MAJOR DRILLING GROUP INTERNATIONAL INC.

MATERIAL CHANGE REPORT

under Section 75(2) of
the Securities Act (Ontario)
and the corresponding provisions of the
securities legislation of the Provinces of Canada

ITEM 1 - Reporting Issuer

The name and address of the reporting issuer is Major Drilling Group International Inc. (the "Company"), 111 St. George Street, Suite 200, Moncton, New Brunswick, E1C 1T7.

ITEM 2 - Date of Material Change

The material change occurred on March 13, 2001.

ITEM 3 - Press Release

The press release reporting the material change was issued on March 13, 2001 through Canada NewsWire. A copy of the press release is attached to this report.

ITEM 4 - Summary of Material Change

On March 13, 2001, the Company announced its third quarter fiscal results, which included the reintegration of the Company's UDR operation, as well as a non-cash charge to operations on the Company's Ausdrill Limited investment, and a charge to discontinued operations relating to the cessation of operations in Peru and Central America.

ITEM 5 - Full Description of Material Change

On March 13, 2001, the Company announced its third quarter fiscal results, which included the reintegration of the Company's UDR operation into its consolidated financial statements, a non-cash charge to operations on its investment in Ausdrill Limited in the amount of $7.2 million, and a charge to discontinued operations, relating to Peru and Central America, of $3.9 million comprised of current year operating losses, a provision for inventory losses, and the reversal of tax-effected losses from prior years. See attached press release.

ITEM 6 - Reliance on Section 74(3) of the Act

Not applicable.

ITEM 7 - Omitted Information

Not applicable.

ITEM 8 - Senior Officers

Further information can be obtained from James A. Gibson, Secretary and General Counsel of the Company, 111 St. George Street, Suite 200, Moncton, New Brunswick, E1C 1T7 at (506) 859-7669.

ITEM 9 - Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated the 19th day of March, 2001 at Moncton, New Brunswick.

Signed: "James A. Gibson"
Secretary and General Counsel
Major Drilling Group International Inc.

Third Quarter 2001 Operating Results Improve as Major Re-positions for the Future

MONCTON, New Brunswick (March 13, 2001) – Major Drilling Group International Inc. (TSE:MDI) today announced results for the third quarter ended January 31, 2001 and a strategic re-organization of its operations. In summary:

- Third quarter revenue is up some 29 per cent to $30.2 million, from $23.4 million last year.
- Operations in Peru and Central America have been discontinued.
- Major's manufacturing and distribution business, Universal Drill Rigs (UDR), which was discontinued in fiscal 1999 pending its sale, is being re-integrated into Major's operations bringing positive cash flow (EBITDA) and earnings to the quarterly and year to date consolidated results.
- Major's investment in Ausdrill, an Australian contract drilling company, is no longer considered strategic and is being written down to reflect the estimated net realizable value of these shares.
- Year to date cash flow (EBITDA) from continuing operations before the write-down of Ausdrill is up over 16 times to $8.1 million from $0.5 million for the same period last year.

"During my first six months with the Company I have been reviewing Major Drilling's operations and developing its business strategies. I am now ready to make the changes required to move Major into its next stage of development with the goal of achieving sustainable and growing profitability as we move forward." said Francis McGuire, president and CEO of Major Drilling. "With the gradual pickup in activity in the base metal sector, Major Drilling must continue to invest in new equipment and technologies to meet evolving customer needs. It is also critical during this period to constantly reduce operating costs and increase margins. Over the coming year, we will continue to reduce administrative, repair and inventory costs."

Mr. McGuire noted a key strategy of the Company is to standardize its drilling fleet and increase its combination (both diamond core and reverse circulation) drilling capability in response to market requirements, especially in the specialized services segment. UDR, a world leader in the manufacture of combination drill rigs, will play a pivotal role over the next several years in the rationalization of the fleet. This operation has been streamlined significantly, has been profitable through the year and is expected to contribute to overall profitability going forward.

"In the case of our investment in Ausdrill, we have now come to the conclusion that the integration of its operations is unlikely," said Mr. McGuire. "Consequently, it is appropriate to carry this investment on our books at the current estimated net realizable value of the shares rather than their acquisition cost. This has resulted in a non-cash charge to operations of $7.2 million.

"The increased level of drilling revenue in all regions of our operations is attributable to an overall increase in activity in the metals and minerals sector, as well as to increased market share. While the increase in revenues is positive, we must continue to be disciplined in focusing our resources on our most profitable and promising markets." Said Mr. McGuire. "Consequently, as a result of inactivity in Central America, and poor results and business conditions in Peru, we have terminated operations in these countries. This has resulted in a charge to discontinued operations of $3.9 million made up of current year operating losses, a provision for inventory losses and the reversal of tax-effected losses from prior years."

Third Quarter Results

For the three months ended January 31, 2001, total revenue was $30.2 million, up some 29 per cent from $23.4 million last year. All geographic regions of contract drilling operations contributed to this substantial increase. In addition, the manufacturing division revenues increased to $3.9 million compared to $3.4 million last year.

Drilling revenues for the quarter increased over 30 per cent to $26.2 million compared to $20.0 million for the prior year period. Revenue from Canada-US operations was $9.6 million, up some 35 per cent from $7.1 million last year. Revenues from Latin American operations also increased substantially, up $2.6 million to $8.8 million compared to $6.2 million in the prior period. In Australasia, revenue was $7.8 million, up from $6.7 million last year. These drilling revenues do not include revenues associated with operations in Peru and Central America, which have been shut down and treated as discontinued operations for accounting purposes.

The gross margin percentage from contract drilling and manufacturing was 26.1 per cent for the quarter compared to 23.6 per cent for the same period last year. Gross margins from manufacturing and distribution showed significant improvement year over year as a result of streamlining and rationalization of those operations. On the drilling side, overall gross margin percentages declined from the same period last year. This decline was driven primarily by competitive pressures in North America. However, the decline in drilling gross margin percentages was more than offset by increased revenues with the result that the gross profit from drilling operations increased by $0.6 million, or 11 per cent, compared to the prior year period.

“Margins from drilling operations for the third quarter are typically weak as much of the mining and mineral exploration sector shuts down for the holiday season. In addition, the Company incurs increased maintenance and mobilization costs as it prepares for a period of increased activity in the fourth quarter,” said Mr. McGuire. “Looking forward to the fourth quarter we are confident that we will see a recovery in drilling margins as we enter the busiest time of our fiscal year.”

General and administrative expenses were $5.2 million down from $6.6 million for the same period last year.

The pre-tax loss from continuing operations for the quarter, before the write-down of Ausdrill, was $1.1 million, compared to a loss of $3.9 million for the same period last year. Cash flow (EBITDA) from continuing operations, before the provision, was $1.6 million compared to a deficit of $0.9 million last year.

The net loss for the quarter was $12.2 million or $1.12 per share.

Nine Months Results

For the nine-month period ending January 31, 2001, revenue from continuing operations increased to $94.9 million compared to $79.9 million last year. Gross margins for the period were 26.8 per cent, up from 26 per cent last year. The combination of increased revenues and improved gross margin percentages resulted in an increase in gross profit to $25.4 million, up $4.6 million or 22 per cent from the same period last year.

General and administrative expenses decreased some 22 per cent, or $4.6 million to $15.9 million for the nine-month period compared to $ 20.5 million for the same period last year.

Pre-tax earnings for the nine-month period from continuing operations before the write-down of Ausdrill increased some $8.3 million to $0.1 million, compared to a pre-tax loss of $8.2 million last year. As noted above this increase was driven by a $4.6 million increase in gross profits and a $4.6 million decrease in general and administrative expenses. Cash flow (EBITDA) from continuing operations before the write down of Ausdrill was $8.1 million compared to $0.5 million for the same period last year.

The net loss for the nine-month period was $12.3 million or $1.12 per share compared to a net loss of $0.4 million or $0.04 per share for the same period last year.

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 and mineral exploration activities, Major Drilling maintains operations in Canada, the United States, Europe, Mexico and South America, and in Australia, Indonesia, Turkey and Tanzania.

Some of the statements contained in this release may be forward looking statements, such as estimates and statements that describe the corporation's future plans, objectives or goals, including words to the effect that the corporation 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 from those currently anticipated in such statements by reason of factors such as, but not limited to, changes in general economic and market conditions.

Financial statements are attached.

Major Drilling will provide a simultaneous webcast of its quarterly conference call on Wednesday, March14, 2001 at 9:00 AM (EST). To access the webcast please go to the Major Drilling website at www.majordrilling.com and hit the attached link, or go directly to the Q1234 website at wwwQ1234.com for directions. Participants will require *Realplayer and Acrobat Reader*, which can be downloaded prior to accessing the call. Please note that this is listen only mode.

\- 30 -

For further information:
Mike Pavey, Chief Financial Officer
Tel: (506) 857-8636
Fax: (506) 857-9211
pavey@majordrilling.com