



**Investor Presentation
Energy Transition
Metals Summit**

April 2024

QUALITY - SAFETY - RESULTS



TSX: MDI
majordrilling.com

Forward-Looking Statements

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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: \$6.97 - \$10.81

Market Cap: ~\$771.1M

Shares Outstanding: 81.8M

90 Day Avg. Trading Vol.: 390K

REGISTERED IN OVER

20

COUNTRIES

ACROSS

5

CONTINENTS

>3,400

EMPLOYEES

~600

DRILLS

Q3 2024 HIGHLIGHTS

\$132.8

GROSS REVENUE (M)

\$11.4

EBITDA² (M)

\$(2.3)

NET EARNINGS (LOSS) (M)

23.4%

ADJUSTED GROSS MARGINS³

\$96.4

NET CASH (M)

\$(0.03)

EPS



1 - All values in \$CAD unless otherwise indicated, as of April 24, 2024.

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

3- Adjusted gross margin excludes depreciation expense.

Investment Proposition

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Drilling

➤ *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**; 62% revenue derived from those activities



Diversified, Quality Customer Base

- **Contractor of choice**, 80% 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 with** no long-term debt ensures flexibility & resilience



Experienced Management

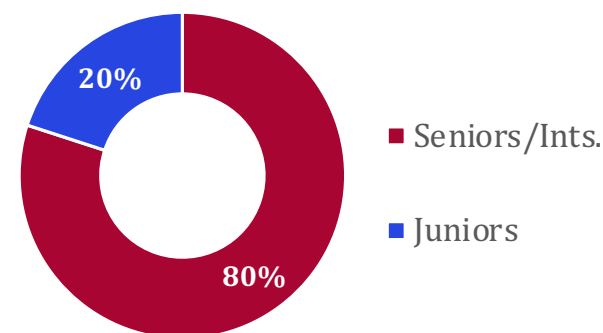
- Management holds **>1,000 years of combined experience & expertise**
- History of **successful growth through M&A** and international diversification

Spark of Success: Battery metals

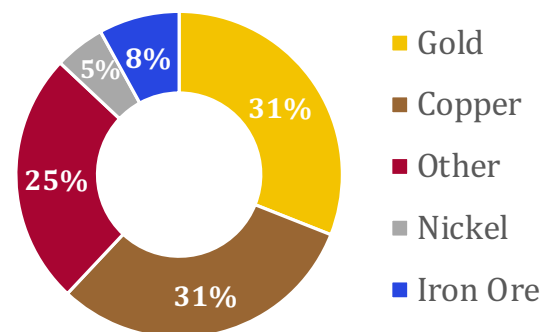
➤ *Broad range of services, customers and leverage to premium commodities ensures sustainable revenue sources to propel the green energy transition forward*

- Major Drilling has historically been driven by a gold customer base, but the emergence of the battery metal demand has **shifted the business focus to include lithium, cobalt, and more.**
- 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 on markets with **enhanced earnings potential.**

Drilling Revenue by Customer



Drilling Revenue by Commodity



Contractor of Choice

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➤ *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.
- 80% of Major Drilling revenue is sourced from operations for senior and intermediate mining companies.

TOP CUSTOMERS

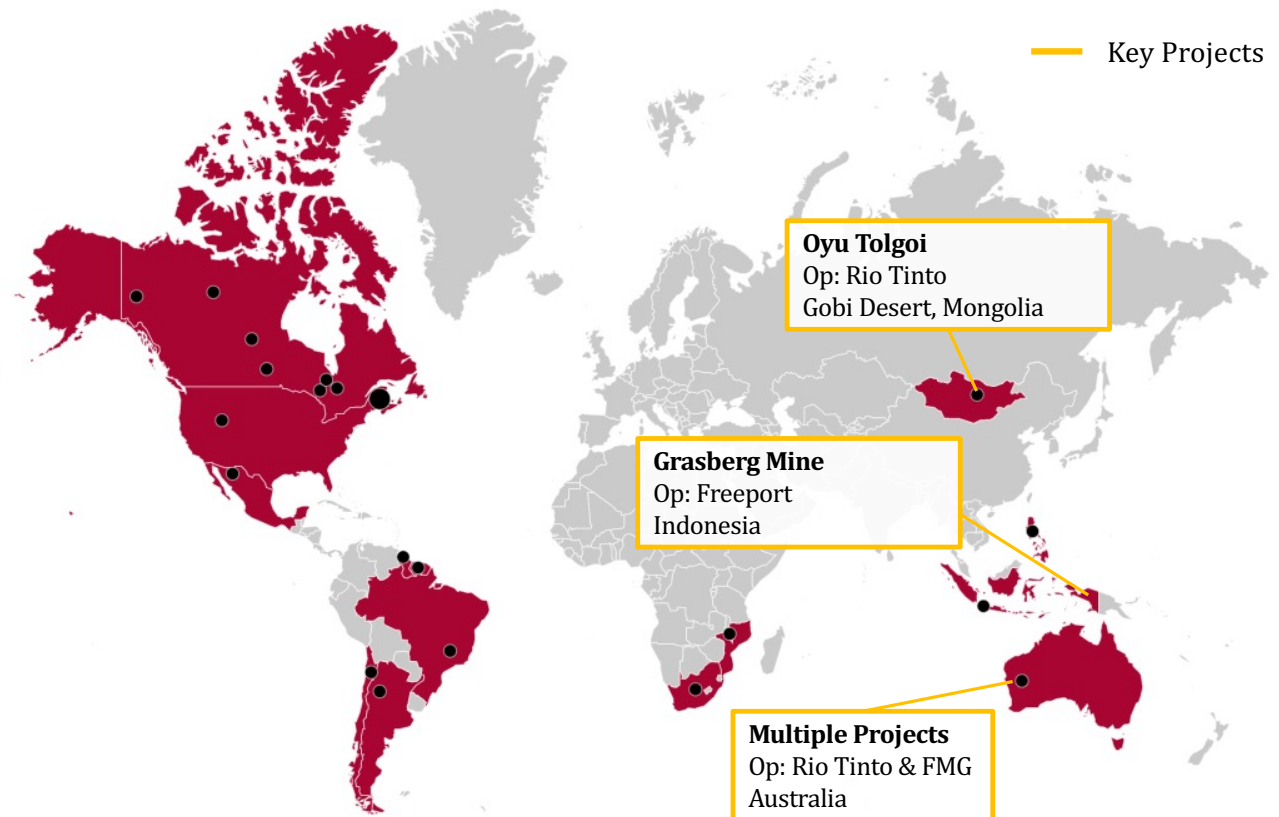


Operational Diversification

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➤ *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.
- **~55%** 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.

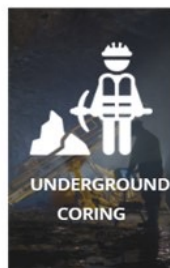
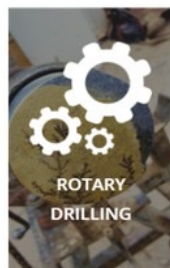
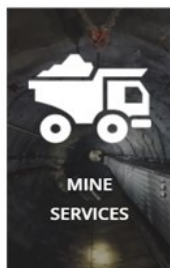


Specialized Drilling

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➤ *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

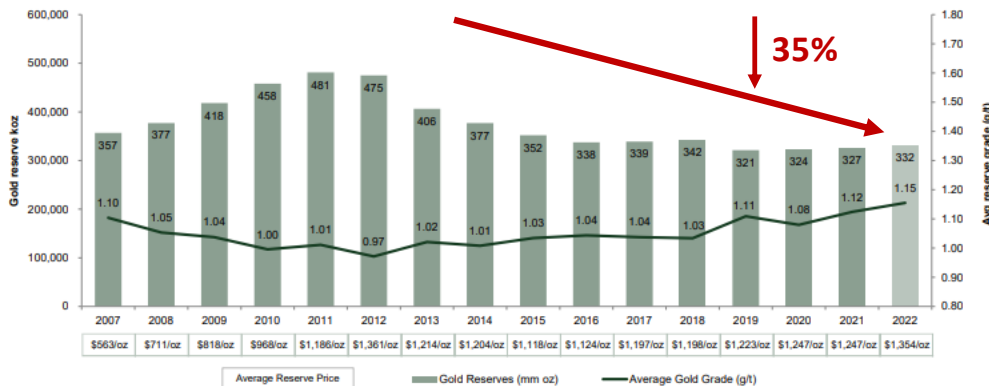


Gold Reserves Need to be Replenished



- 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.

LARGE CAP TOTAL GOLD RESERVES & AVERAGE GRADE



Source – Company reports, TD Securities, Inc.

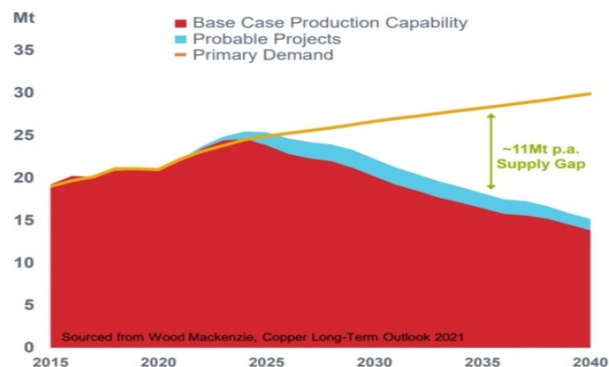
“While we look closely at all new business opportunities, we believe finding our ounces is always better than buying them. That’s why we’re still discovering real value at the end of our drill bits.”

Mark Bristow
President & CEO, Barrick Gold

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)



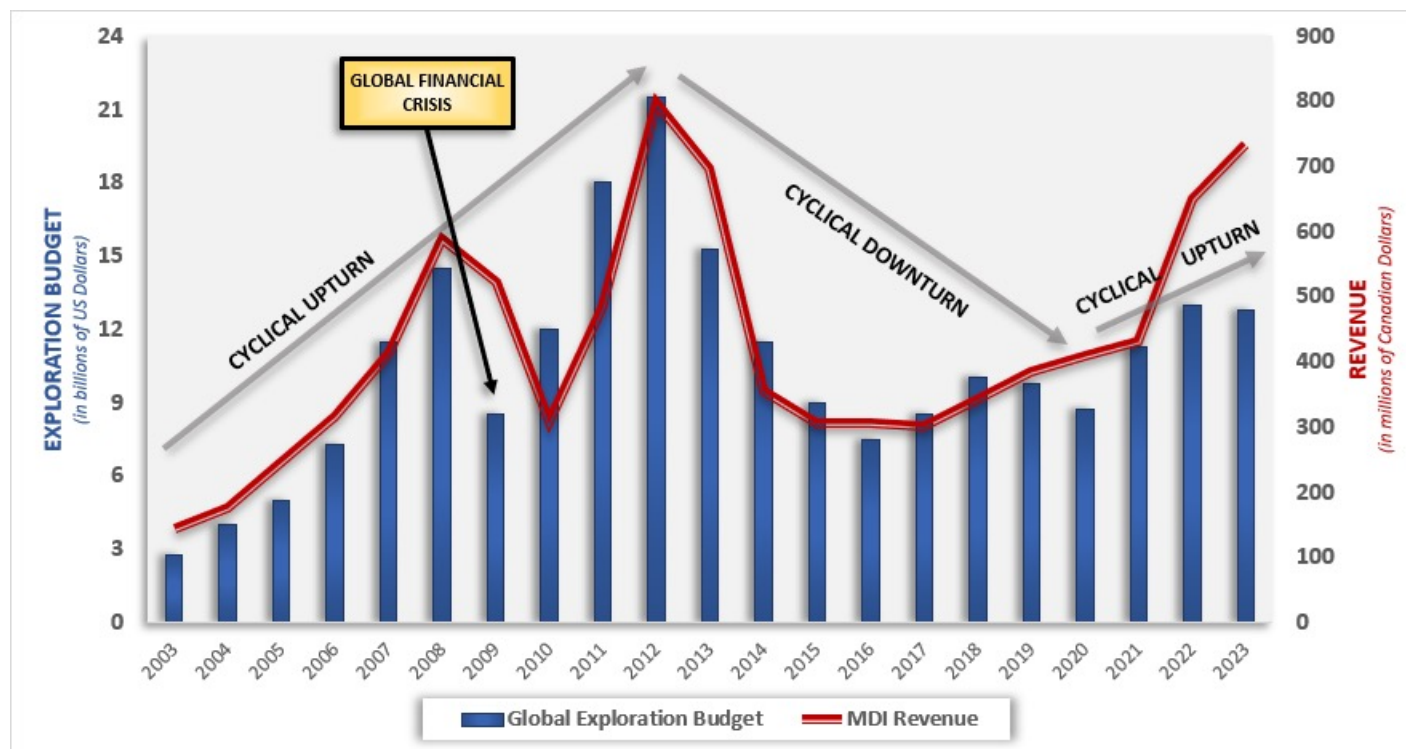
- *"...despite a very powerful green demand narrative, it's a complete state of inaction from the supply side."*
- *"...that really means this supply crunch is becoming very real."*
- *"...because it takes four to five years for a copper mine to be developed, if it's just an existing mine, and even longer 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 Snowdon,
Commodities Strategist, Goldman Sachs
May 14, 2022

Upcycle Unfolding like Previous One...

➤ Industry backdrop mirrors early 2000's upcycle



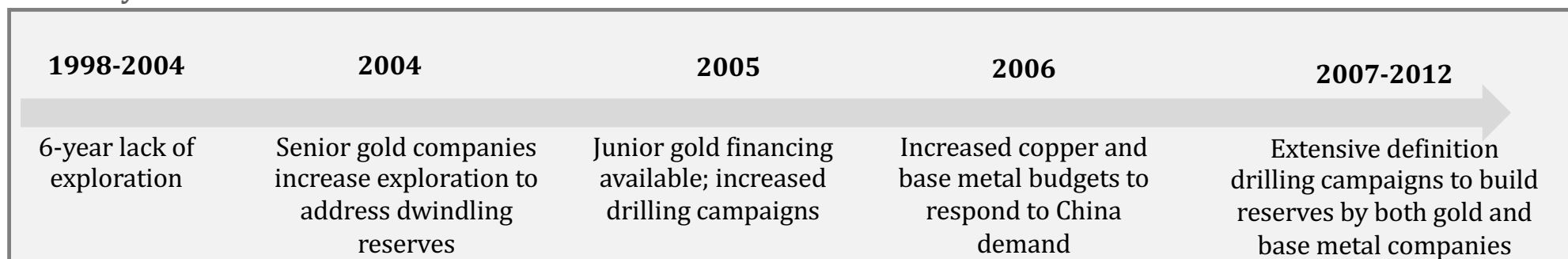
Source: S&P Global Market Intelligence

- Only at 50% 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.

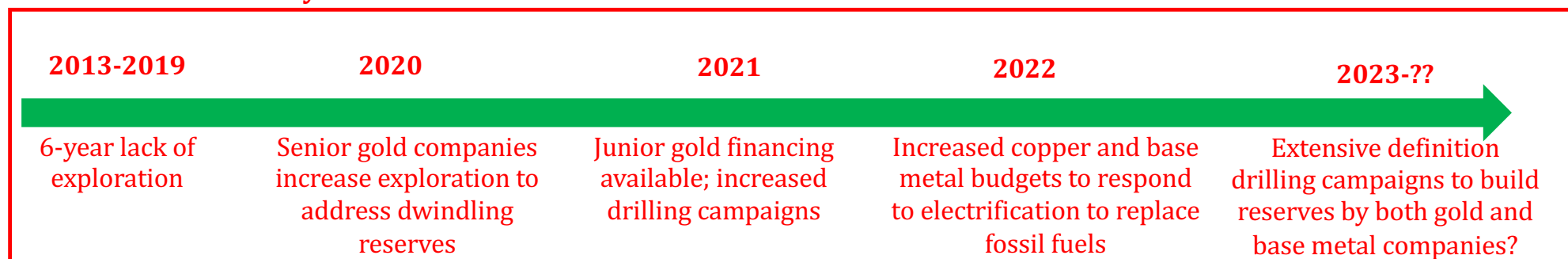
Upcycle Unfolding like Previous One...

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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 \$210M.
- ✓ 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.

Modern Fleet and Innovation



- We maintain the largest, and one of the most modern fleets in the industry.
- Continue to make investments in innovation.
- Partnerships with key customers to develop cutting-edge technologies and providing drilling data for their modeling.
- Optimizing operations through capturing drilling data and analytics.
- Great progress in our enhanced hands-free rod handling capacity.



Balance Sheet Strength



➤ *Clean balance sheet*

Robust Liquidity Position

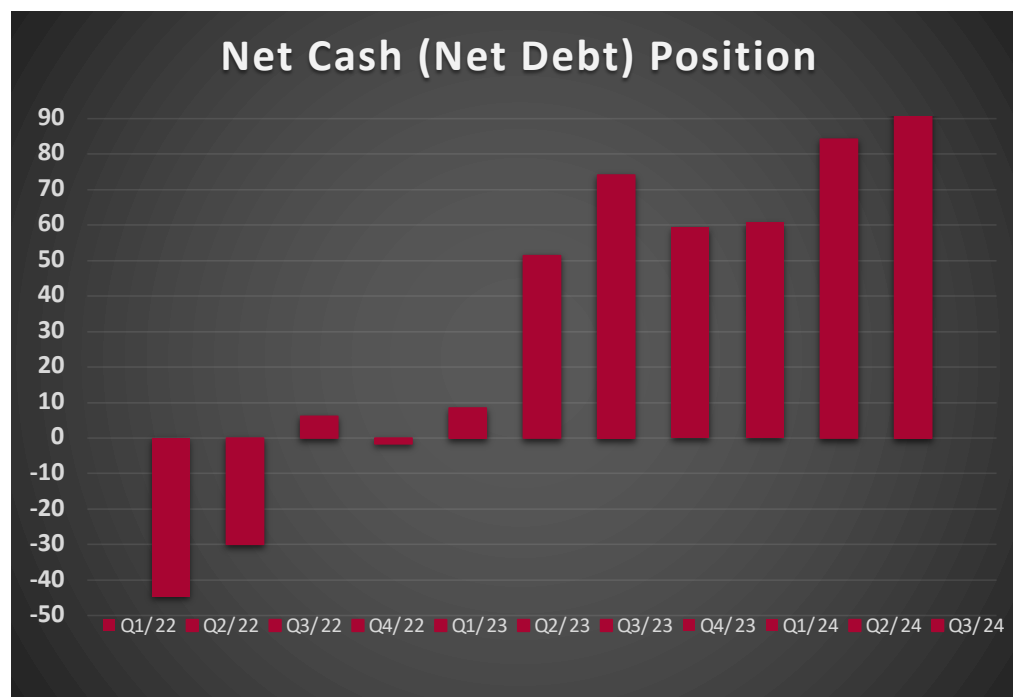
- Strong cash flow generation.
- Spent \$2.7 million on share buybacks.
- No long-term debt.

\$210M
LIQUIDITY

\$96.4M
NET CASH POSITION

BALANCE SHEET	Q3 2024	Q2 2024
Cash (\$M)	104.9	92.5
Total Liquidity (\$M)	210.2	197.8
Net Cash (\$M)	96.4	84.2
Shares Outstanding	81.8	82.1

Net Cash (Net Debt) Position



ESG: Culture of Sustainability

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Appendix

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Q3 2024: Financial Review



	Q3 2024	Q3 2023
Revenue	\$132.8	\$149.2
Gross Margin	14.2%	17.7%
Adjusted Gross Margin ¹	23.4%	25.3%
General & Administrative Costs	\$17.1	\$16.4
EBITDA ²	\$11.4	\$20.5
Net Earnings (Loss)	\$(2.3)	\$6.3
Earnings (Loss) per Share	\$(0.03)	\$0.08

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

1 - Adjusted gross margin excludes depreciation expense.

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

Utilization

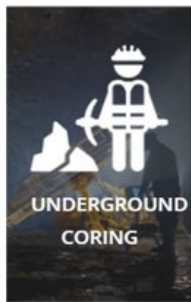
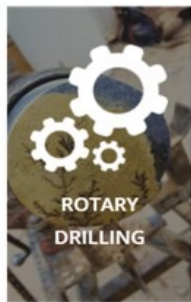
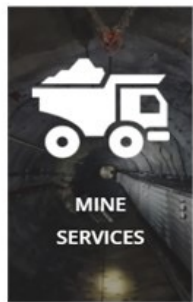
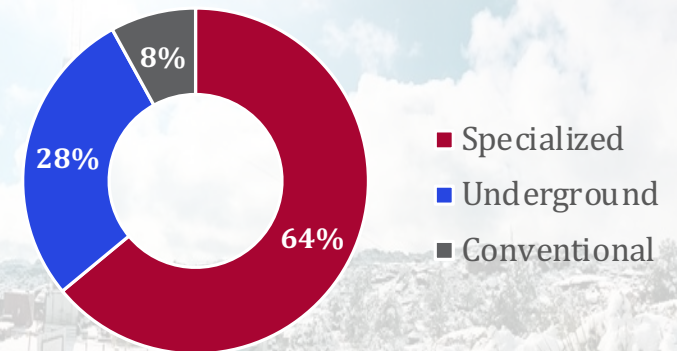
	Q3 2024 # Rigs	Q3 2024 Utilization
Specialized	288	43%
Conventional	119	38%
Underground	198	40%
Total	605	41%

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.*

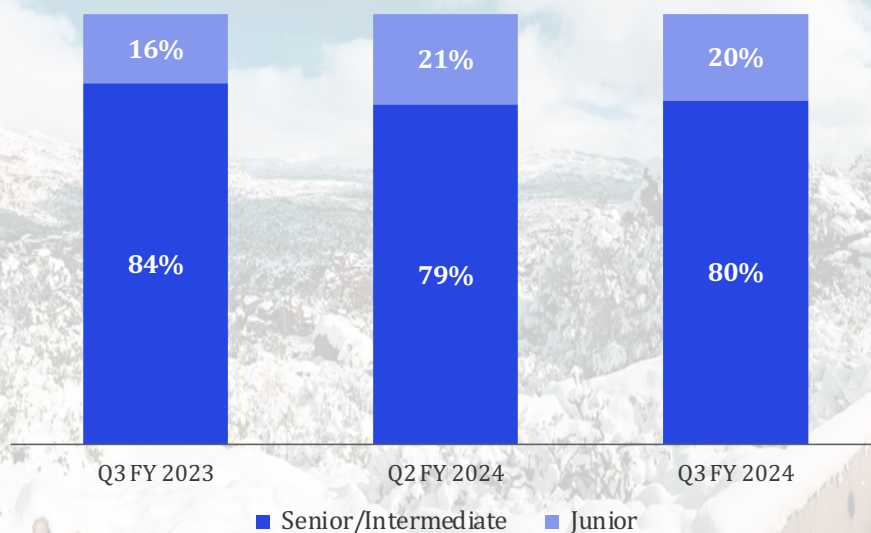
Drilling Revenue by Project Type



Revenue Breakdown

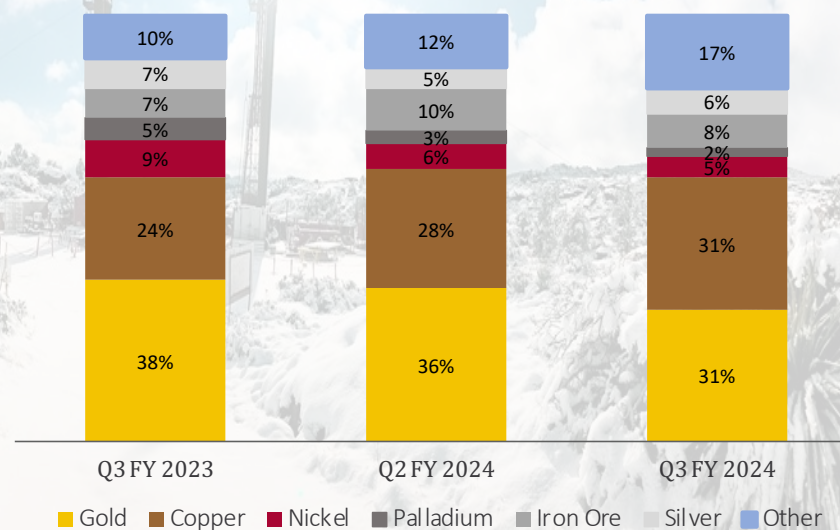
Drilling Revenue by Customer

Seniors and intermediates continued with their expanded exploration.



Drilling Revenue by Commodity

Lowest % of gold drilling in Company history as demand from battery metals drives business.



MAJOR Drilling™



**High Quality
Customer Base**



**Aligned To
Market**



**Balance Sheet
Sustainability**



**Specialized
Operations**



**Experienced
Management**