

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

THIS AGREEMENT is made the 22 day of January, 2015.

BETWEEN

DIAVIK DIAMOND MINES (2012) INC., a company incorporated under the laws of Canada and having its head office in Yellowknife, Northwest Territories (hereinafter called "**DDMI**")

- and -

THE GOVERNMENT OF THE NORTHWEST TERRITORIES, as represented by the Minister of the Department of Industry, Tourism and Investment (hereinafter called the "**GNWT**")

WHEREAS

- A. DDMI is the manager of an unincorporated joint venture with Dominion Diamond Diavik Limited Partnership (the "**Joint Venture**") created for the ownership and operation of the Diavik diamond mine located at East Island in Lac de Gras, Northwest Territories;
- B. Diavik Diamond Mines Inc. ("**Old DDMI**"), a former manager of the Joint Venture, entered into a Socio-Economic Monitoring Agreement with the GNWT and the Aboriginal Authorities on October 2, 1999 pertaining to the socio-economic impact of the Diavik diamond mine on Northern and Aboriginal communities (the "**SEMA**");
- C. Old DDMI transferred and assigned its rights and obligations as manager of the Joint Venture to DDMI on January 7, 2014, including all of its rights and obligations under the SEMA;
- D. DDMI and the GNWT agree that the Diavik Project Communities Group Advisory Board (or "**Advisory Board**", as defined in the SEMA) is not an effective institution to monitor and advise on the socio-economic impact of the Diavik diamond mine and accordingly wish to disband the Advisory Board and replace it with more direct monitoring and reporting mechanisms; and
- E. DDMI and the GNWT wish to amend the SEMA, as hereinafter provided.

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which DDMI and the GNWT hereby acknowledge, DDMI and GNWT agree as follows:

INTERPRETATION

1. Capitalized terms used in this Agreement and not defined herein have the meaning ascribed to them in the SEMA.
2. In the event of conflict between the terms of this Agreement and those of the SEMA, the terms of this Agreement shall prevail.

DISBANDING OF ADVISORY BOARD

3. Article 1.1.6 of the SEMA is deleted in its entirety. Correlatively, the word “and” is added at the end of Article 1.1.4 of the SEMA and the characters “; and” at the end of Article 1.1.5 of the SEMA are deleted and replaced with a full stop (“.”).
4. Part II of the SEMA is deleted in its entirety.
5. The following sentence contained in Article 7.15.2 of the SEMA is deleted therefrom: “This provision does not apply to the commitments of the GNWT to provide funding to the Advisory Board under Part II.”
6. The words “Advisory Board” contained in Section 4(b) of Appendix B of the SEMA are deleted therefrom and replaced with “GNWT and Aboriginal Authorities”.
7. The words “, involving the Advisory Board in designing that system” are deleted from Section 9(n) of Appendix C of the SEMA.
8. Section 2(j) of Appendix D of the SEMA is deleted and replaced with “discuss with the GNWT and Aboriginal Authorities the cross-cultural training needs of DDMI employees. DDMI agrees to fund cross-cultural training programs as may be agreed upon by the Parties.”
9. Sections 3 and 4 of Appendix D of the SEMA are deleted.
10. DDMI and the GNWT agree to cooperate and use their best efforts to wind-down the Advisory Board and conclude its operations promptly and in an orderly manner, including by (i) notifying representatives thereon of the disbanding of the Advisory Board, (ii) by dissolving the society in accordance with the Northwest Territories *Societies Act*, (iii) paying equal shares of all accrued and unpaid liabilities incurred by the Advisory Board in carrying out its mandate up to the date of dissolution, and (iv) taking reasonable measures so that future DDMI and GNWT public communications do not refer to the Advisory Board as an existing body.

MONITORING AND REPORTING

11. Articles 3.4.5 to 3.4.7 of the SEMA are deleted in their entirety.
12. The words “and community representatives on the Advisory Board” are deleted from Article 4.4.1(c) and 6.1.2(c) of the SEMA.
13. The words “Advisory Board” contained in Article 4.4.2(a) of the SEMA are deleted therefrom and replaced with “GNWT and Aboriginal Authorities”.
14. Articles 4.4.5 to 4.4.7 of the SEMA are deleted in their entirety.
15. Articles 6.2, 6.3, 6.4 and 6.5 of the SEMA are deleted in their entirety and replaced with Articles 6.2, 6.3, 6.4 and 6.5 as set out in Schedule A to this Agreement.

CONSULTATION WITH ABORIGINAL COMMUNITIES

16. DDMI and the GNWT hereby record that they have (i) discussed the subject-matter of this Agreement with each Aboriginal Authority, (ii) sent to each Aboriginal Authority a copy of this Agreement before its execution and (iii) given each Aboriginal Authority a period of not less than 90 days to provide comments or raise questions in respect thereof. DDMI and the GNWT record their position that they have accordingly met their obligation under Article 7.11.1 of the SEMA to consult Aboriginal Authority Parties before amending the SEMA.

CORRELATIVE AMENDMENTS

17. The GNWT updates its contact details under Article 7.10.1(a) of the SEMA by replacing “Attn: Deputy Minister – Resources, Wildlife & Economic Development” with “Attn: Deputy Minister - Industry, Tourism and Investment”.
18. DDMI updates its contact details under Article 7.10.1 of the SEMA to the following:

“Diavik Diamond Mines (2012) Inc.
PO Box 2498
#300, 5201 50th Avenue
Yellowknife, NT X1A 2P8

Attn.: Manager, Communities and External Relations

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

19. Article 7.17.1 of the SEMA is deleted in its entirety and replaced with the following:
“The Parties acknowledge that it is important, and undertake, to maintain, respect and protect the confidentiality of the information collected and exchanged under this Agreement, except where disclosure to the public or third parties is expressly permitted hereunder, under the Northwest Territories *Access to Information and Protection of Privacy Act*, or as otherwise authorized by the Party supplying the relevant information.”

20. The definition of “Aboriginal Authorities” contained in Appendix E of the SEMA is deleted and replaced with the following:

““**Aboriginal Authorities**” means the Tłı̨chǫ Government, the Lutsel K’e Dene First Nation, the Yellowknives Dene First Nation, the North Slave Métis Alliance and the Kitikmeot Inuit Association.”

MISCELLANEOUS

21. The SEMA, as amended by this Agreement, is hereby confirmed by DDMI and the GNWT and shall continue in full force and effect.

22. Each of DDMI and the GNWT represents and warrants to the other that it has the legal power, capacity and authority to enter into this Agreement and that this Agreement has been duly authorized, executed and delivered and is enforceable in accordance with its terms.

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

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

**DIAVIK DIAMOND MINES (2012)
INC.**

**GOVERNMENT OF THE NORTHWEST
TERRITORIES**, as represented by the
Minister of the Department of Industry,
Tourism and Investment



Signature



Signature

President

Name/Title

MINISTER IIT

Name/Title

SCHEDULE A

MONITORING AND REPORTING CLAUSE

“Article 6.2 MONITORING AND REPORTING

6.2.1 DDMI will collect, analyze and interpret the following data:

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

6.2.2 The GNWT will collect, analyze and interpret the following data:

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

Article 6.3 EMPLOYEE SURVEY

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

Article 6.4 REPORTING

- 6.4.1 Within three (3) months following the end of each calendar year, DDMI and the GNWT will prepare an annual socio-economic report incorporating the data, analysis and interpretation collected or prepared by each of them as described in Articles 6.2.1 and 6.2.2 respectively for the then most recently-ended calendar year. DDMI and the GNWT may prepare such report jointly or separately in respect of their respective data, analysis and interpretation. DDMI and the GNWT will deliver a copy of each such report to each other and to each Aboriginal Authority promptly upon completion.
- 6.4.2 Notwithstanding any other provision of this Agreement, DDMI shall not be required to report or disclose information which DDMI, acting reasonably, considers to be of a proprietary or commercially-sensitive nature, or which would infringe the personal privacy of its employees or breach confidentiality obligations to third parties.
- 6.4.3 The Parties agree that, to the extent possible without breaching confidentiality, proprietary interests, commercial interests or intellectual property rights, summarized information may be shared in public forums and reports.
- 6.4.4 Aboriginal Authority Parties will, from time to time as each of them considers necessary or advisable, report on and interpret socio-economic effects of the Project to DDMI, the GNWT and the other Aboriginal Authority Signatories and Parties.”

Article 6.5 FOLLOW-UP AND ADAPTIVE MANAGEMENT

- 6.5.1 DDMI and GNWT shall make themselves available to jointly meet at least once per year with representatives of each Aboriginal Authority to discuss the results described in the applicable annual socio-economic reports in order to provide an opportunity for input into discussions regarding the efforts of DDMI and GNWT to address socio economic impacts.
- 6.5.2 Each of DDMI and GNWT shall bear its own costs for attending these meetings, while any costs associated with community participation in these meetings will be shared equally by DDMI and GNWT.
- 6.5.3 Each Aboriginal Authority may communicate concerns or recommendations regarding the socio-economic impact of the Project at any time. Any such communication shall be in writing and may be addressed to either DDMI or the GNWT and the recipient shall share the communication with the other. DDMI and GNWT may decide, in their sole discretion, to designate one of them to respond, respond jointly or provide separate responses. The appropriate Party shall use its best efforts to respond within 90 days of receiving any such concern or recommendation. The response may take the form of a written response, action plan or the adoption of (or revision to) an initiative or program.
- 6.5.4 DDMI and GNWT will use good faith efforts to summarize any recommendation received from Aboriginal Authorities and the response to such recommendation in the applicable annual report.”