ANNUAL INFORMATION FORM

MAJOR DRILLING GROUP INTERNATIONAL INC.

JULY 20, 2020

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MAJOR DRILLING GROUP INTERNATIONAL INC.

2020 ANNUAL INFORMATION FORM

REFERENCE INFORMATION

In this Annual Information Form, a reference to “MDGI” refers to Major Drilling Group International Inc. and a reference to the “Corporation” or “Company” means MDGI and its directly and indirectly owned subsidiaries, which may constitute predecessor corporations where appropriate.

The information in this Annual Information Form is current to July 20, 2020, unless otherwise noted. All dollar amounts in this Annual Information Form, unless otherwise indicated, are stated in Canadian dollars.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Securities laws encourage companies to disclose forward-looking information in order for investors to have a better understanding of a corporation’s future prospects and make informed investment decisions.

This Annual Information Form contains statements that may constitute forward-looking statements about the Corporation’s objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are “forward-looking” because they are based on current expectations, estimates, assumptions, risks and uncertainties. These forward-looking statements are typically identified by future or conditional verbs such as “outlook”, “believe”, “anticipate”, “estimate”, “project”, “expect”, “intend”, “plan”, and terms and expressions of similar import.

Such forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to: cyclical downturn; competitive pressures; dealing with business and political systems in a variety of jurisdictions; repatriation of funds or property in other jurisdictions; payment of taxes in various jurisdictions; exposure to currency movements; inadequate or failed internal processes, people or systems or from external events; dependence on key customers; safety performance; expansion and acquisition strategy; regulatory and legal risks; corruption, bribery or fraud by employees or agents; climate change risk; pandemics, force majeure and natural disasters; shortage of specialized skills and cost of labour increases; equipment and parts availability; reputational risk; cybersecurity risk; market price and dilution of common shares; and environmental, health and safety regulations and considerations. These factors and other risk factors, as described under “General Risks and Uncertainties” in this Annual Information Form, represent risks the Company believes are material. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair its business, results of operations, financial condition and liquidity. Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on these forward-looking statements.

The Company disclaims any intention and assumes no obligation to update any forward-looking statement, even if new information becomes available, as a result of future events or for any other reasons, except in accordance with applicable securities laws. Risks that could cause the Company’s actual results to materially differ from its current expectations are also discussed in the Company’s “Management’s Discussion and Analysis”.

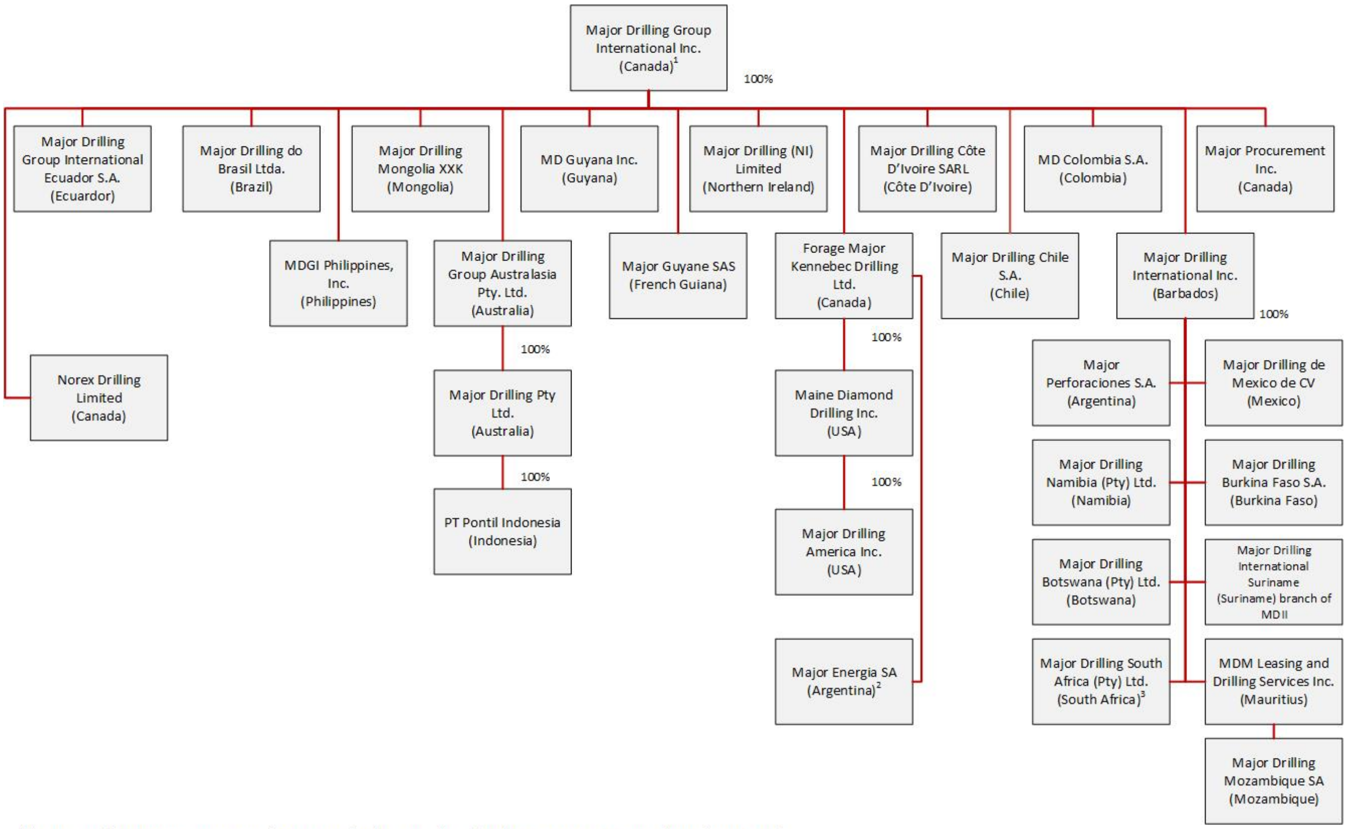
CORPORATE STRUCTURE

NAME, ADDRESS AND INCORPORATION

Major Drilling Group International Inc. was formed under the *Canada Business Corporations Act* (the “CBCA”) by Articles of Amalgamation dated October 31, 1994. The registered and head office of MDGI is located at 111 St. George Street, Suite 100, Moncton, New Brunswick, E1C 1T7.

INTERCORPORATE RELATIONSHIPS

The following chart lists the existing direct and indirect subsidiaries of MDGI as of July 20, 2020:



(1) Major Drilling Group International Inc. is involved in a number of indigenous joint ventures throughout Canada.
(2) 50% owned by Major Drilling Group International Inc. and 50% owned by Forage Major Kennebec Drilling Ltd.
(3) 75% owned by Major Drilling International Inc. and 25% owned by Major Drilling's South African empowerment trust.

GENERAL DEVELOPMENT OF THE BUSINESS

THREE-YEAR HISTORY

The Corporation has drilling operations and offices in Canada, the United States, Mexico, South America, Asia, Africa and Europe. In the last three years, the Corporation's drilling services business has developed in each of these geographic markets. See "Description of the Business" for a more detailed explanation.

In the lead-up to the COVID-19 crisis late in fiscal 2020, the global mining industry was advancing into a recovery phase following a prolonged cyclical downturn. However, the industry experienced significant detrimental impacts resulting from the onset of the COVID-19 outbreak; illustrative of the much broader global decline in economic activity resulting from the pandemic.

In recent years, there was much uncertainty around economic matters impacting the mining market, and some customers delayed or cancelled their exploration drilling plans. In a number of jurisdictions, uncertainty as to the policies of host governments also had an impact on financial results. During the last cyclical upturn, which ran from late fiscal 2010 to early fiscal 2013, the Corporation expanded its business in many of the above mentioned geographic regions. As with the preceding cyclical downturn, the Corporation remained focused on cash conservation and cost cutting while remaining open to strategic expansion, through acquisitions or organically. In fiscal 2015, the Corporation entered the underground percussive drilling market with the purchase of Taurus Drilling in its aim to diversify into more underground services. This brought more stability to the revenue stream of the Corporation.

Over the course of fiscal 2018, the industry showed positive signs of a recovery, with commodity prices in the metals and minerals industry generally improving during this period. Most senior and intermediate companies increased their exploration budgets for calendar 2018, and the demand for drilling services continued to increase across most of the Corporation's international operations. Concurrently, the labour shortage of experienced drill crews in the industry continued to grow, particularly in Canada, a factor that put some pressure on the Corporation's productivity and margins.

Fiscal 2019 was a year of continuous improvement at Major Drilling as the Corporation recorded its highest revenue since fiscal 2013, evidencing the turnaround in mineral exploration. There was renewed activity with mergers and acquisitions among senior mining companies, while financing for junior mining companies continued to be challenging. As the Corporation searched for drilling solutions for a better future, innovation moved to the forefront at Major Drilling.

At the start of fiscal 2020, the industry continued its progression into a recovery phase. Notably, in fiscal 2020 the Corporation acquired the shares of Norex Drilling Limited. This acquisition allowed the Corporation to gain a strong position to service its customers in both surface and underground exploration drilling services in the prolific Northeastern Ontario region. However, by mid-March 2020, with the emergence of the COVID-19 crisis, the mining industry, including the Corporation's operations, and the global economy as a whole, were impacted. The Corporation has formally implemented its business continuity plan, which is focused on ensuring that: (i) employees who can work remotely do so; and (ii) employees in the field and workshops, who are not able to work remotely, are able to work safely and in a manner that complies with applicable governmental orders and guidelines. This plan includes, among other things, health screening, enhanced cleaning arrangements, travel bans, revised work schedules and the reorganization of processes and procedures to limit contact with other employees, customers and contractors on-site. The Corporation has also reduced forward inventory purchases, minimized discretionary expenditures and significantly reduced capital spend, while closely following developments in each of the regions in which it operates in order to take actions if warranted. Through conservative and prudent fiscal management, the Corporation demonstrated its strong position to weather the economic and operational impacts of the initial stages of the pandemic.

During the year, the Corporation made notable progress with innovation towards increased productivity, safety, and meeting customers' demands. By incorporating impactful technologies, paired with a commitment to environmental and social responsibility, Major Drilling is positioned to remain a leader in the drilling services field as mine discovery and development evolve. Notably, in 2020 the Corporation was the recipient of the PDAC Safe Day Everyday Gold Award for the third consecutive year, in recognition of its Canadian crews having worked over 1,000,000 hours without any lost time injury over the course of calendar 2018.

DESCRIPTION OF THE BUSINESS

The Corporation is one of the world's largest drilling services companies primarily serving the mining industry. Established in 1980, Major Drilling has over 1,000 years of combined experience and expertise within its management team alone. Major Drilling maintains field operations and offices in Canada, the United States, Mexico, South America, Asia, Africa and Europe. The Corporation provides a complete suite of drilling services including surface and underground coring, directional, reverse circulation, sonic, geotechnical, environmental, water-well, coal-bed methane, shallow gas, underground percussive/longhole drilling, surface drill and blast, and a variety of mine services.

Mineral exploration drilling involves exploratory and definition drilling into soil and rock formations to obtain core and rock chip samples, primarily for evaluation by geologists employed or retained by mineral exploration and mining companies. Mining companies typically progress through several drilling phases in bringing an ore body into production, from exploratory drilling to discover new deposits, to development and definition drilling at operating mines to expand reserves and better define ore bodies, and then blast drilling to haul the rock to processing facilities.

Core drilling is the most accurate form of drilling used by the mining and exploration industry. It is the predominant drilling method in North America, although it is also used fairly extensively in other areas around the world. The technology enables the drilling team to collect a continuous solid core sample that is then analyzed to determine mineral content at precise locations. Diamond drilling can be carried out on surface and in underground mines.

Reverse circulation drilling is another method of drilling used in heavily oxidized rock formations and in highly fractured rock formations. This method of drilling uses a down-hole hammer driven by high-pressure air to break the rock into chips, which are then circulated through the dual-wall drill pipe back to the surface for collection and analysis. Reverse circulation drilling tends to be utilized more in preliminary exploration. It is often followed up with a diamond drilling program to better define the ore body.

Directional drilling is a technology that increases the accuracy, effectiveness, and productivity of deep-hole drilling. It controls the path of a drill hole to ensure it follows a predetermined course and passes through a defined target. Directional drilling has a number of applications, including highly accurate deep-hole exploratory drilling, mine infrastructure projects such as pilot holes, coal seam gas exploration, and construction projects such as under-road or under-river crossings.

Using its fleet of multi-purpose rigs that have both diamond and reverse circulation drilling capabilities, the Corporation also carries out combination drilling. These rigs allow the Corporation to offer its clients relatively inexpensive reverse circulation drilling at the top of a hole and highly accurate core sampling using diamond drilling through the actual ore body.

Sonic drilling is a vibratory drilling system that applies the principal of resonance (vibration) to advance a drill bit and casing through overburden and soft rock. By using sonic drilling, high-quality continuous core samples can be obtained in virtually any type of unconsolidated terrain. Because sonic drilling can be performed without introducing drilling fluid, it is extensively used in the environmental industry where cross-contamination is a prime concern. Sonic drilling is also suited for certain applications in the mining industry, including tailing investigations, leach pad studies, and diamond and mineral sands exploration.

Underground percussive/longhole drilling is a technique that uses energy from the drill bit striking rock (rather than rotational energy) to create a hole, usually in the underground mining environment. The usual purpose of the holes is to facilitate water drainage, or as a conduit for placement of explosives to further mining operations. An air-hammer or hydraulic-hammer blow creates the energy required, which is transmitted through the drill rods to the bit. A variation of percussive drilling uses an “in-the-hole” (ITH) air-powered hammer.

Energy drilling describes services provided to the energy industry. The primary difference between energy drilling and other drilling techniques is that the product delivered to clients is the hole that is drilled, not the material removed from the hole. The material removed to create the hole in energy drilling is discarded. Energy drilling uses rotary style drill bits to drill large holes that are lined with steel pipe upon completion. After the Corporation completes the hole, additional work is done by others to extract oil and/or natural gas through these holes.

Blast hole drilling is a technique used in mining whereby a hole is drilled into the surface of the rock, packed with explosive material, and detonated. The goal of this technique is to induce cracks in the inner geology of the surrounding rock, to facilitate further drilling and associated mining activity.

In relation to mineral exploration drilling, higher prices and margins are generally available where more complex drilling requirements, which the Corporation defines as specialized drilling, are required. These include surface or underground deep-hole drilling, directional drilling, drilling at high altitude, helicopter mobilizations or mobilization to remote locations, all of which create significant barriers to entry for small local contract drilling operations. Specialized drilling contracts represented 59% of revenue in fiscal 2018, 62% of revenue in fiscal 2019, and 64% of revenue in fiscal 2020. Underground drilling contracts are typically longer-term contracts, primarily because of the cost and logistical difficulties of changing drilling equipment in an underground situation, and because mining company clients, for budgeting purposes, prefer knowing their fixed operating costs for a period of time. These underground contracts represented 30% of revenue in fiscal 2018, decreased to 28% of revenue in fiscal 2019, and remained relatively flat at 29% of revenue in fiscal 2020. Margins for underground drilling contracts have generally been lower than in the specialized sector of the market. Conventional surface drilling in and around established mining camps is highly competitive since there are few barriers to entry for small, local, contract drillers. Conventional surface drilling contracts represented 11% of revenue in fiscal 2018, 10% of revenue in fiscal 2019, and 7% of revenue in fiscal 2020.

Mineral exploration companies and customers requiring drilling services generally invite drilling companies to bid on drilling contracts. Drilling contracts are usually based on standard industry terms and priced on the basis of an assessment of the terrain, size of core, depth of hole and drilling equipment mobilization and demobilization costs.

The Corporation visits most job sites prior to bidding on a contract for the first time. The Corporation prepares a bid estimate prior to bidding. The bid estimate includes a detailed estimate of the Corporation's costs in respect to a project and is used to determine the pricing used by the Corporation in its bid to a potential customer. The major operating risk associated with the performance of most drilling contracts relates to the penetration rate (metres drilled per hour) obtained by the Corporation at a job site. If the Corporation's actual penetration rate is significantly below the estimated rate used in pricing the drilling contract, losses can be incurred because revenue per day declines while fixed costs and overhead remain constant. Underperformance typically occurs at the beginning of a new contract, and performance usually improves with knowledge of the terrain and refinements to the drilling process to better suit the particular rock formation.

The Corporation attends trade shows and makes direct sales calls to mining and mineral exploration companies and others in order to increase the number of contracts on which it is invited to bid. Marketing efforts are primarily carried out by senior management and local managers. The Corporation's relationships with various multinational mining and mineral exploration companies generally facilitate its inclusion on bid lists in various countries.

CORPORATE STRATEGY

The Corporation's strategy is to: (i) be the world leader in specialized drilling; (ii) diversify its services within the drilling field; (iii) maintain a strong balance sheet; (iv) be the best in class in safety and human resources; (v) modernize its fleet with innovation and expand its footprint in strategic areas; and (vi) embed ESG (Environmental, Social and Governance) practices in our culture and core business practices, decision making and enterprise risk management, to create meaningful long-term value for all of our stakeholders. As such, the Corporation remains largely focused on specialized drilling. Specialized drilling can be defined as exploration or definition drilling, with significant barriers to entry for smaller drilling companies, such as deep-hole drilling, directional drilling, and mobilizations to remote locations or high altitudes, all of which usually result in higher pricing and margins.

The Corporation believes that there are ongoing opportunities for the growth of its international mineral exploration drilling business. The Corporation's international strategy to date has been to expand its business, at least in part, by building on its strong relationships with a number of multinational mining companies. Its ongoing relationships with various international mining companies should facilitate further expansion by the Corporation into other countries where these companies are operating, or are considering commencing operations. The Corporation has made, and will continue to evaluate, strategic acquisitions and partnerships. Joint Venture agreements with Indigenous communities will also continue to be an important element of this strategy. The Corporation continues to believe that geographic diversification in its business operations is important, and this, together with other factors, is considered when new acquisition, expansion or partnership opportunities arise. The Corporation also believes that it is important to diversify operationally, within the specialized drilling field, and is doing so in energy, surface drill and blast, percussive/longhole drilling and in several other mine services.

The Corporation believes this strategy can be achieved by offering superior levels of service to its customers. To promote this goal, the Corporation has developed an organization with strong field support and compensation systems that reward individual contribution.

The Corporation strives to give the same high level of customer service in all of its markets. Branches are set up as full service facilities and have appropriate support staff and equipment, including inventories and spare parts, which allow branches to address efficiently any issues that may arise from time to time. Management believes the extra costs incurred in fully supporting its branches are offset by less downtime and higher customer satisfaction.

The Corporation continues to investigate opportunities for expansion of its drilling business wherever the Corporation believes that such expansion may provide both positive cash flow and future growth potential.

The Corporation's primary focus is on specialized drilling. The Corporation also offers a growing range of underground services, a market segment that provides more stable revenue sources in market downturns. Throughout the cycle, the Corporation prudently manages its cash and balance sheet, which enables it to take advantage of growth opportunities, and permits it to successfully weather cyclical downturns.

In pursuing the successful implementation of its ESG strategy, the Corporation roots its efforts in a strong ESG sustainability framework and risk management processes that were already in place, that take into account the interests of a broad range of stakeholders – including the communities where it operates around the world.

HISTORICAL DEVELOPMENT

The Corporation's operations have historically been divided into the following three geographic segments: (i) Canada - U.S. (which also includes the Northern Ireland operations); (ii) South and Central America (which also includes the Mexican operations); and (iii) Asia and Africa. During fiscal 2019, operations were wound down in Burkina Faso based on the fact that this branch required significant additional investment to reach an acceptable return on investment, and in light of increased political and security risks in that country. During fiscal 2020, operations were wound down in Colombia given unfavourable economic forecasts for that region's operations. The services provided in each of these reportable drilling segments of the Corporation are essentially the same.

The following table sets forth the Corporation's contract drilling revenue from the principal geographic regions in which it operated for the fiscal periods indicated:

	Years ended April 30 (in thousands of dollars)	
Principal Region	**2020**	**2019**
Canada – U.S.	205,551	196,105
South and Central America	104,002	108,139
Asia and Africa	99,591	80,578
Total	**409,144**	**384,822**

Regarding operations outside of Canada, the Corporation's revenue is received primarily in U.S. dollars and most of its costs are paid in U.S. dollars. Consequently, the operating results of these international operations are not typically significantly affected by the fluctuation of exchange rates between local currencies and the U.S. dollar, however, the COVID-19 pandemic did result in significant volatility in foreign exchange markets at the end of fiscal 2020.

In terms of reporting purposes, and with regard to certain branches, fluctuations between the U.S. dollar and the Canadian dollar result in decreases or increases, as the case may be, in the other comprehensive earnings reported for such international operations.

Canada - U.S.

The Corporation acquired several mineral exploration drilling companies in Eastern Canada between 1980 and 1985. The Corporation's strategy in these acquisitions was to buy equipment at a reasonable price, strengthen the Corporation by adding talented and experienced personnel and increase the geographic and client diversity of its business.

On October 31, 1994, several of these companies amalgamated under the CBCA to form MDGI. Subsequently, the Corporation acquired the assets of JT Thomas Diamond Drilling and Midwest Drilling, both during fiscal 1998, greatly augmenting its ability to service the Central and Western Canadian markets. Likewise, later acquisitions of Benoît Drilling and Bradley Group greatly augmented the Corporation's ability to service the Eastern Canadian market.

In Canada, as elsewhere, the Corporation's mineral exploration drilling operations are highly correlated to the level of mineral exploration activity.

The Corporation also acquired several mineral exploration and environmental drilling companies in the U.S. in the 1990s. The Corporation acquired certain drilling assets and formed Major Drilling America, Inc. in 2005.

In fiscal 2010, the Corporation acquired the environmental drilling business of SMD Services and in fiscal 2011, it acquired the environmental drilling business of North Star Drilling LLC. In fiscal 2015, the Corporation acquired the assets of Taurus Drilling Inc. in Canada, and Taurus Drilling LLC in the United States. With this acquisition, the Corporation provides percussive/longhole drilling services and inverse and drop raise services, as well as other support services, to mining companies and to operating mines in Canada, the U.S., and Mexico. In fiscal 2020, the Corporation acquired the shares of Norex Drilling Limited. This acquisition allowed the Corporation to gain a strong position to service its customers in both surface and underground exploration drilling services in the prolific Northeastern Ontario region.

In fiscal 2018, revenue began to recover in this region, increasing to $186 million, due to an increase in coring operations. In fiscal 2019, revenue increased by 5% to $196 million, due to increased activity in both coring and percussive operations in the region. In fiscal 2020, revenue was up 5% at $205 million due to growth in market share in the U.S. operations. The Corporation's sales strategy in Canada - U.S. is to dominate specialized drilling, to continue to provide a high level of service to its customers and to optimize the use of its resources.

South and Central America

The Corporation's current South and Central American operations are located in Mexico, Suriname, Argentina, Chile, Brazil, Guyana and French Guiana.

In the early 1990s, the Corporation expanded outside of Canada and the U.S., as the Corporation observed that a number of its mining customers were showing increased interest in exploration opportunities in Mexico and South America. The Corporation responded to the needs of these customers by following them into these regions through the creation of subsidiaries. These subsidiaries purchased their own drill rigs, related equipment and spare parts from third parties and from other subsidiaries of the Corporation. This expansion continued with acquisitions in both Chile and Ecuador in the 2008 fiscal year.

Most of the Corporation's customers in South and Central America are North American mining companies (or their subsidiaries), many of which the Corporation has worked with in the Canadian and U.S. markets. Exploration in this region has been primarily focused on gold. In fiscal 2013, the Corporation began its expansion into Brazil. In fiscal 2015, the Corporation acquired the Mexican assets of Taurus Drilling, and thus entered the underground percussive/longhole drilling market in that country. During that same fiscal year, Argentina experienced an increase in lithium activity, and the Corporation provided specialized rigs to drill large diameter production wells along with other rigs to complete relevant exploration programs. In fiscal 2018, the Corporation also resumed operations in French Guiana. In fiscal 2020, the Corporation wound down its operations in Colombia given unfavourable economic forecasts for that region's operations.

In fiscal 2018, the Corporation's South and Central American operations generated revenue of $94 million as mining companies increased exploration budgets during the year. In fiscal 2019, revenue increased by 15% to $108 million, as increased activity levels in Mexico, the Guiana Shield, and Brazil were offset by reductions in Argentina. In fiscal 2020, revenue decreased by 4% to $104 million as increased activity levels in Brazil were offset by COVID-19 related reductions in Argentina, Chile, Suriname and Mexico.

Asia and Africa

The Corporation's Asian and African operations are currently located in Indonesia, Mongolia, the Philippines, Mozambique and South Africa. In the late 1990s, the Corporation expanded into the Australian, Asian and African regions, with new operations in Australia, Indonesia and Tanzania. This expansion continued with operations commencing in Mongolia in fiscal 2003 and an acquisition in fiscal 2007 that provided operations in Southern Africa.

In fiscal 2011, the Corporation expanded its operations in Africa through the purchase of Resource Drilling in Mozambique. In fiscal 2012, the Corporation further expanded its operations in Asia with the acquisition of Bradley Group Ltd., through its Philippines operation, and commenced operations in West Africa with a branch in Burkina Faso. In fiscal 2014, the Corporation decided to close its Australian and Tanzanian operations. In fiscal 2015, the Corporation finalized the closure of its branches in Australia and the Democratic Republic of Congo, and in fiscal 2016, the Corporation undertook the closure of its operations in South Africa and Namibia (although the Corporation is maintaining its corporate registration in these countries, along with Botswana and Australia, in order to facilitate potential re-entry if market conditions and contracts support such a decision in the future). In fiscal 2018, the Corporation resumed its operations in South Africa. In fiscal 2018, the Secretary of the Department of Environment and Natural Resources in the Philippines placed a ban on certain open pit mining that is still in place. In fiscal 2019, the Corporation closed its operations in Burkina Faso based on the fact that this branch required significant additional investment to reach an acceptable return on investment, at a time when political and security risks are increasing in that country.

In fiscal 2018, the Corporation's Asian and African operations generated revenue of $63 million, as activity levels at the OT (Oyu Tolgoi) mine in Mongolia increased following prolonged delays. In fiscal 2019, revenue increased 29% to $81 million, due to increased activity levels predominantly from Indonesia, South Africa and the Philippines, offset by the closure of the Burkina Faso operations. In fiscal 2020, revenue increased by 24% to $100 million as activity levels increased in Indonesia, Southern Africa and Mongolia.

DESCRIPTION OF ASSETS

Drilling Rigs

The following table shows the Corporation's drill rigs for each of its geographic locations, as of April 30, 2020:

Geographic Location	Number of Drill Rigs	Percentage of Total Drill Rigs of the Corporation
Canada - U.S.	264	43%
South and Central America	225	37%
Asia and Africa	118	20%
Total	**607**	**100%**

Types of drill rigs currently used by the Corporation include diamond core rigs (surface and underground), reverse circulation rigs, surface drill and blast rigs, rotary rigs, sonic rigs, and percussive/longhole drills. The drill rig selected for a particular job depends upon the specific conditions involved (i.e. terrain, depth and size of hole, remoteness of location, physical constraints, required mobility, etc.). Many of the Corporation's surface drill rigs are unitized, which means that they are mobile and include a drill shack, tower, supply pumps, water pumps, skid mounts and all other necessary drilling equipment. Depending on conditions, the Corporation may utilize truck, skid, or track-mounted rigs. The Corporation also owns numerous skidders to tow drill rigs in rough terrain and tractor-trailers to transport drill rigs on highways and a variety of other vehicles.

Owned and Leased Premises

MDGI Owned Premises		
Moncton, Canada	Yellowknife, Canada	Mendoza, Argentina
Flin Flon, Canada	Hermosillo, Mexico	La Serena, Chile
Salt Lake City, U.S.A.	Cavite, Philippines	Winnipeg, Canada

MDGI Leased Premises		
Winnipeg, Canada	Sudbury, Canada	Paramaribo, Suriname
Timmins, Canada	Jakarta, Indonesia	Rouyn-Noranda, Canada
Cavite, Philippines	Tete, Mozambique	La Estrella, Colombia
Pichincha, Ecuador	Elko, U.S.A.	San Juan, Argentina
Belo Horizonte, Brazil	Ballito, South Africa	Ulaanbaatar, Mongolia

EMPLOYEES

As at April 30, 2020, the Corporation had 2,443 employees, of which 2,185 were operational personnel, including drillers and helpers retained by the Corporation on a temporary basis for the duration of a particular drilling contract. The Corporation's employees generally are not subject to any collective bargaining agreement, with the exception of some contracts carried out by one small Canadian division (Flin Flon) and a number of employees in Chile and Argentina (note: less than 100 employees company-wide are subject to union membership). Additionally, some drilling contracts require the Corporation's employees to join a particular union on a short-term basis, to satisfy the requirements imposed by the collective bargaining arrangements of the Corporation's customers.

SPECIALIZED SKILLS AND KNOWLEDGE

Generally, drilling activity related to metals and minerals is broadly linked to price trends in the mining sector. One limiting factor in this industry has been the shortage of qualified drillers that occurs when the industry transitions from a cyclical downturn to a cyclical upturn. The Corporation addresses this issue by attempting to become the "employer of choice" for drillers in the industry, as well as by hiring and training more locally based drillers. Historically, most of the Corporation's drillers were Australian or Canadian. Our focused efforts to develop local drillers and other staff has had a positive impact on all of our operations and is expected to continue to play an important role in alleviating this limiting factor in the future.

ENVIRONMENTAL MATTERS AND SAFETY POLICY

The Corporation and its operations are subject to Canadian, U.S. and other countries' environmental laws and regulations. The Corporation's customers are responsible for obtaining environmental permits necessary for drilling. Compliance with environmental laws and regulations has generally not required the Corporation to make substantial capital expenditures in the past and the Corporation does not expect environmental compliance to require significant capital expenditures in the foreseeable future, nor does it expect that these requirements will impact its earnings or competitive position.

The Corporation's policy is to comply with applicable environmental standards and regulations. In addition, the Corporation strives to meet the higher of the local environmental standards and the relevant corresponding Canadian standards. Management believes that the operations of the Corporation are in substantial compliance with applicable environmental laws.

In fiscal 2019 and 2020, the Corporation undertook a Green House Gas emissions inventory of its global operations. These findings are compiled as part of a broader submission to the CDP (formerly the Carbon Disclosure Project). In fiscal 2020, the Corporation began the process of consolidating its ESG (environmental, social, governance) efforts under a formalized ESG Framework, underpinned by a global ESG Policy that was approved in June 2020 (for further information on the Corporation's ESG efforts, see the "ESG Responsibility" section in the Corporation's Management Information Circular for fiscal 2020).

The Corporation seeks to continuously improve its safety performance, to further train its employees and to adopt the latest safety equipment and processes.

The Corporation has an internal committee charged with this responsibility. This committee meets once each month and is chaired by the Corporation's President and Chief Executive Officer. The committee is composed of the President and Chief Executive Officer, the Chief Financial Officer, the Vice Presidents of Operations, the Vice President Human Resources and Safety, and selected senior safety managers.

The committee sets out annual key safety and environmental objectives for the Corporation. Each month it reviews all safety or environmental incidents, identifies remedial actions, oversees internal and external safety system audits and monitors the implementation of the Corporation's safety and environmental initiatives.

DESCRIPTION OF THE COMPETITIVE ENVIRONMENT

Metals and minerals exploration and mining companies require drilling services for exploratory as well as development and definition drilling. Exploratory drilling is conducted to discover new deposits. Development and definition drilling are conducted at operating mines to define the ore body and expand reserves. All metals and minerals drilling require a high degree of expertise and technical competence to ensure that the solid core or rock chip samples are extracted free of contaminants and reflect accurately the location of the mineral deposit.

Few mining companies own or operate their own exploration drill rigs because the mining companies' level of exploration activity and their corresponding demand for drill rigs can vary widely year by year and region by region. Instead, mining companies typically contract their drilling requirements to drilling contractors that have specialized expertise and equipment. Metals and minerals drilling work is performed by the drilling contractor under the supervision of exploration and mining companies. Exploration and mining companies are responsible for the selection of drill targets and the transportation, evaluation and storage of core samples. Generally, a competitive bid process is used by mining and exploration companies to retain a drilling company. Bids are solicited by the exploration and mining companies typically based on a fixed price per metre or per foot.

The mineral drilling industry is highly fragmented, comprised of many small regional or local companies as well as larger companies. The larger key participants in the global mineral drilling industry, other than the Corporation, include Boart Longyear Ltd., Foraco International S.A. and Orbit Garant Drilling Inc. Factors considered in the award of drilling contracts include price, safe work history, workforce experience, drill rig availability and suitability, condition of equipment, financial capability of the firm to carry out the contract, reputation and customer relations, although price and reputation are the major considerations. Higher prices and margins are generally available for more complex drilling contracts such as deep-hole drilling, directional drilling, projects requiring heli-portable drill rigs and for mobilizations into the Arctic and other remote areas.

The drilling business in Canada and the United States has seasonal variations, with late winter being the slowest season. Drilling companies in the mining segment in this region compete mainly on the basis of price and reputation. In international locations, competition in metals and minerals drilling involves many of the same factors as in the Canadian and U.S. markets, but drill rig availability, quality of service and pricing are the major considerations. Again, higher prices and margins are available for more complex drilling contracts. In South America, projects requiring combination reverse circulation and diamond core drilling, and projects at higher elevations in the Andes have attracted these types of premiums. Some markets in South America, particularly Chile and Argentina, exhibit some seasonal variations, with the summer and fall months being the peak seasons, as warmer weather facilitates drilling in the Andes.

GENERAL RISKS AND UNCERTAINTIES

The Company is subject to a variety of risk factors and uncertainties in carrying out its activities. The Company's business, results of operations, financial condition and liquidity may be adversely affected by the risks and uncertainties discussed below. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair its business, results of operations, financial condition and liquidity.

Cyclical Downturn

The most significant operating risk affecting the Company is a downturn in demand for its services, which can be due to, among other things, a decrease in activity in the mining industry. In attempting to mitigate this risk, the Company is exploiting its competitive advantage in specialized drilling and continues to explore opportunities to diversify and to rationalize its regional infrastructures. A prolonged downturn in the mining industry could result in a decrease in demand for the Company's services, which could have a negative impact on the Company's revenue, cash flow and profitability.

Fluctuations in global economic conditions may have an impact on clients' ability to pay their suppliers, such as the Company, in the event they are unable to access the capital markets to fund their project or their willingness to fund new projects. These conditions could make it difficult for clients to accurately forecast and plan future business trends and activities, thereby causing clients to slow spending on the Company's services, or seek contract terms more favourable to them. Any of these disruptions could adversely affect the Company's revenue, cash flow and profitability.

Levels of inventory typically increase as a result of increased activity levels. In addition to direct volume related increases however, inventory levels also increase due to an expansion of activity in remote locations at the end of long supply chains where it is necessary to increase inventory to ensure an acceptable level of continuing service, which is part of the Company's competitive advantage. In the event of a sudden downturn of activities related either to a specific project or to the sector as a whole, it is more difficult and costly to redeploy this remote inventory to other regions where it can be consumed.

Competitive Pressures

The Company competes with many small regional or local companies as well as larger companies, and the intensity of competition may vary significantly from region to region at any particular time. Increased demand in a region where the Company operates may attract new competitors and impact the degree of work in such region. Pressure from competitors in a region may also result in an oversupply of drilling services in such region, which in turn may result in decreased contract prices and adversely affect the Company's revenues. Further, the Company may lose business to its competitors if it is unable to demonstrate competence, competitive pricing, adequate equipment or reliable performance to its customers. There can be no assurance that the Company's competitors will not be successful in capturing a share of the Company's present or potential customer base.

Country Risk

The Company is committed to using its expertise and technology in exploration areas around the world. With this comes the risk of dealing with business and political systems in a variety of jurisdictions. The Company's international operations are subject to a variety of risks and uncertainties, including, but not limited to: social, political and economic instability; military repression, act of war, civil unrest, force majeure and terrorism; fluctuations in currency exchange rates; high rates of inflation; changes in laws, policies and regulations; changes in duties, taxes and governmental royalties; trade barriers; nationalization/expropriation of projects or assets; corruption; delays in obtaining or inability to obtain necessary permits; nullification of existing mining claims or interests therein; hostage takings; labour unrest; opposition to mining from environmental organizations; and deterioration of Canada's inter-governmental relationships or other non-governmental organizations or shifts in political attitude that may adversely affect the business. Also, there has been an emergence of a trend by some governments to increase their participation in the industry and thereby their revenues through increased taxation, expropriation, or otherwise. This could negatively impact the level of foreign investment in mining and exploration activities and thus drilling demand in these regions, which in turn may result in reductions of the Company's revenue and additional transition costs as equipment is shifted to other locations.

While the Company works to mitigate its exposures to potential country risk events, the impact of any such event is largely not under the control of the Company, is highly uncertain and unpredictable and will be based on specific facts and circumstances. As a result, the Company can give no assurance that it will not be subject to any country risk event, directly or indirectly, in the jurisdictions in which it operates. Any of the foregoing events may have a material negative impact on the Company's operations and assets.

Repatriation of Funds or Property

There is no assurance that any of the countries in which the Company operates or may operate in the future will not impose restrictions on the repatriation of funds or property to other jurisdictions.

Taxes

The Company is subject to many different forms of taxation in various jurisdictions throughout the world, including but not limited to, property tax, income tax, withholding tax, commodity tax, social security and other payroll related taxes, which may lead to disagreements with tax authorities regarding the application of tax law.

Tax law and administration is extremely complex and requires the Company to make certain assumptions about various tax laws and regulations. The computation of income, payroll and other taxes involves many factors, including the interpretation of tax legislation in various jurisdictions in which the Company is subject to ongoing tax assessments. The Company's estimate of tax-related assets, liabilities, recoveries and expenses incorporates significant assumptions. These assumptions include, but are not limited to, the effect of tax treaties between jurisdictions and taxable income projections. While the Company believes that such assumptions are correct, there can be no assurance that foreign taxation or other authorities will reach the same conclusion. If such assumptions differ from actual results, or if such jurisdictions were to change or modify such laws or the current interpretation thereof, the Company may have to record additional tax expenses and liabilities, including interest and penalties.

Foreign Currency

The Company conducts a significant proportion of its business outside of Canada and consequently has exposure to currency movements, principally in U.S. dollars. In order to reduce its exposure to foreign exchange risks associated with currencies of developing countries, where a substantial proportion of the Company's business is conducted, the Company has adopted a policy of contracting in U.S. dollars, where practical and legally permitted.

Foreign exchange translations can have a significant impact on year-to-year comparisons because of the geographic distribution of the Company's activities. Year-over-year revenue comparisons have been affected by the fluctuation in the Canadian dollar against the U.S. dollar. Margin performance, however, is less affected by currency fluctuations as a large proportion of costs are typically in the same currency as revenue. In future periods, year-to-year comparisons of revenue could be significantly affected by changes in foreign exchange rates.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and/or systems (including, among other things, IT systems) or from external events. Operational risk is present in all aspects of the Company's activities, and incorporates exposure relating to fiduciary breaches, regulatory compliance failures, legal disputes, business disruption, pandemics, technology failures, processing errors, business integration, theft and fraud, damage to physical assets, employee safety and insurance coverage.

Dependence on Key Customers

From time to time, the Company may be dependent on a small number of customers for a significant portion of overall revenue and net income. Should one or more such customers terminate contracts with the Company, there can be no guarantee that the Company will obtain sufficient replacement contracts to maintain the existing revenue and income levels. Consequently, the Company continues to work to expand its client base and geographic field of operations to mitigate its exposure to any single client, commodity or mining region.

Safety

The nature of the Company's work places employees and others near large equipment, dangerous processes or highly regulated materials, and in challenging environments. Most of the Company's customers consider safety and reliability two primary attributes when selecting a provider of drilling services. The Company continues to invest in training to improve skills, abilities and safety awareness. If the Company fails to implement appropriate safety procedures and/or if its procedures fail, employees or others may suffer injuries. Failure to comply with such procedures and maintain a record of safety performance may have an adverse impact on the Company's ability to attract and retain customers and the Company's business.

Expansion and Acquisition Strategy

The Company intends to remain vigilant with regards to potential strategic future acquisitions and internal expansion. It is not possible to ensure that future acquisition opportunities will exist on acceptable terms, or that newly acquired or developed entities will be successfully integrated into the Company's operations. Additionally, the Company cannot give assurances that it will be able to secure the necessary financing on acceptable terms to pursue this strategy.

Regulatory and Legal Risks

The drilling industry is highly regulated by laws and regulations, including environmental, which are not consistent across the jurisdictions in which the Company operates. The Company is unable to predict what legislation, revisions or regulatory directives may be proposed that might affect its operations or when such proposals may be effective. While the Company's policies mandate full compliance with all applicable laws and regulations, the Company can provide no assurance that it will be in full compliance at all times with such laws and regulations. To the extent that the Company fails to comply, or is alleged to fail to comply, with applicable legislation, regulatory directives and permits, it could be subject to monetary fines, suspension of operations or other penalties.

Corruption, Bribery and Fraud

The Company is required to comply with the Canadian *Corruption of Foreign Public Officials Act* ("CFPOA") as well as similar applicable laws in other jurisdictions, which prohibit companies from engaging in bribery or other prohibited payments or gifts to foreign public officials for the purpose of retaining or obtaining business. The Company's policies mandate full compliance with these laws. However, there can be no assurance that the policies and procedures and other safeguards that the Company has implemented in relation to its compliance with these laws will be effective or that Company employees, agents, suppliers, or other industry partners have not engaged or will not engage in such illegal conduct for which the Company may be held responsible. Violations of these laws could disrupt the Company's business and result in a material adverse effect on its business and operations.

Climate Change Risk

The Company operates in various regions and jurisdictions where environmental laws are evolving and are not consistent. As the world is becoming increasingly aware of the impact of climate change, a number of governments or governmental bodies in jurisdictions where the Company operates have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulations relating to gas emission levels. Legislation, regulation or other restrictions imposed by governmental authorities on carbon emissions could result in increased cost for the Company. Such policy changes could increase the costs of projects for clients or, in some cases, prevent a project from going forward, thereby potentially reducing the need for the Company's services, which in turn could have a material adverse impact on the Company's business, operations and financial results.

In addition, climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels and changing temperatures, represents a physical and financial risk and could affect the Company's operations, including by disrupting or delaying the transportation of equipment and employees to its operations, which in turn could have an adverse financial impact on the Company's business, operations, cash flow and financial results.

Pandemics, Force Majeure and Natural Disasters

The Company may be impacted by pandemics and public health emergencies, including those related to COVID-19 coronavirus, force majeure events and natural disasters. Although the full extent of the impact of a pandemic, public health emergency, force majeure event or natural disaster is highly uncertain and cannot be predicted, future increased or prolonged economic disruption as a result of such event or disaster, including the current COVID-19 outbreak, may have a material and adverse impact on the Company's business, operations, cash flow and financial results, including without limitation, through compromised employee health and workplace productivity, disruption to supply chains, and threats to the business continuity of the Company's customers. In regards to the current COVID-19 outbreak, the Company continues to work closely with operational management across the organization, ensuring that policies, procedures and plans are in place to help minimize the negative impact that the outbreak has on its business.

Specialized Skills and Cost of Labour Increases

Generally speaking, drilling activity related to metals and minerals is broadly linked to price trends in the metals and minerals sector. During periods of increased activity, a limiting factor in this industry can be a shortage of qualified drillers. The Company addresses this issue by attempting to become the "employer of choice" for drillers in the industry, as well as hiring and training more locally-based drillers. The development of local drillers has had a positive impact on the Company's global operations, and is expected to continue to play an important role.

The Company also relies on an experienced management team across the Company to carry on its business. A departure of several members of the management team at one time could have an adverse financial impact on operations.

A material increase in the cost of labour and the inability to attract and retain qualified drillers could result in, among other things, loss of opportunities, cost overruns and failure to perform on projects and materially affect gross margins and therefore the Company's financial performance.

Equipment and Parts Availability

The Company's ability to provide reliable service is dependent upon timely delivery of equipment and replacement parts from fabricators and suppliers. Any factor that substantially increases the order time on equipment and increases uncertainty surrounding final delivery dates may constrain future growth, existing operations, and the financial performance of the Company.

Reputational Risk

Negative publicity, whether true or not, regarding practices, actions or inactions, could adversely affect the Company's value, liquidity, or customer base.

Cybersecurity Risk

While information systems are integral to supporting the Company's business, due to the nature of the Company's services, it is not considered to be subject to the same level of cybersecurity risks as companies operating in sectors where sensitive information is at the core of their business. Nevertheless, the Company is potentially exposed to risks ranging from internal human error to uncoordinated individual attempts to gain unauthorized access to its information technology systems, to sophisticated and targeted measures directed at the Company and its systems, clients or service providers. Any such disruptions in the Company's systems or the failure of the systems to operate as expected could, depending on the magnitude of the problem, result in the loss of client information, a loss of current or future business, reputational harm and/or potential claims against the Company, all of which could have an adverse effect on the Company's business, financial condition and operating results. The Company continues to enhance its efforts to mitigate these risks. It invests in technology security initiatives to better identify and address any vulnerabilities including periodic third party vulnerability assessments, testing user knowledge of cybersecurity best practices, and audits of security processes and procedures. In addition, the Company continues to increase the employees' awareness of security policies through ongoing communications.

Market Price and Dilution of Common Shares

Securities of mining companies, and consequently, drilling companies, have experienced volatility in the past, at times unrelated to the financial performance of the companies involved. These factors include macroeconomic developments in North America and internationally and market perceptions of the attractiveness of particular industries. As a result of this volatility, the market price of the Company's common shares at any given point in time may not accurately reflect the Company's long-term value. In the event that the Company increases the number of common shares issued, this may have a dilutive effect on the price of the common shares.

Environmental, Health and Safety Regulations and Considerations

The Company's operations involving contract drilling, exploration, and development activities require permits and other approvals from various federal, provincial, state, and local governmental authorities. Such operations are, and will be, governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Environmental laws and regulations and their interpretation have changed rapidly in recent years and may continue to do so in the future. Evolving public expectations with respect to the environment and increasingly stringent laws and regulations could result in increased costs of compliance, and failure to recognize and adequately respond to them could result in fines, regulatory scrutiny, or have a significant effect on the Company's reputation and financial results. While the Company's policies mandate full compliance with all of its required permits and approvals and all applicable laws and regulations, there can be no assurance that it will obtain and/or maintain full compliance at all time. Failure to obtain and/or maintain full compliance with such permits, approvals and/or regulations could have adverse effects on the Company's business, operations or financial results.

The activities at clients' worksites may also involve hazards that can result in personal injury and loss of life and/or damage to property. While the Company has implemented extensive health and safety initiatives at clients' worksites to protect the health and safety of its employees and contractors, there can be no assurance that such measures will eliminate the occurrence of such accidents or incidents, which could give rise to regulatory fines and/or civil liability. There can be no assurance that the Company's insurance policies will be sufficient or effective under all circumstances or against all claims or hazards to which it may be subject or that it will be able to continue to obtain adequate insurance protection. A successful claim or damage resulting from a hazard for which it is not fully insured could adversely affect the Company's business and financial results.

DIVIDEND POLICY

There are no restrictions in the Corporation's constating documents, or in any amendments thereto, that would restrict or prevent it from paying dividends. Dividends may be approved by a resolution of Directors of the Corporation (the "Directors"). The Corporation has not paid any dividend in the three most recently completed financial years with a view to maintain a strong balance sheet.

The Corporation may declare dividends subject to profitability, liquidity requirements, the general financial health of the Corporation and other factors determined by its board of directors (the "Board of Directors").

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Corporation consists of an unlimited number of common shares. Holders of common shares are entitled to receive notice of, attend and vote at all meetings of the shareholders of the Corporation. Each common share carries the right to one vote at all meetings of the shareholders of the Corporation. The holders of common shares are entitled to receive dividends as and when they are declared by the Board of Directors and are entitled to receive the remaining property of the Corporation in the event of liquidation, dissolution or winding- up of the Corporation.

MARKET FOR SECURITIES

The common shares of MDGI are listed on the Toronto Stock Exchange ("TSX") under the ticker symbol MDI. The Corporation is a reporting issuer, or equivalent, in each of the provinces and territories of Canada.

TRADING PRICE AND VOLUME

The Corporation's monthly trading history, based on the prices for the Corporation's common shares on the TSX for the Corporation's fiscal year ended April 30, 2020, are as set out below:

Toronto Stock Exchange				
Month	**High ($)**	**Low ($)**	**Average Daily Volume**	**Total Volume**
2019				
May	4.24	3.94	54,175	1,191,865
June	4.28	3.90	64,291	1,285,816
July	4.60	4.00	95,476	2,100,469
August	5.21	4.26	128,437	2,697,167
September	6.71	4.96	234,972	4,699,435
October	6.78	5.40	156,768	3,448,891
November	5.84	5.17	176,777	3,712,323
December	6.33	5.29	113,237	2,264,737
2020				
January	5.89	5.20	100,844	2,218,565
February	5.61	4.56	95,737	1,819,008
March	4.91	2.26	164,250	3,613,495
April	3.92	2.75	119,294	2,505,182

DIRECTORS AND OFFICERS

NAME, OCCUPATION AND SECURITY HOLDING

As at July 20, 2020, the following are the Directors of MDGI:

Name and Location of Residence	Position with MDGI	Director Since	Principal Occupation for Preceding Five Years
Edward J. Breiner Pennsylvania, U.S.A.	Director; Chair, Corporate Governance and Nominating Committee; Member, Human Resources and Compensation Committee; Member, Environment, Health and Safety Committee	2006	Mr. Breiner was the President and CEO of Schramm, Inc., a manufacturer of mobile top-head rotary drill rigs, from 2005 until 2014. He served as a director of that company until September 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.
John Burzynski Ontario, Canada	Director; Member, Human Resources and Compensation Committee; Member, Environment, Health and Safety Committee	2018	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 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 Gold Royalties Ltd. as well as Osisko Mining Inc. and Osisko Metals Inc., two investee companies of Osisko Gold Royalties Ltd.
Louis-Pierre Gignac Québec, Canada	Director; Chair, Environment, Health and Safety Committee; Member, Audit Committee	2018	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 20 years of experience in the mining industry in various engineering and management roles. Mr. Gignac is a CFA® charterholder.

Name and Location of Residence	Position with MDGI	Director Since	Principal Occupation for Preceding Five Years
Kim Keating Newfoundland and Labrador, Canada	Director; Member, Audit Committee; Member, Environment, Health and Safety Committee	2019	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. Prior to joining the Cahill Group in 2013, Ms. Keating held a variety of progressive leadership roles with Petro-Canada (now Suncor Energy Inc.). She 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 serves as a director with Yamana Gold Inc.
Denis Larocque New Brunswick, Canada	Director; President and Chief Executive Officer	2015	Mr. Larocque joined the Corporation in 1994 and was appointed President and Chief Executive Officer on September 11, 2015, having served as Chief Financial Officer since 2006. Previously, Mr. Larocque was the Corporation's VP Finance after rising through a series of roles within the Corporation, including Corporate Controller. Mr. Larocque was made a Fellow of the Institute of Chartered Professional Accountants in 2018.
Janice G. Rennie Alberta, Canada	Director; Chair, Audit Committee; Member, Corporate Governance and Nominating Committee	2010	Ms. Rennie's principal occupation is a corporate director. She is currently Chair of EPCOR Utilities Inc., and a director of Methanex Corporation and West Fraser Timber Co. Ltd., and she previously served on the board of Teck Resources Ltd., all of which are reporting issuers. She also served as a director of WestJet Airlines Ltd. which was a reporting issuer during her tenure. 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.
David B. Tennant Ontario, Canada	Director; Chair, Board of Directors	1995	Mr. Tennant practices corporate law, advising clients on acquisitions and divestitures, securities laws and general corporate and commercial matters. From 1990 to 2019, Mr. Tennant was a partner at McCarthy Tétrault LLP, one of Canada's largest law firms and has been a board member of many corporations and charitable organizations. Mr. Tennant is Chair of the Board of Directors.

Name and Location of Residence	Position with MDGI	Director Since	Principal Occupation for Preceding Five Years
Sybil Veenman Ontario, Canada	Director; Member, Corporate Governance and Nominating Committee; Member, Human Resources and Compensation Committee	2019	Ms. Veenman's principal occupation is a corporate director. She currently serves as a director of IAMGOLD Corporation, Royal Gold Inc. and NexGen Energy Ltd., all of which are reporting issuers. Previously, she was Senior Vice-President and General Counsel and member of the executive leadership team at Barrick Gold Corporation. Ms. Veenman also serves as a Co-Chair of a non-profit organization.
Jo Mark Zurel Newfoundland and Labrador, Canada	Director; Chair, Human Resources and Compensation Committee; Member, Corporate Governance and Nominating Committee	2007	Mr. Zurel is currently President of Stonebridge Capital, an investment company. From 1998 to 2006, Mr. Zurel 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, and was a board member of Fronteer Gold Inc.

MDGI does not have an Executive Committee. Each MDGI Director is elected to hold office until the next Annual Meeting of Shareholders of the Corporation or until a successor is elected or appointed.

As at July 20, 2020, the following are the Executive Officers of MDGI:

Name and Location of Residence	Position with MDGI	Officer Since	Principal Occupation for Preceding Five Years
Denis Larocque New Brunswick, Canada	Director; President and Chief Executive Officer	2005	Mr. Larocque previously served as Chief Financial Officer of MDGI.
Ian Ross New Brunswick, Canada	Chief Financial Officer	2019	Mr. Ross previously served as Corporate Controller, and Director of Tax, of MDGI.
Kelly Johnson New Brunswick, Canada	Senior Vice President Operations - North America and Africa	2010	Mr. Johnson previously served as VP Operations - Latin America & Africa of MDGI.
Ben Graham Utah, U.S.A	Vice President HR & Safety	2015	Mr. Graham previously held the position of Global Human Resources & Environmental Health and Safety Director of MDGI.
Marc Landry New Brunswick, Canada	Vice President Technology & Logistics	2015	Mr. Landry held the position of Corporate Controller of MDGI prior to his current role.
John Ross Davies Ulaanbaatar, Mongolia	Vice President Operations - Asia	2017	Mr. Davies held the role of Regional General Manager - Asia for MDGI prior to his current role.

Name and Location of Residence	Position with MDGI	Officer Since	Principal Occupation for Preceding Five Years
Ashley Martin New Brunswick, Canada	Vice President Operations - South America	2018	Mr. Martin previously held the role of Regional Manager – South America, and prior to that, General Manager of Canadian Operations of MDGI.
Andrew McLaughlin New Brunswick, Canada	Vice President Legal Affairs, General Counsel and Secretary	2015	Mr. McLaughlin joined the Corporation in 2015 after nine years with Canada's Department of Foreign Affairs. He served as a diplomat in the Canadian Embassies in Mexico and Cuba, and as a lawyer in the International Law Branch.

As at July 20, 2020, the Directors and Executive Officers of the Corporation as a group, in the aggregate, beneficially owned, directly or indirectly, or exercised control over or directed 629,011 common shares of the Corporation, representing 0.78% of all issued and outstanding common shares of the Corporation, as reported by such individuals.

TRANSFER AGENTS, REGISTRARS AND AUDITORS

AST Trust Company (Canada) is the transfer agent and registrar for the common shares of the Corporation at its principal transfer office in Toronto, Ontario.

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, 2020 (in thousands of dollars)		Year ended April 30, 2019 (in thousands of dollars)	
Type of Work	**Fees**	**Percentage**	**Fees**	**Percentage**
Audit fees(1)	$448	71%	$472	57%
Audit-related fees(1)	$31	5%	$161	19%
Tax fees(2)	$152	24%	$203	24%
Total	**$631**	**100%**	**$836**	**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.

AUDITOR SERVICES POLICY

The Board of Directors has approved a "Policy on the Scope of Services of the Auditor", which is attached hereto as Appendix 1, and which can also 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 auditors 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.

MATERIAL AGREEMENTS

Other than contracts entered into in the ordinary course of business that are not required to be disclosed under applicable securities laws, there were no material contracts entered into during the 2020 fiscal year.

ADDITIONAL INFORMATION

AUDIT COMMITTEE INFORMATION

The Board of Directors has approved an Audit Committee Charter, which is attached as Appendix 2. It can also be found on the Corporation's website at www.majordrilling.com.

The Audit Committee assists the Board of Directors 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.

In order for members of the Board of 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.

The Audit Committee is currently composed of Janice G. Rennie, Chair, Louis-Pierre Gignac and Kim Keating, all independent Directors. Ms. Rennie is a Chartered Professional Accountant and is currently the Chair of a reporting issuer, 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 the Chair of the audit committee of the Province of Alberta. Mr. Gignac is a CFA® charterholder. He has been the Co-President of a privately-held mining consultancy firm located in Québec, Canada, since October 2015. Ms. Keating is a Professional Engineer and holds a Master of Business Administration. In June 2016, she was named a Fellow of the Canadian Academy of Engineers. Each member of the Audit Committee is "independent" and "financially literate" within the meaning of National Instrument 52-110 *Audit Committees*.

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 of Directors for approval with respect to the annual audited financial statements.

The Audit Committee oversees the internal audit function including reviewing the annual audit plan. The internal audit plan includes risk assessment, the location and activities selected to provide reasonable assurance of appropriate involvement in the control systems and financial reporting, time and cost budgets, resources (both personnel and technological), and organizational reporting structure. As well, the Audit Committee reviews internal audit progress, findings, recommendations, responses, and follow up actions, if any, as required.

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.

CORPORATE GOVERNANCE INFORMATION

The Corporation is dedicated to enhancing its corporate governance practices on an ongoing basis in order to respond to the evolution of best practices. Reference is made to the relevant sections of the Corporation's Management Information Circular, dated July 20, 2020, for the Annual Meeting of Shareholders of the Corporation to be held on September 10, 2020. This document can be found on the SEDAR website at www.sedar.com.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

As at the date hereof, there are no material legal proceedings or regulatory actions involving the Corporation or any of its property and the Corporation is not aware of any material legal proceedings threatened against the Corporation or any of its property.

INTERESTS OF EXPERTS

Deloitte LLP, Chartered Professional Accountants, have audited the Corporation's consolidated financial statements for the financial year ended April 30, 2020.

As at April 30, 2020, Deloitte LLP have advised that Deloitte LLP is independent of Major Drilling Group International Inc. in accordance with the rules of professional conduct in the province of New Brunswick.

FOR MORE INFORMATION

Additional information relating to the Corporation can be found on the SEDAR website at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the relevant sections of the Corporation's Management Information Circular, dated July 20, 2020, in connection with the Annual Meeting of Shareholders of the Corporation to be held on September 10, 2020.

Additional financial information is provided in the Corporation's audited consolidated financial statements and Management's Discussion and Analysis for the Corporation's most recently completed financial year, which are included in the Corporation's Annual Report. These documents can be found on the SEDAR website at www.sedar.com.

APPENDIX 1

POLICY ON THE SCOPE OF SERVICES OF THE AUDITOR

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. <u>Scope of Work and Authorization Standards</u>

(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	Assurance and related services performed by the auditor that are reasonably related to the audit or review of financial statements, including among others: • Employee benefits plan audits; • Due diligence related to mergers and acquisitions; • 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.	$25,000
Tax Work	All services performed by professional staff in the auditor's tax division, except for those services related to the audit. Tax fees typically include: • Tax compliance; • Tax planning; • Assistance with tax for specific purposes; and • Tax advice.	$50,000
Other	General management consulting and advisory services.	$10,000
Prohibited Non-Audit Activities	The auditor is prohibited from providing any of the following services: • Bookkeeping or other services related to the accounting records or financial statements of Major Drilling; • Financial information systems design and implementation; • Appraisal or valuation services, fairness opinions, or contributions-in-kind reports; • Actuarial services; • Internal audit outsourcing services; • Management functions or human resources, broker or dealer, investment advisor, or investment banking services; • Legal services; • Expert services unrelated to the audit; and • Any other services that by regulation are impermissible.	

APPENDIX 2

AUDIT COMMITTEE CHARTER

I. Audit Committee Purpose

The Audit Committee (the "Committee") is a committee of the board of directors (the "Board") of Major Drilling Group International Inc. (the "Corporation"), appointed by and reporting to the Board, whose primary function is to manage and maintain the effectiveness of the financial aspects of the governance and reporting structure of the Corporation. References to the Corporation in this Charter also include references to the subsidiaries of the Corporation where the context permits.

II. Committee Composition, Appointment and Procedures

1. Structure and Composition of Committee

The Committee shall be comprised of not less than three directors of the Corporation, all of whom must at all times be independent in accordance with applicable regulatory and stock exchange requirements.

2. Financial Literacy

All members of the Committee shall have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Corporation.

3. Appointment of Committee Members

Members of the Committee shall be appointed from time to time and shall hold office at the pleasure of the Board, upon the recommendation of the Corporate Governance and Nominating Committee.

4. Vacancies

(a) Where a vacancy occurs at any time in the membership of the Committee, it may only be filled by the Board.

(b) The Board shall fill any vacancy if the membership of the Committee is less than three members.

5. Committee Chair

The Board shall appoint a Chair for the Committee. The Chair of the Committee shall fulfill the duties as set out in the Terms of Reference, as provided to each Committee Chair.

6. Absence of Committee Chair

If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside as Chair at the meeting.

7. Secretary of Committee Meetings

The Corporate Secretary of the Corporation shall serve as the secretary at each meeting of the Committee.

8. Meetings

(a) The Chair of the Committee or the Chair of the Board or any two members of the Committee may call a meeting of the Committee.

(b) The Committee shall meet at such times during each year as it deems appropriate, provided that the Committee shall meet not less than four times per year.

(c) The Committee will ordinarily meet in camera at the end of each of its formal meetings and may meet in camera at any other time as required.

(d) There shall be three senior management personnel available for meetings of the Committee at the request of the Chair of the Committee. These three persons will be those persons holding the positions of Chief Executive Officer, Chief Financial Officer and Corporate Secretary of the Corporation. The Chair of the Committee may request the attendance of other officers of the Corporation at any meeting of the Committee.

(e) Representatives of the external auditors shall be available for Committee meetings at the request of the Chair of the Committee.

(f) Committee meetings may be held in person, by videoconference, by telephone or by any combination of the foregoing.

9. Quorum

A majority of the members of the Committee present, in person, by videoconference, by telephone or by any combination of the foregoing, shall constitute a quorum.

10. Notice of Meetings

(a) Notice of the time and place of every Committee meeting shall be given in writing (including by way of written facsimile communication) to each member of the Committee at least 72 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting.

(b) Attendance of a member at a meeting constitutes a waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

11. Review of Charter

The Committee shall review its performance and this Charter annually or otherwise as it deems appropriate and propose recommended changes to the Board.

III. Responsibilities of the Committee

12. The Committee shall:

(a) Review all of the Corporation’s quarterly unaudited and annual audited financial statements (and related notes and Management’s Discussion and Analysis in each case) and accompanying reports to the shareholders, related annual and interim earnings press releases, and guidance disclosure prior to the release thereof, and make recommendations for approval thereof to the Board.

(b) Review and ensure that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information, other than that described in the above paragraph, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures.

(c) In the case of the annual audited financial statements, review:

(i) the appropriateness of the Corporation's significant accounting principles and practices, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices.

(ii) the existence and substance of significant accruals, estimates, or accounting judgments, and the level of conservatism.

(iii) unusual or extraordinary items, transactions with related parties, and adequacy of disclosures.

(iv) asset and liability carrying values.

(v) income tax status and related reserves.

(vi) qualifications contained in letters of representation.

(vii) assurances of compliance with covenants in trust deeds or loan agreements.

(viii) business risks, uncertainties, commitments, and contingent liabilities.

(ix) the adequacy of explanations for significant financial variances between years.

(d) Make recommendations to the Board for approval with respect to:

(i) the selection and appointment or reappointment of external auditors 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) the compensation of the external auditors.

(e) Oversee the external audit process, including:

(i) assessing the independence of external auditors.

(ii) 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 auditors.

(iii) reviewing of audit reports and reviews and findings, including corresponding management responses, and resolving any disagreements between management and the external auditor.

(iv) establishing, from time to time, pre-approval arrangements for specific categories of permitted audit related services.

(v) 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 the internal auditors.

(vi) conducting an annual review of the performance of the external auditor.

(f) Oversee the external non-audit process, including:

(i) pre-approving the nature of any non-audit services to be provided by the external auditors and any material mandates by the external auditors, the fees charged by the external auditors for such services and the impact on the independence of the external auditors provided that the external auditors are prohibited from providing appraisal or valuation services, fairness opinions, actuarial services, internal audit outsourcing services, management functions or human resources, bookkeeping or other services relating to accounting records or financial statements or financial information systems design or implementation.

(ii) information as to the non-audit services provided by the external auditors, the fees charged by the external auditors for such services and the impact on the independence of the external auditors.

(g) Oversee any existing internal audit function including:

(i) reviewing 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) reviewing audit progress, findings, recommendations, responses, and follow-up actions.

(iii) 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) annual approval of audit mandate.

(v) monitoring of compliance with the financial components of the Corporation's code of conduct.

(h) Review the effectiveness of, and periodically assess the adequacy of, control and control systems utilized by the Corporation in connection with financial reporting and other identified business risks.

(i) Review with senior management and the external auditors the audits of subsidiaries performed by different external auditors, including significant issues and recommendations.

(j) Review incidents of fraud, illegal acts and conflicts of interest.

(k) Review material valuation issues.

(l) Review the quality and accuracy of computerized accounting systems, the adequacy of the protection against damage and disruption, and security of confidential information through information systems reporting.

(m) Review with senior management, the external auditors and legal counsel any litigation claim or other contingency that could have a material effect upon the financial position or operating results of the Corporation with a view to appropriate disclosure.

(n) Review material matters that come before audit committees of subsidiaries.

(o) Review cases where management has sought accounting advice on a specific issue from an accounting firm other than the external auditors.

(p) Review policies and practices concerning officers' expenses and perquisites and, where appropriate, refer any issue to the Human Resources and Compensation Committee or to the Board.

(q) Establish financial whistleblowing procedures for:

(i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.

(ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

(iii) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

13. The Committee may, at the request of the Board, investigate such other matters as the Board considers appropriate in the circumstances.

IV. <u>Resources, Meetings and Reports</u>

14. The Committee shall have adequate resources to discharge its duties and responsibilities. The Committee may, at the Corporation's sole expense, engage, and set and pay the compensation for, such independent counsel, consultants and other advisors as it considers in its sole discretion necessary to assist it in fulfilling its duties and responsibilities. The Committee shall have the authority to obtain advice and assistance from internal or external legal or other advisors.

15. The Committee shall have the authority to communicate directly with the auditors of the Corporation. The external auditors of the Corporation and the internal auditor shall report directly to the Committee.

16. At the request of the Chair of the Committee, the Chair of the Board shall be an ex officio member of the Committee if not otherwise appointed as a member of the Committee.

17. The Board shall be kept informed of the Committee's activities by a report presented at the Board meeting following each Committee meeting.

18. The Committee shall keep minutes of its meetings in which shall be recorded all actions taken by the Committee which minutes shall be made available to the Board.

19. The members of the Committee shall have the right, for the purposes of discharging the duties and responsibilities of the Committee, to inspect any relevant records of the Corporation.