

Major Drilling Announces Record Quarterly Revenue for its Second Quarter 2026

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MONCTON, Dec. 10, 2025 - [Major Drilling Group International Inc.](#) ("Major Drilling" or the "Company") (TSX: MDI), the largest provider of drilling services to the mining sector, today reported results for the second quarter of fiscal 2026, ended October 31, 2025.

Quarterly Highlights:

- Revenue of \$244.1 million, representing the highest quarterly revenue in Company history, and a 29.0% increase when compared to the same period last year.
- Adjusted gross margin⁽¹⁾ of 26.0%, an increase from the 25.2% recorded in the prior quarter, but below the 30.5% achieved in the same period last year.
- EBITDA⁽¹⁾ of \$37.7 million, a slight decrease compared to the \$38.7 million generated in the same period last year.
- The Company increased its cash position by over \$17.6 million, ending the quarter with \$14.3 million in net cash⁽¹⁾ and total available liquidity of \$149.4 million.
- Announced a Normal Course Issuer Bid ("NCIB") whereby the Company may purchase up to 5% of its issued and outstanding shares over a 12-month period beginning October 21, 2025.

"Activity levels continued to increase through the second quarter of fiscal 2026 with revenue reaching \$244.1 million, a new quarterly record in the Company's 45-year history, driven by continued demand from senior mining customers," said Denis Larocque, President and CEO of Major Drilling.

"In North and South America, Major Drilling achieved revenue growth in both Canada and Peru, driven by strategic market positioning. This progress was realized despite highly competitive pricing environments, underscoring the strength of our approach. We believe these decisions position us to capture long-term opportunities and reinforce our foundation for sustainable growth."

"Our Australasian and African revenue and margins were impacted by the Company's largest customer in Indonesia experiencing an operational incident which resulted in the suspension of all mine site activity for the majority of the quarter. Activity at the mine is gradually resuming and drilling operations are expected to return to full capacity in our fourth fiscal quarter," continued Mr. Larocque.

"Overall, the Company delivered strong financial results, increasing its cash position by over \$17.6 million and moving from a net debt to a net cash position at quarter-end," said Ian Ross, CFO of Major Drilling. "With net cash of over \$14 million and total available liquidity of over \$149 million, Major Drilling remains very well positioned to support its fleet of over 700 drill rigs along with optimized levels of inventory. While adjusted gross margins in the quarter were impacted by the competitive pricing environment in North America, the Indonesian mine incident, as noted above, and the lower margin profile for Explomin, the Company also continues to ramp up its training efforts in anticipation of a busier calendar 2026, which also had a slight impact on margins. Capital expenditures in the quarter totaled \$11.8 million, which includes the addition of 2 new rigs while 4 older, less efficient drills were disposed of, bringing the total fleet count to 707," concluded Mr. Ross.

"Looking ahead to the third quarter of fiscal 2026, typically the weakest quarter of the fiscal year, we expect the usual pause in activity through the holiday period. Ongoing training and maintenance work in anticipation of increasing activity levels in calendar 2026 are also expected to have an impact on margins," commented Mr. Larocque.

"Looking further out to calendar 2026, numerous indicators continue to influence the Company's positive outlook as senior mining companies move through their budgeting season. Some of these data points

include:

- Gold prices remaining above the \$4,000 level, representing over a \$1,400/oz increase when compared to the same period last year;
- Copper prices have more than doubled over the last two years, recently reaching an all-time high, at a time when the world is accelerating its efforts toward decarbonization and electrification, requiring enormous amounts of copper, which, when coupled with recent supply disruptions, is expected to exacerbate the projected supply deficit;
- Recent increase in the number and size of junior financings;
- Demand for critical minerals continuing to increase;
- Lack of exploration by both seniors and juniors throughout the recent 8-year industry downturn, which has led to depleted reserve and resource bases; and
- Many new mineral deposits are being discovered in areas that are increasingly difficult to access, requiring more specialized drilling.

With these fundamentals firmly in place, the outlook for the Company through our fiscal fourth quarter and beyond remains encouraging as we await the release of budgets from senior mining companies for the upcoming calendar year," stated Mr. Larocque.

"While the shortage of experienced drill crews is expected to put temporary pressure on labour costs and productivity, particularly in our busiest markets, we expect wider industry demand for drilling services to drive pricing improvements and expedite margin recovery over the longer term. It is crucial that we continue to aggressively and successfully invest in the recruitment and training of new drillers to ensure that Major Drilling remains both the operator and employer of choice in our industry," concluded Mr. Larocque.

In millions of Canadian dollars (except earnings per share)	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Revenue	\$ 244.1	\$ 189.3	\$ 470.8	\$ 379.3
Gross margin	19.9 %	23.4 %	19.3 %	22.7 %
Adjusted gross margin ⁽¹⁾	26.0 %	30.5 %	25.6 %	29.7 %
EBITDA ⁽¹⁾	37.7	38.7	69.7	73.0
As percentage of revenue	15.4 %	20.4 %	14.8 %	19.2 %
Net earnings	13.9	18.2	24.0	34.0
Earnings per share	0.17	0.22	0.29	0.42

⁽¹⁾ See "Non-IFRS Financial Measures"

Second Quarter Ended October 31, 2025

Total revenue for the quarter was \$244.1 million, up 29.0% from revenue of \$189.3 million recorded in the same quarter last year. Excluding Explomin, revenue for the quarter would have been \$182.8 million, down 3% from the same quarter last year. The favourable foreign exchange translation impact on revenue, when compared to the effective rates for the same period last year, was approximately \$2.7 million, while the impact on net earnings was minimal as expenditures in foreign jurisdictions tend to be in the same currency as revenue.

Revenue for the quarter from Canada - U.S. drilling operations increased by 2.6% to \$87.6 million, compared to the same quarter last year. Despite continued pricing pressures, Canadian activity rebounded during the quarter with a 63% year-over-year increase, supported by strategic market positioning to expand market share and strengthen our platform for sustainable growth. This was tempered by softer performance in the U.S., where reduced junior activity led to a slowdown.

South and Central American revenue increased by 125.5% to \$110.7 million for the quarter, compared to the same quarter last year. Within the region, Explomin contributed a total of \$61.3 million in revenue as its revenue run-rate continues to increase following the closing of the acquisition in November of 2024. Slowdowns in Argentina and Chile, with challenging economic conditions and customer delays, were more than offset by growth in the Guiana Shield and Brazil.

Australasian and African revenue decreased by 16.1% to \$45.9 million, compared to the same period last year. Activity levels are down in the region as drilling operations with the Company's largest customer in

Indonesia were impacted by a mine incident resulting in the temporary shutdown of all activity for the majority of the quarter.

Gross margin percentage for the quarter was 19.9%, compared to 23.4% for the same period last year. Depreciation expense totaling \$14.8 million is included in direct costs for the current quarter, versus \$13.4 million in the same quarter last year. Adjusted gross margin, which excludes depreciation expense, was 26.0% for the quarter, compared to 30.5% for the same period last year. The reduction in margins was driven by competitive pricing environments in North America, a temporary shutdown of operations by a significant customer in Indonesia, as well as the lower margin profile for Explomin.

General and administrative costs were \$21.7 million, an increase of \$3.6 million compared to the same quarter last year. This increase was driven by the addition of the Explomin operations.

Amortization of intangible assets was \$1.5 million, an increase of \$1.2 million over the same quarter last year due to the addition of intangibles recognized as part of the Explomin acquisition in the prior year.

Other expenses were \$4.9 million, up from \$2.5 million in the same quarter last year, due to costs associated with strategic initiatives and \$2.2 million in share-based compensation expenses, mainly driven by adjustments relating to the recent increase in the price of the Company's shares.

Finance costs were \$0.6 million, an increase of \$1.1 million over the same quarter last year due to the increase in long-term debt to finance the Explomin acquisition in the previous year.

The income tax provision for the quarter was an expense of \$5.7 million, compared to \$6.5 million for the same quarter last year. The reduction was the result of reduced profitability.

Net earnings were \$13.9 million or \$0.17 per share (\$0.17 per share diluted) for the quarter, compared to net earnings of \$18.2 million or \$0.22 per share (\$0.22 per share diluted) for the prior year quarter.

Non-IFRS Financial Measures

The Company's financial data has been prepared in accordance with IFRS® Accounting Standards, 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.

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

(in \$000s CAD)	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Net earnings	\$ 13,948	\$ 18,165	\$ 24,019	\$ 34,036
Finance (revenues) costs	648	(491)	1,280	(1,155)
Income tax provision	5,666	6,537	9,555	11,452
Depreciation and amortization	17,388	14,483	34,854	28,622
EBITDA	\$ 37,650	\$ 38,694	\$ 69,708	\$ 72,955

Adjusted gross profit/margin - excludes depreciation expense:

(in \$000s CAD)	Q2 2026	Q2 2025	YTD 2026	YTD 2025
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Total revenue	\$ 244,138	\$ 189,260	\$ 470,756	\$ 379,302
Less: direct costs	195,477	144,985	379,938	293,047
Gross profit	48,661	44,275	90,818	86,255
Add: depreciation	14,830	13,433	29,741	26,293
Adjusted gross profit	63,491	57,708	120,559	112,548
Adjusted gross margin	26.0 %	30.5 %	25.6 %	29.7 %

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

(in \$000s CAD)	October 31, 2025	April 30, 2025
Cash and cash equivalents	\$ 64,688	\$ 45,987
Contingent consideration	(22,442)	(22,210)
Long-term debt	(27,970)	(27,682)
Net cash (debt)	\$ 14,276	\$ (3,905)

Forward-Looking Statements

This news 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; global and local political and economic environments and conditions; competitive pressures; measures affecting trade relations between countries, including the imposition of tariffs and countermeasures, as well as the possible impacts on the Company's clients, operations and, more generally, the economy; the integration of business acquisitions and the realization of the intended benefits of such acquisitions; changes in jurisdictions in which the Company operates (including changes in regulation); the geographic distribution of the Company's operations; 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); currency restrictions; efficient management of the Company's growth; the Company's dependence on key customers; the impact of operational changes; safety of the Company's workforce; risks and uncertainties relating to climate change and natural disasters; 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, 2025, 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.

About Major Drilling

Major Drilling Group International Inc. is the world's leading provider of drilling services in the metals and mining industry. The diverse needs of the Company's global clientele are met through field operations and registered offices that span across North America, South America, Australia, Asia, Africa, and Europe. Established in 1980, the Company has grown to become a global brand in the mining space, known for tackling many of the world's most challenging drilling projects. Supported by a highly skilled workforce, Major Drilling is led by an experienced senior management team that has steered it through various economic and mining cycles, supported by regional managers known for delivering decades of superior project management.

Major Drilling is regarded as an industry expert at delivering a wide range of drilling services, including reverse circulation, surface and underground coring, directional, sonic, geotechnical, environmental, water-well, coal-bed methane, shallow gas, underground percussive/longhole, and surface drill and blast, along with the ongoing development and evolution of its suite of data and technology-driven innovation services.

Webcast/Conference Call

Major Drilling Group International Inc. will provide a simultaneous webcast and conference call to discuss its quarterly results on Thursday, December 11, 2025 at 8:00 am (EST).

To access the live webcast, which includes a slide presentation, please go to the investors/webcasts & presentations section of the Major Drilling website and click on the link or click here: [Webcast Link](#). Please note that this is listen-only mode.

To participate in the conference call, pre-register using this link. Registrants will receive confirmation with dial-in details.

For those unable to participate, a replay of the webcast will be archived for one year and can be accessed on the Major Drilling website at www.majordrilling.com/investors/webcasts/.

For further information:

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Major Drilling Group International Inc.
 Interim Condensed Consolidated Statements of Operations
 (in thousands of Canadian dollars, except per share information)
 (unaudited)

	Three months ended October 31		Six months ended October 31	
	2025	2024	2025	2024
TOTAL REVENUE	\$ 244,138	\$ 189,260	\$ 470,756	\$ 379,302
DIRECT COSTS (note 8)	195,477	144,985	379,938	293,047
GROSS PROFIT	48,661	44,275	90,818	86,255
OPERATING EXPENSES				
General and administrative (note 8)	21,704	18,104	43,072	36,342

Amortization of intangible assets	1,525	272	3,055	543
Other expenses	4,933	2,479	8,224	5,435
(Gain) loss on disposal of property, plant and equipment	705	(279)	585	(670)
Foreign exchange (gain) loss	(468)	(512)	1,028	272
Finance (revenues) costs	648	(491)	1,280	(1,155)
	29,047	19,573	57,244	40,767
EARNINGS BEFORE INCOME TAX	19,614	24,702	33,574	45,488
INCOME TAX EXPENSE (RECOVERY) (note 9)				
Current	7,571	7,138	14,168	12,641
Deferred	(1,905)	(601)	(4,613)	(1,189)
	5,666	6,537	9,555	11,452
NET EARNINGS	\$ 13,948	\$ 18,165	\$ 24,019	\$ 34,036
EARNINGS PER SHARE (note 10)				
Basic	\$ 0.17	\$ 0.22	\$ 0.29	\$ 0.42
Diluted	\$ 0.17	\$ 0.22	\$ 0.29	\$ 0.42

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Comprehensive Earnings
(in thousands of Canadian dollars)
(unaudited)

	Three months ended October 31		Six months ended October 31	
	2025	2024	2025	2024
NET EARNINGS	\$ 13,948	\$ 18,165	\$ 24,019	\$ 34,036
OTHER COMPREHENSIVE EARNINGS				
Items that may be reclassified subsequently to profit or loss				
Unrealized gain (loss) on foreign currency translations	9,188	2,666	8,651	5,450
Unrealized gain (loss) on derivatives (net of tax)	2,182	(515)	2,288	(538)
COMPREHENSIVE EARNINGS	\$ 25,318	\$ 20,316	\$ 34,958	\$ 38,948

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Changes in Equity
For the six months ended October 31, 2025 and 2024
(in thousands of Canadian dollars)
(unaudited)

	Share capital	Retained earnings	Other reserves	Share-based payments reserve	Foreign currency translation reserve
BALANCE AS AT MAY 1, 2024	\$ 262,679	\$ 151,740	\$ (18)	\$ 3,630	\$ 75,801
Exercise of stock options	412	-	-	(109)	-
Share-based compensation	-	-	-	61	-
	263,091	151,740	(18)	3,582	75,801
Comprehensive earnings:					
Net earnings	-	34,036	-	-	-
Unrealized gain (loss) on foreign currency translations	-	-	-	-	5,450

Unrealized gain (loss) on derivatives	-	-	(538)	-	-
Total comprehensive earnings	-	34,036	(538)	-	5,450
BALANCE AS AT OCTOBER 31, 2024	\$ 263,091	\$ 185,776	\$ (556)	\$ 3,582	\$ 81,251
BALANCE AS AT MAY 1, 2025	\$ 263,108	\$ 177,695	\$ (293)	\$ 3,615	\$ 77,973
Exercise of stock options	2,115	118	-	(1,294)	-
Share-based compensation	-	-	-	11	-
Stock options expired/forfeited	-	22	-	(22)	-
	265,223	177,835	(293)	2,310	77,973
Comprehensive earnings:					
Net earnings	-	24,019	-	-	-
Unrealized gain (loss) on foreign currency translations	-	-	-	-	8,651
Unrealized gain (loss) on derivatives	-	-	2,288	-	-
Total comprehensive earnings	-	24,019	2,288	-	8,651
BALANCE AS AT OCTOBER 31, 2025	\$ 265,223	\$ 201,854	\$ 1,995	\$ 2,310	\$ 86,624

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Cash Flows
(in thousands of Canadian dollars)
(unaudited)

	Three months ended October 31		Six months ended October 31	
	2025	2024	2025	2024
OPERATING ACTIVITIES				
Earnings before income tax	\$ 19,614	\$ 24,702	\$ 33,574	\$ 45,488
Operating items not involving cash				
Depreciation (note 8)	15,863	14,211	31,799	28,079
Amortization of intangible assets	1,525	272	3,055	543
(Gain) loss on disposal of property, plant and equipment	705	(279)	585	(670)
Share-based compensation	-	19	11	61
Finance (revenues) costs recognized in earnings before income tax	648	(491)	1,280	(1,155)
	38,355	38,434	70,304	72,346
Changes in non-cash operating working capital items	(2,682)	7,782	(15,800)	3,747
Finance revenues received (costs paid)	(648)	491	(1,280)	1,155
Income taxes paid	(5,824)	(3,555)	(9,090)	(9,682)
Cash flow from (used in) operating activities	29,201	43,152	44,134	67,566
FINANCING ACTIVITIES				
Repayment of lease liabilities	(304)	(399)	(688)	(1,122)
Issuance of common shares due to exercise of stock options	1,208	15	1,457	303
Cash-settled stock options	(518)	-	(518)	-
Change in long-term debt	312	-	288	-
Cash flow from (used in) financing activities	698	(384)	539	(819)
INVESTING ACTIVITIES				
Payment of consideration for previous business acquisition	-	(9,088)	-	(9,088)
Investments (note 7)	-	-	-	(15,205)
Acquisition of property, plant and equipment (note 6)	(11,835)	(20,073)	(26,215)	(41,324)
Proceeds from disposal of property, plant and equipment	97	398	290	1,611
Cash flow from (used in) investing activities	(11,738)	(28,763)	(25,925)	(64,006)

Effect of exchange rate changes	(551)	575	(47)	1,471
INCREASE (DECREASE) IN CASH	17,610	14,580	18,701	4,212
CASH, BEGINNING OF THE PERIOD	47,078	85,850	45,987	96,218
CASH, END OF THE PERIOD	\$ 64,688	\$ 100,430	\$ 64,688	\$ 100,430

Major Drilling Group International Inc.
Interim Condensed Consolidated Balance Sheets
As at October 31, 2025 and April 30, 2025
(in thousands of Canadian dollars)
(unaudited)

October 31, 2025 April 30, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 64,688	\$ 45,987
Trade and other receivables (note 12)	191,086	144,731
Income tax receivable	4,989	6,992
Inventories	114,748	115,629
Prepaid expenses	9,473	8,490
	384,984	321,829

PROPERTY, PLANT AND EQUIPMENT (note 6)	276,393	277,553
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RIGHT-OF-USE ASSETS	8,110	9,176
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INVESTMENTS (note 7)	17,784	17,814
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DEFERRED INCOME TAX ASSETS	2,579	2,151
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GOODWILL	67,536	65,962
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INTANGIBLE ASSETS	21,560	24,256
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	\$ 778,946	\$ 718,741
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LIABILITIES

CURRENT LIABILITIES

Trade and other payables	\$ 137,851	\$ 112,690
Income tax payable	7,513	4,295
Current portion of lease liabilities	2,057	2,021
Current portion of contingent consideration	7,406	8,869
	154,827	127,875

LEASE LIABILITIES	6,798	7,430
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CONTINGENT CONSIDERATION	15,036	13,341
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LONG-TERM DEBT	27,970	27,682
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DEFERRED INCOME TAX LIABILITIES	16,309	20,315
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	220,940	196,643
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SHAREHOLDERS' EQUITY

Share capital	265,223	263,108
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Retained earnings	201,854	177,695
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Other reserves	1,995	(293)
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Share-based payments reserve	2,310	3,615
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Foreign currency translation reserve	86,624	77,973
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	558,006	522,098
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	\$ 778,946	\$ 718,741
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MAJOR DRILLING GROUP INTERNATIONAL INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2025 AND 2024 (UNAUDITED)
(in thousands of Canadian dollars, except per share information)

1. NATURE OF ACTIVITIES

Major Drilling Group International Inc. (the "Company") is incorporated under the Canada Business Corporations Act and has its head office at 111 St. George Street, Moncton, NB, Canada. The Company's common shares are listed on the Toronto Stock Exchange ("TSX"). The principal source of revenue consists of contract drilling for companies primarily involved in mining and mineral exploration. The Company has operations in North America, South America, Australia, Asia, and Africa.

2. BASIS OF PRESENTATION

Statement of compliance

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies as outlined in the Company's annual Consolidated Financial Statements for the year ended April 30, 2025.

On December 10, 2025, the Board of Directors authorized the financial statements for issue.

Basis of consolidation

These Interim Condensed Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statements of Operations from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intercompany transactions, balances, income and expenses are eliminated on consolidation, where appropriate.

Basis of preparation

These Interim Condensed Consolidated Financial Statements have been prepared based on the historical cost basis, except for certain financial instruments that are measured at fair value, using the same accounting policies and methods of computation, as presented in the Company's annual Consolidated Financial Statements for the year ended April 30, 2025.

3. APPLICATION OF NEW AND REVISED IFRS® ACCOUNTING STANDARDS

The following IASB amendment, adopted as of May 1, 2025, has not had a significant impact on the Company's Consolidated Financial Statements:

- IAS 21 (as amended in 2023) - The Effect of Changes in Foreign Exchange Rates - The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The Company has not applied the following IASB standard that has been issued, but is not yet effective:

- IFRS 18 (as issued in 2024) - Presentation and Disclosure of Financial Statements - effective for periods beginning on or after January 1, 2027, with earlier application permitted. The standard replaces IAS 1, Presentation of Financial Statements, and includes requirements for the presentation and disclosure of information in financial statements, such as the presentation of subtotals within the statement of operations and the disclosure of management-defined performance measures within the financial statements.

The Company is currently in the process of assessing the impact the adoption of the above standard will have on the Consolidated Financial Statements.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of financial statements, in conformity with IFRS Accounting Standards, requires management to make judgments, estimates and assumptions that are not readily apparent from other sources, which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Significant areas requiring the use of management estimates relate to the useful lives of property, plant and equipment and intangible assets for depreciation and amortization purposes, inventory valuation, determination of income and other taxes, recoverability of deferred income tax assets, assumptions used in compilation of share-based payments, fair value of assets acquired and liabilities assumed in business acquisitions, provisions, contingent considerations, impairment testing of goodwill, and impairment testing of intangible and long-lived assets.

The Company applied judgment in determining the functional currency of the Company and its subsidiaries, the determination of cash-generating units ("CGUs"), the degree of componentization of property, plant and equipment, the recognition of provisions, and the determination of the probability that deferred income tax assets will be realized from future taxable earnings.

5. SEASONALITY OF OPERATIONS

The third quarter (November to January) is normally the Company's weakest quarter due to the slowdown of mining and exploration activities, often for extended periods over the holiday season.

6. PROPERTY, PLANT AND EQUIPMENT

Capital expenditures for the three and six months ended October 31, 2025 were \$11,835 (2024 - \$20,073) and \$26,215 (2024 - \$41,324). The Company did not obtain direct financing for the three and six months ended October 31, 2025 or 2024.

7. INVESTMENTS

On July 22, 2024, the Company purchased shares in DGI Geoscience Inc. ("DGI") for \$15,000 in cash consideration, a 39.8% equity interest (that provides the Company with 42.3% of the voting rights). DGI and its subsidiaries are privately held entities, headquartered in Canada, focused on downhole survey and imaging services as well as using artificial intelligence for logging scanned rock samples.

In addition to the equity interest, Major Drilling has representation on the DGI Board of Directors and has special approval rights (protective in nature) granted to the Company as part of the investment. As a result, the Company concluded that the equity method of accounting is appropriate for its investment in DGI.

8. EXPENSES BY NATURE

Direct costs by nature are as follows:

	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Depreciation	\$ 14,830	\$ 13,433	\$ 29,741	\$ 26,293
Employee salaries and benefit expenses	85,681	66,733	168,562	134,918
Materials, consumables and external costs	84,171	55,599	163,517	112,420
Other	10,795	9,220	18,118	19,416
	\$ 195,477	\$ 144,985	\$ 379,938	\$ 293,047

General and administrative expenses by nature are as follows:

	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Depreciation	\$ 1,033	\$ 778	\$ 2,058	\$ 1,786
Employee salaries and benefit expenses	11,246	9,632	22,823	19,629
Other general and administrative expenses	9,425	7,694	18,191	14,927
	\$ 21,704	\$ 18,104	\$ 43,072	\$ 36,342

9. INCOME TAXES

The income tax provision for the periods can be reconciled to accounting earnings before income tax as follows:

	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Earnings before income tax	\$ 19,614	\$ 24,702	\$ 33,574	\$ 45,488
Statutory Canadian corporate income tax rate	27 %	27 %	27 %	27 %
Expected income tax provision based on statutory rate	5,296	6,670	9,065	12,282
Non-recognition of tax benefits related to losses	340	769	1,045	971
Utilization of previously unrecognized losses	-	(1,004)	(42)	(1,706)
Other foreign taxes paid	93	172	560	297
Rate variances in foreign jurisdictions	461	(51)	380	(112)
Permanent differences and other	(524)	(19)	(1,453)	(280)
Income tax provision recognized in net earnings	\$ 5,666	\$ 6,537	\$ 9,555	\$ 11,452

The Company periodically assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Company records its best estimate of these tax liabilities, including related interest charges. Inherent uncertainties exist in estimates of tax contingencies due to changes in tax laws. While management believes they have adequately provided for the probable outcome of these matters, future results may include favourable or unfavourable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved, or when the statutes of limitations lapse.

10. EARNINGS PER SHARE

All of the Company's earnings are attributable to common shares, therefore, net earnings are used in determining earnings per share.

	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Net earnings	\$ 13,948	\$ 18,165	\$ 24,019	\$ 34,036
Weighted average number of shares:				
Basic (000s)	81,927	81,841	81,896	81,829

Diluted (000s)	82,100	81,999	82,065	82,007
Earnings per share				
Basic	\$ 0.17	\$ 0.22	\$ 0.29	\$ 0.42
Diluted	\$ 0.17	\$ 0.22	\$ 0.29	\$ 0.42

There was no impact on diluted earnings per share for the three months ended October 31, 2025 (2024 - 200,000). The calculation of diluted earnings per share for the six months ended October 31, 2025 excludes the effect of 99,429 options (2024 - 200,000) as they were not in-the-money.

The total number of shares outstanding on October 31, 2025 was 82,052,736 (2024 - 81,842,086).

11. SEGMENTED INFORMATION

The Company's operations are divided into the following three geographic segments, corresponding to its management structure: Canada - U.S.; South and Central America; and Australasia and Africa. The services provided in each of the reportable segments are essentially the same. The accounting policies of the segments are the same as those described in the Company's annual Consolidated Financial Statements for the year ended April 30, 2025. Management evaluates performance based on earnings from operations in these three geographic segments before finance costs, general corporate expenses and income taxes. Data relating to each of the Company's reportable segments is presented as follows:

	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Revenue				
Canada - U.S.*	\$ 87,554	\$ 85,396	\$ 171,624	\$ 172,549
South and Central America	110,700	49,141	206,463	98,965
Australasia and Africa	45,884	54,723	92,669	107,788
	\$ 244,138	\$ 189,260	\$ 470,756	\$ 379,302

*Canada - U.S. includes revenue of \$41,902 and \$25,695 for Canadian operations for the three months ended October 31, 2025 and 2024, respectively and \$81,071 and \$57,543 for the six months ended October 31, 2025 and 2024, respectively.

	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Earnings (loss) from operations				
Canada - U.S.	\$ 10,446	\$ 7,694	\$ 16,235	\$ 15,500
South and Central America	9,145	6,812	14,845	12,925
Australasia and Africa	9,066	13,996	18,283	25,433
	28,657	28,502	49,363	53,858
Finance (revenues) costs	648	(491)	1,280	(1,155)
General and corporate expenses**	8,395	4,291	14,509	9,525
Income tax	5,666	6,537	9,555	11,452
	14,709	10,337	25,344	19,822
Net earnings	\$ 13,948	\$ 18,165	\$ 24,019	\$ 34,036

**General and corporate expenses include expenses for corporate offices and stock-based compensation.

	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Capital expenditures				
Canada - U.S.	\$ 1,310	\$ 8,548	\$ 2,595	\$ 16,720
South and Central America	6,620	3,703	17,294	9,728
Australasia and Africa	3,823	7,822	6,155	14,822
Unallocated and corporate assets	82	-	171	54

Total capital expenditures	\$ 11,835	\$ 20,073	\$ 26,215	\$ 41,324
Depreciation and amortization				
Canada - U.S.	\$ 6,072	\$ 6,846	\$ 12,626	\$ 13,186
South and Central America	6,454	3,203	12,679	6,404
Australasia and Africa	4,629	4,218	9,084	8,592
Unallocated and corporate assets	233	216	465	440
Total depreciation and amortization	\$ 17,388	\$ 14,483	\$ 34,854	\$ 28,622

	October 31, 2025	April 30, 2025
Identifiable assets		
Canada - U.S.*	\$ 224,870	\$ 223,320
South and Central America	381,229	342,668
Australasia and Africa	228,305	216,051
Unallocated and corporate liabilities	(55,458)	(63,298)
Total identifiable assets	\$ 778,946	\$ 718,741

*Canada - U.S. includes property, plant and equipment as at October 31, 2025 of \$52,158 (April 30, 2025 - \$58,312) for Canadian operations.

12. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, trade and other receivables, demand credit facilities and trade and other payables approximate their fair value due to the relatively short period to maturity of the instruments. The carrying value of contingent consideration and long-term debt approximates their fair value as the interest applicable is reflective of fair market rates.

Financial assets and liabilities measured at fair value are classified and disclosed in one of the following categories:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company enters into certain derivative financial instruments to manage its exposure to market risks, comprised of share-price forward contracts with a combined notional amount of \$10,542, maturing at varying dates through June 2028.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's derivatives, with fair values as follows, are classified as level 2 financial instruments and recorded in trade and other receivables (payables) in the Interim Condensed Consolidated Balance Sheets. There were no transfers of amounts between level 1, level 2 and level 3 financial instruments for the three and six months ended October 31, 2025.

October 31, 2025 April 30, 2025

Share-price forward contracts \$ 1,806 \$ (1,582)

Credit risk

As at October 31, 2025, 96.5% (April 30, 2025 - 96.1%) of the Company's trade receivables were aged as current and 1.0% (April 30, 2025 - 1.5%) of the trade receivables were impaired.

The movements in the allowance for impairment of trade receivables during the periods were as follows:

	October 31, 2025	April 30, 2025
Opening balance	\$ 2,179	\$ 4,149
Increase in impairment allowance	216	840
Recovery of amounts previously impaired	(485)	(584)
Write-off charged against allowance	-	(2,215)
Foreign exchange translation differences	23	(11)
Ending balance	\$ 1,933	\$ 2,179

Foreign currency risk

As at October 31, 2025, the most significant carrying amounts of net monetary assets and/or liabilities (which may include intercompany balances with other subsidiaries) that: (i) are denominated in currencies other than the functional currency of the respective Company subsidiary; and (ii) cause foreign exchange rate exposure, including the impact on earnings before income taxes ("EBIT"), if the corresponding rate changes by 10%, are as follows (in \$000s CAD):

	Rate variance	MNT/USD	ARS/USD	USD/AUD	IDR/USD	USD/CAD	USD/ZAR	USD/SAR	PEN/USD
Net exposure on monetary assets (liabilities)		9,939	6,911	6,754	5,389	3,571	(6,020)	(6,800)	(9,729)
EBIT impact	+/-10%	1,104	768	750	599	397	669	756	1,081

Liquidity risk

The following table details contractual maturities for the Company's financial liabilities:

	1 year	2-3 years	4-5 years	Thereafter	Total
Trade and other payables	\$ 137,851	\$ -	\$ -	\$ -	\$ 137,851
Lease liabilities (interest included)	2,588	3,795	1,598	2,563	10,544
Contingent consideration (undiscounted)	7,692	18,829	-	-	26,521
Long-term debt (interest included)	1,797	29,767	-	-	31,564
	\$ 149,928	\$ 52,391	\$ 1,598	\$ 2,563	\$ 206,480

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