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NEWS RELEASE

Major Drilling Reports First Quarter Results and Declares Dividend

MONCTON, New Brunswick (September 3, 2014) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its first quarter of fiscal year 2015, ended July 31, 2014.

Highlights

In millions of Canadian dollars (except earnings per share)	**Q1-15**	**Q1-14**
Revenue	$67.6	$108.2
Gross profit As percentage of sales	16.7 24.7%	35.1 32.5%
EBITDA(1) As percentage of revenue	4.8 7.0%	19.6 18.1%
Net (loss) earnings	(7.3)	1.5
(Loss) earnings per share	(0.09)	0.02

(1) Earnings before interest, taxes, depreciation and amortization, excluding restructuring charges (see "non-gaap financial measures")

- Cash on hand at quarter-end was $65.5 million while total debt was $22.6 million, for a net cash position of $42.8 million.

- Major Drilling posted quarterly revenue of $67.6 million, down 38% from the $108.2 million recorded for the same quarter last year.

- Gross margin percentage for the quarter was 24.7%, compared to 32.5% for the corresponding period last year.

- General and Administrative costs are down 16% from the same quarter last year and 13% from the previous quarter three months ago.

- Net loss was $7.3 million or $0.09 per share for the quarter, compared to net earnings of $1.5 million or $0.02 per share for the prior year quarter.

- Completed acquisition of Taurus Drilling effective August 1st, 2014

- Employees worldwide have worked over 12 months and 6 million hours without a lost time injury.

- The Board of Directors has declared a semi-annual dividend of $0.10 per share to be paid on November 3, 2014.

"In the quarter, revenue and margins reflected the impact of the lowest pricing that we have seen in 15 years. As senior mining houses focus on cutting costs, they are more likely to defer specialized drilling projects, which are more expensive by nature. The Company, therefore, finds itself competing more often on a pure price basis, and management has to find the optimum balance between price and volume. Additionally, in a number of jurisdictions, uncertainty as to the policies of host governments or issues around land tenure continues to have an impact on activity levels," said Francis McGuire, President and CEO of Major Drilling. "With decreasing prices, our margins continue to be affected as we struggle to improve productivity beyond all the gains we have been able to make over the last 18 months. These levels of pricing are not sustainable beyond the medium term as it will affect the capacity of the industry to maintain the quality of its equipment. We should note that this quarter our margins were affected by higher than normal repair costs, as we continued to prepare rigs in order to be able to respond rapidly to any customer requests."

"Despite the difficult environment, Major Drilling remains debt free, with a net cash position of \$42.8 million at the end of the quarter. During the quarter our net cash decreased by \$3.7 million, as we paid our semi-annual dividend of \$7.9 million, which was offset by the sale of \$9.7 million in equipment in Australia as the Company exited that country. Capital expenditures for the quarter were \$7.1 million, as we purchased 2 rigs and added support equipment, while retiring 20 rigs, which included 15 rigs sold in Australia. This amount of capital expenditures is higher than usual, as the Company continued to diversify in energy, grade control and our new operation in Brazil. These initiatives should generate revenue in coming quarters. Subsequent to the end of the quarter the Company spent \$15 million in cash as part of the purchase price in relation to the Taurus acquisition. With this acquisition, which closed on August 1st, the Company added a new line of activity as well. We can now provide an even wider range of complimentary services, offering both underground production drilling as well as our existing underground core drilling."

"Due to the uncertainty around economic matters impacting the mining market, it is very difficult to predict customer behavior over the next twelve months, as senior customers are still very cautious about investing in future projects. In the immediate future, however, we will be adding revenue from the Taurus acquisition, and we are in a unique position to react quickly when the industry begins to recover as the Company's financial strength has allowed it to invest in safety and to maintain its equipment in excellent condition. For now the Company will continue to focus on cash generation by limiting capital expenditures as necessary, by reducing inventory and by closely managing costs. 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. Also, during the quarter, we have been able to reduce our general and administrative costs by \$1.7 million of which \$0.7 million relates to the closure of our Australian operations. As we did with Australia, we continually review the long-term viability of all our operations," said Mr. McGuire.

"As a result of the Taurus acquisition the Company has invested some of its cash in building for the future. We will continue to look to take advantage of the current market conditions by using our strong balance sheet to seek out strategic opportunities to further build our business. Based on our continuing strong balance sheet the Board of Directors has declared a semi-annual dividend of \$0.10 per common share, which will be paid on November 3, 2014 to shareholders of record as of October 10, 2014. This dividend is designated as an "eligible dividend" for Canadian tax purposes. The Board will continue to closely monitor the Company's balance sheet, and the market in general, in determining the optimal use of its cash resources between acquisitions, capital expenditures and dividends."

First quarter ended July 31, 2014

Total revenue for the quarter was $67.6 million, down 38% from revenue of $108.2 million recorded in the same quarter last year. Uncertainty around economic matters impacting the mining market caused some customers to delay or cancel their exploration drilling plans, which impacted the quarter's results compared to last year. In a number of jurisdictions, uncertainty as to the policies of host governments or issues of land tenure also had an impact on quarter results. Also, many junior customers have scaled back or suspended drilling activities as compared to last year.

Revenue for the quarter from Canada-U.S. drilling operations decreased by 32% to $36.4 million compared to the same period last year. All of the decrease came from Canada, as our U.S. operation was able to maintain its activity at the same levels as the corresponding quarter last year.

South and Central American revenue was down 35% to $14.1 million for the quarter, compared to the prior year quarter. All of the countries in this region, particularly Mexico, Chile and Argentina, were affected by a reduction in work by juniors and the cancellation or reduction of projects. Additionally, in Colombia, geopolitical factors have slowed exploration efforts of many mining companies. In Brazil, the Company had its first month of operations, although it is expected that it will take a few months to attain an adequate volume to become profitable.

Australian, Asian and African operations reported revenue of $17.0 million, down 49% from the same period last year. Three main factors affected the region's revenue: 1) Australia, where the Company has shut down operations, 2) Mongolia, which is affected by political uncertainty around mining laws, and 3) Mozambique, where the cancellation of one large project had a significant impact on that operation.

The overall gross margin percentage for the quarter was 24.7%, down from 32.5% for the same period last year. Margins continue to be affected by reduced pricing due to increased competitive pressures. As well, margins were affected by higher than normal repair costs this quarter, as the Company continued to prepare rigs in order to be able to respond rapidly to any customer requests.

General and administrative costs were down 16% from last year at $11.0 million for the quarter compared to $13.0 million in the same period last year. With the decrease in activity, the Company has reduced its general and administrative costs by implementing reductions of salaried employees, restructuring certain branches, and reducing management salaries. The Company continues to review the viability of all its operations.

Other expenses for the quarter were $0.9 million, down from $1.1 million in the prior year quarter, due primarily to lower incentive compensation expenses given the Company's decreased profitability, which was somewhat offset by higher bad debt provisions.

The Annual General Meeting of the shareholders of Major Drilling Group International Inc. will be held at The TMX Broadcast Centre, Gallery, The Exchange Tower, 130 King St. W., Toronto, Ontario, on Thursday, September 4, 2014 at 11:00 am EDT.

Non-GAAP Financial Measures

In this news release, the Company uses the non-GAAP financial measure, EBITDA excluding restructuring charges, goodwill and intangible impairment and gain on reversal of contingent consideration. The Company believes these non-GAAP financial measures provide useful information to both management and investors in measuring the financial performance of the Company. These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Forward-Looking Statements

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 on pages 15 to 18 of the 2014 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 services companies. To support its customers' mining operations, mineral exploration and environmental activities, Major Drilling maintains field operations and offices in Canada, the United States, Mexico, South America, Asia, and Africa.

Financial statements are attached.

Major Drilling will provide a simultaneous webcast of its quarterly conference call on ***Thursday, September 4, 2014 at 9:00 AM (EDT).*** *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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For further information:
Denis Larocque, Chief Financial Officer
Tel: (506) 857-8636
Fax: (506) 857-9211
ir@majordrilling.com