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NEWS RELEASE

Major Drilling Reports Third Quarter Results

MONCTON, New Brunswick (March 3, 2011) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its third quarter of fiscal 2011, ended January 31, 2011.

Highlights

In millions of Canadian dollars (except earnings per share)	**Q3-11**	**Q3-10**	**YTD-11**	**YTD-10**
Revenue	$107.7	$72.5	$345.0	$210.5
Gross profit	23.9	12.0	85.5	52.0
As percentage of sales	22.2%	16.5%	24.8%	24.7%
Net earnings (loss)	1.7	(4.5)	18.1	(3.7)
Earnings (loss) per share	0.07	(0.19)	0.76	(0.16)
Cash flow from operations (before changes in non-cash working capital items)	11.0	1.3	41.7	21.2

- Major Drilling posted quarterly revenue of $107.7 million, up nearly 50 percent from the $72.5 million recorded for the same quarter last year.
- Gross margin percentage for the quarter was 22.2 percent compared to 16.5 percent for the corresponding period last year.
- Net earnings were $1.7 million or $0.07 per share for the quarter, compared to a net loss of $4.5 million or $0.19 per share for the prior year quarter.
- The Company has declared a semi-annual dividend of $0.22 ($0.0733 per share post 3:1 stock split, if approved) per share to be paid on May 2, 2011.

"The quarter ended with a profit despite the usual shutdown of operations over the holidays and severe weather issues. November was a particularly good month and continued the progression we experienced in our second quarter. December had its usual holiday shutdowns, while January got off to a slow start in many regions. This was compounded by heavy rains and floods in Australia, which not only reduced potential revenue and earnings but resulted in extra costs of $1 million in January. The Company also incurred significant training and setup costs given the strong pickup expected in the fourth quarter," said Francis McGuire, President and CEO of Major Drilling.

"Indications are that activity levels in calendar 2011 should be robust. Intermediate and junior mining companies with advanced projects have ramped up their already busy drilling programs by adding rigs. Most senior mining companies have significantly increased their exploration

budgets for 2011, and there have been recent increases in financings for junior mining companies. Nearly half of the funds from financings done on the TSX for mining in 2010 were raised in the last 3 months of the year. These financings should add a layer of activity to an industry where shortages of labour and supplies have already begun to appear."

"This pickup of activity has brought labour issues back to the forefront. To meet the labour availability challenge, we have stepped up our training efforts around the world, and have re-instated many of the initiatives that were successful in the last industry upturn. Extra trainees are being assigned to rigs and retention programs are being re-instated. In the 4 key areas where the labour shortage is most problematic (Canada, the USA, Australia and Chile) we are establishing 4 new training centres. The goals for these centres are to improve our retention rate for new entrants and to qualify candidates to enter into our driller-trainee programs within 6 months. But these initiatives will take time to catch up to the rapid ramp-up occurring, which could temporarily limit our ability to accept new work. Wage increases will be required in certain areas to retain and attract the most experienced drillers, which are key to high-quality customer service, as competition for drillers heats up," observed Mr. McGuire.

"Net capital expenditures for the quarter were $17.7 million as we purchased 16 rigs. We also retired 22 rigs through our modernization program. We are stepping up the renewal of our fleet, which will help improve productivity, safety and speed up training of crews. Also, through these additions, we hope to further improve rig utilization and reliability. In this coming fourth quarter, we intend to replace another 20 rigs through this modernization program."

"Looking ahead to our fourth quarter and fiscal 2012, we have a positive view. We continue to see a noticeable increase in inquiries from all categories of customers, and if customers move forward with their stated plans, we should see utilization rates continue to gradually improve as crews become available. This increase in utilization gives us considerable leverage to increase revenue and profits as we move forward."

"Also, given industry shortages in many of our operating areas, we expect pricing to continue to recover, which should help margins improve, although the shortage of experienced drill crews will put some pressure on labour costs and productivity, especially in our most active markets."

"The Company is pleased to announce that today its Board of Directors declared a cash dividend of $0.22 ($0.0733 per share post 3:1 stock split, if approved) per common share payable on May 2, 2011 to shareholders of record as of April 8, 2011. This dividend is designated as an "eligible dividend" for Canadian tax purposes," said Mr. McGuire.

"Finally, the Company will be holding a special meeting of shareholders on March 9, 2011 at 4:00 pm (EST) to consider and, if thought advisable, approve the 3 for 1 stock split announced on December 7, 2010."

Third quarter ended January 31, 2011

Total revenue for the third quarter was $107.7 million compared to $72.5 million recorded for the prior year period. All of the Company's regions contributed to this growth with Canada-U.S. having the greatest increase in activity. In Australia, although the Company saw signs of strong recovery, the ability of that operation to contribute was hampered by heavy floods in Queensland.

Revenue from Canada-U.S. drilling operations was up 75 percent to $38.2 million for the quarter compared to $21.8 million for the same period last year. U.S. operations saw a strong recovery particularly from its senior customers. In Canada, activity levels continue to increase but startups were somewhat slower than last year.

In South and Central America, revenue for the quarter was $36.8 million, up 39 percent from $26.5 million recorded in the prior year quarter. The increase was primarily driven by Argentina and Mexico, where activity levels picked up substantially compared to last year.

Australian, Asian and African drilling operations reported revenue of $32.7 million, up 35 percent from $24.2 million reported in the same period last year. The revenue increase came primarily from Mongolia, Tanzania and the recent startup of Kazakhstan.

The overall gross margin percentage for the quarter was 22.2 percent compared to 16.5 percent for the same period last year. Margins were impacted by costs relating to the ramp-up of operations as the Company was gearing up for new contracts. Higher mobilization costs, combined with additional personnel being trained, added a layer of costs this quarter.

General and administrative costs were $10.1 million for the quarter compared to $7.9 million in the same period last year. The increase was due to the addition of the new environmental division and also increased costs to support the strong growth in activity levels.

Other expenses were flat at $1.8 million for the quarter.

Some of the statements contained in this press release may be forward-looking statements, such as, but not limited to, those relating 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 as may be set forth, as well as objectives or goals, and including words to the effect that the Company or management expects a stated condition to exist or occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements by reason of factors such as, but not limited to, the factors set out in the discussion starting on pages 15 to 17 of the 2010 Annual Report entitled "General Risks and Uncertainties", and such other documents

as available on SEDAR at www.sedar.com. All such factors should be considered carefully when making decisions with respect to the Company. The Company does not undertake to update any forward-looking statements, including those statements that are incorporated by reference herein, whether written or oral, that may be made from time to time by or on its behalf, except in accordance with applicable securities laws.

Based in Moncton, New Brunswick, Major Drilling Group International Inc. is one of the world's largest metals and minerals contract drilling service companies. To support its customers' mining operations, mineral exploration and environmental activities, Major Drilling maintains operations in Canada, the United States, South and Central America, Australia, Asia, and Africa.

Financial statements are attached.

Major Drilling will provide a simultaneous webcast of its quarterly conference call on ***Friday, March 4, 2011 at 9:00 AM (EST).*** *To access the webcast please go to the investors/webcast section of Major Drilling's website at www.majordrilling.com and click the attached link, or go directly to the CNW Group website at www.newswire.ca for directions. Participants will require Windows MediaPlayer, which can be downloaded prior to accessing the call. Please note that this is listen only mode.*

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

	Nine months ended January 31		Three months ended January 31	
	2011	2010	**2011**	2010
TOTAL REVENUE	**$ 345,018**	$ 210,488	**$ 107,720**	$ 72,471
DIRECT COSTS	**259,512**	158,487	**83,847**	60,492
GROSS PROFIT	**85,506**	52,001	**23,873**	11,979
OPERATING EXPENSES				
General and administrative	**29,614**	24,930	**10,112**	7,932
Other expenses	**5,135**	3,828	**1,825**	1,796
Foreign exchange (gain) loss	**(220)**	(663)	**1,028**	166
Interest expense (revenue)	**331**	(128)	**100**	(33)
Interest expense on long-term debt	**545**	813	**165**	239
Amortization	**23,371**	22,783	**8,257**	7,343
Restructuring charge	**-**	1,220	**-**	-
Goodwill impairment	**-**	2,032	**-**	-
	58,776	54,815	**21,487**	17,443
EARNINGS (LOSS) BEFORE INCOME TAX	**26,730**	(2,814)	**2,386**	(5,464)
INCOME TAX - PROVISION (RECOVERY)				
Current	**9,447**	3,214	**597**	1,912
Future	**(854)**	(2,339)	**125**	(2,923)
	8,593	875	**722**	(1,011)
NET EARNINGS (LOSS)	**$ 18,137**	$ (3,689)	**$ 1,664**	$ (4,453)
EARNINGS (LOSS) PER SHARE				
Basic *	**$ 0.76**	$ (0.16)	**$ 0.07**	$ (0.19)
Diluted **	**$ 0.76**	$ (0.15)	**$ 0.07**	$ (0.19)

*Based on 23,817,294 and 23,719,622 daily weighted average shares outstanding for the fiscal year to date 2011 and 2010, respectively, and on 23,859,937 and 23,723,932 daily weighted average shares outstanding for the third quarter ended January 31, 2011 and 2010, respectively. The total number of shares outstanding on January 31, 2011 was 23,866,375.

**Based on 24,014,272 and 23,874,652 daily weighted average shares outstanding for the fiscal year to date 2011 and 2010, respectively, and on 24,178,057 and 23,938,688 daily weighted average shares outstanding for the third quarter ended January 31, 2011 and 2010, respectively.

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

	Nine months ended January 31		Three months ended January 31	
	2011	2010	**2011**	2010
NET EARNINGS (LOSS)	**$ 18,137**	$ (3,689)	**$ 1,664**	$ (4,453)
OTHER COMPREHENSIVE EARNINGS (LOSS)				
Unrealized gain (loss) on translating financial statements of self-sustaining foreign operations	**4,280**	(24,975)	**(4,315)**	(959)
COMPREHENSIVE EARNINGS (LOSS)	**$ 22,417**	$ (28,664)	**$ (2,651)**	$ (5,412)

Consolidated Statements of Retained Earnings
(in thousands of Canadian dollars)
(unaudited)

	Nine months ended January 31	
	2011	2010
RETAINED EARNINGS, BEGINNING OF THE PERIOD	**$ 209,025**	$ 218,983
Net earnings (loss)	**18,137**	(3,689)
Dividend	**(5,243)**	(4,745)
RETAINED EARNINGS, END OF THE PERIOD	**$ 221,919**	$ 210,549

Consolidated Statements of Accumulated Other Comprehensive Loss
(in thousands of Canadian dollars)
(unaudited)

	Nine months ended January 31	
	2011	2010
ACCUMULATED OTHER COMPREHENSIVE LOSS, BEGINNING OF THE PERIOD	**$ (44,333)**	$ (5,079)
Unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	**4,280**	(24,975)
ACCUMULATED OTHER COMPREHENSIVE LOSS, END OF THE PERIOD	**$ (40,053)**	$ (30,054)

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

	Nine months ended January 31		Three months ended January 31	
	2011	2010	**2011**	2010
OPERATING ACTIVITIES				
Net earnings (loss)	**$ 18,137**	$ (3,689)	**$ 1,664**	$ (4,453)
Operating items not involving cash				
Amortization	**23,371**	22,783	**8,257**	7,343
(Gain) loss on disposal of property, plant and equipment	**(426)**	934	**391**	933
Future income tax (recovery)	**(854)**	(2,339)	**125**	(2,923)
Stock-based compensation	**1,463**	1,485	**556**	441
Goodwill impairment	**-**	2,032	**-**	-
	41,691	21,206	**10,993**	1,341
Changes in non-cash operating working capital items	**5,736**	11,562	**9,914**	11,887
Cash flow from operating activities	**47,427**	32,768	**20,907**	13,228
FINANCING ACTIVITIES				
Repayment of long-term debt	**(7,124)**	(9,026)	**(1,890)**	(2,557)
Proceeds from short-term debt (note 8)	**10,400**	-	**-**	-
Issuance of common shares	**1,412**	28	**132**	-
Dividend paid	**(9,993)**	(9,488)	**(5,243)**	(4,745)
Cash flow used in financing activities	**(5,305)**	(18,486)	**(7,001)**	(7,302)
INVESTING ACTIVITIES				
Business acquisition (note 5)	**(2,567)**	-	**(30)**	-
Acquisition of property, plant and equipment	**(40,515)**	(17,282)	**(18,307)**	(10,074)
Proceeds from disposal of property, plant and equipment	**3,929**	1,610	**572**	113
Cash flow used in investing activities	**(39,153)**	(15,672)	**(17,765)**	(9,961)
OTHER ACTIVITIES				
Foreign exchange translation adjustment	**(1,034)**	(2,954)	**179**	203
INCREASE (DECREASE) IN CASH	**1,935**	(4,344)	**(3,680)**	(3,832)
CASH POSITION, BEGINNING OF THE PERIOD	**30,232**	58,035	**35,847**	57,523
CASH POSITION, END OF THE PERIOD	**$ 32,167**	$ 53,691	**$ 32,167**	$ 53,691

Major Drilling Group International Inc.
Consolidated Balance Sheets
As at January 31, 2011 and April 30, 2010
(in thousands of Canadian dollars)
(unaudited)

ASSETS		January 2011		April 2010
CURRENT ASSETS				
Cash	$	**32,167**	$	30,232
Accounts receivable		**70,999**		62,128
Income tax receivable		**4,784**		10,053
Inventories		**67,155**		63,170
Prepaid expenses		**5,345**		4,813
Future income tax assets		**247**		793
		180,697		171,189
PROPERTY, PLANT AND EQUIPMENT		**229,995**		210,812
FUTURE INCOME TAX ASSETS		**10,396**		8,117
GOODWILL AND INTANGIBLE ASSETS (note 7)		**27,058**		25,538
	$	**448,146**	$	415,656

LIABILITIES		January 2011		April 2010
CURRENT LIABILITIES				
Accounts payable and accrued charges	$	**57,898**	$	54,027
Income tax payable		**7,481**		2,830
Short-term debt (note 8)		**11,129**		-
Current portion of long-term debt		**6,701**		8,887
Future income tax liabilities		**23**		819
		83,232		66,563
LONG-TERM DEBT		**10,178**		15,041
FUTURE INCOME TAX LIABILITIES		**16,418**		15,783
		109,828		97,387
SHAREHOLDERS' EQUITY				
Share capital		**143,847**		142,435
Contributed surplus		**12,605**		11,142
Retained earnings		**221,919**		209,025
Accumulated other comprehensive loss		**(40,053)**		(44,333)
		338,318		318,269
	$	**448,146**	$	415,656

1. BASIS OF PRESENTATION

These interim consolidated financial statements were prepared using accounting policies and methods consistent with those used in the preparation of the Company's audited consolidated financial statements for the year ended April 30, 2010. These interim consolidated financial statements conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements, with the exception of certain note disclosures. As a result, these interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended April 30, 2010 contained in the Company's 2010 annual report.

2. FUTURE ACCOUNTING CHANGES

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 and implementation plan and assessing the impacts of the conversion on the consolidated financial statements and disclosures of the Company.

3. SEASONALITY OF OPERATIONS

The Company's operations tended to exhibit a seasonal pattern whereby its fourth quarter (February to April) was its strongest. With the exception of the third quarter, the Company has, over the past several years, exhibited comparatively less seasonality in quarterly revenue. 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. Coming out of the recent economic and industry downturn, 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.

4. FUNCTIONAL CURRENCY

Effective May 1, 2010, the Company's operation in Chile changed its functional currency from the U.S. dollar to the Chilean peso. Factors considered when changing the functional currency included contract revenue being determined in local currency, the currency of operating costs and local regulations requiring invoicing and settlement of these being performed in the local currency. This change has been done in accordance with CICA Handbook Section 1651, Foreign Currency Translation, and consequently applied prospectively. All items were translated to the new functional currency using the exchange rate at the date of the change.

5. BUSINESS ACQUISITIONS

North Star Drilling

Effective June 30, 2010, the Company acquired the assets of North Star Drilling, which provides contract drilling services to the fresh water and geothermal markets in certain mid-western states in the USA, and operates from its head office in Little Falls, Minnesota, as well as from satellite offices in Brainerd and Bemidji, Minnesota. The acquired business includes drilling equipment, contracts and employees. The purchase price for the transaction was USD $2,449 (CAD $2,567), including customary working capital adjustments, financed with cash. There is also a contingent consideration of USD $750 to the purchase price, based on future earnings.

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

Assets acquired and liabilities assumed	
Accounts receivable	$ 776
Inventories	382
Prepaid expenses	18
Property, plant and equipment	1,078
Goodwill	329
Intangible assets	763
Accounts payable	(779)
Net assets	$ 2,567
Consideration	
Cash	$ 2,567

SMD Services

Effective February 26, 2010, the Company acquired SMD Services based in Huntsville, Alabama. Through this purchase, Major Drilling entered the environmental drilling sector and acquired a small fleet of sonic, probe and auger drill rigs, as well as a skilled management team and personnel. The purchase price for the transaction was USD $1,953 (CAD $2,064), including customary working capital adjustments, financed with cash. There is also a contingent consideration of USD $2,000 to the purchase price, based on future earnings.

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

Assets acquired and liabilities assumed	
Cash	$ 90
Accounts receivable	234
Prepaid expenses	46
Property, plant and equipment	1,605
Intangible assets	249
Accounts payable	(160)
Net assets	$ 2,064
Consideration	
Cash	$ 2,064

6. INVENTORY

The cost of inventory recognized as an expense and included in direct costs for the nine and three months ended January 31, 2011 was $57,708 and $15,544 respectively. During the period, 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.

7. GOODWILL AND INTANGIBLE ASSETS

	January 2011	April 2010
Goodwill	**$ 25,559**	$ 24,464
Intangible assets	**1,499**	1,074
	$ 27,058	$ 25,538

Intangible assets include the carrying value of customer relationships and a non-compete agreement, which are amortized on a straight-line basis between a three and five year period.

Changes in the goodwill and intangible assets balance were as follows for the nine and three months ending January 31, 2011 and 2010:

	2011 YTD	2010 YTD	**2011 Q3**	2010 Q3
Balance at beginning of the period	**$ 25,538**	$ 32,072	**$ 27,373**	$ 26,297
Goodwill and intangible assets acquired	**1,092**	-	**30**	-
Amortization of intangible assets	**(572)**	(396)	**(275)**	(132)
Goodwill adjustment	**-**	(1,690)	**-**	-
Goodwill impairment	**-**	(2,032)	**-**	-
Effect of foreign currency exchange rate changes	**1,000**	(1,817)	**(70)**	(28)
	$ 27,058	$ 26,137	**$ 27,058**	$ 26,137

8. SHORT-TERM DEBT

In the first quarter of the current fiscal year, the Company borrowed 5,375 million Chilean pesos (CAD $10.4 million), initially secured by a USD $10 million stand-by letter of credit drawn from the Company's demand credit facility, carrying interest at an annual rate of 5.18 percent and maturing in May 2011. In the third quarter, the stand-by letter of credit was increased to USD $11 million due to the weakening of the US dollar.

9. CAPITAL MANAGEMENT

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

Total managed capital was as follows:

	January 2010	April 2010
Short-term debt	**$ 11,129**	$ -
Long-term debt	**16,879**	23,928
Share capital	**143,847**	142,435
Contributed surplus	**12,605**	11,142
Retained earnings	**221,919**	209,025
Cash	**(32,167)**	(30,232)
	$ 374,212	$ 356,298

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.

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 fiscal 2010.

10. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, accounts receivable 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 $16,879 as at January 31, 2011 (April 30, 2010 - $23,928), which also approximates its fair 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.

10. FINANCIAL INSTRUMENTS (Continued)

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. It 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 26 percent (22 percent in 2010) of total quarterly revenue, with no one customer representing more than 10 percent of its revenue for 2011 or 2010.

The carrying amounts for accounts receivable are net of allowances for doubtful accounts, which are estimated based on aged analyses 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 January 31, 2011, 80 percent of the Company's trade receivables were aged as current and 2.7 percent of the trade receivables were impaired.

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.

Interest rate risk

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

As at January 31, 2011, the Company has estimated that a one percentage point increase in interest rates would have caused a quarterly decrease in net income of approximately $42 and a one percentage decrease in interest rates would have caused a quarterly increase in net income of $42.

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 accounting 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.

10. FINANCIAL INSTRUMENTS (Continued)

Based on the Company's foreign currency net monetary exposures and net assets as at January 31, 2011, and assuming that all other variables remain constant, a 10 percent 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%
U.S. Dollar	$ **(1,501)**	$ **1,501**

	Increase (decrease) in comprehensive earnings	
	Canadian dollar appreciates 10%	Canadian dollar depreciates 10%
U.S. Dollar	$ **(23,531)**	$ **23,531**
Chilean Peso	**(3,664)**	**3,664**
Australian Dollar	**(901)**	**901**

Liquidity risk

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

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 January 31, 2011 are as follows:

	Total	**1 year**	**2-3 years**	**4-5 years**
Accounts payable & accrued charges	$ **57,898**	$ **57,898**	$ **-**	$ **-**
Short-term debt	**11,129**	**11,129**	**-**	**-**
Long-term debt	**16,879**	**6,701**	**9,982**	**196**
	$ **85,906**	$ **75,728**	$ **9,982**	$ **196**

11. SEGMENTED INFORMATION

	2011 YTD	2010 YTD	**2011 Q3**	2010 Q3
Revenue				
Canada - U.S.	**$ 129,211**	$ 66,081	**$ 38,191**	$ 21,802
South and Central America	**118,896**	68,889	**36,836**	26,486
Australia, Asia and Africa	**96,911**	75,518	**32,693**	24,183
	$ 345,018	$ 210,488	**$ 107,720**	$ 72,471
Earnings (loss) from operations				
Canada - U.S.	**$ 16,571**	$ 5,394	**$ 1,648**	$ 13
South and Central America	**10,565**	5,400	**1,561**	132
Australia, Asia and Africa	**10,098**	(2,317)	**2,979**	(2,883)
	37,234	8,477	**6,188**	(2,738)
Eliminations	**(699)**	(1,024)	**(234)**	(367)
	36,535	7,453	**5,954**	(3,105)
Interest expense, net	**876**	685	**265**	206
General corporate expenses	**8,929**	6,330	**3,303**	2,153
Restructuring charge	**-**	1,220	**-**	-
Goodwill impairment	**-**	2,032	**-**	-
Income tax	**8,593**	875	**722**	(1,011)
Net earnings (loss)	**$ 18,137**	$ (3,689)	**$ 1,664**	$ (4,453)

Goodwill impairment relates to the South and Central American segment for the fiscal year 2010.