NEWS RELEASE

Major Drilling Reports Third Quarter Results for Fiscal 2020

MONCTON, New Brunswick (February 27, 2020) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its third quarter of fiscal year 2020, ended January 31, 2020.

Highlights

In millions of Canadian dollars (except earnings per share)	Q3-20	Q3-19	YTD-20	YTD-19
Revenue	$81.7	$80.4	$320.4	$284.4
Gross profit	14.4	15.6	79.1	68.0
As percentage of revenue	17.6%	19.4%	24.7%	23.9%
EBITDA(1)	2.7	2.8	41.1	28.5
As percentage of revenue	3.3%	3.5%	12.8%	10.0%
Net (loss) earnings	(9.9)	(15.9)	3.3	(15.1)
(Loss) earnings per share	(0.12)	(0.20)	0.04	(0.19)

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

- Quarterly revenue was $81.7 million, up 2% from the same quarter last year.
- EBITDA relatively flat at $2.7 million for the quarter as compared to the same period last year (the impact of IFRS 16 Leases ("IFRS 16") was minimal at $0.4 million).
- Net loss included $3.6 million of charges ($3.0 million non-cash) related to the closure of the Colombian operations.
- Net cash remains positive at $4.5 million (now including $5.6 million in lease liabilities, under IFRS 16).
- Recipient of the PDAC Safe Day Everyday Gold Award for the third consecutive year.

"Our third quarter results reflect a normal part of our operational pattern, as mining and exploration companies shut down operations, in some cases for extended periods, over the holiday season. This quarter, we saw earlier shutdowns than last year, particularly in South America," said Denis Larocque, President and CEO of Major Drilling Group International Inc. "Additionally, the Company typically schedules substantial overhaul and maintenance work on its equipment during this slower period, which impacts margins."

"The Company's net cash position (now including $5.6 million in lease liabilities, under IFRS 16) remains positive at $4.5 million. Capital expenditures were $8.8 million as we added two large drill and blast rigs, one underground rig and support equipment, in line with our specialized and diversification strategies. During the quarter, we disposed of 15 older and inefficient rigs. With the addition of the 22 rigs from the Norex acquisition, this brings the fleet total to 611 rigs," said Mr. Larocque. "Also, 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 mutually beneficial partnerships in place with several of our senior customers to develop these innovative solutions."

"Going into our fourth quarter, as we saw last year, it was a slow start as many of our rigs only restarted by mid-February as many of our customers finalized their plans for calendar 2020, but pricing remains stable. As we look forward to fiscal 2021, senior and intermediate gold mining companies have increased their exploration budgets for calendar 2020, to help replenish depleting reserves. The price of gold, which historically has accounted for approximately 50% of the Company's drilling activity, has remained above the important level of US$1,450 for the last six months and we could see a pickup in junior financing in the coming months, although a potential increase will not translate into immediate drilling activity as it usually takes a few months to get a drilling campaign organized. In regard to base metals, the recent coronavirus outbreak has created economic uncertainty, which caused copper prices to decline by some 10% over the last couple of months. Despite this, many industry experts expect that most base metals will face a significant deficit position in the next few years, due to the continued production and high grading of mines, combined with the lack of exploration work conducted to replace reserves. As well, the need for more infrastructure to support the growing demand for electric vehicles, should increase demand for metals such as copper, lithium and cobalt."

"During the quarter, the Company made the decision to close its operations in Colombia, and as such, recorded a total charge of $3.6 million, after tax. The Company recorded $2.1 million in restructuring charges consisting of a non-cash write-down of assets of $1.5 million related to impairment charges for property, plant and equipment and inventory, as well as net cash charges of $0.6 million for severance and lease termination. Also, the Company wrote down $1.5 million in deferred tax assets (recorded in its deferred tax expense) related to the closure of the operations in Colombia. The Colombian operations represented approximately 1% of the total Company revenue year-to-date."

"It is important to note that for the third year in a row, Major Drilling was the winner of the Safe Day Everyday Gold Award from the Association for Mineral Exploration (AME) and the Prospectors & Developers Association of Canada (PDAC). Our Canadian crews have now worked more than 6,000,000 hours over five and a half years without a single lost time injury," said Denis Larocque. "The safety and well-being of our crews is our first and highest responsibility on every project," said Ben Graham, Vice President - HR & Safety. "We work hard to earn the trust and support of our crews, and we are proud to see their success recognized by a group of our clients and peers."

"Finally, we are happy to mention that 2020 marks the Company's 40th anniversary. From its modest debut in 1980, Major Drilling has grown to become the industry leader and one of the largest mineral drilling companies in the world. As well, March 2020 marks the 25th year of the Company's shares being listed on Toronto Stock Exchange. We will be celebrating this by ringing the opening bell of TSX on March 5th."

Third Quarter Ended January 31, 2020

Total revenue for the quarter was $81.7 million, up 2% from revenue of $80.4 million recorded in the same quarter last year. The unfavourable 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 2% to $38.2 million, compared to the same period last year. The additional revenue from the Norex acquisition helped in offsetting earlier than expected seasonal shutdowns.

South and Central American revenue decreased by 20% to $19.3 million for the quarter, compared to the same quarter last year. Earlier than expected shutdowns in most of our South American operations negatively impacted results in the quarter.

Asian and African operations reported revenue of $24.2 million, up 28% from the same period last year. Continued growth in Indonesia was complemented by growth in Mongolia and Southern Africa.

The overall gross margin percentage for the quarter was 17.6%, compared to 19.4% for the same period last year. The early shutdowns of operations, coupled with increased seasonal maintenance, impacted margins in the quarter.

General and administrative costs were $12.0 million, up slightly by $0.1 million compared to the same quarter last year as the additional general and administrative expenses from the Norex acquisition were offset by the reduction from the impact of the implementation of IFRS 16 and the shutdown of the Burkina Faso operation in the previous year.

The Company recorded a restructuring charge of $2.1 million related to the closure of its Colombian operations, consisting primarily of non-cash charges totalling $1.5 million and cash charges of $0.6 million for other close-down costs including severance.

The income tax provision for the quarter was an expense of $0.3 million compared to an expense of $1.9 million for the prior year period. Tax expense for the quarter included a write-down of $1.5 million in deferred tax assets related to the closure of the Colombian operations. Also, the tax expense for the quarter was impacted by non-deductible expenses and non-tax affected losses in certain regions, while incurring taxes in profitable branches.

Net loss was $9.9 million or $0.12 per share ($0.12 per share diluted) for the quarter, compared to net loss of $15.9 million or $0.20 per share ($0.20 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 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 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 Friday, February 28, 2020 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 Third 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, Saturday, March 14, 2020. To access the rebroadcast, dial 905-694-9451 and enter the passcode 4773247#. The webcast will also be archived for one year and can be accessed on the Major Drilling website at www.majordrilling.com.

For further information:
Ian Ross, Chief Financial Officer
Tel: (506) 857-8636
Fax: (506) 857-9211
ir@majordrilling.com

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	
	2020	2019	**2020**	2019
TOTAL REVENUE	**$ 81,719**	$ 80,439	**$ 320,360**	$ 284,425
DIRECT COSTS	**67,309**	64,814	**241,242**	216,469
GROSS PROFIT	**14,410**	15,625	**79,118**	67,956
OPERATING EXPENSES				
General and administrative	**11,974**	11,884	**35,209**	35,526
Other expenses	**33**	1,009	**2,766**	3,305
Gain on disposal of property, plant and equipment	**(27)**	(89)	**(171)**	(375)
Foreign exchange (gain) loss	**(252)**	17	**214**	961
Finance costs	**293**	142	**716**	593
Depreciation and amortization	**9,940**	9,817	**29,629**	31,092
Restructuring charge (note 11)	**2,116**	6,897	**2,116**	6,897
	24,077	29,677	**70,479**	77,999
(LOSS) EARNINGS BEFORE INCOME TAX	**(9,667)**	(14,052)	**8,639**	(10,043)
INCOME TAX - (RECOVERY) PROVISION (note 7)				
Current	**(588)**	531	**4,859**	6,108
Deferred	**868**	1,323	**435**	(1,024)
	280	1,854	**5,294**	5,084
NET (LOSS) EARNINGS	**$ (9,947)**	$ (15,906)	**$ 3,345**	$ (15,127)
(LOSS) EARNINGS PER SHARE (note 8)				
Basic	**$ (0.12)**	$ (0.20)	**$ 0.04**	$ (0.19)
Diluted	**$ (0.12)**	$ (0.20)	**$ 0.04**	$ (0.19)

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

	Three months ended January 31		Nine months ended January 31	
	2020	2019	**2020**	2019
NET (LOSS) EARNINGS	**$ (9,947)**	$ (15,906)	**$ 3,345**	$ (15,127)
OTHER COMPREHENSIVE EARNINGS				
Items that may be reclassified subsequently to profit or loss				
Unrealized (loss) gain on foreign currency translations (net of tax)	**(500)**	2,691	**(8,639)**	4,995
Unrealized (loss) gain on derivatives (net of tax)	**(60)**	22	**876**	(319)
COMPREHENSIVE LOSS	**$ (10,507)**	$ (13,193)	**$ (4,418)**	$ (10,451)

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Changes in Equity
For the nine months ended January 31, 2020 and 2019
(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	-	-	403	-	-	403
	241,264	36	20,124	41,360	70,021	372,805
Comprehensive earnings:						
Net loss	-	-	-	(15,127)	-	(15,127)
Unrealized gain on foreign currency translations	-	-	-	-	4,995	4,995
Unrealized loss on derivatives	-	(319)	-	-	-	(319)
Total comprehensive loss	-	(319)	-	(15,127)	4,995	(10,451)
BALANCE AS AT JANUARY 31, 2019	$ 241,264	$ (283)	$ 20,124	$ 26,233	$ 75,016	$ 362,354
BALANCE AS AT MAY 1, 2019	**$ 241,264**	**$ (570)**	**$ 20,247**	**$ 23,276**	**$ 78,783**	**$363,000**
Share issue (note 10)	**1,925**	**-**	**-**	**-**	**-**	**1,925**
Share-based compensation	**-**	**-**	**194**	**-**	**-**	**194**
	243,189	**(570)**	**20,441**	**23,276**	**78,783**	**365,119**
Comprehensive earnings:						
Net earnings	**-**	**-**	**-**	**3,345**	**-**	**3,345**
Unrealized loss on foreign currency translations	**-**	**-**	**-**	**-**	**(8,639)**	**(8,639)**
Unrealized gain on derivatives	**-**	**876**	**-**	**-**	**-**	**876**
Total comprehensive loss	**-**	**876**	**-**	**3,345**	**(8,639)**	**(4,418)**
BALANCE AS AT JANUARY 31, 2020	**$ 243,189**	**$ 306**	**$ 20,441**	**$ 26,621**	**$ 70,144**	**$360,701**

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	
	2020	2019	**2020**	2019
OPERATING ACTIVITIES				
(Loss) earnings before income tax	**$ (9,667)**	$ (14,052)	**$ 8,639**	$ (10,043)
Operating items not involving cash				
Depreciation and amortization	**9,940**	9,817	**29,629**	31,092
Gain on disposal of property, plant and equipment	**(27)**	(89)	**(171)**	(375)
Share-based compensation	**53**	126	**194**	403
Restructuring charge (non-cash portion) (note 11)	**1,503**	6,047	**1,503**	6,047
Finance costs recognized in earnings before income tax	**293**	142	**716**	593
	2,095	1,991	**40,510**	27,717
Changes in non-cash operating working capital items	**10,675**	10,730	**6,043**	7,183
Finance costs paid	**(293)**	(142)	**(716)**	(593)
Income taxes paid	**(1,581)**	(2,316)	**(6,185)**	(6,873)
Cash flow from operating activities	**10,896**	10,263	**39,652**	27,434
FINANCING ACTIVITIES				
Repayment of lease liabilities (note 3)	**(446)**	-	**(1,290)**	-
Repayment of long-term debt	**(252)**	(355)	**(808)**	(1,628)
Cash flow used in financing activities	**(698)**	(355)	**(2,098)**	(1,628)
INVESTING ACTIVITIES				
Business acquisitions (net of cash acquired) (note 10)	**(13,945)**	-	**(13,945)**	-
Acquisition of property, plant and equipment (net of unpaid) (note 6)	**(8,784)**	(6,315)	**(24,892)**	(19,166)
Proceeds from disposal of property, plant and equipment	**72**	1,877	**800**	9,643
Cash flow used in investing activities	**(22,657)**	(4,438)	**(38,037)**	(9,523)
Effect of exchange rate changes	**(183)**	(448)	**(145)**	452
(DECREASE) INCREASE IN CASH	**(12,642)**	5,022	**(628)**	16,735
CASH, BEGINNING OF THE PERIOD	**39,380**	32,969	**27,366**	21,256
CASH, END OF THE PERIOD	**$ 26,738**	$ 37,991	**$ 26,738**	$ 37,991

Major Drilling Group International Inc.
Interim Condensed Consolidated Balance Sheets
As at January 31, 2020 and April 30, 2019
(in thousands of Canadian dollars)
(unaudited)

	January 31, 2020	April 30, 2019
ASSETS		
CURRENT ASSETS		
Cash	$ 26,738	$ 27,366
Trade and other receivables	65,604	88,029
Note receivable	174	560
Income tax receivable	5,163	3,978
Inventories	96,372	90,325
Prepaid expenses	4,448	5,099
	198,499	215,357
PROPERTY, PLANT AND EQUIPMENT (note 6)	169,950	164,266
DEFERRED INCOME TAX ASSETS	20,836	23,374
GOODWILL	65,445	58,300
INTANGIBLE ASSETS (note 10)	1,040	-
	$ 455,770	$ 461,297
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	$ 54,090	$ 63,376
Income tax payable	1,094	1,209
Current portion of lease liabilities (note 3)	1,791	-
Current portion of long-term debt	989	1,060
	57,964	65,645
LEASE LIABILITIES (note 3)	3,862	-
CONTINGENT CONSIDERATION (note 10)	1,807	-
LONG-TERM DEBT	15,608	16,298
DEFERRED INCOME TAX LIABILITIES	15,828	16,354
	95,069	98,297
SHAREHOLDERS' EQUITY		
Share capital	243,189	241,264
Reserves	306	(570)
Share-based payments reserve	20,441	20,247
Retained earnings	26,621	23,276
Foreign currency translation reserve	70,144	78,783
	360,701	363,000
	$ 455,770	$ 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") 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 February 27, 2020, 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 and certain assets remeasured at their recoverable or realizable amounts as disclosed, 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		**3,907**
Finance costs (accretion of interest)		**133**
Repayment of lease liabilities		**(1,290)**
		5,653
Current portion as at January 31, 2020		**1,791**
Non-current portion as at January 31, 2020	**$**	**3,862**

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	**$**	**2,903**
Add: additional right-of-use assets recognized during the period		**4,034**
Depreciation		**(1,266)**
Balance as at January 31, 2020	**$**	**5,671**

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, contingent consideration and allowance for doubtful accounts, and impairment testing of goodwill and intangible assets.

(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 nine months ended January 31, 2020 were $9,874 (2019 - $6,315) and $25,982 (2019 - $19,166). The unpaid portion of capital expenditures for the three and nine months ended January 31, 2020 was $1,090 (2019 - nil).

7. INCOME TAXES

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

	Q3 2020	Q3 2019	**YTD 2020**	YTD 2019
(Loss) earnings before income tax*	**$ (9,667)**	$ (14,052)	**$ 8,639**	$ (10,043)
Statutory Canadian corporate income tax rate	**27%**	27%	**27%**	27%
Expected income tax provision based on statutory rate	**(2,610)**	(3,794)	**2,332**	(2,711)
Non-recognition of tax benefits related to losses	**949**	2,729	**1,321**	4,245
Utilization of previously unrecognized losses	**303**	56	**(280)**	(16)
Other foreign taxes paid	**43**	184	**365**	478
Rate variances in foreign jurisdictions	**(316)**	(84)	**(477)**	(145)
De-recognition of previously recognized Colombia (2019 - Burkina Faso) losses	**1,505**	1,212	**1,505**	1,212
Permanent differences and other	**406**	1,551	**528**	2,021
Income tax provision recognized in net (loss) earnings	**$ 280**	$ 1,854	**$ 5,294**	$ 5,084

*(Loss) earnings before income tax includes restructuring charges (as detailed in note 11) in the current quarter and year of $2,116 (2019 - $6,897) for which no deferred tax asset has been recognized.

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.

	Q3 2020	Q3 2019	**YTD 2020**	YTD 2019
Net (loss) earnings	**$ (9,947)**	$ (15,906)	**$ 3,345**	$ (15,127)
Weighted average number of shares:				
Basic (000s)	**80,631**	80,300	**80,410**	80,300
Diluted (000s)	**80,659**	80,303	**80,422**	80,317
(Loss) earnings per share				
Basic	**$ (0.12)**	$ (0.20)	**$ 0.04**	$ (0.19)
Diluted	**$ (0.12)**	$ (0.20)	**$ 0.04**	$ (0.19)

The calculation of diluted earnings per share for the three and nine months ended January 31, 2020 excludes the effect of 2,513,791 and 2,845,241 options, respectively (2019 - 3,350,159 and 3,462,454) as they were anti-dilutive.

The total number of shares outstanding on January 31, 2020 was 80,634,153 (2019 - 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:

	Q3 2020	Q3 2019	**YTD 2020**	YTD 2019
Revenue				
Canada - U.S.*	**$ 38,199**	$ 37,317	**$ 164,493**	$ 145,123
South and Central America	**19,322**	24,182	**81,793**	80,095
Asia and Africa	**24,198**	18,940	**74,074**	59,207
	$ 81,719	$ 80,439	**$ 320,360**	$ 284,425

*Canada - U.S. includes revenue of $20,963 and $17,098 for Canadian operations (including Norex) for the three months ended January 31, 2020 and 2019, respectively and $74,830 and $68,101 for the nine months ended January 31, 2020 and 2019, respectively.

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

9. SEGMENTED INFORMATION (Continued)

	Q3 2020	Q3 2019	YTD 2020	YTD 2019
(Loss) earnings from operations				
Canada - U.S.	$ (5,262)	$ (3,544)	$ 7,154	$ 4,503
South and Central America	(5,886)	(2,192)	(2,900)	(3,550)
Asia and Africa	3,864	(6,641)	12,761	(4,947)
	(7,284)	(12,377)	17,015	(3,994)
Finance costs	293	142	716	593
General corporate expenses*	2,090	1,533	7,660	5,456
Income tax	280	1,854	5,294	5,084
	2,663	3,529	13,670	11,133
Net (loss) earnings	$ (9,947)	$ (15,906)	$ 3,345	$ (15,127)

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

	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Capital expenditures				
Canada - U.S.	$ 5,474	$ 2,908	$ 17,397	$ 9,805
South and Central America	1,729	1,673	3,302	5,124
Asia and Africa	2,433	1,734	4,013	4,237
Unallocated and corporate assets	238	-	1,270	-
Total capital expenditures	$ 9,874	$ 6,315	$ 25,982	$ 19,166

	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Depreciation and amortization				
Canada - U.S.	$ 4,612	$ 4,350	$ 13,597	$ 14,520
South and Central America	3,486	3,309	10,925	9,563
Asia and Africa	1,707	2,071	4,911	6,768
Unallocated and corporate assets	135	87	196	241
Total depreciation and amortization	$ 9,940	$ 9,817	$ 29,629	$ 31,092

	January 31, 2020	April 30, 2019
Identifiable assets		
Canada - U.S.*	$ 209,261	$ 203,622
South and Central America	131,816	138,605
Asia and Africa	113,134	104,173
Unallocated and corporate assets	1,559	14,897
Total identifiable assets	$ 455,770	$ 461,297

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

*Canada - U.S. includes property, plant and equipment at January 31, 2020 of $37,223 (April 30, 2019 - $31,573) for Canadian operations.

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

10. BUSINESS ACQUISITION

Norex Drilling Limited

Effective November 1, 2019, the Company acquired all of the issued and outstanding shares of Norex Drilling Limited ("Norex").

The acquisition has been accounted for using the acquisition method. Through this purchase, which allows the Company to gain a strong position to service its customers in both surface and underground exploration drilling services in Northern Ontario, the Company acquired 22 drill rigs, support equipment and inventory, existing contracts and receivables, the operation's management team, and other employees, including experienced drillers.

The purchase price for the transaction was $18.7 million, consisting of $14.0 million in cash (net of cash acquired), $1.9 million in Major Drilling shares, a holdback of $1.0 million and an additional pay-out of $1.8 million (discounted) tied to performance. The maximum amount of the contingent consideration is $2.5 million, with a payout date three years from the effective date of November 1, 2019. Payment is contingent on achieving EBITDA (earnings before interest, taxes, depreciation and amortization) run rates above current levels.

As the acquisition occurred early in the current quarter, the Company is in the process of finalizing the valuation of assets and purchase price allocation. As at January 31, 2020, 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 is equal to the excess of the total consideration paid over the fair market value of the net assets acquired and represents the benefit of expected synergies, revenue growth, and future market development.

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

Net assets acquired	
Trade and other receivables	$ 4,834
Inventories	1,762
Property, plant and equipment	8,240
Goodwill (not tax deductible)	7,328
Intangible assets	1,135
Trade and other payables	(3,266)
Deferred income tax liabilities	(1,356)
Total assets	**$ 18,677**

Consideration	
Cash	$ 14,241
Holdback	1,000
Contingent consideration	1,807
Shares of Major Drilling	1,925
Less: cash acquired	(296)
Total consideration	**$ 18,677**

10. BUSINESS ACQUISITION (Continued)

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 334,169 shares of Major Drilling at $5.76 for a total of $1,925, contingent consideration of $1,807 (discounted) and a holdback of $1,000.

The Company incurred acquisition-related costs of $182 relating to external legal fees and due diligence costs. These acquisition costs have been included in the other (revenue) expense line of the Interim Condensed Consolidated Statements of Operations.

The results of operations of Norex are included in the the Interim Condensed Consolidated Statements of Operations from November 1, 2019.

11. RESTRUCTURING CHARGE

During the quarter, the Company made the decision to close its operations in Colombia. During the previous year, the Company closed its operations in Burkina Faso.

These restructuring initiatives generated impairment losses calculated based on the determination of the fair value of assets less cost of disposal. Fair value was determined through the use of industry knowledge.

The costs related to these initiatives, and recorded as part of the restructuring charge, total $2,116 (2019 - $6,897). This amount consists of non-cash charges totalling $1,503 (2019 - $6,047), including an impairment charge of $500 (2019 - $258) relating to property, plant and equipment; a write-down of $1,003 (2019 - $2,307) to reduce inventory to net realizable value; and other non-cash charges of nil (2019 - $3,482). Cash charges include employee severance costs of $375 (2019 - $545) incurred to rationalize the workforce, and $238 (2019 - $305) relating to the cost of winding down operations. The unpaid portion of these charges, totalling $485 (2019 - $845) is recorded in trade and other payables.

12. 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 and contingent consideration approximates their 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 January 31, 2020.

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

12. FINANCIAL INSTRUMENTS (Continued)

Credit risk
As at January 31, 2020, 90.7% (April 30, 2019 - 85.6%) of the Company's trade receivables were aged as current and 2.1% (April 30, 2019 - 1.1%) of the trade receivables were impaired.

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

	January 31, 2020	April 30, 2019
Opening balance	**$ 863**	$ 928
Increase in impairment allowance	**368**	919
Recovery of amounts previously impaired	**-**	(207)
Write-off charged against allowance	**-**	(760)
Foreign exchange translation differences	**(68)**	(17)
Ending balance	**$ 1,163**	$ 863

Foreign currency risk
As at January 31, 2020, 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	MNT/USD	IDR/USD	USD/CLP	USD/AUD	USD/CAD	USD/ZAR	Other
Net exposure on monetary assets		$ 6,826	$ 6,648	$ 4,705	$ 3,558	$ (2,981)	$ (5,389)	$ 193
EBIT impact	+/-10%	425	739	523	395	331	599	355

Liquidity risk
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	$ 54,090	$ -	$ -	$ -	$ 54,090
Lease liabilities (interest included)	2,217	3,108	1,217	8	6,550
Contingent consideration	-	1,807	-	-	1,807
Long-term debt (interest included)	1,630	1,771	15,705	-	19,106
	$ 57,937	**$ 6,686**	**$ 16,922**	**$ 8**	**$ 81,553**