



MAJOR ***Drilling***

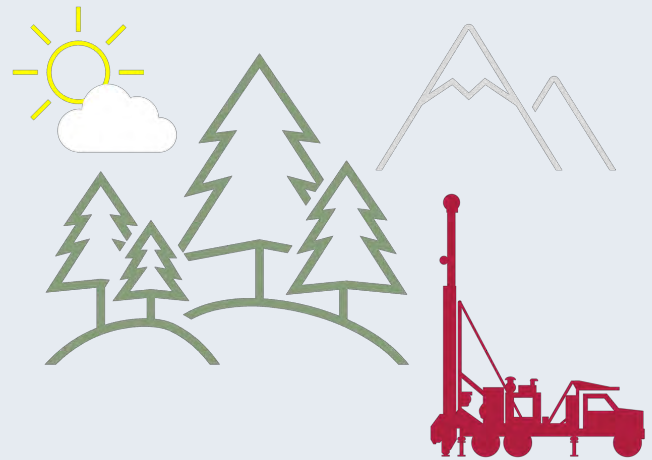
Sustainability Report **2022**

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A MESSAGE FROM OUR CEO, DENIS LAROCQUE



The world has shifted dramatically over the past couple of years due to the COVID-19 pandemic, which changed the way we, as a society, communicate, operate and evaluate risks. There is rising pressure, now more than ever, for companies to address climate change and to make Environmental, Social and Governance (“ESG”) a top priority. Success is no longer measured just by what you see on a set of quarterly financial statements, but also by a solid ESG strategy that creates long-term value and sustainability.

As we forge ahead into the industry upturn, Major Drilling is well positioned, as a leader in specialized drilling, to help discover the resources required to drive the green energy transition, as demand for electric vehicles and battery metals such as copper, nickel, cobalt and lithium continues to climb.

We have a unique opportunity to partner with our clients in their broader efforts to identify and reduce emissions in our collective operations, as well as with our suppliers to support and source the development of new innovative technologies.

Our VP - Technology & Logistics, who you will hear more from in the [Q&A section](#) of this report, started to engage extensively with many of our suppliers this year to carve out a path forward towards collaborating on the technological advancement of drills and support equipment.

And as you’ll read about further in the “Environmental” section beginning on [page 26](#), the company continued to make positive changes throughout the year. Major Drilling has been publicly reporting on greenhouse gas (“GHG”) emissions since 2018 , and we’re now at the stage where we’re aiming to make real progress on emission reductions. In 2021, we reduced our emissions intensity as a function of revenue by 14% from 2020. In 2022, we reduced our emissions intensity again by 12% when compared to 2021. This was achieved through changes like: engine tier rating upgrades to more efficient engines and transitioning 16 of our heated drill shacks in Canada to a more fuel efficient in-floor heated model, significantly reducing fuel consumption per unit.

A MESSAGE FROM OUR CEO (Continued)

In 2023, the company is embarking on a global assessment of our GHG emissions and will be working on a roadmap to explore and identify emissions reduction opportunities.

We also continue to focus on responsible water usage. We have deployed Solid Removal Centrifuge units to many of our branches around the globe, which work as closed circuit systems that allow solids to be separated from the drill fluids, and the treated fluids to be redirected to the mixing tank for re-use, resulting in significant water recycling rates and in some cases representing up to a 90% lower consumption rate of water needed per day per drill. We're also in the process of testing a Remote Water Pump Controller, which will optimize the amount of water used while drilling and avoid waste.

On the social front, the company's unwavering commitment to maintaining exceptional safety standards and community-focused initiatives geared towards social responsibility remained a top priority throughout 2022. The Health and Safety outlook continues to look bright as we achieved over 9 million hours worked Lost Time Injury ("LTI") free.

Prior to the end of the year, all our branches submitted a plan to the HR Committee on attracting more women into the industry. This process yielded useful ideas, with tailored approaches best suited to each of our branches' local context. This gender gap remains a significant challenge for the company and the industry more generally.

Major Drilling continues to be an example of exceptional corporate governance practices

through forward-thinking and proactive leadership. In September 2022, Kim Keating was appointed Chair of the Board. Ms. Keating is a Professional Engineer with over 25 years of broad international experience in the oil and gas, nuclear, hydropower, and mining sectors and has been a member of Major Drilling's Board since 2019. We're proud to have a female leader at the helm, and to have maintained gender parity on our Board in 2022 with 50% female representation.

I'm so proud of the work our teams are doing in the communities where we operate around the world. I want to take this opportunity to thank our employees, stakeholders, clients and suppliers for your continued support in all of our efforts. I'm looking forward to watching these partnerships and relationships grow as we continue down this path of long-term sustainable success together.



Denis Larocque
President & CEO

A MESSAGE FROM OUR BOARD CHAIR, KIM KEATING

As Major Drilling advances further into the industry upcycle, we understand that it's going to take forward-thinking and proactive leadership as we position ourselves for long-term, sustainable success. Environmental, Social and Governance initiatives are at the forefront of our business strategy, and while Major Drilling has long applied strong ESG practices in our operations around the world, in June 2020, the Board of Directors adopted a global ESG Policy that serves as the foundation for our ESG Framework. Our ESG Policy is founded on a set of core values, which include:

- Integrity; a commitment to continuous improvement;
- Broad internal ownership across all facets of the organization;
- Open and honest engagement with stakeholders; and
- A commitment from the Board of Directors and senior management to lead on ESG and to consistently apply our ESG Policy in strategic planning and risk management practices.

A central part of our mandate as Major Drilling's Board of Directors is to ensure safe working conditions for all our workers. I'm very proud of our team's hard work and continued focus to keep safety as our top priority.

My sincerest thanks to our workforce of over 3,300 employees across our 15 countries of operation. It's because of you that we are a leader in our industry with a strong ESG program and impactful sustainability practices.



Kim Keating
Director, Chair of the Board



“we understand that it's going to take forward-thinking and proactive leadership as we position ourselves for long-term, sustainable success.”

Kim Keating
Director, Chair of the Board

ABOUT THIS REPORT

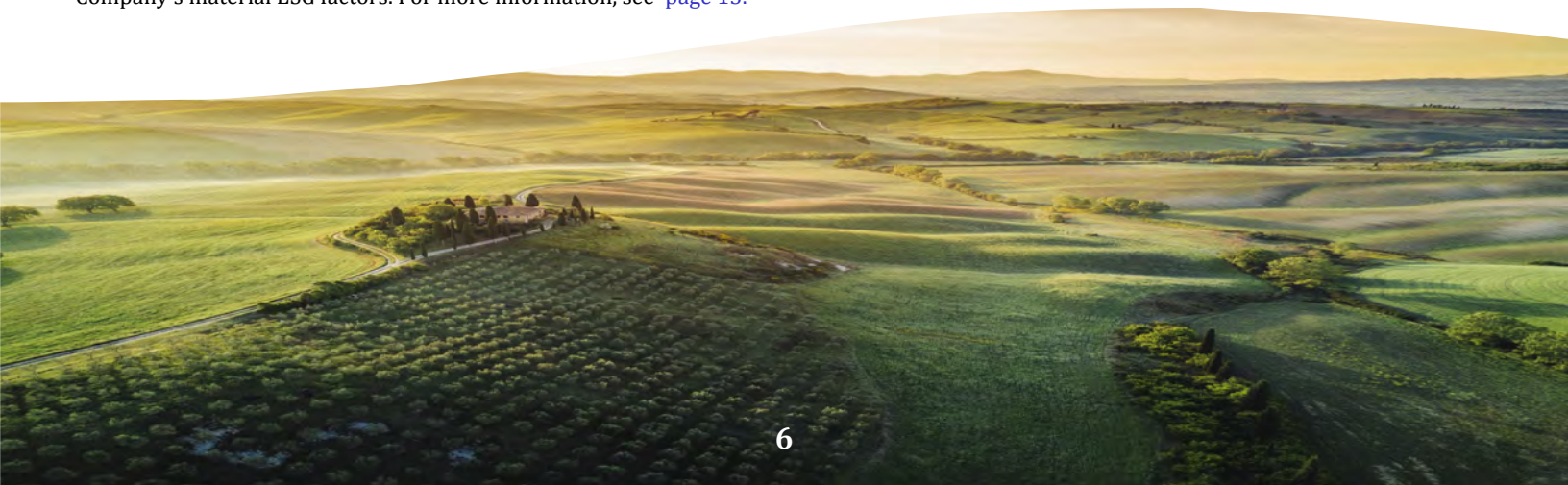


This Major Drilling Group International Inc (“Major Drilling”, “MDI”, “the Company”) Sustainability Report pertains to the 2022 calendar year (from January 1 to December 31, 2022). All financial data is reported in Canadian dollars (CAD) and includes global company-wide data, unless otherwise stated.

The reporting herein is informed by frameworks and standards such as Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD) and the United Nations (U.N.) Sustainable Development Goals (SDGs). ⁽¹⁾

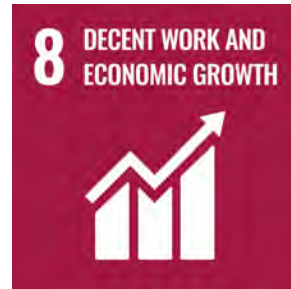
A thorough internal review of this report was undertaken by our Board of Directors, Chief Executive Officer, Chief Financial Officer, Vice President of Human Resources & Safety and our Vice President of Legal Affairs, General Counsel and ESG Lead for the information contained within this report.

⁽¹⁾ Major Drilling’s ESG Materiality Assessment referenced the SASB Standards and TCFD recommendations to identify and prioritize the Company’s material ESG factors. For more information, see [page 13](#).



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS AND MAJOR DRILLING

Major Drilling seeks to contribute to the United Nations Sustainable Development Goals (UN SDG) and the UN's 2030 agenda, with a specific focus on six areas of priority where the Company can have a meaningful impact:



Our efforts in support each of these specific UN SDG Goals are described in this report throughout and identified with the corresponding SDG logo.





ABOUT MAJOR DRILLING

Major Drilling has positioned itself as one of the world's largest publicly traded (TSX:MDI) drilling services companies primarily serving the mining industry by leveraging its main competitive advantages: skilled personnel, specialized equipment, robust safety systems, long-standing relationships with the world's largest mining companies and access to capital. This positioning is strengthened by the Company's senior management having experienced several economic and mining industry cycles. Headquartered in Moncton, New Brunswick, Canada, Major Drilling maintains field operations and offices in Canada, the United States, Mexico, South America, Asia, Africa, and Australia, and 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.

In the mining industry, it is the mine owners and operators that are generally charged with the responsibility for managing and protecting biodiversity, site closures & rehabilitation, and mine operators have direct obligations and responsibilities related to obtaining and maintaining a social license to operate, and to undertake community impact assessments prior to commencing operations in new areas, as they are the ones who own or control the land and/or have the relevant permits to operate on the land where Major Drilling performs its services. As the drilling services contractor to these mining clients, Major Drilling deploys its crews and drilling rigs to our clients' project sites to undertake specific drilling services pursuant to the clients' drill program requirements.

We commit to following the specific environmental and sustainability requirements and policies of our clients on each of their specific sites where we operate around the world, while also meeting our own internal environmental and sustainability policies, as well as relevant host country laws and regulations and/or industry best practices where the former is lacking.



3,300+
Employees Worldwide



737M
Revenue for Calendar 2022



600+
Drills



5
Continents



Safety
A core value of our
operations

CORPORATE PURPOSE

Creating sustainable value by partnering with our customers and communities to discover minerals for building a better future.

CORE VALUES

Integrity

We behave ethically, responsibly and with integrity wherever we operate around the world.

Sustainability

Our long-term viability depends on being environmentally responsible, supporting our employees and communities, strong fiscal management, and putting health and safety at the forefront of everything we do.

Quality

We use our expertise, innovative approach, adaptability and global reach to deliver quality results.

Respect

Honesty, openness, trust, respect and teamwork form the bedrock of our relationships.

Accountability

We deliver on our commitments. We do what we say we will do.



Integrity

Sustainability

Quality

Respect

Accountability

OUR STAKEHOLDERS

Major Drilling’s long-term sustainability depends on us serving as: stewards of the environment where we work; valued contributors to the communities where we operate; and responsible corporate citizens in the eyes of our workforce, clients, shareholders and other external stakeholders.

Major Drilling is committed to open and ongoing engagement with our stakeholders.



Employees

Our long-term success over the years has been made possible thanks to the ongoing dedication and commitment of our global workforce.



Clients

We believe there is a direct relationship between our ESG performance and the success of our business and that of our clients.



Suppliers

Long-term relationships and regular engagement with our key suppliers is crucial as we collaborate on developing advancements of low-emission equipment and technologies.



Local Communities

Respecting and giving back to the communities that could be impacted by our activities is the bedrock of Major Drilling’s social responsibility efforts.



Shareholders

More and more, our investors are showing interest in Major Drilling's sustainability efforts around the world as they seek value creation over the long term.



Regulators

As the regulatory landscape evolves in the various jurisdictions of operation, Major Drilling will continue monitoring developments and engaging with relevant regulatory agencies.



12% reduction in scopes 1 & 2 GHG Emission Intensity (2021 vs 2022).

Responsible Water Use

Deployment of Solid Removal Centrifuge systems, resulting in 90% water recycling rates.



Embarked on a global assessment of our GHG emissions and will be working on a roadmap to explore and identify emissions reduction opportunities.



Added first electric vehicle pickup truck to our fleet.



Transitioned 16 heated drill shacks in Canada to a more fuel efficient in-floor heated model, resulting in a significant reduction of fuel consumption per unit.

2022 ESG HIGHLIGHTS



Prior to the end of fiscal 2022, all branches submitted their plans to the HR Committee on attracting more women into the industry.



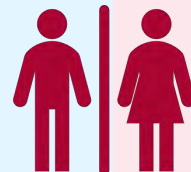
Lost-Time Injury Free Milestones in 2022:
 Australia – 4 years
 Philippines – 6 years
 Chile – 7 years
 Brazil – 9 years
 Mozambique – 10 years
 Argentina – 2 years



Enhanced vendor onboarding through inclusion of human rights obligations.



Adopted a Biodiversity policy.



Maintained gender parity on our Board with 50% female representation.



OUR ESG APPROACH

“We have a unique opportunity to partner with our clients in their broader efforts to identify and reduce emissions in our collective operations, as well as with our suppliers to support and source the development of new innovative technologies.”

Denis Larocque
President & CEO

Sustainability is at the core of our corporate purpose and values. While we’ve been operating with a number of important sustainability practices embedded in our operations for many years, particularly on the health and safety side, it was in mid-2020 that we took the next step to formalize and implement our global ESG Framework and adopt our ESG Policy. We’ve come a long way in building on this foundation during that short period. But we also have lots of work ahead as we seek to further ingrain an ESG-minded culture across our organization, at our branches and in the field. This is the way modern business is done, it’s a must. What’s exciting for us as we look into the future is we see the critical role Major Drilling will play in helping discover those minerals required for the green energy transition and for building a better future.

In May 2021, an ESG Materiality Assessment and a Disclosure Gap Analysis was conducted with the support of sustainability consulting professionals (“Sustainability Consultant”) to identify our material ESG factors most relevant to our stakeholders, and to categorize ESG factors according to three levels of priority (i.e., Core, Enhanced, Emerging), as summarized in the table on [page 13](#).

ESG MATERIALITY ASSESSMENT

Level of Priority	ESG Factor
Core ESG Factor	<ul style="list-style-type: none"> • Health and Safety • GHG Emissions • Energy Management • Water Management • Climate Change – Transitional (related to the transition to a lower-carbon economy) • Waste and Hazardous Materials Management
Enhanced ESG Factor	<ul style="list-style-type: none"> • Climate Change – Physical (related to the physical impacts of climate change) • Community Relations • Rights of Indigenous Peoples • Anti-Corruption and Transparency • Human Capital Management / Diversity
Emerging ESG Factor	<ul style="list-style-type: none"> • Biodiversity and Ecological Impacts • Human Rights and Security • Labour Relations • Air Quality

MATERIALITY ASSESSMENT METHODOLOGY

The Sustainability Consultant’s approach to assessing impact and likelihood is derived from the International Accounting Standards Board (IASB) 4-step process (1. **Identify** potentially relevant ESG-related factors, their potential impacts, and time horizons, 2. **Assess** whether ESG-related factors are financially material to the company, 3. **Organize** material ESG-related information to clearly and concisely communicate the relevant ESG-related risks and opportunities to the company’s Board (internal reporting) and investors (external reporting) and 4. **Review** draft ESG-related disclosures to ensure all material information is identified and considered), which is the generally accepted process for assessing materiality for financial reporting purposes. Major Drilling gave particular attention to the ESG Factors as identified above throughout this report.

ESG FRAMEWORK

While the Board and management have long had a commitment to strong ESG practices, in fiscal 2020, we began the process of consolidating our ESG efforts under a formalized ESG Framework. As part of these efforts, in June 2020, the Board of Directors adopted a global ESG Policy that serves as the foundation for the ESG Framework. The ESG Policy is founded on a set of core values that include: integrity; a commitment to continuous improvement with a focus on auditing and evaluating performance through the development of measurable targets; broad internal ownership across all facets of the organization; open and honest engagement with stakeholders; and the steadfast commitment of the Board of Directors and senior management to lead on ESG and to consistently embed the tenets of the ESG Policy in its strategic planning and risk management. The ESG Policy prioritizes areas where we, as a drilling services provider, can have the most impact, e.g., GHG emissions reduction, responsible operational water management, reinforcing industry-leading health and safety efforts, and bringing positive contributions to the communities where we operate. While other key considerations are at the forefront of the mining industry's ESG agenda (e.g., protection of biodiversity, physical risk of climate change), control over these areas lies much more directly in the hands of the mine itself (i.e., our clients - often the landowners with extensive on-site operations), as opposed to Major Drilling (a contractor providing drilling services, i.e., a mobile fleet of rigs and drillers). Acknowledging these fundamentally different ESG risk profiles is a central consideration in management's ESG risk prioritization. The [ESG Policy](#) is complemented by our long-standing [Code of Ethics and Business Conduct](#), available on the Company's website at: www.majordrilling.com/investors/corporate-governance/



ESG POLICY

Major Drilling’s long-term sustainability depends on us serving as: stewards of the environment where we work; valued contributors to the communities where we operate; and responsible corporate citizens in the eyes of the Company’s workforce, clients, local communities, shareholders, and other external stakeholders. To achieve this, we are committed to continuously improving and strengthening our ESG Framework for our global operations, which is underpinned by our [ESG Policy](#).

OUR ESG COMMITMENT

Major Drilling believes that there is a direct relationship between its ESG performance and the success of its business and that of its clients. The Company’s ESG Policy enshrines Major Drilling’s commitment to lead on ESG in the mineral drilling industry and to carry out business through high ethical standards and social behaviour. To this end, Major Drilling has implemented a number of policies and procedures that outline how it expects these standards to be achieved. The following elements serve as the bedrock of our ESG Policy:

Environmental Stewardship

Major Drilling and its subsidiaries will work to minimize, mitigate and/or remediate our impact on the environment and proactively manage the environmental risks and effects of our operations. We will use energy and other resources efficiently in our operations. Outstanding environmental management will be regarded as a core business activity alongside outstanding operational productivity.

Social Responsibility

Major Drilling aims to ensure that its goals and those of the communities it operates in are aligned to create mutual and lasting benefits, as this is critical to our long-term success.

RELATED POLICIES

Policy	Last Update
ESG Policy	March 2023
Biodiversity Policy	December 2022
Communities Policy	January 2023
Diversity Policy	June 2020
Human Rights Policy	March 2023
Anti-Corruption Policy	June 2022
Code of Ethics and Business Conduct	June 2022

Governance



STRONG CORE VALUES BUILT ON HONESTY & INTEGRITY

Major Drilling's Board of Directors is responsible for the stewardship of the Company and all subsidiaries and controlled entities, providing independent, effective leadership to supervise the management of the Company's business and affairs to grow value responsibly, in a profitable and sustainable manner and with due regard for the interests of its shareholders generally and other stakeholders.

OUR BOARD OF DIRECTORS *

4
—
8

Four out of eight directors who sat on the Board in 2022 self-identified as women, representing 50% of the Board members.



Kim Keating
Director, Chair of the Board



Denis Larocque
Director, President & CEO



Jo Mark Zurel
Director



Sybil Veenman
Director



Janice Rennie
Director



Robert Krcmarov
Director



Louis-Pierre Gignac
Director



Juliana Lam
Director

OUR BOARD

Major Drilling's Board of Directors is committed to acting in the best interests of the Company as a whole, as well as our shareholders, employees and other stakeholders. The Board fulfills its role directly or through the delegation of certain responsibilities to its various committees, which are as follows: the Audit Committee, the Corporate Governance and Nominating Committee, the Human Resources and Compensation Committee, and the Environment, Health and Safety Committee. The Board and its committees are focused on the continued improvement of Major Drilling's corporate governance principles and practices. These governance principles and practices are constantly reviewed and revised in light of evolving best practices and regulatory guidance.

BOARD INDEPENDENCE

Our Board of Directors is responsible for the stewardship of our Company and ensures that appropriate corporate governance structures and systems are in place. The Board believes that it needs to be independent of management and of the Company in order to be effective. This means that a large majority of Major Drilling's directors are not part of management of the Company, and do not have relationships with the Company that would make them personally beholden to the Company. Through calendar 2022, Major Drilling had seven independent board members, including the Board Chair, Mrs. Kim Keating, in addition to one non-independent member, President and CEO, Denis Larocque.

*Board of Directors at the end of calendar 2022. Caroline Donally was appointed to the Company's Board of Directors effective April 1, 2023.

BOARD OF DIRECTORS SKILLS MATRIX

Name	Mining Industry	Finance	Compensation and Human Resources	Environment, Health and Safety	International Commerce	Corporate Governance	Mergers and Acquisitions	Legal	CEO	Energy Sector	Director
Louis-Pierre Gignac	✓	✓	✓	✓	✓				✓		✓
Kim Keating	✓	✓	✓	✓	✓	✓	✓			✓	✓
Robert Krcmarov	✓		✓	✓	✓		✓				✓
Juliana Lam	✓	✓	✓	✓	✓	✓	✓				✓
Denis Larocque	✓	✓	✓	✓	✓	✓	✓		✓		✓
Janice Rennie	✓	✓	✓	✓		✓	✓				✓
Sybil Veenman	✓	✓	✓	✓	✓	✓	✓	✓			✓
Jo Mark Zurel	✓	✓	✓		✓	✓	✓			✓	✓

BOARD DIVERSITY

$$\frac{4}{8}$$

Four out of eight directors who sat on the Board in 2022 self-identified as women, representing 50% of the Board members.

$$\frac{1}{8}$$

One out of eight directors who sat on the Board in 2022 self-identified as a member of a visible minority.



BOARD RENEWAL

The Board believes that carefully planned renewal adds value, by regularly adding fresh ideas and new skill sets. This has been demonstrated over the past few years, as long-serving directors have retired, and new directors have been appointed. While the Company aims to have appropriate board renewal, it does not impose term limits on its directors as the Board takes the view that term limits are an arbitrary mechanism for removing directors, which can result in valuable, experienced directors being forced to leave the Board solely because of length of service.

Each year, the Board Chair and the Corporate Governance and Nominating Committee undertake rigorous assessments of the Board, the committees of the Board, and each individual director to evaluate the overall performance of the Board and to measure the contributions made by the Board as a whole, by each committee and by each director. This process has resulted in changes being made over the years to reflect the need for the Board to continue to have the necessary skills and commitment to meet the changing business environment. The Board Chair is also evaluated by the Corporate Governance and Nominating Committee based on oral interviews conducted by the Corporate Governance and Nominating Committee Chair. While there are some long serving directors on the Board of Directors, there are also a number of relatively new directors, bringing the average tenure of the Company's Board of Directors to 6 years. There is a continuous succession planning process for the Board to ensure appropriate renewal while also accounting for the value brought by long tenured directors continuing to serve for a period of time.

BOARD OVERSIGHT

Efforts under the broader ESG Framework are intended to enhance our process to identify, assess and manage risks and opportunities related to ESG matters and to further integrate ESG considerations into the Company's business decision making.

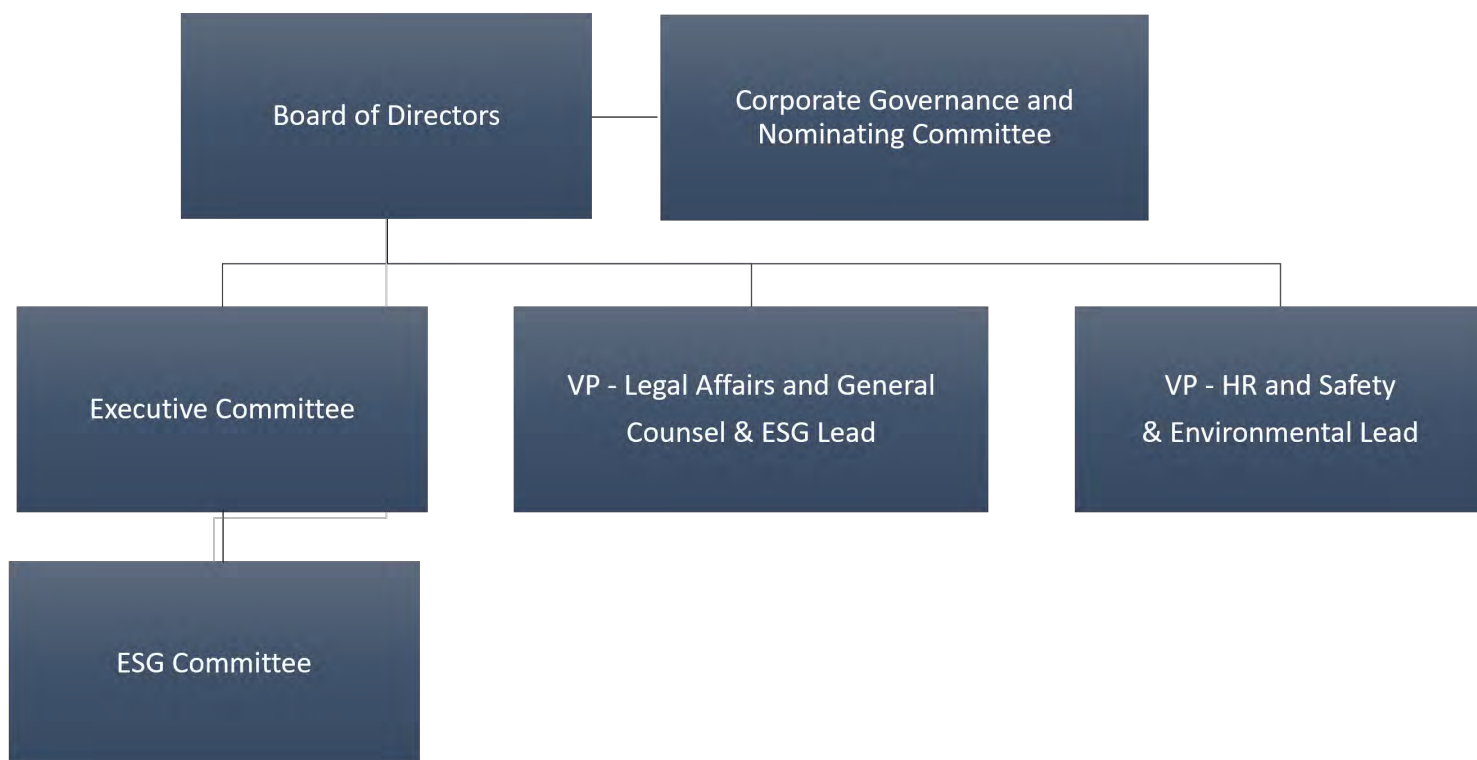
The ESG Framework includes active and effective Board oversight, and is the ultimate responsibility of the full Board. The Board has delegated a coordinating role on ESG to the Corporate Governance and Nominating Committee to allocate tasks to the various board committees based on their specific committee mandates, including operational ESG aspects of the business such as health, safety, environment, and human resources. The Framework also includes policies, sound management practices and strategies to address the ESG risks and matters of greatest importance to the Company's business and stakeholders.

ESG is a standing item at the quarterly Corporate Governance and Nominating Committee meeting, and ESG matters are also discussed regularly at other Board Committee meetings and meetings of the full Board.



MANAGEMENT ACCOUNTABILITY

Senior management plays a central role in the management and implementation of the ESG Framework, which is supported by an ESG Committee comprising a small multi-disciplinary group of employee members from the various regions of operations.



OUR ESG COMMITTEE



From left to right:

Lisa Holt, Sustainability & ESG Co-ordinator, ESG Committee Chair; **Andrew McLaughlin**, VP Legal-Affairs and General Counsel: ESG Committee Vice Chair, Governance Lead, Environmental Co-Lead; **Leomila (Bhing) Cortez-Maglantay**, Regional Controller, Asia; **Serge Gagnon**, Area Manager; **Ben Graham**, VP HR & Safety: Health & Safety Lead, Environmental Lead; **Shima Jagernath**, Human Resources Manager; **Ulzii Chuluun**, Regional HSEC Manager; **Sherie Kumhuaybong**, Site Access Administrator; **Meghan Thebeau**, Marketing Coordinator, Social Responsibility Lead; **Patrick Salvador**, Innovation Manager, **Rocky McLellan**, General Manager, North American Percussive Operations, **Kevin Slemko**, VP U.S. Operations

ESG COMMITTEE CHAIR HIGHLIGHT



Lisa Holt is Major Drilling’s dedicated Sustainability & ESG Coordinator and ESG Committee Chair. Her work focuses on analyzing, calculating and reporting on the Company’s global greenhouse gas emissions and engaging with stakeholders and ratings agencies, while also focusing on seeking ways to reduce the Company’s carbon footprint. Lisa has been in the industry since 2005 and joined Major Drilling in 2014 as a Senior Financial Analyst. She works at the Company’s head office in Moncton, New Brunswick, Canada, and has also recently completed a course through Berkeley Law: Sustainable Capitalism & ESG Online.

When asked why she thinks having an ESG Committee is a crucial piece of Major Drilling’s sustainability efforts, Lisa said, “It’s so important that topics like decarbonization, attracting more women into the industry, community responsibility and water management have a global voice. The ESG Committee was established in 2020 and is made up of a diverse cross section of employees with operational and technical expertise from across our global operations. They are our eyes and ears on the ground. They can advise on stakeholder concerns in the local context. The committee is crucial in ensuring that we have open and ongoing dialogue with the branches so that we can adapt and adjust our ESG program as the operating landscape evolves.”

ESG COMMITTEE CHARTER

The ESG Committee’s purpose is to support the Company’s ongoing commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company (collectively “ESG Matters”). The ESG Committee is a cross-functional committee of the Company. It assists the Senior Leadership Team of the Company in (a) setting general strategy relating to ESG Matters, (b) developing, implementing, and monitoring initiatives and policies based on that strategy, (c) overseeing communications with stakeholders with respect to ESG Matters, (d) monitoring and assessing developments relating to, and improving the Company’s understanding of ESG Matters, and (e) efficient and timely disclosure of ESG matters to internal and external stakeholders.

CODE OF ETHICS

Not only is Major Drilling required to comply with the legal requirements in all jurisdictions where we operate, we also expect our workforce to conduct business with honesty, integrity, impartiality and with a view to protecting the reputation of the Company, as further set out in the Code of Ethics and Business Conduct.

A link to our [Code of Ethics policy](#) can be found on our website.

WHISTLEBLOWER

Major Drilling is committed to an environment where open, honest communications are the expectation, not the exception. We want our employees to feel comfortable in approaching their supervisor or manager in instances where they believe violations of policies or standards have occurred. In a situation where an employee wishes to lodge an anonymous complaint in confidence, they are encouraged to use our Whistleblower hotline, hosted by a third party provider.

A link to our [Whistleblower hotline](#) can be found on our website in our [Code of Ethics policy](#).



Once again in 2022, the Company's anti-corruption training video was delivered across its global operations, as well as to the Company's senior management team and the board of directors.



ANTI-CORRUPTION AND TRANSPARENCY

Major Drilling and its subsidiaries are committed to strict compliance with all applicable anti-corruption legislation and to maintaining high ethical standards in our business dealings and relationships. The Company's commitment to such anti-corruption compliance is set out in its Anti-Corruption Policies and Procedures.

Anti-Corruption and Transparency was identified as an ESG factor in the ESG Materiality Assessment. The majority of countries in which Major Drilling operated in 2022 have relatively strong scores on Transparency International's Corruption Perceptions Index (e.g., Australia scored 75/100, ranking 13th out of 180 countries. Canada scored 74/100, ranking 14th, and the United States scored 69/100, ranking 24th). A strong score indicates lower levels of corruption within the country. A few countries in which Major Drilling operated in 2022 are included in the lower-ranked countries (e.g., Mexico scored 31/100, ranking 126th out of 180 countries, the Philippines scored 33/100, ranking 116th, Mongolia scored 33/100, also ranking 116th and Indonesia scored 34/100 ranking 110th). Given that Major Drilling generates the majority of its revenues outside of countries that are deemed to have high levels of corruption, exposure to this risk is relatively low at present.

A link to our [Anti-Corruption policy](#) can be found on our website.



IT'S OUR RESPONSIBILITY

As the worldwide leader in specialized drilling, it is our responsibility to continuously monitor and minimize our impact on the environment and to proactively manage the environmental risks and effects of our operations.

Major Drilling is committed to lead on ESG in the drilling services industry and to carry out our business adhering to high standards of business ethics and social behaviour.

CLIMATE CHANGE AND DECARBONIZATION *

We believe the world must pursue the concurrent objectives of limiting climate change through reductions in greenhouse gas emissions, while providing access to reliable and affordable minerals, including metals and minerals that are needed in decarbonization (such as copper and lithium) to support economic development and improved living standards. As part of these efforts, Major Drilling seeks to identify opportunities for GHG emissions reduction. We monitor and manage climate change-related risks that could impact our drilling services operations (and administrative support) around the world. These include, among others things, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels, changing temperatures, disclosure requirements and carbon pricing, all of which could have an adverse impact on operations located in the regions where these conditions occur.



* This topic is discussed in much greater detail in the [Appendix](#).





Q&A



Marc Landry,
VP Technology & Logistics

Andrew McLaughlin,
VP Legal Affairs & General Counsel

What is Major Drilling doing to reduce its carbon emissions?

Andrew: This is a significant work in progress for which we now have engagement at all levels of the organization, from the field, to the Board and senior management. Major Drilling has been publicly reporting on our GHG emissions since 2018. In seeking to move the needle on emissions reductions, we've identified significant obstacles ranging from procurement and the remoteness of our operations, to varying fuel quality and engine compatibility across our fifteen countries of operation. Because of these obstacles, it's clear that we're operating in an industry that's among the more challenging ones in the world to decarbonize. While taking these realities into account, we're now in the process of identifying potential emission reduction opportunities through collaboration with our clients, our suppliers, and leveraging branch-level innovations for deployment elsewhere in our operations.

Marc: We are starting to invest in electric vehicles and installing EV charging stations at our offices. We are developing more fuel-efficient solutions to keep our drillers warm when working in the arctic or the Andes. We are collaborating with and connecting leading

industry experts and firms to help advance electrification of the equipment that we use to serve our customers.

How much will technology play a role in Major Drilling's carbon reduction efforts and how are you engaging with suppliers to help move the needle on technological advancements?

Andrew: As a drilling services provider in the mining industry, the vast majority of our emissions come from our rigs and support equipment, which largely run on diesel engines. We're often operating in very remote areas, far off the grid (even far from operating mines), without the luxury of being able to easily tie into cleaner electricity sources. In this challenging context, technological advancements are the key ingredient for material emissions reductions. While part of the solution will be working with our mining clients to access their cleaner energy distribution networks and infrastructure, we also need to continue working closely with our key suppliers to significantly enhance their offering of low-emission equipment and technologies. As we're part of our mining clients' "scope 3" we're getting more and more interest from them (particularly seniors) to decrease our operating

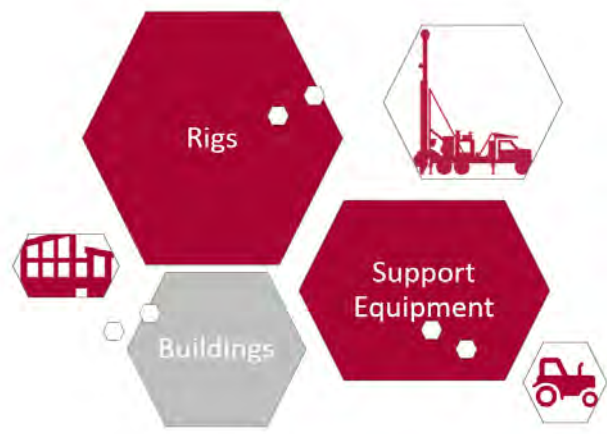
Q&A WITH MARC LANDRY & ANDREW MCLAUGHLIN

(Continued)

emissions. As a result, it's even more important now to keep the pressure on our suppliers to provide an equipment offering that helps meet this need. But more fundamentally, as responsible corporate citizens, this is just work that needs to get done as we do our part to help broader efforts to combat climate change.

Marc: It seems that most the conversations we have with our major suppliers and original equipment manufacturers (OEMs) recently have been related to electric or hydrogen powered equipment. In order to achieve carbon reduction, this will require beyond what we and suppliers currently have the expertise to provide. It will also require a commitment from customers to invest in these solutions and government creating the proper incentives to promote the acceleration of efforts.





GHG EMISSIONS *

Major Drilling has been publicly reporting on GHG Emissions since 2018 through the CDP, however, going forward, we have decided to publicly disclose our emissions through our Sustainability Report to reach a broader audience and to have a one stop shop for all related information.

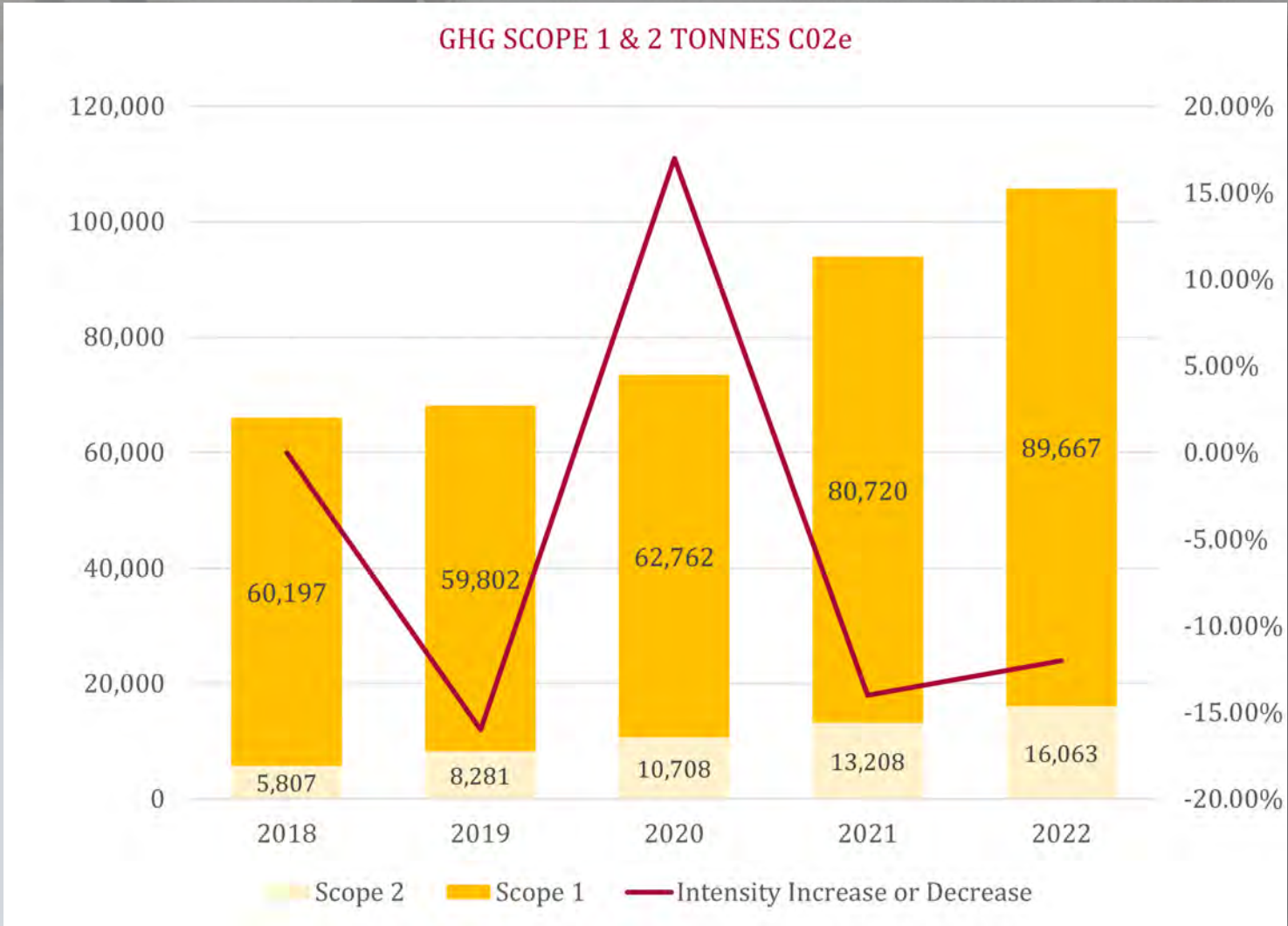
Our total gross Scope 1 and 2 emissions for the 2022 reporting year are greater than 2021, which is a result of an increase in activity as we made our way into an industry upturn. Unlike more stable industries, the drilling services industry experiences dramatic swings between upcycles and downcycles. In this context, the Company’s global footprint expands and contracts largely in line with these swings – i.e. its global workforce and operations can double in size from cycle trough to cycle peak. Given this reality, an emissions intensity metric (as opposed to an absolute emissions metric) is a much more reflective measure to demonstrate actual changes flowing from the Company’s emissions management and operational efficiencies. In this regard, total emissions as a function of revenue (intensity figure) in 2022 dropped by 12% from 2021. During 2022, the Company undertook important decarbonization efforts such as, engine tier rating upgrades to more efficient engines, and transitioning 16 of our heated drill shacks in Canada to a more fuel efficient in-floor heated model, significantly reducing fuel consumption per unit .

	2019	2020	2021	2022
Scope 1 Emissions (t CO2e)	59,802	62,762	80,720	89,667
Scope 2 Emissions (t CO2e)	8,281	10,708	13,208	16,063
Combined Emissions (t CO2e)	68,083	73,470	93,928	105,731
Total Revenue (M C\$)	419.00	386.83	575.65	737.03
Intensity figure (t CO2e/M C\$)	162.5	189.9	163.2	143.5
% Change from Previous Year	-16%	17%	-14%	-12%
Increase/decrease	Decrease	Increase	Decrease	Decrease

* This topic is discussed in much greater detail in the [Appendix](#).



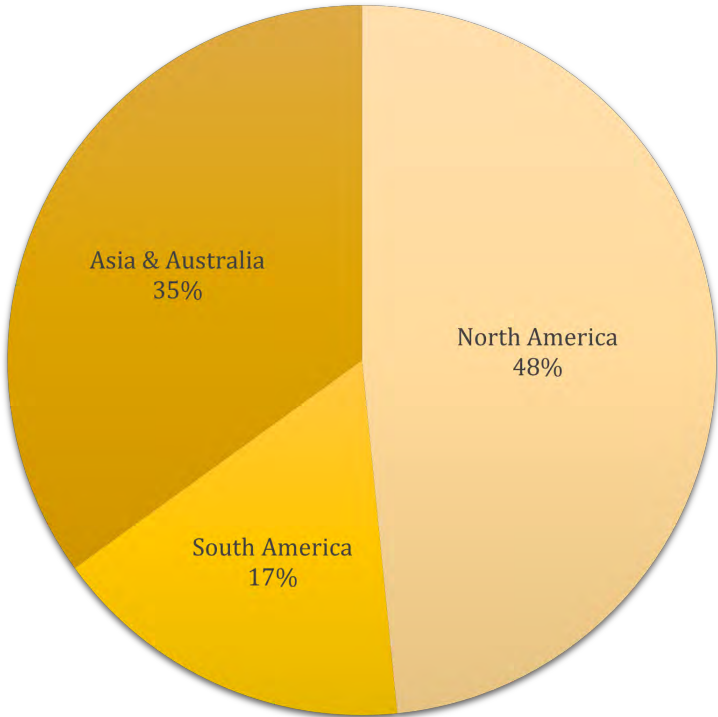
INTENSITY DECREASE



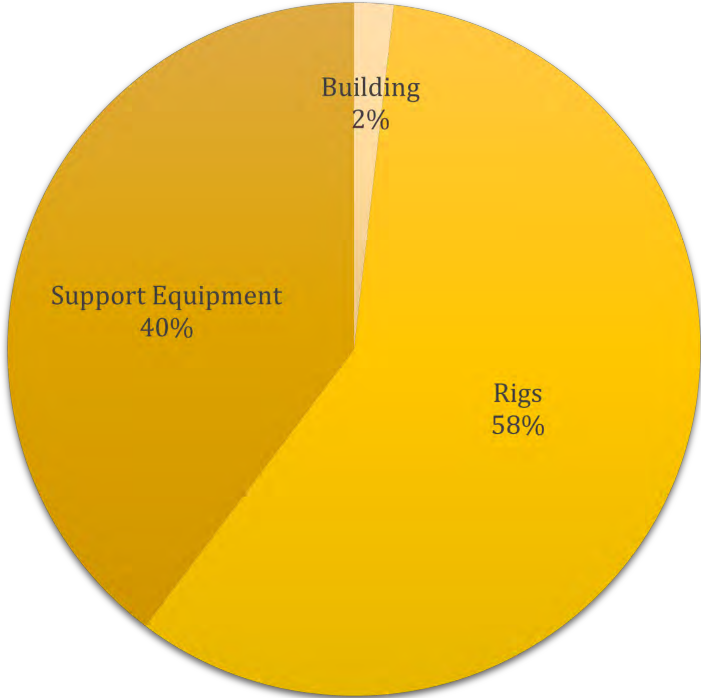
EMISSIONS BREAKDOWN



Scope 1 & 2 Emissions breakdown by country/ region



Emissions breakdown by Type



STEPS TO REDUCE EMISSIONS AND ENERGY MANAGEMENT IN 2022

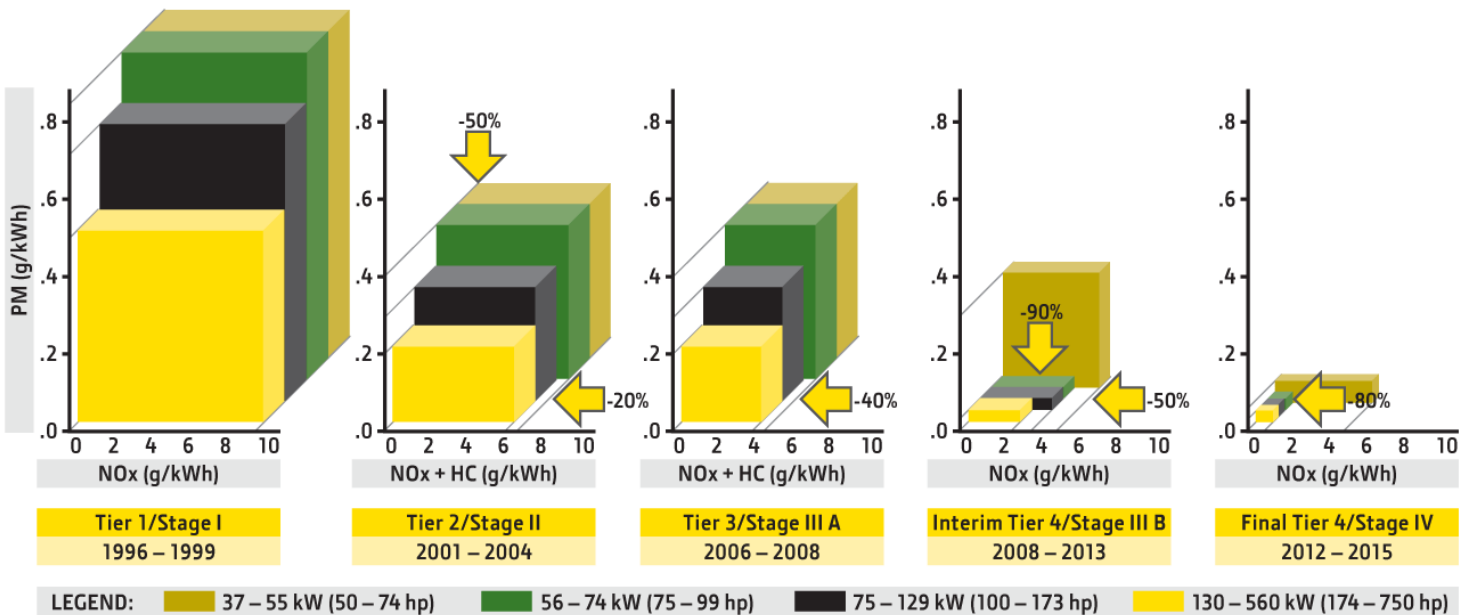


ENGINE UPGRADES

Major Drilling continued to upgrade to Tier 4 engines (in regions where Major Drilling has the ability to do so) for our drill rig fleet as equipment reaches the end of its useful life. Tier 4 engines are more energy-efficient and produce lower emissions during operations than less energy-efficient engines. Fuel quality can vary dramatically from region to region. In areas where fuel is of poorer quality, operational concerns have arisen regarding compatibility issues with higher tiered engines. This matter requires further testing.

AIR QUALITY

Tier 4 engines have been proven to reduce non-GHG emissions (i.e., particulate matter, nitrous oxides). Our efforts to upgrade our engines will result in a reduction of our impact on air quality.



This chart courtesy of John Deere shows how EPA regulations have significantly reduced the amount of particulate matter and nitrogen oxide emissions. The European Union (EU) has similar emissions standards, named stages, that approximately correspond to the EPA tiers.

EXPANDING USE OF ELECTRIC DRILLS

Major Drilling continued a business strategy to grow underground drilling operations and expand the use of electric drills, which will reduce Major Drilling's GHG emissions intensity of operations over the longer-term.

COMPRESSOR IDLING SYSTEM

The Company installed compressor idling systems on our RC drills in Australia. On a standard booster, operators have to manually set what RPM they want the engine to reach, and quite often, that RPM setting can be unnecessarily high, which leads to excess fuel burn and premature wear and tear of components. The idling system will monitor input and output pressures and automatically adjust the engines RPM to ensure it is always sitting at its optimal range to boost the air pressure to its rated capacity. Once that rated capacity is achieved, the engine RMP will reduce, saving us fuel.



FUEL EFFICIENT HEATING

Major Drilling transitioned 16 heated drill shacks in Canada to a more fuel efficient in-floor heated model, significantly reducing fuel consumption per unit.

LED/ SOLAR LIGHTING TOWERS

The Company converted many lighting towers to LED or solar powered lights.



BIOFUELS

Major Drilling began testing biofuel on some projects.

CARBON EMISSION TARGETS

As part of identifying a path to setting carbon emissions reduction targets, the Company has engaged a mechanical engineer to provide expert advice related to emission reduction efforts and target setting. As part of these efforts, Major Drilling has recently launched a Decarbonization Working Group charged with identifying and implementing important emissions reduction efforts on a continuous improvement basis.





OUR APPROACH

As a responsible services contractor to the mineral drilling industry with global operations, Major Drilling is committed to implementing high standards of environmental performance across all of our operations.

CONTEXT AND ULTIMATE RESPONSIBILITY

In the mining industry, it is the mine owners and operators that are generally charged with the responsibility for managing and protecting biodiversity as they are the ones who own or control the land and/or have the relevant permits to operate on the land where Major Drilling performs its services. As such, it is the mine owners and operators, particularly those with operations in or near ecologically sensitive areas, that are primarily exposed to the risks of biodiversity loss and that have significant reclamation and remediation obligations. Road development and site access is also generally undertaken by the mine owners and operators within the scope of their environmental policies and permits and any other regulatory requirements. As the drilling services contractor to these mining clients, Major Drilling deploys its crews and drilling rigs to our clients' project sites to undertake specific drilling services pursuant to the client's drill program requirements including any biodiversity loss management measures adopted by them.

OUR COMMITMENT

We commit to following the specific environmental requirements and policies of our clients on each of their specific sites where we operate around the world, while also meeting our own internal environmental policies, as well as relevant host country laws and regulations and/or industry best practices where the former is lacking. Once a project is awarded by a client, we will inquire about potential biodiversity concerns and sensitivities of note on or near the worksite.

We are committed to minimize and mitigate the environmental impact of our drilling operations, and to work in compliance with, and in support of, our clients' biodiversity management plans and policies, and any of their site-specific biodiversity action plans.

Our [biodiversity policy](#) can be found on our website.



HAZARDOUS MATERIALS MANAGEMENT

The Company has undertaken a further review of its waste oil disposal and recycling processes for its global operations, with practices varying somewhat from jurisdiction to jurisdiction, that are in line with local legal requirements. The Company tracks any environmental spill over 4 litres and requires spill kits on site as well as multiple garbage bins for sorting any fuel contaminated rags. The Company maintains protocols and measures to minimize spills, including the use of double wall fuel tanks at many project locations around the world, with special nozzles to control spills.



RESPONSIBLE WATER USE

Water use varies greatly depending on the type of drilling employed, e.g. diamond/core drilling, RC, percussive, drill & blast, with the latter three using very minimal amounts of water. The water used in diamond/core drilling is used to keep the drill bit cool, remove the cuttings, and float the cuttings to the top of the hole to ensure the drilling rods don't get stuck. More water is required in the hole the deeper a drill bit goes, as the cuttings have to float further. Water use also varies by geography, local regulations, and the type of rock being drilled. Generally speaking, our senior customers are much more likely to employ water recycling tanks or pits, a practice that is not as common among the more junior customers.



In 2022, we continued our global initiative to deploy Solid Removal Centrifuge units to many of our branches. The units work as closed circuit systems, which allow solids to be separated from the drill fluids, and the treated fluids to be redirected to the mixing tank for re-use, resulting in significant water recycling rates and in some cases representing up to a 90% lower consumption rate of water needed per day per drill. We're also testing a Remote Water Pump Controller, which will optimize the amount of water used while drilling and avoid waste.



DRILLING INTO THE FUTURE WITH INNOVATION

MAJOR Drilling TRAILBLAZER



INNOVATIONS

A strong balance sheet and responsible fiscal management allow Major Drilling to invest in innovation and other capital improvements to enhance safety, and to reduce our impact on the environment. We are striving to be Trailblazers in the industry, hence the branding “Major Drilling Trailblazers”, as we combine research and development with the world’s top manufacturers of cutting-edge technology. Examples of technology are: SafeGrip hands-free rod handling, a remote control water pump system and fuel efficient drill shack heating, to name a few.

SAFEGRIP ROD HANDLING

Major Drilling Trailblazers developed and is testing a fully hands-free horizontal rod handling system, which is scheduled to be deployed into operation in 2023. This SafeGrip rod handling is the next generation manipulator for surface coring rigs and an important step forward in Major Drilling’s health and safety program, and efforts to attract a broader and more diverse pool of potential candidates into the drilling industry. It includes the following features:

- Ability to move 3m and 6m rods, core barrels, casing from ground to chuck and back, with and without the water swivel;
- Ability to move 3m core tubes from collar to rack and back;
- Allow for rod pickup on unlevel ground positioned at the front, side or back of drill;
- Capable of B, N, H, P rods, barrel, tube and casing without separate size attachments; and
- Retrofittable to multiple rigs, both chuck drive and top drive models.



REMOTE CONTROL WATER PUMP SYSTEM

Major Drilling designed and is in the process of testing a remote control water pump system at a project in Canada that will reduce the amount of water taken from the water source during low demand times. Our drillers on that project are able to control the speed of the pump with a push of a button, without leaving the drill and the water pump almost 1km away. This reduces the overall water usage by allowing the driller to use more water when they need it and less water when they don’t.





MAJOR DRILLING CARES

Our success over the years has been made possible thanks to the ongoing dedication and commitment of our global workforce. We aim to serve as valued contributors to the communities where we operate, as well as responsible corporate citizens in the eyes of the Company's workforce, clients, local communities, shareholders, and other external stakeholders. Respecting the fundamental freedoms and human rights of our workers and the communities that could be impacted by our activities is the bedrock of Major Drilling's social responsibility efforts.



MAJOR DRILLING IN THE COMMUNITY IN 2022





COMMUNITIES POLICY



Branch office and field personnel are **predominantly** local hires.

OUR APPROACH

Major Drilling wants to work in partnership with our customers to improve the quality of life in the diverse communities in which we operate. With the best people on the ground and a modern diversified drilling fleet, we partner with our customers and local communities for outstanding results.

COMMUNITY ENGAGEMENT CONTEXT

In the mining industry, it is typically the mine owners and operators, particularly those with operations in or near local communities, that have direct obligations and responsibilities related to obtaining and maintaining a social license to operate, and to undertake community impact assessments prior to commencing operations in new areas. As the drilling services contractor to these mining clients, Major Drilling deploys its crews and drilling rigs to our clients' project sites to undertake specific drilling services pursuant the clients' drill program requirements. In addition to its head office in Moncton, New Brunswick, Canada, Major Drilling maintains branch offices in numerous communities around the world that support ongoing field operations.

OUR COMMITMENT

Major Drilling has a commitment to the long-term success of the communities in which we operate.

We make a special effort to hire and train local employees, as well as use local suppliers when possible to support local communities. Our workforce around the globe is a reflection of the communities where we operate as our branch office and field personnel are predominantly local hires.

We aim to ensure that our operations do not introduce additional or unwarranted risk to communities.

OUR COMMITMENT (continued)

We strive to establish and maintain long-lasting relationships with the Indigenous communities in which we operate, and in the numerous joint venture partnerships that are central to our operations.

We abide by all applicable laws and regulations regarding operating in protected areas.

We promote partnerships at international, national, regional and local levels. We encourage employees to be involved in their local community by participating in charity efforts, non-profit business groups, and industry associations. All charitable donations and sponsorships by the Company are to be made in compliance with applicable laws and Major Drilling's Global Policy on Corporate Donations and Sponsorship. Major Drilling shall not make contributions that may be perceived as unethical and/or that create an actual or perceived conflict of interest.

We recognize the fundamental human rights within our realm of influence, respecting the rights of people and the value of their cultural heritage. We recognize, respect and abide by all applicable labour, child labour, modern slavery and employment laws, and we insist that our suppliers meet the same standards. These include prohibitions on child labour, forced labour, discriminatory behaviour, human trafficking and all forms of modern slavery, as well as recognition of the rights of freedom of association and collective bargaining.

We strive to provide a work environment for our dynamic and diverse workforce in which everyone is treated with respect and can realize their full potential.

Our [Communities Policy](#) can be found on our website.



COMMUNITY AND INDIGENOUS ENGAGEMENT

PARTNERING WITH INDIGENOUS COMMUNITIES

Over the past 15 years, Major Drilling has worked in partnership with various Indigenous communities. Not only have these partnerships proved successful from an operational standpoint, they've also helped to provide meaningful employment opportunities and other contributions to these communities. Major Drilling encourages community involvement, employment, and support for local suppliers, whenever possible.



WANGARA WORKSHOP

Teams at the McKay Drilling Wangara Workshop participated in a sensory and educational First Nation experience to build relationships and deepen understanding. Australia celebrates National Aborigines and Islanders Day Observance Committee (NAIDOC) week each July to recognize and celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander peoples.



BURSARY SUPPORTING INDIGENOUS STUDENTS

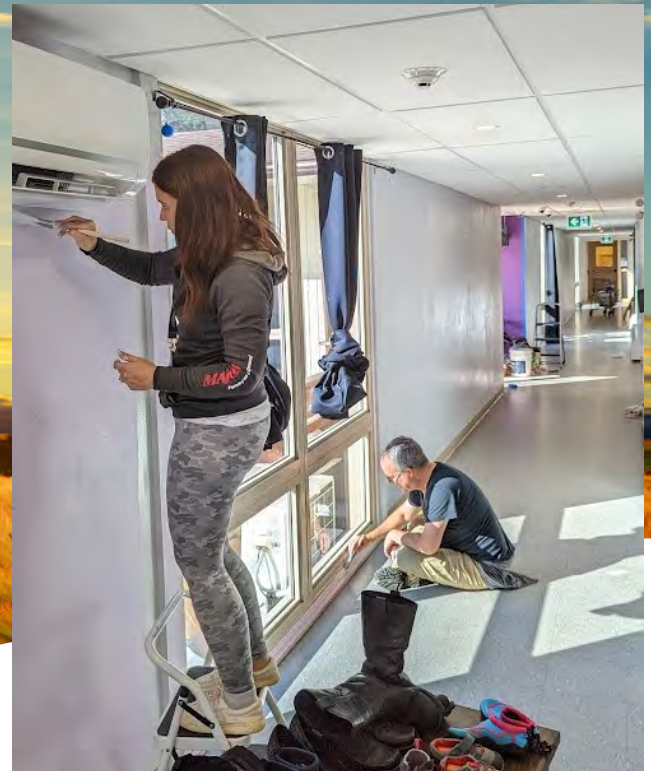
Major Drilling pledged \$25,000 towards bursaries for indigenous students at Mount Allison University in New Brunswick, Canada.

IN THE COMMUNITY



LANDSLIDE CLEARING

Major worked together with the community in Indonesia to clear landslide debris that deeply impacted dozens of local communities.



DAY OF CARING

Major Drilling painted walls and organized shelves at a women's shelter in New Brunswick, Canada.



EDUCATIONAL SUPPLIES

In support of partner Freeport Indonesia, Major Drilling Indonesia contributed educational supplies including playground-sized game mats, clothing and footwear to students at Tomawin Institute, a dormitory built by Freeport where students from seven highlands tribal groups are educated and learn life skills.



PRIMARY CHILDREN'S HOSPITAL

Major Drilling presented a check to Primary Children's Hospital in SLC, Utah.



A CULTURE OF SAFETY

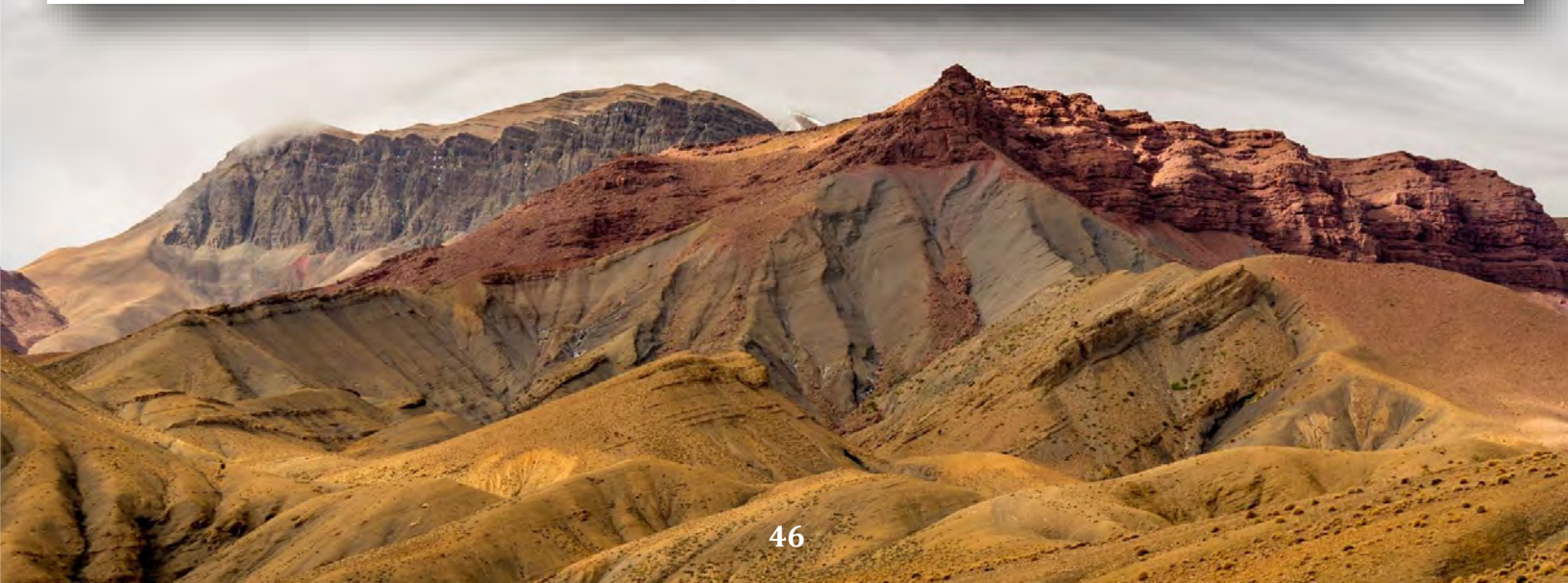
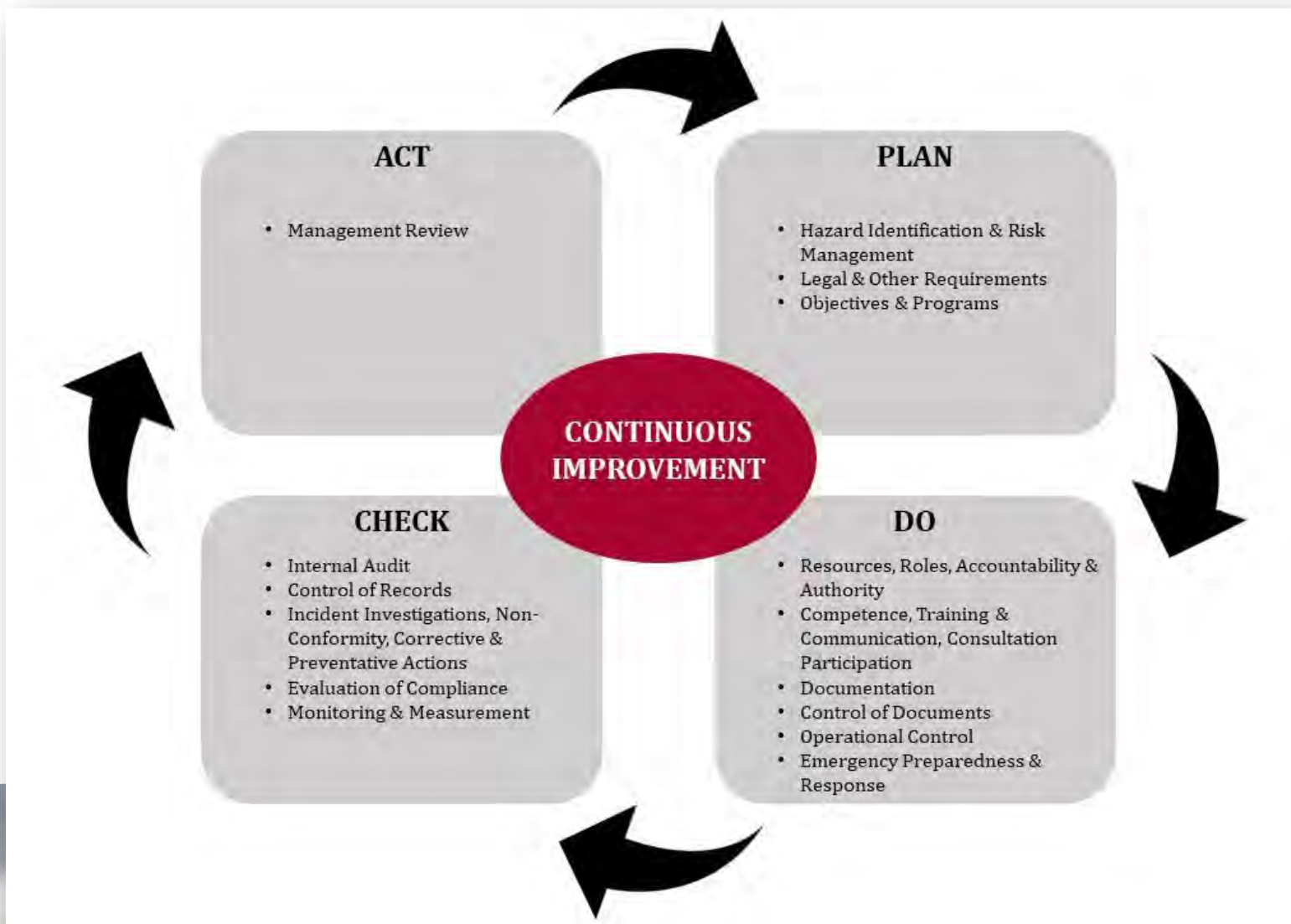
At Major Drilling, safety is a top priority delivered through the combined education and training of the Critical Risks Management, TAKE 5, and 10 Lifesaving Rules safety programs.

We are committed to providing our employees, and others who may be affected by Major Drilling’s activities, with a healthy, safe and secure operating environment. These efforts are overseen by the Board’s Environment, Health and Safety Committee and management’s Health, Safety, Environment and Community Committee, composed of the President and Chief Executive Officer, the Chief Financial Officer, the Vice Presidents of Operations, the Vice President Human Resources and Safety, and select senior safety managers. The latter committee meets once each month and is chaired by Major Drilling’s President and Chief Executive Officer. The committee sets out annual key safety and environmental objectives and reviews all safety or environmental incidents, identifies remedial actions, oversees internal and external safety system audits and monitors the implementation of the Company’s safety and environmental initiatives.

A regular focus point for the committee is the health and wellness of all employees, including injury prevention, mental, and physical health.

THE HSEC MANAGEMENT SYSTEM STRUCTURE

The structure of the HSEC Management System used by Major Drilling is based on the well-recognized continuous improvement element structure as described in the figure below. The HSEC Management System is based on the elements described by ISO 45001:2018.



OUR SAFETY SYSTEM

Major Drilling promotes a proactive approach to the health and safety of all our employees. Our safety system has been developed to meet or exceed all applicable government and client standards.

By partnering with industry leaders in behavioral safety, incident investigation, workers' compensation, and ISO 45001 standards, we have built a comprehensive integrated management system.

Our system utilizes the latest technology to ensure all branches have access to the most up-to-date standards and with information and lessons learned quickly shared throughout the entire Company. Our crews are well trained, and dedicated to achieve safety excellency by responsibly following safe work procedures every single day.



OUR SAFETY PROGRAMS

Major Drilling's system elements have been developed according to ISO 45001 standards. We track the details of each incident globally in our Intelx system by entering details of incidents regardless of severity of loss; this helps build an ongoing picture of risk that helps identify emerging trends and track the effectiveness of our efforts.

Major Drilling is committed to a comprehensive management system while not forgetting that safety begins in the field with our fundamental programs such as TAKE 5. This is the Company's field-level simple risk assessment tool used to identify and control hazards encountered on site at the moment and in the environment where the task is being completed. We have also developed our own "10 Lifesaving Rules" to highlight serious risks and the controls which allow us to prevent serious injuries.

We have a continuous improvement plan to keep our elements, processes, procedures and management practices above industry standards.

CRITICAL RISK MANAGEMENT

PURPOSE

Our critical risk management program serves as a key part to a critical incident prevention strategy.

It provides the controls deemed necessary to prevent potential fatalities, serious incidents and/or injuries that come from our most common hazards and risks encountered in our daily business tasks.

APPROACH

Every critical risk identified in this program has a set list of critical controls. Every shift, when the employee encounters a critical risk symbol, they will need to stop and complete the corresponding critical control checklist.



10 LIFESAVING RULES

At the field level, Major Drilling has a program called “TAKE 5”, which is a simple risk assessment tool used to identify and control hazards encountered, at the moment, on site and in the environment where the task is being completed.

Another program used is called “10 Lifesaving Rules”, which has been developed to highlight serious risks and the controls, which helps prevent serious injuries. The rules are as follows:



- Watch out for my fellow workers.
- Wear fall protection while working at heights.
- Lock out and check for remaining energy before beginning any maintenance or repair.
- Arrive and remain fit for duty while at work. Avoid impairment from fatigue, alcohol and/or drugs.
- Do not remove or bypass any guard, safety device, or procedure.
- Do not attempt a task unless I am trained, competent and authorized.
- Use TAKE 5 to reduce risk for myself and my team.
- Wear my seat belt at all times while traveling in vehicles.
- Keep my hands out of crush points and stay clear of any suspended rods, tools or leads.
- Avoid any distractions while driving.

The rules are incorporated into induction training, reinforced with staff on a regular basis and are placed on all job sites.

HEALTH AND SAFETY SCORECARD

Scale of the Organization	2020	2021	2022
Total number of direct employees worldwide	2,894	3,583	3,398
Work-related Injuries	2020	2021	2022
Total Hours Worked	6,429,238	8,027,907	8,872,748
Rate of fatalities resulting from work-related injury Note: calculating per 200,000 hours worked	0	0	0.02
Lost Time Injuries Rate (LTIR)	0.12	0.12	0.07
Main types of work-related injury, e.g., confined space, trips, falls, etc.	Muscle strain/ sprain Finger pinch/cut	Muscle strain/ sprain Finger pinch/cut	Muscle strain/ sprain Finger pinch/cut

It should be noted that in February 2022, the Corporation’s Canada branch experienced a fatality. An incident report from the relevant regulatory agency is still pending.

Pre-op Inspections	Critical Risks Evaluated	Detailed Inspections
189,175	115,350	9,081
Facility Inspections	Completed Take 5s	Safety Interactions
150	93,430	4,540
Near Miss Reports	First Aid Reports	Hazards Identified
146	812	36,400



10 YEAR TOTAL RECORDABLE INCIDENT RATE (TRIR)



Major Drilling's health and safety protocols are consistently ranked as best in class in the mineral drilling industry. We promote a proactive approach to health and safety, as keeping people safe is of the utmost importance. These crews quickly assess and manage risk, leading to better results for our clients. Major Drilling has partnered with industry leaders to develop a safety system that meets or exceeds applicable government and client standards. As demonstrated in the graph above, our Total Recordable Incident Rate (TRIR) has been trending downward over the past 10 years, which is a testament to the Company's commitment and focus on safety.



DOOGA DAY

The impact of mental health awareness is felt deeply with Major Drilling’s Australia team, McKay Drilling.

In June 2021, Major Drilling began a new chapter of Australian drilling through its acquisition of McKay Drilling, a leading specialized drilling company based in Perth. Just 11 months earlier, the branch lost a very special member of its team, Joshua “Dooga” Jones, to suicide on July 31, 2020.

With support from worksite partners Fortescue Metals Group and Rio Tinto, drilling teams were able to take one minute at the beginning of shifts to commemorate Dooga Day. They showed their solidarity by wearing black armbands in memory of colleagues and loved ones lost to suicide. Crews at various drilling sites took time to build fires, order pizza and barbecue together on the special day.



HEAD OFFICE WELLNESS COMMITTEE

In 2022, Major Drilling established a Wellness Committee at its Head Office, with the goal being to promote and support a culture of wellness and to boost employee morale.

FLACA, THE DRILLING DOG

Flaca the Drilling Dog is bringing happiness to our branch in Argentina, all while helping to keep safety top of mind.





HUMAN CAPITAL MANAGEMENT



Prior to the end of fiscal 2022, all Major Drilling branches submitted their plans to the HR Committee on attracting more women into the industry. This process yielded useful ideas, with tailored approaches best suited to each branch's local context. However many headwinds exist ranging from cultural issues in each country to the physical demands of the job. This gender gap remains a significant challenge for the Company and the industry more generally.

Major Drilling believes that to achieve long-term success, we require talented, diverse and inclusive teams. We have an ongoing goal to have a workforce that reflects the makeup of the communities where we operate around the globe as we strive to maximize employment of citizens of the countries in which we operate.

A link to our [Diversity policy](#) can be found on our website.



WOMEN IN THE DRILLING INDUSTRY

In 2022, Major Drilling achieved gender parity on its board of directors, and for the first time, a woman sits as board chair, Kim Keating, a successful leader in the engineering profession, with strong operational experience.

“Empowering women in the drilling industry not only improves the industry as a whole, but it also has a ripple effect in creating a more inclusive and equitable society in the mining regions where we operate,” Ben Graham, VP HR & Safety said. “Providing equal opportunities for women in leadership and operational roles means unlocking a vast pool of talent, skills, and perspectives that can drive innovation, enhance productivity, and ensure sustainable development. We are committed to expanding our efforts to attract more women into the drilling industry. In the past year, our HR managers have completed audits of their policies and operations to identify any direct or indirect obstacles that could limit opportunities for women in the business. We are improving the representation of non-traditional candidates in our marketing content, developing recruiting videos helping to highlight why drilling can be a great industry for females to pursue, and ensuring our recruiters are delivering more female candidates for roles in the Company. While some areas continue to struggle with the culture of women in mining overall, we are committed to pushing these boundaries in our efforts to hire, promote, and retain the best employees in the industry.”



Shayne Smellie , Driller, Canada



Mélissa Lessard, Driller Assistant, Canada



Sage Whitworth, Trainee Driller, Australia



Respecting the fundamental freedoms and human rights of our workers and the communities that could be impacted by our activities is the bedrock of our social responsibility efforts. We recognize, respect and abide by all applicable labour, child labour, modern slavery and employment laws, and we expect that our suppliers meet the same standards. These include prohibitions on child labour, forced labour, discriminatory behaviour, human trafficking and all forms of modern slavery, as well as recognition of the rights of freedom of association and collective bargaining. In 2022, Major Drilling enhanced its vendor on-boarding process through the inclusion of human rights obligations.

Risks related to human rights and security are connected to other ESG factors, such as community relations, human capital management, and health and safety. For example, if it becomes known that a company's supply chain engenders human rights violations, there is a greater risk of opposition to operations by local communities. Additionally, if the Company is operating in a region with an active conflict, its exposure to workforce-related risks increases given the threats conflict could pose to the safety of its employees and its ability to attract and retain a skilled workforce.

A link to our **Human Rights policy** can be found on our website.

APPENDIX

Climate Change and GHG Emissions

The following appendix sets out the key aspects of Major Drilling’s climate change management approach and GHG emission data. The questions below are largely derived from CDP requirements, which we use as a model for our reporting.

Introduction	
Start and end date of the year for which we are reporting data.	Start Date: January 1, 2022 End Date: December 31, 2022
Countries/areas in which we operate.	Argentina Australia Brazil Canada Chile French Guiana Guyana Indonesia Mexico Mongolia Mozambique Philippines South Africa Suriname United States of America
Currency used for all financial information disclosed throughout our report.	CAD
Description of the reporting boundary for which climate-related impacts on our company are being reported.	Financial control
Ticker symbol for the company.	MDI
Governance	
Is there board-level oversight of climate-related issues within the company?	<p>The Board retains overall responsibility for ESG matters. Except for items (below) specifically retained at the Board, oversight is exercised through delegation to, and regular reporting from, Committees.</p> <p>Overall ESG responsibility would include approval of significant policy or strategic matters (on recommendation for relevant Committee(s)) such as approval of GHG emission reduction targets, adoption of specific ESG reporting frameworks such as TCFD, SASB etc.</p>

APPENDIX

Climate Change and GHG Emissions

<p>Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.</p>	<p>The full Board is responsible for climate-related issues. The Environment, Health and Safety Committee has specific oversight responsibility for making recommendations to the Board regarding many core aspects of ESG, such as health, safety and environmental management, and climate change matters.</p>
<p>Further details on the board's oversight of climate-related issues.</p>	<p>ESG matters specifically retained for oversight by the full Board:</p> <ul style="list-style-type: none"> • Climate and GHG emissions overall strategy and targets; • Market risks (shifts in supply and demand) and opportunities (new sources of funding); • Product and services opportunities (respond to changing customer preferences/requirements); • Resilience opportunities (developing adaptive capacity re transition and physical climate risks); • Technology risks and opportunities (support transition to lower carbon); • Reputation. <p>The Environment, Health and Safety Committee has specific oversight responsibility for making recommendations to the Board regarding many core aspects of ESG, such as health, safety and environmental management, and climate change matters, including:</p> <ul style="list-style-type: none"> • Climate change risks – physical and transitional; • GHG emissions (eg whether to set targets and, if so, monitoring of progress against targets);

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	<ul style="list-style-type: none"> • Energy management – including opportunities re energy sources and efficiency; • Water management/conservation; • Biodiversity and ecological impacts.
Does the company have at least one board member with competence on climate-related issues?	Yes
Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.	<ul style="list-style-type: none"> • Chief Executive Officer (CEO) • Chief Financial Officer (CFO) • Vice President of Legal Affairs & General Counsel • ESG Committee
Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).	<p>In their capacity as members of Major Drilling's executive leadership, the CEO and CFO are primarily responsible for identifying, assessing, and managing climate-related issues. The Vice President of Legal Affairs and General Counsel (also Corporate Secretary) spearheads the Company's ESG initiatives, coordinates climate-related risk disclosures, and is the Vice Chair of the Company's global ESG Committee (note: the Committee is now chaired by the Company's Sustainability & ESG Coordinator). In calendar year 2022, the ESG Committee included global, company-wide representation, including the following individuals: Sustainability & ESG Coordinator (Committee Chair), Vice President Human Resources and Safety, Global Innovation Manager, Regional HSEC Manager (Asia), Marketing Coordinator, Regional Safety Manager (Africa), Human Resources Manager (Suriname), Regional Controller (Asia), Area Manager (Ontario), Corporate Business Development Manager, General Manager, North American Percussive Operations, and Site Access Administrator. The Company includes climate-related risks in its triennial global risk assessment. The results of the triennial global risk assessment are reviewed annually and updated, as appropriate.</p>

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<p>Do you provide incentives for the management of climate-related issues, including the attainment of targets?</p>	<p>No. Major Drilling is reviewing the results of its climate change materiality assessment to determine strategic impacts of climate-related issues on the Company.</p>
Risks and Opportunities	
<p>Does the company have a process for identifying, assessing, and responding to climate-related risks and opportunities?</p>	<p>Yes</p>
<p>How does the company define short-, medium- and long-term time horizons?</p>	<ul style="list-style-type: none"> • Short-term – From 0-3 years • Medium-Term – From 3-5 years • Long-Term – From 5-10 years
<p>How does the company define substantive financial or strategic impact on the business?</p>	<p>Major Drilling defines substantive financial or strategic impact based on whether a climate-related risk or opportunity is likely to be of interest to current or prospective investors, clients, and other key stakeholders of the Company. A climate-related risk or opportunity would likely be of interest if it would impact a key stakeholder's decision to invest in Major Drilling, contract with the Company as a supplier, or directly/indirectly impact the Company's profitability, creditworthiness, and access to or cost of capital.</p>
<p>Describe the company's process(es) for identifying, assessing and responding to climate-related risks and opportunities.</p>	<ul style="list-style-type: none"> • Value chain stage(s) covered: Direct Operations • Risk management process: Integrated into multi-disciplinary company-wide risk management process • Frequency of assessment: Annually • Time horizon(s) covered: <ul style="list-style-type: none"> ⇒ Short-term ⇒ Medium-term ⇒ Long-term <p>Description of process: Climate-related risks are considered as part of Major Drilling's triennial global risk assessment and they are</p>

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	<p>reviewed annually to determine if the risk profile has changed. Physical and transition risks are being considered as part of company-wide risk identification, assessment, and management processes.</p>
<p>Which risk types are considered in the company's climate-related risk assessments?</p>	<ul style="list-style-type: none"> • Current regulation: Major Drilling operates in various regions and jurisdictions where environmental laws are evolving and are not consistent. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased cost at some of the Company's operations. • Emerging regulation: Major Drilling operates in various regions and jurisdictions where environmental laws are evolving and are not consistent. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased costs at some of the Company's operations. • Technology: Mining companies face pressure from governments and investors to improve sustainable mining practices by reducing GHG emissions from operations. As a provider of specialized drilling services to mining companies, our clients may seek lower-emitting drill rigs from Major Drilling as a

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	<p>contractor. This could result in increased costs to adopt and employ new practices and processes on-site.</p> <ul style="list-style-type: none">• Legal: Major Drilling operates in various regions and jurisdictions where climate change laws are evolving and are not consistent. Major Drilling is inherently exposed to a complex legal landscape since the Company maintains field operations and offices in over 15 countries, including Canada, the United States, Mexico, South America, Asia, Australia and Africa. Increasingly stringent laws related to emissions have the potential to increase compliance costs.• Market: In the transition to a lower-carbon economy, there will likely be increased consumer demand for more sustainable mining practices and uncertainty in market signals (i.e., future demand for different types of minerals). Market risks can result in impacts on consumer demand for certain minerals (e.g., copper, nickel, lithium), increased production costs due to changing input prices (e.g., energy, fuel) and costs associated with shifts in resource bases as mining companies diversify their portfolios over time. As a specialized drilling contractor, Major Drilling is indirectly exposed to this risk through its clients.• Reputation: Mining operations can have significant environmental impacts, which can create reputational risk for our clients. Reputational risks can impact mining companies' operations due to protests and blockades, as well as
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	<p>increased operating costs to facilitate stakeholder engagement activities. As a provider of specialized drilling services, Major Drilling is indirectly exposed to this risk via its mining company clients.</p> <ul style="list-style-type: none">• Acute physical: The acute physical effects of climate change, such as extreme weather conditions and natural disasters, could have an adverse financial impact on operations located in the regions where these conditions are expected to occur with increased frequency and severity. <p>Major Drilling's core business is to provide specialized drilling services via mobile fleets, which means they move from project to project over time. As a result, our assets are not tied to a given physical location, thus the degree of our exposure to acute physical risks is significantly different from a traditional mining company's exposure.</p> <ul style="list-style-type: none">• Chronic physical: The chronic physical effects of climate change, such as resource shortages, changing sea levels, and rising temperatures, could have an adverse financial impact on operations located in the regions where these conditions are expected to occur over time.
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Has the company identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on the company's business?	Yes
Risk 1	
Where in the value chain does the risk driver occur?	Direct operations
Risk type & Primary climate-related risk driver	Acute physical Cyclone, hurricane, typhoon
Primary potential financial impact	Increased direct costs/ Loss of revenue
Time horizon	Short-term
Likelihood	Virtually certain
Magnitude of impact	High
Company-specific description	<p>Acute physical risks can have several financial impacts, including:</p> <ul style="list-style-type: none"> • Operational shutdowns due to extreme weather events resulting in decreased revenue and delays in client projects. • Damage to physical assets, infrastructure, and the supply chain leading to reduced revenue from decreased production capacity and increased capital costs. • Impacts to workforce health and safety resulting in higher costs to mitigate impacts on the workforce and due to absenteeism. <p>The physical effects of climate change, such as extreme weather conditions and natural disasters, could have an adverse financial impact on operations located in the regions where these conditions are expected to occur with increased frequency and severity. Acute physical risk is a key climate-related risk for mining companies given the potential financial impacts. However, Major Drilling's core business is to provide specialized drilling services via mobile fleets, which means they move from project to project over time. As a result, the Company's assets are not tied to a</p>

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	<p>given physical location, thus the degree of our exposure to acute physical risks is significantly different from a traditional mining Company's exposure. Exposure to this risk is linked with the risk profile of the regions in which Major Drilling operates at any given time, making it difficult to assess the specific level of acute physical risk faced. However, given the degree of exposure traditional mining companies face to the physical risks of climate change and the regions in which Major Drilling typically operates, it remains a key risk for the Company. This risk is enhanced by the fact that Major drilling offers specialized drilling services for exploration activities in remote, difficult-to-access locations with significant barriers to entry, which also makes it more challenging to recover after an extreme weather event.</p>
Risk 2	
Where in the value chain does the risk driver occur?	Direct operations
Risk type & Primary climate-related risk driver	Emerging regulation Carbon pricing mechanisms
Primary potential financial impact	Increased indirect (operating) costs
Time horizon	Short-term
Likelihood	Virtually certain
Magnitude of impact	High

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<p>Company-specific description</p>	<p>Mining operations can be energy-intensive and generate significant GHG emissions. There are many regulatory efforts underway at the international, national, and state levels to reduce GHG emissions. This regulatory trend is expected to continue and intensify as governments continue to enact policies to address climate change, which could result in increased compliance costs, operational costs, and reputational risks. For example, a carbon tax policy would result in increased electricity and fuel costs. The mining industry is often identified as a high emitting sector, as a result, it faces heightened risk related to GHG emissions. In response, leading mining companies are setting ambitious GHG reduction targets and they will be increasingly seeking low carbon contractors to support these goals. Institutional investors are also under pressure to disclose and reduce the GHG emissions of their portfolios, which means that companies will continue to face investor requests to disclose their GHG emissions. Investors setting GHG reduction targets at the portfolio level are seeking to invest in companies that align with these goals. A lack of disclosure could result in reputational risks and the Company becoming target of potential activist campaigns focusing negative attention on the Company and requiring the use of Company time and resources to respond.</p> <p>Major Drilling operates in various regions and jurisdictions where climate change laws are evolving and are not consistent. The Company is inherently exposed to a complex policy and legal landscape since the Company maintains field operations and offices in over 15 countries, including Canada, the United States, Mexico, South America, Asia, Australia and Africa. Several governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to GHG emissions. The Company could</p>
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	be exposed to increased operational costs due to increasingly stringent GHG emissions policies, thereby impacting profit margins. The need to reduce GHG emissions intensity and properly manage the impact of potential future carbon pricing scenarios on operations could impact Company profitability and returns over time.
Risk 3	
Where in the value chain does the risk driver occur?	Direct operations
Risk type & Primary climate-related risk driver	Technology Transitioning to lower emissions technology
Primary potential financial impact	Decreased revenues due to reduced demand for products and services
Time horizon	Short-term
Likelihood	Virtually certain
Magnitude of impact	Medium-high
Company-specific description	<p>Mining companies will continue to face pressure from governments and investors to improve sustainable mining practices by reducing GHG emissions from operations. Reducing GHG emissions may involve investments in research and development projects to produce new and innovative technologies that enable a low carbon transition over time. This can result in increased R&D costs, increased costs to adopt and employ new practices and processes on site, and reduced demand for high emitting specialized drilling services in favour of lower-emitting alternatives.</p> <p>As a provider of specialized and underground drills to mining operators, Major Drilling is</p>

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	likely to face growing pressure from its clients to reduce GHG emissions from drilling operations as part of clients' efforts to reduce their own operational GHG emissions. The Company's ability to navigate the transition to a low carbon economy could have an impact on the Company's future profitability and expected returns from prospective exploration investments.
Risk 4	
Where in the value chain does the risk driver occur?	Direct operations
Risk type & Primary climate-related risk driver	Chronic physical Changing precipitation patterns and types (rain, hail, snow/ice)
Primary potential financial impact	Increased direct costs
Time horizon	Medium-term
Likelihood	Likely
Magnitude of impact	Medium-high
Company-specific description	<p>Chronic physical risks are expected to increase over time and can have several financial impacts including:</p> <ul style="list-style-type: none"> • Increased insurance premiums and potential for reduced availability of insurance on assets in “high risk” locations. • Impacts to useful life of assets and depreciation over time due to exposure to changing climatic conditions (e.g. slow onset temperature rise). • Reduced revenue from client projects due to recurring issues associated with chronic physical risks (e.g. workforce health and safety concerns due to heatwaves resulting in reduced working hours on mining sites for human health and safety).

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	<p>The chronic physical effects of climate change, such as resource shortages, changing sea levels, and changing temperatures, could have an adverse financial impact on operations located in the regions where these conditions occur. Chronic physical risk is a key climate-related risk for mining companies given the potential financial impacts. However, Major Drilling's core business is to provide specialized drilling services via mobile fleets, which means they move from project to project over time. As a result, Major Drilling's assets are not tied to a given physical location, thus the degree of our exposure to chronic physical risks is significantly different from a traditional mining company's exposure. Exposure to this risk is linked with the risk profile of the regions in which the Company operates at any given time, making it difficult to assess the specific level of chronic physical risk faced. However, given the degree of exposure traditional mining companies face to the physical risks of climate change and the regions in which Major Drilling typically operates, it remains a key risk for the Company. This risk is enhanced by the fact that Major Drilling offers specialized drilling services for exploration activities in permafrost regions, which have critical infrastructure (e.g., ice roads) at risk due to slow onset temperature rise.</p>
Risk 5	
Where in the value chain does the risk driver occur?	Direct operations
Risk type & Primary climate-related risk driver	Reputation Increased stakeholder concern or negative stakeholder feedback
Primary potential financial impact	Decreased revenues due to decreased operating capacity
Time horizon	Medium-term
Likelihood	More likely than not

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Magnitude of impact	Medium-high
Company-specific description	<p>Mining operations can have significant negative environmental impacts. Mining companies face significant reputational risks that could ultimately impact their social license to operate. Reputational risks can impact mining companies' operations due to protests and blockades, as well as increase operating costs to facilitate stakeholder engagement activities.</p> <p>As a provider of specialized drilling services, Major Drilling is indirectly exposed to this risk via its mining company clients. The Company is dependent on its clients to maintain their social license to operate for Major Drilling to generate drilling revenue. Operational disruptions due to protests and blockades of drilling activities could directly impact the Company. Typically, contractors do not face the same level of inherent risk exposure as this resides with the mining companies, thereby reducing this inherent risk for Major Drilling.</p>
Risk 6	
Where in the value chain does the risk driver occur?	Direct operations
Risk type & Primary climate-related risk driver	Market Changing customer behavior
Primary potential financial impact	Decreased revenues due to reduced demand for products and services
Time horizon	Long-term
Likelihood	More likely than not
Magnitude of impact	Medium-high

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<p>Company-specific description</p>	<p>The global mining sector is facing growing market risks associated with increased consumer demand for more sustainable mining practices and uncertainty in market signals (i.e., future demand for different types of minerals). Market risks can result in impacts on consumer demand for certain minerals (e.g., copper, nickel, lithium), increased production costs due to changing input prices (e.g. energy, fuel) and costs associated with shifts in resource bases as mining companies diversify their portfolios over time.</p> <p>Major Drilling’s clients are inherently exposed to market risks and as a result, the Company is indirectly exposed to these risks. Major Drilling offers exploration drilling services for mining companies with significant barriers to entry, including deep holes, permafrost, and remote locations. If Major Drilling’s clients are not appropriately considering the market risks that they face as a result of climate change, the Company could be negatively impacted financially as its clients could face decreased revenues and increased costs.</p>
<p>Has the company identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on its business?</p>	<p>Yes</p>
<p>Opportunity 1</p>	
<p>Where in the value chain does the opportunity occur?</p>	<p>Direct operations</p>
<p>Opportunity type</p>	<p>Energy source</p>
<p>Primary climate-related opportunity driver</p>	<p>Use of lower-emission sources of energy</p>
<p>Primary potential financial impact</p>	<p>Increased revenues resulting from increased demand for products and services</p>
<p>Time horizon</p>	<p>Long-term</p>

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Likelihood	Virtually certain
Magnitude of impact	Medium-high
Company-specific description	<p>Increasingly, mining companies are diversifying the energy sources used in extraction, production, and operations to meet GHG reduction targets and reduce energy costs. Globally, mining companies are investing in new technologies to reduce energy consumption and establish decentralized energy sources (e.g., on-site renewable energy generation with battery storage). Leading mining companies are strategically positioning themselves for future GHG emissions reduction requirements in the low carbon transition, as well as taking this opportunity to reduce energy costs from operations, resulting in positive reputational benefits for showing leadership.</p> <p>As a specialized drilling contractor, Major Drilling has an opportunity to position itself to support clients' long-term alignment with the use of low carbon energy sources, such as all-electric mining equipment. The Company can strategically support mining companies' efforts to reduce energy consumption and obtain energy from diversified, low carbon sources by offering an energy-efficient fleet of drills and rigs relative to competitors. Given that most of Major Drilling's energy consumption is diesel, this would also help to mitigate policy and legal risks from increasing GHG emissions.</p>
Opportunity 2	
Where in the value chain does the opportunity occur?	Direct operations
Opportunity type	Resource efficiency
Primary climate-related opportunity driver	Use of more resource-efficient drilling equipment
Primary potential financial impact	Increased revenues resulting from increased demand for products and services

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Time horizon	Short-term
Likelihood	Likely
Magnitude of impact	High
Company-specific description	<p>Mining companies can capitalize on opportunities to increase resource efficiency through improved transportation, production, and distribution processes. These can result in reduced costs through operational efficiency gains and the need for less raw inputs to production (e.g., fuel consumption). Resource efficiency also applies to a Company's direct operations, including vehicle fleet fuel efficiency, office building energy efficiency, and recycling.</p> <p>As a provider of specialized drilling services to mining companies, Major Drilling can support its clients by improving the resource efficiency of its drilling equipment and operations. There is a growing opportunity for Major Drilling to position itself as a resource-efficient specialized drilling service, which could help to enhance the Company's market share with senior clients, thereby increasing revenues over time. Improvements to the resource efficiency of the company's drills, rigs and vehicle fleets, as well as office buildings, could reduce operational costs for Major Drilling, improving profit margins.</p>
Opportunity 3	
Where in the value chain does the opportunity occur?	Direct operations
Opportunity type	Markets
Primary climate-related opportunity driver	Access to new markets
Primary potential financial impact	Increased revenues resulting from increased demand for products and services
Time horizon	Medium-term

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Likelihood	Likely
Magnitude of impact	Medium-high
Company-specific description	<p>The transition to a low carbon economy focuses on electrification of many other industries, such as transportation. Electric vehicles require significant amounts of precious metals such as copper, nickel, and lithium, representing a potential growth opportunity for Major Drilling. The mining sector has growth opportunities to support the low carbon transition (e.g., providing precious metals required as inputs to batteries, solar panels, wind turbines). In addition, new mineral deposits over the next 20 years will likely come from regions that are currently difficult to access (e.g., Northern geographies previously covered in permafrost that is melting due to climate change and exposing new mineral reserves). As a result, specialized drilling will be a larger part of the mineral market in the future. This opportunity is increased by anticipated future supply deficits for certain minerals, such as copper.</p> <p>Major Drilling has a unique opportunity to expand its specialized drilling services to new and existing clients who stand to benefit from the transition to a lower-carbon economy (e.g., companies providing key precious metals or companies with mineral mining rights in remote, difficult to access locations). In order to do so, it will become increasingly important to demonstrate leadership in reducing GHG emissions and help mining operators reach their goals of reducing their carbon footprint from operations, while helping clients drill in new areas as mineral deposits are explored.</p>
Opportunity 4	
Where in the value chain does the opportunity occur?	Direct operations
Opportunity type	Resilience

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Primary climate-related opportunity driver	Investment in climate-resilient drills and rigs
Primary potential financial impact	Increased revenue due to the avoidance of operational disruptions
Time horizon	Medium-term
Likelihood	Likely
Magnitude of impact	Medium-high
Company-specific description	<p>As the acute and chronic physical risks of climate change increase over time with global warming, there are a growing number of opportunities to build resilience into asset design and operational processes to create a competitive advantage. Mining companies will be seeking support from contractors that can effectively minimize operational disruptions in the face of extreme weather events, ensuring business continuity and minimal impacts to exploration and production activities.</p> <p>Major Drilling has an opportunity to invest in building resilience to avoid operational disruptions due to extreme weather for its mining clients. The Company can invest in new drills and rigs that can withstand a higher frequency and intensity of extreme weather events, creating a competitive advantage relative to other drilling companies.</p>
Opportunity 5	
Where in the value chain does the opportunity occur?	Direct operations
Opportunity type	Products and services
Primary climate-related opportunity driver	Development and/or expansion of low emission goods and services
Primary potential financial impact	Increased revenues resulting from increased demand for products and services

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Time horizon	Long-term
Likelihood	More likely than not
Magnitude of impact	Medium
Company-specific description	<p>Mining companies have opportunities to diversify their mineral bases and expand sustainably produced mineral resources. There is a growing pool of government funding to reduce GHG emissions from mining operations. This presents an opportunity to access new pools of capital to invest in research and development activities for new and expanded low carbon, energy-efficient products and solutions for the global mining sector.</p> <p>As a drilling contractor, Major Drilling could consider investments in new technologies to reduce GHG emissions from drilling operations. The Company may be able to access government funding to help offset the costs of these research and development activities.</p>
Business Strategy	
Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?	No, but our strategy has been influenced by climate-related risks and opportunities.
Does the company use climate-related scenario analysis to inform its strategy?	<p>No, but we anticipate using qualitative and/or quantitative analysis in the next two years.</p> <p>Major Drilling is reviewing the results of its climate change materiality assessment to determine strategic planning impacts of climate-related risks and opportunities on the Company. An assessment of the longer-term impacts to the Company is underway to determine the extent to which climate change would influence our strategy.</p> <p>Major Drilling is currently in the process of quantifying the potential impacts of climate-related factors and therefore cannot yet</p>

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	<p>integrate them into strategic planning. The Company roots its efforts in a strong ESG sustainability framework and risk management processes that have long been in place that take into account the interests of a broad range of stakeholders, including the communities where it operates around the world. In 2021, the Company undertook a preliminary review of its responsible water management practices, and its waste oil disposal and recycling processes across its global operations. Major Drilling's Innovation Manager led the initial evaluations of potential technologies that could be deployed to help address these concerns. In 2022, the Company deployed many Solid Removal Centrifuge units to our projects globally, which work as close circuit systems that allow solids to be separated from the drill fluids, and the treated fluids to be redirected to the mixing tank for re-use, resulting in significant water recycling rates and in some cases representing up to a 90% lower consumption rate of water needed per day per drill. The Company is also testing a Remote Water Pump Controller, which will optimize the amount of water used while drilling and avoid waste.</p> <p>In 2022, as part of identifying a path to setting carbon emissions reduction targets, the Company has engaged a mechanical engineer to provide expert advice related to emission reduction efforts and target setting.</p>
<p>Describe where and how climate-related risks and opportunities have influenced the company's strategy.</p>	<p>Operations - Evaluation in progress</p>
<p>Describe where and how climate-related risks and opportunities have influenced the company's financial planning.</p>	<p>Major Drilling is reviewing the results of its climate change materiality assessment to determine strategic and financial planning impacts of climate-related risks and opportunities on the Company. An assessment of the longer-term impacts to the Company is underway to determine if climate-related risks and opportunities should influence the Company's strategy and long-term financial planning.</p>

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	Major Drilling is currently in the process of quantifying the potential financial impacts of climate-related factors and therefore cannot yet integrate them into financial planning.
In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?	No

Targets and Performance

Although Major Drilling didn't have any formal emission reduction targets in 2022, the Company 's leadership (management and the board of directors) are currently evaluating steps to reduce GHG emissions from the operation of diesel drill rigs. In 2022, Major Drilling had the following informal GHG emission reduction initiatives in place:

- Continue to upgrade to Tier 4 engines (in regions where Major Drilling has the ability to do so) for drill rig fleet as equipment reaches the end of its useful life. Tier 4 engines are more energy-efficient and produce lower emissions during operations than less energy-efficient engines. In some regions (e.g. South America), Major Drilling is required to use customer-supplied fuel for its drill rigs. In these cases, Major Drilling is reliant upon its customers to provide cleaner sources of fuel in order to upgrade to Tier 4 engines. For the foreseeable future, the high GHG intensity of fuel provided by customers precludes Major Drilling from upgrading to Tier 4 engines in these regions.
- Continued a business strategy to grow underground drilling operations and expand the use of electric drills, which will reduce Major Drilling's GHG emissions intensity of operations over the longer-term.
- Transitioned 16 heated drill shacks in Canada to a more fuel efficient in-floor heated model, significantly reducing fuel consumption per unit.
- Installed compressor idling systems on our RC drills in Australia. On a standard booster, operators have to manually set what RPM they want the engine to rev up to and quite often, that RPM setting can be unnecessarily high, which leads to excess fuel burn and premature wear and tear of components. The idling system will monitor input and output pressures and automatically adjust the engines RPM to ensure it is always sitting at its optimal range to boost the air pressure to its rated capacity. Once that rated capacity is achieved, the engine RMP will reduce, saving us fuel.
- Converting many lighting towers to LED light or solar power.
- Biofuel being tested on some projects.
- Engaged with an outside ESG consultant to evaluate the development of a path to setting carbon emissions reduction targets.

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Did the company have an emissions target that was active in the reporting year?	No target in 2022
Explain why the company did not have an emissions target, and forecast how its emissions will change over the next five years.	Major Drilling is working with an outside ESG consultant to evaluate the development of a path to setting carbon emissions reduction targets.
Did the company have any other climate-related targets that were active in the reporting year?	No other climate-related targets
Did the company have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.	Yes
Do you classify any of your existing goods and/or services as low-carbon products?	No
Emissions Methodology	
missions Methodology Emissions Methodology	
Has the company undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?	No
Has the company's emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?	No
Did the company have any other climate-related targets that were active in the reporting year?	No other climate-related targets
Did the company have emissions reduction initiatives that were active within the reporting year?	No
Base year and base year emissions – Scope 1	
Base year start	January 1, 2018
Base year end	December 31, 2018
Base year emissions (metric tons CO ₂ e)	60,197

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Base year and base year emissions – Scope 2	
Base year start	January 1, 2018
Base year end	December 31, 2018
Base year emissions (metric tons CO ₂ e)	5,807
Name of the standard, protocol, or methodology	
Select the name of the standard, protocol, or methodology the company has used to collect activity data and calculate emissions.	Environment Canada, Metal Mining, Guidance Manual for Estimating Greenhouse Gas Emission
Emission Data	
Scope 1	
What were the company’s gross global Scope 1 emissions in metric tons CO ₂ e?	89,667
Scope 2	
Describe the company’s approach to reporting Scope 2 emissions.	<ul style="list-style-type: none"> • Scope 2, location-based: We are reporting a Scope 2, location-based figure. • Scope 2, market-based: We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure.
What were the company’s gross global Scope 2 emissions in metric tons CO ₂ e?	16,063
Scope 3	

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Account for the company's gross global Scope 3 emissions, disclosing and explaining any exclusions.	Not evaluated Major Drilling has not calculated its Scope 3 emissions. Given the nature of Major Drilling's business as a drilling subcontractor, Scope 3 emissions are likely to be negligible to the Company's overall annual GHG emissions as the majority of emissions come from operation of drill rigs and vehicle fleet.
Global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue	
Intensity figure	0.0001435
Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)	105,731
Metric denominator	Unit total revenue
Metric denominator: Unit total (Revenue)	737,025,096
Scope 2 figure used	Location-based
% Change from previous year	12%
Direction of change	Decreased
Emissions Breakdowns	
Total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP) (metric tons of CO2e)	

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CO2	86,078
CH4	107
N2O	3,483
Total gross global Scope 1 emissions by country/region (metric tons of CO2e)	
North America	51,187
South America	17,583
Asia, Australasia and Africa	36,960
Total gross global Scope 1 emissions by business activity (metric tons of CO2e)	
Stationary Combustion (drill rigs, other stationary drilling equipment)	81,717
Mobile Combustion (light duty vehicles)	7,864
Buildings (administrative, warehouse and maintenance facilities)	86
Total gross global Scope 2 emissions by country/region (location-based - metric tons CO2e)	
North America	8,306
South America	444
Asia, Australasia and Africa	7,313

Appendix
Climate Change and GHG Emissions

Total gross global Scope 2 emissions by business activity (location-based - metric tons CO2e)	
Electric Drills	14,205
Buildings	1,859
Gross global emissions (Scope 1 and 2 combined) results	
How does the company's gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?	Increased
Identify the reasons for any change in the company's gross global emissions (Scope 1 and 2 combined).	Total gross Scope 1 and 2 emissions for the 2022 reporting year are greater than 2021, which is a result of an increase in operations due to the industry upturn.
Energy	
What percentage of the company's total operational spend in the reporting year was on energy?	More than 0% but less than or equal to 5%
Energy consumption totals in MWh.	
Consumption of fuel	333,081
Consumption of purchased or acquired electricity	46,459
Total energy consumption	379,540

**Appendix
Climate Change and GHG Emissions**

Fuel in MWh the organization has consumed by fuel type	
Diesel	
Heating value	HHV
Total fuel MWh consumed by the company	328,853
MWh fuel consumed for self-generation of electricity	46,459
Gasoline and Natural Gas	
Heating value	HHV
Total fuel MWh consumed by the company	4,228
MWh fuel consumed for self-generation of electricity	0
Propane	
Heating value	HHV
Total fuel MWh consumed by the company	0
MWh fuel consumed for self-generation of electricity	0

Appendix
Climate Change and GHG Emissions

Provide details on the electricity the company has generated and consumed in the reporting year	
Electricity - Total Gross generation (MWh)	37,880
Non-fuel energy consumption by country - Consumption of electricity (MWh)	
United States of America	13,497
Argentina	185
Australia	466
Brazil	2,635
Canada	17,243
Chile	107
Indonesia	5,292
Mexico	4,700
Mongolia	2,207
Philippines	78
South Africa	41
Suriname	8
Carbon Pricing Carbon Pricing	
Are any of the company's operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?	Yes

Appendix
Climate Change and GHG Emissions

Carbon pricing regulation(s) which impacts the company's operations	<ul style="list-style-type: none"> • Alberta TIER - ETS • Argentina carbon tax • Australia ERF Safeguard Mechanism - ETS • BC carbon tax • Canada federal fuel charge • Canada federal Output Based Pricing System (OBPS) - ETS • Chile carbon tax • Colombia carbon tax • Mexico carbon tax • South Africa carbon tax
What is the company's strategy for complying with the systems you are regulated by or anticipate being regulated by?	As a provider of drilling services, Major Drilling is indirectly exposed to carbon pricing through its fuel costs to operate drill rigs and vehicle fleets. The costs of carbon pricing systems in countries where Major Drilling operates are incorporated in energy and fuel costs as a pass-through to the Company. As a result, MDI is not in a position to provide data as the Company does not track direct coverage by jurisdiction since this is dependent on the Company's clients.
Has the company originated or purchased any project-based carbon credits within the reporting period?	No
Has your organization canceled any project-based carbon credits within the reporting year?	No
Does the company use an internal price on carbon?	No, and we do not currently anticipate doing so in the next two years.
Engagement	
Does the company engage with its value chain on climate-related issues?	Yes, our suppliers Yes, our customers/clients

Appendix
Climate Change and GHG Emissions

<p>Provide details of the company's climate-related supplier engagement strategy.</p>	<ul style="list-style-type: none"> • Major Drilling is currently evaluating the procurement of Tier 4 engines, corresponding with suppliers on the topic periodically. • The Company is exploring procuring drills from suppliers that offer products that can produce more horsepower with less fuel consumption, offering potential emissions efficiency gains. • The Company is in preliminary discussions with a supplier about an electric RC drill. • The Company has initiated discussions with a key supplier regarding EVs and our fleet. • The Company is collaborating with a supplier as we transition many of our heated drill shacks to a more fuel efficient in-floor heated model where viable, significantly reducing fuel consumption per unit. <p>See Q&A on page 27 for more information.</p>
<p>Give details of the company's climate-related engagement strategy with its customers.</p>	<p>Major Drilling advises clients that it reports climate-related information publicly in its Sustainability Report. The Company has also begun advising key customers of our interest to collaborate with them as they look to reduce their operational carbon footprint.</p>
<p>Do the company's suppliers have to meet climate-related requirements as part of the company's purchasing process?</p>	<p>No, and we do not plan to introduce climate-related requirements within the next two years.</p>
<p>Does the company engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?</p>	<p>No. While not mandated, key suppliers are regularly engaged in an effort to encourage development of lower emissions solutions.</p>
<p>Has the company's published information about its response to climate change and GHG emissions performance for this reporting year publicly?</p>	<p>Yes</p> <ul style="list-style-type: none"> • Annual Report (under Environmental, Social and Governance" section) through this Sustainability Report.
<p>Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.</p>	<p>None at this time. Major Drilling is a services contractor to the mineral drilling industry and it's possible that some of our mining clients may have such involvement.</p>

Appendix
Climate Change and GHG Emissions

Biodiversity	
Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within the company?	<p>Yes, both board-level oversight and executive management-level responsibility.</p> <p>The Environment, Health and Safety Committee has responsibility for making recommendations to the Board regarding many core aspects of ESG, such as biodiversity. Major Drilling’s exposure to this risk is lower than that of a mining company with operations in or near ecologically sensitive areas because the Company’s primary exposure is indirect via its customers’ operations. Major Drilling is not responsible for securing land use permits and does not have significant reclamation obligations, which are typically the most significant biodiversity risks. For further information, please refer to Major Drilling’s Biodiversity Policy.</p>
Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?	See page 34 for more information on the Company’s response to biodiversity.
Does your organization assess the impacts and dependencies of its value chain on biodiversity?	No
Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?	Major Drilling’s exposure to this risk is lower than that of a mining company with operations in or near ecologically sensitive areas because the company’s primary exposure is indirect via its customers’ operations.
What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?	The company adopted a Biodiversity Policy in 2022.
Does your organization use biodiversity indicators to monitor performance across its activities?	No
Have you published information about your organization’s response to biodiversity-related issues for this reporting year ?	Yes, see page 34 for more information on the Company’s response to biodiversity.

FORWARD-LOOKING STATEMENT

This Sustainability Report 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 Sustainability Report 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 Sustainability Report 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; competitive pressures; global and local political and economic environments and conditions; the level of funding for the Company’s clients (particularly for junior mining companies); exposure to currency movements (which can affect the Company’s revenue in Canadian dollars); the integration of business acquisitions and the realization of the intended benefits of such acquisitions; efficient management of the Company’s growth; currency restrictions; safety of the Company’s workforce; risks and uncertainties relating to climate change and natural disaster; the Company’s dependence on key customers; 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; disease outbreak; as well as other risk factors described under “General Risks and Uncertainties” herein. 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.

**For more information on
Major Drilling's ESG efforts:**

[ESG - Major Drilling](#)

