NEWS RELEASE

Major Drilling Announces Third Quarter Results

MONCTON, New Brunswick (March 4, 2013) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its third quarter of fiscal year 2013, ended January 31, 2013.

Highlights

In millions of Canadian dollars (except earnings per share)	Q3-13	Q3-12	YTD-13	YTD-12
Revenue	$123.2	$182.2	$560.4	$560.2
Gross profit	29.3	47.1	177.3	172.7
As percentage of sales	23.8%	25.9%	31.6%	30.8%
EBITDA[(1)]	11.4	27.0	119.4	117.4
As percentage of revenue	9.3%	14.8%	21.3%	21.0%
Net (loss) earnings	(4.3)	9.6	49.9	59.0
(Loss) Earnings per share - Basic	(0.05)	0.12	0.63	0.79

(1) Earnings before interest, taxes, depreciation and amortization (see "non-GAAP financial measures")

- Major Drilling posted quarterly revenue of $123.2 million, down 32% from the $182.2 million recorded for the same quarter last year.

- Gross margin percentage for the quarter was 23.8%, compared to 25.9% for the corresponding period last year.

- Net loss was $4.3 million or $0.05 per share for the quarter, compared to net earnings of $9.6 million or $0.12 per share for the prior year quarter.

- The Company is still in an excellent financial position with a total net cash position (net of debt) of $30 million.

- Given the Company's ability to generate healthy cash flows, it has declared a semi-annual dividend of $0.10 per share to be paid on May 2, 2013.

"As stated in our press release dated January 23, 2013, subsequent to the holiday season, there have been increased delays in the decision making process on the part of many of the Company's senior customers in regards to their 2013 exploration drilling programs. Also, November did not have the benefit of the program extensions we had last year. This has led to reduced activity levels as compared to Q3 last year, and produced a seasonal loss as anticipated," said Francis McGuire, President and CEO of Major Drilling Group International Inc. "Quarter results were also impacted by $0.9 million of severance costs as the Company reduced costs in certain regions and a $1.0 million withholding tax charge on an inter-company dividend paid from Mongolia in contemplation of possible changes to the tax treaty between Canada and Mongolia."

"As we started our fourth quarter, there continued to be a number of projects for which decisions had not yet been made regarding start dates and exact drilling meterage. This has resulted in reduced activity in February as compared to our previous expectations and will continue to result in reduced activity for the balance of the fourth quarter. In a number of jurisdictions, uncertainty as to the policies of host governments or issues of land tenure are adding to the uncertainties. These factors, combined with the fact that sources of funding for junior mining companies remain limited, has led to pricing pressures in certain regions. As a result, fourth quarter revenue is expected to be significantly impacted as compared to the record revenue that the Company realized in the same period last year. Due to the ongoing volatility in the sector, it is too early to make an assessment beyond the fourth quarter."

"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. In addition, a large part of the other expenses relate to variable incentive compensation based on the Company's profitability," said Mr. McGuire. "The Company continues to consider potential cost saving measures on a branch by branch basis as local market conditions require."

"Capital expenditures for the quarter were $20.0 million as we purchased 28 rigs, while retiring 15 rigs through our modernization program. Included in this, we purchased the Canadian and Mongolian assets of Landdrill International Limited. Through this, we acquired 15 compatible rigs that are less than three years old, as well as ancillary equipment and inventory for a total purchase price of approximately $4.0 million. This will help reduce our capital expenditures for fiscal 2014 by some $10 million. While capital expenditures are expected to decline going forward, we still have 11 rigs on order, seven of which are dedicated to the underground, a sector of the market where we are seeing opportunities."

"In terms of our financial position, we continue to have one of the most solid balance sheets in our industry and are now debt free net of cash. Our total net cash position, net of debt, was at $30 million at the end of the quarter. Going forward, despite a more challenging environment, we expect operations to continue to produce healthy cash flows by generating cash from operations, reducing capital expenditures, and closely monitoring and reducing costs as appropriate."

"Given the Company's ability to generate healthy cash flows, the Company is pleased to announce that its Board of Directors has declared a cash dividend of $0.10 per common share payable on May 2, 2013 to shareholders of record as of April 5, 2013. This dividend is designated as an "eligible dividend" for Canadian tax purposes," said Mr. McGuire.

Third quarter ended January 31, 2013

Total revenue for the quarter was $123.2 million, down 32% from the $182.2 million recorded in the same quarter last year. The Company experienced earlier shutdowns in most regions at the beginning of the quarter combined with delays in startups of several projects in January. 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 31% to $48.4 million compared to the same period last year. Both countries were affected by delays and the cancelation of projects.

South and Central American revenue was down 33% to $39.4 million for the quarter, compared to the prior year quarter. All of the countries in this region, particularly Mexico, were affected by a reduction in work by juniors.

Australian, Asian and African operations reported revenue of $35.3 million, down 34% from the same period last year. The decrease came mainly from Australia where projects have been canceled due to high costs being incurred by mining companies and new mining taxes, and from Mongolia, which is affected by political uncertainty. These decreases were offset somewhat by increased operations in Burkina Faso and Mozambique.

The overall gross margin percentage for the quarter was 23.8% compared to 25.9% for the same period last year. Third quarter margins are typically impacted by a slowdown during the holiday season combined with higher than usual mobilizations, demobilizations and increased repairs during this period. The decrease in margins compared to last year is in part due to carrying extra costs as mobilizations to certain projects were delayed, combined with some pricing pressure in certain regions.

General and administrative costs were $15.4 million for the quarter compared to $16.5 million in the same period last year. With the decrease in activity, the Company has reduced its general and administrative costs, in part related to the integration of the Bradley operations.

Other expenses for the quarter were $1.6 million, down $1.8 million from the $3.4 million reported in the prior year quarter. More than half of this year's amount consists of retrenchment costs following staff reduction initiatives implemented during the quarter in certain regions, whereas last year's other expenses were mainly composed of incentive compensation expenses given the Company's profitability in that quarter.

Loss on disposal of fixed assets increased to $1.4 million this quarter as the Company retired 15 inefficient and more costly rigs.

The provision for income tax expense for the quarter was $1.9 million compared to $4.5 million for the prior year period. This quarter's tax expense was impacted by: 1) a $1.0 million withholding tax on an inter-company dividend from Mongolia in contemplation of possible changes to the tax treaty between Canada and Mongolia; and 2) differences in tax rates between regions.

Non-GAAP Financial Measures

In this news release, the Company uses the following non-GAAP financial measures: EBITDA and EBITDA as a percentage of revenue. 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 16 to 18 of the 2012 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 on every continent.

Financial statements are attached.

Major Drilling will provide a simultaneous webcast of its quarterly conference call on ***Monday, March 4, 2013 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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