such as “outlook”, “believe”, “anticipate”, “estimate”, “project”, “expect”, “intend”, “plan”, and terms and expressions of similar import. All forward-looking information in this news release is qualified by this cautionary note.

Forward-looking information is necessarily based upon various estimates and assumptions including, without limitation, the expectations and beliefs of management related to the factors set forth below. While these factors and assumptions are considered reasonable by the Company as at the date of this document in light of management’s experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and undue reliance should not be placed on such statements and information.

Such forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to: competitive pressures; the level of activity in the mining industry and the demand for the Company’s services; the level of funding for the Company’s clients (particularly for junior mining companies); global and local political and economic environments and conditions; changes in jurisdictions in which the Company operates (including changes in regulation); the Company’s dependence on key customers; the geographic distribution of the Company’s operations; measures affecting trade relations between countries, including the imposition of tariffs and countermeasures, as well as the possible impacts on the Company’s clients, operations and, more generally, the economy; exposure to currency movements (which can affect the Company’s revenue in Canadian dollars); currency restrictions; the integration of business acquisitions and the realization of the intended benefits of such acquisitions; efficient management of the Company’s growth; the impact of operational changes; safety of the Company’s workforce; failure by counterparties to fulfill contractual obligations; disease outbreak; risks and uncertainties relating to climate change and natural disasters; as well as other risk factors described under “General Risks and Uncertainties” in the Company’s MD&A for the year ended April 30, 2025, available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). Should one or more risk, uncertainty, contingency, or other factor materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information.

Forward-looking statements made in this document are made as of the date of this document and the Company disclaims any intention and assumes no obligation to update any forward-looking statement, even if new information becomes available, as a result of future events, or for any other reasons, except as required by applicable securities laws.

**About Major Drilling**

Major Drilling Group International Inc. is the world’s leading provider of drilling services in the metals and mining industry. The diverse needs of the Company’s global clientele are met through field operations and registered offices that span across North America, South America, Australia, Asia, Africa, and Europe. Established in 1980, the Company has grown to become a global brand in the mining space, known for tackling many of the world’s most challenging drilling projects. Supported by a highly skilled workforce, Major Drilling is led by an experienced senior management team that has steered it through various economic and mining cycles, supported by regional managers known for delivering decades of superior project management.

Major Drilling is regarded as an industry expert at delivering a wide range of drilling services, including reverse circulation, surface and underground coring, directional, sonic, geotechnical, environmental, water-well, coal-bed methane, shallow gas, underground percussive/longhole, and surface drill and blast, along with the ongoing development and evolution of its suite of data and technology-driven innovation services.

**Webcast/Conference Call**

Major Drilling Group International Inc. will provide a simultaneous webcast and conference call to discuss its quarterly results on Thursday, February 26, 2026 at 8:00 am (EST).

To access the live webcast, which includes a slide presentation, please go to the investors/webcasts & presentations section of the Major Drilling website and click on the link or click here: [Webcast Link](#). Please note that this is listen-only mode.

To participate in the conference call, pre-register using this [link](#). Registrants will receive confirmation with dial-in details.

For those unable to participate, a replay of the webcast will be archived for one year and can be accessed on the Major Drilling website at [www.majordrilling.com/investors/webcasts/](http://www.majordrilling.com/investors/webcasts/).

**For further information:**

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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 January 31		Nine months ended January 31	
	2026	2025	2026	2025
<b>TOTAL REVENUE</b>	<b>\$ 184,633</b>	\$ 160,731	<b>\$ 655,389</b>	\$ 540,033
<b>DIRECT COSTS (note 8)</b>	<b>172,451</b>	144,190	<b>552,389</b>	437,237
<b>GROSS PROFIT</b>	<b><u>12,182</u></b>	<u>16,541</u>	<b><u>103,000</u></b>	<u>102,796</u>
<b>OPERATING EXPENSES</b>				
General and administrative (note 8)	21,575	21,579	64,647	57,921
Amortization of intangible assets	1,586	1,171	4,641	1,714
Other expenses	2,055	1,424	10,279	6,859
(Gain) loss on disposal of property, plant and equipment	(191)	(217)	394	(887)
Foreign exchange (gain) loss	(1,041)	1,611	(13)	1,883
Finance (revenues) costs	184	922	1,464	(233)
	<b><u>24,168</u></b>	<u>26,490</u>	<b><u>81,412</u></b>	<u>67,257</u>
<b>EARNINGS (LOSS) BEFORE INCOME TAX</b>	<b><u>(11,986)</u></b>	<u>(9,949)</u>	<b><u>21,588</u></b>	<u>35,539</u>
<b>INCOME TAX EXPENSE (RECOVERY) (note 9)</b>				
Current	873	(210)	15,041	12,431
Deferred	(2,016)	(638)	(6,629)	(1,827)
	<b><u>(1,143)</u></b>	<u>(848)</u>	<b><u>8,412</u></b>	<u>10,604</u>
<b>NET EARNINGS (LOSS)</b>	<b><u>\$ (10,843)</u></b>	<u>\$ (9,101)</u>	<b><u>\$ 13,176</u></b>	<u>\$ 24,935</u>
<b>EARNINGS (LOSS) PER SHARE (note 10)</b>				
<b>Basic</b>	<b><u>\$ (0.13)</u></b>	<u>\$ (0.11)</u>	<b><u>\$ 0.16</u></b>	<u>\$ 0.30</u>
<b>Diluted</b>	<b><u>\$ (0.13)</u></b>	<u>\$ (0.11)</u>	<b><u>\$ 0.16</u></b>	<u>\$ 0.30</u>

**Major Drilling Group International Inc.**  
**Interim Condensed Consolidated Statements of Comprehensive Earnings**  
(in thousands of Canadian dollars)  
(unaudited)

	Three months ended January 31		Nine months ended January 31	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
<b>NET EARNINGS (LOSS)</b>	<b>\$ (10,843)</b>	<b>\$ (9,101)</b>	<b>\$ 13,176</b>	<b>\$ 24,935</b>
<b>OTHER COMPREHENSIVE EARNINGS</b>				
Items that may be reclassified subsequently to profit or loss				
Unrealized gain (loss) on foreign currency translations	<b>(4,284)</b>	13,810	<b>4,367</b>	19,260
Unrealized gain (loss) on derivatives (net of tax)	<u>145</u>	<u>48</u>	<u>2,433</u>	<u>(490)</u>
<b>COMPREHENSIVE EARNINGS (LOSS)</b>	<b><u>\$ (14,982)</u></b>	<b><u>\$ 4,757</u></b>	<b><u>\$ 19,976</u></b>	<b><u>\$ 43,705</u></b>

**Major Drilling Group International Inc.**  
**Interim Condensed Consolidated Statements of Changes in Equity**  
For the nine months ended January 31, 2026 and 2025  
(in thousands of Canadian dollars)  
(unaudited)

	Share capital	Retained earnings	Other reserves	Share-based payments reserve	Foreign currency translation reserve	Total
<b>BALANCE AS AT MAY 1, 2024</b>	\$ 262,679	\$ 151,740	\$ (18)	\$ 3,630	\$ 75,801	\$ 493,832
Exercise of stock options	427	-	-	(115)	-	312
Share-based compensation	-	-	-	81	-	81
	<u>263,106</u>	<u>151,740</u>	<u>(18)</u>	<u>3,596</u>	<u>75,801</u>	<u>494,225</u>
<b>Comprehensive earnings:</b>						
Net earnings	-	24,935	-	-	-	24,935
Unrealized gain (loss) on foreign currency translations	-	-	-	-	19,260	19,260
Unrealized gain (loss) on derivatives	-	-	(490)	-	-	(490)
Total comprehensive earnings	<u>-</u>	<u>24,935</u>	<u>(490)</u>	<u>-</u>	<u>19,260</u>	<u>43,705</u>
<b>BALANCE AS AT JANUARY 31, 2025</b>	<u>\$ 263,106</u>	<u>\$ 176,675</u>	<u>\$ (508)</u>	<u>\$ 3,596</u>	<u>\$ 95,061</u>	<u>\$ 537,930</u>
<b>BALANCE AS AT MAY 1, 2025</b>	\$ 263,108	\$ 177,695	\$ (293)	\$ 3,615	\$ 77,973	\$ 522,098
Exercise of stock options	3,023	118	-	(1,595)	-	1,546
Share-based compensation	-	-	-	11	-	11
Stock options expired/forfeited	-	22	-	(22)	-	-
	<u>266,131</u>	<u>177,835</u>	<u>(293)</u>	<u>2,009</u>	<u>77,973</u>	<u>523,655</u>
<b>Comprehensive earnings:</b>						
Net earnings	-	13,176	-	-	-	13,176
Unrealized gain (loss) on foreign currency translations	-	-	-	-	4,367	4,367
Unrealized gain (loss) on derivatives	-	-	2,433	-	-	2,433
Total comprehensive earnings	<u>-</u>	<u>13,176</u>	<u>2,433</u>	<u>-</u>	<u>4,367</u>	<u>19,976</u>
<b>BALANCE AS AT JANUARY 31, 2026</b>	<u>\$ 266,131</u>	<u>\$ 191,011</u>	<u>\$ 2,140</u>	<u>\$ 2,009</u>	<u>\$ 82,340</u>	<u>\$ 543,631</u>

**Major Drilling Group International Inc.**  
**Interim Condensed Consolidated Statements of Cash Flows**  
(in thousands of Canadian dollars)  
(unaudited)

	Three months ended January 31		Nine months ended January 31	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
<b>OPERATING ACTIVITIES</b>				
Earnings (loss) before income tax	\$ (11,986)	\$ (9,949)	\$ 21,588	\$ 35,539
Operating items not involving cash				
Depreciation (note 8)	15,365	15,687	47,164	43,766
Amortization of intangible assets	1,586	1,171	4,641	1,714
(Gain) loss on disposal of property, plant and equipment	(191)	(217)	394	(887)
Share-based compensation	-	20	11	81
Finance (revenues) costs recognized in earnings before income tax	184	922	1,464	(233)
	<u>4,958</u>	<u>7,634</u>	<u>75,262</u>	<u>79,980</u>
Changes in non-cash operating working capital items	36,471	26,271	20,671	30,018
Finance revenues received (costs paid)	(184)	(922)	(1,464)	233
Income taxes paid	(5,313)	(4,009)	(14,403)	(13,691)
Cash flow from (used in) operating activities	<u>35,932</u>	<u>28,974</u>	<u>80,066</u>	<u>96,540</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of lease liabilities	(498)	(334)	(1,186)	(1,456)
Issuance of common shares due to exercise of stock options	607	9	2,064	312
Cash-settled stock options	-	-	(518)	-
Change in long-term debt	(732)	28,954	(444)	28,954
Cash flow from (used in) financing activities	<u>(623)</u>	<u>28,629</u>	<u>(84)</u>	<u>27,810</u>
<b>INVESTING ACTIVITIES</b>				
Business acquisition (note 12)	-	(84,084)	-	(93,172)
Investments (note 7)	-	-	-	(15,205)
Acquisition of property, plant and equipment (note 6)	(10,333)	(12,590)	(36,548)	(53,914)
Proceeds from disposal of property, plant and equipment	399	316	689	1,927
Cash flow from (used in) investing activities	<u>(9,934)</u>	<u>(96,358)</u>	<u>(35,859)</u>	<u>(160,364)</u>
Effect of exchange rate changes	<u>(1,415)</u>	<u>1,276</u>	<u>(1,462)</u>	<u>2,747</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>23,960</b>	<b>(37,479)</b>	<b>42,661</b>	<b>(33,267)</b>
<b>CASH, BEGINNING OF THE PERIOD</b>	<b>64,688</b>	<b>100,430</b>	<b>45,987</b>	<b>96,218</b>
<b>CASH, END OF THE PERIOD</b>	<b>\$ 88,648</b>	<b>\$ 62,951</b>	<b>\$ 88,648</b>	<b>\$ 62,951</b>

**Major Drilling Group International Inc.**  
**Interim Condensed Consolidated Balance Sheets**  
As at January 31, 2026 and April 30, 2025  
(in thousands of Canadian dollars)  
(unaudited)

	January 31, 2026	April 30, 2025
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 88,648	\$ 45,987
Trade and other receivables (note 13)	132,259	144,731
Income tax receivable	7,187	6,992
Inventories	110,283	115,629
Prepaid expenses	8,484	8,490
	346,861	321,829
<b>PROPERTY, PLANT AND EQUIPMENT (note 6)</b>	271,472	277,553
<b>RIGHT-OF-USE ASSETS</b>	7,443	9,176
<b>INVESTMENTS (note 7)</b>	17,843	17,814
<b>DEFERRED INCOME TAX ASSETS</b>	4,144	2,151
<b>GOODWILL (note 12)</b>	67,288	65,962
<b>INTANGIBLE ASSETS (note 12)</b>	19,563	24,256
	\$ 734,614	\$ 718,741
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	\$ 112,853	\$ 112,690
Income tax payable	5,388	4,295
Current portion of lease liabilities	1,988	2,021
Current portion of contingent consideration (note 12)	7,783	8,869
	128,012	127,875
<b>LEASE LIABILITIES</b>	6,266	7,430
<b>CONTINGENT CONSIDERATION (note 12)</b>	14,071	13,341
<b>LONG-TERM DEBT</b>	27,238	27,682
<b>DEFERRED INCOME TAX LIABILITIES</b>	15,396	20,315
	190,983	196,643
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	266,131	263,108
Retained earnings	191,011	177,695
Other reserves	2,140	(293)
Share-based payments reserve	2,009	3,615
Foreign currency translation reserve	82,340	77,973
	543,631	522,098
	\$ 734,614	\$ 718,741

**MAJOR DRILLING GROUP INTERNATIONAL INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2026 AND 2025 (UNAUDITED)**

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

**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, 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 North America, South America, Australia, Asia, and Africa.

**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, 2025.

On February 25, 2026, 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 Consolidated Statements of Operations from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intercompany 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, 2025.

**3. APPLICATION OF NEW AND REVISED IFRS® ACCOUNTING STANDARDS**

The following IASB amendment, adopted as of May 1, 2025, has not had a significant impact on the Company's Consolidated Financial Statements:

- IAS 21 (as amended in 2023) - The Effect of Changes in Foreign Exchange Rates - The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The Company has not applied the following IASB standard that has been issued, but is not yet effective:

- IFRS 18 (as issued in 2024) - Presentation and Disclosure of Financial Statements - effective for periods beginning on or after January 1, 2027, with earlier application permitted. The standard replaces IAS 1, Presentation of Financial Statements, and includes requirements for the presentation and disclosure of information in financial statements, such as the presentation of subtotals within the statement of operations and the disclosure of management-defined performance measures within the financial statements.

The Company is currently in the process of assessing the impact the adoption of the above standard will have on the Consolidated Financial Statements.

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**4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS**

The preparation of financial statements, in conformity with IFRS Accounting Standards, 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 and intangible assets for depreciation and amortization purposes, inventory valuation, determination of income and other taxes, recoverability of deferred income tax assets, assumptions used in compilation of share-based payments, fair value of assets acquired and liabilities assumed in business acquisitions, provisions, contingent considerations, impairment testing of goodwill, and impairment testing of intangible and long-lived assets.

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 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 slowdown of mining and exploration activities, often for extended periods over the holiday season.

**6. PROPERTY, PLANT AND EQUIPMENT**

Capital expenditures for the three and nine months ended January 31, 2026 were \$10,333 (2025 - \$12,590) and \$36,548 (2025 - \$53,914). The Company did not obtain direct financing for the three and nine months ended January 31, 2026 or 2025.

**7. INVESTMENTS**

On July 22, 2024, the Company purchased shares in DGI Geoscience Inc. ("DGI") for \$15,000 in cash consideration, a 39.8% equity interest (that provides the Company with 42.3% of the voting rights). DGI and its subsidiaries are privately held entities, headquartered in Canada, focused on downhole survey and imaging services as well as using artificial intelligence for logging scanned rock samples.

In addition to the equity interest, Major Drilling has representation on the DGI Board of Directors and has special approval rights (protective in nature) granted to the Company as part of the investment. As a result, the Company concluded that the equity method of accounting is appropriate for its investment in DGI.

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**8. EXPENSES BY NATURE**

Direct costs by nature are as follows:

	<u>Q3 2026</u>	<u>Q3 2025</u>	<u>YTD 2026</u>	<u>YTD 2025</u>
Depreciation	\$ 14,281	\$ 14,754	\$ 44,022	\$ 41,047
Employee salaries and benefit expenses	75,052	62,209	243,614	197,127
Materials, consumables and external costs	73,719	59,940	237,236	172,360
Other	9,399	7,287	27,517	26,703
	<u>\$ 172,451</u>	<u>\$ 144,190</u>	<u>\$ 552,389</u>	<u>\$ 437,237</u>

General and administrative expenses by nature are as follows:

	<u>Q3 2026</u>	<u>Q3 2025</u>	<u>YTD 2026</u>	<u>YTD 2025</u>
Depreciation	\$ 1,084	\$ 933	\$ 3,142	\$ 2,719
Employee salaries and benefit expenses	11,260	11,570	34,083	31,199
Other general and administrative expenses	9,231	9,076	27,422	24,003
	<u>\$ 21,575</u>	<u>\$ 21,579</u>	<u>\$ 64,647</u>	<u>\$ 57,921</u>

**9. INCOME TAXES**

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

	<u>Q3 2026</u>	<u>Q3 2025</u>	<u>YTD 2026</u>	<u>YTD 2025</u>
Earnings (loss) before income tax	\$ (11,986)	\$ (9,949)	\$ 21,588	\$ 35,539
Statutory Canadian corporate income tax rate	27%	27%	27%	27%
Expected income tax provision based on statutory rate	(3,236)	(2,686)	5,829	9,596
Non-recognition of tax benefits related to losses	1,213	2,242	2,258	3,213
Utilization of previously unrecognized losses	-	(993)	(42)	(2,699)
Other foreign taxes paid	836	157	1,396	454
Rate variances in foreign jurisdictions	(184)	(308)	196	(420)
Permanent differences and other	228	740	(1,225)	460
Income tax provision recognized in net earnings (loss)	<u>\$ (1,143)</u>	<u>\$ (848)</u>	<u>\$ 8,412</u>	<u>\$ 10,604</u>

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.

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**10. EARNINGS PER SHARE**

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

	<u>Q3 2026</u>	<u>Q3 2025</u>	<u>YTD 2026</u>	<u>YTD 2025</u>
Net earnings (loss)	<u>\$ (10,843)</u>	<u>\$ (9,101)</u>	<u>\$ 13,176</u>	<u>\$ 24,935</u>
Weighted average number of shares:				
Basic (000s)	<u>81,911</u>	81,843	<u>81,953</u>	81,834
Diluted (000s)	<u>82,045</u>	81,997	<u>82,127</u>	82,004
Earnings (loss) per share				
Basic	\$ (0.13)	\$ (0.11)	\$ 0.16	\$ 0.30
Diluted	\$ (0.13)	\$ (0.11)	\$ 0.16	\$ 0.30

There was no impact on diluted earnings per share for the three and nine months ended January 31, 2026 as all stock options were in-the-money (2025 - 200,000 for both three and nine month periods).

The total number of shares outstanding on January 31, 2026 was 82,134,286 (2025 - 81,844,586).

**11. 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 Australasia 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, 2025. 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:

	<u>Q3 2026</u>	<u>Q3 2025</u>	<u>YTD 2026</u>	<u>YTD 2025</u>
<b>Revenue</b>				
Canada - U.S.*	\$ 67,448	\$ 43,042	\$ 239,072	\$ 215,591
South and Central America	78,522	75,329	284,985	174,294
Australasia and Africa	38,663	42,360	131,332	150,148
	<u>\$ 184,633</u>	<u>\$ 160,731</u>	<u>\$ 655,389</u>	<u>\$ 540,033</u>

\*Canada - U.S. includes revenue of \$33,160 and \$17,678 for Canadian operations for the three months ended January 31, 2026 and 2025, respectively and \$114,231 and \$75,221 for the nine months ended January 31, 2026 and 2025, respectively.

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**11. SEGMENTED INFORMATION (Continued)**

	<u>Q3 2026</u>	<u>Q3 2025</u>	<u>YTD 2026</u>	<u>YTD 2025</u>
<b>Earnings (loss) from operations</b>				
Canada - U.S.	\$ 102	\$ (10,775)	\$ 16,337	\$ 4,725
South and Central America	(8,286)	996	6,559	13,921
Australasia and Africa	2,084	5,753	20,367	31,186
	<u>(6,100)</u>	<u>(4,026)</u>	<u>43,263</u>	<u>49,832</u>
<b>Finance (revenues) costs</b>	184	922	1,464	(233)
<b>General and corporate expenses**</b>	5,702	5,001	20,211	14,526
<b>Income tax</b>	(1,143)	(848)	8,412	10,604
	<u>4,743</u>	<u>5,075</u>	<u>30,087</u>	<u>24,897</u>
<b>Net earnings (loss)</b>	<u>\$ (10,843)</u>	<u>\$ (9,101)</u>	<u>\$ 13,176</u>	<u>\$ 24,935</u>

\*\*General and corporate expenses include expenses for corporate offices and stock-based compensation.

	<u>Q3 2026</u>	<u>Q3 2025</u>	<u>YTD 2026</u>	<u>YTD 2025</u>
<b>Capital expenditures</b>				
Canada - U.S.	\$ 4,247	\$ 2,277	\$ 6,842	\$ 18,997
South and Central America	3,482	7,602	20,776	17,330
Australasia and Africa	2,512	2,711	8,667	17,533
Unallocated and corporate assets	92	-	263	54
<b>Total capital expenditures</b>	<u>\$ 10,333</u>	<u>\$ 12,590</u>	<u>\$ 36,548</u>	<u>\$ 53,914</u>
<b>Depreciation and amortization</b>				
Canada - U.S.	\$ 5,595	\$ 6,878	\$ 18,221	\$ 20,064
South and Central America	6,614	5,486	19,293	11,890
Australasia and Africa	4,514	4,266	13,598	12,858
Unallocated and corporate assets	228	228	693	668
<b>Total depreciation and amortization</b>	<u>\$ 16,951</u>	<u>\$ 16,858</u>	<u>\$ 51,805</u>	<u>\$ 45,480</u>

	<u>January 31, 2026</u>	<u>April 30, 2025</u>
<b>Identifiable assets</b>		
Canada - U.S.*	\$ 216,258	\$ 223,320
South and Central America	339,139	342,668
Australasia and Africa	227,966	216,051
Unallocated and corporate liabilities	(48,749)	(63,298)
<b>Total identifiable assets</b>	<u>\$ 734,614</u>	<u>\$ 718,741</u>

\*Canada - U.S. includes property, plant and equipment as at January 31, 2026 of \$50,156 (April 30, 2025 - \$58,312) for Canadian operations.

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**12. BUSINESS ACQUISITION**

Effective November 5, 2024, the Company acquired all of the issued and outstanding shares of Explomin, a leading specialty drilling contractor based in Lima, Peru.

The business combination was accounted for using the acquisition method. The Company acquired 92 drill rigs, support equipment, inventory, existing contracts and receivables, in addition to retaining the operation's management team and other employees, including experienced drillers.

The purchase price for the acquisition was valued at an amount up to US\$85,000, consisting of a cash payment of US\$63,000 (net of cash acquired) funded from the Company's cash and existing debt facilities; and an additional contingent consideration of US\$15,180 (discounted) tied to performance. The maximum amount of the contingent consideration is US\$22,000, with an earnout period extending over three years from the effective date of November 5, 2024, contingent upon Explomin reaching average annual EBITDA of approximately US\$21,000 over the earnout period. The Company has made the first payment on the contingent consideration arising out of the Explomin acquisition, for US\$5,715, early in the fourth quarter of fiscal 2026.

Goodwill arising from this acquisition was equal to the excess of the total consideration paid over the fair value of the net assets acquired and represents the benefit of revenue growth, an experienced labour force, market expertise and operational knowledge in a unique market with substantial barriers to entry.

The valuation of assets and purchase price allocation have been finalized. The net assets acquired at fair value at acquisition were as follows:

**Net assets acquired:**

Trade and other receivables	\$	39,088
Inventories		7,283
Prepaid expenses		1,583
Property, plant and equipment		27,117
Deferred income tax assets		78
Investments		3,475
Goodwill (not tax deductible)		43,363
Intangible assets		25,682
Trade and other payables		(31,814)
Income tax payable		(1,642)
Deferred income tax liabilities		(8,759)
	<b>\$</b>	<b>105,454</b>

**Consideration:**

Cash	\$	87,503
Less: cash acquired		(3,040)
Contingent consideration		20,991
	<b>\$</b>	<b>105,454</b>

Subsequent to the date of acquisition, the trade and other receivables included in the above net assets acquired have been fully collected. Intangible assets acquired, made up of customer relationships and contracts, are amortized over five years.

The contingent consideration of \$20,991 (discounted) is a non-cash investing activity therefore has not been reflected in the Interim Condensed Consolidated Statements of Cash Flows.

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**12. BUSINESS ACQUISITION (Continued)**

In the previous year, the Company incurred acquisition-related costs of \$795 relating to external legal fees and due diligence costs. These acquisition costs have been included in the other expenses line of the Interim Condensed Consolidated Statements of Operations.

The results of operations of Explomin are included in the Interim Condensed Consolidated Statements of Operations from November 5, 2024.

**13. 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 contingent consideration and long-term debt approximates their fair value as the interest applicable is reflective of fair market rates.

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 enters into certain derivative financial instruments to manage its exposure to market risks, comprised of share-price forward contracts with a combined notional amount of \$10,542, maturing at varying dates through June 2028.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's derivatives, with fair values as follows, are classified as level 2 financial instruments and recorded in trade and other receivables (payables) in the Interim Condensed Consolidated Balance Sheets. There were no transfers of amounts between level 1, level 2 and level 3 financial instruments for the three and nine months ended January 31, 2026.

	<u>January 31, 2026</u>	<u>April 30, 2025</u>
Share-price forward contracts	\$ 4,257	\$ (1,582)

***Credit risk***

As at January 31, 2026, 92.7% (April 30, 2025 - 96.1%) of the Company's trade receivables were aged as current and 1.6% (April 30, 2025 - 1.5%) of the trade receivables were impaired.

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

	<u>January 31, 2026</u>	<u>April 30, 2025</u>
<b>Opening balance</b>	\$ 2,179	\$ 4,149
Increase in impairment allowance	342	840
Recovery of amounts previously impaired	(608)	(584)
Write-off charged against allowance	-	(2,215)
Foreign exchange translation differences	28	(11)
<b>Ending balance</b>	<u>\$ 1,941</u>	<u>\$ 2,179</u>

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**13. FINANCIAL INSTRUMENTS (Continued)**

***Foreign currency risk***

As at January 31, 2026, the most significant carrying amounts of net monetary assets and/or liabilities (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:

	<u>Rate variance</u>	<u>MNT/USD</u>	<u>USD/CAD</u>	<u>IDR/USD</u>	<u>ARS/USD</u>	<u>USD/AUD</u>	<u>PEN/USD</u>	<u>USD/ZAR</u>	<u>USD/SAR</u>	<u>Other</u>
Net exposure on monetary assets (liabilities)		9,721	8,831	7,478	6,154	5,978	(2,026)	(5,523)	(7,439)	(1,051)
EBIT impact	+/-10%	1,080	981	831	684	664	225	614	827	117

***Liquidity risk***

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

	<u>1 year</u>	<u>2-3 years</u>	<u>4-5 years</u>	<u>Thereafter</u>	<u>Total</u>
Trade and other payables	\$ 112,853	\$ -	\$ -	\$ -	\$ 112,853
Lease liabilities (interest included)	2,416	3,586	1,430	2,358	9,790
Contingent consideration (undiscounted)	7,783	18,043	-	-	25,826
Long-term debt (interest included)	1,708	28,519	-	-	30,227
	<u>\$ 124,760</u>	<u>\$ 50,148</u>	<u>\$ 1,430</u>	<u>\$ 2,358</u>	<u>\$ 178,696</u>