

**WHALE TAIL PROJECT**

**INUIT IMPACT & BENEFIT AGREEMENT**

**between**

**THE KIVALLIQ INUIT ASSOCIATION**

**and**

**AGNICO EAGLE MINES LIMITED**



**AGNICO EAGLE**

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**WHALE TAIL PROJECT**  
**INUIT IMPACT & BENEFIT AGREEMENT**

THIS AGREEMENT made this 15<sup>th</sup> day of June, 2017,

**BETWEEN:**

**KIVALLIQ INUIT ASSOCIATION**

a society incorporated under the laws of Nunavut  
representing the Inuit from the Kivalliq Region

(**“KIA”**)

– and –

**AGNICO EAGLE MINES LIMITED**

a corporation incorporated under the laws of the Province of Ontario  
having a head office at Toronto, Ontario

(**“AEM”**)

**WHEREAS:**

- A. Article 26 of the NLCA requires an Inuit Impact and Benefit Agreement when a major development project is undertaken wholly or partially on Inuit Owned Lands;
- B. KIA is the Designated Inuit Organization under Article 26 of the NLCA for the Kivalliq Region;
- C. AEM proposes to construct and operate the Whale Tail Project on Inuit Owned Lands;
- D. The Whale Tail Project is a major development project, as defined in the NLCA;
- E. The Whale Tail Project will create impacts on and benefits for Inuit;
- F. The Parties wish to record their agreements respecting the Whale Tail Project pursuant to Article 26 of the NLCA;

**NOW THEREFORE** the Parties hereby agree:

## **CHAPTER 1 PURPOSE & OBJECTIVES**

### **1.1 Purpose and Objectives**

- 1.1.1 The purpose and objectives of this Agreement are to provide benefits and address detrimental impacts on Inuit arising out of the Whale Tail Project, and to ensure that the way in which the Whale Tail Project is constructed and operates respects the Inuit traditional way of life, language and culture, and to promote and maintain Inuit economic and social development, the whole in accordance with the spirit and intent of Article 26 of the NLCA.
- 1.1.2 The Parties agree that their respective obligations will be fulfilled with a view to maximizing benefits for Inuit and Inuit Firms in the Whale Tail Project through participation in business opportunities, employment and training and by providing financial compensation and limiting or mitigating the impacts of the Whale Tail Project.

## **CHAPTER 2 DEFINITIONS & INTERPRETATION**

### **2.1 Definitions**

In this Agreement, the terms and expressions defined in Schedule A shall have the meanings as set out therein.

### **2.2 Interpretation**

- 2.2.1 Words importing the singular shall include the plural and vice versa.
- 2.2.2 This Agreement is an Inuit Impact and Benefit Agreement in accordance with Article 26 of the NLCA and shall be construed in accordance with the purpose and intent of the NLCA, in such a way as will achieve the objectives and purposes stated herein. The interpretation and implementation by the Parties of their respective obligations under this Agreement shall be guided by Inuit Qaujimajatuqangit (Inuit traditional knowledge).

### **2.3 Headings**

The division of this Agreement into chapters, sections and clauses and the insertion of chapter and section headings are provided for convenience only and shall not affect the construction or interpretation thereof.

### **2.4 No Third-Party Beneficiaries**

Nothing in this Agreement, expressed or implied, is intended, or shall be construed to confer on any Person, other than the Parties to this Agreement, any right, remedy or claim under or with respect to this Agreement, except as expressly otherwise stated herein.

### **2.5 Construction**

The Parties intend that each representation, warranty and covenant contained in this Agreement shall have independent significance. If a Party has breached any representation, warranty or covenant in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity)

that the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty or covenant.

## **2.6 Severability**

The provisions of this Agreement are severable. If any provision is declared by a court of law of competent jurisdiction or by an arbitrator or arbitration panel to be void or unenforceable, it shall be severed and the remaining provisions shall continue to have full force and effect. In the event that a provision is held to be invalid and severed from this Agreement, the Parties agree to make Best Efforts to negotiate an amendment of the provision, consistent with the purpose and the objectives of this Agreement and Article 26 of the NLCA.

## **2.7 Calculation of Days**

- 2.7.1 When a period or delay expires on a day that is not a Business Day, then such period or delay shall expire on the next day that is a Business Day.
- 2.7.2 When a period or delay exceeds ten (10) days, unless otherwise stated, such period or delay shall be computed on the basis of calendar days. For periods or delays of up to and including ten (10) days, such periods or delays shall be calculated on the basis of Business Days. For purposes of calculating time periods or delays, the day which marks the start of the period or delay is not counted but the last day is counted.

## **2.8 Entire Agreement**

The preamble, chapters, schedules and appendices constitute the entire agreement between the Parties with respect to the subject matters set forth therein and supercede any prior agreement, negotiation or understandings between the Parties.

## **2.9 Schedules**

The Parties commit to the fulfillment of their respective obligations contained in the following schedules:

- Schedule A - Definitions
- Schedule B – Business Opportunities
- Schedule C – Training and Employment
- Schedule D – Social and Cultural Wellness
- Schedule E – Financial Compensation
- Schedule F – Implementation
- Schedule G – Mine Assets
- Schedule H – Arbitration
- Schedule I – Research and Development
- Schedule J – Wildlife

## **CHAPTER 3**

### **GENERAL PROVISIONS**

#### **3.1 Representations and Warranties**

- 3.1.1 AEM represents and warrants to KIA that it has full legal right, power, authority and capacity (i) to execute and deliver this Agreement and has taken all necessary actions to do so; and (ii) to perform its obligations, covenants and undertakings hereunder.
- 3.1.2 KIA represents and warrants to AEM that it has full legal right, power, authority and capacity (i) to execute and deliver this Agreement and has taken all necessary actions to do so; and (ii) to perform its obligations, covenants and undertakings hereunder.
- 3.1.3 This Agreement constitutes a legal, valid and binding obligation of each of the Parties, enforceable against each of them in accordance with its terms.
- 3.1.4 KIA represents that it is the “Designated Inuit Organization” (DIO) pursuant to Article 26 of the NLCA for the purpose of negotiating “Inuit Impact and Benefit Agreements” for “Major Development Projects” located on Inuit Owned Lands.
- 3.1.5 KIA acknowledges and accepts that the economic, financial and other benefits which will be provided under this Agreement represent the sum benefits that AEM is prepared to provide to KIA pursuant to Article 26 of the NLCA in connection with the Whale Tail Project.
- 3.1.6 Subject to the rights of KIA pursuant to Section 26.9.2 of the NLCA, if:
- (a) AEM has not received a notice of an alleged default pursuant to section 4.2.1 of this Agreement; or
  - (b) if such notice has been received by AEM, the time within which such alleged default can be remedied pursuant to sections 4.2.2, 4.2.3 or 4.2.4 of this Agreement has not yet expired; or
  - (c) if such notice has been received by AEM and if the time within which such alleged default can be remedied pursuant to sections 4.2.2, 4.2.3 or 4.2.4 of this Agreement has expired, the alleged default has been either remedied pursuant to sections 4.2.2, 4.2.3 or 4.2.4 of this Agreement or is disputed pursuant to the Dispute Resolution process provided for in Chapter 7 of this Agreement,

KIA will not initiate any judicial or administrative procedure, nor initiate any other activity whatsoever, intended to delay or block the Whale Tail Project, except in accordance with this Agreement or the Production Lease or any other lease or license issued by KIA for the Whale Tail Project.

#### **3.2 Compliance**

AEM shall at all times comply in all material respects with all Applicable Laws relating to the construction and operation of the Whale Tail Project.

#### **3.3 Assignment**

- 3.3.1 AEM shall not assign this Agreement or an interest in any part of it, unless:
- (a) the assignee is the purchaser or transferee of the Whale Tail Project or of an interest therein and such purchase or transfer is approved by the Governmental Authorities



issuing such other permits and authorizations as are required by Applicable Laws for the Whale Tail Project, and the Whale Tail Project is not severed in any manner whatsoever;

- (b) the assignee undertakes in writing to KIA to assume all of AEM's obligations and liabilities under this Agreement, including the obligation to remedy all existing defaults and the payment of all amounts owed to KIA, in which case AEM shall be released from all of its obligations and liabilities; or, if the assignment is for an interest in the Whale Tail Project, the assignee undertakes in writing to KIA to assume jointly and severally with AEM all of AEM's obligations and liabilities under this Agreement;
  - (c) AEM has obtained the consent of KIA to the assignment of the Production Lease and any other lease, permit or authorization granted by KIA to AEM in relation to the Whale Tail Project, such consent not to be unreasonably withheld; and
  - (d) KIA consents in writing to the assignment, such consent not to be unreasonably withheld or delayed once the conditions in paragraphs (a) to (c) are satisfied.
- 3.3.2 KIA shall not assign this Agreement or any interest therein or be released from its obligations, liabilities or covenants, unless the assignment is to a successor organization that is a Designated Inuit Organization for the Kivalliq Region under the NLCA, in which case the consent of AEM shall not be required and KIA shall, if the assignee has agreed to be liable, be released from its obligations, covenants and liabilities under this Agreement.
- 3.3.3 AEM may, without the consent of KIA, grant a security interest in, assign and/or mortgage all or any of its interests in this Agreement to a Lender as security for financing made available by the Lender to AEM.
- 3.3.4 In the event that the Lender forecloses, exercises a power of sale or otherwise realizes on its security, the Lender or Receiver may, subject to the consent of KIA exercised in a timely manner having regard to the circumstances and to the approval by the Governmental Authorities issuing permits and authorizations as are required by Applicable Laws for the Whale Tail Project, sell, transfer or assign all or any of its interest in this Agreement (a "Sale") to any Person, subject to the following requirements:
- (a) in the event of a Sale, the Lender or Receiver will ensure that the Purchaser or assignee, as a condition of the Sale, assumes in writing AEM's obligations under this Agreement including the obligation to remedy all existing defaults (including the payment of all amounts owed to KIA), either in whole or in proportion to the interest being acquired by the Purchaser and the Lender or Receiver shall provide documentation evidencing that assumption to KIA; and
  - (b) where the Lender or Receiver has carried out a Sale in accordance with section 3.3.4(a) of this Agreement, the Lender, the Receiver and AEM will be released from its or their obligations under this Agreement either in whole or in proportion to the interest being sold.
- 3.3.5 In the event that there is a Dispute that is unresolved at the time of an assignment or Sale, AEM shall ensure that:
- (a) personnel with knowledge of the Dispute are made available; and
  - (b) the assignment or Sale is subject to the condition that the assignee or Purchaser shall make available any documentation,
- to the extent necessary to facilitate the resolution or Arbitration of the Dispute.

- 3.3.6 At the request of AEM, KIA will within fifteen (15) Business Days of a request therefor, provide an estoppel certificate to AEM, Lenders and other Persons designated by AEM confirming the existence and good standing of this Agreement, or a description of the default if this Agreement is not in good standing at the time of such request and any other information concerning the status of this Agreement as may be reasonably requested.

### **3.4 Reliance**

The Parties have obtained and relied on independent advice in the negotiation and drafting of this Agreement and no ambiguity or uncertainty in any provision of this Agreement shall be construed in favour of or against either Party by reason of the authorship of such provision.

### **3.5 Time of Essence**

Time is of the essence with respect to all dates, time periods and delays contained in this Agreement.

### **3.6 No Waiver**

Except as provided in section 7.5.2 of this Agreement and section 3.2 of Schedule H (Arbitration), no provision of this Agreement is deemed waived and no breach excused unless the waiver or consent is in writing and signed by the Party waiving or consenting. Any waiver of, or consent to, a breach by a Party shall not constitute consent to or waiver of any other or subsequent breach. All rights, remedies and warranties provided under this Agreement or at law shall be taken and construed as cumulative.

### **3.7 Further Assurances**

Each of the Parties shall promptly do, make, execute and deliver all such further acts, documents and things that the other Party may reasonably require from time to time that may be necessary or desirable to give effect to this Agreement.

### **3.8 Notices**

Any notices or communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be delivered: (i) in person; (ii) by facsimile; (iii) by registered mail, return receipt requested; (iv) by courier service; or (v) by email with return receipt requested. Notices shall be effective upon the date of delivery, if delivered during the recipient's normal business hours, or on the next Business Day if delivered after the recipient's normal business hours. Notices shall be addressed to the Parties as follows. A Party may change its address by notice to the other Party.

- (a) In the case of AEM:  
Yvon Sylvestre,  
Sr. VP, Nunavut Operations,  
Agnico Eagle Mines Limited,  
145 King Street East, Suite 400  
Toronto, ON M5C 2Y7  
Fax no: 416 367-4681;  
[yvon.sylvestre@agnicoeagle.com](mailto:yvon.sylvestre@agnicoeagle.com).

With a copy to:  
Greg Laing,  
General Counsel, Sr. VP, Legal and Corporate Secretary  
Agnico Eagle Mines Limited,

145 King Street East, Suite 400  
Toronto, ON M5C 2Y7  
Fax no: 416 367-4681  
[greg.laing@agnicoeagle.com](mailto:greg.laing@agnicoeagle.com).

- (b) In the case of KIA:  
The President,  
Kivalliq Inuit Association,  
Box 340,  
Rankin Inlet, NU X0C 0G0  
Fax No.: 867 645-5749; email: kiapresident@kivalliqinuit.ca
- With a copy to:  
The Executive Director,  
Kivalliq Inuit Association,  
Box 340,  
Rankin Inlet, NU X0C 0G0  
Fax No.: 867 645-2348; email: execdir@kivalliqinuit.ca

### **3.9 Language of Agreement & Translation**

There shall be Inuktitut and English versions of this Agreement. The English version shall be the authoritative version, provided that the Inuktitut version may be considered for the purposes of proper interpretation of any term or provision of this Agreement. If a standardized form of Inuktitut is recognized by the Government of Nunavut, the Parties shall agree on a standard Inuktitut version of this Agreement and such version and the English version shall be considered equally authoritative. All documents to be produced in accordance with this Agreement which are intended for distribution to Inuit shall be made available in both English and Inuktitut.

### **3.10 Governing Law**

This Agreement will be governed by and interpreted in accordance with the laws of the Territory of Nunavut and Applicable Laws, and the Parties irrevocably attorn to the exclusive jurisdiction of the courts of Nunavut.

### **3.11 No Agency, Partnership**

Nothing in this Agreement shall be construed so as to create a relationship of agency, partnership, association, employment, fiduciary or similar relationship between the Parties, or to create a joint venture of any kind with respect to the Whale Tail Project, or as imposing any duty, obligation or liability on either of the Parties with respect to the Whale Tail Project except as specifically set forth in this Agreement. The Authorized Representatives of each Party are not considered to be Authorized Representatives of the other Party for any purposes whatsoever.

### **3.12 Benefit of Agreement**

This Agreement shall be for the benefit of the Parties and their respective successors and permitted assigns.

### **3.13 Confidentiality**

The terms and conditions of this Agreement, including, without limitation, the amounts payable or to be paid by AEM to KIA are not confidential.

### **3.14 Use of Confidential Information**

- 3.14.1 Each Party shall hold the other Party's Confidential Information in strict confidence and shall not disclose Confidential Information to any Person, except where disclosure is necessary: (i) for the operation of the Whale Tail Project; (ii) for the implementation of this Agreement; (iii) in the course of legal proceedings or Dispute Resolution; (iv) in connection with the sale of the Whale Tail Project, AEM or any of its Affiliates; or (v) to an Authorized Representative of a Party if such Authorized Representative has a need to know the Confidential Information.
- 3.14.2 Each Party shall ensure that its Authorized Representatives and Affiliates which receive Confidential Information observe and perform the provisions set out in section 3.14.1 and agrees to be solely responsible for compliance with such provisions by those of its Authorized Representatives and Affiliates to which any Confidential Information is disclosed. As between the Parties, each Party agrees to be solely liable for any breach of the provisions of section 3.14.1 by any such Authorized Representative or Affiliate as if it had itself committed such breach.
- 3.14.3 If a Party or its Authorized Representatives or Affiliates become legally compelled to disclose any Confidential Information contrary to this Agreement, the disclosing Party shall provide the other Party with prompt notice so that the other Party may seek a protective order or other appropriate remedy at law or in equity and/or waive compliance with the provisions of this Agreement. If such protective order or other remedy is not obtained by the other Party, the disclosing Party shall only disclose or, as applicable, ensure that its Authorized Representatives or Affiliates only disclose, that portion of the Confidential Information which it is legally required to disclose and shall use its Best Efforts to obtain reliable assurance that such Confidential Information will receive confidential treatment in accordance with the spirit of this Agreement.
- 3.14.4 Each Party agrees that Confidential Information may be proprietary and confidential and that the other Party may be irreparably damaged if any of the provisions contained in this Agreement with respect to Confidential Information are not performed by the disclosing Party, its Affiliates or any of its Authorized Representatives in accordance with this Agreement.
- 3.14.5 In addition to any other applicable remedies, the other Party shall, notwithstanding section 7.4 of this Agreement (Resolution of Disagreements arising at the Committee Level), have the right to an immediate injunction and other available recourses of like nature before any court of competent jurisdiction, with regard to any breach or threatened breach of section 3.14.1 by a disclosing Party, its Affiliates or any of its Authorized Representatives.

### **3.15 Press Releases**

The initial press release with respect to this Agreement shall be prepared and published jointly by the Parties. Either Party may independently prepare, issue and publish any other press release with respect to this Agreement and, subject to Applicable Laws, such Party shall make Best Efforts to provide advance notice to the other Party. Nothing in this section shall prevent a Party from speaking publicly about the Whale Tail Project, subject to compliance with section 3.14 (Use of Confidential Information).

### **3.16 Securities Laws**

KIA acknowledges that AEM is a publicly traded corporation subject to securities laws which

prohibit any Person who has material, non-public information concerning the matters that are a subject of this Agreement, the Whale Tail Project or AEM, from trading in securities of a corporation (such as AEM) which may be affected or influenced by such information or from communicating such information to another Person under circumstances in which it is reasonably foreseeable that such other Person is likely to purchase or transfer such securities. To that effect, the Parties hereby agree to use and process any such information in compliance with any securities laws applicable to the Parties.

### **3.17 Communication**

AEM shall, from and after the Effective Date, report to KIA any major incidents, including major accidents and injuries requiring medical aid, suffered by any Inuk at the Whale Tail Project within twelve (12) hours of it becoming known to AEM. On a quarterly basis, AEM shall, subject to Applicable Laws, provide to KIA and the Employment and Culture Committee its safety and injury frequency reports for the prior period.

### **3.18 Interest**

Interest shall be paid at the Interest Rate on any amount unpaid within thirty (30) days of the due date as set out in this Agreement or receipt of an invoice.

### **3.19 Consumer Price Index**

All amounts payable under this Agreement will be subject to an annual adjustment in accordance with the Consumer Price Index for Canada (CPI), calculated as follows:

$$\text{Adjusted Amount} = \text{Amount} \times \frac{\text{CPI (year of payment)}}{\text{CPI (at Effective Date)}}$$

## **CHAPTER 4 TERM, TERMINATION, UNAVOIDABLE EVENT**

### **4.1 Term**

This Agreement shall take effect on the date which is thirty (30) days after the date of receipt by the Minister of Indigenous and Northern Affairs Canada of an executed copy of this Agreement or, if the Minister determines within such thirty (30) day period that this Agreement does not conform to the provisions of Article 26 of the NLCA, the date upon which the Minister determines that an amended agreement executed by the Parties conforms to such provisions (the “**Effective Date**”) and, except as otherwise provided for herein and unless terminated earlier, shall continue until the Whale Tail Project Termination Date (the “**Term**”).

### **4.2 Default and Termination**

4.2.1 A Party may send a notice in writing to the other Party providing a summary description of an alleged default and the provision of this Agreement under which the alleged default occurred, alleging that:

- (a) a Party is in material default of a provision of this Agreement, or of any other agreement or instrument between the Parties relating to the Whale Tail Project;
- (b) AEM is in material default of any agreement with NTI, including without limitation any mineral exploration or mineral concession agreement or production lease for Inuit

Owned Lands;

- (c) AEM is in material default of any conditions of the Whale Tail Project Certificate or any permit, license or approval issued by any Governmental Authority governing the Whale Tail Project;
- (d) AEM makes a general assignment for the benefit of its creditors or is adjudicated bankrupt or insolvent, or a Receiver is appointed for AEM, unless a Lender has exercised its rights in accordance with section 3.3.4 of this Agreement;

(each an “**Event of Default**”).

4.2.2 An Event of Default pursuant to section 4.2.1(a) may be remedied by either Party as follows:

- (a) if such Event of Default is capable of being remedied, within sixty (60) days following written notice of default being delivered by a Party to the other, or such longer period as is reasonable in the circumstances and as agreed by the Parties; or
- (b) if such Event of Default is incapable of being remedied, within sixty (60) days following written notice of default being delivered by the other Party, or such longer period as is reasonable in the circumstances if all reasonable steps to prevent the reoccurrence of the Event of Default as agreed by the Parties are commenced by the defaulting Party.

4.2.3 An Event of Default pursuant to sections 4.2.1(b) or 4.2.1 (c) may be remedied by AEM within the time permitted by (i) the relevant agreement; or (ii) any directives or instructions received from any Governmental Authority having jurisdiction over the matter; or (iii) any Applicable Laws.

4.2.4 An Event of Default pursuant to section 4.2.1(d) may be remedied by AEM within sixty (60) days, or such longer period as is reasonable in the circumstances as determined between the Parties or any period determined by any Governmental Authority having jurisdiction over the matter.

4.2.5 If an Event of Default has not been remedied within the time permitted pursuant to sections 4.2.2, 4.2.3 or 4.2.4, this Agreement may be terminated by notice in writing sent by one Party to the other, provided that a Party may not terminate this Agreement if an alleged default has been referred to Dispute Resolution, unless such alleged default is determined by the arbitrator or arbitration panel to be an Event of Default.

4.2.6 This Agreement will automatically terminate upon AEM delivering written notice to KIA declaring Abandonment of the Whale Tail Project pursuant to section 4.5.3 of this Agreement.

4.2.7 If the commencement of Commercial Production does not occur on or prior to June 15, 2021, the Parties shall negotiate in good faith amendments to this Agreement, including the Royalty, within a ninety (90) day period from such date, failing which this Agreement may be terminated at the option of KIA by giving notice in writing to AEM, except where the delay in the commencement of Commercial Production is caused by an Unavoidable Event.

4.2.8 This Agreement may be terminated by notice in writing given by one Party to the other if a Party fails to comply with a decision of an arbitrator or arbitration panel issued pursuant to Schedule H (Arbitration) within the time stipulated by the arbitrator or arbitration panel.

4.2.9 This Agreement will automatically terminate upon the date of termination of the Whale Tail Project Certificate or the date of termination of the Production Lease if termination is not

disputed by AEM in accordance with the Production Lease; and if termination is disputed, this Agreement will automatically terminate upon a final and non-appealable decision of any Governmental Authority having jurisdiction over the termination of the Whale Tail Project Certificate or final decision of a court having jurisdiction over the termination of the Production Lease.

#### **4.3 Survival**

Notwithstanding any other provision of this Agreement, all:

- (a) representations and warranties contained in section 3.1;
- (b) obligations respecting the use of Confidential Information;
- (c) obligations for the payment of monies, including, without limitation, the costs of any reviews and renegotiations in accordance with Chapter 6 and financial compensation payable pursuant to Schedule E (Financial Compensation);
- (d) obligations of AEM to undertake and complete the Post Operation Phase in accordance with section 5.1, including the implementation costs provided in section 12 of Schedule F (Implementation) and any other costs provided for in Appendix 4.1 of Schedule F (Implementation);
- (e) obligations under sections 20.1 and 22.1 of Schedule C (Training and Employment);
- (f) obligations of the Parties with respect to Dispute Resolution that are outstanding at the time of termination of this Agreement;
- (g) rights to Dispute Resolution pursuant to Chapter 7 for any matter which survives termination pursuant to this section 4.3; and
- (h) obligations under Schedule G (Mine Assets),

shall survive the termination of this Agreement and shall continue in full force and effect until the Whale Tail Project Termination Date.

#### **4.4 Unavoidable Event**

If a Party is unable, despite its commercially reasonable efforts, to undertake or complete any obligation under this Agreement as a result of an Unavoidable Event, such Party shall not be in default under this Agreement until the cause thereof has been removed, provided that the Party seeking to invoke the benefit of this provision notifies the other Party in writing of an Unavoidable Event within seven (7) Business Days of its occurrence and proceeds diligently to undertake and complete those obligations not affected by the Unavoidable Event. Neither Party shall have any recourse or claims against the other Party in connection with the fact that the interrupted obligations are not performed. No Unavoidable Event shall affect any obligation to pay any monies payable under this Agreement. The performance of the interrupted obligations shall be reinstated upon the termination of the Unavoidable Event. In the event such interruption of the Whale Tail Project operations on account of the circumstances mentioned in such notice lasts more than twenty-four (24) consecutive months, either Party may terminate this Agreement.

#### **4.5 Temporary Closure, Care and Maintenance, Abandonment**

- 4.5.1 Nothing in this Agreement shall be construed as an obligation of AEM to continue to operate the Whale Tail Project.

- 4.5.2 AEM may put the Whale Tail Project in Temporary Closure or Care and Maintenance, as it deems necessary, provided that:
- (a) written notice shall be immediately given to KIA;
  - (b) following delivery of written notice, AEM shall be, until the Whale Tail Project resumes in whole or in part, relieved from such of its covenants, obligations and liabilities under this Agreement as the Parties may agree, except any obligation of AEM to pay any monies payable to KIA under this Agreement; and
  - (c) written notice shall be immediately given to KIA upon a decision being made to re-commence operations at the Whale Tail Project.
- 4.5.3 AEM may at any time during the Term declare Abandonment of the Whale Tail Project, provided that written notice shall be immediately given to KIA.
- 4.5.4 Upon AEM delivering a notice to KIA that it intends to place the Whale Tail Project into Temporary Closure or Care and Maintenance, AEM and KIA shall forthwith enter into good faith negotiations and use commercially reasonable efforts to conclude an agreement on appropriate implementation measures which shall be in keeping with the purpose and the objectives of this Agreement.

## **CHAPTER 5**

### **POST OPERATION PHASE**

#### **5.1 Role of the Implementation Committee**

At least eighteen (18) months before the planned date of termination of the Operation Phase or immediately upon the early termination of the Operation Phase or Abandonment of the Whale Tail Project, the Implementation Committee will recommend to the Parties what amendments should be made to this Agreement to make it applicable to the Post Operation Phase, which shall be in keeping with the purpose and objectives of this Agreement. AEM and KIA shall immediately enter into good faith negotiations and use commercially reasonable efforts to conclude an agreement within the next six (6) months on appropriate amendments to this Agreement, which amendments shall be in keeping with the purpose and the objectives of this Agreement. The Implementation Committee shall, except as provided for in section 5.2, be the only committee which shall continue during the Post Operation Phase, and it shall assume the roles of the Business Opportunities Committee, the Employment and Culture Committee and the On-Site Working Group.

#### **5.2 Recommendations of the Committees**

For the purposes of recommending what amendments should be made to this Agreement pursuant to section 5.1, the Implementation Committee shall take into consideration the recommendations received from the Business Opportunities Committee and the Employment and Culture Committee. In the case of early termination of the Operation Phase or Abandonment of the Whale Tail Project, the Business Opportunities Committee and the Employment and Culture Committee shall continue in existence until such time as they have provided their recommendations to the Implementation Committee.



## **CHAPTER 6 REVIEW & AMENDMENT**

### **6.1 Review and Renegotiation**

- 6.1.1 Subject to section 10.01 and section 5 of Schedule E, the Parties shall commence a review of this Agreement on the third anniversary date of the execution of this Agreement and every three (3) years thereafter (“**Review Date**”), with a view to determining if there has been any material change in circumstance which would require a reconsideration of any terms of this Agreement. If either Party is of the view that amendments should be made, such Party shall send a notice to the other Party within three (3) months of the Review Date, identifying the material changes in circumstances and the sections to be amended. Upon receipt by a Party of such a notice, the Parties shall enter into good faith negotiations and use their Best Efforts to conclude an agreement on appropriate amendments to this Agreement within six (6) months of any Review Date.
- 6.1.2 This Agreement has been prepared based on the Whale Tail Project as described in the Whale Tail Project Description. Except as set out in section 5 of Schedule E (Financial Compensation), in the event that AEM wishes to vary the description or scope of the Whale Tail Project in any material respect, or the impacts anticipated from the Whale Tail Project are materially different from the impacts that were reasonably anticipated at the time of the preparation of the FEIS, either Party may immediately provide written notice to the other, and the Parties shall forthwith enter into good faith negotiations and use commercially reasonable efforts to conclude an agreement on appropriate amendments to this Agreement within six (6) months of the date of such notice.
- 6.1.3 AEM shall pay for the costs incurred by KIA in participating in each review undertaken pursuant to sections 6.1.1 and 6.1.2 under a pre-approved budget, with a cap of \$250,000.00 for each review in constant 2015 dollars.
- 6.1.4 If renegotiation of all or part of this Agreement is agreed to by the Parties or required as a result of a Dispute Resolution process, then the Parties will reach agreement on a budget to cover KIA’s costs for the re-negotiation of this Agreement, to be paid by AEM.
- 6.1.5 If the Parties are unable to conclude an agreement on any amendment, the matter shall be considered a Dispute to be resolved in accordance with Schedule H (Arbitration).

### **6.2 Amendment**

This Agreement may only be amended by written agreement, signed by the Parties.

## **CHAPTER 7**

### **DISPUTE RESOLUTION**

#### **7.1 Amicable Resolution of Disagreements**

The Parties shall work together to amicably resolve any disagreement arising from the interpretation, application or implementation of any provision of this Agreement by the Parties or by any of the Committees.

#### **7.2 Matters Excluded from the Dispute Resolution Processes**

The following matters shall not be subject to Dispute Resolution or Schedule H (Arbitration):

- (a) rights granted to Inuit pursuant to Applicable Laws;
- (b) unauthorized disclosure of Confidential Information;
- (c) the right to terminate this Agreement and any notice of termination given by either Party;
- (d) any breach of the representations and warranties contained in this Agreement;
- (e) any breach of section 3.1.6 of this Agreement, and
- (f) any breach of section 9 (Suspension of Operations) of Schedule J (Wildlife),

it being understood that either Party may at any time, notwithstanding section 7.4.2 of this Agreement, exercise any remedies as may be available pursuant to Applicable Laws to resolve any of the matters set out in this section 7.2.

#### **7.3 Preservation of Rights**

Nothing in this Agreement shall prevent a Party from seeking interim relief, including but not limited to injunctive relief, before a court of competent jurisdiction to preserve its rights under section 7.2 of this Agreement pending a determination of the court.

#### **7.4 Resolution of Disagreements arising at the Committee Level**

##### **7.4.1 Resolution by the Implementation Committee**

- (i) In the case of any disagreement arising at the Committee level, excluding the Implementation Committee, which the Committee is unable to resolve, the chairperson of the Committee shall submit written notice to the Implementation Committee.
- (ii) The Implementation Committee may use any means to resolve the disagreement that it determines appropriate.
- (iii) If the disagreement is resolved, the Implementation Committee shall send a record of settlement to the presidents of the Parties and to the Committee from which the disagreement arose.

##### **7.4.2 Resolution by the Presidents**

- (i) If the Implementation Committee fails to resolve a disagreement within thirty (30) days of the delivery of the written notice provided in section 7.4.1(i) of this Agreement, or such shorter or longer time as agreed by the Parties, or fails to resolve a disagreement arising at the Implementation Committee level, the Implementation

Committee shall provide to the president of each Party a report outlining the facts and issues of the disagreement.

- (ii) The presidents shall have thirty (30) days from the date of receipt of the report or such shorter or longer time as agreed by the presidents to resolve the disagreement.
- (iii) The presidents, in their mutual discretion and under such terms and conditions as they deem appropriate, may jointly nominate a neutral third party to fact-find and make recommendations to assist them in resolving the disagreement, the costs of which shall be paid for by AEM. If the disagreement is resolved, the presidents shall send a record of settlement to the Implementation Committee for implementation.

## **7.5 Referral of Disputes to Arbitration**

- 7.5.1 Except for matters set out in section 7.2 of this Agreement, if the presidents are unable to resolve a disagreement through the processes set out in section 7.4 above or in the case of a disagreement arising between the Parties which they are unable to resolve, it shall be considered a “**Dispute**”.
- 7.5.2 A Party may only refer a Dispute to Arbitration within eighteen (18) months of the date the Party knew or ought reasonably to have known of the subject matter of the Dispute, failing which the Party shall be deemed to have waived any and all claims of any nature in relation to such Dispute.
- 7.5.3 Either Party may refer a Dispute to Arbitration in accordance with Schedule H (Arbitration), provided that:
  - (a) Awards regarding Disputes pertaining to the allocation, awarding or enforcement of Contracts shall be made in accordance with section 14 of Schedule B (Business Opportunities); and
  - (b) Awards regarding Disputes pertaining to achievement of annual employment goals shall be made in accordance with section 6.4 of Schedule C (Training and Employment).

## **CHAPTER 8 INUIT RIGHTS**

### **8.1 Non-derogation**

Nothing in this Agreement shall derogate from, abrogate, diminish or otherwise limit any right or interest granted to KIA or to Inuit under the NLCA.

### **8.2 Protection of Inuit Rights**

AEM will allow Inuit engaged in traditional activities to have access to the lands and waters upon which the Whale Tail Project is located, in accordance with Section 5.7.16 of the NLCA. Notwithstanding the foregoing, Inuit shall not discharge firearms or otherwise pursue access for harvesting within a radius of one mile of a building, structure or facility, subject to wider prohibited distances as may be required pursuant to Applicable Laws. AEM acknowledges that KIA or any Inuk has the right, pursuant to Section 5.7.19 of the NLCA, to challenge a decision of AEM that restricts the Inuit right to harvest and any such challenge shall be resolved in accordance with Article 38 of the NLCA.

### **8.3 Inuit Qaujimajatuqangit (IQ)**

- 8.3.1 The Parties acknowledge the value of IQ in assessing and monitoring the environmental, ecological, cultural and socio-economic impacts of the Whale Tail Project. AEM will seek out and apply IQ to all decision-making affecting the Whale Tail Project and, in particular, in assessing and monitoring impacts and mitigation measures.
- 8.3.2 AEM shall, in all reports to be provided pursuant to this Agreement, identify the manner in which IQ was collected, analyzed and applied to the subject matter of the report.
- 8.3.3 AEM will consult with KIA in the:
- (a) development of its policies and practices for the collection, analysis and application of IQ; and
  - (b) selection of IQ contributors, translators, elders and others retained by AEM to provide IQ who shall, unless otherwise agreed, be Inuit from the Kivalliq Region, preferably from the Affected Communities.
- 8.3.4 AEM acknowledges that all IQ shall be the sole and exclusive property of the contributor of such IQ. IQ contributors shall continue to be the owners of any copyright and intellectual property rights and all other legal rights in their IQ.

## **CHAPTER 9 OVERLAP WITH MELIADINE IIBA**

### **9.1 Meliadine Project IIBA**

- 9.1.1 For so long as the Meliadine Project IIBA remains in effect:
- a) provided that AEM is in compliance with section 14.10 of Schedule C of the Meliadine Project IIBA, and the Strategy includes the Whale Tail Project in a manner acceptable to the Employment and Culture Committee, AEM shall not be obligated to develop a Strategy pursuant to section 14.10 of Schedule C to this Agreement;
  - b) provided that the Labour Market Analysis contemplated by section 15 of Schedule C of the Meliadine Project IIBA continues to be conducted, and includes the Whale Tail Project in a manner acceptable to the Employment and Culture Committee, a Labour Market Analysis shall not be required pursuant to section 15 of Schedule C to this Agreement;
  - c) provided that the Socio-economic Inuit Impact and Benefit Review (SEIIBR) contemplated by section 8 of Schedule D to the Meliadine Project IIBA continues to be conducted and includes the Whale Tail Project in a manner acceptable to the Employment and Culture Committee, a SEIIBR shall not be required pursuant to section 8 of Schedule D to this Agreement;
  - d) unless the Parties otherwise agree, the Business Opportunities Committee, the Employment and Culture Committee and the Implementation Committee established pursuant to the Meliadine Project IIBA shall fulfill the functions of those same Committees under this Agreement;
  - e) unless otherwise decided at any time by the Implementation Committee, the Administration Officer under the Meliadine Project IIBA shall fulfill the role of Administration Officer under this Agreement;

- f) whenever AEM holds information sessions pursuant to the Meliadine Project IIBA, such information sessions may include the Whale Tail Project, which shall fulfill the obligation to hold information sessions pursuant to this Agreement, so long as sufficient time is allocated and approved:
  - i) where such sessions are held pursuant to Schedule B, by the Business Opportunities Committee;
  - ii) where such sessions are held pursuant to Schedule C or Schedule D, by the Employment and Culture Committee; and
  - iii) where such sessions are held pursuant to Schedule F, by the Implementation Committee,
 to allow for full discussion of the Whale Tail Project;
- g) unless otherwise decided at any time by the Employment and Culture Committee, for so long as there is a Labour Pool Co-ordinator pursuant to the Meliadine Project IIBA, that Labour Pool Co-ordinator shall fulfill the obligations of Labour Pool Co-ordinator under this Agreement;
- h) for so long as there is a Labour Pool List in compliance with the Meliadine Project IIBA which includes the Whale Tail Project, that Labour Pool List shall constitute the Labour Pool List for the purposes of this Agreement;
- i) in each Kivalliq Community, the elders, peer counselors and staff in community offices, as required by section 3.3 of Schedule D of the Meliadine Project IIBA, may act in those positions for the purposes of section 3.3 of Schedule D to this Agreement;
- j) Inuit who have completed the Labour Pool Process and Skills Assessment Process in accordance with Appendices 7.2 and 7.3 of Schedule C of the Meliadine Project IIBA shall be deemed to have completed the Labour Pool Process and Skills Assessment Process in accordance with Appendices 7.2 and 7.3 of Schedule C to this Agreement;
- k) Inuit Firms which have prequalified in accordance with section 5 of Schedule B of the Meliadine Project IIBA shall be deemed to have prequalified in accordance with section 5 of Schedule B of this Agreement;
- l) provided that the Parties have developed a schedule and materials for prospective contractors, suppliers and employees in accordance with section 11.4 of Schedule F to the Meliadine Project IIBA, the Parties shall not be required to develop such schedule and materials in accordance with section 10.4 of Schedule F to this Agreement; and
- m) provided that AEM holds annual family days in Chesterfield Inlet in accordance with section 6.3(e) of Schedule D to the Meliadine Project IIBA, AEM shall not be required to hold separate family days in Chesterfield Inlet in accordance with section 6.3(e) of Schedule D to this Agreement.

9.1.2 To the extent that the Annual Implementation Budget prepared in accordance with Schedule F to the Meliadine Project IIBA includes any matter which is set out in section 9.1.1 above, and AEM has made payment in accordance with section 13.4 of Schedule F to the Meliadine

Project LBA, the Annual Implementation Budget prepared in accordance with Schedule E to this Agreement shall not duplicate a budgeted amount for such matter.

- 9.1.3 The Parties confirm that the provisions of section 22 of Schedule C to the Meliadine Project ITBA (support for AFM Nunavut Projects) are duplicated in section 22 of Schedule C to this Agreement and that compliance with section 22 of Schedule C to the Meliadine Project constitutes compliance with section 22 of Schedule C to this Agreement.

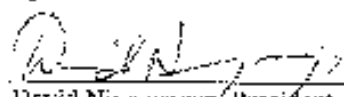
#### CHAPTER 10 ADDITIONAL MINING ACTIVITIES

- 10.01 The Parties agree that, notwithstanding the definition herein of the Whale Tail Project, the provisions of this Agreement shall, subject to section 4.2.7, apply to all Additional Mining Activities. In the event that NRB requires that Additional Mining Activities be subject to a project certificate that is separate from the Whale Tail Project Certificate, the Parties agree that the provisions of this Agreement shall be duplicated in a separate Inuit Impact and Benefit Agreement covering the Additional Mining Activities. For the sake of clarity, the Parties agree that, once AFM commences Additional Mining Activities, the Whale Tail Project Termination Date shall be deemed to refer to and include Additional Mining Activities, it being understood that if AFM ceases mining at the Whale Tail Project this Agreement, or a separate Inuit Impact and Benefit Agreement for Additional Mining Activities as the case may be, shall continue to apply to the Additional Mining Activities. The provisions of this section 10.01 shall not be subject to a review under section 6.1.1.

#### EXECUTION OF THIS AGREEMENT

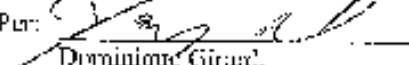
ALL OF WHICH HAS BEEN AGREED TO as of the date first above written, as evidenced by the signatures of the duly authorized representatives of the Parties.

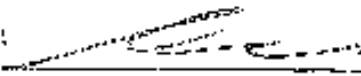
#### KIVATLIQ INUIT ASSOCIATION

Per:   
David Ningemung, President

Per:   
Raymond Ningemung,  
Vice President

#### AGNICO EAGLE MINES LIMITED

Per:   
Dominique Girard,  
Vice President Nunavut

Per:   
Ammar Al-Jumail  
President

## **SCHEDULE A DEFINITIONS**

In the Agreement, the following terms have the following meanings:

**Abandonment** means the permanent termination of the Operation Phase and the commencement of the Post Operation Phase.

**Additional Mining Activities** means those mining related activities, in addition to those mining activities related to the Whale Tail Project, that AEM may conduct from time to time within the Amaruq Area.

**Administration Officer** has the meaning set out in section 8.1 of Schedule F (Implementation).

**Affected Communities** means the communities of Baker Lake and Chesterfield Inlet in the Kivalliq Region.

**Affiliate** means an affiliated body corporate within the meaning of section 2 of the Canada Business Corporations Act (R.S.C., 1985, c. C-44).

**Agreement** means this Inuit Impact and Benefit Agreement and all schedules and appendices, as amended from time to time.

**Amaruq Area** means the 9,330 hectare area described in Appendix A1.

**Annual Forecast Report** means an annual written report prepared by AEM with respect to the Whale Tail Project, including with reasonable detail a forecast, based on the current development or mine plan as applicable, of the quantity of gold and other Product expected to be produced during the year on a month-by-month basis and over the subsequent two years on a year-by-year basis, including:

- (a) types, tonnes and grade of Product to be mined;
- (b) types, tonnes and grade of Product to be stockpiled; and
- (c) with respect to the processing facilities, the types, tonnes and grade of Product to be processed; expected recoveries for gold and other Product; and doré weight and gold grade.

**Annual Implementation Budget** means the annual budget to be prepared in accordance with section 12.1 of Schedule F (Implementation).

**Annual Language Report** has the meaning set out in section 5.3(b) of Schedule D (Social and Cultural Wellness).

**Annual Report of Operations** means an annual written report prepared by AEM which shall include tonnes of Ore mined, tonnes of Ore milled, grade of the Ore milled, recovery rates for gold, and any other mineral by-product produced and sold, ounces of gold and silver produced and sold; mineral reserve data for the most recently completed financial year, estimates of anticipated commercial production and estimated remaining mineral reserves with respect to proposed activities for the Whale Tail Project for the then current financial year.

**Applicable Laws** means any federal, territorial or municipal statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, judgment, decree, permit, lease issued by KIA or NTL, license or other requirement in effect from time to time applicable to the Whale Tail Project or the Parties, including, without limitation, the NLCA.

**Arbitration** has the meaning set out in section 3.1 of Schedule H (Arbitration).

**Authorized Representative** means any director, officer, agent, employee, financial, legal or other advisor or representative of a Party, or any consultant, contractor or subcontractor of a Party.

**Best Efforts:**

- (a) Imposes a higher obligation than a “reasonable effort”;
- (b) Means taking, in good faith, all reasonable steps to achieve the objective, carrying the process to its logical conclusion; and
- (c) Includes doing everything known to be usual, necessary and proper for ensuring the success of the endeavour,  
within the context of the Agreement.

**Business Day** means any day, other than a Saturday, Sunday or statutory holiday in the Territory of Nunavut or the province of Ontario, or any day on which the chartered banks located in the Hamlet of Rankin Inlet or the City of Toronto are not open for business.

**Business Opportunities Committee** or **BOC** has the meaning set out in section 15 of Schedule B (Business Opportunities).

**Care and Maintenance** means the level of activity at the Whale Tail Project when AEM suspends its mining activities due to special circumstances or an Unavoidable Event lasting for more than three (3) consecutive months but maintains the site in good and stable condition, with the intent to resume such activities in the future once the circumstances are more favorable or the Unavoidable Event no longer exists.

**Certificate** has the meaning set out in section 6.10 of Schedule B (Business Opportunities).

**Claimant** has the meaning set out in section 3.3 of Schedule H (Arbitration).

**Commercial Production** means and shall be deemed to have commenced when AEM declares the date that operating levels at the Whale Tail Project as intended by AEM’s management at the Whale Tail Project have been reached, including operational commissioning of major mine and plant components and the achievement of operating results consistently for thirty (30) continuous days of production.

**Committee** means any one of the Business Opportunities Committee, the Employment and Culture Committee, the Implementation Committee or any other committee established pursuant to the Agreement, and Committees means all of such committees.

**Community Liaison Officer** has the meaning set out in section 3.2 of Schedule D (Social and Cultural Wellness).

**Community Office** has the meaning set out in section 3.1 of Schedule D (Social and Cultural Wellness).

**Confidential Information** means all information, data, knowledge, know-how and other material provided by one Party to the other Party pursuant to or in connection with the Whale Tail Project from and after the date it is identified as being “confidential”, in whatever form and however communicated.

**Construction Contract** means any contract to be entered into by AEM required for the purposes of



carrying out and completing work to build, expand, renovate or remove facilities for the purposes of any phase of the Whale Tail Project.

**Construction Date** means the date upon which the Construction Phase commences.

**Construction Phase** means that period commencing on the date upon which the NWB issues the Type A water license for the Whale Tail Project and ending on the date of the commencement of the Operation Phase.

**Contract** means a Construction Contract, a services or goods contract in relation to the Whale Tail Project performed within the Kivalliq Region or supplied to the Whale Tail Project within the Kivalliq Region, including those contracts referred to in section 8.4 of Schedule B (Business Opportunities).

**Dispute** has the meaning set out in section 7.5.1 of the Agreement.

**Dispute Resolution** means the processes set out in Chapter 7 of the Agreement.

**Effective Date** has the meaning set out in section 4.1 of the Agreement.

**Employment and Culture Committee** or **ECC** has the meaning set out in section 23 of Schedule C (Training and Employment).

**Employment Base** means the following minimal levels of employment of Inuit by a tendering firm, similar to the Government of Canada Procurement Strategy for Aboriginal Business in effect at the date of execution of the Agreement:

- (a) where the tendering firm employs the equivalent of six (6) full-time employees or less, at least one such full-time employee shall be Inuit;
- (b) where the tendering firm employs more than the equivalent of six (6) full-time employees, at least 33% of such full-time employees are Inuit.

**Event of Default** has the meaning set out in section 4.2.1 of the Agreement.

**FEIS** means the final environmental impact statement for the Whale Tail Project filed by AEM on July 8, 2016, with NIRB.

**Governmental Authority** means any of the following having jurisdiction: federal, territorial, provincial, municipal or local government, quasi-governmental authority, court, self-regulatory organization, commission, tribunal or organization or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing and includes an institute of public government pursuant to the NLCA.

**HTO** means a Hunters and Trappers Organization as defined in the NLCA.

**IIBA** means this *Inuit Impact and Benefit Agreement* entered into between the Kivalliq Inuit Association and Agnico Eagle Mines Limited on June 15, 2017 for the Whale Tail Project.

**Implementation Committee** has the meaning set out in section 4.1 of Schedule F (Implementation).

**Implementation Coordinators** has the meaning set out in section 9 of Schedule F (Implementation).

**Initial Contractor List** has the meaning set out in section 5.4 of Schedule B (Business Opportunities).

**Initial Implementation Budget** has the meaning set out in section 12.1 of Schedule F

(Implementation).

**Initial Labour Pool List** has the meaning set out in section 7.1 of Schedule C (Training and Employment).

**Interest Rate** means the rate of 2% per annum above a rate announced from time to time by the Royal Bank of Canada or such other Canadian chartered bank as may be agreed upon between the Parties, as its prime rate, charged from time to time on demand loans made by it in Canadian dollars to its most credit worthy clients.

**Inuit** means Inuit as defined in Section 1.1.1 of the NLCA, with eligibility being evidenced by enrollment on the NTI Inuit enrollment list pursuant to Article 35 of the NLCA.

**Inuit Firm** means those entities listed on the NTI Inuit Firm Registry established in accordance with Section 24.7.1 of the NLCA.

**Inuit Owned Lands** means “Inuit Owned Lands” as defined in Section 1.1.1 of the NLCA and located within the Kivalliq Region.

**Inuit Qaujimajatuqangit** or **IQ** means the guiding principles of Inuit social values, including: respecting others, relationships, and caring for people; development of skills through practice, effort and action; working together for a common cause; fostering good spirit by being open, welcoming, and inclusive; serving and providing for family and/or community; decision making through discussion and consensus; being innovative and resourceful; and respect and care for the land, animals and the environment.

**Job Category** means the four-digit unit group within the NOC into which each worker’s position is classified.

**Kivalliq Communities** means the communities of Arviat, Baker Lake, Chesterfield Inlet, Coral Harbour, Rankin Inlet, Nauyasat and Whale Cove in Nunavut.

**Kivalliq Region** means the Kivalliq Land Use Region (formerly known as the Keewatin Land Use Region) as set out in Schedule 19-4 of the NLCA.

**Kivalliq Socio-Economic Monitoring Committee** means the committee mentioned in section 12.3 of Schedule F (Implementation).

**Labour Market Analysis** as the meaning set out in section 15 of Schedule C (Training and Employment)

**Labour Pool Coordinator** or **LPC** has the meaning set out in section 7.3 of Schedule C (Training and Employment).

**Labour Pool List** has the meaning set out in section 7.2 of Schedule C (Training and Employment).

**Lender** means a Person that from time to time provides financing or secured credit to AEM.

**Local Presence** means a tenderer that (i) has maintained for at least four (4) months prior to the submission of a tender, a place of business by leasing or owning office, commercial, industrial or part of a residential space in Nunavut on a year-round basis for the primary purpose of operating its business, (ii) undertakes and conducts the majority of the tendered business as well as its management and administrative functions in Nunavut, and (iii) holds valid permits, authorizations and licences required pursuant to Applicable Laws for the purposes of its business.

**Meadowbank Project** means the gold mine known as the Meadowbank Gold Mine operated by AEM on Inuit Owned Lands in the Kivalliq Region in accordance with Project Certificate 004 issued by NIRB as amended from time to time.

**Meliadine Project** means the open-pit and underground gold mine and related infrastructure as described in Project Certificate 006 issued by NIRB on February 26, 2015, as amended from time to time.

**Mine Assets** has the meaning set out in section 2.1 of Schedule G (Mine Assets).

**NIRB** means the Nunavut Impact Review Board established pursuant to the *Nunavut Planning and Project Assessment Act* (Canada).

**NLCA** means the *Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* that was ratified by a vote of the Inuit of the Nunavut Settlement Area and by the Nunavut Land Claims Agreement Act, S.C. 1993 c.29, as amended from time to time.

**NOC** means the National Occupational Classification of the Government of Canada, which is the authoritative resource on occupational information in Canada and organizes the world of work in a standardized and structured format.

**Notice of Arbitration** has the meaning set out in section 3.2 of Schedule H (Arbitration).

**NSR Royalty Agreement** has the meaning set out in section 5 of Schedule E (Financial Compensation).

**NTI** means Nunavut Tunngavik Incorporated or any successor corporation.

**NWB** means the Nunavut Water Board established under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (Canada).

**Nunavut Projects** means the Meadowbank Project and the Meliadine Project within their respective project areas, the Whale Tail Project and any mining related activities or any projects within the Amaruq Area.

**On-Site Working Group** has the meaning set out in section 7 of Schedule F (Implementation).

**Operation Phase** means and shall be deemed to have commenced when AEM declares the date that operating levels at the Whale Tail Project as intended by AEM's management have been reached, including operational commissioning of major mine and plant components and the achievement of operating results consistently for thirty (30) continuous days of production, and continues until the commencement of the Post Operation Phase.

**Ore** means a mineral or mineral aggregate, containing precious or useful metals or metalloids which occur in nature.

**Party** means either one of AEM or KIA and **Parties** means AEM and KIA.

**Person** means an individual, body corporate, firm, general or limited partnership, joint venture, trust, association, unincorporated organization, any Governmental Authority and any other entity.

**Plan** has the meaning set out in section 15.2 of Schedule C (Training and Employment).

**Post Operation Phase** means the phase following the date of termination of the Operation Phase.

**Preferred Contracts** means contracts for those categories of contracts listed in Appendix 8.1 of Schedule B (Business Opportunities) and referred to in section 8.1 of Schedule B (Business Opportunities).

**Pre-qualification Category** has the meaning set out in section 5.1 of Schedule B (Business Opportunities).

**Pre-qualification List** has the meaning set out in section 5.7(a) of Schedule B (Business Opportunities).

**Product** has the meaning set out in the NSR Royalty Agreement.

**Production Lease** means the production lease to be executed by the Parties for the Whale Tail Project.

**Purchaser** means a Person that acquires all or part of an ownership interest in the Agreement pursuant to a Sale.

**Qualified** has the meaning set out in section 5.3 of Schedule C (Training and Employment).

**Receiver** means a Person appointed by a Lender or pursuant to realization or bankruptcy proceedings to act in relation to enforcing or otherwise dealing with a Lender's interest or security including, without limitation, a receiver, receiver-manager, trustee in bankruptcy, administrator or other similar role or appointee.

**Respondent** has the meaning set out in section 3.3. of Schedule H (Arbitration).

**Review Date** has the meaning set out in section 6.1.1 of the Agreement.

**Royalty** has the meaning set out in section 5 of Schedule E (Financial Compensation).

**Sakku** means Sakku Investments Corp., a wholly-owned subsidiary of KIA.

**Sale** has the meaning set out in section 3.3.4 of the Agreement.

**Skills Assessment Process** has the meaning set out in Appendix 7.3 of Schedule C (Training and Employment).

**Socio-Economic Inuit Impact and Benefit Review** or **SEIIBR** has the meaning set out in section 8.2 of Schedule D (Social and Cultural Wellness).

**Strategy** has the meaning set out in section 14.10(a) of Schedule C (Training and Employment).

**Tailoring** has the meaning set out in section 6.7 of Schedule B (Business Opportunities).

**Target** has the meaning set out in section 22.1 of Schedule C (Training and Employment).

**Temporary Closure** means when AEM ceases to operate the Whale Tail Project with the intent to resume mining activities in the future and maintains activities relating to the facilities necessary to protect humans, wildlife and the environment which could last for a period depending on economic, environmental and social factors.

**Tendering Process** means the process described in section 6 of Schedule B (Business Opportunities).

**Term** has the meaning set out in section 4.1 of the Agreement.

**Terrestrial Ecosystem Management Plan** means the plan with that name filed with NIRB and which forms part of the FEIS.

**Unavoidable Event** means an act of God or natural disaster; strike, work stoppage, lockout or other industrial disturbance; unlawful act against public order or authority, war, blockade, public riot, lightning, fire, explosion, storm or flood, law, regulation or order of any Governmental Authority; major and serious failure in essential supplies, services, equipment, machinery or facilities; major and serious damage to premises or storage facilities by explosion, fire, radioactive contamination or accident; acts or restraints of Governmental Authorities including failure to issue requisite licenses or authorities the issuance of which AEM has applied for and continues to pursue in a timely way; any other similar act, occurrence or cause, which is reasonably beyond the control of the Party claiming the Unavoidable Event, provided that a Party's lack of funds does not constitute an Unavoidable Event.

**Whale Tail Language Policy** has the meaning set out in section 5.3(a) of Schedule D (Social and Cultural Wellness).

**Whale Tail Project** means the Whale Tail Project described in the Whale Tail Project Description.

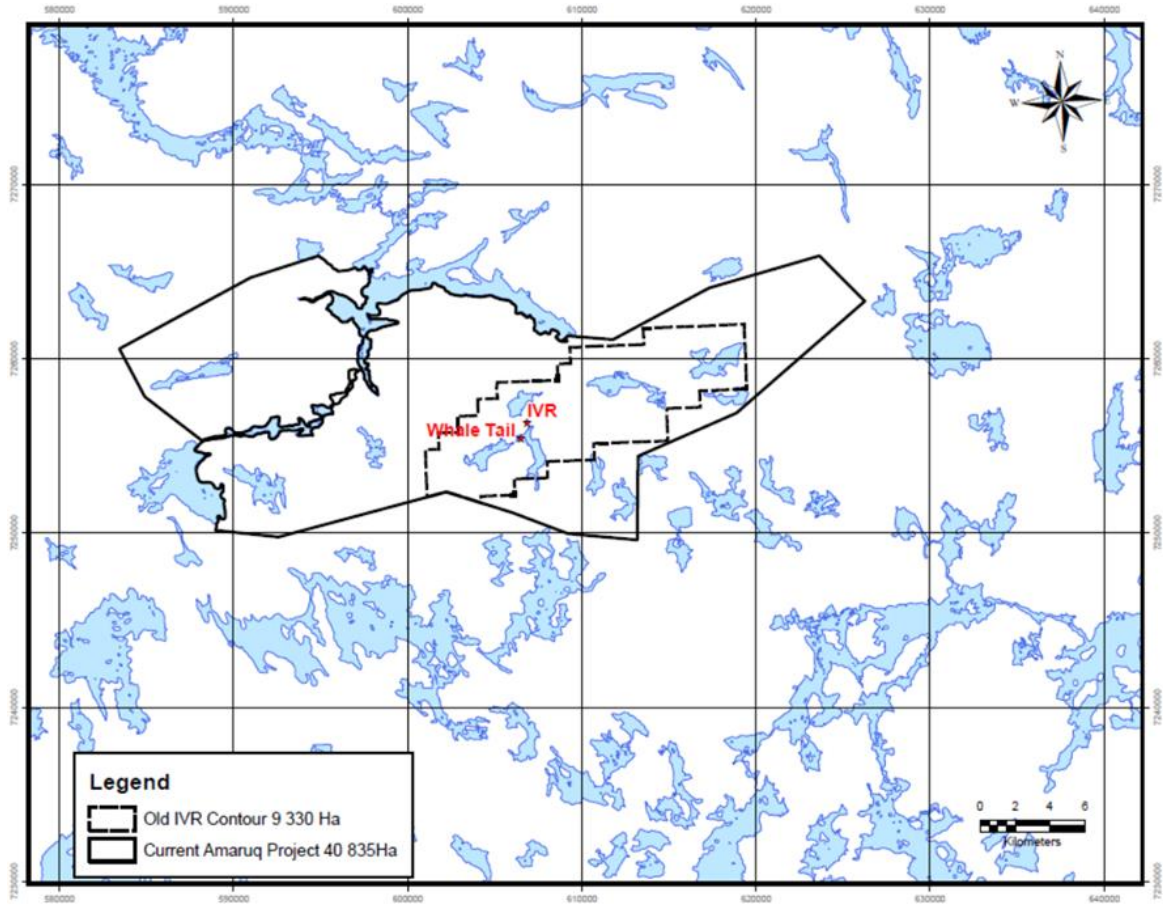
**Whale Tail Project Certificate** means a project certificate issued by NIRB for the Whale Tail Project.

**Whale Tail Project Description** means the project described in the project description filed with NIRB on June 17, 2016.

**Whale Tail Project Termination Date** means the date of receipt by KIA of written confirmation from the Governmental Authorities confirming the completion of all closure requirements for the Whale Tail Project, including decommissioning, rehabilitation, restoration and abandonment, pursuant to Applicable Laws.

**Year** means a calendar year.

## Appendix A-1



## **SCHEDULE B BUSINESS OPPORTUNITIES**

### **1. PURPOSE**

The purpose of this Schedule is to promote and support sustainable economic development for the benefit of the greatest number of Inuit, with priority being given firstly to the Affected Communities, then the other Kivalliq Communities.

### **2. OBJECTIVES**

The objectives of this Schedule are to:

- (a) promote the development of Inuit expertise and capacity in mining and related fields;
- (b) assist and encourage the creation, development and diversification of Inuit businesses and opportunities for Inuit to participate in business opportunities and investment created by the Whale Tail Project so that economic benefits remain within the Kivalliq Region;
- (c) provide a framework for the tendering and awarding of Contracts that facilitates and promotes the participation of Inuit Firms from the Affected Communities in priority, and then from other Kivalliq Communities, and that encourages the retention of economic benefits of the Whale Tail Project in the Kivalliq Region.

### **3. APPENDICES**

The following appendices form part of this Schedule:

Appendix 6.9.1 - Application of Preference Points

Appendix 6.9.2 - Examples of Inuit Preference Points Allocation – Services Contracts and Goods Contracts (excluding fuel purchases)

Appendix 8.1 - List of Categories of Preferred Contracts

Appendix 9 - Examples of Inuit Preference Points Allocation – Fuel Purchase Contracts

Appendix 13 - Workshops and Assistance

Appendix 15 - Charter of the Business Opportunities Committee

### **4. GUIDELINES**

The following guidelines shall apply to the awarding of Contracts:

- 4.1 Subject to the terms of section 6 of this Schedule, the awarding of Contracts by AEM shall be based, as applicable, on the following factors though not necessarily in this order:
  - (a) cost competitiveness;
  - (b) timely performance or delivery of the tendered scope of work; and
  - (c) past implementation of Inuit training programs.
- 4.2 The Tendering Process shall be applied in a manner not to unduly delay the Whale Tail Project.

- 4.3 Only businesses pre-qualified by AEM on a discipline basis or by category of services or goods for Contracts, as described in section 5 of this Schedule, may be eligible to participate in the Tendering Process.

## **5. PRE-QUALIFICATION PROCESS**

- 5.1 All pre-qualification processes to be conducted by AEM for the Whale Tail Project will be carried out on the basis of discipline, Contract categories and size of Contracts (“**Pre-qualification Category**”). AEM shall transmit to KIA and the Business Opportunities Committee the Pre-qualification Categories no later than July 15, 2017, and at least twelve (12) months before the expected date of the commencement of the Operation Phase. AEM shall transmit to the Business Opportunities Committee any changes to the Pre-qualification Categories prior to the implementation of such changes and the Business Opportunities Committee shall determine within fifteen (15) days of receipt whether the proposed changes are acceptable and shall notify AEM and KIA accordingly.
- 5.2 No later than July 15, 2017, and at least eleven (11) months prior to the expected date of commencement of the Operation Phase, AEM shall make public announcements in Nunavut inviting all businesses that might be interested in pre-qualifying for the awarding of Contracts for the Whale Tail Project to an information session to explain the pre-qualification process. Such invitation shall refer potential applicants to AEM’s website on which the list of Pre-qualification Categories will be posted, along with an outline of the Tendering Process. At least fifteen (15) days prior to the date of the information session, public announcements shall be published in at least one (1) newspaper distributed in Nunavut and in the community where such information session shall be held, and posted in English and in Inuktitut in each Kivalliq Community. AEM shall provide a copy of the public announcements to KIA concurrently with the publishing thereof.
- 5.3 The information sessions shall be held by AEM, following consultation with KIA and the Business Opportunities Committee, in each Kivalliq Community, during the sixty (60) day period following the publishing of the public announcements.
- 5.4 Subsequent to the information sessions held pursuant to section 5.3 of this Schedule and no later than July 15, 2017 and at least nine (9) months prior to the expected date of commencement of the Operation Phase, AEM will develop and transmit to KIA and the Business Opportunities Committee a list of businesses which indicated to AEM their interest in pre-qualifying for a Pre-qualification Category (the “**Initial Contractor List**”).
- 5.5 No later than July 15, 2017, and no later than nine (9) months prior to the expected date of commencement of the Operation Phase, AEM shall send an invitation letter and pre-qualification forms to the businesses on the Initial Contractor List, for purposes of pre-qualifying Inuit Firms for one or more Pre-qualification Categories. AEM shall give the businesses twenty-eight (28) days to transmit to AEM fully completed pre-qualification applications.
- 5.6 AEM shall apply the following criteria to pre-qualify Inuit Firms in Pre-qualification Categories for the Whale Tail Project:
- (a) relevant experience;
  - (b) management experience, including supervisor and superintendent experience;



- (c) technical capacity;
- (d) financial capacity;
- (e) health, safety and environment performance history (Construction Contracts and services contracts only. This criteria will be applied to all businesses);
- (f) human and physical resources; and
- (g) past performance on other projects,

it being understood that if the criterion set out at paragraph (e) is not satisfied, an Inuit Firm may not be eligible for pre-qualification. AEM will make all reasonable efforts to pre-qualify the most Inuit Firms, taking into account the nature of each Pre-Qualification Category. Where an Inuit Firm has no past business history, the factors described in this section shall be considered by referring to the historical data of the Inuit Firm's management team.

5.7 AEM will complete its evaluation of these applications within twenty-eight (28) days of their receipt. Within twenty-one (21) days of completing its evaluation, AEM will:

- (a) notify the Inuit Firms that will be included on the pre-qualification list (the “**Pre-qualification List**”) identifying the Pre-qualification Categories for which the Inuit Firm was pre-qualified and reasons for classification into a Pre-qualification Category;
- (b) notify the businesses which did not qualify as Inuit Firms that they will not be on the Pre-qualification List;
- (c) notify unsuccessful Inuit Firms if they were not included on the Pre-qualification List pursuant to section 5.6(e) of this Schedule; and
- (d) provide KIA and the Business Opportunities Committee with a table indicating all the businesses that have pre-qualified, by Pre-qualification Category, and a report that contains the following information: the information gathered by AEM in connection with the criteria NTI Inuit Firm Registry, Employment Base and Local Presence, the businesses that were invited to participate, the businesses that participated, the Inuit Firms that successfully pre-qualified and the Inuit Firms that did not successfully pre-qualify, including a summary of the reasons for each Inuit Firm that did not pre-qualify pursuant to section 5.6(e) of this Schedule.

5.8 Any applicant which received a notice under section 5.7(b) or (c) of this Schedule, or an Inuit Firm which is of the opinion that it has been listed in the wrong Pre-qualification Category, may at any time during the Term, send a notice to AEM requesting a review of its pre-qualification status. Unless AEM agrees with the request, within fifteen (15) days of the receipt thereof AEM will transmit the request to the Business Opportunities Committee, together with its reasons for its determination. Within fifteen (15) days thereof, the Business Opportunities Committee will determine if the application should be re-considered and send a written notice to that effect to the applicant and to AEM. AEM will reconsider the applicant's status or Pre-qualification Category and notify accordingly the applicant, KIA and the Business Opportunities Committee within fifteen (15) days of receipt of notice that the Business Opportunities Committee determined that AEM should reconsider.

5.9 An Inuit Firm, KIA or the Business Opportunities Committee may, at any time during the Term, send a notice to AEM requesting that an Inuit Firm that did not participate in the previous pre-qualification process for a Pre-qualification Category be included in the pre-

qualification process. Within twenty-one (21) days of receipt of such notice and the completed pre-qualification forms, AEM will conduct a pre-qualification evaluation of such Inuit Firm in accordance with the criteria described in section 5.6 of this Schedule and inform the Inuit Firm, KIA and the Business Opportunities Committee of the results.

- 5.10 AEM shall conduct, within sixty (60) days of the issuance of the completion certificate pursuant to the terms and conditions of a Contract performed by an Inuit Firm, a review of the pre-qualification status of the Inuit Firm in order to determine if such Inuit Firm can be pre-qualified for another Pre-qualification Category, it being understood that such review will be made on the basis of the criteria described in section 5.6 of this Schedule. Within ten (10) Business Days of such determination or at the latest the date of expiry of the sixty (60)-day period mentioned in this section, AEM will inform the Inuit Firm, KIA and the Business Opportunities Committee in writing of the results thereof with the reasons for its determination. Within the same time period, AEM will review the performance of the Inuit Firm and prepare and submit to the Inuit Firm, KIA and the Business Opportunities Committee a report containing the results. If an Inuit Firm does not agree with the determination or the performance review report made by AEM, the Inuit Firm will have the right, within fifteen (15) days, to request that AEM reconsider its determination or its report and AEM shall transmit to the Inuit Firm, KIA and the Business Opportunities Committee its decision within twenty-one (21) days. An Inuit Firm which is not satisfied with AEM's decision may refer the matter to the Business Opportunities Committee within sixty (60) days of receipt of notice from AEM.
- 5.11 On an ongoing basis, AEM will update the Initial Contractor List and shall send, within a reasonable delay, a copy to KIA and the Business Opportunities Committee.
- 5.12 During the months of March and April of each Year, AEM shall conduct an updated pre-qualification process by holding information sessions and shall, within four (4) months thereof, complete the pre-qualification process and provide to KIA and the Business Opportunities Committee a copy of the updated Pre-qualification List.

## **6. TENDERING PROCESS**

- 6.1 Subject to the terms and conditions of this Schedule, AEM will make its Best Efforts to award Contracts to Inuit Firms. If AEM cannot award Contracts to an Inuit Firm on acceptable commercial terms and conditions, AEM shall be entitled to award such Contracts to any other Person.
- 6.2 All Contracts shall be tendered to businesses that are on the Pre-qualification List and a copy of each tender package shall be delivered to the Business Opportunities Committee for information purposes only. If there are no pre-qualified Inuit Firms on the list, then, subject to section 6.14 of this Schedule, AEM may award the Contract to any other business. Tendering shall be carried out on the basis of AEM's internal procurement policies and procedures applicable to the Whale Tail Project and subject to the terms of this Schedule, except when total value of any Contract is less than five hundred and twenty-five thousand dollars (\$525,000.00), it being agreed that AEM will make Best Efforts to engage only Inuit Firms, subject to section 6.7 of this Schedule, to perform such Contracts and that AEM is entitled to award such Contracts to pre-qualified Inuit Firms solely in accordance with its internal procurement policies and procedures applicable to the Whale Tail Project. If AEM does not engage an Inuit Firm to perform a Contract of a total value less than five hundred

and twenty-five thousand dollars (\$525,000.00), AEM shall be entitled to solicit proposals from all other pre-qualified businesses as listed in the table provided to KIA and the Business Opportunities Committee pursuant to section 5.7(d) of this Schedule to perform such Contract. If there is more than one pre-qualified Inuit Firm for Contracts valued under five hundred and twenty-five thousand dollars (\$525,000.00), then AEM shall tender such Contracts to pre-qualified Inuit Firms on the basis of this section 6. In the event where no Inuit Firms are pre-qualified for Contracts of a total value of less than five hundred and twenty-five thousand dollars (\$525,000.00), AEM shall have the right to enter into a Contract with any other business and in any manner it so decides.

- 6.3 Ten (10) days prior to the issuance of each tender, AEM shall send a notice to KIA and the businesses on the Pre-qualification List, in English and Inuktitut, which states prominently that Inuit Firms shall be given preference in accordance with the Agreement and clearly indicates the manner in which a potential bidder must communicate to AEM its expression of interest in participating in the tendering process for such Contract and the deadline for doing so.
- 6.4 Contracts shall not be tendered until Inuit employment goals (Schedule C - Training and Employment section 6.1) have been established by the Employment and Culture Committee.
- 6.5 No later than July 15, 2017, AEM shall develop and transmit to KIA, the Business Opportunities Committee and the Employment and Culture Committee an initial list of planned Contracts for the upcoming Year, as known at that time, for the Construction Phase, together with:
- (a) the notice to be provided pursuant to section 6.7 of this Schedule concerning tailoring of Contracts;
  - (b) an outline of the nature or scope of work for each Contract; and
  - (c) if then known to AEM, the estimated timing and duration of the work and the anticipated terms and conditions of each Contract.

The initial list and the information provided, including which of the planned Contracts result from or are not suitable for tailoring as well as the reasons, shall be updated by AEM on a quarterly basis throughout the Term and a copy shall be provided to KIA, the Business Opportunities Committee and the Employment and Culture Committee. A listing of Contracts not included on the initial list of planned Contracts or a quarterly update and accompanying reasons for exclusion shall be provided by AEM to KIA and the Business Opportunities Committee.

- 6.6 At least twelve (12) months prior to the expected date of commencement of the Operation Phase, AEM shall develop and transmit to KIA, the Business Opportunities Committee and the Employment and Culture Committee an initial list of planned Contracts, as known at that time, for the first twelve (12) months of the Operation Phase. Such list shall include the information set out in paragraphs (a) to (c) of section 6.5 of this Schedule.

The initial list and the information provided shall be updated by AEM on a quarterly basis and a copy shall be provided to KIA, the Business Opportunities Committee and the Employment and Culture Committee. A listing of Contracts not included on the initial list of planned Contracts and a quarterly update and accompanying reasons for exclusion shall be provided by AEM to KIA and the Business Opportunities Committee.

- 6.7 Subject to the preference points provided for in section 6.9 of this Schedule, to the extent where it is feasible and that there be no additional material financial burden to AEM or material delay on any milestone date of the delivery schedule of the Whale Tail Project, AEM shall use its Best Efforts to tailor Contracts in order to facilitate the participation of Inuit Firms from the Affected Communities in priority, and then from other Kivalliq Region communities. Prior to tendering, AEM shall send a notice to KIA and the Business Opportunities Committee indicating which of the planned Contracts result from tailoring, and which Contracts AEM determines are not suitable for tailoring, together with the reasons for such determination, and the Business Opportunities Committee shall, within fifteen (15) days of the receipt thereof, make its recommendations to AEM. For the purposes of this section, “**tailoring**” means modifying a planned scope of work for a Contract which results in smaller feasible scopes of work, which would encourage Inuit Firms to successfully participate in the Tendering Process.
- 6.8 Except where a Contract is awarded to an Inuit Firm, AEM agrees that all Contracts to be performed subsequent to the delivery of goods at a destination point within the Kivalliq Region and all services contracts where the majority of the work is performed within the Kivalliq Region shall be subject to the Tendering Process, excluding contracts relating to technical support and warranty work provided to AEM by the initial supplier of goods or provider of services. AEM shall provide KIA and the Business Opportunities Committee, within fifteen (15) days after each Year, a listing of the technical support and warranty work contracts related to the Whale Tail Project not subject to the Tendering Process, including a description of their scope and value. AEM shall provide KIA and the Business Opportunities Committee, within fifteen (15) days after each Year, the list of contracts, including their scope and value, for which AEM has determined that the majority of the work is not performed within the Kivalliq Region and not subject to the Tendering Process.
- 6.9 All compliant tenders, as established by AEM, received by the tender closing date will be evaluated by AEM based on the criteria identified in sections 4.1(a) to (c) of this Schedule. AEM shall evaluate the past implementation of Inuit training programs referred to in section 4.1(c) of this Schedule on the basis of factors to be established in consultation with the Business Opportunities Committee and the Employment and Culture Committee, including, in the absence of past business history, by referring to the historical data of tenderer’s management team dedicated to the Contract and AEM shall report to the Business Opportunities Committee the results of such evaluation if AEM determines that a business does not demonstrate adequate past implementation. For the purposes of the evaluation of tenders, AEM will apply preference points only to compliant tenders from Inuit Firms. On the basis of one hundred (100) points, or equivalent if the point total is other than one hundred (100), fifteen (15) points for services contracts and eight (8) points for goods contracts, excluding fuel contracts mentioned in section 9 of this Schedule, will be allocated to Inuit Firms as set out in Appendix 6.9.1. As an example only and not for interpretation purposes, Appendix 6.9.2 demonstrates the way preference points are applied. For avoidance of doubt, any contract for services which includes purchase of goods, excluding fuel contracts mentioned in section 9 of this Schedule, shall be considered as a services contract to which fifteen (15) preference points are allocated as set out in Appendix 6.9.1.
- 6.10 Each tenderer which is an Inuit Firm shall submit, as part of its tender, an Officer’s certificate made by an officer of the tenderer certifying the percentage of net profits of the work to be completed by the tenderer that will be paid to Inuit Firms (the “**Certificate**”). The Certificate shall also contain an undertaking of the tenderer to disclose forthwith to AEM any material

change in percentage of net profits distributed to Inuit Firms during the term of the Contract. Should AEM require, after consulting the Business Opportunities Committee, a tenderer to submit information to support any of the representations made in its Certificate, AEM may require the tenderer to submit that information to an independent third party agreed to by KIA and AEM. The independent third party shall advise the Inuit Firm, the Business Opportunities Committee, KIA and AEM of any inconsistency between the representation made in the Certificate and the information that the tenderer has submitted to support those representations. All information in the Certificate shall be treated as Confidential Information. For the purposes of the allocation of preference points, as set out in Appendix 6.9.1, the criteria NTI Inuit Firm Registry, Employment Base and Local Presence shall be determined by AEM, including subsequent changes, and AEM shall inform KIA and the Business Opportunities Committee thereof.

- 6.11 For avoidance of doubt, the eighty-five (85) other points in the case of services contracts, or the ninety-two (92) other points in the case of goods contracts, or equivalent if the point total is other than one hundred (100), shall, for the purposes of AEM's evaluation of a tender, be allocated by AEM using its best judgment with respect to the criteria listed in sections 4.1(a) to (c) of this Schedule.
- 6.12 Within fifteen (15) days of the award of any tendered Contract, AEM shall transmit to the Business Opportunities Committee the list of the tenderers and the name of the selected firm. For illustration purposes only, an example of the application of the preference points in the evaluation of compliant tenders received from Inuit Firms is attached hereto in Appendix 6.9.1.
- 6.13 When any Contract is tendered, AEM will provide to the Business Opportunities Committee the evaluation grid it intends to use for analyzing tenders, including the weights applicable to the criteria on the grid, including the reasons for the weighting. At the request of the Business Opportunities Committee, AEM will provide to KIA and the Business Opportunities Committee written reasons referring to the criteria set out in section 4.1 of this Schedule to explain why any tender from an Inuit Firm was not selected, as well as the original completed evaluation grids used for the award of such Contracts, which shall contain identifiers confirming their date of creation. The evaluation grids submitted by AEM will be strictly for information purposes, on a confidential basis, and may be used solely for review of the evaluation process.
- 6.14 Notwithstanding any other provision of this section 6, AEM shall have the discretion to enter into a Contract without competitive tender in the following circumstances:
  - (a) following Best Efforts by AEM to allow for tailoring, where the services and goods can be procured through only one pre-qualified business, whether or not an Inuit Firm, or if there are no pre-qualified Inuit Firms in a position to do so; or
  - (b) where AEM could not have reasonably foreseen the need for the services or goods that are required and there is insufficient time to apply the Tendering Process, it being understood that AEM will use Best Efforts to retain a pre-qualified Inuit Firm; or
  - (c) there is an emergency requirement resulting from an unexpected event which results in a loss of production or risk to the environment or the health and safety of persons.

AEM shall report to KIA and the Business Opportunities Committee all instances where Contracts are awarded under this section 6.14 and accompanying reasons.

- 6.15 At the request of an unsuccessful Inuit Firm, AEM shall provide feedback to such Inuit Firm.
- 6.16 AEM shall transmit to KIA, before their application, a copy of any proposed material changes to its internal procurement policies and procedures applicable to the Whale Tail Project and shall not make any such changes that would be incompatible with the provisions of this Schedule, including the purpose, objectives and guidelines of this Schedule. In the event where any such changes would be incompatible with the provisions of this Schedule, at the request of KIA, AEM and KIA shall discuss, in good faith, such changes and determine any amendments required to ensure that such policies and procedures remain compatible with the terms of this Schedule.
- 6.17 AEM will include in its tender conditions a provision requiring that any subcontractor included in any tender made pursuant to this section shall be on the Pre-qualification List or pre-qualified by AEM. An Inuit Firm may ask AEM to pre-qualify a non-Inuit firm to which it proposes to subcontract work. AEM will submit such non-Inuit firm to its pre-qualification process and inform the Inuit Firm, KIA and the Business Opportunities Committee of its decision. The Inuit Firm is entitled to challenge AEM's decision as provided for in section 5.8 of this Schedule.
- 6.18 For Contracts valued less than \$500,000.00 awarded to an Inuit Firm, AEM agrees to waive the requirement for a bid bond and make its Best Efforts to accommodate Inuit Firms with limited financial capacity by implementing reasonable early payment measures.

## **7. SPECIAL TENDER CONDITIONS**

- 7.1 The bid packages sent to tenderers will specify the following requirements:
  - (a) the required number of Inuit to be employed in selected Job Categories established within the annual employment goals set by the Employment and Culture Committee;
  - (b) an undertaking to employ that number of Inuit in the selected Job Categories, as required pursuant to section 7.1(a) of this Schedule and, if it is a multi-year Contract, an undertaking to employ that number of Inuit in compliance with the target numbers that will be indicated by AEM to the successful tenderer on an annual basis, to be recruited from:
    - (i) the Labour Pool List, subject to the availability of Inuit and the choice of Inuit to work in such Job Categories, it being understood that Inuit from Affected Communities shall be hired preferentially; and
    - (ii) sources other than the Labour Pool List.
  - (c) an undertaking to notify AEM of the number of Inuit that will be hired for the selected trades and job categories stipulated pursuant to section 7.1(a) of this Schedule;
  - (d) a signed declaration to be submitted to AEM no less than five (5) Business Days prior to the commencement of work under a Contract confirming the employment of the number of required Inuit for each selected Job Category as required pursuant to section 7.1(a) of this Schedule, as well as the name and the beneficiary number of each such worker, including the number of those selected from the Labour Pool List;

- (e) an undertaking to monitor on an ongoing basis the number of Inuit employed and the maintenance of such number at the level required pursuant to section 7.1(a) of this Schedule, subject to the availability of Inuit for the appropriate selected Job Categories for such Contract; and the provision to AEM of monthly reports stating the number of Inuit workers, broken down by employer; Job Category; the number of person hours worked by each Inuk; Inuit beneficiary number; gender; community of hire; and the number of Inuit whose employment was terminated, including the reasons for termination;
- (f) unless otherwise agreed by the Employment and Culture Committee, an undertaking to comply with AEM's undertakings pursuant to the Agreement to develop the skills of the Inuit workforce, including an undertaking to support and accommodate Inuit workers who wish to upgrade their education for job advancement;
- (g) an undertaking, in the event the Contract is either for:
  - (i) a certain category of contracts which the Employment and Culture Committee recommends there would be an added-value to implementing a training program for Inuit; or
  - (ii) for contracts that require the presence, on a continuous basis, of Inuit for at least twelve (12) months or, for a shorter duration if the Employment and Culture Committee determines that there is a benefit that a training program for Inuit be included;

to implement within the time established by the Employment and Culture Committee, a training program developed or approved by AEM, approved by the Employment and Culture Committee for a type and level of training determined and approved by the Employment and Culture Committee, acting reasonably, and to report on a quarterly basis the status of implementation of such program;
- (h) a consent authorizing AEM to disclose to the Business Opportunities Committee and KIA the results of the analysis of its bid, except any information concerning, directly or indirectly, the pricing of its bid, it being understood that general information which does not permit a determination of the price of the bid can be disclosed; and
- (i) an undertaking to provide, upon request, to the Business Opportunities Committee any additional information in relation to their pre-qualification submission.

## 8. PREFERRED CONTRACTS

- 8.1 Before tendering any Contracts for the categories listed in Appendix 8.1, Sakku or a Person in which Sakku has an ownership interest and which is an Inuit Firm shall be invited by AEM who shall be available to meet with Sakku within forty-five (45) days following the receipt from AEM of a scope of work related to the categories of contracts listed in Appendix 8.1 ("**Preferred Contracts**") for the purposes of submitting a proposal. Sakku shall have the opportunity to request clarification and submit questions to AEM no less than (10) Business Days prior to the meeting. AEM shall respond to Sakku's questions not less than five (5) Business Days prior to the meeting.
- 8.2 Within ten (10) Business Days after such meeting, AEM will respond to Sakku's proposal and the parties will enter into and conduct for a period of fifteen (15) Business Days good faith negotiations in relation to such proposal in order to seek and conclude a contract on

commercially reasonable and competitive terms. AEM shall evaluate the Sakku proposals within the framework of the preference points set out in Appendix 6.9.1.

- 8.3 In the event Sakku and AEM cannot conclude a contract on commercially reasonable and competitive terms within the fifteen (15) Business Day delay, then either party can terminate the negotiations by sending a written notice thereof to the other party and the Business Opportunities Committee. The AEM evaluation provided for in section 8.2 shall be provided to the Business Opportunities Committee if Sakku and AEM cannot conclude a contract on commercially reasonably and competitive terms.
- 8.4 All contracts not awarded pursuant to this section 8 shall be tendered on the basis of the Tendering Process provided for in section 6 of this Schedule. AEM shall send to Sakku a notice of such tender, it being understood that Sakku will be eligible to participate in the Tendering Process. AEM shall be prohibited from awarding a contract to any other Person under more favourable conditions, taken as a whole, than those last offered by Sakku for such contract.
- 8.5 Notwithstanding sections 8.1, 8.2 and 8.3, Contracts for light and medium duty vehicles only as set out in Appendix 8.1:
- (a) the reference to “forty-five (45) days” in section 8.1 shall be deleted and replaced by “twenty (20) days”;
  - (b) the references to “ten (10) Business Days”, and “fifteen (15) Business Days” in section 8.2 shall be deleted and replaced by “five (5) Business Days” and “ten (10) Business Days” respectively; and
  - (c) the reference to “fifteen (15) Business Days” in section 8.3 shall be deleted and replaced by “ten (10) Business Days”.

## **9. FUEL PURCHASE CONTRACTS**

For avoidance of doubt, any contract related to fuel (Ultra low sulphur diesel (ULSD), all grades) or any form of fossil fuel to be awarded by AEM shall be subject to the Tendering Process but AEM will apply preference points only to compliant tenders from Inuit Firms. On the basis of one hundred (100) points, or equivalent if the point total is other than one hundred (100), two point five (2.5) points for fuel purchase contracts will be allocated to Inuit Firms as set out in Appendix 9. As an example only and not for interpretation purposes, Appendix 9 also demonstrates the way preference points are applied. When evaluating tenders for fuel purchase contracts, cost shall be the only criterion and Inuit preference points shall be applied.

## **10. POST OPERATION PHASE**

At least eighteen (18) months before the planned date of termination of the Operation Phase or immediately upon early termination or Abandonment, the Business Opportunities Committee will recommend to the Implementation Committee modifications to this Schedule to make it applicable to the Post Operation Phase, which shall be in keeping with the purpose and objectives of this Schedule.



## **11. MANAGEMENT RIGHTS**

Subject to the terms of this Schedule, AEM shall retain all of its management rights to make decisions, including but not limited to pre-qualification of businesses, contractual terms and conditions, evaluation of the competitiveness of tenders, awarding of Contracts and management of the Contracts.

## **12. AEM REPORTS**

Within thirty (30) days of the end of each quarter in each Year during the Term, AEM shall provide to the Business Opportunities Committee a report detailing all contracts given or awarded to Inuit Firms and to other businesses and the total monetary value of contracts awarded to Inuit Firms and to other businesses as a function of goods and services category and any other relevant information requested by the Business Opportunities Committee that AEM gathered through implementation of the Business Opportunities Schedule. Such report and the information contained therein shall be submitted by AEM subject to the confidentiality provisions set out in section 12 of the Business Opportunities Committee charter attached as Appendix 15.

## **13. WORKSHOPS AND ASSISTANCE**

Annually, commencing not later than July 15, 2017, for the purposes of promoting and facilitating the access of Inuit Firms to business opportunities related to the Whale Tail Project, AEM shall provide workshops in the Kivalliq Communities and general one-on-one assistance, as needed, to Inuit in a manner and in the areas to be determined by the Business Opportunities Committee, including, without limitation, the areas mentioned in Appendix 13. AEM shall designate a contact person as needed for assisting Inuit Firms. On an annual basis, AEM shall submit to the Business Opportunities Committee a report on the activities provided for in this section and the Business Opportunities Committee will review such and provide any recommendations.

## **14. NON COMPLIANCE**

- 14.1 In the event the Business Opportunities Committee determines that the objectives of this Schedule have not been achieved or there is a disagreement pertaining to the allocation, awarding or enforcement of the contracts, or the entering into by AEM of a Contract without competitive tender, the Business Opportunities Committee may determine any consequences. If the Business Opportunities Committee fails to reach agreement, the matter shall be referred to and considered at the next meeting of the Implementation Committee.
- 14.2 Failure by the Implementation Committee to arrive at a decision shall be considered a disagreement to be referred to the Parties' presidents in accordance with section 7.4.2 of the Agreement. For the purposes of the Dispute Resolution process set out in Schedule H (Arbitration), the Parties agree that if the arbitrator or arbitration panel determines that AEM has failed to use its Best Efforts to implement the provisions of this Schedule, the arbitrator or arbitration panel may order AEM to implement remedial measures, which may require AEM to:
  - (a) implement specific steps to implement this Schedule in the future; and
  - (b) provide reasonable financial compensation to KIA.

**15. BUSINESS OPPORTUNITIES COMMITTEE**

The Parties shall create, within thirty (30) days of the execution of the Agreement, a committee for business opportunity matters (the “**Business Opportunities Committee**”). The charter of the Business Opportunities Committee is attached as Appendix 15. AEM and KIA agree to provide all information requested by the Business Opportunities Committee to allow it to fulfill its role and responsibilities in order to implement this Schedule.

## APPENDIX 6.9.1 APPLICATION OF PREFERENCE POINTS

### **PREFERENCE POINTS FOR ALL SERVICES CONTRACTS**

On NTI Inuit Firm Registry +	1
51% of contract profit goes to Inuit Firm	5
41% of contract profit goes to Inuit Firm	4
31% of contract profit goes to Inuit Firm	3
21% of contract profit goes to Inuit Firm	2
11% of contract profit goes to Inuit Firm	1
<b>Inuit Employees:</b>	
Meet the Employment Base	4
Exceed the Inuit content set in the tender	2
<b>Local Presence:</b>	
Affected Community	3
Kivalliq Region	2
Nunavut	1
<b>Total</b>	<b>15</b>

### **PREFERENCE POINTS FOR ALL GOODS CONTRACTS (EXCLUDING FUEL)**

On NTI Inuit Firm Registry	1
51% of contract profit goes to Inuit Firm	3
31% of contract profit goes to Inuit Firm	1.5
11% of contract profit goes to Inuit Firm	1
<b>Inuit employees:</b>	
Meet the Employment Base	1
<b>Local Presence:</b>	
Affected Community	3
Kivalliq Region	2
Nunavut	1
<b>Total</b>	<b>8</b>

## APPENDIX 6.9.2

### EXAMPLES OF INUIT PREFERENCE POINTS ALLOCATION ALL SERVICES CONTRACTS

#### Services – NTI Registered Firm (No Subcontracting) All Work is completed by NTI Registered Firm with no sub-contractors

	Maximum Allowable Points
NTI Inuit Firm Registry (100% profit is provided to Inuit Firm)	6
Inuit Employees (Meet the Employment Base)	5
Inuit Employees (Exceed Inuit Content in Tender)	1
Local Presence (Affected Community, Kivalliq Region, Nunavut)	3
<b>TOTAL</b>	<b>15</b>

#### SERVICES - NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS

	Maximum Allowable Points
NTI Inuit Firm Registry	1
% Profit provided to Inuit Firm	5
Inuit Employees (Meet the Employment Base)	4
Inuit Employees (Exceed Inuit Content in Tender)	2
Local Presence (Affected Community, Kivalliq Region, Nunavut)	3

Example 4: SERVICE CONTRACT WITH GENERAL CONTRACTOR PROFIT = 11%; SUBCONTRACTOR PROFIT = 89%

NTI Inuit Firm bids on a contract where they are subcontracting work. It is determined that 11% of the profit will be provided to the NTI Inuit Firm.

The NTI Inuit Firm acts as a General Contractor and is located in an Affected Community.

Employment Base is evaluated by number of employees listed on the contract work. Therefore follow IIBA definition of "Employment Base" for employees listed under the contract. (Assume ≥33% of employees performing work for contract are Inuit)

Local Presence is evaluated by location of each employee participating in the contract (Assume 33% of employees performing work for contract are based in Rankin Inlet) and Office Location (Points Split)

Exceed Inuit Content in Tender is dependent on the contract requirement. Assume it is met.

#### WORK IS COMPLETED BY NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS

PROFIT = 11%

≥33% of employees performing work for contract are Inuit.

Exceed Inuit Content in Tender

33% contract employees = based in Rankin Inlet; 67% contract employees = based in Southern Canada

	Maximum Allowable Points	Unadjusted Contractor Score	Subcontractor Adjustment (profit multiplier)	Adjusted Contractor Score
NTI Inuit Firm Registry	1	1	N/A	1
% Profit provided to Inuit Firm (NTI Inuit Firm ≥51% profit = 5; NTI Inuit Firm ≥ 41% profit = 4; NTI Inuit Firm ≥ 31% profit = 3; NTI Inuit Firm ≥ 21% profit = 2; NTI Inuit Firm ≥ 11% profit = 1)	5	1	N/A	1
Inuit Employees (Meet the Employment Base)	5	5	1	5
Inuit Employees (Exceed Inuit Content in Tender)	1	1	1	1
Local Presence Office (Affected Community=1.5, Kivalliq Region=1, Nunavut=0.5)	1.5	1.5	N/A	1.5
Local Presence Contract Personnel (Affected Community=1.5, Kivalliq Region=1, Nunavut=0.5)	1.5	1.5	0.33	0.50
			<b>TOTAL</b>	<b>10.00</b>

Example 5: SERVICE CONTRACT WITH GENERAL CONTRACTOR PROFIT = 33%; SUBCONTRACTOR PROFIT = 67%

NTI Inuit Firm bids on a contract where they are subcontracting work. It is determined that 33% of the profit will be provided to the NTI Inuit Firm.

The NTI Inuit Firm acts as a General Contractor and is located in an Affected Community.

Employment Base is evaluated by number of employees listed on the contract work. Therefore follow IIBA definition of "Employment Base" for employees listed under the contract. (Assume 10% of employees performing work for contract are Inuit)

Local Presence is evaluated by location of each employee participating in the contract. (Assume 10% of employees performing work for contract are based in Rankin Inlet and 90% based in Southern Canada)

Exceed Inuit Content in Tender is dependent on the requirement. Assume it is met.

WORK IS COMPLETED BY NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS

PROFIT = 33% (Profit Points = 3.0 + (Prorated value between 41% and 31% =  $[(2/10)*1.0] =$

$3.0+0.2=3.2$ )

10% of employees performing work for contract are Inuit.

Exceed Inuit Content in Tender

10% contract employees = based in Rankin Inlet; 90% contract employees = based in Southern

Canada

NTI Inuit Firm Registry

% Profit provided to Inuit Firm (NTI Inuit Firm  $\geq 51\%$  profit = 5; NTI Inuit Firm  $\geq 41\%$  profit = 4; NTI Inuit Firm  $\geq 31\%$  profit = 3; NTI Inuit Firm  $\geq 21\%$  profit = 2; NTI Inuit Firm  $\geq 11\%$  profit = 1) (Profit Points = 3 + (Prorated value between 41% and 31% =  $[(2/10)*1.0] = 3.0+0.2=3.2$ )

Inuit Employees (Meet the Employment Base)

Inuit Employees (Exceed Inuit Content in Tender)

Local Presence Office (Affected Community=1.5, Kivalliq Region=1, Nunavut=0.5)

Local Presence Contract Personnel (Affected Community=1.5, Kivalliq Region=1, Nunavut=0.5)

Maximum Allowable Points	Unadjusted Contractor Score	Subcontractor Adjustment (profit multiplier)	Adjusted Contractor Score
1	1	N/A	1
5	3.2	N/A	3.2
5	5	0.1	0.5
1	1	1	1
1.5	1.5	1	1.5
1.5	1.5	0.1	0.15
TOTAL			7.35

Example 6: SERVICE CONTRACT WITH GENERAL CONTRACTOR PROFIT =  $\geq 51\%$ ; SUBCONTRACTOR PROFIT =  $< 49\%$

NTI Inuit Firm bids on a contract where they are subcontracting work. It is determined that  $\geq 51\%$  of the profit will be provided to the NTI Inuit Firm.

The NTI Inuit Firm acts as a General Contractor and is located in an Affected Community.

Employment Base is evaluated by number of employees listed on the contract work. Therefore follow IIBA definition of "Employment Base" for employees listed under the contract. (Assume  $> 33\%$  of employees performing work for contract are Inuit)

Local Presence Personnel multiplier = 1 when  $\geq 51\%$  profit = Inuit Firm ("non-shell company" concept).

Exceed Inuit Content in Tender is dependent on the requirement. Assume it is met.

WORK IS COMPLETED BY NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS

PROFIT =  $\geq 51\%$

$> 33\%$  of employees performing work for contract are Inuit.

Exceed Inuit Content in Tender

Local Presence Personnel multiplier = 1 when  $\geq 51\%$  profit = Inuit Firm ("non-shell company" concept)

NTI Inuit Firm Registry

% Profit provided to Inuit Firm (NTI Inuit Firm  $\geq 51\%$  profit = 5; NTI Inuit Firm  $\geq 41\%$  profit = 4; NTI

Inuit Firm  $\geq 31\%$  profit = 3; NTI Inuit Firm  $\geq 21\%$  profit = 2; NTI Inuit Firm  $\geq 11\%$  profit = 1)

Inuit Employees (Meet the Employment Base)

Inuit Employees (Exceed Inuit Content in Tender)

Local Presence Office (Affected Community=1.5, Kivalliq Region=1, Nunavut=0.5)

Local Presence Contract Personnel (Affected Community=1.5, Kivalliq Region=1, Nunavut=0.5)

Maximum Allowable Points	Unadjusted Contractor Score	Subcontractor Adjustment (profit multiplier)	Adjusted Contractor Score
1	1	N/A	1
5	5	N/A	5
5	5	1	5
1	1	1	1
1.5	1.5	1	1.5
1.5	1.5	1	1.5
TOTAL			15

## EXAMPLES OF INUIT PREFERENCE POINTS ALLOCATION GOODS CONTRACTS (EXCLUDING FUEL PURCHASES)

GOODS - NTI FIRM ONLY (All work is completed by NTI Registered Firm with no sub-contracting)

	Maximum Allowable Points
NTI Inuit Firm Registry (100% profit is provided to Inuit Firm)	4
Inuit Employees (Meet the Employment Base)	1
Local Presence (Affected Community, Kivalliq Region, Nunavut)	3
<b>TOTAL</b>	<b>8</b>

GOODS - NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS

	Maximum Allowable Points
NTI Inuit Firm Registry	1
% Profit provided to Inuit Firm	3
Inuit Employees (Meet the Employment Base)	1
Local Presence (Affected Community, Kivalliq Region, Nunavut)	3

Example 1: GOODS CONTRACT WITH GENERAL CONTRACTOR PROFIT = 11%; SUBCONTRACTOR PROFIT = 89%

NTI Inuit Firm bids on a contract where they are subcontracting work. It is determined that 11% of the profit will be provided to the NTI Inuit Firm.

The NTI Inuit Firm acts as a General Contractor and is located in an Affected Community and meets the employment base (Inuit employment and Local Presence = most optimistic).

WORK IS COMPLETED BY NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS  
PROFIT = 11%

	Maximum Allowable Points	Unadjusted Contractor Score	Subcontractor Adjustment (profit multiplier)	Adjusted Contractor Score
NTI Inuit Firm Registry	1	1	N/A	1
% Profit provided to Inuit Firm (NTI Inuit Firm $\geq 51\%$ profit = 3; NTI Inuit Firm $\geq 31\%$ profit = 1.5; NTI Inuit Firm $\geq 11\%$ profit = 1)	3	1	N/A	1
Inuit Employees (Meet the Employment Base)	1	1	0.11	0.11
Local Presence (Affected Community=3, Kivalliq Region=2, Nunavut=1)	3	3	0.11	0.33
<b>TOTAL</b>				<b>2.44</b>

Example 2: GOODS CONTRACT WITH GENERAL CONTRACTOR PROFIT = 33%; SUBCONTRACTOR PROFIT = 67%

NTI Inuit Firm bids on a contract where they are subcontracting work. It is determined that 33% of the profit will be provided to the NTI Inuit Firm.

The NTI Inuit Firm acts as a General Contractor and is located in an Affected Community and meets the employment base (Inuit employment and Local Presence = most optimistic).

WORK IS COMPLETED BY NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS  
PROFIT = 33% (Profit Points = 1.5 + (Prorated value between 51% and 31% =  $[(2/20) \times 1.5] = 1.5 + 0.15 = 1.65$ )

	Maximum Allowable Points	Unadjusted Contractor Score	Subcontractor Adjustment (profit multiplier)	Adjusted Contractor Score
NTI Inuit Firm Registry	1	1	N/A	1
% Profit provided to Inuit Firm (NTI Inuit Firm $\geq 51\%$ profit = 3; NTI Inuit Firm $\geq 31\%$ profit = 1.5; NTI Inuit Firm $\geq 11\%$ profit = 1)	3	1.65	N/A	1.65
Inuit Employees (Meet the Employment Base)	1	1	0.33	0.33
Local Presence (Affected Community=3, Kivalliq Region=2, Nunavut=1)	3	3	0.33	0.99
<b>TOTAL</b>				<b>3.97</b>

Example 3: GOODS CONTRACT WITH GENERAL CONTRACTOR PROFIT =  $\geq 51\%$ ; SUBCONTRACTOR PROFIT =  $< 49\%$

NTI Inuit Firm bids on a contract where they are subcontracting work. It is determined that  $\geq 51\%$  of the profit will be provided to the NTI Inuit Firm.

Profit multiplier = 1 when  $\geq 51\%$  profit = Inuit Firm ("non-shell company" concept).

The NTI Inuit Firm acts as a General Contractor and is located in an Affected Community and meets the employment base (Inuit employment and Local Presence = most optimistic).

WORK IS COMPLETED BY NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS

PROFIT = $\geq 51\%$	Maximum Allowable Points	Unadjusted Contractor Score	Subcontractor Adjustment (profit multiplier)	Adjusted Contractor Score
NTI Inuit Firm Registry	1	1	N/A	1
% Profit provided to Inuit Firm (NTI Inuit Firm $\geq 51\%$ profit = 3; NTI Inuit Firm $\geq 31\%$ profit = 1.5; NTI Inuit Firm $\geq 11\%$ profit = 1)	3	3	N/A	3
Inuit Employees (Meet the Employment Base)	1	1	1	1
Local Presence (Affected Community=3, Kivalliq Region=2, Nunavut=1)	3	3	1	3
			<b>TOTAL</b>	<b>8</b>



**APPENDIX 8.1**  
**LIST OF CATEGORIES OF PREFERRED CONTRACTS**

- Marine
- Aviation
- Tires
- Helicopter
- Freight handling, earth moving, snow removal, passengers
- Drugs
- Explosives
- Fuel commencing January 1, 2018, provided that AEM agrees that prior to that date they shall not enter into any long-term agreement for fuel
- On a Best Efforts basis for 2017 and as of January 1, 2018, Structures (e.g. turn-key soft wall camps, weather havens, permanent or prefabricated housing, camp structures and the like)
- As of January 1, 2018, equipment/vehicles as follows:

<b>LIGHT DUTY</b>	<b>MEDIUM DUTY</b>		
Sport Utility Vehicle	Cargo Van	Cab-forward	Lifting Cranes
Canopy Express	Cutaway van chassis	Dump Truck	Boom Truck
Pickup Truck	Garbage Truck	Garbage Truck	Reach Stacker (Container Handler)
Panel Truck	Lube Truck	Log Carrier	Large Capacity Tow Rigs
Flat Deck Truck	Platform Truck	Refrigerator Truck	Trailers (flat deck, low boy, trombone)
Tow Truck	Flatbed Truck	Vacuum Truck	Scissor Lift
Panel Van	Fire Truck	Bus	Cement Mixer
Sedan Delivery	RV or Motorhome	Tank Truck	Semi-Tractor Unit
Minivan	Water Truck	Fuel Truck	Medium Duty Truck (Class 8)

<b>HEAVY DUTY</b>		
Excavator	Telehandler	Hydraulic Mining Shovel
Wheel Loader	Forklift	Electric Rope Shovel
Track Loader	Skid-Steer Loaders (Wheeled)	Draglines
Wheel Dozer	Compact Track & Multi-Terrain Loaders	Underground Mining Loader (Scoop)
Backhoe Loader	Compactor	Underground Mining Trucks
Track Dozer	Off-Highway Trucks	Open Pit Drills (Rotary)
Motor Grader	Articulated Truck	

## APPENDIX 9

### EXAMPLES OF INUIT PREFERENCE POINTS ALLOCATION FUEL PURCHASE CONTRACTS

FUEL - NTI REGISTERED FIRM (NO SUBCONTRACTING) Fuel supplied by NTI Registered Firm with no use of sub-contractors

	Maximum Allowable Points
NTI Inuit Firm Registry (100% profit is provided to Inuit Firm)	1.5
Inuit Employees (Meet the Employment Base)	0.5
Local Presence (Affected Community, Kivalliq Region, Nunavut)	0.5
<b>TOTAL</b>	<b>2.5</b>

FUEL - NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS

	Maximum Allowable Points
NTI Inuit Firm Registry + % Profit provided to Inuit Firm	1.5
Inuit Employees (Meet the Employment Base)	0.5
Local Presence (Affected Community, Kivalliq Region, Nunavut)	0.5

Example 7: FUEL CONTRACT WITH GENERAL CONTRACTOR PROFIT = 11%; SUBCONTRACTOR PROFIT = 89%

NTI Inuit Firm bids on a contract where they are subcontracting work. It is determined that 11% of the profit will be provided to the NTI Inuit Firm.

The NTI Inuit Firm acts as a General Contractor and is located in an Affected Community and meets the employment base (Inuit employment and Local Presence = most optimistic).

WORK IS COMPLETED BY NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS  
PROFIT = 11%

	Maximum Allowable Points	Unadjusted Contractor Score	Subcontractor Adjustment (profit multiplier)	Adjusted Contractor Score
NTI Inuit Firm Registry+% Profit provided to Inuit Firm (NTI Inuit Firm ≥51% profit = 1.5; NTI Inuit Firm ≥31% profit = 1.0; NTI Inuit Firm ≥ 11% profit = 0.5)	1.5	0.5	N/A	0.5
Inuit Employees (Meet the Employment Base)	0.5	0.5	0.11	0.055
Local Presence (Affected Community=3, Kivalliq Region=2, Nunavut=1)	0.5	0.5	0.11	0.055
<b>TOTAL</b>				<b>0.61</b>

Example 8: FUEL CONTRACT WITH GENERAL CONTRACTOR PROFIT = 33%; SUBCONTRACTOR PROFIT = 67%

NTI Inuit Firm bids on a contract where they are subcontracting work. It is determined that 33% of the profit will be provided to the NTI Inuit Firm.

The NTI Inuit Firm acts as a General Contractor and is located in an Affected Community and meets the employment base (Inuit employment and Local Presence = most optimistic).

WORK IS COMPLETED BY NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS  
PROFIT = 33% (Profit Points = 1.0 + (Prorated value between 51% and 31% =  $[(2/20)*0.5]=1.0+0.05=1.05$ )

	Maximum Allowable Points	Unadjusted Contractor Score	Subcontractor Adjustment (profit multiplier)	Adjusted Contractor Score
NTI Inuit Firm Registry+% Profit provided to Inuit Firm (NTI Inuit Firm ≥51% profit = 1.5; NTI Inuit Firm ≥ 31% profit = 1.0; NTI Inuit Firm ≥ 11% profit = 0.5)	1.5	1.05	N/A	1.05
Inuit Employees (Meet the Employment Base)	0.5	0.5	0.33	0.165
Local Presence (Affected Community=3, Kivalliq Region=2, Nunavut=1)	0.5	0.5	0.33	0.165
<b>TOTAL</b>				<b>1.38</b>

Example 9: FUEL CONTRACT WITH GENERAL CONTRACTOR PROFIT =  $\geq 51\%$ ; SUBCONTRACTOR PROFIT =  $< 49\%$

NTI Inuit Firm bids on a contract where they are subcontracting work. It is determined that  $\geq 51\%$  of the profit will be provided to the NTI Inuit Firm.

Profit multiplier = 1 when  $\geq 51\%$  profit = Inuit Firm ("non-shell company" concept).

The NTI Inuit Firm acts as a General Contractor and is located in an Affected Community and meets the employment base (Inuit employment and Local Presence = most optimistic).

WORK IS COMPLETED BY NTI FIRM ACTING AS A GENERAL CONTRACTOR WITH SUBCONTRACTORS

PROFIT =  $\geq 51\%$

NTI Inuit Firm Registry + % Profit provided to Inuit Firm (NTI Inuit Firm  $\geq 51\%$  profit = 1.5; NTI Inuit

Firm  $\geq 31\%$  profit = 1.0; NTI Inuit Firm  $\geq 11\%$  profit = 0.5)

Inuit Employees (Meet the Employment Base)

Local Presence (Affected Community=3, Kivalliq Region=2, Nunavut=1)

Maximum Allowable Points	Unadjusted Contractor Score	Subcontractor Adjustment (profit multiplier)	Adjusted Contractor Score
1.5	1.5	N/A	1.5
0.5	0.5	1	0.5
0.5	0.5	1	0.5
TOTAL			2.5

## **APPENDIX 13**

### **WORKSHOPS AND ASSISTANCE**

#### **PRE-QUALIFICATION**

- How AEM will select successful contractors.
- General assistance in completing the pre-qualification application process.
- Potential business opportunities for Inuit Firm start-ups in the pre-qualification categories.

#### **TENDERING PROCESS**

- General information to Inuit Firms regarding the Tendering Process.
- Forum for Inuit Firms to provide input to AEM and the Business Opportunities Committee on potential tailoring opportunities for Inuit Firms.
- Introduction to the content of general standard terms and conditions.
- Information on how Inuit Firms may obtain Inuit employment from the Labour Pool and how Inuit employment needs in the Contracts will be communicated to contractors.

#### **GENERAL**

- Government funding available to Inuit businesses.
- Information on the anticipated training Inuit Labour Pool members will obtain.
- Information on the roles of the Employment and Culture Committee, the Business Opportunities Committee and the Implementation Committee.
- Information on the creation of joint ventures.

**APPENDIX 15**  
**CHARTER OF THE BUSINESS OPPORTUNITIES COMMITTEE**

**1. ROLES AND RESPONSIBILITIES**

- 1.1 The Business Opportunities Committee (the “**BOC**”) shall:
- 1.1.1 act as the forum for collaborative, open exchange and coordination between the Parties with respect to Schedule B (Business Opportunities) and report as required to the Implementation Committee;
  - 1.1.2 develop as a first priority an implementation and monitoring plan outlining the process and timing for the implementation and monitoring of Schedule B and deliver such to the Implementation Committee;
  - 1.1.3 implement the decisions of the Implementation Committee and any directives issued jointly by the Parties;
  - 1.1.4 provide advice to AEM and KIA on mechanisms which may be used by AEM to promote the objectives of Schedule B (Business Opportunities);
  - 1.1.5 review the information and notices provided to it from time to time pursuant to the process to pre-qualify firms and the Tendering Process;
  - 1.1.6 review the pre-qualification process and Tendering Process and make recommendations to the Implementation Committee for improvements; and
  - 1.1.7 carry out any other duties and responsibilities attributed to it by the terms and conditions of the Agreement or as may be assigned to it from time to time by the Implementation Committee or as may be agreed by the Parties.
- 1.2 The BOC may, for the purposes of pre-qualification and of the Tendering Process, advise AEM and KIA as to the actual or potential capacity of Inuit Firms to perform work or supply goods and services.
- 1.3 The BOC shall review, develop and recommend solutions with respect to any issue, question, matter or disagreement related to its responsibilities and shall communicate and collaborate with the On-Site Working Group and the Implementation Committee, as required.

**2. MEMBERS**

- 2.1 AEM shall appoint two (2) members to the BOC.
- 2.2 KIA shall appoint two (2) members to the BOC.
- 2.3 The Parties shall appoint members who have expertise, background and skills in the activities that are within the responsibilities of the BOC.
- 2.4 The Parties shall each appoint one (1) alternate member to the BOC who may replace a Party’s regular member in the event any member is unable to attend a meeting or carry out any other responsibilities attributed to the member. In such circumstances, the regular member shall provide reasonable notice and all necessary information and documents to the alternate member as required to allow the alternate member to effectively replace the regular member.
- 2.5 Each regular member and alternate member appointed to the BOC by a Party may be replaced at any time, at the sole and entire discretion of the appointing Party.
- 2.6 Either Party may request the removal and replacement of any member who fails to attend two

(2) meetings in any one (1) Year, unless such member provides a written explanation justifying such absences, to the satisfaction of the other members.

### **3. CONFLICTS OF INTEREST**

The Parties acknowledge the importance of avoiding conflicts of interest in the course of the implementation of the Agreement and their representatives, as members of the BOC, shall perform their duties, free from the influence of personal interest. As soon as a member becomes aware of a potential, perceived or actual conflict of interest, the member will disclose such to the chairperson of the Committee who will decide the consequences applicable in such circumstances. If a member is excluded due to a conflict of interest, the alternate member will replace the excluded member in any discussion involving the conflict. In the event that the chairperson is concerned, such declaration will be made to the chairperson of the Implementation Committee who will decide the consequences applicable in such circumstances.

### **4. INVITEES**

- 4.1 Only members of the BOC and invitees shall be entitled to attend meetings of the BOC.
- 4.2 The BOC and any member thereof may, from time to time, invite any resource person as it deems appropriate to attend or participate in any meeting. Reasonable advance notice will be given to the other members of the BOC.
- 4.3 The BOC may appoint an independent third party to assist the members in their discussions, at the cost of AEM. Such third party shall participate as an observer and make recommendations to the BOC.
- 4.4 The Administration Officer, the IIBA Implementation Coordinators and the Labour Pool Coordinator should attend the meetings of the BOC as non-voting observers.

### **5. CHAIRPERSON**

The BOC shall appoint, on an annual basis, one (1) of its members to act as chairperson.

### **6. DECISIONS**

- 6.1 Decisions of the BOC shall be made by consensus. If consensus on any decision cannot be reached by the members after two (2) meetings, the matter shall be referred by the chairperson of the Committee within five (5) Business Days following the second meeting to the Implementation Committee for resolution. Where consensus of members cannot be reached on any matter included in a report of the BOC, upon the request of an individual member, the particular concern of that member shall be noted in the applicable report.
- 6.2 The decisions of the BOC shall be binding on the Parties to the extent that any financial impact of any such decisions is within the scope of the Agreement. If the financial impact of any decision would exceed the scope of the Agreement, the concerned Party shall explain to the other Party the reasons that it does or does not accept the decision of the BOC and refer the matter back to the BOC. Notwithstanding the preceding, the BOC shall have no authority or power to amend the Agreement.

### **7. EXPENSES**

AEM shall assume all of the expenses related to the activities of the BOC, including KIA's costs in accordance with the Annual Implementation Budget.

## **8. MEETINGS AND SCHEDULE OF MEETINGS**

- 8.1 The BOC shall meet at least six (6) times a Year, or more as required before the Operation Phase, and four (4) times a Year or more after, if required. The BOC shall strive to meet in person as often as possible. Minutes shall be prepared by the Administration Officer and circulated to the members of the BOC within thirty (30) days after each meeting. Once the minutes have been approved by the BOC, each member shall receive a copy.
- 8.2 Meetings of the BOC may be held by any means ensuring adequate communication among the participants. Meetings shall be called at the request of the chairperson of the BOC by giving at least thirty (30) days advance notice to all members (or in the case of an emergency or when shorter delays so require, as much notice as reasonably possible). In the event of an emergency, the chairperson may, and either Party may require the chairperson to, immediately call a meeting to be held as soon as quorum is attainable.

## **9. QUORUM**

The quorum for any meetings of the BOC shall be three (3) of its members including the most senior representative of each Party on the BOC, unless the Party whose representative is unavailable waives such requirement.

## **10. COMMUNICATIONS**

For the purposes of this Appendix 15, all communications to the BOC shall be made through the Administration Officer and directed to the attention of the chairperson of the BOC.

## **11. QUARTERLY AND ANNUAL REPORTS**

Within thirty (30) days of the end of each of the first three (3) quarters in each Year during the Term, the BOC shall prepare and submit to the Implementation Committee a summary of the matters, issues and questions addressed by the BOC and the outcomes, as well as challenges faced by the BOC and its achievements, a copy of all of the minutes of the BOC meetings during the preceding quarter, a discussion and analysis of all monitoring and mitigation measures, and any recommendations or comments the BOC wishes to provide to the Implementation Committee. Within sixty (60) days of the end of each Year during the Term, the BOC shall submit an annual report to the Implementation Committee containing the quarterly report for the last quarter of the Year as well as an outline of its achievements and challenges during the preceding Year and its perspective on the new Year, as well as an updated implementation and monitoring plan.

## **12. RELEASE OF MINUTES AND REPORTS**

- 12.1 All minutes of the BOC shall be deemed to be Confidential Information unless otherwise agreed to by the Parties or unless an Inuk or Inuit Firm requests the disclosure of minutes, in which case the minutes cease to be Confidential Information but will be redacted to exclude information that the BOC deems to be commercially sensitive or of a private nature.
- 12.2 Reports of the BOC to or from the Implementation Committee or to or from the Parties shall identify information that the BOC deems confidential which shall not be disclosed unless agreed to by the Parties or unless an Inuk or Inuit Firm requests the disclosure of reports, in which case the report will be redacted to exclude information that the BOC deems to be commercially sensitive or of a private nature.

- 12.3 Disclosure of minutes or reports shall be in compliance with Applicable Laws respecting privacy of information.



## **SCHEDULE C TRAINING AND EMPLOYMENT**

### **1. PURPOSE**

The purpose of this Schedule C is to establish and implement programs and processes to promote the training, employment and retention of Inuit, with preference given to Inuit of the Affected Communities, in a manner that is mutually beneficial to the Parties and that promotes the advancement of Inuit within the Whale Tail Project.

### **2. OBJECTIVES**

The objectives of this Schedule C are to:

- (a) Ensure that a maximum number of Inuit have access to training and employment opportunities;
- (b) Ensure, on the basis of the Whale Tail Project needs, development of Inuit human resources by developing and implementing a range of training programs which aim toward the employment and advancement of Inuit in all Job Categories;
- (c) Establish measures that will ensure that Inuit employment goals for the Whale Tail Project are set, reviewed and achieved on an annual basis; and
- (d) Create a work environment respectful of the Inuit culture, language and traditions.

### **3. APPENDICES**

The following appendices form part of this Schedule:

Appendix 7.2 – Labour Pool Process

Appendix 7.3 – Job Profile – Labour Pool Coordinator

Appendix 23 – Charter of the Employment and Culture Committee

### **4. GUIDELINES**

The following guidelines shall be applied, subject to anything contained in the Agreement:

- 4.1 All workers shall be subject to the same employment standards, rules and policies.
- 4.2 AEM shall retain its management rights over the Whale Tail Project, including the final selection and hiring of Inuit.

### **5. INUIT RECRUITMENT**

- 5.1 The Employment and Culture Committee shall develop and review annually, with the collaboration of the Parties, a recruitment strategy, including designing recruitment methods, advertisements, application procedures, interview protocols, labour pool process, selection procedures and training and promotion decision making to reduce barriers to employment, which AEM will implement. AEM will:

- (a) hold annual employment information sessions in each of the Kivalliq Communities, which sessions can be combined with the information sessions required under Appendix 7.2 of Schedule C; and

- (b) post employment and training opportunities, including minimum qualifications, the availability of summer jobs, internships and apprenticeships, on AEM's Nunavut and recruitment websites, and post in writing at the Whale Tail Project site and any community office in the Kivalliq Region that may be established in accordance with section 3.3 of Schedule D.
- 5.2 Where qualifications are equal, hiring for the Whale Tail Project shall be in the following priority:
- (a) For unskilled Job Categories:
    - (i) Inuit AEM employees from Affected Communities (transfers);
    - (ii) Inuit candidates from the Affected Communities;
    - (iii) Inuit AEM employees from other Kivalliq Communities (transfers);
    - (iv) Inuit candidates from other Kivalliq Communities;
    - (v) Inuit AEM employees (transfers);
    - (vi) Inuit candidates from other regions in Nunavut;
    - (vii) Non-Inuit AEM employees (Canadian divisions) (transfers); and
    - (viii) Non-Inuit candidates.
  - (b) For semi-skilled, skilled, professional and management Job Categories:
 

**Between the Effective Date and the expiry date of a 6-month period following the commencement of the Operation Phase:**

    - (i) Qualified Inuit AEM employees from the Affected Communities (transfers);
    - (ii) Qualified Inuit candidates from the Affected Communities;
    - (iii) Qualified Inuit AEM employees from other Kivalliq Communities (transfers);
    - (iv) Qualified Inuit candidates from the other Kivalliq Communities;
    - (v) Qualified Inuit AEM employees (transfers);
    - (vi) Qualified AEM employees on the list of transferability (Canadian divisions) proficient in English (transfers);
    - (vii) Qualified Inuit candidates from other regions in Nunavut; and
    - (viii) Qualified Non-Inuit candidates.
- 5.3 For the purposes of section 5.2(b) of this Schedule, “**qualified**” means the certificates of competency, permits or attestations required to fulfill skilled and semi-skilled Job Categories or the appropriate equivalencies recognized by AEM in consultation with the Employment and Culture Committee.

## 6. INUIT EMPLOYMENT

- 6.1 The Employment and Culture Committee shall, no later than 30 days following the Effective Date, and thereafter no later than November 15th of each Year, establish annual Inuit employment goals broken down by trade and Job Categories for the Whale Tail Project. The Employment and Culture Committee shall conduct an annual review of the achievement of the prior Year’s Inuit employment goals within sixty (60) days of the end of each Year.

The Employment and Culture Committee shall forward such review and any recommendations to the Implementation Committee and the Parties.

- 6.2 The required number of Inuit at the Whale Tail Project shall be employed in selected trades and Job Categories established within the annual employment goals set by the Employment and Culture Committee. AEM shall report on a quarterly basis to KIA, the Business Opportunity Committee and the Employment and Culture Committee, within a thirty (30) day delay, the number of Inuit workers, broken down by employer; Job Category; the number of person hours worked by each Inuk; Inuit beneficiary number; gender; community of hire; the number of Inuit whose employment was terminated, including the reasons for termination; and which shall include the number of apprenticeships, internships and summer jobs.
- 6.3 The annual employment goals for the Whale Tail Project shall be established, measured and reviewed based on the following:
- (a) total number of person hours that Inuit are expected to work to the total number of person hours that all persons are expected to work during the period in question, expressed as a percentage;
  - (b) the availability of Inuit and, as appropriate, skilled Inuit;
  - (c) the number of Inuit in the Kivalliq Communities actively seeking employment;
  - (d) the number of Inuit on the Labour Pool List interested in working at the Whale Tail Project;
  - (e) upward mobility program and career path development plans for Inuit; and
  - (f) creation of new positions within a Job Category.
- 6.4 In the event the Employment and Culture Committee establishes that an annual employment goal has not been achieved, the Employment and Culture Committee shall hold a meeting to consider whether AEM failed to use its Best Efforts to meet such goal and may determine any consequences of such failure. If the Employment and Culture Committee fails to reach agreement, the matter shall be referred to and considered at the next meeting of the Implementation Committee.
- Failure by the Implementation Committee to arrive at a decision shall be considered a disagreement to be referred to the Parties' presidents in accordance with section 7.4.2 of the Agreement. For the purposes of the Dispute Resolution process set out in Schedule H (Arbitration), if the arbitrator or arbitration panel determines that AEM has failed to use Best Efforts to achieve the annual employment goal, the arbitrator or arbitration panel may order AEM to implement remedial measures which may require AEM to:
- (a) implement specific steps to achieve the employment goals in the future; and
  - (b) provide reasonable financial compensation to KIA.
- 6.5 AEM shall conduct exit interviews of Inuit workers and provide an annual summary of the results to the Employment and Culture Committee.
- 6.6 The Employment and Culture Committee shall establish by March 31<sup>st</sup> of each Year, and AEM shall offer, internships and summer jobs, with priority given to Inuit of the Affected Communities, followed by other Kivalliq Communities and then Nunavut.

- 6.7 The Employment and Culture Committee shall determine on an annual basis the number of apprenticeship positions for Inuit in the Kivalliq Region, and AEM shall offer such positions, with priority given to Inuit of the Affected Communities, followed by other Kivalliq Communities and then Nunavut.
- 6.8 Subject to the application of the internal seniority policies of AEM and within a similar Job Category or position, at equal qualifications, AEM will use its Best Efforts to ensure that Inuit workers shall be the last to be laid off, with preference given to Inuit of the Affected Communities.
- 6.9 No later than July 15, 2017, AEM will provide to the Employment and Culture Committee a list of Job Categories available to Inuit workers with limited English language skills, as known at that time, and shall update such list on a quarterly basis thereafter.
- 6.10 Except if worker health or safety is compromised, lack of fluency in English will not be a barrier to employment.
- 6.11 Except to the extent required by Applicable Laws, or for security reasons for persons in positions of trust (such as a person who has access or authorizes others to have access or controls a person who has access to a high-hazard explosive type E, I & D), AEM will not conduct criminal record checks on Inuit workers.
- 6.12 AEM shall, when hiring persons other than Inuit for Job Categories which have been identified by the Employment and Culture Committee, take into account the number of Inuit in training and the type of training Inuit are receiving and will hire, following consultation with the Employment and Culture Committee, other persons on term contracts so as to facilitate the availability of work for Inuit following successful completion of such training. In determining the number of Inuit in training, AEM shall consult with KIA.

## **7. INUIT LABOUR POOL**

- 7.1 On the Effective Date, AEM will deliver to the Employment and Culture Committee a list of Inuit available to fulfill Job Categories at the Whale Tail Project which has been developed with the collaboration of KIA and the Employment and Culture Committee (the “**Initial Labour Pool List**”).
- 7.2 No later than July 15, 2017, AEM will provide to KIA and the Employment and Culture Committee a list of Inuit corresponding to Job Categories required for the performance of Contracts and to fulfill Job Categories that may become available with AEM in accordance with the process described in Appendix 7.2 (the “**Labour Pool List**”). AEM shall also provide to KIA and the Employment and Culture Committee the relevant data related to the establishment and operation of the Labour Pool List, including the reasons for non-selection and the total number of Inuit applicants, in order to assist in the overall evaluation of the performance of the Labour Pool process. Relevant data would include, but not be limited to, record of employment, skills and training, education, experience and past performance.
- 7.3 AEM shall, on the Effective Date, have in place and maintain during the Term a position having responsibilities that include the coordination, maintenance, management and use of the Initial Labour Pool List and of the Labour Pool List (the “**Labour Pool Coordinator**”), the full job description being attached as Appendix 7.3. In the event it becomes necessary, AEM will replace the Labour Pool Coordinator and will consult the Employment and Culture

Committee in the choice of such replacement and will give preference, whenever possible, to a bilingual Inuk. During the period of any vacancy, AEM will immediately name a person, after consultation with the Employment and Culture Committee, to act until such vacancy is filled. The Employment and Culture Committee may recommend to AEM changes to the job description from time to time. AEM and KIA will use reasonable efforts to support the Labour Pool Coordinator in maintaining and updating the Initial Labour Pool List and the Labour Pool List. The Parties agree to review no later than July 15, 2017, and during the next three Years every six (6) months after the delivery of the Initial Labour Pool List, and every twelve (12) months thereafter, the performance and the efficiency of the implementation and the management of the Initial Labour Pool List, the Labour Pool List, and the labour pool process as set out in Appendix 7.2 as well as the feasibility of retaining, at AEM's cost, a third party Inuit Firm to manage such lists and process.

- 7.4 The Employment and Culture Committee shall, in January of each Year, review with the Labour Pool Coordinator the management and use of the Initial Labour Pool List, the Labour Pool List and the labour pool process during the preceding Year, shall provide recommendations to the Implementation Committee to improve the use of the lists and may suggest changes to this section 7. The Implementation Committee shall examine such recommendations and report to the Parties thereon.
- 7.5 AEM, KIA, the Employment and Culture Committee and Labour Pool Coordinator shall jointly promote, in the Kivalliq Communities, the enrollment of Inuit on the Initial Labour Pool List and the application for the process relating to the Labour Pool List.
- 7.6 Notwithstanding the terms of this section 7, the Parties agree that AEM is not, and is not deemed to be, at any time during the Term, the employer of the Inuit on the Labour Pool List, except for Inuit hired by AEM.
- 7.7 KIA shall give due consideration to any request for support of any effort of AEM in procuring funds from various organizations in relation to training programs and measures to be established and implemented pursuant to this Schedule and to participate in any related meetings or discussions on an as needed basis and at costs to be agreed upon by the Parties.

## **8. COLLABORATION**

AEM agrees that Inuit shall be represented on its labour collaboration and health and safety committees.

## **9. WORK AND ROTATION SCHEDULES**

- 9.1 AEM shall establish work and rotation schedules for Inuit workers at the Whale Tail Project, taking into account the reasonable needs and preferences of Inuit, particularly in relation to the desire to participate in traditional activities and, among other things, the need to ensure efficient and cost-effective arrangements for transporting Inuit workers to and from their respective points of hire.
- 9.2 Each of the Kivalliq Communities shall be a point of hire. AEM will provide at its cost transportation for its Inuit workers from and to their respective points of hire to the Whale Tail Project, as well as transportation of contractors' Inuit workers, payable by the contractor in compliance with the contract. Unless otherwise requested by an Inuk, AEM will use

commercially reasonable efforts to transport all workers in such a way as to minimize their stay in a Kivalliq Community.

## **10. ADVANCEMENT OF WOMEN, YOUTH AND CHALLENGED WORKERS**

The Parties agree that Inuit women entering non-traditional occupations, challenged workers and youth can face barriers. AEM shall promote the participation and advancement of women, youth and accommodation of challenged workers in all occupations at the Whale Tail Project. AEM shall report to the Employment and Culture Committee twice each Year on the results of its employment initiatives to identify and address barriers to employment.

## **11. CONDUCT AT THE WORKPLACE**

AEM will implement a code of conduct and personal harassment and discrimination policy with rules and procedures that conform to Applicable Laws and will designate an Inuit worker or workers to whom a person alleging breach of the policy may report.

## **12. COMPENSATION POLICIES**

- 12.1 AEM agrees to implement compensation policies that are competitive and contribute to the retention of Inuit workers.

## **13. COLLECTIVE AGREEMENTS**

- 13.1 If any collective labour agreement negotiations take place between AEM and a labour union affecting the Whale Tail Project, AEM agrees to negotiate such agreement on the basis that the collective agreement shall reflect the provisions of the Agreement. AEM shall not agree to a collective agreement that does not reflect the provisions of the Agreement.
- 13.2 Notwithstanding the foregoing, in the event that by virtue of Applicable Laws, a collective agreement is imposed on AEM which contains terms and conditions which conflict with the terms and conditions of the Agreement, then AEM's obligation to perform the terms and conditions of the collective agreement shall prevail and AEM shall be relieved of its obligation to perform the conflicting terms and conditions of the Agreement, in which case KIA and AEM shall enter into good faith negotiations on alternate obligations, to the extent permitted by Applicable Laws and the collective agreement.

## **14. TRAINING PROGRAMS**

- 14.1 Work Readiness and Mandatory Training

AEM shall develop and implement work readiness and mandatory training programs in accordance with Appendix 7.2 of this Schedule, whereby Inuit on the Initial Labour Pool List shall be made aware of the various aspects of the operations of the Whale Tail Project and the general requirements of the jobs available, as well as health and safety considerations and work conditions. AEM shall include a cross-cultural awareness component in its work readiness and mandatory training programs.

- 14.2 Training and Upward Mobility

AEM shall give preference to training for Inuit and shall use its Best Efforts to promote the advancement and upward mobility of Inuit workers at the Whale Tail Project by establishing and implementing, with the collaboration of the Employment and Culture Committee, career

path development plans and training programs, including training workers in new required skills, to enhance Inuit workers with potential.

#### 14.3 Contractor Training Obligations

AEM shall ensure that:

- (a) for those Contracts where the Employment and Culture Committee determines there would be added-value, contractors shall offer a career path development plan and training program for Inuit workers, and
- (b) for all Contracts that require the presence of Inuit for at least twelve (12) months, or for a shorter duration if the Employment and Culture Committee so determines, contractors shall offer a career path development plan and training program for Inuit,

to be implemented within the time established by the Employment and Culture Committee. The type and level of training shall be determined and approved by AEM and the Employment and Culture Committee. AEM shall inform AEM workers of training opportunities and programs that are available and shall report on a quarterly basis the status of implementation of such plans and programs.

#### 14.4 Mentoring

AEM will include in the job responsibilities of the senior staff of the Whale Tail Project the requirement to mentor Inuit workers and will provide to its senior staff the required training on how to coach and mentor.

#### 14.5 Supervisory Skills and Management Training

AEM shall develop and implement programs under which it will provide ongoing supervisory skills and management training to Inuit workers who have been selected and indicated their willingness to participate. AEM shall consult with the Employment and Culture Committee regarding the development of its selection guidelines and criteria for such training. On an annual basis, AEM shall report to the Employment and Culture Committee on the status of such supervisory skills and management training.

#### 14.6 Financial Management Training

AEM shall offer personal financial management training to Inuit workers who wish to participate in such training.

#### 14.7 Entrepreneurial Training

AEM shall provide entrepreneurial training for Inuit businesses to address health and safety, business skills (finance and administration), quality control and legal and contracting issues.

#### 14.8 Qualifications

Inuit candidates for the training programs provided for in this Schedule shall be responsible for acquiring the necessary education or the required certifications or licences to be eligible for the programs. AEM will support and accommodate Inuit employees who wish to upgrade their education for job advancement.

#### 14.9 Equivalencies

In consultation with the Employment and Culture Committee, AEM shall implement and

review annually an equivalencies strategy for Job Categories at the Whale Tail Project to the extent permitted by Applicable Laws.

#### 14.10 Strategy to Overcome Inuit Workforce Barriers

- (a) On the Effective Date, AEM shall have in place a contract to develop the appropriate parameters of a strategy to overcome workforce barriers (the “**Strategy**”), designed to assist Inuit in accessing and maintaining employment at the Whale Tail Project, including the identification of barriers to Inuit employment and the development and implementation of strategies to overcome such barriers. The draft terms of reference of such contract and the selection of the contractor shall be undertaken by AEM in collaboration with the Employment and Culture Committee and approved by KIA. The contractor shall recommend the appropriate parameters together with its supporting discussion and analysis for the Strategy to the Parties within thirty (30) days after the award.
- (b) Within sixty (60) days of the receipt by AEM and the Employment and Culture Committee of the draft parameters for the Strategy, AEM will develop in collaboration with the Employment and Culture Committee, the terms of reference and select jointly with the Employment and Culture Committee the contractor to prepare the Strategy.
- (c) Within thirty (30) days after the selection of the contractor, AEM shall direct the contractor to conduct the work described in the parameters and deliver a Strategy to the Parties and the Employment and Culture Committee within the next sixty (60) days.
- (d) If the Construction Date occurs more than two (2) years after the date of the initial Strategy, AEM shall direct the contractor to deliver an updated Strategy within six (6) months.
- (e) Notwithstanding the preceding paragraph, the Employment and Culture Committee shall determine the appropriate time for further Strategies for the purposes of obtaining updated information in advance of the three-year review of the Agreement, it being agreed that reviews shall not be conducted more than once in any two-year period.
- (f) The Strategy will draw its data from the sources referred to in the terms of reference and any other relevant sources of information. Each further Strategy will include data from the immediately preceding Years.
- (g) The Employment and Culture Committee will analyze each Strategy within three (3) months after it has been received and make any recommendations to AEM it deems appropriate, with the objective of enhancing the employment of Inuit at the Whale Tail Project.

The Employment and Culture Committee will, in a timely manner, transmit the Strategy to the Implementation Committee for its consideration, together with any recommendations of the Employment and Culture Committee.

### 15. LABOUR MARKET ANALYSIS

- 15.1 The Employment and Culture Committee will commission a third party contractor to conduct a Labour Market Analysis, yearly, to assist in the understanding of Inuit employment.



- 15.2 On the Effective Date, AEM shall have awarded a contract to develop the appropriate methodology, parameters, sources of data, indicators, monitoring and analysis (the “**Plan**”) to facilitate a review of the labour market with an emphasis on Inuit in the Kivalliq Region. The draft terms of reference of such contract and the selection of the contractor shall be undertaken by AEM in collaboration with the Employment and Culture Committee and approved by KIA. The contractor shall recommend the appropriate parameters together with its supporting discussion and analysis for the Plan to the Parties within thirty (30) days after the award.
- 15.3 Within sixty (60) days of the receipt by AEM and the Employment and Culture Committee of the draft parameters for the Plan, AEM will develop, with the collaboration of the Employment and Culture Committee, the terms of reference and select a contractor to prepare a Labour Market Analysis. The Labour Market Analysis shall include a multi-year work plan and recommendations to monitor, evaluate and analyze the labour market for the Kivalliq Region. In determining the terms of reference of the Labour Market Analysis, the Employment and Culture Committee may consider the data collected under the SEIIBR.
- 15.4 Within thirty (30) days after the selection of the contractor, AEM shall direct the selected contractor to conduct the work described in the terms of reference and deliver the Labour Market Analysis to the Parties and the Employment and Culture Committee within the next sixty (60) days.
- 15.5 The Employment and Culture Committee will analyse each Labour Market Analysis within three (3) months after it has been received and make any recommendations to AEM resulting from the Labour Market Analysis, with the objective of enhancing Inuit employment at the Whale Tail Project.
- 15.6 The Employment and Culture Committee will, in a timely manner, transmit the Labour Market Analysis to the Implementation Committee for its consideration, together with any recommendations of the Employment and Culture Committee.

## **16. PROMOTION OF MINING INDUSTRY**

AEM will promote awareness and education about the mining industry and the Whale Tail Project throughout the Kivalliq Region, including:

- (a) holding annual tours which may be done at the same time as the information sessions given in each of the seven Kivalliq communities pursuant to Appendix 7.2 of Schedule C;
- (b) holding meetings with community stakeholders and interest groups;
- (c) giving presentations at schools in the Kivalliq Region;
- (d) participating in career awareness programs in the Kivalliq Region;
- (e) co-operating with other mining sector organizations in the Kivalliq Region to enhance education and training strategies across the sector through sharing of best practice experience and resources; and
- (f) co-operating with educational authorities and institutions in Nunavut in the development and implementation of high school and college courses with mining sector content.

## **17. EMPLOYEE HANDBOOK**

AEM shall ensure that its employee handbook includes, at all times, information on employee

rights, including, without limitation, employment standards, harassment, human rights and complaint procedures.

## **18. JOB PLACEMENT COUNSELLING**

AEM shall provide Inuit workers with job placement counselling upon a decision to terminate the Operation Phase being made and upon termination of the Post Operation Phase, as applicable. Job placement counselling will focus on assisting Inuit in searching for alternate employment and, if required, applying for employment insurance benefits.

## **19. POST OPERATION PHASE**

At least twelve (12) months before the planned date of termination of the Operation Phase, AEM shall advise the Employment and Culture Committee of the planned date of the termination of the Operation Phase. At the latest one hundred and twenty (120) days before the planned date of termination of the Operation Phase, AEM shall transmit to KIA its anticipated needs for employment of Inuit for any of its Nunavut Whale Tail Projects. The Employment and Culture Committee will recommend to the Implementation Committee the employment and training measures to be implemented by AEM, which shall be in keeping with the purpose and objectives of this Schedule.

## **20. INUIT EDUCATION**

- 20.1 AEM shall make a payment to KIA on the Effective Date in the amount of \$30,000.00 for the purposes of scholarships, and annually thereafter on each anniversary of that date. KIA shall record and report separately on such funds. KIA shall acknowledge AEM's support in all scholarships provided through funds contributed by AEM. KIA shall provide copies of its audited annual financial reports to AEM, identifying the AEM scholarship funds. AEM shall have, upon request to KIA, the right to audit the books and records of KIA in relation to the AEM scholarship funds. KIA shall grant to AEM's employees and representatives, during its normal business hours, access to such books and records, provided that such employees and representatives shall keep confidential all financial information obtained through such access, other than AEM's payment pursuant to this section.
- 20.2 Funds contributed to KIA by AEM shall be used for the granting of scholarships to Inuit of the Kivalliq Region who pursue education or training at an accredited post-secondary institution or participate in the High School Abroad or similar program, and shall not be used for any other purpose whatsoever. Preference shall be given to students who express an interest in education or training for positions in a mine-related field.
- 20.3 AEM shall, on an annual basis, provide Inuit high school and post-secondary students opportunities to visit the Whale Tail Project. This may be done in concert with Kivalliq high schools and other agencies responsible for education and training.
- 20.4 AEM shall encourage cooperative education for Inuit in the Kivalliq Region.

## **21. AEM REPORTS**

Within thirty (30) days of the end of each quarter in each Year during the Term, AEM shall provide to the Employment and Culture Committee a report detailing the training and apprenticeship programs provided to Inuit, the number of hours of training received by Inuit under such programs, the percentage of Inuit who successfully completed such training, and

the number of Inuit who received promotions, and shall share its experience on the use of the Labour Pool List and any other relevant information requested by the Employment and Culture Committee that AEM gathered through implementation of this Schedule. Such report and the information shall be submitted by AEM subject to the confidentiality provisions set out in section 12 of the Employment and Culture Committee charter attached as Appendix 23.

## **22. SUPPORT FOR AEM NUNAVUT PROJECTS**

### **22.1 AEM shall:**

22.1.1 spend a minimum of \$500,000.00 (cash contribution); and

22.1.2 pay to KIA the sum of \$500,000.00,

in each Year during which there is production from any of its Nunavut Projects (allocated between all Nunavut Projects as AEM determines) on initiatives that serve to assist in obtaining an average of 50% Inuit employment for all Nunavut Projects (the “**target**”). This minimum contribution will continue until the target is reached and reinstated if Inuit employment drops below the target.

22.2 The expenditure under section 22.1.1 of this Schedule is in addition to the existing level of funding provided by AEM of \$3,682,486.00 per Year, which shall be maintained.

22.3 Each of KIA and AEM shall expend their portion of the funds under section 22.1 of this Schedule to support achievement of the target. An annual report of the expenditures shall be delivered by each of KIA and AEM to the Employment and Culture Committee within ninety (90) days following the end of each Year.

22.4 Failure to achieve the target shall not be an Event of Default. The only consequence of any such failure is the obligation to pay \$1,000,000.00 per Year provided in section 22.1.1 which shall continue until the target is achieved.

## **23. EMPLOYMENT AND CULTURE COMMITTEE**

The Parties shall create, within thirty (30) days of the execution of the Agreement, a committee for training, employment and cultural matters (the “**Employment and Culture Committee**”). The charter of the Employment and Culture Committee is attached as Appendix 23. AEM and KIA agree to provide all relevant information requested by the Employment and Culture Committee to allow it to fulfill its role and responsibilities in order to implement this Schedule.

## APPENDIX 7.2 LABOUR POOL PROCESS

		STEPS						
	0	1	2	3	4	5	6	7
	Initial Labour Pool List	Information Sessions	Application to Labour Pool List	Discussion on Application	Work Readiness Training	Mandatory Trainings	Pre-Employment (TRADES ONLY)	Employment Opportunities
<b>Led By</b>	AEM in collaboration with KIA and ECC	AEM community coordinator (CC)	AEM community coordinator (CC)	Community coordinator (CC) and Labour pool coordinator (LPC)	AEM Trainers and Labour pool coordinator (LPC)	AEM Trainers and Labour pool coordinator (LPC)	Labour pool coordinator (LPC)	Labour pool coordinator (LPC)
<b>Main Objectives</b>	Create a database of all potential Inuit employees to invite to the information sessions Establish a list of all Inuit potential employees	Provide general basic information for the potential applicant to make a sound decision about working at an AEM mine site Information session covers topics like: <ul style="list-style-type: none"> <li>Life at camp</li> <li>Work organization</li> <li>Jobs available and requirements</li> <li>AEM HR policies</li> </ul>	Provide general basic assistance to the applicant, if needed, in filling the labour pool application form	<ul style="list-style-type: none"> <li>Review the application form of the applicant</li> <li>Review previous work experience at AEM or elsewhere</li> <li>Identify skills and interests</li> <li>Identify applicants who have a trade and should be assessed</li> <li>Identify steps that would apply</li> </ul>	Ensure that applicants have received the work readiness training	Ensure that applicants have received the work site readiness training	<ul style="list-style-type: none"> <li>Identify candidate trade skills through a practical assessment</li> <li>Match the candidate skills with the job opportunities at the mine site</li> </ul>	Describe the process whereby candidates are hired for job opportunities
<b>Process</b>	<ul style="list-style-type: none"> <li>AEM will use its database and local resources in Kivalliq Communities to solicit names</li> <li>AEM will add other Inuit who request to be on the list</li> </ul>	<ul style="list-style-type: none"> <li>Attending the information session is the first step into the labour pool process</li> <li>Information session is advertised in public places and</li> </ul>	<ul style="list-style-type: none"> <li>Applicants input their job application into the enterprise-wide recruitment software. If required, the CC coaches the applicant in filling</li> </ul>	<ul style="list-style-type: none"> <li>In-person meeting with the applicant unless the applicant does not wish to meet.</li> <li>Family members of the applicant can attend.</li> </ul>	<ul style="list-style-type: none"> <li>Deliver a work-ready skills development program on the following modules: <ul style="list-style-type: none"> <li>Cross Cultural</li> <li>Self-Awareness</li> <li>Work Ethic</li> <li>Transitioning to</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Mandatory trainings offered through an elearning portal: <ul style="list-style-type: none"> <li>General Induction</li> <li>Workplace Hazardous Materials Information System (WHMIS)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>To the extent of the requirements of a Job Category, the following assessments could be conducted: <ul style="list-style-type: none"> <li>a practical work-based tasks to demonstrate trade</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>HR Mine Site Agents and Contractors to contact the LPC for job placement</li> <li>The LPC matches candidates and</li> </ul>

	STEPS						
0	1	2	3	4	5	6	7
Initial Labour Pool List	Information Sessions	Application to Labour Pool List	Discussion on Application	Work Readiness Training	Mandatory Trainings	Pre-Employment (TRADES ONLY)	Employment Opportunities
	<p>on radio</p> <ul style="list-style-type: none"> <li>Local organizations and agents are advised of any information session held in the community</li> <li>Applicant enrolls to the session by showing up on the date, time and place agreed in the community</li> <li>Session is facilitated by the CC various tools</li> <li>After the session, the CC assists the interested attendees in filling the labour pool application form</li> <li>Family members are invited to attend the information session</li> </ul>	<p>the application form</p> <ul style="list-style-type: none"> <li>Applications are checked for attendance to an information session</li> <li>The application is uploaded in the recruitment software</li> <li>Basic work background of the applicants at AEM is checked</li> <li>Applicants terminated with fatal flaw will not go further</li> <li>All other applicants terminated by AEM within the last 12 months will not go further</li> <li>Discussions on application with applicants are scheduled by the CC or the Labour Pool Coordinator, unless the applicant does not wish to discuss.</li> </ul>	<ul style="list-style-type: none"> <li>Basic literacy and numeracy skills assessed based on type and nature of Job Category (no disqualification)</li> <li>Identify skills and past experience</li> <li>Gather data for equivalencies</li> <li>Complete a trade assessment application unless not required by AEM</li> </ul>	<p>Work</p> <ul style="list-style-type: none"> <li>Effective Communication</li> <li>Team work</li> <li>Time Management and Problem Solving</li> <li>Financial Management</li> <li>Work Life Balance</li> <li>Managing Emotions</li> <li>Career Planning</li> </ul> <p>Success factors are :</p> <ul style="list-style-type: none"> <li>Attendance (to all training hours)</li> <li>Active participation</li> </ul> <p>Successful applicants are paid for the 2-week training</p> <p>Living expenses, if any, are paid if the applicant has to receive the training in another community</p> <p>At the expense of AEM, participants outside the communities where training is provided are flown-in or the trainer is flown-out, to the community, whichever situation is more economical</p> <p>Training sessions are</p>	<ul style="list-style-type: none"> <li>Job Hazard Analysis (JHA)</li> <li>Standard Operation Procedures (SOP) Surface</li> <li>Fire Suppression</li> <li>Work Card</li> <li>Stairs &amp; Ladders</li> </ul> <p>If needed, the CC or LPC can assist the applicants that are less familiar with elearning. Elearning is delivered under a classroom setting.</p> <p>Conventional learning methods would be available.</p> <p>Mandatory training offered in-class for workers interested in construction jobs:</p> <ul style="list-style-type: none"> <li>Health &amp; Safety on Construction Site</li> </ul> <p>Successful applicants are paid for the mandatory trainings</p> <p>Living expenses, if any, are paid if the applicant has to receive the training in another community</p> <p>At the expense of AEM, participants outside the communities where</p>	<p>skills of the candidate</p> <ul style="list-style-type: none"> <li>a technical interview around a series of questions specific to the trade</li> </ul> <p>Results would be discussed with the candidate</p> <p>Successful applicants are paid for the assessment</p> <p>Living expenses, if any, are paid if the applicant has to make his assessment in another community</p> <p>Candidate names remain on the list for 1 year</p> <p>CC to re-confirm enrollment of candidate one month before end of the 1-year period</p> <p>Except for a program update or new regulatory requirements, this is not a re-qualification process but rather an update of the information and availability of the applicant</p>	<p>jobs available based on:</p> <ol style="list-style-type: none"> <li>Skills</li> <li>Seniority in the labour pool with priority to the candidates coming from the affected communities and subject to the AEM employee transfer policy</li> </ol> <ul style="list-style-type: none"> <li>For all AEM hires: All candidates are hired as temporary employees pending successful medical and 90 working day probation</li> <li>AEM or contractor must notify the LPC of candidates hired or no longer employed</li> </ul>

		STEPS						
	0	1	2	3	4	5	6	7
	Initial Labour Pool List	Information Sessions	Application to Labour Pool List	Discussion on Application	Work Readiness Training	Mandatory Trainings	Pre-Employment (TRADES ONLY)	Employment Opportunities
					delivered to a group of ±10 applicants at a time	training is provided are flown-in or the trainer is flown-out, to the community, whichever situation is more economical	<ul style="list-style-type: none"> <li>At the expense of AEM, participants outside the communities where training is provided are flown-in or the trainer is flown-out, to the community, whichever situation is more economical</li> </ul>	
<b>When</b>	3 months following the execution of the IIBA List updated on an ongoing basis	<ul style="list-style-type: none"> <li>On a quarterly basis</li> <li>4 hour sessions</li> </ul>	<ul style="list-style-type: none"> <li>As needed by the applicant</li> </ul>	<ul style="list-style-type: none"> <li>As the number of applicants can justify the traveling OR</li> <li>To avoid delay, one-on-one discussion session to be held with an applicant</li> </ul>	<ul style="list-style-type: none"> <li>On a regular basis, as ±10 applicants can be grouped together</li> <li>2 week sessions (±60 hours)</li> </ul>	<ul style="list-style-type: none"> <li>Within 3 months after completion of the work readiness training</li> <li>9 hours for all the mandatory elearning trainings (approximately 15 hours for conventional training)</li> <li>A maximum of 35 hours for the training on H&amp;S on construction site</li> </ul>	Within 3 months after enrollment on the Labour Pool List	On an as-needed basis for AEM employment or upon award of a contract

		STEPS						
	0	1	2	3	4	5	6	7
	Initial Labour Pool List	Information Sessions	Application to Labour Pool List	Discussion on Application	Work Readiness Training	Mandatory Trainings	Pre-Employment (TRADES ONLY)	Employment Opportunities
Where	In all Kivalliq communities	Information sessions are held in each Kivalliq community	CC office or online (if possible)	CC office or any other practical location	<ul style="list-style-type: none"> <li>Arviat, Baker Lake, Chesterfield Inlet and Rankin Inlet</li> <li>If no training session can be held in the community of an applicant within 30 days of the completion of the previous step, AEM will deliver training to such applicant in another community where a training session is held</li> </ul>	In person, at the CC office for the mandatory trainings or any other practical location	Assessments at the mine site or in Kivalliq communities, where practical and at cost of AEM	Phone contact made by HR Mine site agent or Contractor

	STEPS							
	0	1	2	3	4	5	6	7
	Initial Labour Pool List	Information Sessions	Application to Labour Pool List	Discussion on Application	Work Readiness Training	Mandatory Trainings	Pre-Employment (TRADES ONLY)	Employment Opportunities
<b>Alternate Path</b>	Names can be added at any time	<ul style="list-style-type: none"> <li>Attend next quarterly session</li> <li>One-on-one information sessions could be provided to an applicant, if the person is unable to attend a regular session</li> <li>If a person demonstrates relevant past experience or understanding of the working conditions then only certain identified steps would apply</li> </ul>	<ul style="list-style-type: none"> <li>Reapply at age of 18 or when the termination period has expired</li> <li>If the rehabilitation of an applicant (fatal flaw) is demonstrated to the satisfaction of AEM, then AEM could determine if that person's application may be accepted</li> <li>Any other applicant terminated within 12 months may request AEM to accept its application</li> </ul>	<ul style="list-style-type: none"> <li>Seek reclassification at any time after acquiring basic numeracy and/or literacy skills. (AEM will direct the applicants to the proper training agency to acquire those skills)</li> <li>An applicant who has an immediate job opportunity can complete the necessary steps according to a plan agreed to with AEM, except the Health and Safety Training</li> </ul>	<ul style="list-style-type: none"> <li>If incomplete, applicants can reapply after 6 months</li> <li>An applicant has 2 chances of completing the training. Otherwise, they will have the right to reapply after one year.</li> <li>Specific exemptions could be granted for some modules considering previous relevant work experience</li> </ul>	<ul style="list-style-type: none"> <li>If incomplete, applicants can reapply after 6 months</li> <li>An applicant has 2 chances of completing the training. Otherwise, they will have the right to reapply after one year.</li> <li>IF COMPLETE AND SUCCESSFUL, APPLICANT IS INCLUDED ON THE LABOUR POOL LIST</li> <li>Candidate names remain on the list for 1 year</li> <li>CC to re-confirm enrollment of candidate one month before end of the 1-year period</li> <li>LPC to provide to HR mine site agents a report on applicants' status</li> </ul>	<ul style="list-style-type: none"> <li>Candidate proceeds to next step</li> <li>Candidates offered training in order to fulfill AEM's annual employment goals as provided in the IIBA</li> </ul>	<ul style="list-style-type: none"> <li>CANDIDATE IS HIRED</li> <li>OTHER CANDIDATES REMAIN ON THE LIST</li> <li>Candidates will be considered and may be offered training in order to fulfill AEM's annual employment goals as provided in the IIBA</li> </ul>



## **APPENDIX 7.3**

### **JOB PROFILE – LABOUR POOL COORDINATOR**

#### **Purpose**

Reporting under the Nunavut People Acquisition & Development Structure and working in collaboration with the Employment and Culture Committee, the Labour Pool Coordinator (“LPC”) shall be responsible for implementing those provisions of the Whale Tail IIBA that relate to the promotion and retention of Inuit employment. The LPC will also promote and encourage Inuit to pursue employment opportunities available at the Whale Tail Project.

Through networking and collaboration, the LPC will promote the Labour Pool List within the Kivalliq Region through AEM community coordinators, employment agencies, training providers, local associations, labour market stakeholders, GN ministries, KIA’s Community Liaison Officers and other appropriate venues.

#### **Responsibilities and Activities**

##### **Labour Pool List**

- Develop and maintain an updated Labour Pool List of Inuit, which will include a comprehensive database of the work experience of Inuit on the Labour Pool List
- Act as liaison agent with AEM’s HR Mine site agent and contractors to promote hiring of Inuit on the Labour Pool List
- Initiate and promote projects to ensure the development of the skills of the Inuit workers on the Labour Pool List
- Respond to Employment and Culture Committee information requests and submit an annual activity report
- Act as the project manager of the Labour Pool process (Appendix 7.2) and follow-up

##### **Skills Assessment (for trades only)**

- Coordinate the development of practical skills assessments for selected jobs (trades only)
- Recruit Inuit for the Initial Labour Pool List and enroll them into the skills assessment process
- Implement AEM’s skills assessment process (Appendix 7.2)
- Maintain the records of applicants in the skills assessment process
- Report to the Employment and Culture Committee the general statistics of the results of any skills assessment process
- Make recommendations to improve the skills assessment process

##### **Employment Promotion**

- Promote awareness and increase knowledge of the Labour Pool List within Inuit communities and organizations
- Support and/or create opportunities such as job fairs which allow AEM to connect with potential Inuit employees across the Kivalliq Region
- Facilitate the connection with Inuit job applicants throughout the Kivalliq Region
- Develop and maintain relationships with key organizations (KIA, Aboriginal Skills Employment

and Training Strategy Agreement Holders (ASETS)) and service providers to support the Labour Pool List

- Remain up-to-date on the Whale Tail employment needs

### **Communications**

- Assist AEM department heads to take action to identify labour market partnership opportunities to attract and retain Inuit workers on the Labour Pool List
- Work with AEM human resources, contractors and departments heads to share and respond to their labour needs
- Continue to develop the capacity and effectiveness of the Labour Pool List by organizing regular information sessions in the Kivalliq Region
- Communicate with potential Inuit employees on job needs and employment opportunities
- Continuously discuss with the contractors to plan for their employment needs and monitor the performance of the Labour Pool List

### **Requirements**

#### **Knowledge of:**

- Local, Regional and Territorial labour markets, trends, issues and challenges
- Pre-employment and training programs, labour market programs and initiatives and other funding programs
- Mining industry, local associations and labour groups
- Employment and Occupational Health and Safety standards and applicable labour laws would be an important asset

#### **Academic and Experiential Qualifications:**

Relevant experience in a human resources recruitment position is desired, including a general understanding of a recruitment process and interview experience. A post-secondary degree would be an asset.

#### **Essential Skills:**

- English and, whenever possible, Inuktitut would be an important asset
- Initiative, professionalism, and independent judgment
- Networking skills
- Working knowledge and understanding of labour groups within the Kivalliq Region
- Well-developed communication skills
- Project planning and project management skills
- Inuit cultural awareness
- Ability to travel frequently to and from the Kivalliq Communities
- Capable of working under pressure

**Leadership:**

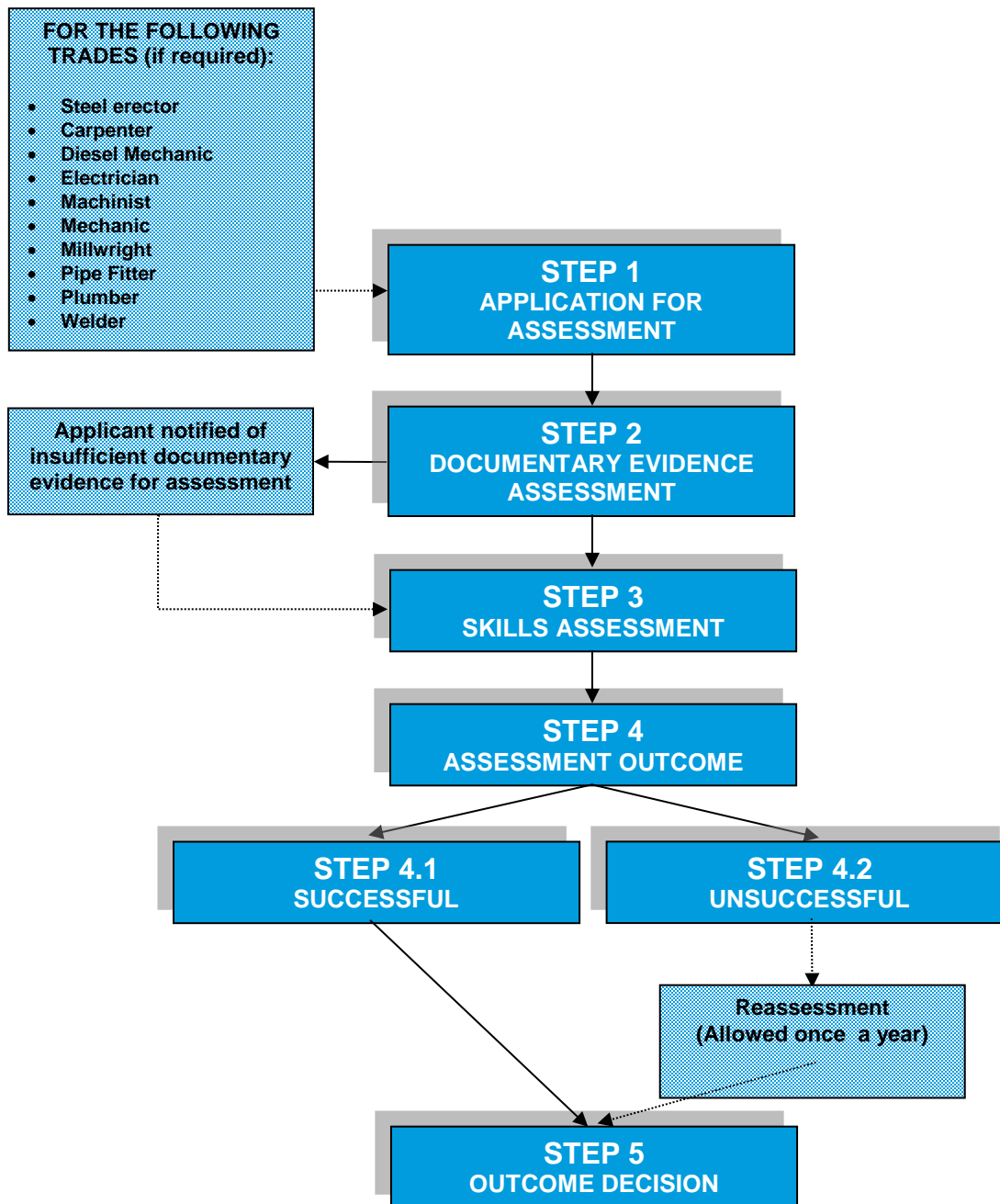
- Leadership, facilitation and team participation skills
- Organization, coordination and time management
- Teamwork and collaboration
- Resilient, adaptive to ongoing change, flexible, creative, able to deal effectively with transition

**Communication/Interpersonal:**

- Strong HR skills while interacting with other people
- Training and presentation skills
- Creative problem-solving and conflict resolution skills
- Ability to communicate effectively in writing
- Public speaking
- Community partnership building
- Negotiation and mediation skills

**Work Schedule:** five days per week

## SKILLS ASSESSMENT PROCESS



### **STEP 1: Application for Assessment**

- With the consent of the applicant, the LPC will assist the applicant in completing the application for assessment, while at the discussion on the application step (step 3) of the Labour Pool Process.
- The LPC will transmit an application for assessment to the assessor, commissioned by AEM to perform the skills assessment.
- The LPC will attach to the application all pertinent information on the trade and the work experience of the applicant.

### **STEP 2: Documentary Evidence Assessment**

- The assessor reviews the information provided by the applicant, including work experience and tasks performed as a tradesperson.
- If the documentation is insufficient to make a sound judgment, the assessor reports it to the LPC who notifies the applicant to submit further documentation. The applicant is required to do so within ten (10) Business Days. An applicant who fails to provide the requested documentation within that timeframe will not go further into the skills assessment process until the requested information is provided.
- If the documentation is sufficient, the assessor will match up the skills and knowledge of the applicant to the Red Seal standards for the trade.
- The assessor will determine if the evidence supplied by the applicant matches the critical skills sets of the trade. If the documentary evidence assessment shows that there is a 60% match to the critical skills, the applicant will be advised that they can proceed to the next stage of the assessment process.

### **STEP 3: Skills assessment**

- The skills assessment is made of two (2) tests:
  1. The skills interview
  2. The practical demonstration
- The technical interview involves a conversation with an experienced assessor. The interview involves the applicant, in a face to face conversation, to answer a series of questions to determine the applicant's level of knowledge and experience. These questions are based on the Red Seal standard for the trade.
- The applicant has the option to do the same type of skills interview in a written form.
- If the interview does not allow the assessor to make a sound decision on the level of knowledge and experience of the applicant, a practical demonstration will allow the assessor to view the skills and knowledge of the applicant via practical tasks.
- The practical assessment is a way for the applicant to demonstrate trade skills against the Red Seal standard. During the assessment, the applicant will be required to complete a series of tasks specific to the trade. The practical demonstration will have been previously developed by a trade school familiar with the trade.

**STEP 4: Assessment Outcome**

- If the applicant can successfully (4.1) demonstrate skills and experience, such result will be communicated to the LPC with a detailed evaluation of the interview/practical assessment for the selected trade.
- If the applicant cannot successfully (4.2) demonstrate skills and experience, such result will be communicated to the LPC with a detailed evaluation of the interview/practical assessment for the selected trade. The assessor will provide feedback, advice and a written recommendation for reassessment. Applicants wishing to apply for a reassessment will be required to present further documentation/training/research/on-the-job experience. Applicants are only eligible for one (1) reassessment per Year.

**STEP 5: Outcome decision**

- The LPC will communicate the outcome of the assessment process to the applicant.
- If the applicant has not successfully demonstrated skills and experience against the Red Seal standard for a given trade, and the applicant hasn't presented any further documentation evidence, the LPC will reassign the applicant to a different (less skilled) occupation. The assessment and full evaluation of the applicant shall be provided to the ECC.

**APPENDIX 23**  
**CHARTER OF THE EMPLOYMENT AND CULTURE COMMITTEE**

**1. ROLES AND RESPONSIBILITIES**

1.1 The Employment and Culture Committee (the “ECC”) shall:

- 1.1.1 act as the forum for collaborative, open exchange and coordination between the Parties with respect to Schedule C (Training and Employment) and Schedule D (Social and Cultural Wellness) and report as needed to the Implementation Committee;
- 1.1.2 develop as a first priority an implementation and monitoring plan outlining the process and timing for the implementation and monitoring of Schedules C and D and deliver such to the Implementation Committee;
- 1.1.3 implement the decisions of the Implementation Committee and any directives issued jointly by the Parties;
- 1.1.4 review and recommend to the Implementation Committee solutions related to:
  - a) the enhancement of employment and training initiatives;
  - b) corrective measures to better achieve the purposes and goals of Schedule C (Training and Employment), including, but not limited to, diversification of the Job Categories occupied by Inuit workers, training programs and hiring practices;
  - c) initiatives and measures to promote employment opportunities at the Whale Tail Project;
  - d) new training initiatives for Inuit workers;
  - e) turnover and absenteeism issues and their impacts, including corrective measures and alternatives;
  - f) employment-related matters faced by workers when they are away from the Whale Tail Project site; and
  - g) measures to better achieve community engagement and integration of cultural practices, as set out in Schedule D (Social and Cultural Wellness).
- 1.1.5 review, develop and recommend solutions related to the Labour Pool Process and the Labour Pool Coordinator;
- 1.1.6 provide input and recommend initiatives AEM will use to promote awareness and education about the mining industry in Nunavut;
- 1.1.7 provide guidance into how Inuktitut may be better incorporated within all parts of the Whale Tail Project;
- 1.1.8 recommend measures that AEM may incorporate into cross-cultural awareness and training programs;
- 1.1.9 recommend measures to incorporate and accommodate Inuit family values and enhance social and cultural wellness;
- 1.1.10 recommend measures to overcome real Inuit workforce barriers;
- 1.1.11 recommend measures to incorporate Inuit Qaujimajatuqangit into the Whale Tail Project;

- 1.1.12 recommend measures for the advancement of Inuit women, youth and challenged workers within the Whale Tail Project; and
- 1.1.13 carry out any other duties and responsibilities attributed to it by the terms and conditions of the Agreement or as may be assigned to it from time to time by the Implementation Committee or as may be agreed by the Parties.
- 1.2 The ECC shall review, develop and recommend solutions with respect to any issue, question, matter or disagreement related to its responsibilities and shall communicate and collaborate with the On-Site Working Group and the Implementation Committee as required.

## **2. MEMBERS**

- 2.1 AEM shall appoint two (2) members to the ECC.
- 2.2 KIA shall appoint two (2) members to the ECC.
- 2.3 The Parties shall appoint members who have expertise, background and skills in the activities that are within the responsibilities of the ECC.
- 2.4 The Parties shall each appoint one (1) alternate member to the ECC who may replace that Party's regular member in the event any member is unable to attend a meeting or carry out any other responsibilities. In such circumstances, the regular member shall provide reasonable notice and all necessary information and documents to the alternate member as required to allow the alternate member to effectively replace the regular member.
- 2.5 Each regular member and alternate member appointed to the ECC by a Party may be replaced at any time, at the sole and entire discretion of the appointing Party.
- 2.6 Either Party may request (but may not require) the removal and replacement of any member who fails to attend two (2) meetings in any one (1) Year, unless such member provides a written explanation justifying such absences to the satisfaction of the other members.

## **3. CONFLICTS OF INTEREST**

The Parties acknowledge the importance of avoiding conflicts of interest in the course of the implementation of the Agreement and their representatives, as members of the ECC, shall perform their duties free from the influence of personal interest. As soon as a member becomes aware of a potential, perceived or actual conflict of interest, the member will disclose such to the chairperson of the ECC, who will decide the consequences applicable in such circumstances. If a member is excluded due to a conflict of interest, the alternate member will replace the excluded member in any discussion involving the conflict. In the event that the chairperson is concerned, such declaration will be made to the chairperson of the Implementation Committee who will decide the consequences applicable in such circumstances.

## **4. INVITEES**

- 4.1 Only members of the ECC and invitees shall be entitled to attend meetings of the ECC.
- 4.2 The ECC and any member thereof may, from time to time, invite any resource person as it deems appropriate to attend or participate in any meeting. Reasonable advance notice will be given to the other members of the ECC.
- 4.3 The ECC may appoint an independent third party to assist the members in their discussions, at the cost of AEM. Such third party shall participate as a non-voting observer and make recommendations to the ECC.



- 4.4 The Administration Officer, the IIBA coordinators and the Labour Pool Coordinator should attend the meetings of the ECC as non-voting observers.

**5. CHAIRPERSON**

The members of the ECC shall appoint, on an annual basis, one (1) of its members to act as chairperson.

**6. DECISIONS**

- 6.1 Decisions of the ECC shall be made by consensus. If consensus on any decision cannot be reached by the members after two (2) meetings, the matter shall be referred by the chairperson of the Committee within five (5) Business Days following the second meeting to the Implementation Committee for resolution. Where consensus of members cannot be reached on any matter included in a report of the ECC, upon the request of an individual member, the particular concern of that member shall be noted in the applicable report.
- 6.2 The decisions of the ECC shall be binding on the Parties to the extent that any financial impact of any decision is within the scope of the Agreement. If the financial impact of any decision would exceed the scope of the Agreement, the concerned Party shall explain to the other Party the reasons that it does or does not accept the decision of the ECC and refer the matter back to the ECC. Notwithstanding the preceding, the ECC shall have no authority or power to amend the Agreement.

**7. EXPENSES**

AEM shall assume all of the expenses related to the activities of the ECC, including KIA's costs in accordance with the Annual Implementation Budget.

**8. MEETINGS AND SCHEDULE OF MEETINGS**

- 8.1 The ECC shall meet at least six (6) times a Year, or more if deemed necessary by the ECC before the Operation Phase, and four (4) times a Year or more after, if required. The ECC shall meet in person as often as possible. The minutes shall be prepared and circulated by the Administration Officer to the members of the ECC within thirty (30) days after each meeting. Once the minutes have been approved by the ECC, each member shall receive a copy.
- 8.2 Meetings of the ECC may be held by any means ensuring adequate communication among the participants. The meetings shall be called at the request of the chairperson of the ECC by giving at least thirty (30) days advance notice of such to all of its members (or in the case of an emergency, as much notice as reasonably possible). In the event of an emergency, the chairperson may, and either Party may require the chairperson to, immediately call a meeting to be held as soon as quorum is attainable.

**9. QUORUM**

The quorum for any meetings of the ECC shall be three (3) of its members, including the most senior representative of each Party on the ECC, unless the Party whose representative is unavailable waives such requirement.

**10. COMMUNICATIONS**

For the purposes of this Appendix any and all communications to the ECC shall be made through the Administration Officer and directed to the attention of the chairperson of the ECC.

## **11. QUARTERLY AND ANNUAL REPORTS**

Within thirty (30) days of the end of each of the first three (3) quarters in each Year, the ECC shall prepare and submit to the Implementation Committee a summary of the matters addressed by the ECC and the outcomes, as well as challenges faced by the ECC and its achievements, a copy of all of the minutes of the ECC meetings during the preceding quarter, a discussion and analysis of all monitoring and mitigation measures, and any recommendations or comments the ECC wishes to provide to the Implementation Committee. Within sixty (60) days of the end of each Year, the ECC shall submit an annual report to the Implementation Committee containing the quarterly report for the last quarter of the Year outlining its achievements and challenges during the preceding Year and its perspective on the new Year, as well as an updated implementation and monitoring plan.

## **12. RELEASE OF MINUTES AND REPORTS**

- 12.1 All minutes of the ECC shall be deemed to be Confidential Information unless otherwise agreed to by the Parties or unless an Inuk or Inuit Firm requests the disclosure of minutes, in which case the minutes cease to be Confidential Information but will be redacted to exclude information that the ECC deems to be commercially sensitive or of a private nature.
- 12.2 Reports of the ECC to or from the Implementation Committee or to or from the Parties shall identify information that the ECC deems confidential which shall not be disclosed unless agreed to by the Parties or unless an Inuk or Inuit Firm requests the disclosure of reports, in which case the report will be redacted to exclude information that the ECC deems to be commercially sensitive or of a private nature.
- 12.3 Disclosure of minutes or reports shall be in compliance with Applicable Laws respecting privacy of information.

## **SCHEDULE D**

### **SOCIAL AND CULTURAL WELLNESS**

#### **1. PURPOSE**

The purpose of this Schedule is to promote social and cultural wellness of Inuit in the Kivalliq Region.

#### **2. OBJECTIVES**

The objectives of this Schedule are to:

- (a) acknowledge the importance of Inuit culture and language at the Whale Tail Project;
- (b) promote cross cultural understanding to achieve and maintain good morale for all workers at the Whale Tail Project and within the Kivalliq Communities; and
- (c) ensure the review of socio-economic impacts and make recommendations on mitigation and adaptation measures over all phases of the Whale Tail Project.

#### **3. COMMUNITY ENGAGEMENT**

- 3.1 AEM will maintain an office in Baker Lake (the “**Community Office**”) for the duration of the Whale Tail Project.
- 3.2 AEM will employ a community liaison officer to work out of the Community Office (the “**Community Liaison Officer**”) whose role will be to act as the liaison between AEM and Inuit of the Kivalliq Region, including:
  - (a) acting as a resource for employment-related matters for workers when they are away from the Whale Tail Project site;
  - (b) acting as a resource and contact person for workers and Inuit of the Kivalliq Region to access programs and services offered by AEM;
  - (c) acting as a contact person for family members when workers are at the Whale Tail Project site; and
  - (d) participating in activities in the Kivalliq Region as a representative of AEM.
- 3.3 AEM will, either itself or through contractors, make available, on an as-needed basis, elders, peer counselors and staff in community offices in the Kivalliq Communities with competence to counsel on work/life balance challenges.
- 3.4 KIA will inform AEM of any of its own initiatives which coincide with AEM’s obligations under this Schedule to promote wellness in the Kivalliq Region.
- 3.5 AEM will provide opportunities for two-way communication between AEM and Inuit of the Kivalliq Region, including annual information sessions in each Kivalliq Community.
- 3.6 AEM will collaborate with Kivalliq Communities on the development and delivery of training programs based on cultural value systems that are intended to assist Inuit to obtain, and retain employment and advance at the Whale Tail Project.

- 3.7 AEM will deliver public information through its annual community information sessions and education programs to:
- (a) contribute to the understanding within Kivalliq Communities of Whale Tail Project activities and emergency preparedness;
  - (b) enable enhanced participation by Kivalliq Communities in environmental and socio-economic monitoring.
- 3.8 AEM will participate through the Kivalliq Mine Training Society or other similar institution in the development of a Family Network Program designed to:
- (a) help families address challenges faced when a family member leaves their community for extended periods of time to work at the Whale Tail Project site;
  - (b) provide social and learning opportunities for the families and communities of workers to get together to support each other and strengthen families' ability to support workers, to reduce concerns about their families during work rotations;
  - (c) increase families' awareness of and access to programs and services available to workers and all residents of the Kivalliq Region relating to employment and training opportunities and social support resources; and
  - (d) increase life skills and financial literacy of family members.
- 3.9 AEM will support Inuit traditional economic activities by purchasing traditional goods when possible.

#### **4. EMPLOYEE FAMILY ASSISTANCE**

- 4.1 AEM will provide access without cost to a culturally appropriate Employee Family Assistance Program to all Inuit employees and their immediate families, with trained counsellors to address issues such as drug and alcohol addiction, financial planning, family counselling, domestic abuse and gambling.
- 4.2 As soon as practicable, AEM will arrange and pay for any medical examinations required by AEM with the intent that Inuit employment is not delayed.

#### **5. LANGUAGE**

- 5.1 For safety reasons, English will be the working language of the Whale Tail Project. AEM shall ensure that all workers are aware of and comply with this provision. Failure to comply shall be considered a matter for which discipline measures shall be taken.
- 5.2 In order to promote the participation and retention of Inuktitut speakers in the workforce at the Whale Tail Project, AEM shall:
- (a) hold orientation and public information sessions in the Kivalliq Communities in both English and Inuktitut;
  - (b) promote the use of Inuktitut at the Whale Tail Project, and ensure that recruitment, application and employment programs and materials, key employment policies, all emergency and exit signs, notices relating to safety and security, and other notices as reasonably requested by workers are translated into Inuktitut;

- (c) retain an individual capable of providing translation services who will facilitate the language commitments of AEM;
- (d) identify Inuktitut speaking workers who can orally translate information from English to Inuktitut, or vice versa, if requested by a worker;
- (e) support the participation of unilingual Inuktitut speakers in the Whale Tail Project, to the extent possible without jeopardizing safety;
- (f) offer “English as a second language” training to workers, without cost;
- (g) offer “Inuktitut as a second language” training to workers selected by AEM, without cost;
- (h) participate in efforts to translate mining specific terms into Inuktitut; and
- (i) ensure compliance at the Whale Tail Project with the Inuit Language Protection Act, S.Nu. 2008, c. 17 as it may be amended from time to time.

5.3 In recognition of the desire of KIA that the use of Inuktitut should increase over the life of the Whale Tail Project, AEM undertakes to:

- (a) establish in consultation with the Employment and Culture Committee, a written policy to guide managers, supervisors and other employees in respect of the use of Inuktitut at the Whale Tail Project (the “**Whale Tail Language Policy**”); and
- (b) prepare annually a written report for review by the Employment & Culture Committee on the use of Inuktitut at the Whale Tail Project (the “**Annual Language Report**”).

5.4 The Annual Language Report shall include the following information in respect of all individuals employed or engaged in training at the Whale Tail Project whose first language is Inuktitut:

- (a) the total number of such employees, together with a list of the Job Category held by each of them;
- (b) the total number of such trainees, together with a list of the trades or occupations in which they were being trained;
- (c) a list of promotions or advancements granted to such employees or trainees;
- (d) a description of any measures that AEM has implemented to facilitate the use of Inuktitut by such employees or trainees;
- (e) compliance with the Whale Tail Language Policy; and
- (f) any other measurement of the extent to which Inuktitut is used in the workplace agreed to by the Employment and Culture Committee.

## 6. CULTURE

6.1 AEM will deliver annual mandatory cross-cultural training to all workers whose total engagement at the Whale Tail Project is expected to last for more than six (6) months. AEM will offer such training at least twice per Year. Attendance by workers will be mandatory, except that any worker who has already attended at least two (2) such courses may be excused.

- 6.2 Cross-cultural training programs will be submitted to the Employment and Culture Committee for review and will include cultures other than Inuit culture if deemed appropriate by the Employment and Culture Committee.
- 6.3 AEM shall, to the extent possible without unduly interfering with the Whale Tail Project's efficient and safe operation, recognize and support Inuit family values by:
- (a) making reasonable accommodations for workers who wish to take leave, without pay, to attend functions such as funerals;
  - (b) making reasonable efforts to grant requests for vacation to allow Inuit workers to engage in traditional activities, including hunting;
  - (c) supporting workers' attendance at extended family functions by allowing workers (who must give reasonable advance notice) to be dropped off or picked up at alternate points of hire whenever possible without jeopardizing travel arrangements for other workers;
  - (d) holding an annual "family day" at the site, including transportation from and to workers' points of hire, for a member of workers' families, the workers to be selected by AEM on an annual and rotational basis, giving priority to long-term workers;
  - (e) holding an annual family day in Baker Lake and Chesterfield Inlet; and in other Kivalliq Communities on a rotational basis; and
  - (f) holding an annual Inuit Qaujimajatuqangit day on-site to facilitate the sharing of cultural identity and values among Whale Tail Project workers.
- 6.4 AEM shall recognize and support Inuit culture by:
- (a) providing, without cost to workers, on-site internet, email and telephone facilities for workers to communicate with family members;
  - (b) providing an office for an on-site elder or peer who is fluent in Inuktitut with whom workers can discuss concerns and who can provide cultural support and counselling on a confidential basis;
  - (c) offering on-site recreational programming that includes cultural activities;
  - (d) ensuring that the provision of food at the mine site includes offering country food on a regular basis, in accordance with Applicable Laws;
  - (e) maintaining a freezer and separate eating area on-site for use by Inuit who wish to store and consume country food, in accordance with Applicable Laws;
  - (f) incorporating Inuit Qaujimajatuqangit principles into Human Resources policies for the Whale Tail Project, and into such other areas governing the operation of the Whale Tail Project as may be reasonable; and
  - (g) maintaining an on-site "quiet room" designed for workers to have a quiet place within which they may hold religious or spiritual functions or similar activities.

## **7. ARCHAEOLOGY**

AEM acknowledges that the archaeological record of the Nunavut Settlement Area is of spiritual, cultural, religious and educational importance to Inuit. AEM shall comply with

all of the requirements of Article 33 of the NLCA and with all legislation, regulations and policies relating thereto, including the *Historical Resources Act* (Nunavut) and the *Historic Sites and Monuments Act* (Canada) and shall comply with all lawful directions and requirements of any Designated Agency referred to in Article 33 of the NLCA. AEM shall provide awareness training and a manual to all workers and contractors to assist in the recognition of heritage resources.

## **8. SOCIO-ECONOMIC INUIT IMPACT AND BENEFIT REVIEW**

- 8.1 As of the Effective Date, AEM shall have awarded a contract to develop the appropriate parameters or indicators, taking into consideration the Whale Tail Project's life of mine, including the Post Operation Phase, to facilitate a review of the socio-economic impacts and benefits on Inuit from the Whale Tail Project. The draft terms of reference of such contract and the selection of the contractor shall be undertaken by AEM in collaboration with the Employment and Culture Committee and approved by KIA. The contractor shall provide the appropriate parameters or indicators to the Parties within thirty (30) days after the award.
- 8.2 AEM and the Employment and Culture Committee will develop the terms of reference and select a contractor to prepare a baseline review report on the socio-economic impacts on and benefits to Inuit from the Whale Tail Project (the "**SEIIBR**"). The SEIIBR shall include a work plan and recommendations to monitor, evaluate and analyze the appropriate parameters or indicators for the Whale Tail Project over all phases. The initial SEIIBR baseline report should draw on but not be limited to socio-economic baseline work already completed during the Whale Tail environmental assessment process (as documented within the FEIS); on data available from the Kivalliq Socio-Economic Monitoring Committee's work; and on data available from other AEM, KIA and government sources.
- 8.3 Within thirty (30) days after the selection of the contractor, AEM shall direct the selected contractor to conduct the work described in the terms of reference and deliver a report to the Parties and the Employment and Culture Committee. The contractor shall deliver the SEIIBR ninety (90) days following selection of the contractor.
- 8.4 If the Construction Date occurs more than two (2) years after the date of the initial SEIIBR, AEM shall, within six (6) months, direct the contractor to deliver an updated SEIIBR within the next six (6) months.
- 8.5 Notwithstanding the preceding section, the Employment and Culture Committee shall determine the appropriate time for further SEIIBR reviews for the purposes of obtaining updated information in advance of the three-year review of the Agreement as set out in Chapter 6. SEIIBR reviews shall not be conducted more than once in any two-year period.
- 8.6 The SEIIBR will draw its data from the sources referred to in the terms of reference and any other relevant sources of information. Each further SEIIBR will include data from the immediately preceding Years.
- 8.7 The Employment and Culture Committee will analyse each SEIIBR within three (3) months after it has been received and make any recommendations on mitigation measures, monitoring, procedures and policies to be followed by AEM, with the objective of

enhancing the positive impacts and minimizing the negative impacts of the Whale Tail Project on Inuit.

- 8.8 The Employment and Culture Committee will, in a timely manner, transmit the SEIIBR to the Implementation Committee for its consideration, together with any recommendations of the Employment and Culture Committee.

**9. POST OPERATION PHASE**

At least twelve (12) months before the expected date of termination of the Operation Phase or immediately upon early termination or Abandonment, the Employment and Culture Committee will recommend to the Implementation Committee modifications to this Schedule to make it applicable to the Post Operation Phase, which shall be in keeping with the purpose and objectives of this Schedule.

**10. EMPLOYMENT AND CULTURE COMMITTEE**

The Parties shall take direction from the Employment and Culture Committee on the manner in which the obligations of this Schedule are to be implemented, to give effect to the purpose and intent of this Schedule. AEM and KIA agree to provide all relevant information requested by the Employment and Culture Committee to allow it to fulfill its role and responsibilities in order to implement this Schedule.



## **SCHEDULE E FINANCIAL COMPENSATION**

### **1. PURPOSE**

The purpose of this Schedule is to provide for the payment by AEM of financial compensation to KIA on behalf of the Inuit of the Kivalliq Region for the direct and indirect impact on Inuit from the Whale Tail Project and any Additional Mining Activities.

### **2. OBJECTIVE**

The objective of this Schedule is to set out the terms and conditions upon which financial compensation shall be calculated and paid.

### **3. APPENDICES**

The following appendix forms part of this Schedule:

Appendix 5 Form of net smelter returns royalty agreement

### **4. FINANCIAL COMPENSATION**

4.1 AEM shall make the following payments to KIA upon execution of the Agreement:

- (a) three million, five hundred thousand dollars (\$3,500,000.00); and
- (b) three million dollars (\$3,000,000.00) which shall be placed by KIA into a community initiative fund. KIA may expend the principal and/or interest of the community initiative fund from time to time to support those projects within the Kivalliq Region that KIA determines, in its discretion, are appropriate.

4.2 Payments under section 4.1, once made, are non-refundable. There are no other fixed payments payable to KIA.

4.3 The payments under section 4.1 are one-time payments only and, subject to section 4.2.7 of the Agreement, no amount, including without limitation any milestone payment or standby payment, other than the Royalty, shall be payable upon and after the execution of an amendment to the Agreement or any Inuit Impact and Benefit Agreement both in relation to Additional Mining Activities, including an amendment pursuant to section 6.1.1, it being agreed that the Parties may negotiate financial compensation in the event of a material change in circumstances as contemplated by section 6.1.1 of the Agreement.

### **5. ROYALTY**

AEM shall pay KIA by way of a 1.4% net smelter returns royalty (the “**Royalty**”), in accordance with a net smelter returns royalty agreement to be entered into by the Parties on the same date as the Agreement in the form attached to this Schedule as Appendix 5 (“**NSR Royalty Agreement**”). The Royalty shall apply to the Whale Tail Project and to any Additional Mining Activities and shall not be subject to review or renegotiation notwithstanding any amendment to the Whale Tail Project Description within the Amaruq Area and whether or not there is a separate Inuit Impact and Benefit Agreement for

Additional Mining Activities. The Royalty shall not be subject to review pursuant to section 6.1.1 of the Agreement.

## **6. FINANCIAL COMPENSATION FORECASTING AND REPORTING**

- 6.1 At least ninety (90) days before the beginning of each of AEM's financial years, AEM shall deliver or cause to be delivered to KIA a preliminary Annual Forecast Report. AEM shall deliver or cause to be delivered to KIA the final Annual Forecast Report as soon as practicable following its preparation.
- 6.2 At least ninety (90) days after the commencement of each of AEM's financial years, AEM shall provide to KIA an Annual Report of Operations for the most recently completed financial year, and from time to time shall provide such additional information as KIA may reasonably request.
- 6.3 KIA shall treat the preliminary and final Annual Forecast Report, the Annual Report of Operations, and any other forecast of potential financial compensation as Confidential Information until such time as AEM has publicly disclosed the relevant information. AEM shall not be required to update any forecasts during the financial year and AEM shall incur no liability in the event a forecast is wrong. KIA shall rely on any forecast at its sole risk.

## **7. IMPLEMENTATION COSTS**

Costs incurred by KIA in connection with this Schedule, including costs for reviewing any reports or other information provided by AEM under this Schedule and the NSR Royalty Agreement, shall be paid to KIA by AEM in accordance with the budget to be developed pursuant to Schedule F (Implementation).

**APPENDIX 5**  
**FORM OF NSR ROYALTY AGREEMENT**

**THIS NET SMELTER RETURNS ROYALTY AGREEMENT** made as of this \_\_\_\_ day of \_\_\_\_, 20 \_\_\_\_.

**BETWEEN:**

**KIVALLIQ INUIT ASSOCIATION**, a society organized under the laws of Nunavut, (“**KIA**”)

**AND:**

**AGNICO EAGLE MINES LIMITED**, a company incorporated under the laws of Ontario, (“**AEM**”)

**WHEREAS** AEM is a mineral exploration and development company and has discovered a number of mineral deposits, commonly known as the Whale Tail Project, on Inuit Owned Lands where the surface rights are administered by KIA;

**AND WHEREAS** AEM has conducted and continues to conduct mineral exploration and development for the Whale Tail Project and, if successful, intends to place one or more of such deposits into commercial production;

**AND WHEREAS** the Whale Tail Project will result in negative direct and indirect impacts on Inuit;

**AND WHEREAS** AEM and KIA are parties to the IIBA which provides, among other things, that KIA and AEM will enter into this Royalty Agreement;

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained in this Royalty Agreement, and the sum of ten dollars (\$10.00) and other good and valuable consideration, the Parties agree as follows:

**1. DEFINITIONS**

In this Royalty Agreement, the following terms have the following meanings:

- (a) “**Additional Mining Activities**” means those mining related activities, in addition to those mining activities related to the Whale Tail Project, that AEM may conduct from time to time within the Amaruq Area.
- (b) “**AEM**” means Agnico Eagle Mines Limited, a company incorporated under the laws of the Province of Ontario and shall include without limitation, AEM’s assignees, partners, joint venture partners, lessees and mortgagees having or claiming an interest in AEM’s interest in the Property.
- (c) “**Allowable Deductions**” means the following items to the extent they are paid, incurred or borne by AEM and/or its Related Parties for or with respect to Product, in each case determined without duplication:

- (i) all costs and expenses of smelting, refining and other beneficiation processes (including tolling charges, representation expenses, metal losses, referee charges, umpire charges, penalties, fees, costs of weighing, sampling and assaying, provisional settlement fees and any other processing charges, applicable penalties, discounts or costs);
  - (ii) all costs, expenses and charges in connection with the security, transportation (including insurance, shipping, freight, stockpiling, storage, warehousing, handling, port, demurrage, delay and forwarding expenses, transaction taxes, customs and customs clearance, import and export duties and permit costs, and related administration expenses) of Product to a mint, smelter or refinery or other place of mineral treatment or beneficiation wherever located and from there to the place or places of storage and/or sale to the ultimate purchaser;
  - (iii) sales, use, gross receipts, customs duties, severance, value added taxes and other taxes and governmental charges, if any, payable with respect to the existence, severance, production, removal, sale, processing, transportation or disposition of Product, but excluding:
    - A. any taxes based on the gross or net income of AEM and/or its Related Parties; and
    - B. any business or franchise taxes of AEM and/or its Related Parties;
  - (iv) costs and fees of marketing, sales, insurance, consignment, agency fees and sales brokerage, and any discounts or rebates given to purchasers for off-specification or damaged Product; and
  - (v) all Permitted Treatment Costs.
- (d) **“Amaruq Area”** means the 9,330 hectare area described in Schedule “A” to this Royalty Agreement.
  - (e) **“Average COMEX Price”** means the average daily spot price or equivalent for a specified metal as published by COMEX (or should that quotation cease, another similar quotation acceptable to the Parties, acting reasonably) calculated by summing such quoted prices reported for each day and dividing the sum by the number of days for which such prices were reported.
  - (f) **“Average Gold Price”** means the average LBMA Gold Price (afternoon fix) as published by the LBMA on its website (or should that quotation cease, another similar quotation acceptable to the Parties, acting reasonably) calculated by summing such quoted prices reported for each day and dividing the sum by the number of days for which such prices were reported.
  - (g) **“Average Silver Price”** means the average LBMA Silver Price as published by the LBMA on its website (or should that quotation cease, another similar quotation acceptable to the Parties, acting reasonably) calculated by summing such quoted

prices reported for each day and dividing the sum by the number of days for which such prices were reported.

- (h) “**Business Day**” means any day, other than a Saturday, Sunday or a statutory holiday in the Territory of Nunavut or the Province of Ontario, or any day on which chartered banks are closed for business in the Hamlet of Rankin Inlet or the City of Toronto.
- (i) “**Commercial Production**” means and shall be deemed to have commenced when AEM declares that operating levels at the Whale Tail Project as intended by AEM’s management at the Whale Tail Project have been reached, including operational commissioning of major mine and plant components and the achievement of operating results consistently for thirty (30) continuous days of production.
- (j) “**COMEX**” means the COMEX division of the New York Mercantile Exchange.
- (k) “**Confidential Information**” has the meaning set out in Section 11(c)(i).
- (l) “**Dispute**” has the meaning set out in Section 7.
- (m) “**Effective Date**” means the date of execution of this Royalty Agreement.
- (n) “**Gold Production**” means the quantity of Refined Gold returned or credited during a calendar quarter to the pool account of AEM or any of its Related Parties by a refinery that produces Refined Gold for AEM or any of its Related Parties in respect of Product.
- (o) “**Governmental Authority**” means any of the following having jurisdiction: federal, territorial, provincial, municipal or local government, quasi-governmental authority, court, self-regulatory organization, commission, tribunal or organization or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing and includes an institute of public government pursuant to the NLCA.
- (p) “**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board, as updated and amended from time to time.
- (q) “**IIBA**” means the Inuit Impact Benefit Agreement for the Whale Tail Project, entered into between KIA and AEM dated as of the date of this Royalty Agreement.
- (r) “**Interest Rate**” means the rate of 2% per annum above a rate announced from time to time by the Royal Bank of Canada or such other Canadian chartered bank as may be agreed upon between the Parties, as its prime rate, charged from time to time on demand loans made by it in Canadian dollars to its most creditworthy clients.
- (s) “**Intermediate Product**” means concentrates (including leachates, precipitates, and other concentrates), doré, and other intermediate product, if any, produced from Raw Product.

- (t) “**Inuit Owned Lands**” has the meaning set out in Article 1.1.1 of the NLCA and located within the Kivalliq Region.
- (u) “**KIA**” means the Kivalliq Inuit Association, a society incorporated under the *Societies Act* (Nunavut) and any successor thereto which is a Designated Inuit Organization for the Kivalliq Region pursuant to the NLCA.
- (v) “**Kivalliq Region**” means the Kivalliq Land Use Region (formerly known as the Keewatin Land Use Region) as set out in Schedule 19-4 of the NLCA.
- (w) “**LBMA**” means the London Bullion Market Association.
- (x) “**NIRB**” means the Nunavut Impact Review Board established pursuant to the Nunavut Planning and Project Assessment Act (Canada).
- (y) “**NLCA**” means the *Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* that was ratified by vote of the Inuit of the Nunavut Settlement Area and by the Nunavut Land Claim Agreement Act, S.C. 1993, c.29, as amended from time to time.
- (z) “**Net Smelter Returns**” means the Receipts less Allowable Deductions.
- (aa) “**Net Smelter Returns Royalty**” has the meaning set out in Section 3(a) hereof.
- (bb) “**Notices**” has the meaning set out in Section 11(d).
- (cc) “**Offtake Party**” means a mint, smelter, refiner, processor, third party, purchaser or other recipient to whom Product is shipped or delivered by AEM.
- (dd) “**Ore**” means a mineral or mineral aggregate, containing precious or useful metals or metalloids which occur in nature.
- (ee) “**Other Refined Product**” means Product other than Refined Gold or Refined Silver produced through subsequent smelting and/or refining and the outturned metal therefrom which meets the relevant specifications for refined products that have prices regularly quoted on the COMEX and in each case produced from Raw Product and/or Intermediate Product from the Property.
- (ff) “**Party**” means AEM or KIA and “**Parties**” means AEM and KIA, collectively.
- (gg) “**Permitted Treatment Costs**” means the costs and charges incurred for the production of Refined Product if smelting or refining is carried out in facilities owned or controlled, in whole or in part, by AEM or its Related Parties; and for determining Allowable Deductions such amount shall be deemed to be the costs that would have been incurred if such smelting or refining were carried out at facilities not owned or controlled by AEM or its Related Parties then offering comparable services for comparable products on prevailing market terms.
- (hh) “**Product**” means Raw Product, Intermediate Product, Refined Product and Other Refined Product produced from all Ore extracted, mined and removed from the

Property, it being agreed that all commercially saleable product produced from Ore mined from the Property and that generates revenues to AEM shall be included in this Royalty Agreement, including, without limitation, all saleable gold, silver and other metallic product produced and sold from the Property, and that the sales of the same shall produce Receipts. Product shall not include any material mined and removed from the Property for use by AEM for roads, foundations, concrete or other construction or industrial uses relating to the Property, or material that is processed that did not originate from the Property, and shall not include any material that is not recovered for commercial sale from Ore extracted from the Property.

- (ii) “**Property**” means the land, mineral rights and other interests in the Amaruq Area held by or on behalf of AEM or any Related Party, as set out in Schedule A to this Royalty Agreement.
- (jj) “**Raw Product**” means Ore produced from the Property in the form of run of mine Ore, direct shipment Ore and other similar crude or raw Ore produced from the Property without further processing other than crushing.
- (kk) “**Receipts**” for the applicable calendar quarter means, without duplication, all revenues received by AEM, or deemed received as set out below, for any Product sold by AEM, or deemed sold as set out below. The amount of such revenues shall be determined as follows:
  - (i) **Third Party Sale But Not Refined by AEM or Related Party.** If Raw Product or Intermediate Product is (A) sold by AEM to a smelter, refinery or other third party purchaser (other than to a Related Party of AEM) or (B) is distributed in-kind to a Related Party and subsequently sold by such Related Party to a smelter, refinery or other third party purchaser, but in either case is not further processed or converted by or for AEM or such Related Party into Refined Product, then the Receipts with respect to such Raw Product or Intermediate Product shall equal the amount of net revenues actually received by AEM or any such Related Party from the physical sale of the payable metals in such Product to the smelter, refinery or other third party purchaser of Product, including any bonuses, premiums and subsidies.
  - (ii) **Consumed by Related Party.** If Raw Product or Intermediate Product is distributed to a Related Party in any transaction that is not covered by Section 1(kk)(i) above, such as in the case where the Related Party consumes such Raw Product or Intermediate Product in its own operations, then in such event revenues shall be deemed to be received by AEM with respect to such Raw Product or Intermediate Product in an amount equal to the fair market value price that would otherwise be received from a third party in an arm’s length transaction for the sale of such Raw Product or Intermediate Product. Such fair market value shall be reasonably determined by AEM on the basis of world terms from any refineries, mints and/or custom smelters to which such Raw Product or Intermediate Product would otherwise be shipped and processed, for like kind, quantity, quality and grade of such Raw Product or Intermediate Product, on an annual basis.

- (iii) **Credit to AEM of Refined Gold Not Sold within Sixty (60) Days.** If Raw Product or Intermediate Product is sold to a smelter, refinery or other third party purchasers (other than AEM or a Related Party of AEM) under any smelting or refining arrangement or any other transactions that result in the return to, or credit to, the account of AEM or any Related Party of Refined Gold, and AEM does not sell such returned or credited Refined Gold to an arm's length third party within sixty (60) days of such credit or return, then notwithstanding anything in this Royalty Agreement to the contrary such Refined Gold shall be deemed to be sold by AEM at the Average Gold Price for the calendar quarter in which gold was returned or credited to the account of AEM or its Related Party and Receipts in respect of such Refined Gold shall be determined by multiplying Gold Production for such calendar quarter by the Average Gold Price for such calendar quarter and shall be deemed received by AEM.
- (iv) **Credit to AEM of Refined Silver Not Sold within Sixty (60) Days.** If Raw Product or Intermediate Product is sold to a smelter, refinery or other third party purchaser (other than AEM or a Related Party of AEM) under any smelting or refining arrangement or any other transactions that result in the return to, or credit to the account of AEM or any Related Party of Refined Silver, and AEM does not sell such returned or credited Refined Silver to an arm's length third party within sixty (60) days of such credit or return, then notwithstanding anything in this Royalty Agreement to the contrary such Refined Silver shall be deemed to be sold by AEM at the Average Silver Price for the calendar quarter in which silver was returned or credited to the account of AEM or its Related Party and Receipts in respect of such Refined Silver shall be determined by multiplying Silver Production for such calendar quarter by the Average Silver Price for such calendar quarter and shall be deemed received by AEM.
- (v) **Credit to AEM of Other Refined Product Not Sold within Sixty (60) Days.** If Raw Product or Intermediate Product is sold to a smelter, refinery or other third party purchaser (other than AEM or a Related Party of AEM) under any smelting or refining arrangement or any other transactions that result in the return to, or credit to the account of AEM or any Related Party of Other Refined Product and AEM does not sell such returned or credited Other Refined Product to an arm's length third party within sixty (60) days of such credit or return, then notwithstanding anything in this Royalty Agreement to the contrary such Other Refined Product shall be deemed to be sold by AEM at the Average COMEX Price for the calendar quarter in which the Other Refined Product was returned or credited to the account of AEM or its Related Party and Receipts in respect of such Other Refined Product shall be determined by multiplying respective production for such calendar quarter by the Average COMEX Price for such calendar quarter and shall be deemed received by AEM.
- (vi) **Refined Product Sold by Related Party.** If Raw Product or Intermediate Product is distributed to a Related Party where such Raw Product or



Intermediate Product is converted by or for such Related Party into Refined Product which is then sold, such sale shall be deemed to be a sale by AEM for the purposes of making the calculations in this Section and the revenues from such sale shall be deemed to have been received by AEM.

- (vii) **Refined Product Streaming.** If Refined Product is sold pursuant to a Refined Product Streaming Agreement then the Receipts with respect to such streamed Refined Product shall be calculated based on the Average Gold Price, Average Silver Price or Average COMEX Price, as the case may be, for the calendar quarter in which metal was returned or credited to the account of AEM or its Related Party and Receipts in respect of such Refined Product shall be determined by multiplying Gold Production, Silver Production or Other Refined Product production, as the case may be, for such calendar quarter by the Average Gold Price, Average Silver Price or Average COMEX Price, as the case may be, for such calendar quarter and shall be deemed received by AEM. For greater certainty Receipts shall not be based on any revenues from an upfront deposit and/or payment pursuant to a Refined Product Streaming Agreement.
- (viii) **Other Products.** If any Product is sold by AEM or a Related Party and not included in Sections (kk) (i) to (vii) above, then the Receipts shall:
  - A. in the case of a sale to an arm's length purchaser, be the amount of gross proceeds actually received by AEM or its Related Parties; and
  - B. in the case of a sale to a non-arm's length purchaser, revenues will be deemed to be received by AEM with respect to such Product in an amount equal to the fair market value price that would otherwise be received from a third party in an arm's length transaction for the sale of such Product.
- (ix) **Insurance.** In the event that any insurance proceeds are paid to AEM and/or its Related Parties for any loss or damage to Product such insurance proceeds shall be included as Receipts.
- (x) **Trading Activities.** Receipts shall not include any revenue or losses from any Trading Activities.
- (ll) **"Refined Gold"** means marketable metal bearing material in the form of gold bars or coins that is refined to a minimum 995 parts per 1,000 fine gold.
- (mm) **"Refined Silver"** means marketable metal bearing material in the form of silver bars or coins that is refined to a minimum 999 parts per 1,000 fine silver.
- (nn) **"Refined Product"** means Refined Gold, Refined Silver and Other Refined Product produced from Intermediate Product through refining and/or smelting or equivalent treatment operations.

- (oo) **“Refined Product Streaming Agreement”** means a metal purchase agreement that provides, in exchange for an upfront deposit and/or payment, the right to purchase all Refined Product produced from the Whale Tail Project at a pre-set price less than or greater than the Average Gold Price, Average Silver Price or Average COMEX Price for a calendar quarter.
- (pp) **“Related Party”** means with respect to any person, another person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such person, where “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract, as trustee or executor, or otherwise and, for the purposes hereof, Related Parties of a person that is a partnership shall include the partners of such partnership.
- (qq) **“Royalty Agreement”** means this net smelter returns royalty agreement as may be amended, supplemented or modified from time to time.
- (rr) **“Silver Production”** means the quantity of Refined Silver returned or credited during a calendar quarter to the pool account of AEM or any of its Related Parties by a refinery that produces Refined Silver for AEM or any of its Related Parties in respect of Products.
- (ss) **“Submission Period”** has the meaning set out in Section 8(c).
- (tt) **“Taxes”** means all taxes of any kind or nature whatsoever including corporation taxes, capital taxes, realty taxes (including utility charges which are collectible like realty taxes), net proceeds of mine taxes, privilege taxes, excise taxes, business taxes, property transfer taxes, income taxes, sales taxes, customs duties, payroll taxes, levies, stamp taxes, royalties, territorial mining taxes and mining duties, including duties imposed under applicable Nunavut legislation, and all fees, including claim fees, deductions, compulsory loans and withholdings imposed, levied, collected, withheld or assessed as of the date hereof or at any time in the future, by any Governmental Authority of any jurisdiction whatsoever having power to tax.
- (uu) **“Trading Activities”** means any and all price hedging, including streaming or any other form of price protection or novel financing activities undertaken by AEM or its Related Parties with respect to any Product, raw materials, interest rates or currency exchanges including without limitation, any forward sale and/or purchase contracts, spot-deferred contracts, option contracts, speculative purchases and sales of forward, futures and option contracts, both on and off commodity exchanges.
- (vv) **“Whale Tail Project”** means the Whale Tail Project described in the project description filed with NIRB on June 17, 2016.
- (ww) **“Whale Tail Project Certificate”** means a project certificate issued by NIRB for the Whale Tail Project.

## 2. INTERPRETATION

- (a) **Schedules.** The attached Schedules A, B and C are incorporated into and form part of this Royalty Agreement.
- (b) **Severability.** If any provision contained in this Royalty Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality and enforceability of the remaining provisions, and each provision shall be separate, severable and distinct. To the extent that any such provision is found to be invalid, illegal or unenforceable, the Parties shall act in good faith and use best efforts to substitute for such provision, to the extent possible, a new provision with content and purpose as close as possible to the provision so determined to be invalid, illegal or unenforceable.
- (c) **Performance on Holidays.** If any action is required to be taken pursuant to this Royalty Agreement on or by a specified date which is not a Business Day, then such action will be valid if taken on or by the next Business Day.
- (d) **Calculation of Time.** In this Royalty Agreement, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Rankin Inlet time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period will terminate at 5:00 p.m. (Rankin Inlet time) on the next Business Day.
- (e) **Consent.** Whenever a provision of this Royalty Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (f) **Headings.** The headings to the sections and subsections of this Royalty Agreement are inserted for convenience only and will not affect the interpretation hereof.
- (g) **Other Matters of Interpretation.** In this Royalty Agreement:
  - (i) the term “includes” or “including” means “including without limitation to the generality of the foregoing”;
  - (ii) all provisions requiring a Party to do or refrain from doing something with respect to a matter will be interpreted as the covenant of that Party with respect to that matter notwithstanding the absence of the words “covenants” or “agrees” or “promises”; and
  - (iii) all provisions requiring a Party to do something will be interpreted as including the covenant of that Party to cause that thing to be done when the Party cannot directly perform the covenant but can indirectly cause that covenant to be performed, whether by a Related Party under its control or otherwise.

- (h) The Parties agree that, notwithstanding the definition herein of the Whale Tail Project, the provisions of this Royalty Agreement shall apply to all Additional Mining Activities. In the event that NIRB requires that Additional Mining Activities be subject to a project certificate that is separate from the Whale Tail Project Certificate, the Parties agree that the provisions of this Royalty Agreement shall be duplicated in a separate Inuit Impact and Benefit Agreement covering the Additional Mining Activities.

### 3. GRANT AND COMPUTATION OF NET SMELTER RETURNS ROYALTY

- (a) **Grant of Royalty.** AEM grants to KIA a perpetual royalty equal to 1.40% of Net Smelter Returns (the “**Net Smelter Returns Royalty**”), payable on the terms herein.
- (b) **Computation.** The Net Smelter Returns Royalty shall be calculated for each calendar quarter and the amount of the Net Smelter Returns Royalty payable to KIA in respect of any calendar quarter shall be equal to the product of 1.40% multiplied by the Net Smelter Returns in such calendar quarter. A sample Net Smelter Returns Royalty calculation is shown in the attached Schedule B.
- (c) **Currency and Exchange Rates.** The Net Smelter Returns Royalty shall be paid by AEM to KIA in the same currency as the Net Smelter Returns received by AEM, that being either United States dollars or Canadian dollars, as the case may be.
- (d) **Insurance Proceeds.** If AEM receives insurance proceeds for the loss or destruction of Product, AEM shall within ten (10) days of receiving such proceeds pay to KIA 1.40% of the gross insurance proceeds received by AEM.
- (e) **Trading Activities.** AEM has the unrestricted right to engage in Trading Activities. Trading Activities and the profits and losses generated thereby, shall not, in any manner, be taken into account in the calculation of Net Smelter Returns Royalty payments due to KIA, whether in connection with the determination of price, the date of sale or the date any Net Smelter Returns Royalty payment is due. KIA acknowledges that Trading Activities may result in AEM or its Related Parties realizing fewer or more dollars for Product than the calculated Receipts with respect to the same Product. KIA shall not be entitled to share in the profits, nor obligated to share in any losses, of AEM or a Related Party generated by any Trading Activities.
- (f) **Running with the Property.** The Parties intend that the Net Smelter Returns Royalty, to the extent permissible under applicable law, constitutes an interest in the Property and agree that the Net Smelter Returns Royalty will run with AEM’s right, title and interest in the Property and any disposition or transfer of the Property, or any interest therein, shall be subject to this Royalty Agreement.
- (g) **Term of Royalty.** Subject to Section 3(h) below, the term of the Net Smelter Returns Royalty shall be perpetual.

- (h) **Rule Against Perpetuities.** If any right, power or interest of either Party pursuant to this Royalty Agreement would violate the rule against perpetuities, then such right, power or interest shall terminate twenty (20) years after the death of the last survivor of all the lineal descendants of Her Majesty Queen Elizabeth of England, living on the date of this Royalty Agreement.
- (i) **Registration.** KIA shall have the right from time to time to register or record a notice or a memorandum of this Royalty Agreement and the Net Smelter Returns Royalty against any title to the Property, including with the Mining Recorder of Nunavut, and AEM shall cooperate with such registrations and recordings and provide its written consent or signature to any documents and do such other things from time to time as are necessary or desirable to effect such registrations or recordings.

#### 4. PAYMENT OF NET SMELTER RETURNS ROYALTY

- (a) **Payments.** AEM shall pay to KIA, on a quarterly basis, a payment equal to the Net Smelter Returns Royalty computed under Section 3(b) within forty-five (45) days after the end of each of the first three calendar quarters (Q1, Q2 and Q3) and ninety (90) days after the end of the fourth calendar quarter and shall deliver with such payment a statement showing in reasonable detail the quantities and grades of Product sold or deemed to be sold by AEM and/or its Related Parties, as applicable in the preceding calendar quarter, the Receipts, the Allowable Deductions, and all other pertinent information in sufficient detail to explain the calculation of the Net Smelter Returns Royalty payment.
- (b) **Option for Payment In Kind.** KIA may elect to receive its Net Smelter Returns Royalty relating to gold “in cash” or “in kind” as Refined Gold. Such election may be exercised once per year on a calendar year basis. Notice of election to receive the following year’s Net Smelter Returns Royalty relating to Refined Gold “in cash” or “in kind” shall be made in writing by KIA and delivered to AEM on or before November 1 of each year. In the event no written election is made, the Net Smelter Returns Royalty will continue to be paid to AEM as it is then being paid. As of the Effective Date, KIA elects to receive its Net Smelter Returns Royalty “in cash”.
- (c) **Method of Payment In Kind.** If KIA elects to receive its Net Smelter Returns Royalty “in kind”, KIA shall open a bullion storage account at each Offtake Party designated by AEM as a possible recipient of Product in which KIA owns an interest pursuant to this Royalty Agreement. KIA shall be solely responsible for all costs and liabilities associated with maintenance of such account or accounts, and AEM shall not be required to bear any additional expense with respect to such “in-kind” payments. The Net Smelter Returns Royalty will be paid “in kind” by the deposit of Refined Gold into the account established by KIA, as indicated in writing by KIA within forty-five (45) days after the end of each of the first three calendar quarters (Q1, Q2 and Q3) and ninety (90) days after the end of the fourth calendar quarter, AEM shall deliver written instructions to the applicable Offtake Party, with a copy to KIA, directing the Offtake Party to deliver Refined Gold due to KIA in respect of the Net Smelter Returns Royalty, by crediting to KIA’s account the

amount of Refined Gold representing the Net Smelter Returns Royalty payable. The amount of Refined Gold to be credited will be based upon KIA's share of the previous quarter's Receipts. Title to Refined Gold delivered to KIA under this Royalty Agreement shall pass to KIA at the time such Refined Gold is credited to KIA's account at the applicable Offtake Party.

- (d) **Method of Payment in Cash and Disputed Payments.** All payments to be made to KIA under this Royalty Agreement "in cash" shall be made when due by wire transfer to a bank account as designated by KIA in writing from time to time. If any dispute arises with respect to a proper payment, AEM may make such payment by depositing the same into an interest-bearing escrow account pending resolution of the dispute, and upon such deposit no interest charges for late payment shall accrue but KIA shall be entitled to any interest paid on any amount held in the escrow account which is determined to be properly owing to KIA. Any payment not otherwise made when due shall bear interest at an annual rate of interest equal to the Interest Rate, which shall accrue from the date due until the date paid.
- (e) **Withholdings.** If any Taxes are required by applicable law to be deducted, withheld, charged or levied by AEM on any such payments to KIA, then AEM shall be entitled to deduct or withhold from the payment to KIA and remit such amounts to the applicable taxing authorities as required by law, and any payment to KIA under this Royalty Agreement shall be made net of such Taxes without gross-up or make-whole provisions. All relevant facts relating to such deductions will be set out in the quarterly statement.

## 5. ACCOUNTING MATTERS

All Receipts and Allowable Deductions shall be determined in accordance with IFRS as applied by AEM.

## 6. AUDITS

- (a) **CFO Certificate.** AEM shall provide KIA within one hundred and twenty (120) days following the end of each calendar year with a certificate by AEM's Chief Financial Officer that the Net Smelter Returns Royalty payments made hereunder during the previous calendar year have been calculated accurately in accordance with the terms of this Royalty Agreement.
- (b) **Audit.** KIA, upon written notice to AEM, shall have the right, at any time and from time to time, to inspect and audit or have an independent firm of certified or chartered public accountants inspect and audit the records, including all records relevant to such calculation which are in the possession of Related Parties, that relate to the calculation of the Net Smelter Returns Royalty within nine (9) months after filing by AEM pursuant to applicable securities legislation of its audited annual financial statements for each financial year with respect to which any such calculation was made. Any calculation not so audited by KIA shall be deemed final and shall not thereafter be subject to audit or challenge. The costs and expenses of any such audit or other examination permitted hereunder shall be paid by KIA, unless the results of such audit or other examination disclose a deficiency greater

than two percent (2%) in the actual amount of the applicable Net Smelter Returns Royalty payable, in which event the costs of such audit or other examination shall be paid by AEM.

- (c) **Results of Audit.** If the audit of KIA establishes a deficiency in the Net Smelter Returns Royalty payments for any calendar year, KIA shall provide to AEM, within three (3) months of its receipt, a copy of the audit together with supporting documents as reasonably requested by AEM, following which AEM shall have a period of sixty (60) days to either make the payment of or dispute such deficiency pursuant to section 7 of this Royalty Agreement. Interest shall accrue at the Interest Rate on any deficiency for any calendar quarter as of its due date until date of payment.

## **7. ARBITRATION**

Except in connection with the matters contemplated by Section 8 of this Royalty Agreement, any dispute arising between the Parties, relating to or connected with this Royalty Agreement or the rights, duties or obligations of either Party, including any proceeding, application or action which either of the Parties may have the right to commence in any court of law or equity of competent jurisdiction in Nunavut arising out of their respective common law rights, equitable rights or statutory rights (in this Section a “**Dispute**”), shall be resolved by arbitration pursuant to Schedule C of this Royalty Agreement. This Section does not affect the rights of the Parties to seek injunctive relief from a court to enforce their respective rights hereunder.

## **8. REFEREE PROCEDURES**

The following procedures shall exclusively apply to any disagreement between the Parties with respect to the fair market value of Product in determining Receipts or Permitted Treatment Costs and shall be in lieu of the arbitration procedures in Section 7 of this Royalty Agreement:

- (a) Any person appointed as a referee shall be independent of either of the Parties, shall be of sound commercial background and with knowledge of the precious metals, base metals and concentrates markets. Each Party shall prepare a list of three (3) names of such experts within thirty (30) days after a Party gives notice of a dispute regarding establishment of such fair market value and shall submit such names to the other Party. No person who has been an employee of either Party or their respective Related Parties during the five years preceding the appointment shall be eligible to act as a referee.
- (b) The Parties shall attempt to agree on a single suitable referee from the lists described in Section 8(a) within ten (10) Business Days after both Parties have submitted such lists to the other Party. If the Parties are unable to agree on the appointment of the single referee within such ten (10) Business Days, then each Party shall appoint one (1) referee and a third referee shall be appointed by agreement of the first two (2) referees. If either Party fails to appoint its respective referee within ten (10) Business Days after such initial ten (10) Business Day period, such referee shall be appointed by the ADR Institute of Canada Inc. and the

costs for such appointment shall be paid by the Party failing to appoint such referee. If the two (2) referees fail to agree on the third referee within fifteen (15) Business Days after the appointment of the second referee, such third referee shall be appointed by the ADR Institute of Canada Inc. and the costs of such appointment shall be paid equally by the Parties.

- (c) Each Party shall submit its respective position as to the fair market value of Product to the referee(s) and to the other Party within ten (10) Business Days after the referee(s) has (have) been appointed. The Parties shall then have a further ten (10) Business Days to review the other's submission and to submit a written rebuttal to the referee(s) (the "**Submission Period**"). To the maximum extent practical, the terms submitted by each Party shall be based on the world terms for equivalent Product of like kind, quantity, quality and grade (or appropriately adjusted to deemed equivalents) as determined at the time of such negotiations by reference to then current international transactions and agreements for the sale of similar Product between major mines and custom smelters to which similar Product would ordinarily be shipped and processed under long term contracts with a duration of at least twelve (12) months. Consideration shall not be given to contracts between buyers and sellers of concentrates in which one Party is a majority owner of or is able to exercise control over the other, or to terms or special elements contained in a contract that result from the product of the financing arrangements for the particular mine or smelter involved. Contracts of like kind, quantity, quality and grade shall be referenced, insofar as possible, and any applicable adjustments shall be shown. Consideration shall, however, be given to the quantity of precious metals contained in such Product and to the lack or presence of, deleterious and penalty elements and applicable allowances and adjustments for freight.
- (d) Within twenty (20) Business Days after expiry of the Submission Period, the referee(s) shall determine any such issue by selecting one of such two positions advanced by the Parties. The decision of the referee(s) shall be final and binding on the Parties.
- (e) The decision of the referee(s) shall govern for the calendar quarter in question provided, however, at the joint request of the Parties, the referee(s) may establish a methodology for establishing the fair market value of such Product for the calendar year, in which case such methodology shall be used for the entire calendar year, but in each case, shall apply retroactively to the period for which the Parties were to have reached agreement. Additionally, the referee(s) may agree upon a methodology for determining the fair market value for the following calendar years, but not to exceed two (2) additional calendar years.

## 9. ASSIGNMENT

- (a) Assignment by AEM. AEM shall not assign this Royalty Agreement or an interest in any part of it, unless:
  - (i) the assignee is the purchaser or transferee of the Whale Tail Project or of an interest therein and such purchase or transfer is approved by Governmental



Authorities having jurisdiction over the Whale Tail Project, and the Whale Tail Project is not severed in any manner whatsoever;

- (ii) the assignee undertakes in writing to KIA to assume all of AEM's obligations, liabilities and covenants under this Royalty Agreement, including without limitation the obligation to remedy all existing defaults and the payment of all amounts owed to KIA, in which case AEM shall be released from all of its obligations and liabilities; or, if the assignment is for an interest in the Whale Tail Project, the assignee undertakes in writing to KIA to assume jointly and severally with AEM all of AEM's obligations and liabilities under this Royalty Agreement;
  - (iii) AEM has obtained the consent of KIA to the assignment of the Production Lease and any other lease, permit or authorization granted by KIA to AEM in relation to the Whale Tail Project, such consent not to be unreasonably withheld; and
  - (iv) KIA consents in writing to the assignment, such consent not to be unreasonably withheld or delayed once the conditions in paragraphs 9(a)(i) to 9(a)(iii) are satisfied.
- (b) Assignment by KIA. KIA shall not assign this Royalty Agreement or any part of its interest herein or be released from its obligations, liabilities or covenants, unless the assignment is to a successor organization that is a Designated Inuit Organization for the Kivalliq Region under the NLCA, in which case the consent of AEM shall not be required and KIA shall, if the assignee has agreed to be liable, be released from its obligations, covenants and liabilities under this Royalty Agreement.

## **10. REPRESENTATIONS AND WARRANTIES**

- (a) Representations and Warranties of AEM. AEM represents and warrants to and in favour of KIA, as of the Effective Date, that:
- (i) it is an entity duly organized and validly existing in the jurisdiction of its incorporation and is qualified to do business and in good standing under the laws of Ontario;
  - (ii) it has all necessary corporate power and authority to enter into and perform its obligations under this Royalty Agreement and to carry on its business as now conducted in Nunavut;
  - (iii) the execution and delivery of this Royalty Agreement and the performance of its obligations will not conflict with or result in a breach of any terms, conditions or provisions of its charter documents or by-laws, any applicable law, any contractual restrictions that are binding upon it or any writ, judgment, injunction, determination or award that is binding upon it;

- (iv) the execution and delivery of this Royalty Agreement and the consummation by it of the transactions contemplated herein have been duly authorized by all necessary corporate action; and
  - (v) this Royalty Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms.
- (b) Representations and Warranties of KIA. KIA represents and warrants to and in favour of AEM, as of the Effective Date, that:
- (i) it is the “Designated Inuit Organization” for the purpose of negotiating “Inuit Impact and Benefit Agreements” for “Major Development Projects” located on Inuit Owned Lands pursuant to Article 26 of the NLCA.
  - (ii) it has all necessary power and authority to enter into and perform its obligations under this Royalty Agreement;
  - (iii) the execution and delivery of this Royalty Agreement and the performance of its obligations under this Royalty Agreement will not conflict with or result in a breach of any terms, conditions or provisions of its charter documents or by-laws, any applicable law, any contractual restrictions that are binding upon it or any writ, judgment, injunction, determination or award that is binding upon it;
  - (iv) the execution and delivery of this Royalty Agreement and the consummation by it of the transactions contemplated herein have been duly authorized by all necessary corporate action; and
  - (v) this Royalty Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms.

## 11. GENERAL

- (a) **Records.** AEM, and its Related Parties where relevant, shall during the term of this Royalty Agreement keep accurate records of tonnage, volume of Product, analyses of Product, weight, moisture, assays of payable metal content and all other records, as appropriate, related to the computation of the Net Smelter Returns Royalty.
- (b) **Commingling.** AEM shall have the right to commingle Ore, concentrates, minerals and other material mined and removed from the Property with Ore, concentrates, minerals and other material mined and removed from other lands and properties; provided, however, that AEM shall calculate from representative samples the average grade thereof and other measures as are appropriate, and shall weigh (or calculate by volume) the material before commingling. In obtaining representative samples and in calculating the average grade of the Ore and average recovery percentages, AEM shall use sound procedures and practices generally accepted in

the mining and metallurgical industry which AEM reasonably believes suitable for the type of mining and processing activity being conducted. In addition, comparable procedures and practices shall be used by AEM to apportion among the commingled materials all penalty and other charges and deductions, if any, imposed by any mint, smelter, refiner or purchaser of such material.

(c) **Confidentiality.**

- (i) All information and data provided to KIA under the terms of this Royalty Agreement (“**Confidential Information**”) which has not been made public by AEM or a Related Party shall be kept confidential by KIA and no part thereof may be disclosed or published and no public announcements, statements or publications including news releases shall be made by KIA without the prior written consent of AEM, except such information as may be required to be disclosed or published by applicable laws. KIA shall not use any Confidential Information for its own use or benefit except for the purpose of administering or enforcing its rights under this Royalty Agreement.
- (ii) In the event that KIA becomes compelled by law to disclose any of the Confidential Information, it will provide AEM with prompt prior written notice of such requirement so that AEM may seek an appropriate remedy and/or waive compliance. In the event that a protective order or other remedy is not obtained, or AEM waives compliance with the provisions hereof, KIA agrees to furnish only that portion of the Confidential Information which it is legally required to disclose and to exercise best efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information.
- (iii) AEM consents to the issuance of a news release on the Effective Date announcing that this Royalty Agreement has been entered into in connection with the IIBA provided however KIA delivers to AEM a draft news release at least 48 hours prior to its intended release and AEM has been given an opportunity to provide comments and ensure compliance with confidentiality provisions.
- (iv) Where such disclosure is permitted under the terms of this Royalty Agreement, KIA shall not disclose any geological, engineering or other data to any third party without disclosing the existence and nature of any disclaimers that accompany such data and otherwise meet the requirements of applicable law or rules of the applicable stock exchange for public reporting, as the case may be, including compliance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.
- (v) Except in respect of Confidential Information, this Royalty Agreement shall not be confidential.

- (d) Notices. All notices, payments and other required communications to one Party by the other Party (in this Section referred to as “**Notices**”) shall be in writing and shall be addressed respectively as follows:

If to KIA:

Kivalliq Inuit Association  
P.O. Box 340  
164-1, Mivvik Avenue,  
Rankin Inlet,  
Nunavut, XOC OGO

Attention: President  
Email: [kiapresident@kivalliqinuit.ca](mailto:kiapresident@kivalliqinuit.ca)  
Fax: 867 645 5749

with a copy sent to (which does not constitute notice hereunder):

Kivalliq Inuit Association  
P.O. Box 340  
164-1, Mivvik Avenue,  
Rankin Inlet,  
Nunavut, XOC OGO

Attention: Executive Director  
Email: [execdir@kivalliqinuit.ca](mailto:execdir@kivalliqinuit.ca)  
Fax: 867 645 2348

If to AEM:

Agnico Eagle Mines Limited.  
145 King Street East, Suite 400  
Toronto, Ontario, Canada  
M5C 2Y7

Attention: President  
Fax: 416 367-4681

with a copy sent to (which does not constitute notice hereunder):

Agnico Eagle Mines Limited.  
145 King Street East, Suite 400  
Toronto, Ontario, Canada  
M5C 2Y7

Attention: Senior Vice-President, Operations  
Fax: 416 367-4681

All Notices shall be given (1) by personal delivery to the addressee, or (2) by fax or other electronic communication such as electronic mail, with a confirmation sent by registered or certified mail return receipt requested, or (3) by registered or certified mail return receipt requested or by commercial courier. All Notices shall be effective and shall be deemed delivered (1) if by personal delivery on the date of delivery if delivered during normal business hours on a Business Day and, if not delivered during normal business hours on a Business Day, on the next Business Day following delivery, (2) if by fax or other electronic communication on the next Business Day following receipt of the electronic communication, and (3) if solely by mail or commercial courier on the next Business Day after actual receipt. A Party may change its address by Notice to the other Party.

(e) **Conduct of Operations.**

- (i) All decisions to commence, pursue, suspend or cease mining on the Property, all decisions regarding methods of operations and all decisions concerning the sale or other disposition of Product, shall be made by AEM, in its sole and absolute discretion.
- (ii) AEM shall not be responsible for or obliged to make any Net Smelter Returns Royalty payments to KIA for Product or Product value lost in any mining or processing of the Product.
- (iii) AEM shall obtain and maintain insurance, including to cover any losses of or to Product which occur in transport from the Whale Tail Project to the designated point of transfer of ownership to the Offtake Party, upon such terms and conditions as would a reasonable, prudent person in such circumstances, for the loss or destruction of Product, and shall provide evidence of such insurance to KIA, upon request.

(f) **No Implied Covenants.** The Parties agree that there are no implied covenants or duties relating to development, mining or the payment of production royalties shall affect any of their respective rights or obligations under this Royalty Agreement and that the only covenants or duties which affect such rights and obligations are those expressly set forth and provided for in this Royalty Agreement.

(g) **Time is of the Essence.** Time is of the essence of this Royalty Agreement and each of the terms and conditions of this Royalty Agreement.

(h) **Applicable Law.** This Royalty Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by the laws of the Territory of Nunavut and the federal laws of Canada applicable therein.

(i) **Entire Agreement.** Except as set out in the IIBA, this Royalty Agreement constitutes the entire agreement between the Parties with respect to the Net Smelter Returns Royalty. In the case of a conflict between the IIBA and this Royalty Agreement, the provisions of this Royalty Agreement shall prevail.

- (j) **Binding Effect.** This Royalty Agreement shall be for the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

**IN WITNESS WHEREOF**, the Parties have executed this Royalty Agreement as of the day and year first above written which date shall become the Effective Date hereof.

**KIVALLIQ INUIT ASSOCIATION**

Per: \_\_\_\_\_  
Name:  
Title:

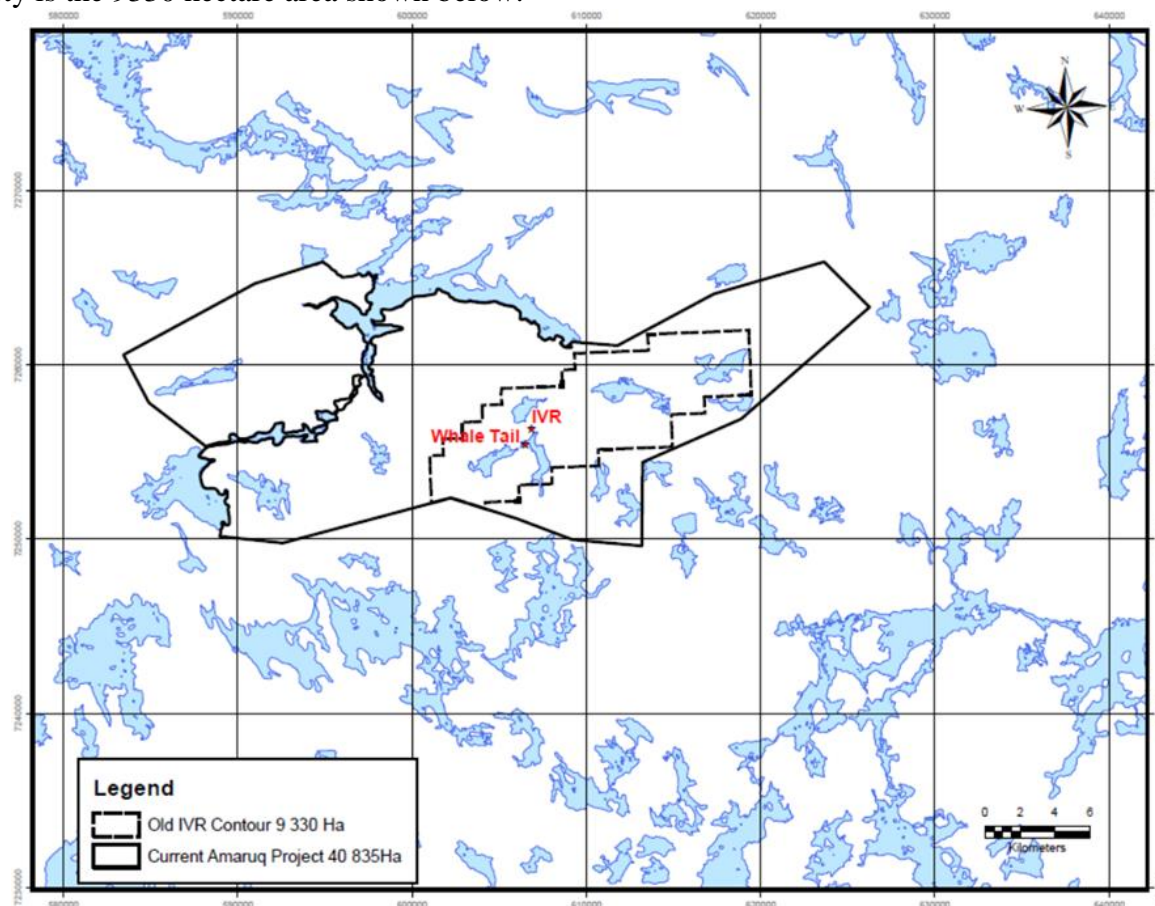
Per: \_\_\_\_\_  
Name:  
Title:

**AGNICO EAGLE MINES LIMITED**

Per: \_\_\_\_\_  
Name:  
Title:

## SCHEDULE A PROPERTY

The Property is the 9330 hectare area shown below:



## SCHEDULE B

### SAMPLE NET SMELTER RETURNS ROYALTY CALCULATION

#### Schedule B - Whale Tail NSR Agreement with KIA Sample Net Smelter Returns Royalty Calculation

NSR Payment Calculation For the Quarter Ended:

30-juin-15

Source of Data Used in Calculation of NSR

#### NET SMELTER RETURN

##### Mine Production during Quarter

Gold	Au (oz)	95 000
Silver	Ag (oz)	100
Other by-product	No other by-product sold during this quarter	

Obtained from Quarterly Financial Statement  
Obtained from Quarterly Financial Statement  
Obtained from Quarterly Financial Statement

Revenue - Actual Quarterly Receipts for Refined Product Sold				
	Quantity	Price Received	Total \$ Received	
<b>Refined Gold</b>	<b>Au (oz)</b>	<b>\$US/Oz Au</b>	<b>\$US</b>	
Receipt - CIBC - April 15, 2015	5 000	\$ 1 175,50	\$ 5 877 500,00	Obtained from Actual bank confirmation of sales transactions - see sample CIBC Receipt attached
Receipt - CIBC - April 30, 2015	25 000	\$ 1 187,50	\$ 29 687 500,00	
Receipt - CIBC - May 05, 2015	10 000	\$ 1 201,50	\$ 12 015 000,00	
Receipt - CIBC - May 31, 2015	15 000	\$ 1 195,00	\$ 17 925 000,00	
Receipt - CIBC - June 30, 2015	40 000	\$ 1 185,25	\$ 47 410 000,00	
<b>Total for Quarter</b>	<b>95 000</b>		<b>\$ 112 915 000,00</b>	
<b>Refined Silver</b>				
Receipt - Scotia - June 30, 2015	100	\$ 17,10	\$ 1 710,00	Obtained from Actual bank confirmation of sales transactions
<b>Total for Quarter</b>	<b>100</b>		<b>\$ 1 710,00</b>	
<b>Other By-Product</b>				
No other by-product sold during this quarter			\$ -	Obtained from Actual bank confirmation of sales transactions
Insurance Proceeds - Product Loss			\$ -	Actual Receipt
Other Adjustments			\$ -	Actual Receipt
<b>Total Receipts for Quarter</b>			<b>\$ 112 916 710,00</b>	

Allowable Deductions (paid or incurred)				
Refining charges (Mint or Other Refiner)			\$ 570 000,00	Based on Actual Charges from Royal Canadian Mint or other custom refiner for quarter
Transportation of Dore bullion from Mine			\$ 142 500,00	Based on Actual billings from Security Transport company (Garda or equivalent) - typically from Montreal airport to refinery
Storage Charges at Refiner before Sales			\$ 25 000,00	Based on Actual Charges from Royal Canadian Mint or other custom refiner for quarter
Insurance against theft/loss of Dore Bullion in transit			\$ 25 000,00	Based on actual charges from insurance provider - policy premiums
Duties & royalties			\$ -	Based on actual charges if any incurred
Marketing & brokerage			\$ 10 000,00	Based on actual charges for AEM to market product
Permitted Treatment Costs (smelting at mine)			\$ 249 642,86	Based on actual mine costs to smelt electrowinning cathode sludge
				maintenance of furnace + crucibles per year \$ 150 000
				24/84 hour for the manpower and general material for the refinery per year (fluxes, etc) \$ 548 571
				2 security guard at all time during smelting process \$ 300 000
				Yearly cost \$ 998 571
Other/adjustments			\$ -	Based on actual charges if any incurred
<b>Total Allowable Deductions for Quarter</b>			<b>\$ 1 022 142,86</b>	

NET SMELTER RETURNS FOR THE QUARTER

**\$ 111 894 567,14**

ROYALTY RATE

1,40%

NET SMELTER RETURNS ROYALTY FOR THE QUARTER

**\$ 1 566 523,94**



## **SCHEDULE C ARBITRATION**

### **1. PURPOSE**

The purpose of the Arbitration process is to ensure the harmonious, equitable and efficient implementation of the Agreement.

### **2. OBJECTIVE**

The objective of this Schedule is to provide for a timely and cost-effective Arbitration process.

### **3. ARBITRATION**

- 3.1 A Dispute may be submitted by either Party to arbitration to be decided in accordance with the provisions of the Arbitration Act (Nunavut), except as may be modified by the Agreement (“**Arbitration**”).
- 3.2 A Dispute shall be submitted to Arbitration within sixty (60) days of the expiry of the period allotted to the presidents to resolve a disagreement pursuant to section 7.4.2 of the Agreement and in accordance within the time prescribed in section 7.5.2 of the Agreement by submitting notice to the other Party in writing (“**Notice of Arbitration**”), failing which the Parties shall be deemed to have waived any and all claims of any nature in relation to such Dispute.
- 3.3 The Party issuing the Notice of Arbitration (“**Claimant**”) shall deliver to the other Party (“**Respondent**”) a statement outlining its position within ten (10) Business Days following the delivery of the Notice of Arbitration. The Respondent shall respond to the Claimant’s statement within the next twenty (20) days. The Claimant’s reply, if any, to the Respondent’s statement shall be submitted within ten (10) Business Days following the delivery of the Respondent’s statement. The Parties’ responses to any counterclaims shall be submitted within twenty (20) days following the delivery of a counterclaim.
- 3.4 Within forty (40) days of the date of receipt of a Notice of Arbitration, the Parties shall, by mutual agreement, appoint a single arbitrator.
- 3.5 If the Parties cannot agree on a single arbitrator within such forty (40) days, then an arbitration panel shall be established. Each Party shall appoint one (1) arbitrator within the next following thirty (30) days and such two (2) arbitrators shall, within thirty (30) days of acceptance of their appointment, jointly select a third arbitrator to preside as chairperson of the panel. Failing such selection, a third arbitrator shall be selected by a Judge of the Nunavut Court of Justice, upon application by the Claimant within ten (10) Business Days of the expiry of the thirty (30) day period.
- 3.6 The arbitrator or arbitration panel shall, within thirty (30) days of appointment or establishment, proceed to arbitrate the Dispute.
- 3.7 Each Party shall, within fifteen (15) days of the appointment of the arbitrator or arbitration panel, provide the arbitrator or arbitration panel and the other Party with all documents relevant to the Dispute, unless privilege is claimed and demonstrated. Each Party may submit a written brief of argument to the arbitrator or arbitration panel not less than five (5) Business Days prior to the date of the hearing, with a copy to the other Party.
- 3.8 The arbitrator or arbitration panel may, at the request of a Party, hear motions to determine procedural or interim issues in advance of the hearing, including a determination as to the privileged nature of any documents, and shall commence its hearing as soon as practicable.
- 3.9 Unless otherwise agreed by the Parties, the Arbitration shall be conducted in Rankin Inlet, NU.
- 3.10 Unless otherwise ordered by the arbitrator or arbitration panel:

- (a) Each party will bear its own costs with respect to the Arbitration; and
- (b) The parties will share equally in the costs of holding the Arbitration, such as expenses of the arbitrator or arbitrators, hearing facilities, transcripts, translation and interpretation.

For greater clarity, nothing in this section prevents an order for a different allocation of costs.

- 3.11 The arbitrator or arbitration panel shall render a written decision within sixty (60) days following the conclusion of the hearing.
- 3.12 The decision of the arbitrator or arbitration panel shall be final, binding on and enforceable by the Parties, subject only to judicial review. In any deliberation as to the remedy of specific performance, due regard shall be given at all times to the desirability of protecting Inuit lifestyle and culture and providing Inuit with opportunities for economic advancement.
- 3.13 Nothing in this Schedule prohibits a Party from making, on a without prejudice basis, an offer of settlement or the Parties from reaching a settlement relating to a Dispute prior to or during the course of an Arbitration, including the allocation of the costs of the Arbitration and the costs of the Parties.
- 3.14 The arbitrator or arbitration panel has the jurisdiction to deal with all matters relating to the Dispute, but shall not have the power to modify or amend any terms, conditions or provisions of the Agreement, to add or delete provisions or to make any decision incompatible with the Agreement. In the event that an arbitrator or arbitration panel determines that there is any conflict, inconsistency or ambiguity in the Agreement, the Parties shall enter into good faith negotiations to review and amend the Agreement.
- 3.15 Should the Parties disagree or require clarification as to the meaning of the arbitrator's or arbitration panel's decision, either Party may apply to the arbitrator or chairperson to reconvene the Arbitration for the purposes of clarifying the decision. Any application to reconvene shall be made within thirty (30) days of the delivery of the Arbitration decision and the arbitrator or arbitration panel shall reconvene within ten (10) Business Days of such application and shall provide any clarification of the decision it deems necessary within twenty (20) days after reconvening the Arbitration.
- 3.16 The Parties may agree in writing to modify any of the time periods and procedures provided for in this Schedule.
- 3.17 The Arbitration shall be conducted in English, and Inuktitut translation and/or interpretation shall be provided if requested by a Party.
- 3.18 Each Party is required to perform its obligations under the Agreement, except to the extent that it is the subject matter of a Dispute pending final resolution of the Dispute, unless the Parties agree that to do so would be impossible or impracticable or that to maintain the conditions existing before the Dispute would be undesirable, or where the arbitrator or arbitration panel has made an interim order to a different effect.
- 3.19 Unless otherwise agreed by the Parties, Arbitration shall be open to the public unless a Party obtains an order from the arbitrator or arbitration panel that the proceedings, or any part thereof, shall be closed to the public in which case, all information and documents, including submissions, evidence and representations shall be subject to such confidentiality provisions as the arbitrator or arbitration panel may order, including restricting disclosure to the public of such information and documents.

## **SCHEDULE F IMPLEMENTATION**

### **1. PURPOSE**

The purpose of this Schedule is to ensure the effective implementation of the Agreement and to provide a process for the timely addressing of matters of concern arising out of the Whale Tail Project that affect Inuit.

### **2. GUIDELINES APPLICABLE TO IMPLEMENTATION**

2.1 The Parties commit to the effective implementation of the Agreement through:

- (a) transparent, frequent and open communication;
- (b) availability of financial resources to support the effective implementation of the Agreement; and
- (c) continuous monitoring of implementation and of the impacts on and benefits to Inuit of the Whale Tail Project,

with the goal of continuous improvement of the implementation processes.

### **3. APPENDICES**

The following appendices form part of this Schedule:

Appendix 4.1 - Charter of the Implementation Committee

Appendix 5.1 - Implementation Structure

Appendix 8 – Charter of the On-Site Working Group

### **4. IMPLEMENTATION COMMITTEE**

4.1 The Parties shall, within thirty (30) days of the execution of the Agreement, create a committee for the implementation of the Agreement (the “**Implementation Committee**”). The charter of the Implementation Committee is attached as Appendix 4.1.

4.2 The Implementation Committee shall be the preferred forum for discussion of the implementation of the Agreement.

4.3 The Parties and the Committees shall provide all data and information necessary to ensure that the Implementation Committee is in a position to fulfill its role and responsibilities.

### **5. OTHER COMMITTEES**

5.1 In addition to the Committees, the Parties may create any other committees they deem necessary for the effective implementation of the Agreement. As of the date of the Agreement, the chart attached as Appendix 5.1 represents the implementation structure contemplated by the Parties for the purposes of the implementation of the Agreement.

5.2 The Committees shall, pursuant to their respective mandates, act as a forum for collaborative, open exchange and coordination between the Parties and the timely resolution of issues and implementation of the Agreement.

## **6. ELDERS**

The Implementation Committee shall designate, in consultation with KIA, an elder or elders to be retained by AEM to provide advice and assistance to the On-Site Working Group in relation to matters and initiatives concerning Inuit.

## **7. ON-SITE WORKING GROUP**

For the purposes of identifying and resolving issues arising on site and in order to ensure that the recommendations and decisions of the Committees are carried out, the Parties shall create an on-site working group (the “**On-Site Working Group**”) upon the Construction Date or earlier if required by the Implementation Committee. The charter of the On-Site Working Group is attached as Appendix 8.

## **8. ADMINISTRATION OFFICER**

- 8.1 Upon the decision of the Implementation Committee, in order to assist and support the implementation of the Agreement, KIA shall create a permanent position and hire an administration officer (“**Administration Officer**”). Though employed by KIA, the Parties will jointly select the successful candidate, with preference given to bilingual Inuk candidates. Although the Administration Officer’s immediate superior shall be the KIA’s Director of Implementation, the Administration Officer will maintain a neutral position between the Parties and AEM shall be entitled to participate in performance reviews and any amendments to the Administration Officer’s job description.
- 8.2 The Administration Officer shall coordinate communications within and among the On-Site Working Group, the Committees and the Parties, and shall provide support for the logistical aspects of their meetings and activities, including scheduling and the preparation and circulation of agendas and minutes of meetings. The job description of this position shall be prepared by the Implementation Committee.
- 8.3 The Administration Officer shall be a member of the On-Site Working Group, and shall attend, as an observer, all meetings of the Committees.
- 8.4 The Administration Officer shall submit to the Implementation Committee any issues not resolved by the On-Site Working Group or any of the other Committees.

## **9. IMPLEMENTATION COORDINATORS**

To facilitate and coordinate the proper implementation and administration of the Agreement, each of AEM and KIA shall create a permanent position of and hire an Implementation Coordinator within sixty (60) days of execution of the Agreement.

## **10. IIBA ORIENTATION TRAINING AND MANUAL**

- 10.1 Each Party will provide orientation training on the content, spirit and intent of the Agreement to their key personnel, and the Parties shall jointly provide such training to members of the On-Site Working Group, the Administration Officer, the Implementation Coordinators, the Labour Pool Coordinator and the members of all Committees. Training shall be repeated from time to time, as determined by the Implementation Committee.

- 10.2 AEM shall, with the assistance of KIA, ensure that AEM's supervisory staff receives orientation training on the spirit and relevant content of the Agreement. Such training shall also be made available to the supervisory staff of AEM's contractors.
- 10.3 KIA and AEM shall jointly develop an orientation manual containing a plain language summary of the Agreement within six (6) months of the Effective Date, which shall be in English and Inuktitut.
- 10.4 KIA and AEM shall jointly develop a schedule and materials to ensure consistent and accurate information is provided to prospective contractors, suppliers and employees, in both Inuktitut and English.

## **11. OFFICE**

AEM shall ensure that there is an on-site office at the Whale Tail Project site available at all times to representatives of KIA.

## **12. IMPLEMENTATION COSTS**

### **12.1 Implementation Budgets**

- (a) KIA shall prepare and deliver to AEM within seventy-five (75) days of execution of the Agreement a proposed Initial Implementation Budget identifying the estimated initial IIBA implementation costs to be incurred by KIA for the balance of the Year. The Parties agree to meet and discuss the proposed initial budget, with a view to finalizing such budget within the next fifteen (15) days.
- (b) KIA shall prepare and deliver to AEM a proposed Annual Implementation Budget identifying the estimated IIBA implementation costs to be incurred by KIA for the upcoming Year. KIA shall deliver the proposed budget for the first Year no later than September 1st in each Year, for the upcoming Year. The Parties agree to meet and discuss the proposed budget, with a view to finalizing an Annual Implementation Budget no later than October 31<sup>st</sup> in each Year.
- (c) In the event the Parties are unable to agree on the Initial Implementation Budget or an Annual Implementation Budget, it shall be a dispute to be referred to the presidents of the Parties and resolved in accordance with section 7.4.2 of the Agreement and, if necessary, in accordance with section 7.5 of the Agreement.

### **12.2 Costs Included in Budgets**

The Initial Implementation Budget and the Annual Implementation Budget shall include:

- (a) the salary and expenses of KIA staff, and fees payable to third party KIA representatives, appointed or retained to assist KIA, any Committee or the On-Site Working Group, including travel, accommodation, meals and incidentals in relation to their work;
- (b) the expenses incurred by KIA for participating in each of the Committees and the On-Site Working Group;
- (c) the salary, benefits and expenses of the Administration Officer;
- (d) the salary, benefits and expenses of the KIA Implementation Coordinator;

- (e) the costs of KIA to participate in at least one meeting each Year of the President of KIA and the President of AEM;
- (f) a contribution to the salary of the person designated by KIA to oversee implementation of the Agreement, apportioned based on the amount of time spent on matters pertaining to the Whale Tail, Meliadine and the Meadowbank Projects;
- (g) the costs for the preparation or updating of the orientation manual referred to in section 10.3 of this Schedule;
- (h) the costs for providing and participating in the IIBA orientation training of KIA representatives, as set out in section 10.1 of this Schedule;
- (i) KIA's costs for participating in the annual community information sessions;
- (j) KIA's costs for translating any documents, including the Agreement, the orientation manual, and as may be necessary to support KIA's role in implementing and communicating with Inuit regarding the Agreement;
- (k) costs for KIA to effectively manage the reporting and other information required to implement the Agreement as generated and exchanged by and with AEM;
- (l) KIA's costs, or the costs of third party assistance, for participating in the development and review of the Strategy, Labour Market Analysis, SEIIBR and IIBA Project Effects Monitoring Report and any other report submitted by AEM under the Agreement;
- (m) KIA's costs, or the costs of third party assistance, in connection with the implementation of Schedule E (Financial Compensation); and
- (n) other amounts reasonably and necessarily incurred by KIA for the effective implementation of the Agreement.

For sake of clarity, all costs mentioned in this section relate to the Meliadine IIBA, the Meadowbank IIBA and the Agreement.

### 12.3 Costs related to Regulatory Processes

Any costs incurred by KIA to review submissions, prepare for and participate in any NIRB, NWB or other regulatory process, including the Kivalliq Socio-Economic Monitoring Committee relating to the Whale Tail Project, shall be paid by AEM in accordance with a budget proposed by KIA and agreed between the Parties. If other funding is made available to KIA to support its participation in any such regulatory process, KIA shall apply such funds firstly to its costs so as to reduce the amount payable by AEM, where possible.

### 12.4 Payment to KIA

- (a) AEM shall pay to KIA the amount of the Initial Implementation Budget and the Annual Implementation Budget in quarterly instalments each Year, in advance.
- (b) Within sixty (60) days following the end of each quarter, KIA shall provide AEM with back-up documentation evidencing any costs claimed, together with a statement indicating the reasons for any costs in excess of the Initial Implementation Budget or the Annual Implementation Budget. Upon receipt, either Party may request a meeting to discuss the actual costs and a proposed revision to the Initial Implementation Budget or the Annual Implementation Budget and the Parties shall forthwith enter into good faith negotiations concerning revisions to either Budget.

- (c) Within sixty (60) days of each Year, the Parties shall determine if AEM has paid more or less than KIA's actual costs. Subject to any revision to the Initial Implementation Budget or the Annual Implementation Budget agreed to by the Parties, any difference shall be credited to or against the next payment due to KIA.

### **13. REVIEW OF NIRB AND NWB SUBMISSIONS**

- 13.1 KIA will be given draft NIRB and NWB submissions not less than thirty (30) days prior to delivery to NIRB or NWB for submissions where AEM is requesting an approval from either NWB or NIRB, except where an emergency exists in relation to a Type A License under the Nunavut Waters and Nunavut Surface Rights Tribunal Act, in which case AEM will give a notice to KIA at the same time it makes application for an amendment to its Type A License.
- 13.2 KIA will be given the opportunity to provide comments to AEM on NIRB and NWB draft submissions. AEM shall give full consideration to KIA's comments but reserves the right to incorporate KIA comments in a manner they feel is appropriate prior to submission to NIRB or NWB.
- 13.3 KIA reserves its right to provide comments to NIRB and NWB during their review processes.

### **14. MONITORING AND MITIGATION**

- 14.1 AEM will implement all reporting, monitoring and mitigation measures identified in the Whale Tail Project Certificate and in the Type A and Type B Water Licenses issued by the NWB for the Whale Tail Project. AEM will submit to KIA copies of all reports, management plans and all other submissions under the Whale Tail Project Certificate and the Type A and B Water Licenses, at the same time they are provided to NIRB or NWB.
- 14.2 AEM will implement all other monitoring and mitigation measures required by the Agreement and as may be determined necessary by the Implementation Committee.
- 14.3 AEM and KIA shall work in a cooperative manner in the development of future monitoring and mitigation measures and amendment of monitoring and mitigation measures already in place to be implemented for the Whale Tail Project and AEM shall implement those measures which are mutually identified as needed to improve the overall performance of the Whale Tail Project.
- 14.4 AEM will submit to KIA and the Implementation Committee, at the latest March 31<sup>st</sup> in each Year, an annual IIBA Project Effects Monitoring Report for the Whale Tail Project, covering the preceding Year that includes:
  - (a) a description of any known variations or non-compliance that may have occurred over the past Year with the Whale Tail Project Certificate, the Type A and B Water Licenses, other environmental permits, authorizations, licenses, laws and/or regulations applicable to the Whale Tail Project. The annual report shall include information on the nature and extent of such variations or non-compliance, any legal action initiated, orders issued and actions taken by AEM to correct such variations;
  - (b) a description of any known variations that may have occurred or have become evident to AEM during the Year with the impact predictions or baseline conditions that were presented in the EIS including the nature and extent of such variations, whether they

are seen as positive or negative, whether they are significant or not, along with the supportive reasoning for such determination and whether any additional monitoring, mitigation or adaptive management measures are necessary;

- (c) a description of any new impacts or potential impacts, including socio-economic impacts that have been identified or become evident to AEM over the past Year that were not anticipated or identified in the EIS, the nature and extent of such new impacts or new potential impacts, whether they are seen as positive or negative, whether they are significant or not, along with the supportive reasoning for such determination and whether any additional monitoring, mitigation or adaptive management measures are necessary;
  - (d) a summary of all new monitoring, mitigation and adaptive management measures and actions taken by AEM over the previous Year to mitigate, reduce or eliminate any variations or unanticipated negative impacts identified in sections 14.4(a) through (c) above. The summary shall include a discussion on the timing of such actions and whether further steps are needed and how KIA's input was incorporated into the measures and actions taken by AEM; and
  - (e) a description of what steps AEM took over the past Year to incorporate IQ in all monitoring and mitigation measures identified in sections 14.4(a) through (d) above.
- 14.5 In preparing the IIBA Project Effects Monitoring Report, AEM shall include any relevant information received from the Administration Officer, the Implementation Coordinators, the Committees, the On-Site Working Group and KIA's Director of Implementation with respect to variations, non-compliance and newly identified impacts.
- 14.6 Where the IIBA Project Effects Monitoring Report references other reports submitted to the NIRB or the NWB to describe monitoring, mitigation and adaptive management measures taken during the past Year or any other instance when a reference is required, then these references shall be provided in the form of a "Concordance Table" incorporated into the IIBA Project Effects Monitoring Report to assist the reader with quickly identifying specific sections/pages of the referenced reports.
- 14.7 Within forty-five (45) days of receipt of the IIBA Project Effects Monitoring Report, KIA or the Implementation Committee may, send a notice to AEM, which shall include its reasons, requesting AEM to provide additional data, analysis and discussion on:
- (a) the impacts or potential impacts of any variations and non-compliance;
  - (b) the impacts or potential impacts, including socio-economic impacts of the Whale Tail Project if they were not anticipated, and the nature, extent and significance of such impacts;
  - (c) steps taken, the timeliness of such steps and further steps to be taken to mitigate, reduce or eliminate any variations or unanticipated impacts; and
  - (d) the nature and extent of the efforts of AEM to incorporate IQ in all monitoring or mitigation measures and the results of such efforts,

and AEM shall comply with such request within a reasonable period of time. If KIA or the Implementation Committee is dissatisfied with the additional information provided by AEM or the efforts AEM has taken or proposes to undertake to mitigate impacts or potential impacts,



or additional monitoring to be undertaken, it shall be a Dispute to be resolved pursuant to Schedule H (Arbitration).

**15. COMMUNICATION WITH AFFECTED COMMUNITIES**

AEM shall hold information sessions in the Affected Communities at least once each Year to inform Inuit and receive input from the Affected Communities on the implementation of the Agreement.

**16. ADDITIONAL DATA, ANALYSIS AND DISCUSSION**

Subject to Applicable Laws, KIA shall have the right to request from AEM receipt of additional data, analysis and discussion relating to any report prepared by AEM in accordance with the Agreement. AEM shall comply with such request within a reasonable period of time. If KIA is dissatisfied with the additional information provided by AEM, it shall be a Dispute to be resolved pursuant to Schedule H (Arbitration) and KIA shall be entitled to request that the arbitrator order disclosure of such further information as may be appropriate to address any deficiency of information.

**APPENDIX 4.1**  
**CHARTER OF THE IMPLEMENTATION COMMITTEE**

**1. ROLES AND RESPONSIBILITIES**

**1.1 The Implementation Committee shall:**

- 1.1.1 act as the forum for collaborative, open exchange and coordination by the Parties with respect to Schedule F (Implementation) and report as needed to the Parties;
- 1.1.2 as a first priority, (i) review the implementation and monitoring plans received from the Committees and direct the Committees to apply such plans with additional recommendations, if any; and (ii) develop an overall implementation plan of the Agreement and submit such to the Parties;
- 1.1.3 ensure the implementation, management and follow-up in regards to the Agreement and attempt to resolve any matters of concern arising out of the Whale Tail Project that affect Inuit interests;
- 1.1.4 identify and make recommendations to the Parties for possible amendments to the Agreement that would facilitate the attainment of its objectives or the effective implementation and performance of its terms;
- 1.1.5 review and respond in a timely manner to the recommendations of the Parties and the recommendations of the On-Site Working Group and all Committees;
- 1.1.6 review at least annually the performance of the On-Site Working Group and the Committees and make recommendations to improve their effectiveness;
- 1.1.7 review at least annually the duties and responsibilities of the Administration Officer and make recommendations for changes to his/her duties;
- 1.1.8 provide input to the Parties regarding the role and performance of the Implementation Coordinators;
- 1.1.9 monitor all community information sessions required to be held pursuant to the Agreement, to ensure that adequate time and resources are devoted to achieve the intent of the sessions; and
- 1.1.10 carry out any other duties and responsibilities required by the Agreement and as may be mutually agreed by the Parties.

**2. MEMBERS**

- 2.1 AEM shall appoint three (3) senior representatives as members to the Implementation Committee.
- 2.2 KIA shall appoint three (3) senior representatives as members to the Implementation Committee.
- 2.3 The Parties shall appoint members who have the expertise, background and skills relevant to the responsibilities of the Implementation Committee.
- 2.4 The Parties shall each appoint one (1) alternate member to the Implementation Committee who may replace that Party's regular member in exceptional circumstances where a member is unable to attend a meeting or carry out any other responsibilities. In such circumstances, the regular member shall provide reasonable notice and all necessary information and

documents to the alternate member, to allow the alternate member to effectively replace the regular member.

- 2.5 Each regular member and alternate member appointed to the Implementation Committee may be replaced at any time, at the sole discretion of the appointing Party.
- 2.6 Either Party may request the removal and replacement of any member who fails to attend two (2) meetings in any one (1) Year, unless such member provides a written explanation justifying such absences, to the satisfaction of the other members.

### **3. CONFLICTS OF INTEREST**

The Parties acknowledge the importance of avoiding conflicts of interest in the course of the implementation of the Agreement and their representatives, as members of the Implementation Committee, shall perform their duties free from the influence of personal interest. As soon as a member becomes aware of a potential, perceived or actual conflict of interest, the member will disclose it to the chairperson of the Implementation Committee who will decide the consequences applicable in such circumstances. If a member is excluded due to a conflict of interest, the alternate member will replace the excluded member. In the event that the chairperson of the Implementation Committee is concerned, such declaration will be made to a senior representative of each of the Parties who will decide the consequences applicable in such circumstances.

### **4. INVITEES**

- 4.1 Only members of the Implementation Committee and invitees shall be entitled to attend meetings of the Implementation Committee.
- 4.2 The Implementation Committee and any member thereof may, from time to time, invite any resource person as it deems appropriate to attend or participate in any meeting. Reasonable advance notice will be given to the other members of the Implementation Committee.
- 4.3 The Implementation Committee may appoint an independent third party to assist the members in their discussions, at the cost of AEM. Such third party shall participate as an observer and make recommendations to the Implementation Committee.
- 4.4 The Administration Officer should attend the meetings of the Implementation Committee as a non-voting observer.

### **5. CHAIRPERSON**

- 5.1 The Implementation Committee shall appoint, on an annual basis, one (1) of its members to act as chairperson.
- 5.2 The chairperson shall conduct an annual review of the Implementation Committee and assess its effectiveness, and shall report and provide recommendations to the Parties.

### **6. DECISIONS**

- 6.1 Decisions of the Implementation Committee shall be made by consensus. If consensus on any decision cannot be reached by the members after two (2) meetings, the matter shall be referred, by the chairperson of the Committee within five (5) Business Days following the second meeting, to the presidents of the Parties for resolution in accordance with section 7.4.2 of the Agreement, failing which it shall be a Dispute to be resolved in accordance with section 7.5 of the Agreement. Where consensus of members cannot be reached on any matter included in a report of the Implementation Committee, upon the request of an individual member, the

particular concern of that member shall be noted in the applicable report.

- 6.2 The decisions of the Implementation Committee shall be binding on the Parties to the extent that any financial impact of such decisions is within the scope of the Agreement. If the financial impact of any decision would exceed the scope of the Agreement, the concerned Party shall explain to the other Party the reasons that it does or does not accept the decision of the Implementation Committee. Notwithstanding the preceding, the Implementation Committee shall have no authority or power to amend the Agreement.

## **7. EXPENSES**

AEM shall assume all of the expenses related to the activities of the Implementation Committee, including KIA's costs in accordance with the Annual Implementation Budget.

## **8. MEETINGS AND SCHEDULE OF MEETINGS**

- 8.1 The Implementation Committee shall meet at least four (4) times a Year, or more as required, and shall make Best Efforts to hold in person at least three (3) of such meetings. The minutes shall be prepared and circulated by the Administration Officer to the members of the Implementation Committee within thirty (30) days after each meeting. Once the minutes have been approved by the Implementation Committee, each member shall receive a copy.
- 8.2 Meetings of the Implementation Committee other than in person may be held by any means ensuring adequate communication among the participants. The meetings shall be called by the Administration Officer at the direction of the chairperson of the Implementation Committee, by giving at least thirty (30) days advance written notice to all members (or in the case of an emergency, as much notice as reasonably possible). In the event of an emergency the chairperson or any two members may call a meeting to be held as soon as quorum is attainable.

## **9. QUORUM**

The quorum for meetings of the Implementation Committee shall be four (4) members, including two (2) members appointed by each of the Parties, unless the Party whose representative is unavailable waives such requirement.

## **10. COMMUNICATIONS**

For the purposes of this Appendix 4.1, all communications to the Implementation Committee shall be made through the Administration Officer and directed to the attention of the chairperson of the Implementation Committee.

## **11. ANNUAL REPORT**

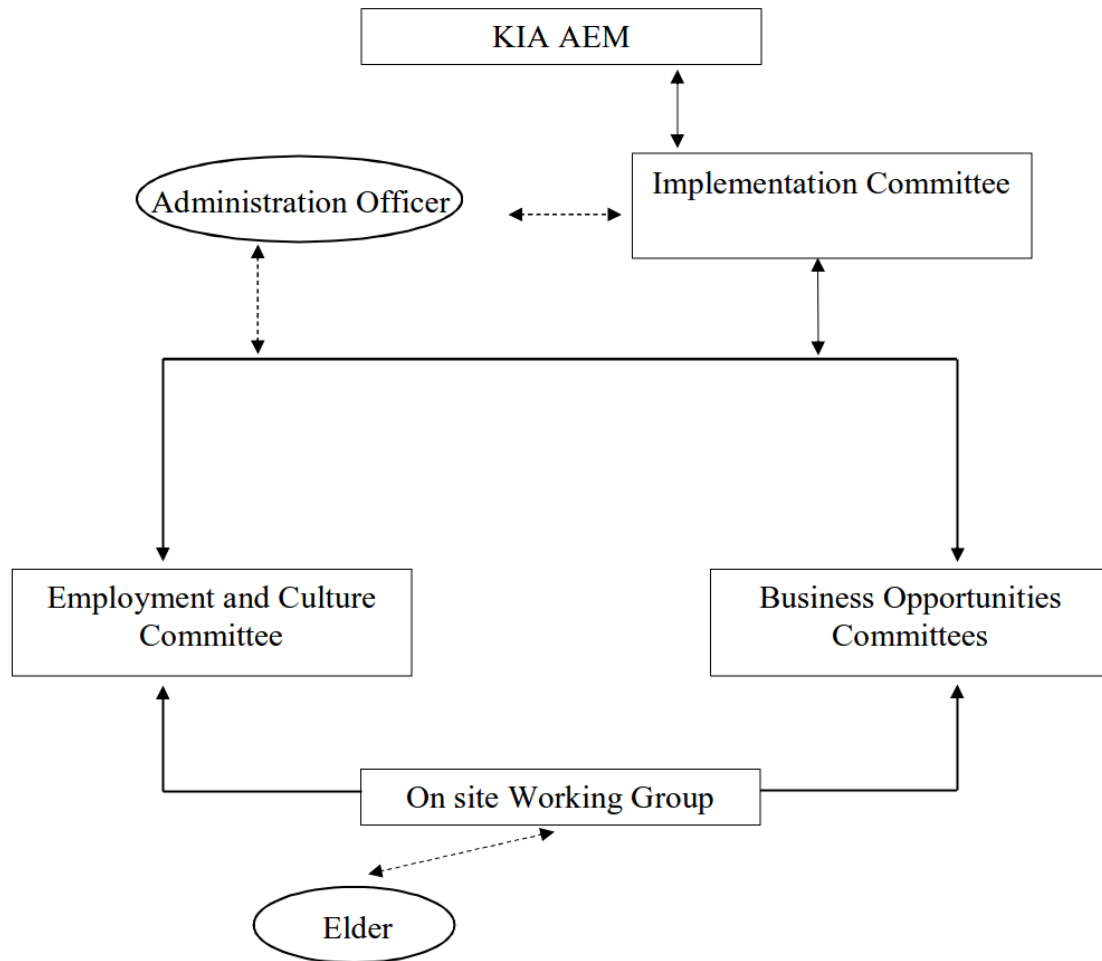
Within ninety (90) days of the end of each Year, the Implementation Committee shall prepare and submit to the Parties an annual report containing: a summary of the matters, issues and questions referred to or determined by the Implementation Committee in the preceding Year and the outcomes, including discussion and analysis of all monitoring and mitigation measures initiated by the Implementation Committee; an updated implementation and monitoring plan; a list of the members of the Implementation Committee, including any changes, together with an attendance report of its members (including alternate members); the schedule of the meetings held and those planned for the upcoming Year, a copy of all of the minutes of the Implementation Committee meetings, and any recommendations, decisions or comments the Implementation Committee wishes to provide to the Parties. Every third Year, the annual report shall identify any material change in circumstance which could require a reconsideration of any terms of the Agreement and include any recommendations concerning

proposed amendments.

## **12. RELEASE OF MINUTES AND REPORTS**

- 12.1 All minutes of the Implementation Committee shall be deemed to be Confidential Information unless otherwise agreed to by the Parties or unless an Inuk or Inuit Firm requests the disclosure of minutes, in which case the minutes cease to be Confidential Information but will be redacted to exclude information that the Implementation Committee deems to be commercially sensitive or of a private nature.
- 12.2 Reports of the Implementation Committee to or from any other Committee or to or from the Parties shall identify information that the Implementation Committee deems confidential which shall not be disclosed unless agreed to by the Parties or unless an Inuk or Inuit Firm requests the disclosure of reports, in which case the report will be redacted to exclude information that the Implementation Committee deems to be commercially sensitive or of a private nature.
- 12.3 Disclosure of minutes or reports shall be in compliance with Applicable Laws respecting privacy of information.

**APPENDIX 5.1**  
**IMPLEMENTATION STRUCTURE**



## **APPENDIX 8**

### **CHARTER OF THE ON-SITE WORKING GROUP**

#### **1. ROLES AND RESPONSIBILITIES**

- 1.1 The On-Site Working Group shall:
  - 1.1.1 share information and communicate among themselves relating to on-site matters;
  - 1.1.2 attempt to resolve on-site issues and matters of concern arising out of the Whale Tail Project that affect Inuit interests, in an informal way, if appropriate and in a timely manner;
  - 1.1.3 assign follow-up responsibility to the most appropriate member, AEM or KIA department;
  - 1.1.4 refer recurrent or unresolved issues to the appropriate Committee, providing any information and documentation as may be required to assist the Committee in addressing any such issues;
  - 1.1.5 address any matter related to the implementation of the Agreement as the Implementation Committee or any other Committee may direct from time to time;
  - 1.1.6 carry out any other duties and responsibilities as set out in the Agreement or as may be agreed by the Parties.

#### **2. MEMBERS**

- 2.1 The On-Site Working Group shall be composed of the following members:
  - 2.1.1 the Administration Officer;
  - 2.1.2 KIA's Implementation Coordinator;
  - 2.1.3 AEM's Implementation Coordinator;
  - 2.1.4 an AEM human resources representative; and
  - 2.1.5 the Labour Pool Coordinator.

#### **3. INVITEES**

- 3.1 Only members of the On-Site Working Group and invitees shall be entitled to attend meetings of the On-Site Working Group.
- 3.2 The members of the On-Site Working Group may invite a resource person to participate in any meeting for the purposes of advising the On-Site Working Group or providing information in relation to any issue being addressed by the On-Site Working Group. Not less than five (5) Business Days advance notice shall be given to the other members of the On-Site Working Group and in the event any member has reasonable grounds to object to such invitation, the proposed invitee shall not attend.
- 3.3 The elder or elders should attend meetings of the On-Site Working Group as a non-voting observer.

#### **4. CHAIRPERSON**

The members of the On-Site Working Group shall determine who, among its members, shall serve and act as chairperson.

## **5. CONSENSUS**

The On-Site Working Group shall operate on the basis of consensus of the members. Where the On-Site Working Group fails to reach consensus within a reasonable time, it shall refer the matter to the appropriate Committee for resolution.

## **6. MEETINGS**

- 6.1 The On-Site Working Group shall hold monthly meetings and shall meet in-person at the mine site at least quarterly. The minutes shall be prepared and circulated by the Administration Officer to the members of the On-Site Working Group at least five (5) Business Days prior to the following meeting. Once the minutes have been approved by the On-Site Working Group, each member shall receive a copy.
- 6.2 At its first meeting, the On-Site Working Group shall establish a calendar for its meetings in that Year and, prior to the end of each Year, it shall establish the calendar of meetings for the next Year. In the event of an emergency requiring the immediate attention of the On-Site Working Group, any member may call a meeting to be held as soon as quorum is attainable.

## **7. QUORUM**

The quorum for meetings of the On-Site Working Group shall be four (4) members, including the Administration Officer and the KIA Implementation Coordinator.

## **8. REPORTING**

Within fifteen (15) days of the end of each quarter during the Term the On-Site Working Group shall submit to each of the Committees a report containing a summary of the issues addressed by the On-Site Working Group in the preceding quarter and the outcomes, a meeting schedule for the upcoming quarter, a copy of the minutes of the On-Site Working Group meetings held during the preceding quarter, and any recommendations or comments the On-Site Working Group wishes to provide to the Committees.

## **9. RELEASE OF MINUTES AND REPORTS**

- 9.1 All minutes of the On-Site Working Group shall be deemed to be Confidential Information unless otherwise agreed to by the Parties or unless an Inuk or Inuit Firm requests the disclosure of minutes, in which case the minutes cease to be Confidential Information but will be redacted to exclude information that the On-Site Working Group deems to be commercially sensitive or of a private nature.
- 9.2 Reports of the On-Site Working Group to or from any Committee or to or from the Parties shall identify information that the On-Site Working Group deems confidential which shall not be disclosed unless agreed to by the Parties or unless an Inuk or Inuit Firm requests the disclosure of reports, in which case the report will be redacted to exclude information that the On-Site Working Group deems to be commercially sensitive or of a private nature.
- 9.3 Disclosure of minutes or reports shall be in compliance with Applicable Laws respecting privacy of information.



## **SCHEDULE G MINE ASSETS**

### **1. OBJECTIVE**

The objective of this Schedule is to set out AEM's obligation to offer to sell to KIA and others surplus Whale Tail Project assets.

### **2. DISPOSITION OF SURPLUS ASSETS**

2.1 In the event that AEM determines that any equipment, buildings or significant quantities of materials ("Mine Assets") are surplus to its requirements during any phase of the Whale Tail Project, AEM shall offer to sell such Mine Assets to the following entities:

- (a) firstly, to KIA, or to Sakku if AEM has received a notice to that effect from KIA;
- (b) secondly, by a bid process through a newspaper ad to Inuit Firms with a head office in the Kivalliq Region;
- (c) thirdly, to the Hamlet of Baker Lake; and
- (d) fourthly, to other Hamlets in the Kivalliq Region, in priority based on their proximity to the Whale Tail Project.

2.2 Within fifteen (15) Business Days of determining that any Mine Assets are surplus, AEM shall provide written notice to KIA, stating:

- (a) a description of the Mine Assets; and
- (b) the cost, net book value, market value and estimated disposal cost of such Mine Assets.

2.3 If no agreement is reached between AEM and KIA within fifteen (15) Business Days from the receipt by KIA, or Sakku, as the case may be, of such notice, AEM shall offer such Mine Assets to other entities in the order and manner set out in section 2 of this Schedule, giving each of them, successively, fifteen (15) Business Days within which to reach an agreement with AEM on the purchase of such Mine Assets.

2.4 If no agreement is reached with the other entities, AEM may dispose of such Mine Assets as it deems appropriate, provided that, should AEM negotiate a purchase agreement with another Person which AEM is prepared to accept on the same or more favourable terms as were offered by any of the entities listed in section 2.1 of this Schedule, then AEM shall first offer each entity, successively, the opportunity to purchase the Mine Assets on the same terms and conditions and each entity shall have a period of fifteen (15) Business Days in which to accept such offer, failing which AEM may complete the sale to the other Person on the stated conditions.

### **3. CONSTRUCTION OF ASSETS**

Whenever feasible, AEM shall construct Mine Assets for the Whale Tail Project in such a manner that they are easily moved after they have been declared surplus.

#### **4. CONTRACTORS' MINE ASSETS**

AEM shall include in all Contracts for the Whale Tail Project a requirement that Mine Assets acquired by a contractor for purposes of the Whale Tail Project which become surplus at any time during or upon completion of the Contract shall be disposed of in the same manner as set out in this Schedule.

## **SCHEDULE H ARBITRATION**

### **1. PURPOSE**

The purpose of the Arbitration process is to ensure the harmonious, equitable and efficient implementation of the Agreement.

### **2. OBJECTIVE**

The objective of this Schedule is to provide for a timely and cost-effective Arbitration process.

### **3. ARBITRATION**

- 3.1 A Dispute may be submitted by either Party to arbitration to be decided in accordance with the provisions of the *Arbitration Act* (Nunavut), except as may be modified by the Agreement (“**Arbitration**”).
- 3.2 A Dispute shall be submitted to Arbitration within sixty (60) days of the expiry of the period allotted to the presidents to resolve a disagreement pursuant to section 7.4.2 of the Agreement and in accordance within the time prescribed in section 7.5.2 of the Agreement by submitting notice to the other Party in writing (“**Notice of Arbitration**”), failing which the Parties shall be deemed to have waived any and all claims of any nature in relation to such Dispute.
- 3.3 The Party issuing the Notice of Arbitration (“**Claimant**”) shall deliver to the other Party (“**Respondent**”) a statement outlining its position within ten (10) Business Days following the delivery of the Notice of Arbitration. The Respondent shall respond to the Claimant’s statement within the next twenty (20) days. The Claimant’s reply, if any, to the Respondent’s statement shall be submitted within ten (10) Business Days following the delivery of the Respondent’s statement. The Parties’ responses to any counterclaims shall be submitted within twenty (20) days following the delivery of a counterclaim.
- 3.4 Within forty (40) days of the date of receipt of a Notice of Arbitration, the Parties shall, by mutual agreement, appoint a single arbitrator.
- 3.5 If the Parties cannot agree on a single arbitrator within such forty (40) days, then an arbitration panel shall be established. Each Party shall appoint one (1) arbitrator within the next following thirty (30) days and such two (2) arbitrators shall, within thirty (30) days of acceptance of their appointment, jointly select a third arbitrator to preside as chairperson of the panel. Failing such selection, a third arbitrator shall be selected by a Judge of the Nunavut Court of Justice, upon application by the Claimant within ten (10) Business Days of the expiry of the thirty (30) day period.
- 3.6 The arbitrator or arbitration panel shall, within thirty (30) days of appointment or establishment, proceed to arbitrate the Dispute.
- 3.7 Each Party shall, within fifteen (15) days of the appointment of the arbitrator or arbitration panel, provide the arbitrator or arbitration panel and the other Party with all documents relevant to the Dispute, unless privilege is claimed and demonstrated. Each Party may submit a written brief of argument to the arbitrator or arbitration panel not less than five (5) Business Days prior to the date of the hearing, with a copy to the other Party.

- 3.8 The arbitrator or arbitration panel may, at the request of a Party, hear motions to determine procedural or interim issues in advance of the hearing, including a determination as to the privileged nature of any documents, and shall commence its hearing as soon as practicable.
- 3.9 Unless otherwise agreed by the Parties, the Arbitration shall be conducted in Rankin Inlet, NU.
- 3.10 Unless otherwise ordered by the arbitrator or arbitration panel:
- (a) Each party will bear its own costs with respect to the Arbitration; and
  - (b) The parties will share equally in the costs of holding the Arbitration, such as expenses of the arbitrator or arbitrators, hearing facilities, transcripts, translation and interpretation.

For greater clarity, nothing in this section prevents an order for a different allocation of costs.

- 3.11 The arbitrator or arbitration panel shall render a written decision within sixty (60) days following the conclusion of the hearing.
- 3.12 The decision of the arbitrator or arbitration panel shall be final, binding on and enforceable by the Parties, subject only to judicial review. In any deliberation as to the remedy of specific performance, due regard shall be given at all times to the desirability of protecting Inuit lifestyle and culture and providing Inuit with opportunities for economic advancement.
- 3.13 Nothing in this Schedule H prohibits a Party from making, on a without prejudice basis, an offer of settlement or the Parties from reaching a settlement relating to a Dispute prior to or during the course of an Arbitration, including the allocation of the costs of the Arbitration and the costs of the Parties.
- 3.14 The arbitrator or arbitration panel has the jurisdiction to deal with all matters relating to the Dispute, but shall not have the power to modify or amend any terms, conditions or provisions of the Agreement, to add or delete provisions or to make any decision incompatible with the Agreement. In the event that an arbitrator or arbitration panel determines that there is any conflict, inconsistency or ambiguity in the Agreement, the Parties shall enter into good faith negotiations to review and amend the Agreement.
- 3.15 Should the Parties disagree or require clarification as to the meaning of the arbitrator's or arbitration panel's decision, either Party may apply to the arbitrator or chairperson to reconvene the Arbitration for the purposes of clarifying the decision. Any application to reconvene shall be made within thirty (30) days of the delivery of the Arbitration decision and the arbitrator or arbitration panel shall reconvene within ten (10) Business Days of such application and shall provide any clarification of the decision it deems necessary within twenty (20) days after reconvening the Arbitration.
- 3.16 The Parties may agree in writing to modify any of the time periods and procedures provided for in this Schedule H.
- 3.17 The Arbitration shall be conducted in English, and Inuktitut translation and/or interpretation shall be provided if requested by a Party.
- 3.18 Each Party is required to perform its obligations under the Agreement, except to the extent that it is the subject matter of a Dispute pending final resolution of the Dispute, unless the

Parties agree that to do so would be impossible or impracticable or that to maintain the conditions existing before the Dispute would be undesirable, or where the arbitrator or arbitration panel has made an interim order to a different effect.

- 3.19 Unless otherwise agreed by the Parties, Arbitration shall be open to the public unless a Party obtains an order from the arbitrator or arbitration panel that the proceedings, or any part thereof, shall be closed to the public in which case, all information and documents, including submissions, evidence and representations shall be subject to such confidentiality provisions as the arbitrator or arbitration panel may order, including restricting disclosure to the public of such information and documents.



## **SCHEDULE I**

### **RESEARCH AND DEVELOPMENT**

#### **1. PURPOSE**

The purpose of this Schedule is to ensure the opportunity for collaboration of the Parties in research and development initiatives.

#### **2. OBJECTIVES**

2.1 The objectives of this Schedule are to:

- (a) promote Inuit participation in the Whale Tail Project;
- (b) increase the profitability of the Whale Tail Project; and
- (c) stimulate research and development that could have commercial value for and potential application to the Whale Tail Project or other mining operations.

#### **3. OPPORTUNITIES FOR RESEARCH & DEVELOPMENT**

3.1 Subject to section 7 of this Schedule, AEM agrees to provide the opportunity for KIA or its Affiliates to collaborate in any research and development activities that AEM undertakes in relation to the Whale Tail Project.

3.2 If this collaboration results in the development of any technique or method that has a potential commercial application, the Parties intend that KIA or its Affiliates will share in any net benefit in proportion to its funding, as provided in section 7 of this Schedule.

3.3 Examples of potential joint research and development initiatives include:

- (a) techniques for the development and maintenance of gravel berms;
- (b) snow fencing and other methods to contain snow;
- (c) development, construction and maintenance of air strips;
- (d) dust management;
- (e) construction and maintenance of all season and ice roads;
- (f) techniques or methods for reclamation of lands disturbed by mining including tundra re-vegetation;
- (g) techniques to generate electricity using wind power;
- (h) methods to treat water and sewage;
- (i) construction and maintenance techniques for use at mining camps;
- (j) alternative sources of milling reagents;
- (k) the application of Inuit Qaujimanituqauqit in research and development initiatives;
- (l) techniques for monitoring and assessing socio-economic impacts; and
- (m) all other research projects for which AEM obtains scientific research and experimental development tax incentives from the federal government for the Whale Tail Project.

- 3.4 AEM shall report to the Implementation Committee all research projects for which AEM obtains scientific research and experimental development tax incentives from the federal government for the Whale Tail Project.

#### **4. APPLICATION**

- 4.1 The provisions of this Schedule shall apply during all phases of the Whale Tail Project, provided that nothing in this Schedule compels the undertaking of any research and development activities respecting the Whale Tail Project.
- 4.2 Any research and development in relation to the Whale Tail Project shall be conducted so as to achieve the objectives of this Schedule.

#### **5. PRIORITY**

AEM will give the highest priority to any research and development initiatives pertaining to the Whale Tail Project that have the potential to increase its profitability.

#### **6. PLANNING**

AEM and KIA may engage the Implementation Committee in the identification and planning of any joint research and development activities.

#### **7. COSTS OF RESEARCH**

AEM and KIA will fund the cost of any research and development that they jointly undertake in proportion to the benefit that each of them expects to receive from the commercial application of the technique or method that the research and development is expected to produce.



## **SCHEDULE J WILDLIFE**

### **1. PURPOSE**

The purpose of this Schedule is to set out AEM's obligations respecting wildlife and wildlife habitat.

### **2. OBJECTIVES**

The objectives of this Schedule are to provide for:

- (a) the protection of wildlife and wildlife habitat;
- (b) reporting mechanisms to ensure KIA receives timely information regarding wildlife and wildlife incidents;
- (c) compensation for the loss of wildlife or wildlife habitat that was not predicted in the EIS; and
- (d) recovery of valuable wildlife parts following wildlife kills.

### **3. APPENDICES**

The following appendix forms part of this Schedule:

Appendix 6.1 – Wildlife Compensation

### **4. PROTECTION OF WILDLIFE**

AEM is at all times strictly forbidden to harass wildlife, such as deterring animals away from Whale Tail Project operations, unless it is necessary to do so in order to protect human health or safety. AEM must take all possible measures to avoid disturbance to wildlife and to avoid interference with Inuit who are lawfully harvesting wildlife.

### **5. WILDLIFE REPORTING**

As of the Effective Date, AEM shall have in effect and implement a reporting program acceptable to KIA which will include:

- (a) subject to section 12.1 of this Schedule, reporting of wildlife sightings and incidents to KIA on a quarterly basis;
- (b) reporting to KIA and others as required by law, any incident that results in the killing, relocating or injuring of any wildlife as result of Whale Tail Project activities, immediately upon occurrence of the incident; and
- (c) efforts taken to avoid future incidents with wildlife.

### **6. COMPENSATION**

- 6.1 Subject to section 6.2 of this Schedule, if, as a result of Whale Tail Project activity, wildlife is killed or relocated AEM shall pay compensation to KIA in accordance with Appendix 6.1 within thirty (30) days of the kill or relocation.

- 6.2 With respect to an accidental or emergency kill of polar bear, KIA shall designate which HTO shall be entitled to compensation to be paid by AEM within thirty (30) days of such kill. The amount of compensation shall cover the commercial value of the tag for the bear killed, as determined by KIA following consultation with the designated HTO, plus an amount to compensate for the forfeiture of a tag in the following Year. In no case shall the total amount compensated per polar bear be less than \$25,000.00.
- 6.3 AEM shall, in addition, pay compensation to KIA within sixty (60) days of any interference with wildlife or destruction of wildlife habitat that was not predicted in the EIS. For the purposes of this provision, compensation for interference with wildlife or wildlife habitat may include compensation to Inuit harvesters who incur costs or losses as a result of interference with harvesting activities. Failing agreement by the Parties on the amount of such compensation within such sixty (60) day period, it shall be determined in accordance with Schedule H (Arbitration).

## **7. DELIVERY OF WILDLIFE PARTS**

- 7.1 Unless otherwise agreed by the Parties or as required by Applicable Law, as soon as possible following a wildlife kill, one representative designated by each of KIA and AEM shall visit the kill location to prepare the carcass. Where feasible, AEM shall deliver salvageable wildlife parts to the HTO designated by KIA. In order to ensure timely salvage, KIA shall designate a representative within one (1) Business Day of a request to do so from AEM. Where immediate transport by AEM to the designated HTO is not feasible, KIA may provide direction to AEM for the proper storage of wildlife parts until transportation can be arranged. AEM shall pay for any costs associated with the preparation, storage and transport of wildlife kills, together with the costs incurred by the KIA representative in attending at the kill location.
- 7.2 The Parties shall, within six (6) months of the Effective Date, develop a protocol for implementing all or part of section 7.1 of this Schedule so as to ensure the expeditious recovery of salvageable wildlife parts.

## **8. MANAGEMENT PLANS**

AEM shall implement, at minimum, all management plans as described in Volume 8 of the FEIS and shall provide to KIA copies of all reports issued pursuant to such plans. AEM acknowledges the importance of and will seek out and apply IQ in the development of management and monitoring plans pertaining to wildlife.

## **9. SUSPENSION OF OPERATIONS**

Should KIA, acting reasonably, determine that AEM is participating in any activity which puts the health or safety of wildlife or wildlife habitat at risk beyond what is contemplated by the Whale Tail Project Certificate, KIA may require that AEM suspend such activity until the risk to wildlife or wildlife habitat has been addressed. Representatives of the Parties shall be readily available to discuss the measures necessary to eliminate potential risks to the health and safety of wildlife or wildlife habitat and to comply with the Whale Tail Project Certificate, to the satisfaction of KIA, it being agreed that the sixty (60) day period set out in section 4.2.2 of the Agreement shall not apply to the preceding measures.

## **10. NON DEROGATION**

Any claim for compensation made by KIA pursuant to section 6.1 of this Schedule shall be reduced by any amount paid by AEM as compensation to an HTO, KIA or an Inuk pursuant to section 6.4.1 of the NLCA for the same loss or damage.

## **11. COMPLIANCE**

- 11.1 AEM shall ensure that all its employees and contractors at the Whale Tail Project are made aware of and comply with the obligations of AEM under sections 4, 7 and 12 of this Schedule.
- 11.2 AEM shall at all times comply with its Terrestrial Environment Management and Monitoring Plan, which shall not be amended without the consent of KIA.

## **12. CARIBOU AND MUSKOOX PROTECTION**

AEM shall comply with the following specific provisions regarding caribou and muskox:

- 12.1 During the pre-calving, calving and post-calving periods and during the fall migration period, when herds of caribou or muskoxen are observed within ten (10) kilometers of the Whale Tail Project, or when collar data suggests caribou are imminently expected to migrate through the Whale Tail Project area, AEM must report immediately the presence of the herds to KIA, the Baker Lake HTO or the Aqigiq HTO as appropriate and the Government of Nunavut Department of Environment. The report shall specify the species, location and numbers.
- 12.2 AEM shall have wildlife monitoring personnel present at the Whale Tail Project site during the pre-calving, post-calving and fall migration periods. The names of the personnel shall be sent to KIA to maintain communication at all times.
- 12.3 AEM shall not, unless it is necessary to do so in order to protect human health or safety, conduct any activities that interfere with the migration of caribou or muskoxen. Immediately upon becoming aware of the migration of fifty (50) or more caribou, or ten (10) or more muskoxen, AEM shall suspend any activities which have the potential to disturb wildlife, including suspension of all flights, drill operations and circulation of vehicles, within five (5) kilometers of a caribou or muskox herd, until the herd has left the area it being agreed that the sixty (60) day period set out in section 4.2.2 of the Agreement shall not apply to the preceding measures.
- 12.4 AEM shall avoid disturbance to any herd by aircraft and shall at all times comply with flight restrictions contained in AEM's Terrestrial Environment Management and Monitoring Plan.

## **APPENDIX 6.1**

### **WILDLIFE COMPENSATION**

•	Grizzly bear	\$25,000.00
•	Caribou	\$2,500.00
•	Muskox	\$2,500.00
•	Wolf	\$2,500.00
•	Wolverine	\$2,500.00
•	Arctic, Blue Red, Silver Fox	\$1,000.00
•	Ringed, harbour, harp seal	\$1,000.00
•	Bearded seal	\$2,500.00
•	Atlantic walrus	\$10,000.00
•	Beluga	\$10,000.00
•	Narwhal	\$15,000.00
•	Bowhead whale	\$500,000.00

Other large mammal species, as may be determined from time to time by KIA. KIA will give written notice to AEM of the addition of any mammals and the value thereof.