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NEWS RELEASE

Major Drilling Reports First Quarter Results and Declares Dividend

MONCTON, New Brunswick (September 9, 2013) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its first quarter of fiscal year 2014, ended July 31, 2013.

Highlights

In millions of Canadian dollars (except earnings per share)	Q1-14	Q1-13
Revenue	$108.2	$237.6
Gross profit	35.1	81.3
As percentage of sales	32.5%	34.2%
EBITDA[(1)]	19.6	60.1
As percentage of revenue	18.1%	25.3%
Net earnings	1.5	31.9
Earnings per share	0.02	0.40

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

- Earnings before taxes for the quarter, excluding restructuring charges, were $5.8 million.

- Cash on hand at quarter-end was $61.1 million while total debt was $30.6 million, for a net cash position of $30.5 million.

- Major Drilling posted quarterly revenue of $108.2 million, down 54% from the $237.6 million recorded for the same quarter last year.

- Gross margin percentage for the quarter was 32.5%, compared to 34.2% for the corresponding period last year.

- General and Administrative costs are down 25% from the same quarter last year and 15% from the previous quarter three months ago.

- Net earnings (including a restructuring charge of $2.0 million) were $1.5 million or $0.02 per share for the quarter, compared to net earnings of $31.9 million or $0.40 per share for the same quarter last year.

- Given the Company's financial strength, the Board of Directors has declared a semi-annual dividend of $0.10 per share to be paid on November 1, 2013.

“With the uncertainty around economic matters impacting the mining market, we continued to see some customers delaying or cancelling their exploration drilling plans. In a number of jurisdictions, uncertainty as to the policies of host governments or issues of land tenure also continues to have an impact on activity levels. These factors, combined with the fact that sources of funding for junior mining companies remain limited, have led to decreased activity in all regions. Lower levels of demand have significantly increased competitive pressures and will likely continue to have an impact for the rest of calendar 2013. Despite lower pricing levels, we maintained good margin performance thanks to the improved productivity of our crews and to the cost-cutting measures that we have implemented. However, going forward, further reductions in pricing will be more difficult to offset by gains in productivity,” said Francis McGuire, President and CEO of Major Drilling.

“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 relate to variable incentive compensation based on the Company’s profitability. In fact, in the last twelve months, staffing is down by 45% or 2,300 positions. During the quarter, we incurred additional restructuring costs of $2.0 million relating to a further reduction of staff. Also, senior management’s salaries and directors’ fees were reduced during the quarter. At the same time, the Company’s financial strength allows it to continue to invest in safety, to maintain its equipment in excellent condition, and to retain skilled employees, all of which are essential to react quickly when the industry recovers.”

“Despite the difficult environment, we expect operations to generate positive cash flow in fiscal 2014. Major Drilling remains in excellent financial position with $61.1 million in cash and total debt of $30.6 million at the end of the quarter, for a net cash position of $30.5 million. During the quarter, our net cash decreased by $8.2 million as we paid our semi-annual dividend of $7.9 million and also paid last year’s annual employee profit-share of $6.4 million, which varies year-to-year. The Company will continue to focus on cash management by limiting capital expenditures, by reducing inventory and by closely monitoring costs. Capital expenditures for the quarter were $5.2 million as we purchased three rigs and support equipment, while retiring seven rigs. During the quarter, the Company also paid down $11.2 million of its revolving bank loan in order to reduce its finance costs.”

“The current economic environment will continue to significantly impact drilling in the short to medium-term, particularly on gold projects where the Company has a significant presence. Also, lower levels of demand have increased competitive pressures, which will impact pricing going forward. With the number of projects being either delayed or cancelled around the world, we believe that in the medium-term, most commodities could face an imbalance between supply and demand, and that the need to develop resources in areas that are increasingly difficult to access will increase, which should increase demand for specialized drilling,” said Mr. McGuire.

“Given the Company’s financial strength, the Board of Directors has declared a semi-annual dividend of $0.10 per common share, which will be paid on November 1, 2013 to shareholders of record as of October 10, 2013. This dividend is designated as an “eligible dividend” for Canadian tax purposes.”

First quarter ended July 31, 2013

Total revenue for the quarter was $108.2 million, down 54% from the record revenue of $237.6 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 53% to $53.4 million compared to the same period last year. Although Canadian revenue was down 43% compared to the same quarter last year, U.S. operations were more affected, in part due to the scale down of its environmental division.

South and Central American revenue was down 69% to $21.7 million for the quarter, compared to the same quarter last year. 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.

Australian, Asian and African operations reported revenue of $33.1 million, down 40% from the same period last year. Three main factors affected the region's revenue: 1) Australia, where projects have been cancelled due to high costs being incurred by mining companies and new mining taxes, 2) Mongolia, which is affected by political uncertainty around mining laws, and 3) Tanzania, where the Company is closing its operations.

The overall gross margin percentage for the quarter was 32.5%, down from 34.2% for the same period last year, but still a historically strong margin. Reduced pricing due to increased competitive pressures and delays impacted margins, however the Company has been able to recapture some of this loss through productivity gains and cost cutting.

General and administrative costs were down 25% from last year at $13.0 million for the quarter compared to $17.3 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.

Other expenses for the quarter were $1.1 million, down from $5.3 million in the same quarter last year, due primarily to lower incentive compensation expenses given the Company's decreased profitability.

During the quarter, the Company incurred a loss on exchange of $1.2 million compared to a gain on exchange of $1.4 million last year. This year's loss on exchange was primarily due to monetary items in Chile, Australia and Argentina where currencies had significant variances during the quarter.

The Company recorded a restructuring charge of $2.0 million consisting primarily of retrenchment costs following additional staff reduction initiatives implemented during the quarter across the Company.

The Annual and Special 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 Wednesday, September 11, 2013 at 3:00 pm EDT. This will be followed by a shareholder engagement meeting, where Directors of the Company will be available to address any shareholder issues. The meeting will be held by teleconference at 647-427-7450 (please mention Major Drilling – Shareholder Engagement Session) and in person at Global Prime Office, 130 King St. W., Suite 1800, at 4:15 pm EDT. If you plan on attending in person, please RSVP to Chantal Melanson at chantal.melanson@majordrilling.com or call 506-857-8636.

Non-GAAP Financial Measure

In this news release, the Company uses the non-GAAP financial measure, EBITDA. The Company believes this non-GAAP financial measure provides useful information to both management and investors in measuring the financial performance of the Company. This measure does not have a standardized meaning prescribed by GAAP and therefore it 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 16 to 18 of the 2013 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' varied exploration drilling requirements, Major Drilling maintains field operations and offices 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 ***Tuesday, September 10, 2013 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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