NEWS RELEASE

Major Drilling Reports Profitable First Quarter

MONCTON, New Brunswick (September 8, 2020) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its first quarter of fiscal year 2021, ended July 31, 2020.

Highlights

In millions of Canadian dollars (except earnings per share)	Q1 2021	Q1 2020
Revenue	$89.4	$117.5
Gross margin	16.9%	18.2%
Adjusted gross margin(1)	27.8%	26.1%
EBITDA(2)	13.9	18.0
As percentage of revenue	15.5%	15.3%
Net earnings	2.1	6.0
Per share	0.03	0.08

(1) Adjusted gross margin excludes depreciation expenses (see "Non-IFRS Financial Measures").
(2) Earnings before interest, taxes, depreciation and amortization (see "Non-IFRS Financial Measures").

- Quarterly revenue was $89.4 million, down 24% from the same quarter last year due to the impact of COVID-19.
- Net earnings at $2.1 million or $0.03 per share.
- Added 13 rigs this quarter, including 10 rigs to support U.S. underground operations.

"I am pleased with the fact that despite reduced activity, the Company managed to be profitable this quarter. Some of our operations were able to grow their revenue as compared to last year while our larger operations, including Canada, U.S., Mexico and Chile, were affected more than others by COVID-19," said Denis Larocque, President and CEO of Major Drilling Group International Inc. "The quarter started extremely slow as many projects remained shut down, but the Company was still able to generate $13.9 million in EBITDA. As the quarter progressed, we saw more and more projects resume operations, some with a reduced number of rigs due to restrictions on travel and mining activities in some jurisdictions. I want to take this opportunity to thank our employees and management for their effort to ensure we continue to operate safely and efficiently during these uncertain times."

"The Company maintains a strong financial position with net debt (net of cash, excluding lease liabilities reported under IFRS 16) at $2.0 million. The decrease in cash this quarter was due to a net working capital increase, mostly from higher receivables as activity increased in the second half of the quarter. As well, we spent $7.5 million on capital expenditures this quarter, as we added 13 drill rigs and support equipment," said Mr. Larocque. "Twelve of these drills were underground drills, including 10 rigs and ancillary equipment bought from a smaller contractor in the U.S., with half of these rigs added to existing contracts, as part of our diversification strategy. During the quarter, we disposed of seven older and inefficient rigs, bringing the fleet total to 613 rigs. Going forward, with the anticipated increase in activity, we expect the need for ancillary equipment to increase to support additional rigs going to work."

"During the quarter, the Company repaid $20 million on its revolving bank loan facility. Last quarter, as a cautionary measure given the uncertainty with respect to the COVID-19 pandemic, the Company had drawn a total of $35 million (the remaining portion of its $50 million facility) to ensure access to cash if there was a prolonged slowdown."

"As we look forward, the price of gold, which accounted for 63% of the Company's drilling activity this quarter, has increased to new historic highs, above the US$2,000 level. In light of these existing conditions, senior/intermediate gold miners are generating strong free cash flows, at a time where they face declining reserves as a result of low exploration spending over the last several years. As well, we have seen a significant increase in mining financings lately, particularly for junior mining companies, although there is always a four to six month lag between the closing of financings and the start of drilling programs."

"Many industry experts expect that copper, which typically accounts for 20-25% of the Company's drilling activity, will face a deficit position in the next few years, due to the continued production and high grading of mines, combined with the lack of exploration work conducted to replace reserves. New infrastructure plans announced in China, India, Europe and soon to be announced in the U.S., will require more copper and other metals, which should accelerate the depletion of those reserves."

"With these signs pointing towards an increase in exploration spending, we are preparing for an increase in activity later in the fall and well into the 2021 calendar year and beyond. However, in the short-term, operations will continue to be somewhat affected by COVID-19 restrictions, which will slow down the ramp up of drilling programs."

First Quarter Ended July 31, 2020

Total revenue for the quarter was $89.4 million, down 24% from revenue of $117.5 million recorded in the same quarter last year. The foreign exchange translation impact on revenue for the quarter, when comparing to the effective rates for the same period last year, is negligible, with a minimal impact on net earnings.

Revenue for the quarter from Canada - U.S. drilling operations decreased by 24.6% to $46.0 million, compared to the same period last year. The region saw continued shutdowns in the first part of the quarter due to government and customer imposed restrictions caused by COVID-19. However, by quarter end, operations had resumed on a number of projects under enhanced safety protocols.

South and Central American revenue decreased by 40.4% to $19.5 million for the quarter, compared to the same quarter last year. Operational challenges in relation to government or customer imposed restrictions regarding COVID-19 remained in place during the quarter in certain regions.

Asian and African operations reported revenue of $23.8 million, which is flat compared to the same period last year. Strong operational performances in Indonesia and Mongolia offset the COVID-19 related shutdowns faced in Southern Africa.

Gross margin percentage for the quarter was 16.9%, compared to 18.2% for the same period last year. Depreciation expense totaling $9.7 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 27.8% for the quarter, compared to 26.1% for the same period last year. Margins were positively impacted by improved pricing since January 2020, and by approximately 1% due to government assistance programs available to the Company in the hardest hit regions.

General and administrative costs were $11.2 million, a decrease of $1.0 million compared to the same quarter last year. The decrease is mainly related to reduced travel and various government assistance programs for administrative employees. These temporary reductions will subside once activity levels return in those impacted regions and government restrictions are eased.

The income tax provision for the quarter was an expense of $1.2 million compared to an expense of $2.0 million for the prior year period. The income tax expense for the quarter was impacted by non-deductible expenses and non-tax effected losses in certain regions, while incurring taxes in profitable branches.

Net earnings were $2.1 million or $0.03 per share ($0.03 per share diluted) for the quarter, compared to net earnings of $6.0 million or $0.08 per share ($0.08 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 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.

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

(in $000s CAD)		**Q1 2021**		Q1 2020
Net earnings	**$**	**2,148**	$	6,033
Finance costs		**288**		219
Income tax provision		**1,231**		1,994
Depreciation and amortization		**10,220**		9,717
EBITDA	**$**	**13,887**	$	17,963

Adjusted gross profit/margin - excludes depreciation expense.

(in $000s CAD)		**Q1 2021**		Q1 2020
Total revenue	**$**	**89,420**	$	117,459
Direct costs		**74,295**		96,090
Less: depreciation		**(9,707)**		(9,321)
Adjusted gross profit		**24,832**		30,690
Adjusted gross margin		**27.8%**		26.1%

Forward-Looking Statements

This news release contains statements that constitute forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. All statements, other than historical facts, are "forward-looking" because they are based on current expectations, estimates, assumptions, risks and uncertainties. These 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.

Forward-looking statements include, but are not limited 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 risks relating to the COVID-19 outbreak and the factors set out in the discussion on pages 15 to 19 of the 2020 Management's Discussion & Analysis 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. All of the forward-looking statements made in this news release are qualified by these cautionary statements.

About Major Drilling

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

Webcast/Conference Call Information

Major Drilling Group International Inc. will provide a simultaneous webcast and conference call to discuss its quarterly results on Wednesday, September 9, 2020 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 7212240# 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, Thursday, September 24, 2020. To access the rebroadcast, dial 905-694-9451 and enter the passcode 7936172#. The webcast will also be archived for one year and can be accessed on the Major Drilling website at www.majordrilling.com.

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