NEWS RELEASE

Major Drilling Reports Strong Results - Revenue up 50%, Net Earnings Double

MONCTON, New Brunswick (December 2, 2021) – Major Drilling Group International Inc. (TSX: MDI), a leading provider of specialized drilling services to the mining sector ("Major Drilling" or the "Company"), today reported results for the second quarter of fiscal 2022, ended October 31, 2021.

Highlights

- Revenue of $170.7 million, up 50% compared to same period last year, and up 13% from last quarter.
- EBITDA(1) for the quarter was $30.7 million, an increase of ~60% compared to same period last year.
- Net earnings of $14.3 million or $0.17 per share, highest in 9 years and up ~100% from same period last year.
- Net debt(1) reduced in the quarter by $14.5 million to $30.0 million.

"Our second quarter of fiscal 2022 was very encouraging as activity levels continued to increase in most regions. I am particularly pleased with the progress our teams have made in developing our labour force, enabling us to grow in high-demand regions while maintaining our dedication to safety, productivity, and quality. Competition for skilled drilling crews continues to be a challenge facing our industry in the most operationally intense markets, putting pressure on costs and productivity. However, Major Drilling's proactive training and retention efforts have allowed us to support our rapid growth and deliver value to our customers. Our strategy of holding rigs and inventory ready for immediate deployment to customers continues to deliver results," said Denis Larocque, President and CEO of Major Drilling.

"During the quarter, we secured a number of North American contract renewals with incrementally favourable terms, although this was offset slightly by the cost inflation for supplies and labour we're seeing across the industry. In South America, the lingering effects of the pandemic continued to cause some operational disruption, though we are seeing a gradual return to normal activity levels. In Australasia, our recently acquired McKay Drilling operations continued to perform very well and contributed to a marked improvement in the region. Finally, we have seen an increase in specialized drilling demand and activity across all of our operating regions. We attribute this to our increased market share, and a resurgence of specialized projects as our customers turn to more challenging targets as the upcycle progresses."

"I'm pleased to report that the Company achieved remarkable financial performance in the quarter, generating $30.7 million in EBITDA, an increase of almost 60% from the same period last year. This allowed us to make significant progress in reducing our net debt position by $14.5 million to $30.0 million," said Ian Ross, CFO of Major Drilling. "We spent $11.1 million on capital expenditures during the quarter, adding 7 new drill rigs and support equipment for existing rigs being deployed to the field. We also disposed of 9 older, less efficient rigs, bringing the total rig count to 603."

"Given the history of mining cycles and the projected near-term supply deficit for many mining commodities, I believe we are in the early stages of a significant mining industry upcycle," noted Mr. Larocque. "We are encouraged that some of our senior gold customers are indicating higher levels of drilling activity for calendar 2022 and that junior mining companies continue to raise capital to fund exploration programs. While most base metal companies have yet to finalize their 2022 budgets, copper prices have remained at historical highs for most of calendar 2021. We expect this to lead to substantial investment in copper and other base metal exploration projects as we help discover the metals that allow the world to accelerate its efforts toward decarbonization."

"Looking forward to calendar 2022, as we enter our seasonally slower third quarter, Major Drilling is in a unique position to react to this market dynamic. Our financial strength has allowed us to focus investment on safety, equipment, inventory and innovation in order to meet the high standards of our customers. It is crucial that we continue to aggressively and successfully invest in the recruitment and training of new drillers, to ensure Major Drilling remains both the operator and employer of choice in our industry," said Denis Larocque.

In millions of Canadian dollars (except earnings per share)	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Revenue	$ 170.7	$ 114.2	$ 321.7	$ 203.6
Gross margin	22.0%	20.0%	21.1%	18.7%
Adjusted gross margin (1)	28.3%	28.3%	27.3%	28.1%
EBITDA (1)	30.7	19.3	55.0	33.2
As percentage of revenue	18.0%	16.9%	17.1%	16.3%
Net earnings	14.3	7.0	25.4	9.2
Earnings per share	0.17	0.09	0.31	0.11

(1) See "Non-IFRS Financial Measures"

Second Quarter Ended October 31, 2021

Total revenue for the quarter was $170.7 million, the Company's highest quarterly revenue since the second quarter of 2013, up 50% from revenue of $114.2 million recorded in the same quarter last year. The unfavourable foreign exchange translation impact on revenue for the quarter, when comparing to the effective rates for the same period last year, was approximately $5 million, with a minimal impact on net earnings 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 33.7% to $94.4 million, compared to the same period last year. The region saw continued growth on strong demand despite headwinds from the industry-wide labour challenges. The growth was driven by an increase in junior exploration as well as surging demand for specialized services.

South and Central American revenue increased by 70.4% to $36.8 million for the quarter, compared to the same quarter last year. The growth in the region from the prior year was mainly attributed to operations in most countries recovering from the impacts of COVID-19.

Australasian and African revenue increased by 79.5% to $39.5 million, compared to the same period last year. The growth in the region from the prior year was mainly attributed to the McKay acquisition in Australia, which continues to have robust demand for drilling services.

Gross margin percentage for the quarter was 22.0%, compared to 20.0% for the same period last year. Depreciation expense totaling $10.7 million is included in direct costs for the current quarter, versus $9.5 million in the same quarter last year. Adjusted gross margin, which excludes depreciation expense, was flat year-over-year at 28.3%. A stronger pricing environment, offset by increased labour and supply costs, aided margins in the quarter.

General and administrative costs were $14.1 million, an increase of $2.5 million compared to the same quarter last year. The increase was driven by the addition of the Australian operations and inflationary wage adjustments. The prior year was reduced by funds received from government assistance programs, related to the pandemic, that are no longer in place in the current quarter.

The income tax provision for the quarter was an expense of $4.5 million compared to an expense of $2.0 million for the prior year period. The increase in the tax expense was related to an increase in overall profitability from the prior year.

Net earnings were $14.3 million or $0.17 per share ($0.17 per share diluted) for the quarter, compared to $7.0 million or $0.09 per share ($0.09 per share diluted) for the prior year quarter.

Non-IFRS Financial Measures

The Company's financial data has been prepared in accordance with IFRS, 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.

Adjusted gross profit/margin - excludes depreciation expense:

(in $000s CAD)	**Q2 2022**	Q2 2021	**YTD 2022**	YTD 2021
Total revenue	**$ 170,693**	$ 114,152	**$ 321,688**	$ 203,572
Less: direct costs	**133,155**	91,300	**253,790**	165,595
Gross profit	**37,538**	22,852	**67,898**	37,977
Add: depreciation	**10,709**	9,468	**20,018**	19,175
Adjusted gross profit	**48,247**	32,320	**87,916**	57,152
Adjusted gross margin	**28.3%**	28.3%	**27.3%**	28.1%

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

(in $000s CAD)	**Q2 2022**	Q2 2021	**YTD 2022**	YTD 2021
Net earnings	**$ 14,290**	$ 7,009	**$ 25,350**	$ 9,157
Finance costs	**399**	336	**871**	624
Income tax provision	**4,501**	2,006	**7,216**	3,237
Depreciation and amortization	**11,539**	9,975	**21,528**	20,195
EBITDA	**$ 30,729**	$ 19,326	**$ 54,965**	$ 33,213

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

(in $000s CAD)	**Current quarter ended October 31, 2021**	**Previous quarter ended July 31, 2021**	April 30, 2021
Cash	**$ 42,673**	**$ 27,470**	$ 22,359
Contingent consideration	**(22,640)**	**(21,742)**	(1,907)
Current portion of long-term debt	**-**	**(83)**	(356)
Long-term debt	**(50,039)**	**(50,159)**	(15,106)
Net cash (debt)	**$ (30,006)**	**$ (44,514)**	$ 4,990

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: the level of activity in the mining industry and the demand for the Company's services; the integration of business acquisitions and the realization of the intended benefits of such acquisitions; the level of funding for the Company's clients (particularly for junior mining companies); global economic environments; implications of the COVID-19 pandemic; the Company's dependence on key customers; competitive pressures; exposure to 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; as well as other risk factors described under "General Risks and Uncertainties" in the Company's Annual Information Form for the most recently completed fiscal year, available on the SEDAR website at www.sedar.com. 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 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 and expertise within its management team alone. The Company maintains field operations and offices in Canada, the United States, Mexico, South America, Asia, Africa, and Australia. 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 Friday, December 3, 2021 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 416-340-2217, participant passcode 1876299# 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 Monday, January 3, 2022. To access the rebroadcast, dial 905-694-9451 and enter the passcode 5573823#. 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	
	2021	2020	**2021**	2020
TOTAL REVENUE	**$ 170,693**	$ 114,152	**$ 321,688**	$ 203,572
DIRECT COSTS (note 6)	**133,155**	91,300	**253,790**	165,595
GROSS PROFIT	**37,538**	22,852	**67,898**	37,977
OPERATING EXPENSES				
General and administrative (note 6)	**14,130**	11,568	**27,738**	22,794
Other expenses	**3,415**	1,584	**6,022**	2,479
(Gain) loss on disposal of property, plant and equipment	**(85)**	67	**(409)**	11
Foreign exchange (gain) loss	**888**	282	**1,110**	(325)
Finance costs	**399**	336	**871**	624
	18,747	13,837	**35,332**	25,583
EARNINGS BEFORE INCOME TAX	**18,791**	9,015	**32,566**	12,394
INCOME TAX EXPENSE (RECOVERY) (note7)				
Current	**2,912**	2,063	**5,344**	3,864
Deferred	**1,589**	(57)	**1,872**	(627)
	4,501	2,006	**7,216**	3,237
NET EARNINGS	**$ 14,290**	$ 7,009	**$ 25,350**	$ 9,157
EARNINGS PER SHARE (note 8)				
Basic	**$ 0.17**	$ 0.09	**$ 0.31**	$ 0.11
Diluted	**$ 0.17**	$ 0.09	**$ 0.31**	$ 0.11

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	
	2021	2020	**2021**	2020
NET EARNINGS	**$ 14,290**	$ 7,009	**$ 25,350**	$ 9,157
OTHER COMPREHENSIVE EARNINGS				
Items that may be reclassified subsequently to profit or loss				
Unrealized gain (loss) on foreign currency translations	**(2,518)**	(2,715)	**(513)**	(10,805)
Unrealized gain (loss) on derivatives (net of tax)	**5**	43	**182**	1,713
COMPREHENSIVE EARNINGS	**$ 11,777**	$ 4,337	**$ 25,019**	$ 65

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Changes in Equity
For the six months ended October 31, 2021 and 2020
(in thousands of Canadian dollars)
(unaudited)

	Share capital	Retained earnings (deficit)	Other reserves	Share-based payments reserve	Foreign currency translation reserve	Total
BALANCE AS AT MAY 1, 2020	$ 243,189	$ (35,691)	$ (611)	$ 8,519	$ 81,640	$ 297,046
Exercise of stock options	41	-	-	(17)	-	24
Share-based compensation	-	-	-	149	-	149
Stock options expired/forfeited	-	3,525	-	(3,525)	-	-
	243,230	(32,166)	(611)	5,126	81,640	297,219
Comprehensive earnings:						
Net earnings	-	9,157	-	-	-	9,157
Unrealized gain (loss) on foreign currency translations	-	-	-	-	(10,805)	(10,805)
Unrealized gain (loss) on derivatives	-	-	1,713	-	-	1,713
Total comprehensive earnings	-	9,157	1,713	-	(10,805)	65
BALANCE AS AT OCTOBER 31, 2020	$ 243,230	$ (23,009)	$ 1,102	$ 5,126	$ 70,835	$ 297,284
BALANCE AS AT MAY 1, 2021	**$ 243,379**	**$ (22,456)**	**$ 1,067**	**$ 5,559**	**$ 52,614**	**$280,163**
Share issue (note 10)	**12,911**	**-**	**-**	**-**	**-**	**12,911**
Exercise of stock options	**3,957**	**-**	**-**	**(1,090)**	**-**	**2,867**
Share-based compensation	**-**	**-**	**-**	**175**	**-**	**175**
Stock options expired/forfeited	**-**	**23**	**-**	**(23)**	**-**	**-**
	260,247	**(22,433)**	**1,067**	**4,621**	**52,614**	**296,116**
Comprehensive earnings:						
Net earnings	**-**	**25,350**	**-**	**-**	**-**	**25,350**
Unrealized gain (loss) on foreign currency translations	**-**	**-**	**-**	**-**	**(513)**	**(513)**
Unrealized gain (loss) on derivatives	**-**	**-**	**182**	**-**	**-**	**182**
Total comprehensive earnings	**-**	**25,350**	**182**	**-**	**(513)**	**25,019**
BALANCE AS AT OCTOBER 31, 2021	**$ 260,247**	**$ 2,917**	**$ 1,249**	**$ 4,621**	**$ 52,101**	**$321,135**

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	
	2021	2020	**2021**	2020
OPERATING ACTIVITIES				
Earnings before income tax	**$ 18,791**	$ 9,015	**$ 32,566**	$ 12,394
Operating items not involving cash				
Depreciation and amortization	**11,539**	9,975	**21,528**	20,195
(Gain) loss on disposal of property, plant and equipment	**(85)**	67	**(409)**	11
Share-based compensation	**97**	73	**175**	149
Finance costs recognized in earnings before income tax	**399**	336	**871**	624
	30,741	19,466	**54,731**	33,373
Changes in non-cash operating working capital items	**(4,035)**	365	**(9,421)**	(12,542)
Finance costs paid	**(399)**	(336)	**(871)**	(624)
Income taxes (paid) recovered	**(1,139)**	(1,541)	**(2,439)**	(2,865)
Cash flow from (used in) operating activities	**25,168**	17,954	**42,000**	17,342
FINANCING ACTIVITIES				
Repayment of lease liabilities	**(228)**	(488)	**(670)**	(798)
Repayment of long-term debt	**(83)**	(15,250)	**(355)**	(35,501)
Issuance of common shares due to exercise of stock options	**507**	24	**2,867**	24
Proceeds from draw on long-term debt	**-**	-	**35,000**	-
Cash flow from (used in) financing activities	**196**	(15,714)	**36,842**	(36,275)
INVESTING ACTIVITIES				
Business acquisitions (net of cash acquired) (note 10)	**(181)**	-	**(38,050)**	-
Acquisition of property, plant and equipment (note 5)	**(11,125)**	(8,045)	**(22,778)**	(15,544)
Proceeds from disposal of property, plant and equipment	**418**	191	**1,781**	492
Cash flow from (used in) investing activities	**(10,888)**	(7,854)	**(59,047)**	(15,052)
Effect of exchange rate changes	**727**	108	**519**	(883)
INCREASE (DECREASE) IN CASH	**15,203**	(5,506)	**20,314**	(34,868)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	**27,470**	29,071	**22,359**	58,433
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	**$ 42,673**	$ 23,565	**$ 42,673**	$ 23,565

Major Drilling Group International Inc.
Interim Condensed Consolidated Balance Sheets
As at October 31, 2021 and April 30, 2021
(in thousands of Canadian dollars)
(unaudited)

	October 31, 2021	April 30, 2021
ASSETS		
CURRENT ASSETS		
Cash	$ 42,673	$ 22,359
Trade and other receivables	134,417	102,571
Income tax receivable	3,465	5,973
Inventories	88,973	85,585
Prepaid expenses	7,774	6,710
	277,302	223,198
PROPERTY, PLANT AND EQUIPMENT (note 5 and note 10)	189,772	144,382
RIGHT-OF-USE ASSETS	6,201	3,773
DEFERRED INCOME TAX ASSETS	3,988	8,903
GOODWILL (note 10)	23,207	7,708
INTANGIBLE ASSETS (note 10)	5,459	568
	$ 505,929	$ 388,532
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	$ 92,702	$ 73,083
Income tax payable	1,869	1,639
Current portion of lease liabilities	1,513	803
Current portion of contingent consideration (note 10)	6,253	-
Current portion of long-term debt	-	356
	102,337	75,881
LEASE LIABILITIES	4,680	2,943
CONTINGENT CONSIDERATION (note 10)	16,387	1,907
LONG-TERM DEBT (note 11)	50,039	15,106
DEFERRED INCOME TAX LIABILITIES	11,351	12,532
	184,794	108,369
SHAREHOLDERS' EQUITY		
Share capital	260,247	243,379
Retained earnings (deficit)	2,917	(22,456)
Other reserves	1,249	1,067
Share-based payments reserve	4,621	5,559
Foreign currency translation reserve	52,101	52,614
	321,135	280,163
	$ 505,929	$ 388,532

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 Australia.

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, 2021, with the exception of intangible assets acquired (see note 10).

On December 2, 2021, 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.

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, 2021.

3. 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.

Depending on the severity and duration of disruptions caused by the COVID-19 pandemic, results could be impacted in future periods. It is not possible at this time to estimate the magnitude of such potential future impacts.

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 fair value of assets acquired and liabilities assumed in business acquisitions, amounts recorded as accrued liabilities, contingent consideration, allowance for impairment of trade receivables, and impairment testing of goodwill and intangible assets.

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

3. 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.

4. 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.

5. PROPERTY, PLANT AND EQUIPMENT

Capital expenditures for the three and six months ended October 31, 2021 were $11,125 (2020 - $6,376) and $22,778 (2020 - $15,544), respectively. Cash payments for assets previously acquired for the three and six months ended October 31, 2021 were nil (2020 - $1,669 and nil, respectively).

6. EXPENSES BY NATURE

Direct costs by nature are as follows:

	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021
Depreciation	**$ 10,709**	$ 9,468	**$ 20,018**	$ 19,175
Employee salaries and benefit expenses	**61,465**	41,013	**117,655**	71,706
Cost of material	**23,871**	16,297	**46,624**	31,452
Other	**37,110**	24,522	**69,493**	43,262
	$ 133,155	$ 91,300	**$ 253,790**	$ 165,595

General and administrative expenses by nature are as follows:

	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021
Amortization of intangible assets	**$ 369**	$ 94	**$ 648**	$ 189
Depreciation of right-of-use assets	**299**	285	**613**	585
Depreciation other	**162**	128	**249**	246
Employee salaries and benefit expenses	**7,605**	6,683	**15,468**	13,049
Other general and administrative expenses	**5,695**	4,378	**10,760**	8,725
	$ 14,130	$ 11,568	**$ 27,738**	$ 22,794

7. INCOME TAXES

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

	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021
Earnings before income tax	**$ 18,791**	$ 9,015	**$ 32,566**	$ 12,394
Statutory Canadian corporate income tax rate	**27%**	27%	**27%**	27%
Expected income tax provision based on statutory rate	**5,074**	2,434	**8,793**	3,346
Non-recognition of tax benefits related to losses	**158**	520	**647**	1,362
Utilization of previously unrecognized losses	**(1,909)**	(1,376)	**(4,243)**	(1,553)
Other foreign taxes paid	**308**	118	**524**	239
Rate variances in foreign jurisdictions	**164**	(69)	**251**	(232)
Derecognition of previously recognized losses	**-**	-	**861**	-
Permanent differences and other	**706**	379	**383**	75
Income tax provision recognized in net earnings	**$ 4,501**	$ 2,006	**$ 7,216**	$ 3,237

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 2022	Q2 2021	**YTD 2022**	YTD 2021
Net earnings	**$ 14,290**	$ 7,009	**$ 25,350**	$ 9,157
Weighted average number of shares:				
Basic (000s)	**82,349**	80,638	**82,040**	80,636
Diluted (000s)	**82,753**	80,806	**82,485**	80,700
Earnings per share				
Basic	**$ 0.17**	$ 0.09	**$ 0.31**	$ 0.11
Diluted	**$ 0.17**	$ 0.09	**$ 0.31**	$ 0.11

The calculation of diluted earnings per share for the three and six months ended October 31, 2021 excludes the effect of 105,000 and 75,897 options, respectively (2020 - 997,774 and 1,469,096, respectively) as they were anti-dilutive.

The total number of shares outstanding on October 31, 2021 was 82,382,554 (2020 - 80,640,753).

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

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 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, 2021. 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 2022	Q2 2021	**YTD 2022**	YTD 2021
Revenue				
Canada - U.S.*	**$ 94,390**	$ 70,617	**$ 179,249**	$ 116,662
South and Central America	**36,784**	21,573	**71,974**	41,108
Australasia and Africa	**39,519**	21,962	**70,465**	45,802
	$ 170,693	$ 114,152	**$ 321,688**	$ 203,572

*Canada - U.S. includes revenue of $51,538 and $33,642 for Canadian operations for the three months ended October 31, 2021 and 2020, respectively and $98,537 and $51,719 for the six months ended October 31, 2021 and 2020, respectively.

	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021
Earnings (loss) from operations				
Canada - U.S.	**$ 13,546**	$ 8,609	**$ 25,738**	$ 11,410
South and Central America	**476**	(728)	**580**	(1,771)
Australasia and Africa	**8,212**	3,276	**13,853**	6,277
	22,234	11,157	**40,171**	15,916
Finance costs	**399**	336	**871**	624
General corporate expenses**	**3,044**	1,806	**6,734**	2,898
Income tax	**4,501**	2,006	**7,216**	3,237
	7,944	4,148	**14,821**	6,759
Net earnings	**$ 14,290**	$ 7,009	**$ 25,350**	$ 9,157

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

	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021
Capital expenditures				
Canada - U.S.	**$ 5,952**	$ 4,628	**$ 14,367**	$ 12,649
South and Central America	**1,562**	584	**4,010**	784
Australasia and Africa	**3,611**	1,164	**4,401**	2,111
Total capital expenditures	**$ 11,125**	$ 6,376	**$ 22,778**	$ 15,544

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

9. SEGMENTED INFORMATION (Continued)

	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021
Depreciation and amortization				
Canada - U.S.	**$ 5,510**	$ 5,098	**$ 10,021**	$ 10,122
South and Central America	**2,487**	3,042	**5,024**	6,400
Australasia and Africa	**3,423**	1,774	**6,307**	3,566
Unallocated and corporate assets	**119**	61	**176**	107
Total depreciation and amortization	**$ 11,539**	$ 9,975	**$ 21,528**	$ 20,195

	October 31, 2021	April 30, 2021
Identifiable assets		
Canada - U.S.*	**$ 203,575**	$ 191,320
South and Central America	**117,615**	99,435
Australasia and Africa	**203,249**	111,504
Unallocated and corporate liabilities	**(18,510)**	(13,727)
Total identifiable assets	**$ 505,929**	$ 388,532

*Canada - U.S. includes property, plant and equipment as at October 31, 2021 of $45,825 (April 30, 2021 - $43,409) for Canadian operations.

10. BUSINESS ACQUISITION

McKay Drilling PTY Limited

Effective June 1, 2021, the Company acquired all of the issued and outstanding shares of McKay Drilling PTY Limited ("McKay"), a leading specialty drilling contractor based in Western Australia.

The acquisition was accounted for using the acquisition method. The Company acquired 20 drill rigs, support equipment and inventory, existing contracts and receivables, as well as retaining the operation's management team, and other employees, including experienced drillers.

The purchase price for the transaction was $71,073, consisting of $38,050 in cash (net of cash acquired), $12,911 in Major Drilling shares and an additional payout of $20,112 (discounted) tied to performance. The maximum amount of the contingent consideration is $25,000 AUD, with a payout period extending over three years from the effective date of June 1, 2021, contingent upon achievement of certain milestones.

As the acquisition occurred early in the first quarter, the Company is in the process of finalizing the valuation of assets and purchase price allocation. As at October 31, 2021, the values allocated to net tangible and intangible assets are preliminary and are subject to adjustments as additional information is obtained.

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 expected synergies, revenue growth, an experienced labour force and future market development.

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

10. BUSINESS ACQUISITION (Continued)

The estimated net assets acquired at fair value at acquisition were as follows:

Net assets acquired		
Trade and other receivables	$	10,475
Inventories		1,595
Prepaid expenses		1,773
Property, plant and equipment		44,466
Goodwill (not tax deductible)		15,543
Intangible assets		5,558
Trade and other payables		(7,379)
Deferred income tax liabilities		(958)
Total assets	**$**	**71,073**

Consideration		
Cash	$	39,031
Less: cash acquired		(981)
Contingent consideration		20,112
Shares of Major Drilling		12,911
Total consideration	**$**	**71,073**

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 are amortized over five years.

The above consideration includes non-cash investing activities, which are not reflected in the Interim Condensed Consolidated Statements of Cash Flows, including the issuance of 1,318,101 shares of Major Drilling for a total of $12,911, and contingent consideration of $20,112 (discounted).

The Company incurred acquisition-related costs of $396 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 McKay are included in the Interim Condensed Consolidated Statements of Operations from June 1, 2021. Since the date of acquisition, revenue attributable to the McKay operations for the three and six months ended October 31, 2021 was approximately $19 million and $31 million, respectively and earnings were approximately $3 million and $5 million, respectively. Had the business combination been effective as of May 1, 2021, pro-forma revenue and net earnings of the combined entity for the six months ended October 31, 2021, would have been approximately $327 million and $26 million, respectively.

11. 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.

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

11. FINANCIAL INSTRUMENTS (Continued)

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 has entered into certain derivative financial instruments to manage its exposure to interest rate and market risks, including an interest rate swap, with a notional value of $15,000 maturing in May of 2022, and share-price forward contracts with a combined notional amount of $6,216, maturing at varying dates through June 2024.

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. There were no transfers of amounts between level 1, level 2 and level 3 financial instruments for the quarter ended October 31, 2021.

	October 31, 2021	April 30, 2021
Interest rate swap	**$ (39)**	$ (106)
Share-price forward contracts	**$ 3,978**	$ 2,167

Credit risk
As at October 31, 2021, 90.7% (April 30, 2021 - 93.7%) of the Company's trade receivables were aged as current and 1.2% (April 30, 2021 - 1.8%) 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, 2021	April 30, 2021
Opening balance	**$ 1,638**	$ 1,226
Increase in impairment allowance	**482**	588
Recovery of amounts previously impaired	**(214)**	(115)
Write-off charged against allowance	**(419)**	-
Foreign exchange translation differences	**(26)**	(61)
Ending balance	**$ 1,461**	$ 1,638

Foreign currency risk
As at October 31, 2021, 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:

	Rate variance	IDR/USD	MNT/USD	USD/AUD	USD/CAD	MZN/USD	USD/ZAR	ARS/USD	USD/CLP	USD/BRL	Other
Net exposure on monetary assets (liabilities)		7,130	6,926	4,375	1,604	1,355	(1,264)	(1,299)	(3,345)	(3,387)	1,032
EBIT impact	+/-10%	792	770	486	178	151	140	144	372	375	115

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

11. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

Early in the current fiscal year, the Company negotiated an expansion of its existing revolving term facility to an aggregate $75,000 to provide liquidity to fund operations as it made a $35,000 draw from this facility to fund the cash portion of the McKay acquisition. As of October 31, 2021 the Company has unused capacity of $25,000 under this facility.

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

	1 year	2-3 years	4-5 years	Thereafter	Total
Trade and other payables	$ 92,702	$ -	$ -	$ -	$ 92,702
Lease liabilities (interest included)	1,814	2,820	1,330	352	6,316
Contingent consideration (undiscounted)	6,521	19,268	-	-	25,789
Long-term debt (interest included)	1,560	51,560	-	-	53,120
	$ 102,597	**$ 73,648**	**$ 1,330**	**$ 352**	**$ 177,927**