

THE MARY RIVER PROJECT

INUIT IMPACT AND BENEFIT AGREEMENT

BETWEEN:

QIKIQTANI INUIT ASSOCIATION

- AND -

BAFFINLAND IRON MINES CORPORATION

Entered into pursuant to Article 26 of the
Nunavut Land Claims Agreement

**THE MARY RIVER PROJECT
INUIT IMPACT AND BENEFIT AGREEMENT**

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INUIT IMPACT AND BENEFIT AGREEMENT

THIS AGREEMENT is made as of the 6th day of September, 2013.

BETWEEN:

QIKIQTANI INUIT ASSOCIATION, an incorporated society subsisting pursuant to the *Societies Act* (Nunavut) and having its registered office address in the City of Iqaluit, Nunavut,

(hereinafter referred to as “QIA”)

– and –

BAFFINLAND IRON MINES CORPORATION, a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) and having its registered office address in the City of Toronto, Ontario and extra-territorially registered to carry on business in Nunavut,

(hereinafter referred to as “the Company”)

WHEREAS the Company has proposed the development and exploitation of iron ore resources, including, without limitation, mine construction, in the North Baffin area of the Nunavut Settlement Area known as the Mary River Project (as defined herein);

AND WHEREAS QIA is the registered owner of the fee simple title (excluding Minerals, but including all Specified Substances) to all Inuit Owned Lands in North Baffin pursuant to and in accordance with, the Nunavut Land Claims Agreement;

AND WHEREAS the Mary River Project involves the development and exploitation of resources that are wholly or partly on Inuit Owned Lands and is a Major Development Project within the meaning of Section 26.1.1 of the Nunavut Land Claims Agreement;

AND WHEREAS Section 26.2.1 of the Nunavut Land Claims Agreement requires that the proponent of a Major Development Project shall finalize an Inuit Impact and Benefit Agreement with Inuit in accordance with the provisions of Article 26;

AND WHEREAS QIA is the Designated Inuit Organization (the “DIO”) under the Nunavut Land Claims Agreement for the purpose of finalizing Inuit Impact and Benefit Agreements pursuant to Article 26 of the Nunavut Land Claims Agreement;

AND WHEREAS in satisfaction of the requirements of Article 26 of the NLCA, the Company and QIA wish to enter this Agreement to address the impacts on Inuit and provide for the benefits and opportunities to Inuit, arising from the Mary River Project;

NOW THEREFORE, IN CONSIDERATION of the premises, the covenants and the terms and conditions set out herein and other good and valuable consideration (the sufficiency of which is hereby acknowledged by the parties), the Parties agree as follows:

**ARTICLE ONE
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this Agreement and in the Schedules and Appendices attached hereto, the following terms and expressions will have the following meanings respectively:

- a) **“Affiliate”** means, in relation to either of the Parties, a Person that is an “affiliated person” within the meaning of the *Income Tax Act* (Canada);
- b) **“Agreement”** means this Agreement and any and all schedules, appendices, amendments or extensions negotiated in furtherance of the Agreement;
- c) **“Annual IIBA Implementation Report”** means the report prepared annually by the Company pursuant to Section 20.3;
- d) **“Annual Project Review Forum”** or **“Forum”** has the meaning set forth in Section 14.2;
- e) **“Applicable Laws”** means any Canadian (whether federal, territorial, provincial, municipal or local) or foreign statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, judgment, decree or other requirement, all as in effect from time to time, of any Governmental Authority, applicable to the Parties, including Affiliates and any of their officers, directors, employees, contractors or agents, where in relation to the Project;
- f) **“Arbitration Panel”** and **“Arbitrator”** both mean the Arbitration Panel referred to in Article 21;
- g) **“Business Capacity and Start-Up Fund”** means the fund established pursuant to Article 6.3 to assist with business start-ups and development of capacity;
- h) **“Business Day”** means any day, other than a Saturday, Sunday or statutory holiday in the Territory of Nunavut or any day on which the principal chartered banks located in the City of Iqaluit are not open for business during normal banking hours;
- i) **“Change in Scope”** has the meaning set forth in Section 3.3;
- j) **“Commercial Production”** means when the Initial Project transitions from the period of mine construction and completion to its phase of normalized operations

and iron ore crushing and screen operations, following the extraction of iron ore for commercial sale, has continued continuously for 90 days at not less than 60% of the Initial Project's intended capacity, but specifically does not include sampling or operations in advance of Commercial Production;

- k) **"Company"** means Baffinland Iron Mines Corporation and includes its permitted assigns and successors;
- l) **"Construction, Operations and Decommissioning Activities"** means all activities relating to preparation for the removal and recovery of iron ore from the Project, including without limitation, construction, commencing from the time the Company's Board of Directors sanctions the financing of the building of the Project and includes all activities for the abandonment and closure of the Project;
- m) **"Contractor's Inuit Content Plan or CICP"** means the plan prepared by contractors pursuant to Article 6.12;
- n) **"Country Food"** means traditional food used by Inuit peoples;
- o) **"Designated Baffin Inuit Firms"** has the meaning set forth in Section 6.5;
- p) **"Designated Inuit Firms"** has the meaning set forth in Section 6.4;
- q) **"Dispute"** has the meaning set forth in Section 21.1;
- r) **"Education and Training Fund"** means the fund established pursuant to Article 8.6 of the Agreement to assist with Inuit training;
- s) **"EHS System"** has the meaning set forth in Section 15.2;
- t) **"Environmental Monitor"** means the monitor appointed by QIA pursuant to Section 15.6;
- u) **"Executive Committee"** means the committee established pursuant to Article 4.2 to oversee implementation of the IIBA;
- v) **"Fair Value"** means the price that would be agreed upon in an arms' length transaction between knowledgeable, willing parties who are under no compulsion to act;
- w) **"Final EIS"** means the Mary River Project Final Environmental Impact Statement dated February 2012, filed by the Company with NIRB on February 22, 2012, as

revised or amended and approved by NIRB and subject to the project certificate issued by NIRB, including all terms and conditions accepted by the Minister;

- x) **“Final EIS Impact Projections”**, as referred to in Article 14 and Article 15, respectively, has the meaning set forth in Section 14. 2;
- y) **“Force Majeure”** means any cause that is beyond the best efforts control of the affected Party including without limitation: acts of God or natural disasters; acts of war, revolutions, mob violence, riots and similar disturbances; strikes, work stoppages or similar major and serious labour disturbances; law, regulation or order of any Governmental Authority; major and serious failure of essential supplies, equipment, machinery or facilities; major and serious damage to premises or storage facilities by explosion, fire, radio-active contamination or accident; acts or restraints of Governmental Authorities including failure to issue requisite licences or authorities; and any other related or similar act, occurrence or cause;
- z) **“Forum”** has the meaning set forth in Section 14.2;
- aa) **“GN”** means the Government of Nunavut;
- bb) **“Governmental Authority”** means any of the following having legally constituted jurisdiction: Canadian or foreign (whether federal, territorial, provincial, municipal or local) government, governmental authority, quasi-governmental authority, instrumentality, 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;
- cc) **“HRSDC”** means the federal government department of Human Resources Skills Development Canada;
- dd) **“Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat Fund”** means the fund established pursuant to Section 12.2;
- ee) **“Implementation Budget”** or **“IIBA Implementation Budget”** means the annual budget for the cost of implementing this Agreement during a QIA Fiscal Year, established pursuant to Section 4.10;
- ff) **“Initial Project”** has the meaning given it in Section 3.2.
- gg) **“IIBA Coordinators”** means the coordinators appointed by each of the Company and QIA, respectively, pursuant to Section 4.12 and which coordinators may be referred to by the Parties as an “IIBA Supervisor” or “IIBA Manager” or other designated title;

- hh) **“Inuit”** means Inuit as defined in Article 1 of the NLCA;
- ii) **“Inuit Employment and Training Coordinators”** means the coordinators appointed by each of the Company and QIA, respectively, pursuant to Section 7.9 herein;
- jj) **“Inuit Impact and Benefit Agreement”** or **“IIBA”** means an Inuit Impact and Benefit Agreement as contemplated in Article 26 of the NLCA;
- kk) **“Inuit Qaujimagatuqangit”** or **“IQ”** has the meanings set forth in Section 16.1 and **“IQ Collection”** has the meaning set forth in Section 16.3;
- ll) **“Major Event”** has the meaning set forth in Section 17.4.2;
- mm) **“Management Committee”** means the committee established pursuant to Section 2.5;
- nn) **“Mary River Project”** has the meaning assigned to it in Section 3.1;
- oo) **“Mine(s)”** means the site or sites of any excavation, work or other undertaking of the Project or any Project Extension within the Project Area from which Minerals (as defined in the NLCA) or ore containing Minerals, are or will be removed from the earth or from talus by any method for commercial purposes and includes the site or sites of any works, mills, concentrators, machinery, plant and buildings below or above ground;
- pp) **“Minimum Inuit Employment Goal”** or **“MIEG”** means the target level from time to time of Inuit Employment at the Project as set forth in Section 7.14;
- qq) **“NIRB”** means the Nunavut Impact Review Board established as an Institute of Public Government pursuant to Article 10 and Article 12 of the NLCA;
- rr) **“Notice of Arbitration”** means a notice requiring arbitration delivered in writing by a Party to the other Party pursuant to Section 21.3;
- ss) **“North Baffin”** means the area generally encompassing the communities of Pond Inlet, Igloodik, Clyde River, Hall Beach and Arctic Bay;
- tt) **“NTI Inuit Firm Registry”** means the comprehensive list of Inuit firms maintained by the Nunavut Tunngavik Incorporated pursuant to Part 7 of Article 24 of the NLCA;
- uu) **“Nunavut Land Claims Agreement”** or **“NLCA”** means the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada made the 25th day of May, 1993, as ratified pursuant to a vote of the Inuit of the Nunavut Settlement Area and enacted by Canada pursuant to the *Nunavut*

Land Claims Agreement Act (Canada);

- vv) **“Operation Phase(s)”** means, in aggregate, the period of time between the date that Commercial Production commences for the Project and the date of Project Termination and where used in the context of a single Mine, **“Operation Phase”** means the period of time between the commencement of Commercial Production and the termination of Commercial Production in relation to that Mine;
- ww) **“Parties”** means QIA and the Company and their permitted successors and assigns;
- xx) **“Person(s)”** means an individual, corporation, company, society, body corporate, firm, sole proprietorship, unlimited liability company, limited liability company, partnership (including limited partnership, general partnership or limited liability partnership), association, syndicate, trust, estate or other entity or organization and whether or not a legal person and includes a Governmental Authority;
- yy) **“Project”** means the Mary River Project;
- zz) **“Project Area(s)”** means the lands, waters and marine areas within the geographic area identified in Section 3.6;
- aaa) **“Project Termination”** means the final closure of the Project, following cessation of all Operation Phases, (if Commercial Production commences before closure) and completion of all decommissioning activities for abandonment and closure of the Project (and fulfillment of all obligations with respect to site rehabilitation and restoration);
- bbb) **“QIA Fiscal Year”** means the period of April 1 to March 31 ending in each Year;
- ccc) **“Qikiqtani Inuit Association”** or **“QIA”** means the Qikiqtani Inuit Association which is the DIO responsible for representing the interests of Inuit in matters relating to Articles 20 and 26 of the NLCA;
- ddd) **“Related Party”** means an Affiliate;
- eee) **“Working Group”** means a group that has been created by the Parties for the Project, to focus on the marine, terrestrial and/or socio-economic components of the Project, or for any other purpose agreed to by the Parties and operating pursuant to **“Terms of Reference”** agreed to by the Parties from time to time;
- fff) **“Year”** means a calendar year.

1.2 NLCA Definitions and Non-Derogation

A term or phrase that is defined in the NLCA and that is used in this Agreement has the

same meaning as in the NLCA unless the context otherwise requires. Nothing contained in this Agreement shall in any way derogate from, abrogate, diminish or otherwise limit any rights or interests of QIA, an HTO or an Inuk pursuant to the NLCA, including, as set forth in Section 17.3.2, claims for wildlife compensation pursuant to Article 6 of the NLCA.

1.3 Article Headings

The division of this Agreement into Articles, Sections and clauses and the insertion of Article and Section headings are provided for convenience only and shall not affect the construction or interpretation thereof.

1.4 Article References

All references to an Article or Section are references to an article or section of this Agreement, unless the context indicates the reference is to another agreement and all such references are deemed to include all subparts.

1.5 Meaning of “Include” and “Including”

Whether or not so stated, the words “include” and “including” shall be deemed to mean “include, without limitation”, as the case may be and the language following “include” or “including” shall not be deemed to set forth an exhaustive list.

1.6 Meaning of “Hereto”, “Hereof”, etc.

Unless the context otherwise requires, the words “this Agreement”, “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion thereof.

1.7 Number, Gender and Persons

The singular, masculine, neuter or derivative of a word where used herein shall be construed as meaning the plural, feminine, body politic or corporate and vice versa where the context so requires. Words importing gender include masculine, feminine or neuter.

1.8 Legislative References

Reference to an Applicable Law includes, in relation to the Applicable Law, any regulations, rules, orders, policies, or decisions made thereunder, all as amended, re-enacted, remade or as changed in the exercise of a statutory or administrative power from time to time.

1.9 Monetary References

All monetary amounts referred to in this Agreement are in Canadian currency.

1.10 Construction

The Parties intend that each representation, warranty and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty or covenant contained herein 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.

1.11 IIBA Interpretation

This Agreement or IIBA is the Inuit Impact Benefit Agreement pursuant to Article 26 of the NLCA for the Project. Consistent with the NLCA this Agreement shall be construed in accordance with a purposive approach and pursuant to such remedial and equitable interpretation as will achieve the objectives and purposes stated herein. The interpretation of this Agreement may adapt to changes in circumstances over time in the Project until Project Termination.

1.12 Schedules

Schedules that are identified at the end of an Article herein are incorporated by reference as part of this Agreement and such Schedules, as may be amended from time to time by the Parties in writing, are an integral part of the terms and conditions of this Agreement.

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ARTICLE TWO PRINCIPLES AND OBJECTIVES

2.1 Mutual Benefit

- 2.1.1 Underlying the provisions of this Agreement is the principle of mutual benefit, collaboration and consultation for both Inuit and the Company from the Project. Benefits for Inuit shall include financial participation, a comprehensive training strategy, target levels of Inuit employment, capacity building, business opportunities and Inuit content considerations in contracting. To the extent that Inuit achieve these benefits the Company will then be able to rely on efficient, high quality Inuit Firms, a well-trained local work force, Project support and stability.
- 2.1.2 For clarity, throughout this Agreement, the terms “collaboration”, “collaborate”, “consultation” and “consult” or similar references to dialogue between the Parties:
- a) Impose an obligation on parties to act in good faith in all dealings with others;
 - b) Require that parties furnish reasonable documents, materials and information regarding issues that are the subject of collaboration or consultation, provided that the Company may object to disclosing any item that is commercially sensitive;
 - c) Obligate parties to solicit and carefully listen to the concerns of other parties with a view to minimizing adverse impacts and achieving IIBA objectives;
 - d) Require each party to respond or otherwise communicate in a timely manner;
 - e) Mean considering reasonable accommodations and using best efforts to reach a consensus on issues that are the subject of collaboration or consultation;

2.2 Inuit Participation

- 2.2.1 All Parties agree that Inuit must have the opportunity for equitable and meaningful participation in the Project. This objective applies in particular to Inuit from the communities of Pond Inlet, Igloodik, Clyde River, Hall Beach and Arctic Bay (collectively referred to hereafter as “North Baffin Inuit”) as well as to all other Baffin Inuit as represented by the Qikiqtani Inuit Association and its subsidiary organizations Qikiqtaaluk Corporation and Kakivak Association, with respect to the Mary River Project.

- 2.2.2 Any and/or all of economic activity associated with the Project, including all those taking place on land as well as marine operations, will potentially be available to Inuit. This Agreement is the IIBA pursuant to Article 26 of the NLCA for the Project. QIA represents and warrants that it is the DIO with sole responsibility for negotiating IIBA's for Major Development Projects in the Qikiqtani region of Nunavut. Accordingly, the Company shall have no obligation to enter into agreements with municipal governments (including governments of cities, towns, villages, hamlets or charter communities) or Inuit or Inuit organizations. However, the Company, in conjunction with the QIA, may enter into occasional, ad hoc understandings or arrangements with municipal governments, Inuit or Inuit organizations to help realize benefits from this IIBA.
- 2.2.3 The Parties will work together in good faith to maximize Inuit benefits from the exploitation of the iron ore resource in North Baffin. These benefits include those arising from ownership of the land, from contracting and subcontracting, from employment opportunities to all levels of employment and from training and education. Schedule 26.1 of the NLCA ("Matters Considered Appropriate for Inuit Benefits") is attached as Schedule 2.1 of this Agreement for a more a specific list of benefits.
- 2.2.4 The Company is not obligated by this IIBA to provide housing assistance to any or all of its employees. However, the Company may consider means to address housing issues, including but not limited to provisions contained in the employee's benefit package.

2.3 Maximization of Inuit Participation Over Time

QIA and the Company agree to cooperate to build capacity to maximize Inuit participation over time. QIA and the Company will consistently encourage Inuit to maximize ownership, subcontracting, management and employment benefits arising from the Project. Initial thresholds will be set at levels that reflect current availability of people and skills, with increasing target levels to be established and reviewed as the Project progresses. Methods of measuring targets will be established cooperatively and measurement will occur at least annually. The targets may be adjusted annually by mutual agreement. The Company will take all reasonable steps, acting in good faith, to meet Inuit training, employment and contracting objectives described in this Agreement and QIA will cooperate with the Company for that purpose.

2.4 Workplace Preparedness

QIA will commit to meeting objectives of the IIBA, particularly in the areas of employment and training. The Company, in consultation with QIA, will work to prepare the workplace to actively encourage Inuit to work at the Project, through culturally appropriate working conditions and cross-cultural training for both Inuit managers and workers and non-Inuit managers and workers. The Company, in consultation with QIA, will use its best efforts to develop a contracting environment that actively attracts and

encourages Inuit Firms, both large and small, to contract and sub-contract work at the Project through appropriate support measures.

2.5 Executive and Management Committees

Committees will be set up to oversee and continuously monitor the implementation of this Agreement. Specifically, the Company and QIA agree to establish:

- a) A senior Executive Committee to oversee implementation of the IIBA; and
- b) A Management Committee for continuous monitoring of the operation and management of the Project, particularly as it relates to implementation of the IIBA.

The composition, procedures and authority of the Executive Committee and the Management Committee, respectively, are set forth in Article 4.

2.6 Best Efforts

2.6.1 Pursuant to Section 2.4, the Company and QIA each agree to use their best efforts, respectively, to maximize Inuit participation during the life of the Project. More specifically, the Company and QIA, in part by utilizing the Executive Committee, will each use their best efforts with respect to Inuit participation in training and education, as per Article 8; Inuit employment opportunities, particularly with respect to the Minimum Inuit Employment Goal described in Section 7.14; Contracting to Inuit Firms as per Section 6.6.1; and subcontracting to Inuit Firms as per Section 6.7.1.

2.6.2 For clarity, throughout this Agreement, the term “best efforts”:

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

2.7 Dispute Resolution

The Company and QIA will establish enforcement and dispute resolution processes. These processes will include consultation with and direction from, the Management and Executive Committees and the Presidents of the Company and QIA. In instances that disputes cannot be resolved through administrative means the Company and QIA will commit first to a mediation process and then, if necessary, to binding arbitration pursuant to Article 21.

2.8 Application to All Firms

The provisions of this Agreement regarding contracting, employment, education and training of Inuit, workplace conditions and dispute resolution on the Project will also apply to all contractors and all subcontractors working on the Project.

2.9 Further Article “Objectives/Principles”

All of the express “objectives” and/or “principles” set forth at the beginning of all Articles and Sections of this Agreement are to be deemed as being reproduced in this Article 2 and as being general principles and objectives of this Agreement in its entirety. The Company and QIA, respectively and in furtherance of their several obligations, will take all reasonable steps, acting in good faith, to meet all such express objectives described in this Agreement.

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SCHEDULE 2.1 – Nunavut Land Claims Agreement SCHEDULE 26-1**MATTERS CONSIDERED APPROPRIATE FOR INUIT BENEFITS**

(Section 26.3.1)

1. Inuit training at all levels.
2. Inuit preferential hiring.
3. Employment rotation reflecting Inuit needs and preferences.
4. Scholarships.
5. Labour relations.
6. Business opportunities for Inuit including:
 - (a) Provision of seed capital;
 - (b) Provision of expert advice;
 - (c) Notification of business opportunities;
 - (d) Preferential contracting practices.
7. Housing, accommodation and recreation.
8. Safety, health and hygiene.
9. Language of workplace.
10. Identification, protection and conservation of archaeological sites and specimens.
11. Research and development.
12. Inuit access to facilities constructed for the project such as airfields and roads.
13. Particularly important Inuit environmental concerns and disruption of wildlife, including wildlife disruption compensation schemes.
14. Outpost camps.
15. Information flow and interpretation, including liaison between Inuit and proponent regarding project management and Inuit participation and concerns.
16. Relationship to prior and subsequent agreements.
17. Co-ordination with other developments.
18. Arbitration and amendment provisions.
19. Implementation and enforceability, including performance bonds and liquidated damages clauses.
20. Obligations of subcontractors.
21. Any other matters that the Parties consider to be relevant to the needs of the project and Inuit.

ARTICLE THREE PROJECT DESCRIPTION

3.1 Mary River Project Definition

The “Mary River Project” includes all of the following activities carried on by the Company, its successors or assigns from time to time within the Project Area:

- a) The project described in the Final EIS for the Mary River Project as it may be amended, or any other activities described in future filings with NIRB, NWB or other Governmental Authorities including without limitation the construction, operation, modification, maintenance, decommissioning, abandonment or other works or undertakings located at Milne Inlet, the Milne Inlet Tote Road, Mary River Mine Site, the railway, the Steensby Inlet Port, year round marine shipping, air traffic, ongoing exploration and geotechnical exploration;
- b) Discovery, development and mining of additional mineral deposits, with new or expanded infrastructure and new or increased capacity and use of roads, railways, power generation facilities, ports and ship loading facilities and shipping;
- c) Exploration activities including surface drilling as well as advanced exploration, bulk sampling and access for that purpose by any means including without limitation the construction and use of winter or all season roads; and
- d) Activities at the Company’s office(s) in Nunavut and the physical activities in Nunavut in support of the Company’s activities in the Project Area;

(all of the foregoing being collectively defined to be the “Mary River Project”).

3.2 Initial Project Definition

The “initial Project” is as described in the Final EIS as approved by NIRB and described in Project Certificate 005, for the construction, operation, closure and reclamation of the Project described in Section 3.1 (a) and includes amendments and modifications of such approval and all related licences, permits and authorizations.

3.3 Changes in Project Scope

- 3.3.1 For the purposes of this Agreement, an environmental assessment under Article 12 of the NLCA (i.e. Part 5 or Part 6), except for project amendments to Project Certificates or other licenses or permits, is deemed to be a Change in Scope.
- 3.3.2 The Company may, in its sole discretion submit any modifications or amendments to any existing permits, licenses or other regulatory or contractual approvals.
- 3.3.3 For major project modifications of other major developments required under

Article 12 of the NLCA, the Company will provide the Executive Committee or their designate a description of the proposal prior to its submission.

3.4 Review and Renegotiation

All Changes in Scope shall trigger a review and the possible renegotiation of specific IIBA provisions as described in Article Twenty-Two of this Agreement.

3.5 Payment of Reasonable Costs

Each Party is responsible for their costs associated with participating in a Change in Scope. Provided that the Company will pay costs associated with QIA's participation in the formal assessment of a Change in Scope where it is recognized and demonstrated that QIA's efforts are focused on a timely and cost efficient assessment of the Change in Scope, are aligned with maintaining reasonable Change in Scope review timelines and the Company has consented to the scope of the work for QIA's participation (including technical support) which consent may not be unreasonably withheld.

3.6 Project Area Definition

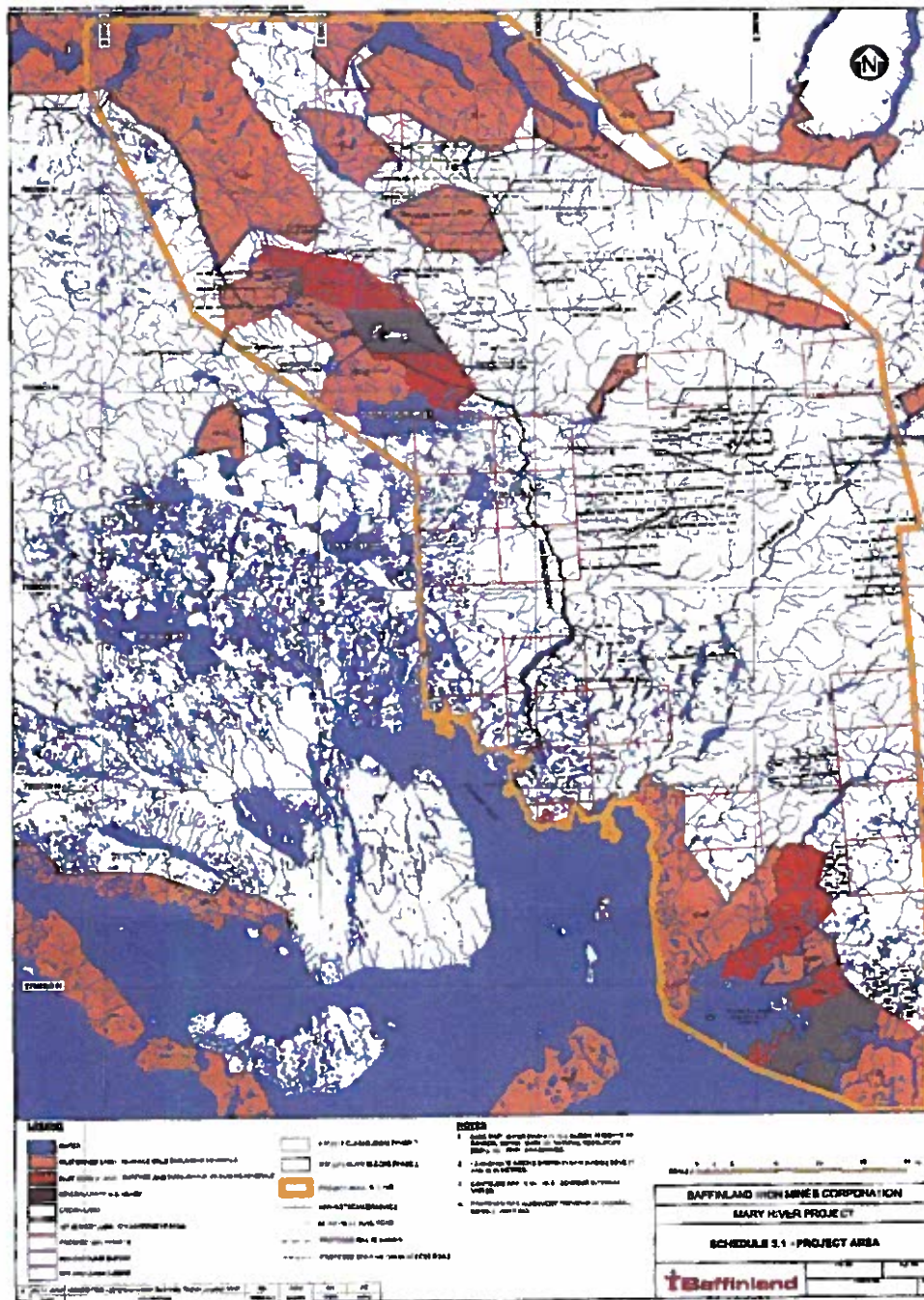
The "Project Area" means all of the lands identified and set forth in Schedule 3.1 hereto entitled "Project Area", including all Inuit Owned Lands or Crown lands therein and whether or not any lands therein identified are subject to activities by the Company at the date of this Agreement. The Project Area may be amended from time to time by written agreement of the Parties. The area comprised in mineral rights (including without limitation mineral claims on Crown land and exploration agreements, production leases and quarry permits on Inuit Owned Lands) and in surface rights (including without limitation leases and land use licences or permits granted by Governmental Authorities on Crown land or by QIA on Inuit Owned Lands) from time to time acquired or obtained by the Company in North Baffin after the date of this Agreement shall automatically be added to the Project Area. The area comprised in mineral rights or surface rights held by the Company on the date of this Agreement or at any time thereafter and which are subsequently surrendered by the Company or terminate or expire (without being renewed or replaced) will automatically be deleted from the Project Area.

3.7 Scope of IIBA

This Agreement and all rights and obligations of the Parties herein, applies and binds the Parties in relation to all present and future Company activities on any lands or in marine areas within the Project Area. For greater certainty, a new IIBA is not required to be negotiated pursuant to Article 26 of the NLCA for Changes in Scope within the Project Area. If the Project Area is enlarged pursuant to Section 3.6, then this IIBA shall also apply to and be binding upon the Parties in respect of all Company activities within such increased Project Area.

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SCHEDULE 3.1 – Project Area



ARTICLE FOUR IMPLEMENTATION AND MANAGEMENT

4.1 Objectives

- 4.1.1 The Company and QIA agree that a structure must be established that facilitates implementation of this Agreement and that implementation of the IIBA will require continuing participation from QIA and the Company over the life of the Project.
- 4.1.2 The Company and QIA agree further that a process must be established that enables QIA to monitor the operation and management of the Project and for the Company to get ongoing advice about Inuit concerns and interests.
- 4.1.3 Pursuant to the aims stated in Sections 4.1.1 and 4.1.2 a senior Executive Committee will be established to oversee implementation of the IIBA.
- 4.1.4 Pursuant to the aims stated in Sections 4.1.1 and 4.1.2 a working Management Committee will be established for continuous monitoring of the operation and management of the Project, particularly as it relates to implementation of the IIBA.
- 4.1.5 All reasonable attempts will be made to resolve at an administrative level disputes that may arise in the course of implementing this Agreement. To facilitate the dispute resolution process additional provision will be made for extraordinary meetings between the President of QIA and the President of the Company to attempt to resolve any disagreements that either the Management Committee or the Executive Committee has not been able to settle.

4.2 Executive Committee

- 4.2.1 QIA and the Company will establish an Executive Committee of senior level representatives to oversee the implementation of all of the provisions of the IIBA. QIA and the Company will consult about how to oversee the implementation of the IIBA.
- 4.2.2 The Executive Committee will establish an annual budget in accordance with the provisions of the IIBA, establish goals and objectives consistent with the IIBA, review reports and provide strategic advice and direction for the successful implementation of the IIBA.
- 4.2.3 The Executive Committee will have three representatives from QIA and three representatives from the Company.
- 4.2.4 The Executive Committee will have two Co-chairs, one from each of QIA and the Company. The QIA Co-chair will hold a position on the Executive Committee of

QIA and the Company Co-chair will hold a position within the Company of Vice-President or higher.

- 4.2.5 The QIA members of the Executive Committee will include the QIA Co-chair, the QIA IIBA Coordinator and one other representative appointed by QIA. The Company members of the Executive Committee will include the Company Co-chair, the Company IIBA Coordinator and one other representative appointed by the Company.
- 4.2.6 QIA will be entitled to have Technical Advisors to attend all Executive Committee meetings. Choice of Technical Advisors shall be at the discretion of QIA, such persons being reasonably acceptable to the Company.
- 4.2.7 For the first two Years this Agreement is in effect, the Executive Committee will meet on a quarterly basis and may hold additional meetings as necessary. In subsequent Years the Executive Committee, in consultation with QIA and the Company, will establish the frequency of Executive Committee meetings.
- 4.2.8 QIA Representatives and the Technical Advisors shall be notified of the agenda, date, time and location of all regularly scheduled Executive Committee meetings at least 15 days in advance of such meetings. The requirement for 15 days' notice shall be waived in the case of emergency situations that may arise, from time to time. Notification for emergency Executive Committee meetings may be made as soon as is practicable by Fax and email. In the event that the QIA Representatives or Technical Advisors are unable to attend any Executive Committee meetings, they shall be supplied with a report detailing the items discussed, the conclusions reached and the actions taken, within 15 days.
- 4.2.9 Formal decisions of the Executive Committee will be decided by a qualified majority vote requiring agreement of at least five of the six Executive Committee members.
- 4.2.10 Executive Committee proceedings are non-confidential but are open only to Executive Committee members and Technical Advisors. However, if either Party provides confidential information, the other Party and their Technical Advisors will be required to sign a Confidentiality Agreement.

4.3 Executive Committee - Cost of Operation

- 4.3.1 The Company and QIA will develop an annual budget for the Executive Committee for the first full Year the Committee is in operation, which will be included in the Implementation Budget as set forth in Section 4.10. In subsequent Years the Company and QIA IIBA Coordinators will develop an annual budget for the Executive Committee for submission to the Executive Committee by November 1 of each Year that this Agreement is in effect.
- 4.3.2 The Company will be responsible for operational costs of the Executive

Committee, including costs for Technical Advisors and Executive Committee obligations cited in this Agreement and summarized in the Annual Implementation Budget.

4.4 Management Committee

- 4.4.1 QIA and the Company will establish a joint Management Committee to monitor on-going operation and management of the Project, particularly as it relates to implementation of the IIBA.
- 4.4.2 The Management Committee will report to the Executive Committee.
- 4.4.3 The Management Committee will monitor implementation on a continuous basis and review progress on the Project in order to provide information to QIA and the Company through the Executive Committee.
- 4.4.4 The Management Committee will have four representatives from QIA and four representatives from the Company.
- 4.4.5 QIA representatives will include the QIA IIBA Coordinator, the QIA Inuit Employment and Training Officer and two other individuals to be appointed by QIA. Company representatives will include the Company's IIBA Coordinator, the Company's Inuit Employment and Training Officer and two other individuals appointed by the Company. One of the Company's appointed representatives will hold a senior level position in the operation of the mine.
- 4.4.6 QIA shall be entitled to have Technical Advisors to attend all Management Committee meetings. Choice of Technical Advisors shall be at the discretion of QIA, such persons being reasonably acceptable to the Company.
- 4.4.7 For the first two Years this Agreement is in effect, the Management Committee will meet at least monthly and may hold additional meetings as necessary. In subsequent Years changes to the frequency of meetings, if proposed by the Management Committee, require the approval of the Executive Committee.
- 4.4.8 The Management Committee will operate on the basis of consensus.
- 4.4.9 Members of the Management Committee will report to their respective employers as required and the Committee will provide the Executive Committee with quarterly summary reports of its activities, as well as a formal annual report.

4.5 Management Committee - Cost of Operation

- 4.5.1 The Company and QIA will develop an annual budget for the Management Committee for the first full Year the Committee is in operation, which will be included in the Implementation Budget as set forth in Section 4.10. In subsequent

Years the Company and QIA IIBA Coordinators will develop an annual budget for the Management Committee for submission to the Executive Committee by November 1 of each Year that this Agreement is in effect.

- 4.5.2 The Company will be responsible for costs of the Management Committee, including costs for Technical Advisors and Management Committee obligations cited in this Agreement.

4.6 Decision-making and Dispute Resolution Process

Subject to Section 21.7, the decision-making and dispute resolution process to be followed by the Executive Committee and the Management Committee in chronological order until a decision is made and/or a dispute is resolved is as follows:

- a) The Management Committee will make decisions by consensus;
- b) The Executive Committee will follow procedures it reasonably considers will be most likely to develop a consensus in respect of any matter or decision;
- c) Decisions of the Executive Committee where the members are unable to develop a consensus shall be decided by a majority vote requiring an affirmative vote of not less than five of the six Executive Committee members;
- d) Where the Management Committee is unable to reach a consensus on an issue and the Executive Committee is unable to obtain the affirmative vote of five of the six Executive Committee members to resolve the issue, then the Presidents of QIA and the Company, respectively, may be requested by the Executive Committee to convene a meeting to discuss and attempt to resolve the dispute;
- e) If the Presidents are unable to resolve an outstanding dispute, then the matter may be referred by either Party to mediation pursuant to Article 21;
- f) If mediation does not resolve the matter to the satisfaction of both Parties, either Party may refer the matter to arbitration pursuant to Article 21 where the matter relates to a specific function of the Executive Committee described in Sections 4.7 (a) to (1).

4.7 Role of the Executive Committee

Without limiting its role pursuant to this Agreement, the Executive Committee shall perform the following functions in connection with the provisions of this Agreement:

- a) Assess expected Project workforce requirements and projected availability of Inuit seeking employment on the Project;
- b) Establish Minimum Inuit Employment Goal (MIEG) pursuant to Section 7.14;

- c) Review the extent to which the annual Minimum Inuit Employment Goal (MIEG) for the Project has been met and assess actions taken or needed to meet the MIEG;
- d) Review and approve quarterly and annual reports of the Management Committee;
- e) Review the list of education and training opportunities for Inuit pursuant to Section 8.5.3 on an annual basis;
- f) Review contract award issues;
- g) Maintain a list of Designated Baffin Inuit Firms pursuant to Section 6.5;
- h) Review the list of Designated Inuit Firms and Designated Baffin Inuit Firms on an annual basis in accordance with Section 6.4 and Section 6.5, respectively;
- i) Review annually the list of contracts awarded by the Company in the previous Year to assess Inuit content in contracting;
- j) Review the list of potential positions for Inuit employees on an annual basis pursuant to Section 7.12.2;
- k) Review, at the beginning of each Year, the list of contracts the Company anticipates awarding in the coming Year, to identify contracts for which Designated Baffin Inuit Firms or Designated Inuit Firms may be eligible;
- l) Make recommendations to the Company and QIA on appropriate actions to enhance the results of Inuit participation and other objectives of this Agreement;
- m) Consider other items of mutual concern related to the implementation of this Agreement raised by either Party;
- n) Subject to Section 2.2.2 review and respond to any direct requests made from time to time by the most directly affected communities.

4.8 Role of the Management Committee

Without limiting its role pursuant to this Agreement, the Management Committee shall perform the following functions in connection with the provisions of this Agreement:

- a) Share information regarding the progress of training initiatives, employment targets and contract awards;

- b) Regularly update data to be supplied to the Executive Committee for reporting purposes as set forth in Section 20.1;
- c) Communicate any operational concerns of the Company and QIA as they relate to implementation of this Agreement;
- d) Bring forward items of concern from either Party to the Executive Committee to review and to attempt to resolve the concern;
- e) Make recommendations to the Executive Committee on appropriate actions to enhance results of Inuit participation and other objectives of this Agreement;
- f) Consider other items of mutual concern related to the implementation of this Agreement, raised by either Party; and
- g) Any other items as directed by the Executive Committee from time to time.

4.9 Role of Executive Committee – Social and Cultural Provisions (“Support for Communities”)

- 4.9.1 The Executive Committee will review a report to be submitted annually by QIA on the use of the *Ilagiiktunut Nunalinnullu Pivalliajutsait Kiinaujat* Fund.
- 4.9.2 No less than six months prior to the end of the initial six Year period of this Agreement, the Executive Committee will review the performance of the *Ilagiiktunut Nunalinnullu Pivalliajutsait Kiinaujat* in order to discuss renewal for additional three-Year terms, recognizing the possibility the Fund may operate through the life of the Project and if there are unforeseen or greater than anticipated socio-economic impacts the Parties agree that they will extend the Fund.

4.10 Annual IIBA Implementation Budget

- 4.10.1 The Parties agree that there shall be an Implementation Budget established annually for each QIA Fiscal Year or portion of a QIA Fiscal Year until Project Termination in the general form of budget document agreed to by the Executive Committee from time to time. The Implementation Budget shall identify the amounts of contributions and expenses, including direct and indirect implementation costs that the Parties anticipate will be incurred during the forthcoming QIA Fiscal Year that may be necessary or desirable for the continued implementation of this IIBA. The required contributions and permitted expenses to be set forth in an Implementation Budget shall be approved by the Executive Committee and are subject to arbitration pursuant to Article 21 in the event that the Executive Committee is unable to reach a decision, with assistance of the Management Committee, based on the respective rights and obligations of the Parties pursuant to this Agreement.

- 4.10.2 In the Year that this IIBA takes effect pursuant to Section 23.2, the Executive Committee, with assistance of the Management Committee, shall prepare and approve an Implementation Budget for the remainder of the QIA Fiscal Year. The Parties acknowledge that QIA's and the Company's direct and indirect implementation costs to be addressed in Implementation Budgets will be the most extensive during the first three QIA Fiscal Years following the Year in which this IIBA takes effect. The Executive Committee and the Management Committee shall be required to recognize and take into account QIA's and Company's initially high implementation costs when establishing the initial Implementation Budgets.
- 4.10.3 Prior to the end of the QIA Fiscal Year referred to in Subsection 4.10.2 and prior to the end of all subsequent QIA Fiscal Years, the Executive Committee, with the assistance of the Management Committee, shall prepare and approve in a timely manner an IIBA Implementation Budget for the forthcoming QIA Fiscal Year. At all times the Parties agree to comply with and shall cause their representatives to comply with, all approved Implementation Budgets during applicable QIA Fiscal Years.
- 4.10.4 The annual Implementation Budget will include, but is not limited to:
- a) Contributions from QIA and the Company towards IIBA implementation;
 - b) Any additional sources of funds for IIBA implementation;
 - c) Operating costs of the Management Committee;
 - d) Operating costs of the Executive Committee;
 - e) One meeting per Year of the President of QIA and the President of the Company;
 - f) Salaries/fees for:
 - i) The QIA and Company IIBA Coordinators;
 - ii) The support function described in Section 4.13;
 - iii) Administration of the Business Capacity and Start-Up Fund;
 - iv) The QIA and Company Inuit Employment and Training Coordinators;
 - v) All positions QIA reasonably requires, including the cost to hire, train and support such positions, to perform its obligations under

this IIBA, provided QIA shall consult with the Company as to the necessity of such additional requirements and shall use best efforts to perform its obligations using existing personnel identified in this Agreement; and

- g) Operating costs of:
 - i) The Business Capacity and Start-Up Fund;
 - ii) *Ilagiiktunut Nunalinnullu Pivalliajutisat Kiinaujat* Fund;
 - iii) The Education and Training Fund;
 - iv) A scholarship fund;
 - v) Workplace orientation programs.

4.10.5 The Parties agree to the following regarding the annual Implementation Budget:

- a) The Parties recognize that costs associated with implementation of the respective obligations contained in this Agreement will require modification throughout the Term of this Agreement. Furthermore, the Parties acknowledge that not all costs related to the implementation of obligations are explicitly accounted for within this Agreement;
- b) Understanding this and with a mutual commitment to support the successful implementation of this Agreement in an efficient and cost effective manner, the Parties hereby commit themselves to annual assessments of the costs associated with implementation of this Agreement;
- c) The role of technical advisors pursuant to Sections 4.2.6, 4.4.6 and 4.13 is to assist QIA in the implementation of this Agreement and assist QIA in undertaking its roles. The purpose of technical advisors is not to outright perform the functions outlined in this Agreement, but rather to train and assist Inuit to assume these functions. Furthermore as stated in Section 4.13.4 it is expected that the need for capacity building and technical support will diminish three years following the effective date of this Agreement;
- d) Starting in the fourth Year of this Agreement, QIA's commitment to costs directly associated with the implementation of QIA's role in implementing this Agreement shall be equal to but not greater than twenty-five percent of the direct costs associated with implementing QIA's obligations contained within this Agreement;

- e) QIA's contributions shall only occur during Years for which there is a Royalty Payment. QIA contributions to its own implementation costs shall be limited to 10% of its annual Royalty Payment as outlined in Section 5.6. QIA's commitments to costs shall not include the costs associated with QIA positions identified within this Agreement; and
- f) The Company and QIA agree to review the role and function of all the positions identified in this Agreement for the purpose of determining if the positions should be modified, revised or reduced in capacity. The first such review shall take place three years after the signing of this Agreement and shall occur every three years thereafter in conjunction with Article 22. The positions for which a review will be undertaken are:
 - i) Company IIBA Coordinator;
 - ii) Company Employment and Training Coordinator;
 - iii) Inuit Ship Monitors;
 - iv) Elder in Residence;
 - v) QIA IIBA Coordinator;
 - vi) QIA Employment and Training Coordinator;
 - vii) QIA Environment Monitors.

4.11 Annual IIBA Implementation Report

The Company will prepare the Annual IIBA Implementation Report required pursuant to Section 20.3 herein in order to summarize all reports generated in relation to the Project, including reports by the Management Committee, on environmental issues, social and cultural objectives, financial provisions and participation, Inuit training and employment, contracts and economic benefits. The Parties will prepare and submit all of the reports and information required pursuant to the terms and conditions of Article 20.

4.12 IIBA Coordinators

- 4.12.1 The Company will fund QIA to hire and train an IIBA Coordinator to coordinate IIBA reporting and monitoring activities on behalf of QIA, to act as QIA liaison with the Company IIBA Coordinator, to co-chair the Management Committee and to sit on the Executive Committee.
- 4.12.2 The annual cost of the QIA IIBA Coordinator will be established for each QIA Fiscal Year by the Executive Committee as part of the annual Implementation

Budget.

- 4.12.3 The QIA IIBA Coordinator will report to the QIA Executive Director or other designate.
- 4.12.4 In consultation with QIA the Company will hire and train a Company IIBA Coordinator to coordinate IIBA reporting and monitoring activities on behalf of the Company, to act as Company liaison with the QIA IIBA Coordinator, to co-chair the Management Committee and to sit on the Executive Committee.
- 4.12.5 The Company IIBA Coordinator will report to the Company's senior human resources executive or designate.
- 4.12.6 The job descriptions for each of the IIBA Coordinators, respectively, are set forth in Schedule 4.1 hereto, subject to revision by the Executive Committee. The Parties may also agree that IIBA Coordinators are to be referred to by the Parties as an "IIBA Supervisor" or an "IIBA Manager" or other designated title deemed more appropriate.

4.13 Support Function

- 4.13.1 QIA and the Company recognize that the Executive Committee and the Management Committee may require additional technical or professional support to fulfill its mandate.
- 4.13.2 QIA and the Company further recognize that the QIA may require additional technical or professional capacity to enable QIA to:
 - a) Perform the functions of this Agreement in a reasonably competent manner;
 - b) Analyze reports and other data in order to assist the QIA IIBA Coordinator and QIA members of the Management and Executive Committees to fulfill their duties; and
 - c) Advise QIA members on the Management and Executive Committees;

Provided QIA shall consult with the Company as to the necessity of such additional capacity and shall use its best efforts to satisfy its requirements using existing capacity.

- 4.13.3 QIA may require the technical or professional support to enable capacity building in support of performance of items as outlined in Section 4.13.2 either by hiring an employee directly or by engaging contract support for various issues.

- 4.13.4 The Executive Committee will budget for and set aside reasonable annual amounts for the cost of the support services described in Subsection 4.13.1 and Subsection 4.13.2, as part of its annual Implementation Budget approval process. The Parties acknowledge that QIA's support services to be addressed in annual Implementation Budgets will be the most extensive during the first three (3) QIA Fiscal Years following the Year in which this IIBA takes effect. The Executive Committee and the Management Committee shall be required to recognize and take into account QIA's initially high implementation costs when establishing and approving the initial Implementation Budgets.
- 4.13.5 The Company will fund both the Executive Committee and the Management Committee support function and the QIA support function.
- 4.13.6 The QIA support function will report to the QIA IIBA Coordinator. The Company support function will report to the Company IIBA Coordinator.

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SCHEDULE 4.1 JOB DESCRIPTIONS – IIBA COORDINATORS**JOB DESCRIPTION****JOB TITLE:** Baffinland IIBA Coordinator **DATE:****REPORTS TO:** Human Resources Director, Baffinland **LOCATION:****JOB SUMMARY**

The Baffinland IIBA Coordinator position will be a crucial link between QIA and the Company. The IIBA Coordinator will be responsible for making sure the IIBA is implemented on behalf of the Company and will sit on the Management Committee.

REPORTING RELATIONSHIPS

Under the direction of the Baffinland Human Resources Director, in consultation with the Mine General Manager, the Baffinland IIBA Coordinator is responsible for overseeing the daily administration and implementation of the IIBA between the Qikiqtani Inuit Association (QIA) and the Company. The IIBA Coordinator will work closely with the Executive Committee, the Management Committee, Inuit Training and Employment Coordinators, Kakivak Association, the Qikiqtani Employment and Training Consortium to ensure that all aspects of the IIBA are being implemented.

DUTIES & ESSENTIAL JOB FUNCTIONS

- Coordinate IIBA reporting and monitoring activities on behalf of Baffinland;
- Act as Baffinland's liaison with the QIA IIBA Coordinator;
- Co-chair the Management Committee and to sit on the Executive Committee.
- Prepare reports for the Management and Executive Committees, as well as any other reports required the IIBA requires to be prepared by this position;
- Supervise the Support Function as per Section 4.13 of the IIBA;
- Supervise the Baffinland Inuit Employment and Training Coordinator;
- Supervise any other staff as may from time to time be hired by Baffinland to assist with IIBA implementation;
- Develop an action plan for activities and procedures of QIA and the Company related to employment of Inuit, Inuit Human Resource Strategy, workplace conditions, contracting opportunities of the Project, water compensation and wildlife compensation;
- Administer the Inuktitut in the workplace policy;
- With the QIA IIBA Coordinator prepare annual budget requirements for implementing the IIBA;
- Provide support to Baffinland members of the Management and Executive Committees.

OTHER FUNCTIONS AND RESPONSIBILITIES

- Training as required.
- Travel as required.
- Other related duties as required.

QUALIFICATIONS

REQUIRED

- Diploma or Certificate from a post-secondary institute or equivalent experience;
- Knowledge of Inuit culture and Inuit communities;
- Demonstrate good oral, interpersonal, written communication and organizational skills;
- Experience reporting to corporate and/or not-for-profit Boards of Directors and committees;
- Working knowledge of word processing and spreadsheet software, as well as email and Internet;
- Ability to work as a member of a team;
- Ability to work independently with minimal supervision;
- Creative problem solving skills.
- Bilingual in Inuktitut and English.

PREFERRED

A member in good standing of the Qikiqtani Inuit Association or other Nunavut Regional Inuit Association.

ACKNOWLEDGMENT FOR RECEIPT OF JOB DESCRIPTION

I have received a copy of the Job Description and have read and understand its contents.

_____ Employee Name (Please Print)	_____ Date
_____ Employee Signature	_____ Date
_____ Supervisor's Signature	_____ Date

JOB DESCRIPTION

JOB TITLE: QIA IIBA Coordinator

DATE:

REPORTS TO: MAJOR PROJECTS DIRECTOR, QIA **LOCATION:**

JOB SUMMARY

The QIA IIBA Coordinator position will be a crucial link between QIA and the Company. The IIBA Coordinator will be responsible for making sure the IIBA is implemented on behalf of QIA and will sit on the Management Committee.

REPORTING RELATIONSHIPS

Under the direction of the QIA Director of Major Projects, the QIA IIBA Coordinator is responsible for overseeing the daily administration and implementation of the IIBA between the Qikiqtani Inuit Association (QIA) and the Company. The IIBA Coordinator will work closely with the Executive Committee, the Management Committee, Inuit Training and Employment Coordinators, Kakivak Association and the Qikiqtani Employment and Training Consortium to ensure that all aspects of the IIBA are being implemented.

DUTIES & ESSENTIAL JOB FUNCTIONS

- Coordinate IIBA reporting and monitoring activities on behalf of QIA;
- Act as QIA liaison with the Company IIBA Coordinator;
- Co-chair the Management Committee and to sit on the Executive Committee;
- Prepare reports for the Management and Executive Committees, as well as any other reports required the IIBA requires to be prepared by this position;
- Supervise the Support Function as per Section 4.13 of the IIBA;
- Supervise the QIA Inuit Employment and Training Coordinator;
- Supervise any other staff as may from time to time be hired by QIA to assist with IIBA implementation;
- Develop an action plan for activities and procedures of QIA and the Company related to employment of Inuit, Inuit Human Resource Strategy, workplace conditions, contracting opportunities of the Project, water compensation and wildlife compensation;
- Administer the Inuktitut in the workplace policy;
- With the Company IIBA Coordinator prepare annual budget requirements for implementing the IIBA;
- Provide support to QIA members of the Management and Executive Committees

OTHER FUNCTIONS AND RESPONSIBILITIES

- Training as required.
- Travel as required.
- Other related duties as required.

QUALIFICATIONS

REQUIRED

- Diploma or Certificate from a post-secondary institute or equivalent experience;
- Knowledge of Inuit culture and Inuit communities;
- Demonstrate good oral, interpersonal, written communication and organizational skills;
- Experience reporting to corporate and/or not-for-profit Boards of Directors and committees;
- Working knowledge of word processing and spreadsheet software, as well as email and Internet;
- Ability to work as a member of a team;
- Ability to work independently with minimal supervision;
- Creative problem solving skills;
- Bilingual in Inuktitut and English.

PREFERRED

- A member in good standing of the Qikiqtani Inuit Association or other Nunavut Regional Inuit Association.

ACKNOWLEDGMENT FOR RECEIPT OF JOB DESCRIPTION

I have received a copy of the Job Description and have read and understand its contents.

Employee Name (Please Print)

Date

Employee Signature

Date

Supervisor's Signature

Date

ARTICLE FIVE FINANCIAL PARTICIPATION

5.1 Purpose

5.1.1 The purpose of this Article is to provide for the financial participation of Inuit in the Mary River Project. In furtherance thereof, this Article creates specific obligations for the Company to pay Advance Payments, Royalty Payments and, where applicable, Extension Payments to QIA.

5.1.2 The Company represents and warrants that the information reviewed by Pricewaterhouse Coopers LLP, being the "Third Party" referred to in the Protocol Agreement dated May 9, 2013 between QIA and the Company, including without limitation the CAR (as defined in the said Protocol Agreement), was the same documentation and information, without editing, re-formatting, or other alteration in scope or presentation, that was presented to or relied upon by the Company's board of directors in December, 2012.

5.2 Advance Payments

Subject to Section 5.4, the Company will make the following payments ("Advance Payments") to QIA:

- a) \$5,000,000 on the date this Agreement is signed by both Parties (the "Initial Payment");
- b) \$5,000,000 within five Business Days after the date on which a Class A Water Licence is issued to the Company pursuant to the Nunavut Waters and Nunavut Surface Rights Tribunal Act in respect of the Initial Project;
- c) \$10,000,000 within five Business Days after the date of the Construction Decision; and
- d) \$1,250,000 at the end of each calendar quarter starting one year after the end of the calendar quarter in which the Construction Decision is made and continuing during the Construction Period until the end of the calendar quarter in which Commercial Production begins.

5.3 Extension Payments

5.3.1 Subject to Section 5.4, if the Company does not notify QIA of the Construction Decision within 90 days after the date of the issuance of the Type "A" Water License by the Nunavut Water Board with respect to the Project, the Company shall pay to QIA \$1,250,000 at the end of each calendar quarter starting in the calendar quarter that follows the calendar quarter in which the Type A Water Licence is issued and continuing until the end of the calendar quarter preceding

the calendar quarter in which the Construction Decision is made (such payments being herein called "Extension Payments").

- 5.3.2 Subject to Section 5.4, if the Company gives a notice of Project Suspension, either before or after the commencement of Commercial Production, the Company shall pay the Extension Payments until either the Company gives a notice of Project Termination or the Company issues a press release stating that it is resuming development, construction or operation of the Project.

5.4 Conditions of Payments

Advance Payments and Extension Payments are subject to the following terms and conditions:

- a) Advance Payments and Extension Payments are fully creditable against Royalty Payments.
- b) If the Company terminates the Project, it may give notice thereof to QIA and 60 days thereafter (such 60th day being the date upon which "Project Termination" shall be deemed to occur) it shall cease to have any obligation to pay further Advance Payments and Extension Payments and there shall be no acceleration of Advance Payments or Extension Payments and the Company shall commence Project Termination activities. The Company shall be deemed to terminate the Project where the Company publishes a press release announcing a decision that for an indefinite period it will not be proceeding or continuing with the development, construction or operation of the Project.
- c) If the Company suspends the Project, it may give notice thereof to QIA and 60 days thereafter (such 60th day being the date upon which "Project Suspension" shall be deemed to occur) it shall cease to have any obligation to pay further Advance Payments and there shall be no acceleration of Advance Payments but the Company will continue the Extension Payments as provided in Section 5.3.2. The Company shall be deemed to suspend the Project where the Company publishes a press release announcing a decision that for an indefinite period it will not be proceeding or continuing with the development, construction or operation of the Project but will instead continue exploration activities and/or place the Project in care and maintenance in accordance with the terms of other agreements between the Parties.
- d) Advance Payments and Extension Payments are payable when due, subject to interest calculated pursuant to Section 5.10 herein, are non-refundable and there shall be no "clawback" of any Advance Payments or Extension Payments. In the event of default or termination of this Agreement, Advance Payments and Extension Payments which have not been credited against Royalty Payments shall be construed as constituting liquidated damages to be retained by QIA in accordance with Section 26.9.1 of the NLCA.

- e) Notwithstanding anything to the contrary in this Agreement, the cumulative total of all Advance Payments and Extension Payments shall not exceed \$75,000,000.

5.5 Adjustment for Inflation

Beginning in the Year following the Year of the Initial Payment (the "Base Year") and in each Year thereafter, the Advance Payments and Extension Payments will be adjusted annually for inflation or deflation from the Base Year and rounded up to the nearest dollar. The annual adjustment for inflation shall be based on the percentage change from the prior Year of the Consumer Price All Items Index for Iqaluit (not seasonally adjusted), or any successor or replacement catalogue or other version of The Consumer Price Index, published by Statistics Canada.

5.6 Royalty

5.6.1 The Company and its successors and permitted assigns shall pay to QIA a royalty (the "Royalty"), for each calendar quarter, commencing with the first calendar quarter after Commercial Production begins, equal to the Net Sales Revenue for the calendar quarter multiplied by the Royalty Percentage (such payments being defined as the "Royalty Payments").

5.6.2 Advance Payments and Extension Payments shall be deducted from the Royalty Payments payable pursuant to Section 5.6.1 as follows:

- a) Up to 25% of the Royalty Payments otherwise payable for each of the first 36 calendar quarters after Commercial Production begins may be deducted and credited to the repayment of Advance Payments; and
- b) Up to 50% of the Royalty Payments otherwise payable for each calendar quarter after the first 36 calendar quarters after Commercial Production begins may be deducted and credited to the repayment of Advance Payments until repaid in full.

5.6.3 All computations under this Article 5 shall be determined in accordance with IFRS or other generally accepted accounting principles as used and applied by the Company.

5.7 Annual Planning

During the fourth quarter of each Year preceding a Year in which a Royalty Payment is to be remitted to QIA, the Company will deliver to QIA its forecast for all Royalty Payments that the Company anticipates will be paid during the forthcoming Year. The Company shall not be required to update the forecast during the Year and the Company shall incur no liability in the event the forecast is wrong. QIA shall rely on the forecast at its sole risk. QIA will hold the forecast in confidence and not disclose it to any other

Person excepting its professional advisors who shall be required to hold such information in confidence.

5.8 Annual Statements

5.8.1 Within 90 days after the end of each Year, commencing with the Year in which Commercial Production commences and in every Year thereafter until Project Termination, the Company shall prepare and deliver to QIA a statement of the Royalty Payments that were due and payable for the Project for such Year of calculation (the "Annual Statement").

5.8.2 QIA will have 90 days following receipt of the Annual Statement to notify the Company of its intention to appoint an independent auditor licensed as a Chartered Accountant (Ontario) to audit or review the Annual Statement. The identity of the auditor will be subject to the Company's prior approval, not to be unreasonably withheld. Such audit or review shall be for the purposes of preparing a written report for QIA on whether the Royalty Payment calculations have been prepared in accordance with the provisions of this Agreement. The report shall be limited to a statement of its conclusion and shall not show detailed calculations or underlying financial information of the Company. The Company shall co-operate with the examination or review by the auditor appointed by QIA and shall provide to the auditor full access to accounting records and individuals as reasonably requested by the auditor. If such audit or review determines that there is a deficiency or an excess in the Royalty Payments, the Company shall have the right to dispute the determination pursuant to the provisions in Article 21, without being obliged to attempt mediation, by delivering notice of its intention to arbitrate to QIA within 90 days of receipt of the written report of the independent auditor. If a deficiency or excess is agreed or determined by arbitration to exist, it shall be resolved by adjusting the Royalty Payments due hereunder until the amount of the excess or the deficiency has been resolved. QIA shall bear the expense of the independent auditor unless a deficiency greater than 5% is identified and either agreed or determined by arbitration, in which case the Company will bear the expense. The independent auditor shall be required to keep all information obtained in the course of the audit or review confidential including in relation to QIA, except that the independent auditor shall provide its written report referred to above to QIA and concurrently to the Company.

5.9 Acceptance if No Review

QIA shall be deemed to have accepted the Annual Statement for the purpose of calculating the Royalty Payments that are due and payable if the Company does not receive notification from QIA of its intention to appoint an independent auditor within the 90 day period referred to in Section 5.8.2.

5.10 Interest on Royalty Payment Deficiency

If a revised Royalty Payment is agreed by the Parties or determined by arbitration and such revised Royalty Payment is greater than the Royalty Payment set out in the Annual Statement, the amount of the deficiency due and payable by the Company shall bear interest, calculated monthly, at the annual rate announced from time to time by the Royal Bank of Canada, as its "prime rate" plus two percent (2%) per annum, calculated from the due date of the final Royalty Payment for such Year.

5.11 Payment of Royalty Payment Deficiency

If a revised Royalty Payment is agreed upon by the Parties or determined by arbitration following QIA's delivery of an arbitration notice pursuant to Section 5.8.2 and the revised Royalty Payment is greater than the Royalty Payment set out in the Annual Statement, such deficiency shall be paid, with interest calculated on the amount of the deficiency in accordance with Section 5.10 from the original payment due dates until the date of payment, within 30 days following the date of such agreement or arbitration determination.

5.12 Method of Payments

5.12.1 Each payment to be made by the Company in accordance with this Article 5 shall be remitted by wire transfer of immediately available funds to QIA's bank account at a recognized financial institution in Canada. QIA shall keep the Company informed of all necessary banking information relating to such bank account for the purposes of the above-mentioned wire transfers. Subject to the Company's consent, which shall not be unreasonably withheld, amounts payable pursuant to this Article 5 may be assigned or otherwise required by QIA to be directly paid by the Company to a body corporate, trust or other entity controlled by QIA where in furtherance of specific tax planning requirements of QIA.

5.12.2 The Royalty Payments shall be paid within 30 days of the end of the calendar quarter.

5.12.3 The Company may deduct and withhold from payments due to QIA hereunder such amounts as may be required by Applicable Laws. The Company shall not make any deduction or withholding where QIA certifies matters and provides information to the Company which demonstrates to the Company's reasonable satisfaction that such deduction or withholding is not required by Applicable Laws.

5.13 Trading Activities

All profits and losses resulting from the Company engaging in any commodity futures trading, option trading and any other hedging transactions with respect to mineral products (collectively, "Hedging Transactions") are specifically excluded from

calculations of the Royalty, it being understood by the Parties that the Company may engage in speculative hedging trading activities for its own account. All Hedging Transactions by the Company and all profits or losses associated therewith, if any, shall be solely for the Company's account, irrespective of whether or not mineral products are delivered in fulfilment of such obligations.

5.14 **No Implied Covenants.**

5.14.1 There are no implied covenants or duties on the part of the Company to QIA, whether relating to the exploration, development or mining of the Project, the marketing or sale of Products or otherwise. Without limiting the generality of the foregoing, the Company is not under any obligation to explore, develop or produce Products from the Project or to continue production once commenced and the Company has the unfettered right to suspend, curtail or terminate any such operation or activity as it in its sole discretion may determine.

5.14.2 Nothing herein shall be construed to create, expressly or by implication, a fiduciary relationship or a partnership between the Company and QIA.

5.15 **Equitable Review**

Either Party may seek a review of the rate of the Royalty Percentage, being 1.19%, only after the earlier of 30 years after Commercial Production commences or one billion tonnes of iron ore have been mined by the Company from the Mary River Project. The purpose of the review will be to determine whether the total financial benefits being provided to QIA from the Project under this Agreement are "market" in relation to other relevant impact benefit agreements. If they are not, an increase or decrease as the case may be in the Royalty Percentage will be negotiated. Failing agreement, the dispute may be arbitrated under Article 21 and the Arbitrator may order (and may only order) that the Royalty Percentage shall be increased, decreased or remain unchanged with effect from the date of the order.

5.16 **Definitions**

In this Article 5 the following terms and expressions will have the following meanings respectively:

- a) **"Advance Payments"** has the meaning given to it in Section 5.3.1;
- b) **"Annual Statement"** means the statement referred to in Section 5.8.1;
- c) **"Base Year"** has the meaning given to it in Section 5.5;
- d) **"Commercial Production"** means when the Project transforms from the period of mine construction and completion to its phase of normalized operations and iron ore crushing and screen operations, following the extraction and sale of iron

ore for commercial sale, has continued continuously for 90 days at not less than 60% of the Project's intended capacity, but specifically does not include bulk sampling, test or pilot plant operations planned to occur in advance of commercial production;

- e) **“Construction Decision”** means the publication of a press release or formal notice by the Company announcing a final decision having been made by the Board of Directors of the Company to execute the Initial Project after the Class “A” Water Licence for the Initial Project is issued by NWB and this IIBA and a Commercial Lease for Inuit Owned Lands have been obtained from QIA, to authorize construction and operation of the Initial Project, with the Company to provide written notice of such within five Business Days;
- f) **“Construction Period”** means the period of time between the date of the Construction Decision and the date of Commercial Production;
- g) **“Consumer Price Index”** means the consumer price all items index for Iqaluit (not seasonally adjusted), or any successor or replacement catalog or other version of Consumer Price Index published by Statistics Canada;
- h) **“Extension Payments”** has the meaning given to it in Section 5.3;
- i) **“IFRS”** means, at any given date, International Financial Reporting Standards applicable to the Company which include standards and interpretations adopted by the International Accounting Standards Board, applied on a consistent basis as used under the Company's accounting policies and in the Company's audited financial statements;
- j) **“Initial Payment”** means the amount set forth in Section 5.2 a);
- k) **“Intermediate Products”** shall mean iron ore concentrate, iron ore pellets and any other intermediate products produced from Raw Products;
- l) **“iron ore pellets”** shall mean a product obtained by pelletizing iron ore or iron ore concentrates, suitable for iron making in blast furnaces;
- m) **“Net Sales Revenue”** means Sales Revenue less Permissible Deductions;
- n) **“Permissible Deductions”** shall mean the aggregate of the following costs and charges (to the extent not previously deducted or accrued in computing receipts) that accrue or are paid in each month:
 - i) all taxes paid on production of Products including, but not limited to, production, severance, sales and privilege taxes and all local, territorial, provincial and federal royalties, including territorial mining tax, that are based on the production of Products but specifically excluding income

- taxes;
- ii) all costs of loading, unloading, securing, insuring, storing and transporting, Products from the Project to the Purchaser or to a place of beneficiation, processing or treatment and, if applicable, thence to the Purchaser, including shipping, freight, demurrage, port fees, handling and forwarding expenses and export and import taxes, if applicable; and
 - iii) all marketing, sales and brokerage fees and costs on Products;
 - o) “**Products**” shall mean Raw Products and Intermediate Products produced, sold, delivered and shipped from the Mary River Project. Products shall not include any material mined from the Project for use by the Company for roads, foundations, concrete or other construction or industrial uses on or relating to the Project or material that is processed that did not originate from the Project and shall not include any material that is not recovered for commercial sale from ores extracted from the Project;
 - p) “**Project Termination**” has the meaning given to it in Section 5.4 (b);
 - q) “**Raw Products**” shall mean ore including without limitation iron ore in the form of run of mine ore, direct shipment ore and other similar crude or raw ore produced from the Project without further processing other than crushing;
 - r) “**Royalty**” has the meaning given to it in Section 5.6.1;
 - s) “**Royalty Payments**” has the meaning given to it in Section 5.6.1;
 - t) “**Royalty Percentage**” means 1.19%;
 - u) “**Sales Revenue**” means, as calculated for the Project, in respect of each Year or portion of a Year once the Project has commenced Commercial Production, any and all revenue of the Company in a Year from the sale of iron ore, with revenue for the purposes of this Agreement based upon the actual terms of sale in effect at any point in time (and where sales are made to a Related Party the proceeds shall be based on the Fair Value of the iron ore sold).

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ARTICLE SIX CONTRACTING OPPORTUNITIES

6.1 Objectives

- 6.1.1 In accordance with the objectives set forth in Article 2 that any and/or all of the economic activity associated with the Project will be available to Inuit, the Company will maximize contracting and subcontracting opportunities for qualified Inuit Firms throughout the Construction, Operations and Decommissioning Phases of the Mary River Project.
- 6.1.2 QIA agrees that the Company is only obligated to contract with businesses that have the ability to deliver products and/or services in a timely, efficient and competitive manner. QIA further recognizes that the Company has the final decision on all contract awards.
- 6.1.3 QIA and the Company agree to cooperate in efforts to build capacity to enable as many Inuit Firms as possible to achieve designated status as described in Sections 6.4 and 6.5.

6.2 List of Contracting Opportunities

- 6.2.1 The Company and QIA will review the types of contracts to be performed for the Mary River Project during the Construction, Operations and Decommissioning Phase for the Initial Project as defined pursuant to Section 3.2, to identify opportunities to which Inuit Firms will be given preference. For any Change in Scope of the Mary River Project as defined in Section 3.3, a similar review will be conducted to identify further opportunities for Inuit Firms prior to the commencement of any work.
- 6.2.2 Inuit Firms will be eligible for consideration for contracting opportunities in the following general areas:
 - i) Recruitment
 - ii) Training
 - iii) Road and airstrip construction
 - iv) Accommodation complex construction
 - v) Communications systems
 - vi) Power plant
 - vii) Water supply
 - viii) Open pit and underground equipment
 - ix) Site preparation at mine
 - x) Railway construction
 - xi) Port construction and operation
 - xii) Ongoing remediation
 - xiii) Mine decommissioning

- xiv) Sea freight shipping
- xv) Air transportation fixed wing, helicopter
- xvi) Catering, housekeeping, janitorial services
- xvii) Security Services
- xviii) Health and medical services
- xix) Road maintenance
- xx) Diamond drilling
- xxi) Transportation of ore
- xxii) Fuel storage, handling & distribution
- xxiii) Environmental research, monitoring, baseline studies
- xxiv) Explosives

A comprehensive list of contracts for which Inuit are eligible shall be reviewed and approved by the Executive Committee.

6.3 Business Start-Ups and Capacity Building

6.3.1 QIA and the Company recognize that many Inuit Firms and in particular smaller Inuit Firms from communities in the Baffin Region, lack capital, experience and capacity to bid on or carry out contracts for the Project.

6.3.2 In order to address the shortfalls referred to in Section 6.3.1 the Company will:

- a) Assist Inuit Firms to develop capacity in the bidding process.
- b) Identify opportunities to break down large contracts into smaller components to improve the capacity of Inuit to bid on and carry out contracts.
- c) Encourage contractors to break down large subcontracts into smaller components to improve the capacity of Inuit Firms to bid and the ability of Inuit Firms to bid on and carry out contracts.
- d) Help QIA or a QIA subsidiary organization establish a Business Capacity and Start-Up Fund to assist Designated Baffin Inuit Firms to assist with business start-ups and development of capacity in the following areas:
 - i. Locating start-up capital and financing
 - ii. Management development
 - iii. On-going business management
 - iv. Financial management
 - v. Contracts and procurement
 - vi. Human resources management

- 6.3.3 QIA and its subsidiary organizations will administer the Business Capacity and Start-Up Fund and provide start-up and capacity building assistance to Inuit Firms in communities in the Baffin Region, as per Section 6.3.2(c).
- 6.3.4 Beginning the date this Agreement comes into effect and up to the start of Commercial Production, the Company will contribute \$250,000 annually to support the Business Capacity and Start-Up Fund. Subsequent contributions will be established by the Executive Committee as part of the annual budget process.
- 6.3.5 For the first three Years of this Agreement, in addition to its annual contributions to the Business Capacity and Start-Up Fund, the Company will fund up to 50% of a position at QIA or one of its subsidiary organizations to administer the Business Capacity and Start-Up Fund. The Executive Committee will establish funding requirements for this position as part of its annual budget process.
- 6.3.6 The QIA Inuit Employment and Training Coordinator will submit an annual report to the IIBA Executive Committee documenting the activities and spending of the Business Capacity and Start-Up Fund.
- 6.3.7 The QIA Inuit Employment and Training Coordinator will develop an annual program and budget for the Business Capacity and Start-Up Fund, to be submitted for approval to the IIBA Executive Committee at least three months prior to the start of the Year.
- 6.3.8 QIA and the Company, through the Executive Committee, will review the use and utility of the Fund annually and may mutually agree to continue the Fund; amend the Fund's terms and/or objectives; temporarily discontinue the Fund; or terminate the Fund.

6.4 Designated Inuit Firms

- 6.4.1 An "Inuit Firm" for the purposes of this Agreement means an entity that qualifies as an "Inuit Firm" within the meaning of Article 24 of the NLCA and further:
 - a) Is enrolled in the Inuit Firm Registry of Nunavut Tunngavik Inc. maintained pursuant to Section 24.7.1 of the NLCA; and
 - b) Carries out the majority of its business in the Nunavut Settlement Area.
- 6.4.2 Based on information in the Inuit Firm Registry, the Executive Committee will maintain an up to-date list, for use by the Parties, of all Inuit Firms that appear to be capable of providing goods and/or services to the Project. Such Inuit Firms identified in the aforementioned list will be referred to, for the purposes of this Agreement, as "Designated Inuit Firms".

- 6.4.3 In the contracting process the Company will request Inuit Firms that wish to enter into contracts with the Company to furnish sufficient information to enable the Company to assess the qualifications of such Firms. The Company may also communicate directly with Inuit firms regarding their experience and qualifications.
- 6.4.4 For the purposes only of services that normally require bonding, an Inuit Firm must be bondable in order to be considered as a Designated Inuit Firm.
- 6.4.5 The Executive Committee will annually review and up date, as necessary or desirable to maintain accuracy, the list of Designated Inuit Firms.
- 6.4.6 The Executive Committee will establish a process by which firms not currently included on the Designated Inuit Firms list may apply for consideration as a Designated Inuit Firms.
- 6.4.7 The list of Designated Inuit Firms will be a public document.

6.5 Designated Baffin Inuit Firms

- 6.5.1 Based on information from the NTI Inuit Firm Registry the Company and QIA, through the Executive Committee, will maintain an up to-date list of Inuit Firms from the Baffin Region that appear to be qualified for contracts or subcontracts. Such companies will be referred to as "Designated Baffin Inuit Firms".
- 6.5.2 During the contracting process the Company may request Inuit Firms from communities in the Baffin Region to furnish either directly to the Company or indirectly through QIA to the Company, sufficient information to enable the Company to assess the qualifications of such Firms. In the contracting process the Company may also communicate directly with Inuit Firms from the Baffin Region regarding their experience and qualifications.
- 6.5.3 For services that normally require bonding, an Inuit Firm from the Baffin Region must be bondable in order to be considered as a Designated Baffin Inuit Firm.
- 6.5.4 The Executive Committee will review the list of Designated Baffin Inuit Firms on an annual basis.
- 6.5.5 The Executive Committee will establish a process by which firms not currently included on the Designated Baffin Inuit Firms list may apply for consideration as Designated Baffin Inuit Firms.
- 6.5.6 The list of Designated Baffin Inuit Firms will be a public document.

6.6 Contract Award Procedures - General

- 6.6.1 The Company agrees to use its best efforts to maximize Inuit participation in contracting for the goods or services referred to in Section 6.2.2 and identified in the "Comprehensive List of Contracts For Which Inuit Are Eligible" referred to in Section 6.2.2, as well as in subcontracts for these same contracts, required during the Construction, Operations and Decommissioning Phases of the Project.
- 6.6.2 Pursuant to Section 6.6.1, the Company will consult QIA regarding the design of contracting, tendering, evaluation and monitoring processes. The Executive Committee will review annually the list of contracts awarded by the Company in the previous Year to assess Inuit content in contracting. Further, at the beginning of each Year the Executive Committee will review the list of contracts the Company anticipates awarding in the coming Year, to identify contracts for which Designated Baffin Inuit Firms or Designated Inuit Firms may be qualified and eligible.
- 6.6.3 The three main types of contracts the Company will utilize on the Project will be negotiated contracts, requests for proposal and invitational tenders.

6.7 Existing Contracts

- 6.7.1 The Company agrees to use its best efforts to maximize Inuit subcontracting in all of its existing contracts and has notified each company awarded such contracts that it will be required to abide by the Inuit content provisions of this Agreement, including the evaluation processes described in Section 6.11.
- 6.7.2 The Company agrees to follow the contracting provisions set out in this Agreement.

6.8 Negotiated Contracts

- 6.8.1 The Company may negotiate a contract directly with a contractor when:
- a) A Designated Baffin Inuit Firm is eligible for and interested in the contract and the Company is satisfied that it is able to get Fair Value from the contract through a direct negotiation;
 - b) No Designated Baffin Inuit Firm is eligible or interested to participate in a given contract, or if negotiations with a Designated Baffin Inuit Firm are not successful and a Designated Inuit Firm is available and the Company is satisfied that it is able to get Fair Value from the contract through a direct negotiation;

- c) A specific contract calls for a contractor or supplier to be selected on the basis of specialized experience, or specialized technical or commercial capabilities;
 - d) The Company encounters an out-of-the-ordinary situation and does not have sufficient time to contract through a request for proposals or an invitational tender; or
 - e) The Company encounters an emergency.
- 6.8.2 Except in instances arising from Sections 6.8.1 (d) or 6.8.1 (e), the Company will notify QIA and the Executive Committee at least 45 days in advance of entering into direct negotiations for contracts.
- 6.8.3 In situations that may arise from emergency or time-limiting situations as per Sections 6.8.1 (d) or 6.8.1 (e), the Company will notify QIA and the Executive Committee immediately on identifying the need to negotiate a contract pursuant to Sections 6.8.1(d) or 6.8.1 (e).
- 6.8.4 Except in cases that may arise from emergency or time-limiting situations, the Company will allow a period of up to 90 days for negotiations to be completed, from the commencement of such direct negotiations with a Designated Baffin Inuit Firm or Designated Inuit Firm, as the case may be.
- 6.8.5 The Company will make all reasonable efforts to ensure that contract negotiations with a Designated Baffin Inuit Firm or Designated Inuit Firm proceed in a timely and fair manner and that the Designated Baffin Inuit Firm or Designated Inuit Firm is given ample opportunity to present and justify its proposal.
- 6.8.6 The Management Committee, with the approval of the Executive Committee, will establish a Minimum Inuit Employment Goal (MIEG) for each negotiated contract and any other Inuit content such as inputs/purchases from Inuit Firms that the Management Committee deems appropriate to the contract.
- 6.8.7 Taking into account levels of Inuit content established pursuant to Section 6.8.6, contractors submitting proposals for negotiated contracts will be required to submit a Contractor's Inuit Content Plan, as described in Section 6.12.

6.9 Requests for Proposal and Invitational Tenders

- 6.9.1 QIA recognizes that the Company may frequently tender contracts through a competitive process. Reasons the Company may choose a competitive contracting process include, but are not limited to, the following:
- a) No Designated Baffin Inuit Firm or Designated Inuit Firm is eligible for and interested in directly negotiating the contract;

- b) The Company and a Designated Baffin Inuit Firm or Designated Inuit Firm are not able to resolve a contract negotiation pursuant to good faith negotiations within the allotted time; and
 - c) The Company is not satisfied that it is able to get Fair Value from the contract through a direct negotiation.
- 6.9.2 In cases where direct negotiations with an Inuit Firm have been unsuccessful, the Designated Baffin Inuit Firm or Designated Inuit Firm with which the Company has been negotiating will be invited to submit a tender or proposal.
- 6.9.3 In the event that the Company chooses a competitive contracting process, the Company will whenever possible and within a reasonable period prior to the need for any such goods and/or services, follow the process as defined below:
- a) Where two or more Designated Baffin Inuit Firms are eligible for and interested in a given contract and the Company is satisfied that it is able to get Fair Value from the contract through a request for proposal or invitational tender limited to Designated Baffin Inuit Firms, Designated Baffin Inuit Firms will be given the first right of proposal or will be the only companies invited to tender on said contract;
 - b) Where two or more Designated Inuit Firms are eligible for and interested in a given contract, including the case where there is only one Designated Baffin Inuit Firm and one or more Designated Inuit Firms and the Company is satisfied that it is able to get Fair Value from the contract through a request for proposal or invitational tender limited in some way to Inuit firms, such Inuit Firms will be given the first right of proposal or will be the only companies invited to tender on said contract;
 - c) In circumstances in which the Company is not satisfied that it is able to get Fair Value from the contract through a request for proposal or invitational tender limited in some way to Inuit Firms, the company will request proposals or invite tenders from any interested firm.
- 6.9.4 In circumstances in which the Company chooses to contract by invitational tenders or requests for proposal, preference will be given to companies that maximize Inuit content. As applicable the Company will use the evaluation grid shown in Section 6.11.7, which outlines preference for Baffin Inuit content in contracting, or the evaluation grid shown in Section 6.11.8, which outlines preference for Inuit content in contracting.
- 6.9.5 The Management Committee, with the approval of the Executive Committee, will establish a Minimum Inuit Employment Goal (MIEG) for each contract. The Company will use the evaluation grid in Section 6.11.7 and Section 6.11.8 to adjust bids for Inuit content.

6.9.6 Contractors submitting proposals for contracts will also be required to submit a Contractor's Inuit Content Plan, as described in Section 6.12.

6.9.7 The Company will notify QIA and the Executive Committee at least 45 days in advance of requesting proposals or inviting bids for contracts.

6.10 Reporting

The Company will provide and will require all contractors and subcontractors to provide, the Management Committee with quarterly reports that demonstrate the extent of compliance with Inuit content for work done by the Company, or for contracts and related subcontracts. The first such report will be due within 30 days of signing the contract.

6.11 Bid Evaluation Criteria

6.11.1 The Company, in requesting bids for supply of goods and/or services for the Project, will include in the tender forms provisions requiring bidders to adhere to Inuit content requirements, which will be evaluated in contract proposals for invitational tenders.

6.11.2 Inuit content in contract proposals will be evaluated and bids adjusted based on factors such as:

- a) Degree of Baffin Inuit ownership;
- b) Inuit employment relative to Article 7 "Employment" and specifically Section 7.14 "Target Levels of Inuit Employment";
- c) Proportion of wages to be paid to Inuit;
- d) Total purchases from Baffin Inuit Firms;
- e) Participation of Baffin Inuit and/or Baffin Inuit Firms, that such bidder would engage directly or as subcontractors;
- f) The training of such Inuit and/or Inuit Firms in the supply of goods or the performance of services;
- g) Location of head office in Baffin Region.

6.11.3 Proposals and tenders for contracts must attain the threshold Minimum Inuit Employment Goal (MIEG) established in Section 7.14 "Target Levels of Inuit Employment".

- 6.11.4 Any proposal that does not achieve the MIEG established for a given contract will be deemed non-compliant.
- 6.11.5 Proposals that do not include an assessment of potential Inuit and Baffin Inuit content will be deemed non-compliant.
- 6.11.6 Inuit content in all proposals represents the cumulative Inuit content of the contractor and all subcontractors named in a given proposal and must correspond with factors a) to g) in Section 6.11.2.
- 6.11.7 The Inuit content portion of the evaluation grid for competitive tenders will take the following format for contracts on which Designated Baffin Inuit Firms only are bidding:

Inuit Content Components	Point Value	Inuit Content Factor
Degree of Baffin Inuit Ownership	Minimum 40	.4
Degree of Baffin Inuit Employment (including subcontractors)	Minimum 40	.4
Proportion of Wages Accruing to Baffin Inuit	Flexible	
Total Purchases/Inputs from Baffin Inuit firms	Flexible	
Head Office in Baffin Region	Flexible	
Total Point Value and Total Inuit Content Factor	100	1.0

The Inuit content portion of the evaluation grid for competitive proposals and tender bids will take the following format for proposed contracts on which Designated Inuit Firms only are bidding and contracts open to non-Inuit Firms:

- 6.11.8 The Inuit content portion of the evaluation grid for competitive tenders will take the following format for contracts on which Designated Inuit Firms only are bidding and for contracts open to non-Inuit firms:

Inuit Content Components	Maximum Point Value	Inuit Content Factor
Degree of total Inuit Ownership	Minimum 25	.25

Degree of Inuit Employment Minimum 40 .40
(including subcontractors)

Proportion of Wages Flexible
Accruing to Inuit

Total Purchases/Inputs Flexible
from Inuit firms

Head Office in Nunavut Flexible

**Total Point Value and Total 100 1.0
Inuit Content Factor**

6.11.9 Inuit content will count for not less than 25% (Bid Adjustment Factor of .25) of the over-all cost evaluation. All tenders received shall be evaluated for their Inuit Content Component and points shall be assigned according to the above rating schedule resulting in a Total Point Value and Total Inuit Content Factor. The base bid submitted by participating firms will be reduced by an amount calculated as follows:

Inuit Content discount (e.g. of 25 percent) multiplied by the Inuit Content Factor multiplied by the base bid (i.e. $.25 \times \text{Factor} \times \text{Base Bid}$) equals the amount that would be subtracted from the base bid to achieve the adjusted bid price.

A sample contract with bid adjustment calculations is appended as Schedule 6.1.

6.11.10 Contract proposals may include commercial terms, cost competitiveness, continuity of supply, quality of work and timeliness. Point weighting of criteria will be established at the sole discretion of the Company. The contractor with the highest number of points will be awarded the contract.

6.11.11 Inuit content specified in any contract awarded through this process must be complied with. If not, contractors will be subject to enforcement provisions cited in Article 10.

6.12 Contractor's Inuit Content Plan

As part of the contracting process, for all contract tenders or proposals over \$500,000 contractors must submit a Contractor's Inuit Content Plan (CICP) containing details on Inuit Content Components and a description of how the contractor intends to achieve, maintain and optimize Inuit Content.

6.13 Explanation for Non-Award

If a Designated Baffin Inuit Firm or a Designated Inuit Firm is not awarded a contract the Company will provide an explanation in writing to any such Inuit Firm that submitted a contract proposal.

6.14 Annual Review

The Executive Committee will review all contracts listed in the comprehensive list of contracts referred to in Section 6.2.2, as well as the lists of Designated Inuit Firms and Designated Baffin Inuit Firms annually, in consultation with QIA and the Company.

6.15 Enforcement

Enforcement provisions related to Inuit content within all contracts are in Article 10 – (“Enforcement of Inuit Content Requirements”).

6.16 Mediation and Arbitration

6.16.1 If a dispute cannot be resolved through good faith negotiations between the parties within a reasonable time, the parties agree that such dispute shall be submitted to a mediator appointed by the parties for mediation pursuant to the procedures described in Article 21 “Mediation and Arbitration”).

6.16.2 The Parties acknowledge that mediation is the preferred initial avenue for settling disputes and that mediation will be attempted in good faith prior to demand for an arbitration process under Article 21.

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SCHEDULE 6.1 - SAMPLE BID ADJUSTMENT CALCULATIONS

Section 6.11.9 of the IIBA requires that, for the purpose of comparing proposals and bids in a competitive process, contract proposals and bids can be adjusted to account for Inuit content. This form of bid adjustment is frequently used in contracting when the contracting authority wants to assess orders of value beyond the lowest price. The adjusted price is compared with competitors' bids when the contracting authority is determining which firm will win a contract. Two examples follow.

EXAMPLE 1

In a simple example, Firm A achieves 100% Inuit content on a \$10,000,000 contract. The firm could get a downward adjustment of 25%:

$$\begin{aligned} & \$10,000,000 - (25\% \text{ of } \$10,000,000) \\ & = \$10,000,000 - \$2,500,000 \\ & = \$7,500,000 \end{aligned}$$

Assume this firm is competing with Firm B that bid \$9,000,000 but achieved 0% Inuit content, so got no bid adjustment.

Firm A, with its bid adjusted to the nominal price of \$7,500,000 would be awarded the contract. For clarity, it must be pointed out that the Company is still obliged to pay Firm A its original true bid price of \$10,000,000.

Example 1 is oversimplified for the sake of illustrating the bid adjustment model. Example 2 below uses the evaluation grids in Sections 6.11.7 and 6.11.8. from the IIBA to demonstrate a more realistic bidding situation, in which firms fall short of 100% Inuit content and "Inuit content" is broken down into subcomponents.

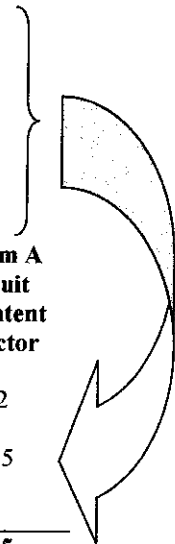
EXAMPLE 2

For this example, maximum point values in the evaluation grid from Section 6.11.7 will be set as shown below.

Firm A, a non- Inuit firm, bids **\$10,000,000** on a contract. Assume Firm A achieves:

- | | |
|---|-----------------------------------|
| • 0% Baffin Inuit ownership x .4 | Inuit Content Factor = 0.0 |
| • 30% Baffin Inuit Employment x .4 | Inuit Content Factor = .12 |
| • 25% of wages accruing to Baffin Inuit x .1 | Inuit Content Factor = .025 |
| • 0% Total purchases/inputs from Baffin Inuit firms | Inuit Content Factor = 0.0 |
| • The company's head office is outside Nunavut. | Inuit content factor = <u>0.0</u> |
| | .145 |

Inuit Content Components	Max Point Value	Max Inuit Content Factor	Firm A Point Value	Firm A Inuit Content Factor
Degree of Baffin Inuit Ownership	40	.4	0	0
Degree of Baffin Inuit Employment (including subcontractors)	40	.4	12	.12
Proportion of Wages Accruing to Baffin Inuit	10	.1	2.5	.025
Total Purchases/Inputs from Baffin Inuit Firms	5	.05	0	0
Head Office in Baffin Region	5	.05	0	0
Total Point Value and Total Inuit Content Factor	100	1.0	14.5/100	.145



Firm B, a 51/49 Baffin Inuit-owned joint venture, bids **\$11,000,000**. Assume Firm B achieves:

- 51% Baffin Inuit ownership x .4 Inuit Content Factor = .20
 - 60% Baffin Inuit labour x .4 Inuit Content Factor = .24
 - 50% of wages accruing to Baffin Inuit x .1 Inuit Content Factor = .05
 - 20% purchases/inputs from Baffin firms x .05 Inuit Content Factor = .01
 - Head office is in Iqaluit = 100% Inuit Content Factor = .05
- .55

Inuit Content Components	Max Point Value	Max Inuit Content Factor	Firm B Point Value	Firm B Inuit Content Factor
Degree of Baffin Inuit Ownership	40	.4	20	.20
Degree of Baffin Inuit Employment (including subcontractors)	40	.4	24	.24
Proportion of Wages Accruing to Baffin Inuit	10	.1	5	.05
Total Purchases/Inputs from Baffin Inuit Firms	5	.05	1	.01
Head Office in Baffin Region	5	.05	5	.05
Total Point Value and Total Inuit Content Factor	100	1.0	55/100	.55

Using a 25% bid adjustment factor as per Example 1, Firm A's \$10,000,000 bid would be adjusted as follows:

$$\begin{aligned}
 &.145 \times (25\% \text{ of } \$10,000,000) \\
 &= .145 \times (\$2,500,000) \\
 &= \mathbf{\$362,500}.
 \end{aligned}$$

Firm A's bid would be adjusted to:

$$\$10,000,000 - \mathbf{\$362,500} = \mathbf{\$9,637,500}$$

Using a 25% bid adjustment factor as per Example 1, Firm B's \$11,000,000 bid would be adjusted as follows:

$$\begin{aligned}
 &.55 \times (25\% \text{ of } \$11,000,000) \\
 &= .55 \times (\$2,750,000) \\
 &= \mathbf{\$1,512,500}
 \end{aligned}$$

Firm B's bid would be adjusted to:

$$\$11,000,000 - \mathbf{\$1,512,500} = \mathbf{\$9,487,500}$$

Firm B's adjusted bid is the lowest; Firm B would be awarded the contract for its true bid price of \$11,000,000.

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ARTICLE SEVEN EMPLOYMENT

7.1 Objectives

- 7.1.1 Whenever possible the Company will hire Inuit into all levels of employment, from entry-level positions to senior management.
- 7.1.2 The Company will work with QIA, the Executive Committee and the Inuit Employment and Training Coordinator to integrate training programs with employment opportunities.
- 7.1.3 In the instance of a temporary closure or reduction in the workforce, Inuit employees will be the last to be laid off from any specific job category, with the stipulation that individual employees' skill levels must meet or exceed job requirements.

7.2 Application to All Firms

- 7.2.1 The provisions of this Agreement will apply to the employment practices of the Company, its contractors and all subcontractors, regarding the recruitment and employment of Inuit on the Project.
- 7.2.2 The Company will require contractors and subcontractors working on site to adopt a hiring policy consistent with the Company's policy and hiring commitments as set out in this Agreement.
- 7.2.3 All contractors will comply with the Company's Human Resource and Employment Policy. This stipulation will be included in all tender packages.

7.3 Eligibility and Qualifications

- 7.3.1 All positions will be open to Inuit with the work habits and skills, experience and qualifications required by the positions. The Company will establish a job description for each position.
- 7.3.2 Where appropriate, the Company will consider ability, skills and experience as an equivalent to formal qualifications and Inuit applicants with experience equivalencies will be treated equally with all applicants with formal training.
- 7.3.3 The Company may offer Inuit applying for work in the Project workforce the opportunity to take a prior learning assessment. Prior learning assessments may be used as a means of assisting Inuit to qualify for employment, subject to any regulatory approval that may be required for certain job categories, or as a means for the Company to assess the suitability of an Inuk applicant for work on the

Project. The prior learning assessment may be made available to a contractor or subcontractor with the permission of the Inuit applicant.

- 7.3.4 The Company and the Inuit Employment and Training Coordinator will keep an up-to-date list of all positions active in all phases of the Project, updated monthly.

7.4 Inuktitut

7.4.1 Inuit who lack fluency in the English language may qualify for positions where fluency does not compromise safety. If required for safety reasons, as determined by the Company, Inuit without fluency in English may be transferred to another position.

7.4.2 A complete set of policies regarding the use of Inuktitut on the Project is presented in Section 11.4.

7.5 Hiring Preference

Inuit will be given preference over other applicants. Priority will be given to Inuit from the communities of Pond Inlet, Igloolik, Clyde River, Hall Beach and Arctic Bay. Thereafter priority will be given to Inuit residents from other Baffin Region communities and then to all other NLCA beneficiaries.

7.6 Points of Hire

7.6.1 Points of hire for the Project include all communities cited in Section 7.5 and Iqaluit, Nunavut. The Company may consider other communities as points of hire if the Company deems there are sufficient individuals from such a community available to work on the Project. If commercial shipping of iron ore occurs in the Hudson Strait, then Kimmirut and Cape Dorset will be designated as additional points of hire.

7.6.2 The Company will provide air transportation for Inuit employees from the Baffin Region to and from the mine or Project at no cost to the employee. This air transportation may take the form of charter aircraft provided by the Company or commercial airfares where available, at the Company's sole discretion.

7.7 Posting

7.7.1 The Company will ensure that its posting system for hiring personnel for the Project will include posting at the Project site and in Baffin Communities. If no qualified candidates are identified and hired within 28 days through this posting system, the Company may recruit from wherever qualified staff can be hired. QIA and the Company may agree in writing to waive the requirement for posting for any positions where no qualified Inuit are likely to be identified.

7.7.2 The Company will advertise job opportunities in English and Inuktitut in any postings or advertisements in the Nunavut Settlement Area.

7.8 Regional Office

The Company will use its best efforts to establish offices in Point of Hire communities and provide Inuit with related employment opportunities.

7.9 Inuit Employment and Training Coordinators

7.9.1 In consultation with QIA the Company will hire and train an Inuk for the position of a Company Employment and Training Coordinator.

7.9.2 The Company's Employment and Training Coordinator will, in conjunction with other management and staff, be responsible for liaison, skills assessments, training programs and orientation of all Inuit employees. A Job Description for the Company Inuit Employment and Training Coordinator is in Schedule 7.1.

7.9.3 The Company will fund QIA to hire and train an Inuk for the position of a QIA Employment and Training Coordinator.

7.9.4 The QIA Employment and Training Coordinator will, among other things, be responsible for liaison between QIA and the Company on employment-related issues, monitor efforts to reduce barriers to the employment and advancement of Inuit and will develop and maintain the employment database set out in Section 7.12.5. A Job Description for the QIA Inuit Employment and Training Coordinator is in Schedule 7.1.

7.9.5 The Employment and Training Coordinators will work closely with each other and with Government of Nunavut employment officers, QIA Community Liaison Officers, or recruiters for the Company in each North Baffin community to help identify candidates for consideration for jobs on the Project.

7.10 Project Human Resources Strategy

7.10.1 The Company will develop and implement an overall human resources strategy, which will identify the Project workforce requirements, detailed, job responsibilities, qualifications and required skills and performance criteria.

7.10.2 The Company will bear all costs associated with development and implementation of the Project human resources strategy.

7.11 Inuit Human Resources Strategy

7.11.1 As also provided for in Section 8.10 and as a component of the Project human resources strategy QIA and the Company will develop and the Company will

implement, an effective and appropriate training and employment strategy during the Construction, Operations and Decommissioning phases of the Project. This strategy, known as the “Inuit Human Resources Strategy”, will include all relevant provisions of this Article and of Article 8 – Inuit Education and Training.

7.11.2 As part of the Inuit Human Resources Strategy the Company and QIA will identify any existing barriers to the employment and advancement of Inuit, particularly Inuit women and the Company will use all reasonable efforts to reduce these barriers throughout the Project.

7.11.3 The employment component of the Inuit Human Resources Strategy will include all relevant provisions of Article 7 – Employment, including the following components:

- a) A recruitment and selection component pursuant to Section 7.12;
- b) A retention and advancement component pursuant to Section 7.13;
- c) Target levels for Inuit employment as per Section 7.14;
- d) An Inuit women’s employment component, as per Section 7.15;
- e) A summer student employment component as per Section 7.16;
- f) An employee well-being component as per Article 12; and
- g) Any other matters as agreed to by the Parties from time to time.

7.11.4 The Inuit Human Resources Strategy will include, to the extent possible, measures to optimize exploration, construction and other activities that take place prior to the start of Commercial Production as opportunities to provide training and work experience prior to the start of commercial operations in order to maximize the proportion of Inuit employees during the Construction, Operations and Decommissioning phases of the Project.

7.12 Inuit Recruitment and Selection Program

7.12.1 The Company and QIA will review all operations for the Mary River Project during the Construction, Operations and Decommissioning phases to identify specific employment opportunities for Inuit.

7.12.2 The Executive Committee and the Company will review the list of potential positions for Inuit employees on an annual basis.

7.12.3 In consultation with QIA, the Company’s human resources department and the Inuit Employment and Training Coordinator will design and implement culturally

suitable recruitment campaigns, job descriptions and selection instruments that encourage Inuit employment and reduce artificial barriers to employment and advancement of Inuit.

7.12.4 The Company will work jointly with QIA to ensure that Inuit are fully informed about job opportunities, the qualifications and skills required to gain access to those job opportunities and the application procedures to follow for this purpose. The Company and QIA will, as necessary, provide application assistance to Inuit candidates in following such procedures.

7.12.5 The Company and QIA will for the purposes of Inuit recruitment establish a search/assessment database that:

- a) Lists all Inuit candidates to identify individuals who are ready and qualified for jobs to be filled.
- b) Tracks Inuit who are pursuing education and training to become job ready. These Inuit candidates will be referred to the Company for its recruitment and hiring process.

This database may be constructed from, or identical to, databases already in existence, such as the Nunavut Community Skills Inventory System that at the time of signing of this Agreement is being tested by the Government of Nunavut.

7.12.6 The search/assessment database will be administered by QIA or one of its subsidiary organizations.

7.12.7 In conjunction with the Company's Human Resources department, the Inuit Employment and Training Coordinator will:

- a) Compile a list of qualified candidates for ranking by supervisory personnel in the relevant departments;
- b) Conduct pre-screening procedures on the listing of ranked candidates and advise relevant operating departments of the results; and
- c) Assist the operating department's staff in the interview process and select successful candidates.

7.13 Retention, Advancement and Career Development

7.13.1 The Company will ensure through its general employment practices, monitored by the Company's Human Resources Department and the Inuit Employment and Training Coordinator that a continuing effort is made to connect training received by Inuit directly with employment opportunities and advancement within the Company, including advancement into management positions.

- 7.13.2 Training programs will be designed to facilitate employment and advancement opportunities, including advancement into management positions.
- 7.13.3 Career development plans will be established and supported for all Inuit employees.
- 7.13.4 Comprehensive on-the-job training programs including technical training and on-going skills development will be provided to all Inuit employees; apprenticeship, leadership and management training will be provided to Inuit employees who show potential and/or express strong interest in those areas.
- 7.13.5 Orientation and cross-cultural training programs will be designed to reduce barriers to Inuit advancement.
- 7.13.6 Personal life-management training and retention counselling will be provided to Inuit employees and employee assistance programs will be available to Inuit employees to assist them to deal with issues such as sexual harassment, violence, alcohol and drugs.
- 7.13.7 Through the implementation of the Inuit Human Resources Strategy the Company will encourage and support the career development and advancement of Inuit employees, including advancement into technical, supervisory and management positions.
- 7.13.8 Retention programs will respect Inuit lifestyles, culture and language in accordance with Article 11 and will be designed to proactively reduce barriers to Inuit employment while also taking operational needs into consideration, including developing means of proactively:
- a) Reducing absenteeism;
 - b) Reducing employee turnover;
 - c) Advancing educational opportunities;
 - d) Refining career development and advancement; and
- 7.13.9 In furtherance of NLCA, Schedule 26-1, item #3, employment rotations shall be planned by the Company, with the participation of the QIA Inuit Employment and Training Coordinator and the Company's Inuit employees in such planning, to reflect the needs and preferences of Inuit, provided the Company's labour force requirements are accommodated.

7.14 Target Levels of Inuit employment

- 7.14.1 Based on the established list of specific employment opportunities and pursuant to Sections 6.8.7 and 6.9.5, the Management Committee will calculate and the Executive Committee will establish a specific MIEG for any contract drawn from the comprehensive list of contracts referred to in Section 6.2.2.
- 7.14.2 The MIEG for each contract will be expressed as a percentage and will be calculated by dividing the total number of Inuit projected to be employed, in employee work-hours, by the total number of persons employed, in employee work-hours, for the term of a given contract if that contract takes less than one year to complete, or on an annual basis for long-term contracts.
- 7.14.3 Based on the aggregate of all contracts with employment content, the Management Committee will calculate and the Executive Committee or its appointees will establish, an annual Minimum Inuit Employment Goal (MIEG) applicable for the entire Project, prior to the start of the Year. The Project MIEG will be expressed as a percentage and will be calculated by dividing the total number of Inuit projected to be employed, in employee work-hours, by the total number of persons employed, in employee work-hours, on an annual basis for work done by the Company on the Project.
- 7.14.4 As per Article 20 (“Reporting and Results”), the Company will submit quarterly reports to the Management and Executive Committees for each active contract.
- 7.14.5 The Company will ensure that contractors are achieving required levels of Inuit content, following the measures outlined in Article 10 (“Enforcement of Inuit Content Requirements”).
- 7.14.6 The Company will provide an annual MIEG Plan describing how it intends to achieve the MIEG and an annual report showing the success of the MIEG Plan. Part of the MIEG Plan and its annual report shall take into account the Inuit Human Resources Strategy, including consideration of any particular strengths or weaknesses and recommendations where improvements can be made to the Inuit Human Resources Strategy.

7.15 Inuit Women’s Access to Employment

- 7.15.1 The provisions of this Section will be implemented in a manner that values the participation of Inuit men and women in the Project workforce. The Company’s human resources policies will be implemented to ensure equal access to employment for Inuit men and women.
- 7.15.2 In order to promote Inuit women’s access to employment in the Project workforce, the Company may from time to time depart from guidelines set out

elsewhere in Article 7 to increase the number of Inuit women in the Project workforce.

7.15.3 To promote Inuit women's access to employment in the Project workforce, the Inuit Human Resources Strategy will have an Inuit women's employment component that will provide for the following:

- a) An analysis of the Project workforce, which will assess any potential differential impact on women and men of policies, strategies, procedures, practices and conditions applicable to the Project workforce. Where appropriate the Company will use the result of this analysis to develop revised employment and training policies, strategies, procedures and practices in relation to the Project workforce;
- b) A process to be developed by the company to work with the QIA, Nunavut and federal government agencies and Inuit women's groups to assist Inuit women prepare for jobs with the Company and its contractors;
- c) A workplace environment that is welcoming to Inuit women and workplace policies that assist Inuit women employees to retain their positions.

7.16 Student Employment

The Company will, either directly or through its contractors, make summer employment opportunities available to Inuit students. Inuit students from the Baffin Region will be given preference but priority will be given to Inuit students residing in the North Baffin.

7.17 Enforcement

Enforcement provisions related to Inuit content within all contracts are in Article 10 ("Enforcement of Inuit Content Requirements").

7.18 Reporting

7.18.1 The Company will report any data pertinent to Inuit employment, retention and advancement to the Executive Committee on a quarterly basis, as provided for in Section 20.1.

7.18.2 On an annual basis the Company will report results of on-the-job training programs, education sponsored by the company, promotions of Inuit workers and any other data pertinent to Inuit employment, retention and advancement, as provided for in Sections 20.4 and 20.5.

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SCHEDULE 7.1
JOB DESCRIPTIONS – INUIT EMPLOYMENT AND TRAINING COORDINATORS

SAMPLE JOB DESCRIPTION

JOB TITLE: Baffinland Inuit Employment and
Training Coordinator

DATE:

REPORTS TO: Baffinland IIBA Coordinator

LOCATION:

JOB SUMMARY

The Baffinland Inuit Employment and Training Coordinator will take part in a wide variety of Human Resources initiatives on the Project, including screening and hiring, training programs and on-site support programs. The Baffinland Inuit Employment and Training Coordinator will work closely with the QIA Inuit Employment and Training Coordinator in delivery of services. The Coordinator will also sit on the Management Committee for the Project and will act as liaison between Baffinland and the QIA on employment-related issues.

REPORTING RELATIONSHIPS

While reporting to the Baffinland IIBA Coordinator, the Baffinland Inuit Employment and Training Coordinator will be required to work closely with the Management Committee, the QIA IIBA Coordinator and Inuit Employment and Training Coordinator, the Qikiqtani Employment and Training Consortium, Kakivak Association and training delivery agencies.

DUTIES & ESSENTIAL JOB FUNCTIONS

[Duties & Essential Job Functions shall be revisited during implementation planning]

- In conjunction with the Company's Human Resources department:
 - a) Compile a list of qualified candidates for ranking by supervisory personnel in the relevant departments;
 - b) Conduct pre-screening procedures on the listing of ranked candidates and advise relevant operating departments of the results; and
 - c) Assist the operating department's staff in the interview process and select successful candidates.
- Sit on the Management Committee;
- In conjunction with other management and staff, be responsible for liaison, skills assessments, training programs and orientation of all Inuit employees;
- Be responsible for liaison between QIA and the Company on employment-related issues, monitor efforts to reduce barriers to the employment and advancement of Inuit and will develop and maintain the employment database set out in Section 7.12.5 of the IIBA;
- Work closely with the QIA Employment and Training Coordinator and with Government of Nunavut employment officers, Baffinland Community Liaison Officers, or recruiters for the Company in each North Baffin community to help identify candidates for consideration for

jobs on the Project;

- In consultation with QIA, the Company's human resources department and the Inuit Employment and Training Coordinator will design and implement culturally suitable recruitment campaigns, job descriptions and selection instruments that encourage Inuit employment and reduce artificial barriers to employment and advancement of Inuit;
- Maintain relations with partner education and training organizations and institutions;
- Along with the Company Employment and Training Coordinator keep an up-to-date list of all positions active in all phases of the project, updated monthly;
- Assist in the implementation and delivery of specific Human Resource programs (i.e. cross cultural training, language training and job specific skills training);
- Act as a point of contact for Inuit employees regarding counselling and support services outlined in Section 11.6 of the IIBA, including career counselling, employee support programs and financial management counselling;
- Assist the Baffinland IIBA Coordinator to prepare reports for the Management and Executive Committees as per Article 20 of the IIBA;
- Provide support to other Baffinland members of the Management and Executive Committees.

OTHER FUNCTIONS AND RESPONSIBILITIES

- Training as required.
- Travel as required.
- Other related duties as required.

QUALIFICATIONS

REQUIRED

- Diploma or Certificate from a post-secondary institute or equivalent experience;
- Knowledge of Inuit culture and Inuit communities;
- Ability to communicate well in Inuktitut and English;
- Membership in good standing of the Qikiqtani Inuit Association or other Nunavut Regional Inuit Associations;
- Good oral, interpersonal, written communication and organizational skills;
- Experience reporting to corporate and/or not-for-profit Boards of Directors and committees;
- Working knowledge of word processing and spreadsheet software, as well as email and Internet;
- Ability to work as a member of a team;
- Ability to work independently with minimal supervision;
- Creative problem solving skills.

ACKNOWLEDGMENT FOR RECEIPT OF JOB DESCRIPTION

I have received a copy of the Job Description and have read and understand its contents.

Employee Name (Please Print)

Date

Employee Signature

Date

Supervisor's Signature

Date

SAMPLE JOB DESCRIPTION

JOB TITLE: QIA Inuit Employment and
Training Coordinator

DATE:

REPORTS TO: QIA IIBA Coordinator

LOCATION:

JOB SUMMARY

The QIA Inuit Employment and Training Coordinator will take part in a wide variety of Human Resources initiatives on the Project, including screening and hiring, training programs and on-site support programs. The QIA Inuit Employment and Training Coordinator will work closely with the Company Inuit Employment and Training Coordinator in delivery of services. The Coordinator will also sit on the Management Committee for the Project and will act as liaison between QIA and the Company on employment-related issues.

REPORTING RELATIONSHIPS

While reporting to the QIA IIBA Coordinator, the QIA Inuit Employment and Training Coordinator will be required to work closely with the Management Committee, the Company IIBA Coordinator and Inuit Employment and Training Coordinator, the Qikiqtani Employment and Training Consortium, Kakivak Association and training delivery agencies.

DUTIES & ESSENTIAL JOB FUNCTIONS

[Duties & Essential Job Functions shall be revisited during implementation planning]

- In conjunction with the Company's Human Resources department:
 - a) Compile a list of qualified candidates for ranking by supervisory personnel in the relevant departments;
 - b) Conduct pre-screening procedures on the listing of ranked candidates and advise relevant operating departments of the results; and
 - c) Assist the operating department's staff in the interview process and select successful candidates.
- Sit on the Management Committee;
- In conjunction with other management and staff, be responsible for liaison, skills assessments, training programs and orientation of all Inuit employees;
- Be responsible for liaison between QIA and the Company on employment-related issues, monitor efforts to reduce barriers to the employment and advancement of Inuit and will develop and maintain the employment database set out in Section 7.12.5 of the IIBA;
- Work closely with the Company Employment and Training Coordinator and with Government of Nunavut employment officers, QIA Community Liaison Officers, or recruiters for the Company in each North Baffin community to help identify candidates for consideration for jobs on the Project;
- In consultation with QIA, the Company's human resources department and the Inuit

Employment and Training Coordinator will design and implement culturally suitable recruitment campaigns, job descriptions and selection instruments that encourage Inuit employment and reduce artificial barriers to employment and advancement of Inuit;

- Maintain relations with partner education and training organizations and institutions;
- Along with the Company Employment and Training Coordinator keep an up-to-date list of all positions active in all phases of the project, updated monthly;
- Assist in the implementation and delivery of specific Human Resource programs (i.e. cross cultural training, language training and job specific skills training).
- Act as a point of contact for Inuit employees regarding counselling and support services outlined in Section 11.6 of the IIBA, including career counselling, employee support programs and financial management counselling;
- Assist the QIA IIBA Coordinator to prepare reports for the Management and Executive Committees as per Article 20 of the IIBA;
- Provide support to other QIA members of the Management and Executive Committees.

OTHER FUNCTIONS AND RESPONSIBILITIES

- Training as required.
- Travel as required.
- Other related duties as required.

QUALIFICATIONS

REQUIRED

- Diploma or Certificate from a post-secondary institute or equivalent experience;
- Knowledge of Inuit culture and Inuit communities;
- Ability to communicate well in Inuktitut and English;
- Membership in good standing of the Qikiqtani Inuit Association or other Nunavut Regional Inuit Association;
- Good oral, interpersonal, written communication and organizational skills;
- Experience reporting to corporate and/or not-for-profit Boards of Directors and committees;
- Working knowledge of word processing and spreadsheet software, as well as email and Internet;
- Ability to work as a member of a team;
- Ability to work independently with minimal supervision;
- Creative problem solving skills.

ACKNOWLEDGMENT FOR RECEIPT OF JOB DESCRIPTION

I have received a copy of the Job Description and have read and understand its contents.

Employee Name (Please Print)

Date

Employee Signature

Date

Supervisor's Signature

Date

ARTICLE EIGHT INUIT EDUCATION AND TRAINING

8.1 Objectives

- 8.1.1 The Company will undertake to provide training to Inuit in all areas of the Project. All areas of the Project will be considered for training opportunities.
- 8.1.2 The Company will, in cooperation with QIA, give priority to the development of practical skills and educational qualifications that will be necessary for Inuit men and women to:
- a) Maximize their prospects for employment in the Project workforce;
 - b) Do their jobs effectively;
 - c) Advance according to merit, abilities and aspirations;
 - d) Contribute to the well-being of their communities; and
 - e) Reduce barriers and seek to maximize Inuit participation in the Project workforce throughout the life of the Project.
- 8.1.3 The Company and QIA recognize that training and education opportunities must begin well before the start of construction and operation phases.
- 8.1.4 The Company and QIA, through the Executive Committee, will work cooperatively to support the school system in Inuit communities, to address impacts of the Project on the education and school system and to encourage Inuit to attain the practical skills and educational qualifications that will maximize their employment opportunities.
- 8.1.5 The Company will establish training programs for Inuit that include skills training in various jobs that may lead to certification, supervisory and management training and selected external training programs, all with the intention of qualifying Inuit employees for future skilled and supervisory positions on the Project. Additional training could be offered to, but is not limited to, Inuit Employees in such areas as business administration, accounting, environmental technology, engineering, computers, resource development planning, geology and exploration.
- 8.1.6 Education and training will require cooperation of the Company, QIA, GN, training institutions and North Baffin communities. The Parties will use their best efforts, in accordance with Section 2.6, to promote communication among education and training participants.

8.2 Application to All Firms

8.2.1 The provisions of this Agreement regarding the education and training of Inuit on the Project will apply to the employment practices of the Company, its contractors and all subcontractors.

8.2.2 The Company will ensure that contractors and subcontractors working on site:

- a) Are aware of the Company's education and training policy; and
- b) Develop their own education and training policies consistent with the Company's policy and education and training commitments as set out in this Agreement.

8.3 Linking Education and Training with Employment and Advancement

As part of the Inuit Human Resources Strategy delineated in Section 8.10 the Company will develop measures to link education and training to employment and advancement in the Company workforce. Such measures may include:

- a) Letters of intent to employ;
- b) Supporting Co-operative education programs;
- c) Supporting summer student jobs and other student employment opportunities; and
- d) Mentoring.

8.4 Inuit Employment and Training Coordinator

8.4.1 In accordance with Section 7.9, each of QIA and the Company will hire an Inuk for the positions of Company Employment and Training Coordinator and QIA Employment and Training Coordinator, who will, in conjunction with other management and staff be responsible for liaison, training programs and orientation of all Inuit employees.

8.4.2 The Education and Training Fund stipulated in Section 8.6.1, as well as any additional funding from outside sources, will be administered by the Company Employment and Training Coordinator, who will establish an annual budget for the Fund and will be monitored by the Executive Committee.

8.4.3 The Company and QIA Employment and Training Coordinators will provide regular reports of the fund and an annual financial report to the Executive Committee.

8.4.4 The Company and QIA Employment and Training Coordinators will maintain relations with partner education and training organizations and institutions including:

- a) Nunavut Arctic College;
- b) Kakivak Association;
- c) Human Resources and Social Development Canada;
- d) The Government of Nunavut Department of Education;
- e) The Government of Nunavut Municipal Training Organization; and
- f) A Nunavut mine training institute or other relevant education and training organizations that may in the future come into being.

8.4.5 The Company, through the Company Employment and Training Coordinator, will make best efforts to integrate education and training for the Project with existing programs and to take advantage of relevant programs in other regions of Nunavut.

8.4.6 Job Descriptions for the Company and QIA Inuit Employment and Training Coordinator are in Schedule 7.1.

8.5 List of Opportunities

8.5.1 The Company and QIA will review all operations for the Mary River Project during the Construction, Operations and Decommissioning activities to identify specific education and training opportunities for Inuit.

8.5.2 The Company will for the purposes of Inuit recruitment, education and training maintain a detailed list of all training and education opportunities at the Project. This list will be posted publicly on the Company website, at the HRSDC office in Iqaluit, at Nunavut Arctic College campuses and Baffin Community Learning Centres and at Hamlet offices in North Baffin communities.

8.5.3 The Executive Committee will review the list of education and training opportunities annually.

8.6 Funding for Training

8.6.1 For the first two Years this Agreement is in effect, the Company will contribute \$1,000,000 annually to an Education and Training Fund. In subsequent Years the Executive Committee will establish contributions to the Education and Training Fund as part of the annual budget process.

8.6.2 The Company and QIA will work together to locate sources of funding for all Inuit training, including the preparation of joint applications to sources that include the HRSDC Aboriginal Skills and Employment Program (ASEP), the Mining Industry Human Resource Council and Indian and Northern Affairs Canada.

8.6.3 As part of the Inuit Participation Report detailed in Section 20.4, the Company Inuit Employment and Training Coordinator will report annually to the Executive Committee on activities of the Education and Training Fund, as well as any additional funding from outside sources.

8.7 Achievement Awards and Scholarship

8.7.1 The Company will sponsor competitions, prizes and achievement awards at various levels in the school system in North Baffin communities each Year during the term of this Agreement. Funding will be at the discretion of the Company.

8.7.2 As part of the Education and Training Fund, the Company will provide a minimum of \$25,000 annually for a scholarship fund.

8.8 Training Facilities and Dormitories

8.8.1 The Company will provide adequate training facilities and classrooms on-site for ongoing training programs.

8.8.2 The Company will provide sufficient dormitory space on-site for trainees.

8.9 Use of Inuktitut and Inuit Instructors

8.9.1 Subject to the availability of qualified instructors, training will be available in Inuktitut for positions to be identified by the Company and QIA.

8.9.2 Subject to the availability of qualified instructors, Inuit instructors will be hired to carry out training in Inuktitut and will be funded by the Education and Training Fund.

8.9.3 A complete set of provisions regarding the use of Inuktitut on the Project is presented in Section 11.4.

8.10 Inuit Human Resources Strategy

8.10.1 As provided for in Section 7.11, the Company will develop an overall human resources strategy, which will identify the Project workforce requirements, detailed job descriptions including responsibilities, qualifications and required skills and performance criteria. As a component of the human resources strategy, in consultation with QIA the Company will develop and implement an effective

and appropriate training and employment strategy for Inuit during all phases of the Project. This strategy, to be known as the “Inuit Human Resources Strategy” will apply to all Construction, Operations and Decommissioning Phases and will include all relevant provisions of this Article 8 and Article 7.

8.10.2 The education and training parts of the Inuit Human Resources Strategy will include all relevant provisions of Article 8 - Inuit Education and Training, including, but not limited to, the following components:

- a) Pre-employment preparation as provided for in Section 8.11;
- b) Adult Education initiatives as per Section 8.12;
- c) A Construction training program as described in Section 8.13;
- d) A training program for the Operation Phase as described in Section 8.14;
- e) Training programs for Contract and Subcontract activities, including catering, expediting, shipping and business management, as described in Section 8.15;
- f) A management training program as described in Section 8.16;
- g) An advanced skills training program as described in Section 8.16; and
- h) Education initiatives as described in Section 8.17.

The general scope of training programs to be offered is provided in Schedule 8.1.

8.11 Pre-Employment Preparation

The Pre-Employment preparation component of the Inuit Human Resources Strategy will include the following:

- a) The Company and QIA will develop a training plan for Inuit during all phases of the Project, as part of the Inuit Human Resources Strategy. This training plan will provide for career searches, personal management training, adult basic education, trades and technology training (including work placement for apprenticeship trades) and university training;
- b) The Company and QIA will develop co-operative education work terms and “train the trainer” programs to train Inuit instructors as outlined in Section 8.9;
- c) The Company and QIA will identify any existing barriers to the training of Inuit, particularly Inuit women and the Inuit Employment and Training Coordinator,

along with the Company's human resources department and QIA, will use all reasonable efforts to design and implement measures to reduce such barriers.

8.12 Adult Education

8.12.1 The Company and QIA will cooperate to support activities on-site or off-site designed to provide adult basic education, upgrading and job readiness training programs or services to Inuit employees.

8.12.2 The Company will include Adult Basic Education as one of the on-site training opportunities within the framework of the Inuit Employment and Training Strategy.

8.12.3 On-site training opportunities will take place during working hours.

8.13 Construction Training Program

8.13.1 As part of the Inuit Human Resources Strategy, the Company will fund and implement an Inuit construction training program designed to provide training for Inuit who wish to obtain employment during construction prior to Commercial Production and during Commercial Production and to transfer from employment during construction to employment during Commercial Production.

8.13.2 The program will include training to develop the practical skills and educational qualifications that facilitate the transition of Inuit trainees from the construction workforce into the operations workforce. The training program will start prior to construction. QIA will cooperate with the Company in the design and the implementation of the Inuit construction training program.

8.13.3 Where possible, community members who are not employees of the Company, its contractors or subcontractors, will be allowed to enroll in training courses delivered in communities.

8.14 Operation Phase Training Program

As part of the Inuit Human Resources Strategy provided for in Section 7.11, the Company will fund and implement a training program for Inuit during the Operation Phase. The Construction training program may serve as a template for the development of the Operation Phase(s) training programs, which will include at least the following components:

- a) A worksite training component fully funded by the Company;
- b) A community based training component partially funded by the Company; and
- c) An institutional training component.

8.15 Training Programs for Contract and Subcontract Activities

As part of the Inuit Human Resources Strategy, the Company, in conjunction with QIA, will develop both worksite and community-based training programs designed to provide training for Inuit who wish to find employment with contractors or subcontractors on the Project in such areas as catering, expediting and business management.

8.16 Management and Advanced Skills Training

8.16.1 As part of the Inuit Employment and Training Strategy the Company will commit to long-term training and education programs to develop Inuit managers and Inuit with advanced skills on the Project over time.

8.16.2 On-site advanced skills and management training opportunities will include mentoring and job shadowing.

8.16.3 Off-site advanced skills and management education and training opportunities will include diploma and degree programs in disciplines related to the Project or to management generally. Short-term advanced management programs will be included in the program and work placements with contractors and suppliers will be included in the program where practical.

8.17 Company Education Initiatives

The Company may support an array of education initiatives including career fairs; support for career counselling; co-op education opportunities; and Stay in School programs.

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SCHEDULE 8.1 TRAINING PROGRAMS

The Company will, in consultation with the QIA, establish training programs that include orientation, safety and skills training in various positions that will lead to certification, business administration, warehousing and purchasing, as well as supervisory and management training.

Potential Program Categories:

Heavy Equipment Operator Training

- Haulage Truck
- Excavator / Backhoe
- Dozer (track & rubber tire)
- Grader
- Diesel/Hydraulic Shovel
- Rotary Drill
- Loaders
- Crusher (cone and jaw)
- Loader / Blaster

Trades: Apprenticeship Programs

- Electrician
- Heavy Duty Mechanic
- Welder
- Plumber
- Carpenter
- Millwright

Professional Training: Technical & Professional **

- Engineering / Surveying
- Geology
- Environmental
- Archaeology
- Metallurgy
- Instrumentation
- Planner
- Assayer
- IT Technician

** Provide scholarships and work placements to both technical and professional students.

Business Administration

- Payroll Clerk
- Travel Coordinator
- Benefits Administrator
- Warehouse / Shipper / Receiver
- Accounts Payable Clerk

- Purchase / Buyer / Expeditor
- Custodian
- Frontline Supervisor
- Management
- Airport Coordinator

Occupational Health & Hygiene

- Nursing
- Safety Trainer
- First Aid Instructor
- Safety Supervisor
- Security Guard

All training programs will provide certification for the candidate. Where possible, this Certification will be transferable and can be used for other employment.

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**ARTICLE NINE
MARITIME SHIPPING**

9.1 Objectives

9.1.1 QIA and the Company agree that year-round maritime shipping is an essential component of the Initial Project for commercial shipping of iron ore in Hudson Strait and that seasonal shipping is an essential component of the Initial Project for commercial shipping of iron ore in Milne Inlet. This IIBA does not address impacts or provide for benefits of year-round commercial shipping of iron ore in Milne Inlet. If in future the Company applies for and receives regulatory approval for the Project to commence year-round commercial shipping of iron ore in Milne Inlet, then the Parties shall negotiate amendments to this IIBA to address such impacts and provide for reasonable benefits, which shall be subject to arbitration pursuant to Article 21 if the Parties cannot agree.

9.1.2 QIA and the Company agree to the following objectives with respect to maritime shipping in conjunction with the Project:

- a) Inuit will be provided the opportunity to meaningfully participate in the planning and implementation of measures that will ensure that Project-related maritime shipping is carried out in a way that respects and protects the relationship of Inuit to the sea, sea ice and marine resources;
- b) Shipping related management plans will be established and implemented in consultation with QIA during all phases of the Mary River project;
- c) Outstanding issues of concern to Inuit, particularly the Inuit residents of North Baffin, with respect to winter shipping will be addressed;
- d) The Company's operational needs for Project related shipping must be recognized and considered; and
- e) Employment, contracting opportunities and training related to shipping for the Project will be made available to Inuit.

9.2 Shipping-related Relations Between QIA and the Company

9.2.1 During initial Project implementation the Parties shall focus their attention on the design, development, implementation and effectiveness of the following plans and activities. Efforts in this regard shall include, but not be limited to the Annual Project Review Forum and direct communication and involvement with impacted communities.

9.2.2 The Company will appoint a senior manager responsible for maritime shipping.

9.2.3 The Company shipping manager shall be responsible for:

- a) Implementation of the Company's maritime shipping commitments and obligations as set out in this Agreement; and
- b) Ongoing liaison with QIA and in particular the QIA IIBA Coordinator.

9.2.4 The Company and QIA will establish a communications protocol to keep QIA and Inuit in the North Baffin communities and any other communities affected by Project-related maritime shipping, continuously informed about maritime shipping activities related to the Mary River Project.

9.2.5 The Company shall provide QIA and Inuit in the North Baffin communities and in other communities affected by Project-related maritime shipping, ship tracking information to ensure Inuit have knowledge of ship positions and paths and ship traffic in general in Foxe Basin and Hudson Strait.

9.3 **Communication of Shipping Requirements for the Project**

The Company shall keep QIA informed of the following information regarding shipping during all phases of the Project:

- a) For Vessels and Vessel Traffic:
 - i) Type of Vessel(s);
 - ii) Nature of cargo(s);
 - iii) Development of the MTMP, procedure for review, updates and amendment;
 - iv) Standards for on-board communications and navigation equipment and procedures including ability to communicate with the Mine/Port Site;
 - v) Procedures to address Vessel traffic safety, including safety of small boat traffic along the shipping route;
 - vi) Hydrographic charting and placement of navigational aids along the shipping route;
 - vii) Application of the Arctic Ice Regime Shipping System (AIRSS) to Vessels transiting;
 - viii) Ballast water management procedures to be used by Vessels transiting along the shipping route;
 - ix) Ice classification for Vessels;

- x) Identification of shipping route and process for changes to the route;
 - xi) Process and procedures for public consultation and for public notification with respect to Vessel transits;
 - xii) Vessel requirements for pollution control, including bilge discharges, sewage and garbage;
 - xiii) Requirements with respect to Oil Pollution Emergency Plans (OPEPS) under the Canada Shipping Act;
 - xiv) Identification of locations for emergency anchorages;
 - xv) Procedures for dealing with anticipated unusual Vessel traffic, including towing arrays; and
 - xvi) Procedures for shipping requirements for any construction after commencement of Commercial Production;
- b) For Port and Port Facilities:
- i) Ore storage and loading procedures;
 - ii) Environmental Protection and Mitigation;
 - iii) Identification of anticipated impacts of shipping on seals; polar bears, waterfowl, fish, caribou and other wildlife;
 - iv) Identification of appropriate Mitigation measures associated with these impacts; and
 - v) Processes for verification of anticipated impacts and effectiveness of proposed Mitigation measures.

9.4 Shipping Monitoring

9.4.1 The Company in consultation with QIA will facilitate and pay for training for Inuit ship monitors and to the extent such individuals are available for employment will hire trained Inuit to act as monitors. Inuit monitors on behalf of the Company and QIA will act as monitors on project related voyages that pose a significant environmental risk as agreed to by the Parties. In the event Inuit monitors are unavailable and if required as a continuing condition of the NIRB "Project Certificate", the Company will still ensure that ship monitors are present on voyages that pose a significant environmental risk. The intent of establishing monitoring stations under Section 13.3.2 will be to complement or potentially

substitute for the need for ship monitors. The Executive Committee will periodically assess the effectiveness of ship monitoring and other monitoring methods as the Project evolves.

9.4.2 The activities that the ship monitors shall observe and monitor include:

- a) Route of the vessels travelling to and from the load port on Baffin Island by Vessels under contract or sub-contract to the Company;
- b) Landing and docking procedures for Vessels;
- c) Measures to avoid and/or resolve potential conflicts between open water shipping and Inuit Harvesting;
- d) Communication plans and implementation of such plans, for informing Inuit harvesters and Inuit about Vessel traffic;
- e) Oil spill contingency plans;
- f) Navigational aids;
- g) Pollution prevention measures;
- h) Ballast water practices and procedures, including treatment method efficacy;
- i) Procedures and process for collecting and incorporating appropriate Inuit IQ into all matters related to maritime shipping; and
- j) General monitoring.

9.4.3 Shipping monitors will be required to embark and disembark Vessels at the Company's designated port.

9.4.4 Shipping monitors shall prepare a written report of their activities after each voyage and summarizing the Year's activity. The reports shall be delivered to the Management Committee and included in the Annual IIBA Implementation Report.

9.5 Shipping Employment and Training

9.5.1 The Company and QIA will work together to assist Inuit to find gainful employment and a potential career path on the shipping components of the Project and more specifically on arctic iron ore carriers and marine support vessels (ice management vessels, tugs, sea-lift and regular supply vessels etc.).

9.5.2 The Company will provide for Inuit employment opportunities in relation to shipping, navigation and safety related to shipping, including but not limited to:

- a) Shipping monitors;
- b) Deck Crew;
- c) Deck Officers;
- d) Marine Engineers;
- e) Catering staff; and
- f) All other shipping related positions.

9.5.3 Maritime shipping for the Project is also subject to Articles 7 and 8 regarding Inuit rights to employment and training opportunities.

9.6 Shipping Safety

9.6.1 The Company agrees that it will not conduct or permit maritime shipping through sea ice if such shipping cannot be done safely.

9.6.2 At all times, the order of priority for shipping decisions and operations related to the Project shall be as prescribed by Applicable Laws, ie.: the safety of life; protection of the marine environment; vessel safety; and cargo security. Shipping decisions and operations related to the Project shall also consider the protection of Inuit travel, hunting and traditional lifestyle, subject to the agreed objectives in Section 9.1.2 and without increasing the rights of Inuit under the NLCA, or restricting the rights of the Company under the NLCA including without limitation Section 5.7.25 of the NLCA.

9.6.3 The Company will establish and implement appropriate safety and spill response plans and mitigation measures considered necessary for shipping to be carried out safely.

9.6.4 The Company will ensure that all safety, spill response and operational plans and mitigation measures acknowledge, respect and protect the relationship of Inuit to the sea, sea ice and marine resources, including the rights of Inuit pursuant to Section 5.7.16 and subject to limitations on such rights set out in the NLCA, including Section 5.7.17, 5.7.18 and 5.7.25 when considering the operational needs of the Project.

9.7 Business Opportunities

Maritime shipping for the Project is also subject to Article 6 regarding Inuit rights to business and contracting opportunities.

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**ARTICLE TEN
ENFORCEMENT OF INUIT CONTENT REQUIREMENTS**

10.1 Inuit Content Reporting

The Company will provide the Executive Committee with details relating to the achievement of Inuit content required in the reports stipulated by Article 20 (“Reporting and Results”), or as may be required pursuant to other obligations, including any other provisions of this IIBA. Where not otherwise specified, reports will be in a format determined by the Executive Committee.

10.2 Non-Compliance Notification

Where circumstances indicate that the Company or a contractor may not achieve the levels of Inuit content to which the contractor and the Company have committed, the Company and/or QIA will provide written notice to the Executive Committee within 90 working days of the time that such a determination can reasonably be made by the Company, QIA or a contractor.

10.3 Reasons for Non-Compliance

The Company will be required to demonstrate to the satisfaction of the Executive Committee that it and/or its contractors have made best efforts to comply with its stated commitments to Inuit content levels and that fault for the failure to comply with its stated commitments to Inuit content levels cannot reasonably be placed on the Company or its contractor. Costs that were significantly under-estimated by the Company or a contractor shall not be a reasonable ground for failing to achieve Inuit content levels unless there have been recent unexpected changes in the Project circumstances that lead to adjustment of the Inuit content levels pursuant to Sections 4.7 (b) and (c).

10.4 Executive Committee Meeting

The Executive Committee, within 60 days of receiving written notice under Section 10.2, will convene and shall make a determination as to whether the Company or its contractor is using its best efforts to comply with its stated commitments to Inuit content levels. In the event of disagreement the matter may be referred to Article 21.

10.5 Remedial Measures

Where the Executive Committee in a determination made under Section 10.4, or an Arbitrator pursuant to Article 21, determines that the Company or a contractor failed to use its best efforts to comply with its stated commitments to Inuit content levels and therefore it is the fault of the Company or a contractor that a stated commitment to Inuit content levels was not met, then the Executive Committee or the Arbitrator, as the case may be, will so advise the Company and QIA of their determination. The Executive Committee or the Arbitrator shall make recommendations on remedial measures to be

promptly implemented. In considering possible recommendations, which may include compensation payments (including payment to QIA for a purpose described in Section 10.6e)), the Executive Committee or the Arbitrator shall take into consideration the value of the original bid adjustment, the frequency and duration of the failure to achieve Inuit content and the opportunities lost by Inuit.

10.6 Implementation of Remedial Measures

Where remedial measures are recommended pursuant to Section 10.5, the Company and QIA if expressly directed by the Executive Committee or the Arbitrator, will implement and shall require contractors to implement, any remedial measures recommended by the Executive Committee or the Arbitrator, as applicable. Remedial measures will be designed to correct the failure to achieve required Inuit content levels, to provide a disincentive for future failures and to consider the requirement for compensatory payments. The Company will implement the remedial measures and inform the Executive Committee of the actions taken. Remedial measures that may be recommended may include one or more of the following:

- a) Requiring the Company and/or a contractor to undertake specific additional measures to achieve the stated commitments to Inuit content levels;
- b) Providing a contractor with information about specific Inuit or Inuit firms who are known to be available and qualified for employment or contracting and advising the contractor that further enforcement steps may be taken if required Inuit content levels are not met;
- c) Withholding progress payments from contractors;
- d) Terminating the contract of a contractor; or
- e) Requiring compensatory measures to fund Inuit education, training and employment programs or to enhance another objective or purpose identified within this Agreement.

10.7 Results Reporting

The Company will report to the Executive Committee as soon as practicable on the results of the remedial measures applied.

10.8 Use of Best Efforts

Where the Executive Committee or the Arbitrator determines that the Company and/or a contractor has used its best efforts to achieve required Inuit content levels through its currently approved Contractor's Inuit Content Plan and that fault cannot reasonably be placed on the Company or contractor for failing to meet the stated commitments to Inuit

content levels, the Executive Committee or the Arbitrator, will adjust the commitments to Inuit content levels within the applicable contract.

10.9 Amended Inuit Content

Following a contract amendment by an adjustment to Inuit content levels under Section 10.8, the Company will thereafter continue to monitor and report on the contract performance as provided for in Section 10.1 and Section 10.2.

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**ARTICLE ELEVEN
WORKPLACE CONDITIONS**

11.1 Objectives

11.1.1 The Company and QIA agree that work place conditions for the Project must be consistent with the aboriginal and treaty rights of Inuit and must be respectful to Inuit and Inuit culture, to further the objective of attracting, developing and supporting Inuit employees as well as providing a safe working and living environment for all Inuit employees.

11.1.2 The provisions set forth in this Article 11 will be interpreted in a manner that is consistent with the intention stated in Section 11.1.1. The Parties' aim is to create a work place culture that respects, values and promotes the steadily increasing involvement of Inuit in the Project.

11.2 Workplace Cross-cultural Recognition

11.2.1 The Parties agree on the need to provide cultural recognition programs to all employees given the cross-cultural context within which Project employees will be working. The objective of these programs is to enhance positive interaction between Inuit and non-Inuit in the work place.

11.2.2 These programs shall be designed primarily to provide non-Inuit employees with opportunities to better understand and familiarize themselves with Inuit culture.

11.2.3 The Company and a designated Inuit organization shall develop cross-cultural orientation programs for all employees. These programs shall be provided to employees during regular working hours.

11.2.4 Programs shall be at the cost of the Company.

11.3 Inuit Preparedness for the Workplace

11.3.1 The parties recognize a need for Inuit to become familiar with the mining industry generally and the objectives and goals of the Company with regards to its expectations of all employees working on the Project;

11.3.2 The Company shall develop workplace orientation programs for all employees. These programs shall be provided to employees during regular working hours;

11.3.3 Programs shall be at the cost of the Company.

11.4 Inuktitut in the Work Place

11.4.1 The Parties support the use of Inuktitut in the work place and agree that lack of English will not be a barrier to Inuit for employment at the Project.

11.4.2 Although in general the working language of the mine may be English, the Company supports the principle of increased use of Inuktitut in the work place over the life of the Project.

11.4.3 To further the aims stated in Section 11.4.2 the Company, in consultation with QIA, will, by the time the Construction phase commences, establish a policy to support the use of Inuktitut in the workplace.

11.4.4 The Inuktitut in the workplace policy will include a requirement for monitoring, as well as an annual report to the Executive Committee that includes:

- a) Baseline data on the number of employees on the Project whose first language is Inuktitut;
- b) Positions held by employees on the Project whose first language is Inuktitut;
- c) Data regarding accreditation/recognition of trainees or employees whose first language is Inuktitut;
- d) Fixed benchmarks or standards against which the use of Inuktitut in the workplace is measured and a description of monitoring results that indicate whether the use of Inuktitut in training and employment on the Project has increased or decreased;
- e) An indication of progress, based on indicators approved by the Executive Committee, towards increased training opportunities for trainees and employment for employees, whose first language is Inuktitut;
- f) Measures being undertaken to support and increase the use of Inuktitut on the Project; and
- g) Any other matters agreed to by the Parties from time to time.

- 11.4.5 The policy to support Inuktitut in the workplace will be monitored by the Management Committee and administered by the QIA and Company IIBA Coordinators.
- 11.4.6 As part of its policy for the use of Inuktitut in the workplace, the Company will encourage the establishment of Inuktitut-speaking work parties within sub activities of the Project, with the provision that at least one member of each work party can communicate in English.
- 11.4.7 Under no circumstances will use of Inuktitut during working hours be cause for disciplinary action or termination of employment of an Inuktitut-speaking employee, except where the employee's use of only Inuktitut poses a clear and explicit safety hazard and provided further that the affected employee is able to communicate in English.
- 11.4.8 The Company shall provide translation and interpretation services as are necessary for all employees to function safely, effectively and comfortably. Specifically, all relevant safety materials, policies and directives used by the Company in the workplace and all public postings, shall be easily available in both English and Inuktitut.
- 11.4.9 In order to support Inuit work life and advancement the Company shall also ensure that all staffing documents and processes, including notices, applications and interviews are available in and can be completed in Inuktitut.
- 11.4.10 The Company will make available Inuktitut and English language training programs for all employees outside of regular working hours. These training programs will be planned during the construction phase of the Project and implemented within a reasonable time frame after the start of commercial operations.
- 11.4.11 The Company will make Inuktitut publications, broadcasts and other mass media easily available to workers on the Project.
- 11.4.12 The Company shall at all times ensure that Project workplace conditions comply with all laws of general application related to the protection and promotion of Inuit language rights and duties, including, without limitation, the *Inuit Language Protection Act*, S.Nu. 2008, c. 17.

11.5 Affirmative Steps for Attracting Female Employees

- 11.5.1 The Parties agree that Inuit women entering non-traditional occupations can face barriers related to skill levels and discrimination. The Parties share the goal of making the Project a place where women will want to work.

- 11.5.2 The Company shall develop an affirmative action plan that sets out measurable goals and procedures to monitor compliance with government employment equity legislation and any harassment policies.
- 11.5.3 The Company and a designated Inuit organization shall develop and locate training programs developed specifically to attract women who may want to work at the Project.
- 11.5.4 The Company and a designated Inuit organization shall develop and implement gender sensitivity training programs.
- 11.5.5 The Company shall provide for appropriate accommodations and facilities for female Inuit employees.

11.6 Counselling and Support Services

- 11.6.1 The Company shall provide all Inuit employees with access to:
- a) Professional career counselling;
 - b) Professional counselling for personal problems on an as needed basis;
 - c) When possible, these services shall be provided by Inuit counsellors.
- 11.6.2 The Company will employ Inuit elders to reside on site at all times to act as counsellors for Inuit employees and as a liaison with the Management Committee. At least one Inuit elder will be on site at any time.
- 11.6.3 The Company shall ensure that medical services are available on site and with Inuktitut interpretive services if so required, to ensure the health and safety of all Inuit employees. The Company will co-operate where practicable as a responsible employer with Inuit employees who must coordinate with community medical facilities to ensure their necessary medications are available to them.
- 11.6.4 The Company shall also provide Inuit employees with advice on personal financial management, when requested by an employee.
- 11.6.5 The Inuit Employment and Training Coordinators shall be the point of contact for access to these services.

11.7 Availability of Country Food

- 11.7.1 The Company shall ensure that any contract awarded for catering or the provision of food contains a requirement to regularly provide Country Food to Inuit employees.

- 11.7.2 Any such contracts shall also require that meals containing Country Foods that meet government inspection standards be provided, from time to time to all employees as a way of providing non-Inuit employees with more contact with Inuit culture and traditions.
- 11.7.3 The Company shall ensure that there is adequate freezer and other storage space for Inuit employees to store Country Food brought to the work site by Inuit employees for personal consumption.

11.8 Code of Conduct & Anti-Harassment/Discrimination Policy

- 11.8.1 The Company will implement a code of work place conduct and a personal harassment and discrimination policy to establish adequate rules and procedures that are in conformity with laws of general application and Inuit rights defined in the NLCA.
- 11.8.2 The Company's rules and procedures shall clearly define a "zero tolerance policy" for all employees regarding the use of alcohol and drugs and regarding personal harassment and discrimination (including, without limitation, personal harassment and/or discrimination that is based on race or sex).

11.9 NLCA Rights of Inuit Employees to Pursue Traditional Activities

- 11.9.1 The Company recognizes that Inuit have a right of access under Section 5.7.16 of the NLCA (which is limited by Sections 5.7.17, 5.7.18, 5.7.25 and other relevant provisions in the NLCA) for the purpose of harvesting and, as provided in Sections 5.7.23 of the NLCA, the term of any employment contract of the Company that attempts to limit such right of access by an Inuk employee during his or her leisure hours shall be null and void.
- 11.9.2 The Parties will establish policies relating to Inuit traditional activities referred to in Section 11.9.1, including, but not limited to, Inuit wildlife harvesting and the secure storage of firearms by Inuit employees, that are compatible with the Company's land use activities and human resource and safety policies while also fully complying with Inuit access and harvesting rights pursuant to the NLCA and any other regulatory requirements.
- 11.9.3 The Company will allow for visitation between Inuit employees and other Inuit engaged in traditional activities in and around the Project Area. Visitors to the Project Area, including Inuit visitors engaged in traditional activities who are not Project employees, will comply with the Company's human resources, land use and safety policies, provided that such Company policies do not conflict with Inuit rights of access for the purpose of harvesting pursuant to the NLCA.
- 11.9.4 In conformity with Section 5.7.19 of the NLCA, the QIA or any Inuk may challenge a policy or decision of the Company where such policy or decision

states or implies that an authorized land use by the Company is incompatible with the free and unrestricted right of access by Inuit for harvesting activities and such disagreement may be resolved as required by Article 38 of the NLCA. An Inuk employee shall not be subject to reprimand, punishment, harassment or any detrimental effect to his or her employment record for challenging a policy or decision in regard the unrestricted right of access by Inuit for harvesting activities as contained in the NLCA.

11.10 Inuit Employee Wildlife Harvesting and Firearms

- 11.10.1 Inuit employees shall be permitted access during their leisure hours, subject to Company policies, to all Project Areas for the purpose of any form of harvesting, provided that Inuit employees shall not discharge firearms and Inuit who are not employees shall have no right of access for harvesting, within a radius of one mile of a Project building, structure or facility, in conformity with Section 5.7.17 (b) of the NLCA, subject to such wider prohibited distances as may be required pursuant to laws of general application relating to public safety or where the access for harvesting, including the discharge of firearms, is incompatible with an ongoing land use activity of the Company. A map of areas adjacent to Project facilities where the discharge of firearms is prohibited shall be produced, distributed and updated by the Company from time to time as required.
- 11.10.2 For greater certainty, a Project “building, structure or other facility” shall not include any part of the rail line constructed upon the Project lands, but the Company may develop a safety policy restricting the discharge of firearms near rolling stock, Maintenance of Way equipment (including rail mounted living accommodations) that are on and seasonal trailer accommodation at ballast quarries that are near, the rail line, provided the restriction is based on such temporary equipment or rolling stock entering the visual or auditory range of an Inuit harvester. Areas upon the Project lands where Inuit access for harvesting is restricted and/or where the discharge of firearms is prohibited shall be produced, distributed and updated by the Company from time to time as required.
- 11.10.3 Nothing set forth in this Agreement shall restrict or otherwise hinder all Inuit from enjoying the free and unrestricted right of transit through an area where harvesting is not permitted, for the purpose of obtaining access to adjacent lands to carry out wildlife harvesting activities on such adjacent lands.
- 11.10.4 Authorized security personnel, including polar bear monitors, may discharge firearms anywhere within the Project in emergency situations only.
- 11.10.5 Any disagreement by the QIA or an Inuk, whether or not an employee of the Company, with a Company decision to restrict or otherwise limit the right of Inuit to wildlife harvesting pursuant to Section 5.7.16 of the NLCA, including any restriction on the discharge of firearms, shall be resolved in accordance with Article 38 of the NLCA.

11.11 Communications

- 11.11.1 The Company shall provide on-site access to communications facilities for all Inuit employees allow them to contact their families. This will include, but not be limited to, telephone and computer supported technology, as the Project evolves.
- 11.11.2 The company recognizes the importance of communications between Inuit on site at the Project and their dependents. The company further recognizes the importance of communication between community members and QIA on IIBA related matters.

11.12 Unionization of the Work Place

The Company undertakes to ensure that should the Project be unionized that it would negotiate commitments made in this Agreement with bargaining agents.

11.13 Monitoring and Intervention

- 11.13.1 The Inuit Employment and Training Coordinators and the IIBA Coordinators will collaborate to prepare quarterly reports on work place conditions. These reports shall be provided to the Executive Committee for inclusion into the periodic reports required pursuant in Section 20.1.
- 11.13.2 The Company will also be required to include the information on work place conditions in the Annual IIBA Implementation Reports referred to in Section 20.3.

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**ARTICLE TWELVE
SUPPORT FOR COMMUNITIES**

12.1 Objectives

- 12.1.1 The Company and QIA recognize that while the Project presents Inuit communities with substantial opportunities, it is also likely to create social and cultural impacts and stresses on these communities, including families and individuals.
- 12.1.2 The Company and QIA further recognize that because of the long duration of the Project needs and opportunities will evolve. As an example, experience in other regions of Canada's north indicates that a sudden influx of money into families and communities poses challenges. However, with time and support the net benefits of increased family incomes and community wealth can increase.
- 12.1.3 The Company and QIA agree that mitigating existing and potential impacts, promoting community wellbeing and developing long-term individual and community capacity is a shared responsibility and agree to cooperate in efforts to address this challenge.
- 12.1.4 The Company and QIA agree that communities must be engaged in the development and implementation of strategies to build the capacity necessary to enable communities to deal with existing and potential impacts and to maximize benefits from the Project and to sustain those benefits beyond the life of the Project.
- 12.1.5 The Company and QIA recognize that efforts to address existing and potential social and cultural impacts must include capacity building and the wellbeing of individuals, families and communities in order to sustain a productive workforce and build good relations with Inuit and Inuit communities.
- 12.1.6 QIA acknowledges that the Company's contributions to capacity building and long-term social development include its commitments to training, employment, contracting and subcontracting described in Articles 6, 7 and 8.
- 12.1.7 The Company and QIA agree that these provisions shall not impose any responsibility on the Company to assume the role of government or responsibility for social services and infrastructure.

12.2 The *Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat* Fund

- 12.2.1 Pursuant to the objectives in Section 12.1, the Company and QIA agree to establish the *Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat* (the Fund).
- 12.2.2 The Company and QIA agree to share equally in the contributions to the Fund.

- 12.2.3 For an initial six Year period, the Company will match dollar for dollar the QIA contribution to the Fund, up to a maximum annual contribution to the Fund by the Company of \$375,000.
- 12.2.4 Payment of all contributions and salaries will commence on signing of this Agreement. In the first Year of the Agreement total contributions and salaries will be paid on a pro rata basis according to the number of months remaining in the Year. In subsequent Years, the Company and QIA will pay annual contributions based upon the QIA Fiscal Year.
- 12.2.5 The QIA will establish the operating framework for the Fund. The Company will have an opportunity to provide input in the development of this framework.
- 12.2.6 Applications to the Fund will be reviewed and approved by a committee established by QIA.
- 12.2.7 The Fund will be administered by QIA. Fund administration will involve:
- a) Developing and maintaining a program management database;
 - b) Assuring communications and collaboration;
 - c) Preparing the annual reports referred to in Section 12.2.10;
 - d) Communicating about the opportunities the Fund provides;
 - e) Assisting applicants with their submissions; and
 - f) Preparing assessments of funding proposals.
- 12.2.8 For the first three Years of this Agreement, the Company agrees to pay 30% of the cost of administration over and above its contribution to the Fund. The funding requirements for fund administration will be established by the Executive Committee as part of its annual budget process.
- 12.2.9 Any unspent Fund balance in a given Year will be carried forward to future Years.
- 12.2.10 QIA will provide annual reports to the Executive Committee on the uses of the Fund.
- 12.2.11 To the extent possible the Fund will be managed to identify and address special needs at the local level.
- 12.2.12 The Fund will have the following objectives:

- a) Creating opportunities for capacity building and synergy with existing capacity in the communities;
- b) Ensuring equity and fair distribution of impacts and benefits within and between communities and across generations;
- c) Maintaining consistency with community development goals;
- d) Ameliorating social and cultural consequences if a proposed mitigation or enhancement is unsuccessful or in the event that unanticipated impacts emerge;
- e) Promoting mutual understanding and learning; and
- f) Ensuring transparency and accountability.

12.2.13 Activities supported by the Fund may include, but not limited to:

- a) Participation in community projects;
- b) Youth and Elder programs;
- c) Hunter support activities;
- d) Family and community-wide activities and programs;
- e) Cultural learning and revitalization programs;
- f) Social support programs for families and individuals;
- g) Individual and family financial planning;
- h) Educational incentives;
- i) Counselling and healing programs; and
- j) Seed funding or operational funding for local charities and social organizations.

12.2.14 No less than six months prior to the end of the initial six Year period, the Executive Committee will review the performance of the Fund in order to discuss renewal for additional three-Year terms, recognizing the possibility the Fund may operate through the life of the Project and if there are unforeseen or greater than anticipated socio-economic impacts the Parties agree that they will extend the Fund.

12.2.15 QIA will maintain a close and cooperative working relationship with agencies of Government who have responsibilities for social and cultural matters, with the intention of developing creative partnerships to enhance the uses of the Fund.

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ARTICLE THIRTEEN INUIT TRAVEL AND ACCESS

13.1 Objective

The objective of Article 13 hereof is to ensure that any potential incompatibility of the rights of Inuit to free and unrestricted travel and access for harvesting to all lands, waters and marine areas within the Nunavut Settlement Area with the Company's land use activities and rights of navigation in marine areas may be reduced, provided that the Company's obligations shall not exceed the corresponding rights of Inuit pursuant to the provisions of the NLCA. The QIA recognizes the Company's right to operate and to manage their activity within the Project Area including the rail and shipping corridor, subject to the provisions of this Agreement and QIA recognizes the restrictions on the Inuit right of access under Sections 5.7.18 and 5.7.25 of the NLCA which are not intended to be changed by this Agreement.

13.2 General

13.2.1 QIA and the Company agree that the Project and related activities are likely to affect Inuit travel and patterns of land, water and marine use and that issues of travel, travel safety and travel support for all Inuit travelling in or near the Project Areas or marine areas and shipping corridors in the Nunavut Settlement Area in furtherance of Inuit rights of travel and access for harvesting pursuant to the NLCA or otherwise must be addressed.

13.2.2 Without limiting mitigation and other obligations of the Company pursuant to this Agreement, QIA agrees that an appropriate EHS System as described in Section 15.2 has been developed to mitigate any adverse effect caused by certain Project activities.

13.3 Mitigation Measures

13.3.1 In addition to the respective rights and obligations of the Parties pursuant to Article 17 and without limiting the rights of QIA and Inuit generally pursuant to Article 6 of the NLCA, the Company agrees to offset potential Project impacts to Inuit travel and access rights by implementing the following mitigation measures:

- a) Providing fuel at the Project facilities for detouring around Project infrastructure and also the associated shipping route at Steensby Inlet in landfast ice;
- b) Providing food and shelter at Project facilities;
- c) Support Inuit in identifying, communicating and using safe routes in or around the Project infrastructure and marine shipping routes;

- d) Any other proposed Inuit travel mitigation measures, including those forwarded from the Annual Project Review Forum referred to in Section 14.3 and agreed to by the Parties.

13.3.2 QIA and the Company agree, within one year of the signing of this Agreement, to create a working group to develop a plan to consider, as a mitigation measure, the establishment of monitoring stations within the Project Area. Monitoring stations will be designed and maintained to also function as emergency shelters. This plan will be forwarded to the Management Committee for review and implementation. All costs associated with implementing this plan to establish and construct the monitoring stations will be borne by the Company. It is recognized that ownership and maintenance obligations (including associated costs) for all monitoring stations will be assigned by the Company to an identifiable organization in the most proximate community.

13.4 NLCA Inuit Rights of Travel and Access

In accordance with Section 5.7.16 of the NLCA, the Company will allow Inuit engaged in traditional activities to have access to all of the Project Area and to all lands, waters and marine areas used for the Project, except where project activity is undertaken, whether or not within the Project Area as defined in Article 3. While in the Project Area or on any lands, waters and marine areas used by the Company for the Project, Inuit will comply with the Company's land use and safety policies, provided that such Company policies do not conflict with Inuit rights of access for harvesting pursuant to the NLCA.

13.5 Restrictions on NLCA Rights in Project Area

13.5.1 Inuit travelling in or accessing Project lands shall not discharge firearms or otherwise pursue access for harvesting, within a radius of one (1) mile of a Project building, structure or facility, in conformity with Section 5.7.17 (b) of the NLCA, subject to such wider prohibited distances as may be required pursuant to laws of general application relating to public safety or where the access for harvesting, including the discharge of firearms, is incompatible with an ongoing land use activity of the Company. A map of areas adjacent to Project facilities where the discharge of firearms is prohibited shall be produced, distributed and updated by the Company from time to time as required. Modifications to this map will be made periodically. These changes will be discussed at Management Committee meetings.

13.5.2 In conformity with Section 5.7.19 of the NLCA, the QIA or any Inuk may challenge a policy or decision of the Company where such policy or decision states or implies that an authorized land use by the Company is incompatible with the free and unrestricted right of access, as defined in Section 5.7.16 of the NLCA, by Inuit for harvesting activities and such disagreement may be resolved by arbitration pursuant to Article 38 of the NLCA.

- 13.5.3 For greater certainty, a Project “building, structure or other facility” shall not include any part of the rail line constructed upon the Project lands, but the Company may develop a safety policy restricting the discharge of firearms near rolling stock, Maintenance of Way equipment (including rail mounted living accommodations) that are on and seasonal trailer accommodation by ballast quarries that are near, the rail line, provided the restriction is based on such temporary equipment or rolling stock entering the visual or auditory range of an Inuit harvester. A map of areas adjacent to Project facilities where the discharge of firearms is prohibited shall be produced, distributed and updated by the Company from time to time as required.
- 13.5.4 Nothing set forth in this Agreement shall restrict or otherwise hinder all Inuit from enjoying the free and unrestricted right of transit, as defined in Section 5.7.16 of the NLCA, through an area, including land, water or marine areas where harvesting is not permitted, for the purpose of obtaining access to adjacent land, water or marine areas for the purpose of carrying out wildlife harvesting activities in such adjacent land, water or marine areas.

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**ARTICLE FOURTEEN
INUIT ENGAGEMENT IN PROJECT STEWARDSHIP**

14.1 Purpose

- 14.1.1 The purpose of this Article is to promote a cooperative relationship between Inuit and the Company with respect to Inuit engagement in identifying and addressing Project related matters that may affect Inuit throughout the life of the Project until Project Termination.
- 14.1.2 When considering Project related matters that may affect Inuit, the Parties acknowledge that environmental integrity and Inuit well-being are deeply interconnected. In furtherance thereof, the Parties agree to use their best efforts to promptly identify and implement measures to mitigate negative impacts on Inuit and the environment.
- 14.1.3 For greater certainty, the provisions of this Article 14 are in addition to and are without substitution or limitation upon: (i) any other provisions contained in this Agreement; (ii) the requirements of any Governmental Authorities, including any monitoring or mitigation conditions or requirements identified in any Project authorization or licence; and (iii) any other obligations of the Company or commitments made by the Company.

14.2 Objectives

QIA and the Company agree that the objectives of this Article are to:

- a) Identify ways the Project may contribute to the well-being of Inuit and engage communities with respect to Project stewardship and environmental sustainability;
- b) Establish mechanisms for reliable communications regarding Project stewardship and environmental sustainability among the Company, QIA and the affected communities;
- c) Provide affected communities with the opportunity to contribute in the decision making processes that influence their future recognizing that the Company is accountable and responsible for making decisions relating to the operation and management of the Project;
- d) Support adaptive management strategies that respond to mutually identified issues;
- e) Assess the effectiveness of monitoring, management plans and follow up programs; and

- f) Where issues of mutual concern have been identified, ensure collaboration with all applicable agencies responsible for monitoring and mitigation.

14.3 Annual Project Review Forum

The Parties agree to hold an Annual Project Review Forum (referred to in this Article 14 as the "Forum") at which QIA and the Company shall discuss Project related issues directly with members from impacted communities. The Forum shall compare key actual impacts, their significance and actual mitigation results against the Company's anticipated residual effects initially as set forth in the Final EIS (Volume 1 – Main Document) at "Section 12.0 – Statement of Residual Effects", including Table 1-12.1 – "Summary of Residual Biophysical Effects" and Table 1-12.2 – "Summary of Residual Socio-economic Effects" and which are referred to in this Article 14 and in Article 15 as the "Final EIS Impact Projections".

14.4 Purpose of Forum

The purpose of the Forum is to:

- a) Provide advice to the Executive Committee meetings and contribute to the Annual IIBA Implementation Report and monitoring reports of Governmental Authorities, including NIRB;
- b) Share information about or arising from the Project, including impacts and residual effects, among the Company, QIA and affected communities;
- c) Review and assess the effectiveness of the Company's management, monitoring and mitigation programs in a timeframe that coordinates with the Company's regulatory and licensing obligations and requirements;
- d) Receive and review any information concerning impacts that are considered by Inuit to be of greater significance than set out in the Final EIS Impact Projections;
- e) Receive and review the relevance of information concerning impacts that were not described in the Final EIS Impact Projections;
- f) Discuss matters of non-compliance;
- g) Discuss any issues that may be raised by community participants that relate to this Agreement or the implementation of this Agreement; and
- h) Develop recommendations to the Executive Committee regarding significant issues arising from the Forum.

14.5 Forum Participation

Participation at the Forum shall be open to the public in a community location agreed to by the Parties, but at a minimum shall include the following participants:

- a) Senior representatives of the Company responsible for operations, compliance and management plans;
- b) Senior representatives of QIA responsible for environmental management and lands administration; and
- c) Representatives will be nominated by the affected communities and will be selected by the Management Committee based on the proposed Forum agenda.

14.6 Company Information Required

Within a reasonable time prior to the Forum, the Company shall provide QIA with the following:

- a) A summary of the previous Year's operations and current Year's operations to date, including data on production, training and education, employment, contracting, environmental performance, major milestones and events and safety;
- b) A summary of monitoring reports of Governmental Authorities, including NIRB, for the previous Year;
- c) Reports from community-based monitoring programs (as such programs are developed);
- d) The following Year's plan, including production targets, capital expenditures, contracting and environmental and safety targets;
- e) Identification of proposed amendments to key management and monitoring plans;
- f) A report on Project-related complaints and grievances and any remedial actions taken;
- g) A report on any non-conformance matters related to this Agreement;
- h) Wildlife observation and incident reports, including all reports and information regarding wildlife compensation produced pursuant to Article 17; and
- i) Any other information the Company considers useful.

14.7 QIA Information Required

Within a reasonable time prior to the Forum, QIA shall provide the Company with the following

- a) A report on activities of the Business Capacity and Start-Up Fund;
- b) A report on use of the Ilagiiktunut Nunalinnullu Pivalliajutsait Kiinaujat Fund;
- c) A report on any wildlife compensation;
- d) A summary of QIA's participation in the previous Year's operations, including activities of the QIA IIBA Coordinator, the QIA Employment and Training Coordinator and the Environmental Monitor; and
- e) Any information that may affect the significance prediction of an impact as described in the Final EIS Impact Projections is greater than predicted or an impact has occurred that, as a direct result of a Project activity, is not described in the Final EIS Impact Projections.
- f) A summary report by the Environmental Monitor.

14.8 Joint Information Required

Within a reasonable time prior to the Forum, the Company and QIA will jointly prepare:

- a) A summary of the activities of the Executive Committee and the Management Committee; and
- b) A report on any activities that may have taken place with respect to Inuit Qaujimaqatugangit pursuant to Article 16.

14.9 Initial Form

During the first Forum the Parties shall include in their discussion the design, development, implementation and effectiveness of the following plans and activities:

- a) Delineation and any revisions to shipping routes;
- b) Operational plans though land fast ice and open water;
- c) Ballast water management plans;
- d) Oil spill and Response plans; and
- e) Safety protocols.

14.10 Community Presentations

Community representatives will be invited to present Project related matters or concerns that have arisen throughout the Year that have affected Inuit and/or their communities.

14.11 Record of Proceedings & Recommendations

QIA and the Company shall each appoint one Person to be responsible for jointly making a record of the Forum proceedings and a report from the Forum within 90 days of the Forum's proceedings, including recommendations to be forwarded to the Management Committee and the Executive Committee. If Parties' representatives are unable to agree on a joint report, including appropriate recommendations arising from the Forum, the issues surrounding the disagreement will be presented to the Management Committee and/or the Executive Committee to be resolved. All annual reports shall be made available to the public and copies shall be directly forwarded by the Parties to the affected communities, including a copy to available community committees and representatives. An Inuktitut version of the all annual reports will be made available to the public.

14.12 Implementation of Forum Recommendations

The Executive Committee, with the assistance of the Management Committee, shall consider the report and, if considered appropriate by the Executive Committee, shall address any unresolved issues arising from the recommendations of the Forum. If the Executive Committee does not implement the recommendations of the Forum, a written reason shall be prepared and provided to the Forum's participants.

14.13 Forum Costs

All reasonable costs associated with the Forum shall be budgeted and included in the Implementation Budget.

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**ARTICLE FIFTEEN
PROJECT MONITORING AND MITIGATION**

15.1 Reliance on Final EIS

- 15.1.1 The Parties acknowledge and agree that the Final EIS submitted by the Company to NIRB, in the final form approved by NIRB and all information contained therein, including, without limitation, all baseline information, assumptions, projections and qualifications, has been the primary source of data for the Initial Project and information for the IIBA and other negotiations between the Parties to address the anticipated environmental and socio-economic impacts of the Initial Project as defined in Section 3.2.
- 15.1.2 The Company acknowledges that QIA is specifically relying on the accuracy of the data and information contained in the Final EIS for the Initial Project, including that the Final EIS impact predictions are accurate and may be relied upon by the Parties, although recognizing that the Company may seek amendments to the Project Certificate. The Final EIS impact predictions conform to the requirements of NIRB's Final Guidelines for the "Initial Project" dated November 2009 and were reviewed by government agencies and other interested parties under the NIRB environmental assessment process resulting in the NIRB Project Certificate 005 (dated January 2013).
- 15.1.3 If Final EIS data or information shall be determined to be materially inaccurate, or if impact predictions are determined to be inaccurate, then the provisions of Article 15, including the Company's EHS management system will be evaluated by the Parties, to address the effects of such inaccuracies, but only where the consequences of such inaccurate data or impact predictions cannot be confidently addressed by the EHS System described below.

15.2 Mitigation and Monitoring

The Company will implement all mitigation measures or monitoring provisions, including those identified in the Final EIS and required by NIRB under the NIRB Project Certificate(s) and other mitigation measures and monitoring provisions developed by the Company from time to time through the Environmental, Health and Safety Management System ("EHS System"). Impact predictions contained within the Final EIS and all related mitigation measures and monitoring provisions contained in the Final EIS provide a defined point of analysis for monitoring actual effects of the Project. Project monitoring programs will evaluate the accuracy of the project impact predictions and significance determinations including assessments of the efficacy of all mitigation measures. In furtherance of Section 12.7.5 of the NLCA, but without abrogating or derogating from any monitoring or reporting obligation expressly provided for in this Agreement, nothing in this Agreement shall require the Company to do anything that would overlap or duplicate Article 12 of the NLCA, or under any federal legislation enacted pursuant to the NLCA or any of the requirements of the Company's regulatory authorities and licenses

15.3 EHS System

- 15.3.1 The Environmental, Health and Safety Management System contained in Volume 10 of the Final EIS (referred to in this Article 15 as the “EHS System”), outlines the management, mitigation, monitoring and institutional measures that are needed to mitigate, offset or reduce the environmental and socio-economic impacts of the Project to acceptable levels. The EHS System identifies responsibilities and actions for implementing the mitigation measures that are required to address Project impacts.
- 15.3.2 All relevant matters affecting the development, implementation, review and modification of the EHS System will be reviewed and discussed at the Annual Project Review Forum described in Article 14 and matters and issues affecting the EHS System so reviewed and discussed will be reported in the Company’s monitoring reports submitted to NIRB.
- 15.3.3 Where appropriate the EHS System will include active collection and application of Inuit Qaujimagatuqangit in accordance with Article 16.
- 15.3.4 As part of the EHS System the Company agrees to undertake a series of monitoring programs on a continuous basis for the following purposes:
- a) To supplement the baseline data;
 - b) To comply with environmental, regulatory and contractual requirements;
 - c) To validate the predictions relating to the potential effects;
 - d) To improve management plans;
 - e) To support and refine adaptive management processes and procedures;
and
 - f) To address new or additional issues identified and agreed to by the Parties from time to time.
- 15.3.5 To enhance and promote the integrity of the management and monitoring systems and ensure accurate data that reflects actual Project impacts, the Parties agree that all activities to be undertaken in relation to the EHS System, or any other management or monitoring system related to the Project, must emphasize the importance and priority of activities that will identify the following:
- a) Whether effects or potential effects are direct or indirect and potentially significant;

- b) Whether the effects could have immediate consequences;
- c) Whether effects or potential effects are quantifiable and independently verifiable;
- d) Whether effects are cumulative in nature;
- e) Whether the program to address the effect is cost effective;
- f) Whether programs are developing Inuit capacity; and
- g) Whether changes to programs should be considered.

15.3.6 The Parties acknowledge that until Project Termination, additions, reductions or other changes to the EHS System, or to any component part thereof, may occur from time to time during the Project.

15.4 Further Technical Studies

As part of its regulatory requirements or as part of the EHS system the Company will undertake further technical reports or studies as necessary or desirable to establish, enhance or update existing data and information, scientific or otherwise.

15.5 Working Groups

15.5.1 The Parties from time to time may establish a "Working Group" to address a particular project monitoring activity.

15.5.2 Working Groups shall be established by the Parties, in accordance with mutually acceptable "Terms of Reference" agreed by the Parties, to:

- a) Develop further baseline data and information to be used in the development of all monitoring and management plans and used to modify or revise such plans where reasonably required in response to such further baseline data and information;
- b) Develop a comprehensive and integrated environmental monitoring program pursuant to terms and conditions required by Governmental Authorities, including NIRB;
- c) Incorporate an ecosystem-based approach for monitoring and management of environmental effects arising from the Project;
- d) Include the meaningful participation of QIA and local Inuit in all aspects of the environmental monitoring program developed for the Project during all Construction, Operations and Decommissioning Phases;

- e) Incorporate Inuit Qaujimajatuqangit into project planning as per the objectives of Article 16.
- f) Integrate Inuit Qaujimajatuqangit into the development and implementation of all environmental and socio-economic monitoring programs;
- g) Coordinate all aspects of the environmental monitoring programs for the Project;
- h) Report in an effective and timely manner, pursuant to reporting methods that are specifically developed so as to be meaningful to Inuit, on environmental monitoring programs and the results of such programs;
- i) Promote and support adaptive management systems and processes; and
- j) Included in the Terms of Reference will be the cost structure for the management and activity mandated for the Working Group.

15.5.3 QIA costs associated with participation in the Working Groups shall be paid for by the Company where there is a recognized and demonstrated mutual benefit for the Parties and the scope of work for such costs has been consented to by the Company, which consent may not be unreasonably withheld.

15.6 Final EIS Impact Projections – Different or Greater Significance of Foreseen Impacts

15.6.1 If the collection and use of Inuit Qaujimajatuqangit or the results of any monitoring programs, including the EHS System, reasonably demonstrates that an environmental or socio economic impact is different than those predicted in the Final EIS then the Company shall carry out appropriate measures as contained in the EHS System. These measures may include revisions to the Company's management and mitigation plans within the EHS System, as described in Section 15.3.4, to undertake further technical studies as described in Section 15.4, or require the creation of a working group pursuant to Section 15.5. These measures will be reviewed at the Forum pursuant to Article 14 and by the Executive Committee pursuant to Section 14.11. The evaluation of the potential effects of the project and changes to any management and mitigation plans is part of the continuous improvement principle as applied by the Company.

15.6.2 If the collection and use of Inuit Qaujimajatuqangit or the results of any monitoring programs, including the EHS System, reasonably demonstrates that the significance of residual adverse impacts foreseen by the Final EIS Impact Projections are determined to be significant and materially greater than described in the Final EIS, then the Company shall carry out appropriate measures as

contained in the EHS System. These measures will be reviewed by the Forum pursuant to Article 14 and by the Executive Committee pursuant to Section 14.11.

- 15.6.3 The Company and QIA shall work with regulatory agencies in the assessment and review of significant adverse impacts described in Section 15.6.2.
- 15.6.4 In the event that there are no appropriate mitigation measures to eliminate or reduce significant adverse impact referenced in Section 15.6.2, then the Parties may discuss mitigation measures, including the negotiation of additional compensation pursuant to this Agreement, based on recommendations of the Executive Committee and taking regulatory requirements into consideration.
- 15.6.5 If the Parties cannot agree on additional compensation, then the matter shall be determined pursuant to Article 21.
- 15.6.6 The rights of additional compensation pursuant to Subsection 15.6.4 and Subsection 15.6.5 shall be in addition to and not in substitution or limitation of, the rights of QIA and Inuit to wildlife compensation claims pursuant to Article 6 of the NLCA.
- 15.6.7 Nothing in this agreement prevents QIA from applying to regulatory agencies if QIA disagrees with the Company's proposed mitigation measures.

15.7 Final EIS Impact Projections – Unforeseen Impacts

- 15.7.1 If it is demonstrated that there potential environmental and socio economic impacts arising from the Project that are not described in the Final EIS Impact Projections, then the Company shall carry out appropriate measures as contained in the EHS System. These measures will be reviewed by the Forum pursuant to Article 14 and by the Executive Committee pursuant to Section 14.11 .
- 15.7.2 If it is demonstrated that there are adverse significant impacts arising from the Project are not described in the Final EIS Impact Projections, then the Company shall carry out appropriate measures as contained in the EHS System. These measures will be reviewed by the Forum pursuant to Article 14 and by the Executive Committee pursuant to Section 14.11.
- 15.7.3 The Company and QIA shall work with regulatory agencies in the assessment and review of adverse significant impact described in section 15.7.2.
- 15.7.4 In the event that there are no appropriate mitigation measures to eliminate or reduce the an adverse significant impact referenced in 15.7.2 then the Parties may discuss mitigation measures, including the negotiating additional compensation, based on recommendations of the Executive Committee, taking regulatory requirements into consideration.

15.7.5 The rights of additional compensation pursuant to Subsection 15.6.2 and Subsection 15.6.3 shall be in addition to and not in substitution or limitation of, the rights of QIA and Inuit to wildlife compensation claims pursuant to Article 6 of the NLCA.

15.7.6 If the Parties cannot agree on additional compensation, then the matter shall be determined pursuant to Article 21.

15.7.7 Nothing in this agreement prevents QIA from petitioning to regulatory agencies their concerns, if QIA disagrees with the Company's proposed mitigation measures.

15.8 Environmental Monitors

The Company shall pay QIA the cost to fund a full-time presence on site for Environmental Monitors to be appointed and employed solely by QIA, who shall be in attendance on site at the Project and provide written reports to QIA and the Company. The Environmental Monitors shall attend the Project site with a copy of all environmental approval conditions, including any applicable NIRB project certificate conditions and shall work with representatives of the Company's environmental department to, *inter alia*, ensure the proper and adequate implementation of all management and monitoring plans specific to the physical environment. The Environmental Monitors shall also participate in the organization of and shall facilitate discussion at the Annual Project Review Forum. A Job Description for the position of the Environmental Monitors is set forth in Schedule 15.1 hereof.

15.9 Socio-Economic Monitoring

15.9.1 The IIBA Coordinators for both the Company and QIA, respectively, shall also work with and shall support broader socio-economic activities and organizations, including any socio-economic monitoring committees, related to the Project and its predicted impacts.

15.9.2 By not later than the third anniversary of this Agreement, the Parties may amend this Agreement to provide for additional socio-economic monitoring measures if the Parties determine that socio-economic impacts are not being adequately monitored.

15.10 Regulatory Affairs

15.10.1 The Company will comply with all regulatory requirements associated with the Project, as described in their Sustainability Policy including but not limited to the NIRB Project Certificate and all Nunavut Water Board licences related to the Project.

15.10.2 The Parties recognize the mutual benefit of working together to improve relevant regulatory requirements that impose impractical or inordinate restrictions or

impediments upon the Parties, in the implementation of this IIBA. Possible measures that can be taken by the Parties include but are not limited to the joint filing of applications seeking amendment of regulatory requirements and the carrying out of joint studies or investigations.

- 15.10.3 In addition to Sections 15.10.1 and 15.10.2, where the Parties identify a significant environmental risk or socio-economic risk to Inuit arising from the Project but there are no or limited regulatory requirements in respect of such matter, the Parties shall conduct a review of mitigation measures. The Company may consider these measures in the EHS System to address such matters.

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SCHEDULE 15.1 - JOB DESCRIPTION – ENVIRONMENTAL MONITOR

JOB TITLE: QIA Environmental Monitor DATE:

REPORTS TO: MAJOR PROJECTS DIRECTOR, QIA
ENVIRONMENTAL SUPERINTENDENT, BIM

LOCATION: Mary River Project and QIA Iqaluit Office

ROTATION: Two-week rotational

JOB SUMMARY

The QIA Environmental Monitor position will be a crucial link between QIA and the Company for environmental management, monitoring and reporting purposes. The Environmental Monitor will provide oversight on implementation of the EH&S Management System in accordance with all licenses and permits.

The QIA Environmental Monitor will split his/her time between activities on site and office duties related to reporting requirements and other job responsibilities (i.e. IIBA Annual Information Forum).

REPORTING RELATIONSHIPS

Under the direction of the QIA, in consultation with BIM, the QIA Environmental Monitor will monitor the daily administration and implementation of the EH&S Management System. The QIA Environmental Monitor will work closely with the QIA designate, the BIM designate, the IIBA Management Committee, the Institutions of Public Government (IPGs), all government regulators, IIBA Annual Information Forum and directly with communities.

DUTIES & ESSENTIAL JOB FUNCTIONS

- Participate in implementation of EH&S Management System;
- Act as QIA liaison for on-site environmental matters;
- Maintain environmental-related records and documents;
- Review environmental component of the orientation training program for personnel commencing employment on the project;
- Participate in investigations of all incidents and activities related to higher risk environmental incidents;
- Participate in internal Project audits with respect to EH&S Management System;
- Attend appropriate “toolbox” meetings related to EH&S Management System;
- Review and monitor project specific environmental emergency procedures;
- Work with project management, including contractors, to encourage identification of potential negative environmental impacts and reporting as well as immediate reporting of all incidents and Near Miss incidents by all site personnel;

- Work closely with the BIM Environmental representative to review and revise the project Environmental Plans, i.e. Environmental Protection Plans, Environmental Monitoring Plan, Emergency Response Plan etc.;
- Prepare reports as required by the BIM Environmental representative in support of on-site environmental management and monitoring plans and programs;
- Organize and prepare all reports associated with the IIBA Annual Information Form;
- Prepare reports as required by the Management and Executive Committees;
- Supervise the Support Function as per Section 15.6 and 15.7 of the IIBA;
- Support the development of an action plan for activities and procedures of QIA and the Company related to environmental management, monitoring and reporting including developing priority working areas;
- Provide support to QIA members of the Management and Executive Committees;
- Interact with communities to ensure environmental management, monitoring and reporting practices are well-known and well communicated to Inuit;

OTHER FUNCTIONS AND RESPONSIBILITIES

- Training as required.
- Travel as required.
- Other related duties as required

QUALIFICATIONS

REQUIRED

- Diploma or Certificate from a post-secondary institute in Environmental Engineering or Environmental Science or equivalent experience;
- 5 years relevant experience in the mining/environmental industry;
- Work experience in Nunavut;
- Knowledge of Inuit culture and Inuit communities;
- Demonstrate good oral, interpersonal, written communication and organizational skills;
- Experience reporting to corporate and/or not-for-profit Boards of Directors and committees;
- Working knowledge of word processing and spreadsheet software, as well as email and Internet;
- Ability to work as a member of a team;
- Ability to work independently with minimal supervision;
- Creative problem solving skills;
- Bilingual in Inuktitut and English.

PREFERRED

- A member in good standing of the Qikiqtani Inuit Association or other Nunavut Regional Inuit Association.

ACKNOWLEDGMENT FOR RECEIPT OF JOB DESCRIPTION

I have received a copy of the Job Description and have read and understand its contents.

Employee Name (Please Print)

Date

Employee Signature

Date

Supervisor's Signature

Date

**ARTICLE SIXTEEN
INUIT QAUJIMAJATUQANGIT**

16.1 Definition

For the purposes of this Agreement, the term “Inuit Qaujimagatugangit” or “IQ” means traditional, current and evolving body of Inuit values, beliefs, experience, perceptions and knowledge regarding the environment, including land, water, wildlife and people, to the extent that people are part of the environment.

16.2 Objectives

16.2.1 IQ is beneficial to the Parties and will provide environmental, ecological, cultural and socio-economic information otherwise unavailable to assist in the following:

- a) Determination of accuracy of impact predictions as set out in the Final EIS;
- b) Assist in the verification of effectiveness of mitigation measures as for the potential bio-physical and socio-economic effects of the Project;
- c) Designing, conducting and interpreting results from project monitoring activities and interpreting the effectiveness of impact reduction activities;
- d) Identification of direct impacts as a result of Project activities and not anticipated in the Final EIS;
- e) Contributions to enhanced long-term relationships among QIA, Inuit and the Company both within the workplace and communities;
- f) Guide communications between QIA, Inuit and the Company;
- g) Providing a way of engaging Inuit to share information to better inform discussions and decisions related to the Project socio-economic and environmental management and monitoring programs, regulatory process and Project construction, operation, closure and post-closure; and
- h) Providing clarity for where and how IQ has been collected and applied to project operations, including adaptive management.
- i) Assist in guiding the development of practical solutions related to the implementation of this agreement throughout the life of the project.

16.2.2 The Company shall take IQ into consideration for all its decisions when considering the accuracy of impact predictions, when designing or interpreting the effectiveness of impact reduction activities and the need to modify such activities

including but not limited to social economic elements such as Inuit Human Resource planning.

16.3 Collection and Use of IQ

- 16.3.1 The collection of IQ may improve the knowledge of QIA, beneficiaries and the Company and expand the current understanding of existing IQ where information is sparse or lacking. The Company recognizes that access to and use of, IQ is an important aspect of developing the Project. The Company will continue to consult with QIA and will use IQ, including but not limited to data and will incorporate such information into its project mitigation and management plans prepared pursuant to this Agreement.
- 16.3.2 The collection and use of IQ shall not be limited to the development and application of written data, but shall include all forms of IQ among Inuit, including, without limitation, spoken information, guidance and social change accepted among Inuit.
- 16.3.3 The IQ collection undertaken by the company in connection with its activities will be used by the Company for the life of the Project to meet the requirements of Project management and monitoring and to satisfy the requirements of the regulatory processes referred to in Article 3 and Article 15.
- 16.3.4 IQ Contributors will be fully informed about any proposed use of their IQ for the Project. IQ will not be made public unless the Company has obtained an agreement for its use from both the contributor and QIA.
- 16.3.5 Written consent from all IQ contributors will be obtained in the form that the Parties may agree to from time to time.
- 16.3.6 All materials shall wherever reasonable be made available in both Inuktitut and English including audio interviews, notes, summaries and project documents. Information will be compiled and formatted and whenever possible, using mutually acceptable computer software and methods as agreed to by the Parties.
- 16.3.7 Sensitive information such as, but not limited to, the locations of sacred or spiritual sites, heritage and burial sites will not be included in written reports or otherwise disclosed under any circumstances, if so requested by the contributors, except to QIA (with the written consent of the contributors), in which case QIA shall take reasonable steps to protect the confidentiality of such information.
- 16.3.8 The Company agrees to work with QIA to develop methodological approaches for IQ collection and use and to review and verify IQ information and use in analysis.

- 16.3.9 The Parties shall determine the priority of IQ projects or studies required to satisfy the objectives described in Section 16.2 recognizing that priorities may be influenced by Article 14 and Article 15.
- 16.3.10 The Parties shall select the IQ contributors, translators, elders and others who are necessary and deemed to have the appropriate expertise for the project or studies to be completed in furtherance of Section 16.2. The Parties shall implement procedures to ensure that all contributors understand and sign consent forms as deemed necessary.
- 16.3.11 All questionnaires, guides, workshop formats and other methods of collecting IQ are to be developed with the involvement and approval of the Parties.
- 16.3.12 The Parties shall be responsible for verifying the source of all IQ information collected before summaries and publications are produced in accordance with standard verification protocols agreed to by the Parties.
- 16.3.13 The Company will incorporate the results of IQ projects or studies into its analyses of Project effects.
- 16.3.14 IQ reports will be summarized at the Annual Forum and reported to the Management Committee in accordance with the requirements of this Agreement.
- 16.3.15 Each Party is responsible at all times for the conduct, acts and omissions of its own agent(s), respectively, retained in support of the IQ collection. Neither Party, nor any of their agents, is the agent or representative of the other Party and neither Party, nor any of their agents, may speak for or make commitments or otherwise bind the other Party.

16.4 Ownership of IQ

- 16.4.1 The Parties agree that all IQ shall be the sole and exclusive property of the contributor of such IQ. IQ contributors shall continue to be the exclusive owners of any copyright and intellectual property rights and all other legal rights, in their IQ.
- 16.4.2 The Parties agree that the Company may use IQ data and information it receives, for the purposes of:
- a) Meeting the requirements of Project management and monitoring;
 - b) Generating and improving its management plans;
 - c) Satisfying the requirements of the regulatory processes; and

- d) Determining or revising its mitigation measures to avoid, reduce or respond to anticipated or unanticipated impacts of the Project on Inuit.

16.4.3 The Company acknowledges that QIA, on behalf of Inuit of the Baffin Region, has established a permanent IQ archive and that QIA shall be the ultimate custodian of all IQ materials collected during the term of this Agreement following Project Termination. All IQ materials developed by the Company, in fulfillment of the objectives of this Agreement from time to time shall be collected, recorded, analyzed and assembled in such forms, including electronic forms, as agreed to by the Parties and shall be delivered to QIA in a timely manner.

16.4.4 The Company shall pay the costs of collecting, recording, analyzing, assembling and thereafter delivering to QIA all IQ developed.

16.4.5 QIA, at its sole cost, will maintain and operate QIA's permanent IQ archive.

16.4.6 QIA acknowledges that the Company will maintain and use copies of IQ materials subject to the provisions of this Agreement, for the duration of the Project as required to meet its obligations. The Company shall deliver to QIA all IQ materials in its possession or under its control promptly following Project Termination.

16.4.7 In order to execute the IQ projects or studies to fulfill the objectives referenced in Section 16.2, the Company may be required to hire consultants and advisors.

16.4.8 During the preparation of the environmental impact statements for the Mary River Project reports, the Company worked with QIA and its beneficiaries living in the communities of Pond Inlet, Arctic Bay, Clyde River, Igloolik, Hall Beach, Cape Dorset and Kimmirut in the development of "Community Working Groups" to collect IQ information for the preparation of the Final EIS. From time to time Working Groups may be established, as described in Section 15.5, to pursue the objectives of Section 16.2.

16.5 Oversight

16.5.1 The Parties agree on the need for senior level oversight and advice to ensure the collection and proper use of IQ until Project Termination. The Management Committee shall monitor and oversee as needed to fulfill its functions pursuant to this Agreement.

16.5.2 The Executive Committee shall provide any further oversight as and when required as part of its functions as set out in Article Four.

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**ARTICLE SEVENTEEN
WILDLIFE COMPENSATION**

17.1 Purpose

The purpose of this Article is:

- a) To create a wildlife incident reporting program for the reporting of wildlife fatalities associated with the Mary River Project;
- b) To establish compensation for emergency or illegal kills of polar bears by Company employees or contractors that an HTO may apply for, unless caused by a "Major Event" (as defined herein), as an additional remedy to an NLCA claim by the HTO for wildlife compensation, in accordance with Section 6.6.2 of the NLCA; and
- c) To establish a wildlife compensation fund that QIA, an HTO, or an Inuk may apply to, except where related to a "Major Event" (as defined herein), as an additional remedy to an NLCA claim for wildlife compensation, in accordance with Section 6.6.2 of the NLCA.

17.2 Wildlife Incident Reporting

17.2.1 The Company will report all wildlife kills or accidents involving wildlife in the Project Area by employees of the Company or contractors.

17.2.2 All incidents shall be reported to QIA and the communities in parallel with reporting to the responsible Governmental Authority or within five working days of the incident.

17.2.3 On receiving notice of a wildlife kill, the QIA IIBA Coordinator or the QIA Environmental Monitor may identify an individual who shall be directed to attend the wildlife kill location as soon as possible to prepare the carcass and, where feasible, have the Company deliver salvageable wildlife parts to an affected community. QIA agrees that where immediate transport by the Company to an affected community is not feasible, the QIA IIBA Coordinator or QIA Environmental Monitor may provide direction to the Company for the proper storage of wildlife parts until transportation can be provided. The Company shall pay for any costs associated with the preparation, storage and transport of accidental or emergency wildlife kills.

17.3 No Abrogation of NLCA Rights

17.3.1 The Parties agree that nothing contained in this Agreement shall in any way abrogate, diminish or otherwise limit the rights of QIA, an HTO or an Inuk to file

a claim for compensation with the Surface Rights Tribunal pursuant to Article 6 of the NLCA.

17.3.2 Notwithstanding Section 17.3.1, where an HTO, an Inuk or Inuit receives compensation pursuant to Sections 17.5 or 17.6, the compensation to which such claimant would otherwise be entitled pursuant to Article 6 of the NLCA shall be reduced by the amount of any compensation received pursuant to Sections 17.5 or 17.6, as the case may be. For greater certainty, the rights available pursuant to Article 17 shall be in addition to rights available pursuant to Article 6 of the NLCA, but shall not thereby entitle the claimant to double compensation in respect of the same damages.

17.4 IIBA Wildlife Compensation – Not For “Major Events”

17.4.1 The Parties agree that the additional remedies established for wildlife compensation pursuant to Section 17.5 and 17.6 shall not be available for claims arising from a “Major Event” (as defined herein). Any claim for loss or damage in relation to wildlife harvesting that arises from a Major Event related to the Project shall be made pursuant to Article 6 of the NLCA or otherwise in accordance with any other rights or remedies that the claimant may have under laws of general application.

17.4.2 For the purposes of Article 17, the following types of incident or activity shall constitute a “Major Event”:

- a) Any incident or activity that is identified as a significant adverse impact and which meets the defined criteria for such an impact, as set forth in the Final EIS;
- b) The introduction of invasive species directly or indirectly arising from Project activities that cause a significant adverse impact;
- c) A significant adverse impact to existing commercial fisheries;
- d) The long term or catastrophic decline of wildlife populations that can be attributed, directly or indirectly, to the Project; and
- e) Any other incident or activity determined by the Executive Committee to be a “Major Event” based on information from the public, QIA or the Company.

For greater certainty, in relation to a claim for IIBA wildlife compensation, any question as to whether an incident or activity is of such significance as to constitute a Major Event for the purposes of Article 17 shall be determined by the Executive Committee.

17.5 Compensation for Polar Bear Kills

- 17.5.1 In the event that an employee of the Company, a contractor or a subcontractor causes an accidental or emergency kill of a polar bear within the Project Area, the HTO of the affected community may apply for compensation to be paid by the Company in an amount to be determined by QIA. The amount shall cover the value of the tag, as determined by QIA following discussion with the affected HTO, allocated for the bear killed plus, if applicable, an amount to compensate for the forfeiture of a tag in the following year for the affected community. In no case shall the total amount compensated per polar bear be less than \$20,000. The minimum amount of compensation for polar bear kills may be reviewed and renegotiated periodically by the Parties.
- 17.5.2 If it is uncertain which HTO is the affected HTO, then QIA will determine which HTO is the affected HTO to receive compensation and shall advise the Company accordingly.
- 17.5.3 Compensation otherwise available to an HTO pursuant to Section 17.5.1 does not apply if a polar bear kill arises in the context of an incident or activity that constitutes a Major Event, or is deemed to constitute a Major Event by the Executive Committee.

17.6 Wildlife Compensation Through the Wildlife Compensation Fund

- 17.6.1 The Company shall pay an initial contribution of \$750,000 to QIA to manage the contribution approved by the Company, to establish a Wildlife Compensation Fund pursuant to this Agreement.
- 17.6.2 An Inuk or Inuit may apply to the Wildlife Compensation Fund for compensation for loss or damage relating to wildlife suffered by such claimant or claimants as a result, directly or indirectly, of development activity related to the Project.
- 17.6.3 If the Wildlife Compensation Fund is depleted to less than \$50,000, the Company will decide either to make further monetary contributions to the Wildlife Compensation Fund or terminate the Wildlife Compensation fund. If the Company decides not to provide additional funding, it will provide written reasons to QIA for its decision.
- 17.6.4 QIA will create, manage and administer the Wildlife Compensation Fund. All contributions of the Company to the Wildlife Compensation Fund shall be segregated from all other accounts and funds of QIA and used solely for the purposes of the Fund. For the first three Years of this Agreement, the Company shall pay for the administration costs which shall be addressed in the annual Implementation Budget.
- 17.6.5 In consultation with the Company, QIA will develop a protocol, including a

claims procedure and substantive criteria, for compensation claims to the Wildlife Compensation Fund. All substantive criteria for compensation claims to the Wildlife Compensation Fund shall be consistent with the principles of Article 6 of the NLCA. The Wildlife Compensation Fund protocol may be amended by QIA, after consultation with the Executive Committee from time to time. A copy of the protocol and any amendment thereto shall be promptly provided to the Company.

17.6.6 QIA shall provide the Executive Committee with an annual report detailing, for the Year reported, the total number of claims, the identity of all claimants and their community of residence, a summary of the details of all claims made, the decision made in each claim, including any compensation paid and the reasons for decision for each claim.

17.6.7 The Company and QIA may at any time mutually agree to terminate the Wildlife Compensation Fund on such terms and conditions as they may mutually agree.

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**ARTICLE EIGHTEEN
ARCHAEOLOGY**

18.1 Objective

The Company and QIA agree that the archaeological record of the Nunavut Settlement Area is of spiritual, cultural, religious and educational importance to Inuit.

18.2 General

18.2.1 The Company agrees to comply with all of the requirements of Article 33 of the NLCA and with all legislation, regulations and policy relating thereto, including the *Historical Resources Act* (Nunavut) and the *Historic Sites and Monuments Act* (Canada) and to further comply with all lawful directions and requirements of any Designated Agency referred to in Article 33 of the NLCA, during all of the Construction, Operations and Decommissioning Phases of the Project.

18.2.2 The Company shall provide all of its employees and contractors with an orientation to facilitate recognition of archaeological or other heritage sites.

18.3 Inuit Heritage Trust

18.3.1 Either Party may request that any matter, issue or question arising from time to time in relation to the conservation, maintenance, restoration or display of archaeological sites and specimens, or for any matter that may be of significant cultural importance to Inuit and relating thereto, be referred to the Inuit Heritage Trust for recommendations and advice to the Executive Committee.

18.3.2 The Executive Committee shall receive and consider the advice of the Inuit Heritage Trust and come to a decision regarding an appropriate course of action or decision having regard to such advice.

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ARTICLE NINETEEN CARVING STONE

19.1 Objective

The purpose of this Article is to provide a mechanism to preserve and fulfill the rights of Inuit and QIA to carving stone located on Inuit Owned Lands in the Project Area, as well as rights to carving stone on Crown lands as set out in Article 19 of the NLCA.

19.2 General

Inuit shall enjoy all rights to carving stone on all Inuit Owned Lands within the Project Area and to carving stone on Crown lands as set forth in Part 9 of Article 19 of the NLCA, subject to reasonable safety guidelines deemed necessary by the Company.

19.3 Rights to Significant Deposits on Crown Lands

19.3.1 The Company acknowledges that QIA may, in accordance with Section 19.9.2 of the NLCA, obtain from Government exclusive quarrying rights or title to lands where significant deposits of carving stone are located on Crown lands. The Company agrees to co-operate with QIA in obtaining such rights or title to lands where significant deposits are found on Crown lands in the Project Area, subject to existing Government obligations to the Company in accordance with Section 19.9.2 of the NLCA in respect of such lands.

19.3.2 In the event of any conflict between the Company's rights in Crown lands and any QIA rights or ownership to significant deposits of carving stone on those lands that have or will be obtained by QIA from Government pursuant to Section 19.9.2 of the NLCA, the conflict in respect of the competing rights shall be resolved by the Surface Rights Tribunal pursuant to Section 19.9.5 of the NLCA.

19.4 Discovery of New Deposits

19.4.1 If the Company discovers a previously unknown deposit of carving stone within the Project Area, the Company shall in a timely manner notify QIA of its location.

19.4.2 If a previously unknown deposit of carving stone is located on Inuit Owned Lands, then QIA's rights to the deposit shall be determined in accordance with the NLCA, but subject to the terms and conditions of any lease or access agreement entered into by the Parties.

19.4.3 If a previously unknown deposit of carving stone is located on Crown lands, then QIA's rights to the deposit shall be determined in accordance with Section 19.9.2 of the NLCA as between QIA and Government and the Company agrees to co-operate with QIA in accordance with the provisions of Section 19.3.

19.5 Deposit Relocation

If for any reason, Inuit will be denied access to a previously unknown deposit of carving stone as a result of Project operational requirements, whether on Inuit Owned Lands or on Crown lands, the Company shall, on behalf of QIA, excavate and transport carving stone from this location to a practicable and accessible location as determined by the Company and agreed to by QIA during the period where access is denied. The Company and the QIA shall cooperate in order to obtain any required regulatory or other approvals prior to undertaking such activity.

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ARTICLE TWENTY REPORTING AND RESULTS

20.1 Periodic Reports Required From Company

20.1.1 In order to monitor the progress the Company is making in fulfilling its obligations under this Agreement the Company, working with the Management Committee, will be required to supply reports quarterly to the Executive Committee, as provided for in various Articles of the Agreement, including:

- a) A list of all positions active in all phases of the Project over the previous three months with the Company directly or with Contracts or Subcontracts covered by this Agreement;
- b) A list of Inuit employed in the positions listed in Section 20.1.1 a);
- c) The extent to which the MIEG has been achieved on all active contracts;
- d) A list of training activities underway in all aspects of the Project and Inuit participation in those activities;
- e) A description of training activities pending in the next six months;
- f) A list of contracts currently being carried out on the Project and the extent of participation of Inuit Firms in those contracts;
- g) A list of subcontracts currently being carried out on the Project and the extent of participation of Inuit Firms in those subcontracts;
- h) An account of any enforcement issues;
- i) An account of any arbitration underway or pending;
- j) Education or promotion of education initiatives;

20.1.2 All reports should contain relevant gender-based data. A list of required reports is appended as Schedule 20.1.

20.2 Periodic Reports Required From QIA

Pursuant to Section 12.2.10, QIA will provide annual reports to the Executive Committee on the uses of the Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat Fund.

20.3 Annual IIBA Implementation Report

20.3.1 The Company will prepare an Annual IIBA Implementation Report each Year, for submission to the Executive Committee by January 1 of each Year that this Agreement is in effect.

20.3.2 The Annual IIBA Implementation Report will include, but is not limited to:

- a) An "Inuit Participation Report" containing information on Inuit training and employment, contracts and economic benefits. Minimum contents of this report are detailed in Section 20.4;
- b) A report describing annual achievement of workplace initiatives, including social and cultural objectives of the Agreement minimum contents of this report are detailed in Section 20.5;
- c) An annual implementation budget report; and
- d) Additional reports as directed by the Executive Committee.

20.4 Inuit Participation Report

20.4.1 The Company will prepare an annual Inuit Participation Report containing information on Inuit training and employment, contracts and economic benefits.

20.4.2 The Inuit Participation Report will include:

- a) A joint report from the Company and QIA Inuit Employment and Training Coordinators outlining the progress of training programs, the number of Inuit trained as well as the success rate of training programs, including:
 - i. A list of training programs provided under the Inuit Human Resources Strategy;
 - ii. The number of hours of training received by Inuit in all programs under the Inuit Human Resources Strategy;
 - iii. The percentage of Inuit who successfully completed the training; and
 - iv. The number of graduates who were subsequently hired by contractors and subcontractors;
- b) Details of all training and education initiatives, including but not limited to:

- i. Activities of the Education and Training Fund as well as any additional funding from outside sources;
 - ii. Achievement Awards and Scholarship;
 - iii. Use of Inuktitut and Inuit instructors;
 - iv. Pre-Employment Preparation;
 - v. Adult Education;
 - vi. Construction Training Program;
 - vii. Operation Phase Training Program;
 - viii. Training programs for Contract and Subcontract activities;
 - ix. Management and Advanced Skills Training; and
 - x. Company education initiatives
- c) Any other measures for optimizing Inuit employment and training;
- d) A description of the Company's success in achieving the MIEG during the previous Year, including, where possible and without limitation:
- i. The total number of person days worked by all employees including training positions, by Representative Occupational Grouping;
 - ii. The total number of person days worked by Inuit, by Representative Occupational Grouping;
 - iii. The percentage of total person days worked by Inuit, by Representative Occupational Grouping;
 - iv. The total dollar value of Inuit payroll in the preceding Year;
 - v. Additional steps the Company will take to recruit potential Inuit employees; and
 - vi. Any measures the Company has taken or proposes to take to increase Inuit employment, including such things as the details of any Inuit recruitment programs, training or apprenticeship programs and equivalencies for formal qualifications;
- e) Where the MIEG is lower than the projection provided under Section 7.14, a description of how the Company could achieve the projection for Inuit

- employment;
- f) Other details regarding Inuit employment initiatives, including:
 - i. Inuit Recruitment and Selection Program;
 - ii. Retention, Advancement and Career Development;
 - iii. Inuit women's access to employment;
 - iv. Student Employment;
 - g) A description of how the Company intends to maximize Inuit contracting and subcontracting opportunities, including, where possible and without limitation the names, address and particulars of any actual or proposed Inuit contractors and subcontractors; and the specifics of any actual or proposed contracting arrangements; and
 - h) An analysis of Inuit participation in contracting and subcontracting covering annual and cumulative results by contract type.

20.5 Workplace Initiatives

20.5.1 As part of the Annual IIBA Implementation Report the Company will prepare a report on progress with workplace initiatives, including:

- a) Cross-cultural Recognition;
- b) Inuit Preparedness for the Workplace;
- c) Affirmative Steps for Attracting Female Employees;
- d) Counselling and Support Services;
- e) Availability of Country Food;
- f) Code of Conduct & Anti-Harassment/Discrimination Policy;
- g) NLCA Rights of Inuit, including Employees to Pursue Traditional Activities;
- h) Wildlife Harvesting and Firearms; and
- i) Communications.

20.5.2 In addition to the general reporting requirements above and pursuant to Section 11.4.4, the Company will prepare an report annually specifically on progress with the Inuktitut in the workplace policy.

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SCHEDULE 20.1 LIST OF REQUIRED IIBA REPORTS

IIBA

- | <u>Section</u> | <u>Report Description</u> |
|-----------------------|--|
| 1) 20.1 | Periodic reports required from the Company
Responsibility: The Company, working with the Management Committee.
Reporting to: Executive Committee |
| 2) 20.2 | Periodic Reports required from QIA
Responsibility: QIA
Reporting to: Executive Committee |
| 3) 20.3 | Annual IIBA Implementation Report
Responsibility: The Company
Reporting to: Executive Committee |
| | The Annual IIBA Implementation Report will include: |
| a) 20.4 | Inuit Participation Report
Responsibility: The Company
Reporting to: Executive Committee |
| b) 20.5 | Workplace Initiatives Report
Responsibility: The Company
Reporting to: Executive Committee |
| c) 20.3.2(c) | Annual Implementation Budget Report
Responsibility: The Company
Reporting to: Executive Committee |
| 4) 4.4.9 | Management Committee quarterly and annual reports
Responsibility: Management Committee
Reporting to: Executive Committee |
| 5) 6.3.6 | Annual report of the Business Capacity and Start-Up Fund |
| 6.3.7 | Annual program and budget for the Business Capacity and Start-Up Fund
Responsibility: QIA Inuit Employment and Training Coordinator
Reporting to: Executive Committee |
| 6) 6.4.2 | An up-to-date list of all Nunavut Inuit Firms and Inuit Firms from the |
| 6.5.1 | Baffin Region that appear to be capable of providing goods and/or services to the Project
Responsibility: The Company and QIA
Reporting to: Executive Committee |

- 7) 6.10 **Quarterly reports that demonstrate the extent of compliance with Inuit content for work done by the Company, or for Contracts and related Subcontracts**
Responsibility: The Company, all contractors and subcontractors
Reporting to: Management Committee

- 8) 11.13.1 **Quarterly reports on work place conditions**
Responsibility: Inuit Employment and Training Coordinators and the IIBA Coordinator
Reporting to: Executive Committee

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**ARTICLE TWENTY-ONE
MEDIATION AND ARBITRATION**

21.1 Meaning of Dispute

In this Agreement, a “Dispute” means: any claim involving an alleged breach or anticipated breach of this Agreement, or a dispute involving the interpretation of this Agreement and also includes any other matter which is expressly stated in Sections 4.6 (f), 4.10.1, 5.8.2, 5.15, 9.1.1, 10.5, 10.6, 10.8, 15.6.5, 15.7.6, 22.7, 23.4.2, 23.5.3 and 24.2.3 to be subject to arbitration.

21.2 Mediation

21.2.1 If a Dispute cannot be resolved by the Management Committee, the Executive Committee, or a special meeting of the Presidents of the Company and QIA, or otherwise by good faith negotiation of the Parties within a reasonable time, then either Party may, on notice to the other Party, require that the Dispute be submitted to mediation forthwith.

21.2.2 On receipt of a notice to mediate pursuant to Subsection 21.2.2, the Dispute shall be:

- i) Submitted to a mediator selected by the parties and mediated pursuant to a procedure proposed by the mediator and acceptable to the parties; or
- ii) If the Parties are unable to agree on a mediator and/or a mediation procedure, or if the Parties otherwise desire it, mediated pursuant to the *National Mediation Rules* of the ADR Institute of Canada, Inc., including as to the selection of the mediator.

21.2.3 For all mediation pursuant to this Agreement, the place of mediation shall be in the City of Iqaluit, Nunavut and each Party shall bear its own costs of mediation, provided that the Company shall pay for the costs of the mediation facilities and the mediator. Any mediation settlement by the Parties shall be documented in writing. Should such mediation settlement vary the language of this Agreement, the variation shall be recorded in writing, signed by both Parties and added to this Agreement as an attachment.

21.2.4 Any defence to an action in law before a court of competent jurisdiction based on the expiry of a statutory limitation period shall not include, in the calculation of such statutory limitation period, any period of time between: (i) the date that a notice to mediate is issued by either Party pursuant to Subsection 21.2.1 and (ii) the date that the mediation proceedings occurring pursuant to such notice have been concluded.

21.3 Arbitration Notice

If a Dispute cannot be resolved by the Management Committee, the Executive Committee, or a special meeting of the Presidents of the Company and QIA, or by mediation, then at any time immediately following the mediation, either Party may by written notice to the other Party (a “Notice of Arbitration”) refer the Dispute to arbitration pursuant to Sections 21.3 to 21.10 of this Agreement. Unless a contrary intention is expressed in this Agreement, the arbitration shall be conducted in accordance with the provisions of the *Arbitration Act* (Nunavut). The Notice of Arbitration together with the specific provisions of this Agreement, including Article 21, shall constitute a “submission” within the meaning of the *Arbitration Act* (Nunavut).

21.4 Arbitration Panel

21.4.1 An Arbitration Panel consisting of a single arbitrator whom both Parties agree is qualified to arbitrate the question in dispute will render a decision on the dispute.

21.4.2 If QIA and the Company cannot agree on a single arbitrator then the Dispute shall be submitted to an Arbitration Panel consisting of three similarly qualified arbitrators, one of whom will be chosen by QIA, one by the Company and the third arbitrator by the two nominees so chosen, which third arbitrator shall be the Arbitration Panel chairperson.

21.4.3 If within 15 days of having received a Notice of Arbitration, or such extended time as the Parties mutually agree, a Party fails to either agree to a proposed single arbitrator or to appoint its own nominee, then the Dispute shall be submitted to arbitration by an Arbitration Panel consisting of the sole arbitrator nominated by the Party that appointed an arbitrator.

21.4.4 If within 15 days of their appointment the two arbitrators appointed by the Parties do not agree upon the third arbitrator, then pursuant to a notice of application to the court by either Party, the third arbitrator of the Arbitration Panel shall be appointed by a justice of the superior court having jurisdiction in Nunavut.

21.5 Date and Place of Arbitration

21.5.1 The arbitration hearing will commence not later than 30 days following the appointment of the Arbitration Panel, provided that the Parties may consent to an extension of the time for the arbitration hearing. The Arbitration Panel may also order an extension of the time for the arbitration hearing where reasonably required to accommodate any preliminary matters, provided that no extension shall be permitted to accommodate a delay that is within the reasonable control of a Party to avoid.

21.5.2 The Arbitration Panel shall determine its own procedure, provided that such procedure is consistent with this Agreement and that both Parties shall have equal

opportunities to file any pleadings, present any evidence (including expert evidence) and make such submissions to the Arbitration Panel as the Party considers necessary or desirable. Such procedures may include procedures for preliminary motions and requests by the Parties.

21.5.3 The arbitration hearing shall take place in the City of Iqaluit, Nunavut, or at such other location as may be agreed upon by the Parties.

21.5.4 If the Dispute involves a claim by QIA that the Company has breached Section 5.1.2, any information that QIA demands discovery of shall be produced by the Company to the Arbitration Panel and not to QIA. Similarly, any information which the Company wishes to adduce in defence of the claim will be provided by the Company to the Arbitration Panel and not to QIA. QIA acknowledges and agrees that all such information and evidence (in this Section 21.5.4 the "Confidential Information") is confidential and proprietary to the Company and QIA is not to obtain access to it through the arbitration proceedings. The Arbitration Panel will consider and use the Confidential Information in making its decision but will preserve the confidentiality of it, including vis-a-vis QIA.

21.6 Jurisdiction

21.6.1 The Arbitration Panel will have the jurisdiction to determine all questions of fact or questions of mixed law and fact and to make an award and to grant interim or final orders and relief (including injunctive or other equitable relief on an interim or final basis), that in their discretion is appropriate to resolve the Dispute. The Arbitration Panel may issue orders and awards, whether interim or final and otherwise grant relief *ex aequo et bono* based on what is fair and just given the circumstances of the Dispute.

21.6.2 The Arbitration Panel may make any award or order in its discretion as to the payment of pre-award and/or post award interest and as to costs, including counsel fees and expenses of a Party, as well as the costs of the arbitration including the fees and expenses of the arbitrators and the preparation of hearing transcripts. If an Arbitration Panel makes no decision as to costs, each Party will bear its own costs and an equal share of the other costs of the arbitration, including the remuneration and expenses of the Arbitration Panel.

21.6.3 The Arbitration Panel does not have the authority or power to alter, modify, amend or substitute provisions of this Agreement, except as provided for in Section 22.4, or to otherwise render decisions that are inconsistent with the terms of this Agreement.

21.7 Decision

21.7.1 The Arbitration Panel will render a decision, in writing, based on a majority decision, within three months of the commencement of the arbitration hearing, or

such other date as agreed to by the Parties in writing or extended date ordered by the Arbitration Panel.

21.7.2 The Arbitration Panel shall expressly provide written reasons on which its decision is based and include a description of all evidence considered by the Arbitration Panel.

21.7.3 Either Party may provide written notice within ten days of receiving the written decision requiring the Arbitration Panel to provide written clarification of the decision or any part of the decision that it considers necessary and the Arbitration Panel shall provide the requested clarification, in writing, within seven days of receiving such notice.

21.7.4 A decision of the Arbitration Panel is final and binding on the Parties and is not subject to appeal, but is subject to judicial review by a justice of the superior court having jurisdiction in Nunavut pursuant to the laws of Nunavut.

21.8 Enforcement

Where a Party to an arbitration fails to comply with any of the terms of a decision or order of an Arbitration Panel, any Party to the arbitration may file in the office of the registrar of the superior court having jurisdiction in Nunavut, or in any other court of competent jurisdiction, a copy of the decision or order in the prescribed form, whereupon the decision or order will be entered in the same way as a judgment or order of that court and is enforceable as such.

21.9 Interveners

The Arbitration Panel may, but only on the application of one of the Parties, allow any Person to participate in the arbitration of a Dispute as an intervener, if, in the opinion of the Arbitration Panel, the interest of that Person may be directly affected by the arbitration of the Dispute and on such terms of intervener status as the Arbitration Panel in its discretion may order or decide.

21.10 Publicity

Unless the Parties otherwise agree, the proceedings and all decisions and orders of the Arbitration Panel will be made public provided that all information that by the terms of this Agreement is confidential shall remain confidential and will not be made available to the public and to the extent necessary to preserve such confidentiality the arbitration proceedings shall be closed to the public.

21.11 Settlement Offers

A Party may make settlement offers relating to the Dispute during the arbitration, on a without prejudice basis, which, if not accepted by the other Party, may be taken into

consideration by the Arbitration Panel in the awarding of costs in the event that the Party making the without prejudice settlement offer is successful in its request for relief from the Arbitration Panel.

21.12 Survival

The provisions of this Article 21 shall survive the termination of this Agreement, howsoever termination occurs for any reason whatsoever and shall continue to apply to any Dispute that was outstanding as of the date of termination or in respect of a Dispute arising after termination.

21.13 Overriding Provision

Notwithstanding Section 21.2, if in the opinion of either Party the nature of the Dispute or the time within which resolution of the Dispute is desirable is such that the procedure described in Section 21.2 is unlikely to result in a resolution of the Dispute or a resolution within a timely fashion, the Party may give written notice of the Dispute to the other Party invoking this Section 21.13 and referring the Dispute immediately to arbitration.

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ARTICLE TWENTY-TWO IIBA REVIEW AND RENEGOTIATION

22.1 NLCA, Article 26.10.1

In furtherance of Article 26.10.1 of the NLCA, the Parties agree that this Agreement is not subject to renegotiation except pursuant to the express provisions of this Article 22.

22.2 IIBA Review

The following Articles in this Agreement shall be reviewed by the Parties every three years from the date of execution of this Agreement and at the time of a Change in Scope as defined in Section 3.3: Article Four (Implementation and Management), Article Six (Contracting Opportunities), Article Seven (Employment), Article Eight (Inuit Education and Training), Article Eleven (Workplace Conditions), Article Twelve (Support for Communities), Article Thirteen (Inuit Travel and Access) and Article Fourteen (Inuit Engagement in Project Stewardship). No other Articles, including without limitation Article Five (Financial Participation), shall be subject to review except as expressly provided for therein. At any time the Company and QIA may mutually agree to undertake a review of any particular Article or Section of this IIBA. Nothing in this Article 22 is intended to prevent such review or the Parties' mutual agreement to potentially amend and improve the IIBA.

22.3 Purpose of Review

The purpose of each review shall be to determine whether performance evaluations of IIBA implementation results indicate lack of success in achieving the objectives of this Agreement under Article Four (Implementation and Management), Article Six (Contracting Opportunities), Article Seven (Employment), Article Eight (Inuit Education and Training), Article Eleven (Workplace Conditions), Article Twelve (Support for Communities), Article Thirteen (Inuit Travel and Access) and Article Fourteen (Inuit Engagement in Project Stewardship).

22.4 IIBA Renegotiation

If either Party concludes on reasonable grounds that a review demonstrates that an objective of this Agreement relating to any of the Articles described in Section 22.2 and Section 22.3 is not being successfully achieved as intended by the Parties, then the Parties shall in good faith negotiate one or more amendments to add to, delete or amend any part or provision of the said Articles in order to better achieve the intended objective or objectives.

22.5 Review and Renegotiation Costs

Each Party is responsible for their costs relating to a review pursuant to this Article 22. Provided that if a review results in a renegotiation pursuant to Section 22.4, then all costs

relating to the review, including costs to review and consider performance evaluation data and information reasonably required by QIA, shall be borne by the Company.

22.6 Amendments

Any amendments agreed to by the Parties pursuant to this Article 22 or otherwise shall be made in writing and signed by all Parties, either by the proper signing officers of the Parties individually by counterpart or collectively and any amendment shall take effect on the date specified in the amendment or otherwise on the date on which the last Party executes the amendment unless otherwise agreed by the Parties in writing.

22.7 Arbitration

If the Parties fail to reach agreement on appropriate means of addressing an identified lack of success pursuant to Section 22.4, including any proposed IIBA amendment, then the matter shall be considered a Dispute to be resolved by arbitration in accordance with Article 21. Upon resolution of the Dispute by arbitration in accordance with Article 21, the Arbitrator may order the terms of amendment of this Agreement which shall take effect from the date of the arbitration order, or the date of the arbitration decision, whichever is later. Any specific amendment of this Agreement so ordered by the Arbitrator shall be reduced to writing and the specific written amendment shall be added to this Agreement as an attachment.

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ARTICLE TWENTY-THREE TERM AND TERMINATION

23.1 Agreement Binding

Subject to Section 23.2, this Agreement shall be binding upon the Parties as of the date of its execution by both Parties in accordance with Section 25.14.

23.2 NLCA Effective Date

This Agreement shall take effect as an IIBA in accordance with Section 26.8.1 of the NLCA on the thirtieth day after its receipt by the Minister of Aboriginal Affairs and Northern Development , or alternatively, on the seventh day following receipt by the Minister of any revised IIBA pursuant to Section 26.8.5 of the NLCA.

23.3 Term

This Agreement shall continue in force from its effective date in accordance with Section 23.2 and shall terminate as of Project Termination, unless terminated earlier pursuant to Section 23.5.

23.4 Option to Acquire Project Assets

23.4.1 The objective of this Section 23.4 is to establish a procedure whereby QIA may acquire assets that constitute part of the Project.

23.4.2 Where the Company intends to sell any equipment, building or material within the Project Area, the Company shall first offer the equipment, building or material to QIA for purchase at its fair market value having regard to its condition and location, upon commercial terms and conditions acceptable to the Parties. If the Parties are unable to agree, fair market value and the commercial terms and conditions of sale shall be determined pursuant to Article 21.

23.4.3 If the Company and QIA fail to reach an agreement for purchase and sale within a period of 30 days and the Company receives a *bona fide* written offer from an arms' length third party (a "Third Party Offer"), which Third Party Offer is acceptable to the Company, then the Company shall offer the equipment, building or material for purchase by QIA on the same terms and conditions as those set out in the Third Party Offer (the "Offer"). If QIA fails to accept this Offer within 30 days, the Company shall be entitled to complete the transaction with the third party on the same terms and conditions.

23.4.4 Whenever practicable, the Company shall construct buildings and facilities in the Project Area, in a manner that reasonably facilitates their relocation after Project Termination.

23.5 Early Termination

23.5.1 This Agreement may be terminated prior to Project Termination upon the occurrence of any one of the following events of default:

- a) If the Company, or a permitted successor or assign, is in material default of any provision of this Agreement or any other agreement or instrument with QIA, including, any lease or permit for access to Inuit Owned Lands;
- b) If the Company, or a permitted successor or assign, is in material default of a provision of any agreement or instrument with Nunavut Tunngavik Inc., including any mineral exploration or mineral concession agreement for Inuit Owned Lands;
- c) If the Company, or a permitted successor or assign, is in material default of a provision of any Applicable Laws, including the conditions of any permit, license or approval of any Governmental Authority, including, without limitation, NIRB, for the Project; or
- d) If the Company makes a general assignment for the benefit of its creditors, or is adjudicated bankrupt or insolvent, or a receiver, receiver/manager, trustee or liquidator is appointed for the Company or its assets, unless the Lender has exercised, or provides written notice to QIA that it will be exercising, its rights in accordance with Section 25.3 and proceeds or continues to exercise its rights in a timely manner having regard to the circumstances.

23.5.2 If a default event referred to in Section 23.5.1 occurs and where such default is capable of being remedied such default remains unremedied for 30 days following written notice of default being delivered by QIA to the Company or its permitted successor or assign or such longer period as is reasonable in the circumstances or, if such default is incapable of being remedied the Company does not commence within 30 days following written notice of default being delivered by QIA to the Company or its permitted successor or assign or such longer period as is reasonable in the circumstances to take all reasonable steps to prevent the reoccurrence of the default, then this Agreement may be terminated thereafter on written notice by QIA, effective as of the date that such written notice of termination is delivered to the Company by QIA.

23.5.3 Upon termination of this Agreement the aggregate amount of all obligations owed to QIA pursuant to this Agreement as of the effective date of termination shall forthwith become immediately due and payable by the Company to QIA. In the event of a disagreement, the amount owed to QIA upon termination may be determined pursuant to arbitration in accordance with the arbitration provisions of Article 21.

23.5.4 This Agreement may also be terminated prior to Project Termination pursuant to a written agreement of the Parties. If this Agreement is terminated prior to Project Termination for any reason, the Parties shall negotiate a new IIBA pursuant to Article 26 of the NLCA.

23.5.5 Termination pursuant to the provisions of Section 23.5 above shall be in addition to and not in substitution for, the rights and remedies of QIA pursuant to this Agreement or otherwise at law, including equitable remedies, for any default or non-compliance, material or otherwise, with any provisions of this Agreement. In accordance with Section 26.9.1 of the NLCA, where an amount is required to be paid, or has been paid and is retained, by the Company pursuant to this Agreement before the effective date of termination, as a result of default or non-compliance, the amount paid shall be construed as liquidated damages and shall not be construed as constituting a penalty.

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ARTICLE TWENTY-FOUR ACKNOWLEDGEMENTS

24.1 Representations and Warranties

- 24.1.1 QIA 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 in the Qikiqtani Region of Nunavut.
- 24.1.2 QIA represents and warrants, but only to the best of its knowledge, that no part of the Project Area is within the traditional lands or territory of any other aboriginal group (First Nation or Inuit) that will assert rights to benefit from the Mary River Project. Pursuant to Section 39.1.3 of the NLCA QIA is the designated Inuit organization that has sole responsibility for negotiating Inuit Impact and Benefit Agreements for Major Projects located in the Qikiqtani Region of Nunavut.
- 24.1.3 QIA acknowledges and accepts that the economic, financial and other benefits which will be provided under this Agreement represent the sum benefits that the Company is prepared to provide pursuant to Article 26 of the NLCA with respect to the involvement of all aboriginal groups, communities or other organizations, including QIA, in connection with the Mary River Project.
- 24.1.4 QIA will not carry out any act or initiate any judicial or administrative procedure, nor initiate any other activity whatsoever, that would delay or block the Mary River Project or that would interfere in any manner whatsoever with its being carried out, including opposing the issuing or renewal of the leases and the permits of third parties pertaining to the development of the Project required by the departments and regulatory agencies having jurisdiction over the Mary River Project; provided that QIA reserves the right to make submissions to NIRB and other regulatory agencies in respect of Changes in Scope.
- 24.1.5 Each Party represents and warrants to the other Party as of the date of execution of this Agreement as follows:
- a) That neither the execution and delivery of, nor the performance of its obligations under, this Agreement will result in the breach of any agreement to which it is a party or by which it is bound;
 - b) This Agreement constitutes legal, valid and binding obligations of the Party, enforceable against it in accordance with its terms and it has been duly executed and delivered;
 - c) It has the legal power, authority and capacity to execute and deliver this Agreement and to perform its obligations under this Agreement;

- d) This Agreement has been duly authorized and approved including, by the respective boards of directors of each of QIA and the Company.

24.2 Suspension of Operations

- 24.2.1 Nothing in this Agreement shall be construed as an obligation of the Company to continue Operations or any aspect of the Mary River Project, including whether to apply for government or regulatory permits, licenses and authorizations for the Mary River Project or to accept the terms and conditions of any government or regulatory permits, licenses or authorizations.
- 24.2.2 The Company may suspend or interrupt the Mary River Project as it deems necessary. The Company shall give QIA notice in writing within five Business Days of its decision to suspend or interrupt the Mary River Project and the causes and probable duration of the suspension or interruption of the Mary River Project (the "Suspension Notice").
- 24.2.3 On the delivery of a Suspension Notice, the Company shall be relieved, until the Mary River Project Resumes, in whole or in part, from such of its covenants and obligations under this Agreement as is reasonable in the circumstances, but excepting the obligation to pay Extension Payments pursuant to Article 5. AT the request of the Company the Parties will conduct a review to determine which of its covenants and obligations should be so relieved and the extent and duration of the relief. If the Parties are unable to agree within a reasonable period of time, the matter may be referred to arbitration under Article 21 hereof. The Company shall pay in the normal course any monies that accrued to QIA pursuant to this Agreement as at the delivery of the Suspension Notice.
- 24.2.3 Where the Mary River Project has been suspended, it can resume one (1) day following the delivery of a notice in writing from the Company to QIA communicating that the Mary River Project is resuming (the "Resumption Notice").
- 24.2.4 QIA accepts that the Company is the operator of the Mary River Project and nothing in the IIBA confers operating authority, accountability or responsibility on QIA.
- 24.2.5 Nothing in this Agreement obligates or requires the Company to do anything contrary to law.

24.3 Force Majeure

- 24.3.1 Whenever and to the extent that a Party is bona fide unable, despite its best efforts, to fulfill or is delayed or restricted in fulfilling any of its obligations under this Agreement by an event of Force Majeure, it shall be relieved from the fulfillment of the part of its obligations under this Agreement affected by Force

Majeure, if and for so long as and to the extent it is prevented from performing such obligations by Force Majeure. Such Party shall proceed with the performance of its obligations that are not affected by Force Majeure during the period of Force Majeure. Notwithstanding the foregoing, the Company shall not be relieved by Force Majeure from its obligations under Article 5 or any other obligations to pay money pursuant to this Agreement. Additionally, the representation, warranties and covenants of QIA in Sections 3.7 and 22.1 and Article 24 shall not be affected in any way by Force Majeure.

- 24.3.2 Upon the occurrence of an event of Force Majeure the Company shall notify QIA in writing within five Business Days of the occurrence of the event of Force Majeure identifying the obligations affected by the event of Force Majeure and shall notify QIA in writing within five Business Days of the end of the event of Force Majeure.

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**ARTICLE TWENTY-FIVE
GENERAL**

25.1 Further Assurances

Each of the Parties agrees that it shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things that either of the Parties may reasonably require from time to time that may be necessary or desirable to give effect to this Agreement. Each of the Parties agrees that it shall use its best efforts and will take all such steps as may be reasonably within its power to implement to the fullest extent the objectives and provisions of this Agreement.

25.2 Notices

25.2.1 Any notice or other communication required or permitted to be given pursuant to, or in any manner relating to, this Agreement shall be in writing and shall be delivered either in person, or transmitted by facsimile or transmitted by E-mail (subject to acknowledgment or evidence of receipt), or sent by registered mail, charges prepaid, addressed as follows:

if to QIA:

Qikiqtani Inuit Association
P.O. Box 1340, Iqaluit, NU, X0A 0H0
By Facsimile: 867-979-3238
By Email: Last known address of
QIA's Major Projects Director

if to BIM:

Baffinland Iron Mines Corporation
Suite 1016– 120 Adelaide Street West
Toronto, Ontario, M5H 1T1
By Facsimile: 416-364-0193
By Email: Last known address of
the Company's Corporate Secretary

25.2.2 Any such notice or communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day on the next following Business Day) or, if mailed, on the tenth Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by facsimile or by Email and provided further that notice or other communication shall not be delivered by Email if there are reasonable

grounds for anticipating that the addressee is unavailable or for any other reason will not receive the Email notification in a timely manner.

25.2.3 Either Party may at any time change its address for service from time to time by giving notice to the other Party in accordance with this Section 25.2.

25.3 Assignment and Change in Control

25.3.1 The Parties may respectively assign this Agreement only as provided in Sections 25.3.2 through 25.3.9 or otherwise with the written consent of the other Party.

25.3.2 The Company may, without the consent of QIA, be a party to an amalgamation, merger, reorganization, or similar transaction whereby all or substantially all of the undertaking, property and assets of the Company relating to the Mary River Project become the property of an amalgamated, merged or reorganized entity provided the entity is bound by this Agreement or assumes in writing the obligations of the Company under this Agreement. Once the transaction is made public, the Company shall provide notice of the transaction in writing to QIA along with the documentation evidencing that the entity is bound by this Agreement or has assumed the Company's obligations under this Agreement. The Company shall be released from all covenants and obligations under this Agreement that have been assumed in writing by the entity.

25.3.3 Nothing in this Agreement restricts, limits or prohibits:

- a) a direct or indirect change in control or ownership of the Company, including without limitation any change in the Company's shareholders, general or limited partners, unitholders, members of other security holders, as applicable; or
- b) a transfer by the Company of all or part of its rights and obligations under this Agreement and its interest in the Mary River Project or Property to an Affiliate of the Company provided the Affiliate assumes in writing the obligations of the assigning Company under this Agreement either in whole or in proportion to the interest being assigned and the assigning Company shall thereupon be released from all covenants and obligations under this Agreement that have been so assumed.

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25.3.4 The Company may, without the consent of QIA, sell, transfer or assign all or part of its ownership interest in the Mary River Project and this Agreement to any Person (other than an Affiliate, which shall be governed solely by Section 25.3.3(b)), subject to the following:

- a) Once the transaction is made public, the Company shall provide QIA notice of the sale, transfer or assignment;
- b) the Company shall ensure that the Person to whom this Agreement is sold, transferred or assigned, as a condition of the sale, transfer or assignment, assumes in writing the selling, transferring or assigning Company's obligations under this Agreement, including the obligation to remedy all existing defaults (including the payment of all amounts owed to QIA), either in whole or in proportion to the interest being acquired; and
- c) the Company shall provide QIA documentation evidencing that the Person to whom this Agreement is sold, transferred or assigned is bound by this Agreement or assumes the selling, transferring or assigning Company's obligations under this Agreement.

25.3.5 Where the sale, transfer or assignment has been carried out in accordance with the procedure stipulated in Section 25.3.4 above, the Company shall be released from all covenants and obligations under this Agreement that have been assumed in writing by the purchaser, transferee or assignee.

25.3.6 If QIA is succeeded by a corporate body or other entity as the DIO for purposes of Article 26 of the NLCA, then this Agreement shall be assigned in whole by QIA to that corporate body or entity and that corporate body or entity must agree to assume all of QIA's obligations under this Agreement. QIA shall provide BIM with reasonable notice in writing of a pending succession or transfer of its duties as a DIO pursuant to the NLCA.

25.3.7 The Company may, without the consent of QIA, grant a security interest in, assign and/or mortgage its interest in this Agreement and/or the Project Assets to a Lender as security for financing made available by the Lender to the Company.

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25.3.8 In the event that the Lender forecloses, exercises a power of sale or otherwise realizes on its security, the Lender or Receiver may, at its option and without the consent of QIA, but exercised in a timely manner having regard to the circumstances, elect to sell, transfer or assign all or any interest in this Agreement and/or the Project Assets (a "Sale") to any third party subject to the following requirements:

- a) In the event of a Sale, the Lender or Receiver will ensure that the Purchaser, as a condition of the Sale, assumes in writing the Company's obligations under this Agreement including the obligation to remedy all existing defaults (including the payment of all amounts owed to QIA), either in whole or in proportion to the interest being acquired by the Purchaser in the Sale and the Lender or Receiver shall provide such documentation evidencing that assumption to QIA; and
- b) Where the Lender or Receiver has carried out a Sale of all of the Project Assets in accordance with Section 25.3.8(a) above, the Lender, the Receiver and the Company will be released from all obligations under this Agreement that have been assumed in writing by the Purchaser.

25.3.9 At the request of the Company, QIA will within 15 days of a request therefor, provide an estoppel certificate to the Company, Lenders and other Persons designated by the Company 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 this Agreement as may be reasonably requested.

25.3.10 Upon the occurrence of an event described in Section 25.3.2 through 25.3.8, senior management of the Parties and of any purchaser, transferee, assignee or other entity acquiring an interest in this Agreement, shall be required to meet within 90 days of such event for the express purpose of continuing the ongoing implementation activities pursuant to this Agreement, including to address any outstanding or newly arisen implementation issues, based upon and in conformity with the decisions, guidelines, protocols and standards established by the Executive Committee prior to the occurrence of such event. For greater certainty, the Parties will use their best efforts to ensure that the occurrence of an event that is described in Section 25.3.2 through 25.3.8 shall, to the greatest extent possible, not impede or otherwise detrimentally affect the implementation activities and standards of the Parties existing up to the date of such event.

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25.3.11 The following definitions apply to Sections 23.5.1d) and Sections 25.3.7 to 25.3.10 of this Agreement:

- a) “Lender” means a Person that from time to time provides financing or secured credit to the Company;
- b) “Project Assets” means all the property, assets, business and undertaking of the Company in relation to the Mary River Project;
- c) “Purchaser” means a Person that acquires all or part of the ownership interest in the Project Assets pursuant to a Sale;
- d) “Receiver” means a Person appointed by the Lender or pursuant to realization or bankruptcy proceedings to act in relation to enforcing or otherwise dealing with the Lender’s interest or security including, without limitation, a receiver, receiver-manager, trustee in bankruptcy, administrator or other similar role or appointee.

25.4 Severability

If any provision of this Agreement, or the application thereof to any Person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other Persons, places and circumstances shall remain in full force and effect, but only if, after excluding the portion deemed to be unenforceable, the remaining terms will be effective, having regard to the objective of such terms, to achieve the intend result of such provisions in substantially the same manner as originally set forth at the date this Agreement was executed or last amended, whichever is later.

25.5 Business Day

If any act requires completion, or any period expires, under this Agreement on a day that is not a business day in Nunavut, then such act shall be performed, or such period shall expire, on the next following day that is a business day in Nunavut.

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25.6 Confidentiality

At the request of either party in writing, the terms and conditions of this Agreement shall remain confidential for up to 90 days after which each Party shall be free to disclose this Agreement to any Person. Notwithstanding the foregoing, either Party may disclose the terms herein with its respective professional advisors on a “need to know” basis (provided such Persons agree to be bound by the foregoing confidentiality obligations), or where disclosure is required pursuant to Applicable Laws or in administrative, regulatory or court proceedings. Notwithstanding the foregoing, QIA may provide NLCA beneficiaries represented by QIA with general information and a summary of this IIBA in sufficient detail as to understand the anticipated impacts and benefits of the Project to Inuit.

25.7 Non-Waiver

No amendment of this Agreement is binding unless completed pursuant to Article 22. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing. Nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly stated by the waiving Party. No failure by a Party to exercise and no delay in exercising, any right herein shall operate as a waiver of such right, nor shall any single or partial exercise of a right preclude any other or further exercise of such right or exercise of any other right.

25.8 Governing Law & Attornment

This Agreement shall be interpreted and governed by the laws of Nunavut and the laws of Canada applicable therein. Any action or proceeding commenced by a Party relating to this Agreement shall be commenced in a court of competent jurisdiction in Nunavut and the Parties hereby irrevocably attorn to the exclusive jurisdiction of the Courts of Nunavut in respect of all legal proceedings arising out of this Agreement.

25.9 Language of Agreement

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 shall in future become 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 then be considered equally authoritative.

25.10 Entire Agreement

This Agreement, including all Schedules, constitutes the entire agreement between the

Parties with respect to the subject matter and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, including prior memoranda of understanding or position unless such prior agreements and understanding have been incorporated herein. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter except provided in this Agreement. No reliance is placed by any Party on any warranty, representation, opinion, advice or assertion of fact made by any Party or its directors, officers, employees or agents, to any other Party or its directors, officers, employees or agents, except to the extent that it has been reduced to writing and included in this Agreement.

25.11 Time of the Essence

Time shall in all respects be of the essence of this Agreement. No waiver, extension, modification or variation of this Agreement or any part hereof and no delay in the enforcement of its rights hereunder by a Party, shall operate as a waiver of this provision.

25.12 Rights Cumulative

The rights and remedies of the Parties pursuant to this Agreement are cumulative and not alternative. Except as expressly provided herein, the rights and remedies of the Parties herein shall be in addition to and not a limitation or replacement of any duties, obligations, rights and remedies pursuant to any agreement or instrument or otherwise imposed or available at law or in equity. The covenants and agreements of the Company pursuant to this agreement shall not merge with the terms and conditions of any other agreement, license, permit or other instrument.

25.13 Enurement

This Agreement and all of the terms herein shall enure to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

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25.14 Counterparts

This Agreement may be executed in any number of counterparts and/or by facsimile or e-mail transmission of Adobe Acrobat files, each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument. The Parties agree to create an original version of this Agreement, in multiple copies and bearing the original signatures of the Parties' proper signing officers, to be circulated after signing.

IN WITNESS WHEREOF, the Parties have executed this Agreement as evidenced by the corporate seal and signatures of their duly authorized signing officers.

QIKIQTANI INUIT ASSOCIATION

Per: Do ^{cro} 174566 *President*
Name & Title *de*

Per: *[Signature]* *Negotiator* c/s
Name & Title

BAFFINLAND IRON MINES CORPORATION

Per: *[Signature]* *PRESIDENT*
Name & Title

Per: *[Signature]* c/s
Name & Title
Ron Hampton VP Project Director