NEWS RELEASE

Major Drilling Reports Third Quarter Results for Fiscal 2020

MONCTON, New Brunswick (February 27, 2020) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its third quarter of fiscal year 2020, ended January 31, 2020.

Highlights

In millions of Canadian dollars (except earnings per share)	Q3-20	Q3-19	YTD-20	YTD-19
Revenue	$81.7	$80.4	$320.4	$284.4
Gross profit	14.4	15.6	79.1	68.0
As percentage of revenue	17.6%	19.4%	24.7%	23.9%
EBITDA(1)	2.7	2.8	41.1	28.5
As percentage of revenue	3.3%	3.5%	12.8%	10.0%
Net (loss) earnings	(9.9)	(15.9)	3.3	(15.1)
(Loss) earnings per share	(0.12)	(0.20)	0.04	(0.19)

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

- Quarterly revenue was $81.7 million, up 2% from the same quarter last year.
- EBITDA relatively flat at $2.7 million for the quarter as compared to the same period last year (the impact of IFRS 16 Leases ("IFRS 16") was minimal at $0.4 million).
- Net loss included $3.6 million of charges ($3.0 million non-cash) related to the closure of the Colombian operations.
- Net cash remains positive at $4.5 million (now including $5.6 million in lease liabilities, under IFRS 16).
- Recipient of the PDAC Safe Day Everyday Gold Award for the third consecutive year.

"Our third quarter results reflect a normal part of our operational pattern, as mining and exploration companies shut down operations, in some cases for extended periods, over the holiday season. This quarter, we saw earlier shutdowns than last year, particularly in South America," said Denis Larocque, President and CEO of Major Drilling Group International Inc. "Additionally, the Company typically schedules substantial overhaul and maintenance work on its equipment during this slower period, which impacts margins."

"The Company's net cash position (now including $5.6 million in lease liabilities, under IFRS 16) remains positive at $4.5 million. Capital expenditures were $8.8 million as we added two large drill and blast rigs, one underground rig and support equipment, in line with our specialized and diversification strategies. During the quarter, we disposed of 15 older and inefficient rigs. With the addition of the 22 rigs from the Norex acquisition, this brings the fleet total to 611 rigs," said Mr. Larocque. "Also, 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 mutually beneficial partnerships in place with several of our senior customers to develop these innovative solutions."

"Going into our fourth quarter, as we saw last year, it was a slow start as many of our rigs only restarted by mid-February as many of our customers finalized their plans for calendar 2020, but pricing remains stable. As we look forward to fiscal 2021, senior and intermediate gold mining companies have increased their exploration budgets for calendar 2020, to help replenish depleting reserves. The price of gold, which historically has accounted for approximately 50% of the Company's drilling activity, has remained above the important level of US$1,450 for the last six 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 regard to base metals, the recent coronavirus outbreak has created economic uncertainty, which caused copper prices to decline by some 10% over the last couple of months. Despite this, many industry experts expect that most base metals will face a significant 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. As well, the need for more infrastructure to support the growing demand for electric vehicles, should increase demand for metals such as copper, lithium and cobalt."

"During the quarter, the Company made the decision to close its operations in Colombia, and as such, recorded a total charge of $3.6 million, after tax. The Company recorded $2.1 million in restructuring charges consisting of a non-cash write-down of assets of $1.5 million related to impairment charges for property, plant and equipment and inventory, as well as net cash charges of $0.6 million for severance and lease termination. Also, the Company wrote down $1.5 million in deferred tax assets (recorded in its deferred tax expense) related to the closure of the operations in Colombia. The Colombian operations represented approximately 1% of the total Company revenue year-to-date."

"It is important to note that for the third year in a row, Major Drilling was the winner of the Safe Day Everyday Gold Award from the Association for Mineral Exploration (AME) and the Prospectors & Developers Association of Canada (PDAC). Our Canadian crews have now worked more than 6,000,000 hours over five and a half years without a single lost time injury," said Denis Larocque. "The safety and well-being of our crews is our first and highest responsibility on every project," said Ben Graham, Vice President - HR & Safety. "We work hard to earn the trust and support of our crews, and we are proud to see their success recognized by a group of our clients and peers."

"Finally, we are happy to mention that 2020 marks the Company's 40th anniversary. From its modest debut in 1980, Major Drilling has grown to become the industry leader and one of the largest mineral drilling companies in the world. As well, March 2020 marks the 25th year of the Company's shares being listed on Toronto Stock Exchange. We will be celebrating this by ringing the opening bell of TSX on March 5th."

Third Quarter Ended January 31, 2020

Total revenue for the quarter was $81.7 million, up 2% from revenue of $80.4 million recorded in the same quarter last year. The unfavourable 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 2% to $38.2 million, compared to the same period last year. The additional revenue from the Norex acquisition helped in offsetting earlier than expected seasonal shutdowns.

South and Central American revenue decreased by 20% to $19.3 million for the quarter, compared to the same quarter last year. Earlier than expected shutdowns in most of our South American operations negatively impacted results in the quarter.

Asian and African operations reported revenue of $24.2 million, up 28% from the same period last year. Continued growth in Indonesia was complemented by growth in Mongolia and Southern Africa.

The overall gross margin percentage for the quarter was 17.6%, compared to 19.4% for the same period last year. The early shutdowns of operations, coupled with increased seasonal maintenance, impacted margins in the quarter.

General and administrative costs were $12.0 million, up slightly by $0.1 million compared to the same quarter last year as the additional general and administrative expenses from the Norex acquisition were offset by the reduction from the impact of the implementation of IFRS 16 and the shutdown of the Burkina Faso operation in the previous year.

The Company recorded a restructuring charge of $2.1 million related to the closure of its Colombian operations, consisting primarily of non-cash charges totalling $1.5 million and cash charges of $0.6 million for other close-down costs including severance.

The income tax provision for the quarter was an expense of $0.3 million compared to an expense of $1.9 million for the prior year period. Tax expense for the quarter included a write-down of $1.5 million in deferred tax assets related to the closure of the Colombian operations. Also, the tax expense for the quarter was impacted by non-deductible expenses and non-tax affected losses in certain regions, while incurring taxes in profitable branches.

Net loss was $9.9 million or $0.12 per share ($0.12 per share diluted) for the quarter, compared to net loss of $15.9 million or $0.20 per share ($0.20 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 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 Friday, February 28, 2020 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 Third 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, Saturday, March 14, 2020. To access the rebroadcast, dial 905-694-9451 and enter the passcode 4773247#. 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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