

Major Drilling Reports First Quarter Results for Fiscal 2018

MONCTON, New Brunswick (September 6, 2017) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its first quarter of fiscal year 2018, ended July 31, 2017.

Highlights

In millions of Canadian dollars (except earnings per share)	Q1-18	Q1-17
Revenue	\$84.0	\$69.1
Gross profit	16.8	15.1
As percentage of revenue	20.0%	21.9%
EBITDA ⁽¹⁾	5.3	3.8
As percentage of revenue	6.3%	5.5%
Net loss	(6.9)	(9.8)
Loss per share	(0.09)	(0.12)

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

- Quarterly revenue was \$84.0 million, up 22% from the \$69.1 million recorded for the same quarter last year.
- Gross margin percentage for the quarter was 20.0%, compared to 21.9% for the corresponding period last year.
- Net cash increased \$0.8 million during the quarter to \$18.9 million.
- Net loss was \$6.9 million or \$0.09 per share for the quarter, compared to a net loss of \$9.8 million or \$0.12 per share for the prior year quarter.

“During the quarter, we continued to see activity levels improve month by month, with growth coming from all regions,” said Denis Larocque, President and CEO of Major Drilling Group International Inc. “Although we are still very early in the cyclical recovery, it has been a steady climb over the last 18 months. Margins continue to be affected by transitional issues such as recruiting, training and repair costs, and due to competitive pressures, we have some low-margin contracts we are still working through.”

“This year, growth has been driven primarily by gold projects as senior gold companies have increased their exploration budgets, on average, by more than 20%. As we proceed through the year, gold activity levels are stabilizing as companies are following their original plans. We are starting to get more inquiries for base metal projects as prices for those commodities continue to recover indicating we could see an increase in exploration budgets from base metal companies for calendar 2018.”

“The Company’s net cash position (net of debt) continues to be strong at \$18.9 million. Capital expenditures were \$4.3 million this quarter, as we added four rigs to our fleet as part of our specialized and diversification strategies. Two of the additional rigs are suited for surface drill and blast/grade control work, one is a mobile underground rig and one is an ultra-deep diamond rig capable of reaching depths of over 4,000 metres. As resources continue to be discovered in areas difficult to access, we continue to invest to consolidate our position as the leader in specialized drilling,” added Mr. Larocque.

“In anticipation of a recovery in demand for our services, we have made investments in mobile solutions in the field, providing tools to our crews in order to improve safety and productivity. This falls in line with the enhancement of our recruiting and training systems as we bring in a new generation of employees.”

“We believe that most commodities will face an imbalance between supply and demand as mining reserves continue to decrease due to the lack of exploration. Typically, gold and copper projects represent over 70% of the Company’s activity. Mineral reserves of ten of the top senior gold mining companies have decreased by almost 15% over the last two years. As well, many industry experts expect the copper market 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. Therefore, it is expected that at some point in the near future, the need to develop resources in areas that are increasingly difficult to access will significantly increase, at which time we expect to see a resurgence in demand for specialized drilling,” said Mr. Larocque.

First quarter ended July 31, 2017

Total revenue for the quarter was \$84.0 million, up 21.6% from revenue of \$69.1 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 increased by 19.2% to \$52.2 million, compared to the same period last year. The increase came from all operations as the Company saw increased activity from both seniors and juniors over the same period last year.

South and Central American revenue increased by 40.0% to \$18.9 million for the quarter, compared to the same quarter last year. The increase was driven primarily by Chile and Brazil, with all other countries showing slight improvements.

Asian and African operations reported revenue of \$12.9 million, up 9.3% from the same period last year. Increased activity in Mongolia was partially offset by a decrease in Indonesia as a result of ongoing political issues in the country.

The overall gross margin percentage for the quarter was 20.0%, down from 21.9% for the same period last year. The decreased margin resulted from transitional issues such as recruiting, training and repair costs, and due to competitive pressures, we have some low-margin contracts we are still working through.

General and administrative costs were up 13.2% from the same quarter last year at \$12.0 million. Staffing levels and salaries have increased as activity ramped up from low levels. As well, the Company is investing in recruitment and information technology to prepare for the next upturn in the industry.

Foreign exchange gain was \$0.8 million compared to a gain of \$0.2 million in the same quarter last year, caused by exchange rate variations on monetary working capital items.

The income tax provision for the quarter was a recovery of \$0.4 million compared to an expense of \$0.9 million for the prior year period. Tax recovery for the quarter was impacted by non-tax affected losses and non-deductible expenses.

Net loss was \$6.9 million or \$0.09 per share (\$0.09 per share diluted) for the quarter, compared to a net loss of \$9.8 million or \$0.12 per share (\$0.12 per share diluted) for the prior year quarter.

The Annual General Meeting of the shareholders of Major Drilling Group International Inc. will be held at the TMX Broadcast Centre, Gallery, The Exchange Tower, 130 King Street West, Toronto, Ontario, on Friday, September 8, 2017 at 3:00pm EDT.

Non-GAAP Financial Measure

In this news release, the Company uses the non-GAAP financial measure, EBITDA. The Company believes this non-GAAP financial measure provides useful information to both management and investors in measuring the financial performance of the Company. 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 will provide a simultaneous webcast and conference call to discuss its quarterly results on Thursday, September 7, 2017 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 First 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, Thursday, September 21, 2017. To access the rebroadcast, dial 905-694-9451 and enter the passcode 7151741#. 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 Balsler, Chief Financial Officer

Tel: (506) 857-8636

Fax: (506) 857-9211

ir@majordrilling.com