NEWS RELEASE

Major Drilling Announces Second Quarter Results - Earnings Up 120%

MONCTON, New Brunswick (December 4, 2019) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its second quarter of fiscal year 2020, ended October 31, 2019.

Highlights

In millions of Canadian dollars (except earnings per share)	Q2-20	Q2-19	YTD-20	YTD-19
Revenue	$121.2	$105.5	$238.6	$204.0
Gross profit	34.0	28.9	64.7	52.3
As percentage of revenue	28.1%	27.4%	27.1%	25.7%
EBITDA(1)	20.5	15.6	38.4	25.7
As percentage of revenue	16.9%	14.8%	16.1%	12.6%
Net earnings	7.3	3.3	13.3	0.8
Earnings per share	0.09	0.04	0.17	0.01

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

- Quarterly revenue was $121.2 million, up 15% from the same quarter last year.
- Gross margin percentage for the quarter was 28.1%, compared to 27.4% for the corresponding period last year.
- EBITDA was up more than 30% to $20.5 million for the quarter as compared to the same period last year (the impact of IFRS 16 Leases ("IFRS 16") was minimal at $0.5 million).
- Net earnings were $7.3 million or $0.09 per share for the quarter, compared to $3.3 million or $0.04 per share for the prior year quarter.
- Net cash is up $12.8 million during the quarter to $22.5 million.

"Demand for our services continued to grow in all of our regions this quarter, driven primarily by market share growth as customers value our specialized expertise and safety culture," said Denis Larocque, President and CEO of Major Drilling Group International Inc. "We had a very good operational quarter all around, which has allowed us to produce good margins. Margins were also strengthened by a one-time revenue adjustment from escalation and currency clauses on one of our contracts."

"The Company's EBITDA increased by 30% with a 15% revenue growth, demonstrating the Company's operational leverage. We continue to reap productivity benefits from the tools we've developed over the last few years and from our enhanced training and skilled labour force. Also, our administrative costs remained relatively stable despite the revenue growth."

"The Company improved its net cash position by $12.8 million to $22.5 million this quarter. We spent $5.5 million on capital expenditures, adding one new rig to our fleet, as well as rod handlers and support equipment and disposed of one rig, in line with our strategy of improving our fleet and services. The fleet total remains unchanged at 601 rigs," added Mr. Larocque.

"We are continuing to improve the suite of services we offer our customers with new innovative solutions and improved equipment, through increased hands-free rod handling capacity, computerized rigs and deep hole capacity. We have established mutually beneficial partnerships with several of our senior customers to develop these innovative solutions."

"It is important to note that we are now in our third quarter, traditionally the weakest quarter of our fiscal year, as mining and exploration companies shut down, often for extended periods over the holiday season. As usual, due to the time it takes to mobilize once new contracts are awarded, a slow start-up pace is expected in January and February. Additionally, the Company schedules substantial overhaul and maintenance work on its equipment during this slower period. These factors result in reduced revenue, increased costs, and reduced margins in the third quarter," said Mr. Larocque.

"Following the end of the second quarter, on November 1st, the Company closed a transaction to acquire the shares of Norex Drilling Limited. The transaction was completed by payment of a cash portion of $15.2 million (subject to post-closing debt, working capital adjustments and holdbacks) out of the Company's current cash balance and the issuance of 334,169 common shares of the Company. In addition, an earn-out of up to $2.5 million will be payable in cash following the third anniversary of the closing, subject to certain conditions."

"Looking forward to the fourth quarter and beyond, senior customers are still working through their budget process and have yet to decide on post-holiday exploration plans. The price of gold, which historically has accounted for approximately 50% of the Company's drilling activity, has remained above US$1,400 an ounce over the last four months, which has produced some good cash flow generation and improved balance sheets for our senior gold customers. Although exploration expenditures are down globally in calendar 2019, we have increased our revenue with senior mining companies by 24% as we continue to build our relationships with these customers. As activity increases, we expect to face labour and materials cost inflation. We are in a position to react quickly to customers' demands as the Company's financial strength has allowed it to invest in safety equipment, innovation and to maintain its equipment in excellent condition."

"Finally, I am pleased to announce that Ms. Sybil Veenman has been appointed to the Company's Board of Directors. Ms. Veenman brings over 20 years of mining industry experience both as a public company director and a senior executive. Previously, she was Senior Vice-President and General Counsel and a member of the executive leadership team at Barrick Gold Corporation. She currently serves as a director at Royal Gold Inc., IAMGOLD, NexGen Energy Ltd. and Noront Resources Ltd."

Second Quarter Ended October 31, 2019

Total revenue for the quarter was $121.2 million, up 15% from revenue of $105.5 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 16% to $65.3 million, compared to the same period last year, with both regions demonstrating growth. Our U.S. operations experienced another strong quarter of revenue growth due to increased market share with senior customers.

South and Central American revenue increased by 2% to $29.8 million for the quarter, compared to the same quarter last year. A strong quarter in Mexico and Brazil was offset by a continued slowdown in Argentina due to political uncertainty, as well as business interruptions in Chile and Suriname due to unforeseen political and civil unrest.

Asian and African operations reported revenue of $26.1 million, up 32% from the same period last year. Indonesia and Southern Africa continued their recent growth trends, which more than offset the loss of revenue from closing our Burkina Faso operations in the previous year.

The overall gross margin percentage for the quarter was 28.1%, compared to 27.4% for the same period last year. A good operational quarter, somewhat strengthened by a one-time revenue adjustment from escalation and currency clauses on one of our contracts, contributed to the margin growth.

General and administrative costs were $11.5 million, an increase of $0.3 million compared to the same quarter last year. The marginal increase was mainly driven by our share-based compensation plan that was impacted by the positive upward movement of the share price over the quarter, offset by the impact of IFRS 16.

Net earnings were $7.3 million or $0.09 per share ($0.09 per share diluted) for the quarter, compared to net earnings of $3.3 million or $0.04 per share ($0.04 per share diluted) for the prior year quarter.

Non-IFRS Financial Measure

The Company uses the non-IFRS financial measure, EBITDA. The Company believes this non-IFRS financial measure is key, for both management and investors, in evaluating performance at a consolidated level. EBITDA is commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. This measure does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

Forward-Looking Statements

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

About Major Drilling

Major Drilling Group International Inc. is one of the world's largest drilling services companies primarily serving the mining industry. Established in 1980, Major Drilling has over 1,000 years of combined experience 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 Thursday, December 5, 2019 at 9:00 AM (EST). To access the webcast, which includes a slide presentation, please go to the investors/webcast section of Major Drilling's website at www.majordrilling.com and click on the link. Please note that this is listen-only mode.

To participate in the conference call, please dial 416-340-2216 and ask for Major Drilling's Second 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, Friday, December 20, 2019. To access the rebroadcast, dial 905-694-9451 and enter the passcode 4640647#. 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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