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NEWS RELEASE

Major Drilling Announces Annual and Fourth Quarter Results for Fiscal 2015

MONCTON, New Brunswick (June 4, 2015) – Major Drilling Group International Inc. (TSX: MDI) today reported results for the year and fourth quarter ended April 30, 2015.

Highlights

In millions of Canadian dollars (except earnings per share)	Q4-15	Q4-14	Fiscal 2015	Fiscal 2014
Revenue	$81.2	$82.6	$305.7	$354.9
Gross profit	20.7	21.5	65.9	104.4
As percentage of revenue	25.5%	26.0%	21.6%	29.4%
EBITDA(1)	6.8	8.4	13.4	44.4
As percentage of revenue	8.4%	10.2%	4.4%	12.5%
Net loss	(13.1)	(24.9)	(49.6)	(55.3)
Loss per share - Basic	($0.16)	($0.31)	($0.62)	($0.70)

(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 $44.9 million while total debt was $15.3 million, for a net cash position of $29.6 million.
- Quarterly revenue was $81.2 million, down 2% from the $82.6 million recorded for the same quarter last year.
- Gross margin percentage for the quarter was 25.5%, compared to 26.0% for the corresponding period last year.
- During the quarter, the Company wrote down recognized tax losses for a total of $4.0 million on its South African and Brazilian deferred tax assets.
- Net loss was $13.1 million or $0.16 per share for the quarter, compared to a net loss of $24.9 million or $0.31 per share for the prior year quarter.

"Despite market conditions that continue to be extremely difficult, we are pleased to have met our goal for the year of generating cash while still paying a dividend and investing in our fleet as appropriate. EBITDA for the quarter was $6.8 million. This year, we used up some of our cash reserves to purchase the assets of Taurus Drilling, and this new division is performing well, with the Company looking to grow these services," said Francis McGuire, President and CEO of Major Drilling. "Revenue for the quarter was $81.2 million. The gains made with the addition of our new percussive drilling division were offset by the loss of revenue in our energy business and the closures of our operations in Australia and the Democratic Republic of Congo ("DRC")".

"Given the very competitive pricing environment resulting from the current industry downturn, we had a good quarter operationally, as evidenced by our margins at 25.5%, the highest quarterly margins in this fiscal year. These margins were achieved despite current low levels of specialized drilling and a higher level of underground drilling, which tends to have lower margins. These margins are an indication that pricing appears to have now stabilized but are also a result of our discipline on pricing," observed Mr. McGuire. "The Company will continue to focus on balancing pricing with revenue generation and cash preservation."

"During the quarter, we incurred a restructuring charge of $0.8 million as we continued our efforts on cost containment. Our general and administrative costs for the quarter are down 13% over last year, and down 20% if you exclude the impact of higher foreign exchange translation. 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 management's compensation relates to variable incentive compensation based on the Company's profitability."

"During the quarter, the Company wrote down recognized tax losses for a total of $4.0 million on its South African and Brazilian deferred tax assets related to carry-forward losses, given the uncertainty in the near-term outlook for adequate taxable income in those countries."

"Major Drilling remains net debt free, with a net cash position of $29.6 million at the end of the quarter. The Company spent $2.1 million on capital expenditures this quarter, adding one underground percussive drill while selling/retiring nine rigs and equipment for cash proceeds of $1.9 million. Total capital expenditures for the year totaled $16.1 million," added Mr. McGuire.

"At this moment, although mine reserve issues are starting to come back to the forefront, we expect calendar 2015 to continue at the present pace. For this reason, we currently expect capital expenditures in fiscal 2016 to be in line with fiscal 2015, although we may invest more to grow our percussive drilling business."

"In the medium-term, we believe that most commodities will face an imbalance between supply and demand as mine reserves continue to decrease due to the lack of exploration. At the same time, worldwide consumption continues to increase. At some point in the future, the need to develop resources in areas that are increasingly difficult to access will significantly increase, at which time we expect to see a resurgence in demand for specialized drilling."

Fourth quarter ended April 30, 2015

Total revenue for the quarter was $81.2 million, down 2% from the $82.6 million recorded in the same quarter last year. Uncertainty around economic matters impacting the mining market continues to cause delays in customers' exploration drilling plans. Also, many junior customers have scaled back or suspended drilling activities due to a lack of capital. The favourable foreign exchange translation impact for the quarter is estimated at $4.4 million on revenue but negligible on net earnings, when comparing to the effective rates for the same period last year.

Revenue for the quarter from Canada-U.S. drilling operations increased by 7% to $49.9 million compared to the same period last year. The increase relates to the Taurus asset acquisition and is somewhat offset by the slowdown in the energy sector.

South and Central American revenue was up 34% to $21.0 million for the quarter, compared to the prior year quarter. Most of the increase came from Mexico and the Guiana Shield, while other regions were flat.

Australian, Asian and African operations reported revenue of $10.3 million, down 50% from the same period last year. The Company closed its operations in Australia and the DRC earlier in the year, and Mongolia continues to be affected by political uncertainty around mining laws.

The overall gross margin percentage for the quarter was 25.5% compared to 26.0% for the same period last year. Given the current market conditions, the Company had a good quarter operationally, and this was the highest quarterly margins in this fiscal year. Margins continue to be affected by reduced pricing due to increased competitive pressures, and customers are often focusing on mine site drilling, especially underground drilling, which tends to have lower margins.

General and administrative costs were $11.0 million for the quarter, a reduction of 13% compared to $12.7 million in the same period last year, and a reduction of 20% when excluding higher foreign exchange translation. With the decrease in activity, the Company has reduced its general and administrative costs across the operation.

The income tax provision for the quarter was an expense of $5.1 million compared to an expense of $0.2 million for the prior year period. The Company wrote down recognized tax losses for a total of $4.0 million on its South African and Brazilian deferred tax assets related to carry-forward losses, given the uncertainty in the near-term outlook for adequate taxable income in those countries. The tax expense for the quarter was also impacted by non-tax affected losses and non-deductible expenses.

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 to discuss its quarterly results on ***Friday, June 5, 2015 at 9:00 AM (EDT).*** *To access the webcast, which includes a slide presentation, please go to the investors/webcast section of Major Drilling’s website at www.majordrilling.com and click on the link. Please note that this is listen only mode.*

To participate in the conference call, please dial 416-340-2216 and ask for Major Drilling’s Fourth Quarter and Year-End Conference Call. To ensure your participation, please call in approximately five minutes prior to the scheduled start of the call.

For those unable to participate, a taped rebroadcast will be available approximately one hour after the completion of the call until midnight, Friday June 19, 2015. To access the rebroadcast, dial 905-694-9451 and enter the passcode 7658482. The webcast will also be archived for one year and can be accessed on the Major Drilling website at www.majordrilling.com.

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