“The Company is well positioned to face the challenges and opportunities ahead.”

2009 Annual Report

Groupe Forage

MAJOR

Drilling Group International Inc.

CORPORATE PROFILE

Major Drilling Group International Inc. is one of the world's largest drilling service companies primarily serving the mining industry. To support its customers' varied exploration drilling requirements, Major Drilling maintains field operations and offices in Canada, the United States, South and Central America, Australia, Indonesia, Mongolia, and Africa. Major Drilling provides all types of drilling services including surface and underground coring, directional, reverse circulation, RAB, geotechnical, environmental, water-well and coal-bed methane and shallow gas.

Over the years, the Company has positioned itself as one of the largest specialized operators in the world by leveraging its main competitive advantages: specialized equipment, long standing relationships with the world's largest mining companies, and access to capital and skilled personnel; with the Company's top level management having experienced several downturns.

During the last several years, the Company has achieved strong growth while remaining focused on the long-term objective of building a solid company for the future. Our corporate strategy remains to:

i) dominate specialized drilling and expand effective capacity;

ii) modernize our conventional fleet and expand our footprint in strategic areas;

iii) keep debt at minimum levels; and

iv) be the best of the class in safety and human resources.

Major Drilling's common shares trade on the Toronto Stock Exchange under the symbol MDI.

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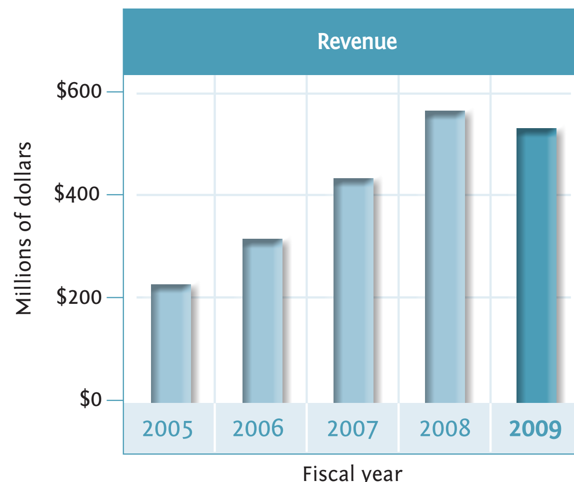
"Supplies and reserves of most mining commodities, whether it be gold, copper, zinc or nickel, have been dwindling steadily for the last decade or more."

Highlights		
in millions of Canadian dollars, (except earnings per share)	2009	2008
Revenue	$ 523.0	$ 590.3
Gross margin	33.6%	33.1%
Earnings from continuing operations	45.9	74.6
Per share	1.94	3.16
Net earnings	45.9	74.1
Per share	1.94	3.14
Cash flow from continuing operations*	87.7	109.1
Net cash position (net of debt)	$ 19.4	$ (21.6)

* before changes in non-cash operating working capital items



Debt-free

Became debt-free, net of cash

Records

Record revenue & earnings for Q1 & Q2

Dividend

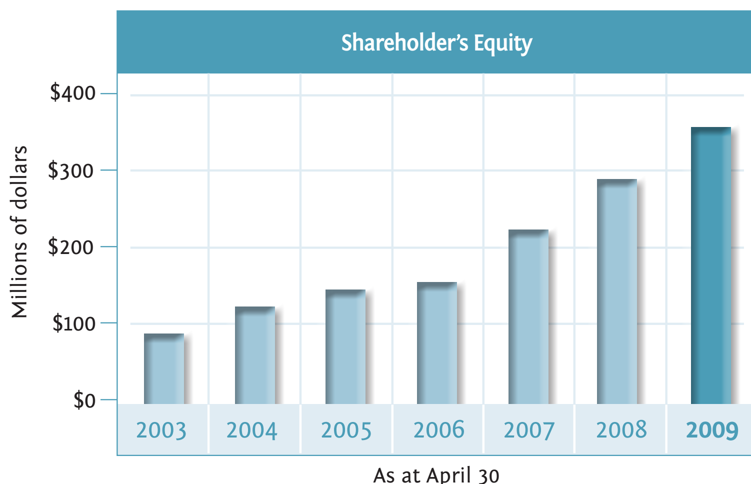
Instituted a semi-annual dividend of $0.20 per share

Acquisition

Completed acquisition of Forage à Diamant Benoît Ltée

Reduced G&A

Reduced G & A run rate by 30% by year end



MESSAGE TO SHAREHOLDERS

Fiscal year 2009 ("FY09") was a very eventful year. During the first half of the fiscal year, from May to October, we continued to grow and achieve record revenue, record margins and record earnings. In October 2008, we recorded the best monthly results in the Company's history, which led to record second quarter results of $191 million in revenue and $29.3 million in net earnings.

The second half of FY09 was vastly different. The global liquidity and credit crisis had a very swift and dramatic effect on the behaviour of public and private organizations around the world. The inability of some businesses to gain access to credit led to sudden and unforeseen collapses of many large and established companies. Businesses impacted by reduced access to credit and an expectation of reduced revenue as customers and consumers adopted more cautious spending patterns led to those businesses scaling back and cancelling planned projects and expansion plans. This in turn led to a reduced demand for most inputs, including commodities. Globally, senior mining companies, junior mining companies, gold companies and base metal companies curtailed their exploration activities all at once. Those companies with significant balance sheet leverage were forced to act even more dramatically.

While this ongoing situation is bound to have many unforeseen consequences, the fundamentals of supply and demand will nevertheless have a determining impact on the mining industry over time. Supplies and reserves of most mining commodities, whether it be gold, copper, zinc or nickel, have been dwindling steadily for the last decade or more. On the other hand, very few new large scale mineral deposits have been discovered in the last 15 years. Many of the large producing mines in production today were developed in the 1980's and are approaching the end of their useful lives. While the prospects for renewed growth in world demand of these commodities are difficult to forecast, our view is that it will take a relatively small rate of growth to bring the supply challenges in the mineral sector back into focus, thereby increasing prices for such commodities and the impetus to seek out new reserves.

The Company is well positioned to face the challenges and opportunities ahead. The role of your Board and management is to ensure that today's opportunities are captured by the Company and that the Company is prepared for the opportunities and challenges of tomorrow. We have always recognized and planned for the reality that the mining industry is cyclical.

The Company has always had a very conservative balance sheet strategy, keeping debt at very low levels. During FY09, we eliminated our net debt and finished the year with net cash of $19.4 million. While the economic environment was still favorable, we actively invested in our fleet of rigs, modernizing our equipment. This would have been difficult in today's environment. Today more than 50 percent of our fleet is less than 5 years old. We have redesigned and updated our systems, including our information systems, to allow us to streamline our processes. We have invested heavily in safety equipment such as rod handlers and rod breakers to enhance our safety performance. We believe that we currently have the newest and most adaptable fleet of any of our competitors, a significant advantage to us over the next several years.

We have been diligent at maintaining a flexible cost structure, allowing us to quickly adjust our field and corporate costs. Despite fierce price competition in the second half of FY09, we have been able to maintain respectable field margins by trimming costs. We have been able to cut our general and administrative costs from a run rate of $50 million per year at mid-year, to $35 million per year by year end. Part of this was accomplished through voluntary cuts in salaries and benefits agreed to by employees at all levels, including your Board of Directors. We have been able to do this while maintaining the Company's core human resources, which is our most essential asset.

These adjustments, although necessary, have been difficult and painful. Senior management is extremely grateful for the understanding and cooperation that all staff displayed throughout the process. At the peak of FY09, we had 4,400 employees on our weekly payroll. At the trough, we had 2,100. Many new entrants to the drilling sector have become victims of the cycle. It is with the deepest regret that management has had to make these decisions and it is our sincere hope that the economic recovery occurs with sufficient speed so that we are able to bring back many of these valued individuals.

This conservative strategy also served us well in evaluating potential acquisitions. During 2007 and 2008 we looked at a number of possible acquisitions and did not persue them because to do so would have placed unacceptably high levels of debt on our balance sheet given the expected return on investments. An exception to this was our acquisition in 2008 of Forage à Diamant Benoît Ltée ("Benoît Drilling") in Québec for $23 million. Benoît Drilling was a specialized drilling company with 19 rigs that fit perfectly with our specialized drilling strategy.

In September, the Company announced the first of its semi-annual dividend payments. A dividend of $0.20 per share was declared in September and then again in March. The ongoing dividend is an expression of the Company's view that it should be able to generate positive cash from operations through all but an extremely severe downturn in operations.

In fiscal year 2010 we will continue to face the challenges of FY09. We believe, however, that the supply and reserve challenges in the mining sector will lead to a recovery in activities over time. We also continue to believe that, as exploration activity begins to pick up, greater and greater emphasis will be put on developing mineral resources in areas that are difficult to access. This will increase the need for more sophisticated specialized drilling. Just as we had positioned our operations in anticipation of a downturn, the Company has positioned itself to take full advantage of long-term growth in specialized drilling.

Finally, we wish to thank you, our shareholders, for your support. The last six months have been challenging for all of us, especially for our investors. We believe that the Company is well positioned to take advantage of the opportunities that undoubtedly will be available to us.

David Tennant
Chairman of the Board

Francis McGuire
President and Chief Executive Officer

OUR SERVICES

Major Drilling's business is primarily focused on mineral exploration drilling involving exploratory and definition drilling into soil and rock formations to obtain core and rock chip samples. The Company has grown to become the drilling contractor of choice to many of the world's largest mining and exploration companies, through its focus on service and responsiveness to their drilling needs around the globe.

In order to service its global customers, the Company maintains operations in more than 20 countries on 5 continents. Canada, Australia, the U.S., Mexico and Chile continue to be among the Company's largest operations, with these 5 countries making up approximately 70 percent of the Company's revenue. The remaining 30 percent of revenue is generated from our other operations, mitigating the Company's local political risk.

Our decentralized operations allow for maximum branch autonomy, thus ensuring the flexibility to immediately respond to field and customer requirements. Our managers are familiar with more than just drilling. They are also knowledgeable about local conditions, infrastructure, regulations and the availability of people and support for projects. As such, our managers are in a position to discuss any topic that pertains to the local scene and are able to make effective decisions based on this complete picture.

While regional operations are independent, they also have access to the strengths of the organization as a whole. Whether the need be administration, staff, marketing, procurement, computer systems or equipment, support from Major Drilling Group is always available.

SPECIALIZED SERVICES

The lack of large discoveries in the last few years confirms our thesis that the attractive deposits will be in increasingly remote locations, deeper in the ground and in areas difficult to access. It also validates our strategy of focusing on projects that have these characteristics, which is where we conduct what we refer to as "specialized drilling". Specialized drilling can be defined as any drilling project that, by virtue of its scope, technical complexity or location, creates significant barriers to entry for smaller drilling companies. This would include, for example, deep-hole drilling, directional drilling, or mobilizations to remote locations or high altitudes. Specialized projects tend to be more costly for customers than conventional projects. Over the years, the Company has positioned itself as one of the largest specialized operators in the world by leveraging its main competitive advantages: skilled personnel; specialized equipment; long standing relationships with the world's largest mining companies and access to capital.

SAFETY AND ENVIRONMENT

SAFETY

Major Drilling continues to be an industry leader in safety by embracing and investing in tomorrow's technology for training, equipment and best operating and management practices. Our most important commitment is to our people, with ongoing training initiatives to improve skills, abilities, and safety awareness, all of which provide employees with the tools necessary to return from work safely every day, injury and accident free. The Company has developed a continuous improvement plan that clearly reflects the corporate objective of zero harm to our people and the environment.

Some initiatives implemented or being implemented are:

- Automated rod handling systems on rigs able to accommodate rod handlers;
- Compulsory defensive driving courses for all of our vehicle operators around the globe;
- GPS tracking and speed monitoring installed in many (70%) trucks globally;
- "Take 5" program at each rig, which is a simple risk assessment process in the field to identify and manage hazards;
- Standardized global database software to monitor any incidents or near-misses and track corrective actions taken; and
- Safety Management System Standards based on OHSAS-18001.

ENVIRONMENT

Environment sustainability is also a cornerstone of our operations. Every effort is made to keep our environmental footprint to a minimum, while building a better quality of life for our stakeholders and raising standards for the industry as a whole. Through safe work practices, technically advanced equipment and specialized training of our workers, Major Drilling is able to deliver consistently responsible environmental performance across the globe.

The Company has continued to advance its Environmental Management process, based on the Canadian Diamond Drillers Association E3 model, 14001 EMS and aligned with our Safety Management Systems based on 18001 standards. In May 2009 we issued the Major Drilling Environmental Management System, with manual and procedures. This package is being implemented across our operations and is included in the bidding process for our clients.

ACCOMPLISHMENTS:

- Nearly 50% of surface rigs now have rod handling capabilities;
- 50% of present rig fleet is less than 5 years old, and therefore is equipped with new technology;
- 1000 days worked Loss Time Incident ("LTI") free in Mongolia; and
- 1000 days worked LTI free at Rio Tinto's Diavik Mine.

The following discussion and analysis, prepared as of June 30, 2009, should be read together with the audited financial statements for the year ended April 30, 2009 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. For a full discussion of forward-looking statements, see the forward-looking statements section of this report.

FORWARD-LOOKING STATEMENTS

Securities laws encourage companies to disclose forward-looking information in order for investors to have a better understanding of a company's future prospects and make informed investment decisions.

This MD&A contains forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are "forward-looking" because they are based on current expectations, estimates, assumptions, risks and uncertainties. Such statements include, but are not limited to: worldwide demand for gold and base metals and overall commodity prices, the level of activity in the minerals and metals industry and the demand for the Company's services, the Canadian and international economic environments, the Company's ability to attract and retain customers and to manage its assets and operating costs, sources of funding for its clients, particularly for junior mining companies, competitive pressures, currency movements, which can affect the Company's revenue in Canadian dollars, the geographic distribution of the Company's operations, the impact of operational changes, changes in jurisdictions in which the Company operates (including changes in regulation), failure by counterparties to fulfill contractual obligations, and other factors set forth from time to time in the Company's Annual Information Form, as such factors may be amended or updated in subsequent MD&As.

These factors and other risk factors, as described under "General Risks and Uncertainties" of the Company's Annual Information Form, represent risks the Company believes are material. Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on these forward-looking statements.

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. Risks that could cause the Company's actual results to materially differ from its current expectations are discussed in this MD&A.

Additional information relating to the Company, including the Company's Annual Information Form for the most recently completed financial year, can be found on SEDAR at www.sedar.com.

CORPORATE OVERVIEW

Major Drilling Group International Inc. is one of the world's largest drilling service companies primarily serving the mining industry. To support its customers' varied exploration drilling requirements, Major Drilling maintains field operations and offices in Canada, the United States, South and Central America, Australia, Indonesia, Mongolia, and Africa. Major Drilling provides all types of drilling services including surface and underground coring, directional, reverse circulation, RAB, geotechnical, environmental, water-well and coal-bed methane and shallow gas.

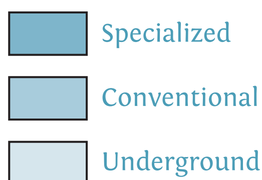
BUSINESS STRATEGY

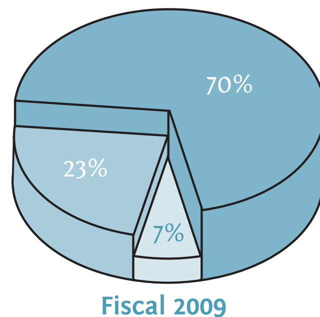
Major Drilling continues to base its business premise on the following: mining companies continue to deplete the more easily accessible mineral reserves around the world and attractive deposits will be in increasingly remote locations, areas difficult to access and/or deep in the ground. For this reason, Major Drilling's strategy is to focus its services on projects that have these characteristics, calling these services "specialized drilling". Over the years, the Company has positioned itself as one of the largest specialized operators in the world by leveraging its main competitive advantages: skilled personnel, specialized equipment, long standing relationships with the world's largest mining companies and access to capital.

Although the Company's main focus remains specialized services, it also intends to continue to modernize its conventional fleet and expand its footprint in strategic areas while maintaining minimum debt levels and remaining best of the class in safety and human resources.

The Company therefore categorizes its drilling services into three types: specialized drilling, conventional drilling and underground drilling.

Revenue by Type





Fiscal 2009

Specialized drilling can be defined as any drilling project that, by virtue of its scope, technical complexity or location, creates significant barriers to entry for smaller drilling companies. This would include, for example, deep-hole drilling, directional drilling, and mobilizations to remote locations or high altitudes. Because significant ore bodies are getting more difficult to find, the Company expects specialized drilling services to continue to fuel future growth, and over the next two decades, we believe these skills will be in greater and greater demand.

Conventional drilling is much more affected by the industry cycle as the barriers to entry are not as significant as with specialized drilling. This part of the industry is highly fragmented and has numerous competitors. Because the Company offers only limited differentiation in this sector, it is not its priority for investment.

Underground drilling takes on greater importance in the latter stages of the mining cycle as clients develop underground mines. While growth in underground drilling is relatively flat, conventional drilling grows in parallel with the industry cycle, while specialized drilling grows structurally.

Specialized projects tend to be more costly for customers than conventional projects. Due to the impact of the current economic environment on many of our senior customers, some of these projects were either cancelled or very heavily cut back in the second half of fiscal 2009. The Company expects this trend to continue through fiscal 2010, but in the longer-term, it is expected that many of the supply issues that face most commodities will come back into focus and that even with moderate growth in the world economy, the need to explore and develop mines will increase. It is believed that at that point, the need to develop resources in areas that are increasingly difficult to access will return, which should increase demand for specialized drilling.

INDUSTRY OVERVIEW

The metals and minerals drilling industry is reliant primarily on demand from two metal groups, gold on the one hand and base metals on the other. Each commodity group is influenced by distinct market forces. In a positive commodity pricing regime, either one of these metal groups can, by itself, stimulate significant demand for drilling services. In the last few years, historically high commodity prices in all commodities drove the industry to record levels of activity with worldwide mineral exploration expenditures in calendar 2008 surpassing US$14 billion.

The current economic environment has impacted, and will continue to impact, drilling in the short to medium-term, particularly on base metal projects. Senior and intermediate base metal companies that are leveraged have also reduced their exploration spending for 2009, in order to conserve cash. Many gold producers have delayed exploration plans due to the uncertainty in the economy. Sources of funding for junior mining companies are limited, and as such many junior projects, both in the base metals and gold sectors, have been delayed or cancelled.

In the longer-term, the fundamental drivers of our business remain positive, with worldwide supply for most metals expected to tighten due to the continuing lack of significant discoveries. The prospects for gold related drilling, which generally accounts for 50 percent of the drilling market, remains positive.

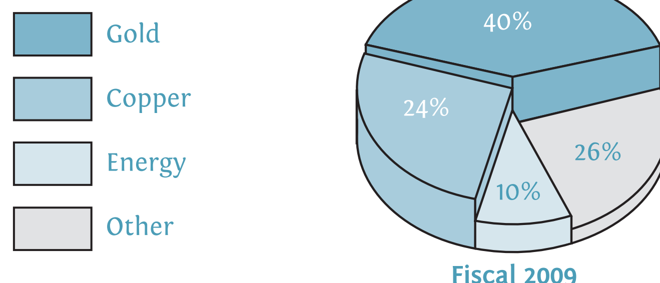
Gold

Drilling services for gold are always affected by overall commodity prices. However, Metals Economics Group ("MEG") is reporting that declining gold reserves replacement via exploration, since 1997, may result in gold supply shortages in the long-term. Especially evident from their analysis is that the number of recently discovered large deposits of more than 2.5 million oz. (a size senior mining companies would consider developing) is not adequate to replace the seniors' gold production. The discovery rate of major gold deposits has declined in each of the last 10 years. Historically, only about half of feasibility-stage projects reach production within 10 years.

Base Metals

Drilling services for base metals are affected by overall commodity prices. Despite the current economic environment, with low levels of exploration in the recent past limiting the expansion of supply, and the emergence of China and India as major consumers of base metals, supply is expected to be stretched within the next several years. MEG reports that the time required to take a project from discovery through to production ensures that any new discoveries will not benefit global supply for years. During this time, definition drilling is required to establish mine plans in order to bring these discoveries into production.

Revenue by Commodity



Fiscal 2009

BUSINESS ACQUISITIONS

Forage à Diamant Benoît Ltée

Effective August 1, 2008 the Company acquired the assets of the exploration drilling company Forage à Diamant Benoît Ltée ("Benoît") based in Val-d'Or, Québec. Through this purchase Major Drilling has acquired 19 drills rigs, the majority of which have deep hole capacity and are fitted with rod handlers, which

fits with the Company's strategic focus on specialized drilling. In addition to the rigs, this acquisition included support equipment and inventory, existing contracts, and personnel.

The purchase price for the transaction was CDN$23.1 million including customary working capital adjustments, financed by cash and debt.

Paragon del Ecuador S.A.

Effective October 25, 2007, the Company purchased the assets of the exploration drilling company Paragon del Ecuador S.A.

Paragon was the largest mineral exploration drilling contractor in Ecuador, operating 7 drill rigs. In addition to the rigs, this acquisition involved support equipment and inventory, and personnel.

The purchase price for the transaction was US$6.0 (CDN$5.8) million, subject to various holdbacks and was financed with cash and debt. A mining mandate was adopted by the government, effective April 18, 2008, ordering the halt of mining activities in the country, including drilling and exploration. The Company has redeployed some of its Ecuadorian rigs elsewhere in the region until such a time as drilling activities resume, which is expected within the coming months. Also, holdbacks against the original purchase price for a total of US$2.0 million, the release of which are conditional on a number of factors, including local contracts not being materially impacted by mining law changes, were put in place to mitigate the country risk associated with this acquisition.

Harris y Cia Ltda.

Effective September 1, 2007, the Company purchased the exploration drilling company Harris y Cia Ltda. ("Harris"). Through this purchase, Major Drilling acquired 11 drill rigs conducting mainly specialized drilling in the active northern region of Chile. In addition, the acquisition included all support equipment, inventory, an office and repair facilities. Major Drilling's existing operations were largely in central and southern Chile and as such, this acquisition provided attractive synergies to assist the Company in fulfilling its strategy of fully servicing the Chilean specialized drilling market.

As part of this acquisition, Major Drilling also acquired Harris' existing contracts and retained key management personnel, as well as the other employees, including a number of experienced drillers.

The purchase price for the transaction was US$23.9 (CDN$25.2) million, including customary working capital adjustments, financed with cash.

OVERALL PERFORMANCE

Revenue for the fiscal year ended April 30, 2009 decreased 11.4 percent to $523.0 million from $590.3 million for the corresponding period last year. The first six months were marked by strong growth followed by cancellations and delays in the second half of the year due to the prevailing economic situation.

All regions were affected by cancellations and delays. Canada-U.S. revenue grew in the first half of the year due to additional equipment and improved pricing while contract cancellations and delays impacted revenue in the second half in both countries. Revenue in South and Central America was affected by a complete halt of operations in Venezuela and Ecuador due to political issues, and a slowdown in Mexico due to contract cancellations and delays. Revenue in Australia, Asia and Africa was affected by a slowdown in Australia due to contract cancellations and delays, and the shutdown of operations in Armenia.

Gross margin for the year was up to 33.6 percent compared to 33.1 percent last year, due mainly to an improved pricing environment in the first half of the

year mitigated by reduced pricing as a result of increased competitive pressures and delays in the second half.

During the 2009 fiscal year, the Company recorded a restructuring charge of $9.0 million to account for asset write downs of $5.2 million and mostly retrenchment costs for the remaining amount. Also, the Company recorded a non-cash goodwill and intangible assets impairment charge of $0.7 million.

The combination of reduced revenue and restructuring charges produced net earnings of $45.9 million ($1.94 per share) compared to $74.1 million ($3.14 per share) for last year.

SELECTED ANNUAL INFORMATION

(in millions of Canadian dollars, except per share information)

Years ended April 30	2009	2008	2007
Revenue by region			
Canada-U.S.	**$ 167**	$ 189	$ 151
South and Central America	**155**	186	127
Australia, Asia and Africa	**201**	215	137
	523	**590**	**415**
Gross profit	**176**	**195**	**133**
Gross profit as a percentage of revenue	**33.6%**	33.1%	32.0%
Earnings from continuing operations	**46**	**75**	**47**
Per share (basic)	**$ 1.94**	$ 3.16	$ 2.01
Per share (diluted)	**$ 1.92**	$ 3.12	$ 1.98
Net earnings	**46**	**74**	**59**
Per share (basic)	**$ 1.94**	$ 3.14	$ 2.54
Per share (diluted)	**$ 1.92**	$ 3.10	$ 2.50
Total assets	**$ 469**	**$ 427**	**$ 328**
Total long-term financial liabilities	**$ 24**	**$ 28**	**$ 19**

RESULTS OF OPERATIONS

FISCAL 2009 COMPARED TO FISCAL 2008

Revenue for the fiscal year ended April 30, 2009 decreased 11.4 percent to $523.0 million from $590.3 million for the corresponding period last year. The first six months were marked by strong growth followed by cancellations and delays in the second half of the year due to the prevailing economic situation.

Canada-U.S.

Canada-U.S. revenue decreased by 11.5 percent to $167.2 million compared to $189.0 million last year. Additional equipment and improved pricing contributed to the growth in the first half while contract cancellations and delays impacted revenue in the second half in both countries.

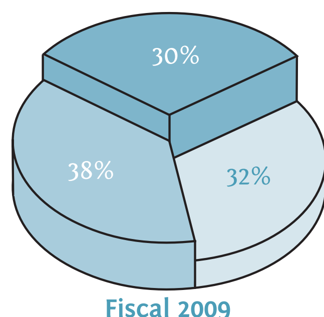
Gross margins in Canada-U.S. improved year-over-year as increased demand for drilling services in the first half of the year improved the pricing environment. In the second half, significant competitive pressures affected pricing and margins negatively, offset somewhat by productivity gains and cost cutting measures.

South and Central America

Revenue in South and Central America decreased by 16.8 percent to $155.2 million, compared to $186.5 million in fiscal 2008. A complete halt of operations in Venezuela and Ecuador due to political issues, and a slowdown in Mexico due to contract cancellations and delays impacted revenue in that segment.

Margins in this geographic segment were relatively flat for the year characterized by an increase in the first half of the year offset by a decrease caused by competitive pressures on pricing in the second half.

Revenue by Geographic Segment



Fiscal 2009

Australia, Asia and Africa

Revenue in Australia, Asia and Africa decreased 6.6 percent to $200.6 million from $214.8 million in fiscal 2008. A slowdown in Australia due to contract cancellations and delays and the shutdown of operations in Armenia impacted revenue in that segment.

Gross margins decreased year-over-year, mostly affected by competitive pressures and weather related issues in Australia. Other regions in this geographic segment were relatively flat year-over-year.

Operating Expenses

General and administrative expenses increased to $46.9 million compared to $44.8 million for the same period last year. In the first half of the year, these expenses increased primarily due to additions to the management team to accommodate growth, additional safety and training efforts, the African, Ecuadorian and Chilean acquisitions, and overall cost increases due to increased volume. In the second half of the year, the Company implemented initiatives in order to reduce general and administrative expenses. With these steps, the Company expects general and administrative expenses in fiscal 2010 to be down by 25 percent as compared to fiscal 2009.

Other expenses were $12.5 million for the year compared to $13.6 million for the same period last year. Lower incentive compensation expenses given the Company's lower profitability in the current year was partially offset by an increase in the provision for doubtful accounts.

Foreign exchange loss was $1.4 million compared to $2.1 million in the prior year period as a result of exchange rate variations on monetary working capital items.

Short-term interest expense was $0.2 million for the year compared to revenue of $0.2 million last year, while interest on long-term debt was $1.8 million in fiscal 2009 compared to $2.4 million last year due to reduced long-term debt levels.

Amortization expense increased to $32.2 million compared to $27.0 million last year, as a result of increased investment in equipment and intangibles.

The Company recorded a restructuring charge of $9.0 million to account for asset write downs of $5.2 million and mostly retrenchment costs for the remaining amount. Also, the Company recorded a non-cash goodwill and intangible assets impairment charge of $0.7 million.

The provision for income tax for the year was $24.8 million compared to $31.1 million for the prior year reflecting the decrease in pre-tax earnings. The effective tax rate for the year was impacted by the non-recognition or reversal of tax losses in Venezuela and Botswana where the Company has ceased operations.

Net earnings were $45.9 million or $1.94 per share ($1.92 per share diluted) compared to $74.1 million or $3.14 per share ($3.10 per share diluted) for last year.

SUMMARY ANALYSIS FISCAL 2008 COMPARED TO FISCAL 2007

Revenue for the fiscal year ended April 30, 2008 increased 42.1 percent to $590.3 million from $415.4 million for the 2007 fiscal year. Improved pricing, additional equipment, and better utilization contributed to the growth in all regions.

Gross margins for the year improved to 33.1 percent compared to 32.0 percent in fiscal 2007, as increased demand for drilling services improved the pricing environment but margin growth was slowed by increased labour costs due to labour availability issues. With the increase in revenue and improving gross margins, gross profit for the year increased by 46.8 percent to $195.4 million compared to $133.1 million for the prior year.

The combination of strong revenue growth and improved margins produced record net earnings for fiscal 2008 of $74.1 million or $3.14 per share ($3.10 per share diluted) compared to $58.8 million or $2.54 per share ($2.50 per share diluted) for fiscal 2007.

SUMMARY ANALYSIS FOURTH QUARTER RESULTS ENDED APRIL 30, 2009

Total revenue for the fourth quarter was $66.4 million, down 60.9 percent from the $170.0 million recorded for the prior year period. Cancellations or delays of drilling programs, combined with price reductions, significantly affected revenue in all three regions.

Revenue from Canada-U.S. drilling operations was down $32.9 million or 63 percent to $19.6 million for the quarter compared to $52.5 million for the same period last year. Cancellations and decreased pricing impacted both countries.

In South and Central America, revenue for the quarter was $22.1 million, down 63 percent from the $60.4 million recorded in the prior year quarter. Revenue decreases in Mexico, Chile and Argentina accounted for approximately 90 percent of the drop. A complete halt of operations in Venezuela and Ecuador due to political issues also impacted revenue in the region. The situation in Ecuador has improved and the Company expects to resume operations in that country in the coming months.

Australian, Asian and African drilling operations reported revenue of $24.7 million, down some 57 percent from the $57.1 million reported in the same period last year. Every country was impacted relatively the same but for various reasons. Cancellation of drilling programs and weather issues impacted revenue in Australia while Indonesian revenue was mostly impacted by price reductions. Mongolian revenue continued to be down compared to last year as the mining industry in that country continues to struggle with uncertainty relating to government mining policies. Finally, in Africa, the Company scaled down operations in Botswana and transferred assets to neighbouring countries.

The overall gross margin percentage for the quarter was 26.8 percent, down from 35.0 percent for the same period last year. Reduced pricing due to increased competitive pressures and delays significantly impacted margins. Pricing has dropped by more than 20 percent overall since October 2008 but the Company has been able to recapture some of this loss through productivity gains and cost cutting. Finally, weather issues in Australia in February and March impacted margins, especially in the energy sector.

General and administrative costs were $9.4 million for the quarter, down 26 percent compared to the

$12.7 million for the prior year period. The decrease was due to cost cutting initiatives implemented in November and February.

Other expenses were $1.8 million for the quarter compared to $3.2 million for the same period last year. This year's other expenses includes legal and input tax settlements whereas last year's other expenses were mainly composed of incentive compensation expenses given the Company's profitability in that quarter.

Foreign exchange loss was $0.5 million for the quarter compared to nil for the prior year period. This year's loss was due to exchange rate variations on monetary working capital items.

Short-term interest expense was nil for the quarter compared to revenue of $0.2 million last year, while interest on long-term debt was $0.4 million compared to $0.5 million for the prior year quarter.

Amortization expense increased to $8.0 million for the quarter compared to $7.5 million for the same quarter last year, as a result of increased investment in equipment and intangibles.

During the quarter, the Company recorded a restructuring charge of $2.1 million consisting primarily of retrenchment costs following staff reduction initiatives implemented in February.

The Company's tax expense was $0.2 million for the quarter compared to $10.1 million for the same period last year. The tax expense for the quarter was impacted by the non-recognition or reversal of tax losses in Venezuela and Botswana where the Company has ceased operations, and a tax settlement in Tanzania.

Net loss for the quarter, after restructuring charge, was $4.6 million or $0.19 per share ($0.19 per share diluted) compared to net earnings of $25.4 million or $1.07 per share ($1.05 per share diluted) in the prior year period.

SUMMARY OF QUARTERLY RESULTS

The geographic distribution of the Company's operations, as well as the timing of the current economic downturn, has impacted its historical seasonal revenue patterns. Historically, the Company's fourth quarter was its strongest, followed by its second and first quarters. The third quarter (November to January) is normally the Company's weakest quarter due to the shutdown of mining and exploration activities, often for extended periods over the holiday season, particularly in South and Central America. With the exception of the third quarter, the Company has, over the past several years, exhibited comparatively less seasonality in quarterly revenue, since a relatively higher proportion of drilling revenue was generated

SUMMARY OF QUARTERLY RESULTS *(in $000's CDN, except per share)*

	Fiscal 2008				**Fiscal 2009**			
	Q1	Q2	Q3	Q4	**Q1**	**Q2**	**Q3**	**Q4**
Revenue	$ 143,420	$ 156,136	$ 120,758	$ 169,995	**$ 178,215**	**$ 191,010**	**$ 87,361**	**$ 66,400**
Gross profit	47,644	54,665	33,712	59,420	**63,304**	**70,438**	**24,086**	**17,806**
Gross margin	33.2%	35.0%	27.9%	35.0%	**35.5%**	**36.9%**	**27.6%**	**26.8%**
Earnings (loss) from continuing operations	18,824	22,815	7,670	25,286	**26,330**	**29,276**	**(5,070)**	**(4,601)**
Per share - basic	0.80	0.97	0.32	1.07	**1.11**	**1.23**	**(0.21)**	**(0.19)**
Per share - diluted	0.79	0.95	0.32	1.05	**1.10**	**1.22**	**(0.21)**	**(0.19)**
Net earnings (loss)	18,935	22,563	7,236	25,361	**26,330**	**29,276**	**(5,070)**	**(4,601)**
Per share - basic	0.81	0.96	0.31	1.07	**1.11**	**1.23**	**(0.21)**	**(0.19)**
Per share - diluted	0.80	0.94	0.30	1.05	**1.10**	**1.22**	**(0.21)**	**(0.19)**

in regions with more temperate or tropical climates that were not impacted by winter weather conditions. Additionally, strong cyclical growth had tended to mute normal seasonal patterns. Fourth quarter revenue this year was impacted by the economic downturn. With the current economic and industry downturn ongoing, it is not yet clear whether or not the Company's revenue will return to more historical seasonal patterns, or whether a recent lack of seasonality will continue.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Operating cash flow (before changes in non-cash working capital) was $87.7 million for the fiscal year ended April 30, 2009, representing a decrease of 19.6 percent from the $109.1 million generated last year, which is a direct result of cancellations and delays of drilling programs combined with price reductions in the second half of the year.

The change in non-cash operating working capital items was an inflow of $29.5 million in fiscal 2009 compared to an outflow of $28.5 million for the same period last year. The change in non-cash operating working capital in fiscal 2009 was primarily impacted by:

- A decrease in accounts receivable of $63.9 million due to a decrease in activity as compared to last year as the Company experienced delays or cancellation of drilling programs in the second half of the year; and
- A decrease in accounts payable of $36 million due to a decrease in activity as compared to last year offset by tight working capital management.

Financing Activities

Total long-term debt decreased by $1.5 million during the year from $40.1 million at April 30, 2008 to $38.6 million at April 30, 2009. The decrease is primarily due to debt repayments of $14.5 million offset by additional debt of $10.0 million to finance business acquisitions and capital expenditures.

Under the terms of certain of the Company's debt agreements, the Company must satisfy certain financial covenants. Such agreements also limit, among other things, the Company's ability to incur additional indebtedness, create liens, engage in mergers or acquisitions and make dividend and other payments. During the period, the Company was, and continues to be, in compliance with all covenants and other conditions imposed by its debt agreements.

The credit facilities related to operations total $31.2 million ($30.0 million from a Canadian chartered bank and $1.2 million in credit facilities in Chile and Australia) and are secured by fixed and floating charges on selected Canadian capital assets, a general assignment of book debts, inventories and corporate guarantees of companies within the group. The Company has a credit facility of $1.7 million for credit cards for which interest rate and repayment are as per cardholder agreements. At April 30, 2009, the Company had utilized $0.8 million of these lines for stand-by letters of credit.

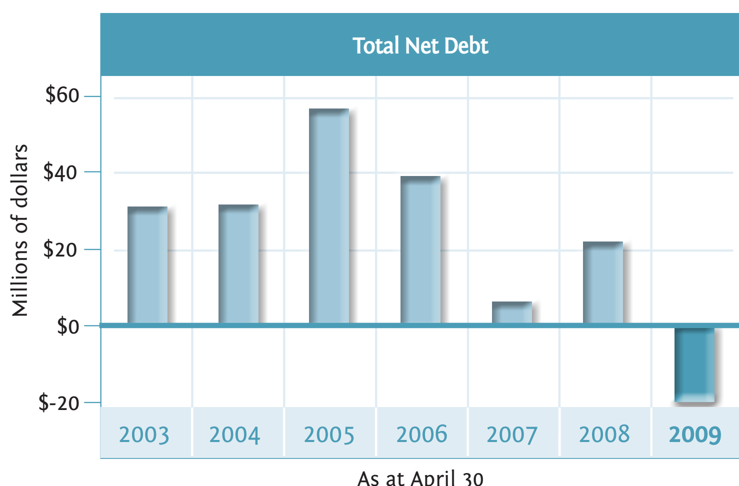
A second facility is a $65.0 million facility for financing the cost of equipment purchases or acquisition costs of related businesses. At April 30, 2009, the Company had utilized $27.1 million of this line. Draws on this line can be amortized over five years.

The first and second facilities have been renewed in November 2008 with no significant changes in the borrowing conditions of the facilities.

The third facility is a non-revolving term facility established to assist in the 2005 acquisition of Dynatec's Drilling Division, based in the United States. This facility was fully repaid in February 2009.

PAYMENTS DUE BY PERIOD (in $000's)					
Contractual obligations	Total	Less than 1 year	2-3 years	4-5 years	After 5 years
Long-term debt	$ 38,556	$ 15,049	$ 15,609	$ 7,898	$ -
Purchasing commitments	2,096	1,721	375	-	-
Operating leases	4,187	2,346	1,815	26	-
Total contractual obligations	**$ 44,839**	**$ 19,116**	**$ 17,799**	**$ 7,924**	**$ -**

The Company also has other various loans and capital lease facilities related to equipment purchases that totaled $16.0 million at April 30, 2009, of which $11.4 million was utilized and mature through 2011.



The Company believes that it will be able to generate sufficient cash flow to meet its current and future working capital, capital expenditure and debt obligations. As at April 30, 2009, the Company had unused borrowing capacity under its credit facilities of $72.9 million and cash of $58.0 million, for a total of $130.9 million in available funds.

Capital Expenditures

Capital expenditures were $55.2 million ($54.7 million net of financing) for the year ended April 30, 2009 compared to $70.0 million ($68.1 million net of financing) for the same period last year. As the difficulty in accessing ore bodies continues to increase, the Company continues to see opportunities to invest in specialized drilling, but in the current economic climate, will do so at a slower pace. It is expected that capital expenditures will be reduced to $25 million in fiscal 2010 as the Company focuses on cash accumulation.

During the year, the Company added 70 drill rigs through its capital expenditure program and 19 drill rigs through acquisitions while retiring or disposing of 88 drill rigs through its modernization program. This brings the total drill rig count to 535 at year end.

OUTLOOK

The current economic environment continues to impact drilling in the short to medium-term, particularly on base metal projects where the Company is seeing a significant slowdown in activity in calendar 2009. Sources of funding for junior mining companies are limited, and as such, many junior projects, both in

the base metals and gold sectors, have been delayed or cancelled. Senior and intermediate base metal companies that are leveraged have also reduced their exploration spending for calendar 2009, in order to conserve cash and many gold producers have delayed exploration plans. A large number of specialized projects, which tend to be more costly for customers than conventional projects, and where the Company has historically placed its main focus, have either been cancelled or very heavily cut back. The Company also chose not to retain some contracts where new pricing would have lowered margins to the point that the contracts would not have been profitable.

In May, the Company started to see marginal increases in demand for drilling services. If customers move forward with their stated plans, the Company should see gradual small gains as each month goes by. While some continued improvements are expected as the year goes on, calendar 2010 will continue to be difficult and pricing is expected to remain competitive throughout this period. In calendar 2011, many of the supply issues that face most commodities should come back into focus and even with moderate growth in the world economy, the need to explore and develop mines should increase. It is believed that at that point, the need to develop resources in areas that are increasingly difficult to access will return, which should increase demand for specialized drilling.

In the second half of fiscal 2009, the Company took actions to reduce its costs. The Company implemented reductions of salaried employees, and also, the decision was made that directors' fees and salaries of the Company's top 40 executives would be reduced by 10 percent. With these steps, general and administrative expenses in fiscal 2010 should be down by 25 percent as compared to fiscal 2009. Furthermore, the Company continues to have a variable cost structure whereby most of its direct costs, including field staff, go up or down with contract revenue and a large part of the Company's other expenses relates to variable incentive compensation based on the Company's profitability. At the same time, the Company's financial strength allows it to continue to carry certain costs relating to ongoing investments in safety, maintaining its equipment in excellent condition, and retaining the core people, all of which are essential to quickly react when the industry recovers.

The Company remains in an excellent financial position and remained debt-free, net of cash, at year end. Total cash level, net of long-term debt, stood at $19.4 million at year end. Despite the difficult environment, operations are expected to generate positive cash flow in fiscal year 2010. The Company will continue to focus on cash management by limiting capital expenditures to approximately $25 million, by reducing inventory and by closely monitoring costs.

FOREIGN EXCHANGE

The Company's reporting currency is the Canadian dollar, however a significant portion of the Company's revenue and operating expenses outside of Canada are denominated in U.S. and Australian dollars. The year-over-year comparisons of growth of revenue and operating expenses have been impacted by the falling Canadian dollar against the U.S. dollar.

During fiscal 2009, approximately 19 percent of revenue generated was in Canadian dollars, 15 percent in Australian dollars with almost all of the balance being in U.S. dollars. Since most of the input costs related to this revenue is denominated in the same currency as the revenue, the impact on earnings is somewhat muted.

The estimated total favourable FX impact on revenue for the year compared to last year was $20 million. Net earnings however, remained less impacted by currency fluctuations during the year as a large proportion of costs are typically incurred in the same currency as revenue. The estimated total favourable FX impact on earnings from continuing operations for the year was $3.3 million.

CHANGES IN ACCOUNTING POLICIES

Effective May 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031, Inventories, replacing Section 3030, Inventories, Section 3862, Financial Instruments – Disclosures, Section 3863, Financial Instruments – Presentation, and Section 1535, Capital Disclosures.

Section 3031, Inventories, provides more guidance on the determination of the cost of inventory and the subsequent recognition of inventory as an expense, as well as requiring additional associated disclosures. The new standard also allows for the reversal of any write downs previously recognized. The adoption of this policy had no material effect on the Company's consolidated financial statements.

Section 3862 on financial instruments disclosures requires the disclosure of information about: a) the significance of financial instruments for the entity's financial position and performance and b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. Section 3863 on the presentation of financial instruments is unchanged from the presentation requirements included in Section 3861. Section 1535 on capital disclosures requires the disclosure of information about an entity's objectives, policies and processes for managing capital. As the standards relate only to disclosure requirements, they have had no effect on financial results.

FUTURE ACCOUNTING CHANGES

Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets and Section 3450, Research and Development Costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new Sections will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning May 1, 2009. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company is currently evaluating the impact of the adoption of this new Section on its consolidated financial statements.

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board ("AcSB") confirmed that the use of IFRS will be required in 2011 for publicly accountable enterprises in Canada. In April 2008, the AcSB issued an IFRS Omnibus Exposure draft proposing that publicly accountable enterprises be required to apply IFRS, in full and without modification, on January 1, 2011 for companies with a calendar year end, therefore the transition date for the Company is May 1, 2011. This will require the restatement, for comparative purposes, of amounts reported by the Company for its year ended April 30, 2011, and of the opening balance sheet as at May 1, 2010.

The Company is currently in the process of developing a conversion implementation plan and assessing the impacts of the conversion on the consolidated financial statements and disclosures of the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates include, but are not limited to, the useful lives of property, plant and equipment for amortization purposes, property, plant and equipment and inventory valuation, valuation of future income taxes, assumptions used in compilation of stock-based compensation, fair value of assets acquired and liabilities assumed in business acquisitions, amounts recorded as accrued liabilities and impairment testing of goodwill and intangible assets. Actual results could differ materially from those estimates and assumptions.

In light of the current economic conditions, the Company has re-examined its critical accounting estimates.

As of April 30, 2009, property, plant and equipment with a carrying value of $240.2 million, represented approximately 50 percent of total assets. As such, the estimates used in accounting for the related depreciation and amortization charges have a material impact on the Company's financial condition and earnings.

Inventory represented almost 16 percent of total assets at April 30, 2009. Although the Company can redeploy remote inventory to other regions in the event of a downturn in a particular region, this can prove to be costly. The Company continues to monitor realizable value of inventory, especially in remote locations.

Particular attention was given to impairment testing of the Company's long-lived assets, goodwill and intangible assets. These assets are assessed for potential impairment at least annually or when events or changes in circumstances exist such that the carrying amount may not be recoverable. Such an assessment requires a comparison of the fair value of the respective reporting unit to its carrying value. The estimate of fair value of a reporting unit is based on cash flows, growth projections, terminal values, discount rates and industry data. Any change in the estimates used could have a material impact on the calculation of fair value and the resulting impairment charge. Sensitivity analysis is performed when testing for impairment. Significant changes in the estimates and assumptions used in impairment testing will not impact cash flows generated from our operations.

OFF BALANCE SHEET ARRANGEMENTS

Except for operating leases disclosed in note 16 "Commitments" of the consolidated financial statements and presented as contractual obligations in the liquidity section herein, the Company does not have any other off balance sheet arrangements.

GENERAL RISKS AND UNCERTAINTIES

The risks described below and elsewhere in this MD&A do not include all possible risks, and there may be other risks of which management is currently not aware.

Cyclical Downturn

The most significant operating risk affecting the Company is the continuing or further downturn in demand for its services due to a decrease in activity in the minerals and metals industry. In attempting to mitigate this risk, the Company is exploiting its competitive advantage in specialized drilling and continues to explore opportunities to rationalize its regional infrastructures. In the last cyclical market downturn, the Company realized that specialized services were not as affected by decreases in metal and mineral prices compared to its traditional services. Consequently, the Company's addition of rigs and acquisitions of businesses have generally been focused on specialized drilling services. The impact on the Company of a severe and persistent downturn in the minerals and metals industry (a possible outcome of the current global economic conditions) may not be fully mitigated by the foregoing measures.

While receivables from senior and larger intermediate mining exploration companies remain a significant component of total receivables, accounts receivable from junior mining companies also have a tendency to increase during a cyclical downturn. In many cases, capital markets are the only source of funds available to these juniors and any change in the outlook for the sector or the lack of success of a specific exploration program can quickly impair the ability of these juniors to raise capital to pay for their drilling programs. Also, both credit and capital markets financing have become generally scarce under current global economic conditions, which could adversely impact the exploration programs of all mining exploration companies, irrespective of size.

Levels of inventory typically increase as a result of increased activity levels. In addition to direct volume related increases however, inventory levels also increase due to an expansion of activity in remote locations at the end of long supply chains where it is necessary to increase inventory to ensure an acceptable level of continuing service, which is part of the Company's competitive advantage. In the event of a sudden downturn of activities related either to a specific project or to the sector as a whole, it is more difficult and costly to redeploy this remote inventory to other regions where it can be consumed.

Competitive Pressures

Pressures from existing competitors, in particular in current global economic conditions, could intensify and impose decreased contract prices and put a strain on current growth rates. There can be no assurance that the Company's competitors will not be successful in capturing a share of the Company's present or potential customer base.

Country Risk

Major Drilling is committed to utilizing its expertise and technology in exploration areas around the world. With this comes the risk of dealing with business and political systems in a variety of jurisdictions. Unanticipated economic, political, tax related, regulatory or legal changes (or changes in interpretation) could have a material negative impact on operations and assets. The risks include, but are not limited to, military repression, extreme fluctuations

in currency exchange rates and high rates of inflation, and changes in mining or investment policies or shifts in political attitude that may adversely affect the business. There has been an emergence of a trend by some governments to increase their participation in the benefits of rising commodity prices, most notably in South America and Mongolia, through increased taxation, expropriation, or otherwise. This could negatively impact the level of foreign investment in mining and exploration activities and thus drilling demand in these regions. Such events could result in reductions in revenue and transition costs as equipment is shifted to other locations.

Repatriation of Funds or Property

There is no assurance that any of the countries in which the Company operates or may operate in the future will not impose restrictions on the repatriation of funds or property to other jurisdictions.

Taxes

The Company is subject to many different forms of taxation in various jurisdictions throughout the world, including but not limited to, income tax, withholding tax, commodity tax and social security and other payroll related taxes, which may lead to disagreements with tax authorities regarding the application of tax law.

Tax law and administration is extremely complex and often requires us to make subjective determinations. The computation of income, payroll and other taxes involves many factors, including the interpretation of tax legislation in various jurisdictions in which we are subject to ongoing tax assessments. Our estimate of tax related assets, liabilities, recoveries and expenses incorporates significant assumptions. These assumptions include, but are not limited to, the tax rates in various jurisdictions, the effect of tax treaties between jurisdictions and taxable income projections. To the extent that such assumptions differ from actual results, we may have to record additional tax expenses and liabilities, including interest and penalties.

Foreign Currency

The Company conducts a significant proportion of its business outside of Canada and consequently has exposure to currency movements, principally in U.S. and Australian dollars. In order to reduce its exposure to foreign exchange risks associated with currencies of developing countries, where a substantial portion of the Company's business is conducted, the Company has adopted a policy of contracting in U.S. dollars, where practical and legally permitted.

Foreign exchange translations can have a great impact on year-to-year comparisons because of the geographic distribution of the Company's activities. Year-over-year revenue comparisons have been affected by the fluctuation in the Canadian dollar against the U.S. dollar. Margin performance however is less affected by currency fluctuations as a large proportion of costs are typically in the same currency as revenue. In future periods, year-to-year comparisons of revenue could be significantly affected by changes in foreign exchange rates.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and/or systems or from external events. Operational risk is present in all of the Company's business activities, and incorporates exposure relating to fiduciary breaches, regulatory compliance failures, legal disputes, business disruption, pandemics, technology failures, processing errors, business integration, theft and fraud, damage to physical assets and employee safety and insurance coverage.

Dependence on Key Customers

From time to time, the Company may be dependent on a small number of customers for a significant portion of overall revenue and net income. Should one or more such customers terminate contracts with the Company, there can be no guarantee that the Company will obtain sufficient replacement contracts to maintain the existing revenue and income levels. Consequently, the Company continues to work to expand its client base and geographic field of operations to mitigate its exposure to any single client, commodity or mining region.

Safety

Failure to maintain a record of acceptable safety performance may have an adverse impact on the Company's ability to attract and retain customers. Most of the Company's customers consider safety and reliability two primary attributes when selecting a provider of drilling services. The Company continues to invest in training to improve skills, abilities and safety awareness.

Expansion and Acquisition Strategy

The Company intends to remain vigilant with regard to potentially strategic future acquisitions and internal expansion. It is not possible to ensure that future acquisition opportunities will exist on acceptable terms, or that newly acquired or developed entities will be successfully integrated into the Company's operations. Additionally, the Company cannot give assurances that it will be able to secure the necessary financing on acceptable terms to pursue this strategy.

Legal and Regulatory Risk

Regulatory risk incorporates exposure relating to the risk of non-compliance with applicable legislation and regulatory directives. Legal risk incorporates non-compliance with legal requirements, including the effectiveness of preventing or handling litigation. Local management is responsible for managing day-to-day regulatory risk. In meeting this responsibility, local management receives advice and assistance from such corporate oversight functions as legal, compliance and internal audit. Compliance and internal audit test the extent to which operations meet regulatory requirements, as well as the effectiveness of internal controls.

Extreme Weather Conditions and the Impact of Natural or Other Disasters

The Company operates in a variety of locations, some of which are prone to extreme weather conditions. From time to time these conditions, as well as natural or other disasters, could have an adverse financial impact on operations located in the regions where these conditions occur.

Specialized Skills and Cost of Labour Increases

Generally speaking, drilling activity related to metals and minerals is broadly linked to price trends in the metals and minerals sector. During periods of increased activity, which occurred as the industry last transitioned from a cyclical downturn to a cyclical upturn, a limiting factor in this industry is a shortage of qualified drillers. The Company addresses this issue by attempting to become the "employer of choice" for drillers in the industry, as well as hiring and training more locally-based drillers. Historically, most of the Company's drillers have been Australian or Canadian. Development of local drillers has already had a positive impact in South American, African, Mongolian and Indonesian operations, and is expected to continue to play an important role.

The Company also relies on an experienced management team across the Company to carry on its business. A departure of several members of the management team at one time could have an adverse financial impact on operations.

A material increase in the cost of labour could materially affect gross margins and therefore the Company's financial performance.

Equipment and Parts Availability

The Company's ability to provide reliable service is dependent upon timely delivery of equipment and replacement parts from fabricators and suppliers. Any factor that substantially increases the order time on equipment and increases uncertainty surrounding final delivery dates may constrain future growth, existing operations, and the financial performance of the Company.

Reputational Risk

Negative publicity, whether true or not, regarding practices, actions or inactions, could cause a decline in the Company's value, liquidity, or customer base.

DISCLOSURE CONTROLS

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to the Company's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure.

Management, including the CEO and the CFO, does not expect that the Company's disclosure controls will prevent or detect all errors and all fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected.

The Company's CEO and the CFO have evaluated the effectiveness of the Company's disclosure controls and concluded that, subject to the inherent limitations noted above, those disclosure controls were effective for the year ended April 30, 2009.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's CEO and CFO are responsible for designing internal controls over financial reporting ("ICFR") or causing them to be designed under their supervision. The Company's ICFR are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and its preparations of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

As discussed above, the inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected. Therefore, no matter how well designed, ICFR has inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

During fiscal 2009, management, including its CEO and CFO, evaluated the existence and design of the Company's ICFR and confirm there were no changes to the ICFR that have occurred during the year which materially affected, or are reasonably likely to materially affect, the Company's ICFR. The Company continues to review and document its disclosure controls and its ICFR, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that its systems evolve with the business. As of April 30, 2009, an evaluation was carried out, under the supervision of the CEO and CFO, of the effectiveness of the Company's ICFR as defined in NI 52-109. Based on this evaluation, the CEO and the CFO concluded that the design and operation of these ICFR were effective.

The evaluations were conducted in accordance with the framework and criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), a recognized control model, and the requirements of NI 52-109.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares, which is currently the only class of voting equity securities. Holders of common shares are entitled to receive notice of, attend and vote at all meetings of the shareholders of the Company. Each common share carries the right to one vote in person or by proxy at all meetings of the shareholders of the Company. As at June 30, the Company's share capital was composed of the following:

SHARE CAPITAL
(amounts in thousands)

	As at June 30	
	2009	2008
Common shares	**23,716**	23,707
Stock options outstanding	**948**	590

MANAGEMENT'S RESPONSIBILITY

Management is responsible for presentation and preparation of the annual consolidated financial statements, management's discussion and analysis (MD&A) and all other information in this annual report.

In management's opinion, the accompanying consolidated financial statements have been properly prepared within reasonable limits of materiality and within the framework of appropriately selected, Canadian generally accepted accounting principles and policies, consistently applied and summarized in the consolidated financial statements.

The MD&A has been prepared in accordance with the requirements of Canadian securities regulators. Management has designed and evaluated the effectiveness of its disclosure controls and procedures.

Since a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements and the MD&A necessarily involves the use of estimates and approximations. These have been made using careful judgment and with all information available up to June 6, 2009. The MD&A also includes information regarding the estimated impact of current transactions and events, sources of liquidity, operating trends and risks and uncertainties. Actual results in the future may differ materially from management's present assessment of this information because future events may not occur as expected. Financial operating data in the report are consistent, where applicable, with the consolidated financial statements.

To meet its responsibility for reliable and accurate financial statements, management has established systems of internal control, which are designed to provide reasonable assurance that financial information is relevant, reliable and accurate, and that assets are safeguarded and transactions are executed in accordance with management's authorization.

The consolidated financial statements have been examined by Deloitte & Touche LLP, independent chartered accountants. The external auditors' responsibility is to express a professional opinion on the fairness of management's consolidated financial statements. The auditors' report outlines the scope of their examination and sets forth their opinion.

The Audit Committee of the Board of Directors is comprised of independent directors. The Audit Committee meets regularly with management and the external auditors to satisfy itself that each is properly discharging its responsibilities, and to review the consolidated financial statements and the MD&A. The Audit Committee reports its findings to the Board of Directors for consideration when approving the consolidated financial statements and the MD&A for issuance to the shareholders. The Audit Committee also recommends, for review by the Board of Directors and approval of shareholders, the appointment of the external auditors. The external auditors have full and free access to the Audit Committee.

Major Drilling Group International Inc.'s Chief Executive Officer and Chief Financial Officer have certified Major Drilling Group International Inc.'s annual disclosure documents as required in Canada by the Canadian securities regulators.

Francis McGuire
President & Chief Executive Officer

Denis Larocque
Chief Financial Officer

June 6, 2009

AUDITORS' REPORT

TO THE SHAREHOLDERS OF MAJOR DRILLING GROUP INTERNATIONAL INC.

We have audited the consolidated balance sheets of Major Drilling Group International Inc. (the "Company") as at April 30, 2009 and 2008 and the consolidated statements of operations, comprehensive earnings, retained earnings, accumulated other comprehensive loss and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Saint John, New Brunswick

June 6, 2009

CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended April 30, 2009 and 2008 *(in thousands of Canadian dollars, except per share information)*	2009	2008
TOTAL REVENUE	$ 522,986	$ 590,309
DIRECT COSTS	347,352	394,868
GROSS PROFIT	175,634	195,441
OPERATING EXPENSES		
General and administrative	46,866	44,813
Other expenses	12,508	13,606
Foreign exchange loss	1,441	2,142
Interest expense (revenue)	224	(153)
Interest expense on long-term debt	1,833	2,403
Amortization	32,235	26,962
Restructuring charge (note 5)	9,043	-
Goodwill and intangible assets impairment (note 6)	732	-
	104,882	89,773
EARNINGS BEFORE INCOME TAX AND DISCONTINUED OPERATIONS	70,752	105,668
INCOME TAX - PROVISION (note 17)		
Current	23,489	27,315
Future	1,328	3,758
	24,817	31,073
EARNINGS FROM CONTINUING OPERATIONS	45,935	74,595
LOSS FROM DISCONTINUED OPERATIONS	-	(500)
NET EARNINGS	$ 45,935	$ 74,095
EARNINGS PER SHARE FROM CONTINUING OPERATIONS (note 18)		
Basic	$ 1.94	$ 3.16
Diluted	$ 1.92	$ 3.12
EARNINGS PER SHARE (note 18)		
Basic	$ 1.94	$ 3.14
Diluted	$ 1.92	$ 3.10

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS, RETAINED EARNINGS AND ACCUMULATED OTHER COMPREHENSIVE LOSS

Consolidated Statements of Comprehensive Earnings

For the years ended April 30, 2009 and 2008
(in thousands of Canadian dollars)

	2009	2008
NET EARNINGS	$ 45,935	$ 74,095
OTHER COMPREHENSIVE EARNINGS (LOSS)		
Unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	39,473	(14,169)
COMPREHENSIVE EARNINGS	$ 85,408	$ 59,926

Consolidated Statements of Retained Earnings

For the years ended April 30, 2009 and 2008
(in thousands of Canadian dollars)

	2009	2008
RETAINED EARNINGS, BEGINNING OF THE YEAR	$ 182,533	$ 108,438
Net earnings	45,935	74,095
Dividends	(9,485)	-
RETAINED EARNINGS, END OF THE YEAR	$ 218,983	$ 182,533

Consolidated Statements of Accumulated Other Comprehensive Loss

For the years ended April 30, 2009 and 2008
(in thousands of Canadian dollars)

	2009	2008
ACCUMULATED OTHER COMPREHENSIVE LOSS, BEGINNING OF THE YEAR	$ (44,552)	$ (30,383)
Unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	39,473	(14,169)
ACCUMULATED OTHER COMPREHENSIVE LOSS, END OF THE YEAR	$ (5,079)	$ (44,552)

CONSOLIDATED BALANCE SHEETS

As at April 30, 2009 and 2008 *(in thousands of Canadian dollars)*	2009	2008
ASSETS		
CURRENT ASSETS		
Cash	$ 58,035	$ 20,695
Accounts receivable	52,538	103,555
Income tax receivable	6,014	3,218
Inventories	72,764	75,094
Prepaid expenses	3,478	6,280
Future income tax assets (note 17)	2,644	3,948
	195,473	212,790
PROPERTY, PLANT AND EQUIPMENT (note 9)	240,224	199,007
FUTURE INCOME TAX ASSETS (note 17)	1,403	334
GOODWILL AND INTANGIBLE ASSETS (note 10)	32,072	14,837
	$ 469,172	$ 426,968
LIABILITIES		
CURRENT LIABILITIES		
Demand credit facilities (note 11)	$ -	$ 2,179
Accounts payable and accrued charges	47,691	73,870
Income tax payable	1,719	10,541
Current portion of long-term debt (note 12)	15,049	11,798
Future income tax liabilities (note 17)	1,071	1,177
Liabilities of discontinued operations	-	2,028
	65,530	101,593
LONG-TERM DEBT (note 12)	23,507	28,317
FUTURE INCOME TAX LIABILITIES (note 17)	14,789	9,152
	103,826	139,062
SHAREHOLDERS' EQUITY		
Share capital (note 13)	142,233	142,140
Contributed surplus	9,209	7,785
Retained earnings	218,983	182,533
Accumulated other comprehensive loss	(5,079)	(44,552)
	365,346	287,906
	$ 469,172	$ 426,968

contingencies and commitments (notes 15 and 16)

Approved by the Board of Directors

David Tennant
Chairman of the Board

David Hope
Chairman of the Audit Committee

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended April 30, 2009 and 2008 *(in thousands of Canadian dollars)*	**2009**	2008
OPERATING ACTIVITIES		
Earnings from continuing operations	**$ 45,935**	$ 74,595
Operating items not involving cash		
Amortization	**32,235**	26,962
Restructuring charge (note 5)	**5,194**	-
Loss on disposal of property, plant and equipment	**832**	1,218
Future income tax	**1,328**	3,758
Stock-based compensation	**1,424**	2,556
Goodwill and intangible assets impairment (note 6)	**732**	-
	87,680	109,089
Changes in non-cash operating working capital items (note 14)	**28,944**	(28,483)
	116,624	80,606
Loss from discontinued operations, adjusted for non-cash items	**-**	(614)
Changes in non-cash operating working capital items from discontinued operations	**(1,898)**	(917)
Cash flow from operating activities	**114,726**	79,075
FINANCING ACTIVITIES		
Repayment of long-term debt	**(14,457)**	(14,080)
Additional long-term debt	**10,000**	20,000
(Repayment of) increase in demand credit facilities	**(2,179)**	2,179
Issuance of common shares	**94**	4,437
Issuance of dividend	**(4,742)**	-
Discontinued operations	**-**	(3,061)
Cash flow (used in) from financing activities	**(11,284)**	9,475
INVESTING ACTIVITIES		
Business acquisitions, net of cash acquired (note 7)	**(21,867)**	(27,925)
Acquisition of property, plant and equipment, net of direct financing (note 9)	**(54,698)**	(68,101)
Proceeds from disposal of property, plant and equipment	**4,800**	3,647
Cash flow used in investing activities	**(71,765)**	(92,379)
OTHER ACTIVITIES		
Foreign exchange translation adjustment	**5,663**	(498)
INCREASE (DECREASE) IN CASH	**37,340**	(4,327)
CASH POSITION, BEGINNING OF THE YEAR	**20,695**	25,022
CASH POSITION, END OF THE YEAR	**$ 58,035**	$ 20,695

additional information (note 14)

1. NATURE OF ACTIVITIES

Major Drilling Group International Inc. (the "Company") is incorporated under the Canada Business Corporations Act. The principal source of revenue consists of contract drilling for companies primarily involved in mining and mineral exploration. The Company has operations in Canada, the United States, South and Central America, Australia, Asia and Africa.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the accounts of the Company and its subsidiaries.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reported periods. Actual results could differ from these estimates.

Significant areas requiring the use of management estimates relate to the useful lives of property, plant and equipment for amortization purposes, property, plant and equipment and inventory valuation, determination of income and other taxes, assumptions used in compilation of stock-based compensation, fair value of assets acquired and liabilities assumed in business acquisitions, amounts recorded as accrued liabilities, and impairment testing of goodwill and intangible assets.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. Settlement date accounting is used.

The Company has adopted the policy of amortizing transaction costs to net income using the effective interest method.

Asset/Liability	Classification	Measurement
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Demand credit facility	Other financial liabilities	Amortized cost
Accounts payable and accrued charges	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost
Liabilities of discontinued operations	Other financial liabilities	Amortized cost

Revenue recognition

Revenue from drilling contracts is recognized based on the terms of customer contracts that generally provide for revenue on the basis of actual meters drilled at contract rates or fixed monthly charges or a combination of both. Revenue from ancillary services, primarily relating to extra services to the customer, is recorded when the services are rendered. Revenue is recognized when collection is reasonably assured.

Earnings per share

Earnings per share are calculated using the daily weighted average number of shares outstanding during the year.

Diluted earnings per share are determined as net earnings divided by the weighted average number of diluted common shares for the year. Diluted common shares reflect the potential dilutive effect of exercising the stock options based on the treasury stock method.

Inventories

The Company maintains an inventory of operating supplies, drill rods and drill bits. Inventories are valued at the lower of cost and replacement cost, primarily determined on a first in, first out (FIFO) basis. The value of used inventory items is considered minimal; therefore they are not valued, except for drill rods, which, if still considered usable, are valued at 50% of cost.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Property, plant and equipment

Property, plant and equipment are valued at cost. Amortization, calculated principally on the straight-line method, is charged to operations at rates based upon the estimated useful life of each depreciable asset. The following rates apply to those assets being amortized on the straight-line method:

	Residual value (%)	Useful life (years)
Buildings	0	15-20
Drilling equipment	0-15	5-15
Automotive and off-road equipment	0-10	5-10
Other (office, computer and shop equipment)	0	5-15

Costs for repairs and maintenance are charged to operations as incurred. Significant improvements are capitalized and amortized over the useful life of the asset.

Goodwill and intangible assets

Goodwill represents the excess of the purchase price of business acquisitions, including acquisition costs, over the fair value of the identifiable net assets acquired. The value of goodwill is tested for impairment at least annually. Any impairment loss revealed by this test would be reported in earnings for the period during which the loss occurred.

Intangible assets include the carrying value of customer relationships and a non-compete agreement, which are amortized on a straight-line basis over four and three years respectively.

Impairment of long-lived assets

The Company assesses long-lived assets for recoverability whenever indications of impairment exist. When the net recoverable value of a long-lived asset is less than its carrying value, as determined on an undiscounted basis, an impairment loss is recognized to the extent that its fair value, measured as the discounted cash flows over the life of the asset (when quoted market prices are not readily available), is below the asset's carrying value.

Future income taxes

The Company follows the liability method of accounting for corporate income taxes. This method takes a balance sheet approach and focuses on the amount of income taxes payable or receivable that will arise if an asset is realized or a liability is settled for its carrying amount. These resulting assets and liabilities, referred to as "future income tax assets and liabilities", are computed based on differences between the carrying amount of balance sheet items and their corresponding tax values using the enacted, or substantively enacted, income tax rates in effect when the differences are expected to reverse. The Company's primary differences arise between the tax carrying value and net book value of property, plant and equipment. Management reduces the carrying value of the future income tax assets by a valuation allowance when it is more likely than not that some portion of the asset will not be realized.

Translation of foreign currencies

All amounts are presented in Canadian dollars. The Company's international operations are self-sustaining foreign operations. The assets and liabilities of self-sustaining foreign operations are translated at the exchange rate in effect at the balance sheet date. Revenue and expense items of such operations are translated at average rates of exchange for the year. The resulting foreign currency translation gain or loss is reported on the Statement of Accumulated Other Comprehensive Loss. The change in the amount primarily reflects the relative strength or weakness of the Australian and U.S. dollars against the Canadian dollar and the change in the net investment in the self-sustaining foreign operations.

Stock-based compensation

The Company uses the fair value method for accounting for stock-based compensation as defined by Canadian generally accepted accounting principles. Stock-based compensation awards expense is calculated using the Black-Scholes option pricing model and is charged to operations on a grade vesting basis over the vesting period with an offsetting credit to contributed surplus.

The Company records the fair value of the deferred share units as compensation expense.

3. CHANGES IN ACCOUNTING POLICIES

Effective May 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031, Inventories, replacing Section 3030, Inventories, Section 3862, Financial Instruments – Disclosures, Section 3863, Financial Instruments – Presentation, and Section 1535, Capital Disclosures.

Section 3031, Inventories, provides more guidance on the determination of the cost of inventory and the subsequent recognition of inventory as an expense, as well as requiring additional associated disclosures. The new standard also allows for the reversal of any write downs previously recognized. The adoption of this policy had no material effect on the Company's consolidated financial statements. (see Note 8 – Inventory)

Section 3862 on financial instruments disclosures requires the disclosure of information about: a) the significance of financial instruments for the entity's financial position and performance and b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. Section 3863 on the presentation of financial instruments is unchanged from the presentation requirements included in Section 3861. Section 1535 on capital disclosures requires the disclosure of information about an entity's objectives, policies and processes for managing capital. As the standards relate only to disclosure requirements, they have had no effect on financial results. (see Note 19 – Capital Management and Note 20 – Financial Instruments)

4. FUTURE ACCOUNTING CHANGES

Goodwill and intangible assets

In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets and Section 3450, Research and Development Costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new Sections will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning May 1, 2009. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company is currently evaluating the impact of the adoption of this new Section on its consolidated financial statements.

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board ("AcSB") confirmed that the use of IFRS will be required in 2011 for publicly accountable enterprises in Canada. In April 2008, the AcSB issued an IFRS Omnibus Exposure draft proposing that publicly accountable enterprises be required to apply IFRS, in full and without modification, on January 1, 2011 for companies with a calendar year end, therefore the transition date for the Company is May 1, 2011. This will require the restatement, for comparative purposes, of amounts reported by the Company for its year ended April 30, 2011, and of the opening balance sheet as at May 1, 2010. The Company is currently in the process of developing a conversion implementation plan and assessing the impacts of the conversion on the consolidated financial statements and disclosures of the Company.

5. RESTRUCTURING CHARGE

During the third quarter of 2009, the Company initiated a restructuring plan to standardize the drilling equipment fleet and reduce operating costs by rationalizing the workforce and business locations. These initiatives generated a total restructuring charge of $9,043 for the year ended April 30, 2009 as detailed below.

The current economic environment presented an opportunity to accomplish significant progress in the rationalization of the Company's drilling equipment fleet, which was initiated a number of years ago. The Company eliminated 55 drill rigs from its global fleet for a non-cash charge of $5,194 with the objective of increasing the focus on hydraulic drill rigs equipped with the latest safety features.

Employee severance charges of $3,086 have been incurred to rationalize the workforce and centralize some administrative functions.

Business relocation charges of $763 were incurred for early termination of leases and other related expenses.

5. RESTRUCTURING CHARGE *(CONTINUED)*

On April 30, 2009, accounts payable included $80 of restructuring charges not paid.

6. GOODWILL AND INTANGIBLE ASSETS IMPAIRMENT

During the year, the Company recorded an impairment charge of $732. Of this amount, $350 relates to the value attributed to the acquired contracts, and recorded as intangible assets, from the Forage à Diamant Benoît Ltée acquisition earlier this fiscal year. This impairment was required as the majority of these contracts have been completed early due to the current economic conditions. Goodwill of $382 from the Longstaff Group of Companies, purchased in 2007, has also been impaired due to the economic downturn and the inability of this region to generate the expected revenue.

7. BUSINESS ACQUISITIONS

Forage à Diamant Benoît Ltée

Effective August 1, 2008 the Company acquired the assets of the exploration drilling company Forage à Diamant Benoît Ltée ("Benoît") based in Val-d'Or, Québec. Through this purchase, Major Drilling acquired 19 drill rigs, support equipment and inventory, existing contracts and personnel. The purchase price for the transaction was $23,117, including customary working capital adjustments, financed by cash and debt.

The net assets acquired at fair market value at acquisition are as follows:

Assets and liabilities acquired	
Accounts receivable	$ 5,055
Prepaid expenses	241
Inventories	533
Property, plant and equipment	7,489
Intangible assets	2,350
Goodwill	13,223
Accounts payable	(884)
Income tax payable	(2,842)
Future income tax liability	(2,048)
Net assets	$ 23,117
Consideration	
Cash	$ 21,867
Accounts payable	500
Long-term debt	750
	$ 23,117

Paragon del Ecuador S.A.

Effective October 25, 2007 the Company acquired the assets of the exploration drilling company Paragon del Ecuador S.A. ("Paragon") in Ecuador. Through this purchase, Major Drilling acquired 7 drill rigs, support equipment and inventory, existing contracts and personnel. The purchase price for the transaction was US$5,999 (CDN$5,805), subject to various holdbacks, financed by cash and debt.

Net assets acquired at fair value at acquisition are as follows:

Assets acquired	
Inventories	$ 586
Property, plant and equipment	2,023
Goodwill	3,196
Net assets	$ 5,805
Consideration	
Cash	$ 3,871
Long-term debt	1,934
	$ 5,805

Harris Y Cia Ltda.

Effective September 1, 2007 the Company acquired the exploration drilling company Harris y Cia Ltda. ("Harris") in Chile. Through this purchase, Major Drilling acquired 11 drill rigs, support equipment, inventory, an office and repair facilities. As part of this acquisition, the Company also acquired Harris' existing contracts and retained key management personnel, as well as the other employees, including a number of experienced drillers. The purchase price for the transaction was US$23,934 (CDN$25,203), including customary working capital adjustments, financed with cash. Net assets acquired at fair value at acquisition are as follows:

Assets and liabilities acquired	
Cash	$ 1,149
Accounts receivable	631
Inventories	1,060
Property, plant and equipment	9,621
Future income tax assets	2,328
Goodwill	11,570
Accounts payable	(1,156)
Net assets	$ 25,203
Consideration	
Cash	$ 25,203

8. INVENTORY

The cost of inventory recognized as an expense and included in direct cost for the year ended April 30, 2009 was $81,590. During the year, there were no significant write downs of inventory as a result of net realizable value being lower than cost and no inventory write downs recognized in previous years were reversed.

The Company's credit facility related to operations is in part secured by a general assignment of the Company's inventory.

9. PROPERTY, PLANT AND EQUIPMENT

2009	Cost	Accumulated amortization	Net book value
Land	$ 1,672	$ -	$ 1,672
Buildings	9,203	1,736	7,467
Drilling equipment	229,632	56,220	173,412
Automotive and off-road equipment	79,949	36,568	43,381
Shop, camp and computer equipment	29,684	15,392	14,292
	$ 350,140	$ 109,916	$ 240,224

2008	Cost	Accumulated amortization	Net book value
Land	$ 1,590	$ -	$ 1,590
Buildings	7,178	1,170	6,008
Drilling equipment	182,703	43,464	139,239
Automotive and off-road equipment	65,782	28,028	37,754
Shop, camp and computer equipment	26,671	12,255	14,416
	$ 283,924	$ 84,917	$ 199,007

Capital expenditures were $55,192 and $70,043 for the years ended April 30, 2009 and 2008, respectively. The Company obtained direct financing of $494 and $1,942 in the years ended April 30, 2009 and 2008, respectively.

10. GOODWILL AND INTANGIBLE ASSETS

	2009	2008
Goodwill	$ 30,470	$ 14,837
Intangible assets	1,602	-
	$ 32,072	$ 14,837

Changes in the goodwill and intangible assets balance were as follows for the years ended April 30:

	2009	2008
Balance at beginning of the year	$ 14,837	$ 466
Goodwill acquired	13,223	14,766
Intangible assets acquired	2,350	-
Amortization of intangible assets	(398)	-
Goodwill and intangible assets impairment	(732)	-
Effect of foreign currency exchange rate changes	2,792	(395)
	$ 32,072	$ 14,837

11. DEMAND CREDIT FACILITIES

The Company has credit facilities available in Canada of $30,000 bearing interest at the bank's prime lending rate or the bankers' acceptance fee plus 1.5% for Canadian dollar draws and the bank's U.S. dollar base rate in Canada or the bank's London interbank offer rate ("LIBOR") plus 1.5% for U.S. dollar draws. The demand credit facilities are primarily secured by fixed and floating charges on selected Canadian capital assets, a general assignment of book debts, inventories and corporate guarantees of companies within the group. The Company has a credit facility of $1,689 for credit cards, with interest rates and repayments as per the cardholder agreement.

The Company also has credit facilities in Australia and Chile amounting to $1,228 (2008 - $2,388) bearing interest at rates ranging from 3.0% to 8.76% secured by accounts receivable, and selected land and buildings in Australia.

The balance drawn on these facilities as at April 30, 2009 was nil (2008 - $2,179). There were stand-by letters of credit outstanding for $815 (2008 - $1,771) on these facilities as at April 30, 2009.

12. LONG-TERM DEBT

	2009	2008
Revolving/non-revolving equipment and acquisition loan (authorized $65,000), bearing interest at either the bank's prime rate plus 0.5% or the bankers' acceptance rate plus 1.65% for Canadian dollar draws, and either the bank's U.S. dollar base rate in Canada plus 0.5% or the bank's LIBOR plus 1.65% for U.S. dollar draws, payable in monthly installments of $607, maturing through 2014, secured by certain capital assets.	$ 27,148	$ 22,036
Term loans bearing interest at rates ranging from 1.75% to 7.24%, payable in monthly installments of $335, secured by certain equipment, maturing through 2011.	6,092	7,248
Revolving/non-revolving term loans - A$2,475 (2008 – A$4,835) authorized A$7,790, payable in monthly installments of A$174, interest included, at rates ranging from 6.88% to 8.68%, secured by certain equipment, maturing through 2010.	2,145	4,581
Note payable, non-interest bearing maturing in October 2009.	2,421	2,027
Note payable, bearing interest at 6% and maturing in August 2010.	750	-
Non-revolving loan – US$10,000, payable in monthly installments of US$167, bearing interest at 8.5%, fully repaid in February 2009.	-	4,223
	38,556	40,115
Current portion	15,049	11,798
	$ 23,507	$ 28,317

The required annual principal repayments on long-term debt are as follows:

2010	$ 15,049
2011	9,314
2012	6,295
2013	5,405
2014	2,493
	$ 38,556

Under the terms of certain of the Company's debt agreements, the Company must satisfy certain financial covenants. Such agreements also limit, among other things, the Company's ability to incur additional indebtedness, create liens, engage in mergers or acquisitions and make dividend and other payments. The Company, at all times, was in compliance with all covenants and other conditions imposed by its debt agreements.

13. SHARE CAPITAL

Authorized

Unlimited number of common shares, without nominal or par value.

	2009	2008
Issued		
23,716,073 common shares (2008 - 23,706,173)	$ 142,233	$ 142,140

13. SHARE CAPITAL *(CONTINUED)*

Stock option plan

The Company has a Stock Option Plan for Directors, officers and other employees of the Company and its subsidiaries. The Plan provides that the Board of Directors of the Company, on the recommendation of the Compensation Committee, may grant options to purchase common shares on terms determined within the limitations of the Plan. The aggregate number of common shares reserved for issuance under the Plan is limited to up to 10% of the issued and outstanding shares at any time (representing up to 2,371,607 common shares as at April 30, 2009). As at April 30, 2009: (i) 2,314,748 common shares had been issued upon the exercise of options granted under the Plan (representing approximately 9.8% of the issued and outstanding common shares); (ii) 765,064 common shares were reserved for issuance in respect of outstanding options under the Plan (representing approximately 3.2% of the issued and outstanding common shares); and (iii) 1,606,543 common shares were available for issuance in respect of options that may be granted under the Plan (representing approximately 6.8% of the issued and outstanding common shares). The exercise price for an option issued under the Plan is determined by the Board and may not be less than the fair market value of the common shares on the grant date of the option, being the volume weighted average trading price of the common shares on the TSX for the last five trading days immediately preceding the date on which the option is granted rounded to the nearest cent or, if the shares did not trade during such five trading days, the simple average of the closing bid and ask prices of the shares on the TSX during such five trading days.

Options are exercisable for a maximum period of 10 years from the date of grant, subject to earlier termination if the optionee ceases to be a Director or employee of the Company for any reason, retires, dies or becomes disabled or there is a change of control of the Company. Options are not assignable. The Plan also provides that: (i) the total number of options to be granted to any one participant may not exceed 5% of the issued and outstanding number of common shares; (ii) no options may be issued to insiders of the Company if to do so would result in the number of shares reserved for issuance pursuant to options granted to insiders exceeding 10% of the outstanding number of common shares; (iii) the number of options issued to insiders of the Company, within a one-year period, may not exceed 10% of the outstanding number of common shares; and (iv) the number of options issued to any one insider and such insider's associates, within a one-year period, may not exceed 5% of the outstanding number of common shares.

Stock options - employees and directors

The Company has issued stock options under its Stock Option Plan. Issuance of options under the Plan is determined annually by the Company's Board of Directors. A summary of the status of the Company's Stock Option Plan, as at April 30, 2009 and 2008, and of changes during the years ending on those dates, is presented below:

	2009		2008	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of year	605,964	$ 24.00	750,146	$ 12.64
Options granted	184,000	32.95	212,000	46.38
Options forfeited	(15,000)	34.93	(30,287)	7.39
Options expired	-	-	(6,000)	18.65
Options exercised	(9,900)	9.45	(319,895)	13.87
Outstanding at end of year	765,064	26.12	605,964	24.00

13. SHARE CAPITAL *(CONTINUED)*

The following table summarizes information on stock options outstanding at April 30, 2009:

Range of exercise prices	Outstanding at April 30, 2009	Weighted average remaining life (years)	Weighted average exercise price	Exercisable at April 30, 2009	Weighted average exercise price
$1.86 - $9.32	179,282	3.43	$ 5.70	179,282	$ 5.70
$12.97 - $22.58	210,713	6.99	18.77	210,713	18.77
$32.95 - $59.16	375,069	8.85	40.01	164,546	43.68
	765,064	7.07	26.12	554,541	21.94

The Company's calculations of stock-based compensation for options granted were made using the Black-Scholes option-pricing model with weighted average assumptions as follows:

	2009	2008
Risk-free interest rate	2.69%	4.29%
Expected life	3 years	3 years
Expected volatility	36%	40%
Expected dividend yield	1.22%	0.00%

Deferred share units

A Deferred Share Unit Plan (the "DSU Plan") was established for outside Directors during the 2005 fiscal year. Each deferred share unit ("DSU") represents the right to receive a cash payment, at such time as an outside Director ceases to be a Director, equal to the market value of the Company's shares at the time of surrender. Under this plan, prior to the beginning of each fiscal year, Directors must elect the percentage of their total compensation as Directors that they wish to receive in DSU's in lieu of cash compensation.

The following table summarizes information on the DSU Plan at April 30:

	2009	2008
	Number of units	Number of units
Outstanding at beginning of year	2,785	5,019
DSU's issued during year	3,137	960
DSU's redeemed during year	(2,624)	(3,194)
Outstanding at end of year	3,298	2,785

As at April 30, 2009 the total value of DSU's outstanding was $47 (2008 - $150).

14. ADDITIONAL INFORMATION TO THE STATEMENTS OF CASH FLOWS

	2009	2008
Changes in non-cash operating working capital		
Accounts receivable	$ 63,860	$ (28,818)
Inventories	12,320	(26,062)
Accounts payable and accrued charges	(36,407)	20,789
Income tax	(14,924)	5,028
Other items	4,095	580
	$ 28,944	$ (28,483)
Interest and income tax paid		
Interest paid	$ 2,057	$ 2,250
Income tax paid	$ 35,107	$ 14,376

15. CONTINGENCIES

The Company is involved in various legal claims and legal notices arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position, results of operations, or cash flows. Any amounts awarded as a result of these actions will be reflected when known.

16. COMMITMENTS

The Company has commitments with various suppliers for the purchase of drill rigs and drilling supplies totaling $2,096 with delivery dates through July 2010.

The Company also has various commitments, primarily for rental of premises, with arms-length parties as follows: 2010 - $2,346, 2011 - $1,235, 2012 - $580, 2013 - $26.

17. INCOME TAXES

Income taxes vary from amounts that would be determined by applying the combined statutory Canadian corporate income tax rate to earnings before income tax and non-controlling interest, with details as follows:

	2009	2008
Earnings before income tax and discontinued operations	$ 70,752	$ 105,668
Statutory Canadian corporate income tax rate	32%	34%
Expected income tax expense based on statutory rate	$ 22,641	$ 35,927
Non-recognition of tax benefits related to losses	2,233	373
Utilization of previously unrecognized losses	-	(244)
Other foreign taxes paid	822	1,598
Rate variances in foreign jurisdictions	(775)	(7,403)
Other	(104)	822
Total income tax provision	$ 24,817	$ 31,073

Significant components of the Company's future income tax assets and liabilities are as follows:

	2009	2008
Assets:		
Loss carry forwards tax effected	$ 2,822	$ 2,032
Inventory	-	1,172
Other	1,225	1,585
	4,047	4,789
Valuation allowance	-	(507)
	4,047	4,282
Liabilities:		
Property, plant and equipment	(14,490)	(9,152)
Inventory	(984)	(1,177)
Other	(386)	-
Net future income tax liabilities	$ (11,813)	$ (6,047)

17. INCOME TAXES *(CONTINUED)*

The recognition and measurement of the current and future tax assets and liabilities involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions and in the assessment of the recoverability of future tax assets. Potential liabilities are recognized for anticipated tax audit issues in various tax jurisdictions based on the Company's estimate of whether, and the extent to which, additional taxes will be due.

If payment of the accrued amounts ultimately proves to be unnecessary, the elimination of the liabilities would result in tax benefits being recognized in the period when the Company determines the liabilities no longer exist. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense will result.

The Company has accumulated approximately $8,877 in non-capital losses, of which $107 are available to reduce future Canadian income taxes otherwise payable and $8,770 are available to reduce future income taxes otherwise payable in foreign jurisdictions. These losses, if unused, will expire as follows:

Date	Amount
2014	$ 62
2015	21
2016	15
2017	10
Indefinite	8,769
	$ 8,877

The Company has accumulated approximately $3,096 (A$3,572) of capital losses that are available to reduce income taxes otherwise payable on capital gains realized in Australia. The benefit of these losses has not been recognized in the financial statements.

18. EARNINGS PER SHARE

	2009	2008
Earnings from continuing operations	**$ 45,935**	$ 74,595
Loss from discontinued operations	-	(500)
Net earnings	**$ 45,935**	$ 74,095
Divided by:		
Weighted average shares outstanding (000's)	**23,711**	23,577
Net effect of dilutive securities:		
Employees and Directors stock options (000's)	**207**	323
Adjusted weighted average shares and assumed conversions (000's)	**23,918**	23,900
Earnings per share from continuing operations:		
Basic	**$ 1.94**	$ 3.16
Diluted	**$ 1.92**	$ 3.12
Earnings per share:		
Basic	**$ 1.94**	$ 3.14
Diluted	**$ 1.92**	$ 3.10

The calculation of the diluted earnings per share for the years ended April 30, 2009 and 2008 exclude the effect of 375,069 options and 70,334 options, respectively, as they are anti-dilutive.

19. CAPITAL MANAGEMENT

The Company includes shareholders' equity (excluding accumulated other comprehensive loss), long-term borrowings and demand loan net of cash in the definition of capital.

Total managed capital was as follows as at April 30:

	2009	2008
Demand credit facility	$ -	$ 2,179
Long-term debt	38,556	40,115
Share capital	142,233	142,140
Contributed surplus	9,209	7,785
Retained earnings	218,983	182,533
Cash	(58,035)	(20,695)
	$ 350,946	$ 354,057

The Company's objective when managing its capital structure is to maintain financial flexibility in order to: i) preserve access to capital markets; ii) meet financial obligations and iii) finance internally generated growth and potential new acquisitions. To manage its capital structure, the Company may adjust spending, issue new shares, issue new debt or repay existing debt.

Under the terms of certain of the Company's debt agreements, the Company must satisfy certain financial covenants. Such agreements also limit, among other things, the Company's ability to incur additional indebtedness, create liens, engage in mergers or acquisitions and make dividend and other payments. During the period, the Company was, and continues to be, in compliance with all covenants and other conditions imposed by its debt agreements.

The Company's banking facilities have been renewed in November 2008 with no material changes in the borrowing conditions of the facilities.

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary, dependent on various factors.

The Company's objectives with regards to capital management remain unchanged from 2008.

20. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, accounts receivable, demand loan and accounts payable and accrued charges approximate their fair value due to the relatively short period to maturity of the instruments. Long-term debt has a carrying value of $38,556 as at April 30, 2009 (April 30, 2008 - $40,115) and also approximates its fair market value.

Risk management

The Company is exposed to various risks related to its financial assets and liabilities. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks, or the methods used to measure them, from previous periods, unless otherwise stated in this note.

Credit risk

The Company is exposed to credit risk from its accounts receivable. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company carries out, on a continuing basis, credit checks on its customers and maintains provisions for contingent credit losses. The Company also diversifies its credit risk by dealing with a large number of customers in various countries. Demand for the Company's drilling services depends upon the level of mineral exploration and development activities conducted by mining companies, particularly with respect to gold, nickel and copper. The Company's five largest customers account for 25% (17% in 2008) of total revenue, with no one customer representing more than 10% of its revenue for 2009 or 2008.

The carrying amounts for accounts receivable are net of allowances for doubtful accounts, which are estimated based on aging analysis of receivables, past experience, specific risks associated with the customer and other relevant information. The maximum exposure to credit risk is the carrying value of the financial assets.

As at April 30, 2009, 74.8% of the Company's trade receivables are aged as current (under 30 days) and 4.4% of the trade receivables are impaired.

20. FINANCIAL INSTRUMENTS *(CONTINUED)*

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. This risk is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Company does not enter into derivatives to manage credit risk.

Interest rate risk

The demand credit facility and long-term debt of the Company bears a floating rate of interest, which exposes the Company to interest rate fluctuations.

As at April 30, 2009 the Company has estimated that a one percentage point increase in interest rates would have caused an annual decrease in net income of approximately $280 and a one percentage point decrease in interest rates would have caused an annual increase in net income of $280.

Foreign currency risk

Foreign currency risk arises as the Company has operations located internationally where local operational currency is not the same as the functional currency of the Company.

A significant portion of the Company's operations are located outside of Canada. The earnings impact of foreign currency exposure is minimized since the operations are classified as self-sustaining operations. In certain developing countries, the Company mitigates its risk of large exchange rate fluctuations by conducting business primarily in U.S. dollars. U.S. dollar revenue exposure is partially mitigated by offsetting U.S. dollar labour and material expenses. Monetary assets denominated in foreign currencies are exposed to foreign currency fluctuations.

Based on the Company's foreign currency net monetary exposures as at April 30, 2009, and assuming that all other variables remain constant, a 10% rise or fall in the Canadian dollar against the other foreign currencies would have resulted in increases (decreases) in the net earnings and comprehensive earnings as follows:

Increase (decrease) in net earnings

	Canadian dollar appreciates 10%	Canadian dollar depreciates 10%
Chilean Peso	$ (278)	$ 278
Indonesian Rupiah	(222)	222
Mexican Peso	75	(75)
U.S. Dollar	308	(308)

Increase (decrease) in comprehensive earnings

	Canadian dollar appreciates 10%	Canadian dollar depreciates 10%
Australian Dollar	$ (3,353)	$ 3,353
U.S. Dollar	(22,363)	22,363

Liquidity risk

Liquidity risk arises from the Company's management of working capital, the finance charges and principal repayments on its debt instruments. The risk is that the Company would not be able to meet its financial obligations as they become due.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Total financial liabilities, by due date, as at April 30, 2009 are as follows:

	Total	1 year	2-3 years	4-5 years	5+ years
Accounts payable & accrued charges	$ 47,691	$ 47,691	$ -	$ -	$ -
Long-term debt	38,556	15,049	15,609	7,898	-
	$ 86,247	$ 62,740	$ 15,609	$ 7,898	$ -

21. SEGMENTED INFORMATION

The Company's operations are divided into three geographic segments, Canada - U.S., South and Central America, and Australia, Asia and Africa. The services provided in each of the reportable drilling segments are essentially the same. The accounting policies of the segments are the same as those described in note 2.

21. SEGMENTED INFORMATION (CONTINUED)

Management evaluates performance based on earnings from operations in these three geographic segments before interest and income taxes. Data relating to each of the Company's reportable segments is presented as follows:

	2009	2008
Revenue		
Canada – U.S.	$ 167,243	$ 189,018
South and Central America	155,182	186,491
Australia, Asia and Africa	200,561	214,800
	$ 522,986	$ 590,309
Earnings from operations		
Canada – U.S.	$ 38,186	$ 37,818
South and Central America	36,568	54,147
Australia, Asia and Africa	23,073	33,482
	97,827	125,447
Eliminations	(1,184)	(1,129)
	96,643	124,318
Interest	2,057	2,250
General corporate expenses	14,059	16,400
Restructuring charge	9,043	-
Goodwill and intangible assets impairment	732	-
Income taxes	24,817	31,073
Earnings from continuing operations	$ 45,935	$ 74,595
Identifiable assets		
Canada – U.S.	$ 130,683	$ 111,541
South and Central America	170,534	160,707
Australia, Asia and Africa	129,259	144,929
	430,476	417,177
Eliminations	(2,134)	(2,490)
Unallocated and corporate assets	40,830	12,281
	$ 469,172	$ 426,968

Continued	2009	2008
Amortization		
Canada – U.S.	$ 9,218	$ 6,780
South and Central America	7,046	5,207
Australia, Asia and Africa	13,315	11,361
Unallocated and corporate assets	2,656	3,614
	$ 32,235	$ 26,962

Canada – U.S. includes revenue in 2009 of $100,370 (2008- $117,494) for Canadian operations and property, plant and equipment at April 30, 2009 of $50,109 (2008- $35,350).

Australian, Asian and African amounts include revenue in 2009 of $76,560 (2008- $84,101) for Australian operations and property, plant and equipment as at April 30, 2009 of $32,209 (2008- $33,532).

Goodwill and intangible assets impairment includes $382 of goodwill impairment relating to the Australia, Asia and African segment and $350 of intangible assets impairment relating to the Canada – U.S. segment. (see Note 10 - Goodwill and Intangible Assets)

HISTORICAL SUMMARY

(in millions of Canadian dollars, except per share information)

	2009	2008	2007	2006 reclassified	2005 reclassified	2004 reclassified	2003 reclassified
Operating Summary							
Revenue by region							
Canada-U.S.	$ 167	$ 189	$ 151	$ 119	$ 82	$ 61	$ 59
South and Central America	155	186	127	81	62	33	25
Australia, Asia and Africa	201	215	137	116	102	82	60
	523	590	415	316	246	176	144
Gross profit	176	195	133	90	66	41	33
as a percentage of revenue	33.6%	33.1%	32.0%	28.6%	26.9%	23.2%	22.7%
General and administrative expenses	47	45	34	29	25	22	15
as a percentage of revenue	9.0%	7.6%	8.1%	9.0%	10.2%	12.5%	10.4%
Earnings from continuing operations	46	75	47	25	15	2	3
Net earnings	46	74	59	29	16	5	2
Cash flow (1)	88	109	76	47	29	10	11
Earnings per share from continuing operations							
Basic	1.94	3.16	2.01	1.11	0.66	0.12	0.19
Diluted	1.92	3.12	1.98	1.09	0.65	0.12	0.19
Earnings per share							
Basic	1.94	3.14	2.54	1.26	0.71	0.25	0.15
Diluted	1.92	3.10	2.50	1.23	0.70	0.24	0.14
EBITDA (2)	105	135	89	55	37	17	15
per share	4.43	5.72	3.85	2.42	1.69	0.84	0.94
Total net debt (net of cash)	(19)	22	7	40	57	33	32

	2009	2008	2007	2006 reclassified	2005 reclassified	2004 reclassified	2003 reclassified
Balance Sheet Summary							
Cash, net of demand loans	58	19	25	(5)	(11)	(7)	(6)
Property, plant and equipment	240	199	159	118	119	99	82
Debt	39	40	32	35	46	25	26
Shareholders' equity	365	288	221	158	142	124	91

(1) - from continuing operations before changes in non-cash working capital items

(2) - *Non-GAAP measure:*
Earnings before interest, income taxes, depreciation, amortization.
(2009 includes $9.0 million in restructuring charges and $0.7 million of goodwill and intangible assets impairment)

SHAREHOLDER INFORMATION

DIRECTORS

David Tennant
Chairman

Edward Breiner

David Fennell

David Hope

Francis McGuire

Derek Pannell

John Schiavi

Jo Mark Zurel

OFFICERS

Francis McGuire
President and Chief Executive Officer

Denis Larocque
Chief Financial Officer

James Gibson
VP Legal Affairs, General Counsel
and Corporate Secretary

David Balser
Vice President, Finance

Robert Morgan
Vice President, Business Development
and Latin American Operations

Robert Newburn
Vice President, North American and African Operations

Ray Baldry
Vice President, Australian and Asian Operations

TRANSFER AGENT

CIBC Mellon Trust Company

AUDITORS

Deloitte & Touche LLP

CORPORATE OFFICE

Major Drilling Group International Inc.

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ANNUAL GENERAL MEETING

The Annual General Meeting of the shareholders of Major Drilling Group International Inc. will be held at:

TSX Broadcast Centre
TSX Gallery
The Exchange Tower
130 King Street West
Toronto ON

September 9, 2009 at 10:00 am Eastern

NORTH AMERICAN OPERATIONS

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Winnipeg, MB
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Flin Flon, MB
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Yellowknife, NT
Tel: 867-873-4037
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Salt Lake City, UT
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SOUTH AND CENTRAL AMERICAN OPERATIONS

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Mexico

Hermosillo
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Antofagasta
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Kazakhstan

Almaty
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Tanzania

Mwanza
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* 50% ownership

Groupe Forage

MAJOR

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