NEWS RELEASE

Major Drilling Announces First Quarter Results - EBITDA up 78%

MONCTON, New Brunswick (September 9, 2019) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its first quarter of fiscal year 2020, ended July 31, 2019.

Highlights

In millions of Canadian dollars (except earnings (loss) per share)	**Q1 2020**	**Q1 2019**
Revenue	$117.5	$98.5
Gross profit	30.7	23.4
As percentage of revenue	26.1%	23.8%
EBITDA(1)	18.0	10.1
As percentage of revenue	15.3%	10.3%
Net earnings (loss)	6.0	(2.5)
Earnings (loss) per share	0.08	(0.03)

(1) Earnings before interest, taxes, depreciation and amortization (see "non-GAAP financial measure")

- Quarterly revenue was $117.5 million, up 19% from the same quarter last year.
- Gross margin percentage for the quarter was 26.1%, compared to 23.8% for the corresponding period last year.
- EBITDA was up 78% to $18.0 million for the quarter as compared to the same period last year (the impact of IFRS 16 Leases was minimal at $0.3 million).
- Net earnings were $6.0 million or $0.08 per share for the quarter, compared to a net loss of $2.5 million or $0.03 per share for the prior year quarter.

"I am pleased with the progress we made in all of our regions this quarter. Each of our regions delivered good increases in revenue as compared to last year and marked improvement in profitability," said Denis Larocque, President and CEO of Major Drilling Group International Inc. "In most markets, we have grown our market share, due to our specialized drilling expertise, our innovative solutions, our safety culture, and our customers' appreciation of our financial strength. We added several new contracts with senior and intermediate companies, which have more than offset a reduction in our work from junior customers due to financing constraints."

"This quarter's performance demonstrated the Company's operational leverage as good revenue growth of 19% translated into a 78% increase in EBITDA. Improved productivity, better pricing and lower administrative costs are responsible for most of the improvement in our net earnings this quarter. We continue to reap productivity benefits from the tools we've developed over the last couple of years and from our enhanced training and skilled labour force."

"The Company maintained a strong working capital position with net cash (net of debt) of $9.7 million. Net cash stayed relatively flat this quarter as net working capital increase related to increased activity and capital expenditures were offset by cash generated from operations. During the quarter, we spent $10.6 million on capital expenditures, adding seven new rigs to our fleet, land and support equipment. Two of our new rigs are truly specialized, and went to service new contracts with senior customers. We also disposed of seven older, inefficient and more costly rigs, in line with our strategy of improving our fleet and services. This keeps the fleet total at 601 rigs," added Mr. Larocque.

"Going into our second quarter, we expect activity levels to stabilize somewhat while adding a few rigs on existing contracts. As we look forward, the fundamentals driving the business continue to improve and senior and intermediate mining companies should continue their drilling activity for the foreseeable future. The price of gold, which historically has accounted for approximately 50% of the Company's drilling activity, has increased by 15-20% over the last three months and we could see a pickup in junior financing in the coming months, although a potential increase will not translate into immediate drilling activity as it usually takes a few months to get a drilling campaign organized. In regards to base metals, due to economic uncertainty, copper prices have been depressed, down some 5% over the quarter. Despite this, we have increased our activity with senior copper producers as they need to replenish their reserves as they face a supply deficit in the coming years. Prices for drilling services continue to improve, although these improvements are always initially offset somewhat by an increase in labour and mobilization costs."

Adoption of IFRS 16 Leases

As of Q1 2020, the Company is reporting lease obligations according to IFRS 16, with right-of-use assets and lease liabilities reflected on the Company's balance sheet and rent expense, formerly reported in general and administrative expenses on the statement of operations, being replaced with interest and depreciation expense. The Q1 2020 IFRS 16 impact on the statement of operations was a G&A decrease of $0.3 million, an increase in depreciation expense of $0.3 million, negligible impact on interest expense, and no impact on net earnings.

First Quarter Ended July 31, 2019

Total revenue for the quarter was $117.5 million, up 19% from revenue of $98.5 million recorded in the same quarter last year. The favourable foreign exchange translation impact for the quarter, when comparing to the effective rates for the same period last year, is estimated at $1 million on revenue, with a negligible impact on net earnings.

Revenue for the quarter from Canada - U.S. drilling operations increased by 19% to $61.0 million, compared to the same period last year, with both regions demonstrating growth. The U.S. operations had a particularly strong quarter, contributing increased revenue and profitability due to growth in market share with senior and intermediate customers.

South and Central American revenue increased by 22% to $32.7 million for the quarter, compared to the same quarter last year. Revenue growth came from increased activity levels in Mexico, Guiana Shield and Brazil, offset by a continued slowdown in Argentina as investment in the country remains challenging due to political uncertainty.

Asian and African operations reported revenue of $23.8 million, up 17% from the same period last year. Indonesia and South Africa continued their recent growth trends, which more than offset the loss of revenue from closing our Burkina Faso operations.

The overall gross margin percentage for the quarter was 26.1%, compared to 23.8% for the same period last year. Improved productivity and better pricing positively impacted margins in the quarter.

General and administrative costs were $11.8 million, a decrease of $0.6 million compared to the same quarter last year, despite a higher volume of activity. The decrease was driven by the shutdown of operations in Burkina Faso as well as the impact of the implementation of IFRS 16 Leases.

Depreciation decreased by $1.4 million to $9.7 million, the result of reduced capital expenditures during the recent industry downturn.

The income tax provision for the quarter was an expense of $2.0 million compared to an expense of $1.2 million for the prior year period. The low effective tax rate for the quarter was mainly caused by the utilization of non-tax affected losses in certain jurisdictions.

Net earnings were $6.0 million or $0.08 per share ($0.08 per share diluted) for the quarter, compared to a net loss of $2.5 million or $0.03 per share ($0.03 per share diluted) for the prior year quarter.

Non-GAAP Financial Measure

The Company uses the non-GAAP financial measure, EBITDA. The Company believes this non-GAAP financial measure is key, for both management and investors, in evaluating performance at a consolidated level. EBITDA is commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. This measure does not have a standardized meaning prescribed by GAAP 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 GAAP.

Forward-Looking Statements

Some of the statements contained in this news release may be forward-looking statements, such as, but not limited to, those relating to: worldwide demand for gold and base metals and overall commodity prices; the level of activity in the mining industry and the demand for the Company's services; the Canadian and international economic environments; the Company's ability to attract and retain customers and to manage its assets and operating costs; sources of funding for its clients (particularly for junior mining companies); competitive pressures; currency movements (which can affect the Company's revenue in Canadian dollars); the geographic distribution of the Company's operations; the impact of operational changes; changes in jurisdictions in which the Company operates (including changes in regulation); failure by counterparties to fulfill contractual obligations; and other factors as may be set forth as well as objectives or goals including words to the effect that the Company or management expects a stated condition to exist or occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements by reason of factors such as, but not limited to, the factors set out in the discussion on pages 14 to 18 of the 2019 Annual Report entitled "General Risks and Uncertainties", and such other documents as available on SEDAR at www.sedar.com. All such factors should be considered carefully when making decisions with respect to the Company. The Company does not undertake to update any forward-looking statements, including those statements that are incorporated by reference herein, whether written or oral, that may be made from time to time by or on its behalf, except in accordance with applicable securities laws.

About Major Drilling

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

Webcast/Conference Call Information

Major Drilling Group International Inc. will provide a simultaneous webcast and conference call to discuss its quarterly results on Tuesday, September 10, 2019 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 416-340-2216 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 midnight, Wednesday, September 25, 2019. To access the rebroadcast, dial 905-694-9451 and enter the passcode 2429094#. The webcast will also be archived for one year and can be accessed on the Major Drilling website at www.majordrilling.com.

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