

DIAVIK DIAMONDS PROJECT
SOCIO-ECONOMIC MONITORING AGREEMENT

THIS AGREEMENT made this 2nd day of October, 1999

BETWEEN:

DIAVIK DIAMOND MINES INC.
(DDMI)

- and -

THE GOVERNMENT OF THE NORTHWEST TERRITORIES
as Represented by
the Minister of the Department of
Resources, Wildlife and Economic Development
(the GNWT)

- and -

ABORIGINAL SIGNATORIES AND PARTIES

**DIAVIK DIAMONDS PROJECT
SOCIO-ECONOMIC MONITORING AGREEMENT**

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APPENDICES

- A. EMPLOYMENT COMMITMENTS
- B. TRAINING COMMITMENTS
- C. BUSINESS CAPACITY BUILDING COMMITMENTS
- D. CULTURAL AND COMMUNITY WELL-BEING
- E. GLOSSARY OF TERMS

PART I**PREAMBLE****WHEREAS:**

DDMI as manager of an unincorporated joint venture with Aber Diamond Mines Ltd., (“Aber”) proposes to establish a mine and related facilities to be located at the East Island in Lac de Gras, Northwest Territories for the commercial production of rough diamonds. DDMI is entering into this Agreement as manager of the joint venture.

The Comprehensive Study Report (CSR) on environmental assessment issued by DIAND and other responsible authorities under the *Canadian Environmental Assessment Act* includes a requirement for a socio-economic monitoring agreement to provide a formal mechanism to ensure the mitigative measures and commitments of DDMI and those outlined in the CSR are appropriately implemented and monitored.

DDMI and the GNWT acknowledge that the Aboriginal Authorities have aboriginal and treaty rights which are being defined, recognized and protected in a variety of forums.

Nothing in this Agreement abrogates or derogates from participation or benefit agreements or from any aboriginal, treaty or other rights of Aboriginal peoples, including self-government or any fiduciary obligations of the Crown.

The GNWT has committed to lead the development and co-ordination of the socio-economic monitoring agreement.

NOW THEREFORE the Parties, in consideration of the terms and mutual covenants hereinafter contained, agree as follows:

Article 1.1 PURPOSE

The purpose of this Agreement is to:

- 1.1.1 provide an effective ongoing working relationship between the Parties on the matters covered by this Agreement in a spirit of cooperation and with mutual respect for the goals and aspirations of each Party;
- 1.1.2 provide a mechanism whereby effective communication, consultation and cooperation can take place between the Parties;
- 1.1.3 provide for capacity-building and sustainable economic development, while minimizing negative socio-economic impacts from the Project to the extent reasonably practicable;

- 1.1.4 verify the predicted socio-economic effects of the Project as summarized in the Comprehensive Study Report, ensure commitments are acted upon by all Parties and realized in the spirit they were presented, and allow alternate mitigative action where warranted;
- 1.1.5 meaningfully engage those people most affected by the Project - and their representative governments - in assessment, decision-making and management of socio-economic effects arising from this Project; and
- 1.1.6 establish a Diavik Project Communities Group Advisory Board to review and monitor socio-economic impacts of the Project and to provide recommendations and advice to communities, governments and DDMI.

Article 1.2 PRINCIPLES

The Parties acknowledge that this Agreement will be implemented in a manner consistent with the following principles:

- 1.2.1 the social and economic development of Northwest Territories and West Kitikmeot Region can best be achieved when there is a shared vision, and shared action among all Parties;
- 1.2.2 governments, industry, Aboriginal Authorities and communities must work together to enable people to maximize their employment potential and to contribute to the economic and social development of the area;
- 1.2.3 economic diversification is a recognized goal within the NWT to achieve full economic and social potential;
- 1.2.4 recommendations, decisions and actions that flow from this Agreement will be consistent with the beliefs, customs, knowledge and values of the Aboriginal people affected;
- 1.2.5 the Project is expected to contribute to the social, economic and cultural well-being of people of the Northwest Territories and West Kitikmeot Region; and
- 1.2.6 the Project is expected to be profitable and economically successful.

Article 1.3 SIGNATORIES

- 1.3.1 Aboriginal Authorities may exercise an option to be Signatories or Parties to this Agreement. For greater certainty, an Aboriginal Authority Signatory may exercise an option to be a Party to this Agreement.

PART II
ADVISORY BOARD

Article 2.1 DIAVIK PROJECT COMMUNITIES GROUP ADVISORY BOARD

- 2.1.1 There is hereby established the Diavik Project Communities Group Advisory Board (the “Advisory Board”).
- 2.1.2 The role of the Advisory Board will be to:
- (a) provide comment, recommendations and advice to the communities, Aboriginal Authorities, GNWT, and DDMI.
 - (b) to have access to information relating to employment, training, environment, safety, education, business opportunities, transportation and other related matters that may affect the communities.
 - (c) to monitor, review, and make recommendations on:
 - employment;
 - training;
 - the business opportunity strategy implemented by DDMI;
 - the Employee and Family Assistance Program implemented by DDMI for the benefit of all its employees;
 - the fulfilment of commitments by the Parties under this Agreement; and
 - other socio-economic issues which are addressed in this Agreement.
 - (d) to provide opportunities for public participation and involvement.
 - (e) to monitor the mitigation measures and commitments in each area through:
 - reviewing monitoring reports under the Agreement;
 - doing inspections on site from time to time;
 - interviewing employees;
 - considering impacts on communities;
 - reviewing reports submitted by DDMI to regulatory authorities.
 - (f) to make recommendations to communities, Aboriginal Authorities, DDMI, and the GNWT respecting adaptive mitigation measures for achieving the purposes and commitments of this Agreement.
- 2.1.3 Unless otherwise stated in this Agreement, all reports, plans and collected data required in this Agreement shall be submitted to the Advisory Board.

2.1.4 Subject to Article 2.1.5 below, the Advisory Board shall be constituted as follows:

Government of the NWT 2 representatives

DDMI 2 representatives

Dogrib Treaty 11 Council

Rae-Edzo 1 representative

Wha Ti 1 representative

Gameti 1 representative

Wekweti 1 representative

Yellowknives Dene Band

Dettah 1 representative

Ndilo 1 representative

Lutsel K'e Dene Band

Lutsel K'e 1 representative

Kitikmeot Inuit Association

Kugluktuk 1 representative

North Slave Métis Alliance 1 representative

2.1.5 DDMI, GNWT and any Aboriginal Authority which is a Signatory or Party to this Agreement will appoint representatives as set out in Article 2.1.4, above, 60 days following the decision by DDMI to proceed with Construction of the Project or 60 days after becoming a Party or Signatory to this Agreement, whichever is later.

2.1.6 An appointment by an Aboriginal Authority pursuant to Article 2.1.5 for a representative of a community listed under that Aboriginal Authority in Article 2.1.4 shall be made after consultation with the community in respect of which the appointment is made.

2.1.7 The GNWT representative will set the date for the first meeting. The first term will be effective for two years from the date of the first meeting. Thereafter, representatives will be appointed every two years from the date of the first meeting for a term of two years, and representatives may be re-appointed.

2.1.8 A community representative must be a member of the community they represent.

2.1.9 In the event of a vacancy or vacancies the Advisory Board may conduct its business and exercise its duties with such members as have been nominated and appointed.

2.1.10 The duties and responsibilities of representatives on the Advisory Board shall include:

- (a) keeping his or her principals informed of the Board's activities;
- (b) dedicating the time necessary in the communities to enable the representative to interpret and report on experiences at the community level;
- (c) acting as liaison and communications link between the communities represented and the Board;
- (d) reporting to communities on activities and plans of the Board, including further opportunities for increasing employment opportunities and business participation in the Project;
- (e) dedicating the time necessary for meaningful participation in Board decisions; and
- (f) attending each Board meeting and actively participating in Board discussions.

2.1.11 The members of the Advisory Board shall appoint a Chair and a Vice-Chair from among the members of the Advisory Board. The duties and responsibilities of the Chair shall include:

- (a) leading Board members to consensus wherever possible, although it is recognized that this may not always be achieved;
- (b) reviewing, approving and distributing meeting agendas in advance of meeting;
- (c) presiding over meetings and encouraging participation from all members;
- (d) ensuring adequate and thorough discussion takes place on all agenda items to allow for appropriate decisions;
- (e) ensuring that discussions adhere to agenda items;
- (f) acting as spokesperson on behalf of the Board on all matters that require a public statement;
- (g) acting as presiding officer and signatory when necessary; and
- (h) supervising any administrative staff hired by the Board.

2.1.12 The objective of the Advisory Board shall be to reach decision by consensus. In the event that a vote is required, a simple majority will decide matters concerning the ordinary business of the Advisory Board. An amendment to bylaws or formal recommendations to DDMI and/or GNWT requires a vote of 75% of the representatives on the Advisory Board in favour of the amendment or formal recommendation.

- 2.1.13 DDMI and the GNWT will provide the Advisory Board with a draft set of initial bylaws for the internal management and procedures of the Advisory Board. The Advisory Board may adopt, in whole or in part, such initial bylaws by a vote of 75% of the representatives on the Advisory Board. Thereafter, the Advisory Board may from time to time adopt or amend any bylaws by a vote of 75% of the representatives on the Advisory Board.
- 2.1.14 For greater certainty, the Advisory Board may not amend the constitution or representation of the Advisory Board or any of the provisions of this Part or the Agreement and may not make bylaws that are inconsistent with this Part or the Agreement.
- 2.1.15 The mandate and function of the Advisory Board will be reviewed annually by the Parties to ensure consistency with the objectives and intention of this Agreement.
- 2.1.16 DDMI and GNWT will determine and contribute in equal shares to an annual budget for each of the first three years of operation of the Advisory Board. Not later than six months prior to the end of the first three year term, the Advisory Board shall submit a proposed work plan and budget for the next three year term for review and approval of DDMI and the GNWT, who shall have sole discretion to agree between themselves on the level of funding to be provided equally for each three year term. In the event that DDMI and the GNWT are not able to reach agreement between themselves on funding for any three year term, the initial annual budget shall apply.
- 2.1.17 DDMI and the GNWT will establish measures and procedures for appropriate financial accountability by the Advisory Board. The Advisory Board must maintain spending within its annual budget and must comply with the measures and procedures established for financial accountability. Neither DDMI nor the GNWT accept any obligations for funding applications or expenditures beyond those expressly provided for in this Agreement.
- 2.1.18 The Advisory Board will have the authority to make disbursements in order to fulfil its mandate under this Agreement and within its annual budget.
- 2.1.19 The GNWT acknowledges that the disbursements referred to in this Part do not absolve the GNWT from its normal program development and delivery.
- 2.1.20 It is acknowledged that the community representatives may lack certain resources required to fully participate on the Advisory Board. The Advisory Board shall give special consideration to the funding requirements and requests of the community representatives in its budgeting process.
- 2.1.21 The Advisory Board may create subcommittees to carry out specific tasks.

- 2.1.22 The President of DDMI will meet periodically and not less than two (2) times a year with the Advisory Board to review outstanding issues and implementation of this Agreement. In the event that the President is unable to attend a particular meeting due to circumstances beyond his or her control, the President may suggest a suitable alternate officer to attend on his or her behalf.
- 2.1.23 Where the Advisory Board desires to hold meetings at the mine site, DDMI agrees to provide reasonable access for such meetings.
- 2.1.24 The Advisory Board may require any reporting Party to:
- (a) verify or justify how data was collected;
 - (b) substantiate that the data or report is a reasonable representation of actual events.
- 2.1.25 Once the Project has ceased commercial production of rough diamonds, the GNWT and DDMI, after consultation with the Advisory Board, may agree to a schedule for winding down and concluding the operations of the Advisory Board, either during or after rehabilitation, reclamation and closure.

PART III
DIRECT EMPLOYMENT BENEFITS

Article 3.1 INTENT

- 3.1.1 The Parties recognize that the Project represents a major development with the potential to provide significant employment benefits.
- 3.1.2 It is the intent of the Parties to maximize project-related employment opportunities for Northerners pursuant to Appendices A and B.
- 3.1.3 The Parties agree that the provisions of this Part establish a framework for monitoring and evaluation of commitments relating to direct employment benefits of the Project.

Article 3.2 EMPLOYMENT POLICIES AND PRACTICES

- 3.2.1 DDMI agrees to establish employment policies, practices and development programs pursuant to Appendix A.

Article 3.3 TRAINING

- 3.3.1 DDMI agrees to establish training programs on-site and in communities pursuant to Appendix B.
- 3.3.2 The GNWT agrees to support the commitment to maximize Project-related employment opportunities for Northerners through the initiatives and programs outlined in Appendix B.
- 3.3.3 The Aboriginal Authority Parties agree to support the commitment to maximize Project-related employment opportunities through their own initiatives and programs and through those programs which they have responsibility to deliver.

Article 3.4 REPORTING

- 3.4.1 The Parties acknowledge that:
- (a) DDMI is best able to collect and provide data relating to employment and training at the Project;
 - (b) The GNWT is best able to collect and provide data relating to government training initiatives; and
 - (c) Aboriginal Authorities are best able to collect and provide data on programs they deliver and on experiences at the community level.

- 3.4.2 DDMI will report the following data:
- (a) hiring by community, priority group, and job category;
 - (b) employment by northern community, priority group, job category;
 - (c) employment by northern community, priority group, and job category, for those employees who are not Northern Residents under this Agreement but who, at the time of the submission of the report, maintained a self-contained domestic establishment in the Northwest Territories or West Kitikmeot Region - other than a residence at a remote work-site - as their primary residence;
 - (d) employment by non-residents by job category; and
 - (e) company training initiatives by type and participation rates by priority group, and an assessment of the success of the training initiatives in meeting objectives.
- 3.4.3 DDMI will, to the best of its ability, report the information in 3.4.2 on behalf of itself and its contractors. Employment figures will be reported in person years.
- 3.4.4 The GNWT will report a summary of government training efforts relevant to the Project, as set out below:
- (a) training by community, priority group, job category;
 - (b) training by type (job-specific, literacy, pre-employment); and
 - (c) training initiatives by type and participation rates by priority group.
- 3.4.5 Aboriginal Authority Parties will provide reports and data to the Advisory Board respecting employment and training.
- 3.4.6 The community representatives on the Advisory Board will report on and interpret training and employment experiences at the community level.
- 3.4.7 Each Party shall report the data outlined in this Article to the Advisory Board semi-annually, on July 31 and January 31 of every calendar year or such other semi-annual dates established by the Advisory Board.

PART IV**DIRECT ECONOMIC BENEFITS AND ECONOMIC DIVERSIFICATION****Article 4.1 INTENT**

- 4.1.1 The Parties recognize that the Project represents a major development with the potential to provide significant business benefits.
- 4.1.2 It is the intent of the Parties to maximize project-related economic and business opportunities, pursuant to Appendix C and the provisions of this Part.
- 4.1.3 The Parties agree that the provisions of this Part establish a framework for monitoring and evaluation of direct economic benefits of the Project.

Article 4.2 SECONDARY DIAMOND INDUSTRY

- 4.2.1 DDMI and the GNWT have entered into a Memorandum of Understanding (the “MOU”) relating to the availability of rough diamonds from the Project to secondary diamond industry manufacturers based in the NWT. The MOU contains a commitment to negotiate an agreement on secondary industry issues that would cover, but not be limited to: allocation for approved NWT Manufacturers; a process for selection, review, assessment and approval of NWT Manufacturers; monitoring to ensure manufacturing is done in the NWT; a process for sales to NWT Manufacturers. The MOU is separate from this Agreement and is made by DDMI on its own behalf and not as manager of the joint venture.

Article 4.3 PROCUREMENT POLICIES AND PRACTICES

- 4.3.1 DDMI shall establish contracting and local procurement policies and practices pursuant to Appendix C.
- 4.3.2 The GNWT agrees to support the commitment to maximize Project-related economic and business opportunities for Northerners through the initiatives and programs outlined in Appendix C.
- 4.3.3 The Aboriginal Authority Parties agree to support the commitment to maximize Project-related economic and business opportunities through their own initiatives and programs and through those programs which they have responsibility to deliver.

Article 4.4 REPORTING

- 4.4.1 The Parties acknowledge that:
 - (a) DDMI is best able to collect and provide data relating to procurement of goods and services for the Project;

- (b) the GNWT is best able to collect and provide data relating to the use of government business development programs and initiatives relating to the Project;
- (c) Aboriginal Authorities and community representatives on the Advisory Board are best able to collect and provide data interpreting the degree of success experienced at the community level in supplying the Project with goods and services.

4.4.2 DDMI will prepare and report the following:

- (a) a business opportunities forecast identifying potential business opportunities related to the Project shall be reported to the Advisory Board within 3 months following the decision of DDMI to proceed with Construction of Project. Thereafter, an updated business opportunities forecast will be prepared and submitted annually;
- (b) the gross value of goods and services purchased during the calendar year under report: by category (nature) of purchase; business preference category (Northern, Aboriginal, or other); community; and Project phase (Construction, Operations); and
- (c) the activities undertaken by DDMI and its Contractors to achieve the intent of this Part of the Agreement.

4.4.3 DDMI will, to the best of its ability, report all information in 4.4.2(b) on behalf of both itself and its Contractors.

4.4.4 To meet the requirements of 4.4.1(b) above, the GNWT will report the following data as it relates to the Project:

- (a) business grants, contributions and loans by community; and
- (b) a summary of government efforts toward economic and business development.

4.4.5 Aboriginal Authority Parties will provide reports and data to the Advisory Board interpreting the degree of success experienced in supplying the Project with goods and services.

4.4.6 The community representatives on the Advisory Board will report on the degree of success experienced at the community level in supplying the Project with goods and services.

4.4.7 Unless otherwise stated, the reports shall be delivered to the Advisory Board semi-annually, on July 31 and January 31 of every calendar year or such other semi-annual dates established by the Advisory Board.

4.4.8 To the extent possible, without breaching confidentiality and/or proprietary interests, information can be shared in public forums and reports.

PART V
CULTURAL AND COMMUNITY WELL-BEING

Article 5.1 INTENT

- 5.1.1 The Parties recognize that the Project represents a major development with potential impact on cultural and community well-being.
- 5.1.2 It is the intent of the Parties to protect cultural and community well-being pursuant to Appendix D.

Article 5.2 CULTURAL AND COMMUNITY WELL-BEING POLICIES AND PRACTICES

- 5.2.1 DDMI agrees to establish policies and practices pursuant to Appendix D and the provisions of this Article.
- 5.2.2 The GNWT will support the commitment to protect cultural and community well-being through the initiatives and programs outlined in Appendix D.

PART VI
MONITORING AND MITIGATION

Article 6.1 INTENT

6.1.1 Socio-economic monitoring of the Project will address the following categories:

- (a) non-traditional economy;
- (b) cultural well-being, traditional economy, land and resource use;
- (c) social stability and community wellness;
- (d) net effects on Government; and
- (e) sustainable development and economic diversification.

6.1.2 The Parties acknowledge that:

- (a) DDMI is best able to collect and provide data relating to employment, training and procurement;
- (b) the GNWT is best able to report public statistics collected at the national, territorial and community level relevant to the Project; and
- (c) Aboriginal Authorities and community representatives on the Advisory Board are best able to collect and provide data interpreting Project-related experiences at the community level.

Article 6.2 MONITORING PROGRAM

6.2.1 DDMI will report the following data to the Advisory Board, including its analysis and interpretation of that data:

- (a) employment and training data and initiatives pursuant to Part III;
- (b) procurement data and initiatives, and economic and business opportunity initiatives pursuant to Part IV;
- (c) cultural well-being and community wellness initiatives pursuant to Part V; and
- (d) the results of any exit surveys of people leaving the employment of the Project.

6.2.2 The GNWT will report the following public data to the Advisory Board, including analysis and interpretation of that data:

- (a) average income;
- (b) proportion of high income earners;
- (c) social assistance cases;
- (d) employment;
- (e) participation rate;
- (f) registered businesses, bankruptcies and start-ups;
- (g) number of people 15 years and older with less than grade 9;
- (h) number of people 15 years and older with a high school diploma;
- (i) employment and training data and initiatives pursuant to Part III;
- (j) procurement data and initiatives, and economic and business opportunity initiatives pursuant to Part IV.
- (k) percent of work force aged group engaged in traditional activities;
- (l) ratio of home-language use to mother tongue, by major age groups;
- (m) age-standardized injuries;
- (n) single-parent families;
- (o) number of mothers and children referred to shelters;
- (p) police-reported crimes, according to the following categories: violent, property, drug-related, other;
- (q) communicable diseases (sexually-transmitted diseases, tuberculosis);
- (r) children in care;
- (s) any efforts to respond to or mitigate effects believed to arise from the Project;
- (t) the net effects on government of the Project will depend partly on how the Project affects other social, economic and cultural components over the life of the Project. The GNWT may develop a model to capture these net effects; and
- (u) secondary industry data and initiatives pursuant to Article 4.4 and the terms of the Memorandum of Understanding referred to in Article 4.2.

- 6.2.3 Aboriginal Authority Parties will report on and interpret socio-economic effects of the Project to the Advisory Board.
- 6.2.4 The community representatives on the Advisory Board will report on and interpret socio-economic effects of the Project at the community level to the Advisory Board.

Article 6.3 EMPLOYEE SURVEY

- 6.3.1 DDMI agrees to provide access to the Project site and to DDMI employees for GNWT to conduct an annual employee survey.

Article 6.4 REPORTING

- 6.4.1 Unless otherwise stated, Part VI data shall be reported to the Advisory Board no later than three (3) months following the end of each calendar year.
- 6.4.2 Notwithstanding any other provision of this Agreement, DDMI shall not be required to report or disclose information which DDMI considers to be of a proprietary or commercially sensitive nature, or which would infringe the personal privacy of its employees.
- 6.4.3 The Parties agree that, to the extent possible without breaching confidentiality, proprietary interests, commercial interests or intellectual property rights, summarized information will be shared in public forums and reports.
- 6.4.4 Once each calendar year, no later than six (6) months following the end of the previous calendar year, the Advisory Board will submit an annual socio-economic report to each of the GNWT, DDMI, and the communities of Wekweti, Gameti, Wha Ti, Rae-Edzo, Dettah, Ndilo, Lutsel K'e, Kugluktuk and the North Slave Métis Alliance. The report will incorporate the data, analysis and interpretation of the data provided to the Advisory Board under this Agreement.
- 6.4.5 The Advisory Board may incorporate the results of community meetings in the annual socio-economic report.

Article 6.5 MITIGATION

- 6.5.1 The Advisory Board may make formal recommendations, pursuant to Article 2.1.12, to either DDMI or the GNWT, or both, for adaptive mitigation measures in respect of the commitments under this Agreement. DDMI or the GNWT or both, will, subject to Article 6.5.2, take reasonable steps to meet such formal recommendations.
- 6.5.2 Where either DDMI or GNWT or both are unable to comply, or determine that any formal recommendation is unreasonable, they will provide the Advisory Board with written reasons for not meeting the formal recommendation.

PART VII
GENERAL PROVISIONS

Article 7.1 ARBITRATION

- 7.1.1 Where there is a dispute between any Parties (the “disputing parties”) respecting any matter covered within this Agreement, then the disputing parties shall submit the matter to binding arbitration subject to the dispute resolution provisions set out below. These provisions shall not limit the requirements, provisions or powers conferred on any Minister or official as contained in a statute of the GNWT or Regulations thereunder.
- 7.1.2 In the event a dispute arises, the disputing parties shall use all reasonable efforts to amicably resolve it within sixty (60) days or such extended time as the disputing parties may agree.
- 7.1.3 If the dispute is not resolved pursuant to Article 7.1.2, then the disputing parties shall refer the dispute to binding arbitration and the following provisions shall apply:
- (a) the dispute shall be referred to a single arbitrator if the disputing parties agree, otherwise to three arbitrators, one of whom shall be chosen by the Party or Parties bringing the dispute, one by the Party or Parties responding to the dispute, and the third by the two so-chosen. The third arbitrator so chosen shall be the chairperson. Arbitrators shall be independent, disinterested, knowledgeable and experienced in the issue in dispute. A decision may be made by a majority of the arbitrators;
 - (b) if, within fifteen (15) days or such extended time as the disputing parties may agree upon, a Party or Parties who have been notified of a dispute being referred to arbitration, fails to appoint an arbitrator then an application may be made to the Supreme Court of the Northwest Territories for the appointment of an arbitrator;
 - (c) if within fifteen (15) days or such extended time as the disputing parties may agree upon, the two arbitrators appointed under Paragraph (a) or (b) above do not agree upon the third arbitrator, then an application may be made to the Supreme Court of the Northwest Territories for the appointment of the third arbitrator;
 - (d) each of the disputing parties shall bear their own costs of the arbitration, and each of the disputing parties shall pay an equal share of the costs of the arbitrator or arbitration board.
- 7.1.4 The jurisdiction of the arbitrator or arbitration board is limited to issuing decisions resolving disputes respecting the interpretation, application or alleged breach of the terms of this Agreement and requiring compliance with the Agreement. Neither the arbitrator nor an arbitration panel shall have jurisdiction to issue any other directions, enforcement orders or any monetary awards of damages, penalties, accounting, costs or otherwise. Any claims for enforcement or monetary awards shall be within the exclusive jurisdiction of the courts.

- 7.1.5 Except as to matters otherwise provided herein, the provisions of the *Arbitration Act, R.S.N.W.T. 1988, c.A-5* shall apply.
- 7.1.6 For greater certainty, this Article does not prevent or excuse the disputing parties from participating in any regulatory or other legally authorized process concerning the Project.
- 7.1.7 The disputing parties may resolve a dispute by mutual agreement at any time, and all such agreements shall be recorded in writing and signed by authorised representatives of the disputing parties.

Article 7.2 ASSIGNMENTS

- 7.2.1 DDMI shall not assign this Agreement or any part of it, nor be released from its obligations or covenants under this Agreement, unless:
- (a) it is determined by DDMI, in DDMI's sole discretion, that the assignee has the financial and such other capacity and qualifications as may be required to carry out the obligations under this Agreement; and
 - (b) the assignee agrees by an instrument in writing addressed to the GNWT to assume all of DDMI's obligations and liabilities under this Agreement.
- 7.2.2 Where the conditions in this Article are met, DDMI shall be released from all covenants and obligations under this Agreement that are assumed by the assignee.

Article 7.3 SEVERABILITY

- 7.3.1 The provisions of this Agreement are severable. If any provision is declared to be void or unenforceable it shall be severed and the remaining provisions of this Agreement shall continue to have full force and effect.

Article 7.4 APPLICABLE LAWS

- 7.4.1 This Agreement shall be governed by and interpreted in accordance with the laws of the Northwest Territories and the laws of Canada applicable therein.

Article 7.5 ENTIRE AGREEMENT

- 7.5.1 This Agreement, as of the date hereof, will constitute the entire agreement between the Parties with respect to the subject matters set forth herein, excepting the MOU referred to in Article 4.2.1 and which is separate from this Agreement.

Article 7.6 NO AGENCY, PARTNERSHIP

7.6.1 Nothing herein shall be construed to create a relationship of agency, partnership, fiduciary or similar relationship.

Article 7.7 ENURING CLAUSE

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

Article 7.8 REPRESENTATION

7.8.1 DDMI represents and warrants that it is the manager of the Project in accordance with the terms of the Joint Venture Agreement and that the terms of the Joint Venture Agreement entitle DDMI to enter into this Agreement and carry out its obligations hereunder.

Article 7.9 FORCE MAJEURE AND TERMINATION

7.9.1 In the event the Project or mine site is destroyed by fire, the elements or any other cause whatsoever and the Project is not rebuilt, or in the event that in the sole discretion of DDMI it is no longer feasible to operate the Project and it permanently closes, DDMI shall be released from all covenants and obligations under the Agreement.

7.9.2 DDMI may curtail, suspend or interrupt Operations as it sees fit and during such period of curtailment, suspension or interruption DDMI shall be relieved of its obligations hereunder to the extent reasonable in the circumstances.

7.9.3 All of the time limits contained herein shall be extended in the event of any delay caused by an act of God, Her Majesty's enemies, quarantine, riots, strikes, perils of navigation or extraordinary weather conditions or any other conditions beyond the reasonable control of the Parties, the extension being for the period of such delay.

Article 7.10 NOTICES

7.10.1 Any notices or communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be delivered to, or sent by prepaid registered or certified mail, or confirmed facsimile addressed as follows:

(a) in the case of a notice or communication to the GNWT;

*Government of the Northwest Territories
P.O. Box 1320
Yellowknife, NT X1A 2L9
Attn: Deputy Minister - Resources, Wildlife & Economic Development*

*Telephone: (867) 920-8048
Facsimile: (867) 873-0563*

- (b) in the case of a notice or communication to DDMI;

Diavik Diamond Mines Inc.
Box 2498
Yellowknife, NT X1A 2P8
Attn: Vice-President - Community & Government Affairs

Tel: (867) 669-6500
Facsimile: (867) 669-9058

- (c) or to such other address as any Party may notify the other Parties in accordance with this Article; and

if so delivered shall be deemed to have been given when delivered, or at the time of confirmation of electronic transmission if sent by facsimile if such day is a business day, otherwise the next business day following, and if so mailed shall be deemed to have been given on the third business day after the date of mailing except in the case of a mail strike or other disruption of postal service in which case it shall be deemed to have been given on the third business day after such strike or disruption ceases.

Article 7.11 AMENDMENT

- 7.11.1 This Agreement may be amended from time to time by agreement in writing between GNWT and DDMI, after consultation with the Aboriginal Authority Parties. No term in this Agreement may be changed or waived except in writing. No waiver shall constitute a continuing waiver unless expressed as such.
- 7.11.2 In the event that market conditions or other circumstances beyond the control of DDMI render or threaten to render the Project uneconomic, the GNWT and DDMI may review the terms of this Agreement to determine whether they should be amended taking into account the economic requirements of the Project and the socio-economic benefits of sustaining the Project.

Article 7.12 WITHDRAWAL

- 7.12.1 An Aboriginal Authority Signatory or Aboriginal Authority Party may, on written notice, withdraw from this Agreement.

Article 7.13 COMPREHENSIVE STUDY REPORT

- 7.13.1 Nothing in this Agreement shall lessen, or otherwise remove, any obligation or commitment undertaken by DDMI in the proposal to operate the Project as fully described in the Environmental Assessment and Comprehensive Study Reports as submitted to the designated authorities under the CEAA process for the Project.

Article 7.14 CONDITION AND TERM

- 7.14.1 This Agreement shall not come into effect unless and until DDMI has made a decision to proceed with Construction of the Project which is not expected until the Minister of Environment approves the Project, all requisite governmental licences, permits, tenures, authorizations and approvals that DDMI deems necessary have been obtained by DDMI, and Canada confirms that this Agreement meets the requirements of the CSR respecting a socio-economic monitoring agreement.
- 7.14.2 Nothing herein obligates DDMI to develop the Project, to apply for governmental authorizations, to accept the terms and conditions on which governmental authorizations may be offered or to make a Construction or production decision.
- 7.14.3 This Agreement terminates on termination of Operations or such earlier date after cessation of commercial production of rough diamonds from the Project as the GNWT and DDMI may agree or in the circumstances described in paragraph 7.9.1.

Article 7.15 PROGRAM COMMITMENTS OF GNWT

- 7.15.1 The Parties acknowledge that program commitments made by GNWT in this Agreement are subject to Section 46 of the *Financial Administration Act*, R.S.N.W.T. 1988 which reads as follows:

“It is a condition of every contract made by or on behalf of the Government requiring an expenditure that an expenditure pursuant to the contract will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the contract.”

- 7.15.2 The Parties acknowledge that program commitments of the GNWT referred to in this Agreement may be devolved, as a result of evolving structures of governance including aboriginal self-government. Where such devolution occurs, the GNWT will be released from its commitments under this Agreement in those program areas to the extent that it no longer has jurisdiction to fulfil such commitments. This provision does not apply to the commitments of the GNWT to provide funding to the Advisory Board under Part II.

Article 7.16 PLACE OF BUSINESS

- 7.16.1 DDMI shall maintain an office of the operator of the Project in the Northwest Territories, and at such office shall make available, to the GNWT, on reasonable notice to DDMI any and all reports or copies thereof, required and made pursuant to the provisions of this Agreement.

Article 7.17 CONFIDENTIALITY

- 7.17.1 The Parties acknowledge that it is important to maintain, respect and protect the confidentiality of the information collected in implementing this Agreement. The Parties also acknowledge that the Advisory Board requires reasonable data with which to consider

and make decisions. All data and reports collected under this Agreement and considered by the Advisory Board will be maintained so that there is no disclosure of the information gathered that could identify, or could reasonably be expected to identify, an individual to whom it relates.

- 7.17.2 For greater certainty, the Parties acknowledge that the GNWT will collect and report its data in accordance with the *Access to Information and Protection of Privacy Act*.

Article 7.18 DEFINITIONS

- 7.18.1 In this Agreement and in the Appendices, unless there is something in the subject matter or the context inconsistent therewith, the terms and expressions defined in Appendix E (Glossary of Terms) shall have the meanings given to them therein.

Article 7.19 EXTENDED MEANINGS

- 7.19.1 In this Agreement, words importing gender shall include all genders, words importing the singular include the plural and vice versa, and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and government authorities.

- 7.19.2 The Construction Phase and the Operations Phase may occur contemporaneously.

Article 7.20 FURTHER ASSURANCES

- 7.20.1 The Parties shall from time to time do such further acts and execute and deliver all such further documents in a timely fashion as are reasonably required in order to perform and carry out the terms of this Agreement.

Article 7.21 SIGNING IN COUNTERPART

- 7.21.1 This Agreement may be signed by the Parties in counterpart. Each executed counterpart shall be deemed to be an original and all executed counterparts taken together shall constitute one and the same instrument.

Article 7.22 APPENDICES

- 7.22.1 The Parties agree that the Appendices to this Agreement form part of this Agreement.
- 7.22.2 The division of this Agreement into Parts and Articles and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed in their respective names by their duly authorized representatives.

Diavik Diamond Mines Inc. Date Witness

Government of the Northwest
Territories as represented by the
Minister of the Department of
Resources, Wildlife and Economic
Development Date Witness

Dogrib Treaty 11 Council Date Witness

Lutsel K'e Dene Band Date Witness

North Slave Métis Alliance Date Witness

Yellowknives Dene First Nation Date Witness

Kitikmeot Inuit Association Date Witness

IN WITNESS WHEREOF the following Signatories have signed this Agreement by their duly authorized representatives.

_____	_____	_____
Dogrib Treaty 11 Council	Date	Witness

_____	_____	_____
Lutsel K'e Dene Band	Date	Witness

_____	_____	_____
North Slave Métis Alliance	Date	Witness

_____	_____	_____
Yellowknives Dene First Nation	Date	Witness

_____	_____	_____
Kitikmeot Inuit Association	Date	Witness

APPENDIX A

EMPLOYMENT COMMITMENTS

1. DDMI is committed to recruiting and hiring as many Northerners as possible during the Construction and Operation Phases. Subject to applicable laws and regulations DDMI will hire according to the following priorities:
 - First priority, Aboriginal persons
 - Second priority, Northerners who have been continuously resident in the Northwest Territories or the West Kitikmeot Region at least six (6) months prior to being hired;
 - Third priority, other Northerners resident in the Northwest Territories or the West Kitikmeot Region;
 - Fourth priority, all other Canadians
 - Other candidates

subject to the availability of persons in these priority groups with the required skills, training and experience.
2. DDMI will place special emphasis on pre-employment training and employment of Aboriginal persons who live in or originate from the communities of Wekweti, Gameti, Wha Ti, Rae-Edzo, Dettah, Ndilo, Lutsel K'e, Kugluktuk and the North Slave Métis Alliance. DDMI will also recruit for pre-employment training and employment in Yellowknife and other NWT communities in accordance with the hiring priority.
3. Subject to the availability of Northerners with the required skills, training and experience, DDMI confirms as objectives, and will take all reasonable steps, acting in good faith, to work towards ensuring that:
 - (a) employment of Northerners, including employment by Contractors, will be at least 40% of the total employment throughout the Construction Phase of the Project; and
 - (b) employment of Aboriginal (First priority) persons, including employment by Contractors, will make up at least 40% of the total employment throughout the Operation Phase of the Project. Employment of Northerners, including employment by Contractors, will collectively be at least 66% of the total employment throughout the Operation Phase of the Project.
4. The hiring commitments of DDMI under Sections 1, 2 and 3 above are subject to the GNWT granting the appropriate authorization, under the *Fair Practices Act* or other applicable laws and regulations.

5. It is the aspiration of DDMI that, over time the Project workforce will approach 100% Northerners. DDMI may, within its sole discretion, maintain or consider various measures to assist Project employees who reside in the North, including the payment of northern allowances. The GNWT may also, in its sole discretion, maintain or consider various measures to encourage persons to reside in the Northwest Territories.
6. While honouring the commitments respecting employment and training, DDMI retains the right to make independent decisions, in its sole discretion, relating to qualifications for employment, terms of employment, wages, salaries, benefits, allowances, skills, training, experience, work schedules, qualifications for training, terms of training, promotion, demotion, or dismissal, of individual employees or contractors of the Project.
7. Notwithstanding the hiring objectives and priorities, DDMI reserves the sole discretion to employ company officers and senior management and retain outside professional consultants who DDMI determines to have the necessary skills, training and experience to fulfil their duties and obligations.
8. DDMI agrees to:
 - (a) establish a minimum of grade nine as a standard for trainable positions;
 - (b) endeavour to develop work schedules compatible with the traditional pursuits of Aboriginal employees;
 - (c) fund and co-fund community research projects directed at gathering information and addressing barriers to successful employment;
 - (d) actively promote and encourage careers in the diamond mining industry to the youth of the NWT;
 - (e) promote and encourage partnerships with local schools for work experience and job placement programs as well as summer employment opportunities that allow students to gain experience while continuing to complete their education; and
 - (f) subject to priority being granted to Aboriginal students, take all reasonable steps to make summer employment available to Northerner students during the Operation Phase.
9. DDMI commits to cause its Contractors to adopt policies of employment and recruitment consistent with commitments in this Appendix including, but not limited to, the following:
 - (a) requiring all Contractors to expressly state their commitment to hiring Northerners in accordance with the priorities listed in Section 1;
 - (b) evaluating bids on the basis of whether appropriate commitments to hire Northerners are included or planned for in the bid;

- (c) incorporating the successful bidder's commitments to hire Northerners into the contract document; and
 - (d) requiring all Contractors to fulfil the reporting requirements of Article 3.4.
10. DDMI will provide employees, on their own time, with free work-related round-trip transportation to the mine site from the communities of Wekweti, Gameti, Wha Ti, Rae-Edzo, Dettah, Ndilo, Lutsel K'e, Kugluktuk, Yellowknife and Hay River (the "pick-up-points").
 11. DDMI will seek opportunities with GNWT and KIA to enhance employment opportunities from other NWT communities such as Inuvik, Ft. Simpson, Norman Wells and Ft. Smith, and West Kitikmeot communities by expanding pickup points where logistically, safely, and economically possible. Where circumstances warrant, the GNWT agrees to consider providing a transportation allowance for the said expansion in the NWT or for DDMI employees who live in an NWT community that is a reasonable distance from the expanded pickup point to assist those employees to get to the expanded pickup point so they can be transported to the mine site.
 12. DDMI may pay the travel costs of employees travelling, during regular shift changes, outside the Northwest Territories or West Kitikmeot Region, for no more than the first four years of Operations, subject to review and to availability of qualified and interested Northerner candidates.

APPENDIX B

TRAINING COMMITMENTS

1. While in commercial production, DDMI will employ and provide training for at least 8 and up to 18 apprentice positions to be filled pursuant to the priorities set out in Appendix A, subject to the availability of persons who meet the requirements of the *Northwest Territories Apprenticeship, Trade and Occupations Certification Act*.
2. DDMI and the GNWT will collaborate to increase the number of apprenticeships in advance of the Operation Phase of the Project. For greater certainty, these apprenticeships are other than those listed in 1 above. Programs and funds to increase the number of apprenticeships may include, but are not limited to, the following:
 - (a) the commitment of DDMI to sponsor and encourage apprenticeships in the communities of Wekweti, Gameti, Wha Ti, Rae-Edzo, Dettah, Ndilo, Lutsel K'e, Kugluktuk and North Slave Métis Alliance on other industry projects by providing funding towards wages in the first three years of this Agreement;
 - (b) existing GNWT training subsidies and support services available through the Apprenticeship Training On The Job Program;
 - (c) existing GNWT initiatives such as MineTap and the Minister of Education's Mine Training Committee.

It is the intent of this section that these apprentices will, where reasonable, be hired by DDMI upon successful completion of their apprenticeship.

3. In developing its training programs, DDMI will focus on:
 - (a) providing pre-employment opportunities for training in accordance with the hiring priorities;
 - (b) enabling Northerners to gain access to jobs;
 - (c) giving special emphasis to providing training opportunities in the communities of Wekweti, Gameti, Wha Ti, Rae-Edzo, Dettah, Ndilo, Lutsel K'e, Kugluktuk and the North Slave Métis Alliance;
 - (d) facilitating employment advancement for Northerners;
 - (e) enabling Northerners to fill apprenticeship, technical, technological, supervisory, managerial, and professional occupations;
 - (f) requiring all long-term contractors to the Project to adhere to the goal of maximising the employment of Northerners; and

- (g) collaboration with GNWT in the development of pre-employment preparation, skill development training, on-the-job training, and re-training programs to better enable Northerners to take advantage of employment opportunities deriving from the Project.
4. DDMI agrees to:
- (a) collaborate with Aboriginal people to encourage development and delivery of training programs based on cultural value systems which include a cultural component that would introduce new employees to rotation employment and the intricacies of scheduled work;
 - (b) consult with the Advisory Board in the ongoing review and development of training programs;
 - (c) continue “on-the-job” training throughout the life of the Project;
 - (d) recruit potential process plant operators six months before the Operation Phase of the Project in accordance with the hiring priorities;
 - (e) initiate a pre-employment training program for the process plant three months before commissioning of the plant;
 - (f) upgrade and train its Northerner employees so that they are able to accept positions of greater responsibility within DDMI.
 - (g) support programs that encourage careers in technology, science, and engineering, working in co-operation with the GNWT and Aboriginal Authorities;
 - (h) supplement existing training programs with “on the job” training as much as possible; and
 - (i) participate in regional career fairs.
5. The GNWT agrees to support the commitment to maximize employment opportunities for Northerners in the Project through the following initiatives and programs:
- (a) continue offering pre-employment training programs and commit resources in order to ensure availability to Northerners;
 - (b) develop an accelerated apprenticeship program to enable Northerners to become qualified tradespeople and thereby take advantage of the employment opportunities created by the Project;
 - (c) provide training allowances and support services through the Apprenticeship Training Assistance program which includes training subsidies and education related support costs such as tuition, travel, books and living-away-from-home allowances;

- (d) allow eligible candidates access to education and training allowances that may be available through the Student Financial Assistance Program and the Canada-GNWT Labour Market Development Agreement;
 - (e) provide training subsidies that may be available through the Training-on-the-Job program to eligible candidates;
 - (f) include careers in the mining industry in its career counselling services;
 - (g) work with industry, aboriginal organizations, Aurora College and the Mine Training Committee to co-ordinate the delivery of training programs; and
 - (h) organize and support regional career fairs.
6. The Parties acknowledge that, notwithstanding typical training periods, said training periods may need to be adjusted to reflect entry-level education of trainees.
7. DDMI shall organize and implement its training programs so that employees completing the training will be able to use the skills acquired and time spent as credit towards certification or status recognized in the Northwest Territories under the *Apprenticeship, Trade and Occupations Certification Act*, 1988 R.S.N.W.T. c.A-4.
8. DDMI shall record the details of employment and training according to the Northwest Territories *Apprenticeship, Trade and Occupations Certification Act*.

APPENDIX C

BUSINESS CAPACITY-BUILDING COMMITMENTS

1. Whenever practicable, and consistent with sound procurement management, DDMI agrees to implement policies that are intended to maximize business opportunities for Northern Businesses. It is the intention of DDMI to purchase as many goods and services in the north as practical, subject to the criteria set out in Section 7 below.
2. The Socio-economic Environmental Effects Report submitted by DDMI in connection with the Project estimated, using economic models, that 38% of materials and equipment purchased during Construction and 32% of goods and services purchased during Operation of the Project would be produced by and accrue to Northern Businesses.

These estimates take into account that many goods and materials purchased from local suppliers would actually be produced in other provinces or jurisdictions. Where goods and services are actually produced in other jurisdictions, the value accruing to Northern Businesses would only include such factors as wholesale and retail mark-ups and local transportation costs.

The percentage of goods and services produced by and accruing to Northern Businesses is currently limited by the structure and capacity of the northern economy. They can be increased by identifying and encouraging new business development and by diversification of the economy.

DDMI is committed to taking the measures set out in this Appendix to maximize Project related business opportunities for Northern Businesses.

The GNWT is committed to taking the measures set out in this Appendix to establish and maintain programs and policies to increase the capacity and diversification of the economy and to encourage new business development to assist and enable Northern Businesses to take advantage of Project related business opportunities.

3. DDMI confirms as objectives, and will take all reasonable steps, acting in good faith, to work towards ensuring that:
 - (a) Purchases of goods and services through or from Northern Businesses during the Construction Phase will be at least 38% of the total purchases associated with the Construction Phase; and
 - (b) Purchases of goods and services through or from Northern Businesses during the Operation Phase will be at least 70% of the total purchases associated with the Operation Phase.

4. The Parties agree that the purchasing targets set out in Section 3 above will be calculated based on the gross value of purchases of goods and services, including both goods and services produced in the Northwest Territories, and goods and services produced outside the Northwest Territories and purchased through Northern Businesses who act as wholesalers, retailers, purchasing or selling agents, or otherwise for those goods and services.
5. Subject to applicable laws and regulations, DDMI will consider bids for procurement opportunities according to the priorities in the order set out below:
 - First priority, Aboriginal Businesses
 - Second priority, Northern Businesses
 - Third priority, all other businesses

subject to the ability of businesses in these priority groups to supply goods and services while meeting the criteria set out in Section 7 below.
6. DDMI will place special emphasis on developing business opportunities with the communities of Wekweti, Gameti, Wha Ti, Rae-Edzo, Dettah, Ndilo, Lutsel K'e, Kugluktuk and the North Slave Métis Alliance.
7. The criteria used for the evaluation and awarding of all contracts by DDMI for the Project shall include, but not be limited to, all of the following:
 - (a) cost competitiveness;
 - (b) quality;
 - (c) ability to supply and deliver the goods and services to be provided;
 - (d) timely delivery;
 - (e) safety and environmental record;
 - (f) degree of Northerner and Aboriginal participation; and
 - (g) other generally accepted industry criteria such as follow-up service.
8. While honouring the commitments respecting procurement, DDMI retains the right to make independent decisions, in its sole discretion, relating to qualifications for contractors, contractual terms, and the assessment of the criteria in Section 7 above. The provisions of this Appendix respecting priorities do not apply to the retention of professional advisors or consultants.
9. DDMI agrees to take the following measures to maximize project related business opportunities for Northern Businesses:

- a) DDMI will prepare an annual business opportunities forecast which will identify the reasonably foreseeable procurement requirements of the Project, in accordance with Article 4.4.2;
- b) DDMI will work closely with the GNWT to identify categories of goods and services which may present the best opportunities for supply by Northern Businesses and to identify publicly available economic development programs in matching Project related business opportunities with new entrepreneurs and existing business capabilities;
- c) DDMI will work closely with the GNWT and with mandated groups and agencies to achieve the greatest degree of Northern Business participation that is technically and financially achievable within the criteria identified in Section 7;
- d) DDMI will prepare an annual report on the gross value of goods and services purchased during the previous year, in accordance with Article 4.4.2 of the Agreement;
- e) maintain its corporate headquarters in the Northwest Territories during the life of the Project and, once Construction has been completed, to close its Calgary office and relocate the remaining employees to the Northwest Territories;
- f) establish, together with its joint venture partner, an off-site sorting facility for production splitting and royalty valuation purposes in the NWT;
- g) work closely with all groups and agencies mandated to achieve Northern Business participation in the Project;
- h) provide technical support and assistance in accessing sources of commercial capital throughout the business assessment, planning and development phases;
- i) work closely with northern communities to co-operatively achieve success in creating long-term business and employment opportunities and in increasing business capacity;
- j) actively initiate the business development process, enabling the provision of complete technical business development support services through existing public and private sector programs;
- k) identify project components at all stages of development and operations that should be targets for a business development strategy;
- l) design and communicate clear business development strategies for Aboriginal Authorities, communicating the scope and scale of business opportunities and project requirements in a timely and effective manner;

- m) develop clear guidelines and schedules regarding what resources the company will commit to project-related business opportunity developments;
 - n) develop a business development tracking system, involving the Advisory Board in designing that system;
 - o) establish a procurement office in the Northwest Territories for the Operation Phase;
 - p) conduct business opportunity seminars and workshops to make the business community aware of its corporate policy respecting procurement guidelines;
 - q) provide Northern Businesses with a business opportunities forecast and other information relating to DDMI's procurement needs which may include workshops, publications and advertisements in trade magazines;
 - r) facilitate subcontracting opportunities for Northern Businesses;
 - s) identify possible opportunities for joint ventures by Northern Businesses, and particularly by Aboriginal Businesses.
10. The Parties confirm that financing of business undertakings related to the provision of goods and services to the Project will be the responsibility of the business operator. Capital required for business start-up or expansion may be obtained from public sector economic development programs, commercial and development banking institutions or a combination thereof. Nothing in this Agreement should be interpreted as a commitment by DDMI to provide financing or other economic benefits to such business undertakings.
11. GNWT shall support the intention to maximize project-related economic and business opportunities for Northerners through the following initiatives and programs:
- (a) provide and actively communicate to eligible participants, a general program of business grants, contributions, and loans to maximize business capacities and employment opportunities in Northwest Territories communities;
 - (b) assist Northwest Territories businesses to acquire or develop capital where it will result in an increase in the Northwest Territories employment;
 - (c) maintain a registry of businesses eligible under the GNWT Business Incentive Policy and where possible, provide DDMI access to that data for contracts and procurement purposes;
 - (d) keep Northwest Territories businesses informed of opportunities arising from the business opportunities forecast and assist Northwest Territories businesses in taking advantage of contracting opportunities related to the Project;

- (e) actively support the business development process, enabling the provision of technical business development support services through existing public and private sector programs;
- (f) work with Northwest Territories communities to create long-term business and employment opportunities and to increase business capacity;
- (g) facilitate the upgrading of management and entrepreneurial skills of Northwest Territories residents;
- (h) assist in the identification of opportunities for joint ventures with Northwest Territories businesses ;
- (i) facilitate the design, preparation and development of financial proposals from Northwest Territories businesses;
- (j) provide counselling services to assist Northwest Territories businesses through the business development process; and
- (k) support northern business community meetings or conferences related to promoting business opportunities in the Project.

APPENDIX D

CULTURAL AND COMMUNITY WELL-BEING

1. As reflected in the CSR, effective social, economic and cultural monitoring and responsive mitigation will require a partnership among DDMI, Federal, Territorial and Aboriginal Governments, Aboriginal and non-government organizations, and communities.
2. DDMI will introduce and maintain the following measures to assist Northerner employees to perform well in their jobs and to help their local communities cope with any potential effects of the Project :
 - (a) ensure that all Employee Relations Personnel will be able to communicate in at least one Aboriginal language spoken in the NWT;
 - (b) pay for aboriginal language interpreters at community meetings;
 - (c) encourage Aboriginal language speakers at the mine site to communicate in their mother-tongue, bearing in mind practical and safety requirements;
 - (d) encourage Aboriginal workers to reside in their home communities;
 - (e) in cooperation with Aboriginal Authorities, provide and maintain Dene, Métis and Inuit reading and video materials on-site;
 - (f) address cultural sensitivity and cross-cultural awareness in all orientation training;
 - (g) serve Country Food at the mine site;
 - (h) make freezers available for storing Country Food;
 - (i) provide employees with one week of unaccountable leave;
 - (j) discuss with the Advisory Board the cross-cultural training needs of DDMI employees. DDMI agrees to fund cross-cultural training programs as may be agreed upon by DDMI and the Advisory Board;
 - (k) assist in the development of drug and alcohol rehabilitation programs, money management workshops and other individual support matters;
 - (l) provide communication links to home communities;
 - (m) permit periodic spousal tours of the work site;

- (n) maintain an Employee and Family Assistance Program (EFAP) for employees and their immediate families, with services provided primarily by local and trusted people;
 - (o) the EFAP will develop partnerships with local community support agencies;
 - (p) where practical, contract service providers for the Employee and Family Assistance Program based on their expertise and experience in the field of addictions and addiction rehabilitation;
 - (q) employ a number of Employee Relations Personnel both on a rotation on site and in the communities of Wekweti, Gameti, Wha Ti, Rae-Edzo, Dettah, Ndilo, and Lutsel K'e, Kugluktuk and with the North Slave Métis Alliance, who are familiar with the conditions in communities that may affect the employee at work and vice versa, to act as liaison people between DDMI, the employee, and these communities;
 - (r) maintain and provide space at the mine site for spiritual or other employee-driven requirements;
 - (s) provide recreation facilities and a recreation co-ordinator at the mine site;
 - (t) enforce a sexual harassment policy at the mine site, and an alcohol-and drug-free workplace policy for the possession or use of any alcohol or illegal drugs on any DDMI property;
 - (u) notify communities along Highways 1 and 3 of increased truck traffic;
 - (v) encourage the development of sustainable businesses that will not be uniquely dependent on the Project;
 - (w) during the Construction and Operation Phases, work closely with mandated government agencies to develop a Project related strategy to diversify the regional and local economies;
 - (x) on closure, gradually reduce employment at the mine site; and
 - (y) provide outplacement counselling, family adjustment, and pension and savings plans seminars in the communities of Wekweti, Gameti, Wha Ti, Rae-Edzo, Dettah, Ndilo, Lutsel K'e and Kugluktuk and with the North Slave Métis Alliance.
3. DDMI will seek the assistance of Community Representatives on the Advisory Board in the ongoing review and assessment of the above measures and the particular requirements of individual communities.
 4. GNWT will seek the assistance of Community Representatives on the Advisory Board in the ongoing review and assessment of its community programs and initiatives .

APPENDIX E

GLOSSARY OF TERMS

In the Agreement and in the Appendices attached thereto, the following terms and expressions will have the following meanings:

“Aboriginal” means any Indian, Inuit or Métis person who:

- (a) was born in the Northwest Territories or West Kitikmeot Region; or
- (b) is a descendant of an aboriginal person born in the Northwest Territories or West Kitikmeot Region.

“Aboriginal Authorities” means the Dogrib Treaty 11 Council , the Lutsel K’e Dene Band, the Yellowknives Dene First Nation, the North Slave Métis Alliance and the Kitikmeot Inuit Association.

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

- (a) is a limited company with at least 51 percent of the company’s voting shares beneficially owned by one or more Aboriginal persons who maintain(s) a primary residence in the Northwest Territories or West Kitikmeot Region;
- (b) is a co-operative with at least 51 percent of the co-operative’s voting shares beneficially owned by Aboriginal persons who maintain(s) a primary residence in the Northwest Territories or West Kitikmeot Region;
- (c) is a sole proprietorship, the proprietor of which is an Aboriginal person who maintain(s) a primary residence in the Northwest Territories or West Kitikmeot Region; or
- (d) is a partnership, the majority interest in which is owned by Aboriginal persons who maintain(s) a primary residence in the Northwest Territories or West Kitikmeot Region and in which the majority of benefits, under the partnership agreement, accrues to such Aboriginal persons;

and complies with the following criteria for overhead:

- (a) maintains an approved place of business in the Northwest Territories or West Kitikmeot Region by leasing or owning office, commercial or industrial space or in

the case of service oriented businesses, residential space, in the Northwest Territories or West Kitikmeot Region on an annual basis for the primary purpose of operating the subject business, and

- (b) maintains a resident manager, and
- (c) undertakes the majority of its management and administrative functions (related to its operations in the Northwest Territories or West Kitikmeot Region) in the Northwest Territories or West Kitikmeot Region.

“Construction” means all work undertaken to bring the Project into production, including the construction and installation of all buildings, plant and equipment required for production.

“Construction Phase” means the period of time commencing with the start of Construction and ending with the commencement of the Operation Phase, whether the said Construction is planned or initiated as of the date of this Agreement or at any later date.

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

“Country Food” means traditional food used by Aboriginal peoples.

“employment” means, unless the context otherwise indicates, persons employed by DDMI, or Contractors, who are directly and regularly engaged as salaried employees or as management or administrative personnel in the Construction or Operation of the Project. For greater certainty, this does not include consultants.

“North Slave Métis Alliance” means those indigenous Métis who possess Aboriginal rights as defined under s.35 of the *Constitution Act 1982* in the North Slave region of the Northwest Territories and whose ascendants used and occupied the North Slave region prior to the signing of Treaty 11 in 1921.

“Northern Business” means:

- (a) an Aboriginal Business; or
- (b) a business that complies with the legal requirements to carry on business in the Northwest Territories or West Kitikmeot Region, is an incorporated company, unincorporated joint venture, partnership, proprietorship or cooperative of Northerners, and complies with the following criteria:
 - (i) maintains an approved place of business in the Northwest Territories or West Kitikmeot Region by leasing or owning office, commercial or industrial space or in the case of service-oriented businesses, residential space in the Northwest Territories or West Kitikmeot Region on an annual basis for the primary purpose of operating the subject business;

- (ii) maintains a resident Northerner manager;
- (iii) undertakes the majority of its management and administrative functions (related to its operations in the Northwest Territories or West Kitikmeot Region) in the Northwest Territories or West Kitikmeot Region; and
- (iv) is a business in which Northerners have substantial management authority or in which Northerners have a significant ownership or working interest.

“Northerners” means Aboriginal persons and any persons who primarily reside in a self-contained domestic establishment (other than residence at a remote work site) in the Northwest Territories or the West Kitikmeot Region, when not attending an educational institution full time.

“Northwest Territories” has the meaning ascribed to it in the definition “Territories” in section 2 of the *Northwest Territories Act*, as it reads on the date of this Agreement.

“Operations” means every kind of work done in respect of the operation of the Project from the time it goes into commercial production until permanent closure of the Project and includes mining, processing, environmental protection, and site reclamation.

“Operation Phase” means that period of time that the Project is in Operations.

“Parties” means the GNWT, DDMI and any Aboriginal Authority which has exercised the option to become a Party to this Agreement under Article 1.3.1.

“Project” means the Project described in the Project Description Submission submitted by DDMI in March, 1998 for the purpose of providing responsible authorities with sufficient information to initiate the Federal Environmental Assessment Process, with such refinements or alterations as have been submitted since the Project Description Submission and considered in the CSR or which are required by responsible authorities or regulatory authorities. GNWT and DDMI may agree to extend this definition to include any future modifications or additions to the Project.

“Signatories” means each of the Aboriginal Authorities which has elected to sign this Agreement under Article 1.3.1 to confirm their support to the commitments made in this Agreement as Signatories. Signatories are not bound as Parties to this Agreement.

“West Kitikmeot Region” means the communities of Kugluktuk, Umingmaktok and Bathurst Inlet.