

## MAJOR DRILLING GROUP INTERNATIONAL INC.

### POLICY ON THE SCOPE OF SERVICES OF THE AUDITOR (the “Policy”)

#### I. Purpose, Scope and Interpretation

1. The purpose of this Policy is to set parameters for the engagement of the auditor by Major Drilling Group International Inc. (the “**Corporation**” or “**Major Drilling**”) consistent with the Corporation’s corporate governance standards, which are in accordance with applicable regulatory and stock exchange requirements.
2. This Policy covers all work that might be performed by the auditor through engagements with Major Drilling or its subsidiaries.
3. The term auditor refers to the firm of accountants that is appointed to perform the audit of the consolidated financial statements of Major Drilling.
4. The Audit Committee of the Board of Directors of Major Drilling is accountable for the management of this Policy and providing interpretations on its application.

#### II. Statement of Policy

##### 5. Scope of Work and Authorization Standards

- (a) All work performed by the auditor for Major Drilling or its subsidiaries will be pre-approved by the Audit Committee.
- (b) The Audit Committee may also establish pre-approval policies and procedures that are specific to a particular service. In order to meet this responsibility, for each fiscal quarter a pre-approved spending limit by category of allowable work is established and displayed in the Appendix. The Audit Committee will monitor and report to the Board of Directors of Major Drilling the quarterly cumulative use of the pre-approved limits.
- (c) In the event that a non-audit service is provided by the auditor that was not recognized at the time of the engagement to be a non-audit service, such service must be brought to the attention of the Audit Committee.
- (d) The auditor will only perform audit, audit-related, tax work and other permissible services. Definitions of “**audit**”, “**audit-related**”, “**tax work**” and permissible non-audit services in accordance with applicable securities and stock exchange requirements, along with examples, are included in the Appendix.
- (e) The Audit Committee may approve exceptions to this Part II-5 when it determines that such an exception is in the overriding best interests of

Major Drilling and it is determined that such an exception does not impair the independence of the auditor. However, certain non-audit activities are generally prohibited and generally will not be considered for exception from this policy. These non-audit activities are listed in the Appendix.

### **III. Measurement and Reporting Processes**

6. On a quarterly basis, the Audit Committee will prepare a summary report of all engagements of the auditor that are currently underway or have been completed since the prior quarter's report, including engagements entered into pursuant to pre-approved quarterly limits. The summary report will describe the nature of each engagement, confirm that each engagement is in compliance with this Policy and state the fees received by the auditor for each engagement.
7. The Audit Committee may delegate to one or more designated member(s) of the Audit Committee (a "**Designated Member**") the authority to grant pre-approvals of permitted audit related and other permitted services (collectively "permitted services"), to be provided by the auditor. The decisions of the Designated Member to pre-approve a permitted service shall be reported to the Audit Committee at each of its regularly scheduled meetings.
8. On a basis not to be less frequent than every six months, the auditor will certify to the Audit Committee that all engagements with Major Drilling have been in compliance with this Policy and will confirm that the auditor continues to be "independent" under applicable laws, rules and guidelines.
9. On at least an annual basis, the auditor will table for the Audit Committee a classification and continuity schedule of all partners and staff that must be tracked in order to ensure adherence to the ongoing relationship standards as stated herein.
10. The Corporation shall not, without prior approval of the Audit Committee, hire any employee of the auditor to serve in a financial reporting oversight role for the Corporation within one year from the date the statements were filed with the securities regulator if that person was a member of the audit engagement team for the Corporation for the relevant year. A person shall be deemed to be in a "financial reporting oversight role" if they would be in a position to exercise influence over the contents of the Corporation's financial statements or anyone who prepares them.

## APPENDIX

Categories of Work	Examples of Services	Quarterly Cumulative Pre-approved Limit
Audit-related Services	<p>Assurance and related services performed by the auditor that are reasonably related to the audit or review of financial statements, including among others:</p> <ul style="list-style-type: none"> <li>• Employee benefits plan audits;</li> <li>• Due diligence related to mergers and acquisitions;</li> <li>• Accounting consultations and audits in connection with acquisitions;</li> <li>• Internal control reviews;</li> <li>• Assistance with aspects of tax accounting;</li> <li>• Attest services not required by statute or regulation; and</li> <li>• Consultation regarding financial accounting and reporting standards.</li> </ul>	\$15,000
Tax Work	<p>All services performed by professional staff in the auditor's tax division, except for those services related to the audit. Tax fees typically include:</p> <ul style="list-style-type: none"> <li>• Tax compliance;</li> <li>• Tax planning;</li> <li>• Assistance with tax for specific purposes; and</li> <li>• Tax advice.</li> </ul>	\$35,000
Other	General management consulting and advisory services	\$10,000
Prohibited Non-Audit Activities	<p>The auditor is prohibited from providing any of the following services:</p> <ul style="list-style-type: none"> <li>• Bookkeeping or other services related to the accounting records or financial statements of Major Drilling;</li> <li>• Financial information systems design and implementation;</li> <li>• Appraisal or valuation services, fairness opinions, or contributions-in-kind reports;</li> <li>• Actuarial services;</li> <li>• Internal audit outsourcing services;</li> <li>• Management functions or human resources, broker or dealer, investment advisor, or investment banking services;</li> <li>• Legal services;</li> <li>• Expert services unrelated to the audit; and</li> <li>• Any other services that by regulation is impermissible.</li> </ul>	