NEWS RELEASE

Major Drilling Reports Strong Second Quarter, Net Earnings up 65% as Industry Upcycle Continues

MONCTON, New Brunswick (December 8, 2022) – Major Drilling Group International Inc. ("Major Drilling" or the "Company") (TSX: MDI), a leading provider of specialized drilling services to the mining sector, today reported results for the second quarter of fiscal 2023, ended October 31, 2022.

Quarterly Highlights

- Revenue of $201.7 million, an increase of 18% over the same period last year.
- EBITDA(1) of $43.0 million (or $0.52 per share), up 40% vs. same period last year.
- Net earnings of $23.6 million (or $0.29 per share), up 65% vs. same period last year.
- Net cash grew by $42.8 million during the quarter to $51.3 million.
- Enhancement of fleet continues, replacing 11 drills with 14 new, more efficient models.
- Growth of electrification market driving incremental demand for copper and battery metals.
- Release of inaugural Sustainability Report, highlighting ESG initiatives and priorities around the world.

"Continued strength of demand for Major Drilling's services, especially our complex specialized drilling services, once again drove solid quarterly results," said Denis Larocque, President and CEO of Major Drilling. "During the quarter, we began to see the growing importance of the electric vehicle and electrification market, with increased demand from copper and battery metals customers. Combined with increased activity from all three of our geographic segments, this more than offset the slight softening in activity from the junior miners."

Ian Ross, CFO of Major Drilling, commented, "Our operational leverage continued to generate excellent financial results as activity levels remained robust with EBITDA up 40% to $43 million compared to the same period last year. Major Drilling generated net earnings of $23.6 million, or $0.29 per share, which is an increase of 65% compared to the prior year. With continued growth and strong operational performance, the Company has been able to increase its net cash position by $42.8 million in the quarter, to finish with net cash of $51.3 million. The Company is also pleased to announce the renewal of our existing credit facility, under the same terms and conditions, for another 5-year term. Coupled with our net cash position, this provides tremendous liquidity and flexibility moving forward. With the significant cash growth in the quarter, the Company remained committed to investing in the business by spending $13.3 million on capital expenditures, buying 14 new drills while disposing of 11 older, less efficient drills, bringing the total fleet count to 603."

"As we enter our seasonally slower third quarter, customer demand for calendar 2023 looks to remain strong, and we are already in discussions with several senior customers. Despite economic headwinds experienced since the beginning of 2022, metal prices have remained at levels well above what is needed to support exploration," said Denis Larocque. "This, combined with the growing supply shortfall in most mineral commodities, continues to drive demand for our services. As the global demand for electrification continues to grow, the world will require an enormous volume of copper and battery metals, which is significant for our outlook and the future of our business. We believe that this will increase pressure on the existing supply/demand dynamic, and lead to substantial additional investments in copper and other base metal exploration projects. This increase in both activity levels and diversification of commodities continues to drive demand for our services. Our growing fleet ensures we retain utilization capacity to meet this growing demand, and our capital availability ensures we have the flexibility to increase our fleet count when and where needed to consistently meet the needs of our customers across the globe."

"As we continue to move through the current cycle, Major Drilling's core strategy is to remain the leader in specialized drilling as new mineral deposits will increasingly be located in areas more challenging to access or requiring complex drilling solutions. We are committed to providing top-quality service to our valued customers through safe and productive drill programs, as evidenced by our industry-recognized hole completion rates. We leverage our worldwide expertise and utilize our strong financial position to ensure we have the equipment and inventory required to be a best-in-class service provider. With the purchase of 14 new drills in the quarter, including 7 underground drills in line with our diversification strategy, we are able to offer a modern and productive fleet to meet the growing demand in this industry," continued Mr. Larocque.

"With our continued focus to be an industry leader with respect to ESG, we are proud to have issued our inaugural Sustainability Report during the quarter, highlighting the tremendous efforts of our organization across the globe. The collaborative efforts from our board, through to our drillers in the field, ensure we are aligned as a company to progress our ESG initiatives and it remains a priority moving forward," concluded Mr. Larocque.

In millions of Canadian dollars (except earnings per share)	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Revenue	$ 201.7	$ 170.7	$ 401.6	$ 321.7
Gross margin	26.3%	22.0%	25.9%	21.1%
Adjusted gross margin (1)	31.8%	28.3%	31.3%	27.3%
EBITDA (1)	43.0	30.7	86.5	55.0
As percentage of revenue	21.3%	18.0%	21.5%	17.1%
Net earnings	23.6	14.3	47.9	25.4
Earnings per share	0.29	0.17	0.58	0.31

(1) See "Non-IFRS Financial Measures"

Second Quarter Ended October 31, 2022

With all geographic regions contributing to the growth, total revenue for the quarter was $201.7 million, up 18.2% from revenue of $170.7 million recorded in the same quarter last year. The favourable foreign exchange translation impact on revenue and net earnings for the quarter, when comparing to the effective rates for the same period last year, was approximately $6 million and $1 million, respectively.

Revenue for the quarter from Canada - U.S. drilling operations increased by 19.8% to $113.1 million, compared to the same period last year. Senior and intermediate activity levels more than offset a slowdown in junior activity in this region.

South and Central American revenue increased by 13.3% to $41.7 million for the quarter, compared to the same quarter last year. The growth from the prior year is mainly attributable to a resumption of activity levels in jurisdictions that were previously impacted by COVID-19 shutdowns.

Australasian and African revenue increased by 18.7% to $46.9 million, compared to the same period last year. The Asian region was responsible for most of the growth in the quarter, with new projects and contract renewals with improved pricing.

Gross margin percentage for the quarter was 26.3%, compared to 22.0% for the same period last year. Depreciation expense totaling $11.2 million is included in direct costs for the current quarter, versus $10.7 million in the same quarter last year. Adjusted gross margin, which excludes depreciation expense, was 31.8% for the quarter, compared to 28.3% for the same period last year. Margins improved from the prior year, mainly from enhanced productivity and price adjustments, which more than offset inflation pressures.

General and administrative costs were $16.1 million, an increase of $2.0 million compared to the same quarter last year, primarily due to increased employee compensation and increased travel costs with the ease of COVID-19 restrictions.

Other expenses were $4.7 million, up from $3.4 million in the prior year quarter, due primarily to higher incentive compensation expenses throughout the Company given the increased profitability.

Foreign exchange loss was $1.1 million compared to $0.9 million for the same quarter last year. While the Company's reporting currency is the Canadian dollar, various jurisdictions have net monetary assets or liabilities exposed to other currencies, including the U.S. dollar, which strengthened with the foreign exchange volatility experienced during the quarter.

The income tax provision for the quarter was an expense of $7.5 million, compared to an expense of $4.5 million for the prior year period. The increase from the prior year was due to an overall increase in profitability.

Net earnings were $23.6 million or $0.29 per share ($0.28 per share diluted) for the quarter, compared to net earnings of $14.3 million or $0.17 per share ($0.17 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 measures below have been used consistently by the Company's management team in assessing operational performance on both segmented and consolidated levels, and in assessing the Company's financial strength. 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 $000s CAD)	**Q2 2023**	Q2 2022	**YTD 2023**	YTD 2022
Total revenue	**$ 201,716**	$ 170,693	**$ 401,551**	$ 321,688
Less: direct costs	**148,713**	133,155	**297,374**	253,790
Gross profit	**53,003**	37,538	**104,177**	67,898
Add: depreciation	**11,177**	10,709	**21,591**	20,018
Adjusted gross profit	**64,180**	48,247	**125,768**	87,916
Adjusted gross margin	**31.8%**	28.3%	**31.3%**	27.3%

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

(in $000s CAD)	**Q2 2023**	Q2 2022	**YTD 2023**	YTD 2022
Net earnings	**$ 23,611**	$ 14,290	**$ 47,859**	$ 25,350
Finance costs	**26**	399	**456**	871
Income tax provision	**7,541**	4,501	**14,826**	7,216
Depreciation and amortization	**11,829**	11,539	**23,370**	21,528
EBITDA	**$ 43,007**	$ 30,729	**$ 86,511**	$ 54,965

Net cash (debt) – cash net of debt, excluding lease liabilities reported under IFRS 16 Leases:

(in $000s CAD)	**October 31, 2022**	April 30, 2022
Cash	**$ 97,698**	$ 71,260
Contingent consideration	**(16,746)**	(22,907)
Long-term debt	**(29,666)**	(50,000)
Net cash (debt)	**$ 51,286**	$ (1,647)

Forward-Looking Statements

This new 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 level of funding for the Company’s clients (particularly for junior mining companies); competitive pressures; global political and economic environments; the integration of business acquisitions and the realization of the intended benefits of such acquisitions; the Company’s dependence on key customers; exposure to currency movements (which can affect the Company’s revenue in Canadian dollars); currency restrictions; implications of the COVID-19 pandemic; 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, 2022, 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, Africa, and Australia. 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, December 9, 2022 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 9856483# and ask for Major Drilling's Second 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 Monday, January 9, 2023. To access the rebroadcast, dial 905-694-9451 and enter the passcode 8500719#. 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:
Ian Ross, Chief Financial Officer
Tel: (506) 857-8636
Fax: (506) 857-9211
ir@majordrilling.com