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NEWS RELEASE

Major Drilling Announces Second Quarter Results

MONCTON, New Brunswick (December 4, 2014) – Major Drilling Group International Inc. (TSX: MDI) (the "Company") today reported results for its second quarter of fiscal year 2015, ended October 31, 2014.

Highlights

In millions of Canadian dollars (except loss per share)	**Q2-15**	**Q2-14**	**YTD-15**	**YTD-14**
Revenue	$87.2	$92.3	$154.7	$200.5
Gross profit	20.7	30.0	37.4	65.1
As percentage of sales	23.8%	32.5%	24.2%	32.5%
EBITDA(1)	8.4	15.7	13.1	35.3
As percentage of revenue	9.6%	17.0%	8.5%	17.6%
Net loss	(10.1)	(19.1)	(17.5)	(17.6)
Loss per share	(0.13)	(0.24)	(0.22)	(0.22)

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

- Cash on hand at quarter-end was $51 million while total debt was $19 million, for a net cash position of $32 million, following payments of $21 million for the Taurus acquisition.

- Major Drilling posted quarterly revenue of $87.2 million, down 6% from the $92.3 million recorded for the same quarter last year, but up 29% from $67.6 million in the previous quarter.

- Gross margin percentage for the quarter was 23.8%, compared to 32.5% for the corresponding period last year.

- Net loss was $10.1 million or $0.13 per share ($0.13 per share diluted) for the quarter, compared to a net loss of $19.1 million or $0.24 per share ($0.24 per share diluted) for the prior year quarter.

- Taurus Drilling acquisition was effective as of August 1, 2014, complementing our underground services.

"Despite a very difficult environment, we have been able to increase our revenue by 29% and our EBITDA by 75% over our first quarter of fiscal 2015, with slightly more than half of the increases coming from our Taurus acquisition. Our existing coring business has seen increased utilization, although still at depressed prices. We should note that last year's revenue included some $9 million from Australia and the Democratic Republic of Congo ("DRC"), branches where operations have since closed. Lower levels of demand have significantly increased competitive pressures and our margins continue to be affected as we find it difficult to improve productivity beyond all the gains we have been able to make over the last two years," said Francis McGuire, President and CEO of Major Drilling.

"The operating environment in 2014 has been very difficult as customers have focused their work almost exclusively on mine sites. We expect this trend to continue into 2015. As a result, we have seen a significant decrease in higher margin specialized drilling and a much greater focus on production related drilling such as underground drilling, which is less expensive and has lower margins. We are continuing to adapt to the current market conditions as demonstrated recently with our acquisition of Taurus Drilling. With underground activities currently representing 26% of our revenue, and depressed pricing in our other operations, margins were lower at 23.8%. Also, during the quarter the Company recorded a restructuring charge of $2.8 million, primarily relating to the decision to close its operations in the DRC due to ongoing administrative difficulties associated with operating in that country. As the outlook for 2015 becomes clearer, we will continue to evaluate each of our operations and continue to review the appropriate levels for our dividend."

"While many branches continue to be profitable in the quarter, there are some unprofitable branches, including Chile, Colombia, Mongolia, West Africa and Brazil, which we continue to support because we believe that they have potential. We continue to hope that the political stalemate in Mongolia around mining projects will get resolved shortly, and we will continue to build our operation in Brazil. Our most profitable branches are located in high tax jurisdictions, and in a number of unprofitable jurisdictions we have not recorded additional tax loss provisions. As a consequence, net income tax expense was $2.4 million during the quarter."

"As we go through this challenging period, we continue to focus on cash generation. Major Drilling remains debt free, with a net cash position of $32 million at the end of the quarter. Although we paid $20.9 million on the Taurus acquisition during the quarter, our net cash only decreased by $10.6 million."

"Due to the uncertainty around economic matters impacting the mining market, it is very difficult to forecast customer demand over the next twelve months, as senior customers are still very cautious about investing in future projects. In the immediate future, however, we are adding revenue from the Taurus acquisition, which has allowed us to provide an even wider range of complementary services, adding underground production drilling to our existing underground core drilling. Also, 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."

"Capital expenditures were limited to $2.9 million this quarter, including purchases of support equipment for our new percussive underground business, as we see opportunities for this type of service. Additionally, during the quarter, the Company added 39 percussive underground drills from the acquisition while retiring 9 rigs," added Mr. McGuire.

"It is important to note that we are now in our third quarter, traditionally the weakest quarter of our fiscal year, as mining and exploration companies shut down, often for extended periods over the holiday season. At this time, most senior and intermediate companies are still working through their budget process and have yet to decide on post-holiday start-up dates. As usual, due to the time it takes to mobilize once contracts are awarded, a slow pace of start-ups is expected in January, which will impact overall third quarter revenue. We expect pricing to remain competitive until utilization rates pick up significantly, especially in conventional drilling. Therefore, as we have experienced in some past years, we expect to generate a seasonal loss in the upcoming third quarter."

Second quarter ended October 31, 2014

Total revenue for the quarter was $87.2 million, down 6% from revenue of $92.3 million recorded in the same quarter last year, but up 29% from the first quarter. Uncertainty around economic matters impacting the mining market continues to cause delays in customers' exploration drilling plans, and in a number of jurisdictions, uncertainty as to the policies of host governments or issues of land tenure also had an impact on quarterly results. Also, many junior customers have scaled back or suspended drilling activities due to a lack of capital.

Revenue for the quarter from Canada-U.S. drilling operations increased by 14% to $49.8 million compared to the same period last year. Both countries continue to be affected by the slowdown in the industry, but decreased revenue in exploration drilling was more than offset by the additional revenue provided by the Taurus acquisition.

South and Central American revenue was up 33% to $23.3 million for the quarter, compared to the same quarter last year. Mexico, Chile and Argentina, all showed increased activity levels although at lower prices. In Brazil, the Company had its first full quarter 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 $14.0 million, down 55% from the same period last year. Several factors affected the region's revenue this quarter compared to last year. The Company closed its operations in Australia earlier in the year, and has also closed its operations in the DRC due to ongoing administrative difficulties associated with operating in that country. Also, Mongolia continues to be affected by political uncertainty around mining laws.

The overall gross margin percentage for the quarter was 23.8%, 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, our customers are focusing on mine site drilling, especially underground drilling, which tends to have lower margins.

General and administrative costs were down 8% from last year at $11.3 million for the quarter despite adding the operations of Taurus Drilling. With the decrease in activity, the Company has reduced its general and administrative costs by implementing reductions of salaried employees and restructuring certain branches.

The Company recorded a restructuring charge of $2.8 million, primarily relating to the decision to shut down operations in the DRC. This consists primarily of a non-cash write-down of assets and close-down costs relating to severance and moving costs.

The provision for income tax for the quarter was an expense of $2.4 million compared to $8.7 million for the prior year period. The tax expense for the quarter was impacted by non-tax affected losses, non-deductible expenses and tax audit settlements relating to prior years.

Net loss was $10.1 million or $0.13 per share ($0.13 per share diluted) for the quarter, compared to a net loss of $19.1 million or $0.24 per share ($0.24 per share diluted) for the prior year quarter, as the Company recorded a goodwill impairment of $12.1 million last year related to its Chilean operations.

Non-GAAP Financial Measures

In this news release, the Company uses the non-GAAP financial measure, EBITDA, excluding restructuring charges and goodwill impairment. 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.

Webcast/Conference Call Information

Major Drilling will provide a simultaneous webcast and conference call of its quarterly conference call on ***Friday, December 5, 2014 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.*

To access the conference call, please dial 647-427-7450 and ask for Major Drilling's Second Quarter Conference Call. To ensure your participation, please call in approximately five minutes prior to the scheduled call.

For those unable to participate, a taped rebroadcast will be available approximately two hours after the completion of the call until midnight, Friday, December 12, 2014. To access the rebroadcast, dial 416-849-0833, 514-807-9274, 403-451-9481 or 902-455-3955 and enter the passcode 35519099. The webcast will also be archived for 90 days and can be accessed on the Major Drilling website at www.majordrilling.com or on the CNW Group website at www.newswire.ca.

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