NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT PROXY CIRCULAR

MAJOR DRILLING GROUP INTERNATIONAL INC.

ANNUAL MEETING TO BE HELD ON SEPTEMBER 12, 2019

INVITATION TO SHAREHOLDERS

July 15, 2019

Dear Shareholder:

We would like to take this opportunity to invite you to our Annual Meeting of Shareholders. This year's meeting will be held at the offices of McCarthy Tétrault LLP, 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario, on Thursday, September 12, 2019 at 3:00 p.m. (Eastern time). The meeting gives you the opportunity to learn more about Major Drilling Group International Inc., to receive our financial results, and to hear about our plans for the future. You will also have the opportunity to meet our directors and senior management.

The attached formal Notice of Annual Meeting of Shareholders and Management Proxy Circular describe the business to be conducted at the meeting. The form of proxy for 2019 is also contained in this package. We encourage you, if you can, to attend in person, ask questions and express your views. Please arrive at the meeting between 2:30 p.m. and 2:45 p.m. (Eastern time) so you can be registered. If you cannot attend, please complete, sign and return your proxy in the enclosed envelope.

Your input is valuable and important to us. We hope to have the opportunity to welcome you on Thursday, September 12, 2019.

"*David Tennant*"
David B. Tennant
Chair of the Board

"*Denis Larocque*"
Denis Larocque
President and Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the "Meeting") of Major Drilling Group International Inc. (the "Corporation") will be held at the offices of McCarthy Tétrault LLP, 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario, on Thursday, September 12, 2019, at 3:00 p.m. (Eastern time), for the purposes of:

(1) receiving the consolidated financial statements for the fiscal year ended April 30, 2019, together with the auditor's report therein;

(2) electing the directors of the Corporation for the ensuing year;

(3) considering an advisory resolution to accept the approach taken by the board of directors of the Corporation (the "Board") in respect of executive compensation; and

(4) appointing Deloitte LLP as independent auditors for the ensuing year and authorizing the directors to fix the auditors' remuneration.

The Meeting may also consider such other business as may properly be brought before the Meeting or any adjournment thereof.

You are entitled to receive notice of, and vote at, the Meeting or any adjournment thereof if you were a shareholder on July 15, 2019. To ensure that a proxy is counted, the completed form of proxy must be received by AST Trust Company (Canada), Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, or by e-mail at proxyvote@astfinancial.com, or by fax to 416-368-2502 or 1-866-781-3111 (toll free in Canada and the United States), on or before 3:00 p.m. (Eastern time) Tuesday, September 10, 2019 or not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the start of the Meeting, or any adjournment or postponement thereof.

The Management Proxy Circular and a form of proxy accompany this Notice of Annual Meeting of Shareholders.

BY ORDER OF THE BOARD

"Andrew McLaughlin"
Andrew McLaughlin
Secretary

Moncton, New Brunswick
July 15, 2019

Shareholders who are unable to be present at the Meeting are requested to complete and to return the enclosed form of proxy in the envelope provided for that purpose.

MANAGEMENT PROXY CIRCULAR

This Management Proxy Circular (the "Circular") is furnished in connection with the solicitation by the management of Major Drilling Group International Inc. (the "Corporation") of proxies to be used at the Annual Meeting of Shareholders of the Corporation (the "Meeting") to be held at the offices of McCarthy Tétrault LLP, 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario, on Thursday, September 12, 2019, at 3:00 p.m. (Eastern time), and at any adjournment thereof. The solicitation of proxies will be primarily by mail but proxies may also be solicited by telephone, personally or by officers of the Corporation ("Officers") or employees of the Corporation. The cost of solicitation will be borne by the Corporation. The Corporation will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for any reasonable expenses incurred in sending proxy material to beneficial owners of shares and requesting authority to execute proxies.

Whether or not you expect to attend the Meeting, please exercise your right to vote. Shareholders who have voted may still attend the Meeting. Please complete, date and sign the enclosed form of proxy and return it as set out in this Circular to AST Trust Company (Canada), the transfer agent and registrar for the Corporation ("AST"), by mail in the envelope provided or send to AST Trust Company (Canada), Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, or by fax to 416-368-2502 or toll free in Canada and the United States to 1-866-781-3111, or by email to proxyvote@astfinancial.com.

Record Date

The Board has fixed July 15, 2019, as the record date (the "Record Date") for the purpose of determining shareholders entitled to receive the Notice of Annual Meeting of Shareholders (the "Notice of Meeting"). Each shareholder is entitled to one vote for each share held and shown as registered in such shareholder's name on the list of shareholders prepared as of the close of business on the Record Date. The list of shareholders will be available for inspection during usual business hours at the principal offices of AST, 1 Toronto Street, Suite 1200, Toronto, ON M5C 2V6, and will also be available for inspection at the Meeting.

Registered and Beneficial Shareholders

For the purposes of this Circular, reference to "registered shareholders" means shareholders who hold their shares directly and are registered as shareholders of the Corporation and "beneficial shareholders" means beneficial owners of shares whose shares are registered in the name of an investment dealer, other intermediary or clearing agency. Registered shareholders will find a form of proxy accompanying this Circular.

Beneficial shareholders who have not waived their right to receive the meeting materials (as defined below) can expect to receive either:

- a form of proxy that is signed by the investment dealer, other intermediary or clearing agency (typically by a facsimile stamped signature), which sets forth the number of shares beneficially owned by the beneficial shareholder, but which is otherwise uncompleted. The beneficial shareholder may complete the proxy and deposit it with AST as described; or

- a voting instruction form requesting voting instructions that must be completed and signed, or otherwise dealt with, by the beneficial shareholder in accordance with the instructions on the voting instruction form.

The majority of investment dealers, other intermediaries or clearing agencies delegate responsibility for obtaining voting instructions from beneficial shareholders to a service company, such as Broadridge Investor Communications. The service company typically mails a voting instruction form to beneficial shareholders requesting that the beneficial shareholders return the form to the service company. The Broadridge form also allows completion of the voting instruction form by telephone and by the Internet. The service company then tabulates the results of all instructions received from beneficial shareholders and provides appropriate instructions respecting the voting of shares to the Corporation's transfer agent, AST. A beneficial shareholder receiving a voting instruction form from the service company cannot use the form to vote the shares directly at the Meeting. The voting instruction form must be returned to the service company in advance of the Meeting in order to have the shares to which it relates voted.

Voting of Shares Represented by Management Proxies

On any ballot that may be called for, the shares represented by properly executed proxies in favour of the persons named in the printed portion of the enclosed form of proxy will be voted for, withheld from voting or voted against as specified by the shareholder in the proxy on any ballot that may be called for.

If no choice is specified with respect to any matter to be acted upon at the Meeting, the directors of the Corporation (the "Directors") designated as proxyholders on the form of proxy will exercise the voting rights attached to the shares as follows:

- **FOR the election of each of the director nominees of the Corporation named therein;**
- **FOR the advisory resolution on the Board's approach to executive compensation as set forth in this Circular; and**
- **FOR the re-appointment of Deloitte LLP as independent auditors of the Corporation for the ensuing year and the fixing of their remuneration by the Directors.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations, if any, to matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly come before the Meeting. The Directors know of no such amendments or variations or other matters to come before the Meeting.

Appointment and Revocation of Proxies

The persons designated in the form of proxy, David B. Tennant and Denis Larocque, are the Chair of the Board of Directors and the President and Chief Executive Officer, respectively, of the Corporation.

A shareholder may appoint another person (who need not be a shareholder) other than those whose names are printed on the form of proxy, to represent him or her at the Meeting to exercise such right. A shareholder may either strike out the names of the persons named in the enclosed form of proxy and insert the name of the other person to be appointed in the blank space provided or complete another acceptable form of proxy and, in either case, deliver the completed form of proxy to AST, at any time on or before 3:00 p.m. (Eastern time) on Tuesday, September 10, 2019, or not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the start of the Meeting, or any adjournment or postponement thereof. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

Proxies given by shareholders for use at the Meeting may be revoked at any time prior to their use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder, or by his or her attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation, and returned to AST, on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or deposited with the Chair of the Meeting on the day of the Meeting or any adjournment thereof, but prior to the use of the proxy at the Meeting, or in any other manner permitted by law.

Voting Shares and Principal Holders Thereof

On July 15, 2019, there were 80,299,984 common shares outstanding, being the only class of voting shares issued and outstanding. Each common share is entitled to one vote.

To the knowledge of the Directors and executive officers of the Corporation (the "Executive Officers"), as at the close of business on July 15, 2019, the only party that beneficially owns or exercises control or direction, directly or indirectly, over common shares carrying more than 10% of the voting rights attached to all shares of the Corporation is Franklin Templeton, which owns or exercises control over 9,781,582 common shares, representing approximately 12.2% of all common shares outstanding.

FREQUENTLY ASKED QUESTIONS

Q Who is soliciting my proxy?

A Your proxy is being solicited by the management of the Corporation. This Circular is furnished in connection with that solicitation. Proxies are to be used at the Meeting, and at any adjournment or postponement thereof, to be held on Thursday, September 12, 2019, at 3:00 p.m. (Eastern time), at the offices of McCarthy Tétrault LLP, 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario and for the purposes set out in the accompanying Notice of Meeting.

The cost of soliciting proxies will be borne by the Corporation. While most proxies will be solicited by mail only, some shareholders may also be contacted by the Corporation's Directors, Officers or employees personally or by telephone. In addition, the Corporation will provide proxy materials to brokers, custodians, nominees and fiduciaries and request that such materials be promptly forwarded to the beneficial owners of shares registered in the names of such brokers, custodians, nominees and fiduciaries. The Corporation may also use the services of an outside agency to solicit proxies on its behalf.

Q Am I entitled to receive notice of the Meeting and attend the Meeting?

A Yes, if you are a shareholder as of July 15, 2019, which is the Record Date. All shareholders, as of the close of business on that date, are entitled to receive notice of, attend and be heard at the Meeting.

Q Am I entitled to vote and what am I voting on?

A If you are a holder of shares as of the close of business on July 15, 2019, you are entitled to vote one vote per share on the resolutions relating to:

- electing each person nominated by management as a Director of the Corporation;
- accepting the approach taken by the Board of Directors in respect of executive compensation;
- appointing the independent auditors for the ensuing year and authorizing the Directors to set their remuneration; and
- such other business as may properly be brought before the Meeting or any adjournment thereof.

Q How can I vote my shares?

A You can vote your shares by either: (i) attending and voting your shares at the Meeting; (ii) if you cannot attend the Meeting and are a **beneficial shareholder**, voting via the Internet or by telephone or by having your shares voted by proxy (through completing the proxy form or the voting instruction form sent by, and satisfying the other instructions of, your Intermediary (as defined below)), as described below; or (iii) if you cannot attend the Meeting and are a registered shareholder, by having your shares voted by proxy (through completing the proxy form, as described below). How you exercise your vote depends on whether you are a registered or **beneficial shareholder**:

- You are a **registered shareholder** if you have shares registered in your name.
- You are a **beneficial shareholder** if your shares are registered either: (i) in the name of an intermediary (an "Intermediary") (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that you deal with in respect of the shares; or (ii) in the name of a clearing agency (such as the CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

Q How can I vote by attending the Meeting?

A If you are a **registered shareholder**, you are entitled to attend the Meeting and cast your vote in person.

If you are a **beneficial shareholder**, you are entitled to attend the Meeting and cast your vote in person, provided you have submitted a properly executed proxy, as described below. When you arrive at the Meeting, advise the registration staff that you are a proxy appointee. If you have received a voting instruction form, please follow the instructions on the form.

Q How do I vote by proxy?

A How you vote by proxy depends on whether you are a **registered shareholder** or a **beneficial shareholder**.

Q How do I vote by proxy if I am a registered shareholder?

A If you are a **registered shareholder**, you may vote by paper proxy.

If you wish to vote by paper proxy, your proxy should be returned by mail or delivery. To ensure that a proxy is counted, the completed form of proxy must be received by AST by mail at P.O. Box 721, Agincourt, Ontario, M1S 0A1, or by email at proxyvote@astfinancial.com, or by fax to 416-368-2502 or 1-866-781-3111 (toll free in Canada and the United States), on or before 3:00 pm (Eastern time) Tuesday, September 10, 2019 or not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the start of the Meeting, or any adjournment or postponement thereof. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

Q How do I vote if I am a beneficial shareholder?

A In accordance with the requirements of the Canadian Securities Administrators (the "CSA"), the Corporation will have distributed copies of the Notice of Meeting, this Circular, and the enclosed form of proxy (collectively, the "Meeting Materials") to Intermediaries and clearing agencies for distribution to **beneficial shareholders** of shares.

Intermediaries are required to forward the Meeting Materials to **beneficial shareholders** unless a **beneficial shareholder** has waived his or her right to receive them. Intermediaries often use service companies to forward the Meeting Materials to **beneficial shareholders**.

Beneficial shareholders who have not waived their right to receive the Meeting Materials and who want to vote, or be represented at the Meeting should read this section carefully.

There are four ways for **beneficial shareholders** to vote their shares held by an Intermediary, either in person at the Meeting, by mail, via the Internet or by telephone. **Beneficial shareholders** will receive a package from their Intermediary that contains either a voting instruction form or a proxy form for the number of shares owned. In either case, **beneficial shareholders** should follow the instructions that accompany the voting instruction form or the proxy form.

Q If I am a beneficial shareholder, how do I vote in person at the Meeting?

A **Beneficial shareholders** who wish to attend the Meeting and vote in person should do one of the following:

- if the Intermediary has sent a proxy form, the **beneficial shareholders** should insert their own name in the blank space provided in the proxy form to appoint themselves as proxyholder. **Beneficial shareholders** should follow their Intermediary's instructions for returning the proxy form; or

- if the Intermediary has sent a voting instruction form, **beneficial shareholders** should follow the Intermediary's instructions for completing the form.

In either case, **beneficial shareholders** should present themselves to representatives of AST when they arrive at the Meeting if they want to vote in person at the Meeting.

Q What happens if I am a beneficial shareholder and I have not waived my right to receive Meeting Materials?

A Generally, **beneficial shareholders** who have not waived the right to receive Meeting Materials will either:

- be given a form of proxy that has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the **beneficial shareholder** but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the **beneficial shareholder** when submitting the proxy. In this case, the **beneficial shareholder** who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or

- be given a voting instruction form that is not signed by the Intermediary and which, when properly completed and signed by the **beneficial shareholder** and returned to the Intermediary or its service company, will constitute voting instructions that the Intermediary must follow. If the **beneficial shareholder** does not wish to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the voting instruction form must be completed, signed and returned in accordance with the instructions on the form.

In either case, the purpose of this procedure is to permit the **beneficial shareholder** to direct the voting of the shares he or she beneficially owns. Should a **beneficial shareholder** who receives either a proxy form or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the **beneficial shareholder**), the **beneficial shareholder** should strike out the names of the persons named in the proxy form and insert their (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the instructions on the form for appointing someone other than the Intermediary or the management's nominee as the proxyholder.

Proxyholders should present themselves to representatives of AST when they arrive at the Meeting.

Q Who votes my shares?

A The persons designated in the accompanying form of proxy are Messrs. David B. Tennant and Denis Larocque.

A shareholder may appoint as proxyholder a person other than the persons designated in the form of proxy to attend and vote at the Meeting in such shareholder's place, and may do so by inserting the name of such other person, who need not be a shareholder, in the blank space provided in such form of proxy or by completing another proper form of proxy.

Q How will my shares be voted if I return a proxy?

A By completing and returning a proxy, you are authorizing the person named in the proxy to attend the Meeting and vote your shares on each item of business you are entitled to vote on, according to your instructions. If there are no instructions with respect to your proxy, your shares will be voted in favour of:

- electing each person nominated by management as a Director of the Corporation;

- adopting an advisory resolution to accept the Board's approach to executive compensation; and

- appointing Deloitte LLP, Chartered Professional Accountants, Moncton, as independent auditors of the Corporation for the ensuing year and authorizing the Directors to set their remuneration.

The person you appoint to vote on your behalf may vote as he or she sees fit on any amendment or variation to any of the matters identified in the Notice of Meeting and any other matters that may properly be brought before the Meeting. As of July 15, 2019, neither the Board of Directors nor the management of the Corporation is aware of any variation, amendment or other matter to be presented for a vote at the Meeting.

Q Can I revoke a proxy?

A A shareholder who gives a proxy, or such shareholder's attorney authorized in writing, may revoke such proxy by depositing an instrument in writing executed by such shareholder or by such shareholder's attorney, authorized in writing, with AST on or before the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof, but prior to the use of the proxy at the Meeting, or in any other manner permitted by law.

Q What if ownership of shares has been transferred after July 15, 2019, the Record Date?

A Only shareholders whose names appear on the list of shareholders entitled to vote as of July 15, 2019, the Record Date, are entitled to vote the shares shown opposite their names on the list at the Meeting. Transfers of shares after the Record Date will not be recognized for voting entitlement purposes. The list of shareholders will be available for inspection on and after August 12, 2019 by request via fax to 1-514-985-8843 or toll free in Canada and the United States to 1-888-249-6189, or via email to inquiries@astfinancial.com, and at the Meeting or any adjournment thereof.

Q What is the final date to submit a shareholder proposal for the 2020 Annual Meeting?

A The final date for submitting shareholder proposals to the Corporation is April 10, 2020.

Q What if I have a question regarding the voting procedures or the Meeting?

A If you have any questions regarding the Meeting, please contact AST Trust Company (Canada):

- by telephone: 1-800-387-0825 or if outside Canada and the United States, 1-416-682-3860; or
- by email: inquiries@astfinancial.com

ANNUAL BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The Corporation's consolidated financial statements for the fiscal year ended April 30, 2019 ("2019 fiscal year"), including the report of the auditors thereon, which will be placed before the shareholders at the Meeting, are contained in the 2019 Annual Report of the Corporation, which is available on its website (www.majordrilling.com) and on the SEDAR website (www.sedar.com).

ELECTION OF DIRECTORS

The Board of Directors believes that good corporate governance starts with good directors and an effective board. These elements are essential to the effective management of the Corporation and to the protection of its investors, employees and other stakeholders. In furtherance of this, the mandate of the Corporate Governance and Nominating Committee requires it to:

- establish criteria for the election and re-election of a Director in regards to competencies and skills that are a prerequisite to Board membership;
- recommend enhancements to the Board in terms of its composition and size; and
- identify and recommend prospective directors who possess the requisite competencies and skill set.

The articles of incorporation of the Corporation stipulate that the Board of Directors shall consist of a minimum of three and a maximum of ten directors, and grants to the Board the power to fix, by resolution, the actual number of directors from time to time. The Board of Directors, upon the recommendation of the Corporate Governance and Nominating Committee, has fixed that number at eight for the purposes of the Meeting.

Upon the recommendation of the Corporate Governance and Nominating Committee, the eight persons listed in this Circular, beginning on page 13, are proposed as nominees for election as directors. These individuals will hold office until the next Annual Meeting of Shareholders of the Corporation or until their successors are elected or appointed. Seven of eight nominees are current Directors of the Corporation. At the Meeting, shareholders will be asked to elect, by ordinary resolution, each of the nominees as directors.

Unless specified in the enclosed form of proxy that the shares represented by the proxy shall be withheld from voting for the resolution approving the election of directors named therein, it is the intention of the persons designated in the enclosed form of proxy to vote FOR the election of the directors named therein.

"SAY-ON-PAY" ADVISORY VOTE ON THE APPROACH TO EXECUTIVE COMPENSATION

The Board, assisted by the Human Resources and Compensation Committee, is responsible for determining the underlying objectives and principles of the Corporation's executive compensation philosophy. The Board's role is to clearly explain to shareholders the key components of this compensation philosophy and how its approach is aligned with the Corporation's strategic objectives.

By putting its approach to executive compensation to a "say-on-pay" advisory vote, the Board shows its commitment to the Corporation's shareholders and recognizes its responsibility regarding decisions made concerning executive compensation. Moreover, the Board believes it is essential for the shareholders of the Corporation to be well informed and to fully understand the principles on which its compensation-related decisions are based.

The resolution to be voted on is as follows: **"It is resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors of Major Drilling Group International Inc., that the registered shareholders of common shares accept the approach to executive compensation disclosed in Major Drilling Group International Inc.'s Management Proxy Circular delivered in advance of the 2019 Annual Meeting of Shareholders."**

The above advisory resolution, upon which the holders of common shares present or represented by proxy and entitled to vote at the Meeting are asked to vote, is not binding on the Board. However, the Board will consider the results of the vote when reviewing its approach to executive compensation.

For more information on the Board's approach to executive compensation, please refer to pages 32 to 42 of this Circular.

Unless specified in the enclosed form of proxy that the shares represented by the proxy shall be voted against the resolution accepting the approach taken by the Board of Directors in respect of executive compensation, it is the intention of the persons designated in the enclosed form of proxy to vote FOR the said resolution.

APPOINTMENT OF AUDITORS

Upon the recommendation of the Audit Committee, the Board of Directors proposes that the firm Deloitte LLP, Chartered Professional Accountants, Moncton, New Brunswick be reappointed as auditors of the Corporation. If reappointed, Deloitte LLP will continue to hold office until the next Annual Meeting of Shareholders at such compensation as may be fixed by the Board upon the recommendation of the Audit Committee.

Deloitte LLP have been the auditors of the Corporation for all fiscal years ending April 30 (each being a "fiscal year") subsequent to and including the 1999 fiscal year.

Representatives of Deloitte LLP will be present at the Meeting and will be given the opportunity to make a statement if they so wish and will respond to appropriate questions.

Unless specified in the enclosed form of proxy that the shares represented by the proxy shall be withheld from voting for the resolution approving the reappointment of Deloitte LLP as auditors of the Corporation for the ensuing year, it is the intention of the persons designated in the enclosed form of proxy to vote FOR the resolution approving the reappointment of Deloitte LLP as auditors of the Corporation for the ensuing year and authorizing the Directors to fix their remuneration from time to time.

Auditors Fees

The following chart summarizes the aggregate fees billed by Deloitte LLP for professional services rendered to the Corporation and its subsidiary entities during the last two fiscal years for audit and non-audit related services:

The independent auditors of the Corporation are Deloitte LLP. The following chart summarizes the aggregate fees billed by Deloitte LLP for professional services rendered to the Corporation and its subsidiary entities during the last two fiscal years for audit and non-audit related services:

	Year ended April 30, 2019 (in thousands of dollars)		**Year ended April 30, 2018 (in thousands of dollars)**	
Type of Work	**Fees**	**Percentage**	**Fees**	**Percentage**
Audit fees(1)	$472	57%	$450	64%
Audit-related fees(1)	$161	19%	$116	17%
Tax fees(2)	$203	24%	$132	19%
Total	**$836**	**100%**	**$698**	**100%**

(1) Aggregate fees billed for the Corporation's annual financial statements and services normally provided by the auditor in connection with the Corporation's statutory and regulatory filings. Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements, including employee benefits plan audits, accounting consultations and audits in connection with acquisitions, internal control reviews, assistance with aspects of tax accounting, attest services not required by statute or regulation and consultation regarding financial accounting and reporting standards.

(2) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.

Auditors Services Policy

The Board of Directors has approved a "Policy on the Scope of Services of the Auditor", which can be found on the Corporation's website at www.majordrilling.com. Under this policy, the Audit Committee approves the general engagement terms for all audit and non-audit services to be provided by the Corporation's auditor before such services are provided to the Corporation or any of its subsidiaries.

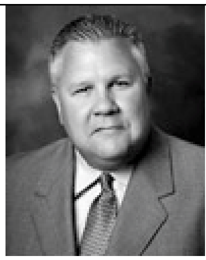
The Audit Committee has the mandate to approve the scope of all professional services provided to the Corporation and its subsidiaries described in the previous table.

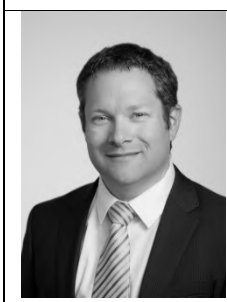
NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

The table beginning on page 14 sets out, for each person nominated for election as a director, their name and age; municipality of residence; present principal occupation and principal occupations held in the last five years if different; the first and last major office with the Corporation, if any; a brief description of their principal directorships, memberships and education; the number of shares beneficially owned or controlled or directed, directly or indirectly, by each nominee and the value of such common shares; the number of options and deferred share units ("DSUs") credited to each nominee and the value of such options and DSUs; the date each became a Director of the Corporation; and their current membership on Board committees. Consistent with the Corporation's Diversity Policy (as defined below), the selection process for new nominees is conducted by the Corporate Governance and Nominating Committee, taking into account diversity of gender, backgrounds, experience and skills, integrity and character, knowledge of the industry and/or general business knowledge, and independent and sound judgment. Below is a matrix for the nominee directors, wherein each nominee has been asked to confirm their skills and areas of experience, to ensure that the Board's overall experience and expertise is well rounded. This matrix also assists the Board in determining the skill sets the Board will seek when replacing Directors at the time of retirement or departure.

Name	Mining Industry	Finance	Compensation and Human Resources	Environment, Health and Safety	International Commerce	Corporate Governance	Mergers & Acquisitions	Legal	CEO	Energy Sector	Director
Edward J. Breiner	√		√	√	√	√	√		√	√	√
John Burzynski	√	√	√	√	√	√	√	√	√	√	√
Louis-Pierre Gignac	√	√	√	√	√						√
Kim Keating	√	√	√	√		√	√			√	√
Denis Larocque	√	√	√	√	√	√	√		√		√
Janice G. Rennie	√	√	√	√		√	√				√
David B. Tennant		√	√		√	√	√	√			√
Jo Mark Zurel	√	√	√		√	√	√			√	√

Unless otherwise instructed by a shareholder, the persons named in the accompanying form of proxy will vote FOR the appointment of the nominees as set out in the following table. Management does not anticipate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy reserve the right to vote for another nominee at their discretion.

 **Edward J. Breiner Independent**	Edward J. Breiner, Director, West Chester, Pennsylvania, United States of America Mr. Breiner is the former President and CEO of Schramm, Inc., a manufacturer of mobile tophead rotary drill rigs, located in West Chester, Pennsylvania, USA, where he served as a director until September 30, 2018. He has over 30 years of experience in the manufacturing, marketing and sale of drill rigs and construction equipment. Mr. Breiner serves on a number of non-profit boards including the World Trade Center of Greater Philadelphia. Mr. Breiner holds a Bachelor of Science from Bloomsburg University of Pennsylvania and a Masters of Business Administration from the University of Dallas, Texas, and is certified in Production and Inventory Management by APICS, the Association of Operations Management. Mr. Breiner is Chair of the Corporate Governance and Nominating Committee, a member of the Human Resources and Compensation Committee and a member of the Environment, Health and Safety Committee. He has been a Director of the Corporation since 2006.	<u>Age</u> 62 <u>Holdings</u> Common Shares: 35,000 Value(1): $144,200 Options held to purchase Common Shares: 43,200 Value(1): $0 DSUs: 7,793 Value(1): $32,107
 **John Burzynski Independent**	**John Burzynski**, Director, Toronto, Ontario, Canada Mr. Burzynski has been President and Chief Executive Officer of Osisko Mining Inc. since 2015. Prior to that, he held the positions of Senior Vice President New Business with Osisko Gold Royalties Ltd. and Vice President Corporate Development for Osisko Mining Corporation. He holds a Bachelor of Science (Honours) degree in geology from Mount Allison University, and a Master of Science in exploration and mineral economics (MINEX) degree from Queen's University. He is a registered professional geologist in the province of Québec, and has over 30 years experience on national and international mining and development projects. Mr. Burzynski currently serves as a director with Osisko Mining Inc., Osisko Gold Royalties Ltd., and Osisko Metals Inc., all reporting issuers. Mr. Burzynski is a member of the Environment, Health and Safety Committee and a member of the Human Resources and Compensation Committee.	<u>Age</u> 55 <u>Holdings</u> Common Shares: --- Value(1): $ --- Options held to purchase Common Shares: --- Value(1): $ --- DSUs: 3,513 Value(1): $14,474
 **Louis-Pierre Gignac Independent**	**Louis-Pierre Gignac,** Director, La Prairie, Québec, Canada Mr. Gignac has been the Co-President of G Mining Services Inc., a mining consultancy firm located in Brossard, Québec, Canada, since October 2015. Prior to that, he was the Vice President of Mine Engineering for the same company. He has 19 years of experience in the mining industry in various engineering and management roles. Mr. Gignac holds a Bachelor of Engineering from McGill University, a Master of Applied Sciences from École Polytechnique de Montréal and is a CFA® charterholder. Mr. Gignac is a member of the Audit Committee and a member of the Environment, Health and Safety Committee.	<u>Age</u> 43 <u>Holdings</u> Common Shares: 10,000 Value(1): $41,200 Options held to purchase Common Shares: --- Value(1): $ --- DSUs: 3,513 Value(1): $14,474

 **Kim Keating** **Independent**	**Kim Keating**, Director **Nominee**, St. Philips, Newfoundland, Canada Ms. Keating is a Professional Engineer with over 20 years experience in the global offshore energy sector. She is currently Chief Operating Officer of the Cahill Group – one of Canada's largest multi-disciplinary construction companies. She joined the Cahill Group in 2013 as Director of Projects and oversaw the construction and delivery of one of the largest topside modules ever built for a major offshore oil and gas development. Prior to joining the Cahill Group, Ms. Keating held a variety of progressive leadership roles from engineering design through to construction, commissioning, production operations and field development with Petro-Canada (now Suncor Energy Inc.). She holds a Bachelor of Civil (Structural) Engineering degree, a Master of Business Administration, is a registered member of the Professional Engineering & Geoscientists NL (PEGNL) and holds the Canadian Registered Safety Professional (CRSP) designation. In June 2016, she was named a Fellow of the Canadian Academy of Engineers. Ms. Keating is a director on the board of Yamana Gold Inc., a reporting issuer, and is a member of its compensation and sustainability committees.	Age 47 Holdings Common Shares: --- Value(1): $ --- Options held to purchase Common Shares: --- Value(1): $ --- DSUs: --- Value(1): $ ---
 **Denis Larocque** **Non-Independent**	Denis Larocque**,** Director, President and Chief Executive Officer, Dieppe, New Brunswick, Canada Mr. Larocque has been the President and Chief Executive Officer of the Corporation since September 2015. Prior to that, he was the Corporation's Chief Financial Officer for nine years, having progressed through a number of roles, including VP Finance and Corporate Controller, since joining the Corporation in 1994. Throughout his roles, Mr. Larocque has consistently had direct involvement in operations, acquisitions and branch set-ups. He holds a Bachelor of Business Administration from Laval University and was made a Fellow of the Institute of Chartered Professional Accountants in 2018. He has served as a director of Assumption Life Mutual and of Louisbourg Investments. Mr. Larocque has been a Director of the Corporation since September 2015.	Age 49 Holdings Common Shares: 62,275 Value(1): $256,573 Options held to purchase Common Shares: 584,000 Value(1): $0 RSUs: 198,470 Value(1): $817,696
 **Janice G. Rennie** **Independent**	Janice G. Rennie, Director, Edmonton, Alberta, Canada Ms. Rennie is a graduate of the University of Alberta (BComm.) and a Chartered Accountant. Ms. Rennie's principal occupation is a corporate director. She is currently Chair of EPCOR Utilities Inc., and a director of Methanex Corporation, Westjet Airlines Ltd., and West Fraser Timber Co. Ltd., and previously served on the board of Teck Resources Ltd., all of which are reporting issuers. In 1998, Ms. Rennie was made a Fellow of the Institute of Chartered Accountants and in 2012, she was made a Fellow of the Institute of Corporate Directors. Ms. Rennie is the Chair of the Audit Committee and a member of the Corporate Governance and Nominating Committee. She has been a Director of the Corporation since 2010.	Age 62 Holdings Common Shares: 9,700 Value(1): $39,964 Options held to purchase Common Shares: 37,200 Value(1): $0 DSUs: 17,858 Value(1): $73,575

 **David B. Tennant** **Independent**	David B. Tennant, Chair of the Board of Directors, Toronto, Ontario, Canada Mr. Tennant is counsel to McCarthy Tétrault, LLP, one of Canada's largest law firms, where he provides advice with respect to mergers and acquisitions and securities laws. Mr. Tennant is Chair of the Board of Directors. He has been a Director of the Corporation since 1995.	Age 63 Holdings Common Shares: 372,500 Value[(1)]: $1,534,700 Options held to purchase Common Shares: 43,200 Value[(1)]: $0 DSUs: 7,793 Value[(1)]: $32,107
 **Jo Mark Zurel** **Independent**	**Jo Mark Zurel**, Director, St. John's, Newfoundland, Canada Mr. Zurel has been President of Stonebridge Capital since 2006. Prior to this, from 1998 to 2006, he was Senior Vice-President and Chief Financial Officer of CHC Helicopter Corporation. Mr. Zurel previously served as Chair of the board of Newfoundland Power Inc., and is a board member of Highland Copper Company Inc. and Fortis Inc., both reporting issuers. Mr. Zurel is also a board member of the CPP Investment Board, as well as private companies and non-profit organizations. Mr. Zurel is Chair of the Human Resources and Compensation Committee and a member of the Audit Committee. He has been a Director of the Corporation since 2007.	Age 55 Holdings Common Shares: 50,000 Value[(1)]: $206,000 Options held to purchase Common Shares: 43,200 Value[(1)]: $0 DSUs: 7,793 Value[(1)]: $32,107

(1) Value as presented for common shares, options, RSUs, and DSUs is based on a price per share at the close of trading on July 15, 2019 of $4.12, minus, in the case of stock options, the relevant stock option exercise price. The value of both vested and unvested options are included.

Diversity

Consistent with its continuous efforts to improve the level of diversity on the Board, the Corporation adopted in 2018 a written diversity policy (the "Diversity Policy"). In considering candidate nominees for election to the Board, the Diversity Policy provides that the Corporate Governance and Nominating Committee, which is responsible for recommending director nominees, shall consider the diversity criteria in a broad way, such as gender, nationality, ethnicity and background. In order to improve the representation of women on the Board, the Diversity Policy specifically requires the Corporate Governance and Nominating Committee to consider the level of representation of women on the Board when identifying and considering the selection of candidates for election or re-election to the Board. Pursuant to the Diversity Policy, similar considerations are required to be taken into account by the Board and executive team in making senior leadership appointments. In each case, the ultimate decision will be based on merit and the contribution that the chosen candidate will bring to the Board or the executive team, as applicable. In this context, the Diversity Policy does not establish fixed targets concerning the representation of women on the Board or senior leadership positions because the Board does not believe that fixed targets necessarily result in the identification or selection of the best candidates. However, the Board's practice is to attempt to maintain meaningful representation of women on the Board, and at least 20% of the Board has been made up of women for several years.

The Corporation has nominated to its Board of eight directors one female director for re-election and one new female nominee director, representing approximately 25% of the Board members. As of July 15, 2019, there are no women in executive positions at the Corporation.

Director Education

Directors are encouraged to undertake continuing education with regard to the industry as well as reporting issuer regulations and issues. Many Directors have participated. Several examples of continuing education by Directors are as follows:

- tour of operations and customer exploration sites;
- membership and ongoing director-based education through the Institute of Corporate Directors ("ICD") and Deloitte LLP;
- participation in ICD modules and examinations;
- work with governing bodies on the general enhancement of audit quality;
- attendance at economic and public policy sessions, education sessions put on by other corporations, and business seminars and presentations relevant to the Corporation;
- annual attendance at the Prospectors and Developers Association of Canada mining show and other mining conferences; and
- attendance at stock market, finance, taxation, diversity, leadership, human resources, compensation, cybersecurity, fraud and compliance, and risk seminars and presentations.

Majority Voting

The Corporation's majority voting policy provides that any nominee who receives a greater number of votes "withheld" than votes "for" cast with respect to his or her election by the shareholders in an uncontested election of Directors (i.e., when the election does not involve a proxy battle) will tender his or her resignation to the Corporate Governance and Nominating Committee immediately following the Meeting. The form of proxy that accompanies this Circular enables shareholders to vote in favour of, or to withhold their vote, separately for each director nominee. The official "vote results" disclosing the detailed voting results for the election of each director nominee will be publicly disclosed promptly after the Meeting through a voting results report filed on the SEDAR website at www.sedar.com.

The Corporate Governance and Nominating Committee will recommend whether or not to accept such resignation. Within 90 days following the Meeting, the Board will, upon recommendation of the Corporate Governance and Nominating Committee, accept the resignation absent of exceptional circumstances and will promptly publicly disclose its decision via a news release. The resignation will take effect upon its acceptance by the Board. A Director who so tenders his or her resignation will not participate in any discussion, action or meeting of the Corporate Governance and Nominating Committee or of the Board with respect to the decision to accept his or her resignation. In cases where the Board determines exceptional circumstances justify refusal of a resignation, such circumstances will also be disclosed via a news release. If a resignation is accepted, the Board may appoint a new director to fill any vacancy, or may reduce the size of the Board, or call a special meeting of shareholders where a new candidate will be presented to fill the vacant position.

Term Limits and Retirement

The Corporation does not impose term limits on its Directors as the Board takes the view that term limits are an arbitrary mechanism for removing Directors, which can result in valuable, experienced Directors being forced to leave the Board solely because of length of service. For similar reasons, the Board does not provide for mandatory retirement at a prescribed age. Rather than length of service or age, the Board believes that Directors should be assessed based on their ability to make a meaningful contribution. The Corporation's annual performance review of Directors assesses the strengths and weaknesses of Directors and, in the Board's view, is a more meaningful way to evaluate the performance of the Directors and to make determinations about whether a Director should be asked not to stand for re-election due to performance. Each year, the Board Chair and the Corporate Governance and Nominating Committee undertake rigorous assessments of the Board, the committees of the Board, and each individual Director to evaluate the overall performance of the Board and to measure the contributions made by the Board as a whole, by each committee and by each Director. The Board Chair is also evaluated by the Corporate Governance and Nominating Committee.

Two long standing Board members, namely Mr. Desrosiers and Mr. Dyment, have advised the Board in fiscal year 2019 that they would not stand for re-election at the Meeting.

BOARD OF DIRECTORS' ATTENDANCE AND COMPENSATION

The information presented in the following table reflects the meetings of the Board and its various committee meetings held along with the attendance of each Director for the 2019 fiscal year:

Name of Director	Board of Directors Meetings (7 in total)	Audit Committee Meetings (4 in total)	Corporate Governance and Nominating Committee Meetings (4 in total)	Human Resources and Compensation Committee Meetings (4 in total)	Environment, Health and Safety Committee Meetings (4 in total)
Edward J. Breiner(1)	7/7		4/4	4/4	2/2
John Burzynski(2)	2/3			2/2	2/2
Jean Desrosiers(3)	7/7			4/4	4/4
Fred J. Dyment(4)	7/7	4/4	4/4		
Louis-Pierre Gignac(5)	3/3	2/2			2/2
Denis Larocque	7/7				
Janice G. Rennie	7/7	4/4	4/4		
David B. Tennant	7/7				
Jo Mark Zurel(6)	7/7	2/2	2/2	4/4	

(1) Mr. Breiner joined the Environment, Health and Safety Committee in September 2018.
(2) In September 2018, Mr. Burzynski joined the Human Resources & Compensation Committee and the Environment, Health & Safety Committee.
(3) Mr. Desrosiers will not stand for re-election at the Meeting.
(4) Mr. Dyment will not stand for re-election at the Meeting.
(5) In September 2018, Mr. Gignac joined the Audit Committee and the Environment, Health & Safety Committee.
(6) In September 2018, Mr. Zurel completed his term on the Audit Committee and joined the Corporate Governance and Nominating Committee.

At the end of every Board and committee meeting, there is an in-camera session of independent Directors in the absence of the President and Chief Executive Officer and other members of management.

Director Compensation

Each Director who is not an Officer of the Corporation or its subsidiaries receives a flat annual fee of $67,500 and a meeting fee of $2,000 for each committee meeting. The committee Chair annual fees are $5,000 for the Corporate Governance and Nominating Committee and Environment, Health and Safety Committee, $10,000 for the Human Resources and Compensation Committee Chair, and $15,000 for the Audit Committee Chair. The Chair of the Board receives an annual fee of $100,000.

Directors were permitted to elect to take some or all of this compensation in DSUs of the Corporation. See the Deferred Share Unit Plan (the "DSU Plan"). The Board, with the recommendation of its compensation consultant, decided that as of fiscal year 2018, non-executive directors would no longer receive an annual grant of stock options, and would instead receive DSUs. In fiscal year 2019, each non-executive director received 2,492 DSUs.

For the 2019 fiscal year, the Corporation paid an annual aggregate amount of $773,083 for attendance of Board meetings and committees thereof.

Executive Compensation-Related Fees

Tandehill Human Capital, an independent compensation consultant, provided its report to the Board in fiscal 2019. The consultant concluded that the Board compensation remains firmly in line with the comparator group and overall marketplace practices. The Board strives to offer a compensation package to its members that is consistent with average Board compensation offered by the Corporation's peer group at the time, as determined by factors such as comparator group and overall marketplace practices. The Board intends to continue to have Director compensation reviewed by an independent consultant whenever Executive Officer compensation is so reviewed, likely every two years. The Human Resources and Compensation Committee and the Board will continue to consider the independent consultant's conclusions in respect of compensation of Executive Officers and Board members as well as market compensation data of the Corporation's peer group in reviewing and determining compensation going forward (see "Disclosure of Compensation – Compensation Discussion and Analysis – Benchmarking Compensation").

DSU Plan

The DSU Plan was established during the 2005 fiscal year. The DSU Plan is currently applicable to Directors and provides Directors with an opportunity to receive some or all of their Director's compensation in the form of DSUs. The DSU Plan also provides Officers with an opportunity to receive some of their annual bonuses, if declared, in DSUs (not to exceed 6,000 DSUs in any given year). DSUs are bookkeeping entries on the books of the Corporation, each having a value equal to the value of one common share of the Corporation. Prior to the beginning of each fiscal year, Directors may elect to receive up to 100% of their compensation for the next fiscal year in DSUs. During the year, on predetermined payment dates, Directors who have so elected will receive, instead of Director's fees in cash, DSUs credited to their DSU account.

In the case of Directors or Officers, the number of DSUs credited will have a value equal to the fees (or portion of bonus, for Officers) that would otherwise be payable divided by the then current share price, calculated by taking the average closing trading price of the Corporation's shares for the last ten (10) trading days prior to the end of the relevant pay period. DSUs may not be redeemed or "cashed" until a Director ceases to be on the Board, or until an Officer ceases employment with the Corporation. At any time from the date a Director ceases to be on the Board or an Officer ceases employment with the Corporation, until December 10th of the following calendar year, the individual may elect to redeem the DSUs and to receive the value of the DSUs in his or her account. The number of DSUs in the account will then be multiplied by the share price on the date of redemption of the DSUs and the Director or Officer will be paid that amount, less any applicable deductions.

The Board believes that providing Directors with the alternative of receiving their cash fees and share-based awards in the form of DSUs, which may not be redeemed until retirement or death, further promotes director retention and alignment with the interests of long-term shareholders.

Stock Options

As explained above, the Board, with the recommendation of its compensation consultant, determined that as of the 2018 fiscal year, non-executive directors would no longer receive an annual option grant of stock options. The last stock option grant to non-executive directors occurred on June 16, 2016, at an exercise price of $6.97 per common share.

2019 Fiscal Year Director Compensation Table[(1)]

Director	Fees received in cash ($)	Share-based awards- Fees received in DSUs[(2)] ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Edward J. Breiner	93,167	16,248	Nil	Nil	Nil	Nil	109,415
John Burzynski[(3)]	48,708	Nil	Nil	Nil	Nil	Nil	48,708
Jean Desrosiers[(4)]	88,500	16,248	Nil	Nil	Nil	Nil	104,748
Fred J. Dyment[(4)]	83,500	16,248	Nil	Nil	Nil	Nil	99,748
David Fennell[(5)]	32,792	16,248	Nil	Nil	Nil	Nil	49,040
Louis-Pierre Gignac[(3)]	48,708	Nil	Nil	Nil	Nil	Nil	48,708
Catherine McLeod-Seltzer[(5)]	32,125	16,248	Nil	Nil	Nil	Nil	48,373
Janice G. Rennie	98,500	16,248	Nil	Nil	Nil	Nil	114,748
David B. Tennant	167,500	16,248	Nil	Nil	Nil	Nil	183,748
Jo Mark Zurel	93,500	16,248	Nil	Nil	Nil	Nil	109,748

(1) See "Disclosure of Compensation – Summary Compensation Table" for information about Mr. Larocque's compensation.
(2) The amount shown reflects the number of units credited to the Director's DSU accounts (i.e. 2,492) multiplied by $6.52, being the average closing share price of the 10 business days immediately preceding the end of the fourth quarter in fiscal 2018.
(3) Mr. Burzynski and Mr. Gignac joined the Board in September 2018, and were therefore only eligible for compensation starting in the third quarter of the 2019 fiscal year.
(4) Mr. Desrosiers and Mr. Dyment will not stand for re-election at the Meeting.
(5) Mr. Fennell and Mrs. McLeod-Seltzer did not stand for re-election at the 2018 Annual General Meeting.

CORPORATE GOVERNANCE

The Board of Directors is committed to acting in the best interests of the Corporation's shareholders, employees and other stakeholders. The Board fulfills its role directly or through the delegation of certain responsibilities to its various committees, which are as follows: the Audit Committee, the Corporate Governance and Nominating Committee, the Human Resources and Compensation Committee and the Environment, Health and Safety Committee. The Board and its committees are focused on the continued improvement of the Corporation's corporate governance principles and practices. These governance principles and practices are constantly reviewed and revised in light of evolving best practices and regulatory guidance.

Since 2002, there have been significant developments in the area of corporate governance throughout North America. National Policy 58-201 *Corporate Governance Guidelines* (the "Policy") and National Instrument 58-101 *Disclosure of Corporate Governance Practices* (the "Instrument") came into force in 2005.

In light of the above, the Board of Directors has undertaken a number of initiatives to enhance and protect the Corporation's integrity and promote its commitment to good corporate governance. The Corporation meets the CSA governance requirements contained in the Policy and the Instrument, which are discussed in Appendix "A". The Corporation has developed the Mandate of The Board of Directors, which is attached as Appendix "B".

INDEPENDENCE

The Board believes that it needs to be independent of management and of the Corporation in order to be effective. This means that a large majority of the Corporation's Directors should not be part of management of the Corporation, nor should they have relationships with the Corporation that would make them personally beholden to the Corporation.

To be considered independent under the Policy and the Instrument, the Board must determine, in accordance therewith, that a Director does not have a direct or indirect material relationship with the Corporation that could reasonably interfere with the exercise of that Director's independent judgment.

As at July 15, 2019, the Board of Directors has determined that seven of eight nominees proposed for election as Directors are independent under the above-mentioned standards. Mr. Larocque is not independent under these standards as he is the President and Chief Executive Officer of the Corporation.

David B. Tennant, Chair of the Board, is considered by the Board to be an independent Director and Chair, despite the fact that he is counsel to McCarthy Tétrault LLP, which provides legal services to the Corporation from time to time. This conclusion was reached following a review conducted by the Chair of the Corporate Governance and Nominating Committee, which was based on applicable securities regulations. According to section 1.4 of National Instrument 52-110 *Audit Committees* ("NI 52-110"), a director is independent if he has no direct or indirect material relationship with the Corporation, which includes a relationship that could, in the view of the board of directors, reasonably interfere with the exercise of the issuer's director's independent judgment. Section 1.4(2) of NI 52-110 defines a "material relationship" as a relationship that could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. Mr. Tennant has been on the Board for 24 years and has been its Chair since 2005, and Board members have had the chance over many years to judge whether or not Mr. Tennant acts independently of management. The Board has determined that Mr. Tennant's relationship with McCarthy Tétrault LLP and with the Corporation is not reasonably likely to interfere with the exercise of Mr. Tennant's judgment and that he is therefore independent. This determination of the Board is based on the following:

- Mr. Tennant demonstrates his independence from management at Board and committee meetings;
- Mr. Tennant does not act as legal counsel to the Corporation and has not directly acted as legal counsel to the Corporation for many years;
- Mr. Tennant has no involvement in the choice of firms to provide legal services to the Corporation, that decision resting with the Corporation's internal General Counsel;
- Mr. Tennant does not determine the amount of fees to be charged to the Corporation for work that is done by McCarthy Tétrault LLP;
- legal fees charged by McCarthy Tétrault LLP to the Corporation amount to well under 0.5% of all legal fees charged by that firm; and
- legal fees received by McCarthy Tétrault LLP from the Corporation do not impact or influence the compensation that Mr. Tennant receives from McCarthy Tétrault LLP.

John Burzynski serves as the CEO of Osisko Mining Inc., a customer of the Corporation. While having signature authority on certain contracts, Mr. Burzynski does not participate in decisions regarding drilling contractors, selection of such, nor any price negotiations. Therefore, it is the determination of the Board that Mr. Burzynski has no direct or material relationship with the Corporation that would interfere with his ability to exercise his independent judgment in all matters brought before him. Further, contractual matters concerning customers are not brought before the Board of Directors for discussion or approval.

In addition to satisfying the independence standards set forth above, Directors who wish to be members of the Audit Committee must satisfy the following additional independence requirements:

- the Director may not accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation or any subsidiary, other than compensation related to serving as a member of the Board or any committee or any fixed amount of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation (provided such compensation is not contingent in any way on continued service);

- the Director is not an affiliated entity of the Corporation in accordance with the applicable securities law definitions; and

- the Director is not associated with an entity in which the Director is a partner, member, an officer such as a managing director occupying a comparable position or executive officer or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Corporation or any subsidiary entity.

The Board annually reviews Directors' satisfaction of such independence requirements in regards to the foregoing. The Corporation discloses the basis for any Board determination that a relationship is immaterial in light of the categorical standards set forth above.

Two Directors, Mr. Zurel and Mr. Desrosiers serve together on the board of directors of Highland Copper Company Inc., a reporting issuer. Mr. Desrosiers will not stand for re-election at the Meeting.

SHARE OWNERSHIP REQUIREMENTS

In order to align the interests of Directors and Executive Officers with those of shareholders, the Corporation has implemented a share ownership policy. Under the policy, Executive Officers (including, but not limited to, the Named Executive Officers) are required to own the lesser of a minimum of 6,000 common shares and/or DSUs and/or restricted share units ("RSUs") or a minimum value of $40,000 in common shares and/or DSUs and/or RSUs (as defined in "Medium-Term Incentive Plan") of the Corporation. Directors are required to own the lesser of 15,000 common shares and/or DSUs or a minimum value of $100,000 in common shares and/or DSUs.

These ownership levels must be achieved within two years for any new Director or Executive Officer. Should any Director or Executive Officer fall below the required minimum holding, they are expected to rectify this forthwith if in an open trading window, or if not, during the next open trading window.

Furthermore, no Director, Officer or employee of the Corporation is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the Director, Officer or employee of the Corporation.

The following table outlines compliance with the foregoing requirements as of the end of the 2019 fiscal year:

Name	Securities Held		Proportion of Requirement Met (%)
	Number	Value ($)[1]	
Edward J. Breiner (Director)	35,000 common shares 4,280 DSUs	144,200 17,634	100
John Burzynski[2] (Director)	-	-	0

Name	Securities Held		Proportion of Requirement Met (%)
	Number	Value ($)[1]	
John Ross Davies (Officer)	21,024 RSUs	86,619	100
Jean Desrosiers[3] (Director)	30,000 common shares 4,280 DSUs	123,600 17,634	100
Fred J. Dyment[4] (Director)	5,000 common shares 22,734 DSUs	20,600 93,664	100
Louis-Pierre Gignac[5] (Director)	10,000 common shares	41,200	67
Ben Graham (Officer)	5,043 common shares 36,984 RSUs	20,777 152,374	100
Kelly Johnson (Officer)	16,000 common shares 40,834 RSUs	65,920 168,236	100
Denis Larocque (Officer and Director)	62,275 common shares 97,714 RSUs	256,573 402,582	100
Janice G. Rennie (Director)	9,700 common shares 14,345 DSUs	39,964 59,101	100
Ian Ross[6] (Officer)	-	-	0
David B. Tennant (Director)	372,500 common shares 4,280 DSUs	1,534,700 17,634	100
Jo Mark Zurel (Director)	50,000 common shares 4,280 DSUs	206,000 17,634	100
David Balser (Former Officer)[7]	3,110 common shares 6,355 DSUs 50,834 RSUs	12,813 26,183 209,436	100

(1) Based on closing share price of $4.12 on the TSX on April 30, 2019.
(2) Mr. Burzynski became a new Director in September 2018. He has until September 2020 to meet the share ownership requirements.
(3) Mr. Desrosiers will not stand for re-election at the Meeting.
(4) Mr. Dyment will not stand for re-election at the Meeting.
(5) Mr. Gignac became a new Director in September 2018. He has until September 2020 to meet the share ownership requirements.
(6) Mr. Ross became a new Officer in March 2019. He has until March 2021 to meet the share ownership requirements.
(7) Mr. Balser stepped down as Chief Financial Officer on March 2, 2019.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee assists the Board in its oversight of the integrity of the financial statements of the Corporation, managing and maintaining the effectiveness of the financial aspects of the governance structure of the Corporation, adhering to requisite legal and regulatory requirements and overseeing the performance of the Corporation's internal and external audit function.

Composition of the Audit Committee

As of the end of the 2019 fiscal year, the Audit Committee was composed of Janice G. Rennie (Committee Chair), Louis-Pierre Gignac and Fred J. Dyment, all independent Directors. Ms. Rennie is a Chartered Professional Accountant and is currently a member of the audit committee of two other publicly traded reporting issuers, and she has also previously chaired several other audit committees. Ms. Rennie previously served as Chair of the audit committee of the Province of Alberta. She is Chair of EPCOR Utilities Inc., a reporting issuer. Mr. Gignac is a CFA® charterholder. Mr. Dyment is a Chartered Professional Accountant. He has also held a number of Chief Executive Officer and finance related positions with reporting issuers.

Year in Review

Over the course of the 2019 fiscal year, the Audit Committee has:

- reviewed the Corporation's quarterly financial statements and made recommendations to the Board in relation thereto;
- reviewed the Corporation's Management's Discussion and Analysis, related annual and interim earnings news releases and other financial disclosures;
- reviewed the CEO and CFO compliance certificates and management's compliance memoranda on a quarterly basis;
- reviewed quarterly reports of the internal and external auditors of the Corporation, as well as the annual audit report of the external auditor and the Internal Auditor's (as defined below) report on the annual Internal Audit Plan;
- reviewed and discussed the company-wide IT systems upgrade strategy and the cybersecurity risk review undertaken by management;
- reviewed and discussed the General Counsel's report on the annual insurance review;
- reviewed the Corporation's Code of Ethics and Business Conduct and recommended updates to the Board;
- reviewed the Corporation's Risk Assessment Process;
- reviewed the Audit Committee's Charter and Work Plan;
- conducted an analysis of potential related party transactions;
- conducted a review of the Internal Auditor's Mandate;
- conducted the annual assessment of the external auditor;
- reviewed whistleblower complaints involving alleged financial mismanagement, if any; and
- reviewed on-going legal claims on a quarterly basis.

Relevant Education and Experience of Members

The education and experience of each member of the Audit Committee is relevant to the performance of his or her responsibilities on behalf of the Corporation's shareholders.

In order for Directors to be appointed to the Corporation's Audit Committee, they must demonstrate: (i) that they have an understanding of the accounting principles used by the Corporation in terms of preparing its financial statements; (ii) that they have the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) that they have experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; and (iv) that they have an understanding of internal controls and procedures for financial reporting.

Financial Reporting

The Audit Committee reviews all unaudited quarterly and audited annual financial statements and accompanying reports to the Corporation's shareholders, Management's Discussion and Analysis, related annual and interim earnings news releases, earnings guidance disclosure or any other disclosure based on the Corporation's financial statements prior to the release of those statements. The Audit Committee also makes a number of recommendations to the Board for approval with respect to the annual audited financial statements.

Internal Control

The Audit Committee reviews the business risks assessment process as presented by management and discusses this process with management. The Audit Committee also ensures that the internal audit, in conjunction with input from the Corporation's auditors, includes a review of the design of internal control and control systems utilized by the Corporation in connection with financial reporting and other identified business risks. The Audit Committee reviews the management letter as presented by the external auditor, as well as management comments and follow-up thereon. The internal auditor of the Corporation (the "Internal Auditor") reports directly to the Chair of the Audit Committee on internal audit functions. In its oversight of the internal audit function, the Audit Committee: (i) reviews the annual audit plan including risk assessment, the location and activities selected to ensure appropriate involvement in the control systems and financial reporting, time and cost budgets, resources (both personnel and technological), and organizational reporting structure; (ii) reviews audit progress, findings, recommendations, responses, and follow up actions; (iii) engages in private discussions as to internal audit independence, co-operation received from management, interaction with the external auditors, and any unresolved material disagreements with management; (iv) annually approves the audit mandate; and (v) monitors compliance with the financial components of the Corporation's Code of Ethics and Business Conduct (the "Code") as disclosed on the Corporation's website at www.majordrilling.com.

Financial Whistleblowing

In 2015, the Corporation adopted new financial whistleblowing procedures, which are contained in the Code, as disclosed on the Corporation's website at www.majordrilling.com. Employees of the Corporation are required to report any conduct or proposed conduct, including (among others) financial, internal controls and accounting matters, that they reasonably believe to be a violation of the Code through the facilities of the Corporation's independent third party reporting service at www.majordrilling.ethicspoint.com. This allows reporting via the Internet or by telephone. Reported violations of the Code are handled promptly and professionally. All reports are investigated and forwarded to appropriate members of management or the Board of Directors for follow up. The Chair of the Audit Committee plays an important role in the financial whistleblower complaints process and is informed immediately when serious allegations of financial mismanagement are lodged. Persons who report suspected improprieties are provided feedback when possible and appropriate. An employee may report on an anonymous basis.

In the case of an alleged violation by an Executive Officer or a Director, the Chair of the Board, the Chief Executive Officer and/or the Corporate Governance and Nominating Committee, as applicable, are responsible for determining whether a violation has occurred and, if so, what disciplinary measures are appropriate.

Individuals voicing concern about a violation or potential violation, honestly and in good faith, will not be disciplined, fired, or discriminated against in any way. Any reprisal or retaliation against an employee who has in good faith reported a known or suspected violation of the Code is itself cause for disciplinary action, including termination.

Auditors

The Audit Committee annually oversees the external audit process, including: (i) the selection and appointment of an auditing firm to conduct the annual audit of the Corporation's annual financial statements and review of the Corporation's quarterly financial statements (and related notes and Management's Discussion and Analysis in each case); (ii) assessing the independence of the appointed auditing firm; (iii) reviewing of the external audit plan comprising a fee estimate, objectives, scope, materiality, timing, locations to be visited, areas of audit risk, and co-ordination with internal audit functions; (iv) reviewing of audit reports and reviews and findings, including corresponding management responses; (v) approving the audit fee; (vi) establishing, from time to time, pre-approval arrangements for specific categories of permitted audit-related services; (vii) private discussions regarding the quality of financial personnel, the level of co-operation received, unresolved material differences of opinion or disputes, and the effectiveness of the work of internal audit functions; and (viii) conducting a formal review and assessment of the quality of the audit. A comprehensive review of the Corporation's auditing firm is undertaken every five years.

Change in Membership

In September 2018, Mr. Zurel completed his term as an Audit Committee member, and Louis-Pierre Gignac joined the Audit Committee. There have been no other changes to the Audit Committee during the 2019 fiscal year.

See Audit Committee Information at page 22 of the Corporation's latest Annual Information Form, which is available on SEDAR at www.sedar.com, for more information about the Audit Committee, including the Audit Committee's charter, information about independence, financial literacy, relevant education and experience of Audit Committee members, as well as the Audit Committee's policies and procedures for engaging the Corporation's external auditor.

REPORT OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

The Corporate Governance and Nominating Committee assists the Board of Directors in identifying qualified individuals to become Directors, determining the composition of the Board and its various committees, monitoring a process to assess Board effectiveness and developing and implementing corporate governance guidelines.

Composition of the Corporate Governance and Nominating Committee

As of the end of the 2019 fiscal year, the Corporate Governance and Nominating Committee was composed of Edward Breiner (Committee Chair), Janice G. Rennie, Fred J. Dyment, and Jo Mark Zurel, all independent Directors.

Year in Review

Over the course of the 2019 fiscal year, the Corporate Governance and Nominating Committee has:

- continued to assess the Corporation's system of corporate governance with a view to maintaining high standards of corporate governance, including reviewing matters identified by Directors, discussing these with management, and continuing to review best practices;

- continued to assess the composition and size of the Board, examining its breadth and diversity of experience, and the appropriateness of the number of Directors;

- recommended to the Board a list of nominees to stand for election as Directors at the Meeting;

- recommended to the Board that management conduct a Green House Gas Emissions inventory for the Corporation's global operations;

- reviewed the composition of each Board committee, and recommended to the Board a list of members and Chairs for its committees for this year;
- oversaw the Director succession/recruitment process, which included, among other things, hiring an executive search firm to assist in identifying potential candidates;
- reviewed the Corporation's share ownership requirements;
- reviewed the Corporation's position on board and committee term limits;
- reviewed and recommended for approval by the Board of the Diversity Policy;
- oversaw the third-party whistleblowing process, continued to monitor any whistleblower reports and ensured that any such reports were properly handled pursuant to the Code;
- oversaw the annual requirement for Board Members and Executive Officers to complete a due-diligence questionnaire and affirmation of compliance with the Code;
- continued to assess the Corporation's Board Mandate, Code, and other charters and corporate policies;
- conducted a formal evaluation of the effectiveness of the Board and its committees, by way of a questionnaire circulated to all Directors, followed by an oral interview with each Director by the Board Chair. Results of the questionnaire and interviews are compiled by the Board Chair, who discusses with the Corporate Governance and Nominating Committee Chair any concerns with the Board, Committee, and/or individual Directors, as appropriate. An evaluation of the Board Chair is also conducted, using the same methodology, by the Corporate Governance and Nominating Committee Chair; and
- conducted a formal review of the independence requirements for the Board and its committees, and concluded that, with the exception of Mr. Larocque, all Directors are independent within the meaning of NI 52-110, and that all Directors who are members of the Audit Committee meet the enhanced tests for independence of audit committee members in such NI 52-110.

Whistleblowing

As noted above in the Financial Whistleblowing section on page 26, the Corporation has established whistleblowing procedures (which are not limited to financial matters), which are contained in the Code, as disclosed on the Corporation's website at www.majordrilling.com. Employees of the Corporation are required to report any conduct or proposed conduct that they reasonably believe to be a violation of the Code through the facilities of the Corporation's independent third party reporting service at www.majordrilling.ethicspoint.com. This allows reporting via the Internet or by telephone. Reported violations of the Code are handled promptly and professionally. All reports are investigated and forwarded to appropriate members of management or the Board of Directors for follow up, and all whistleblower complaints are reviewed by the Corporate Governance and Nominating Committee. Persons who report suspected improprieties are provided feedback when possible and appropriate. An employee may report on an anonymous basis.

In the case of an alleged violation by an Executive Officer or Director, the Chair of the Board, the Chief Executive Officer and/or the Corporate Governance and Nominating Committee, as applicable, are responsible for determining whether a violation has occurred and, if so, what disciplinary measures are appropriate.

Individuals voicing concerns about a violation or potential violation, honestly and in good faith, will not be disciplined, fired, or discriminated against in any way. Any reprisal or retaliation against an employee who has in good faith reported a known or suspected violation of the Code is itself cause for disciplinary action, including termination.

Change in Membership

Mr. Fennell did not stand for re-election at the 2018 Annual General Meeting, thus completing his term as a Committee member at that time. In September 2018, Mr. Zurel joined the Corporate Governance and Nominating Committee.

REPORT OF THE ENVIRONMENT, HEALTH AND SAFETY COMMITTEE

The Environment, Health and Safety Committee has as its main responsibility the provision of assistance to the Board in matters of the Corporation related to the environment, health and safety. As such, the Environment, Health and Safety Committee is mandated to satisfy itself that the Corporation has developed, is implementing and is maintaining policies, practices and procedures that will ensure its compliance with legislation regulating the environment, health and safety in all jurisdictions in which it conducts its business, and to inform itself about such policies, practices and procedures, and the actions to be taken to implement and maintain them.

Composition of the Environment, Health and Safety Committee

As of the end of the 2019 fiscal year, the Environment, Health and Safety Committee was composed of Jean Desrosiers (Committee Chair), Louis-Pierre Gignac, Edward J. Breiner, and John Burzynski, all independent Directors.

Year in Review

The Environment, Health and Safety Committee, over the course of the 2019 fiscal year, has:

- reviewed and reported on incident frequency and severity rates, as well as specific incidents;
- reviewed the deployment and implementation of the Corporation’s Environmental, Health and Safety program throughout the Corporation’s operations;
- continued to audit the Corporation’s health and safety practices; and
- on an ongoing basis, satisfied itself that the Corporation has developed, is implementing, and is maintaining policies, practices and procedures that will ensure its compliance with legislation regulating the environment, health and safety in the various jurisdictions in which it conducts its business.

Change in Membership

Mr. Fennell and Ms. McLeod-Seltzer did not stand for re-election at the 2018 Annual General Meeting, thus completing their terms as Committee members at that time. Mr. Burzynski and Mr. Gignac joined the Environment, Health and Safety Committee in September 2018.

REPORT OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Human Resources and Compensation Committee of the Board of Directors is responsible for approving the compensation programs and individual salaries for the Corporation’s Executive Officers. This responsibility includes approval of any employment contracts with, and salaries of, Executive Officers, bonuses, other payments, pension or benefit plans or programs, to or of such Executive Officers, and any action that would materially increase or decrease a benefit to any such Executive Officer as well as the responsibility for the administration and interpretation of the Stock Option Plan (as defined below) or any other similar plan applicable to Directors or Officers. The following report is intended to assist shareholders in understanding the basis for the Human Resources and Compensation Committee’s compensation decisions during the 2019 fiscal year (see also “Disclosure of Compensation – Compensation Discussion and Analysis”).

Composition of the Human Resources and Compensation Committee

As of the end of the 2019 fiscal year, the Human Resources and Compensation Committee was composed of Jo Mark Zurel (Committee Chair), Edward J. Breiner, Jean Desrosiers, and John Burzynski, all independent Directors. The Board Chair also attends all Human Resources and Compensation Committee meetings.

The Board looks to the past experience of each Director in determining the composition of the Human Resources and Compensation Committee and strives to include a range of skills and experiences when making appointments to ensure the Human Resources and Compensation Committee is comprised of Directors who are well qualified to consider the Corporation's compensation practices. The Board believes the Human Resources and Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate. Mr. Breiner, as past-CEO of Schramm Inc., has over ten years experience in executive compensation matters, including considering and implementing benchmarks and reviewing and administering a compensation program. Mr. Zurel has had executive responsibility for the human resources function of a reporting issuer and has served on the compensation committees and human resources committees of other public corporations, and is currently chair of the human resources committee of another public issuer. Mr. Desrosiers has been responsible for administering compensation as well as bonus design and implementation for a reporting issuer. Mr. Burzynski has, as CEO of a mining company, been directly involved in the design, review and implementation of compensation programs.

Year in Review

During the 2019 fiscal year, the Human Resources and Compensation Committee reviewed strategic, organizational and leadership issues, executive compensation programs, performance assessments of the Corporation's most senior Executive Officers and succession management for all key executive positions.

The Human Resources and Compensation Committee, over the course of the 2019 fiscal year, has:

- reviewed the Director and Management Compensation report prepared by Tandehill Human Capital;
- recommended to the Board a "cash election" update to the Corporation's Stock Option Plan;
- reviewed the formula for the calculation of bonuses for the Executive Officers;
- assessed the performance of the Chief Executive Officer and reviewed the assessment with the Board and its Chair;
- determined the Chief Executive Officer's compensation in relation to the Corporation's performance for the fiscal year;
- met with the Chief Executive Officer on the Chief Executive Officer's compensation and set targets for the Chief Executive Officer;
- discussed, with the Chief Executive Officer, annual performance assessments for the other senior Executive Officers, and reviewed and approved compensation for these Executive Officers;
- reviewed and adopted the proposed disclosure of compensation and the compensation disclosure analysis sections contained in this Circular; and
- continued to consider and give guidance to the Chief Executive Officer on matters of management succession, including the Chief Financial Officer transition that occurred in March 2019.

Change in Membership

Ms. McLeod-Seltzer did not stand for re-election at the 2018 Annual General Meeting, thus completing her term as a Committee member at that time. Mr. Burzynski joined the Human Resources and Compensation Committee in September 2018.

Succession Planning

The Human Resources and Compensation Committee monitors and discusses with management the succession plan and development of individuals for key positions at the headquarters level (including key safety and accounting positions) as well as in regional offices. The Human Resources and Compensation Committee is also informed by management of senior appointments. In the course of this process, the Human Resources and Compensation Committee identifies a number of candidates who could replace the President and Chief Executive Officer, as well as the Chief Financial Officer and the other senior Executive Officers, whether in due course or in the case of an emergency situation that would require immediate replacement. The Human Resources and Compensation Committee reviews management's succession plan as appropriate and brings it forward for the Board's consideration. Throughout this process, the Chair of the Corporate Governance and Nominating Committee and the Chair of the Board provide assistance and input.

"Say-on-Pay" Advisory Vote on Approach to Executive Compensation

As the Corporation believes it is important to engage with shareholders on its approach to executive compensation, the Chair of the Board, members of the Corporate Governance and Nominating Committee, and the Chair of the Human Resources and Compensation Committee have previously met with interested stakeholders, including the Canadian Coalition For Good Governance, without the presence of management, to discuss governance issues of importance and to allow shareholders to express their views on governance matters and the Corporation's approach to executive compensation. In 2011, the Corporation adopted a "say-on-pay" policy and held its first advisory vote on its approach to executive compensation. The Corporation is now holding its ninth advisory vote this year.

DISCLOSURE OF COMPENSATION

SUMMARY COMPENSATION TABLE

The following table sets forth all compensation paid for the period indicated in respect of the Named Executive Officers of the Corporation (the "NEOs"), being the President and Chief Executive Officer, the current Chief Financial Officer, the former Chief Financial Officer, and the three most highly compensated Executive Officers of the Corporation as defined in National Instrument 51-102 *Continuous Disclosure Obligations* who were, at the end of the 2019 fiscal year, three Vice Presidents.

Name and Principal Position	Year	Salary ($)[2]	Option-Based Awards ($)[3]	Restricted Share Units (RSUs) ($)[4]	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plan ($)	Long-Term Incentive Plan ($)			
Denis Larocque	2019	382,000	76,200	381,998	20,000[5]	0	0	49,366[10]	909,564
President and Chief Executive Officer	2018	370,880	109,500	359,998	0	0	0	49,027[10]	889,405
	2017	360,000	235,800	0	0	0	0	41,695[10]	637,495
Ian Ross	2019[1]	158,333	15,240	0	10,000[6]	0	0	4,037[11]	187,610
Chief Financial Officer	2018	150,000	21,900	0	0	0	0	3,567[11]	175,467
	2017	145,000	15,720	0	0	0	0	30,407[11]	191,127
Kelly Johnson	2019	300,000	38,100	160,003	64,000[7]	0	0	27,278[12]	589,381
Senior Vice President Operations - North America and Africa	2018	264,000	54,750	149,996	81,042[7]	0	0	26,434[12]	576,222
	2017	240,000	78,600	0	0	0	0	51,114[12]	369,714
Ben Graham	2019	270,047	25,400	105,003	21,077[8]	0	0	31,921 [13]	453,448
Vice President – Human Resources and Safety	2018	242,482	36,500	100,000	0	0	0	27,160[13]	406,142
	2017	237,204	52,400	0	0	0	0	45,042[13]	334,646
John Ross Davies	2019	296,392	25,400	105,003	78,450[9]	0	0	77,789[14]	583,034
Vice President Operations – Asia	2018	276,260	21,900	49,996	31,948[9]	0	0	69,285 [14]	449,389
	2017	271,935	15,720	0	0	0	0	72,115[14]	359,770
David Balser	2019	225,000	38,100	160,003	0	0	0	25,723[16]	448,826
Former Chief Financial Officer[15]	2018	225,000	54,750	149,996	0	0	0	25,571[16]	455,317
	2017	225,000	117,900	0	0	0	0	31,058[16]	373,958

(1) Represents total salary earned during the 2019 fiscal year, not necessarily the current salary at the end of the 2019 fiscal year. Note that in March 2019, Mr. Ross transitioned from Corporate Controller to Chief Financial Officer.

(2) Information is presented in Canadian dollars. Mr. Ross and Mr. Graham became NEOs during the 2019 fiscal year. Mr. Davies became a NEO during the 2018 fiscal year. For the 2017 fiscal year, Mr. Davies and Mr. Graham were paid in U.S. dollars, based on the average exchange rate of US$1.00 = C$1.3178. For the 2018 fiscal year, Mr. Davies and Mr. Graham were paid in U.S. dollars, based on the average exchange rate of US$1.00 = C$1.2779. For the 2019 fiscal year, Mr. Davies and Mr. Graham were paid in U.S. dollars, based on the average exchange rate of US$1.00 = C$1.3173.

(3) All stock option values are shown in Canadian dollars and are based on the Black-Scholes model for valuation purposes. For the 2017 fiscal year, options were granted on June 16, 2016, at an exercise price of $6.97 and a Black-Scholes valuation of $2.62 each. For the 2018 fiscal year, options were granted on June 14, 2017, at an exercise price of $8.39 and a Black-Scholes valuation of $3.65 each. For the 2019 fiscal year, options were granted on June 19, 2018, at an exercise price of $6.97 and a Black-Scholes valuation of $2.54 each, and 4,000 options were granted to Ashley Martin on September 11, 2018 at an exercise price of $5.15 and a Black-Scholes valuation of $2.15 each. The Black-Scholes valuation methodology is used to value stock options because it is the predominant methodology in the Canadian marketplace.

(4) The valuation of the RSUs is equal to the number of units held by the employees at the grant date multiplied by the arithmetic average of the volume weighted average price of the shares on the Toronto Stock Exchange on the five business days leading up to and including the grant date. For the June 14, 2017 grant, the value was $8.39. For the June 18, 2018 grant, the value was $6.97.

(5) A bonus of $20,000 was paid to Denis Larocque during the 2019 fiscal year for achievement of operational and individual objectives in the 2018 fiscal year.
(6) A bonus of $10,000 was paid to Ian Ross during the 2019 fiscal year for achievement of operational and individual objectives in the 2018 fiscal year.
(7) A bonus of $81,042 was paid to Kelly Johnson during the 2018 fiscal year, and $64,000 during the 2019 fiscal year, based on the profits generated from the Corporation's operations conducted in the regions for which he had responsibilities during the fiscal year preceding such respective periods.
(8) A bonus of $21,077 was paid to Ben Graham during the 2019 fiscal year for achievement of operational and individual objectives in the 2018 fiscal year.
(9) A bonus of $31,948 was paid to John Ross Davies during the 2018 fiscal year, and $78,450 during the 2019 fiscal year, based on the profits generated from the Corporation's operations conducted in the regions for which he had responsibilities during the fiscal year preceding such respective periods.
(10) Comprised of a group insurance taxable benefit and a $40,000 employer contribution to an RCA account in the name of Mr. Larocque for the 2017 fiscal year, a group insurance taxable benefit, group RRSP earnings, and a $40,000 employer contribution to an RCA account in the name of Mr. Larocque for the 2018 and 2019 fiscal years. Mr. Larocque did not receive any compensation in relation to his role as a Director of the Corporation.
(11) Comprised of a group insurance taxable benefit in the name of Mr. Ross for the 2017, 2018 and 2019 fiscal years, group RRSP earnings for the 2018 and 2019 fiscal years, and a retention bonus in the 2017 fiscal year.
(12) Comprised of a group insurance taxable benefit and a $20,000 employer contribution to an RCA account in the name of Mr. Johnson for the 2017, 2018 and 2019 fiscal years, group RRSP earnings for the 2018 and 2019 fiscal years, and a retention bonus in the 2017 fiscal year.
(13) Comprised of a group insurance taxable benefit for the 2017, 2018 and 2019 fiscal years, automobile allowance, 401k employer contributions of $2,100, $6,708 and $8,967 in the 2017, 2018 and 2019 fiscal years, respectively, and a retention bonus in the 2017 fiscal year.
(14) Comprised of a group insurance taxable benefit in the name of Mr. Davies for the 2017, 2018 and 2019 fiscal years, and school tuition payments of $73,831, $78,556 and $55,663 in the respective fiscal years of 2017, 2018 and 2019. Mr. Davies has had access to a company vehicle during those three fiscal years.
(15) Mr. Balser stepped down from his position of Chief Financial Officer effective March 2, 2019.
(16) Comprised of a group insurance taxable benefit in the name of Mr. Balser for the 2017, 2018 and 2019 fiscal years, a retention bonus in the 2017 fiscal year, and a $20,000 employer contribution to an RCA account in the name of Mr. Balser for the 2018 and 2019 fiscal years.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Objectives

The Human Resources and Compensation Committee reviews overall compensation policies and makes recommendations to the Board of Directors on compensation issues regarding the NEOs. To ensure that the Corporation provides competitive compensation, the Committee reviews information from external compensation advisors and the compensation practices of the Corporation's comparables. Incentive packages and compensation in general are based on prevailing market practice, subject to the Corporation's performance.

Key drivers of the Corporation's overall compensation strategy are:

- in a highly cyclical industry, a conservative balance sheet structure and a flexible cost structure are essential;
- in a decentralized global operation, managers at all levels must be encouraged to optimize performance;
- in a skills intensive industry, growth is dependent on growing the labour force; and
- the alignment of management's and shareholders' interests, through fostering short-term, medium-term and long-term performance while encouraging retention.

In furtherance of these drivers, the Corporation remains committed to providing a fair and competitive pay package to all employees. The main objectives of the Corporation's executive compensation program are:

- to attract, motivate, reward, and retain the broad-based management talent critical to the Corporation's achievement of its objectives by offering base compensation and potential bonuses competitive with comparable companies;
- to ensure that executives have an "at risk" component of total compensation that reflects their ability to influence business outcomes and financial performance, thereby linking executive and shareholder interests;

- to use performance-based stock options (equity-based compensation) in order to motivate performance and long-term thinking, and to delay vesting of a substantial portion of stock options in order to assist with retention; and

- to use RSUs to both motivate performance and provide a retention incentive to key personnel.

In general, performance is aligned with key drivers by measuring:

- safety performance;

- revenue and margin targets;

- balance sheet objectives;

- human resources and training goals;

- succession planning;

- general and administrative expense targets; and

- specific branch objectives.

Compensation Risk Management

The Corporation has adopted a number of policies to manage compensation risks, including a claw-back policy, share ownership requirements and an anti-hedging policy. The Corporation also contracts from time to time an external independent consultant to assess its executive compensation programs to ensure they are aligned between pay and performance as well as with corporate governance best practices. Another measure implemented by the Corporation was to decrease the grants of stock options to the CEO and NEOs as well as to entirely replace stock option grants to non-executive Directors with DSUs (see “Compensation Discussion and Analysis – Recent Updates to the Executive Compensation Program”).

Benchmarking Compensation

In order to meet the Corporation’s objectives of providing executive compensation competitive with comparable companies, the Corporation’s executive compensation is benchmarked against market compensation data for organizations with, as much as possible, comparable size, revenue, earnings, geographic diversity, and/or industry sector.

It is the Corporation’s policy to attempt to have total compensation awarded to Executive Officers that is in the top half of comparables. In attempting to do so, the Corporation’s philosophy is generally to position executive salaries at the mean or below comparables while putting greater emphasis on profit sharing incentives, which more closely align management and shareholders’ interests. The Corporation considers that it has no direct Canadian comparables within its industry, based on the Corporation’s size and geographic and operational diversity. As a result, the Corporation has utilized a diversified pool of comparables, which includes the companies listed below.

In the 2019 fiscal year, the Human Resources and Compensation Committee and the Board received a report from Tandehill Human Capital, a compensation consultant, on Board Member and Executive Officer compensation. That report’s conclusions were considered as well as market compensation data of the Corporation’s peer group in determining appropriate compensation levels going forward.

Companies used as the peer group with respect to compensation comparables in fiscal 2017 and 2019, to the extent that relevant information was available, included: Boart Longyear Limited, Foraco International SA, Orbit Garant Drilling Inc., Energold Drilling Corp., Swick Mining Services Ltd., Capstone Mining Corp., Capital Drilling Limited, Geodrill Limited, Hudbay Minerals Inc., Ausdrill Limited, Lundin Mining Corp., and Layne Christensen Company. These companies operate in the same industry as the Corporation and have similar business characteristics.

In addition, the review also addressed the compensation of the non-executive Directors (see "Board of Directors Attendance and Compensation – Director Compensation").

In exchange for its services provided during the 2019 fiscal year, the Corporation paid the compensation consultant the total amount of $22,394. The Corporation intends to undertake similar reviews approximately every two years.

Executive Compensation Program Elements

The Corporation's compensation program for its NEOs has four principal components: base salary, annual variable incentive compensation ("Short-Term Incentive Plan"), Restricted Share Units ("Medium-Term Incentive Plan"), and variable stock option grants ("Long-Term Incentive Plan"). The Corporation believes that these components collectively provide a fair and competitive pay package and an appropriate relationship between an executive's compensation, the executive's performance, and the Corporation's performance. Other elements of compensation, such as benefits, provide a small component of annual compensation. The Board believes that its compensation program described below is optimal for the Corporation as it evolves in a cyclical industry. As such, the Board believes its compensation program is integral to maintaining a flexible cost structure, encouraging managers at all levels to optimize performance, aligning management's interest with shareholders' interest and fostering short-term, medium-term and long-term performance while encouraging retention.

Recent Updates to the Executive Compensation Program

The Human Resources and Compensation Committee and the Board have implemented various changes to its incentive compensation programs in the period following the submission of the compensation consultant's 2019 report, with a view to adopting appropriate compensation levels that are in line with the Corporation's peers and that take into account the volatility of share prices that are a hallmark of the highly cyclical metals and minerals industry. One of the main changes adopted was to increase the proportion of RSUs granted to the CEO and NEOs on an annual basis, while reducing the proportion of stock option grants. A similar approach was adopted for non-executive Directors whereby, since fiscal 2017, non-executive Directors receive an annual grant of DSUs instead of stock options. These changes were undertaken with the objective of better aligning executive and director compensation with shareholder interests, while ensuring the Corporation attracts and retains highly qualified, committed, and talented directors with an extensive breadth of experience and relevant skills.

Base Salary

A salary range is established by the Human Resources and Compensation Committee, factoring in comparative data from benchmarking, for each NEO's position. The Human Resources and Compensation Committee determines each Executive Officer's base salary by reviewing his or her sustained job performance over time, based on individual performance and performance of the business or staff unit over which such Executive Officer has responsibility. Business or staff unit performance is assessed on a number of factors, including return on total capital, achievement of sales or production targets, effectiveness of cost-containment measures, progress toward implementation of process improvements, and other factors relevant to each Executive Officer's position. The relative weight attributed to each factor, with respect to each Executive Officer, is an inherently subjective judgment. Generally, the Corporation's philosophy is to position executive salaries at the mean or below comparables while putting greater emphasis on its short, medium and long-term incentive plans.

Short-Term Incentive Plan

Annual incentive plans are designed to recognize financial and operational performance as well as individual achievements, and are cash based. The Human Resources and Compensation Committee establishes objective performance criteria for the Corporation's annual variable compensation program with the assistance of the Chief Executive Officer each year. The Chief Executive Officer establishes performance criteria for the other NEOs, which is also reviewed and approved by the Human Resources and Compensation Committee. Executive performance is demonstrated through the achievement of these financial, operational and individual objectives. Operational measures at the subsidiary level are intended to reinforce the importance of operating efficiency, safety goals, environmental practices, and other metrics that are relevant to the subsidiary. This program, including similar plans covering managers, is applicable to all Executive Officers (including NEOs). The final measure is the individual performance of the executive in contributing to the achievement of the Corporation's goals.

If the Corporation or an individual business unit does not achieve its threshold net earnings, then bonuses are generally not paid to the Executive Officer or executives of that subsidiary, as applicable. However, if the Corporation or an individual business unit fails to achieve positive net earnings but an individual Executive Officer has shown exemplary performance and/or has achieved performance criteria established by the Chief Executive Officer, then a bonus may still be paid depending on the circumstances. Vice Presidents of Operations can also receive annual bonuses derived from their region's profitability. Bonus amounts are derived from a corporate bonus pool out of which short-term incentives are paid to Executive Officers and other employees. These bonus amounts are determined each year by the Human Resources and Compensation Committee based on a sliding scale established as follows:

- 6% of net earnings up to $40 million;
- 5% of the next $30 million in net earnings;
- 4% of the next $30 million in net earnings; and
- 3% of any amounts of net earnings above $100 million.

Bonuses to Executive Officers are not specifically tied to any percentage of base salary, are subject to performance reviews, and are at the discretion of the Human Resources and Compensation Committee. NEOs, as well as other Executive Officers, are entitled to take DSUs as a portion of an annual bonus award (see "Board of Directors Attendance and Compensation – DSU Plan" for details).

A central part of the determination of allocation of the bonus pool among the NEOs involves the assessment of their annual performance in meeting Key Performance Indicators ("KPIs") set by the CEO and the Human Resources and Compensation Committee. KPIs for the 2019 fiscal year were as follows, for the NEOs during that year:

Denis Larocque: (1) continue diversification into underground drilling and mine services; (2) continue efforts toward preparing the Corporation for a potential upturn in activity; (3) maintain a healthy balance sheet; and (4) ensure solid management structures in branches.

Ian Ross[1]: (1) maintain a healthy balance sheet with an acceptable debt to equity ratio; (2) ensure adequate funding available for ongoing operations; (3) work to widen the existing shareholder base and actively manage the Corporation's relationship with shareholders and analysts; and (4) assist with the management of operations in certain regions.

Kelly Johnson: (1) generate positive cash flow from all regions under his responsibility; (2) establish a solid base for growth in new expansion areas; (3) pursue further diversification in areas such as underground drilling and mine services; (4) keep focus on safety performance; and (5) continue efforts toward preparing the Corporation for a potential upturn in activity.

John Ross Davies: (1) generate positive cash flow from all regions under his responsibility; (2) establish a solid base for growth in new expansion areas; (3) pursue further diversification in areas such as underground drilling and mine services; (4) keep focus on safety performance; and (5) continue efforts toward preparing the Corporation for a potential upturn in activity.

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(1) Ian Ross was appointed an Executive Officer of the Corporation on March 2, 2019.

Ben Graham: (1) keep focus on safety performance; (2) implement the Environment, Health and Safety Committee's continuous improvement plan; and (3) support human resources efforts to attract and develop new drillers.

Medium-Term Incentive Plan

On April 1, 2016, the Corporation established the Restricted Share Unit Plan ("RSU Plan") for certain key employees of the Corporation and its affiliates. Pursuant to the RSU Plan, the Board is authorized to grant RSUs to selected employees subject to the terms and conditions of the RSU Plan, and on a discretionary basis as consideration of past services to the Corporation. The Human Resources and Compensation Committee may determine or designate a method to determine which employees of the Corporation and its affiliates may be eligible in any particular fiscal year to participate in the RSU Plan. The RSU Plan is intended to motivate and reward participants by creating mid-term value, as well as to retain such individuals.

The Board may, at any time, subject to any applicable laws and the rules, regulations and policies of the TSX, amend, suspend or terminate the RSU Plan, provided that no amendment shall impair the interests of the participants under any RSU previously granted under the RSU Plan without the written consent of the participants, and, in the event of the termination of the RSU Plan, that all payments of the cash equivalent of any outstanding units be made at the time of the termination and in accordance with the terms of the RSU Plan. The Human Resources and Compensation Committee is entitled to exercise its discretion to restrict participation under the RSU Plan. It may also exercise its discretion when determining the vesting terms and conditions for RSUs granted under the RSU Plan.

RSUs granted under the RSU Plan are notional share units that are redeemable for their cash equivalent, which is based upon a calculation determined by multiplying the number of RSUs by the average of the volume weighted average price ("VWAP") of the Corporation's shares on the five business days leading up to and including the date of vesting of the RSUs. The vesting of some of the RSUs may be subject to the achievement of certain performance criteria, including the achievement of KPIs, in addition to being subject to a vesting period requirement. Other RSUs will only be subject to a vesting period requirement, typically vesting after three years from their date of grant, and continued employment at the time of vesting. Over the vesting period, RSUs attract dividend units equivalent to the dividends paid on the Corporation's common shares, if and when dividends are paid.

Details of all awards outstanding at the end of the 2019 fiscal year are set forth in the table entitled "Outstanding Share-Based and Option-Based Awards as of April 30, 2019" in the section entitled "Incentive Plans Summary" that follows.

Long-Term Incentive Plan

The Corporation's long-term incentive plan consists of stock option grants, administered by the Human Resources and Compensation Committee, with actual grants approved by the entire Board of Directors. The plan, applicable to all Named Executive Officers, other Officers, and other key managers and employees, is intended to motivate and reward participants for creating mid-term and long-term shareholder value, as well as to retain such individuals. The number of stock options granted is determined by a competitive compensation analysis and is based on each individual's salary range and responsibility, as well as the number and exercise price of options granted to an individual in the past. Generally, the vesting of 50% of stock options granted to senior Executive Officers are subject to performance reviews conducted at the end of the fiscal year during which the grant occurs. All grants are made with an exercise price equal to or greater than the fair market value of the Corporation's common shares, as determined by the formula set forth in the Stock Option Plan (described below), on the date of grant (see "Description of Long-Term Incentive Plan"). The Human Resources and Compensation Committee has the discretion to vary vesting requirements for option grants, and to set performance targets in relation to the vesting of options.

On June 19, 2018, a total of 156,000 stock options were granted to employees of the Corporation. Options were granted for a term not to exceed eight years. An additional grant of 4,000 stock options was made on September 11, 2018 to an Officer of the corporation. All of the stock options granted to employees in the 2019 fiscal year remain outstanding, including 30,000 stock options granted to Mr. Larocque in his capacity as an employee. A total of 86,000 of the stock options were granted to the NEOs, all of which remain outstanding. (As noted above, the Board has determined to increase the proportion of RSUs granted to the CEO and NEOs on an annual basis, while reducing the proportion of stock option grants.) A total of 47,000 of the stock options granted in the 2019 fiscal year to seven employees (including four of the five now current NEOs, excluding Mr. Ross, and two other Officers, as well as the former Chief Financial Officer) were conditional, with vesting based on performance. These represent 50% of the options granted to each of the aforementioned individuals. Subsequent to an analysis of the vesting conditions relating to the stock options granted during the previous fiscal year, and based on the performance of the NEOs during that fiscal year, it was determined during the 2019 fiscal year that 40,000 of their conditional options would vest, and 7,500 would lapse. To encourage a long-term view of performance and an alignment with shareholder interests, options have vesting requirements based not only on performance, in certain circumstances, but also on the passage of time. All options granted will vest in three tranches, with one-third vesting on the first anniversary of the grant, one-third vesting on the second anniversary of the grant, and one-third vesting on the third anniversary of the grant, except for any non-vesting conditional options (see "Description of Long-Term Incentive Plan - Recent Grant of Stock Options").

Vesting of conditional options for the Named Executive Officers will be based on the performance of each Named Executive Officer as determined by the Chief Executive Officer, the Human Resources and Compensation Committee, and the Board. Factors to be considered will include the KPIs.

Details of all awards outstanding at the end of the 2019 fiscal year are set forth in the table entitled "Outstanding Share-Based and Option-Based Awards as of April 30, 2019" in the section entitled "Incentive Plans Summary" that follows.

Stock Option Burn Rate

Fiscal Year	**2019**	**2018**	**2017**
Weighted average shares O/S	80,299,984	80,260,732	80,137,936
Options issued during the year	160,000	161,000	406,000
Burn rate	**0.20%**	**0.20%**	**0.51%**

Benefits and Perquisites

During the 2019 fiscal year, the Corporation made a contribution on behalf of the Chief Executive Officer ($40,000), to the Senior Vice President Operations - North America and Africa ($20,000), and to the former Chief Financial Officer ($20,000), to a retirement compensation plan set up for those employees, and a 401k employer contribution ($11,812) to the Vice President HR & Safety.

Certain executives participate in group benefit plans on the same basis as all other employees of the Corporation. These benefits include life, medical, dental and disability insurance.

During fiscal 2019, one of the NEOs had a vehicle allowance.

Compensation and Evaluation of the President and Chief Executive Officer

The Corporation views the performance of the Chief Executive Officer as critical in meeting the Corporation's objectives and in carrying out its philosophy. Mr. Larocque was the Corporation's President and Chief Executive Officer for the 2019 fiscal year. The Human Resources and Compensation Committee reviewed the criteria discussed under the section "Base Salary" of this Circular and established Mr. Larocque's base salary at $382,000 per annum. He was eligible to participate in the annual incentive program for Executive Officers, also described above. Subsequent to the end of the 2019 fiscal year, the Human Resources and Compensation Committee and the Board has determined, based on the bonus formula and terms of the Short-Term Incentive Plan, and therefore on the lack of profitability of the Corporation during the fiscal year, that no annual incentive cash bonus will be paid to the Chief Executive Officer in relation to the 2019 fiscal year under the Short-Term Incentive Plan.

In relation to the 2019 fiscal year, the President and Chief Executive Officer prepared a list of objectives to be attained, which was submitted to, and approved by, the Human Resources and Compensation Committee and the Board of Directors. These objectives covered a broad range of topics, such as safety and human resources, revenue, margins, general and administrative expenses, balance sheet, specific branch issues, acquisitions, investor and customer relations, internal controls and succession planning. The Human Resources and Compensation Committee evaluated the performance of the President and Chief Executive Officer against these objectives together with peer group information and the recommendations of the independent compensation consultant obtained in fiscal 2017 and 2019, and based on its evaluations determined appropriate compensation or adjustments thereto for the President and Chief Executive Officer, and made recommendations based thereon to the Board for review and approval.

The Corporation also has a recoupment, or claw-back, policy in respect of all employees, pursuant to which the Corporation may adjust or attempt to recover bonuses and other incentive compensation (including equity-based compensation) payable or paid to such individuals if the financial results of the Corporation are subsequently restated as a consequence, in whole or in part of gross negligence, fraud, or other intentional misconduct perpetrated by or acquiesced in by such individual.

It was determined that the President and Chief Executive Officer's salary for the 2019 fiscal year was competitive with other members of the peer group. The Human Resources and Compensation Committee, on behalf of the Board of Directors, re-affirms its confidence in the leadership of the President and Chief Executive Officer with respect to the Corporation's current strategy, as well as his ability to execute this strategy and maximize shareholder value.

Incentive Plans Summary

Information relating to all option-based awards outstanding for the NEOs at the end of the 2019 fiscal year is set forth in the table below. All options described below have been granted pursuant to the Stock Option Plan described below under "Description of Long-Term Incentive Plan – Stock Option Plan", which also contains details of the terms of grants made during the 2019 fiscal year. Non-equity incentive plan compensation described in this section was granted pursuant to the Short-Term Incentive Plan described previously under "Short-Term Incentive Plan".

Outstanding Share-Based and Option-Based Awards as of April 30, 2019

The following table details all unexercised options held by the NEOs as at April 30, 2019:

		Option-Based Awards[1]			
Name	**Issuance Date**	**Number of Securities Underlying Unexercised Options**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-The-Money Options[2] ($)**
John Ross Davies	September 21, 2011	6,000	11.90	September 21, 2019	0
	June 15, 2012	6,000	11.26	June 15, 2020	0
	June 14, 2013	6,000	7.04	June 14, 2021	0
	June 17, 2014	6,600	7.57	June 17, 2022	0
	June 25, 2015	6,600	6.28	June 25, 2023	0
	June 16, 2016	6,000	6.97	June 16, 2024	0
	June 14, 2017	6,000	8.39	June 14, 2025	0
	June 19, 2018[3]	10,000	6.97	June 19, 2026	0
Ben Graham	July 7, 2009	10,000	6.15	July 7, 2019	0
	June 17, 2010	12,000	8.05	June 17, 2020	0
	September 21, 2011	6,000	11.90	September 21, 2019	0
	June 15, 2012	6,000	11.26	June 15, 2020	0
	June 14, 2013	6,000	7.04	June 14, 2021	0
	June 17, 2014	6,600	7.57	June 17, 2022	0
	June 25, 2015	15,000	6.28	June 25, 2023	0
	June 16, 2016	20,000	6.97	June 16, 2024	0
	June 14, 2017	10,000	8.39	June 14, 2025	0
	June 19, 2018[3]	10,000	6.97	June 19, 2026	0
Kelly Johnson	June 17, 2009	12,000	7.29	June 17, 2019	0
	June 17, 2010	50,000	8.05	June 17, 2020	0
	September 21, 2011	30,000	11.90	September 21, 2019	0
	June 15, 2012	30,000	11.26	June 15, 2020	0
	June 14, 2013	30,000	7.04	June 14, 2021	0
	June 17, 2014	33,000	7.57	June 17, 2022	0
	June 25, 2015	33,000	6.28	June 25, 2023	0
	June 16, 2016	30,000	6.97	June 16, 2024	0
	June 14, 2017	15,000	8.39	June 14, 2025	0
	June 19, 2018[3]	15,000	6.97	June 19, 2026	0
Denis Larocque	June 17, 2009	90,000	7.29	June 17, 2019	0
	June 17, 2010	90,000	8.05	June 17, 2020	0
	September 21, 2011	45,000	11.90	September 21, 2019	0
	June 15, 2012	45,000	11.26	June 15, 2020	0
	June 14, 2013	45,000	7.04	June 14, 2021	0
	June 17, 2014	49,500	7.57	June 17, 2022	0
	June 25, 2015	49,500	6.28	June 25, 2023	0
	September 23, 2015	80,000	4.48	September 23, 2023	0
	June 16, 2016	90,000	6.97	June 16, 2024	0
	June 14, 2017	30,000	8.39	June 14, 2025	0
	June 19, 2018[3]	30,000	6.97	June 19, 2026	0
Ian Ross	June 17, 2014	6,600	7.57	June 17, 2022	0
	June 25, 2015	6,600	6.28	June 25, 2023	0
	June 16, 2016	6,000	6.97	June 16, 2024	0
	June 14, 2017	6,000	8.39	June 14, 2025	0
	June 19, 2018	6,000	6.97	June 19, 2026	0
David Balser	June 17, 2009	4,001	7.29	June 17, 2019	0
	July 7, 2009	6,000	6.15	July 7, 2019	0
	June 17, 2010	30,000	8.05	June 17, 2020	0
	September 21, 2011	20,000	11.90	September 21, 2019	0
	June 15, 2012	20,000	11.26	June 15, 2020	0
	June 14, 2013	20,000	7.04	June 14, 2021	0
	June 17, 2014	22,000	7.57	June 17, 2022	0

Name	Issuance Date	Option-Based Awards(1)			
		Number of Securities Underlying Unexercised Options	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-The-Money Options(2) ($)
David Balser	June 25, 2015	22,000	6.28	June 25, 2023	0
	June 16, 2016	45,000	6.97	June 16, 2024	0
	June 14, 2017	7,500	8.39	June 14, 2025	0
	June 19, 2018(3)	15,000	6.97	June 19, 2026	0

(1) During the 2011 fiscal year, the issued and outstanding common shares of the Corporation were split on a 3:1 basis. As such, proportional adjustments were made to the Corporation's issued and outstanding options (and their exercise price) and the issued and outstanding DSUs under its DSU Plan.
(2) Value of unexercised options is the difference between the option exercise price and $4.12, the closing price of the Corporation's common shares on the last trading day of the 2019 fiscal year. Negative values are shown as $0.
(3) Includes conditional options for which vesting was not determined as of April 30, 2019.

The following table below details the number and market value of unvested RSUs held by the NEOs as at April 30, 2019:

Name	Issuance Date	Share-Based Awards			
		Vesting Date	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)(1)	Market or payout value of vested share-based awards not paid out or distributed ($)
John Ross Davies	June 14, 2017	June 11, 2020	5,959	24,849	0
	June 18, 2018	June 17, 2021	15,065	62,821	0
Ben Graham	June 14, 2017	June 11, 2020	17,878	74,551	0
	June 18, 2018	June 17, 2021	15,065	62,821	0
Kelly Johnson	June 14, 2017	June 11, 2020	17,878	74,551	0
	June 18, 2018	June 17, 2021	22,956	95,727	0
Denis Larocque	June 14, 2017	June 11, 2020	42,908	178,926	0
	June 18, 2018	June 17, 2021	54,806	228,541	0
Ian Ross	-	-	-	-	-
David Balser	June 14, 2017	June 11, 2020	17,878	74,551	0
	June 18, 2018	June 17, 2021	22,956	95,727	0

(1) The RSU valuation amounts to the number of units held by the employee multiplied by the average of the volume weighted average closing price of the Corporation's shares on the Toronto Stock Exchange on the five business days leading up to and including April 30, 2019, being $4.17.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the year(1) ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
John Ross Davies	1,364	26,208	0
Ben Graham	3,333	43,680	0
Kelly Johnson	6,820	43,680	0
Denis Larocque	22,013	0	0
Ian Ross	1,364	26,208	0
David Balser	5,463	43,680	0

(1) The amount represents the aggregate dollar value that would have been realized if the options had been exercised on the relevant vesting date during the 2019 fiscal year, based on the difference between the closing price of the common shares of the Corporation and the exercise price on such vesting date. Negative values are shown as $0.

Securities Authorized for Issuance Under Equity Compensation Plans

The only equity compensation plan providing for the issuance of securities to the Executive Officers during the 2019 fiscal year was the Stock Option Plan. The material features of the Stock Option Plan and awards thereunder are described under "Description of Long-Term Incentive Plan". The following table sets forth the securities authorized for issuance under the Stock Option Plan as of April 30, 2019:

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)**	**Weighted-average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by security holders	3,375,302	$8.17	2,291,003
Equity compensation plans not approved by security holders	0	0	0
Total	**3,375,302**	**$8.17**	**2,291,003**

Employment and Change of Control Agreements

The Corporation has entered into agreements with Mr. Larocque and Mr. Ross, providing that the Corporation will pay the executives a base salary, the level of which will be reviewed annually. The agreements are for an indefinite term. In the event of termination of employment without notice ("Involuntary Termination"), for reasons other than voluntary termination, sufficient cause, normal retirement, disability, death, or as a result of a change of control, the Corporation shall pay to such NEO certain amounts, in addition to any amounts owing for unpaid salary or vacation pay.

Upon a change of control in the Corporation, the Corporation, or any successor, shall, in the event of their termination within two years of said change of control, for certain reasons other than voluntary termination, termination for sufficient cause, upon normal retirement, or as a result of a disability or death ("Termination upon Change of Control"), pay to Messrs. Larocque and Ross certain sums, in addition to any amounts owing for unpaid salary or vacation pay.

The following table sets forth particulars of contractual entitlements of Mr. Larocque and Mr. Ross in the event of the termination of their employment in the circumstances set out above, utilizing a termination date of April 30, 2019, being the latest fiscal year-end.

Summary Table of Termination and Change of Control Benefits

Name	Circumstances that trigger payment	Estimated incremental payments, payables and benefits ($)	Timing and duration of payments and benefits	How payment and benefit levels are determined	Any significant conditions or obligations that apply to receiving payments or benefits
Denis Larocque	Involuntary Termination	902,732	The amounts shall be paid to the employee within ten (10) calendar days following the date of any such involuntary termination or, if the employee so elects, the amounts shall be paid in equal monthly payments over twenty-four (24) months.	Payment by the Corporation to the employee by way of a retirement allowance of an amount equivalent to two times the employee's then current annual base salary together with two times the higher of: (i) the amount of the annual bonus paid by the Corporation to the employee in the most recently completed fiscal year of the Corporation or, (ii) the average of the annual bonuses paid by the Corporation to the employee for the two fiscal years predating the most recent fiscal year of the Corporation. Payment by the Corporation to the employee by way of a retirement allowance of a percentage of his annual bonus for the fiscal year in which the Involuntary Termination occurs equivalent to the percentage of the fiscal year worked by the employee up to the effective date of the Involuntary Termination, multiplied by the higher of: (i) the annual bonus paid by the Corporation to the employee in relation to the most recently completed fiscal year of the Corporation, regardless of when paid, or, (ii) the average of the annual bonuses paid by the Corporation to the employee in relation to the two fiscal years predating the most recently completed fiscal year of the Corporation, regardless of when paid. The Corporation would continue to make contributions necessary to maintain the employee's coverage pursuant to all benefit plans (including pension, but excepting disability insurance) provided to the employee by the Corporation immediately prior to such Involuntary Termination for the period of time for which payment is made at the expiration of which all such benefits coverage and participation shall cease.	Employee has continuing non-disclosure obligations and a non-competition clause covering the length of the period for which severance is paid.
Denis Larocque	Termination upon Change of Control	912,732(1)	The amounts shall be paid to the employee within ten (10) calendar days following the date of any such termination or, if the employee so elects, the amounts shall be paid in equal monthly payments over twenty-four (24) months.	Payment by the Corporation to the employee by way of a retirement allowance of an amount equivalent to two times current annual base salary together with two times the higher of: (i) the amount of the annual bonus paid in relation to the most recently completed fiscal year, or, (ii) the average of the annual bonuses paid in relation to the two fiscal years predating the Change of Control becoming effective; together with a retirement allowance that amounts to a percentage of his annual bonus for the fiscal year in which the termination occurs equivalent to the percentage of the fiscal year worked by the employee up to the effective date of the Involuntary Termination times the higher of: (i) the annual bonus paid by the Corporation to the	Employee has continuing non-disclosure obligations and a non-competition clause covering the length of the period for which severance is paid.

Name	Circumstances that trigger payment	Estimated incremental payments, payables and benefits ($)	Timing and duration of payments and benefits	How payment and benefit levels are determined	Any significant conditions or obligations that apply to receiving payments or benefits
				employee in relation to the most recently completed fiscal year of the Corporation, or (ii) the average of the annual bonuses paid by the Corporation to the employee in relation to the two completed fiscal years predating the Change of Control becoming effective. The Corporation would continue to make contributions necessary to maintain the employee's coverage pursuant to all benefit plans (including pension, but excepting disability insurance) for two years from the date of the Involuntary Termination and would receive a sum of up to $10,000 for outplacement counselling. Additionally, regardless of whether or not there has been an Involuntary Termination of the employee's employment, all stock options granted to the employee prior to a Change of Control becoming effective, but not yet vested, shall vest and be fully exercisable by the employee with effect immediately prior to a Change of Control becoming effective.	
Ian Ross	Involuntary Termination	214,741	The amounts shall be paid to the employee within ten (10) calendar days following the date of any such involuntary termination or, if the employee so elects, the amounts shall be paid in equal monthly payments over twenty-four (24) months.	Payment by the Corporation to the employee by way of a retirement allowance of an amount equivalent to whichever is greater of: (i) 1 month's base salary multiplied by the employee's consecutive years of service; or (ii) twelve months base salary; up to a maximum of twenty-four months; together with an amount equal to the monthly bonus multiplied by the employee's consecutive years of service; up to a maximum multiple of twenty-four. Payment by the Corporation to the employee by way of a retirement allowance of a percentage of his annual bonus for the fiscal year in which the Involuntary Termination occurs equivalent to the percentage of the fiscal year worked by the employee up to the effective date of the Involuntary Termination, multiplied by the higher of: (i) the annual bonus paid by the Corporation to the employee in relation to the most recently completed fiscal year of the Corporation, regardless of when paid, or, (ii) the average of the annual bonuses paid by the Corporation to the employee in relation to the two fiscal years predating the most recently completed fiscal year of the Corporation, regardless of when paid. The Corporation would continue to make contributions necessary to maintain the employee's coverage pursuant to all benefit plans (including pension, but excepting disability insurance) provided to the employee by the Corporation immediately prior to such Involuntary Termination for the period of time for which payment is made at the expiration of which all such	Employee has continuing non-disclosure obligations and a non-competition clause covering the length of the period for which severance is paid.

Name	Circumstances that trigger payment	Estimated incremental payments, payables and benefits ($)	Timing and duration of payments and benefits	How payment and benefit levels are determined	Any significant conditions or obligations that apply to receiving payments or benefits
				benefits coverage and participation shall cease.	
Ian Ross	Termination upon Change of Control	438,074[(2)]	The amounts shall be paid to the employee within ten (10) calendar days following the date of any such termination or, if the employee so elects, the amounts shall be paid in equal monthly payments over twenty-four (24) months.	Payment by the Corporation to the employee by way of a retirement allowance of an amount equivalent to two times current annual base salary together with two times the higher of: (i) the amount of the annual bonus paid in relation to the most recently completed fiscal year, or, (ii) the average of the annual bonuses paid in relation to the two fiscal years predating the Change of Control becoming effective; together with a retirement allowance that amounts to a percentage of his annual bonus for the fiscal year in which the termination occurs equivalent to the percentage of the fiscal year worked by the employee up to the effective date of the Involuntary Termination times the higher of: (i) the annual bonus paid by the Corporation to the employee in relation to the most recently completed fiscal year of the Corporation, or (ii) the average of the annual bonuses paid by the Corporation to the employee in relation to the two completed fiscal years predating the Change of Control becoming effective. The Corporation would continue to make contributions necessary to maintain the employee's coverage pursuant to all benefit plans (including pension, but excepting disability insurance) for two years from the date of the Involuntary Termination and would receive a sum of up to $10,000 for outplacement counselling. Additionally, regardless of whether or not there has been an Involuntary Termination of the employee's employment, all stock options granted to the employee prior to a Change of Control becoming effective, but not yet vested, shall vest and be fully exercisable by the employee with effect immediately prior to a Change of Control becoming effective.	Employee has continuing non-disclosure obligations and a non-competition clause covering the length of the period for which severance is paid.

(1) As of April 30, 2019, Mr. Larocque had no unvested in-the-money stock options based on the closing price of the Corporation's common shares on April 30, 2019 of $4.12. The value of these unvested in-the-money stock options was $54,044.

(2) As of April 30, 2019, Mr. Ross had no unvested in-the-money stock options based on the closing price of the Corporation's common shares on April 30, 2019 of $4.12.

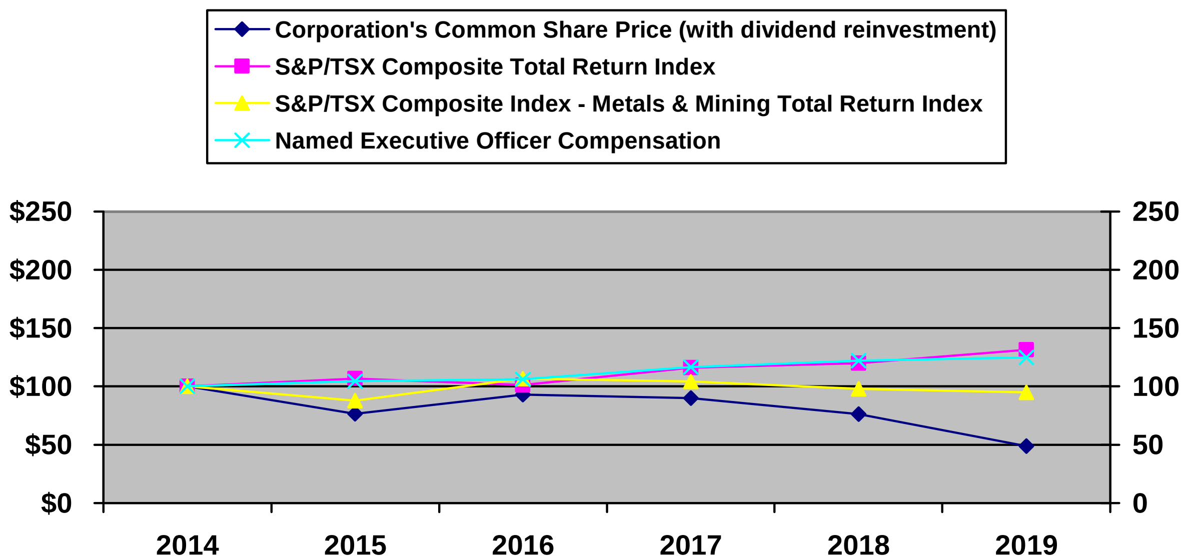
Performance Graph

The Corporation's approach to compensation, as discussed under "Compensation Philosophy and Objectives", is designed to promote and balance the achievement of short-term goals, with an important "at risk" annual bonus component of compensation, as well as long-term growth and profitability through the Stock Option Plan. As a company servicing the cyclical mining industry, the Corporation's common share price can be impacted by the market price of gold and other metals, which can fluctuate widely and be affected by numerous factors that are beyond the

Corporation's control. The common share price is also affected by other factors beyond the Corporation's control, including general and industry-specific economic and market conditions. The Corporation's compensation philosophy is based on factors substantially within the control of the relevant Executive Officer and is tied to earnings and other indicators reflecting the fundamental financial health of the business and not necessarily the performance of the Corporation's shares in the market. Nevertheless, the variation in total compensation for the Corporation's NEOs over the past five years generally followed the market price of the Corporation's shares. Executive compensation is shown as salary and bonus earned by the NEOs in a designated fiscal year. Although bonuses are paid in the subsequent fiscal year, for the purpose of this graph, and in order to accurately portray amounts earned in a year compared to share price, bonuses are shown in relation to the year in which they were earned.

The following line graph and succeeding table compare: (i) the total shareholder return for common shares of the Corporation for the period from April 30, 2014 through April 30, 2019, assuming reinvestment of dividends on an initial investment of $100 made on April 30, 2014; (ii) the cumulative total returns over the same period, assuming a corresponding $100 investment, in the S&P/TSX Composite Total Return Index and the S&P/TSX Metals & Mining Total Return Index; and (iii) the aggregate annual NEO compensation (salary plus bonus) over the same period, shown as a percentage of 2014 aggregate annual NEO compensation. Since the latter part of 2014, as indicated by the graph, the common shares of the Corporation have tracked closely with the S&P/TSX Composite Total Return Index for the 2014, 2015, 2016, and 2017 fiscal years, and then diverged in fiscal 2018, a trend that accelerated in fiscal year 2019. The common shares of the Corporation tracked more closely with the S&P/TSX Metals & Mining Total Return Index during that period. The Named Executive Officer compensation tracked closely with the S&P/TSX Composite Total Return Index during this period.

Five-Year Cumulative Total Return on $100 Investment April 30, 2014 through April 30, 2019



	April 30, 2014	April 30, 2015	April 30, 2016	April 30, 2017	April 30, 2018	April 30, 2019
Major Drilling Group International Inc.	$100	76.42	92.97	89.77	76.13	48.86
S&P/TSX Composite Total Return Index	$100	106.93	101.13	116.21	119.82	131.32
S&P/TSX Composite Index – Metals & Mining Total Return Index	$100	87.68	106.49	104.08	97.87	94.75
Named Executive Officer Compensation	100%	104.46	105.93	116.58	122.19	124.73

DESCRIPTION OF LONG-TERM INCENTIVE PLAN

Stock Option Plan

On November 21, 1994, the Corporation established a stock option plan (the “Stock Option Plan”) for Directors, Officers and employees of the Corporation and its subsidiaries. The Stock Option Plan provides that the Board of Directors, on the recommendation of the Human Resources and Compensation Committee, may grant options to purchase common shares of the Corporation on terms determined within the limitations of the Stock Option Plan. As at April 30, 2019: (i) 3,375,302 common shares of the Corporation were reserved for issuance in respect of outstanding options under the Stock Option Plan (representing approximately 4.2% of the issued and outstanding common shares of the Corporation); and (ii) 2,291,003 common shares of the Corporation were available for issuance in respect of options that may be granted under the Stock Option Plan (representing approximately 2.9% of the issued and outstanding common shares of the Corporation).

The exercise price for an option issued under the Stock Option Plan is determined by the Board and may not be less than the fair market value of the common shares of the Corporation on the grant date of the option, being the volume weighted average trading price of the common shares of the Corporation on the TSX for the last five trading days immediately preceding the date on which the option is granted, rounded to the nearest cent or, if the shares did not trade during such five trading days, the simple average of the closing bid and ask prices of the shares of the Corporation on the TSX during such five trading days. Options are exercisable for a maximum period of eight years from the date of grant, subject to earlier termination if the optionee ceases to be a Director or employee of the Corporation for any reason, retires, dies or becomes disabled or there is a change of control of the Corporation. The expiry date for options that expire during one of the Corporation’s blackout periods (during which employees are restricted from trading the Corporation’s common shares) is extended until the 10th business day following the end of the applicable blackout period. Options are not transferable or assignable, other than for normal estate settlement purposes.

The Stock Option Plan provides that: (i) the total number of options to be granted to any one participant under the Stock Option Plan, together with any options or shares granted or issued under other share compensation arrangements to such participant, shall not exceed 5% of the issued and outstanding number of common shares of the Corporation immediately after the grant of the option; (ii) the number of shares issued to insiders, under the Stock Option Plan or any existing or proposed share compensation arrangements, within a one-year period, may not exceed 10% of the issued and outstanding shares of the Corporation on a non-diluted basis immediately prior to the share issuance in question; (iii) the number of shares issuable to insiders, under the Stock Option Plan or any existing or proposed share compensation arrangements, at any time, cannot exceed 10% of the issued and outstanding shares of the Corporation on a non-diluted basis; (iv) the number of shares issued to any one insider and such insider’s associates, under the Stock Option Plan or any existing or proposed share compensation arrangements, within a one-year period, may not exceed 5% of the issued and outstanding number of common shares of the Corporation on a non-diluted basis immediately prior to the share issuance in question; and (v) the number of shares issuable to non-employees, under the Stock Option Plan or any existing or proposed share compensation arrangements, at any time, cannot exceed 1.5% of the issued and outstanding common shares of the Corporation on a non-diluted basis.

The Board, on the recommendation of the Human Resources and Compensation Committee, determines early termination and vesting requirements at the time an option is granted. The Board may decide that vesting will accelerate or that options will be repurchased by the Corporation in the event of a change of control of the Corporation.

The Board, on the recommendation of the Human Resources and Compensation Committee, may, subject to any applicable laws and the rules, regulations and policies of the TSX, amend, suspend or terminate the Stock Option Plan, provided that no amendment shall reduce the interests of the participants under any option previously granted under the Stock Option Plan without the written consent of such participants.

The following types of amendments to the Stock Option Plan will require shareholder approval:

- amendments to increase the maximum number of shares that may be issued pursuant to options granted under the Stock Option Plan;

- amendments to reduce the exercise price of any option;
- amendments to extend the expiry date of any option;
- amendments to increase the maximum number of options that may be granted or shares issuable or that may be issued pursuant to Section 4.7 or 4.8 of the Stock Option Plan;
- amendments to Section 10.2 of the Stock Option Plan (the amendment provisions of the Stock Option Plan);
- amendments that would permit any option to be transferable or assignable other than for normal estate settlement purposes; and
- amendments requiring shareholder approval under any applicable laws or the rules, regulations and policies of the TSX.

The following types of amendments to the Stock Option Plan will not require shareholder approval:

- amendments of a "housekeeping" or ministerial nature including, without limitation, any amendment for the purpose of curing any ambiguity, error or omission in the Stock Option Plan or to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan;
- amendments necessary to comply with the provisions of any applicable laws and the rules, regulations and policies of the TSX;
- amendments respecting administration of the Stock Option Plan;
- amendments to the vesting provisions of the Stock Option Plan or any option;
- amendments to the early termination provisions of the Stock Option Plan or any option, whether or not such option is held by an insider, provided such amendment does not entail an extension beyond the original expiry date of the option;
- amendments necessary to suspend or terminate the Stock Option Plan; and
- any other amendment, whether fundamental or otherwise, not requiring shareholder approval under any applicable laws or the rules, regulations and policies of the TSX.

The Stock Option Plan was amended during the 2014 fiscal year to change the then-existing Stock Option Plan of the Corporation from a "rolling" and "evergreen" plan to a "fixed number" plan and approving an aggregate fixed number of 6,043,619 common shares of the Corporation that may be issued upon the exercise of all options granted under the Stock Option Plan, leaving 3,435,302 shares reserved for issuance in respect of outstanding options as at December 4, 2018, and an additional reserve of 2,231,003 shares reserved for issuance for additional grants. The Stock Option Plan was further amended during the 2019 fiscal year to (i) introduce a "cashless" exercise feature, entitling option holders to, subject to the prior approval of the Human Resources and Compensation Committee, instruct the Corporation to sell some or all of the common shares of the Corporation acquired on exercise of options under the Stock Option Plan to cover the cost of the exercise price (and the required tax withholdings and broker's commission) of such options, (ii) introduce a cash election, entitling option holders to, subject to the prior approval of the Human Resources and Compensation Committee, elect to surrender all or part of their options to the Corporation in consideration of a net cash payment and (iii) amend the mechanics of the Stock Option Plan in the context of a change of control event.

Stock Options Granted During the Most Recently Completed Fiscal Year

On June 19, 2018, the Corporation granted stock options under the Stock Option Plan over an aggregate of 156,000 common shares, representing 0.19% of the total number of outstanding shares as of the date of grant, on a non-diluted basis. These stock options were granted on June 19, 2018 at an exercise price of $6.97. Of these 156,000 stock options, options to purchase 30,000 common shares were granted to Mr. Larocque, options to purchase 15,000 common shares were granted to each of Mr. Balser (who was CFO at the time) and Mr. Johnson, options to purchase 10,000 common shares were granted to Mr. Graham and Mr. Davies, and options to purchase 6,000 common shares were granted to Mr. Ross. Options to purchase a total of 22,000 were granted to three other Officers, and the balance was granted to eight other employees. As noted above, options to purchase common shares were not granted to the eight non-executive Directors. On September 11, 2018, an additional 4,000 options to purchase common shares at an exercise price of $5.15 were granted to Ashley Martin upon his appointment as Vice President Operations - South America.

All of these options are exercisable at the fair market value of the common shares as of the date of grant, as determined according to the Stock Option Plan. 50% of the 94,000 stock options granted in the 2019 fiscal year to seven employees (including the Named Executive Officers and two other Officers, excluding Mr. Ross) are subject to vesting conditions based on the Officer's performance, meaning that 47,000 options are subject to conditional vesting. Subject to the performance-based vesting conditions, all options granted (including the 66,000 granted to the remaining employees) vest progressively over time. One-third of the options will vest on each of June 19, 2019, 2020, and 2021, for the June 19, 2018, stock option grant. One-third of the options will vest on each of September 11, 2019, 2020, and 2021, for the September, 11, 2018, stock option grant of 4,000 options to Ashley Martin.

Option Exercises During the 2019 Fiscal Year

During the most recently completed fiscal year, there were no stock options exercised by NEOs.

Option Expiries During the 2019 Fiscal Year

During the most recently completed fiscal year, 388,500 options lapsed or expired.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

As at July 15, 2019 (date of this Circular) no Director, Executive Officer or senior Officer of the Corporation, no proposed nominee for election as a director of the Corporation and no associate of any such Director, Officer or proposed nominee was indebted to the Corporation.

DIRECTORS' AND OFFICERS' INSURANCE

The Corporation maintains and pays the premium for Directors' and Officers' liability insurance which, subject to policy terms, as well as conditions and exclusions contained in the policy, protects the Directors and Officers, as such, against any claims made during the term of their office against any of them for a wrongful act. The current policy is effective from April 30, 2019 to April 30, 2020. Under the terms of the policy, in circumstances where a claim is made against a Director or Officer in respect of a loss covered under the policy, or where the Corporation provides indemnity to a Director or Officer for a loss covered under the policy, the policy would respond to such claim up to its policy limits, including for defence costs as provided therein, and subject to the deductible.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

There were no material transactions during the 2019 fiscal year directly involving the interests of insiders or companies controlled by them, other than as already set out herein.

ADDITIONAL INFORMATION

To obtain a copy of the Corporation's latest Annual Information Form, together with any document incorporated by reference into it, the Corporation's most recent Annual Report, which includes the comparative financial statements and Management's Discussion and Analysis for the Corporation's most recently completed fiscal year together with the accompanying Independent Auditor's Report, any interim financial statements and Management's Discussion and Analysis of the Corporation that were filed after the financial statements for the Corporation's most recently completed fiscal year, the Auditor Fee Policy, the Code, the Human Resources and Compensation Committee Charter, the Corporate Governance and Nominating Committee Charter, the Anti-Corruption Policy, the Board Chair – Terms of Reference, the Advance Notice Bylaw, the Majority Voting Policy or the Board of Directors Mandate, please visit the Corporation's website at www.majordrilling.com or, alternatively, you may send your request to:

Office of the Secretary
Major Drilling Group International Inc.
111 St. George Street, Suite 100
Moncton, New Brunswick, E1C 1T7

Additional information relating to the Corporation can be found on the SEDAR website at www.sedar.com. Financial information of the Corporation is provided in the Corporation's comparative financial statements and Management's Discussion and Analysis of the Corporation for its most recently completed fiscal year and interim period.

APPROVAL OF DIRECTORS

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

BY ORDER OF THE BOARD

"Andrew McLaughlin"
Andrew McLaughlin
Secretary

Moncton, New Brunswick
July 15, 2019

APPENDIX A: STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Effective June 30, 2005, the Canadian Securities Administrators have adopted National Instrument 58-101 *Disclosure of Corporate Governance Practices* and the associated National Policy 58-201 *Corporate Governance Guidelines*, which require the Corporation to disclose its corporate governance practices.

	Disclosure Requirements	Compliance	Description of Approach
1.	**Board of Directors**		
(a)	Disclose the identity of directors who are independent.	Yes	See "Nominees for Election to the Board of Directors" and "Corporate Governance – Independence" in the body of this Circular.
(b)	Disclose the identity of directors who are not independent, and describe the basis for that determination.	Yes	See "Corporate Governance – Independence" in the body of this Circular.
(c)	Disclose whether or not a majority of the directors are independent. If a majority of directors are not independent, describe what the board of directors (the Board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.	Yes	See "Corporate Governance – Independence" in the body of this Circular.
(d)	If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Yes	See "Nominees for Election to the Board of Directors" in the body of this Circular.
(e)	Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.	Yes	See "Nominees for Election to the Board of Directors" in the body of this Circular.
(f)	Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead member that is independent, describe what the Board does to provide leadership for its independent directors.	Yes	See "Corporate Governance – Independence" in the body of this Circular.
(g)	Disclose the attendance record of each director for all Board meetings held since the beginning of the most recently completed financial year.	Yes	See "Board of Directors' Attendance and Compensation" in the body of this Circular.

	Disclosure Requirements	Compliance	Description of Approach
2.	**Board Mandate**		
	Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.	Yes	The Corporation has a written mandate for the Board of Directors (attached as Appendix B), wherein it acknowledges responsibility for the Corporation's stewardship. This document can be found on the Corporation's website at www.majordrilling.com. The Board has satisfied itself that, with the assistance of the Executive Officers of the Corporation, a culture of integrity has been created, a strategic planning process has been adopted, principal risks have been adequately identified, the issue of succession planning has been addressed, and a communication policy, along with internal control and management systems are in place.
3.	**Position Descriptions**		
(a)	Disclose whether or not the Board has developed written position descriptions for the chair of the Board and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.	Yes	The Corporation has written position descriptions for its Chair, the Chairs of each committee and for individual Directors.
(b)	Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.	Yes	The Corporation has a written position description for the Chief Executive Officer and the Board approves the corporate goals and objectives that the Chief Executive Officer is responsible for meeting on an annual basis.
4.	**Orientation and Continuing Education**		
(a)	Briefly describe what measures the Board takes to orient new members regarding: (i) the role of the Board, its committees and its directors, and (ii) the nature and operation of the issuer's business.	Yes	The Corporation provides extensive background materials on the Corporation and its business to new Board members to assist with orientation and education. In addition, management is available to provide industry information and background at any time.
(b)	Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that the directors maintain the skill and knowledge necessary to meet their obligations as directors.	Yes	A portion of each Board meeting is devoted to updating the Directors on developments within the Corporation. Additionally, the Corporation takes measures to ensure that Directors are provided with all publicly available reports and relevant documents on the Corporation on an ongoing basis. Managers and Vice President's often attend Board meetings for the purpose of educating Board members about their regions and operations. Management also makes presentations to Board members on issues like risk factors and anti-corruption practices. Directors occasionally make site visits to both operations facilities and drill sites in order to better understand the business of the Corporation. Additionally, see "Director Education" in the body of this Circular.

	Disclosure Requirements	Compliance	Description of Approach
5.	**Ethical Business Conduct**		
(a)	Disclose whether or not the Board has adopted a written code for its directors, officers and employees. If the Board has adopted a written code:	Yes	The Corporation has a Code of Business Conduct and Ethics, which is applicable to its Directors, Officers and all employees. This document can be found on the Corporation's website at www.majordrilling.com.
	(i) disclose how a person or company may obtain a copy of the code;	Yes	The Board of Directors monitors compliance with the Corporation's Code of Business Conduct and Ethics, through reports by the Corporation's General Counsel or the Chair of the Audit Committee if and when significant breaches occur. All whistleblower complaints are reviewed by the Corporate Governance and Nominating Committee. As well, the Audit Committee monitors all financial elements of the Corporation's Code of Business Conduct and Ethics, including financial whistleblowing complaints. To ensure independent judgment, Board members and/or Executive Officers are asked to recuse themselves from any discussions or decisions in respect of which the Board member and/or Executive Officer has a material interest.
	(ii) describe how the Board monitors	N/A	
	(iii) compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and		
	(iv) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.		
(b)	Describe any other steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	N/A	
(c)	Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.	N/A	
6.	**Nomination of Directors**		
(a)	Describe the process by which the board identifies new candidates for board nomination.	Yes	See "Corporate Governance" and "Annual Business of the Meeting" in the body of this Circular. The Corporate Governance and Nominating Committee and the full Board follow the recommended process when considering Board appointees. The Board annually considers and sets the appropriate size of the Board, having a view to facilitating effective decision making. The Board will take into account any recommendations of the Corporate Governance and Nominating Committee.
(b)	Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.	Yes	The Corporation has a Corporate Governance and Nominating Committee, composed entirely of independent Directors as per the definition of independence in the CSA standard. See "Corporate Governance" in the body of this Circular.

	Disclosure Requirements	Compliance	Description of Approach
(c)	If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	Yes	See “Corporate Governance” and “Annual Business of the Meeting” in the body of this Circular. The Corporation also has a charter for the Corporate Governance and Nominating Committee. This document can be found on the Corporation’s website at www.majordrilling.com. The Committee is authorized to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.
7.	**Compensation**		
(a)	Describe the process by which the Board determines the compensation for the issuer’s directors and officers.	Yes	See “Board of Directors’ Attendance and Compensation” and “Compensation Discussion and Analysis” in the body of this Circular.
(b)	Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.	Yes	The Corporation has a Human Resources and Compensation Committee composed entirely of independent Directors as per the definition of independence in the CSA standard. See “Corporate Governance” in the body of this Circular.
(c)	Describe the responsibilities, powers and operation of the compensation committee.	Yes	See “Board of Directors’ Attendance and Compensation” and “Compensation Discussion and Analysis” in the body of this Circular. The Corporation also has a charter for the Human Resources and Compensation Committee. This document can be found on the Corporation’s website at www.majordrilling.com. The Committee is authorized to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties. The Committee has retained outside advisors to provide guidance on executive compensation on an ongoing basis.
8.	**Other Board Committees**		
	If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	Yes	See “Corporate Governance – Report of the Environmental Health and Safety Committee” in the body of this Circular.

	Disclosure Requirements	Compliance	Description of Approach
9.	**Assessments**		
	Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.	Yes	The Board has a formal process for assessing the overall Board of Directors, as well as individual Board members for their contribution to the Board and to the Committees on which they serve. This process is carried out through the analysis, by the Chair of the Board, of answers to questionnaires, whereby Board members evaluate the performance of the overall Board, other Directors, and themselves. Questionnaires are provided to Directors and then followed up with individual verbal interviews with the Board Chair. For further details, see "Corporate Governance – Report of the Corporate Governance and Nominating Committee". Additionally, the Corporate Governance and Nominating Committee has the responsibility for bringing forward recommendations related to Board constitution, and the Audit Committee has been given a specific mandate based on "best practices", as currently suggested by securities regulators. The Committee believes that the Board of Directors is functioning efficiently and that all nominated members of the Board contribute to effective management and to the strategic direction of the Corporation.
10.	**Director Term Limits and Other Mechanisms of Board Renewal** Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.	Yes	See "Nominees for Election to the Board of Directors - Term Limits and Retirement", in the body of this Circular.
11.	**Policies Regarding the Representation of Women on the Board**		
(a)	Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.	Yes	See "Nominees for Election to the Board of Directors - Diversity", in the body of this Circular.
(b)	If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and	N/A	

	Disclosure Requirements	Compliance	Description of Approach
	(iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.		
12.	**Consideration of the Representation of Women in the Director Identification and Selection Process** (Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec and Saskatchewan only) Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.	Yes	See "Nominees for Election to the Board of Directors - Diversity", in the body of this Circular.
13.	**Consideration Given to the Representation of Women in Executive Officer Appointments** Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.	Yes	See "Nominees for Election to the Board of Directors - Diversity", in the body of this Circular.
14.	**Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**		
(a)	For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.	N/A	
(b)	Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.	No	See "Nominees for Election to the Board of Directors - Diversity", in the body of this Circular.
(c)	Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.	No	See "Nominees for Election to the Board of Directors - Diversity" in the body of this Circular.
(d)	If the issuer has adopted a target referred to in either (b) or (c), disclose: (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target.	N/A	

	Disclosure Requirements	Compliance	Description of Approach
15.	**Number of Women on the Board and in Executive Officer Positions**		
(a)	Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.	Yes	See "Nominees for Election to the Board of Directors - Diversity", in the body of this Circular.
(b)	Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.	Yes	See "Nominees for Election to the Board of Directors - Diversity", in the body of this Circular.

APPENDIX B: MANDATE OF THE BOARD OF DIRECTORS

MAJOR DRILLING GROUP INTERNATIONAL INC.
(the "Corporation")

MANDATE OF THE BOARD OF DIRECTORS

A. General Purpose of the Board of Directors

1. The primary responsibility of the Board of Directors (the "Board") is to foster the long- term success of the Corporation consistent with the Board's fiduciary responsibility to the shareholders to maximize shareholder value.

2. The Board of Directors has plenary power. Any responsibility not delegated to management or a Committee of the Board remains with the Board. These terms of reference are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

3. The specific statutory duties of the Directors are dictated by the *Canada Business Corporations Act*. The Board of Directors has the statutory duty to supervise the management of the business and affairs of the Corporation. The Board shall also oversee the current functioning and future growth of the Corporation.

4. The Board must meet the requirements as set down in the existing governance guidelines of the Toronto Stock Exchange.

5. In general, the Board is responsible for:

   (a) developing a strategic plan for the Corporation;

   (b) monitoring measures taken to ensure the financial integrity of the Corporation;

   (c) monitoring the achievement by the Corporation of corporate objectives;

   (d) establishing and monitoring the adherence to the values of the Corporation;

   (e) establishing performance measures for the Corporation and its management;

   (f) monitoring processes and taking all reasonable measures to ensure the meeting of all legal requirements and the proper preparation, approval and maintenance of documents and records;

   (g) approving changes in the By-laws and Articles of Incorporation, matters requiring shareholder approval, and agendas for shareholder meetings;

   (h) approving the Corporation's legal structure, name, logo, mission statement and vision statement, if applicable; and

   (i) performing such functions as it reserves to itself or which cannot, by law, be delegated to Committees of the Board or to management.

B. Delegation of Powers to Committees, to the Chief Executive Officer and to Management

6. The Board of Directors may:

   (a) delegate its powers to Committees of the Board and to the President and Chief Executive Officer (the “CEO”);

   (b) assign its duties to Committees of the Board; and

   (c) delegate to management powers to manage the Corporation’s business and affairs.

   Certain matters cannot, however, be delegated by the Board, including filling vacancies on the Board, declaring dividends, purchasing securities issued by the Corporation, issuing securities except as authorized by the Board, and approving a proxy circular or financial statements.

C. Standards of Performance Required of Directors

7. Fiduciary Duty

   When exercising their powers and discharging their duties, Directors must act honestly and in good faith with a view to the best interests of the Corporation. The Directors are thus fiduciaries vis-à-vis the Corporation and, as such, they must advance the interests of the Corporation in an impartial and disinterested manner. In particular, Directors must not allow personal or business interests to conflict with the interests of the Corporation. Directors must not use their position as such, and information and knowledge derived from their position, for their personal gain or advantage.

   Directors are also subject to a duty of confidence regarding the affairs of the Corporation. Directors should not disclose or provide to others access to confidential information about the Corporation.

8. Standard of Care

   When exercising their powers and discharging their duties Directors must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. This standard requires Directors to devote the necessary time and attention to the affairs of the Corporation and its subsidiaries, make necessary enquiries of management and others so as to make informed decisions, and make use of their education and experience.

D. Composition and Board Organization

9. Nominees for Directors are initially considered and recommended by the Corporate Governance and Nominating Committee of the Board, approved by the entire Board and elected annually by the shareholders of the Corporation.

10. A majority of Directors comprising the Board must qualify as independent Directors, pursuant to the corporate governance rules of the Toronto Stock Exchange and applicable securities laws and regulations.

11. Directors who are not members of management will meet without management present and without any director who is not considered an independent director in accordance with the above provisions at every Board meeting to discuss matters of interest independent of any influence from management.

12. Certain of the responsibilities of the Board referred to herein may be delegated to Committees of the Board. The responsibilities of those Committees will be as set forth in their terms of reference, as amended from time to time.

E. Duties and Responsibilities

13. Managing the Affairs of the Board

The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. Certain of the legal obligations of the Board are described in detail in Section A. Subject to these legal obligations and to the Articles and By-laws of the Corporation, the Board retains the responsibility for managing its own affairs including:

(a) planning its composition and size;

(b) selecting its Chairman;

(c) nominating candidates for election to the Board;

(d) approving Committees of the Board and membership of directors thereon;

(e) determining director compensation;

(f) regularly assessing the effectiveness of the Board, Committees and directors in fulfilling their responsibilities; and

(g) adopting an orientation program for new directors and a continuing education program for directors to assist them in fully understanding the nature and operation of the business of the Corporation, the role of the Board and its Committees and the individual contribution that directors are expected to make.

14. Management and Human Resources

The Board has the responsibility for:

(a) the appointment and succession of the CEO and monitoring CEO performance, approving CEO compensation and providing advice and counsel to the CEO in the execution of the CEO's duties;

(b) approving a position description for the CEO;

(c) reviewing CEO performance at least annually, against agreed-upon written objectives;

(d) approving decisions relating to senior management, including:

(i) the appointment and discharge of officers of the Corporation and members of the senior leadership team;

(ii) the compensation and benefits for members of the senior leadership team;

(iii) the acceptance of outside directorships on public companies by executive officers (other than not-for-profit organizations);

(iv) through the Human Resources and Compensation Committee, the annual corporate and business unit performance objectives utilized in determining incentive compensation or other awards to officers; and

(v) through the Human Resources and Compensation Committee, the employment contracts, termination and other special arrangements with executive officers, or other employee groups if such action is likely to have a subsequent material impact on the Corporation or its basic human resource and compensation policies.

(e) monitoring the performance of senior management;

(f) to the extent feasible, satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the Corporation;

(g) ensuring succession planning programs are in place, including programs to train and develop management;

(h) approving any related party transaction or any transaction involving a director or officer of the Corporation, regardless of materiality; and

(i) through the Human Resources and Compensation Committee, approving certain matters relating to all officers, including the annual salary policy / program for officers.

15. <u>Strategy and Plans</u>

The Board has the responsibility to:

(a) adopt a strategic planning process and approve, at least annually, a strategic plan, which takes into account, among other things, the opportunities and risks of the business of the Corporation;

(b) approve capital commitment and expenditure budgets and related operating plans;

(c) approve, through the Human Resources and Compensation Committee, financial and operating objectives used in determining compensation;

(d) approve political and material charitable donation budgets;

(e) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation;

(f) approve material divestitures and acquisitions; and

(g) monitor management's achievements in implementing major corporate strategies and objectives, in light of changing circumstances.

16. <u>Financial and Corporate Issues</u>

The Board has the responsibility to:

(a) monitor the implementation and integrity of the Corporation's internal control and management information systems;

(b) monitor operational and financial results;

(c) approve annual financial statements and managements' discussion and analysis relating thereto;

(d) review quarterly financial results and managements' discussion and analysis relating thereto and approve the release thereof and the release of earnings announcements by management;

(e) approve the management proxy circular, annual information form, annual report and documents incorporated by reference therein;

(f) declare dividends;

(g) approve the capital budget;

(h) approve financings, changes in authorized capital, issue and repurchase of shares, issue of debt securities, listing of shares and other securities, issue of commercial paper, and related prospectuses and trust indentures;

(i) following review of the recommendation of the Audit Committee, recommend to shareholders the appointment of external auditors and approve the auditors' fees;

(j) approve banking resolutions and significant changes in banking relationships;

(k) approve contracts, leases and other arrangements or commitments that may have a material impact on the Corporation;

(l) approve spending authority guidelines; and

(m) approve the commencement or settlement of litigation that may have a material impact on the Corporation.

17. <u>Business and Risk Management</u>

The Board has the responsibility to:

(a) identify, with management, the principal risks of the Corporation's business and take all reasonable measures to ensure the implementation of appropriate systems to manage these risks;

(b) review reports on capital commitments and expenditures relative to budgets or objectives;

(c) review operating and financial performance relative to budgets or objectives;

(d) receive, on a regular basis, reports from management on matters relating to, among others, ethical conduct, environmental management, employee health and safety, human rights, and related party transactions;

(e) assess and monitor, through the Audit Committee, management control systems:

  (i) evaluate and assess information provided by management and others (e.g. internal and external auditors) about the effectiveness of management control systems; and

  (ii) understand principal risks and determine whether the Corporation achieves a proper balance between risk and returns and that management ensures that systems are in place to address risks identified.

18. <u>Policies and Procedures</u>

The Board has the responsibility to:

(a) adopt a communications policy for the Corporation;

(b) through the actions of the Board and its individual directors and through the Board's interaction with and expectations of the Company's senior executives, to promote a culture of integrity throughout the Company consistent with the Company's Code of Ethics and Business Conduct, including taking appropriate steps, to the extent feasible, to satisfy itself as to the integrity of the

Officers and other senior executives of the Company, and to satisfy itself that the Officers and other senior executives are creating and maintaining a culture of integrity throughout the Company. The Board shall also periodically review and approve any significant changes to the Company's Code of Ethics and Business Conduct;

(c) monitor compliance with all significant policies and procedures by which the Corporation is operated;

(d) direct management to ensure the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;

(e) provide policy direction to management while respecting its responsibility for day-to-day management of the Corporation's business; and

(f) review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment).

19. <u>Compliance Reporting and Corporate Communications</u>

The Board has the responsibility to:

(a) monitor the implementation by the Corporation of effective communication processes with shareholders (including measures for receiving feedback from shareholders) and other stakeholders and financial, regulatory and other recipients;

(b) approve interaction with shareholders on all items requiring shareholder response or approval;

(c) monitor the adequate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;

(d) monitor the fair reporting of financial results in accordance with generally accepted accounting principles;

(e) monitor the timely reporting of any other developments that have significant and material impact on the Corporation; and

(f) report annually to shareholders on the Board's stewardship for the preceding year.

20. <u>Notification in the Event of Change of Principal Occupation</u>

Any director whose primary employment status changes must notify the Chairman of the Corporate Governance and Nominating Committee and provide the Chairman with details of such change.

21. <u>Mandatory Resignation in the Event of Non-Attendance</u>

The Board has adopted a policy that requires any director who fails to attend at least 75% of the Board meetings to tender his or her resignation from the Board to the Chairman of the Board, and said Chairman shall then determine whether or not to accept the resignation.

F. Periodic Review of Board Effectiveness and Director's Effectiveness

22. The Corporate Governance and Nominating Committee is responsible to make an annual assessment of the overall performance of the Board and to report its findings to the Board.

23. The assessment will examine the effectiveness of the Board as a whole and will specifically review areas that the Board and/or management believe could be improved to ensure the continued effectiveness of the Board in the execution of its responsibilities.

24. The assessment of the performance of individual directors is the responsibility of the Corporate Governance and Nominating Committee.

G. Meetings without Management

25. The Board appreciates the value of the regular attendance at each board meeting of non-board members who are members of the Corporation's senior management.

26. Attendance by senior management who are not on the Board shall be determined by the CEO with the concurrence of the Chairman.

27. Management attendees will be excused for any agenda items that are reserved for discussion among directors only.

H. Ability of Directors to Retain Advisors

Occasionally, individual directors may need the services of an advisor or expert to assist on matters involving their responsibilities as board members. The Board has determined that any director who wishes to engage an outside advisor at the expense of the Corporation may do so if he or she first obtains authorization of the Chair.

I. Committee Membership Rotation

The Board favours the periodic rotation of Committee members and Committee Chairmen. Such rotation will be made in a way that recognizes and balances the need for renewal of ideas and continuity, while ensuring the utilization of a member's particular expertise.