

Major Drilling Reports Third Quarter Results for Fiscal 2018

MONCTON, New Brunswick (March 1, 2018) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its third quarter of fiscal year 2018, ended January 31, 2018.

Highlights

In millions of Canadian dollars (except loss per share)	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Revenue	\$ 75.0	\$ 70.1	\$ 246.9	\$ 219.1
Gross profit	13.2	9.4	51.1	40.6
As percentage of revenue	17.6%	13.4%	20.7%	18.5%
EBITDA ⁽¹⁾	0.1	(3.1)	14.5	5.1
As percentage of revenue	0.1%	(4.4%)	5.9%	2.3%
Net loss	(8.5)	(14.3)	(18.1)	(33.8)
Loss per share	(0.11)	(0.18)	(0.23)	(0.42)

(1) Earnings before interest, taxes, depreciation and amortization, (see “non-GAAP financial measure”)

- Quarterly revenue was \$75.0 million, up from the \$70.1 million recorded for the same quarter last year.
- Gross margin percentage for the quarter was 17.6%, compared to 13.4% for the corresponding period last year.
- Total cash level, net of debt, stands at \$14.4 million at quarter-end.
- Recipient of the PDAC Safe Day Everyday Gold Award.

“The Company faced the usual slowdown in activity over the holiday season. While all regions were affected by loss of revenue and increased costs due to increased mobilization and maintenance, our teams were active preparing for a busier startup as compared to last year,” said Denis Larocque, President and CEO of Major Drilling Group International Inc.

“As we look forward, the fundamentals driving the business continue to be encouraging for the coming quarter and into fiscal 2019, with gold and base metal prices remaining at healthy levels. Most senior and intermediate companies have increased their exploration budgets for calendar 2018, and the demand for drilling services continues to increase.”

“Given the sustained commodity prices over the last few months, we are seeing an increase in activity at most of our international operations. In North America, we have been successful in renegotiating some of our lower margin contracts at better prices, and have replaced a few others with new contracts at better pricing. We expect margins to improve going forward as increased demand drives improved pricing.”

“It is clear, as we continue to manage our growth, that developing human resources will be our biggest challenge as the industry moves deeper into the cycle. One of the challenges that is re-emerging in our sector is the shortage of experienced drill crews in the industry, particularly in Canada, a factor that will put some pressure on productivity and margins as we go forward,” said Denis Larocque. “For this reason, we continue to make investments in technology and enhancements to our recruiting and training systems. We focus on providing tools to our crews that will improve safety and productivity, particularly as we bring in a new generation of employees.”

"We are pleased to be this year's recipient of the PDAC Safe Day Everyday Gold Award, in recognition of our Canadian crews having worked over 1,000,000 hours, lost time injury free, during 2016. Canadian crews have now worked more than 4,000,000 hours over three 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 when we work on any project," said Ben Graham, Vice President - HR & Safety. "We work hard to earn the trust and support of our crews, and we are pleased to see their success recognized by a group of our clients and peers."

"Finally, the Company's net cash position (net of debt) continues to be very healthy at \$14.4 million. This quarter, we spent \$7.6 million on capital expenditures, adding three new larger specialized rigs and additional support equipment to our fleet," added Mr. Larocque.

Third quarter ended January 31, 2018

Total revenue for the quarter was \$75.0 million, up 7.0% from revenue of \$70.1 million recorded in the same quarter last year. The unfavorable foreign exchange translation impact for the quarter, compared to the effective rates for the same period last year, is estimated at \$3 million on revenue, with a negligible impact on net earnings.

Revenue for the quarter from Canada - U.S. drilling operations decreased by 6% to \$35.5 million, compared to the same period last year. Both the Canadian and U.S. exploration operations saw an increase in revenue that was more than offset by the completion of a large percussive drilling program.

South and Central American revenue increased by 21% to \$22.9 million for the quarter, compared to the same quarter last year. The increase was driven by Argentina, Brazil and Colombia.

Asian and African operations reported revenue of \$16.6 million, up 25% from the same period last year. This increase was driven by stronger activity in Mongolia and Burkina Faso.

The overall gross margin percentage for the quarter was 17.6%, up from 13.4% for the same period last year. A higher volume of specialized work accounted for most of the gross margin increase. Third quarter margins are always impacted by a slowdown during the holiday season combined with higher mobilization and demobilization costs and increased repairs.

General and administrative costs were up 6% from the same quarter last year at \$12.1 million. Staffing levels and salaries have increased as activity ramped up from low levels. As well, the Company continues to invest in recruitment and information technology as it continues to prepare for the upturn in the industry.

The income tax provision for the quarter was a recovery of \$3.7 million compared to a recovery of \$1.9 million for the prior year period. The tax recovery for the quarter was impacted by non-tax affected losses, non-deductible expenses, and a reduction of the U.S. federal corporate tax rate.

Net loss was \$8.5 million or \$0.11 per share (\$0.11 per share diluted) for the quarter, compared to a net loss of \$14.3 million or \$0.18 per share (\$0.18 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, March 2, 2018 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, Friday, March 16, 2018. To access the rebroadcast, dial 905-694-9451 and enter the passcode 2366678#. 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