NEWS RELEASE

Major Drilling Announces First Quarter EBITDA up 80%

MONCTON, New Brunswick (September 6, 2022) – Major Drilling Group International Inc. ("Major Drilling" or the "Company") (TSX: MDI), a leading provider of specialized drilling services to the mining sector, today reported results for the first quarter of fiscal 2023, ended July 31, 2022.

Highlights

- Highest quarterly revenue and net earnings in 10 years.
- Revenue of $199.8 million, an increase of 32% over the same period last year.
- EBITDA(1) for the quarter was $43.5 million (or $0.53 per share), an increase of 80% compared to the same period last year.
- Net earnings of $24.2 million, or $0.29 per share for the quarter, more than double the net earnings of $11.1 million, or $0.14 per share for the same period last year.
- Net cash at $8.5 million compared to net debt of $1.6 million in April 2022.
- Good progress in labour recruiting, training, and retention.

"During the quarter, we saw a continued increase in the demand for our complex specialized drilling services, despite the economic uncertainties experienced over the last three months," said Denis Larocque, President and CEO of Major Drilling. "With the strong operational leverage in our business model, we were again able to produce robust results."

"Our training efforts around the world are going very well, helping our growth and productivity, which has contributed to the recent growth in gross margins. Developing our crews is crucial in order to maintain our position of dominance in the specialized drilling market. Demand for our specialized drilling services continues to grow, as senior customers rely on Major Drilling to execute their increasingly challenging drill programs," continued Mr. Larocque.

"Fiscal 2023 is off to a great start with EBITDA of $43.5 million, an 80% increase from the same quarter last year. Elevated activity levels in most operating jurisdictions showcased the operational leverage in the business as the Company produced a very profitable quarter generating net earnings of $24.2 million or $0.29 a share, more than 100% growth from the same quarter last year," commented Ian Ross, CFO of Major Drilling. "With the balance sheet in great shape and strong cash generation in the quarter, the Company repaid $20 million of long-term debt, ending the quarter in a net cash position of $8.5 million. The Company spent $13.2 million on capital expenditures including the purchase of 7 new drills while disposing of 10 older, less efficient rigs, bringing the total fleet count to 600 drills".

"Despite a decline in commodity prices since the beginning of 2022, activity levels currently remain stable. A slowdown in junior mining financing is being offset by a desire from senior customers to continue to grow their reserves, both in precious and base metals. With metal prices remaining at levels well above what is needed to support exploration, we are already in discussions with several senior customers for their calendar 2023 programs, with many looking to book their rigs early," said Denis Larocque.

"With the growing supply shortfall in both gold and copper, several of our senior customers have committed to prioritizing value-adding grassroots exploration and development programs. The global demand for electrification continues to grow and will require an enormous volume of copper, battery metals and uranium, which will increase pressure on the existing supply/demand dynamic. We expect all of this to lead to substantial additional investments in copper and other base metal exploration projects as we help our customers discover the metals that will allow the world to accelerate its efforts toward a green economy. Many of the new mineral deposits in question are located in areas challenging to access, requiring complex drilling solutions, continuing the demand for Major Drilling's specialized services."

"Major Drilling remains in a unique position to react to, and benefit from these market dynamics. Backed by our strong financial position, our success in recruiting, training and inventory management has allowed us to maintain our position as both the operator and employer of choice in our industry," concluded Mr. Larocque.

In millions of Canadian dollars (except earnings per share)	Q1 2023	Q1 2022
Revenue	$ 199.8	$ 151.0
Gross margin	25.6%	20.1%
Adjusted gross margin (1)	30.8%	26.3%
EBITDA (1)	43.5	24.2
As percentage of revenue	21.8%	16.1%
Net earnings	24.2	11.1
Earnings per share	0.29	0.14

(1) See "Non-IFRS Financial Measures"

First Quarter Ended July 31, 2022

Total revenue for the quarter was $199.8 million, up 32.3% from revenue of $151.0 million recorded in the same quarter last year. The favourable foreign exchange translation impact on revenue and net earnings for the quarter, when comparing to the effective rates for the same period last year, was approximately $4 million and $1 million, respectively.

Revenue for the quarter from Canada - U.S. drilling operations increased by 32.6% to $112.6 million, compared to the same period last year. Demand for specialized drilling services remained elevated during the quarter while operations ran smoothly due to sound inventory management and successful labour recruitment and training.

South and Central American revenue increased by 34.9% to $47.5 million for the quarter, compared to the same quarter last year. The increase from the prior year was driven by improved pricing environments, as well as improved performance in Chile and Argentina as they recovered from pandemic-related shutdowns, despite the usual seasonal slowdown.

Australasian and African revenue increased by 28.8% to $39.8 million, compared to the same period last year. The regional growth is mainly attributed to having three months of the McKay acquisition revenue included in the quarterly results compared to only two months in the prior year.

Gross margin percentage for the quarter was 25.6%, compared to 20.1% for the same period last year. Depreciation expense totaling $10.4 million is included in direct costs for the current quarter, versus $9.3 million in the same quarter last year. Adjusted gross margin, which excludes depreciation expense, was 30.8% for the quarter, compared to 26.3% for the same period last year. Despite the negative impact of COVID-19 in the Company's Australasian region, and global inflationary headwinds, margins improved from the prior year quarter due to overall pricing improvements and enhanced productivity.

General and administrative costs were $16.2 million, an increase of $2.6 million compared to the same quarter last year, primarily due to increased employee compensation and increased travel costs with the ease of COVID-19 restrictions.

Other expenses were $3.0 million, up from $2.6 million in the prior year quarter, due primarily to higher incentive compensation expenses throughout the Company, given the increased profitability.

The income tax provision for the quarter was an expense of $7.3 million, compared to an expense of $2.7 million for the prior year period. The increase from the prior year was due to an overall increase in profitability.

Net earnings were $24.2 million or $0.29 per share ($0.29 per share diluted) for the quarter, compared to net earnings of $11.1 million or $0.14 per share ($0.13 per share diluted) for the prior year quarter.

Non-IFRS Financial Measures

The Company's financial data has been prepared in accordance with IFRS, with the exception of certain financial measures detailed below. The measures below have been used consistently by the Company's management team in assessing operational performance on both segmented and consolidated levels, and in assessing the Company's financial strength. The Company believes these non-IFRS financial measures are key, for both management and investors, in evaluating performance at a consolidated level and are commonly reported and widely used by investors and lending institutions as indicators of a company's operating performance and ability to incur and service debt, and as a valuation metric. These measures do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

Adjusted gross profit/margin - excludes depreciation expense:

(in $000s CAD)		**Q1 2023**		Q1 2022
Total revenue	**$**	**199,835**	$	150,995
Less: direct costs		**148,661**		120,635
Gross profit		**51,174**		30,360
Add: depreciation		**10,414**		9,309
Adjusted gross profit		**61,588**		39,669
Adjusted gross margin		**30.8%**		26.3%

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

(in $000s CAD)		**Q1 2023**		Q1 2022
Net earnings	**$**	**24,248**	$	11,060
Finance costs		**430**		472
Income tax provision		**7,285**		2,715
Depreciation and amortization		**11,541**		9,989
EBITDA	**$**	**43,504**	$	24,236

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

(in $000s CAD)		**July 31, 2022**		April 30, 2022
Cash	**$**	**61,118**	$	71,260
Contingent consideration		**(23,000)**		(22,907)
Long-term debt		**(29,655)**		(50,000)
Net cash (debt)	**$**	**8,463**	$	(1,647)

Forward-Looking Statements

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

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

Such forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to: the level of activity in the mining industry and the demand for the Company’s services; the level of funding for the Company’s clients (particularly for junior mining companies); competitive pressures; global political and economic environments; the integration of business acquisitions and the realization of the intended benefits of such acquisitions; the Company’s dependence on key customers; exposure to currency movements (which can affect the Company’s revenue in Canadian dollars); implications of the COVID-19 pandemic; currency restrictions; the geographic distribution of the Company’s operations; the impact of operational changes; changes in jurisdictions in which the Company operates (including changes in regulation); failure by counterparties to fulfill contractual obligations; as well as other risk factors described under "General Risks and Uncertainties" in the Company's Annual Information Form for the year ended April 30, 2022, available on the SEDAR website at www.sedar.com. Should one or more risk, uncertainty, contingency, or other factor materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information.

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

About Major Drilling

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

Webcast/Conference Call Information

Major Drilling Group International Inc. will provide a simultaneous webcast and conference call to discuss its quarterly results on Wednesday, September 7, 2022 at 9:00 AM (EDT). To access the webcast, which includes a slide presentation, please go to the investors/webcast section of Major Drilling's website at www.majordrilling.com and click on the link. Please note that this is listen-only mode.

To participate in the conference call, please dial 416-340-2217, participant passcode 3755631# and ask for Major Drilling's First Quarter Results Conference Call. To ensure your participation, please call in approximately five minutes prior to the scheduled start of the call.

For those unable to participate, a taped rebroadcast will be available approximately one hour after the completion of the call until Saturday, October 8, 2022. To access the rebroadcast, dial 905-694-9451 and enter the passcode 4424825#. The webcast will also be archived for one year and can be accessed on the Major Drilling website at www.majordrilling.com.

Major Drilling's Annual General Meeting will be held virtually on Thursday, September 8, 2022 at 3:00pm Eastern and can be accessed at www.virtualshareholdermeeting.com/MDI2022.

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