



Investor Presentation

September 2023

QUALITY - SAFETY - RESULTS



TSX: MDI
majordrilling.com

Forward-Looking Statements



This presentation 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 presentation 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 presentation 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 herein. 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; competitive pressures; global and local political and economic environments and conditions; the level of funding for the Company’s clients (particularly for junior mining companies); exposure to currency movements (which can affect the Company’s revenue in Canadian dollars); the integration of business acquisitions and the realization of the intended benefits of such acquisitions; efficient management of the Company’s growth; currency restrictions; safety of the Company’s workforce; risks and uncertainties relating to climate change and natural disaster; the Company’s dependence on key customers; 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; disease outbreak; as well as other risk factors described under “General Risks and Uncertainties” in the Company’s MD&A for the year ended April 30, 2023, available on the SEDAR+ website at www.sedarplus.ca. 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.

Major Drilling: Company Overview



- Leading provider of specialized drilling services to the mining industry, registered in over 20 countries, with a fleet of approx. 600 drills.
- Diversified portfolio of senior customers across North and South America, Asia, Africa and Australia.
- Extremely well positioned for expected multi-year drilling upcycle led by high gold prices and depleted copper inventories.

FUNDAMENTALS¹

TSX: MDI

52 Week Range: \$7.34 - \$11.58

Market Cap: ~\$717.1M

Shares Outstanding: 83.0M

90 Day Avg. Trading Vol.: 261K

REGISTERED IN OVER

20

COUNTRIES

ACROSS

5

CONTINENTS

>3,500

EMPLOYEES

~600

DRILLS

Q1 2024 HIGHLIGHTS

\$198.9

GROSS REVENUE (M)

\$40.3

EBITDA² (M)

\$21.8

NET EARNINGS (M)

30.1%

ADJUSTED GROSS MARGINS³

\$60.8

NET CASH (M)

\$0.26

EPS



¹ - All values in \$CAD unless otherwise indicated, as of August 30, 2023.

² - Earnings before interest, taxes, depreciation, and amortization.

³ - Adjusted gross margin excludes depreciation expense.

Investment Proposition

➤ *Ideally positioned to capture the mining upturn*



Specialized Operations

- Significant barriers to entry met with **right experience & modern fleet**
- Operating in **challenging environments** where largest new discoveries likely found



Aligned To Market

- Leverage to multi-year exploration cycle, Au/Cu supply **deficit provides opportunity**
- Highly **correlated to gold and copper**; 64% revenue derived from those activities



Diversified, Quality Customer Base

- **Contractor of choice**, 76% of customers are senior/intermediate producers
- **Strong relationships** with largest mining companies worldwide



Balance Sheet Sustainability

- **Best capitalized** drilling company in the mining sector
- **Healthy balance sheet** ensures flexibility & resilience



Experienced Management

- Management holds **>1,000 years of combined experience & expertise**
- History of **successful growth through M&A** and international diversification

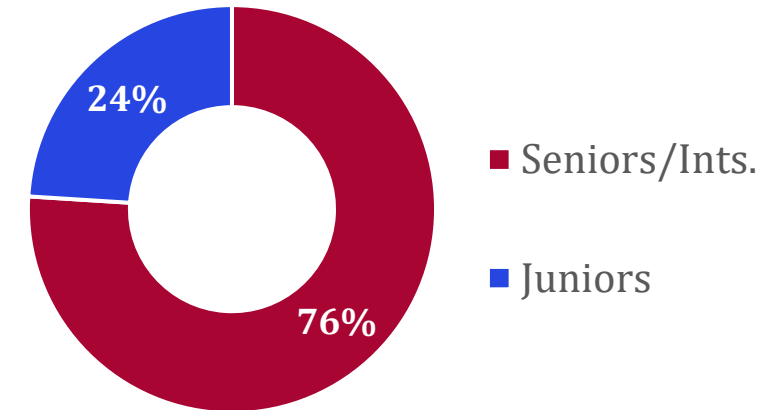
Diversified, Sustainable Revenue Sources

➤ *Broad range of services, customers and leverage to premium commodities ensures sustainable revenue sources*

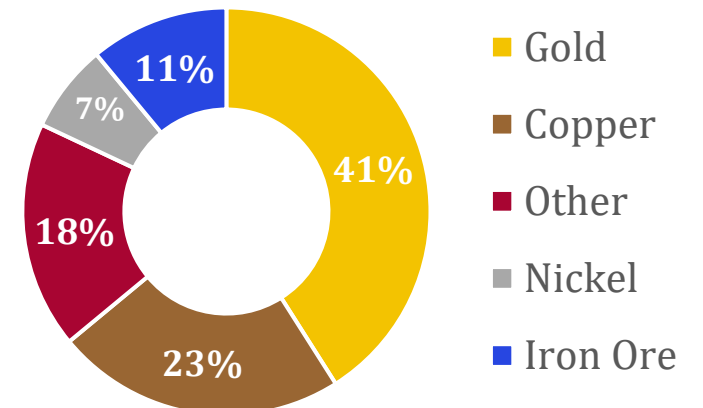
- Major Drilling has historically been driven by a gold customer base, but the emergence of the battery metal demand has shifted the business mix.
- Similarly, MDI's broad range of capabilities ensure diversity of operations and revenue streams across project types.
- Customers are primarily well-funded senior & intermediate mining companies.
- Balance of operational revenue sources provides:
 - Stability of revenue through cycles.
 - Focus in markets with enhanced earnings potential.



Drilling Revenue by Customer



Drilling Revenue by Commodity



Contractor of Choice

➤ *Providing repeat services to the highest quality, investment grade customers*

- Diversified repeat customer base with low turnover.
- Many larger customers consist of multiple 'independent' regional subsidiaries/projects.
- 76% of Major Drilling revenue is sourced from operations for senior and intermediate mining companies.

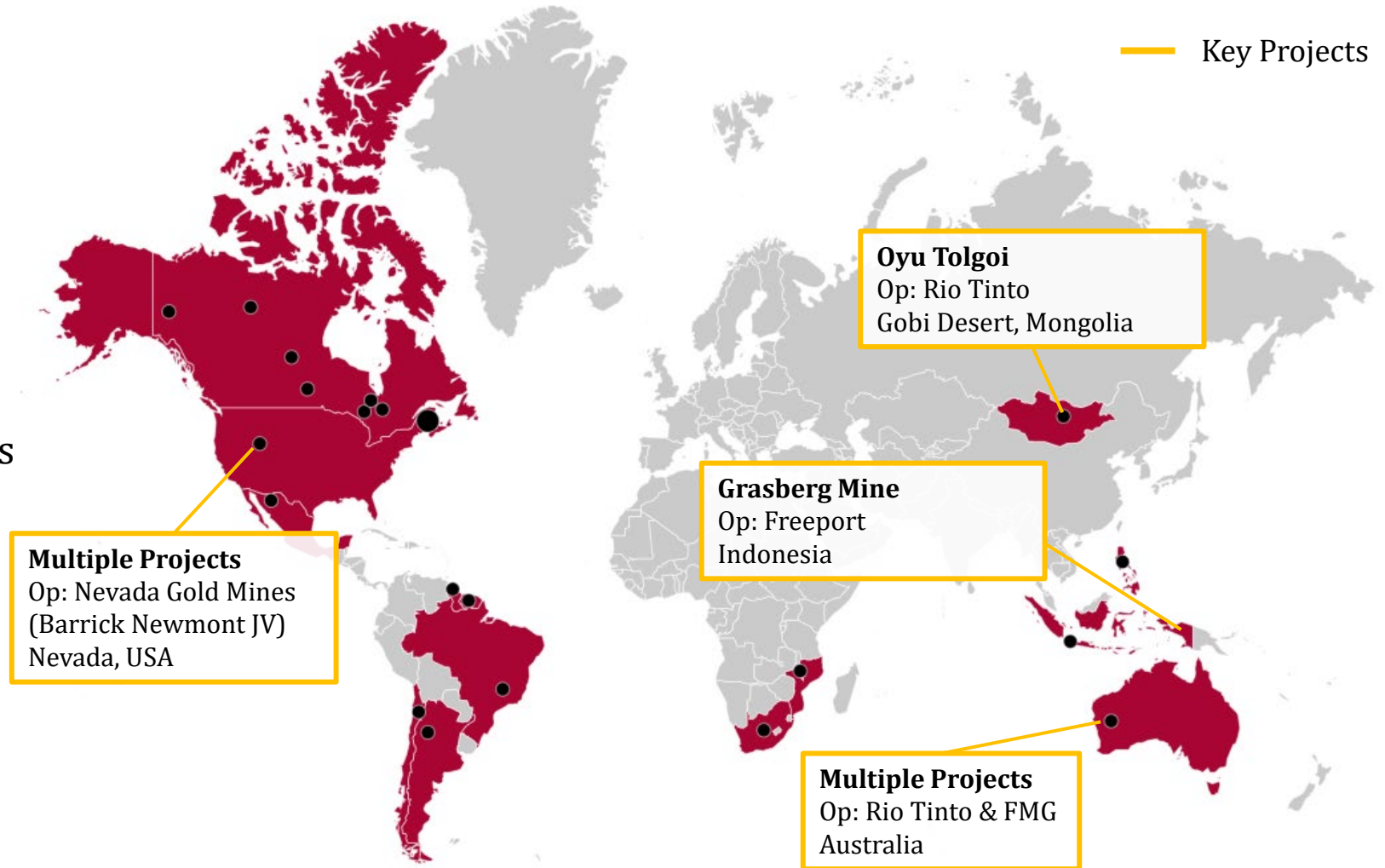
TOP CUSTOMERS



Operational Diversification

➤ *Diversified operations spread globally in highest-return regions*

- Registered in over **20** countries across **5** continents.
- MDI's operations and customers provide protection against market volatility through diversification.
- **~60%** of revenue from NAM operations.
- Global diversification provides opportunity to adjust exposure levels as markets change:
 - Ability to quickly mobilize a project for our top customers.
 - Decrease risk from single region issues.



Specialized Drilling

➤ *Surpassing customer expectations, industry leader in operational excellence and on-site safety*

- Specialized drilling services have significant barriers to entry, focus on areas more difficult to access.
- Examples include:
 - Deep hole drilling
 - Arctic drilling
 - Helicopter portability
 - High altitude drilling
 - Remote locations
 - Top safety requirements

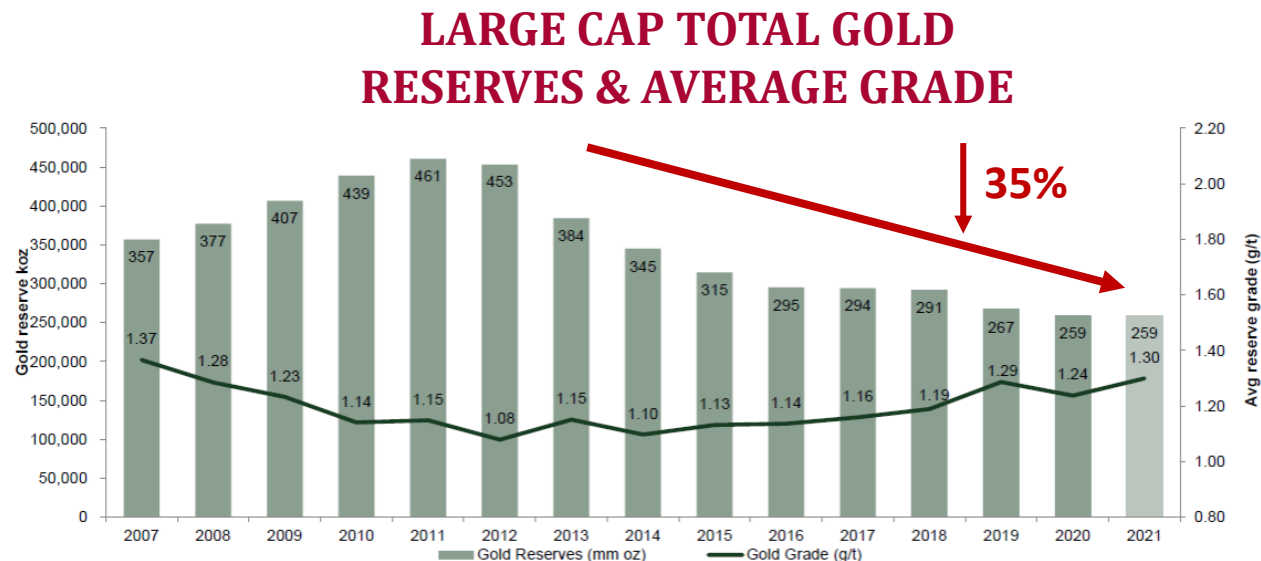


Gold Reserves Need to be Replenished

- Senior gold companies generating strong cash flows, however, gold reserves declining due to lack of material exploration.
- Prioritizing value-adding grassroots exploration and development programs.
- New reserves likely to be found in areas more difficult to access requiring specialized drilling.

“While we look closely at all new business opportunities, we believe finding our ounces is always better than buying them. That’s why we’re still discovering real value at the end of our drill bits.”

Mark Bristow
President & CEO, Barrick Gold

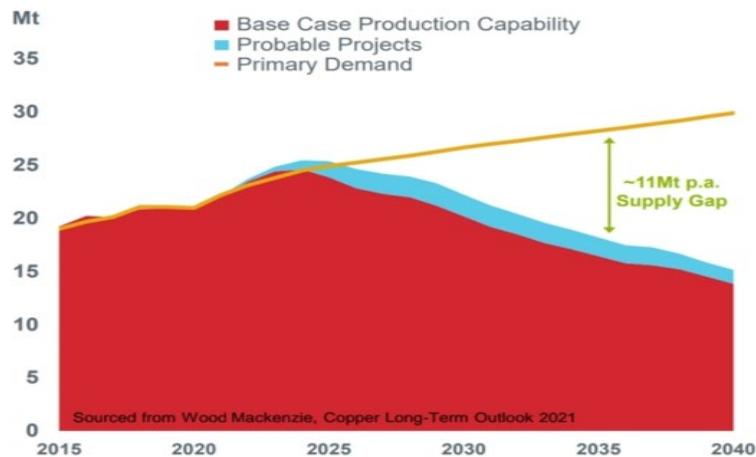


Source – Company reports, TD Securities, Inc.

Copper Heading for a Supply Crunch

- Copper industry supply deficit starting to be recognized.
- To close gap by 2030 requires 8 mines the size of BHP Escondida (world's largest copper mine), which is impossible to find.
- Demand for EVs gaining momentum.
- EVs contain 3.5x more copper than regular vehicles + charging stations.

COPPER BASE CASE MINE CAPABILITY & REFINED DEMAND (MT)



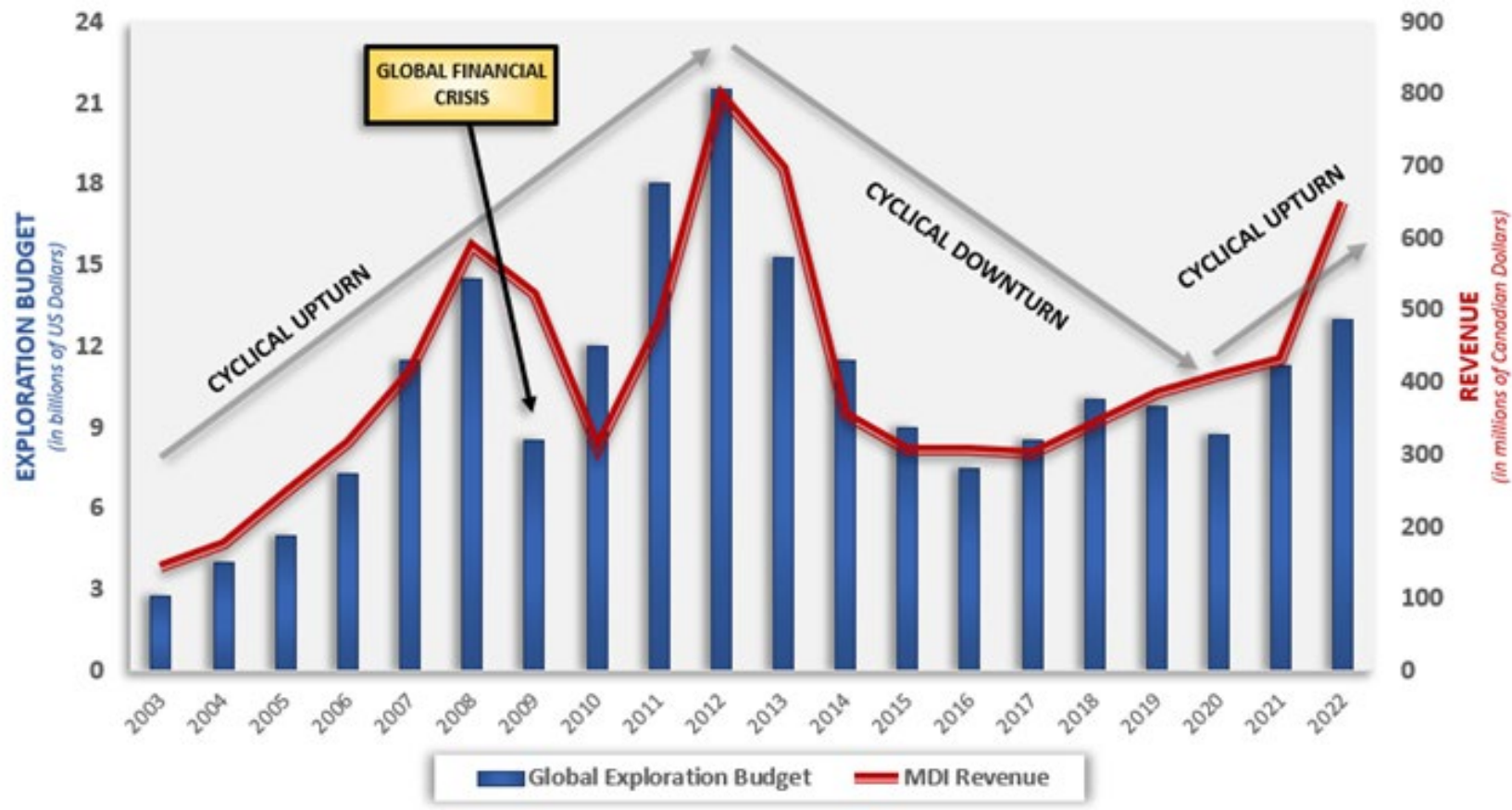
- *"...despite a very powerful green demand narrative, it's a complete state of inaction from the supply side."*
- *"...that really means this supply crunch is becoming very real."*
- *"...because it takes four to five years for a copper mine to be developed, if it's just an existing mine, and even longer for a new mine, we have to address the issue now because you can't wait two or three years down the road because by then it will be too late."*

"...we're sleepwalking to huge deficits and scarcity."

**Nick Snowden,
Commodities Strategist, Goldman Sachs
May 14, 2022**

Upcycle Unfolding like Previous One...

➤ Industry backdrop mirrors early 2000's upcycle

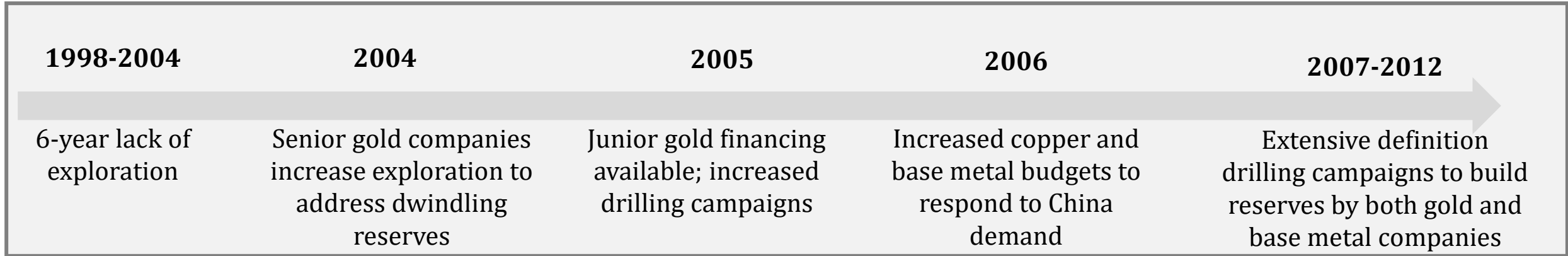


Source: S&P Global Market Intelligence

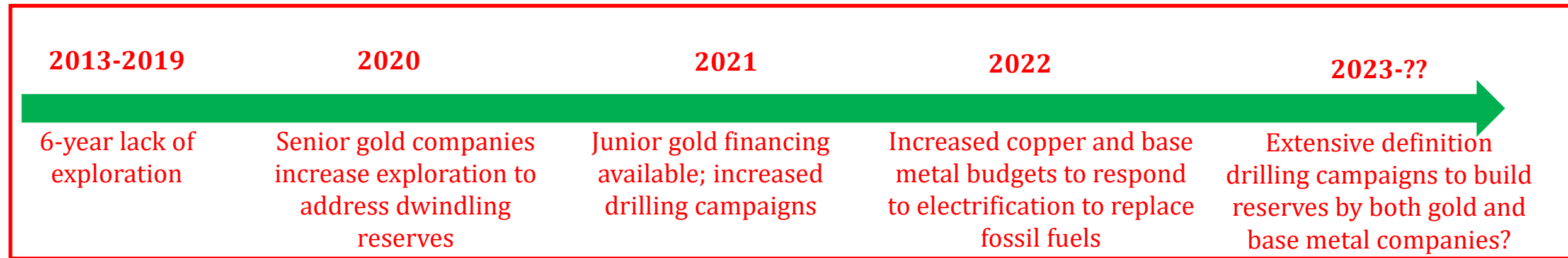
- Only at 60% of peak exploration.
- Excluding inflation, at same level of efforts as 2006.
- Industry still in discovery phase, with intense infill drilling needed to develop new mines.
- New deposits will come from complex drilling solutions, i.e. more specialized projects.

Upcycle Unfolding like Previous One...

Last cycle escalation



Where we are today



...and MDI is Optimally Positioned

➤ *What's different for Major Drilling this time?*

2002

- \$28M net debt, \$2M EBITDA and \$0 to invest.
- Minimal capex spent through downturn and fleet not maintained due to cash restraints.
- Minimal inventory levels on hand and subject to supplier constraints.

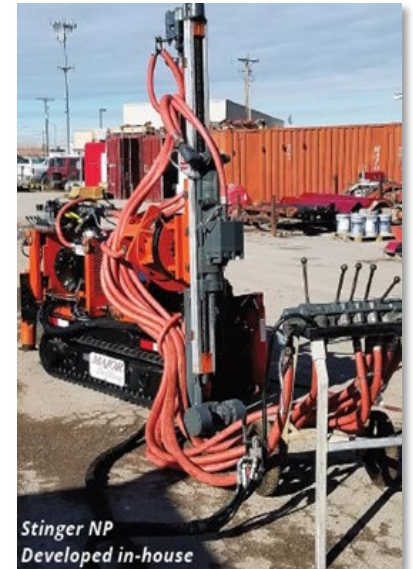
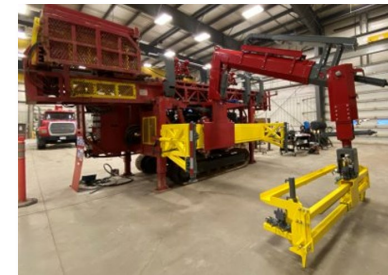
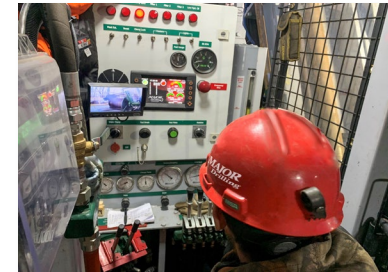


Today

- ✓ Entered downturn net cash on hand. Current liquidity of \$181M.
- ✓ Invested in fleet during downturn, kept infrastructure in place.
- ✓ Diversified revenue sources from seniors & juniors as well as surface and underground.
- ✓ Stable G&A provides increased operational leverage to drive solid EBITDA growth.
- ✓ Healthy balance sheet to respond to growth opportunities.

Investing in Training & Innovation

- *Allocating capital to data-led initiatives to boost productivity, operational efficiency, and enhance customer information*
- Rapid changes in technology leading drilling contractors to find *new solutions to old problems*.
- *Data-led innovation* initiatives boost productivity and enhanced customer information, including computerized rigs that will cater to the next generation of employees:
 - *Computerized rigs* will help greatly reduce training time at a time where labour will be a challenge for the industry.
 - Fleet of *digitized mobile underground drills* allows for less dependence on client resources and increased ability for automation and versatility.
- Through the McKay acquisition, we gain access to additional innovations, particularly around *automation of the reverse circulation process*.



Stinger NP
Developed in-house



Balance Sheet Strength

➤ *Clean balance sheet and no near-term maturities*

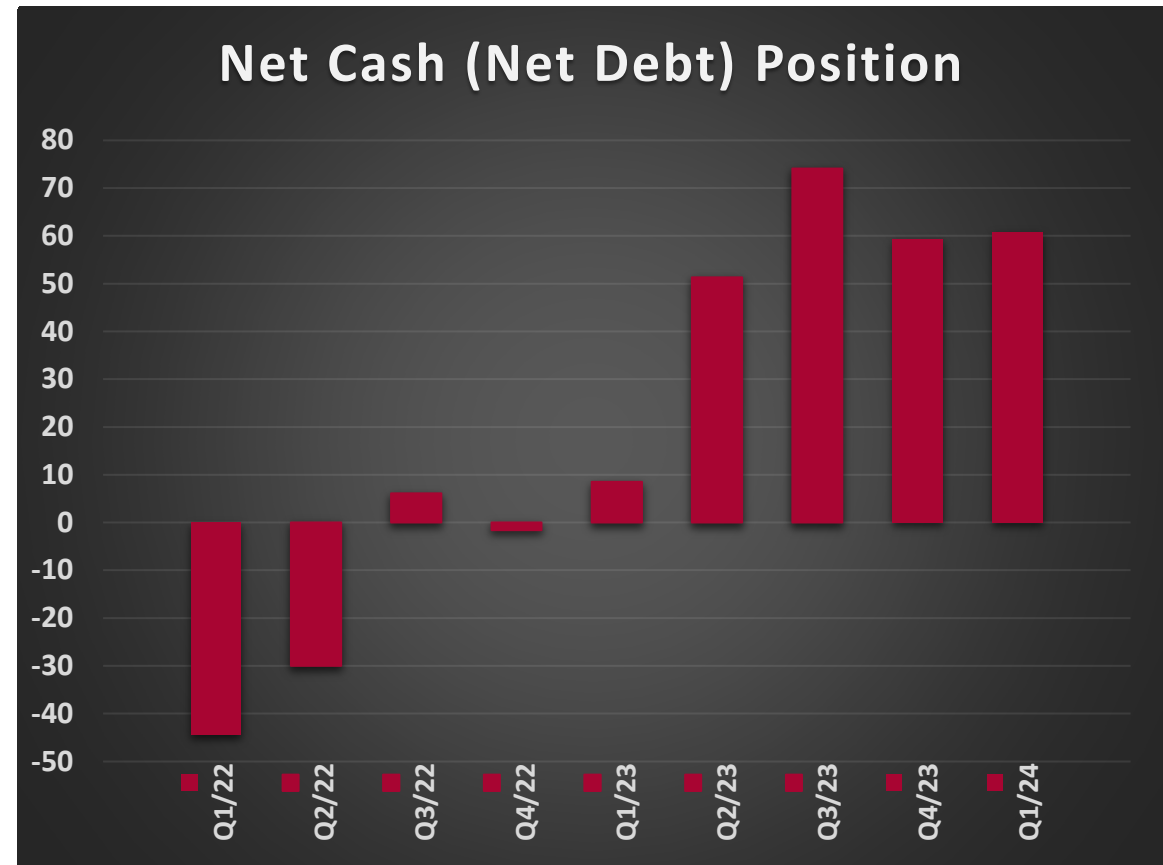
Robust Liquidity Position

- Company well positioned financially for growth.
- Paid off remaining \$20 million in long-term debt.
- Spent \$1.3 million on share buybacks.

\$181M
LIQUIDITY

\$60.8M
NET CASH POSITION

BALANCE SHEET	Q1 2024	Q4 2023
Cash (\$M)	75.9	94.4
Total Liquidity (\$M)	181.2	180.0
Net Cash (\$M)	60.8	59.3
Shares Outstanding (Diluted, M)	83.3	83.4



ESG: Culture of Sustainability





MAJOR
Drilling

Appendix

MAJOR
Drilling

Q1 2024: Financial Review



	Q1 2024	Q1 2023
Revenue	\$198.9	\$199.8
Gross Margin	24.6%	25.6%
Adjusted Gross Margin ¹	30.1%	30.8%
General & Administrative Costs	\$16.5	\$16.2
EBITDA ²	\$40.3	\$43.5
Net Earnings	\$21.8	\$24.2
Earnings per Share	\$0.26	\$0.29

Note - All values in \$CAD unless otherwise indicated.

1 - Adjusted gross margin excludes depreciation expense.

2- Earnings before interest, taxes, depreciation, and amortization.

Utilization

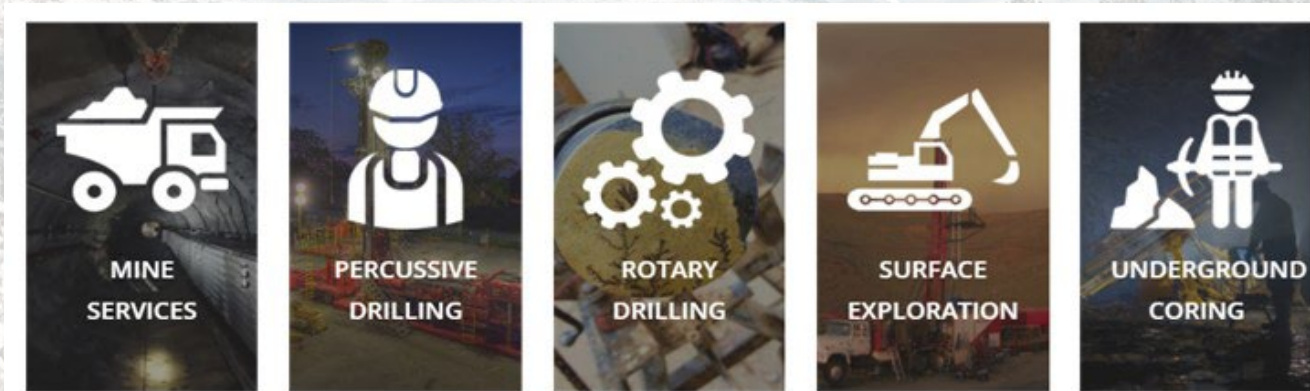
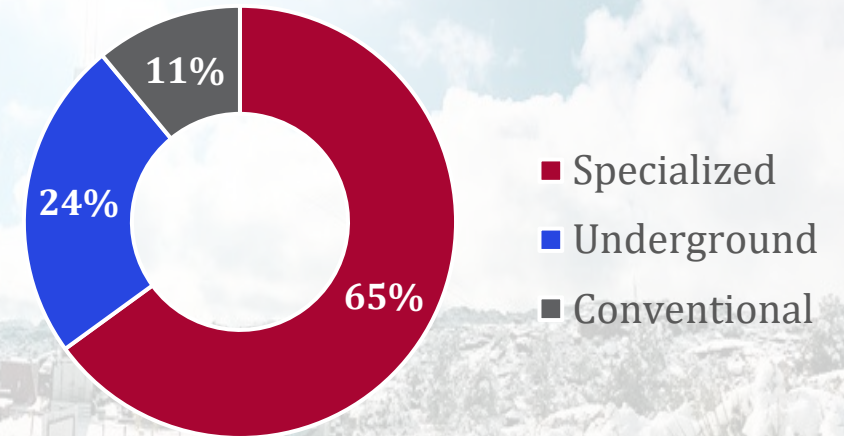
	Q1 2024 # Rigs	Q1 2024 Utilization
Specialized	287	46%
Conventional	115	49%
Underground	199	54%
Total	601	49%

Majority of Activity Focused on Specialized

➤ *Fleet activity reflects both market dynamics and Major Drilling strategy*

- *With future deposits coming from areas more difficult to access, there will be an increased need for specialized services in the future.*

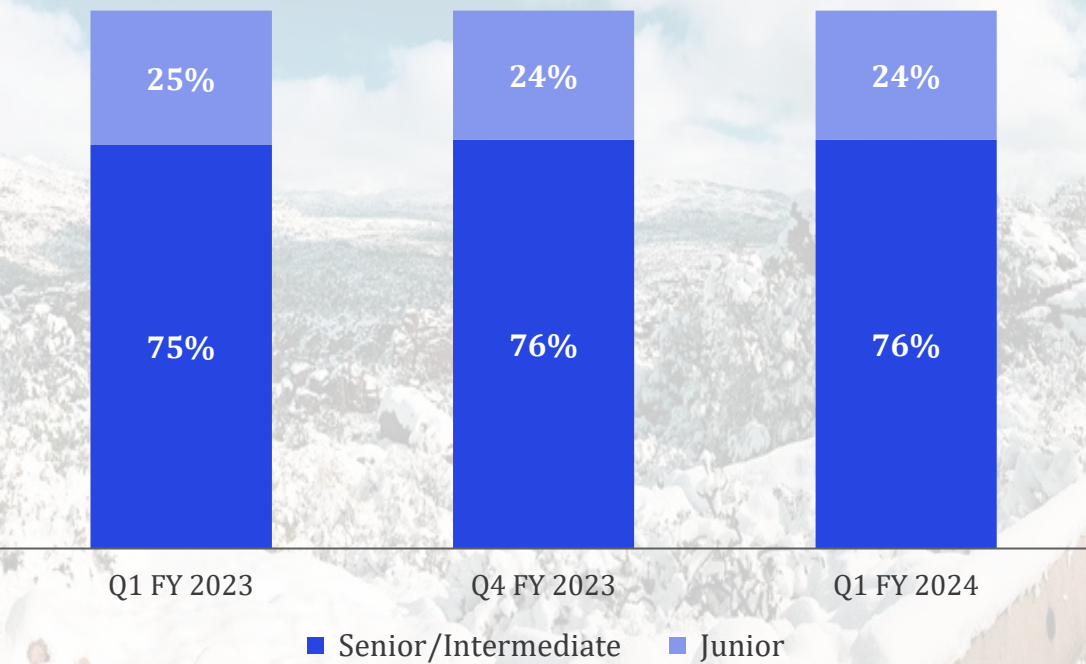
Drilling Revenue by Project Type



Revenue Breakdown

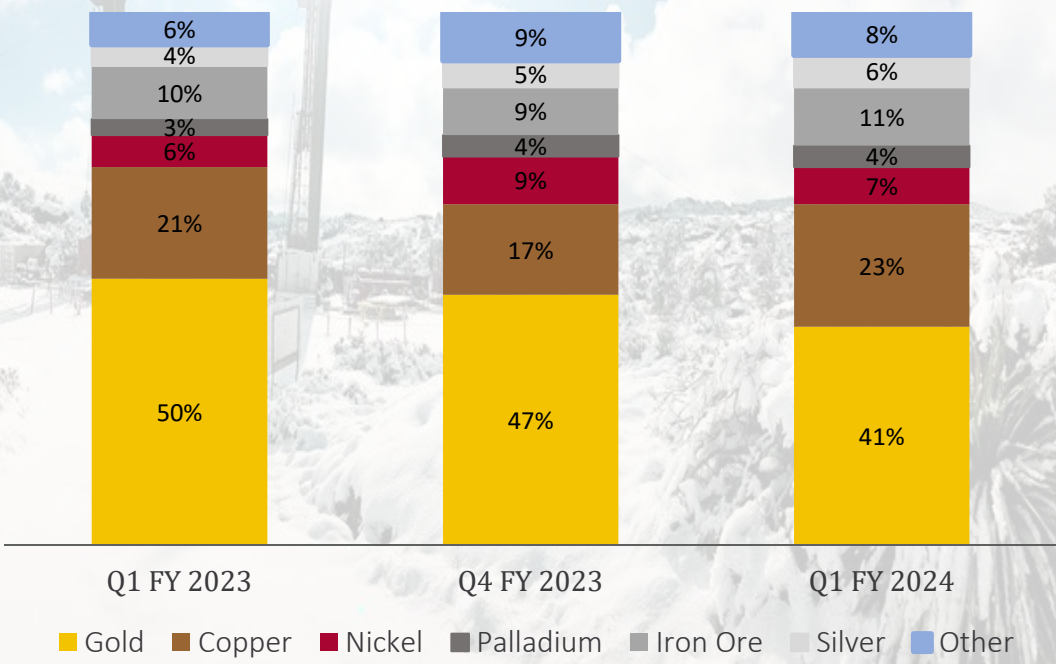
Drilling Revenue by Customer

Seniors and intermediates continued with their expanded exploration spending while junior markets remain challenged.



Drilling Revenue by Commodity

Decarbonization efforts continue to drive exploration.



MAJOR Drilling™



**High Quality
Customer Base**



**Aligned To
Market**



**Balance Sheet
Sustainability**



**Specialized
Operations**



**Experienced
Management**