

Major Drilling Group International Inc.
Condensed Consolidated Statements of Operations

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

	Three months ended April 30 (unaudited)		Twelve months ended April 30	
	2016	2015	2016	2015
TOTAL REVENUE	\$ 64,133	\$ 81,191	\$ 304,621	\$ 305,718
DIRECT COSTS	52,082	60,484	234,660	239,822
GROSS PROFIT	12,051	20,707	69,961	65,896
OPERATING EXPENSES				
General and administrative	11,302	11,006	44,081	44,913
Other expenses	577	1,892	4,079	5,872
Loss (gain) on disposal of property, plant and equipment	32	(179)	(2,149)	(1,740)
Foreign exchange loss	491	1,157	3,638	3,479
Finance costs	113	114	554	686
Depreciation of property, plant and equipment	12,141	12,973	49,702	51,080
Amortization of intangible assets	660	959	3,265	3,158
Restructuring charge	377	784	8,377	4,610
	25,693	28,706	111,547	112,058
LOSS BEFORE INCOME TAX	(13,642)	(7,999)	(41,586)	(46,162)
INCOME TAX - (RECOVERY) PROVISION				
Current	1,965	2,977	8,652	7,297
Deferred	(2,748)	2,111	(4,953)	(3,894)
	(783)	5,088	3,699	3,403
NET LOSS	\$ (12,859)	\$ (13,087)	\$ (45,285)	\$ (49,565)
LOSS PER SHARE				
Basic	\$ (0.16)	\$ (0.16)	\$ (0.57)	\$ (0.62)
Diluted	\$ (0.16)	\$ (0.16)	\$ (0.57)	\$ (0.62)

Major Drilling Group International Inc.
Condensed Consolidated Statements of Comprehensive Loss

(in thousands of Canadian dollars)

	Three months ended April 30 (unaudited)		Twelve months ended April 30	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
NET LOSS	\$ (12,859)	\$ (13,087)	\$ (45,285)	\$ (49,565)
OTHER COMPREHENSIVE LOSS				
Items that may be reclassified subsequently to profit or loss				
Unrealized (loss) gain on foreign currency translations (net of tax)	(28,757)	(18,442)	11,252	25,177
Unrealized gain on derivatives (net of tax)	318	7	302	11
COMPREHENSIVE LOSS	<u>\$ (41,298)</u>	<u>\$ (31,522)</u>	<u>\$ (33,731)</u>	<u>\$ (24,377)</u>

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

For the twelve months ended April 30, 2015 and 2016

(in thousands of Canadian dollars)

	Share capital	Reserves	Share-based payments reserve	Retained earnings	Foreign currency translation reserve	Total
BALANCE AS AT MAY 1, 2014	\$ 230,985	\$ 13	\$ 15,937	\$211,945	\$ 25,467	\$484,347
Exercise of stock options	52	-	(13)	-	-	39
Share issue	8,689	-	-	-	-	8,689
Share-based payments reserve	-	-	1,310	-	-	1,310
Dividends	-	-	-	(9,616)	-	(9,616)
	<u>239,726</u>	<u>13</u>	<u>17,234</u>	<u>202,329</u>	<u>25,467</u>	<u>484,769</u>
Comprehensive loss:						
Net loss	-	-	-	(49,565)	-	(49,565)
Unrealized gains on foreign currency translations	-	-	-	-	25,177	25,177
Unrealized gain on derivatives	-	11	-	-	-	11
Total comprehensive loss	<u>-</u>	<u>11</u>	<u>-</u>	<u>(49,565)</u>	<u>25,177</u>	<u>(24,377)</u>
BALANCE AS AT APRIL 30, 2015	<u>\$ 239,726</u>	<u>\$ 24</u>	<u>\$ 17,234</u>	<u>\$152,764</u>	<u>\$ 50,644</u>	<u>\$460,392</u>
BALANCE AS AT MAY 1, 2015	\$ 239,726	\$ 24	\$ 17,234	\$152,764	\$ 50,644	\$460,392
Share-based payments reserve	-	-	1,083	-	-	1,083
Dividends	-	-	-	(1,603)	-	(1,603)
	<u>239,726</u>	<u>24</u>	<u>18,317</u>	<u>151,161</u>	<u>50,644</u>	<u>459,872</u>
Comprehensive loss:						
Net loss	-	-	-	(45,285)	-	(45,285)
Unrealized gains on foreign currency translations	-	-	-	-	11,252	11,252
Unrealized gain on derivatives	-	302	-	-	-	302
Total comprehensive loss	<u>-</u>	<u>302</u>	<u>-</u>	<u>(45,285)</u>	<u>11,252</u>	<u>(33,731)</u>
BALANCE AS AT APRIL 30, 2016	<u>\$ 239,726</u>	<u>\$ 326</u>	<u>\$ 18,317</u>	<u>\$105,876</u>	<u>\$ 61,896</u>	<u>\$426,141</u>

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

	Three months ended April 30 (unaudted)		Twelve months ended April 30	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES				
Loss before income tax	\$ (13,642)	\$ (7,999)	\$ (41,586)	\$ (46,162)
Operating items not involving cash				
Depreciation and amortization	12,801	13,932	52,967	54,238
Loss (gain) on disposal of property, plant and equipment	32	(179)	(2,149)	(1,740)
Share-based payments reserve	276	295	1,083	1,310
Restructuring charge	-	-	6,554	1,953
Finance costs recognized in loss before income tax	113	114	554	686
	<u>(420)</u>	<u>6,163</u>	<u>17,423</u>	<u>10,285</u>
Changes in non-cash operating working capital items	5,041	(5,684)	9,277	12,731
Finance costs paid	(113)	(121)	(554)	(670)
Income taxes recovered (paid)	1,543	(837)	(3,816)	(7,776)
Cash flow from (used in) operating activities	<u>6,051</u>	<u>(479)</u>	<u>22,330</u>	<u>14,570</u>
FINANCING ACTIVITIES				
Decrease in demand loan	-	(2,714)	-	(4,038)
Repayment of long-term debt	(2,088)	(1,683)	(7,858)	(9,837)
Issuance of common shares	-	5	-	39
Dividends paid	-	-	(3,206)	(15,930)
Cash flow used in financing activities	<u>(2,088)</u>	<u>(4,392)</u>	<u>(11,064)</u>	<u>(29,766)</u>
INVESTING ACTIVITIES				
Business acquisition	-	-	(1,783)	(20,834)
Acquisition of property, plant and equipment (net of direct financing)	(973)	(1,161)	(12,125)	(14,754)
Proceeds from disposal of property, plant and equipment	660	1,875	6,997	18,717
Cash flow (used in) from investing activities	<u>(313)</u>	<u>714</u>	<u>(6,911)</u>	<u>(16,871)</u>
Effect of exchange rate changes	<u>(2,782)</u>	<u>(1,692)</u>	<u>976</u>	<u>2,720</u>
INCREASE (DECREASE) IN CASH	868	(5,849)	5,331	(29,347)
CASH, BEGINNING OF THE PERIOD	49,360	50,746	44,897	74,244
CASH, END OF THE PERIOD	\$ 50,228	\$ 44,897	\$ 50,228	\$ 44,897

Major Drilling Group International Inc. Condensed Consolidated Balance Sheets

As at April 30, 2016 and 2015
(in thousands of Canadian dollars)

	April 30, 2016	April 30, 2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 50,228	\$ 44,897
Trade and other receivables	55,829	58,559
Note receivable	457	-
Income tax receivable	7,513	12,182
Inventories	74,144	79,248
Prepaid expenses	2,498	2,968
	190,669	197,854
NOTE RECEIVABLE	1,531	-
PROPERTY, PLANT AND EQUIPMENT	240,703	276,594
DEFERRED INCOME TAX ASSETS	9,564	4,722
GOODWILL	57,641	57,274
INTANGIBLE ASSETS	3,193	6,260
	\$ 503,301	\$ 542,704
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	\$ 34,068	\$ 33,820
Income tax payable	1,859	2,388
Current portion of contingent consideration	3,000	2,735
Current portion of long-term debt	5,288	6,776
	44,215	45,719
CONTINGENT CONSIDERATION	5,347	7,395
LONG-TERM DEBT	6,936	8,569
DEFERRED INCOME TAX LIABILITIES	20,662	20,629
	77,160	82,312
SHAREHOLDERS' EQUITY		
Share capital	239,726	239,726
Reserves	326	24
Share-based payments reserve	18,317	17,234
Retained earnings	105,876	152,764
Foreign currency translation reserve	61,896	50,644
	426,141	460,392
	\$ 503,301	\$ 542,704

MAJOR DRILLING GROUP INTERNATIONAL INC.
SELECTED FINANCIAL INFORMATION
FOR THE THREE AND TWELVE MONTHS ENDED APRIL 30, 2016 AND 2015
(in thousands of Canadian dollars)

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 Asia and Africa. The services provided in each of the reportable segments are essentially the same. The accounting policies of the segments are the same as those described in note 4 presented in the notes to Consolidated Financial Statements for the year ended April 30, 2016. Management evaluates performance based on earnings from operations in these three geographic segments before finance costs and income tax. Data relating to each of the Company's reportable segments is presented as follows:

	<u>Q4 2016</u>	<u>Q4 2015</u>	<u>YTD 2016</u>	<u>YTD 2015</u>
	(unaudited)	(unaudited)		
Revenue				
Canada - U.S.	\$ 39,949	\$ 49,863	\$ 194,552	\$ 177,210
South and Central America	14,962	20,989	65,658	75,604
Asia and Africa	9,222	10,339	44,411	52,904
	<u>\$ 64,133</u>	<u>\$ 81,191</u>	<u>\$ 304,621</u>	<u>\$ 305,718</u>
Loss from operations				
Canada - U.S.*	\$ (4,481)	\$ 316	\$ (4,306)	\$ (5,250)
South and Central America**	(2,799)	(28)	(9,675)	(10,828)
Asia and Africa***	(3,624)	(4,850)	(17,658)	(18,871)
	<u>(10,904)</u>	<u>(4,562)</u>	<u>(31,639)</u>	<u>(34,949)</u>
Finance costs	113	114	554	686
General and corporate expenses ****	2,625	3,323	9,393	10,527
Income tax	(783)	5,088	3,699	3,403
Net loss	<u>\$ (12,859)</u>	<u>\$ (13,087)</u>	<u>\$ (45,285)</u>	<u>\$ (49,565)</u>
Depreciation and amortization				
Canada - U.S.	\$ 7,005	\$ 7,057	\$ 27,975	\$ 26,755
South and Central America	3,042	3,138	12,614	12,749
Asia and Africa	2,469	3,140	11,299	12,996
Unallocated and corporate assets	285	597	1,079	1,738
	<u>\$ 12,801</u>	<u>\$ 13,932</u>	<u>\$ 52,967</u>	<u>\$ 54,238</u>

*Canada - U.S. includes restructuring charges for the current quarter of \$ 63 (2015 - \$149) and the current year of \$106 (2015 - \$367).

** South and Central America includes restructuring charges in the current quarter of \$314 (2015 - \$269) and the current year of \$495 (2015 - \$882).

*** Asia and Africa includes restructuring charges in the current quarter of nil (2015 - \$226) and the current year of \$6,844 (2015 - \$3,221).

**** General and corporate expenses include expenses for corporate offices, stock options and certain unallocated costs and restructuring charges for the current quarter of nil (2015 - \$140) and the current year of \$932 (2015 - \$140).