

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

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INUIT IMPACT AND BENEFIT AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT is made as of the ____ day of October, 2018.

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 Oakville, 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 the north Baffin area 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 entered into an Inuit Impact and Benefit Agreement dated September 6, 2013 to address the impacts on Inuit and provide for the benefits and opportunities to Inuit, arising from the Mary River Project (the “2013 Agreement”);

AND WHEREAS pursuant to Article 22 of the 2013 Agreement, the Company and QIA have agreed to amend certain articles of the 2013 Agreement in order to better achieve the stated objectives of the 2013 Agreement;

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 1 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) **“2013 Agreement”** means the Inuit Impact and Benefit Agreement dated September 6, 2013 and any and all schedules, appendices, amendments or extensions negotiated in furtherance of the 2013 Agreement;
- (b) **“ACN”** means the advance contract notification periods described in Sections 6.10 and 6.12, the advanced contract notification document, and the advanced contract notification process described in the Inuit Procurement and Contracting Strategy and/or the Implementation Guide, or any of them, as appropriate;
- (c) **“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);
- (d) **“Agreement”** and **“Amended and Restated Agreement”** mean this agreement and any and all schedules, appendices, amendments or extensions negotiated in furtherance of this Amended and Restated Agreement;
- (e) **“Annual IIBA Implementation Report”** means the report prepared annually by the Company pursuant to Section 20.3;
- (f) **“Annual IIBA Work Plan”** means the annual work plan described in Section 4.11;
- (g) **“Annual Project Review Forum”** or **“APRF”** or **“Forum”** has the meaning set forth in Section 14.3;
- (h) **“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;
- (i) **“Arbitration Panel”** and **“Arbitrator”** both mean the Arbitration Panel referred to in Article 21;

- (j) “**BCLO**” means the employee of the Company known as the Baffinland Community Liaison Officer;
- (k) “**Business Capacity and Start-Up Fund**” means the fund established pursuant to 6.3 to assist with business start-ups and development of capacity;
- (l) “**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;
- (m) “**Change in Scope**” has the meaning set forth in Section 3.3;
- (n) “**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;
- (o) “**Company**” means Baffinland Iron Mines Corporation and includes its permitted assigns and successors;
- (p) “**Company Inuit Employment and Training Specialist**” means the Company Inuit Employment and Training Specialist appointed by the Company pursuant to Subsection 7.9.1 herein;
- (q) “**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;
- (r) “**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;
- (s) “**Contracting Committee**” means the committee established pursuant to Section 2.5.
- (t) “**Contractor’s Inuit Content Plan or CICP**” means the plan prepared by contractors pursuant to Article 6.13;
- (u) “**Country Food**” means traditional food used by Inuit peoples;
- (v) “**Dispute**” has the meaning set forth in Section 21.1;
- (w) “**EHS System**” has the meaning set forth in Section 15.3;
- (x) “**Employee Concerns Policy**” means the policy established by the Company for addressing concerns and grievances of its employees, as set forth in the Implementation Guide;

- (y) “**Employment Committee**” means the committee established pursuant to Section 2.5.
- (z) “**Environmental Monitor**” means the monitor appointed by QIA pursuant to Section 15.8;
- (aa) “**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;
- (bb) “**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;
- (cc) “**Final EIS Impact Projections**”, as referred to in Article 14 and Article 15, respectively, has the meaning set forth in Section 14.3;
- (dd) “**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;
- (ee) “**Forum**” has the meaning set forth in Section 14.3;
- (ff) “**GN**” means the Government of Nunavut;
- (gg) “**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;
- (hh) “**IIBA Managers**” means the coordinators appointed by each of the Company and QIA, respectively, pursuant to Section 4.10.4 and which coordinators may be referred to by the Parties as an “**IIBA Supervisor**” or other designated title;
- (ii) “**IIBA Orientation Program**” means the orientation program described in Subsections 4.2.11 and 4.2.12;
- (jj) “**Iłagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat Fund**” means the fund established pursuant to Section 12.2;

- (kk) “**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 Subsection 4.10.2;
- (ll) “**Implementation Guide**” means the document described in Section 4.15;
- (mm) “**Initial Project**” has the meaning given it in Section 3.2.
- (nn) “**Inuit**” means Inuit as defined in Article 1 of the NLCA;
- (oo) “**Inuit Firm**” means an entity that qualifies as an “Inuit Firm” within the meaning of Article 24 of the NLCA and further:
 - (i) Is enrolled in the Inuit Firm Registry of Nunavut Tunngavik Inc. maintained pursuant to Section 24.7.1 of the NLCA; and
 - (ii) Carries out the majority of its business in the Nunavut Settlement Area.
- (pp) “**Inuit Impact and Benefit Agreement**” or “**IIBA**” means an Inuit Impact and Benefit Agreement as contemplated in Article 26 of the NLCA;
- (qq) “**Inuit Qaujimagatuqangit**” or “**IQ**” has the meanings set forth in Section 16.1;
- (rr) “**IQ Collection**” has the meaning set forth in Section 16.3;
- (ss) “**Joint Executive Committee**” means the committee established pursuant to Section 4.2 to oversee implementation of the IIBA.
- (tt) “**Major Event**” has the meaning set forth in Subsection 17.4.2;
- (uu) “**Mary River Project**” has the meaning assigned to it in Section 3.1;
- (vv) “**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;
- (ww) “**Minimum Inuit Employment Goal**” or “**MIEG**” means the agreed upon employment goals organized according to skill level (i.e., Unskilled, Semi-Skilled, Skilled, Professional, Management) from time to time of Inuit Employment at the Project for the Company or for any contractor or subcontractor, including any contracts having a labour component all or part of which is to be performed in Nunavut, as set forth in Section 7.16;
- (xx) “**NIRB**” means the Nunavut Impact Review Board established as an Institute of Public Government pursuant to Article 10 and Article 12 of the NLCA;

- (yy) “**NOC Code**” means the codes established pursuant to the National Occupational Classification system published by the Government of Canada;
- (zz) “**Notice of Arbitration**” means a notice requiring arbitration delivered in writing by a Party to the other Party pursuant to Section 21.3;
- (aaa) “**North Baffin**” means the area generally encompassing the communities of Pond Inlet, Igloolik, Clyde River, Hall Beach and Arctic Bay;
- (bbb) “**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;
- (ccc) “**NTI Number**” means an Inuk’s enrolment number on the Inuit Enrolment List assigned by Nunavut Tunngavik Inc. pursuant to Article 35 of the Nunavut Land Claims Agreement;
- (ddd) “**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);
- (eee) “**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;
- (fff) “**Parties**” means QIA and the Company and their permitted successors and assigns;
- (ggg) “**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;
- (hhh) “**Points of Hire**” and “**Points of Hire communities**” means the communities described in Subsection 7.6.1;
- (iii) “**Pre-Qualification Category**” means contract categories based on work skills, contract size, and other relevant criteria developed by the Company for the purposes of Article 6;
- (jjj) “**Pre-Qualification Register**” means the list of firms maintained by the Company as described in Subsections 6.4.7 to 6.4.9;
- (kkk) “**Project**” means the Mary River Project;
- (lll) “**Project Area(s)**” means the lands, waters and marine areas within the geographic area identified in Section 3.6;

- (mmm) **“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);
- (nnn) **“QIA Inuit Engagement Specialist”** means the QIA Inuit Engagement Specialist appointed by QIA pursuant to Subsection 7.9.3 herein;
- (ooo) **“QIA Fiscal Year”** means the period of April 1 to March 31 ending in each Year;
- (ppp) **“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;
- (qqq) **“Related Party”** means an Affiliate;
- (rrr) **“Student Awareness Day”** means days set aside for students from Points of Hire communities to attend the worksite, as set forth in the Implementation Guide;
- (sss) **“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;
- (ttt) **“Work Ready Program”** means the program described in Section 8.12 and set out in the Implementation Guide;
- (uuu) **“Workplace Conditions Review”** means the review described in Section 11.18 and set out in the Implementation Guide;
- (vvv) **“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.

ARTICLE 2 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, Igloolik, Clyde River, Hall Beach and Arctic Bay as well as to all other Inuit of the Baffin Region 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 the north Baffin area. 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, Employment and Contracting 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 Joint Executive Committee to oversee implementation of the IIBA;
- (b) An Employment Committee to implement the provisions of the IIBA that are designed to maximize Inuit employment, education and training, including the execution and monitoring of the Inuit Human Resources Strategy; and
- (c) A Contracting Committee to implement the provisions of the IIBA that are designed to maximize business opportunities at the Project for Inuit Firms.

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

2.6 Best Efforts

2.6.1 Pursuant to Section 2.3, 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 Joint 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 7.16; Contracting to Inuit Firms as per Subsection 6.5.1; and subcontracting to Inuit Firms as per Subsection 6.6.1.

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 Joint 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.

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 3 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 Clause 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 Joint 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 22 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 the north Baffin area 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 4 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 Subsections 4.1.1 and 4.1.2 a senior Joint Executive Committee will be established to oversee implementation of the IIBA.
- 4.1.4 Pursuant to the aims stated in Subsections 4.1.1 and 4.1.2 an Employment Committee and a Contracting 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 Employment Committee, the Contracting Committee, or the Joint Executive Committee have not been able to settle.

4.2 Joint Executive Committee

- 4.2.1 QIA and the Company will establish a Joint Executive Committee of senior level representatives to oversee the implementation of all of the provisions of this Agreement. QIA and the Company will consult with respect to oversight of the implementation of this Agreement.
- 4.2.2 The Joint Executive Committee will establish an annual budget in accordance with this Agreement, establish goals and objectives consistent with this Agreement, review reports and provide strategic advice and direction for the successful implementation of this Agreement.
- 4.2.3 The Joint Executive Committee will have three representatives from QIA and three representatives from the Company.
- 4.2.4 The Joint 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 Joint 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 Joint Executive Committee will include the QIA Co-chair, the QIA IIBA Manager and one other representative appointed by QIA. The Company members of the Joint Executive Committee will include the Company Co-chair, the Company IIBA Manager and one other representative appointed by the Company.

- 4.2.6 QIA will be entitled to have technical advisors to attend all Joint 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 after the signing of this Agreement, the Joint Executive Committee will meet on a quarterly basis and will hold additional meetings as necessary. In subsequent Years the Joint Executive Committee, in consultation with QIA and the Company, will establish the frequency of Joint 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 Joint 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 Joint 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 Joint 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 Joint Executive Committee will be decided by a qualified majority vote requiring agreement of at least five of the six Joint Executive Committee members.
- 4.2.10 Joint Executive Committee proceedings are non-confidential but are open only to Joint 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.
- 4.2.11 Not later than two (2) months following the signing of this Agreement, the Joint Executive Committee will develop a one-day minimum IIBA Orientation Program detailing the objectives and obligations of this Agreement and how these apply to corporate policy and practice, job-related duties and daily work.
- 4.2.12 The IIBA Orientation Program is mandatory for all employees of the Company that are classified at the manager level or higher at all Project sites and headquarters.
- 4.2.13 The IIBA Orientation Program is mandatory for employees of contractors with employment contracts that have Inuit content and are a minimum of six (6) months in duration and classified at a manager level or higher.
- 4.2.14 No later than nine (9) months after this signing of this Agreement, the Joint Executive Committee will develop and circulate an IIBA Orientation Package, which will be available in English and Inuktitut to all employees and contractors and included in the Implementation Guide.
- 4.3 Joint Executive Committee - Cost of Operation**
- 4.3.1 The Company and QIA developed an annual budget for the Joint Executive Committee for the first full Year the Committee was in operation, which was included in the Implementation Budget as set forth in Subsection 4.9.2. In subsequent Years, the Company and QIA IIBA Managers have developed an annual budget for the Joint Executive Committee for submission

to the Joint Executive Committee by November 1 of each Year that the 2013 Agreement has been in effect and will continue to do so for each Year that this Agreement is in effect.

- 4.3.2 The Company will be responsible for operational costs of the Joint Executive Committee, including costs for technical advisors and Joint Executive Committee obligations cited in this Agreement and summarized in the Annual Implementation Budget.

4.4 **Employment Committee and Contracting Committee**

- 4.4.1 The Company and QIA will establish an Employment Committee to implement those provisions of the IIBA that are designed to maximize Inuit employment at the Project, including all provisions relating to employment, education and training. The Employment Committee will also implement and monitor the Inuit Human Resources Strategy.

- 4.4.2 The Company and QIA will establish a Contracting Committee to implement those provisions of the IIBA that are designed to maximize business opportunities at the Project for Inuit Firms. The Contracting Committee will also implement and maintain the Inuit Procurement and Contracting Strategy.

- 4.4.3 The governance of the IIBA by the Parties will reflect the following structure:



- 4.4.4 Terms and conditions for the Employment Committee are set forth in Schedule 4.1, subject to revision by the Joint Executive Committee. The Terms of Reference for the Employment Committee shall be included in the Implementation Guide and may be subsequently modified as needed from time to time with the approval of the Joint Executive Committee.

- 4.4.5 Terms and conditions for the Contracting Committee are set forth in Schedule 4.2, subject to revision by the Joint Executive Committee. The Terms of Reference for the Contracting Committee shall be included in the Implementation Guide and may be subsequently modified as needed from time to time with the approval of the Joint Executive Committee.

- 4.4.6 QIA shall be entitled to have technical advisors to attend all Employment Committee and Contracting Committee meetings. Choice of technical advisors shall be at the discretion of QIA, such persons being reasonably acceptable to the Company.

- 4.4.7 The Parties agreed to establish informal working groups from time to time, as needed, as set forth in Schedule 4.3, subject to revision by the Joint Executive Committee.

4.5 Employment Committee and Contracting Committee- Costs of Operation

- 4.5.1 The annual budget for the Employment Committee and the Contracting Committee will be included in the Implementation Budget as set forth in Section 4.10.
- 4.5.2 The Company will be responsible for costs of the Employment Committee and Contracting Committee, including costs for technical advisors and 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 Joint Executive Committee, Employment Committee and the Contracting Committee in chronological order until a decision is made and/or a dispute is resolved is as follows:

- (a) The Employment Committee and Contracting Committee will make decisions by consensus;
- (b) The Joint 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 Joint 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 Joint Executive Committee members;
- (d) Where the Employment Committee or Contracting Committee is unable to reach a consensus on an issue and the Joint Executive Committee is unable to obtain the affirmative vote of five of the six Joint Executive Committee members to resolve the issue, then the Presidents of QIA and the Company, respectively, may be requested by the Joint 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 Joint Executive Committee described in Clauses 4.7(a) to (m).

4.7 Role of the Joint Executive Committee

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

- (a) Approve the annual Minimum Inuit Employment Goals (MIEGs) established by the Employment Committee pursuant to Section 7.16;
- (b) 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;

- (c) Review and approve quarterly and annual reports of the Employment Committee and the Contracting Committee;
- (d) Review the list of education and training opportunities for Inuit pursuant to Subsection 8.5.3 on an annual basis;
- (e) Review contract award issues;
- (f) Maintain a list of pre-qualified Inuit Firms pursuant to Section 6.4;
- (g) Review the list of pre-qualified Inuit Firms on an annual basis in accordance with Section 6.5;
- (h) Review annually the list of contracts awarded by the Company in the previous Year to assess Inuit content in contracting;
- (i) Review the list of potential positions for Inuit employees on an annual basis pursuant to Subsection 7.14.2;
- (j) Review, at the beginning of each Year, the list of contracts the Company anticipates awarding in the coming Year, to identify contracts for which pre-qualified Inuit Firms may be eligible;
- (k) Make recommendations to the Company and QIA on appropriate actions to enhance the results of Inuit participation and other objectives of this Agreement, including without limitation, review and approve amendments to the Implementation Guide on an annual basis in accordance with Subsection 4.14.4;
- (l) Consider other items of mutual concern related to the implementation of this Agreement raised by either Party;
- (m) Subject to Subsection 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 Employment Committee and Contracting Committee

Without limiting their roles pursuant to this Agreement, including as set forth in Schedule 4.1 and Schedule 4.2, the Employment Committee and the Contracting Committee shall perform the following functions, as applicable, 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) Share information regarding the progress of training initiatives, employment targets and contract awards;
- (c) Regularly update data to be supplied to the Joint Executive Committee for reporting purposes as set forth in Section 20.1;

- (d) Communicate any operational concerns of the Company and QIA as they relate to implementation of this Agreement;
- (e) Bring forward items of concern from either Party to the Joint Executive Committee to review and to attempt to resolve the concern;
- (f) Make recommendations to the Joint Executive Committee on appropriate actions to enhance results of Inuit participation and other objectives of this Agreement;
- (g) Participate in annual planning, including development of the Annual IIBA Work Plan;
- (h) Consider other items of mutual concern related to the implementation of this Agreement, raised by either Party; and
- (i) Any other items as directed by the Joint Executive Committee from time to time.

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

4.9.1 The Joint Executive Committee will review a report to be submitted annually by QIA on the use of the Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat Fund.

4.9.2 Not less than six months prior to the end of the ten year period referred to in Subsection 12.2.2, the Joint Executive Committee will review the performance of the Ilagiiktunut Nunalinnullu Pivalliajutisait 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 Joint 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 Joint Executive Committee and are subject to arbitration pursuant to Article 21 in the event that the Joint Executive Committee is unable to reach a decision, with assistance of the Employment Committee or Contracting 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 Joint Executive Committee, with assistance of the Employment Committee and the Contracting 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 Joint Executive Committee and the Employment Committee and Contracting 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 4.10.1 and prior to the end of all subsequent QIA Fiscal Years, the Joint Executive Committee, with the assistance of the Employment Committee and Contracting 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 Employment Committee and Contracting Committee;
- (d) Operating costs of the Joint 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 Managers;
 - (ii) The support function described in Section 4.14;
 - (iii) Administration of the Business Capacity and Start-Up Fund;
 - (iv) The Company Inuit Employment and Training Specialist and QIA Inuit Engagement Specialist;
 - (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 Pivalliajutisait Kiinaujat Fund;
 - (iii) The Mary River Inuit Training Project;
 - (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 Subsections 4.2.6, 4.4.6 and 4.14 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 Subsection 4.14.4 it is expected that the need for capacity building and technical support will have diminished three years following the effective date of the 2013 Agreement;
- (d) Starting in the fourth Year of the 2013 Agreement and continuing under this Agreement, QIA's commitment to costs directly associated with the implementation of QIA's role in implementing the 2013 Agreement and 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 the 2013 Agreement and 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 took place three years after the signing of the 2013 Agreement and shall continue to occur every three years thereafter under this Agreement in conjunction with Article 22. The positions for which a review will be undertaken are:
 - (i) Company IIBA Manager;
 - (ii) Company Inuit Employment and Training Specialist;
 - (iii) Inuit Ship Monitors;

- (iv) Cultural Advisor in Residence;
 - (v) QIA IIBA Manager;
 - (vi) QIA Inuit Engagement Specialist;
 - (vii) QIA Environment Monitors.
- (g) The Company will hire a Human Resources Advisor, Inuit Relations as an employee of the Company and will propose a job description to the Employment Committee for review and approval.
 - (h) QIA will hire an IIBA Administration Officer as an employee of QIA and funded by the Company. QIA will propose a job description for the IIBA Administration Officer to the Employment Committee for review and approval. The IIBA Administration Officer will be a shared resource to support all IIBA committees and administration in order to promote the reduction of QIA reliance on technical support costs for administrative functions relating to IIBA committees and administration.
 - (i) Inuit Counsellors will be contracted to be available for providing counselling services to all Points of Hire communities, pursuant to Section 11.7 herein.
 - (j) Inuit Cultural Advisors (formerly Inuit “elder”) will be hired by the Company in an open and transparent process. The Company will consider resumes submitted by QIA through the Employment Committee. The Company will work with QIA through the Employment Committee to revise the current job description for this position in order to reflect this new role.

4.11 Annual IIBA Work Plan

- 4.11.1 By not later than March 1 in each Year, the Joint Executive Committee will approve an Annual IIBA Work Plan. The Annual IIBA Work Plan will include chapters prepared by all IIBA committees describing key implementation activities and initiatives for the upcoming Year.
- 4.11.2 The process and procedures for developing and approving the Annual IIBA Work Plan will be set forth in the Implementation Guide.
- 4.11.3 A failure of the Joint Executive Committee to approve the Annual IIBA Work Plan by April 1 may be resolved by dispute resolution pursuant to Article 21.

4.12 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 Employment Committee and the Contracting 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.

4.13 IIBA Managers

- 4.13.1 The Company will fund QIA to hire and train an IIBA Manager to coordinate IIBA reporting and monitoring activities on behalf of QIA, to act as QIA liaison with the Company IIBA Manager, to co-chair the Employment Committee and the Contracting Committee and to sit on the Joint Executive Committee.
- 4.13.2 The annual cost of the QIA IIBA Manager will be established for each QIA Fiscal Year by the Joint Executive Committee as part of the annual Implementation Budget.
- 4.13.3 The QIA IIBA Manager will report to the QIA Executive Director or other designate.
- 4.13.4 In consultation with QIA, the Company will hire and train a Company IIBA Manager to coordinate IIBA reporting and monitoring activities on behalf of the Company, to act as Company liaison with the QIA IIBA Manager, to co-chair the Employment Committee and the Contracting Committee and to sit on the Joint Executive Committee.
- 4.13.5 The Company IIBA Manager will report to the Company's senior human resources executive or designate.
- 4.13.6 The job descriptions for each of the IIBA Managers, respectively, are set forth in the Implementation Guide, subject to revision by the Joint Executive Committee. The Parties may also agree that IIBA Managers are to be referred to by the Parties as an "IIBA Supervisor" or other designated title deemed more appropriate.

4.14 Support Function

- 4.14.1 QIA and the Company recognize that the Joint Executive Committee, Employment Committee and Contracting Committee may require additional technical or professional support to fulfill its mandate.
- 4.14.2 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 Manager and QIA members of the Employment Committee, Contracting Committee and Joint Executive Committee to fulfill their duties; and
 - (c) Advise QIA members on the Employment Committee, Contracting Committee and Joint Executive Committee;

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.

- 4.14.3 QIA may require the technical or professional support to enable capacity building in support of performance of items as outlined in Subsection 4.14.1 either by hiring an employee directly or by engaging contract support for various issues.

- 4.14.4 The Joint Executive Committee will budget for and set aside reasonable annual amounts for the cost of the support services described in Subsection 4.14.1 and Subsection 4.14.2, 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 Joint Executive Committee and the Employment Committee and Contracting Committee shall be required to recognize and take into account QIA's initially high implementation costs when establishing and approving the initial Implementation Budgets.
- 4.14.5 The Company will fund the Joint Executive Committee, Employment Committee and the Contracting Committee support functions and the QIA support function.
- 4.14.6 The QIA support function will report to the QIA IIBA Manager. The Company support function will report to the Company IIBA Manager.

4.15 IIBA Implementation Guide

- 4.15.1 QIA and the Company shall develop and approve an Implementation Guide by the earlier of: (a) ninety (90) days from the date of this Agreement; or (b) January 31, 2019. The Implementation Guide shall provide the agreed directions and instructions of the Parties for the implementation of rights and obligations of the Parties under this Agreement.
- 4.15.2 A working draft of the Implementation Guide will be circulated and reviewed by the Parties at least every thirty (30) days until completed. The President of QIA and the Chief Executive Officer of the Company will respond in a timely manner to requests by either Party if required to clarify or resolve any matters or proposed provisions for the Implementation Guide.
- 4.15.3 The Joint Executive Committee shall be responsible to provide final approval for the Implementation Guide. Notwithstanding the provisions of Section 4.6 herein, if the Joint Executive Committee does not approve the Implementation Guide within the time set out in Subsection 4.15.1 above, then the matters or proposed provisions that are in dispute shall be referred to and resolved by arbitration in accordance with Article 21 herein.
- 4.15.4 On an annual basis, the Joint Executive Committee shall review the Implementation Guide to determine if changes are required to enhance Inuit participation at the Project.

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SCHEDULE 4.1 – EMPLOYMENT COMMITTEE**1. OBJECTIVES**

- (a) To facilitate effective implementation of those provisions of the IIBA that are designed to maximize Inuit employment at the Project.
- (b) To be a forum for active and open collaboration between the Company and QIA.
- (c) To plan and monitor implementation efforts and ensure the Company's employment practices are in alignment with the IIBA.

2. RESPONSIBILITIES

- (a) To plan and execute upon direction given from the Joint Executive Committee, or jointly by the Parties.
- (b) To ensure a shared understanding of all IIBA obligations related to employment, training and workplace conditions.
- (c) To develop and recommend annual Minimum Inuit Employment Goals, and to submit as part of the Annual IIBA Work Plan a description of the activities that will be undertaken to achieve them, including quantitative and qualitative outcomes and how they will be measured and evaluated.
- (d) To identify and recommend to the Joint Executive Committee actions that may mitigate or address barriers to Inuit participation in Project Benefits.
- (e) To develop and implement strategies to improve Inuit recruitment, onboarding, training, career advancement and retention.
- (f) To develop and implement an annual calendar of events to support implementation of the Annual Work Plan.
- (g) Address other matters of IIBA implementation as appropriate and as agreed to by the Parties.

3. MEMBERSHIP

- (a) The Employment Committee will be composed of the following members:
 - (i) IIBA Administration Officer;
 - (ii) the Company Head of Human Resources or other HR experienced designate;
 - (iii) the Company Human Resource Advisor, Inuit Relations;
 - (iv) the Company Training Representative;
 - (v) QIA IIBA Manager;

- (vi) QIA Inuit Engagement Specialist; and
 - (vii) Other QIA HR experienced Representative.
- (b) The Employment Committee shall determine who among its membership shall serve as Chair, with each Parties alternating as meeting Chair.

4. **INVITEES**

- (a) Invitees shall be allowed to attend Employment Committee meetings. Invitees will be identified when the agenda is circulated; if either party has reasonable grounds to object to the attendance of a proposed invitee, that individual shall not attend.
- (b) QIA shall be entitled to have technical advisors attend any meeting of the Employment Committee. Choice of technical advisors shall be at the discretion of QIA, such persons being reasonably acceptable to the Company.

5. **DECISION MAKING**

- (a) The Employment Committee will make decisions based on consensus of Members. Where consensus on an issue cannot be reached in a reasonable amount of time, it shall be referred to the Executive Committee.

6. **MEETINGS**

- (a) The Employment Committee shall meet in-person quarterly.
- (b) Quorum for Employment Committee meetings shall be four (4) members. Invitees and technical advisors shall not count towards quorum.
- (c) The Administration Officer shall prepare and circulate minutes from the previous meeting as well as an agenda no later than five (5) Business Days prior to the meeting taking place.

7. **REPORTING**

- (a) Within thirty (30) days of the end of each of quarter in each Year, the Employment Committee shall submit a Quarterly Employment Committee Report to the Joint Executive Committee. This report would contain; a list of the Annual IIBA Work Plan initiatives assigned to the Employment Committee, a summary of the actions taken, and issues encountered during the quarter and the outcomes, meeting minutes, as well as comments and/or requests for support and/or direction from one or more of the IIBA Committees.
- (b) Within forty-five (45) days of the end of each Year, the Employment Committee shall submit to the Joint Executive Committee an Annual Employment Committee Report. This report would contain; a list of the Annual IIBA Work Plan initiatives assigned to the Employment Committee, a summary of all the actions taken and issues encountered during year and the outcomes, meeting minutes, as well as commentary upon whether and why certain Work Plan initiatives could not be achieved.

8. **BUDGET**

- (a) The Company and QIA will establish an annual budget for the Employment Committee that shall be included as part of the IIBA Implementation Budget.

9. **INFORMATION SHARING**

- (a) All minutes, reports and other materials developed by the Employment Committee shall be considered Confidential unless otherwise agreed to by the Parties. If an Inuk or Inuit Firm requests disclosure of reports, information that is commercially sensitive or that is deemed private by the Employment Committee shall be redacted.
- (b) QIA shall have the right, subject to applicable laws, to request from the Company any additional information or analysis that may be reasonably required to allow for the fulfillment of the mandate of the Employment Committee. The Company will comply with any such request within a reasonable period.

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SCHEDULE 4.2 – CONTRACTING COMMITTEE**1. OBJECTIVES**

- (a) To facilitate effective implementation of those provisions of the IIBA that are designed to maximize Inuit employment at the Project.
- (b) To be a forum for active and open collaboration between the Company and QIA.
- (c) To plan and monitor implementation efforts and ensure the Company's procurement and contracting practices are in alignment with the IIBA.

2. RESPONSIBILITIES

- (a) To plan and execute upon direction given from the Joint Executive Committee, or jointly by the Parties.
- (b) To ensure a shared understanding of all IIBA obligations related to procurement and contracting.
- (c) To maintain a list of prequalified Inuit Firms, and to work to prequalify as many Inuit Firms as possible for contracting opportunities at the Project.
- (d) To promote and facilitate Inuit entrepreneurship and Inuit Firm capacity building.
- (e) To establish Inuit content requirements for all contracts, and to evaluate bids in accordance with the criteria established in IIBA Article 6.
- (f) To identify and recommend to the Joint Executive Committee actions that may mitigate or address barriers to Inuit Firm participation in Project Benefits.
- (g) To develop and implement strategies to improve contractor compliance with the IIBA.
- (h) To develop and implement an annual calendar of events to support implementation of the Annual Work Plan
- (i) Address other matters of IIBA implementation as appropriate and as agreed to by the Parties.

3. MEMBERSHIP

- a) The Contracting Committee will be composed of the following members:
 - (i) IIBA Administration Officer;
 - (ii) the Company Head of Procurement or other procurement experienced designate;
 - (iii) the Company Procurement appointee;
 - (iv) QIA IIBA Manager; and

- (v) QIA Inuit Engagement Specialist.
- (b) The Contracting Committee shall determine who among its membership shall serve as Chair, with each Parties alternating as meeting Chair.

4. **INVITEES**

- (a) Invitees shall be allowed to attend meetings of the Contracting Committee. Invitees will be identified when the agenda is circulated; if either party has reasonable grounds to object to the attendance of a proposed invitee, that individual shall not attend.
- (b) QIA shall be entitled to have technical advisors attend any meeting of the Contracting Committee. Choice of technical advisors shall be at the discretion of QIA, such persons being reasonably acceptable to the Company.

5. **DECISION MAKING**

- (a) The Contracting Committee will make decisions based on consensus of Members. Where consensus on an issue cannot be reached in a reasonable amount of time, it shall be referred to the Joint Executive Committee.

6. **MEETINGS**

- (a) The Contracting Committee shall meet in-person quarterly.
- (b) Quorum for Contracting Committee meetings shall be four (4) members. Invitees and technical advisors shall not count towards quorum.
- (c) The Administration Officer shall prepare and circulate Minutes from the previous meeting as well as an agenda no later than five (5) Business Days prior to the meeting taking place.

7. **REPORTING**

- (a) Within thirty (30) days of the end of each quarter in each Year, the Contracting Committee shall submit a Quarterly Contracting Committee Report to the Joint Executive Committee. This report would contain; a list of the Annual IIBA Work Plan initiatives assigned to the Employment Committee, a summary of the actions taken, and issues encountered during the quarter and the outcomes, meeting minutes, as well as comments and/or requests for support and/or direction from one or more of the IIBA Committees.
- (b) Within forty-five (45) days of the end of each Year, the Contracting Committee shall submit to the Joint Executive Committee an Annual Contracting Committee Report. This report would contain; a list of the Annual IIBA Work Plan initiatives assigned to the Employment Committee, a summary of all the actions taken and issues encountered during year and the outcomes, meeting minutes, as well as commentary upon whether and why certain Work Plan initiatives could not be achieved.

8. **BUDGET**

- (a) The Company and QIA will establish an annual budget for the Contracting Committee that shall be included as part of the IIBA Implementation Budget.

9. **INFORMATION SHARING**

- (a) All minutes, reports and other materials developed by the Contracting Committee shall be considered Confidential unless otherwise agreed to by the Parties. If an Inuk or Inuit Firm requests disclosure of reports, information that is commercially sensitive or that is deemed private by the Contracting Committee shall be redacted.
- (b) QIA shall have the right, subject to applicable laws, to request from the Company any additional information or analysis that may be reasonably required to allow for the fulfillment of the mandate of the Contracting Committee. the Company will comply with any such request within a reasonable period.

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SCHEDULE 4.3 – INFORMAL WORKING GROUPS

1. Creation of informal working groups will be considered from time to time to address the following issues:
 - (a) Status of complaints from Inuit or involving Inuit at the Project sites, including racism and lack of Inuktitut on site;
 - (b) Support development and implementation of ISV Days and Student Awareness Days;
 - (c) Refer any unresolved issues and matters of concern to the appropriate IIBA Committee;
 - (d) Undertake annual Workplace Conditions Reviews;
 - (e) Support and collaborate with the Employment Committee and the Contracting Committee in the implementation of the Annual Work Plan;
 - (f) Ensure a shared understanding of all IIBA obligations related to employment, training and workplace conditions exists at the mine site, particularly among site-based managers and Human Resource staff;
 - (g) Identify and recommend to the Employment Committee and the Contracting Committee actions that may mitigate or address barriers to Inuit participation in Project Benefits;
 - (h) Implement strategies to improve Inuit recruitment, onboarding, training, career advancement and retention;
 - (i) Develop and implement an annual calendar of site-based events to support implementation of the Annual Work Plan; and
 - (j) Address other matters of IIBA implementation as appropriate and as agreed to by the Parties.

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ARTICLE 5
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 has made the following payments (“Advance Payments”) to QIA:

- (a) \$5,000,000 on the date the 2013 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 was 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”). This provision relates to the Construction Decision made to execute the Initial Project described herein and has no continuing application under this Agreement.

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 Subsection 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 Payment”), for each calendar quarter, commencing January 1, 2019, the greater of (a) \$1,250,000 (as adjusted for inflation pursuant to Section 5.5, the “Minimum Quarterly Payment”) and (b) the amount equal to Net Sales Revenue for the calendar quarter multiplied by the Royalty Percentage, shall be paid by the 30th day following the last day of each calendar quarter as partial instalments of the Royalty Payment (such payments being defined as the “Quarterly Royalty Payments”).
- 5.6.2 The amount of the difference, if positive, between the Minimum Quarterly Payment and the Quarterly Royalty Payment applicable for the same calendar quarter is a “Top Up Payment”. Top Up Payments shall be deemed to be Advance Payments pursuant to Section 5.2(d). All quarterly payments are comprised of the Quarterly Royalty Payment, net of deductions described in Subsection 5.6.6, plus the applicable Top Up Payment, if any.
- 5.6.3 Top Up Payments are to ensure QIA receives a minimum of \$1,250,000 per quarter plus an adjustment for inflation calculated pursuant to Section 5.5.
- 5.6.4 In the event that a Quarterly Royalty Payment is greater than the Minimum Quarterly Payment, then the Quarterly Royalty Payment shall be paid pursuant to Subsection 5.6.1 and no Top Up Payments shall be paid.
- 5.6.5 Top Up Payments shall be determined prior to any deduction from the Quarterly Royalty Payment pursuant to Subsection 5.6.6. Following calculation of a Top Up Payment, repayment of Advance payments pursuant to Subsection 5.6.6 shall be calculated and deducted only from the Quarterly Royalty Payment portion of the quarterly payment.
- 5.6.6 Advance Payments and Extension Payments shall be deducted from the Royalty Payments payable pursuant to Subsection 5.6.1 as follows:
- (a) Up to 25% of the Royalty Payments otherwise payable for each of the first 36 calendar quarters commencing as of January 1, 2019 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 commencing as of January 1, 2019 may be deducted and credited to the repayment of Advance Payments until repaid in full.
- 5.6.7 In the 4th calendar quarter, following calculation of the Top Up Payment, if any, the total amount of all Top Up Payments paid during the year will be reconciled against the total Quarterly Royalty Payments calculated for the year. If all Quarterly Royalty Payments calculated for the year exceeds the aggregate amount of all Minimum Quarterly Payments calculated for the year, then any amount of the Top Up Payments paid in excess of all Minimum Quarterly Payments paid prior to the 4th calendar quarter will be deducted from the Quarterly Royalty Payment paid in the 4th calendar quarter. Such deduction for a prior Top

Up Payment, if applicable, will be in addition to amounts described in Subsection 5.6.6 for repayment of Advance Payments, and all such deductions shall be deducted from the net amount of all outstanding Advance Payments. If the Quarterly Royalty Payment for the 4th calendar quarter is insufficient to complete the above reconciliation, the excess amount shall be deducted from the Quarterly Royalty Payment(s) in immediately subsequent quarter(s), in priority to deductions pursuant to Subsection 5.6.6, until such excess amount has been fully deducted.

- 5.6.8 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 in 2019 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"). For greater certainty, the sample calculations set out in Schedule 5.1 illustrate the agreement of the Parties with respect to the calculation of Royalty Payments.
- 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.

- 5.8.3 The Company and QIA agree to review a 2018 pro forma calculation of Royalty Payments and Advance Payments (together, the “Enhanced Royalty”) that would be calculated pursuant to this Agreement. The Company will share with QIA all source information reasonably necessary to calculate the Royalty Payment in accordance with this Agreement. The review procedures followed for the 2018 pro forma calculation will be applied for 2019 in connection with the commencement of quarterly Enhanced Royalty Payments.
- 5.8.4 As of January 1, 2019, an accounting record of all outstanding Advance Payments shall be established (the “Advance Payments Account”). All deductions from Royalties pursuant to Subsection 5.6.6 shall reduce the Advance Payments Account. All Top Up Payments shall increase the Advance Payments Account.

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 Subsection 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 Subsection 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 the date of this Agreement 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 Subsection 5.2;
- (b) "Annual Statement" means the statement referred to in Subsection 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 Payments**” has the meaning given to it in Subsection 5.6.1;
- (s) “**Royalty Percentage**” means 1.19%;
- (t) “**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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SCHEDULE 5.1 TO ENHANCED ROYALTY AGREEMENT

SAMPLE CALCULATION

Table 1: Enhanced Royalty Agreement, Sample Calculations

		Scenario 1	Scenario 2	Scenario 3
1	Royalty Threshold Year 2018	Annual 2018 = \$5,309,500 Minimum Quarterly Payment (MQP) = \$1,327,375		
2	Calculation of Quarterly Payments	1. If the Quarterly Royalty Payment (QRP) is less than the Minimum Quarterly Payment (MQP) then a Top Up Payment (TUP) is due, with the TUP being the difference between the MQP and the QRP. The QRP shall be made, less the IIBA Article 5.6.6 deductions ("Claw-back"). 2. If the Quarterly Royalty Payment (QRP) is greater than the Minimum Quarterly Payment (MQP) then no Top Up Payment (TUP) is due. The QRP is shall be made, less Claw-back 3. All QRP made to QIA shall be consistent with IIBA Article 5.6.6, i.e. require a "Claw-back".		
3	Q1	Min Qtrly Pymt \$1,327,375 Quarterly Royalty <u>\$700,000</u> Top Up \$627,375 Payment made to QIA in Q1: Top Up \$627,375 Quarterly Royalty \$700,000 Less Claw-back <u>-\$175,000</u> \$1,152,375	Min Qtrly Pymt \$ 1,327,375 Quarterly Royalty <u>\$1,100,000</u> Top Up \$ 227,375 Payment made to QIA in Q1: Top Up \$ 227,375 Quarterly Royalty \$1,100,000 Less Claw-back <u>-\$ 275,000</u> \$1,052,375	Min Qtrly Pymt \$1,327,375 Quarterly Royalty <u>\$1,400,000</u> Top Up \$ 0 Payment made to QIA in Q1: Top Up \$ 0 Quarterly Royalty \$1,400,000 Less Claw-back <u>-\$ 350,000</u> \$1,050,000
4	Q2	Min Qtrly Pymt \$1,327,375 Quarterly Royalty <u>\$1,050,000</u> Top Up \$277,375 Payment made to QIA in Q2: Top Up \$277,375 Quarterly Royalty \$1,050,000 Less Claw-back <u>-\$262,500</u> \$1,064,875	Min Qtrly Pymt \$1,327,375 Quarterly Royalty <u>\$1,650,000</u> Top Up \$ 0 Payment made to QIA in Q2: Top Up \$ 0 Quarterly Royalty \$1,650,000 Less Claw-back <u>-\$ 412,500</u> \$1,237,500	Min Qtrly Pymt \$1,327,375 Quarterly Royalty <u>\$2,100,000</u> Top Up \$ 0 Payment made to QIA in Q2: Top Up \$ 0 Quarterly Royalty \$2,100,000 Less Claw-back <u>-\$ 525,000</u> \$ 1,575,000
5	Q3	Min Qtrly Pymt \$1,327,375 Quarterly Royalty <u>\$1,050,000</u> Top Up \$277,375 Payment made to QIA in Q3: Top Up \$277,375 Quarterly Royalty \$1,050,000 Less Claw-back <u>-\$262,500</u> \$1,064,875	Min Qtrly Pymt \$1,327,375 Quarterly Royalty <u>\$1,650,000</u> Top Up \$ 0 Payment made to QIA in Q3: Top Up \$ 0 Quarterly Royalty \$1,650,000 Less Claw-back <u>-\$ 412,500</u> \$1,237,500	Min Qtrly Pymt \$1,327,375 Quarterly Royalty <u>\$2,100,000</u> Top Up \$ 0 Payment made to QIA in Q3: Top Up \$ 0 Quarterly Royalty \$2,100,000 Less Claw-back <u>-\$ 525,000</u> \$ 1,575,000
6	Q4 Payment	Payment made to QIA in Q4: Top Up \$ 627,375 Quarterly Royalty \$ 700,000 Less Claw-back <u>-\$ 175,000</u> \$1,152,375	Payment made to QIA in Q4: Top Up \$ - 227,375 Quarterly Royalty \$ 1,100,000 Less Claw-back <u>-\$ 275,000</u> \$ 597,625	Payment made to QIA in Q4: Top Up \$ 0 Quarterly Royalty \$ 1,400,000 Less Claw-back <u>-\$ 350,000</u> \$ 1,050,000

		Reconcile Top Up		Reconcile Top Up		Reconcile Top Up	
7	Q4 – Reconcile Top-up	Min Annual Pymt	\$5,309,500	Min Annual Pymt	\$5,309,500	Min Annual Pymt	\$5,309,500
		Q1 Royalty	\$ 700,000	Q1 Royalty	\$ 1,100,000	Q1 Royalty	\$ 1,400,000
		Q2 Royalty	1,050,000	Q2 Royalty	1,650,000	Q2 Royalty	2,100,000
		Q3 Royalty	1,050,000	Q3 Royalty	1,650,000	Q3 Royalty	2,100,000
		Q4 Royalty	<u>700,000</u>	Q4 Royalty	<u>1,100,000</u>	Q4 Royalty	<u>1,400,000</u>
		Total Royalty	\$ 3,500,000	Total Royalty	\$ 5,500,000	Total Royalty	\$7,000,000
		Total Top Up due	\$1,809,500	Total Top Up due	\$ 0	Total Top Up due	\$ 0
		Less Top Up received	<u>-\$1,182,125</u>	Less Top Up received	<u>- \$227,375</u>	Less Top Up received	\$ 0
		Q4 Top Up	\$ 627,375	Q4 Top Up	-\$227,375	Q4 Top Up	\$ 0
Annual Summary		Summary - Scenario 1		Summary - Scenario 2		Summary - Scenario 3	
8	2018 Total Payments to QIA	Q1	\$1,152,375	Q1	\$1,052,375	Q1	\$1,050,000
		Q2	\$1,064,875	Q2	\$1,237,500	Q2	\$ 1,575,000
		Q3	\$1,064,875	Q3	\$1,237,500	Q3	\$1,575,000
		Q4	<u>\$1,152,375</u>	Q4	<u>\$ 597,625</u>	Q4	<u>\$1,050,000</u>
		Total	\$4,434,500	Total	\$4,125,000	Total	\$5,250,000
9	2018 Total Royalty Payments (after Clawback, but without considering Top Up payment)	Q1	\$ 525,000	Q1	\$ 825,000	Q1	\$1,050,000
		Q2	\$ 787,500	Q2	\$ 1,237,500	Q2	\$ 1,575,000
		Q3	\$ 787,500	Q3	\$1,237,500	Q3	\$ 1,575,000
		Q4	<u>\$ 525,000</u>	Q4	<u>\$ 825,000</u>	Q4	<u>\$1,050,000</u>
		Total	\$2,625,000	Total	\$4,125,000	Total	\$5,250,000
10	2018 Total Top Up Payments	Q1	\$ 627,375	Q1	\$ 227,375	Q1	\$ 0
		Q2	\$ 277,375	Q2	0	Q2	\$ 0
		Q3	\$ 277,375	Q3	0	Q3	\$ 0
		Q4	<u>\$ 627,375</u>	Q4	<u>-\$227,375</u>	Q4	\$ 0
		Total	\$1,809,500	Total	\$ 0	Total	\$ 0
11	Advance Payment Account for 2018 Assuming starting account balance was \$30,000,000	Opening	\$ 30,000,000	Opening	\$ 30,000,000	Opening	\$ 30,000,000
		Top Up	\$ 1,809,500	Top Up	\$ 0	Top Up	\$ 0
		Claw-back	<u>\$ - 875,000</u>	Claw-back	<u>-\$1,375,000</u>	Claw-back	<u>-\$1,750,000</u>
		Ending	\$30,934,500	Ending	\$ 28,625,000	Ending	\$ 28,250,000
12	Annual Statements	Annual statements prepared and presented by Baffinland, consistent with Article 5.8.1, will be basis which QIA will verify the accuracy of payments made for the year.					

Note 1: All scenarios assume 2018 is the year for which payments relate.

Note 2: CPI adjustment is calculated using the figures listed in Table 2.

Note 3: \$5,000,000 in 2013 dollars is equivalent to \$5,309,500 in 2018 after adjustment for inflation.

Table 2: CPI Adjustment Figures

Type	Year	CPI Index	CPI Adjustment
		(year-end)	
Base Year for Statistics Canada	2002	100	-
Base Year for IIBA	2013	122.8	-
Year Used in Calculation	2017	130.4	1.0619

ARTICLE 6 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 Section 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 all contracting opportunities. The Contracting Committee shall collaboratively approve the listing of contract categories for which firms are eligible to pre-qualify against pursuant to Subsection 6.4.2. The process for such review and approval will be set out in the Implementation Guide.

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 Subsection 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 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(d).
- 6.3.4 Beginning the date that the 2013 Agreement came into effect and up to the start of Commercial Production, the Company contributed \$250,000 annually to support the Business Capacity and Start-Up Fund. Subsequent annual contributions were established by the Executive Committee (now the Joint Executive Committee) as part of the annual budget process. Beginning the date of this Agreement, the Company will contribute \$275,000 annually, plus an amount for contributions made after 2018 to adjust for inflation based on the Consumer Price Index, to support the Business Capacity and Start-Up Fund. Adjustments for inflation shall follow calculation procedures as set out in the Implementation Guide.
- 6.3.5 For the first three Years of the 2013 Agreement, in addition to its annual contributions to the Business Capacity and Start-Up Fund, the Company funded up to 50% of a position at QIA or one of its subsidiary organizations to administer the Business Capacity and Start-Up Fund. In subsequent years, the Executive Committee (now the Joint Executive Committee) established funding requirements for this position as part of its annual budget process, which will continue under this Agreement.
- 6.3.6 The QIA Inuit Engagement Specialist will submit an annual report to the Joint Executive Committee documenting the activities and spending of the Business Capacity and Start-Up Fund.
- 6.3.7 The QIA Inuit Engagement Specialist will develop an annual program and budget for the Business Capacity and Start-Up Fund, to be submitted for approval to the Joint Executive Committee at least three months prior to the start of the Year.
- 6.3.8 QIA and the Company, through the Joint 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.
- 6.3.9 The Company will conduct annual workshops and information sessions in Pond Inlet, Arctic Bay, Clyde River, Hall Beach, Igloodik, and Iqaluit for purposes of facilitating Inuit Firm and

Inuit entrepreneur participation in the contracting process and increasing their chances of contract award.

- 6.3.10 The Company will conduct annual outreach to Inuit Firms and Inuit entrepreneurs in the form of a business survey in order to facilitate an understanding of needed training, workshops, and information sessions and other topics as recognized by the Company and decided by the Contracting Committee. Questions to be included in the survey will be proposed by the Company and agreed to by the Contracting Committee.
- 6.3.11 The Company will develop a mechanism to track and use all knowledge gained from the pre-qualification process and data, including explanations of non-award and commentary in contract bid evaluations, such as reasons for non-award, and any knowledge through tendering processes to suggest additional workshop and information session opportunities. All such information will be made available to the Contracting Committee.
- 6.3.12 The Company will provide reasonable assistance to Inuit Firms and Inuit entrepreneurs to pre-qualify for contracts.
- 6.3.13 The Company will produce an annual report on workshop and assistance activities, and as-needed support provided to Inuit Firms, which shall be submitted to the Contracting Committee by January 31 of each Year.
- 6.3.14 To complete reporting, the Company will develop an activity tracking tool to gauge the extent to which workshops and information sessions have led to Inuit Firm and Inuit business pre-qualification, successful participation in the contracting process, and contract award.
- 6.3.15 Reporting for each workshop, information session, and as-needed support activity will include:
- (a) Dates, time and locations of activities.
 - (b) Variances to the agreed planning documentation as described in Subsection 6.16.2 (e.g. variances to anticipated outcomes);
 - (c) Inuit Firm and Inuit business participation, including confirmations that Inuit Firm and Inuit business representatives were present (e.g. participation tracking sheet with NTI Inuit Firm Registry Numbers, representative names, and signatures);
 - (d) Final materials, handouts, tools and the like used for the workshop and information sessions;
 - (e) Results of any Inuit Firm Assistance provided; and
 - (f) Recommendations on upcoming workshops and information sessions, lessons learned and areas of improvement.

6.4 Pre-Qualification

- 6.4.1 All contractors (Inuit and non-Inuit) are required to pre-qualify in order to be eligible to access Project contract opportunities.

- 6.4.2 The Contracting Committee will collaboratively approve a listing of contract categories for which firms can pre-qualify against. An initial list, which will account for the contracting activity for the next three (3) years, regardless of Project phase, will be established by the Company within the first three (3) months of signing this Agreement for Contracting Committee approval.
- 6.4.3 Changes to contract categories are to be communicated to and approved by the Contracting Committee prior to implementation. Once approved, changes will be communicated to both existing pre-qualified Inuit Firms and the Inuit Firm community not already pre-qualified (e.g. the NTI Inuit Firm Registry).
- 6.4.4 A standard pre-qualification application will be developed, which will be tied to the previously established contract categories (i.e. standard form and associated contract category listing). Criteria to evaluate will be determined on a contract by contract basis and jointly developed by QIA and the Company through the Contracting Committee.
- 6.4.5 An open pre-qualification process will be developed (e.g. applications will be available on the Company's website) and Inuit Firms can pre-qualify at any time.
- 6.4.6 Firms will be able to retrieve and submit pre-qualification applications to the Company, requesting pre-qualification against contract categories of interest. The Company will provide an evaluation of such applications within 25 days.
- 6.4.7 All successful Firms, Inuit and non-Inuit, will be listed on the Pre-Qualification Register, which will be managed as detailed in the Implementation Guide.
- 6.4.8 Inuit Firms will be provided with an explanation for unsuccessful pre-qualification, as per the contract categories they have applied for. This information will be included on the Pre-Qualification Register and shared with the Contracting Committee.
- 6.4.9 Unsuccessful Inuit Firms and/or the Contracting Committee can request a reevaluation of their initial evaluation. If the Company agrees with the request, it may add the unsuccessful Inuit Firm to the Pre-Qualification Register. In the event that the Company does not add the unsuccessful Inuit Firm to the Pre-Qualification Register, it will provide the Inuit Firm and the Contracting Committee with a reevaluation of the initial evaluation, including an explanation for why the Inuit Firm has not been pre-qualified, within 15 days.
- 6.4.10 In general, any updates made to the Pre-Qualification Register will be communicated to the Contracting Committee, including any new pre-qualification evaluations and new firms added to the register, prior to using it for contracting (i.e. timely updates will occur prior to issuing tenders, requests for proposals or other invitations).
- 6.4.11 As part of the quarterly Contracting Committee reporting, the Company will provide information as detailed in the Implementation Guide.

6.5 Contract Award Procedures - General

- 6.5.1 The Company agrees to use its best efforts to maximize Inuit participation in contracting for the categories of goods or services referred to in Subsection 6.2.2, as well as in subcontracts

for these same contracts, required during the Construction, Operations and Decommissioning Phases of the Project.

6.5.2 Pursuant to Subsection 6.5.1, the Company will consult QIA regarding the design of contracting, tendering, evaluation and monitoring processes. The Contracting 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 Joint Executive Committee will review the list of contracts the Company anticipates awarding in the coming Year, to identify contracts for which pre-qualified Inuit Firms may be qualified and eligible.

6.5.3 The three main types of contracts the Company will utilize on the Project will be negotiated contracts, requests for proposal and invitational tenders.

6.6 Existing Contracts

6.6.1 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.

6.6.2 The Company agrees to follow the contracting provisions set out in this Agreement.

6.7 Negotiated Contracts

6.7.1 The Company may negotiate a contract directly with a contractor when:

- (a) A pre-qualified 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 pre-qualified Inuit Firm is eligible or interested to participate in a given contract, or if negotiations with a pre-qualified Inuit Firm are not successful;
- (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.

6.7.2 Except in instances arising from Sections 6.7.1(d) or 6.7.1(e), the Company will notify QIA and the Joint Executive Committee at least 45 days in advance of entering into direct negotiations for contracts.

6.7.3 In situations that may arise from emergency or time-limiting situations as per Sections 6.7.1(d) or 6.7.1(e), the Company will notify QIA and the Joint Executive Committee immediately on identifying the need to negotiate a contract pursuant to Sections 6.7.1(d) or 6.7.1(e).

- 6.7.4 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 pre-qualified Inuit Firm, as the case may be.
- 6.7.5 The Company will make all reasonable efforts to ensure that contract negotiations with a pre-qualified Inuit Firm proceed in a timely and fair manner and that the pre-qualified Inuit Firm is given ample opportunity to present and justify its proposal.
- 6.7.6 Contractors submitting proposals for negotiated contracts will be required to submit a Contractor's Inuit Content Plan, as described in Section 6.13.

6.8 Requests for Proposal and Invitational Tenders

- 6.8.1 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 pre-qualified Inuit Firm is eligible for and interested in directly negotiating the contract;
 - (b) The Company and a pre-qualified 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.
- 6.8.2 In cases where direct negotiations with an Inuit Firm have been unsuccessful, the pre-qualified Inuit Firm with which the Company has been negotiating will be invited to submit a tender or proposal.
- 6.8.3 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 pre-qualified 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 pre-qualified Inuit Firms, pre-qualified Inuit Firms will be given the first right of proposal or will be the only companies invited to tender on said contract;
 - (b) 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.
- 6.8.4 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 criteria outlined in Subsection 6.11.2, which outlines preference for Inuit content in contracting.

- 6.8.5 Contractors submitting proposals for contracts will also be required to submit a Contractor's Inuit Content Plan, as described in Section 6.13.
- 6.8.6 Contractors submitting proposals for negotiated contracts will be required to submit a Contractor's Inuit Content Plan, as described in Section 6.13.
- 6.8.7 The Company will notify QIA and the Joint Executive Committee at least 45 days in advance of requesting proposals or inviting bids for contracts.

6.9 Reporting

- 6.9.1 The Company will provide and will require all contractors and subcontractors to provide, the Contracting 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.
- 6.9.2 The Company will provide contractor solicitation packages (i.e. tenders, requests for proposals, expressions of interest, etc.) to the Contracting Committee for each contract (goods and/or service) when it is sent to suppliers. Contractor solicitation packages will include standard terms and conditions, contract requirements, and Inuit content requirements for the contract. Additional contents, information requirements, and templates will be detailed in the Implementation Guide.
- 6.9.3 The Company will provide the final bid evaluation grid to the Contracting Committee within 10 days of evaluation. Members of the Contracting Committee may be subject to reasonable confidentiality and nondisclosure requirements. Bid evaluation grids will include a Pre-Qualification Category, a list of bidders and successful bidders, evaluation criteria and weightings, preference points, award value, contract duration, and the date that the scorecard was issued. All submitted CICPs, including the final CICIP established for the successful bidder, will be provided to the Contracting Committee. Additional bid evaluation submission descriptors are detailed in the Implementation Guide.
- 6.9.4 The Company will provide the Contracting Committee with the same explanation of non-award for bids that it will provide to each Inuit Firm that is unsuccessful. The contents of the explanation of non-award are detailed in the Implementation Guide.
- 6.9.5 The Company will provide quarterly reports to the Contracting Committee which will include reporting on actual data against anticipated Inuit Content in the contractors' approved CICIP. The template for the quarterly report will be included in the Implementation Guide.
- 6.9.6 The Company will provide quarterly reports to the Contracting Committee within 30 days of the end of each quarter. Quarterly reports will include updates to the list of planned contracts, Inuit and Non-Inuit Firm spend, and a summary of pre-qualification and contractor solicitation activities. The quarterly report template will be included in the Implementation Guide.
- 6.9.7 The Company will provide the Contracting Committee with relevant information with respect to changes that would impact the Inuit Procurement and Contracting Strategy or the Implementation Guide.

6.10 Firm Selection

- 6.10.1 The Company shall provide QIA and Inuit Firms with an ACN of the upcoming contract on the Pre-Qualification Registry 45 days prior to the tender package release, except for contracts under CAD \$1 Million, in which case Subsection 6.12.2 shall apply. The ACN shall state the Pre-Qualification Category for the contract and include preliminary details as provided for in the list of planned contracts, including but not limited to, value, duration, scope of work and/or contract descriptions.
- 6.10.2 If the Contracting Committee has not yet established Inuit Content parameters for the contract, it will be done during the advance contract notification period.
- 6.10.3 The contract package will be distributed to pre-qualified Firms and the Contracting Committee, as per the Company's contracting and procurement timelines. This contract package will include a notice of intent to participate and will also clearly note that Firms are to respond with an intent to participate and will indicate the Pre-Qualification Category for the Contract. This will ensure the Pre-Qualification Category has not changed since the time of notice to Inuit Firms. If for any reason a contractor solicitation process is cancelled by the Company, notice and justification will be provided to participating Inuit Firms and, in all instances, to the Contracting Committee. The notice and justification will be discussed at Contracting Committee proceedings.
- 6.10.4 Inuit Firms will be exempt from all bonding requirements for all contracts valued at CAD \$500,000 or less.

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 The Company shall apply a standardized 100-point scale model in order to evaluate bids, whereby the Company will determine all non-Inuit criteria and the Contracting Committee will determine Inuit criteria. These criteria shall be weighted as follows:
- (a) Contracts for Goods:
 - (i) 70 points (out of 100) for non-Inuit criteria
 - (ii) 30 points (out of 100) for Inuit criteria
 - (b) Contracts for Services:
 - (i) 80 points (out of 100) for non-Inuit criteria
 - (ii) 20 points (out of 100) for Inuit criteria
 - (c) The Contracting Committee shall establish the point weighting for Inuit content following the processes set out in the Implementation Guide.

- (d) Bidding Firms shall propose Inuit content in their bids by completing a CICP, a template of which is included in the Implementation Guide.
 - (e) The Contracting Committee shall receive all CICPs and bid evaluation scorecards.
- 6.11.3 Proposals that do not include an assessment of potential Inuit content will be deemed non-compliant.

6.12 Regional Contracting Benefits

- 6.12.1 In addition to following all procurement and contracting requirements for all contracts regardless of value as provided for in this Agreement, the Inuit Procurement and Contracting Strategy, and the Implementation Guide, the Company shall also comply with the Regional Contracting Benefits process for contracts that are valued less than CAD \$1 Million.
- 6.12.2 For contracts under CAD \$1 Million:
- (a) Following the advanced contract notification period (ACN) of 21 calendar days, the Company will solicit proposals only from pre-qualified Inuit Firms, including the Qikiqtaaluk Corporation, as part of a request for proposals process.
 - (b) In the event that Qikiqtaaluk Corporation wishes to submit a proposal and begin discussions with the Company, the Company will immediately begin good faith negotiations with Qikiqtaaluk Corporation to reach an agreement. The Parties will be given 21 calendar days to reach an agreement. During this period, the Company will not negotiate with any other Firms.
 - (c) Should an agreement not be reached with Qikiqtaaluk Corporation, the Company will seek to negotiate with other Inuit Firms who have submitted proposals. The Parties will be given 21 calendar days to reach an agreement. During this period, the Company will not negotiate with any non-Inuit Firms, nor will non-Inuit Firms be provided an ACN.
 - (d) Should an agreement not be reached with any Inuit Firm, the Company will solicit proposals from any qualified Firms. Inuit Firms will have an opportunity to file proposals during this process.
 - (e) The Company will give due consideration to all bids received when conducting the bid evaluation process prior to awarding the contract.
- 6.12.3 For contracts over CAD \$1 Million, the Company will follow the procurement and contracting processes set out in this Agreement, the Inuit Procurement and Contracting Strategy, and the Implementation Guide.

6.13 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.

6.14 Explanation for Non-Award

If a pre-qualified 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.

6.15 Annual Review

The Joint Executive Committee will review all contracts listed in the comprehensive list of contracts referred to in Subsection 6.2.2, as well as the lists of pre-qualified Inuit Firms annually, in consultation with QIA and the Company.

6.16 Annual Contract Planning

6.16.1 The Company shall report to the Contracting Committee on planned contracts for the upcoming Year by not later than January 31. The Annual Contract Planning Report will list planned contracts and identify Pre-Qualification Categories, contract descriptions, anticipated terms and conditions of contracts, and anticipated duration, value and evaluation grids.

6.16.2 The Annual Contract Planning Report shall also identify and describe contracts:

- (a) That are subject to Regional Contracting Benefits as provided in this Agreement;
- (b) For which there are no pre-qualified Inuit Firms available;
- (c) That have special conditions, qualifications or exemptions that may result in limited Inuit participation; and
- (d) That have been subject to contract design or tailoring that may result in limited Inuit participation, with reasons explaining the need for such contract design or tailoring.

Further required descriptions and information to be included in the Annual Contract Planning Report shall be set out in the IIBA Implementation Guide.

6.16.3 In each Year by not later than April 1, the Contracting Committee will review the Annual Contract Planning Report and the list of planned contracts for the upcoming year. The purpose of this review will be to:

- (a) establish Inuit content parameters to be used in bid evaluations; and
- (b) identify any special conditions to maximize Inuit and/or Inuit Firm participation.

6.16.4 Where the Company proposes a contract that has not been reported and is not on the annual list of planned contracts, the Contracting Committee will, during the advance contract notification period, establish Inuit content parameters to be used in bid evaluation.

6.16.5 As part of the IIBA Work Plan, the Contracting Committee will provide the dates and locations of the contracting information sessions for the Year.

6.17 Enforcement

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

6.18 Mediation and Arbitration

6.18.1 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**”).

6.18.2 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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ARTICLE 7 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 Joint Executive Committee and the QIA Inuit Engagement Specialist 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 The Company's recruiters and contractors will consider ability, skills and experience as equivalent to formal qualifications using the agreed upon Skills Equivalency Assessment Templates ("SEAT"). Inuit applicants with experience equivalencies will be treated equally with all applicants with formal training.
- 7.3.3 Skills listed within the SEAT will be made available by QIA within Tuttarvik for Inuit to choose from when completing their employment profile.
- 7.3.4 The Company will report on the use of the SEAT on a quarterly basis and highlight when and how many Inuit resumes have highlighted a skill listed on the SEAT.
- 7.3.5 The SEAT will only be modified with the approval of the Employment Committee.
- 7.3.6 The Employment Committee will review new positions in order to determine if modifications to the SEAT are required prior to being posted.

- 7.3.7 The Employment Committee will review the SEAT on a yearly basis, and revise when appropriate.
- 7.3.8 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.
- 7.3.9 The Company Inuit Employment and Training Specialist and QIA Inuit Engagement Specialist will keep an up-to-date list of all positions active in all phases of the Project, updated on a monthly basis.

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 Offices and Information Sessions

7.8.1 The Company will use its best efforts to establish offices in Points of Hire communities referred to in Section 7.6 and provide Inuit with related employment opportunities.

7.8.2 The Company will offer a minimum of four (4) hours of employment and training information sessions per calendar quarter in each of the Points of Hire communities referred to in Section 7.6. The information sessions will cover topics including, without limitation:

- (a) education and training opportunities;
- (b) employment opportunities with the Company and contractors;
- (c) the hiring process;
- (d) life at camp;
- (e) IIBA benefits; and
- (f) Company policies.

7.8.3 The content and format requirements for the information sessions shall be set out in the Implementation Guide and any amendments thereto.

7.9 Company Inuit Employment and Training Specialist and QIA Inuit Engagement Specialist

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

7.9.2 The Company Inuit Employment and Training Specialist 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 Specialist shall be set out in the Implementation Guide.

7.9.3 The Company will fund QIA to hire and train an Inuk for the position of a QIA Inuit Engagement Specialist.

7.9.4 The QIA Inuit Engagement Specialist 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 Subsection 7.14.5. A job description for the QIA Inuit Engagement Specialist shall be set out in the Implementation Guide.

7.9.5 The Company Inuit Employment and Training Specialist and the QIA Inuit Engagement Specialist will work closely with each other and with Government of Nunavut employment

officers, QIA Community Liaison Officers, or recruiters for the Company in each Point of Hire community to help identify candidates for consideration for jobs on the Project.

7.10 Human Resource Advisors, Inuit Relations

- 7.10.1 The Company shall hire, train and staff Human Resource Advisors, Inuit Relations, who will be present at both the Milne Inlet and the Mary River camps. Human Resource Advisors, Inuit Relations are employed for the benefit of Inuit workers, including to provide the services described in Section 11.6.
- 7.10.2 Within 90 days of the date of this Agreement, the Company shall hire four (4) Human Resource Advisors, Inuit Relations to allow for one Human Resource Advisor, Inuit Relations to always be present at each camp on a rotational working schedule.
- 7.10.3 Until March 31, 2023, the Company shall continually employ four (4) Human Resource Advisors, Inuit Relations in order to establish the foundations for this role including Inuit specific human resource programs, as defined in the Inuit Human Resource Strategy. The Parties shall reevaluate whether there is a need to increase or decrease the number of Human Resource Advisors, Inuit Relations during preparation of the 2023 – 2024 IIBA Annual Work Plan.
- 7.10.4 The Company agrees to a yearly budget of \$400,000 (2018 dollars, adjusted annually for inflation based on the Consumer Price Index) for salaries, benefits, and other costs related to the four (4) Human Resource Advisors, Inuit Relations. Upon agreement of the Employment Committee, if the number of Human Resource Advisors, Inuit Relations is adjusted pursuant to Subsection 7.10.3, then the yearly budget will be adjusted.
- 7.10.5 The job description of the Human Resource Advisors, Inuit Relations shall be set out in the Implementation Guide.

7.11 Inuit Recruiters

- 7.11.1 Within 90 days of the date of this Agreement, the Company shall hire one (1) Inuit Recruiter, who will be located in Iqaluit.
- 7.11.2 Until March 31, 2023, the Company shall continually employ at least one (1) Inuit Recruiter. The Parties shall reevaluate whether there is a need to increase or decrease the number of Inuit Recruiters during preparation of the 2023 – 2024 IIBA Annual Work Plan.
- 7.11.3 The Company agrees to a yearly budget of \$300,000 (2018 dollars, adjusted annually for inflation based on the Consumer Price Index) for salaries, benefits, travel and other costs related to the Inuit Recruiter. Upon agreement of the Employment Committee, if the number of Inuit Recruiters is adjusted pursuant to Subsection 7.11.2, then the yearly budget will be adjusted.
- 7.11.4 The job description for the Inuit Recruiter shall be set out in the Implementation Guide.

7.12 Project Human Resources Strategy

- 7.12.1 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.
- 7.12.2 The Company will bear all costs associated with development and implementation of the Project human resources strategy.

7.13 Inuit Human Resources Strategy

- 7.13.1 As also provided for in Section 8.11 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.
- 7.13.2 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.
- 7.13.3 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 7.14;
 - (b) A retention and advancement component pursuant to Section 7.15;
 - (c) Target levels for Inuit employment, as per Section 7.16;
 - (d) An Inuit women’s employment component, as per Section 7.17;
 - (e) A seasonal employment component, as per Section 7.18;
 - (f) A summer student employment component, as per Section 7.19;
 - (g) An employee well-being component, as per Article 12; and
 - (h) Any other matters as agreed to by the Parties from time to time.
- 7.13.4 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.

7.14 Inuit Recruitment and Selection Program

- 7.14.1 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.
- 7.14.2 The Joint Executive Committee and the Company will review the list of potential positions for Inuit employees on an annual basis.
- 7.14.3 In consultation with QIA, the Company's human resources department and the Company Inuit Employment and Training Specialist 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.
- 7.14.4 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.
- 7.14.5 The Employment Committee and the Company shall utilize the Tuttarvik Inuit Labour Pool Database ("Tuttarvik") to facilitate Inuit recruitment and hiring, and development of employment and training initiatives. The Company shall utilize the Tuttarvik Database when filling positions and delivering training to Inuit. The Company shall demonstrate its use of the Tuttarvik Database in the Annual IIBA Implementation Report referred to in Section 20.3.
- 7.14.6 Tuttarvik shall be administered by QIA or one of its subsidiary organizations. Details regarding data access and use of Tuttarvik shall be provided for in the Implementation Guide.
- 7.14.7 In conjunction with the Company's human resources department, the Company Inuit Employment and Training Specialist 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.

7.15 Retention, Advancement and Career Development

- 7.15.1 The Company will ensure through its general employment practices, monitored by the Company's human resources department and the Company Inuit Employment and Training Specialist 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.
- 7.15.2 Training programs will be designed to facilitate employment and advancement opportunities, including advancement into management positions.

- 7.15.3 The Company will promote the mobility of Inuit by establishing and implementing career path development plans and training programs for every Inuk employee. These will be completed before the end of the probationary period with the Human Resources Advisor, Inuit Relations and shared with their direct supervisor.
- 7.15.4 The Company shall maintain a set of career paths for each department. Each career path will include position title, NOC Code and wage, as well as the number of hours and specific training required to advance from position to the next. Career path templates can be found in the Implementation Guide and shall be reviewed annually and updated as necessary by the Employment Committee.
- 7.15.5 The Company will include in the job responsibilities of the senior staff of the Project the requirement to mentor Inuit workers and will provide to its senior staff the required training on how to coach and mentor Inuit employees. These activities will be completed together with the Human Resources Advisor, Inuit Relations.
- 7.15.6 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.
- 7.15.7 On a quarterly basis, the Company will provide the Employment Committee with a report on all employee training delivered, including program delivery dates and locations, use of Inuit instructors, as well as attendance and completion status (hours) of Inuit participants. In the event that an employee provides the Company with their NTI Number, the Company will provide the report by NTI Number.
- 7.15.8 Orientation and cross-cultural training programs will be designed to reduce barriers to Inuit advancement, including, without limitation, programs and resources designed for Inuit employees, as detailed in the Implementation Guide.
- 7.15.9 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.
- 7.15.10 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.
- 7.15.11 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

7.15.12 In furtherance of NLCA, Schedule 26-1, item #3, employment rotations shall be planned by the Company, with the participation of the QIA Inuit Engagement Specialist 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.

7.16 Target Levels of Inuit employment – Minimum Inuit Employment Goals (MIEGs)

7.16.1 No later than January 31st of each Year the Employment Committee shall establish the Minimum Inuit Employment Goals (the "MIEGs") for the Project pursuant to the provisions of this Agreement and the Implementation Guide. No later than March 1st of each Year the Joint Executive Committee shall approve all MIEGs set by the Employment Committee.

7.16.2 A MIEG shall be established in each QIA Fiscal Year for positions in each of the following skill level categories: Unskilled; Semi-Skilled; Skilled; Professional; and Management, with the positions in each skill level category further described by position title and 4-digit NOC Code.

7.16.3 Every MIEG shall be expressed as a percentage calculated by dividing the total number of hours that Inuit are projected to work in the QIA Fiscal Year, by the total number of hours that all persons are projected to work in the same QIA Fiscal Year. MIEGs shall include all work hours projected for the Project in the QIA Fiscal Year, whether for the Company or for any contractor or subcontractor, including any contracts having a labour component all or part of which is to be performed in Nunavut.

7.16.4 Specific terms, conditions and procedures relating to the establishment and implementation of MIEGs for the Project are provided for in the Implementation Guide.

7.16.5 The Company shall use its best efforts to achieve annual MIEGs and will report quarterly to the Employment Committee on Inuit employment by the Company and by all contractors and subcontractors, by NTI Number, NOC Code, Career Path and Position Title. NTI Numbers cannot be compelled by the Company from an employee, but the Company will explain the reason for the request and use its best efforts to obtain NTI Numbers from Inuit employees.

7.16.6 Failure to achieve a MIEG in one or more job categories by QIA Fiscal Year end shall be addressed pursuant to Article 10 ("**Enforcement of Inuit Content Requirements**").

7.17 Inuit Women's Access to Employment

7.17.1 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.

7.17.2 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.

7.17.3 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.

7.18 Seasonal Employment

- 7.18.1 The Company shall, either directly or through its contractors, make seasonal employment opportunities available to Inuit and Inuit employees in accordance with provisions relating to seasonal employment, as developed and set out in the Implementation Guide.
- 7.18.2 Seasonal employment opportunities will be considered in the same manner as year-round positions for the purpose of determining Inuit work hours when establishing annual MIEGs.
- 7.18.3 The Employment Committee shall encourage Inuit to seek seasonal employment opportunities as developed and set out in the Implementation Guide.

7.19 Summer 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 Points of Hire communities.

7.20 Inuit Internship Program

- 7.20.1 The Company shall develop and operate an Inuit Internship Program for a minimum of ten (10) years following the date of this Agreement. The Inuit Internship Program shall be in addition to the seasonal employment program referred at Section 7.18 and the summer student employment program referred to at Section 7.19.
- 7.20.2 The Company shall offer a minimum of four (4) Inuit Internship positions each year. Inuit Internships will be offered for positions as agreed upon from time to time by the Employment Committee, provided that at least two (2) of the Inuit Internship positions shall be in the fields of human resources, finance, corporate affairs and/or a technical occupation outside the traditional trades and heavy equipment operation.
- 7.20.3 Upon completion of a one-year internship, an Inuit Intern shall receive priority hiring for any position with the Company or its contractors for which he or she subsequently applies and for which he or she satisfies the minimum requirements of the position.
- 7.20.4 The Company hereby agrees to an annual budget for the Inuit Internship Program of \$500,000 (2018 dollars, adjusted annually for inflation based on the Consumer Price Index). The annual

budget is based on approximately \$125,000 per intern position for salaries, benefits, travel and training, with additional Inuit Interns to be hired up to the full budgeted annual amount for the Inuit Internship Program if the cost per intern is less than the per position estimate.

7.21 School Lunch Programs

- 7.21.1 The Company will fund and support the delivery of School Lunch Programs in Igloolik, Hall Beach, Arctic Bay, Pond Inlet and Clyde River.
- 7.21.2 Each School Lunch Program will require an approach that best suits the community and its student body.
- 7.21.3 The delivery of the School Lunch Program will be overseen by the Employment Committee in accordance with the Implementation Guide.
- 7.21.4 The Company is committed to a yearly budget of \$300,000 (2018 dollars annually adjusted for inflation) for these purposes.

7.22 Enforcement

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

7.23 Reporting

- 7.23.1 The Company will report any data pertinent to Inuit employment, retention and advancement to the Joint Executive Committee on a quarterly basis, as provided for in Section 20.1.
- 7.23.2 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.
- 7.23.3 The Employment Committee will triennially, or as otherwise agreed by the Employment Committee, commission a Qikiqtani specific labour market analysis, as described in the Implementation Guide. The first labour market analysis will be completed in 2019, such that information collected is available for use in developing the 2020 MIEG.

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ARTICLE 8
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 Joint 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 Points of Hire 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

8.3.1 As part of the Inuit Human Resources Strategy delineated in Section 8.11 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;
- (d) Developing and operating an Inuit Internship Program; and
- (e) Mentoring.

8.3.2 The Company will hire all Inuit enrolled in training programs as employees of this Project.

8.3.3 Wages provided to employees in the trainee stage will not be counted as training dollars. Wages paid in addition to committed training costs means wages paid directly to Inuit trainees. Wages provided will be determined by the Company and will be based upon an appropriate value for trainees in the field in which they are training (based on 2018 CAD dollars).

8.3.4 If trainees are hired into a specific role following training, the Project hours spent in training can be counted towards both the MIEG and training hours.

8.3.5 The Company will plan and report upon these training activities in a manner that is consistent with the Implementation Guide.

8.4 Company Inuit Employment and Training Specialist and QIA Inuit Engagement Specialist

8.4.1 In accordance with Subsection 7.8.1, each of QIA and the Company will hire an Inuk for the positions of Company Inuit Employment and Training Specialist and QIA Inuit Engagement Specialist, 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 Mary River Inuit Training Project stipulated in Section 8.6, as well as any additional funding from outside sources, will be administered by the Employment Committee, which will establish an annual budget and will be monitored by the Joint Executive Committee.

8.4.3 The Company Inuit Employment and Training Specialist and QIA Inuit Engagement Specialist will provide regular reports to the Employment Committee.

- 8.4.4 The Company, the Employment Committee and QIA Inuit Engagement Specialist will maintain relations with partner education and training organizations and institutions.
- 8.4.5 The Company, through the Company Inuit Employment and Training Specialist, 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 Inuit Employment and Training Specialist and QIA Inuit Engagement Specialist shall be set out in the Implementation Guide.

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 Employment and Social Development Canada office in Iqaluit, at Nunavut Arctic College campuses and Baffin Community Learning Centres and at Hamlet offices in Points of Hire communities.
- 8.5.3 The Joint Executive Committee will review the list of education and training opportunities annually.

8.6 Mary River Inuit Training Project

- 8.6.1 The unexpended balance of the Company's initial \$2 Million funding commitment towards an Inuit training fund that was to have been fully contributed between 2013 and 2015 shall continue to be available to QIA to fund Inuit training programs until fully expended.
- 8.6.2 Commencing in 2018, the Company shall continue the existing commitment to pay \$2.25 Million per year until 2021 to further fund Inuit training programs. The foregoing funding contribution is inclusive of the Company's funding commitment to the Qikiqtani Skills and Training for Employment Partnership program ("Q-STEP") established by QIA. In furtherance of its Q-STEP commitment the Company will sign the Q-STEP Charter and service agreement with QIA.
- 8.6.3 On expiry in 2021 of the funding described in Subsection 8.6.2, the Company will contribute \$1.5 Million per year (2018 dollars, adjusted annually for inflation based on the Consumer Price Index) from 2021 to 2031 for the continued delivery of Inuit training programs.
- 8.6.4 The Company's commitments to training Inuit described in Subsections 8.6.1 and 8.6.2 are collectively referred to as the "Mary River Inuit Training Project."
- 8.6.5 Only the costs of the following items provided to Inuit are recognized as spending toward the Company's annual funding commitment for the Mary River Inuit Training Project:
 - (a) Purchase of courses for the Company's delivery;

- (b) Course fees of a 3rd party;
 - (c) Course/Training materials;
 - (d) Development of original course materials;
 - (e) Instructors fees if not an employee of the Company; and
 - (f) Travel costs for training outside of Nunavut.
- 8.6.6 Any unspent monies in a given Year will be carried forward into the following Year. Any monies spent in excess of the annual amount will not be deducted from allocations in future Years.
- 8.6.7 QIA and the Company will collaborate to ensure that training opportunities for Inuit are filled to the greatest degree possible, with priority to Inuit from Points of Hire communities.
- 8.6.8 Inuit accepted for training positions will be hired as employees of the Company and will receive regular employee wages and applicable benefits.
- 8.6.9 Subject to regulatory and Company due diligence requirements (e.g. testing for tuberculosis), requirements for medical exams and background checks for trainees/employees will be conducted in an agreed upon manner that does not prohibit the ability to participate in training. Lack of access to medical personnel to complete applicant assessments, and delays in the delivery of assessment results, is recognized as a barrier to employment requiring appropriate accommodations. The Employment Committee will address matters relating to application requirements and provide recommendations on appropriate application procedures.
- 8.6.10 The Employment Committee will direct all decisions on the use and expenditure of funding for training in accordance with terms and conditions set out in the Implementation Guide.
- 8.6.11 For the purposes of this Section 8.6, an Inuit Employment Target (IET) of 50% of all filled employment or contract positions for the Mary River Project, based on total employee work hours, is agreed to by the Parties as the long-term multi-year target for Inuit employment at the Mary River Project. The IET is a benchmark target that is related to the Company's obligation to fund training pursuant to Section 8.6 only and is not a MIEG, and is in contrast to the establishment by the Employment Committee of annual MIEGs that reflect the short-term annual goals by skill categories for minimum Inuit employment during a specified year.
- 8.6.12 In any Year that the IET is achieved, the Company's obligation to provide funding for training pursuant to Section 8.6 shall be suspended. In any Year that the IET is not achieved the Company's obligations to provide funding for training pursuant to Section 8.6 shall continue or resume. Ten years from the date of this Agreement the Parties will review and consider whether there is a consensus that the IET requires adjustment. For all Years subsequent to 2031, the Company will continue to fund training in amounts to be agreed by the Parties.
- 8.6.13 The Company and QIA will also work together to locate other sources of funding for Inuit training, including the preparation of joint applications to sources that include the Employment and Social Development Canada, the Mining Industry Human Resources Council, Crown-Indigenous and Northern Affairs Canada and Indigenous Services Canada.

- 8.6.14 As part of the Inuit Participation Report detailed in Section 20.4, the Company Inuit Employment and Training Specialist will report annually to the Joint Executive Committee on activities of the Mary River Inuit Training Project, as well as any additional funding from outside sources.

8.7 Baffinland Inuit Training Centre

- 8.7.1 The Company will fully fund the engineering designs and specifications for a Baffinland Inuit Training Centre in Pond Inlet. The professional designs will consider the technical components, layout, design, plans and specifications and related components of the Baffinland Inuit Training Centre.
- 8.7.2 The professional designs and plans for the Baffinland Inuit Training Centre will be supported by studies that assess the needs that are specific to the creation and operation of such a facility in Nunavut, including student and instructor housing, and collaboration and coordination with other community development projects where possible, including childcare facilities.
- 8.7.3 The Company will complete the designing of the Inuit Training Facility not later than July 1, 2019. The Parties acknowledge that design completion is required in order to apply for third party funding and to otherwise develop third party funding interest and commitments. The Parties will jointly collaborate and provide best efforts assistance on the solicitation of additional parties to support the funding and operation of the Baffinland Inuit Training Centre.
- 8.7.4 The design and planning of all aspects of the Baffinland Inuit Training Centre shall be carried out jointly between the Company, QIA, and the Hamlet of Pond Inlet, to the extent the municipality wishes to participate in design and planning. The Parties will establish a working group to manage design and planning. Each of QIA and the Company will appoint a lead contact person and will invite the municipality to appoint a lead contact person.
- 8.7.5 The Company will contribute \$10 Million (2018 dollars, adjusted annually for inflation based on the Consumer Price Index) to the construction cost to build the Baffinland Inuit Training Centre. Amounts spent by the Company on design, planning and other non-construction costs related to the development of the Baffinland Inuit Training Centre are in addition to and separate from the Company's commitment to contribute \$10 Million for the costs of construction.

8.8 Achievement Awards and Scholarship

- 8.8.1 The Company will sponsor competitions, prizes and achievement awards at various levels in the school system in Points of Hire communities each Year during the term of this Agreement. Funding will be at the discretion of the Company.
- 8.8.2 The Company will provide a minimum of \$25,000 annually for a scholarship fund.

8.9 Training Facilities and Dormitories

- 8.9.1 The Company will provide adequate training facilities and classrooms on-site for ongoing training programs.
- 8.9.2 The Company will provide sufficient dormitory space on-site for trainees.

8.10 Use of Inuktitut and Inuit Instructors

- 8.10.1 Subject to the availability of qualified instructors, training will be available in Inuktitut for positions to be identified by the Company and QIA.
- 8.10.2 Subject to the availability of qualified instructors, Inuit instructors will be hired to carry out training in Inuktitut.
- 8.10.3 A complete set of provisions regarding the use of Inuktitut on the Project is presented in Section 11.4.

8.11 Inuit Human Resources Strategy

- 8.11.1 As provided for in Section 7.12, 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.
- 8.11.2 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 8.12;
 - (b) Adult Education initiatives as per Section 8.13;
 - (c) A Construction training program as described in Section 8.14;
 - (d) A training program for the Operation Phase as described in Section 8.15;
 - (e) Training programs for Contract and Subcontract activities, including catering, expediting, shipping and business management, as described in Section 8.16 ;
 - (f) A management training program as described in Section 8.17;
 - (g) An advanced skills training program as described in Section 8.17; and
 - (h) Education initiatives as described in Section 8.18.

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

8.12 Pre-Employment Preparation

The Pre-Employment preparation component of the Inuit Human Resources Strategy will include, without limitation, the following:

- (a) Each year, the Company will deliver its Work Ready Program in each of the Points of Hire communities. The Work Ready Program is a 5-day (40 hours) training program. Course materials will be provided in English and Inuktitut. The Work Ready Program curriculum will be included in the Implementation Guide and can be amended as required by the Employment Committee;
- (b) The Company will use best efforts to deliver the Work Ready Program in English and Inuktitut as appropriate, and to identify and train Inuit instructors in each Point of Hire community to deliver or co-facilitate the Work Ready Program. This may include the Company's BCLOs.
- (c) Within 60 days of successful completion of the Work Ready Program, candidates will be offered Site Readiness Training.
- (d) Participants will be compensated at a rate commensurate with an entry-level position.
- (e) The Company shall maintain a database which tracks all Inuit applicants and training participants. The Company's database will be updated and delivered to the Employment Committee on a quarterly basis.
- (f) The Employment Committee shall review expected Project workforce requirements and projected availability of Inuit seeking employment on the Project.
- (g) The Company shall commit to running three (3) Off-Site Work Readiness and On-Site Training Programs per year in Pond Inlet, Clyde River, Igloolik, Hall Beach, Arctic Bay and Iqaluit. The minimum number of participants registered required to run a program is five (5).
- (h) Participants will become Company employees and will be paid at a rate commensurate with an entry-level position during the training.
- (i) Program graduates will be offered the opportunity to enter into the Company's heavy equipment operator training program, apprenticeship program, or other programs as developed by the Employment Committee.
- (j) The Company will bring Inuit from one community to join a program in another community where five (5) interested individuals have not been found, including, without limitation, bringing Inuit from Hall Beach to join a session in Igloolik.
- (k) In the event that the Company does not run three (3) programs in each of Pond Inlet, Clyde River, Igloolik, Hall Beach, Arctic Bay and Iqaluit, the Company will then run programs in any Qikiqtani community. The minimum number of participants registered required to run a program in other Qikiqtani communities is eight (8).
- (l) A minimum yearly budget of \$400,000 (2018 CAD dollars) will be set aside for these purposes and adjusted for inflation in future years.

8.13 Adult Education

- 8.13.1 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.
- 8.13.2 The Company will include Adult Basic Education as one of the on-site training opportunities within the framework of the Inuit Human Resource Strategy.
- 8.13.3 On-site training opportunities will take place during working hours.

8.14 Construction Training Program

- 8.14.1 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.
- 8.14.2 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.
- 8.14.3 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.

8.15 Operation Phase Training Program

As part of the Inuit Human Resources Strategy provided for in Section 7.13, 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.

8.16 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.

8.17 Management and Advanced Skills Training

- 8.17.1 As part of the Inuit Human Resources 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.
- 8.17.2 On-site advanced skills and management training opportunities will include mentoring and job shadowing.
- 8.17.3 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.

8.18 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 9 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 Agreement 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 Agreement 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 the north Baffin area, 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 Manager.

- 9.2.4 The Company and QIA will establish a communications protocol to keep QIA and Inuit in the north Baffin area 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 Subsection 13.3.2 will be to complement or potentially substitute for the need for ship monitors. The Joint 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 Joint Executive 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, i.e.: 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 Subsection 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 Subsection 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 10
ENFORCEMENT OF INUIT CONTENT REQUIREMENTS

10.1 Inuit Content Reporting

The Company will provide the Joint 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 Joint 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 Joint 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 Joint 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 Section 4.7 (a) and (b).

10.4 Joint Executive Committee Meeting

The Joint 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 Joint 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 Joint Executive Committee or the Arbitrator, as the case may be, will so advise the Company and QIA of their determination. The Joint 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 10.6(e)), the Joint 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 Joint Executive Committee or the Arbitrator, will implement and shall require contractors to implement, any remedial measures recommended by the Joint 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 Joint 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 Joint Executive Committee as soon as practicable on the results of the remedial measures applied.

10.8 Use of Best Efforts

Where the Joint 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 Joint 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 11 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 Subsection 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 Subsection 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 prepared by the Employment Committee to be provided to the Joint 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 Joint 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 and administered by the QIA and the Employment Committee.
- 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 Human Resource Advisors, Inuit Relations – Support Services

- 11.6.1 Every Inuk at both the Milne Inlet and Mary River camps, whether the Inuk is an employee of the Company or an employee of a contractor or subcontractor, shall have access to an Human Resource Advisor, Inuit Relations.
- 11.6.2 A Human Resource Advisor, Inuit Relations should meet with each Inuk worker at least twice per Year. Human Resource Advisors, Inuit Relations shall provide work advice, including training tracking, and will assist the Inuk to develop his or her career path development plan, as described in Subsection 7.13.3.
- 11.6.3 All Inuit employees shall be advised of and provided the opportunity, by both the Company and its contractors, to have an Human Resource Advisor, Inuit Relations invited to attend any meetings regarding the Inuk employee's advancement, poor performance or other employment issue.
- 11.6.4 Human Resource Advisors, Inuit Relations shall provide Inuit employees with job placement counselling within a reasonable time following: (a) a decision to terminate the Project; or (b) a temporary shutdown or decrease in production requiring the Company and/or its contractors

to layoff 10% or more of the Inuit workforce. Job placement counselling will focus on assisting Inuit to find alternate employment and, as applicable, applying for employment insurance benefits.

- 11.6.5 Human Resource Advisors, Inuit Relations will attend the annual planning session of the Employment Committee to provide advice and act as a resource when the Employment Committee is developing the ensuing Year's annual work plan. Human Resource Advisors, Inuit Relations may attend other meetings of the Employment Committee upon request to act as a resource on any issue.

11.7 Community Counsellors Program

- 11.7.1 The Company will develop and operate a Community Counsellors Program which shall operate in Igloolik, Hall Beach, Arctic Bay, Pond Inlet and Clyde River.
- 11.7.2 The Community Counsellors Program shall provide in-person counselling support for all individuals living in all Points of Hire communities. Priority will be given to Inuit workers and their families. The Community Counsellors Program is an extension of the Employment Assistance Program (EAP) of the Company and will not decrease existing assistance provided by the Company.
- 11.7.3 Counsellors shall be trained professionals with expertise and experience in addressing trauma and related health care issues and concerns.
- 11.7.4 The Community Counsellors Program will be designed by November 30, 2018 and will be fully implemented by no later than December 31, 2018.
- 11.7.5 The Employment Committee will oversee the establishment of the Community Counsellors Program and will monitor its effectiveness.
- 11.7.6 The Company shall contribute a yearly budget of \$400,000 for the first year of the program. In subsequent years the Company will contribute a yearly budget of \$300,000 (2018 dollars, adjusted annually for inflation based on the Consumer Price Index). The Company agrees to fund the Community Counsellors Program for a minimum of 10 years. Starting in 2020 and every 2 years thereafter the Parties will assess whether there is a need to amend the program.

11.8 Inuit Cultural Advisors

- 11.8.1 The Company will employ Inuit Cultural Advisors to reside on site at all times to act as a resource for Inuit employees. At least one Inuit Cultural Advisor will be on site at any time.
- 11.8.2 Inuit Cultural Advisors (formerly Inuit "elders") shall be hired by the Company in an open and transparent process. The Company shall consider resumes submitted by QIA through the Employment Committee. The Company shall work with QIA through the Employment Committee to revise the current job description of the Inuit Cultural Advisors to better reflect the new role.
- 11.8.3 Inuit Cultural Advisors will attend the annual planning session of the Employment Committee to provide advice and act as a resource when the Employment Committee is developing the ensuing Year's annual work plan. Upon request of the Employment Committee, Inuit

Cultural Advisors may participate in other meetings of the Employment Committee to act as a resource on any issue.

11.9 Other Support Services

- 11.9.1 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.
- 11.9.2 The Company shall also provide Inuit employees with advice on personal financial management, when requested by an employee.
- 11.9.3 The Company Inuit Employment and Training Specialist and QIA Inuit Engagement Specialist shall be the points of contact for access to these services.

11.10 Availability of Country Food

- 11.10.1 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.
- 11.10.2 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.
- 11.10.3 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.

11.11 Inuit Family Values and Practices

- 11.11.1 The Company, to the extent possible without unduly interfering with the Project's efficient and safe operation, will recognize and support Inuit family values by:
- (a) making reasonable accommodations for workers who wish to take leave to attend functions such as funerals taking Inuit family structures into consideration;
 - (b) making reasonable efforts to grant requests for vacation to allow Inuit workers to engage in traditional activities, including hunting; and,
 - (c) supporting workers' attendance at extended family functions by allowing workers (who must give reasonable notice) to be dropped off or picked up at alternate Points of Hire whenever possible without jeopardizing travel arrangements for other workers.
- 11.11.2 The Company will work with the Employment Committee to design and operate on-site facilities for Inuit traditional practices that comply with applicable health and safety standards and do not interfere with on-site operations.

11.12 Code of Conduct & Anti-Harassment/Discrimination Policy

- 11.12.1 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.
- 11.12.2 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).

11.13 NLCA Rights of Inuit Employees to Pursue Traditional Activities

- 11.13.1 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.
- 11.13.2 The Parties will establish policies relating to Inuit traditional activities referred to in Subsection 11.11.2, 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.
- 11.13.3 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.
- 11.13.4 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.

11.14 Inuit Employee Wildlife Harvesting and Firearms

- 11.14.1 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 Subsection 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.

- 11.14.2 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.
- 11.14.3 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.
- 11.14.4 Authorized security personnel, including polar bear monitors, may discharge firearms anywhere within the Project in emergency situations only.
- 11.14.5 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.

11.15 Communications

- 11.15.1 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.
- 11.15.2 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.

11.16 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.

11.17 Monitoring and Intervention

- 11.17.1 The Company Inuit Employment and Training Specialist and QIA Inuit Engagement Specialist and the IIBA Managers will collaborate to prepare quarterly reports on work place conditions. These reports shall be provided to the Joint Executive Committee for inclusion into the periodic reports required pursuant in Section 20.1.

11.17.2 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.

11.18 Workplace Conditions Review

11.18.1 At a minimum, the Parties will conduct one Workplace Conditions Review each year for Inuit employees, as detailed in the IIBA Implementation Guide.

11.18.2 The Workplace Conditions Review will be funded by the Company and included in the IIBA Implementation Budget. Funding of the Workplace Conditions Review will include planning, travel, execution and reporting.

11.18.3 At a minimum, the Workplace Conditions Review will be constructed to understand and address:

- (a) all workplace, employment, training, education and Inuit rights-related IIBA benefits and requirements; and
- (b) the Company's human resources and health, safety and environmental practices as it relates to the implementation of the IIBA in the areas listed in 11.18.3(a) above.

11.18.4 Methodology, results, analysis and recommendations of the Workplace Conditions Reviews will be reported 60 days after the review and the report will be included in the Annual IIBA Implementation Report referred to in Section 20.3.

11.18.5 The survey results and reporting in the Workplace Conditions Review will be used to develop affirmative actions, as detailed in the IIBA Implementation Guide.

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**ARTICLE 12
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 Pivalliajutsait Kiinaujat Fund

- 12.2.1 Pursuant to the objectives in Section 12.1, the Company and QIA agree to establish the Ilagiiktunut Nunalinnullu Pivalliajutsait Kiinaujat (the Fund).
- 12.2.2 The Company and QIA agree to share equally in the contributions to the Fund. The Company and QIA agree to continue jointly contributing to the Fund for an additional 10 years during the QIA Fiscal Year periods commencing April 1, 2019 and ending March 31, 2030.
- 12.2.3 From 2013 to 2018 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. Commencing in 2019 the maximum annual matching contribution to the Fund by the

Company shall not exceed \$550,000 (2018 dollars, adjusted annually for inflation based on the Consumer Price Index).

- 12.2.4 Payment of all contributions and salaries commenced on signing of the 2013 Agreement. In the first Year of the 2013 Agreement, total contributions and salaries were paid on a pro rata basis according to the number of months remaining in the Year. In subsequent Years, the Company and QIA paid annual contributions based upon the QIA Fiscal Year, which will continue under this Agreement.
- 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 Subsection 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 The funding requirements for fund administration will be established by the Joint Executive Committee as part of its annual budget process. The Joint Executive Committee will review the performance of the Fund during the QIA Fiscal Year commencing April 1, 2024, and in the event the objectives of the Fund are not being achieved the Parties may consider amendments to the purpose of the Fund.
- 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 Joint 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 Not less than six months prior to the end of the ten year period referred to in Subsection 12.2.2, the Joint 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 13
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 15.3 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 agreed, within one year of the signing of the 2013 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. Subsequent to the date of this Agreement Monitoring stations will be designed and will be maintained to also function as emergency shelters. This plan will be forwarded to the Joint Executive 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 Clause 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 Joint Executive 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.

ARTICLE 14 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 Joint 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 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 Joint Executive Committee regarding significant issues arising from the Forum.

14.5 Forum Participation

14.5.1 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 Employment Committee based on the proposed Forum agenda. The process for the nomination and selection of the Employment Committee will be set out in the Implementation Guide.

14.5.2 The Company and the QIA shall act as co-facilitators and presenters at the Forum. The Parties will use their best efforts to address any questions or concerns between the Parties in advance of the Forum to ensure that the Forum is focused on addressing questions and concerns brought forward by community members at the Forum.

14.6 Company Information Required

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

- (a) Operational overview of the previous year's activities, including data on production levels, major incidents, and any other information the Company considers useful;
- (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 community engagement activities;
- (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 Pivalliajutisait Kiinaujat Fund;
- (c) A report on any wildlife compensation;
- (d) A report on community engagement activities;
- (e) A summary of QIA's participation in the previous Year's operations, including activities of the QIA IIBA Manager, the QIA Inuit Engagement Specialist and the Environmental Monitor;
- (f) 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; and

- (g) 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 Joint Executive Committee, the Contracting Committee and the Employment Committee;
- (b) A report on any activities that may have taken place with respect to Inuit Qaujimagatuqangit pursuant to Article 16;
- (c) A report on any non-conformance matters related to this Agreement; and
- (d) A report on community engagement activities.

14.9 Forum Topics

Sixty (60) days prior to the Forum, the Joint Executive Committee will determine key topics, as per the Implementation Guide, that will be presented by the appropriate Party at the Forum, including the following detail:

- (a) a summary of the reasoning provided by the Joint Executive Committee for determining that the topic is important to Inuit;
- (b) an explanation of how this topic is governed and monitored, including, but not limited to, the regulatory authority and the IIBA;
- (c) the structures that are in place to actively address the topic;
- (d) current activities related to this topic; and
- (e) an explanation of how Inuit feedback can be incorporated.

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

The Company shall hire a court reporter to be responsible for making a record of the Forum proceedings and a joint report from the Forum within 90 days of the Forum's proceedings on behalf of the Parties, including recommendations to be forwarded to the Employment Committee, the Contracting Committee and the Joint 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 Employment Committee, the Contracting Committee and/or the Joint 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 Joint Executive Committee, with the assistance of the Employment Committee and the Contracting Committee, shall consider the report and, if considered appropriate by the Joint Executive Committee, shall address any unresolved issues arising from the recommendations of the Forum. If the Joint 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.

14.14 Inuit Engagement Notification

14.14.1 The Company does not require QIA permission to engage Inuit stakeholders or communities to solicit input and/or to build relationships related to the Project, provided that the Company first notifies and engages with QIA prior to engaging with Inuit.

14.14.2 The Company will provide QIA with prior notification in any instance where Inuit engagement activities are being planned, including, engagement with Inuit relating to current, proposed or prospective Project activities, regulatory or other legal approvals, IIBA implementation, Project benefits (i.e. employment, training, business opportunities, social/cultural), and the collection and use of IQ.

14.14.3 The Company will follow the process and use the notification template to be included in the Implementation Guide.

14.14.4 All Inuit engagement activities relating to employment or contracting will be discussed with the Employment Committee or Contracting Committee prior to engagement with Inuit.

14.14.5 Each quarter, the Company will submit to the Joint Executive Committee a report on its engagement activities in conformity with requirements set out in the Implementation Guide.

14.15 Additional Inuit Engagement Activities

14.15.1 The Company will maintain an Employee Concerns Policy with agreed modifications up to the date of this Agreement. After the date of this Agreement, the Company will inform and consult the Employment Committee before any replacement or revision of the Employee Concerns Policy is finalized.

14.15.2 For Inuit employees, the Employee Concerns Policy will be administered by the Human Resources Advisor, Inuit Relations in consultation with the Inuit Cultural Advisor and the QIA Inuit Engagement Specialist.

- 14.15.3 The Company will provide QIA with reports, quarterly, annually and under special circumstances, as required by the Employee Concerns Policy and described in the Implementation Guide.
- 14.15.4 Inuit employees will be advised of their rights under this Agreement, including applicable workplace conditions, and that they may contact QIA to discuss concerns.
- 14.15.5 Student Awareness Days will be funded by the Company, including all travel and accommodation costs at the Project and in affected communities. Details will be set out in the Implementation Guide.
- 14.15.6 Inuit Societal Value (“ISV”) Days, will be an annual event funded by the Company and held at all main Project camps to:
- (a) facilitate the sharing of cultural identity and values among Project workers, to bring together Inuit and Southern cultures; and
 - (b) celebrate Inuit culture by offering Country Food, providing tasks or presentations on Inuit history, traditions and skills, such as Igloo making, carving, Inuit tools and crafts creation and sewing.
- 14.15.7 The Company’s Human Resource Advisors, Inuit Relations or BCLOs must attend ISV Days, and Inuit Cultural Advisors are encouraged to attend. The Company will fund the cost for the QIA Inuit Engagement Specialist participation.
- 14.15.8 The Company will establish a permanent location at Mary River for Inuit arts and crafts. This location would be open for Inuit employees to showcase, display and sell their own Inuit crafts.
- 14.15.9 The Company and QIA will establish Inuit workshops through the Employment Committee for both Inuit men and women to use during employee leisure hours at the on-site facilities for Inuit traditional practices described in Subsection 11.11.2 above. Workshops are to be located at all main camps at the Project. Within six (6) months after the date of this Agreement, the workshops will be installed and opened for use by Inuit employees.
- 14.15.10 The Company will deliver bi-annual newsletters: one specific to Inuit beneficiaries and one specific to Inuit Firms. At a minimum, each newsletter will provide information with respect to:
- (a) general Project activities and impacts, statistics on Inuit employment, training, education, and contracting;
 - (b) the engagement efforts of the previous two quarters;
 - (c) upcoming engagement efforts in each of the benefit areas, including, but not limited to, employment, training, education, and contracting;

- (d) progress of APRF recommendations;
- (e) opportunities stemming from the IIBA funds; and
- (f) relevant contact information for engagement and IIBA fund initiatives.

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ARTICLE 15
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 the 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, as defined in Section 16.1, 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 Subsection 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 Joint Executive Committee pursuant to Section 14.14. 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 Joint Executive Committee pursuant to Section 14.14.
- 15.6.3 The Company and QIA shall work with regulatory agencies in the assessment and review of significant adverse impacts described in Subsection 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 Subsection 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 Joint 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 Joint Executive Committee pursuant to Section 14.14.

- 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 Joint Executive Committee pursuant to Section 14.14.
- 15.7.3 The Company and QIA shall work with regulatory agencies in the assessment and review of adverse significant impact described in Subsection 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 Joint 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 the Implementation Guide.

15.9 Socio-Economic Monitoring

- 15.9.1 The IIBA Managers 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 the 2013 Agreement, the Parties agreed that they may amend this Agreement to provide for additional socio-economic monitoring measures if the Parties determined that socio-economic impacts were 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 Agreement. 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 Subsections 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.
- 15.10.4 Not less than 30 days prior to an anticipated submission to a regulatory body regarding application for, modification of or amendments to regulatory instruments, the Company will provide its draft submission to QIA, including, without limitation, submissions to the NPC, NIRB, and NWB and any similar regulatory bodies or agencies for which public comments will be requested by such regulatory bodies or agencies.
- 15.10.5 Within 15 days of receipt by QIA of the draft submission from the Company, QIA will provide its initial comments to the Company. The Company will address QIA's comments in its submission or provide sufficient justification and validation where QIA comments are not addressed.
- 15.10.6 Regularly scheduled submissions made by the Company to the NWB will be identified in the Annual Work plan required by the Commercial Lease dated September 6, 2013 between the Parties. Non-regular or ad hoc modification requests by the Company to the NWB will be provided to QIA with 15 days' prior notice before submission to NWB.
- 15.10.7 These additional provisions do not limit either Parties rights pursuant to Subsections 3.3.2, 15.6.7, 15.7.7, or 24.1.4.
- 15.10.8 The Company agrees to pay for QIA's participation, including technical advisory support, for the following:
- (a) Any Nunavut Planning Commission proceedings;
 - (b) Any Nunavut Impact Review Board proceedings;
 - (c) All Nunavut Water Board proceedings, except for the November 1, Annual Work Plan submission or the Annual Security Review conducted by NWB.
- 15.10.9 For clarity, the costs of QIA's participation in the review of any modifications or amendments to the Annual Work plan or NWB Annual Security Review documents that are submitted after November 1 are a payable expense from the Company to QIA. QIA's participation in the review of a late submission of the November 1 Annual Work Plan or Annual Security Review documents is a payable expense from the Company to QIA in accordance with the Commercial Lease dated September 6, 2013 between the Parties.

- 15.10.10 QIA's costs will be based upon an agreed upon scope of work. Scope of work will be presented by QIA to the Company within 15 days of receipt of the Company's draft filing.
- 15.10.11 QIA will file costs relating to Section 15.10 quarterly along with IIBA implementation costs.

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ARTICLE 16
INUIT QAUJIMAJATUQANGIT

16.1 Definition

For the purposes of the Agreement only, use of the Inuktitut term “Inuit Qaujimajatuqangit” or the acronym “IQ” is broadly intended to mean Inuit Societal Values (ISV) that include traditional, current and evolving bodies 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. The use of the Inuktitut words “Inuit Qaujimajatuqangit” or the acronym “IQ” in this Agreement is not intended to imply any specific or generally accepted meaning among Inuit.

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 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 Project Review Forum and reported to the Contracting Committee and Employment 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, Igloodik, 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 Joint Executive Committee shall monitor and oversee as needed to fulfill its functions pursuant to this Agreement.
- 16.5.2 The Joint Executive Committee shall provide any further oversight as and when required as part of its functions as set out in Article 4.

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ARTICLE 17
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.
- (d) To establish and fund a wildlife harvesters enabling fund, which will support harvesters who directly experience marine impacts associated with project shipping.
- (e) To establish and fund a wildlife monitoring program under the authority and management of hunters in communities who directly experience marine impacts associated with project shipping.
- (f) To establish and fund a marine equipment program that provides research vessels to support both the wildlife monitoring program and other community activities. Wildlife Incident Reporting.

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 Manager 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 Manager 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 Subsection 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 Joint 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 Joint 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 Subsection 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 Joint Executive Committee.

17.6 Wildlife Compensation Through the Wildlife Compensation Fund

17.6.1 The Company has paid an initial contribution of \$750,000 to QIA to manage the contribution approved by the Company, to establish a Wildlife Compensation Fund pursuant to the 2013 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 make further monetary contributions to the Wildlife Compensation Fund.

17.6.4 QIA has created, and will continue to 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 the 2013 Agreement, the Company paid for the administration costs which were 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 Joint 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 Joint 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.

17.7 Harvesters Enabling Program

- 17.7.1 Recognizing the importance of an active hunting lifestyle and a desire to acknowledge the need for adaptations by hunters who rely upon the marine environment the Company will establish and resource the Harvesters Enabling Program.
- 17.7.2 The Harvesters Enabling Program is specific to the community of Pond Inlet. In each year the Company will supply each Inuk residing in Pond Inlet, who on January 1st of that year was not less than twelve (12) years old, with three-hundred (300) litres of gas to support harvesting activities that occur during the year. The maximum annual budget for the Harvesters Enabling Program is \$400,000 (2018 dollars) plus an annual inflation adjustment.
- 17.7.3 The Harvesters Enabling Program will be planned with the community of Pond Inlet, including the Mitimataalik Hunters and Trappers Organization (MHTO). Reasonable administrative costs of the program will be paid by the Company, subject to prior review and approval by the Company. The Harvesters Enabling Program shall commence operation on January 1st, 2019.
- 17.7.4 The Harvesters Enabling Program will operate for 10-years. The effectiveness of the program will be reviewed by the MHTO, QIA and the Company prior to February 1st each year.

17.8 Wildlife Monitoring Program

- 17.8.1 Recognizing the importance of involving communities in project monitoring, and the importance of wildlife to Inuit the Company will establish and resource the Wildlife Monitoring Program.
- 17.8.2 The Wildlife Monitoring Program is specific to the research interests of the community of Pond Inlet. Starting in 2019, in each year by not later than April 1st, the Company will provide an annual Wildlife Monitoring Program budget. The annual budget of the Wildlife Monitoring Program shall be \$200,000 (2018 dollars) plus an annual inflation adjustment. The initial budget will be revisited and additional resources considered on a case-by-case basis taking into account the design and scope of monitoring activities.
- 17.8.3 The Wildlife Monitoring Program will operate for 10-years. The effectiveness of the program will be reviewed by the MHTO, QIA and the Company prior to February 1st each year.
- 17.8.4 To ensure the Wildlife Monitoring Program addresses topics of primary concern to Inuit, communities whose regular harvesting practices are directly impacted by the Project will develop, in their discretion, the scope and design of the Wildlife Monitoring Program. The objective of the Wildlife Monitoring Program is to enhance monitoring and mitigation of impacts of the Mary River Project as deemed important by Inuit.
- 17.8.5 The community is responsible for developing a Wildlife Monitoring Program Work Plan to be presented to the Joint Executive Committee. The Joint Executive Committee will review and comment upon the work plan. During this review, the Joint Executive Committee will provide feedback including opportunities for providing in-kind support to the Wildlife Monitoring Program. Following finalization of the Wildlife Monitoring Program Work Plan, the Joint Executive Committee will authorize the release of funding associated with the

monitoring program. Funding required to develop the Wildlife Monitoring Program Work Plan shall be provided as an additional cost by the Company with the understanding such resources are over and above the annual Wildlife Monitoring Program contribution.

- 17.8.6 All monies associated with the Wildlife Monitoring Program will be authorized for disbursement by the Joint Executive Committee in the manner it considers most effective. Any unspent monies in a particular year will be rolled forward to support future years. The Wildlife Monitoring Program will be reported upon in the Annual IIBA Implementation Report.
- 17.8.7 Results and data summaries generated through the Wildlife Monitoring Program will be shared with the Joint Executive Committee with the understanding such information may be used by QIA and the Company for any purpose relating to other Mary River project monitoring and mitigation plans.
- 17.8.8 The Company will report to the Joint Executive Committee on the use of results from the Wildlife Monitoring Program for other Mary River project monitoring and mitigation plans. Other Mary River project monitoring and mitigation plans may not be developed or implemented in a manner that is inconsistent with the results of the Wildlife Monitoring Program.
- 17.8.9 The Company commits to hiring and training Inuit for all aspects of the Company's project monitoring programs, including but not limited to direct contracting of Inuit Firms.

17.9 Marine Research Equipment

- 17.9.1 Recognizing that marine monitoring is a central and on-going component of complying with project approvals, starting in 2019 the Company will purchase a marine research vessel every three years. The type, structure, specifications and condition of vessels purchased must be reasonably capable of supporting the study of the marine environment in the Project area, including during sea ice establishment and seasonal break-up. The design of the marine research vessel will be reviewed by the MHTO, QIA and the Company prior to purchasing.
- 17.9.2 The Company will amortize the use of the marine research vessel over three years. Following the amortization period the Company will acquire a new marine research vessel. Upon acquisition of a new marine research vessel the Company will donate the previous marine research vessel to affected communities. Prior to donation, QIA will confirm the community organization that will receive the marine research vessel.
- 17.9.3 The Company will operate the marine research vessel but will support the training of Inuit boat operators to ensure there is sufficient capacity in communities to Captain the marine research vessel. Support will include but is not limited to assisting local Inuit boat operators to obtain applicable certification requirements.
- 17.9.4 In the off-season, the community in which the vessel resides will provide reasonable care and maintenance of the Company's marine research vessel. Replacement of equipment and related supplies (i.e. oil changes and replacement parts), as well as reasonable insurance coverage as would be obtained by a prudent vessel owner and operator, will be at the expense of the Company.

- 17.9.5 When a new marine research vessel is acquired by the Company, previous vessels will be donated by the Company at no cost to a community HTO in the project area. Initial priority will be given to the following communities in the following order: Pond Inlet, Arctic Bay, Clyde River, Igloolik and Hall Beach. The Company will ensure that one marine research vessel is donated to each of these communities. After each community has received a marine research vessel this program will be revisited by the Parties.
- 17.9.6 The first marine research vessel donated will be offered to MHTO of Pond Inlet. Each time a marine research vessel is to be donated by the Company, MHTO of Pond Inlet will have the option to receive the most recently donated marine research vessel, in exchange for its last acquired marine research vessel, or to maintain ownership of its last acquired marine research vessel, following which the exchanged or most recent marine research vessel will be donated to another community HTO. The Company will assist in delivering donated marine research vessels to communities.
- 17.9.7 The purchase and donation of marine research vessels will not be permitted to detrimentally impact other vessels that the Company may contract from time-to-time to support marine monitoring. It is recognized that project monitoring will require additional vessels beyond the marine research vessels. The Contracting Committee will collaborate with communities to ensure opportunities for local chartering of Inuit owned vessels is planned consistent with the provisions of this Agreement.

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**ARTICLE 18
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 Joint Executive Committee.

18.3.2 The Joint 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 19 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 20 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 Employment Committee and the Contracting Committee, will be required to supply reports quarterly to the Joint Executive Committee, as provided for in various Articles of the Agreement, including, but not limited to:

- (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 Subsection 12.2.10, QIA will provide annual reports to the Joint 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 Joint 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) Pursuant to Subsection 11.18.4, the Workplace Conditions Review described in Section 11.18;
- (b) 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;
- (c) 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;
- (d) An annual implementation budget report; and
- (e) Additional reports as directed by the Joint 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 Inuit Employment and Training Specialist and the QIA Inuit Engagement Specialist 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 NOC Code;
 - (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 7.16, 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 Subsection 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

<u>IIBA Section</u>	<u>Report Description</u>
1. Schedules 4.1 & 4.2	Employment Committee and Contracting Committee quarterly and annual reports Responsibility: Employment Committee and Contracting Committee Reporting to: Joint Executive Committee
2. 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 Engagement Specialist Reporting to: Joint Executive Committee
3. 6.3.13	Annual report on workshop assistance activities Responsibility: The Company Reporting to: Contracting Committee
4. 6.4.7 & 6.4.11	Quarterly report on the Firms listed in the Pre-Qualification Register. Responsibility: The Company Reporting to: Contracting Committee
5. 6.9	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: Employment Committee and Contracting Committee
6. 6.16.1	Annual Contract Planning Report Responsibility: The Company Reporting to: Contracting Committee
7. 7.3.4	Quarterly SEAT Report Responsibility: The Company Reporting to: Employment Committee
8. 11.4.4	Annual report on the use of Inuktitut in the workplace Responsibility: Employment Committee Reporting to: Joint Executive Committee
9. 11.7.1	Quarterly reports on work place conditions Responsibility: Company Inuit Employment and Training Specialist and QIA Inuit Engagement Specialist and the IIBA Managers Reporting to: Joint Executive Committee

<u>IIBA</u> <u>Section</u>	<u>Report Description</u>
10. 14.3	Annual Project Review Forum Responsibility: The Company and QIA Reporting to: Joint Executive Committee The Annual Project Review Forum will include:
	(a) 14.6 Company Reports and Information Responsibility: The Company Reporting to: QIA
	(b) 14.7 QIA Reports and Information Responsibility: QIA Reporting to: The Company
	(c) 14.8 Joint Reports and Information Responsibility: The Company and QIA Reporting to: Joint Executive Committee
	(d) 16.3.14 IQ Reports Responsibility: The Company and QIA Reporting to: Joint Executive Committee
11. 14.14.5	Quarterly Report on Inuit Engagement Activities Responsibility: The Company Reporting to: Joint Executive Committee
12. 14.15.3	Quarterly, Annually and Special Circumstance Reports on Employee Concerns Policy Responsibility: The Company Reporting to: QIA
13. 17.6.6	Annual Report required for the Wildlife Compensation Fund Responsibility: QIA Reporting to: Joint Executive Committee
14. 20.1	Periodic reports required from the Company Responsibility: The Company, working with the Employment Committee and the Contracting Committee. Reporting to: Joint Executive Committee
15. 20.2	Periodic Reports required from QIA Responsibility: QIA Reporting to: Joint Executive Committee
16. 20.3	Annual IIBA Implementation Report Responsibility: The Company

IIBA
Section**Report Description**

Reporting to: Joint Executive Committee

The Annual IIBA Implementation Report will include:

- (a) 11.18 Workplace Conditions Review
Responsibility: The Company
Reporting to: Joint Executive Committee
- (b) 17.8.6 Wildlife Monitoring Program Report
Responsibility: Joint Executive Committee
Reporting to: The Company
- (c) 20.1 Inuit Participation Report
Responsibility: The Company
Reporting to: Joint Executive Committee
- (d) 20.5 Workplace Initiatives Report
Responsibility: The Company
Reporting to: Joint Executive Committee
- (e) 20.3.2(d) Annual Implementation Budget Report
Responsibility: The Company
Reporting to: Joint Executive Committee

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ARTICLE 21 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 Employment Committee, the Contracting Committee, the Joint 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 21.2.1, 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 Employment Committee, the Contracting Committee, the Joint 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 Subsection 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 Subsection 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 22

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 4 (Implementation and Management), Article 6 (Contracting Opportunities), Article 7 (Employment), Article 8 (Inuit Education and Training), Article 11 (Workplace Conditions), Article 12 (Support for Communities), Article 13 (Inuit Travel and Access) and Article 14 (Inuit Engagement in Project Stewardship). No other Articles, including without limitation Article 5 (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 4 (Implementation and Management), Article 6 (Contracting Opportunities), Article 7 (Employment), Article 8 (Inuit Education and Training), Article 11 (Workplace Conditions), Article 12 (Support for Communities), Article 13 (Inuit Travel and Access) and Article 14 (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 23
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 Subsection 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 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 24
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.
- 24.2.4 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").
- 24.2.5 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.
- 24.2.6 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.

ARTICLE 25
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
2275 Upper Middle Road East – Suite 300
Oakville, Ontario, L6H 0C3
By Email: Last known address of
the Company's Vice President of Sustainable Development and Human Resources

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 Subsections 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.
- 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 Clause 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 Subsection 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.
- 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 Clause 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 Subsection 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 Joint 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 Subsection 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.

25.3.11 The following definitions apply to Clause 23.5.1(d) and Subsections 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.

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.


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.

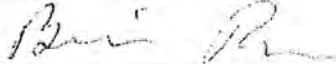
IN WITNESS WHEREOF, the Parties have executed this Agreement as evidenced by the corporate seal and signatures of their duly authorized signing officers.

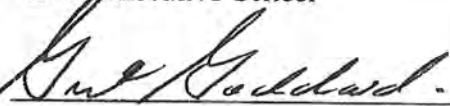
QIKIQTANI INUIT ASSOCIATION

Per: 
 Name: Pauloosie Akeegok
 Title: President

Per: 
 Name: Jeremiah Groves
 Title: Executive Director

**BAFFINLAND IRON MINES CORPORATION**

Per: 
 Name: Brian Penney
 Title: Chief Executive Officer

Per:  c/s
 Name: Grant Goddard
 Title: Vice President Sustainable
 Development and Human Resources