



Our Approach



As the worldwide leader in specialized drilling, and as experts in mineral exploration and mine services, it is Major Drilling's responsibility to continuously monitor and improve our operations as we seek to minimize our environmental impact and bring positive contributions to the communities where we operate. ESG initiatives are at the forefront of our business strategy, as reflected in our **corporate purpose**: creating sustainable value by partnering with our customers and communities to discover minerals for building a better future. Major Drilling strives to position itself as an important player in the low carbon transition and as the contractor of choice for senior clients trying to meet their climate change goals.

This inaugural Sustainability Report pertains to the 2021 calendar year. The reporting herein is guided by frameworks and standards such as the Global Reporting Initiative (GRI) standards, Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD) and the United Nations (U.N.) Sustainable Development Goals (SDGs). We currently report through programs such as CDP, a global environmental disclosure system. Major Drilling Group International Inc. followed a thorough internal review process for the information contained within this report.

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CEO's Message

A Message from our President & Chief Executive Officer



Major Drilling's long-term success over the years has been made possible thanks to the foundation built by our workforce worldwide. For many years, our company has operated with the sustainable business practices that are now widely known as ESG. Sustaining our environment, strengthening communities and our workforce, and operating with integrity is what we do each day at our branches around the world. Maintaining exceptional safety standards for our people and in the communities in which we operate remains our number one priority.

From monitoring our impact, to maintaining a safe operating environment for our workers and our communities, to pioneering new innovative technologies, to helping reduce our impact on the environment, we're always taking steps forward to improve. During the 2021 calendar year, we ramped up our ESG efforts through initiatives in each ESG category:

Environment:

- We continued our responsible water stewardship efforts by exploring new technologies and water recirculation systems that can help reduce water consumption in operations around the world.

"Sustaining our environment, strengthening communities and our workforce, and operating with integrity is what we do each day at our branches throughout the world."

CEO's Message

- For the third consecutive year, we submitted our annual global greenhouse gas (GHG) emissions report to the CDP (formerly the Carbon Disclosure Project), and we're actively exploring opportunities for GHG reduction initiatives in our operations globally.

Social:

- We adopted a standalone global Human Rights Policy that helps further strengthen our commitment to the rights and freedoms of our workers and the communities in which we operate.
- We maintained necessary COVID-19 global pandemic precautions and safeguards to protect our employees and to slow the spread of the virus.
- We are a culture of caring, with social responsibility being one of our core values. Our branches proudly donated their time and ramped up their fundraising efforts to give back to the communities in which we operate around the globe.
- We maintained strong engagement in partnerships with 11 Indigenous communities for over 15 years.

Governance:

- We've achieved gender parity on our Board of Directors, with 50% female representation.
- We are actively pursuing diversity and inclusivity in our leadership roles.
- We made an updated anti-corruption training video available to all employees company-wide in December 2021.

Not only are we setting goals for the future, we are also working hard to achieve them. Continuing on this path advances ESG practices within our industry and presents a great amount of opportunity for our company, our customers, our employees and our stakeholders. I am so proud of the initiatives that our people take in each of the communities where we operate around the globe, and I'm looking forward to watching these efforts grow and evolve in the years to come.



Denis Larocque
President & CEO

About Major Drilling

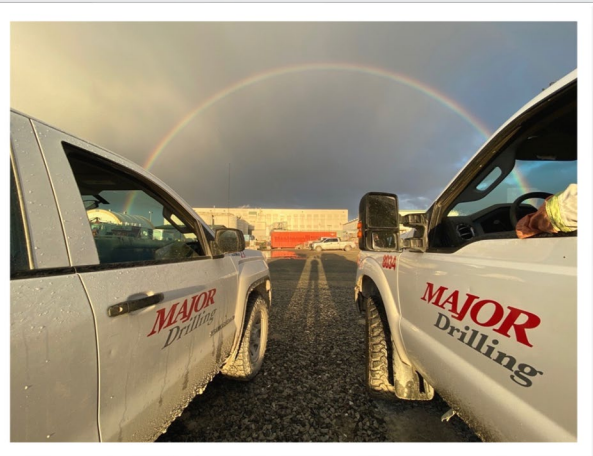
MAJOR
Drilling

Major Drilling Group International Inc. ("the Company") is one of the world's largest publicly-traded (TSX:MDI) drilling services companies primarily serving the mining industry. Established in 1980, Major Drilling had over 3,500 employees during the 2021 calendar year.

With over forty years of experience, and as the industry leader in specialized drilling, we are uniquely positioned to create sustainable value by partnering with customers and communities to help discover the resources required to drive the green energy transition to build a better future (e.g. copper, lithium, cobalt).

Headquartered in Moncton New Brunswick, Canada, Major Drilling maintains field operations and offices in Canada, the United States, Mexico, South America, Asia, Africa and Australia, and provides a complete suite 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.

Over the years, Major Drilling has positioned itself as one of the largest specialized drilling operators in the world by leveraging its main competitive advantages: skilled personnel, specialized equipment, robust safety systems, long-standing relationships with the world's largest mining companies and access to capital. This positioning is strengthened by the Company's senior management having experienced several economic and mining industry cycles.



About Major Drilling

Our Corporate Purpose

Creating sustainable value by partnering with our customers and communities to discover minerals for building a better future.

Our Core Values

Integrity → We behave ethically, responsibly and with integrity wherever we operate around the world.

Sustainability → Our long-term viability depends on being environmentally responsible, supporting our employees and communities, strong fiscal management, and putting health and safety at the forefront of everything we do.

Quality → We use our expertise, innovative approach, adaptability and global reach to deliver quality results.

Respect → Honesty, openness, trust, respect and teamwork form the bedrock of our relationships.

Accountability → We deliver on our commitments. We do what we say we will do.

2021 ESG Highlights



14%
Intensity
decrease
in scope 1 &
2 **GHG**
Emissions
from 2020.



In 2021, Canadian operations
hit a milestone of **7,500,000**
Lost Time Incident Free
Hours.



Achieved
gender parity
on our Board of Directors, with
50% female representation.

Upgrading certain drill rigs
to more fuel efficient/lower
emissions **Tier 4 engines.**

Received the
Safe Day Everyday
Bronze Award for its Canadian
division.

Rolled out a mandatory
company-wide
anti-corruption training
video offered in various
languages.

Installed **electric vehicle**
charging stations at certain
North American office
locations to help employees
reduce emissions
associated with commuting.

Grew to over
3,500
employees.

Developed a standalone
Human Rights Policy.

During calendar 2021, we
reported our GHG
Emissions to the CDP for a
third consecutive year.

In mid-2021, the Company
established the position of
"ESG Reporting Analyst"
to further deepen our ESG
reporting and analysis
capabilities.

Consolidated our **ESG efforts** to
bolster our standing as a
responsible corporate citizen in
the eyes of the Company's
workforce, clients, local
communities, shareholders and
other external stakeholders.

Expanded use of certain **in-
floor heating** technologies
for drill shacks used in
colder operating
environments. This
technology uses markedly
less diesel fuel than
traditional methods.



Maintained a
strong safety culture and
performance through the
COVID-19 pandemic.

Developed an
internal policy on
corporate
donations and
sponsorships to
align with our
global **ESG Policy.**



It's Our Responsibility

As the worldwide leader in specialized drilling, it is our responsibility to continuously monitor and improve our drilling operations as we seek to minimize our environmental impact and bring positive contributions to our communities.

Major Drilling and its subsidiaries work to minimize, mitigate and remediate our impact on the environment and proactively manage the environmental risks and effects of our operations. We seek to use energy and other resources efficiently in all of our operations. Outstanding environmental management is a core business activity alongside superior operational productivity and safety standards.



Climate Change & Reducing GHG Emissions

We believe the world must pursue the concurrent objectives of limiting climate change through reductions in greenhouse gas emissions, while providing access to reliable and affordable minerals to support economic development and improved living standards. As part of these efforts, Major Drilling participates in CDP reporting, and seeks to identify opportunities for GHG emissions reduction. We monitor and manage climate change-related risks that could impact our drilling services operations (and administrative support) around the world. These include, among others things, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels and changing temperatures, all of which could have an adverse impact on operations located in the regions where these conditions occur. Steps Major Drilling took in 2021 to help reduce GHG emissions include:

- ✓ Upgraded certain drill rigs to more fuel efficient/lower emissions Tier 4 engines.
- ✓ Installed electric vehicle charging stations at certain North American office locations to help employees reduce emissions associated with commuting.
- ✓ In mid-2021, the Company established the full-time position of “ESG Reporting Analyst” to further deepen its GHG emission reporting and analysis capabilities.
- ✓ Undertook a climate risk/opportunities assessment and an ESG Risk and Materiality assessment.

Climate: Challenges and Opportunities



Excerpt from ICD Climate Newsletter published in Sept 2022, co-authored by Andrew McLaughlin, Major Drilling's VP Legal Affairs and General Counsel, and Jo Mark Zurel, Director of Major Drilling:

"Major Drilling has publicly reported on our GHG emissions through the CDP since our baseline year of 2018, and we're now at the stage where we're aiming to make real progress on emissions reductions. At this critical juncture in our journey, we've identified significant obstacles ahead:

- **Procurement:** Major Drilling operates 600 rigs in mining projects around the world. We don't make these rigs – we buy them from suppliers. So, while we can exert pressure through the procurement process for more energy-efficient technologies, we don't have direct control over the manufacturing of these rigs.
- **Fuel Quality:** We often depend on the type of fuel provided by our clients. The fuel quality available in certain regions of the world simply isn't compatible with the latest energy-efficient engines.
- **Remote Operations:** We often operate in very remote areas, far off the grid (even far from operating mines). In these instances, we don't have an option to tie into a cleaner electricity source.

But we also see great opportunities:

- As we're part of our mining clients' "scope 3" emissions, we have a unique opportunity to proactively partner with them in their broader efforts to identify and reduce emissions in their operations. For example, we're involved in a project where a client that runs a coal-powered mine is making a significant investment to incorporate solar power into their mine's energy mix, which our underground electricity-powered rigs will draw from.
- Emissions-reduction technologies developed in-house at two businesses we've acquired in recent years are being tested for deployment elsewhere in our operations.
- As an industry leader in specialized drilling, we are uniquely positioned to help discover the resources required to drive the green energy transition (e.g., copper, lithium, cobalt).

While every organization has a unique set of challenges and opportunities as we collectively move toward a net-zero economy, we all have a singular imperative for emissions reductions: getting on with it."



Further details from Major Drilling’s CDP submission are set out in the Appendix.

Emission Data as Reported with the CDP

	2019	2020	2021
Tonnes CO ₂ e - Scope 1 Emissions	59,802	62,762	80,720
Tonnes CO ₂ e - Scope 2 Emissions	8,281	10,708	13,208
Tonnes CO ₂ e - Combined Scope 1 and 2 Emissions	68,083	73,470	93,928
Total Revenue	419,000,000	386,831,634	575,645,000
Intensity Figure (Tonnes CO ₂ e/M\$ of Revenue)	0.0001625	0.0001899	0.0001632
% Change From Previous Year		17%	-14%
Increase/Decrease		Increase	Decrease

Emission Breakdown as Reported with the CDP

Scope 1 Emissions breakdown by country/ region	2019	2020	2021
North America	39,618	42,628	51,851
South America	10,296	11,528	14,568
Asia, Australia and Africa	9,888	8,606	14,301
	59,802	62,762	80,720

Major Drilling’s total gross Scope 1 and 2 emissions for the 2021 reporting year are greater than 2020, which is a result of acquiring McKay Drilling, as well as some re-opening of COVID-19 shutdowns. However, total emissions as a function of revenue (intensity figure) in 2021 dropped by 14% from 2020.



Responsible Water Use

We exercise responsible operational water management; identify opportunities for reducing water use; and recycle/reuse water where possible in our operations around the world.

In 2021, we continued our review of our responsible water management practices across our global operations and drafted a plan to implement a remote-control water pump system at a project in Canada that will reduce the amount of water taken from the water source during low demand times. Water use varies greatly depending on the type of drilling employed, e.g. diamond/core drilling, RC, percussive, drill & blast, with the latter three using very minimal amounts of water. The water used in diamond/core drilling is used to keep the drill bit cool, remove the cuttings, and float the cuttings to the top of the hole to ensure the drilling rods don't get stuck. More water is required in the hole the deeper a drill bit goes, as the cuttings have to float further. Water use also varies by geography, local regulations, and the type of rock being drilled. Generally speaking, our senior customers are much more likely to employ water recycling tanks or pits, a practice that is not as common among the more junior customers.



Winnipeg Operations Green and Efficient

Major Drilling's new Winnipeg operations complex (office, warehouse and shop) is a 2,700 square metre (29,056 square feet) facility, which includes offices, meeting rooms, staff kitchen/lounge, warehouse, shop and support spaces and two electric vehicle charging stations.

A number of energy saving measures have been incorporated into the building design, above the Manitoba Energy Code for Buildings (MECB) reference building requirements such as:

- Improved Roof U-Value;
- Improved Overall Slab on Grade U-Value;
- Reduced Fenestration-Door-Wall Ratio;
- Reduced Interior Lighting Power Density;
- High Efficiency Service Water Heating Plant;
- High Efficiency Space Heating Plant;
- Reduced Fan Power;
- Exhaust Air Heat Recovery;
- Electric Vehicle Charging Stations



Electric Vehicle Charging Station

The building design demonstrates 19.2% annual energy savings relative to the MECB reference building.



Our Environmental Goals For 2022

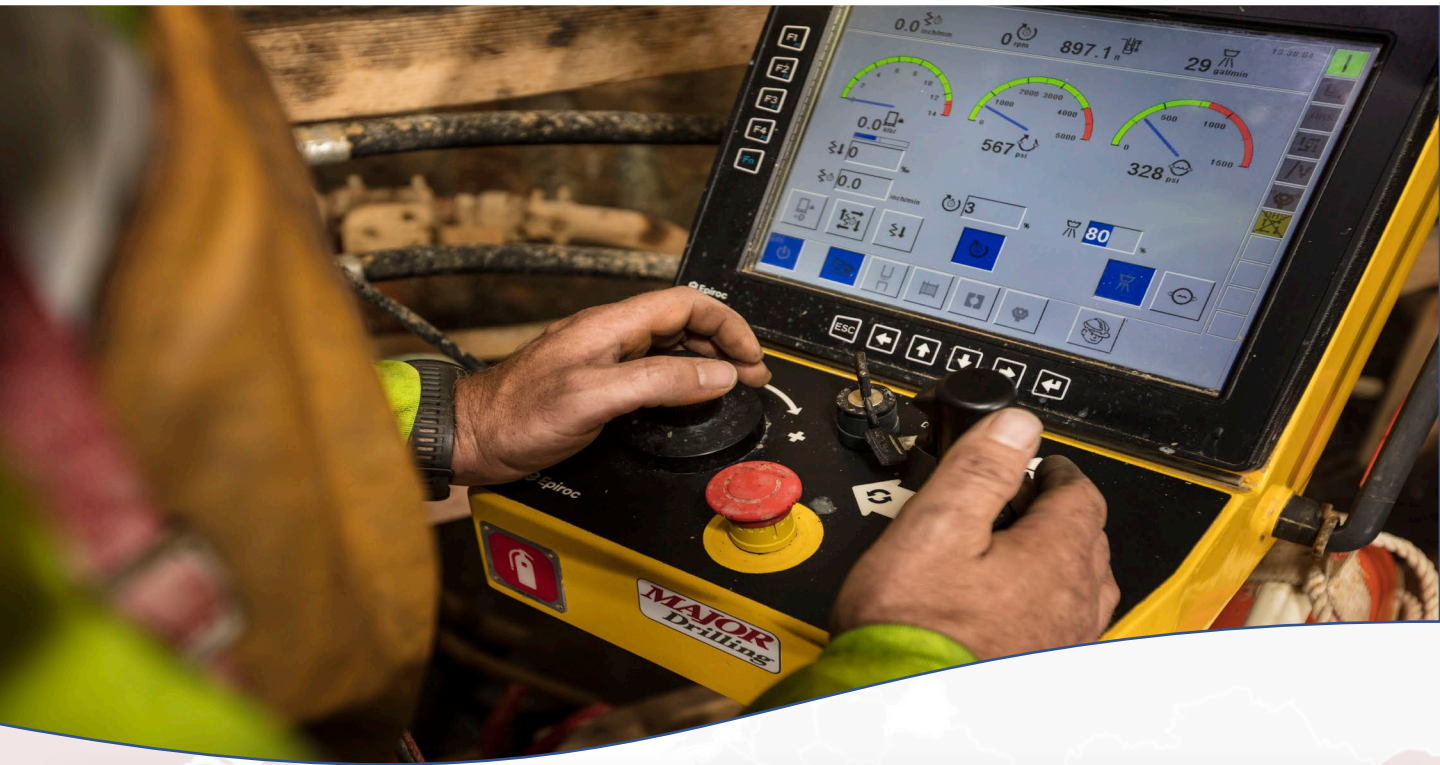
- ✓ Further cement Major Drilling's position as **an important player** in the global supply chain that's driving the **green energy transition**.
- ✓ Continue to review and update our **responsible water management** practices across global operations and develop a plan to implement a remote-control water pump system at a project in Canada that will reduce the amount of water removed during low demand times.
- ✓ Undertake a further review of our **waste oil disposal and recycling processes** for our global operations. Practices vary somewhat from jurisdiction to jurisdiction given local legal requirements. The Company's threshold for reporting fuel spills is 7.6 litres and it maintains protocols and measures to minimize spills, including the use of double wall fuel tanks at many project locations around the world, with special nozzles to control spills.
- ✓ Report to the **CDP** for the fourth consecutive year.
- ✓ In conjunction with the Innovation Manager and our global team, continue to evaluate and identify **technologies that could help reduce our carbon GHG emissions**, e.g. broader deployment of an in-floor heating system (for drill shacks in cold climates), which could yield important reductions in diesel consumption.
- ✓ Develop a plan for setting **initial emissions reduction targets** for global operations.
- ✓ Continue to **engage with customers and suppliers** on ways to reduce GHG emissions and water use.



Major Drilling Cares

Major Drilling's long-term sustainability depends on the foundation built by our workforce worldwide. We aim to serve as valued contributors to the communities where we operate, as well as responsible corporate citizens in the eyes of the Company's workforce, clients, local communities, shareholders, and other external stakeholders. Respecting the fundamental freedoms and human rights of our workers and the communities that could be impacted by our activities is the bedrock of Major Drilling's social responsibility efforts.





A Culture of Safety

At Major Drilling, safety is a top priority delivered through the combined education and training of the **Critical Risks Management**, **TAKE 5**, and **10 Lifesaving Rules** safety programs.

We are committed to providing our employees, and others who may be affected by Major Drilling's activities, with a healthy, safe and secure operating environment. These efforts are overseen by the Board's Environment, Health and Safety Committee and management's Health, Safety, Environment and Community Committee, composed of the President and Chief Executive Officer, the Chief Financial Officer, the Vice Presidents of Operations, the Vice President Human Resources and Safety, and select senior safety managers. The latter committee meets once each month and is chaired by Major Drilling's President and Chief Executive Officer. The committee sets out annual key safety and environmental objectives and reviews all safety or environmental incidents, identifies remedial actions, oversees internal and external safety system audits and monitors the implementation of the Company's safety and environmental initiatives.

A regular focus point for the committee is the health and wellness of all employees, including injury prevention, mental, and physical health. Over the past year, the focus on onboarding as well as new employee health and safety grew as the Company's workforce began to expand as pandemic restrictions started to ease.

What is Take 5?

Major Drilling focuses every day to bring a proactive approach to the health and safety of its employees. Being proactive about safety also helps valued partners know they can trust Major Drilling's expertise.

The TAKE 5 risk assessment specifies five critical steps to work safely:

MAJOR
Drilling

Creating a Sustainable Safety Culture

TAKE



1. Think Through the Task
2. Look for the Exposure
3. Assess the Risk
4. Take Precautions
5. Do the Job Safely

"The TAKE 5 risk assessment is an important training tool we use to ensure employees understand how to avoid injuries and unsafe situations."

Ben Graham
Vice President of Human Resources and Safety



MAJOR Drilling

10 **Lifesaving Rules**

As a Member of the Major Drilling Team, I will:



Watch out for my fellow workers.



Wear fall protection while working at heights.



Lock out and check for remaining energy before beginning any maintenance or repair.



Arrive and remain fit for duty while at work. Avoid impairment from fatigue, alcohol and/or drugs.



Not remove or bypass any guard, safety device, or procedure.



Not attempt a task unless I am trained, competent and authorized.



Use TAKE 5 to reduce risk for myself and my team.



Wear my seatbelt at all times while traveling in vehicles.



Keep my hands out of crush points and stay clear from any suspended rods, tools or leads.



Avoid any distractions while driving.

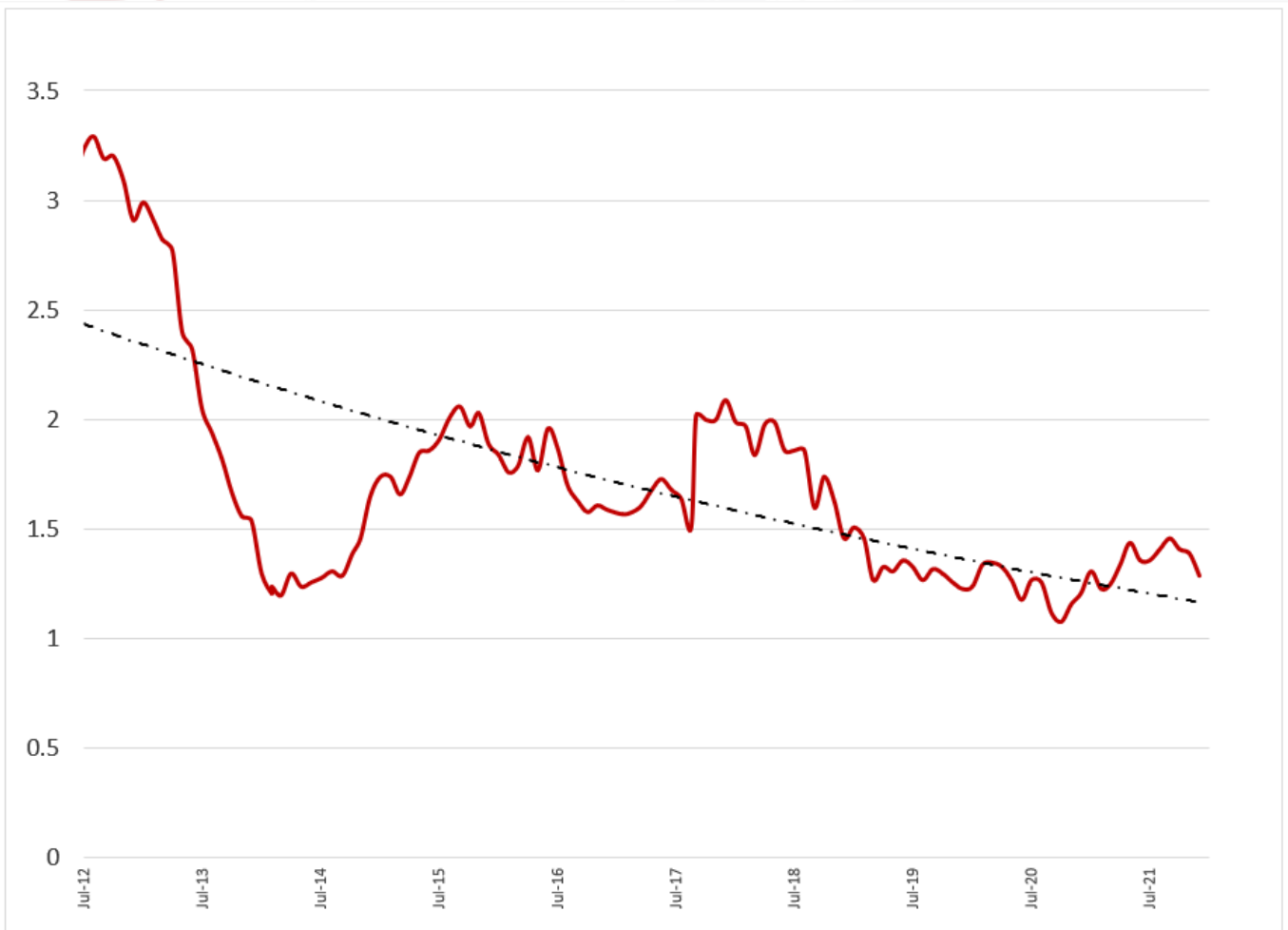


Our Health and Safety Scorecard as of December 31, 2021

Scale of the Organization	
Total number of direct employees worldwide	3,583
Work-related Injuries	
Rate of fatalities resulting from work-related injury. Note: calculating per 200,000 hours worked	0
Rate of high-consequence work-related injuries (excluding fatalities)	0
Lost Time Injuries Rate (LTIR) **	0.124
Rate of fatalities resulting from work-related injury **	0
Main types of work-related injury, e.g., confined space, trips, falls, etc.	Muscle strain/sprain Finger pinch/cut

Major Drilling’s health and safety protocols are consistently ranked as best in class in the mineral drilling industry. We promote a proactive approach to health and safety, as keeping people safe is of the utmost importance. Our safety standards lead the industry with well-trained, dedicated crews who know safety excellence occurs when every employee understands their right and responsibility to work safely every day. These crews quickly assess and manage risk, leading to better results for our clients. Major Drilling has partnered with industry leaders to develop a safety system that meets or exceeds applicable government and client standards. As demonstrated in the graph below, our Total Incident Recordable Rate (TRIR) has been trending downward over the past 10 years, which is a testament to the Company’s commitment and focus on safety.

10-Year Total Incident Recordable Rate (TRIR)



Major Drilling in the Community in 2021

Giving back to the communities where we operate is a central part of our ESG efforts. In 2021, our branches across the globe were involved in a variety of community engagement initiatives.



Ramore Fire Department in Ontario

Major Drilling donated new equipment to the Ramore Fire Department in the Timmins, Ontario region where five Major Drilling employees serve as volunteer firefighters.



#MajorDrillingCares



Mongolian Red Cross Society

Major Drilling partnered with our friends at the Mongolian Red Cross Society to provide food packages to victims of domestic violence and to those at extra risk due to COVID-19.

Our Team at McKay Drilling Raise Mental Health Awareness

Our Team at McKay Drilling supports Mental Health Awareness and Suicide Prevention on “Dooga Day”, in honor of beloved friend and colleague, Josh “Dooga” Jones (1991-2020). Josh has been described as a caring, giving and loyal friend, and in his honor, this day signifies the importance of looking out for each other.



Various additional causes Major Drilling supported in the community in 2021:

- ✓ Donation to the **Timmins District Hospital Foundation** in Ontario, Canada to support the hospital's pandemic response services.
- ✓ Donation to **Food First Foundation** in Yellowknife, Canada.
- ✓ Donation to **Loss-Loved Ones Suicide Survivors** in Salt Lake City, Utah, USA.
- ✓ Donation to the **Brian Morris Trap Shoot Fundraiser** organized by the Geological Society of Nevada Foundation in support of students with a passion for Nevada geology and exploration.
- ✓ Donation to **The Pediatric Support Committee** of Abitibi-Temiscamingue in Quebec, Canada.
- ✓ Donations of **PPE and COVID-19 fighting supplies** in the Philippines to four areas: Carmona Cavite, Aroroy Masbate, Monkayo Davao de Oro & Tubod Surigao del Nort.
- ✓ "Day of Love" at Head Office had our staff in Moncton, NB Canada volunteering in the community in support of **Youth Impact Jeunesse**, and domestic violence shelter **Crossroads for Women**.
- ✓ Group blood drive donations from the staff in Moncton, NB Canada, helping **Canadian Blood Services** New Brunswick achieve goals to help keep up with hospital demand.
- ✓ Donation and participation in the **Rock Run Atlantique** supporting Crossroads for Women in Moncton, NB Canada.
- ✓ **Special Olympics Bronze Partner** for its Black & White Bocce Ball event in SLC, Utah USA.
- ✓ Donations and participation in **Breast Cancer Awareness Month** by our team at McKay Drilling in Australia.
- ✓ Donation to the **Huntsman Cancer Foundation** in SLC, Utah USA.
- ✓ Donations of **school furniture, milk, school supplies and food** to communities in Argentina.
- ✓ Donations of **recycled drill rods** in Mendoza to help build a bridge.
- ✓ Donations of **recycled drill rods** in Brazil to build a roof for a community shed.
- ✓ Major Drilling teams **responded to many outbreaks of forest fires** in the Mato Grosso do Sul region in Brazil by donating their time, as well as water tank trucks with guidance from local fire safety experts.
- ✓ Préma-Québec received support from Major Drilling to improve the quality of life for **premature children by offering educational, psychological and financial support** to their parents.
- ✓ Canadian teams held a **Movember-style facial hair-growing competition** during the month of November to raise funds for three great causes.
- ✓ In **response to the Super Typhoon Rai** that slammed into the Philippines in mid-December, our team purchased hundreds of pounds of rice, corned beef, noodles and other food items, and delivered them to neighborhood officials for distribution.

Major Drilling Indonesia Wins Corporate Social Responsibility Award



Major Drilling Indonesia received a **Corporate Social Responsibility Award** from the Government for their efforts and contributions to their local community.

Local Partnerships

Over the past 15 years, Major Drilling has worked in partnership with various Indigenous communities. Not only have these partnerships proved successful from an operational standpoint, they've also helped to provide meaningful employment opportunities and other contributions to these communities. Major Drilling encourages community involvement, employment, and support for local suppliers, whenever possible.

In November 2021, the First Nation of Wahgoshig in Ontario, Canada invited Major Drilling to participate in its community job fair. We were proud to partner with that community in offering job opportunities, as well as assisting with the development of Black Diamond Drilling, a Wahgoshig-owned enterprise.



Diversity & Inclusion

Major Drilling believes that to achieve long-term success, we require talented, diverse and inclusive teams. We have an ongoing goal to have a workforce that continues to reflect the makeup of the communities where we operate around the globe as we strive to maximize employment of citizens of the countries in which we operate.

In 2021, our global ESG Committee undertook a preliminary study on how to operationalize our Diversity Policy at all levels of the organization. Facing distinct challenges, Major Drilling operates in an industry with the majority of employees (i.e. 2,953 or 82%) working in the field at drill sites, most often in remote and challenging locations, with an additional 455 employees in supporting administrative and corporate roles. Taking these operational realities into account, we continue to seek ways to attract a more diverse workforce, such as local contracts that limit travel requirements, and embracing new technologies (e.g., hands-free rod handlers). As part of these efforts, each of our branches were tasked with developing a roadmap for attracting more women into their workforces, through tailored approaches best suited to their local contexts.





Human Rights

Respecting the fundamental freedoms and human rights of our workers and the communities that could be impacted by our activities is the bedrock of our social responsibility efforts. We recognize, respect and abide by all applicable labour, child labour, modern slavery and employment laws, and we expect that our suppliers meet the same standards. These include prohibitions on child labour, forced labour, discriminatory behaviour, human trafficking and all forms of modern slavery, as well as recognition of the rights of freedom of association and collective bargaining.

Whistleblower Program

Major Drilling is committed to an environment where open, honest communications are the expectation, not the exception. We want our employees to feel comfortable in approaching their supervisor or manager in instances where they believe violations of policies or standards have occurred. In a situation where an employee wishes to lodge an anonymous complaint in confidence, they are encouraged to use our Whistleblower hotline, hosted by a third party provider.



Our Social Goals For 2022

- ✓ Tasking each of Major Drilling’s jurisdictions with developing a roadmap for attracting more women into their workforces, through tailored approaches best suited to their local contexts.
- ✓ At worksites, continue to implement strict protocols to ensure the use of personal protective equipment.
- ✓ Supporting the mental health and wellbeing of our employees remains a key area of focus.
- ✓ Launch our Global Incentive Awards program to encourage volunteerism and strengthen community cohesion across all of our global operations.
- ✓ Set a global donations target (as well as volunteer hour target) that’s bolstered by our Incentive Awards Program.

“Not only are we setting goals for the future, we are also working hard to achieve them. I am so proud of the initiatives that our people take in each of the communities where we operate around the globe, and I’m looking forward to watching these efforts grow and evolve in the years to come.”

Denis Larocque
President & CEO



Strong Core Values Built on Honesty & Integrity

Major Drilling's Board of Directors is responsible for the stewardship of the Company and all subsidiaries and controlled entities, providing independent, effective leadership to supervise the management of the Company's business and affairs to grow value responsibly, in a profitable and sustainable manner and with due regard for the interests of its shareholders generally and other stakeholders.

As a responsible global corporate citizen, we govern ourselves with the highest standards. As we advance further into the industry upcycle and we begin to see a future beyond the pandemic, we understand that it's going to take forward-thinking and proactive leadership as we position ourselves for long-term, sustainable success.



Director, President & CEO
Denis Larocque



Director
Kim Keating



Director
Juliana Lam



Director
Louis-Pierre Gignac



Director, Chair of the Board
David Tennant



Director
Sybil Veenman



Director
Jo Mark Zurel



Director
Janice Rennie

Our Board of Directors in 2021

Major Drilling's Board of Directors is committed to acting in the best interests of the Company as a whole, as well as our shareholders, employees and other stakeholders. The Board fulfills its role directly or through the delegation of certain responsibilities to its various committees, which are as follows: the Audit Committee, the Corporate Governance and Nominating Committee, the Human Resources and Compensation Committee and the Environment, Health and Safety Committee. The Board and its committees are focused on the continued improvement of Major Drilling's corporate governance principles and practices. These governance principles and practices are constantly reviewed and revised in light of evolving best practices and regulatory guidance.

Board Independence

Our Board of Directors is responsible for the stewardship of our Company and ensures that appropriate corporate governance structures and systems are in place. The Board believes that it needs to be independent of management and of the Company in order to be effective. This means that a large majority of Major Drilling's directors are not part of management of the Company, and do not have relationships with the Company that would make them personally beholden to the Company. Through calendar 2021, Major Drilling had seven independent board members, including the Board Chair, Mr. David Tennant, in addition to one non-independent member, President and CEO, Denis Larocque.



Board Renewal

While the Company aims to have appropriate board renewal, it does not impose term limits on its directors as the Board takes the view that term limits are an arbitrary mechanism for removing directors, which can result in valuable, experienced directors being forced to leave the Board solely because of length of service.

Each year, the Board Chair and the Corporate Governance and Nominating Committee undertake rigorous assessments of the Board, the committees of the Board, and each individual director to evaluate the overall performance of the Board and to measure the contributions made by the Board as a whole, by each committee and by each director. This process has resulted in changes being made over the years to reflect the need for the Board to continue to have the necessary skills and commitment to meet the changing business environment. The Board Chair is also evaluated by the Corporate Governance and Nominating Committee based on oral interviews conducted by the Corporate Governance and Nominating Committee Chair.

Board Oversight on ESG/Climate Matters



ESG Framework

While the Board and management have long had a commitment to strong ESG practices, in fiscal 2020, we began the process of consolidating our ESG efforts under a formalized ESG Framework. As part of these efforts, in June 2020, the Board of Directors adopted a global ESG Policy that serves as the foundation for the ESG Framework. The ESG Policy is founded on a set of core values that include: integrity; a commitment to continuous improvement with a focus on auditing and evaluating performance through the development of measurable targets; broad internal ownership across all facets of the organization; open and honest engagement with stakeholders; and the steadfast commitment of the Board of Directors and senior management to lead on ESG and to consistently embed the tenets of the ESG Policy in its strategic planning and risk management. The ESG Policy prioritizes areas where we, as a drilling services provider, can have the most impact, e.g., GHG emissions reduction, responsible operational water management, bolstering our industry-leading health and safety efforts, and bringing positive contributions to the communities where it operates. While other key ESG considerations are central to the broader mining context ties where we operate. (e.g., protection of biodiversity, physical risk of climate change), control over these aspects lies

much more directly in the hands of the mine itself (i.e., often a landowner with extensive on-site operations), as opposed to Major Drilling (a contractor providing drilling services, i.e., a mobile fleet of rigs and drillers). Acknowledging these fundamentally different ESG risk profiles is a central consideration in management's ESG risk prioritization. The ESG Policy is complemented by our long-standing Code of Ethics and Business Conduct, available on the Company's website at:

www.majordrilling.com/investors/corporate-governance/

ESG Oversight

Efforts under the broader ESG Framework are intended to enhance our process to identify, assess and manage risks related to ESG matters and to further integrate ESG considerations into the Company's business decision making. The ESG Framework consists of active and effective Board oversight, led in the first instance by the Corporate Governance and Nominating Committee with respect to ESG matters generally, with other Board Committees continuing to oversee specific operational ESG aspects such as health, safety, environment, and human resources. The Framework also encompasses policies, sound management practices and strategies to address the ESG risks and matters of greatest importance to the Company's business and stakeholders. Senior management plays a central role in the management and implementation of the ESG Framework, which is supported by an ESG Committee comprising a small multi-disciplinary group of employee members from the various regions of operations, and chaired by the VP Legal Affairs and General Counsel. For more details on the Company's ESG efforts, refer to the Company's 2022 Annual Information Form and visit:

www.majordrilling.com/esg/

Governance

Board of Directors Skills Matrix

Name	Mining Industry	Finance	Compensation & Human Resources	Environment, Health & Safety	International Commerce	Corporate Governance	Mergers & Acquisitions	Legal	CEO	Energy Sector	Director
Louis-Pierre Gignac	√	√	√	√	√				√		√
Kim Keating	√	√	√	√		√	√			√	√
Juliana L. Lam	√	√	√	√	√	√	√				√
Denis Larocque	√	√	√	√	√	√	√		√		√
Janice G. Rennie	√	√	√	√		√	√				√
David B. Tennant		√	√		√	√	√	√			√
Sybil Veenman	√	√	√	√	√	√	√	√			√
Jo Mark Zurel	√	√	√		√	√	√			√	√

Name	Attended At Least 75% of Meetings	Public Company Executive	Additional Public Company Directorship
Louis-Pierre Gignac	Yes	Yes	G Mining Ventures Corp.
Kim Keating	Yes	No	Yamana Gold Inc., Drax Group plc.
Juliana L. Lam	Yes	No	Lundin Mining Corporation
Denis Larocque	Yes	Yes	
Janice G. Rennie	Yes	No	West Fraser Timber Co. Ltd.
David B. Tennant	Yes	No	
Sybil Veenman	Yes	No	Royal Gold Inc., NexGen Energy Ltd.
Jo Mark Zurel	Yes	No	Fortis Inc., Highland Copper Company Inc.

Independent Chair	Yes
Board Independence	88%
Audit Committee Independence	100%
Compensation Committee Independence	100%
Nominating Committee Independence	100%
Percentage of Gender Diversity on Board	50%

*Disclosed information on this page is in relation to fiscal 2022

Our ESG Committee



Andrew McLaughlin
VP Legal Affairs & General Counsel



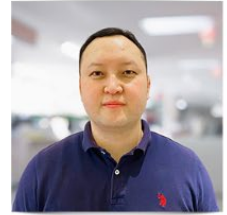
Lisa Holt
ESG Reporting Analyst



Ben Graham
VP HR & Safety



Patrick Salvador
Innovation Manager



Ulzii Chuluun
Regional HSEC Manager



Kevin Slemko
Corp. Business Development
Manager



Serge Gagnon
Area Manager



Shima Jagernath
Human Resources Manager



**Leomila (Bhing)
Maglantay**
Regional Controller



Meghan Thebeau
Marketing Coordinator

In 2020, Major Drilling established an ESG Committee whose purpose is to support the Company's ongoing commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company (collectively "ESG Matters"). The ESG Committee is a cross-functional committee of the Company. It will assist the Senior Leadership Team of the Company in:

- ✓ Setting general strategy relating to ESG matters;
- ✓ Developing, implementing, and monitoring initiatives and policies based on that strategy;
- ✓ Overseeing communications with employees, investors and stakeholders with respect to ESG matters;
- ✓ Monitoring and assessing developments relating to, and improving the Company's understanding of ESG Matters; and
- ✓ Efficient and timely disclosure of ESG matters to internal and external stakeholders.

Code of Ethics

Not only is Major Drilling required to comply with the legal requirements in all jurisdictions where we operate, we also expect our workforce to conduct business with honesty, integrity, impartiality and with a view to protecting the reputation of the Company, as further set out in the Code of Ethics and Business Conduct.

Anti-Corruption

Major Drilling and its subsidiaries are committed to strict compliance with all applicable anti-corruption legislation and to maintaining the highest ethical standards in our business dealings and relationships with Public Officials. The Company's commitment to such anti-corruption compliance is set out in its Anti-Corruption Policies and Procedures.

In December 2021, Major Drilling rolled out a company-wide anti-corruption training video offered in various languages.

ESG Policy

Major Drilling's long-term sustainability depends on us serving as: stewards of the environment where we work; valued contributors to the communities where we operate; and responsible corporate citizens in the eyes of the Company's workforce, clients, local communities, shareholders, and other external stakeholders. To achieve this, we are committed to continuously improving and strengthening our ESG Framework for our global operations, which is underpinned by our ESG Policy.



Our Governance Goals For 2022

- ✓ Maintain a majority independent Board with diverse backgrounds and relevant skills and experience, and strong ESG oversight.
- ✓ Continue to develop continuity plans, which will be tailored to local requirements and directives, to ensure the safety of our people and the communities in which Major Drilling operates.
- ✓ Maintain and update annual anti-corruption training program.
- ✓ Continuously monitor corporate governance best practices (and implement where appropriate), and relevant regulatory updates.
- ✓ Identify and deliver ESG-related and other relevant training at all levels of the organization, including at the Board of Directors level.

“Our long-term sustainability depends on us serving as stewards of the environment where we work; valued contributors to the communities where we operate; and responsible corporate citizens in the eyes of our workforce, clients, local communities, shareholders and other external stakeholders.”

Denis Larocque
President & CEO

Appendix

Climate Change and GHG Emissions

As further detailed in and adapted from Major Drilling's 2022 CDP Submission

Introduction	
Start and end date of the year for which we are reporting data.	Start Date: January 1, 2021 End Date: December 31, 2021
Countries/areas in which we operate.	Argentina Australia Brazil Canada Chile French Guiana Guyana Indonesia Mexico Mongolia Mozambique Philippines South Africa Suriname United States of America
Currency used for all financial information disclosed throughout our report.	CAD
Description of the reporting boundary for which climate-related impacts on our company are being reported.	Financial control
Ticker symbol for the Company.	MDI
Governance	
Is there board-level oversight of climate-related issues within the Company?	<p>Major Drilling's Board of Directors retains overall responsibility for ESG matters. Except for items (below) specifically retained at the Board, oversight is exercised through delegation to, and regular reporting from, Committees.</p> <p>Overall ESG responsibility would include approval of significant policy or strategic matters (on recommendation for relevant Committee(s)) such as approval of GHG emission reduction targets, adoption of specific ESG reporting frameworks such as CDP, TCFD, SASB etc.</p>
Further details on the board's oversight of climate-related issues.	<p>ESG matters specifically retained for oversight by the full Board:</p> <ul style="list-style-type: none"> • Climate and GHG emissions overall strategy and targets; • Market risks (shifts in supply and demand) and opportunities (new sources of funding); • Product and services opportunities (respond to changing customer preferences/requirements);

	<ul style="list-style-type: none"> • Resilience opportunities (developing adaptive capacity re transition and physical climate risks); • Technology risks and opportunities (support transition to lower carbon); • Reputation. <p>The Environment, Health and Safety Committee has specific oversight responsibility for making recommendations to the Board regarding many core aspects of ESG, such as health, safety and environmental management, and climate change matters, including:</p> <ul style="list-style-type: none"> • Climate change risks – physical and transitional; • GHG emissions (e.g. whether to set targets and, if so, monitoring of progress against targets); • Energy management – including opportunities re: energy sources and efficiency; • Water management/conservation; • Biodiversity and ecological impacts.
Does the Company have at least one board member with competence on climate-related issues?	Yes
Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.	<ul style="list-style-type: none"> • Chief Executive Officer (CEO) • Chief Financial Officer (CFO) • Vice President of Legal Affairs & General Counsel • ESG Committee
Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).	<p>In their capacity as members of Major Drilling's executive leadership, the CEO and CFO are primarily responsible for identifying, assessing, and managing climate-related issues. The Vice President of Legal Affairs and General Counsel (also Corporate Secretary) spearheads the Company's CDP response and coordinates climate-related risk disclosures, and chairs the Company's global ESG Committee. In calendar year 2021, the ESG Committee included global, company-wide representation, including the following individuals: Vice President Human Resources and Safety, Global Innovation Manager, ESG Reporting Analyst, Regional HSEC Manager (Asia), Marketing Coordinator, Regional Safety Manager (Africa), Human Resources Manager (Suriname), Regional Controller (Asia), and Area Manager (Ontario). The Company includes climate-related risks in its triennial global risk assessment. The results of the triennial global risk assessment are reviewed annually and updated, as appropriate.</p>
Do you provide incentives for the management of climate-related issues, including the attainment of targets?	No. Major Drilling is reviewing the results of its climate change materiality assessment to

	determine strategic impacts of climate-related issues on the Company.
Risks and Opportunities	
Does the Company have a process for identifying, assessing, and responding to climate-related risks and opportunities?	Yes
How does the Company define short-, medium- and long-term time horizons?	<ul style="list-style-type: none"> • Short-term – From 0-3 years • Medium-Term – From 3-5 years • Long-Term – From 5-10 years
How does the Company define substantive financial or strategic impact on the business?	Major Drilling defines substantive financial or strategic impact based on whether a climate-related risk or opportunity is likely to be of interest to current or prospective investors, clients, and other key stakeholders of the Company. A climate-related risk or opportunity would likely be of interest if it would impact a key stakeholder's decision to invest in Major Drilling, contract with the Company as a client or a supplier, or directly/indirectly impact the Company's profitability, creditworthiness, and access to or cost of capital.
Describe the Company's process(es) for identifying, assessing and responding to climate-related risks and opportunities.	<ul style="list-style-type: none"> • Value chain stage(s) covered: Direct Operations • Risk management process: Integrated into multi-disciplinary company-wide risk management process • Frequency of assessment: Annually • Time horizon(s) covered: <ul style="list-style-type: none"> ✓ Short-term ✓ Medium-term ✓ Long-term <p>Description of process: Climate-related risks are considered as part of Major Drilling's triennial global risk assessment, and they are reviewed annually to determine if the risk profile has changed. Physical and transition risks are being considered as part of company-wide risk identification, assessment, and management processes.</p>
Risks (as further outlined in Major Drilling's Annual Information Form)	
Has the Company identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on the Company's business?	Yes. As a drilling services contractor to mining companies, the Company does not have control over the emissions intensity of fuel provided by its customers or the GHG intensity of electricity consumed from local grids, nor does it manufacture its drill rigs and supporting equipment. In pursuing the successful implementation of its ESG strategy, Major Drilling roots its efforts in a strong ESG sustainability framework and risk management processes that have long been in place that take into account the interests of a broad range of stakeholders, including the communities where it operates around the world.

	<p>The Company operates in various regions and jurisdictions where environmental laws are evolving and are not necessarily consistent. As the world is becoming increasingly aware of the impact of climate change, a number of governments or governmental bodies in jurisdictions where the Company operates have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulations relating to gas emission levels. Legislation, regulation, or other restrictions imposed by governmental authorities on carbon emissions could result in increased cost for the Company. Such policy changes could increase the costs of projects for clients or, in some cases, prevent a project from going forward, thereby potentially reducing the need for the Company's services, which in turn could have a material adverse impact on the Company's revenue, cash flow and profitability.</p> <p>In addition, climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels and changing temperatures, represents a physical and financial risk and could affect the Company's operations, including the disruption or delays in the transportation of equipment and employees to its operations, which in turn could have an adverse financial impact on the Company's revenue, cash flow and profitability.</p> <p>Some other general climate-related risks could include: carbon pricing mechanisms (e.g. a carbon tax policy would result in increased electricity and fuel costs); transitioning to lower emissions technology (reducing GHG emissions may involve investments in research and development projects to produce new and innovative technologies that enable a low carbon transition over time); and changing customer behavior (the global mining sector is facing growing market risks associated with increased consumer demand for more sustainable mining practices).</p>
Opportunity 1	
Where in the value chain does the opportunity occur?	Direct operations
Opportunity type	Energy source
Primary climate-related opportunity driver	Use of lower-emission sources of energy
Primary potential financial impact	Increased revenues resulting from increased demand for products and services
Time horizon	Long-term
Likelihood	Virtually certain

Magnitude of impact	Medium-high
Company-specific description	<p>Increasingly, mining companies are diversifying the energy sources used in extraction, production, and operations to meet GHG reduction targets and reduce energy costs. Globally, mining companies are investing in new technologies to reduce energy consumption and establish decentralized energy sources (e.g., on-site renewable energy generation with battery storage). Leading mining companies are strategically positioning themselves for future GHG emissions reduction requirements in the low carbon transition, as well as taking this opportunity to reduce energy costs from operations, resulting in positive reputational benefits for showing leadership.</p> <p>As a specialized drilling contractor, Major Drilling has an opportunity to position itself to support clients' long-term alignment with the use of low carbon energy sources, such as all-electric mining equipment. The Company can strategically support mining companies' efforts to reduce energy consumption and obtain energy from diversified, low carbon sources by offering an energy-efficient fleet of drills and rigs relative to competitors. Given that most of Major Drilling's energy consumption is diesel, this would also help to mitigate policy and legal risks from increasing GHG emissions.</p>
Opportunity 2	
Where in the value chain does the opportunity occur?	Direct operations
Opportunity type	Resource efficiency
Primary climate-related opportunity driver	Use of more resource-efficient drilling equipment
Primary potential financial impact	Increased revenues resulting from increased demand for products and services
Time horizon	Short-term
Likelihood	Likely
Magnitude of impact	High
Company-specific description	<p>Mining companies can capitalize on opportunities to increase resource efficiency through improved transportation, production, and distribution processes. These can result in reduced costs through operational efficiency gains and the need for less raw inputs to production (e.g., fuel consumption). Resource efficiency also applies to a company's direct operations, including vehicle fleet fuel efficiency, office building energy efficiency, and recycling.</p> <p>As a provider of specialized drilling services to mining companies, Major Drilling can support</p>

	its clients by improving the resource efficiency of its drilling equipment and operations. There is a growing opportunity for Major Drilling to position itself as a resource-efficient specialized drilling service, which could help to enhance the Company's market share with senior clients, thereby increasing revenues over time. Improvements to the resource efficiency of the Company's drills, rigs and vehicle fleets, as well as office buildings, could reduce operational costs for Major Drilling, improving profit margins.
Opportunity 3	
Where in the value chain does the opportunity occur?	Direct operations
Opportunity type	Markets
Primary climate-related opportunity driver	Access to new markets
Primary potential financial impact	Increased revenues resulting from increased demand for products and services
Time horizon	Medium-term
Likelihood	Likely
Magnitude of impact	Medium-high
Company-specific description	<p>The transition to a low carbon economy focuses on electrification of many other industries, such as transportation. Electric vehicles require significant amounts of precious metals such as copper, nickel, and lithium, representing a potential growth opportunity for Major Drilling. The mining sector has growth opportunities to support the low carbon transition (e.g., providing precious metals required as inputs to batteries, solar panels, wind turbines). In addition, new mineral deposits over the next 20 years will likely come from regions that are currently difficult to access (e.g., Northern geographies previously covered in permafrost that is melting due to climate change and exposing new mineral reserves). As a result, specialized drilling will be a larger part of the mineral market in the future. This opportunity is increased by anticipated future supply deficits for certain minerals, such as copper.</p> <p>Major Drilling has a unique opportunity to expand its specialized drilling services to new and existing clients who stand to benefit from the transition to a lower-carbon economy (e.g., companies providing key precious metals or companies with mineral mining rights in remote, difficult to access locations). In order to do so, it will become increasingly important to demonstrate leadership in reducing GHG emissions and help mining operators reach their goals of reducing their carbon footprint from operations, while helping clients drill in new areas as mineral deposits are explored.</p>

Opportunity 4	
Where in the value chain does the opportunity occur?	Direct operations
Opportunity type	Resilience
Primary climate-related opportunity driver	Investment in climate-resilient drills and rigs
Primary potential financial impact	Increased revenue due to the avoidance of operational disruptions
Time horizon	Medium-term
Likelihood	Likely
Magnitude of impact	Medium-high
Company-specific description	<p>As the acute and chronic physical risks of climate change increase over time with global warming, there are a growing number of opportunities to build resilience into asset design and operational processes to create a competitive advantage. Mining companies will be seeking support from contractors that can effectively minimize operational disruptions in the face of extreme weather events, ensuring business continuity and minimal impacts to exploration and production activities.</p> <p>Major Drilling has an opportunity to invest in building resilience to the physical impacts of climate change to avoid operational disruptions due to extreme weather for its mining clients. The Company can invest in new drills and rigs that can withstand a higher frequency and intensity of extreme weather events, creating a competitive advantage relative to other drilling companies.</p>
Opportunity 5	
Where in the value chain does the opportunity occur?	Direct operations
Opportunity type	Products and services
Primary climate-related opportunity driver	Development and/or expansion of low emission goods and services
Primary potential financial impact	Increased revenues resulting from increased demand for products and services
Time horizon	Long-term
Likelihood	More likely than not
Magnitude of impact	Medium
Company-specific description	<p>Mining companies have opportunities to diversify their mineral bases and expand sustainably produced mineral resources. There is a growing pool of government funding to reduce GHG emissions from mining operations. This presents an opportunity to access new pools of capital to invest in research and development activities for new and expanded low carbon, energy-efficient products and solutions for the global mining sector.</p>

	As a drilling contractor, Major Drilling could consider investments in new technologies to reduce GHG emissions from drilling operations. The Company may be able to access government funding to help offset the costs of these research and development activities.
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Targets and Performance

Did the Company have an emissions target that was active in the reporting year?	No target in 2021
Explain why the Company did not have an emissions target, and forecast how its emissions will change over the next five years.	Major Drilling is working with an outside ESG consultant to evaluate the development of a path to Net Zero carbon emissions.
Did the Company have any other climate-related targets that were active in the reporting year?	No other climate-related targets
Did the Company have emissions reduction initiatives that were active within the reporting year?	No

<p>Although Major Drilling didn't have any formal emission reduction targets in 2021, the Company 's leadership (management and the Board of Directors) are currently evaluating steps to reduce GHG emissions from the operation of diesel drill rigs. In 2021, Major Drilling had the following informal GHG emission reduction initiatives in place:</p> <ul style="list-style-type: none"> • Continue to upgrade to Tier 4 engines (in regions where Major Drilling has the ability to do so) for drill rig fleet as equipment reaches the end of its useful life. Tier 4 engines are more energy-efficient and produce lower emissions during operations than less energy-efficient engines. In some regions (e.g. South America), Major Drilling is required to use customer-supplied fuel for its drill rigs. In these cases, Major Drilling is reliant upon its customers to provide cleaner sources of fuel in order to upgrade to Tier 4 engines. For the foreseeable future, the high GHG intensity of fuel provided by customers precludes Major Drilling from upgrading to Tier 4 engines in these regions. • Continued a business strategy to grow underground drilling operations and expand the use of electric drills, which will reduce Major Drilling's GHG emissions intensity of operations over the longer-term. • Continued evaluation of waste and water recycling initiatives across regions where the Company operates. • Continued the evaluation and rollout of the Webasto infloor heating system (for drill shacks in cold climates), which could yield important reductions in diesel consumption. • Installed electric vehicle (EV) charging stations at certain North American office locations to help employees reduce emissions associated with commuting (Note: this is classified as Scope 3, therefore it is not reflected in Major Drilling's GHG inventory). • Engaged with an outside ESG consultant to evaluate the development of a path to Net Zero carbon emissions. 	
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Emissions Methodology

Has the Company undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?	Yes, an acquisition. Major Drilling completed the acquisition of McKay Drilling PTY Limited on June 1, 2021, a family-owned drilling company and a leading specialty drilling contractor based in Perth, Australia.
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Has the Company's emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?	No
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Base year and base year emissions – Scope 1	
Base year start	January 1, 2018
Base year end	December 31, 2018

Base year emissions (metric tons CO2e)	60,197
Base year and base year emissions – Scope 2	
Base year start	January 1, 2018
Base year end	December 31, 2018
Base year emissions (metric tons CO2e)	5,807
Name of the standard, protocol, or methodology	
Select the name of the standard, protocol, or methodology the Company has used to collect activity data and calculate emissions.	Environment Canada, Metal Mining, Guidance Manual for Estimating Greenhouse Gas Emission
Emissions Data	
Scope 1	
What were the Company's gross global Scope 1 emissions in metric tons CO2e?	80,720
Scope 2	
Describe the Company's approach to reporting Scope 2 emissions.	<ul style="list-style-type: none"> • Scope 2, location-based: We are reporting a Scope 2, location-based figure • Scope 2, market-based: We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure
What were the Company's gross global Scope 2 emissions in metric tons CO2e?	13,208
Scope 3	
Account for the Company's gross global Scope 3 emissions, disclosing and explaining any exclusions.	<p>Not evaluated</p> <p>Major Drilling has not calculated its Scope 3 emissions. Given the nature of Major Drilling's business as a drilling subcontractor, Scope 3 emissions are likely to be negligible to the Company's overall annual GHG emissions as the majority of emissions come from operation of drill rigs and vehicle fleet.</p>
Global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue	
Intensity figure	0.0001632
Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)	93,928
Metric denominator	Unit total revenue
Metric denominator: Unit total (Revenue)	575,645,000
Scope 2 figure used	Location-based
% Change from previous year	14%
Direction of change	Decreased
Emissions Breakdowns	
Total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP) (metric tons of CO2e)	

CO2	77,690
CH4	95
N2O	2,935
Total gross global Scope 1 emissions by country/region (metric tons of CO2e)	
North America	51,851
South America	14,568
Asia, Australasia and Africa	14,301
Total gross global Scope 1 emissions by business activity (metric tons of CO2e)	
Stationary Combustion (drill rigs, other stationary drilling equipment)	67,367
Mobile Combustion (light duty vehicles)	13,049
Buildings (administrative, warehouse and maintenance facilities)	304
Total gross global Scope 2 emissions by country/region (location-based - metric tons CO2e)	
North America	6,121
South America	686
Asia, Australasia and Africa	6,400
Total gross global Scope 2 emissions by business activity (location-based - metric tons CO2e)	
Electric Drills	12,066
Buildings	1,446
Gross global emissions (Scope 1 and 2 combined) results	
How does the Company's gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?	Increased
Identify the reasons for any change in the Company's gross global emissions (Scope 1 and 2 combined).	Total gross Scope 1 and 2 emissions for the 2021 reporting year are greater than 2020, which is a result of acquiring McKay Drilling, as well as some post covid-19 shutdowns.
Energy	
What percentage of the Company's total operational spend in the reporting year was on energy?	More than 0% but less than or equal to 5%
Energy consumption totals in MWh.	
Consumption of fuel	300,749
Consumption of purchased or acquired electricity	30,673
Total energy consumption	331,422
Fuel in MWh the organization has consumed by fuel type	
Diesel	
Heating value	HHV
Total fuel MWh consumed by the Company	297,463
MWh fuel consumed for self-generation of electricity	83,993
Gasoline and Natural Gas	
Heating value	HHV
Total fuel MWh consumed by the Company	3,252
MWh fuel consumed for self-generation of electricity	-

Propane	
Heating value	HHV
Total fuel MWh consumed by the Company	300,749
MWh fuel consumed for self-generation of electricity	83,993
Provide details on the electricity the Company has generated and consumed in the reporting year	
Electricity - Total gross generation (MWh)	25,198
Non-fuel energy consumption by country - Consumption of electricity (MWh)	
United States of America	8,313
Argentina	159
Australia	590
Brazil	2,816
Canada	8,399
Chile	172
Indonesia	4,447
Mexico	2,995
Mongolia	1,794
Mozambique	7
Philippines	368
South Africa	41
Suriname	571
Carbon Pricing	
Are any of the Company's operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?	Yes
Carbon pricing regulation(s) which impacts the Company's operations	<ul style="list-style-type: none"> • Alberta TIER - ETS • Argentina carbon tax • Australia ERF Safeguard Mechanism - ETS • BC carbon tax • Canada federal fuel charge • Canada federal Output Based Pricing System (OBPS) - ETS • Chile carbon tax • Colombia carbon tax • Mexico carbon tax • South Africa carbon tax
What is the Company's strategy for complying with the systems you are regulated by or anticipate being regulated by?	As a provider of drilling services, Major Drilling is indirectly exposed to carbon pricing through its fuel costs to operate drill rigs and vehicle fleets. The costs of carbon pricing systems in countries where Major Drilling operates are incorporated in energy and fuel costs as a pass-through to the Company. As a result, Major Drilling is not in a position to provide data as the Company does not track direct coverage by jurisdiction since this is dependent on Major Drilling's clients.
Has the Company originated or purchased any project-based carbon credits within the reporting period?	No

Does the Company use an internal price on carbon?	No, and we do not currently anticipate doing so in the next two years
Engagement	
Does the Company engage with its value chain on climate-related issues?	Yes, our suppliers Yes, our customers/clients
Provide details of the Company's climate-related supplier engagement strategy.	Major Drilling is currently evaluating the procurement of Tier 4 engines, corresponding with suppliers on the topic periodically. Further, the Company is exploring procuring drills from suppliers that offer products that can produce more horsepower with less fuel consumption, offering potential emissions efficiency gains.
Give details of the Company's climate-related engagement strategy with its customers.	Major Drilling has advised certain customers that it engages in the CDP reporting process and responds to the Supply Chain module for formal requests from its customers. Additionally, the Company has provided its global emissions figures to certain clients.
Do the Company's suppliers have to meet climate-related requirements as part of the Company's purchasing process?	No, and we do not plan to introduce climate-related requirements within the next two years
Does the Company engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?	No
Has the Company's published information about its response to climate change and GHG emissions performance for this reporting year publicly?	Yes <ul style="list-style-type: none"> • CDP • Annual Report (under Environmental, Social and Governance" section)
Biodiversity	
Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within the Company?	Yes, both board-level oversight and executive management-level responsibility. The Environment, Health and Safety Committee has responsibility for making recommendations to the Board regarding many core aspects of ESG, such as biodiversity. Major Drilling's exposure to this risk is lower than that of a mining company with operations in or near ecologically sensitive areas because the Company's primary exposure is indirect via its customers' operations. Major Drilling is not responsible for securing land use permits and does not have significant reclamation obligations, which are typically the most significant biodiversity risks.

Advisories

Forward-Looking Statement

This ESG Report 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 ESG Report 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”, “likely”, “virtually certain” and terms and expressions of similar import. All forward-looking information in this ESG Report 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 likelihood of increased revenues or lower ESG emissions resulting from the use of lower-emission sources of energy or the use of resource-efficient drilling equipment, the Company’s ability to access new markets and develop or expand low emission services, the level of activity in the mining industry and the demand for the Company’s services; the level of funding for the Company’s clients (particularly for junior mining companies); competitive pressures; global political and economic environments; the integration of business acquisitions and the realization of the intended benefits of such acquisitions; implications of the COVID-19 pandemic; the Company’s dependence on key customers; exposure to currency movements (which can affect the Company’s revenue in Canadian dollars); currency restrictions; 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; as well as other risk factors described under “General Risks and Uncertainties” in the Company’s Annual Information Form for the most recently completed fiscal year, available on the SEDAR website at www.sedar.com. 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.

For More Information on Major
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www.majordrilling.com/esg/

