NEWS RELEASE

Major Drilling Announces Annual and Fourth Quarter Results

MONCTON, New Brunswick (June 7, 2018) – Major Drilling Group International Inc. (TSX: MDI) today reported results for the year and fourth quarter of fiscal year 2018, ended April 30, 2018.

Highlights

In millions of Canadian dollars (except loss per share)	Q4 2018	Q4 2017	YTD 2018	YTD 2017
Revenue	$95.4	$81.5	$342.3	$300.6
Gross profit	23.1	19.6	74.3	60.2
As percentage of revenue	24.3%	24.1%	21.7%	20.0%
EBITDA(1)	10.2	5.5	24.7	10.6
As percentage of revenue	10.7%	6.7%	7.2%	3.5%
Net loss	(4.3)	(8.2)	(22.5)	(42.1)
Loss per share	(0.05)	(0.10)	(0.28)	(0.52)

(1) Earnings before interest, taxes, depreciation and amortization, excluding contingent consideration true-up (see "non-GAAP financial measure")

- Quarterly revenue was $95.4 million, up 17% from the $81.5 million recorded for the same quarter last year.
- Gross margin percentage for the quarter improved to 24.3%, compared to 24.1% for the corresponding period last year.
- EBITDA was up 86% to $10.2 million for the quarter, as compared to the same quarter last year.
- Net loss was $4.3 million or $0.05 per share for the quarter, compared to a net loss of $8.2 million or $0.10 per share for the prior year quarter.

"Yearly revenue was up for the first time since fiscal 2012 and the Company recorded the strongest quarterly revenue since July 2013, which indicates that the industry has started recovering from a prolonged downturn. We continue to see a gradual increase in activity month by month, and this trend is continuing into our first quarter of fiscal 2019. The fourth quarter revenue increase came mainly from improved activity levels, but pricing has also started to improve in most of our regions," said Denis Larocque, President and CEO of Major Drilling Group International Inc.

"Global exploration spending improved as most senior and intermediate companies have increased their exploration budgets for calendar 2018. This quarter, we saw an increase for copper exploration, rising to 22% of our revenue from 15% three months ago, as the copper industry is facing a supply deficit in the coming years. Prices for drilling services continue to improve, although these improvements are presently offset by an increase in labour, mobilization and repair costs, which is typical in a ramp-up environment. As utilization rates gradually improve, we should start to have considerable leverage to increase revenue and profits as we move forward."

"The Company maintains a strong working capital position with net cash (net of debt) of $1.9 million. The decrease this quarter was due to a net working capital increase, mostly from higher receivables related to increased activity. As well, we spent $4.8 million on capital expenditures this quarter, adding 4 new rigs to our fleet while disposing of 19 older, inefficient and more costly rigs, bringing the fleet total to 628 rigs," added Mr. Larocque.

“Indications support our belief that the industry is still early in the exploration cycle, with most industry watchers pointing to depleting mineral reserves for the foreseeable future as mining companies continue to search for significant discoveries. The number of large exploration projects is still very low compared to the last cyclical peak in 2012, confirming this lack of significant discoveries. As mining companies begin to discover meaningful levels of resources, they will then have to engage in a period of enhanced infill drilling. With the easily accessible mineral reserves getting depleted around the world, attractive deposits will be in areas increasingly difficult to access and deeper in the ground, which will bring a resurgence in demand for specialized drilling.”

“One of the challenges in drilling services is the shortage of experienced drill crews in the industry, a factor that will put some pressure on cost and productivity as we move forward. With safety and training in mind, we continue to deploy technologies that will aid in the continued development of safe, competent employees while at the same time, in our quest for zero harm, reduce the number of incidents involving new recruits as compared to previous cycles. These enhancements to our recruiting and training systems will produce continuous improvements over the next few years. As well, there are several innovation initiatives under way to help improve productivity going forward.”

“The Company expects to spend approximately $30 million in capital expenditures in fiscal 2019 to meet customers' demands, improve rig reliability, productivity and utilization, as well as to invest in our continuous improvement initiatives. However, we will remain vigilant and flexible in order to react and adjust to unforeseen market conditions.”

Fourth quarter ended April 30, 2018

Total revenue for the quarter was $95.4 million, up 17.1% from revenue of $81.5 million recorded in the same quarter last year, despite the unfavorable foreign exchange translation impact for the quarter, compared to the effective rates for the same period last year, estimated at $3 million on revenue. The foreign exchange impact on net earnings for the quarter was negligible.

Revenue for the quarter from Canada - U.S. drilling operations decreased by 4% to $45.5 million, compared to the same period last year. Delayed startups at the beginning of the quarter and the completion of a large percussive drilling program affected revenue in the region. As well, high repair and training costs coming into the fourth quarter affected margins in the region.

South and Central American revenue increased by 43% to $32.5 million for the quarter, compared to the same quarter last year. Almost half the increase is attributable to growth in Chile, primarily from copper projects. There were also increases in Argentina, Brazil and Colombia.

Asian and African operations reported revenue of $17.4 million, up 55% from the same period last year. This increase was driven by stronger activity in most areas but particularly in Mongolia.

The overall gross margin percentage for the quarter was 24.3%, up from 24.1% for the same period last year. The increased margins resulted from improved market conditions and better production, offset slightly by increased wages and benefits and consumable expenses, while all other direct costs have remained consistent relative to the same quarter last year.

With the ramp-up in activity from lower levels compared to the same quarter last year, general and administrative costs were up 4% at $12.2 million.

Other expenses were $1.3 million compared to $2.6 million for the same quarter last year. This decrease is attributed to a decrease in bad debt expense compared to the same quarter last year and a true-up of $0.7 million, recorded in the same quarter last year, on the contingent consideration due to better than expected results arising from the Taurus acquisition.

The income tax provision for the quarter was an expense of $2.5 million compared to an expense of $0.2 million for the prior year period. The tax expense for the quarter was impacted by non-tax affected losses and non-deductible expenses.

Net loss was $4.3 million or $0.05 per share ($0.05 per share diluted) for the quarter, compared to a net loss of $8.2 million or $0.10 per share ($0.10 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 13 to 16 of the 2017 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 all types 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, June 8, 2018 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 Fourth 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, June 22, 2018. To access the rebroadcast, dial 905-694-9451 and enter the passcode 1135239#. 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:
David Balser, Chief Financial Officer
Tel: (506) 857-8636
Fax: (506) 857-9211
ir@majordrilling.com