NEWS RELEASE

Major Drilling Reports Second Quarter Results for Fiscal 2017

MONCTON, New Brunswick (December 7, 2016) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its second quarter of fiscal year 2017, ended October 31, 2016.

Highlights

In millions of Canadian dollars (except loss per share)	Q2-17	Q2-16	YTD-17	YTD-16
Revenue	$79.9	$84.7	$149.0	$168.6
Gross profit	16.1	23.3	31.2	44.9
As percentage of revenue	20.1%	27.5%	21.0%	26.6%
EBITDA(1)	4.4	10.9	8.2	22.2
As percentage of revenue	5.5%	12.9%	5.5%	13.2%
Net loss	(9.8)	(5.3)	(19.5)	(16.5)
Loss per share	(0.12)	(0.07)	(0.24)	(0.21)

(1) Earnings before interest, taxes, depreciation and amortization, excluding restructuring charge (see "non-GAAP financial measures")

- Revenue up 16% over the last 3 months.
- Quarterly revenue was $79.9 million, down 6% from the $84.7 million recorded for the same quarter last year.
- Gross margin percentage for the quarter was 20.1%, compared to 27.5% for the corresponding period last year.
- Net loss was $9.8 million or $0.12 per share for the quarter, compared to a net loss of $5.3 million or $0.07 per share for the prior year quarter.

"We continued to see an increase in activity, with revenue increasing 16% over the last three months as demand for our services has improved in all of our regions around the globe," said Denis Larocque, President and CEO of Major Drilling Group International Inc. "Half of the recent increase in activity came from a resurgence of junior mining projects given recent mineral financings."

"The recent increase in revenue came from improved rig utilization as pricing remains very competitive. Margins were impacted by mobilization, training and repair costs incurred to meet this increased demand."

"The Company's net cash position (net of debt) continues to be positive at $26.3 million. The decrease this quarter is due to working capital requirements related to the increased activity, payment of the Taurus contingent consideration of $3.9 million and capital expenditures of $4.8 million, adding two new rigs to our fleet," added Mr. Larocque.

“We continue to focus our efforts on getting prepared for a potential increase in activity. At the moment, most senior and intermediate mining companies are still working through their mining plans for calendar 2017. The recent increase in base metal prices, combined with recent mineral financings, are positive signs going into 2017, however, the recent volatility in gold prices following the U.S. election results makes it difficult to predict activity levels over the next year. The Company’s financial strength allows it to invest in safety, to maintain its equipment in good condition, and to retain many of its skilled employees, strategically positioning us to react quickly when the industry recovers.”

“It is important to note that we are now in our third quarter, traditionally the weakest quarter of our fiscal year, as mining and exploration companies shut down, often for extended periods over the holiday season. At this time, most senior and intermediate companies are still working through their budget process and have yet to decide on post-holiday start-up dates. As usual, due to the time it takes to mobilize once new contracts are awarded, a slow pace of start-ups is expected in January and February, which will impact overall third quarter revenue and margins.

Second quarter ended October 31, 2016

Total revenue for the quarter was $79.9 million, down 5.7% from revenue of $84.7 million recorded in the same quarter last year. The foreign exchange translation impact for the quarter was negligible on both revenue and net earnings, when compared to the effective rates for the same period last year.

Revenue for the quarter from Canada-U.S. drilling operations decreased by 10% to $50.6 million compared to the same period last year. The increase in revenue from the US operations was more than offset by the decrease from the Canadian operations.

South and Central American revenue was down 4% to $16.2 million for the quarter, compared to the prior year quarter. The decrease came primarily from the Mexican and Argentine operations.

Asian and African operations reported revenue of $13.1 million, up 12% from the same period last year. Both Asia and Africa showed improvement, which was partially offset by the closure in the Southern African operation and political uncertainty around mining laws in the Philippines.

The overall gross margin percentage for the quarter was 20.1%, down from 27.5% for the same period last year. Pricing pressure and higher repair costs continued to impact margins in the current quarter.

General and administrative costs were up $0.1 million at $10.9 million compared to the same quarter last year. The Company continues to control its general and administrative costs across all operations.

The income tax provision for the quarter was an expense of $0.8 million compared to an expense of $2.4 million for the prior year period. The tax expense for the quarter was impacted by non-tax affected losses and non-deductible expenses, while incurring taxes in profitable branches.

Non-GAAP Financial Measures

In this news release, the Company uses the non-GAAP financial measure, EBITDA, excluding restructuring charges. The Company believes these non-GAAP financial measures provide useful information to both management and investors in measuring the financial performance of the Company. These measures do not have a standardized meaning prescribed by GAAP and therefore they 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 minerals and metals 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, and 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 15 to 18 of the 2016 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.

Major Drilling Group International Inc. is one of the world's largest drilling services companies primarily serving the mining industry. To support its customers' varied exploration drilling requirements, Major Drilling 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 and a variety of drilling-related mine services.

Financial statements are attached.

Webcast/Conference Call Information

Major Drilling will provide a simultaneous webcast and conference call to discuss its quarterly results on Thursday, December 8, 2016 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 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 midnight, Thursday December 22, 2016. To access the rebroadcast, dial 905-694-9451 and enter the passcode 5963711. 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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