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NEWS RELEASE

Major Drilling Announces Annual and Fourth Quarter Results for Fiscal 2013

MONCTON, New Brunswick (June 5, 2013) – Major Drilling Group International Inc. (TSX: MDI) today reported results for the year and fourth quarter ended April 30, 2013.

Highlights

In millions of Canadian dollars (except earnings per share)	Q4-13	Q4-12	Fiscal 2013	Fiscal 2012
Revenue	$135.5	$237.2	$695.9	$797.4
Gross profit	43.1	78.5	220.3	251.1
As percentage of revenue	31.8%	33.1%	31.7%	31.5%
EBITDA(1)	23.5	57.0	142.8	174.4
As percentage of revenue	17.3%	24.0%	20.5%	21.9%
Net earnings	2.2	30.7	52.1	89.7
Earnings per share - Basic	$0.03	$0.39	$0.66	$1.18

(1) Earnings before interest, taxes, depreciation and amortization, excluding restructuring charges, goodwill and intangible impairment and gain on reversal of contingent consideration (see "non-GAAP financial measures")

- Excluding restructuring charges, impairment charges and gain on reversal of contingent consideration, earnings before taxes for the quarter were $10.1 million.

- Major Drilling posted quarterly revenue of $135.5 million, down 43% from the $237.2 million record for the same quarter last year.

- Gross margin percentage for the quarter was 31.8%, compared to 33.1% for the corresponding period last year.

- The Company posted a restructuring charge of $5.4 million accounting for retrenchment costs, scale down of operations, and write down of assets, and also posted a goodwill and intangible impairment charge of $3.3 million during the quarter, offset by a gain on reversal of contingent consideration of $2.0 million. Combined, these charges represent a negative impact to fourth quarter 2013 earnings before taxes of $6.8 million.

- Net earnings (including restructuring and impairment charge) were $2.2 million or $0.03 per share for the quarter, compared to earnings of $30.7 million or 0.39 per share for the prior year quarter.

- Our total net cash position (net of debt) improved by $8.6 million in the quarter to $38.7 million. For the year, the Company improved its net cash position by $52 million as compared to last year.

“In February, due to the uncertainty around economic matters impacting the mining market, some customers delayed or cancelled their exploration drilling plans. In a number of jurisdictions, uncertainty as to the policies of host governments or issues of land tenure also had an impact on this quarter’s results. These factors, combined with the fact that sources of funding for junior mining companies remain limited, have led to significantly decreased activity in certain regions. As a result, fourth quarter revenue was significantly impacted as compared to the record revenue that the Company realized in the same period last year. 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 despite current conditions, we are pleased that Major Drilling was able to improve its net cash position by $8.6 million as well as show a profit before tax of $10.1 million for the quarter, excluding restructuring charges, impairment charges and gain on reversal of contingent consideration,” said Francis McGuire, President and CEO of Major Drilling.

“In light of the slowdown in activity, we have undertaken a review and restructuring of certain operations. During the quarter, we implemented reductions of salaried employees as we target a reduction of 20% in our general and administrative costs from our peak level incurred in the first quarter of this year. As part of this, we decided to significantly scale down our Tanzanian operation and our U.S. environmental division. The costs relating to these initiatives have been recorded as part of the $5.4 million restructuring charge. Due to the continuing governmental budgetary constraints in the U.S. affecting its environmental division, we also recorded a goodwill and intangible impairment charge of $3.3 million, but also recorded a gain from reversal of contingent consideration of $2.0 million, related to the acquisition costs of the environmental business, which will no longer be paid. Finally, as part of these actions, senior management’s salaries and directors’ fees are being reduced.”

“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. Despite the difficult environment, we expect operations to generate positive cash flow in fiscal 2014. The Company will continue to focus on cash management by limiting capital expenditures, by reducing inventory and by closely monitoring costs.”

“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. The Company remains in an excellent financial position, remaining debt-free, net of cash, during the quarter. Total cash level, net of long-term debt, stood at $38.7 million at quarter-end. Capital expenditures for the quarter were $9.5 million as we purchased 14 rigs, while retiring 39 rigs through our modernization program. At this point, we anticipate continuing to invest at this pace as we see opportunities to expand our capacity in specialized drilling and to expand in other parts of the world, such as Brazil. This will also allow us to continue our strategy of maintaining a sustainable dividend policy.”

“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, and the Company is experiencing further delays and cancellations as compared to the quarter just completed. Also, lower levels of demand have increased competitive pressures, which may impact pricing going forward. The impact of lower pricing should be partially offset by the increased productivity of our experienced drilling crews."

"Over time, we expect many of the supply issues that face most commodities to come back into focus and that even with moderate growth in the world economy, the need to explore and develop mines will increase. We believe that the need to develop resources in areas that are increasingly difficult to access will continue to increase over time, which should increase demand for specialized drilling," said Mr. McGuire.

Fourth quarter ended April 30, 2013

Total revenue for the quarter was $135.5 million, down 43% from the $237.2 million record in the same quarter last year. Due to the uncertainty around economic matters impacting the mining market, some customers delayed or cancelled 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 42% to $61.8 million compared to the same period last year. Both countries were affected by delays and the cancellation of projects.

South and Central American revenue was down 41% to $43.5 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.

Australian, Asian and African operations reported revenue of $30.2 million, down 47% from the same period last year. Australia, where projects have been cancelled due to high costs being incurred by mining companies and new mining taxes, was impacted the most. The Company also saw decreases in other regions including Mongolia, which is affected by political uncertainty.

The overall gross margin percentage for the quarter was 31.8% compared to 33.1% for the same period last year. 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 $15.3 million for the quarter compared to $16.0 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. At the same time, the Company is opening new branches in Brazil and Calgary. During the quarter, the Company implemented reductions of salaried employees and restructured certain branches as it targets a reduction of 20% in general and administrative costs from the peak levels incurred in the first quarter of this year.

Other expenses for the quarter were $0.4 million, down from the $4.0 million reported in the prior year quarter. This quarter's amount consists of incentive compensation expenses and bad debt provisions, offset by a gain on reversal of contingent consideration of $2.0 million, whereas other expenses for the same quarter last year were mainly composed of incentive compensation expenses given the Company's profitability in that quarter.

The Company recorded a restructuring charge of $5.4 million consisting primarily of scale down costs of its U.S. environmental division and its Tanzanian operations, as well as retrenchment costs following staff reduction initiatives implemented during the quarter across the Company.

Due to the continuing governmental budgetary constraints in the U.S. affecting its environmental division, the Company recorded a goodwill and intangible impairment charge of $3.3 million.

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 **Thursday, June 6, 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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