NEWS RELEASE

Major Drilling Announces Annual and Fourth Quarter Results

MONCTON, New Brunswick (June 4, 2020) – Major Drilling Group International Inc. (TSX: MDI) today reported results for the year and fourth quarter of fiscal year 2020, ended April 30, 2020.

Note: the presentation of certain items, including gross margin, have been modified. Please refer to "Non-IFRS Financial Measures" for more details.

Highlights

In millions of Canadian dollars (except (loss) earnings per share)	Q4 2020	Q4 2019	YTD 2020	YTD 2019
Revenue	$88.8	$100.4	$409.1	$384.8
Gross margin	10.6%	13.3%	14.8%	13.3%
Adjusted gross margin(1)	21.5%	23.0%	24.0%	23.6%
EBITDA(2)	7.3	10.7	48.4	39.2
As percentage of revenue	8.2%	10.6%	11.8%	10.2%
Net loss	(74.3)	(3.0)	(71.0)	(18.1)
Per share	(0.92)	(0.04)	(0.88)	(0.23)
Adjusted net (loss) earnings(3)	(3.1)	(1.6)	3.9	(8.6)
Per share	(0.04)	(0.02)	0.05	(0.11)

(1) Adjusted gross margin excludes depreciation expenses.
(2) Earnings before interest, taxes, depreciation and amortization, excluding restructuring charge and goodwill impairment (see "Non-IFRS Financial Measures").
(3) Net loss excluding goodwill impairment, restructuring charge and deferred tax write-down (see "Non-IFRS Financial Measures").

- Quarterly revenue was $88.8 million, down 12% from the same quarter last year due to the impact of COVID-19.
- Annual revenue was $409.1 million, the Company's highest annual revenue since 2013. Adjusted net earnings for the year were $3.9 million compared to an adjusted net loss of $8.6 million for the previous year.
- Earnings were impacted by one-time charges of $71.2 million, including $70.8 million non-cash charges (pre-tax goodwill impairment charge of $58.7 million, de-recognition of deferred tax assets and tax impact of goodwill impairment of $10.0 million and restructuring charge of $2.1 million).
- Adjusted net loss for the quarter was $3.1 million compared to $1.6 million for the same quarter last year.
- Net cash, excluding the impact of IFRS 16 Leases ("IFRS 16"), remains strong at $7.1 million.

"Our first and most important priority in this tumultuous climate is to protect the health and well-being of our employees and customers. Our management team has been proactive from the onset of the COVID-19 pandemic. We are continuously communicating with our clients and employees on how to implement preventative measures to reduce transmission of the virus and protective measures to stay safe. We are grateful for the dedication and commitment of our employees, especially those on the front-line, in the field and workshops," said Denis Larocque, President and CEO of Major Drilling Group International Inc. "While the COVID-19 pandemic has presented significant challenges to our business in certain regions, we have a global, diversified and durable business model that serves us well during typical industry downturns as well as in situations such as the one we are currently facing, therefore the Company is well positioned to return to growth after the impact of the pandemic subsides. Early on in the outbreak, we decided to reassure our employees that their jobs and salaries would not be affected in the short-term given we are able to generate cash and are in a strong financial position. This not only served to keep our team ready for growth but also helped alleviate potential mental health issues as the situation is already stressful enough, without having to wonder if you will be employed the next morning."

"While we had a good start to the quarter, by mid-March, operations were impacted by COVID-19 and in the second half of the quarter, we saw a significant decrease of activity in some of the regions where we operate. North America was impacted particularly hard, with revenue down 22% in Canada, U.S. and Mexico. By mid-May, we started to see a slow yet gradual increase in activity levels in those regions as some of the restrictions were lifted. Although the Company continues to operate globally, there can be no assurance that certain countries will continue to allow mining and drilling related activities as the impact of the global COVID-19 pandemic unfolds. The Company is closely following developments in each of the regions in which it operates and it will continue to take actions if warranted."

"In the fourth quarter, the Company assessed the impairment indicators that existed as at April 30, 2020 in light of the uncertainty surrounding the impact of the COVID-19 outbreak and the significant volatility in equity markets. This resulted in the Company recognizing a pre-tax, non-cash goodwill impairment charge of $58.7 million. The goodwill impairment reflects the impact and uncertainty COVID-19 is having on the Company's Canadian and U.S. Cash Generating Units ("CGUs"). This impairment is primarily triggered by near-term impacts caused by COVID-19, as management believes longer-term cash flows are consistent with those forecasted prior to the pandemic. As well, due to the unknown near-term impacts caused by COVID-19 in the current year, the Company has de-recognized $14.7 million of its deferred income tax assets, related to previously recognized tax losses. Combined with the tax impact of the goodwill impairment, the Company recorded a one-time non-cash charge of $10.0 million in deferred tax expense."

"Despite this slowdown, the Company generated $7.3 million in EBITDA and has taken steps to continue to generate positive EBITDA, which should provide some stability if the situation in regards to the COVID-19 pandemic causes further deterioration of operations. The Company's experienced management team and the Board of Directors have managed successfully through several industry and economic cycles in the past, and are confident that we have taken the necessary steps to position the Company to effectively navigate through this pandemic, while maintaining its strong financial position."

"The Company's net cash position (excluding lease liabilities reported under IFRS 16) remains positive at $7.1 million. Capital expenditures were $7.1 million as we added one drill rig and support equipment. Most of these purchases were done in anticipation of a busier quarter. During the quarter, the Company reduced forward inventory purchases, minimized discretionary expenditures and significantly reduced capital spend. During the quarter, we disposed of 5 older and inefficient rigs, bringing the fleet total to 607 rigs," said Mr. Larocque. "As a cautionary measure given the current uncertainty with respect to the COVID-19 pandemic, during the quarter, following its March 26th announcement, the Company drew an additional $15 million from its revolving bank loan facility, drawing down a total of $35 million (the remaining portion of its $50 million facility) to ensure access to cash if there is a prolonged slowdown. The Company has no current plans to use these funds."

"As we look forward, the price of gold, which historically has accounted for approximately 50% of the Company's drilling activity, has increased above the US$1,700 level. In light of existing conditions, industry experts are forecasting gold prices to remain at this level for the short to medium term. Regarding copper, which typically accounts for 20-25% of the Company's drilling activity, many industry experts expect that copper 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. The anticipated decrease in demand for base metals due to the slowdown in the global economy could be offset by new infrastructure stimulus programs currently being contemplated by many governments. Ongoing discussions regarding such stimulus plans revolve around green economy initiatives, which by default will require more conductive and battery metals such as copper, lithium and cobalt."

COVID-19 Response

The impact of COVID-19 is being felt around the world, and as a Company, we are committed to playing a role in helping get through these difficult times.

The health and well-being of our employees and their families, as well as the communities we operate in, is paramount and remains our top priority. Our focus has been to react quickly and effectively to ensure all necessary precautions and safeguards were, and continue to be, implemented to protect everyone and slow down the spread of the virus.

From the onset of the pandemic, management and the Board of Directors have been in regular communication to ensure the impact of this unique and unprecedented situation is reviewed as it evolves. The Company formally implemented its business continuity plan during the quarter, which is focused on ensuring that: (i) employees who can work remotely do so; and (ii) employees in the field and workshops, who are not able to work remotely, are able to work safely and in a manner that complies with applicable governmental orders and guidelines and ensures they remain healthy. This plan includes, among other things, health screening, enhanced cleaning arrangements, travel bans, revised work schedules and the reorganization of processes and procedures to limit contact with other employees, customers and contractors on-site.

Supply chains and logistics have become challenging in certain regions, but we continue to evaluate alternatives to ensure the jobs currently operating will be able to continue. Also, because of our strong financial position, we do have a large inventory of consumables and parts, which should allow us to continue to service our drills despite issues with supply levels felt by many of our suppliers. The duration of these impacts is unknown; however, the Company will continue to react quickly to this changing environment, as necessary. We expect our variable cost structure and strong balance sheet to allow us to navigate through these challenging times, while maintaining flexibility to respond quickly once operations can proceed safely.

Despite the impacts of COVID-19, the Company has been able to maintain its key employees and teams in place globally to service customers in the future. In order to help achieve this goal in Canada, the Company is eligible to benefit from the Canada Emergency Wage Subsidy ("CEWS") program. By quarter-end, the Company recorded a $1.7 million benefit from this program in its results from operations.

Environmental, Social and Governance ("ESG")

We believe that Major Drilling's long-term sustainability depends on us serving as: stewards of the environment where we work; valued contributors to the communities where we operate; and responsible corporate citizens in the eyes of our workforce, our clients, our shareholders and other external stakeholders. While the Board of Directors and management have long had responsibility and oversight over ESG practices of the Company, in fiscal 2020, we began the process of consolidating our ESG efforts under an ESG Framework in order to formalize its risk management structure and mitigation strategies. As part of these efforts, we're currently in the process of preparing our second annual CDP (formerly the Carbon Disclosure Project) submission as part of a broader pursuit to identify and manage business risks and reduce greenhouse gas emissions.

Fourth Quarter Ended April 30, 2020

Total revenue for the quarter was $88.8 million, down 12% from revenue of $100.4 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 decreased by 19.4% to $41.1 million, compared to the same period last year. The region was impacted significantly in mid-March due to government and customer imposed restrictions on operations caused by COVID-19.

South and Central American revenue decreased by 20.7% to $22.2 million for the quarter, compared to the same quarter last year. All countries in the region experienced some operational challenges in relation to government or customer imposed restrictions regarding COVID-19. The duration of these impacts varied throughout the region.

Asian and African operations reported revenue of $25.5 million, up 19.2% from the same period last year. This region incurred minimal impacts in relation to COVID-19 during the quarter, which is reflected in the results. Strong growth in Indonesia and Mongolia contributed to the overall performance of the region.

Gross margin for the quarter was 10.6%, compared to 13.3% for the same period last year. Depreciation expense totaling $9.7 million is included in direct costs for both the current quarter and the same quarter last year. Adjusted gross margin, excluding depreciation expense, was 21.5% for the quarter, compared to 23.0% for the same period last year. Although the quarter started off well, by mid-March, COVID-19 related operational impacts were being felt in many regions. Standby labour costs, as well as normal fourth quarter ramp-up costs, contributed to lower margins as jobs were abruptly shut down in many jurisdictions.

General and administrative costs were $11.1 million, a decrease of $0.1 million compared to the same quarter last year. The additional general and administrative expenses from the Norex acquisition were offset by reduced travel and various cost saving initiatives. As well, the Company recorded a benefit of $0.6 million related to the CEWS program.

Depreciation and amortization was flat at $9.9 million. Increases related to IFRS 16 and the Norex acquisition were offset by the impact of reduced capital expenditures during the recent industry downturn.

At April 30, 2020, after assessing impairment indicators driven by impacts of the COVID-19 pandemic, the Company recorded a pre-tax, non-cash goodwill impairment charge of $58.7 million in relation to its U.S. and Canadian CGUs. The impact COVID-19 had on these CGUs in the quarter created near-term uncertainty in cash flow generation however, management did not change their long-term projections for growth in these areas.

In the quarter, the Company recorded an additional restructuring charge of $2.4 million, including $2.1 million in non-cash charges, mainly related to the previously announced closure of its Colombian operations. COVID-19 has negatively impacted the ability to execute the initial restructuring plan, resulting in additional charges.

The income tax provision for the quarter was an expense of $10.1 million compared to an expense of $2.7 million for the prior year period. Due to the unknown near-term impacts caused by COVID-19, the Company has de-recognized a portion of its deferred income tax assets related to previously recognized tax losses. Combined with the tax impact of the goodwill impairment, the Company recorded a one-time non-cash charge of $10.0 million in deferred tax expense.

Net loss was $74.3 million or $0.92 per share ($0.92 per share diluted) for the quarter, compared to a net loss of $3.0 million or $0.04 per share ($0.04 per share diluted) for the prior year quarter.

Non-IFRS Financial Measures

EBITDA

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.

(in $000s CAD)	**Q4 2020**	Q4 2019	**YTD 2020**	YTD 2019
Net loss	**$ (74,307)**	$ (2,957)	**$ (70,962)**	$ (18,084)
Finance costs	**392**	182	**1,108**	775
Income tax provision	**10,114**	2,664	**15,408**	7,748
Depreciation and amortization	**9,913**	9,817	**39,542**	40,909
Impairment of goodwill	**58,743**	-	**58,743**	-
Restructuring charge	**2,437**	977	**4,553**	7,874
EBITDA	**$ 7,292**	$ 10,683	**$ 48,392**	$ 39,222

Adjusted net earnings

Adjusted net earnings and adjusted earnings per share are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS. Accordingly, adjusted net earnings and adjusted earnings per share may not be comparable to similar measures presented by other issuers. Readers of this press release are cautioned that adjusted net earnings and adjusted earnings per share should not be construed as an alternative to net earnings, or net earnings per share, determined in accordance with IFRS as indicators of the Company's performance. The following table reconciles net earnings to adjusted net earnings based on the historical Consolidated Financial Statements of the Company for the periods indicated.

(in $000s CAD)	**Q4 2020**	Q4 2019	**YTD 2020**	YTD 2019
Net loss	**$ (74,307)**	$ (2,957)	**$ (70,962)**	$ (18,084)
Impairment of goodwill	**58,743**	-	**58,743**	-
Restructuring charge	**2,437**	977	**4,553**	7,874
De-recognition of deferred tax assets and tax impact of goodwill impairment	**10,018**	401	**11,523**	1,613
Adjusted net (loss) earnings	**(3,109)**	(1,579)	**3,857**	(8,597)
Per share	**$ (0.04)**	$ (0.02)	**$ 0.05**	$ (0.11)

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 Friday, June 5, 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 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, Saturday, June 20, 2020. To access the rebroadcast, dial 905-694-9451 and enter the passcode 4670367#. 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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