# DE BEERS SOCIO-ECONOMIC MONITORING AGENCY

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APPENDIX A: DEFINITIONS
SNAP LAKE DIAMOND PROJECT
SOCIO-ECONOMIC AGREEMENT

PARTIES:

(1) DE BEERS CANADA MINING INC., a company incorporated under the laws of Canada and having an office in Yellowknife, Northwest Territories ("DBCMI");

(2) THE GOVERNMENT OF THE NORTHWEST TERRITORIES, as represented by The Minister of Resources, Wildlife and Economic Development ("GNWT");

(3) DOGRIB TREATY 11 COUNCIL, incorporated under the Societies Act;

YELLOWKNIVES DENE FIRST NATION, established pursuant to the Indian Act (Canada);

LUTSEL K'É DENE BAND, established pursuant to the Indian Act (Canada);

NORTH SLAVE METIS ALLIANCE, incorporated under the Societies Act

(each an "Aboriginal Party" and collectively the "Aboriginal Parties").

BACKGROUND:

A. DBCMI proposes to establish a mine and related facilities adjacent to Snap Lake in the Northwest Territories ("NWT") for the commercial production of rough diamonds ("the Project").

B. DBCMI has voluntarily committed to operate the Project in a manner that contributes to the social, economic and cultural well-being of the Northwest Territories and, in particular, the region impacted most by the Project.

C. Under the Mackenzie Valley Resource Management Act (Canada), the Mackenzie Valley Environmental Impact Review Board ("MVEIRB") conducted an environmental assessment of the Project, which resulted in a report and decision issued on 24 July 2003 and titled "Report of Environmental Assessment and Reasons for Decision on the De Beers Canada Mining Inc. Snap Lake Diamond Project" ("the Report").

D. Under s. 130 of the Mackenzie Valley Resource Management Act, the federal Minister of Indian Affairs and Northern Development on behalf of the responsible Ministers to whom the report was distributed, including the Minister of Resources, Wildlife and Economic Development on behalf of GNWT, adopted the Report's recommendations by letter dated 10 October 2003 as conditions of approval of the Project.
E. The Report requires DBCMl and GNWT to negotiate and sign a socio-economic agreement prior to the issuance to DBCMl of a production water licence and sets out various matters to be addressed to ensure the commitments of DBCMl and other measures to minimize negative impacts resulting from the development and operation of the Project are implemented and monitored.

F. Persons impacted or likely to be impacted by the Project include Aboriginals, who have aboriginal, treaty or other rights that are being defined, recognized and protected in a variety of forums.

G. Each Aboriginal Party represents and is responsible to its members, and wishes to participate in this Agreement.

H. Each Aboriginal Party represents Aboriginal people who are most likely to be impacted by the Project.

IT IS AGREED:

1 INTERPRETATION

1.1 DEFINITIONS

Unless the context otherwise requires, terms in this Agreement, including the recitals above, have the meaning given to them in Appendix A, which forms part of this Agreement.

1.2 INTERPRETATION

1.2.1 Clause and Appendix headings do not affect the interpretation of this Agreement.

1.2.2 Use of the singular includes the plural and vice versa.

1.2.3 With the exception of clause 4.10, this Agreement is gender-neutral.

1.2.4 If any part of this Agreement is found to be invalid, unenforceable or illegal, it will be considered severed and the other parts will remain in force and effect.

1.2.5 Unless the context otherwise requires, any reference to a law refers to it as it may be applied, amended or re-enacted and in force from time to time and includes any subordinate legislation made under it.

1.2.6 Any reference to an aboriginal or treaty right, land claim agreement or self-government agreement, of an Aboriginal Party, refers to it as may be recognized in law, entered into or amended and in force from time to time.

1.2.7 Any reference to an impact benefit or similar agreement between DBCMl and an Aboriginal Party, refers to it as may be recognized in law, entered into or amended and in force from time to time.
1.2.8 Nothing in this Agreement limits any branch of the Government of the Northwest Territories, including the Minister representing GNWT in this Agreement, or any other authority in the exercise of its constitutional or statutory powers and duties.

1.2.9 Nothing in this Agreement lessens or waives any commitments made by DBCMI in the proceedings leading to, or any recommendation of the MVEIRB in, the Report.

1.2.10 Nothing in this Agreement abrogates or derogates from any existing aboriginal or treaty right.

1.3 PRIORITY OF RIGHTS AND INSTRUMENTS

In case of conflict, to the extent of the conflict:

a. an applicable law or Regulatory Instrument prevails over this Agreement;

b. an impact benefit agreement related to the Project between DBCMI and an Aboriginal Party prevails over this Agreement as between those two Parties.

1.4 NO PREJUDICE

This Agreement is without prejudice to the positions of the Parties respecting any:

a. existing aboriginal or treaty rights;

b. on-going or future land claims or self-government negotiations affecting aboriginal peoples;

c. constitutional changes that may occur in the Northwest Territories;

d. changes to legislation or regulation resulting from the settlement of land claim and self-government negotiations, or resulting from constitutional changes or devolution; or

e. existing or future impact benefit or similar agreements.

2 PURPOSE & GUIDING PRINCIPLES

2.1 PURPOSE OF AGREEMENT

2.1.1 The purpose of this Agreement is to:

a. meet the recommendation in the Report that GNWT and DBCMI sign a socio-economic agreement to include the commitments by De Beers to employment (including training targets) and procurement targets;

b. establish this Agreement as the follow-up method by which the implementation of commitments made regarding socio-economic issues arising from the Project and this Agreement will be monitored and reported;

c. establish the methods and procedures by which the Parties will work together to identify the impacts, maximize the beneficial opportunities and minimize the negative impacts arising from the Project; and

d. create the Agency set out in clause 8.
2.2 PRINCIPLES
The Parties will carry out this Agreement consistent with the purpose in clause 2.1 and be guided by the following principles:

a. co-operation;
b. fairness;
c. respect for the rights, responsibilities and interests of each Party (including the responsibility and interest of DBCMI in an economically viable Project);
d. support for the goal of sustainable development and monitoring of progress towards it;
e. collaboration;
f. adaptive management that is innovative, flexible and ensures feedback and remedies to achieve the goal of minimum adverse impact.

3 EMPLOYMENT PRACTICES
3.1 HIRING SUBJECT TO LAW
The hiring commitments and targets under this Agreement are subject to applicable law, (including a grant of approval of the Commissioner in Executive Council under s. 9 of the Fair Practices Act).

3.2 HIRING PRIORITIES DEFINED
In this Agreement, Hiring Priorities means giving priority to hiring to the following groups in the following order:

a. members of the Aboriginal Authorities;
b. Aboriginal people residing in the NWT;
c. NWT Residents who have been continuously resident in the Northwest Territories at least six months prior to being hired;
d. all others residing in or relocating to the NWT; and then

3.3 HIRING BY HIRING PRIORITIES
During Construction, Operations and Closure, DBCMI shall hire according to the Hiring Priorities set out in clause 3.2. DBCMI shall use best efforts to apply the Hiring Priorities across the entire spectrum of Project-based employment, including managerial, professional, technical and trades-related jobs.

3.4 EMPLOYMENT TARGETS
3.4.1 DBCMI shall, and in keeping with the Hiring Priorities set out in clause 3.2, use best efforts to ensure that:

a. employment of NWT Residents, including employment by Contractors, will be at least 40% of the total employment throughout Construction;
b. employment of NWT Residents, including employment by Contractors, will be at least 60% of the total employment on an annual basis throughout Operations; and

c. employment of NWT Residents, including employment by Contractors, will be at least 60% of the total employment on an annual basis throughout Closure.
3.4.2 Achieving the hiring targets undertaken by DBCM in this Agreement is subject to the availability of NWT Residents with the required skills, training and experience.

3.4.3 DBCM will take all reasonable steps, while acting in good faith, to work towards a Project workforce that will consist primarily of those individuals identified in clause 3.2.a, b, c and d.

3.5 **HIRING COMMITMENTS FROM CONTRACTORS**

DBCM will, through the tendering and contracting process, cause its Contractors to meet employment and recruitment targets consistent with DBCM commitments in this Agreement by:

a. requiring all Contractors to expressly state in their bids their commitment to hiring in accord with the Hiring Priorities set out in clause 3.2;

b. including in bid evaluation an assessment of whether appropriate commitments to the Hiring Priorities are included or planned for in the bid;

c. incorporating in the contract document the successful bidder's commitments to hire in accord with the Hiring Priorities set out in clause 3.2; and

d. requiring all Contractors to provide all relevant information to DBCM to enable DBCM to fulfill the reporting requirements of this Agreement.

3.6 **EMPLOYMENT INCENTIVES**

3.6.1 DBCM will offer incentives to assist Project employees who live in the Northwest Territories, including establishing and implementing northern benefits and relocation packages. All incentives and benefits packages will be established, managed and administered solely by DBCM.

3.6.2 DBCM will develop work schedules to accommodate traditional pursuits of Aboriginal employees in balance with the operational requirements of the Project.

3.6.3 DBCM will provide return direct air transportation at its expense and on company time, to employees between the following NWT communities and the Project:

a. Lutsel K'e, Gameti, Wha Ti and Wekweeti;

b. Yellowknife for the communities of Rae, Rae Edzo, Dettah, N'dilo, and Yellowknife; and

c. Hay River for the Catchment Communities.

3.6.4 DBCM will from time to time evaluate the feasibility of providing flights, at the company's cost and on the company's time, to employees living in NWT communities in addition to those listed in clause 3.6.3.
3.6.5 During Operations, the point for transportation to the Project for all Project-based employees shall be only those pick-up points set out in clauses 3.6.3 and 3.6.4. DBCMI will not pay or reimburse travel costs of Project-based employees living outside the NWT for transportation to and from the pick-up points set out in clauses 3.6.3 and 3.6.4. For avoidance of doubt, DBCMI may pay the travel costs to and from the Project of:

a. consultants; or
b. employees of DBCMI, its affiliates or parent company, who are officers, senior managers or professional employees from operations other than the Project.

3.7 EMPLOYMENT REQUIREMENTS AND STANDARDS

3.7.1 DBCMI will establish Grade Ten as a minimum standard for trainable positions, but will consider the experiences of individuals not meeting the minimum education requirements for a position on a case-by-case basis.

3.7.2 While honouring the commitments respecting employment and human resource development, DBCMI retains the right to make independent decisions, in its sole discretion, relating to qualifications for employment, terms of employment, wages, salaries, benefits, allowances, skills, training, experience, qualifications for training, promotion, demotion, or dismissal, of individual employees or Contractors during Construction and Operations.

3.7.3 DBCMI retains the right to employ officers and senior management and to retain outside professional consultants who DBCMI, in its sole discretion, determines to have the necessary skills, training and experience to fulfill services, duties and obligations.

3.8 ABORIGINAL PARTY SUPPORT

Each Aboriginal Party will support the DBCMI commitment to maximize employment opportunities in the Project for its members through:

a. collaboration with DBCMI, GNWT and other organizations to plan, design and coordinate the delivery of employment support programs; and

b. the promotion and encouragement of Member-owned Businesses to meet the hiring policies and priorities that achieve the employment targets set out in clauses 3.2, 3.3 and 3.4 respectively of this Agreement.
4 HUMAN RESOURCE DEVELOPMENT

4.1 HUMAN RESOURCES DEVELOPMENT PLAN

4.1.1 In this clause 4, “HRDP” means the human resources development plan developed by DBCM, as may be amended from time to time, that includes pre-employment programs, wellness initiatives, financial management skills development, and initiatives for advancement in the labour force.

4.1.2 DBCM will implement and maintain the HRDP. In developing and amending the HRDP, DBCM will give special emphasis to providing development opportunities, including training, to the Primary Communities.

4.2 RECRUITMENT STRATEGIES

DBCM will use best efforts to achieve the targets established in clause 3.4 using, among other methods, the following:

a. establish a recruitment, training and employment strategy that will include Northwest Territories recruitment plans, and development of career plans for employees during Construction and Operations;

b. link employment initiatives to support implementation of impact benefit agreements with Aboriginal Authorities;

c. collaborate with Primary Communities to identify opportunities for sponsoring and participating in community research projects directed at gathering information and addressing barriers to successful employment;

d. actively promote and encourage careers in the diamond mining industry;

e. promote and encourage partnerships with Northwest Territories schools for work experience and job placement programs as well as summer employment opportunities that allow Northwest Territories students to gain experience during Construction and Operations, while continuing to complete their education; and

f. promote and encourage partnerships with Aurora College and other Canadian post-secondary education institutions to establish work experience and job placement programs, including summer employment opportunities, that enable Northwest Territories students to gain experience during Construction and Operations of the Project, while continuing to complete their post-secondary education.

4.3 DEVELOPMENT OF TRAINING PROGRAMS COLLABORATION

4.3.1 DBCM will collaborate with GNWT, the Primary Communities and other organizations in the development of pre-employment preparation, skill development training, on-the-job training, and re-training programs to better enable NWT Residents to take advantage of employment opportunities deriving from the Project.

4.3.2 DBCM will collaborate with Aboriginal Authorities to encourage development and delivery of training programs based on cultural value systems that include a cultural
component that would introduce new employees to rotation employment and the intricacies of scheduled work.

4.4 TRAINING PERIOD

The Parties acknowledge that, notwithstanding typical training periods, said training periods may need to be adjusted to reflect entry-level education of trainees.

4.5 RECRUITMENT AND TRAINING OBJECTIVES

4.5.1 DBCMI will:

a. establish its human resource office in the Northwest Territories;

b. cause its Contractors to achieve the goal of maximizing the training of members of Aboriginal Authorities and NWT Residents in accord with the provisions of this Agreement;

c. link training strategies to support impact benefit agreement implementation with Aboriginal Authorities;

d. establish a mine orientation program for all new employees, to be offered in the Primary Communities;

e. establish a recruitment and training strategy for school students that encourages and promotes completion of secondary school;

f. make best efforts to schedule training so that potential employees completing training will be able to take immediate advantage of employment opportunities at the Project and encourage its Contractors to do the same;

g. participate in regional career fairs;

h. develop and offer a “Summer Student Employment Program” and actively encourage women to apply;

i. conduct a training needs assessment of potential employees that will identify the existing education and skill levels among the Aboriginal Authorities’ member workforce and NWT Resident workforce, from among those who have applied to DBCMI for Project-related employment so that work can be offered to new recruits and opportunities for advancement can be offered to existing employees; and

j. train and offer advancement opportunities to existing employees in accord with the Hiring Priorities in clause 3.2 and subject to each employee’s performance, training, skills, interest and the career plan developed for that employee as set out in clause 4.2.a.

4.5.2 DBCMI will use best efforts to apply the recruitment and training objectives of clause 4.5.1 across the entire spectrum of Project-based employment, including managerial, professional, technical and trades-related jobs.
4.6 APPRENTICE & TRADE POSITIONS AND TRAINING

4.6.1 DBCM will develop apprentice positions in accord with the requirements of the Northwest Territories Apprenticeship, Trade and Occupations Certification Act and will fill those positions in accord with the Hiring Priorities set out in clause 3.2.

4.6.2 DBCM will, in accord with the Hiring Priorities set out in clause 3.2 of this Agreement and subject to the availability of persons who meet the requirements of the Northwest Territories Apprenticeship, Trade and Occupations Certification Act:

a. establish an underground mining training program and provide a combined minimum of twenty (20) positions to be made available to Northwest Territories resident Aboriginals and NWT Residents within 3 years of commencement of Operations;

b. establish a trades training program and provide a combined minimum of ten (10) positions for Northwest Territories resident Aboriginals and NWT Residents, within three years of production;

c. provide a combined minimum of ten (10) apprentice positions for Northwest Territories resident Aboriginals and NWT Residents;

d. organize and implement its training and apprenticeship programs so that employees completing the training will be able to use the skills acquired and time spent as credit towards certification or status recognized in the Northwest Territories under the Apprenticeships, Trade and Occupations Certification Act;

e. record the details of employment and training in accord with the requirements of the Apprenticeships, Trade and Occupations Certification Act;

f. fill the positions and carry out the commitments identified in this clause 4.6.2 in accord with the Hiring Priorities set out in clause 3.2 of this Agreement, subject to the availability of persons who meet the requirements of the Northwest Territories Apprenticeship, Trade and Occupations Certification Act.

4.6.3 DBCM will cause its Contractors to fulfill the commitments in clause 4.6.2.

4.7 LITERACY PROGRAMS

4.7.1 DBCM will contribute to the improvement of literacy and technical skills of the Aboriginal and non-Aboriginal population of the Primary Communities by providing literacy programs on-site to its employees and by supporting literacy programs in the Primary Communities through measures set out in clauses 4.7.2 and 4.7.3.

4.7.2 In the Primary Communities, DBCM will:

a. collaborate with those agencies that deliver literacy programs so that participants may further improve their qualifications towards employment. All DBCM employees will be eligible to enrol in the program;
b. through its community liaison personnel, assist Primary Communities and existing local learning institutions to encourage community members (including on-site employees) to upgrade their literacy levels; and

c. work with the Government of the Northwest Territories and the Government of Canada to encourage continued and adequately funded and delivered mechanisms for community-based literacy programs in the Primary Communities.

4.7.3 On-site DBCM will:

a. establish and maintain a learning centre with equipment and resources to be fully funded by DBCM and to include, at a minimum, suitable computers and a learning centre resource library; and

b. ensure that on-site literacy programs will be linked to its recruitment and employment strategy to permit employees to take advantage of career advancement opportunities.

4.8 GNWT SUPPORT

To maximize employment and training opportunities for NWT Residents in relation to the Project, GNWT will, subject to and in accord with GNWT policy and programming in effect from time to time:

a. meet with DBCM at least annually, to review GNWT program and service delivery plans to identify areas for collaboration;

b. collaborate with DBCM, Aboriginal Parties, Aurora College or other organizations in the design of relevant literacy and training programming;

c. collaborate with the Parties and governing authorities in the Primary Communities to support the planning and delivery of community-based literacy and training programs;

d. collaborate with DBCM, Aboriginal Parties or other organizations to plan, design or co-ordinate the delivery of employment support programs;

e. provide funding for literacy, pre-employment training and trades related training for GNWT approved activities;

f. develop and distribute information on careers in the mining industry to GNWT Career Centres and high school counsellors;

g. promote and facilitate the organization of career fairs for high school students and adults;

h. offer, through its school system, opportunities for students to take courses and participate in work experiences that prepare them for potential future employment in the mining industry;
i. offer opportunities for DBCMII employees to participate, at DBCMII expense, in professional development programs organized for Aurora College or GNWT literacy and pre-employment training instructors.

4.9 ABORIGINAL PARTY SUPPORT

Each Aboriginal Party will support the commitment to maximize human resource development opportunities for its members in the Project through the following initiatives and programs:

a. continued sponsorship of its members in pre-employment, skills training and education;

b. including careers in the mining industry in community career counselling services;

c. collaborating with DBCMII, GNWT, Aurora College and other organizations to plan, design, and co-ordinate the delivery of training programs; and

d. promoting and engaging community-based organizations to participate in training and employment initiatives.

4.10 PROMOTING PARTICIPATION BY WOMEN

4.10.1 DBCMII will support and encourage the participation of women on an equal basis with men in all aspects of work related to the Project.

4.10.2 DBCMII will:

a. work to create formal partnerships with the following organizations to promote women in trades and mining occupations: Skills Canada, the Native Women’s Association of the Northwest Territories, the Northwest Territories Status of Women Council, Aurora College, Aboriginal Authorities and the Government of the Northwest Territories;

b. offer scholarships to female Northwest Territories students who are attending college and university programs related to mining;

c. create a promotional campaign targeting young women for jobs at the Project;

d. create and offer a “female role model school visit” program to promote women working at the Project;

e. offer awards to elementary and high schools for success in mathematics and science by female students;

f. develop and offer a “women in trades” program in the Primary Communities;

g. offer tours of the Project aimed at women interested in the mining field;

h. offer scholarships and awards for all women who are in an apprenticeship program at Snap Lake; and
i. offer remedial training programs and personal development strategies to women who may not possess all of the requisite skills and knowledge for particular positions.

4.10.3 DBCMI will encourage its Contractors to participate in and support DBCMI commitments in clauses 4.10.1 and 4.10.2.

4.11 TRANSITIONING UPON CLOSURE

4.11.1 GNWT and DBCMI agree to collaborate to ease employees’ transition to new jobs upon Closure.

5 BUSINESS DEVELOPMENT

5.1 POLICY OBJECTIVE AND IMPLEMENTATION

Wherever practicable, and consistent with sound procurement management, DBCMI will implement policies intended to maximize business and value-added opportunities for NWT Businesses.

5.2 PURCHASING OBJECTIVES

5.2.1 DBCMI will source procurement needs from NWT Businesses as much as possible during Construction, Operations and Closure.

5.2.2 DBCMI will use its best efforts to ensure that special emphasis and priority will be placed on developing business opportunities within the Primary Communities.

5.2.3 DBCMI will use its best efforts to ensure that:

a. purchases of goods and services through or from NWT Businesses during Construction will be at least 35% to 45% of the total annual value of goods and services purchased associated with Construction;

b. purchases of goods and services through or from NWT Businesses during Operations will be at least 70% of the total annual value of goods and services purchased associated with Operations; and

c. purchases of goods and services through or from NWT Businesses during Closure will be at least 70% of the total annual value of goods and services purchased associated with Closure.

5.2.4 Achieving the procurement objectives undertaken by DBCMI as set out in clause 5.2.3 of this Agreement is subject to the availability of NWT Businesses with the required skills, experience and interest.

5.3 PURCHASING PRIORITY

5.3.1 DBCMI will provide opportunities for sourcing procurements in the following order of priority:

a. Primary Communities; and then, following a reasonable amount of time,
b. NWT Businesses and industry and business associations in the Northwest Territories; and then, following a reasonable amount of time,
c. other businesses.

5.3.2 In the event of emergencies where goods or services are required for the Project, DBCM1 will use its best efforts to provide Aboriginal Businesses and NWT Businesses with procurement opportunities in the order of priority set out in clause 5.3.1.

5.3.3 DBCM1 will cause its Contractors to make commitments similar to those set out in clause 5.3.1.

5.3.4 DBCM1 retains the right in its sole discretion, to make decisions relating to qualifications for Contractors, and the assessment of tenders against DBCM1 selection criteria.

5.3.5 The provisions of clause 5.3.1 respecting priorities do not apply to the retention of professional advisors or consultants.

5.4 BUSINESS OPPORTUNITIES MANAGEMENT

DBCM1 will take the following measures to maximize Project-related business opportunities for Aboriginal Businesses and NWT Businesses:

a. hiring a manager of business development to act as a liaison between DBCM1, GNWT, the Aboriginal Parties and NWT Business; DBCM1 is wholly responsible for providing the salary and support for this position, which position will remain throughout mine Construction, Operations and Closure;

b. designing and communicating clear business development strategies for Aboriginal Parties and communicating the scope and scale of business opportunities and project requirements in a timely and effective manner;

c. identifying project components, at all stages of Construction, Operations and Closure of the Project, that should be targets for a business development strategy;

d. identifying possible opportunities for joint ventures with Aboriginal Businesses;

e. developing a Northwest Territories business policy that supports the objectives and commitments in this Agreement;

f. providing business-related expertise with its industry contacts to Northwest Territories mine-related business initiatives;

g. ensuring the size and scope of available contracts matches the capacity of Aboriginal Businesses and NWT Businesses where feasible;

h. preparing an annual business opportunities forecast that will identify the reasonably foreseeable procurement requirements of the Project, and providing it to Aboriginal Businesses and NWT Businesses in accord with the priorities set out in clause 5.3.1;
i. making available business opportunity information related to DBCMl business objectives and service requirements that will enable the completion of business plans or proposals by Aboriginal Businesses or NWT Businesses in seeking development support services through existing public and private sector programs;

j. ensuring broad communications of business opportunities to Aboriginal Businesses, NWT Businesses, and business-industry associations in the Northwest Territories.

5.5 INTERPRETATION REGARDING FINANCING

Nothing in this Agreement commits DBCMl to provide nor restricts it from providing financing or other economic incentives to NWT Businesses in relation to the Project.

5.6 GNWT SUPPORT

To support long term economic and business opportunities for NWT Residents in relation to the Project, GNWT will, subject to and in accord with GNWT policy and programming in effect from time to time:

a. designate the Superintendent North Slave Regional Office or other office as the principal liaison for Project-related community economic and business opportunities;

b. co-ordinate, through the principal liaison in clause 5.6.a, the activities of GNWT that support Project-related community economic and business opportunities;

c. collaborate with the Parties or governing authorities in the Primary Communities and Catchment Communities to facilitate co-ordinated business development planning and delivery of business development programs;

d. meet with DBCMl and the Aboriginal Parties at least annually to review GNWT program and service delivery plans to identify areas for collaboration;

e. provide the Parties information on business development programs delivered by GNWT;

f. provide the Parties with information available to GNWT on business development programs offered by the federal government;

g. maintain a registry of businesses eligible under GNWT business incentive policy, which is accessible to the Parties.

5.7 ABORIGINAL PARTY SUPPORT

Each Aboriginal Party shall support the intention to maximize Project-related economic and business opportunities for that Party's Member-owned Businesses through the following initiatives and programs by:

a. collaborating with DBCMl, GNWT and other organizations to develop and design new economic development programming;
b. working with GNWT to increase community business capacity and facilitating the upgrading of management and entrepreneurial skills of that Party's Members;

c. working with the private sector to develop joint ventures to bid for Project-related contracts; and

d. working with DBCMI and GNWT to keep its Member-owned Businesses informed of opportunities arising from the Project.

6 SOCIAL WELL-BEING

6.1 WELLNESS INITIATIVES

6.1.1 DBCMI recognizes that the health and wellness of individuals and families is fundamental to the social and economic sustainability of Primary Communities.

6.1.2 In order to promote a healthy and stable workforce, DBCMI will assist employees in performing well in their jobs and careers and help communities address potential effects of the Project by working with the Parties to address issues of individual and family wellness as follows:

   a. supporting initiatives and resources in the Primary Communities for addressing alcohol and substance abuse problems;

   b. seeking partnerships to ensure effective and recognized substance abuse, family violence and domestic abuse programs are made available for community members and Project employees;

   c. carrying out ongoing prevention and awareness programs on-site and collaborating or partnering with social services agencies and where available, with trained alcohol and substance abuse, family violence and domestic abuse counsellors, to ensure ongoing prevention and awareness program delivery in the Primary Communities;

   d. collaborating and partnering with social service agencies in the Primary Communities to provide ongoing family counselling services (which may include, for example, family and relationship counselling, stress management, anger management, support services for women and single mothers, child care services, and parenting training) in the Primary Communities for mine employees and their immediate family;

   e. providing on-site information regarding the existence of support services available in the Primary Communities to encourage full use of such services while off-site; and

   f. collaborating with agencies and counsellors that deliver addiction treatment programs, to enable individuals who have completed those programs to participate in DBCMI pre-employment and employment training.

6.1.3 In addition to participating in the initiatives in clause 6.1.2, DBCMI will:
a. staff at least two full time community liaison personnel, one of whom is preferably fluent in Chipewyan, one of whom is preferably fluent in Dogrib and both of whom are preferably members of the Aboriginal Authorities;

b. provide money management training in each of the Primary Communities for employees and their spouses and make this training mandatory within the first six months for all newly hired employees;

c. seek collaboration with recognized financial institutions to establish Internet and telephone based banking services in the Primary Communities;

d. make available to all employees via a toll-free telephone number an “employee assistance program service”;

e. in collaboration with the Primary Communities and GNWT, disseminate materials and information to employees and in communities related to substance abuse awareness and prevention;

f. establish a sexual harassment policy and an alcohol-free and drug-free workplace policy at the Project site;

g. actively manage those employee pension plans for which it is responsible, in a prudent and competent manner so as to preserve and protect those pension plans to the best of its ability;

h. ensure that foods provided at the Project site promote healthy living, and are particularly appropriate for those who have or are at risk for developing diabetes;

i. provide access to communications links from the Project site where DBCM will provide the equipment and telecommunications access but the user will pay for long distance connection charges; and

j. provide recreation facilities and equipment at the Project site.

6.2 GNWT SUPPORT

To support the well-being of NWT Residents in relation to the Project, GNWT will, subject to and in accord with GNWT policy and programming in effect from time to time:

a. collaborate with the Parties or governing authorities in the Primary Communities to facilitate the planning and delivery of community-based mental health and addictions programs and wellness programs;

b. collaborate with DBCM, Aboriginal Authorities or other organizations in the design of community mental health and addictions programs and wellness programs;

c. provide funding for mental health and addictions programs and wellness programs for approved activities;
d. meet with DBCMI at least annually to discuss GNWT program and service
delivery plans to identify areas for collaboration; and

e. make available information on mental health, addictions and wellness
programs to DBCMI for sharing with their employees.

6.3 ABORIGINAL PARTY SUPPORT

Each Aboriginal Party supports the commitment to assist DBCMI employees to perform well in
their jobs and careers and to help communities address any potential effects of the Project by
collaborating with GNWT and DBCMI, to provide materials and information to employees who
are members of that Aboriginal Party and in that Aboriginal Party's community, related to
substance abuse awareness and prevention.

7 CULTURAL WELL-BEING

7.1 WORK TOGETHER

In order to promote cultural preservation and sustainability, DBCMI will work with Aboriginal
Authorities, Primary Communities and GNWT to address cultural issues.

7.2 PROMOTING CULTURAL PRESERVATION AND UNDERSTANDING

7.2.1 DBCMI shall:

a. support the promotion of traditional cultural practices of the Aboriginal
   Authorities;

b. work with community, government, and education institutions and agencies to
   promote use of resources in local schools that are culturally appropriate to
   Aboriginals;

c. develop and implement a cultural exchange program to provide non-Aboriginal
   site employees with the opportunity to spend two to three days with Aboriginal
   employees while participating in traditional land practices;

d. provide cross-cultural training to all on-site staff;

e. in collaboration with the Aboriginal Authorities, sponsor community appreciation
   days in the Primary Communities;

f. hold periodic mine site visits for employees' families;

g. provide traditional foods on site when commercially available; and

h. provide and maintain space at the mine site for spiritual or other similar
   employee-driven requirements.

7.2.2 DBCMI may, from time to time, assist with funding support to existing or emerging
community-based programs or agencies with the mandate to strengthen Aboriginal
culture in the Primary Communities.
8 DE BEERS SOCIO-ECONOMIC MONITORING AGENCY

8.1 CREATION OF AGENCY

8.1.1 For the purposes set out in clause 8.2, the Parties agree to establish a non-profit organization (the "Agency") in accord with this clause 8.

8.1.2 Creation of the Agency satisfies commitments made by DBCMI to establish a "Mine Management Advisory Committee" during the process leading to the Report.

8.1.3 Within 60 days of execution of this Agreement, the Parties shall approve the form of by-laws for the Agency containing provisions for all the matters required under the Societies Act and everything set out in this clause 8.

8.1.4 Within 60 days following commencement of this Agreement, the Parties shall subscribe to an application to incorporate the Agency under the Societies Act with:

a. the intended name to be the "De Beers Socio-Economic Monitoring Agency";

and

b. the purposes as substantially set out in clause 8.2,

and DBCMI will transmit the application, the by-laws approved under clause 8.1.3, and the prescribed fee to the registrar under the Societies Act.

8.1.5 The reasonable disbursements incurred by DBCMI in incorporating the Agency shall be credited against the contribution of DBCMI to the first year’s budget.

8.2 PURPOSE OF THE AGENCY

8.2.1 The purposes of the Agency will be to:

a. implement the purpose of this Agreement as set out in clauses 2.1.1.b and 2.1.1.c;

b. monitor performance of the commitments made by the Parties under this Agreement, provide recommendations to the Parties and comment on socio-economic impacts arising from the Project;

c. provide an ongoing forum for meaningful participation and involvement by the Parties;

d. monitor the success of mitigation measures and commitments by:

   i reviewing monitoring reports submitted pursuant to this Agreement;

   ii considering comment and observations of socio-economic impacts from the Aboriginal Authorities and the public;

   iii considering the results reported in i) and ii) in the context of information relating to employment practices, human resource development, business development, social well-being and cultural well-being, and other related matters contemplated by this Agreement;
e. make recommendations to the Parties respecting adaptive mitigation measures for achieving the purposes and commitments of this Agreement;

f. issue an annual report on the results of the Agency's work set out in this clause 8 and in clauses 9 and 10 and present the report at an annual public meeting.

8.3 MEMBERSHIP AND RESERVED RIGHTS

8.3.1 The Parties agree and shall cause the by-laws at all times to reflect that:

a. the membership of the Agency shall consist solely of the Parties to this Agreement;

b. if a Party withdraws from this Agreement in accord with clause 14.3 it shall be deemed to have relinquished its membership in the Agency and its entitlement to have representation on the Board of Directors; and

c. resolutions to rescind, alter or add to the constitution or by-laws of the Agency may not be passed and are of no effect unless unanimous and in writing by all the members of the Agency.

8.3.2 The Parties may from time to time review the effectiveness of the Agency in meeting its mandate.

8.4 APPOINTMENT AND REMOVAL OF DIRECTORS

8.4.1 Unless otherwise agreed in writing, the Parties agree and shall cause the by-laws at all times to reflect that:

a. the Board of Directors of the Agency shall consist of not more than six directors;

b. each member shall be entitled to appoint no more than one nominee to sit as a director of the Agency;

c. each member may appoint its director to the Agency within 60 days of this Agreement coming into effect under clause 14.1 or 60 days after becoming a Party to this Agreement, whichever is later;

d. any member may change its director at any time and agrees to do so promptly if its director acts in contravention of the objects or by-laws of the Agency or the obligations imposed under this clause 8;

e. a term for a director will be for a duration of three years and a director may be re-appointed;

f. in the event of a vacancy or vacancies, the Agency may conduct its business and exercise its duties with such directors as have been nominated and appointed;

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g. if a director's position is vacated early, the member that nominated that director may nominate a replacement for the remainder of the vacating director's term. The member will immediately notify the Agency and the other members in writing on the occurrence of the vacancy and the appointment of the new director.

8.4.2 On withdrawal from this Agreement, a director appointed by the withdrawing Party shall cease to hold office.

8.5 CONDUCT OF FIRST MEETING OF BOARD OF DIRECTORS
8.5.1 The GNWT nominee will propose an agenda and set the date and act as chair for the first meeting.

8.6 DUTIES AND POWERS OF DIRECTORS
8.6.1 Each Party shall cause its nominee director to:

a. be familiar with this Agreement, knowledgeable about the issues affecting the member Party and prepared to act within the parameters set out for the Agency under this clause 8;

b. not act, or cause the Agency to act, in a manner inconsistent with this Agreement;

c. maintain and cause the Agency to:
   i. maintain in strict confidence all data, in any form, provided to them in connection with their activities as contemplated by this Agreement that could identify, or reasonably be expected to identify, an individual to whom it relates, except as permitted by law; and
   ii. not use the data described in clause 8.6.1.c.i except for the purpose provided.

8.6.2 The Parties agree and shall cause the by-laws at all times to reflect that:

a. the directors shall appoint officers from amongst themselves;

b. nothing will prevent the directors from presenting the concerns of the Party that appointed them (for avoidance of doubt, it shall not be considered a conflict of interest for directors to represent the interests of the Party appointing them when voting on matters respecting that Party);

c. the directors will use best efforts to reach decision by consensus, but a resolution passed by a simple majority of a quorum will decide matters concerning the ordinary business of the Agency, while a resolution passed by not less than 75% of all directors will be required to make a formal recommendation to a Party as contemplated by clause 10.
8.7 FUNDING, BUDGETS AND ADMINISTRATIVE COSTS

8.7.1 Unless otherwise agreed, the Parties will cause the by-laws at all times to reflect the provisions of this clause 8.7 as may be appropriate.

8.7.2 GNWT and DBCM will fund the Agency in equal amounts. If a Party is unable to pay its respective share of an annual contribution to the Agency, no Party will be liable for the unpaid share of another Party.

8.7.3 DBCM and GNWT will determine and contribute in equal shares to an annual budget for each of the first 3 years of operation of the Agency. If, for any reason, GNWT becomes unable to continue its obligation to fund the Agency after the first three-year term, the Agency shall be wound up in accord with clause 8.9.

8.7.4 Not later than 6 months prior to the end of every 3 year term, the Agency shall submit a proposed work plan and budget for the next 3 year term for review and approval of DBCM and GNWT, who shall have sole discretion to agree between themselves on the level of funding to be provided equally for each successive term of three years. If DBCM and GNWT are not able to reach agreement between themselves on funding for any 3 year term, the greater of:

a. the prior approved budget; or
b. the initial budget,

shall apply.

8.7.5 GNWT and DBCM will bear the costs of their respective director's participation in the Agency. The costs associated with Aboriginal Party directors' participation in the Agency work will be set out in the budget approved by GNWT and DBCM.

8.7.6 The Agency shall not spend in excess of the budget approved under clauses 8.7.3 and 8.7.4. Neither DBCM nor GNWT shall be obliged to accept any obligations for expenditures expected or incurred in excess of the budget approved under clauses 8.7.3 and 8.7.4.

8.7.7 The Agency will have no borrowing powers.

8.7.8 DBCM and GNWT may from time to time establish measures and procedures for appropriate financial accountability by the Agency, including the requirement or appointment for an auditor, and the Parties shall ensure their nominated directors comply with such measures.

8.7.9 The Agency shall manage and conduct its affairs in a fiscally prudent, reasonable and cost-effective manner. To that end, the Agency shall try wherever possible to minimize or reduce the cost of fulfilling its responsibilities. It is envisaged that the Agency will use data or other resources available from the Parties, and will not maintain premises. The Parties acknowledge that the Agency may need administrative support.
8.8 LOCATION OF MEETINGS
8.8.1 Upon request by the Agency, DBCM will provide reasonable access and facilities at the Project site for meetings of the Agency once a year.

8.8.2 The Agency will be encouraged to hold its meetings in the Primary Communities on a rotating basis.

8.9 WINDING UP THE AGENCY
8.9.1 Once the Project has ceased commercial production of rough diamonds, GNWT and DBCM, after consultation with the Agency, may agree to a schedule for winding up and concluding the operations of the Agency, which shall occur no later than one year after commencement of closure, unless the Agency is continued under clause 8.10.1, 8.10.2 or 8.11.

8.10 RELATIONSHIP OF THE AGENCY TO OTHER DE BEERS PROJECTS AND TO A REGIONAL SOCIETY
8.10.1 The Agency created in this Agreement may be the socio-economic monitoring agency responsible for other De Beers mining projects in the Northwest Territories. If the Parties agree that the Agency will be responsible for socio-economic monitoring of other De Beers’ mines, the Parties will amend this Agreement and the Agency’s by-laws accordingly.

8.10.2 Despite any other clause in this Agreement, the Parties agree to use best efforts to encourage the creation of a multi-project socio-economic monitoring agency for diamond mines. The Parties may cause the Agency to merge with or succeed societies or other entities established under socio-economic agreements entered by one or more Parties or to discontinue and be succeeded by a regional society or other entity intended to monitor socio-economic impacts of mines. If such an agency is created:

   a. DBCM will provide Project specific information to the new agency; and
   b. the Parties will negotiate in good faith to make consequential amendments to this Agreement.

8.11 AGENCY SUBSTITUTE
8.11.1 If the Agency is not established or is discontinued prior to Closure, the Parties shall negotiate, in good faith, to amend this Agreement to ensure the functions of the Agency under this Agreement are performed by another entity or the Parties.

9 MONITORING
9.1 PURPOSE
9.1.1 Monitoring is the follow up method by which:
   a. the implementation of commitments made by the Parties regarding socio-economic issues arising from the Project and this Agreement will be considered, discussed and publicly reported; and
   b. the Parties will, through the Agency, work together to identify the impacts, maximize the beneficial opportunities and minimize the negative impacts arising from the Project.
9.2 REPORTING BY PARTIES

To facilitate continual improvement each Party will prepare an annual report, submit it to the Agency, circulate it to the other Parties, and be prepared to present it publicly. The said annual report will outline the efforts made by the Party during the previous calendar year to fulfill its commitments under this Agreement and the specific information set out in this clause 9.

9.3 DBCMI REPORTS

DBCMI in coordination with its Contractors shall produce an annual report. In addition to the information set out in clause 9.2, the annual report may include a compilation of individual reports issued during or prior to Project phases. The DBCMI annual report will include but not be limited to data collection, analysis and projections on the following:

a. hiring by Hiring Priority and job category as defined by this Agreement and DBCMI respectively, in total numbers and percentage of total hires;

b. hiring by Northwest Territories community in total numbers and percentage of total hires;

c. total employment in person years by Hiring Priority and job category in total numbers and percentage of the workforce;

d. total employment in person years by Northwest Territories community in total numbers and percentage of the workforce;

e. participation in and results of training activities described in clauses 4.5.1, 4.6.2 and 4.7.2.

f. report on the gross value of goods and services purchased during the calendar year by category of purchase in relation to each phase of the Project and the purchase priorities outlined in clause 5.2.3. ‘Purchases’ will be calculated based on the gross value of all purchases of goods and services including both goods and services produced in the Northwest Territories and goods and services produced outside the Northwest Territories that are purchased through NWT Businesses.

g. a business forecast and assessment for the upcoming year in accord with clause 5.4.h.

9.4 GNWT REPORTS

9.4.1 GNWT shall produce an annual report in accord with clause 9.2. The annual report may include a compilation of individual reports issued during the year. The data shall be collected in a manner that would be useful for analysis of the Project’s impacts on Northwest Territories communities. The annual report will include but not be limited to data collection and analysis on the following:

a. average income;

b. proportion of high income earners;

c. income support cases;

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d. employment;
e. employment participation rate;
f. registered businesses, bankruptcies and start-ups;
g. number of people 15 years and older with less than grade 9;
h. number of people 15 years and older with a high school diploma;
i. percent of work force aged group engaged in traditional activities;
j. ratio of home-language use to mother tongue, by major age groups;
k. age-standardized injuries;
l. lone-parent families;
m. number of mothers and children referred to shelters;
n. police-reported crimes, according to the following categories: violent, property, drug-related, other;
o. communicable diseases (sexually-transmitted infections, tuberculosis); and
p. children in care.

9.4.2 Participation and results in training activities described in clause 4.8.

9.5 ABORIGINAL PARTY REPORTS
In addition to its obligations under clause 9.2 each Aboriginal Party will report to the Agency on the following:

   a. reports and data respecting employment and training of its members;
   b. the Party's perceived socio-economic impacts related to the Project; and
   c. issues and success experienced by the Party regarding employment and training of its members and the supply of good or services to the Project.

9.6 EMPLOYEE SURVEY

9.6.1 DBCM agrees to provide access to DBCM employees on the Project site for GNWT to conduct a survey for the purpose of measuring the socio-economic impacts of the Project. The survey shall be conducted no more than annually at times and on terms that are mutually acceptable to GNWT and DBCM.

9.7 PERSONAL, PROPRIETARY AND COMMERCIALLY SENSITIVE INFORMATION

9.7.1 DBCM will use best efforts to collect from its employees and Contractors any personal information that may be required to provide the data necessary to compile and provide its reports contemplated by this Agreement and wherever necessary disclose it to the Agency or another Party for the purpose contemplated by this Agreement, subject to and in compliance with the Protection of Personal Information and Electronic Documents Act (Canada) or other applicable legislation.

9.7.2 Despite any provision of this Agreement, other than clause 9.3, DBCM shall not be required to report or disclose information of a proprietary or commercially sensitive nature.

9.7.3 Whenever possible, the Parties will report data in a manner that does not disclose personally identifiable information.
9.7.4 The reporting by DBCMI in clause 9.3.1.a and 9.3.1.b shall be subject to the information that employees of DBCMI and its Contractors agree in writing to provide in accord with the Protection of Personal Information and Electronic Documents Act.

9.7.5 The Parties agree that, to the extent possible without breaching confidentiality, proprietary interests, commercial interests or intellectual property rights, information will summarized so that it can be shared in public forums and reports.

9.7.6 GNWT will not collect or disclose data except in accord with the Access to Information and Protection of Privacy Act.

9.7.7 The Parties shall cause the Agency to adhere to this clause 9.7.

10 REMEDIES

10.1.1 The Parties will address any deficiencies in implementing any commitments set out in this Agreement or any negative impacts that were unforeseen or of a magnitude greater than predicted in the environmental assessment in the following way:

a. the Agency shall, upon review of the annual reports submitted by each Party, make formal recommendations pursuant to clause 8.6.2.c, to the relevant Party to undertake adaptive measures in respect of the commitments under this Agreement;

b. the Agency will send recommendations made in clause 10.1.1.a to all Parties concurrently;

c. a Party will, subject to clauses 10.1.1.d and 10.1.1.e, take reasonable steps to meet such formal recommendations;

d. where a Party is unable to meet its respective commitments, or determines that any formal recommendation is unachievable or unreasonable, that Party shall provide the Agency with written reasons for not meeting the formal recommendation;

e. the Party in clause 10.1.1.d shall submit written reasons to the Agency that contain the following:

(i) a description of the commitment that is not being met;
(ii) the measures taken to meet the commitment in the first instance;
(iii) a description of the recommendation from the Agency to improve achievement of the commitment identified in clause (i);
(iv) the reasons for not implementing the Agency's recommendation;
(v) the alternative steps taken to remedy deficiencies;
(vi) the results in response to the steps set out in clause (v); and
(vii) the Party's suggested measures, if any to address the Agency's recommendation;
f. the Agency shall review the written reasons provided by the Party pursuant to clause 10.1.1.e and make the reasons and its response available to the Parties and the public in its next annual report.

10.1.2 The Parties will cause the Agency to implement this clause 10.

11 DE BEERS CANADA FUND

11.1.1 During the course of the MVEIRD hearings, De Beers, through its corporate parent in Canada, De Beers Canada Corporation, made a commitment to establish in Canada, the De Beers Canada Fund (the Fund) for social investment in Canada. Monies in the Fund are to be used to support projects initiated and driven by those communities that are most likely to be affected by De Beers’ mines. Specific criteria for expenditure of monies in the Fund will be defined by De Beers but key requirements for successful proposals will include sustainability of art, culture and heritage, promotion of literacy and building community capacity in affected communities.

11.1.2 DBCM/ commits as follows:

a. to establish within the Fund, the NWT Fund Committee for allocating funds to Northwest Territories proposals;

b. to make available to the NWT Fund Committee a minimum level of 1.0% of net annual after tax cash flow from DBCM/ operations in the Northwest Territories;

c. the purpose of the NWT Fund Committee will be to represent the interests of DBCM/ in the Northwest Territories to screen all grant applications received, to approve allocation of available funds and to ensure the fund is administered in accord with policies and guidelines established solely at the discretion of DBCM/.

11.1.3 The NWT Fund Committee will be structured by DBCM/ to include representatives reflective of the communities affected by DBCM/ Northwest Territories projects.

11.1.4 The allocation of available funds to the NWT Fund Committee will be made by DBCM/ annually in accord with clause 11.1.2.b.

11.1.5 Monies from this fund are not intended to be used to pay directly for commitments made by DBCM/ during the Snap Lake environmental assessment process or as set out in this Agreement. However, the Parties acknowledge that community driven projects may arise over time from recommendations made through the adaptive management process and that the Fund will be free to respond to applications from affected communities for assistance in supporting projects that might be perceived as a commitment or part of a commitment DBCM/ might otherwise have implemented unilaterally.

11.1.6 For absence of doubt, the De Beers Canada Fund is an entity that will be established for charitable purposes and will be managed by De Beers in alignment with its world-wide operations.
12 GNWT OBLIGATIONS SUBJECT TO ACT AND JURISDICTION

12.1 GNWT EXPENDITURES SUBJECT TO FINANCIAL ADMINISTRATION ACT

Expenditures by GNWT contemplated under this Agreement are subject to section 46 of the Financial Administration Act.

12.2 DEVOLUTION

In the event that jurisdiction or regulatory authority relating to the Project or any aspect of the Project, is transferred or devolved as a result of constitutional change, treaty, self-government or land claim agreement, or otherwise, the Parties shall negotiate, in good faith, to amend this Agreement to reflect such transfer or devolution, while maintaining the purposes and principles of this Agreement.

13 REPRESENTATION

DBCMI represents and warrants that it is the operator of the Project.

14 COMMENCEMENT, SUSPENSION AND TERMINATION

14.1 COMMENCEMENT OF AGREEMENT

This Agreement comes into effect immediately upon all of the following conditions being satisfied:

a. execution of this Agreement by DBCMI and by GNWT;

b. delivery by DBCMI to GNWT of a certified copy of a resolution duly adopted by its Board of Directors approving and authorizing execution of this Agreement;

c. delivery by GNWT to DBCMI of written notice that it has authorized this Agreement; and

d. delivery by DBCMI to GNWT of copy of its written notice to the federal Minister of Indian and Northern Affairs of its intention to proceed with the Project.

14.2 BINDING ON ABORIGINAL PARTY FROM ITS DATE OF EXECUTION

This Agreement shall bind an Aboriginal Party from the date:

a. of that Party's execution of this Agreement; or

b. this Agreement comes into effect,

whichever is later.

14.3 WITHDRAWAL FROM AGREEMENT BY ABORIGINAL PARTY

An Aboriginal Party may, on written notice to the other Parties, withdraw from this Agreement.

14.4 TERMINATION OF AGREEMENT

This Agreement terminates upon completion of Closure or as otherwise agreed by the Parties. DBCMI shall give as much written notice as possible to all other Parties of the expected start date of Closure, whether or not as a result of an event of clause 14.6.
14.5 SUSPENSION OF OPERATIONS BY DBCMI

14.5.1 DBCMI may suspend Operations as it sees fit and during such period of suspension DBCMI shall be relieved of its obligations under this Agreement, providing it gives written notice to the other Parties in advance of the suspension.

14.5.2 In the case of suspension of Operations, GNWT and DBCMI agree to meet to determine the appropriate steps to either reduce the operations of the Agency or suspend its activities and funding.

14.6 MATTERS BEYOND REASONABLE CONTROL

14.6.1 No Party will be liable for delay in performing its obligations under this Agreement if and to the extent it cannot perform the obligation because of an event that is beyond its reasonable control and was not reasonably foreseeable when the Agreement was made. This event includes the following: act of God, outbreak of hostilities, act of terrorism or civil commotion, industrial action, epidemic, fire, explosion or other accidental damage, exceptionally severe weather conditions, failure of equipment, failure of power or telecommunication lines, and any delay caused by another Party.

14.6.2 If market conditions beyond the reasonable control of DBCMI or an event in clause 14.6.1 render or threaten to render the Project uneconomic, DBCMI may request the Parties to consider whether to amend this Agreement, providing sufficient detail to allow the Parties to take into account the financial viability of the Project and the socio-economic impact and benefits of sustaining the Project.

15 GOVERNING LAW AND DISPUTE RESOLUTION

15.1 APPLICABLE LAW

This Agreement, and all further documents executed under it, shall be governed by and interpreted in accord with, and any arbitration or court proceedings shall apply, the laws of the Northwest Territories and the federal laws of Canada applicable in the Northwest Territories.

15.2 APPLICATION OF ALTERNATIVE DISPUTE RESOLUTION PROCESS

15.2.1 If a dispute arises out of or in connection with this Agreement (including any question regarding its existence, validity or termination) or the legal relationships established by it, the Parties agree to use the dispute resolution process in this clause 15.

15.2.2 Despite clause 15.2.1, disputes relating to the following may be submitted at any time to the jurisdiction of the courts:

   a. questions or legal relationships arising out of or in connection with an aboriginal or treaty right or land claim or self-government agreement;

   b. questions or legal relationships arising out of or in connection with devolution or constitutional change;

   c. questions of law;

   d. protection of confidential information or property or rights on an interim basis.
15.2.3 Despite clause 15.2.1, this clause 15 does not prevent or excuse the disputing Parties from participating in any regulatory process concerning the Project, including this Agreement.

15.3 EFFICIENCY, COSTS, DISCLOSURE AND CONFIDENTIALITY

15.3.1 The Parties agree to use all reasonable efforts to:

a. conduct any dispute resolution procedures in this clause 15 as efficiently and cost effectively as possible;

b. provide timely disclosure of all relevant facts, information and documents to facilitate negotiations and mediation under this clause 15.

15.3.2 During negotiation, whether or not mediated, under this clause 15, all discussions and documents prepared or disclosed for the purpose of facilitating negotiations, shall be “without prejudice” and shall be treated by each Party as confidential unless required to be disclosed by law or they otherwise agree.

15.3.3 The disputing Parties may resolve or revoke a dispute by mutual agreement at any time. Disputes resolved by negotiation or arbitration under clauses 15.4, 15.5, or 15.6, respectively, shall be recorded in writing and signed by the authorized representatives of those Parties.

15.3.4 Subject to the discretion of an arbitrator or judge to award costs under the Arbitration Act, each disputing Party shall share equally with the other disputing Parties the costs of mediation and arbitration, but shall pay its own costs for representation and attendance.

15.3.5 If there are one or more related disputes ongoing involving at least one of the same Parties, the disputes may be combined during the mediation or arbitration process, as the case may be.

15.4 NEGOTIATION

A Party may serve the other disputing Parties with a written notice of a dispute and request a conference (which may be by phone or electronic means) be held promptly between individuals with decision-making authority to attempt to negotiate a resolution.

15.5 MEDIATION

If within 21 days of such conference, or such further period agreed by the disputing Parties in writing, the Parties have not resolved their dispute, they may jointly agree to submit the dispute to mediated negotiation with the assistance of a trained, experienced and neutral mediator appointed by the disputing Parties, or failing agreement, by the ADR Institute of Canada, Inc. and administered under its Rules of Procedure for Commercial Mediation.

15.6 ARBITRATION

15.6.1 If the disputing Parties have not settled the dispute by mediation within 60 days after the end of the mediated negotiation period referred to in clause 15.5, or such further period
agreed by the disputing Parties in writing, any disputing Party may refer the dispute to arbitration under the Arbitration Act. The Parties agree:

a. the tribunal will consist of a single arbitrator, who is to be a practising barrister and solicitor or a retired judge;

b. the place of arbitration will be Yellowknife, Northwest Territories, unless the Parties agree to another location or to use any alternate means of communication as may be permitted under the Arbitration Act;

c. the arbitrator may adopt the ADR Institute of Canada, Inc. National Arbitration Rules to the extent allowed under the Arbitration Act.

15.6.2 Each Party consents to any documents in any arbitration proceedings being served on it: in accord with clause 16 (notices). Nothing in this Agreement affects the right to serve documents in any other manner permitted by law.

15.6.3 It is the wish of the Parties that an arbitrator not award monetary damages of any kind.

15.6.4 A decision of an arbitrator may be appealed if monetary damages of any kind are awarded or for any reason set out in the Arbitration Act. Appeals are subject to the provisions of the Arbitration Act.

16 NOTICES

16.1.1 A notice given under this Agreement must be in writing and signed by or on behalf of the Party giving it and must be:

a. delivered personally;

b. sent by pre-paid, recorded delivery or registered post or (in the case of a notice sent outside Canada by registered airmail); or

c. sent by fax and confirmed by telephone or by mailing a copy within 24 hours,

to the address and for the attention of the relevant person given in clause 16.1.3 (or as otherwise notified by that Party for the purposes of this Agreement).

16.1.2 A notice is deemed to have been received:

a. if delivered personally, at the time of delivery;

b. in the case of pre-paid, recorded delivery or registered post, 3 days from the date of posting;

c. in the case of registered airmail, five days from the date of posting;

d. in the case of fax, at the time of transmission;
provided that if deemed receipt is not within business hours (meaning 8:30 am to 5:00 pm Monday to Friday on a day that is not a public holiday in the place of receipt), when business next starts in the place of receipt.

### 16.1.3 The addresses for written notice are:

<table>
<thead>
<tr>
<th>Group</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBCMI</td>
<td>De Beers Canada Mining Inc.</td>
</tr>
<tr>
<td></td>
<td>300 – 5102 50th Ave.</td>
</tr>
<tr>
<td></td>
<td>Yellowknife, NT  X1A 3S8</td>
</tr>
<tr>
<td></td>
<td>Attention: Vice President, NWT Projects</td>
</tr>
<tr>
<td></td>
<td>Telephone: 867-766-7300</td>
</tr>
<tr>
<td></td>
<td>Fax number:867-766-7347</td>
</tr>
<tr>
<td>GNWT:</td>
<td>Government of the Northwest Territories</td>
</tr>
<tr>
<td></td>
<td>P.O. Box 1320</td>
</tr>
<tr>
<td></td>
<td>Yellowknife, NT  X1A 2L9</td>
</tr>
<tr>
<td></td>
<td>Attention: Deputy Minister, Resources, Wildlife and Economic Development</td>
</tr>
<tr>
<td></td>
<td>Telephone:867-920-8048</td>
</tr>
<tr>
<td></td>
<td>Fax number:867-873-0563</td>
</tr>
<tr>
<td>Aboriginal Parties:</td>
<td>Dogrib Treaty 11 Council</td>
</tr>
<tr>
<td></td>
<td>P.O. Box 412</td>
</tr>
<tr>
<td></td>
<td>Rae-Edzo, NT  X0E 0Y0</td>
</tr>
<tr>
<td></td>
<td>Attention: Grand Chief</td>
</tr>
<tr>
<td></td>
<td>Telephone: 392-6381</td>
</tr>
<tr>
<td></td>
<td>Facsimile: 392-6389</td>
</tr>
<tr>
<td></td>
<td>Yellowknives Dene First Nation</td>
</tr>
<tr>
<td></td>
<td>P.O. Box 2514</td>
</tr>
<tr>
<td></td>
<td>Yellowknife, NT  X1A 2P8</td>
</tr>
<tr>
<td></td>
<td>Attention: Chiefs</td>
</tr>
<tr>
<td></td>
<td>Telephone: 873-4307</td>
</tr>
<tr>
<td></td>
<td>Facsimile: 873-5969</td>
</tr>
<tr>
<td></td>
<td>Lutsel K’e Dene Band</td>
</tr>
<tr>
<td></td>
<td>P.O. Box 28</td>
</tr>
<tr>
<td></td>
<td>Lutsel K’e, NT  X0E 1A0</td>
</tr>
<tr>
<td></td>
<td>Attention: Chief</td>
</tr>
<tr>
<td></td>
<td>Telephone: 370-3051</td>
</tr>
<tr>
<td></td>
<td>Facsimile: 370-3010</td>
</tr>
</tbody>
</table>
17 GENERAL PROVISIONS

17.1 OBLIGATIONS SEVERAL, NOT JOINT

17.1.1 An obligation assumed by more than one Party under this Agreement is several and each Party is liable only for its own performance or for the loss or damage arising from its own breach of the obligation.

17.2 FURTHER ASSURANCES

17.2.1 Each Party will promptly execute and deliver all such documents, and do all such things, as from time to time may be reasonably required to perform this Agreement.

17.3 ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

17.4 ASSIGNMENT

17.4.1 DBCMI cannot assign its rights or obligations under this Agreement, in whole or in part, without the prior consent of GNWT. GNWT will not unreasonably withhold consent where:

a. the assignee agrees in writing addressed to the other Parties to assume all rights and obligations of DBCMI under this Agreement; and

b. the proposed assignee is also the assignee of the rights and obligations of DBCMI under the Regulatory Instruments.

17.4.2 GNWT and Aboriginal Parties, or any one of them, may assign its rights or obligations, in whole or in part, under this Agreement without consent, provided the assignee agrees in writing addressed to the other Parties to assume such assignor’s rights and obligations under this Agreement.

17.4.3 Where the conditions in this clause 17.4 are met the assignor shall be released from all those obligations under this Agreement that are assumed.

17.5 NO AGENCY, PARTNERSHIP

Nothing in this Agreement creates a relationship of agency, partnership, fiduciary, joint venture or similar relationship between any of the Parties.
17.6 WAIVER

A waiver of any right under this Agreement is only effective if it is in writing. The waiver applies only between the Party that gave it and the Party to which it was addressed and to the circumstance for which it is given.

17.7 AMENDMENT

This Agreement may be amended from time to time by agreement in writing between all the Parties.

17.8 SURVIVAL OF CLAUSES

The terms of this Agreement that by their nature extend beyond the withdrawal of a Party of this Agreement or the term of this Agreement shall survive any termination or expiration of this Agreement.

17.9 SIGNING IN COUNTERPART

This Agreement may be signed in counterparts, which may be exchanged by fax. Each signed counterpart will be deemed an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, this document has been executed for and on behalf of the parties by their duly authorized representatives on the dates below.

DE BEERS CANADA MINING INC.

Witness (or seal): [Signature]  

Printed: Cathie Bolstad  

Title: Manager Public & Corp. Affairs  

Date: May 18, 2004  

By: [Signature]  

Printed: John McConnell  

Title: Vice-President
GOVERNMENT OF THE NORTHWEST TERRITORIES, as represented by the Minister of Resources, Wildlife and Economic Development, or his duly authorized representative

By: [Signature]

Printed: Brenden Bell

Title: Minister
Resources, Wildlife and Economic Development

DOGRIB TREATY 11 COUNCIL

Witness: __________________________

Printed: __________________________

Title: __________________________

Date: __________________________

YELLOWKNIVES DENE FIRST NATION

Witness: __________________________

Printed: __________________________

Title: __________________________

Date: __________________________

SEA
LUTSEL K'E DENÉ BAND

Witness: ____________________________

Printed: ____________________________

Title: ____________________________

Date: ____________________________

By: ____________________________

Printed: ____________________________

Title: ____________________________

NORTH SLAVE METIS ALLIANCE

Witness: ____________________________

Printed: ____________________________

Title: ____________________________

Date: ____________________________

By: ____________________________

Printed: ____________________________

Title: ____________________________
APPENDIX A: DEFINITIONS

“Aboriginal” means any Indian, Inuit or Métis individual who:
   a. originated in the Northwest Territories; or
   b. is a descendant of an aboriginal individual originating in the Northwest Territories.

“Aboriginal Authorities” means the Deneb Treaty 11 Council, Yellowknives Dene First Nation, Lutsel K'e Dene Band, and the North Slave Métis Alliance, or their respective successors.

“Aboriginal Business” means a business that complies with the legal requirements to carry on business in the Northwest Territories, and meets one of the following criteria:

   a. is a limited liability company with at least 51 percent of the company’s voting shares beneficially owned by one or more Aboriginals resident in the Northwest Territories;

   b. is a co-operative with at least 51 percent of the co-operative’s voting shares beneficially owned by Aboriginals resident in the Northwest Territories;

   c. is a sole proprietorship, the proprietor of which is an Aboriginal resident in the Northwest Territories; or

   d. is a partnership, the majority interest in which is owned by one or more Aboriginals resident in the Northwest Territories and in which the majority of benefits, under the partnership agreement, accrue to such Aboriginals, and complies with the following criteria:
      a. maintains a permanent place of business in the Northwest Territories;
      b. maintains a manager, who is an NWT Resident;
      c. undertakes the majority of its management and administrative functions (related to its operations in the Northwest Territories) in the Northwest Territories.


“Closure” means the period of time between termination of commercial production and regulated termination of the Project in compliance with applicable legislation.

“Construction” means the period in time from the commencement of this Agreement to commencement of commercial production for the Project.

“Contractor” means each and every contractor and sub-contractor used by DBCMII for the Project.

“Hiring Priorities” has the meaning given to it in clause 3.2.

“Member-owned Business” means an Aboriginal Business owned by:
   a. an Aboriginal Authority;
b. a subsidiary of an Aboriginal Authority, on behalf of its members collectively; or
c. one or more members of an Aboriginal Authority.

"NWT Business" means:
   a. an Aboriginal Business; or
   b. a business that complies with the legal requirements to carry on business in the Northwest Territories and complies with all of the following criteria:
      (i) maintains a permanent place of business in the Northwest Territories;
      (ii) maintains a manager who is an NWT Resident;
      (iii) undertakes the majority of its management and administrative functions (related to its operations in the Northwest Territories) in the Northwest Territories; and
      (iv) is a business in which NWT Residents have substantial management authority or in which NWT Residents have a significant ownership or working interest.

"NWT Resident" means: any individual who primarily resides in a self-contained domestic establishment (other than a residence at a remote work site) in the Northwest Territories, when not in full time attendance at an educational institution outside the Northwest Territories.

"Operations" means the period of time between Construction and Closure.

"Party" means an entity that has executed this Agreement.

"Primary Community" means Lutsel K'e, N'dilo, Dettah, Gameti, Wha Ti, Rae/Edzo, Wekweti, Yellowknife and the North Slave Metis Alliance.

"Project" means the Project described in the Project Description Submission submitted by DBCMI in February, 2001 for the purpose of providing responsible authorities with sufficient information to initiate the Mackenzie Valley Environmental Assessment Process, with such refinements or alterations as have been submitted since the Project Description Submission and considered in the Environmental Assessment or which are required by responsible authorities or regulatory authorities. GNWT and DBCMI may agree to extend this definition to include any future modifications or additions to the Project.

"Regulatory Instrument" means any authorization, licence, lease or permit required under any legislation required for the carrying out of the Project.