

UNDERWRITING AGREEMENT

September 14, 2011

Major Drilling Group International Inc.
111 St. George Street
Suite 100
Moncton, NB E1C 1T7

Attention: Francis P. McGuire

Dear Sir:

Re: Offering of Subscription Receipts of Major Drilling Group International Inc.

TD Securities Inc. (the "**Lead Underwriter**") and Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Beacon Securities Ltd., Jennings Capital Inc. and Salman Partners Inc. (collectively with the Lead Underwriter, the "**Underwriters**") understand that Major Drilling Group International Inc. (the "**Corporation**") proposes to issue and sell 5,900,000 Subscription Receipts (as defined herein) of the Corporation (the "**Firm Receipts**"). The Underwriters further understand that the Corporation plans to use the proceeds from the Offering (as defined herein) to partially finance the purchase price of the Acquisition (as defined herein).

Each Offered Receipt (as defined herein) will entitle the holder either: (i) if the Acquisition Closing Time takes place on or before the Termination Time (as defined herein), to receive one Share (as defined herein) per Offered Receipt held without payment of additional consideration or further action, together with a payment equivalent, on a per share basis, to any dividends declared or paid by the Corporation for which a record date has occurred during the period from the Closing Date (as defined herein) to and including the Acquisition Closing Date (as defined herein); or (ii) if: (A) the Acquisition Closing Date does not take place on or before December 15, 2011; (B) the Acquisition Agreement (as defined herein) is terminated at any earlier time; or (C) the Corporation has advised the Lead Underwriter or disclosed to the public that it does not intend to proceed with the Acquisition (in any case, the "**Termination Event**"); to receive an amount per Subscription Receipt equal to the full purchase price of the Subscription Receipt plus a pro rata share of the interest earned on the Escrowed Funds (as defined herein), calculated from the Closing Date to but not including the Termination Date (as defined herein).

Based upon the foregoing and subject to the terms, conditions, covenants, representations and agreements contained herein, the Underwriters hereby severally and not jointly and severally, agree to purchase from the Corporation the Firm Receipts at the Closing Time (as defined herein) in the respective percentages set forth in Section 17, and the Corporation hereby agrees to issue and sell to the Underwriters at the Closing Time all, but not

less than all, of the Firm Receipts at a purchase price of \$11.90 per Firm Receipt for an aggregate purchase price of \$70,210,000.

The Corporation hereby grants to the Underwriters the option (the "**Over-Allotment Option**") to purchase from the Corporation, at the Underwriters' election, exercisable in whole or in part at any time and from time to time up to 30 days following the Closing Date, up to 885,000 additional Subscription Receipts (the "**Over-Allotment Receipts**") on the same basis and at the same price as the purchase of the Firm Receipts for the purpose of covering over-allotments, if any, and for market stabilization purposes. For greater certainty, the Over-Allotment Option may be exercised in one or more tranches at any time prior to the expiry thereof. In the event and to the extent that the Underwriters exercise the Over-Allotment Option, subject to the terms, conditions, covenants, representations and agreements contained herein, the Underwriters hereby severally and not jointly and severally, agree to purchase from the Corporation the number of Over-Allotment Receipts as to which the Over-Allotment Option shall have been exercised in the respective percentages set forth in Section 17 hereof, and the Corporation hereby agrees to issue and sell to the Underwriters such number of Over-Allotment Receipts at the purchase price of \$11.90 per Over-Allotment Receipt.

In the event that the Acquisition Closing Date occurs on or prior to the Closing Date or on or prior to an Additional Closing Date (as defined herein), Shares will be issued by the Corporation to the Underwriters on the Closing Date or Additional Closing Date, as applicable, in lieu of Subscription Receipts. In such event, where applicable, reference to the Firm Receipts in this Agreement (as defined herein) shall include Shares issued in lieu of Subscription Receipts on the Closing Date and reference to Over-Allotment Receipts shall include Shares issued in lieu of Subscription Receipts on the Additional Closing Date.

After the Underwriters have made a reasonable effort to sell the Offered Receipts (as defined herein) at the initial offering price of \$11.90 per Offered Receipt specified herein, the offering price to the public may be decreased and further changed from time to time to an amount not greater than the offering price specified herein. Any such reduction shall not affect the Underwriters' Fee (as defined herein) nor the proceeds to be received by the Corporation. The Underwriters shall inform the Corporation if the offering price to the public is decreased.

The Underwriters shall have the exclusive right to offer for sale and sell the Offered Receipts in the manner described in Schedule "A" in the United States, and in such other jurisdictions as are agreed upon between the Corporation and the Underwriters. The Corporation and the Underwriters agree that any offers and sales or purchases of the Offered Receipts in the United States will be made in compliance with the exemption from registration provided by Rule 144A (as defined in Schedule "A") and in accordance with Schedule "A", which forms part of this Agreement.

The Corporation agrees that the Underwriters will be permitted to appoint, at their sole expense, other registered dealers or other dealers duly qualified in their respective jurisdictions, acting reasonably, as their agents to assist in the Offering in the Qualifying Jurisdictions (as defined herein) and that the Underwriters may determine the remuneration payable by them to such other dealers appointed by them.

1. Interpretation

In this Agreement, the following terms shall have the respective meanings set forth unless the context specifically requires otherwise:

"Acquisition" means the acquisition by the Corporation of Target pursuant to the Acquisition Agreement;

"Acquisition Agreement" means the share purchase agreement dated as of September 8, 2011 between, *inter alia*, the Corporation and the Target Shareholders;

"Acquisition Closing Date" means the date upon which the Acquisition is completed pursuant to the Acquisition Agreement;

"Acquisition Closing Time" means the time at which the Acquisition is completed on the Acquisition Closing Date;

"Additional Closing Date" and **"Additional Closing Time"** have the meanings ascribed thereto respectively in Section 12.4 hereof;

"Agreement" means the underwriting agreement resulting from the acceptance by the Corporation of the offer made by the Underwriters in this letter, including all schedules thereto, as it may be amended from time to time;

"AIF" means the annual information form of the Corporation dated July 15, 2011, including all schedules thereto;

"Applicable Securities Laws" means all applicable Canadian securities laws, rules, regulations, notices and policies in the Qualifying Jurisdictions;

"Business Day" means a day which is not a Saturday or a Sunday, a legal holiday in the Province of Ontario or the Province of New Brunswick or a day on which banks are not opened for business in the Province of Ontario or the Province of New Brunswick;

"Canadian GAAP" means Canadian generally accepted accounting principles or, in the case of the Target, Accounting standards for private enterprises;

"CDS" means CDS Clearing and Depository Services Inc.

"Closing Date" means the date upon which the closing of the Offering occurs, being September 28, 2011 or such other date as the Underwriters and the Corporation may agree, but in any event, not later than October 10, 2011;

"Closing Time" means 8:00 a.m. (Eastern Daylight Time) or such other time, on the Closing Date, as the Underwriters and the Corporation may agree;

"Commitment Letter" means the commitment letter entered into among the Lead Underwriter and the Corporation on September 8, 2011;

"Corporation" means Major Drilling Group International Inc.;

"Corporation Material Adverse Effect" or "Corporation Material Adverse Change" means any effect or change on the Corporation or the business of the Corporation that is or is reasonably likely to be materially adverse to the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flow, income or business operations of the Corporation, its subsidiaries and its business, taken as a whole, or that is materially adverse to the completion of the transactions contemplated by this Agreement or the Acquisition Agreement;

"Corporation's auditors" means Deloitte & Touche LLP;

"Corporation's counsel" means McCarthy Tétrault LLP, or such other legal counsel as the Corporation may appoint;

"Continuing Underwriters" has the meaning ascribed thereto in paragraph 17.1(b) of this Agreement;

"Distribution" means **"distribution"** or **"distribution to the public"**, as the case may be, as defined under the Applicable Securities Laws and **"distribute"** has a corresponding meaning;

"Documents" means, collectively, the documents incorporated by reference in the Prospectuses and any Supplementary Material including, without limitation:

- (a) the AIF;
- (b) the Financial Statements;
- (c) the management's discussion and analysis of the financial condition and results of operations of the Corporation for the year ended April 30, 2011;
- (d) the management's discussion and analysis of the financial condition and results of operations of the Corporation for the three-month period ended July 31, 2011;
- (e) the management information circular of the Corporation dated July 15, 2011 in connection with the annual meeting of holders of Shares on September 8, 2011;
- (f) the management information circular of the Corporation dated February 7, 2011 in connection with the special meeting of holders of Shares held March 9, 2011; and
- (g) the material change report dated September 13, 2011 with respect to the Acquisition;

"Escrow Agent" means CIBC Mellon Trust Company, in its capacity as escrow agent pursuant to the Subscription Receipt Agreement;

"Escrowed Funds" means the proceeds from the sale of the Subscription Receipts, less 50% of the Underwriters' Fee for Subscription Receipts that will be paid to the

Underwriters out of the gross proceeds of the Offering on the Closing Date and, if applicable, on the Additional Closing Date;

"**Exchange**" means the Toronto Stock Exchange;

"**Financial Statements**" means the audited consolidated financial statements of the Corporation as at and for the year ended April 30, 2011 and the year ended April 30, 2010, together with the notes thereto and the auditors' report thereon and the unaudited consolidated financial statements of the Corporation as at and for the three-month period ended July 31, 2011, together with the notes thereto;

"**Governmental Entity**" means (i) any international, multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) any subdivision, agent or authority of any of the foregoing or (iii) any quasi-governmental or private body, including any tribunal, commission, regulatory agency (including, without limitation, the Securities Commissions) or self-regulatory organization (including, without limitation, the Exchange), exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"**GST**" has the meaning ascribed thereto in Section 2 of this Agreement;

"**HST**" has the meaning ascribed thereto in Section 2 of this Agreement;

"**IFRS**" means in international financial reporting standards;

"**Indemnified Person**" has the meaning ascribed thereto in Section 8.1 of this Agreement;

"**Indemnifying Party**" has the meaning ascribed thereto in Section 8.2 of this Agreement;

"**Knowledge of the Corporation**" means the knowledge of the President & Chief Executive Officer, the Chief Financial Officer, the Vice President - Legal Affairs, General Counsel, and Corporate Secretary, the Vice President - Latin American Operations, the Vice President - North American Operations, and the Executive Vice President - Australian, Asian and African Operations of the Corporation, after reasonable inquiry;

"**misrepresentation**", "**material change**" and "**material fact**" shall have the meanings ascribed thereto under the Applicable Securities Laws;

"**NBSC**" means the New Brunswick Securities Commission;

"**New Credit Facilities**" means the credit facilities of an aggregate amount of \$100,000,000 to be provided to the Corporation by The Bank of Nova Scotia and The Toronto-Dominion Bank pursuant to a binding commitment letter dated September 2, 2011 and accepted by the Corporation on September 7, 2011;

"**NI 44-101**" means National Instrument 44-101 *Short Form Prospectus Distributions*, as amended or replaced;

"**NI 51-102**" means National Instrument 51-102 *Continuous Disclosure Obligations*, as amended or replaced;

"**Offered Receipts**" means, collectively, the Firm Receipts and the Over-Allotment Receipts;

"**Offering**" means the distribution of the Offered Receipts under the Prospectuses;

"**Offering Documents**" means, collectively, the Preliminary Prospectus, the Prospectus and any Supplementary Material and, in connection with any offering of the Offered Receipts in the United States, any U.S. Private Placement Memorandum, and all documents incorporated by reference therein (including the Documents);

"**OSA**" means the *Securities Act* (Ontario), as amended, including the regulations promulgated thereunder;

"**Preliminary Prospectus**" means the English version of the preliminary short form prospectus of the Corporation dated September 14, 2011 and any amendments thereto, in respect of the distribution of the Offered Receipts including the documents incorporated by reference therein;

"**Pro Forma Financial Information**" means the pro forma consolidated financial information giving effect to the Acquisition, the Offering and the New Credit Facilities included in the Prospectuses under the heading "Consolidated Capitalization of the Corporation";

"**Prospectus**" means the English version of the (final) short form prospectus of the Corporation and any amendments thereto, in respect of the distribution of the Offered Receipts including the documents incorporated by reference therein;

"**Prospectus Review Procedures**" means the procedures for prospectus review in multiple jurisdictions provided for under National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* and Multilateral Instrument 11-102 *Passport System*;

"**Prospectuses**" means, collectively, the Preliminary Prospectus and the Prospectus;

"**Public Record**" means the Documents, the Prospectuses, any Supplementary Material and any other information filed by or on behalf of the Corporation with any Securities Commission in compliance, or intended compliance, with any Applicable Securities Laws since April 30, 2008;

"**Qualifying Jurisdictions**" means each of the provinces of Canada (except Québec);

"**Refusing Underwriter**" has the meaning ascribed thereto in paragraph 17.1(b) hereof;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"Shares" means the common shares in the capital of the Corporation;

"Securities Commissions" means the securities commissions or similar regulatory authorities in the Qualifying Jurisdictions and, as applicable, the United States Securities Exchange Commission and any applicable state securities regulatory authority;

"Selling Dealer Group" means the dealers and brokers other than the Underwriters who participate in the offer and sale of the Offered Receipts pursuant to this Agreement;

"Subscription Receipt Agreement" means the agreement to be dated the Closing Date and made among the Corporation, the Lead Underwriter and the Escrow Agent governing the terms and conditions of the Subscription Receipts;

"Subscription Receipts" means the subscription receipts having the rights and entitlements set forth in this Agreement and otherwise being as provided in the Subscription Receipt Agreement;

"subsidiary" has the meaning assigned thereto in the OSA;

"Supplementary Material" means, collectively, any amendment to the Preliminary Prospectus, Prospectus or the U.S. Placement Memorandum, any amended or supplemented Preliminary Prospectus, Prospectus or U.S. Placement Memorandum, or any ancillary material, information, evidence, return, report, application, statement or document which may be filed by or on behalf of the Corporation under the Applicable Securities Laws or pursuant to the requirements of applicable securities laws, rules and regulations in the United States;

"Target" means Bradley Group Limited;

"Target's auditors" means Samson Bélair/Deloitte & Touche LLP;

"Target's legal counsel" means Michèle Jenneau;

"Target Financial Information" means the historical consolidated financial information of Target for the twelve-month period ending June 30, 2011 included in the Prospectuses under the headings "Reconciliation of Net Earnings to EBITDA" and "The Acquisition - Rationale for the Acquisition – Addition of Earning Potential";

"Target Material Adverse Effect" or "Target Material Adverse Change" means any effect or change on the Target or the business of Target that is or is reasonably likely to be materially adverse to the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flow, income or business operations of the Corporation, its subsidiaries and its business, taken as a whole, or the Corporation, Target, their subsidiaries and their businesses, taken as a whole, or that is materially adverse to the completion of the transactions contemplated by this Agreement or the Acquisition Agreement;

"Target Shareholders" means, collectively, Wallace Bradley Holding Ltd., Claudette Bradley Family Holding Ltd., David Bradley Family Holding Inc. and Anne Rousseau Family Holding Inc.;

"Tax Act" means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder;

"Tax Return" means all reports, forms, elections, designations, schedules, statements, estimated, declarations of estimated tax, information statements and returns and any other filings relating to, or to be filed in connection with any Taxes;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local, domestic or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Entity including, but not limited to, (i) any gross income, instalments, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, *ad valorem*, transfer, license, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, customs, severance, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant person, (iii) all employment insurance premiums, Canada Pension Plan, provincial and any other governmental pension plan contributions or premiums, unemployment insurance contributions, working compensations and deductions at source, (iv) any fine, penalty, interest, or addition imposed with respect to any of these amounts, and (v) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Termination Date" means the date on which a Termination Event occurs;

"Termination Event" has the meaning attributed thereto on the first page of this Agreement;

"Termination Time" means 5:00 p.m. (Eastern Daylight Time) on the Termination Date;

"Underwriters' counsel" means Stikeman Elliott LLP, or such other legal counsel as the Underwriters, with the consent of the Corporation, such consent not to be unreasonably withheld, may appoint;

"Underwriters' Fee" has the meaning ascribed thereto in Section 2.1 of this Agreement;

"United States" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

"U.S. Exchange Act" means the United States *Securities Exchange Act of 1934*, as amended;

"**U.S. Placement**" means the offer of Offered Receipts in the United States to Qualified Institutional Buyers pursuant to Rule 144A (as defined in Schedule "A" hereto), in accordance with Schedule "A" hereto;

"**U.S. Placement Memorandum**" means a private placement memorandum incorporating the Prospectuses and any amendments thereto, as the case may be, prepared for use in connection with the U.S. Placement; and

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended.

2. **Underwriters' Fee**

2.1 In consideration for their services in underwriting the distribution of and purchasing the Offered Receipts, the Corporation agrees to pay the Underwriters a fee (the "**Underwriters' Fee**") comprised of the following, subject to Section 2.2:

- (a) a fee of \$0.476 per Firm Receipt for each Firm Receipt purchased (being an aggregate amount of \$2,808,400), payable as to 50% at the Closing Time and 50% upon release of the Escrowed Funds, provided that such fee shall be payable as to 100% if the Closing Time takes place after the Acquisition Closing Time; and
- (b) a fee of \$0.476 per Over-Allotment Receipt for each Over-Allotment Receipt purchased (being an aggregate amount of \$421,260 if the Over-Allotment Option is exercised in full) payable as to 50% at the Additional Closing Time and 50% upon release of the Escrowed Funds, provided that such fee shall be payable as to 100% if the Additional Closing Time takes place after the Acquisition Closing Time;

2.2 If the Acquisition Closing Time does not take place on or prior to the Termination Time, the Underwriters' Fee will be limited as to 50% thereof (being an amount of \$0.238 per Firm Receipt or Over-Allotment Receipt, as applicable).

2.3 The Underwriters' Fee payable at the Closing Time or the Additional Closing Time pursuant to Section 2.1 will be deducted from the aggregate gross proceeds of the Offering and withheld for the account of the Underwriters. For greater certainty, the services provided by the Underwriters in connection herewith will not be subject to the Goods and Services Tax ("**GST**") and Harmonized Sales Tax ("**HST**") provided for in the *Excise Tax Act* (Canada) and taxable supplies provided will be incidental to the exempt financial services provided. However, in the event that any Governmental Entity determines that GST is exigible on the Underwriters' Fee, the Corporation agrees to pay the amount of GST forthwith upon the request of the Underwriters.

3. **Attributes of the Offered Receipts**

The Offered Receipts to be issued and sold under this Agreement by the Corporation and the Shares issuable upon exchange of the Subscription Receipts will be duly and validly created and issued by the Corporation and when issued and sold by the Corporation, those securities will have the attributes set out in the Preliminary Prospectus and the Prospectus and in the Subscription Receipt Agreement, subject to those modifications or changes (if any) prior to the Closing Date as may be agreed to in writing by the Corporation and the Underwriters.

4. **Qualification for Sale**

4.1 The Corporation represents and warrants to the Underwriters that it is eligible to use the short form prospectus distribution system described in NI 44-101 for the distribution of the Offered Receipts.

4.2 The Corporation shall:

- (a) on or prior to the date on which the Prospectus is filed, have filed or caused to be filed with the Exchange all necessary documents and have taken or cause to have taken all necessary steps to ensure that the Offered Receipts and the Shares issuable upon exchange of the Offered Receipts have been approved for listing on the Exchange, subject only to customary listing conditions;
- (b) not later than noon (Eastern Daylight Time) on September 14, 2011 have prepared and filed the Preliminary Prospectus and other documents required under the Applicable Securities Laws with the Securities Commissions and designated the NBSC as the principal regulator under the Prospectus Review Procedures;
- (c) have obtained a receipt dated not later than September 14, 2011 for the Preliminary Prospectus from the NBSC, as principal regulator under the Prospectus Review Procedures, or otherwise obtained a receipt for the Preliminary Prospectus from each of the Securities Commissions;
- (d) forthwith after any comments with respect to the Preliminary Prospectus have been received from and resolved with the NBSC, as principal regulator on behalf of the Securities Commissions, have:
 - (i) prepared and filed not later than noon (Eastern Daylight Time) on September 21, 2011 (or such later date as may be agreed to in writing by the parties hereto) the Prospectus and other documents required under the Applicable Securities Laws with the Securities Commissions; and
 - (ii) obtained a receipt for the Prospectus dated not later than September 21, 2011 from the NBSC, as principal regulator under the Prospectus Review Procedures, or otherwise obtained a receipt for the Prospectus from each of the Securities Commissions;

and otherwise fulfilled all requirements of Applicable Securities Laws to enable the Offered Receipts to be offered and sold to the public in each of the Qualifying Jurisdictions through the Underwriters or any other investment dealer or broker registered in the applicable Qualifying Jurisdiction; and

- (e) until the completion of the distribution of the Offered Receipts, promptly take all additional steps and proceedings that from time to time may be required under the Applicable Securities Laws to continue to qualify the Offered Receipts for distribution or, in the event that the Offered Receipts have, for any reason, ceased to so qualify, to again qualify the Offered Receipts for distribution, to

ensure the Shares issuable upon exchange of the Offered Receipts are freely tradeable in the Qualifying Jurisdictions (save and except for a trade that is a control distribution) and to qualify the Offered Receipts for sale in the U.S. Placement.

- 4.3 Prior to the filing of the Prospectuses and, during the period of distribution of the Offered Receipts, prior to the filing with any Securities Commissions of any Supplementary Material, the Corporation shall have allowed the Underwriters and the Underwriters' counsel to participate fully in the preparation of, and to approve the form of, such documents (including, without limitation, the U.S. Placement Memorandum) and to have reviewed any documents incorporated by reference therein.
- 4.4 During the period from the date hereof until completion of the distribution of the Offered Receipts, the Corporation shall allow the Underwriters and their representatives to conduct all due diligence which they may reasonably require in order to fulfil their obligations as underwriters and in order to enable the Underwriters to responsibly execute the certificates required to be executed by them in the Prospectuses or in any Supplementary Material. Without limiting the generality of the foregoing, the Corporation shall make available its senior management and use its best efforts to make available the Corporation's auditors, the Corporation's legal counsel, Target's management, Target's auditors and Target's legal counsel to answer any questions which the Underwriters may have and to participate in one or more due diligence sessions to be held prior to the Closing Time.
- 4.5 During the period from the date hereof until completion of the distribution of the Offered Receipts, the Corporation shall take, or cause to be taken, all such other steps and proceedings, including fulfilling all legal, regulatory and other requirements, as required under Applicable Securities Laws to qualify the Offered Receipts for distribution to the public in the Qualifying Jurisdictions.
- 4.6 The Underwriters may, directly or through their respective affiliates, also offer the Offered Receipts in the United States on a basis exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws pursuant to the U.S. Placement Memorandum and in compliance with Schedule "A" hereto, and elsewhere on a basis exempt from any prospectus or similar disclosure or registration requirements of applicable securities legislation, all in the manner contemplated by this Agreement. The Corporation and the Underwriters agree that the terms, representations, warranties and covenants set forth in Schedule "A" hereto are incorporated by reference in, and shall form a part of, this Agreement.

5. Delivery of Prospectus and Related Documents

- 5.1 The Corporation shall deliver, or cause to be delivered without charge to the Underwriters and the Underwriters' counsel, the documents set out below at the respective times indicated:

- (a) prior to or contemporaneously, as nearly as practicable, with the filing with the Securities Commissions of each of the Preliminary Prospectus and the Prospectus:
 - (i) copies of the Preliminary Prospectus and the Prospectus signed on behalf of the Corporation and its Board of Directors as required by the Applicable Securities Laws; and
 - (ii) copies of any documents incorporated by reference therein, which have not previously been delivered to the Underwriters to the extent not available on SEDAR;
- (b) as soon as they are available, copies of any Supplementary Material, signed as required by the Applicable Securities Laws and including, in each case, copies of any documents incorporated by reference therein which have not been previously delivered to the Underwriters;
- (c) as soon as they are available, copies of the U.S. Placement Memorandum;
- (d) prior to the filing of the Prospectus with the Securities Commissions:
 - (i) a "long form" comfort letter of the Corporation's auditors, dated as of the date of the Prospectus (with the requisite procedures to be completed by the Corporation's auditors within two Business Days of the date of the Prospectus), addressed to the Board of Directors of the Corporation and the Underwriters, in form and substance reasonably satisfactory to the Underwriters and the Underwriters' counsel with respect to financial and accounting information and data (audited and unaudited) relating to the Corporation in the Prospectus and any documents incorporated by reference therein, as the case may be, including, but not limited to, a confirmation that the Corporation's auditors are independent public accountants with respect to the Corporation and are a participating audit firm within the meaning of Applicable Securities Laws. Such comfort letter shall be in addition to any comfort letters required to be filed with and addressed to the Securities Commission and shall be based on a review by the auditors having a cut-off date not more than two Business Days prior to the date of the comfort letter; and
 - (ii) a "long form" comfort letter of Target's auditors, dated as of the date of the Prospectus (with the requisite procedures to be completed by the Target's auditors within two Business Days of the date of the Prospectus), addressed to the Underwriters, in form and substance reasonably satisfactory to the Underwriters and the Underwriters' counsel, with respect to financial and accounting information and data (audited and unaudited) relating to Target in the Prospectus and any documents incorporated by reference therein, as the case may be, including, but not limited to, a confirmation that the Target's auditors are independent public accountants and are a participating audit firm within the meaning

of Applicable Securities Laws. Such comfort letter shall be in addition to any comfort letters required to be filed with and addressed to the Securities Commission and shall be based on a review by the auditors having a cut-off date not more than two Business Days prior to the date of the comfort letter. It is agreed that for the purposes of this Section 5.1(d)(ii), the term "Business Day" shall be deemed to also exclude a day which is a legal holiday in the Province of Québec; and

- (e) prior to or contemporaneously, as nearly as practicable, with the filing thereof, copies of any documents filed with the Exchange or the Securities Commissions pursuant to Section 4.2 not otherwise listed in this Section 5.1.
- 5.2 Comfort letters similar to the foregoing shall be provided to the Underwriters with respect to any Supplementary Material and any other relevant document at the time the same is presented to the Underwriters for their signature or, if the Underwriters' signature is not required, at the time the same is filed. All such letters shall be in form and substance reasonably satisfactory to the Underwriters and the Underwriters' counsel.
 - 5.3 Such deliveries shall also constitute the Corporation's consent to the use by the Underwriters and other members of the Selling Dealer Group of the Documents, the Prospectuses, the U.S. Placement Memorandum and any Supplementary Material in connection with the offering and sale of the Offered Receipts.
 - 5.4 The Corporation shall, as soon as possible but in any event not later than noon (local time at the place of delivery) on the Business Day following the date of the filing of the Preliminary Prospectus, the Prospectus or any Supplementary Material, as the case may be, cause to be delivered to the Underwriters, without charge, commercial copies of the Preliminary Prospectus, the Prospectus or any Supplementary Material, as the case may be (including any related U.S. Placement Memorandum) in such numbers and in such cities as the Underwriters may reasonably request by oral or written instructions to the Corporation or the printer thereof given no later than the time when the Corporation authorizes the printing of the commercial copies of such documents; and
 - 5.5 The Corporation shall cause to be provided to the Underwriters such number of copies of any documents incorporated by reference in the Preliminary Prospectus, the Prospectus or any Supplementary Material, as the case may be (including any related U.S. Placement Memorandum) as the Underwriters may reasonably request.
- 6. Material Change**
- 6.1 During the period of distribution of the Offered Receipts, the Corporation will promptly notify the Underwriters of the full particulars of:
 - (a) any Corporation Material Adverse Change, whether actual, anticipated or threatened;
 - (b) any Target Material Adverse Change that is actual, anticipated or threatened;

- (c) any change in any material fact contained or referred to in the Offering Documents; and
- (d) the occurrence or discovery of a material fact or event, which, in any such case, is, or may be, of such a nature as to:
 - (i) render any Offering Documents untrue, false or misleading in any material respect;
 - (ii) result in a misrepresentation in any Offering Documents; or
 - (iii) result in any Offering Documents not complying in any material respect with Applicable Securities Laws,

provided that if the Corporation is uncertain as to whether a material change, change, discovery, occurrence or event of the nature referred to in this paragraph has occurred, the Corporation shall promptly inform the Underwriters of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Underwriters as to whether the occurrence is of such nature.

6.2 During the period of distribution of the Offered Receipts, the Corporation will promptly notify the Underwriters of the full particulars of:

- (a) any request of any Securities Commission, other securities commission or similar regulatory authority, the Exchange, or any other competent authority for any amendment to the Offering Documents or any other part of the Public Record or for any additional information;
- (b) the issuance by any Securities Commission, other securities commission or similar regulatory authority, the Exchange or by any other competent authority of any order to cease or suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for that purpose;
- (c) the receipt by the Corporation of any communication from any Securities Commission, other securities commission or similar regulatory authority, the Exchange or any other competent authority relating to the Offering Documents, any other part of the Public Record or the distribution of the Offered Receipts or the Shares issuable upon exchange of the Offered Receipts; and
- (d) any amendment or proposed amendment to, notice under, waiver of any condition or any material information or development under the Acquisition Agreement or the Acquisition.

6.3 The Corporation will promptly comply to the reasonable satisfaction of the Underwriters and the Underwriters' counsel with Applicable Securities Laws with respect to any material change, change, occurrence or event of the nature referred to in Sections 6.1 or 6.2 above and the Corporation will prepare and file promptly at the Underwriters' reasonable request any amendment to the Offering Documents as may be

required under Applicable Securities Laws; provided that the Corporation shall have allowed the Underwriters and the Underwriters' counsel to participate fully in the preparation of any Supplementary Material, to have reviewed any other documents incorporated by reference therein and conduct all due diligence investigations which the Underwriters may reasonably require in order to fulfill their obligations as underwriters and in order to enable the Underwriters responsibly to execute the certificate required to be executed by them in, or in connection with, any Supplementary Material, such approval not to be unreasonably withheld and to be provided in a timely manner. The Corporation shall further promptly deliver to each of the Underwriters and the Underwriters' counsel a copy of each Supplementary Material as filed with the Securities Commissions, and of opinions and letters with respect to each such Supplementary Material substantially similar to those referred to in Section 5.

- 6.4 During the period of distribution of the Offered Receipts, the Corporation will promptly provide to the Underwriters, for review on a confidential basis by the Underwriters and the Underwriters' counsel, which review shall be completed in a timely manner, prior to filing or issuance:
- (a) any financial statements of the Corporation (including any pro forma financial statements which involve the Corporation and Target);
 - (b) any proposed document, including without limitation any amendment to the AIF, and any material change report or information circular, which may be incorporated, or deemed to be incorporated, by reference in the Prospectus; and
 - (c) any press release of the Corporation or Target.
- 6.5 The Corporation will use its reasonable commercial efforts to expeditiously pursue the satisfaction of all conditions to the completion, and the closing, of the Acquisition.

7. Representations and Warranties of the Corporation

- 7.1 Each delivery of the Offering Documents pursuant to Section 5 shall constitute a representation and warranty to the Underwriters by the Corporation (and the Corporation hereby acknowledges that each of the Underwriters is relying on such representations and warranties in entering into this Agreement) that:
- (a) all of the information and statements (except information and statements furnished in writing by and relating solely to the Underwriters) contained in the Offering Documents, including, without limitation, the Documents:
 - (i) are at the respective dates of such documents and on the Closing Date, true and correct in all material respects;
 - (ii) contain no misrepresentation; and
 - (iii) constitute full, true and plain disclosure of all material facts relating to the Corporation, the Offered Receipts and the Acquisition for purposes of the Applicable Securities Laws;

- (b) none of the Offering Documents contain an untrue statement of a material fact or an omission to state therein a material fact that is required to be stated therein, or necessary to make the statement contained therein not misleading;
- (c) the Offering Documents including, without limitation, the Documents comply in all material respects with the Applicable Securities Laws, including, without limitation, NI 44-101;
- (d) there has been no intervening Corporation Material Adverse Change (actual, anticipated or threatened, whether financial or otherwise) since April 30, 2011; and
- (e) there has been no intervening Target Material Adverse Change (actual, anticipated or threatened, whether financial or otherwise) since June 30, 2011.

7.2 In addition to the representations and warranties contained in Section 7.1, the Corporation represents and warrants to the Underwriters, and acknowledges that each of the Underwriters is relying upon such representations and warranties in entering into this Agreement, that:

- (a) each of the Corporation and its subsidiaries has been duly incorporated, amalgamated or organized, as applicable, and is validly subsisting in good standing under the laws of its jurisdiction of incorporation, and has all necessary power and authority to carry on its business and to own, lease and operate its properties and assets presently owned and conducted as described in the Offering Documents;
- (b) each of the Corporation and its subsidiaries is qualified to carry on business and is validly subsisting under the laws of each jurisdiction in which it carries on a material portion of the business of the Corporation;
- (c) except as set forth on page 2 of the AIF, the Corporation does not have any subsidiaries nor is it "affiliated" with, any body corporate (within the meaning of those terms in the OSA);
- (d) the authorized capital of the Corporation consists of an unlimited number of Shares of which only 72,040,376 Shares are issued and outstanding as at September 13, 2011;
- (e) all of the issued and outstanding shares of the Corporation's subsidiaries are validly issued as fully paid and non-assessable and the Corporation is, directly or indirectly, the beneficial owner of all such issued and outstanding shares and holds such shares with valid and marketable title free and clear of any liens, pledges, charges, encumbrances, security interests or other adverse claims whatsoever, and no person, firm, corporation or other entity holds any securities convertible or exchangeable into shares of any of the Corporation's subsidiaries;

- (f) the Corporation has all necessary power and authority to issue the Offered Receipts and, at the Closing Date or Additional Closing Date, as the case may be, and upon receipt of the purchase price therefor, the Offered Receipts will be duly allotted, validly issued and outstanding;
- (g) the Corporation has all necessary power and authority to issue the Shares issuable upon exchange of the Offered Receipts and upon issuance thereof in accordance with the Subscription Receipt Agreement, such Shares will be duly allotted, validly issued and outstanding as fully paid and non-assessable;
- (h) the Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with this Agreement, the Subscription Receipt Agreement, the Commitment Letter and the Acquisition Agreement by the Corporation or any of the transactions contemplated hereby and thereby does not and will not result in any breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under (i) any of the articles, by-laws or resolutions of the Corporation or any of its subsidiaries; (ii) any of the terms and conditions of any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document including, without limitation, or any agreement (including any credit facility or term sheet in respect thereof) to which the Corporation or any of its subsidiaries is a party or by which it is bound; or (iii) any law, judgment, decree, order, statute, rule or regulation applicable to the Corporation or any of its subsidiaries; which default or breach may, individually or taken as a whole, have a Corporation Material Adverse Effect;
- (i) the Corporation has all necessary power and authority to enter into this Agreement, the Subscription Receipt Agreement and the Acquisition Agreement (including, without limitation, to issue and sell the Offered Receipts and the Shares issuable upon exchange of the Offered Receipts) and to perform its obligations set out herein and therein and this Agreement and the Acquisition Agreement are, and at the Closing Time the Subscription Receipt Agreement will be, duly authorized, executed and delivered by the Corporation and this Agreement, the Subscription Receipt Agreement and the Acquisition Agreement are or will be, as applicable, a legal, valid and binding obligation of the Corporation enforceable against it in accordance with their terms subject only to any limitation under applicable laws relating to (i) bankruptcy, winding-up insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction;
- (j) there has not been any Corporation Material Adverse Change from the position set forth in the Financial Statements except as contemplated by the Prospectuses and there has not been any Corporation Material Adverse Change since April 30, 2011, except as disclosed in the Prospectuses; and since that date there have been

no material facts, transactions, events or occurrences which could have a Corporation Material Adverse Effect and which have not been disclosed in the Prospectuses;

- (k) the Financial Statements present fairly, accurately and completely, in accordance with Canadian GAAP, consistently applied, or IFRS, as the case may be, the financial position and condition, the results of operations, cash flows and the other information purported to be shown therein of the Corporation and its subsidiaries as at the dates thereof and for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of the Corporation and its subsidiaries as at the dates thereof required to be disclosed by Canadian GAAP, or IFRS, as the case may be, and include all adjustments necessary for a fair presentation and the Corporation has not prepared any financial statements subsequent to the date of the Financial Statements;
- (l) the accounts receivable of the Corporation are actual and bona fide receivables representing obligations for amounts owed to the Corporation and result from the regular and ordinary conduct of the business of the Corporation, and such accounts receivable are considered to be collectable without any set-off, credit or reduction, subject only to any allowances for bad debts which are expressly provided for in the Financial Statements;
- (m) the Corporation's auditors are independent with respect to the Corporation, and there has not been any reportable event within the meaning of NI 51-102 with the Corporation's auditors or any former auditor of the Corporation;
- (n) the Pro Forma Financial Information contained in the Prospectuses presents fairly and accurately, in accordance with Canadian GAAP, or IFRS, as the case may be, consistently applied, the information purported to be shown therein;
- (o) the Corporation is not required by applicable law, Exchange requirements or its constating documents to obtain the approval of its shareholders in order to issue the Offered Receipts or the Shares issuable upon exchange of the Offered Receipts;
- (p) except those consents that will have been obtained as at the Closing Time, there are no third party consents required to be obtained in order for the Corporation to issue the Offered Receipts or the Shares issuable upon exchange of the Offered Receipts, other than the consent of the Exchange and the Securities Commissions as contemplated by this Agreement;
- (q) assuming for this purpose the accuracy of the representations, warranties and covenants of the Underwriters in this Agreement, including, without limitation, Schedule "A" hereto, no authorization, approval or consent of any court or Governmental Entity is required to be obtained by the Corporation or any of its subsidiaries in connection with the sale and delivery of the Offered Receipts,

except such as may be required by the Exchange or under the Applicable Securities Laws;

- (r) there are no actions, suits, proceedings or inquiries existing or (to the Knowledge of the Corporation) pending or threatened against or affecting the Corporation or any of its subsidiaries at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way may have a Corporation Material Adverse Effect or which materially affects or may materially affect the distribution of the Offered Receipts or the Shares issuable upon exchange of the Offered Receipts and, to the Knowledge of the Corporation, no ground exists on which such actions, suit, proceeding or inquiry might be commenced with any reasonable likelihood of success;
- (s) the Corporation and each of its subsidiaries have conducted and are conducting the business of the Corporation in all material respects in accordance with good industry practices and in compliance with all applicable laws, rules and regulations of each jurisdiction in which they carry on business and hold all material licences, registrations and qualifications in all jurisdictions in which they carry on business necessary to carry on the business of the Corporation as now conducted and as contemplated to be conducted in the Offering Documents;
- (t) all material equipment and other material tangible assets used by the Corporation or its subsidiaries in the context of the business of the Corporation are in good condition and repair, ordinary wear and tear excepted, and are adequate and suitable for the purposes for which they are currently being used;
- (u) there are no outstanding rights of first refusal or other pre-emptive rights to purchase which entitle any person to acquire any material equipment or other material tangible asset of the Corporation or any of its subsidiaries;
- (v) no existing material supplier, customer, manufacturer or contractor of the Corporation or of any of its subsidiaries has indicated that it intends to terminate its relationship with the Corporation or such subsidiary, that it intends to diminish the extent of such relationship, or that it will be unable to meet any material requirements of the Corporation or such subsidiary where such termination, diminishment or inability could reasonably be expected to have a Corporation Material Adverse Effect;
- (w) the information and statements set forth in the Public Record were true, correct, and complete and did not contain any misrepresentation, as of the date of such information or statements;
- (x) neither the Corporation nor any of its subsidiaries has any loans or other indebtedness outstanding which have been made to or from any of their respective shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation or any of its subsidiaries that are currently outstanding;

- (y) except for 2,779,928 options to purchase Shares and Shares issuable upon exchange of the Offered Receipts, no person holds any securities convertible or exchangeable into Shares or has any agreement, warrant, option, right or privilege being or capable of becoming an agreement, warrant, option or right for the purchase of any unissued Shares or other securities of the Corporation;
- (z) no Securities Commission, other securities commissions or similar regulatory authority, the Exchange nor any other competent authority has issued any order preventing or suspending trading in any securities of the Corporation and no proceedings, investigations or inquiries for such purpose are pending or, to the Knowledge of the Corporation, contemplated or threatened and the Corporation is not in default of any material requirement of Applicable Securities Laws;
- (aa) CIBC Mellon Trust Company, at its principal offices in the city of Toronto, Ontario has been duly appointed the transfer agent and registrar for the Shares and as escrow agent under the Subscription Receipt Agreement;
- (bb) the minute books of the Corporation and each of its subsidiaries, where such minute books are required to be maintained under applicable law, contain true and correct copies of the constating documents of the Corporation and such subsidiaries, respectively, and, at the Closing Date and Additional Closing Date, will contain true and correct copies or draft copies of the minutes of all meetings and all resolutions of the directors and shareholders of the Corporation and such subsidiaries, respectively;
- (cc) other than as provided for in this Agreement, neither the Corporation nor any of its subsidiaries has incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the transactions contemplated herein;
- (dd) the issued and outstanding Shares are listed and posted for trading on the Exchange, the Offered Receipts will be listed and posted for trading on the Exchange and the Shares issuable upon the exchange of the Offered Receipts will be listed and posted for trading on the Exchange upon the Corporation complying with the usual conditions imposed by the Exchange with respect thereto;
- (ee) the Corporation will not take or permit any action within its control which would cause the Offered Receipts to cease to be qualified, during the period of Distribution of the Offered Receipts in the Qualifying Jurisdictions, as qualified investments within the meaning of the Tax Act to the extent described in the Prospectus;
- (ff) the Corporation is a "reporting issuer" in all provinces of Canada within the meaning of the Applicable Securities Laws in such provinces, and is not in default of any requirement of Applicable Securities Laws in any material respect and has not filed any confidential material change reports that continue to be confidential;

- (gg) the definitive forms of certificates for the Shares and the global book-entry certificates for the Offered Receipts are, or will at the Closing Time be, in due and proper form under the laws governing the Corporation and in compliance with the material requirements of the Exchange;
- (hh) except where such non-compliance or lack of obtaining the items listed below would not have a Corporation Material Adverse Effect, the Corporation and its subsidiaries have been, and are, in material compliance with all applicable environmental legislation, have obtained all material licenses, permits, approvals, consents, certificates, registrations and other authorizations under applicable environmental legislation necessary for the conduct of their business as currently conducted and none of the Corporation nor its subsidiaries (including, if applicable, any predecessor companies thereof) have received any notice of, or been prosecuted for, an offence alleging material non-compliance with any environmental legislation which remains outstanding;
- (ii) except as may be described in the Offering Documents, the Corporation and its subsidiaries have good and sufficient title to all items of real property and improvements and to all equipment and personal property owned by each of them, except for such title the absence of which could not reasonably be expected to have a Corporation Material Adverse Effect, in each case free and clear of any security interests, liens, encumbrances, duties, claims and other defects, except for those which could not reasonably be expected to have a Corporation Material Adverse Effect, and the real property, improvements, equipment and personal property held under lease by the Corporation or any subsidiary are held under valid, subsisting and enforceable leases, except for those the absence of which could not reasonably be expected to have a Corporation Material Adverse Effect;
- (jj) except as may be described in the Offering Documents, the Corporation and its subsidiaries possess all licenses, permits, certificates, waivers, consents, franchises, orders, approvals and authorizations necessary to own or lease the real property, improvements, equipment and personal property of the Corporation or of its subsidiaries, as applicable, and to conduct the business of the Corporation, as described in the Offering Documents, except for those the absence of which could not reasonably be expected to have a Corporation Material Adverse Effect;
- (kk) the Corporation has the necessary power and authority to execute and deliver the Prospectuses and all requisite action has been taken by the Corporation to authorize the execution and delivery by it of the Prospectuses;
- (ll) the Corporation is not, and after giving effect to the Offering of the Offered Receipts and the application of proceeds thereof will not be, an "Investment Company" within the meaning of that term under the United States *Investment Company Act of 1940*, as amended;

- (mm) the attributes and characteristics of the Offered Receipts and the Shares conform in all material respects to the attributes and characteristics thereof contained in the Prospectuses;
- (nn) no labour dispute with, or disruption by, the employees of the Corporation or any of its subsidiaries which is expected to have a Corporation Material Adverse Effect exists or, to the Knowledge of the Corporation, is threatened or imminent;
- (oo) each of the Corporation and its subsidiaries has (i) duly and timely filed or caused to be filed all necessary federal and provincial Tax Returns, (ii) duly and timely filed or caused to be filed all necessary foreign Tax Returns except insofar as the failure to file such returns which, individually or in the aggregate, would not have or result in a Corporation Material Adverse Effect, (iii) otherwise paid all Taxes due and payable by it and which are due and owing, or are claimed by any Governmental Entity to be due and owing, other than any Taxes that the Corporation is contesting in good faith as being due and owing, (iv) made adequate provision for Taxes payable for any completed fiscal period for which tax returns are not yet required, (v) duly and timely withheld and remitted or caused to be withheld and remitted, all Taxes required to be withheld and remitted by it, and (vi) duly and timely collected and remitted or caused to be collected and remitted, to the appropriate Governmental Entity such Taxes required by law to be collected and remitted by it. There are no actions, suits, proceedings, investigations or claims pending or, to the Knowledge of the Corporation, threatened against the Corporation or its subsidiaries in respect of Taxes, governmental charges or assessments or any matters under discussion with any Governmental Entity relating to Taxes, governmental charges or assessments asserted by any such authority which could reasonably be expected to have or result in a Corporation Material Adverse Effect. There are no currently effective elections, agreement or waivers extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of any Taxes by the Corporation or its subsidiaries;
- (pp) to the Knowledge of the Corporation, none of its directors or officers are subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public entity or of an entity listed on a particular stock exchange;
- (qq) the Corporation and its subsidiaries have not and, to the Knowledge of the Corporation, none of its directors or officers have, directly or indirectly, made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction other than payments required or permitted by applicable laws, or made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the United States *Foreign Corrupt Practices Act of 1977*, as amended, or the *Corruption of Foreign Public Officials Act (Canada)*, as amended, or the regulations promulgated thereunder.

- (rr) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance that in all material respects transactions are executed in accordance with management's general or specific authorization, transactions are recorded as necessary to permit preparation of financial statements in conformity with Canadian GAAP or IFRS, as the case may be, and to maintain accountability for assets and access to assets is permitted only in accordance with management's general or specific authorization;
- (ss) the Corporation and its subsidiaries maintain insurance policies with insurers in such amounts and against such risks as are customarily carried and insured against by prudent owners of comparable businesses and such insurance coverage is in full force and effect. Neither the Corporation nor any of its subsidiaries is in default, whether as to the payment of premiums or otherwise, under any such policy, and neither the Corporation nor any of its subsidiaries has failed to give any notice or present any claim under any such policy in due and timely fashion. To the Knowledge of the Corporation, nothing has been done or omitted to be done by the Corporation or any of its subsidiaries which could make any such policy void or voidable and the Corporation and its subsidiaries do not have any reason to believe that they will not be able to renew any such policy or to obtain similar insurance coverage from similar insurers as may be necessary to carry on the business of the Corporation at a reasonable cost;
- (tt) the Corporation has not completed any "significant acquisition" (as such term is defined in NI 51-102) since April 30, 2011 and the Corporation is not proposing any "proposed acquisition" (as such term is used in Item 10 of Form 44-101F1 to NI 44-101), that in any such case would require the inclusion of any additional financial statements or pro forma financial statements in the Prospectus;
- (uu) all material filings made by the Corporation or any of its subsidiaries under which such entity has received or is entitled to government incentives, have been made in accordance, in all material respects, with all applicable legislation and contain no misrepresentations of material fact or omit to state any material fact which could cause any material amount previously paid to Corporation or any of its subsidiaries or previously accrued on the accounts thereof to be recovered or disallowed;
- (vv) other than as disclosed in the Prospectus, neither the Corporation nor any of its subsidiaries is currently contractually prohibited, directly or indirectly, from paying any dividends or distributions, from making any other distribution on its share capital or its other securities, or from paying any interest or repaying any loans, advances or other indebtedness;
- (ww) neither the Corporation nor any of its subsidiaries has received any notice from any Governmental Entity of any restriction on its ability to conduct its business as it is currently conducted or proposed to be conducted, or to own, lease or operate their respective properties and assets;

- (xx) the representations and warranties of the Corporation in the Acquisition Agreement, a true copy of which has been provided to the Underwriters, are true and correct in all material respects or in all respects if already qualified by materiality;
- (yy) to the Knowledge of the Corporation, no event has occurred or condition exists which will prevent the Acquisition from being completed in accordance with the Acquisition Agreement prior to the Termination Time, subject to the satisfaction or waiver of all closing conditions mentioned therein;
- (zz) except for the employment agreements in effect between the Corporation and certain of its officers as described in the Public Record and the employment agreement in effect between the Corporation and James Gibson, neither the Corporation nor any of its subsidiaries is a party to any written contracts of employment with officers which provide for payments occurring on a change of control of the Corporation which are material to the Corporation;
- (aaa) assuming for this purpose the accuracy of the representations, warranties and covenants of the Underwriters in this Agreement, including, without limitation Schedule "A" hereto, (i) none of the Corporation, its subsidiaries or any persons acting on its or their behalf has engaged or will engage in any directed selling effort (within the meaning of Regulation S under the U.S. Securities Act ("**Regulation S**")) with respect to the Offered Receipts; (ii) it and they have complied and will comply with the requirements for an "offshore transaction", as such term is defined in Regulation S; (iii) none of the Corporation, its subsidiaries or any person acting on its or their behalf has offered or will offer to sell any of the Offered Receipts by means of any form of general solicitation or general advertising (as those terms are used in Regulation D ("**Regulation D**") under the U.S. Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the U.S. Securities Act; (iv) it is a "foreign issuer" within the meaning of Regulation S; and (v) it will notify CIBC Mellon Trust Company as soon as practicable upon it becoming a "domestic issuer", as defined in Regulation S;
- (bbb) to the Knowledge of the Corporation, the representations and warranties of Target in the Acquisition Agreement, a true copy of which has been provided to the Underwriters, are true and correct in all material respects or in all respects if already qualified by materiality;
- (ccc) the Target Financial Information contained in the Prospectuses presents fairly, and accurately, in accordance with Canadian GAAP, consistently applied, the information purported to be shown therein of Target and its subsidiaries as at the dates thereof and for the period then ended; and
- (ddd) the Corporation is not in possession of any undisclosed material fact or material liability about Target which would be required to be disclosed in the Offering Documents.

- 7.3 Any representation and warranty given by the Corporation in this Agreement shall not be limited or qualified because another similar, more general or more specific representation and warranty is also given by the Corporation.

8. Indemnification and Contribution

- 8.1 The Corporation shall indemnify and save each of the Underwriters, and each of the Underwriters' agents, shareholders, directors, officers and employees (collectively, the "**Indemnified Persons**") harmless against and from all liabilities, claims, demands, losses (other than losses of profit in connection with the Offering), costs (including, without limitation, reasonable legal fees and disbursements on a full indemnity basis), damages and expenses, whether joint or several, to which the Indemnified Persons may be subject or which the Indemnified Persons may suffer or incur, whether under any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:
- (a) any information or statement contained in, or incorporated by reference into, the Offering Documents or in any other document or material filed or delivered pursuant hereto (other than any information or statement relating solely to the Underwriters and furnished to the Corporation by the Underwriters or the Underwriters' counsel in writing expressly for inclusion in the Preliminary Prospectus or Prospectus) which is, or is alleged to be, untrue or any omission or alleged omission to provide any information or state any fact the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;
 - (b) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Underwriters and furnished to the Corporation by the Underwriters or the Underwriters' counsel, as the case may be, in writing expressly for inclusion in the Preliminary Prospectus or the Prospectus) contained in or incorporated by reference into the Offering Documents or in any other document or any other part of the Public Record filed by or on behalf of the Corporation;
 - (c) the omission or alleged omission to state in any certificate of the Corporation or of any officers of the Corporation delivered in connection with the Offering any material fact (except facts or information relating solely to the Underwriters and furnished by them or the Underwriters' counsel in writing) required to be stated therein where such omission or alleged omission constitutes or is alleged to constitute a misrepresentation;
 - (d) any prohibition or restriction of trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Offered Receipts or the Shares issuable upon exchange of the Offered Receipts imposed by any competent authority (not based on the activities or alleged activities of the Underwriters) if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in subparagraph 8.1(b);

- (e) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based upon the activities or the alleged activities of the Underwriters) prohibiting, restricting, relating to or materially affecting the trading or distribution of the Offered Receipts or the Shares issuable upon exchange of the Offered Receipts;
- (f) any breach of, default under, non-compliance or alleged non-compliance by the Corporation with any requirements of Applicable Securities Laws, the by-laws, rules or regulations of the Exchange or any representation, warranty, term or condition of this Agreement or in any certificate or other document delivered by or on behalf of the Corporation hereunder or pursuant hereto; or
- (g) any breach of any representation, warranty or covenant contained herein or the failure of the Corporation to comply with any of its obligations hereunder.

provided, however, that an Indemnified Person who has engaged in any fraud, wilful misconduct, fraudulent misrepresentation or gross negligence, as determined in a final non-appealable decision by a court of competent jurisdiction, shall cease to be entitled, to the extent that the liabilities, claims, losses, costs, damages or expenses were caused by such activity, to claim indemnification from any person who has not engaged in such fraud, wilful misconduct, fraudulent misrepresentation or gross negligence (provided that, for greater certainty, the foregoing shall not disentitle an Underwriter from claiming indemnification hereunder to the extent that the gross negligence, if any, relates to the Underwriter's failure to conduct such reasonable investigations so as to provide reasonable grounds for a belief that the Prospectus or any amendment contained no misrepresentation (or, colloquially, to permit the Underwriter to sustain a "due diligence defence" under Applicable Securities Laws)).

8.2 If any claim contemplated by Section 8.1 shall be asserted against any Indemnified Person, such Indemnified Person shall notify the Corporation (the "**Indemnifying Party**") (provided that failure to so notify the Indemnifying Party of the nature of such claim in a timely fashion shall relieve the Indemnifying Party of liability hereunder only if and to the extent that such failure materially prejudices the Indemnifying Party's ability to defend such claim) as soon as possible of the nature of such claim and the Indemnifying Party shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim, provided however, that the defence shall be through legal counsel selected by the Indemnifying Party and acceptable to the Indemnified Person acting reasonably and that no settlement or admission of liability may be made by the Indemnifying Party or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The Indemnified Person shall have the right to retain its own counsel in any proceeding relating to a claim contemplated by Section 8.1 if:

- (a) the Indemnified Person has been advised by counsel that there may be a reasonable legal defence available to the Indemnified Person which is different from or additional to a defence available to an Indemnifying Party and that representation of the Indemnified Person and the Indemnifying Party by the

same counsel would be inappropriate due to the actual or potential differing interests between them (in which case the Indemnifying Party shall not have the right to assume the defence of such proceedings on the Indemnified Person's behalf);

- (b) the Indemnifying Party shall not have taken the defence of such proceedings and employed counsel within ten days after notice has been given to the Indemnifying Party of commencement of such proceedings; or
- (c) the employment of such counsel has been authorized by the Indemnifying Party in connection with the defence of such proceedings;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and client basis) shall be paid by the Indemnifying Party, provided that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnified Persons.

- 8.3 The Indemnifying Party hereby waives its rights to recover contribution from the Underwriters with respect to any liability of the Indemnifying Party by reason of or arising out of any misrepresentation in the Offering Documents or any other part of the Public Record provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of any misrepresentation which is based upon information relating solely to the Underwriters contained in such document and furnished in writing to the Corporation by the Underwriters expressly for inclusion in the Offering Documents.
- 8.4 If any legal proceedings shall be instituted against an Indemnifying Party in respect of the Offering Documents or any other part of the Public Record, or if any Governmental Entity shall carry out an investigation of an Indemnifying Party in respect of the Offering Documents or any other part of the Public Record, and, in either case, any Indemnified Person is required to testify, or respond to procedures designed to discover information, in connection with or by reason of the services performed by the Underwriters hereunder, the Indemnified Persons may employ their own legal counsel and the Indemnifying Party shall pay and reimburse the Indemnified Persons for the reasonable fees, charges and disbursements (on a full indemnity basis) of such legal counsel, the other expenses reasonably incurred by the Indemnified Persons in connection with such proceedings or investigation and a fee at the normal per diem rate for any director, officer or employee of the Underwriters involved in the preparation for or attendance at such proceedings or investigation.
- 8.5 The rights and remedies of the Indemnified Persons set forth in this Sections 8 and in Section 10 are, to the fullest extent possible in law, cumulative and not alternative and the election by any Underwriter or other Indemnified Person to exercise any such right or remedy shall not be, and shall not be deemed to be, a waiver of any other rights and remedies.

- 8.6 The Indemnifying Party hereby acknowledges that the Underwriters are acting as agents for the Underwriters' respective shareholders, agents, directors, officers and employees under this Section 8 with respect to all such shareholders, agents, directors, officers and employees.
- 8.7 The Indemnifying Party waives any right it may have of first requiring an Indemnified Person to proceed against or enforce any other right, power, remedy or security or claim or to claim payment from any other person before claiming under this indemnity. It is not necessary for an Indemnified Person to incur expense or make payment before enforcing such indemnity.
- 8.8 The rights of indemnity contained in this Section 8 shall not apply if the Indemnifying Party has complied with Sections 4 and 5 and the person asserting any claim contemplated by this Section 8 was not provided with a copy of the Prospectus or any amendment to the Prospectus or other document which corrects any misrepresentation or alleged misrepresentation which is the basis of such claim and which was required, under Applicable Securities Laws, to be delivered to such person by the Underwriters.
- 8.9 If the Indemnifying Party has assumed the defence of any suit brought to enforce a claim hereunder, the Indemnified Person shall provide the Indemnifying Party copies of all documents and information in its possession pertaining to the claim, take all reasonable actions, at the cost of the Indemnifying Party, necessary to preserve its rights to object to or defend against the claim, consult and reasonably cooperate with the Indemnifying Party in determining whether the claim and any legal proceeding resulting therefrom should be resisted, compromised or settled and reasonably cooperate and assist in any negotiations to compromise or settle, or in any defence of, a claim undertaken by the Indemnifying Party.
- 8.10 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is, for any reason (other than as a result of the fraud, fraudulent misrepresentation, gross negligence or wilful misconduct of the Indemnified Person, as determined by a court of competent jurisdiction), held by a court to be unavailable from the Indemnifying Party on grounds of policy or otherwise, the Indemnifying Party and the Indemnified Persons shall contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Offered Receipts), costs (including, without limitation, reasonable legal fees and disbursements on a full indemnity basis), damages and expenses to which they may be subject or which they may suffer or incur:
- (a) in such proportion as is appropriate to reflect the relative benefit received by the Indemnifying Party on the one hand, and by the Indemnified Persons on the other hand, from the Offering; or
 - (b) if the allocation provided by paragraph 8.10(a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in paragraph 8.10(a) above but also to reflect the relative fault of the Indemnified Persons on the one hand, and the Indemnifying Party, on the other hand, in connection with the statements, commissions or

omissions or other matters which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Indemnifying Party, on the one hand, and the Indemnified Persons, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Indemnifying Party (net of fees but before deducting expenses) bear to the fees received by the Underwriters. In the case of liability arising out of the Offering Documents or any other part of the Public Record, the relative fault of the Indemnifying Party, on the one hand, and of the Indemnified Persons, on the other hand, shall be determined by reference, among other things, to whether the misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in this Section 8 relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of the Indemnifying Party or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in this Section 8.

- 8.11 The amount paid or payable by an Indemnified Person as a result of liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Offered Receipts), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) referred to above shall, without limitation, include any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating or defending such liabilities, claims, demands, losses, costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) whether or not resulting in any action, suit, proceeding or claim.
- 8.12 The Indemnifying Party and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraphs. The rights to contribution provided in this Section 8 shall be in addition to, and without prejudice to, any other right to contribution which the Indemnified Persons may have.
- 8.13 Any liability of the Underwriters under this Section 8 shall be limited to the amount actually received by the Underwriters pursuant to Section 2.

9. Expenses

- 9.1 Whether or not the Offering is completed, all expenses of or incidental to the transactions contemplated by this Agreement, the Subscription Receipt Agreement and the Acquisition Agreement, including the creation, issuance, delivery and marketing of the Offered Receipts shall be borne by the Corporation, including without limitation:
 - (a) all fees and expenses incurred in connection with the Acquisition;

- (b) all expenses payable in connection with the qualification for distribution of the Offered Receipts under Applicable Securities Laws;
- (c) all fees and expenses of the Corporation's counsel;
- (d) all costs incurred in connection with the preparation, filing and printing of the Offering Documents and the certificates for the Offered Receipts contemplated herein; and
- (e) all fees and expenses of CIBC Mellon Trust Company in its capacity as registrar and transfer agent of the Offered Receipts and in its capacity as Escrow Agent under the Subscription Receipt Agreement;

including GST/HST and provincial sales tax exigible in respect of any of the foregoing, provided, however, that the fees and expenses incurred by the Underwriters (including Underwriters' legal counsel fees) shall be assumed by them, except that if the Offering is terminated, other than by reason of a default of one of the Underwriters, the Corporation shall reimburse the Underwriters for any and all reasonable fees and expenses incurred by them.

- 9.2 All fees and expenses payable to the Underwriters under this Section 9 shall be payable (plus any applicable taxes) by the Corporation within five Business Days of receipt by the Corporation of an invoice for such fees and expenses from the Lead Underwriter.

10. Termination

- 10.1 Any Underwriter may, without liability, terminate its obligations hereunder, by written notice to the Corporation in the event that after the date hereof and at or prior to the Closing Time or the Additional Closing Time, as applicable:

- (a) any inquiry, action, suit investigation or other proceeding, or any order, ruling or other pronouncement (whether current or contemplated), is issued, announced, instituted, commenced or threatened under or pursuant to any relevant law or by any stock exchange, Governmental Entity (including the Canada Revenue Agency) or other regulatory authority, or if there is any change of law (including any law relating to the taxation of the Corporation, any of its subsidiaries or Target), or in the interpretation or administration thereof (in each case, whether current or contemplated), which, in the reasonable opinion of that Underwriter, acting in good faith, operates or could operate to prevent, suspend, hinder, delay, restrict, inhibit or otherwise adversely affect the trading in, or the distribution of the Offered Receipts or the transactions contemplated hereby and described in the Prospectuses, or has or could reasonably be expected to have a significant adverse effect on the market price, marketability or value of the Offered Receipts or Shares;
- (b) any Corporation Material Adverse Change or Target Material Adverse Change (whether actual, imminent or reasonably expected) occurs, which, in the opinion of that Underwriter, acting in good faith, could reasonably be expected to result in the purchasers of a material number of Offered Receipts exercising their right

under Applicable Securities Laws to withdraw from or rescind their purchase thereof or sue for damages in respect thereof or which has or could reasonably be expected to have a significant adverse effect on the market price, marketability or value of the Offered Receipts or Shares;

- (c) any material fact arises or is discovered that would have been required to have been stated in the Offering Documents had that fact arisen or been discovered on, or prior to, the date of any of the Offering Documents, which, in the opinion of that Underwriter, acting in good faith, could reasonably be expected to result in the purchasers of a material number of Offered Receipts exercising their right under Applicable Securities Laws to withdraw from or rescind their purchase thereof or sue for damages in respect thereof or which has or could reasonably be expected to have a significant adverse effect on the market price, marketability or value of the Offered Receipts or Shares;
- (d) any change occurs in any material fact contained in any of the Offering Documents or any event or state of facts occurs after the date of this Agreement, which, in any case, is of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents, which fact or change, as the case may be, in the opinion of that Underwriter, acting in good faith, could reasonably be expected to result in the purchasers of a material number of Offered Receipts exercising their right under Applicable Securities Laws to withdraw from or rescind their purchase thereof or sue for damages in respect thereof or which has or could reasonably be expected to have a significant adverse effect on the market price, marketability or value of the Offered Receipts or Shares;
- (e) there should develop, occur, come into effect or existence any event, action, state, condition or major occurrence of national or international consequence, including any act of terrorism, war or like event, or any escalation of any such event, or any governmental action, law, regulation, inquiry or other occurrence of any nature which, in the reasonable opinion of that Underwriter, acting in good faith, materially adversely affects or may materially adversely affect the North American financial markets or the business, operations or affairs of the Corporation and its subsidiaries, taken as a whole or the Corporation, the Target and their subsidiaries, taken as a whole;
- (f) there has been any suspension in trading in securities generally on the Exchange which has not been rescinded, revoked or withdrawn;
- (g) the Corporation shall be in breach or default under or non-compliance with any representation, warranty, term or condition of this Agreement, in any material respect or in all respects if such representation, warranty, term or condition is already qualified by materiality; or
- (h) the Termination Time has occurred.

- 10.2 The Underwriters, or any of them, may exercise any or all of the rights provided for in Section 10.1 or Section 15 notwithstanding any material change, change, event or state of facts and notwithstanding any act or thing taken or done by the Underwriters or any inaction by the Underwriters, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Underwriters related to the offering or continued offering of the Offered Receipts for sale and any act taken by the Underwriters in connection with any amendment to the Prospectus (including the execution of any amendment or any other Supplementary Material) and the Underwriters shall only be considered to have waived any of their rights under or pursuant to Section 10.1 or Section 15 if such waiver is in writing and specifically waives such exercise or reliance.
- 10.3 Any termination pursuant to this Agreement shall be effected by notice in writing delivered to the Corporation and the other Underwriters, provided that no termination shall discharge or otherwise affect any obligation of the Corporation under Sections 2.3, 7, 8, 9, 13, 14, 15, 16, 17, 20, 21 and 25 of this Agreement or under Section 3 of Schedule "A". The rights of the Underwriters to terminate their obligations hereunder are in addition to, and without prejudice to, any other remedies they may have.

11. Closing Documents

- 11.1 The obligations of the Underwriters hereunder, as to the Firm Receipts to be purchased at the Closing Time and as to the Over-Allotment Receipts to be purchased at the Closing Time or the Additional Closing Time, as applicable, shall be conditional upon all representations and warranties and other statements of the Corporation herein being, at and as of the Closing Time and the Additional Closing Time, as applicable, true and correct in all material respects, the Corporation having performed in all material respects, at the Closing Time and the Additional Closing Time, all of its obligations hereunder theretofor to be performed and the Underwriters receiving at the Closing Time and the Additional Closing Time:
- (a) a favourable legal opinion of the Corporation's counsel addressed to the Underwriters, in form and substance reasonably satisfactory to the Underwriters, with respect to such matters as the Underwriters may reasonably request relating to the offering of the Offered Receipts and the Corporation and the transactions contemplated hereby, including, without limitation, that:
 - (i) the Corporation and Target have been duly incorporated or amalgamated, as applicable, are validly subsisting and have all necessary power and authority to carry on their respective business as now conducted by them and to own, lease and operate their respective properties and assets and are qualified to carry on business under the laws of the jurisdictions where they carry on a material portion of their business;
 - (ii) the Corporation is a "reporting issuer" in all provinces of Canada within the meaning of the Applicable Securities Laws in such provinces and is

not on any list of defaulting reporting issuers maintained by the Securities Commissions;

- (iii) the Corporation has all necessary power and authority to enter into this Agreement, the Subscription Receipt Agreement and the Acquisition Agreement and to perform its obligations herein and therein, and this Agreement, the Subscription Receipt Agreement and the Acquisition Agreement have been duly authorized, executed and delivered by the Corporation and are a legal, valid and binding obligation of the Corporation, enforceable against the Corporation, in accordance with their terms;
- (iv) the execution and delivery of this Agreement, the Subscription Receipt Agreement and the Acquisition Agreement and the fulfilment of the terms hereof and thereof by the Corporation, and the performance of and compliance with this Agreement, the Subscription Receipt Agreement and the Acquisition Agreement by the Corporation does not and will not result in a breach of, or constitute a default under, and does not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under, any applicable laws or any term or provision of the articles or by-laws of the Corporation;
- (v) the form of the definitive certificates representing the Shares and the Offered Receipts have been approved and adopted by the Corporation and comply with all legal requirements (including all applicable requirements of the Exchange) relating thereto and, in the case of the form of definitive certificates representing the Offered Receipts, comply with the Subscription Receipt Agreement;
- (vi) the Offered Receipts have been duly and validly created, allotted and issued as fully paid and non-assessable securities of the Corporation in accordance with the Subscription Receipt Agreement;
- (vii) all necessary actions have been taken by the directors of the Corporation to reserve for issuance the Shares issuable upon exchange of the Offered Receipts and such Shares will, upon their issuance in accordance with the Subscription Receipt Agreement and the constating documents of the Corporation, be validly authorized and issued and outstanding as fully paid and non-assessable Shares;
- (viii) the Offered Receipts, the Subscription Receipt Agreement and the Shares conform in all material respects with the description thereof contained in the Prospectuses;
- (ix) the Offered Receipts and the Shares issuable upon exchange of the Offered Receipts are qualified investments as set out under the heading "Eligibility for Investment" in the Prospectuses;

- (x) all necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled as required under the Applicable Securities Laws in order to qualify the Offered Receipts for distribution and sale to the public in each of the Qualifying Jurisdictions by or through investment dealers and brokers duly registered under the applicable laws of such provinces who have complied with the relevant provisions of such Applicable Securities Laws;
- (xi) the issuance of Shares by the Corporation upon exchange of the Offered Receipts to holders of the Offered Receipts in accordance with the Subscription Receipt Agreement is exempt from the prospectus requirements of the Applicable Securities Laws;
- (xii) the first trade in the Shares acquired upon exchange of the Offered Receipts will not be subject to the prospectus requirements of Applicable Securities Laws and no prospectus or other document is required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations of regulatory authorities are required to be obtained under the Applicable Securities Laws to permit the first trade of such securities by the holder thereof through persons or companies registered under the Applicable Securities Laws of such Qualifying Jurisdictions who have complied with such laws, or in circumstances in which there is an exemption from the registration requirements under the Applicable Securities Laws of such provinces, provided that: (i) the trade is not a "control distribution" (as defined in National Instrument 45-102); (ii) the Corporation is a reporting issuer at the time of the trade; and (iii) such trade does not constitute a transaction or series of transactions involving a purchase and sale, a repurchase and resale, or further purchases and sales in the course of or incidental to a "distribution" (within the meaning of Applicable Securities Laws);
- (xiii) the Corporation has the necessary power and authority to execute and deliver the Prospectuses and all necessary action has been taken by the Corporation to authorize the execution and delivery by it of the Prospectuses and the filing thereof, as the case may be, in each of the Qualifying Jurisdictions in accordance with Applicable Securities Laws;
- (xiv) subject to the qualifications and assumptions set out therein, the statements in the Prospectus under the heading "Certain Canadian Federal Income Tax Considerations" constitute a fair summary of the principal Canadian federal income tax consequences arising under the Tax Act to persons referred to therein who will hold the Offered Receipts and the Shares issuable upon exchange of the Offered Receipts;
- (xv) the Offered Receipts and the Shares issuable upon exchange of the Offered Receipts have been conditionally accepted for listing on the

Exchange, in each case subject to the filing of customary closing documentation;

- (xvi) the authorized capital of the Corporation consists of an unlimited number of Shares of which only 72,040,376 are issued and outstanding as of September 13, 2011;
- (xvii) CIBC Mellon Trust Company, at its principal offices in the city of Toronto, Ontario has been duly appointed the transfer agent and registrar for the Shares and as escrow agent under the Subscription Receipt Agreement;

and as to all other legal matters, including compliance with Applicable Securities Laws in any way connected with the issuance, sale and delivery of the Offered Receipts as the Underwriters may reasonably request.

It is understood that Corporation's counsel may rely on the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than where they are qualified to practice law, and on certificates of officers of the Corporation, the transfer agent and the Corporation's auditors as to relevant matters of fact provided; it is further understood that notwithstanding anything herein, in respect of opinions relating to Target, the Company shall only be obligated to take reasonable efforts to obtain a legal opinion from Target's counsel addressed to the Underwriters.

- (b) If any of the Offered Receipts are sold in the United States, a favourable legal opinion by the Corporation's United States counsel in form and substance reasonably satisfactory to the Underwriters, which opinion may be subject to usual and customary qualifications for opinions of this type, to the effect that no registration under the U.S. Securities Act is required for the offer and sale of the Offered Receipts by the Corporation to the Underwriters, the initial resale by the Underwriters in the U.S. Placement pursuant to and in accordance with this Agreement and the exchange of the Offered Receipts for Shares in accordance with the Subscription Receipt Agreement, it being understood that such counsel need not express an opinion for the subsequent resale of the Offered Receipts or the Shares issued upon exchange of the Offered Receipts;
- (c) a certificate of the Corporation dated the Closing Date or Additional Closing Date, as applicable, addressed to the Underwriters and signed on behalf of the Corporation by the President and Chief Executive Officer and the Chief Financial Officer of the Corporation certifying that (in their capacity as officers of the Corporation and without personal liability):
 - (i) the Corporation has complied with, and satisfied in all material respects, all terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time or the Additional Closing Time, as applicable;

- (ii) the representations and warranties of the Corporation set forth in this Agreement are true and correct at the Closing Time or the Additional Closing Time, as applicable, as if made at such time both before and after giving effect to the transactions contemplated hereby; and
- (iii) no event of a nature referred to in Sections 6.1 or 6.2 or paragraphs 10.1(a), (b), (c), (d), (e) (f) or (g), has occurred or to the knowledge of such officer is pending, contemplated or threatened;

and each certification is itself a condition to the obligations of the Underwriters hereunder, as to the Offered Receipts to be purchased at the Closing Time and as to the Over-Allotment Receipts to be purchased at the Closing time or the Additional Closing Time, provided that delivery of such certificate(s) in the manner contemplated above does not constitute satisfaction or discharge of this condition if the Underwriters have knowledge to the contrary;

- (d) a comfort letter of the Corporation's auditors, dated as of the Closing Date (with the requisite procedures to be completed within two Business Days of the Closing Date), addressed to the Board of Directors of the Corporation and the Underwriters in form and substance reasonably satisfactory to the Underwriters and the Underwriters' counsel, bringing the information contained in the comfort letter referred to in paragraph 5.1(d)(i) hereof up to the Closing Time;
- (e) a comfort letter of Target's auditors, dated as of the Closing Date (with the requisite procedures to be completed within two Business Days of the Closing Date), addressed to the Board of Directors of the Corporation and the Underwriters in form and substance reasonably satisfactory to the Underwriters and the Underwriters' counsel, bringing the information contained in the comfort letters referred to in paragraph 5.1(d)(ii) hereof up to the Closing Time. It is agreed that for the purposes of this Section 11.1(e), the term "Business Day" shall be deemed to also exclude a day which is a legal holiday in the Province of Québec;
- (f) the Corporation will have delivered to the Underwriters an executed copy of the Subscription Receipt Agreement at or prior to the Closing Time in form and substance satisfactory to the Underwriters and their counsel, acting reasonably;
- (g) evidence satisfactory to the Underwriters that the Offered Receipts and the Shares issuable in connection therewith have, subject to the usual conditions, been conditionally listed on the Exchange not later than the close of business on the last Business Day preceding the Closing Date;
- (h) the Underwriters shall have received payment of the Underwriters' Fee as provided in Section 2 of this Agreement; and
- (i) such other certificates, opinions and documents as the Underwriters may request, acting reasonably.

12. Deliveries

- 12.1 The sale of the Firm Receipts shall be completed at the Closing Time at the offices of the Corporation's counsel in the city of Montreal, Québec, or at such other place as the Corporation and the Underwriters may agree. Subject to the satisfaction of the conditions set forth in Section 11, the Underwriters, on the Closing Date, shall deliver to the Escrow Agent a wire transfer payable to the Escrow Agent in trust for the Corporation at par in Montreal, in the amount of \$70,210,000, in respect of the Firm Receipts (less the applicable fee of the Underwriters to be calculated as provided in Section 2), against delivery by the Corporation of the opinions, certificates and documents referred to in Section 11, provided that if the Closing Time takes place after the Acquisition Closing Time, such wire transfer shall be payable directly to the Corporation.
- 12.2 The Underwriters will provide a direction to CDS with respect to the crediting of the Offered Receipts to the accounts of the participants of CDS as shall be designated by the Underwriters in writing in sufficient time prior to the Closing Date to permit such crediting.
- 12.3 The Corporation shall cause CIBC Mellon Trust Company, as registrar and transfer agent for the Offered Receipts to deliver to Underwriters' counsel, on behalf of the Underwriters, one or more fully registered global certificate for the Offered Receipts to be purchased hereunder, registered in the name of "CDS & Co." as the nominee of CDS, to be held by CDS as a book-entry only security in accordance with the rules and procedures of CDS.
- 12.4 The sale or sales of the Over-Allotment Receipts shall be completed at the offices of the Corporation's counsel in the city of Montreal, Québec or at such other place as the Corporation and the Underwriters may agree, on the date (the "**Additional Closing Date**") and at the time (the "**Additional Closing Time**") specified by the Underwriters in any written notice given by the Underwriters pursuant to their election to purchase such Over-Allotment Receipts (provided that in no event shall such time be earlier than the Closing Time or earlier than two or later than ten Business Days after the date of the written notice of the Underwriters to the Corporation in respect of the Over-Allotment Receipts), or at such other times and dates as the Underwriters and the Corporation may agree upon in writing. Subject to the conditions set forth in Section 11, the Underwriters, at any Additional Closing Time, shall deliver to the Escrow Agent a wire transfer payable to the Escrow Agent in trust for the Corporation at par in Montreal, in the amount of \$11.90 per Over-Allotment Receipt agreed to be purchased by the Underwriters from the Corporation pursuant to their exercise of the Over-Allotment Option (less the applicable fee of the Underwriters to be calculated as provided in Section 2), against delivery by the Corporation of the opinions, certificates and documents referred to in Section 11, provided that if the Additional Closing Time takes place after the Acquisition Closing Time such wire transfer shall be payable directly to the Corporation.
- 12.5 Whether or not specifically contemplated in this Agreement, all provisions of this Agreement shall apply in the same manner and upon the same terms and conditions in

respect of any Over-Allotment Option as would apply to the Offered Receipts issued and sold pursuant to this Agreement, and any steps to be taken or conditions to be satisfied at the Additional Closing Time shall be the same as those steps to be taken or conditions to be satisfied at Closing Time.

13. Restrictions on Offerings

The Corporation agrees that, prior to 90 days after the Closing Date, it shall not, directly or indirectly, offer, issue, pledge, sell, agree to issue or sell, announce an intention to issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Subscription Receipts, Shares or securities convertible into or exchangeable or exercisable for Shares or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transaction is settled by delivery of the Shares or other such securities, in cash or otherwise, or announce an intention to do any of the foregoing, except in connection with the exchange, transfer, conversion or exercise of outstanding securities or commitments to issue securities in each case existing as of the date hereof, or in connection with compensation plans of the Corporation in the ordinary course, without the consent of the Lead Underwriter, such consent not to be unreasonably withheld.

14. Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and addressed to:

- (a) in the case of the Corporation:

Major Drilling Group International Inc.
111 St. George Street
Suite 100
Moncton, NB E1C 1T7

Attention: Francis P. McGuire
Facsimile: 506-857-9211

with a copy, which shall not constitute notice, to:

McCarthy Tétrault LLP
1000 de la Gauchetière Street West
Suite 2500
Montréal, QC H3B 0A2

Attention: Philippe Fortier
Facsimile: 514-875-6246

- (b) in the case of the Lead Underwriter on its behalf and on behalf of the Underwriters:

TD Securities Inc.
 TD Tower
 66 Wellington Street West
 9th Floor
 Toronto, ON M5K 1A2

Attention: Michael Faralla
 Facsimile: 416-983-1752

with a copy, which shall not constitute notice, to:

Stikeman Elliott LLP
 1155 René-Lévesque Boulevard West
 40th Floor
 Montréal, QC H3B 3V2

Attention: Steeve Robitaille and Maxime Turcotte
 Facsimile: 514-397-3222

or to such other address as the party may designate by notice given to the other. Each communication shall be personally delivered to the addressee or sent by facsimile transmission to the addressee, and:

- (c) a communication which is personally delivered shall, if delivered before 4:00 p.m. (local time at the place of delivery) on a Business Day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first Business Day following the day on which it is delivered; and
- (d) a communication which is sent by facsimile transmission shall, if sent on a Business Day before 4:00 p.m. (local time at the place of receipt), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

15. Conditions

All terms, covenants and conditions of this Agreement to be performed by the Corporation shall be construed as conditions, and any breach or failure to comply with any material terms and conditions which are for the benefit of the Underwriters shall entitle any Underwriter to terminate its obligations to purchase the Offered Receipts, by written notice to that effect given to the Corporation prior to the Closing Time or any Additional Closing Time. The Underwriters may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of their rights in respect of any other representation, warranty, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, term or condition hereof, provided that

any such waiver or extension shall be binding on the Underwriters only if the same is in writing and signed by all the Underwriters.

16. Survival of Representations and Warranties

All representations, warranties, terms and conditions of the Corporation contained herein (including, without limitation, those contained in Sections 2.3, 7, 8, 9, 13, 14, 15, 16, 17, 20, 21, 23 and 25 of this Agreement or under Section 3 of Schedule "A") or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive the payment by the Underwriters for the Offered Receipts, the termination of this Agreement and the distribution of the Offered Receipts pursuant to the Prospectus and shall continue in full force and effect for such maximum period of time as the Underwriters or any purchaser of Offered Receipts may be entitled to commence an action, or exercise a right of rescission, with respect to a misrepresentation contained or incorporated by reference in the Preliminary Prospectus, the Prospectus or any Supplementary Material or any of them, pursuant to Applicable Securities Laws in any of the Qualifying Jurisdictions, for the benefit of the Underwriters regardless of any investigation by or on behalf of the Underwriters with respect thereto.

17. Several Liability of Underwriters

17.1 The Underwriters' rights and obligations under this Agreement are several and not joint and several including, without limitation, that:

- (a) each of the Underwriters shall be obligated to purchase only the percentage of the total number of Firm Receipts set forth opposite their names in Section 17.2; and
- (b) if one or more Underwriters (a "**Refusing Underwriter**") does not complete the purchase and sale of the Offered Receipts, which that Underwriter has agreed to purchase under this Agreement (other than in accordance with Section 10), the remaining Underwriters (the "**Continuing Underwriters**") will be entitled, at their option, to purchase all but not less than all of the Offered Receipts pro rata according to the number of Offered Receipts to have been acquired by the Continuing Underwriters under this Agreement or in any proportion agreed upon, in writing, by the Continuing Underwriters. If no such arrangement has been made and the aggregate purchase price of the Offered Receipts to be purchased by the Refusing Underwriter(s) does not exceed 10% of the aggregate purchase price of the Offered Receipts, the Continuing Underwriters will be obligated to purchase the Offered Receipts on the terms set out in this Agreement in proportion to their obligations under this Agreement. If the aggregate purchase price of the Offered Receipts to be purchased by the Refusing Underwriters exceeds 10% of the aggregate purchase price of the Offered Receipts, the Continuing Underwriters will not be obligated to purchase the Offered Receipts and, if the Continuing Underwriters do not elect to purchase the Offered Receipts:
 - (i) the Continuing Underwriters will not be obligated to purchase any of the Firm Receipts or, if applicable, the Over-Allotment Receipts;

- (ii) the Corporation will not be obligated to sell less than all of the Firm Receipts or, if applicable, the Over-Allotment Receipts; and
- (iii) the Corporation will be entitled to terminate its obligations under this Agreement, in which event there will be no further liability on the part of the Corporation or the Continuing Underwriters, except for obligations of the Corporation pursuant to Sections 2.3, 7, 8, 9, 13, 14, 15, 16, 17, 20, 21 and 25 of this Agreement.

17.2 The applicable percentage of the total number of Firm Receipts and, if applicable, of Over-Allotment Receipts, which each of the Underwriters shall be separately obligated to purchase is as follows:

	Percentage
TD Securities Inc.	40.0%
Scotia Capital Inc.	30.0%
CIBC World Markets Inc.	10.0%
RBC Dominion Securities Inc.	10.0%
Beacon Securities Ltd.	5.0%
Jennings Capital Inc.	2.5%
Salman Partners Inc.	2.5%

17.3 Nothing in this Agreement shall obligate the Corporation to sell to one or any of the Underwriters less than all of the Firm Receipts and, if applicable, the Over-Allotment Receipts or shall relieve any Refusing Underwriter from liability to the Corporation, or to any Continuing Underwriter in respect of its default hereunder.

18. Authority to Bind Underwriters

The Corporation shall be entitled to and shall act on any notice, waiver, extension or communication given by or on behalf of the Underwriters by the Lead Underwriter, which shall represent the Underwriters and which shall have the authority to bind the Underwriters in respect of all matters hereunder, except in respect of any settlement under Section 8, any matter referred to in Sections 10 or 15, or any agreement under Section 17. While not affecting the foregoing, the Lead Underwriter shall consult with the other Underwriters with respect to any such notice, waiver, extension or other communication.

19. Underwriters Covenants

19.1 Each of the Underwriters covenants and agrees with the Corporation that:

- (a) it will conduct activities in connection with the proposed offer and sale of the Offered Receipts in compliance with all Applicable Securities Laws and Schedule "A" attached hereto and cause a similar covenant to be contained in any agreement entered into with any Selling Dealer Group established in connection with the distribution of the Offered Receipts;

- (b) it will not solicit subscriptions for the Offered Receipts, trade in Offered Receipts or otherwise do any act in furtherance of a trade of Offered Receipts in any jurisdictions outside of the Qualifying Jurisdictions, except in accordance with the applicable securities laws of such jurisdictions;
 - (c) it will not make any representations or warranties in connection with the Offering with respect to the Corporation or the Offered Receipts other than as set forth in this Agreement, the Preliminary Prospectus, the Prospectus, any amendment thereto or otherwise with the written approval of the Corporation acting reasonably;
 - (d) as soon as reasonably practicable after the Closing Date or the Additional Closing Date, as applicable, provide the Corporation with a break down in writing of the number of Offered Receipts sold in each of the Qualifying Jurisdictions and, upon completion of the distribution of the Offered Receipts, provide to the Corporation, the Exchange and to the Securities Commissions prompt notice in writing to that effect.
- 19.2 For the purposes of this Section 19, the Underwriters shall be entitled to assume that the Offered Receipts may be lawfully offered for sale and sold in the Qualifying Jurisdictions if the final receipt has been issued evidencing that a receipt for the Prospectus has been issued by the Securities Commissions, provided the Underwriters do not have actual knowledge, and have not been notified in writing by the Corporation, of any circumstances that would legally prohibit such distribution.
- 19.3 The Underwriters shall be entitled to offer the Offered Receipts to certain purchasers in the United States, or to, or for the account or benefit of, any U.S. persons as that term is defined in Regulation S under the U.S. Securities Act, in accordance with the terms set out in Schedule "A" attached hereto, which terms, and the representations, warranties and covenants set out in such Schedule, shall be deemed to be incorporated by reference into this Agreement.
- 19.4 No Underwriter will be liable to the Corporation under this Section 19 with respect to a default by any of the other Underwriters but will be liable to the Corporation only for its own default.
- 19.5 No Underwriter will be liable for any act, omission, default or conduct by any other Underwriter or its affiliates or any member of any Selling Dealer Group appointed by any other Underwriter.

20. Severance

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

21. Relationship Between the Corporation and the Underwriters

- 21.1 The Corporation acknowledges and agrees that: (i) the Underwriters have certain statutory obligations as registrants under the Applicable Securities Laws and have duties to their clients; and (ii) the Underwriters are neither the agents of the Corporation nor otherwise fiduciaries of the Corporation.
- 21.2 The Corporation consents to the Underwriters acting hereunder while continuing to act for their clients. To the extent that the Underwriters' statutory obligations as registrants under Applicable Securities Laws or relationships with their clients conflicts with their obligations hereunder the Underwriters shall be entitled to fulfil their statutory obligations as registrants under Applicable Securities Laws and their duties to their clients. Nothing in this Agreement shall be interpreted to prevent the Underwriters from fulfilling their statutory obligations as registrants under Applicable Securities Laws or duties to their clients.
- 21.3 The Corporation acknowledges that the Underwriters and their affiliates carry on a range of businesses, including providing institutional and retail brokerage, investment advisory, research, investment management, securities lending and custodial services to clients and trading in financial products as agent or principal. It is possible that the Underwriters and other entities in their respective groups that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account or for the account of their respective clients. The Corporation agrees that these divisions and entities may hold such positions and effect such transactions without regard to the Corporation's interests under this Agreement.

22. Stabilization

In connection with the distribution of the Offered Receipts, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the securities of the Corporation at levels other than those which might otherwise prevail in the open market, but in each case only as permitted by Applicable Securities Laws. Such stabilizing transactions, if any, may be discontinued at any time.

23. Use of Proceeds

The Corporation hereby covenants and agrees to use the net proceeds of the sale of the Offered Receipts hereunder in accordance with the disclosure in the Prospectus.

24. U.S. Offers

The Underwriters acknowledge that the Offered Receipts and the Shares issuable pursuant thereto have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state in the United States and that Offered Receipts may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. If any offer or sale of Offered Receipts occurs in the United States, or to, or for the account or benefit of, any U.S. person as that term is defined in Regulation S (as defined in Schedule "A"), then any offer and sale of the Offered Receipts shall be made in accordance with the terms and conditions set out in Schedule "A".

Each Underwriter makes the representations, warranties and covenants in Schedule "A" and agrees, on behalf of itself and on behalf of its United States registered broker- dealer affiliate, for the benefit of the Corporation, to comply with the selling restrictions imposed by the laws of the United States and set forth in Schedule "A", which forms part of this Agreement. The Underwriters also agree to obtain such an agreement from each member of the Selling Dealer Group. The Corporation also makes the representations, warranties and covenants in Schedule "A".

25. General Provisions

- 25.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each of the Corporation and the Underwriters hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.
- 25.2 Time shall be of the essence of this Agreement.
- 25.3 This Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile transmission.
- 25.4 Each party to this Agreement covenants and agrees that, from time to time, it will, at the request of the requesting party, execute and deliver all such documents and do all such other acts and things as any party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.
- 25.5 It is understood that the terms and conditions of this Agreement supersede any previous verbal or written agreement between the Underwriters and the Corporation

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing this Agreement at the place indicated and by returning the same to the Lead Underwriter.

[Signature page follows]

TD SECURITIES INC.

(Signed) Michael Faralla

Michael Faralla

SCOTIA CAPITAL INC.

(Signed) Anthony Aulicino

Anthony Aulicino

CIBC WORLD MARKETS INC.

(Signed) David A. Scott

David A. Scott

RBC DOMINION SECURITIES INC.

(Signed) Max Weis

Max Weis

BEACON SECURITIES LTD.

(Signed) Daniel Holland

Daniel Holland

JENNINGS CAPITAL INC.

(Signed) David Donato

David Donato

SALMAN PARTNERS INC.

(Signed) Terrance Salman

Terrance Salman

ACCEPTED AND AGREED TO on September 14, 2011.

**MAJOR DRILLING GROUP
INTERNATIONAL INC.**

(Signed) Francis P. McGuire

Francis P. McGuire

SCHEDULE "A"

TERMS AND CONDITIONS FOR UNITED STATES OFFERS AND SALES

This is Schedule "A" to the underwriting agreement dated effective as of September 14, 2011 (the "**Underwriting Agreement**") among Major Drilling Group International Inc. (the "**Corporation**"), TD Securities Inc. (the "**Lead Underwriter**") and Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Beacon Securities Ltd., Jennings Capital Inc. and Salman Partners Inc. (collectively with the Lead Underwriter, the "**Underwriters**").

1. Interpretation

As used in this Schedule "A", capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Underwriting Agreement to which this Schedule is annexed and the following terms shall have the respective meanings set forth unless the context specifically requires otherwise:

"Directed Selling Efforts" means directed selling efforts as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "A", it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Receipts or the Underlying Shares and includes, without limitation, the placement of any advertisement on the Internet or in a publication with a general circulation in the United States that refers to the offering of any of the Offered Receipts or Underlying Shares;

"Foreign Issuer" means a foreign issuer as that term is defined in Rule 902(e) of Regulation S;

"General Solicitation" and **"General Advertising"** mean "general solicitation" and "general advertising", respectively, as used in Rule 502(C) of Regulation D under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published on the Internet or in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"Investment Company Act" means the Investment Company Act of 1940, as amended;

"Offered Securities" means the Offered Receipts and the Underlying Shares;

"Qualified Institutional Buyer" means a "qualified institutional buyer" as that term is defined in Rule 144A;

"Regulation S" means Regulation S adopted by the SEC under the U.S. Securities Act;

"**Rule 144A**" means Rule 144A adopted by the SEC under the U.S. Securities Act;

"**SEC**" means the United States Securities and Exchange Commission;

"**Substantial U.S. Market Interest**" means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S; and

"**Underlying Shares**" means the Shares issuable pursuant to the terms of the Offered Receipts.

2. **Representations, Warranties and Covenants of the Underwriters**

2.1 Each Underwriter represents and warrants to the Corporation that:

- (a) It acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, or to or for the account or benefit of any U.S. person as that term is defined in Regulation S, except pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A and it has not offered or sold, and will not offer or sell, any of the Offered Securities except in accordance with Regulation S or Rule 144A;
- (b) It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities, except with its affiliates, any members of the Selling Dealer Group or with the prior written consent of the Corporation; and
- (c) It shall require each member of the Selling Dealer Group to agree, for the benefit of the Corporation, to comply with, and shall use its best efforts to ensure that each member of the Selling Dealer Group complies with, the provisions or clauses herein as if such provisions applied to such member.

2.2 Each Underwriter covenants to and agrees with the Corporation that:

- (a) All offers and sales of the Offered Receipts in the United States will be effected through a U.S. broker-dealer affiliate(s) of one or more of the Underwriters (the "U.S. Placement Agents") in accordance with all applicable U.S. broker-dealer requirements;
- (b) The U.S. Placement Agents are Qualified Institutional Buyers;
- (c) It will not, either directly or through the U.S. Placement Agents, solicit offers for, or offer to sell, the Offered Receipts in the United States by means of any form of General Solicitation or General Advertising and neither it nor its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any Directed Selling Efforts with respect to the Offered Receipts;
- (d) It will solicit, and will cause the U.S. Placement Agents to solicit, offers for the Offered Receipts in the United States, or from any U.S. person as that term is

defined in Regulation S only from, and will offer the Offered Receipts only to, persons it reasonably believes to be Qualified Institutional Buyers in accordance with Rule 144A;

- (e) It will inform, and cause the U.S. Placement Agents to inform, all purchasers of the Offered Receipts in the United States that the Offered Securities have not been and will not be registered under the U.S. Securities Act and are being sold to them without registration under the U.S. Securities Act in reliance on Rule 144A;
- (f) At or prior to the time of purchase of any Offered Receipts, it will deliver, through the U.S. Placement Agents, a copy of the U.S. Placement Memorandum including the Preliminary Prospectus and/or the Prospectus, as applicable, to each person in the United States purchasing Offered Receipts from it (all such documents, the "Offering Documents");
- (g) It shall cause the U.S. Placement Agents to agree, for the benefit of the Corporation, to the same provisions as are contained in Sections 1 through 10 of this Schedule "A";
- (h) At least one Business Day prior to the Closing Date, it shall cause the U.S. Placement Agents to provide CIBC Mellon Trust Company with a list of all purchasers of the Offered Receipts in the United States; and
- (i) At any Closing Date it, together with the U.S. Placement Agents, will provide a certificate, substantially in the form of Exhibit I to this Schedule "A".

2.3 The Underwriters have not entered, and will not enter, into any contractual arrangement without the prior written consent of the Corporation with respect to the distribution of the Offered Receipts except (i) with their affiliates, (ii) with members of the Selling Dealer Group in accordance with Section 2.1(c) of this Schedule "A", or (iii) otherwise with the prior written consent of the Corporation.

3. Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees to and with the Underwriters that:

- (a) it is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest in the Offered Receipts;
- (b) it is not required to register as an "investment company" pursuant to the Investment Company Act;
- (c) the Offered Receipts are eligible for resale pursuant to Rule 144A(d)(3);
- (d) for so long as any of the Offered Securities are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, and the Corporation is neither exempt from filing reports under Rule 12g3-2(b) under the

U.S. Exchange Act nor filing reports and other information with the SEC under Section 13 or 15(d) of the Exchange Act, the Corporation will furnish holders and prospective purchasers of the Offered Securities, the information required by paragraph (d)(4) of Rule 144A;

- (e) neither the Corporation nor any of its affiliates nor any person acting on its or their behalf (excluding the Underwriters and their representatives and affiliates) has offered or will offer to sell the Offered Receipts by means of any form of General Solicitation or General Advertising; and
- (f) neither the Corporation nor any of its affiliates nor any person acting on its or their behalf (excluding the Underwriters and their representatives and affiliates) has engaged or will engage in any Directed Selling Efforts with respect to the Offered Receipts.

EXHIBIT I

UNDERWRITERS' CERTIFICATE

In connection with the private placement by Major Drilling Group International Inc. (the "**Corporation**") in the United States of subscription receipts (the "**Offered Receipts**") of the Corporation pursuant to the Underwriting Agreement dated effective as of September 14, 2011 among the Corporation and the Underwriters named therein (the "**Underwriting Agreement**"), each of the undersigned Underwriters and its U.S. registered broker-dealer affiliate who has signed below in its capacity as placement agent in the United States (the "**U.S. Placement Agent**") does hereby certify as follows:

- (i) the U.S. Placement Agent is a duly registered broker or dealer with the United States Securities and Exchange Commission, is a member of, and in good standing with, the Financial Industry Regulatory Authority and all offers and sales of Offered Receipts in the United States will be effected by the U.S. Placement Agent in accordance with all U.S. broker-dealer requirements;
- (ii) we have not solicited offers for, or offers to sell, the Offered Receipts by means of any form of general solicitation or general advertising (as those terms are used in Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"));
- (iii) each offeree was provided with a copy of the U.S. Placement Memorandum, including the Prospectus for the offering of the Offered Receipts in the United States (together, the "**Offering Documents**"), and no other written material has been used by us in connection with the offering of the and Offered Receipts in the United States;
- (iv) immediately prior to transmitting the Offering Documents to offerees, we had reasonable grounds to believe and did believe that each offeree was a qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act (a "**Qualified Institutional Buyer**"), and, on the date hereof, we continue to believe that each purchaser of the Offered Receipts is a Qualified Institutional Buyer; and
- (v) the offering of the Offered Receipts in the United States, and to or for the account or benefit of any U.S. person as that term is defined in Regulation S, has been conducted by us in accordance with the Underwriting Agreement.

Capitalized terms used in this certificate have the meanings given to them in the Underwriting Agreement, including Schedule "A" thereto, unless otherwise defined herein.

DATED this ● day of ●, ●.

[Underwriter]

Per: [Name]
[Title]

[U.S. Broker-Dealer Affiliate of Underwriter]

Per: [Name]
[Title]