NEWS RELEASE

Major Drilling Announces Results for Q3 2021

MONCTON, New Brunswick (March 4, 2021) – Major Drilling Group International Inc. (TSX: MDI), a leading provider of specialized drilling services to the mining sector ("Major Drilling" or the "Company"), today reported results for its third quarter of fiscal year 2021, ended January 31, 2021.

Highlights

- Revenue up 23% from Q3 2020, driven primarily by increased gold drilling activity
- EBITDA [(1)] up 226% compared to same period last year, despite heavy start-up costs
- Improved net cash position [(2)] by $6.6 million to $14.2 million
- Increased training and recruiting efforts well under way, in anticipation of increased demand in Q4 and beyond

"We are pleased by the level of activity generated this quarter, despite the anticipated cyclicality of seasonal shutdown. November was a particularly good month and continued the progression we experienced in the previous quarter. December saw the usual reduction in operational activity due to holiday shutdowns, while January got off to a quicker start than previous years. These factors drove the increase in revenue for the quarter and provide strong indication that we are moving into a mining upcycle," said Denis Larocque, President and CEO of Major Drilling. "Margins, as is usual for this quarter, were impacted by substantial annual maintenance and overhaul work over the holiday period. Additionally, the Company incurred significant training, mobilization and setup costs to meet the pickup of activity and increased demand for services expected in the fourth quarter."

"An increase in gold exploration spend by both seniors and juniors is the main driver of the initial pickup in activity, with 90 percent of the revenue increase coming from gold projects. Copper prices have just recently seen a surge, which should also translate into more exploration activity in the near future as mining companies seek to replenish depleting reserves."

"Our financial position remains strong and our balance sheet flexible, with net cash of $14.2 million, an improvement of $6.6 million during the quarter," said Ian Ross, CFO of Major Drilling. "We spent $5.1 million on capital expenditures this quarter, adding 3 underground rigs and related support equipment, while disposing of 14 older, less efficient rigs, bringing the total rig count to 590. We expect capital expenditures to increase next quarter in anticipation of a busy calendar year 2021, and to respond to current growth opportunities in certain markets."

"The increase in industry activity has once again raised questions around the availability of skilled labour, particularly in North America," observed Mr. Larocque. "To mitigate concerns over crew staffing, we have stepped up our training efforts around the world and have reinstated many of the initiatives that proved successful in the last industry upturn. Additional trainees are being assigned to rigs and retention programs are being reinstated. In North America, we have increased efforts across our training centers with goals to improve our retention rate for new hires and to qualify candidates for our driller-trainee programs. Wage increases will be applied in certain regions to retain and attract the most experienced drillers, and to ensure our high-quality customer service is maintained as competition heats up."

"Looking ahead to our fourth quarter and fiscal 2022, we are pleased to share a positive outlook. We continue to see a noticeable increase in inquiries from all categories of customers, and if their plans progress as advertised, we expect to see utilization rates continue to improve as crews become available. Although the shortage of experienced drill crews will put temporary pressure on labour costs and productivity, especially in our most active markets, we expect the wider industry shortages to continue to drive pricing improvements and expedite margin recovery."

In millions of Canadian dollars (except earnings per share)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Revenue	$ 100.4	$ 81.7	$ 304.0	$ 320.4
Gross margin	11.0%	6.3%	16.1%	16.0%
Adjusted gross margin (1)	20.3%	17.6%	25.5%	24.7%
EBITDA (1)	8.7	2.7	42.0	41.1
As percentage of revenue	8.7%	3.3%	13.8%	12.8%
Net earnings (loss)	(1.5)	(9.9)	7.7	3.3
Earnings (loss) per share	(0.02)	(0.12)	0.10	0.04

(1) See "Non-IFRS Financial Measures"
(2) Net cash position (net of debt, excluding lease liabilities reported under IFRS16 Leases)

Third Quarter Ended January 31, 2021

Total revenue for the quarter was $100.4 million, up 23% from revenue of $81.7 million recorded in the same quarter last year. The unfavourable foreign exchange translation impact on revenue for the quarter, when comparing to the effective rates for the same period last year, was approximately $2.5 million, with a minimal impact on net earnings as expenditures in foreign jurisdictions tend to be in the same currency as revenue.

Revenue for the quarter from Canada - U.S. drilling operations increased by 48.7% to $56.8 million, compared to the same period last year. This region saw an influx in junior activity as well as extended programs from seniors/intermediates in December and early start-ups in January.

South and Central American revenue increased by 13.0% to $21.8 million for the quarter, compared to the same quarter last year. This region continued its slow recovery from COVID-19 and was also assisted by early start-ups in January.

Asian and African revenue decreased by 9.9% to $21.8 million, compared to the same period last year. Despite a strong performance in Mongolia in the quarter, Southern Africa faced continued challenges from COVID-19 that negatively impacted the region.

Gross margin percentage for the quarter was 11.0%, compared to 6.3% for the same period last year. Depreciation expense totaling $9.3 million is included in direct costs for the current quarter, versus $9.2 million in the same quarter last year. Adjusted gross margin, which excludes depreciation expense, was 20.3% for the quarter, compared to 17.6% for the same period last year. Margins were impacted by increased training costs, seasonal maintenance and ramp-up costs due to quick start-ups in January.

General and administrative costs were $11.7 million, a decrease of $1.0 million compared to the same quarter last year. Reduced travel continues to drive the decrease in general and administrative costs, as compared to the previous year, as well as favourable foreign exchange impacts in certain jurisdictions. Travel restrictions will remain in place until a time when it can be resumed in a safe and responsible manner.

The income tax provision for the quarter was nil compared to an expense of $0.3 million for the prior year period. The income tax 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 $1.5 million or $0.02 per share ($0.02 per share diluted) for the quarter, compared to a net loss of $9.9 million or $0.12 per share ($0.12 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.

Adjusted gross profit/margin - excludes depreciation expense:

(in $000s CAD)	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020
Total revenue	**$ 100,387**	$ 81,719	**$ 303,959**	$ 320,360
Direct costs	**89,329**	76,552	**254,924**	269,118
Less: depreciation	**(9,306)**	(9,243)	**(28,481)**	(27,876)
Adjusted gross profit	**20,364**	14,410	**77,516**	79,118
Adjusted gross margin	**20.3%**	17.6%	**25.5%**	24.7%

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

(in $000s CAD)	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020
Net earnings (loss)	**$ (1,467)**	$ (9,947)	**$ 7,690**	$ 3,345
Finance costs	**337**	293	**961**	716
Income tax provision	**26**	280	**3,263**	5,294
Depreciation and amortization	**9,853**	9,940	**30,048**	29,629
Restructuring charge	**-**	2,116	**-**	2,116
EBITDA	**$ 8,749**	$ 2,682	**$ 41,962**	$ 41,100

Forward-Looking Statements

This news 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 Canadian and international economic environments; the Company’s dependence on key customers; the level of funding for the Company’s clients (particularly for junior mining companies); implications of the COVID-19 pandemic; competitive pressures; exposure to 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; 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, 2020, 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, and Africa. 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, March 5, 2021 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 416-340-2217, participant passcode 2861327# 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, Monday, April 5, 2021. To access the rebroadcast, dial 905-694-9451 and enter the passcode 6477107#. 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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