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

	Three months ended January 31		Nine months ended January 31	
	2013	2012	**2013**	2012
TOTAL REVENUE	**$ 123,189**	$ 182,188	**$ 560,391**	$ 560,194
DIRECT COSTS	**93,914**	135,068	**383,139**	387,520
GROSS PROFIT	**29,275**	47,120	**177,252**	172,674
OPERATING EXPENSES				
General and administrative	**15,447**	16,522	**48,509**	41,956
Other expenses	**1,581**	3,388	**10,174**	12,036
Loss on disposal of property, plant and equipment	**1,353**	635	**1,220**	1,316
Foreign exchange gain	**(529)**	(384)	**(2,010)**	(19)
Finance costs	**504**	874	**1,970**	2,660
Depreciation of property, plant and equipment	**12,884**	10,921	**37,422**	28,388
Amortization of intangible assets	**408**	1,096	**2,428**	1,575
	31,648	33,052	**99,713**	87,912
(LOSS) EARNINGS BEFORE INCOME TAX	**(2,373)**	14,068	**77,539**	84,762
INCOME TAX - PROVISION (RECOVERY) (note 7)				
Current	**3,584**	(3,910)	**28,487**	13,377
Deferred	**(1,669)**	8,412	**(884)**	12,367
	1,915	4,502	**27,603**	25,744
NET (LOSS) EARNINGS	**$ (4,288)**	$ 9,566	**$ 49,936**	$ 59,018
(LOSS) EARNINGS PER SHARE (note 8)				
Basic	**$ (0.05)**	$ 0.12	**$ 0.63**	$ 0.79
Diluted	**$ (0.05)**	$ 0.12	**$ 0.63**	$ 0.78

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

	Three months ended January 31		Nine months ended January 31	
	2013	2012	**2013**	2012
NET (LOSS) EARNINGS	**$ (4,288)**	$ 9,566	**$ 49,936**	$ 59,018
OTHER COMPREHENSIVE EARNINGS				
Unrealized gains on foreign currency translations (net of tax)	**1,516**	2,286	**7,441**	9,860
Unrealized gain (loss) on interest swap (net of tax)	**25**	(119)	**(128)**	(119)
COMPREHENSIVE (LOSS) EARNINGS	**$ (2,747)**	$ 11,733	**$ 57,249**	$ 68,759

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Changes in Equity

For the nine months ended January 31, 2012 and 2013
(in thousands of Canadian dollars)
(unaudited)

	Share capital	Reserves	Share-based payments reserve	Retained earnings	Foreign currency translation reserve	Total
BALANCE AS AT MAY 1, 2011	$ 150,642	$ -	$ 10,280	$170,425	$ (3,662)	$327,685
Exercise of stock options	2,022		(322)	-	-	1,700
Share issue (net of issue costs)	76,439	-	-	-	-	76,439
Share-based payments reserve	-		1,766	-	-	1,766
Dividends	-	-	-	(6,242)	-	(6,242)
	229,103	-	11,724	164,183	(3,662)	401,348
Comprehensive earnings:						
Net earnings	-	-	-	59,018	-	59,018
Unrealized gains on foreign currency translations	-	-	-	-	9,860	9,860
Unrealized loss on interest swap	-	(119)				(119)
Total comprehensive earnings	-	(119)	-	59,018	9,860	68,759
BALANCE AS AT JANUARY 31, 2012	$ 229,103	$ (119)	$ 11,724	$223,201	$ 6,198	$470,107
BALANCE AS AT MAY 1, 2012	**$ 230,763**	**$ 121**	**$ 11,797**	**$246,809**	**$ (1,791)**	**$487,699**
Share-based payments reserve	**(93)**		**2,170**	**-**	**-**	**2,077**
Dividends	**-**	**-**	**-**	**(7,915)**	**-**	**(7,915)**
	230,670	**121**	**13,967**	**238,894**	**(1,791)**	**481,861**
Comprehensive earnings:						
Net earnings	**-**	**-**	**-**	**49,936**	**-**	**49,936**
Unrealized gains on foreign currency translations	**-**	**-**	**-**	**-**	**7,441**	**7,441**
Unrealized loss on interest swap	**-**	**(128)**	**-**	**-**	**-**	**(128)**
Total comprehensive earnings	**-**	**(128)**	**-**	**49,936**	**7,441**	**57,249**
BALANCE AS AT JANUARY 31, 2013	**$ 230,670**	**$ (7)**	**$ 13,967**	**$288,830**	**$ 5,650**	**$539,110**

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

	Three months ended January 31		Nine months ended January 31	
	2013	2012	**2013**	2012
OPERATING ACTIVITIES				
(Loss) earnings before income tax	**$ (2,373)**	$ 14,068	**$ 77,539**	$ 84,762
Operating items not involving cash				
Depreciation and amortization	**13,292**	12,017	**39,850**	29,963
Loss on disposal of property, plant and equipment	**1,353**	635	**1,220**	1,316
Share-based payments reserve	**598**	645	**2,077**	1,766
Finance costs recognized in earnings before income tax	**504**	874	**1,970**	2,660
	13,374	28,239	**122,656**	120,467
Changes in non-cash operating working capital items	**25,793**	17,672	**25,151**	(4,629)
Finance costs paid	**(497)**	(938)	**(1,961)**	(2,724)
Income taxes paid	**(10,438)**	(4,915)	**(25,881)**	(16,240)
Cash flow from operating activities	**28,232**	40,058	**119,965**	96,874
FINANCING ACTIVITIES				
Repayment of long-term debt	**(1,945)**	(11,588)	**(7,580)**	(15,817)
Proceeds from long-term debt	**-**	-	**-**	25,000
Repayment of short-term debt	**-**	(5,141)	**-**	(5,141)
Issuance of common shares	**-**	1,035	**-**	78,139
Dividends paid	**(7,915)**	(6,242)	**(15,038)**	(11,525)
Cash flow (used in) from financing activities	**(9,860)**	(21,936)	**(22,618)**	70,656
INVESTING ACTIVITIES				
Business acquisitions (net of cash acquired)	**(885)**	(7,960)	**(1,698)**	(74,479)
Acquisition of property, plant and equipment (note 6)	**(20,006)**	(22,539)	**(59,518)**	(60,032)
Proceeds from disposal of property, plant and equipment	**1,259**	164	**2,525**	1,711
Cash flow used in investing activities	**(19,632)**	(30,335)	**(58,691)**	(132,800)
Effect of exchange rate changes	**(302)**	269	**(410)**	(828)
(DECREASE) INCREASE IN CASH	**(1,562)**	(11,944)	**38,246**	33,902
CASH, BEGINNING OF THE PERIOD	**77,045**	62,061	**37,237**	16,215
CASH, END OF THE PERIOD	**$ 75,483**	$ 50,117	**$ 75,483**	$ 50,117

Major Drilling Group International Inc.
Interim Condensed Consolidated Balance Sheets

As at January 31, 2013 and April 30, 2012

(in thousands of Canadian dollars)

(unaudited)

	January 31, 2013	April 30, 2012
ASSETS		
CURRENT ASSETS		
Cash	**$ 75,483**	$ 37,237
Trade and other receivables	**94,619**	159,770
Income tax receivable	**4,899**	3,314
Inventories	**89,549**	95,905
Prepaid expenses	**7,824**	7,476
	272,374	303,702
PROPERTY, PLANT AND EQUIPMENT	**343,853**	318,171
DEFERRED INCOME TAX ASSETS	**2,986**	2,859
GOODWILL	**55,630**	54,946
INTANGIBLE ASSETS	**3,884**	6,295
	$ 678,727	$ 685,973
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	**$ 59,783**	$ 115,805
Income tax payable	**7,330**	3,142
Current portion of long-term debt	**9,154**	8,712
	76,267	127,659
CONTINGENT CONSIDERATION	**2,156**	2,760
LONG-TERM DEBT	**36,202**	42,274
DEFERRED INCOME TAX LIABILITIES	**24,992**	25,581
	139,617	198,274
SHAREHOLDERS' EQUITY		
Share capital	**230,670**	230,763
Reserves	**(7)**	121
Share-based payments reserve	**13,967**	11,797
Retained earnings	**288,830**	246,809
Foreign currency translation reserve	**5,650**	(1,791)
	539,110	487,699
	$ 678,727	$ 685,973

1. NATURE OF ACTIVITIES

Major Drilling Group International Inc. ("the Company") is incorporated under the Canada Business Corporations Act and has its head office at 111 St. George Street, Suite 100, Moncton, NB, Canada. The Company's common shares are listed on the Toronto Stock Exchange ("TSX"). 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. BASIS OF PRESENTATION

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies as outlined in the annual notes to consolidated financial statements for the year ended April 30, 2012.

Basis of consolidation

These interim condensed consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of operations from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-group transactions, balances, income and expenses are eliminated on consolidation, where appropriate.

Basis of preparation

These interim condensed consolidated financial statements have been prepared based on the historical cost basis except for certain financial instruments that are measured at fair value, using the same accounting policies and methods of computation as presented in the annual consolidated financial statements for the year ended April 30, 2012.

3. FUTURE ACCOUNTING CHANGES

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 7 *(as amended in 2011) Financial Instruments: Disclosures*
IFRS 9 *(as amended in 2010) Financial Instruments*
IFRS 10 *Consolidated Financial Statements*
IFRS 11 *Joint Arrangements*
IFRS 12 *Disclosure of Interests in Other Entities*
IFRS 13 *Fair Value Measurement*
IAS 1 *Presentation of Financial Statements*
IAS 12 *(amended) Income Taxes – recovery of underlying assets*
IAS 19 *Employee Benefits*
IAS 27 *(reissued) Separate Financial Statements*
IAS 28 *(reissued) Investments in Associates and Joint Ventures*
IAS 32 *(amended) Financial Instruments: Presentation*

The Company is currently evaluating the impact of applying these standards to its consolidated financial statements.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Significant areas requiring the use of management estimates relate to the useful lives of property, plant and equipment for depreciation purposes, the useful lives of intangible assets for amortization purposes, valuation of property plant and equipment and inventory, determination of income and other taxes, assumptions used in compilation of share-based payments, fair value of assets acquired and liabilities assumed in business acquisitions, certain amounts recorded as accrued liabilities, and impairment testing of goodwill and intangible assets.

The Company applies judgment in determining the functional currency of the Company and its subsidiaries, the determination of cash generating units (“CGUs”), the degree of componentization of property, plant and equipment, and the recognition of provisions and certain accrued liabilities.

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

5. SEASONALITY OF OPERATIONS

With the exception of the third quarter, the Company exhibits comparatively less seasonality in quarterly revenue than in the past. 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.

6. PROPERTY PLANT & EQUIPMENT

Capital expenditures for the three months ended January 31, 2013 were $20,126 (2012 - $22,833) and for the nine months ended January 31, 2013 were $61,342 (2012 - $60,473). The Company obtained direct financing of $120 for the three months ended January 31, 2013 (2012 - $294) and of $1,824 for the nine months ended January 31, 2013 (2012 - $441).

7. INCOME TAXES

The income tax expense for the period can be reconciled to accounting profit as follows:

	Q3 2013	Q3 2012	**YTD 2013**	YTD 2012
(Loss) earnings before income tax	**$ (2,373)**	$ 14,068	**$ 77,539**	$ 84,762
Statutory Canadian corporate income tax rate	**28%**	29%	**28%**	29%
Expected income tax expense based on statutory rate	**$ (664)**	$ 4,080	**$ 21,711**	$ 24,581
Non-recognition of tax benefits related to losses	**554**	47	**1,185**	360
Other foreign taxes paid	**1,069**	273	**1,767**	560
Rate variances in foreign jurisdictions	**(181)**	(137)	**1,210**	(625)
Other	**1,137**	239	**1,730**	868
	$ 1,915	$ 4,502	**$ 27,603**	$ 25,744

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

7. INCOME TAXES (Continued)

The Company periodically assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Company recorded its best estimate of these tax liabilities, including related interest charges. Inherent uncertainties exist in estimates of tax contingencies due to changes in tax laws. While management believes they have adequately provided for the probable outcome of these matters, future results may include favorable or unfavorable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved, or when the statute of limitation lapses.

8. EARNINGS PER SHARE

All of the Company's earnings are attributable to common shares therefore net earnings are used in determining earnings per share.

	Q3 2013	Q3 2012	**YTD 2013**	YTD 2012
Net (loss) earnings for the period	**$ (4,288)**	$ 9,566	**$ 49,936**	$ 59,018
Weighted average shares outstanding – basic (000's)	**79,147**	78,949	**79,147**	75,078
Net effect of dilutive securities:				
Stock options (000's)	**-**	1,118	**490**	969
Weighted average number of shares – diluted (000's)	**79,147**	80,067	**79,637**	76,047
Earnings per share:				
Basic	**$ (0.05)**	$ 0.12	**$ 0.63**	$ 0.79
Diluted	**$ (0.05)**	$ 0.12	**$ 0.63**	$ 0.78

There were no anti-dilutive options for the three months ended January 31, 2013 or 2012. The nine months ended January 31, 2013 exclude the effect of 214,677 options (2012 – nil) as they are anti-dilutive.

The total number of shares outstanding on January 31, 2013 was 79,147,378 (2012 – 79,086,376).

9. SEGMENTED INFORMATION

The Company's operations are divided into three geographic segments corresponding to its management structure, Canada - U.S., South and Central America, and Australia, Asia and Africa. The services provided in each of the reportable drilling segments are similar. The accounting policies of the segments are the same as those described in the annual consolidated financial statements for the year ended April 30, 2012. Management evaluates performance based on earnings from operations in these three geographic segments before finance costs and income taxes. Data relating to each of the Company's reportable segments is presented as follows:

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

9. SEGMENTED INFORMATION (Continued)

	Q3 2013	Q3 2012	**YTD 2013**	YTD 2012
Revenue				
Canada – U.S.	**$ 48,447**	$ 69,805	**$ 255,264**	$ 215,394
South and Central America	**39,433**	59,168	**159,743**	178,522
Australia, Asia and Africa	**35,309**	53,215	**145,384**	166,278
	$ 123,189	$ 182,188	**$ 560,391**	$ 560,194
(Loss) earnings from operations				
Canada – U.S.	**$ (1,630)**	$ 5,519	**$ 44,146**	$ 34,254
South and Central America	**3,112**	9,539	**28,485**	36,729
Australia, Asia and Africa	**(777)**	3,939	**18,057**	28,908
	705	18,997	**90,688**	99,891
Eliminations	**(508)**	(240)	**(974)**	(703)
	197	18,757	**89,714**	99,188
Finance costs	**504**	874	**1,970**	2,660
General and corporate expenses*	**2,066**	3,815	**10,205**	11,766
Income tax	**1,915**	4,502	**27,603**	25,744
Net (loss) earnings	**$ (4,288)**	$ 9,566	**$ 49,936**	$ 59,018

*General and corporate expenses include expenses for corporate offices and stock options. Amounts presented in previous periods under general corporate expenses have been allocated to other segments consistent with current year presentation.

	Q3 2013	Q3 2012	**YTD 2013**	YTD 2012
Depreciation and amortization				
Canada – U.S.	**$ 5,799**	$ 4,970	**$ 16,864**	$ 12,365
South and Central America	**2,740**	2,716	**8,565**	7,471
Australia, Asia and Africa	**3,820**	3,189	**11,519**	8,244
Unallocated corporate assets	**933**	1,142	**2,902**	1,883
Total depreciation and amortization	**$ 13,292**	$ 12,017	**$ 39,850**	$ 29,963

Canada – U.S. includes revenue of $27,959 and $43,111 for Canadian operations for the three months ended January 31, 2013 and 2012 respectively, and $150,566 and $121,742 for the nine months ended January 31, 2013 and 2012 respectively.

	January 31, 2013	April 30, 2012
Identifiable assets		
Canada – U.S.	**$ 239,562**	$ 252,233
South and Central America	**219,550**	212,861
Australia, Asia and Africa	**175,667**	186,442
	634,779	651,536
Eliminations	**(853)**	(573)
Unallocated and corporate assets	**44,801**	35,010
	$ 678,727	$ 685,973

Canada – U.S. includes property, plant and equipment for Canadian operations at January 31, 2013 of $99,224 (April 30, 2012 - $87,629).

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

10. DIVIDENDS

The Company declared two dividends during the year, $0.10 per common share paid on November 1, 2012 to shareholders of record as of October 10, 2012, and $0.10 per common share to be paid on May 2, 2013 to shareholders of record as of April 5, 2013.

The Company declared two dividends during the previous year, $0.08 per common share paid on November 1, 2011 to shareholders of record as of October 10, 2011, and $0.09 per common share paid on May 2, 2012 to shareholders of record as of April 6, 2012.

11. FINANCIAL INSTRUMENTS

There are no significant changes to financial instruments compared to the Company's annual consolidated financial statements for the year ended April 30, 2012 except for the following:

Fair value

The carrying values of cash, trade and other receivables, demand credit facility and trade and other payables approximate their fair value due to the relatively short period to maturity of the instruments. The following table shows carrying values of long-term debt and contingent consideration, which approximates their fair values, as most debts carry variable interest rates and the remaining fixed rate debts have been incurred recently and their carrying value continues to reflect fair value. The fair value of the interest rate swap included in long-term debt is measured using quoted interest rates.

	January 31, 2013	April 30, 2012
Contingent consideration	**$ 2,156**	$ 2,760
Long-term debt	**45,356**	50,986

Credit risk

As at January 31, 2013, 70.7% of the Company's trade receivables were aged as current and 3.2% of the trade receivables were impaired.

The movement in the allowance for impairment of trade receivables during the period was as follows:

Balance as at April 30, 2012	**$ 2,236**
Increase in impairment allowance	**1,000**
Write-off charged against allowance	**(395)**
Foreign exchange translation differences	**(2)**
Balance as at January 31, 2013	**$ 2,839**

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

11. FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk

The most significant carrying amounts of net monetary assets that: (1) are denominated in currencies other than the functional currency of the respective Company subsidiary; (2) cause foreign exchange rate exposure; and (3) may include intercompany balances with other subsidiaries, at the reporting dates are as follows:

	January 31, 2013	April 30, 2012
U.S. Dollars	**$ 11,821**	$ 45,555

If the Canadian dollar moved by plus or minus 10% at January 31, 2013, the unrealized foreign exchange gain or loss would move by approximately $1,182 (April 30, 2012 – $4,556).

Liquidity risk

The following table details the Company's contractual maturities for its financial liabilities.

Non-derivative financial liabilities:

	1 year	2-3 years	4-5 years	thereafter	Total
Trade and other payables	$ 59,783	$ -	$ -	$ -	$ 59,783
Contingent consideration	752	1,252	152	-	2,156
Long-term debt	9,129	15,877	16,759	3,584	45,349
	$ 69,664	$ 17,129	$ 16,911	$ 3,584	$107,288

Derivative financial liabilities:

	1 year	2-3 years	4-5 years	thereafter	Total
Interest rate swap	$ 25	$ (13)	$ (5)	$ -	$ 7