

NICO Project Socio Economic Agreement

BETWEEN

Fortune Minerals Limited (FML), a company incorporated under the laws of Ontario and registered extra-territorially in the Northwest Territories ("**FML**") having its Head Office in London, Ontario

AND

THE GOVERNMENT OF THE NORTHWEST TERRITORIES, as represented by the Ministers of Industry, Tourism and Investment, Health and Social Services, and Education, Culture and Employment ("**GNWT**")

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WHEREAS:

- a. FML proposes to establish a mine and related facilities in the Northwest Territories (“NWT”) for the commercial production of gold, cobalt, bismuth and copper (the “NICO Project”);
- b. The NICO Project is 100% owned by FML;
- c. This Agreement excludes the processing of metals at a plant outside of the NWT;
- d. The NICO Project represents a development which has the potential to provide significant direct and indirect employment benefits and business opportunities to the NWT, in particular, the Local Communities;
- e. FML is committed to operating and doing business in the NWT in a socially and environmentally responsible and sustainable manner and aims to operate in a way that minimizes the impact on the natural environment while optimizing social and economic benefits for the NWT and its people.
- f. The GNWT acknowledges that the people of the NWT have benefitted substantially from the jobs and income that mining has historically provided. The GNWT affirms that the NICO Project is important to the long-term strategic interests of the NWT, the continued strength of its economy, and the well-being of its people and communities.
- g. FML and GNWT have agreed to work together to maximize the beneficial opportunities and minimize the negative impacts arising from the NICO Project;
- h. Under the *Mackenzie Valley Resource Management Act* (Canada), the Mackenzie Valley Environmental Impact Review Board (“MVEIRB”) has undertaken an Environmental Assessment of the NICO Project;
- i. This Agreement sets out various measures designed to ensure that the socio-economic commitments of FML made during the Environmental Assessment are implemented and monitored.

IT IS AGREED:

1. INTERPRETATION

1.1 DEFINITIONS

1.1.1 Unless the context otherwise requires, terms in this Agreement, including the recitals above, have the meaning given to them in this Part 1, which forms part of this Agreement.

1.1.2 A reference to Notice in this Agreement refers to a Notice in accordance with Part 15.

“Care & Maintenance” means the situation when commercial production has temporarily ceased and will be recommenced at a future date, and the NICO Project continues to be managed.

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

“Construction” means the period of time from the commencement of this Agreement pursuant to Part 12, to commencement of commercial production for the NICO Project.

“Contractor” includes each and every contractor and sub-contractor used by FML for the NICO Project.

“Educational Awards” means a grant or final payment made to support NWT Residents studying in tertiary programs in any field of study and not limited to the mining and mining support sectors.

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

“Indigenous Authority” includes the following:

- a. Tlicho Government,
- b. Yellowknives Dene First Nation, and
- c. North Slave Métis Alliance.,

“Indigenous Business” means a business which

- a. complies with the legal requirements to carry on business in the NWT;
- b. meets one of the following criteria:
 - (i) is a limited liability company with at least 51 percent of the company's voting shares beneficially owned by one or more Indigenous persons resident in the NWT;
 - (ii) is a co-operative with at least 51 percent of the co-operative's voting shares beneficially owned by Indigenous persons resident in the NWT;
 - (iii) is a sole proprietorship, the proprietor of which is an Indigenous person resident in the NWT; or
 - (iv) is a partnership, the majority interest in which is owned by one or more Indigenous persons resident in the NWT and in which the majority of benefits, under the partnership agreement, accrue to such Indigenous; and
- c. complies with all of the following criteria:
 - (i) maintains a permanent place of business in the NWT;
 - (ii) maintains a manager, who is an NWT Resident; and
 - (iii) undertakes the majority of its management and administrative functions (related to its operations in the NWT) in the NWT.

“Indigenous Person” means an Indian, Inuit or Métis individual, who resides in the NWT and who:

- a. originated in the Northwest Territories; or
- b. is a descendant of an Indian, Inuit or Métis individual originating in the Northwest Territories.

“Life of Mine” means the period of time commencing with the beginning of Construction Phase and ending with the end of Closure Phase of the NICO Project.

“Local Communities” means the Local Communities referenced in Figure 16.1-2 in Section 16 of FML's NICO Developers Assessment Report submitted to the board, and which includes the following communities:

- a. Gamètì,
- b. Wekweètì,
- c. Whatì,
- d. Behchokò,

- e. Yellowknife,
- f. Dettah, and
- g. Ndilo.

“NICO Project” means the Project as described in the Project Description submitted by FML as chapter 3 of its Environmental Impact Statement to the Mackenzie Valley Environmental Impact Review Board on May 24, 2011, with such refinements or alterations as have been submitted since the Project Description, have been considered in the Environmental Assessment, or may be required by responsible authorities or regulatory authorities. For greater certainty, GNWT and FML agree to extend this definition to include any future modifications or additions to the Project as per the terms and conditions contained in this Agreement.

“NICO Project Site” means the geographical area of the NICO Project.

“NWT Business” means:

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

“NWT Resident” means any individual who makes a representation or provides evidence that is, in either case, reasonably relied upon by FML or its Contractors that he or she primarily resides in a self-contained domestic establishment (other than a residence at a remote work site) in the NWT, when not in full time attendance at an educational institution outside the NWT. In addition, unless the context indicates otherwise, “NWT Resident” includes Indigenous Persons.

“NWT Student” means a person who qualifies for student financial assistance under the Student Financial Assistance Act (NWT).

“Off-Site” means the area within the NWT but outside of the NICO Project Site where aspects of the NICO Project are conducted.

“Operations” means the period of commercial production between Construction and Closure.

“Party” means an entity that has executed this Agreement.

“Pick-up Point” means the location from which FML, at its cost, provides transportation to and from the NICO Project for its employees.

“Professional Development Scholarship” means the support provided by FML for NWT Students under FML’s NWT Post-Secondary Education Support Program Policy. It includes financial assistance during the student’s degree program, summer employment opportunities to gain progressive work experience during summer breaks and an offer for full-time employment in the discipline that the student has been studying, or in a related field, at a FML worksite. The scholarship is subject to the student signing an agreement with FML regarding the terms and conditions of the scholarship and to the student achieving the results at school and at work required as per FML policy.

“Project-Based Employment” means employment of individuals by FML at the NICO Project Site and the Off-Site, and of those individuals employed by NICO in relation to the NICO Project located outside of the NWT.

“Regulatory Instrument” means any authorization, license, lease or permit required under any legislation required for the carrying out of the NICO Project.

“Socio-Economic Legacy Project” means a project of Fortune’s choosing that is located in the Northwest Territories and the primary purpose of which is to benefit Northwest Territories beyond the life of the NICO Project, such as but not limited to a recreation facility, a youth centre, a seniors housing centre

“Travel Allowance” means the allowance that FML makes available to its NICO Project employees through its NWT policies in order to assist them with the costs of travel from their home communities to the nearest FML Pick-Up Point.

1.2 INTERPRETATION

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

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

1.2.3 Unless otherwise indicated, this Agreement is gender-neutral.

- 1.2.4 Unless the context otherwise requires, any reference to a law refers to it as it may be applied, amended or re-enacted and in force from time to time and includes any subordinate legislation made under it.
- 1.2.5 Any reference to an Indigenous or treaty right, land claim agreement or self-government agreement refers to it as may be recognized in law, entered into or amended and in force from time to time.
- 1.2.6 Any reference to an Impact Benefit Agreement or similar agreement between FML and an Indigenous Authority refers to it as may be recognized in law, entered into or amended and in force from time to time.
- 1.2.7 Nothing in this Agreement limits any branch of the GNWT, including the Ministers representing GNWT in the Agreement, or any other authority in the exercise of its constitutional or statutory powers and duties.
- 1.2.8 Nothing in this Agreement lessens or waives any commitments made by FML or the GNWT during the Environmental Assessment of the NICO Project, or any measures and suggestions contained in the Report of Environmental Assessment and Reasons for Decision issued by the Mackenzie Valley Environmental Impact Review Board.
- 1.2.9 Nothing in this Agreement abrogates or derogates from any existing Indigenous or treaty right.
- 1.2.10 Nothing in this Agreement shall be construed so as to lessen or waive any obligation or other commitment made by FML in any Impact Benefit Agreement or similar agreement made with any Indigenous Authority.
- 1.2.11 Unless otherwise indicated, commitments under this Agreement are continuing and ongoing throughout the Construction, Operations and Closure of the NICO Project.

1.3 PRIORITY OF RIGHTS AND INSTRUMENTS

- 1.3.1 In case of any inconsistency or conflict between the following, the following prevails to the extent of the inconsistency or conflict in the following order:
 - a. an applicable law, regulation or Regulatory Instrument;
 - b. an Impact Benefit Agreement or similar agreement related to the NICO Project between FML and an Indigenous Authority; and
 - c. this Agreement.

1.3.2 The Parties agree that in the event it has knowledge of any inconsistency or conflict, it will advise the other of the nature of the inconsistency or conflict, and the Parties will in good faith modify or otherwise amend this Agreement as required, and so as not to create further inconsistencies or conflicts with any of the foregoing.

1.4 NO PREJUDICE

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

1.4.1 existing Indigenous or treaty rights;

1.4.2 ongoing or future land claims or self-government negotiations affecting Indigenous peoples;

1.4.3 constitutional changes that may occur in the NWT;

1.4.4 changes to legislation or regulation resulting from the settlement of land claim and self-government negotiations, or resulting from constitutional changes or

1.4.5 existing or future Impact Benefit or similar agreements.

2. PURPOSE & GUIDING PRINCIPLES

2.1 PURPOSE OF AGREEMENT

2.1.1 The purpose of this Agreement is to establish the methods and procedures by which:

- a. the Parties will work together to maximize the beneficial opportunities, identify the impacts, and minimize and mitigate the negative socio-economic impacts arising from the NICO Project;
- b. the implementation of commitments made regarding socio-economic issues arising from the NICO Project and this Agreement will be monitored; and
- c. the Parties will work together to respond to the monitoring data collected and reported by the Parties referred to in Part 8 of this Agreement in order to continually improve the implementation of this Agreement.

2.2 PRINCIPLES

The Parties will carry out this Agreement consistent with the purpose in clause 2.1 and will be guided by the following principles:

- a. co-operation;
- b. fairness;
- c. collaboration;
- d. support for the goal of sustainable development and monitoring progress towards it; and
- e. Support innovation and good practices that are, flexible and ensure feedback and remedies to achieve the goal of minimizing adverse socio-economic impacts and maximizing socio-economic benefits.

3. EMPLOYMENT PRACTICES

3.1 The employment practices established under this Agreement are subject to applicable law.

3.2 HIRING PRIORITIES DEFINED

In this Agreement, Hiring Priorities means giving priority to hiring members of the following groups in the following order:

- a. members of the Indigenous Authorities;
- b. Indigenous Persons residing in the NWT;
- c. NWT Residents who have been continuously resident in the NWT at least six months immediately prior to being hired;
- d. all others residing in or relocating to the NWT; and then
- e. all others.

3.3 HIRING BY HIRING PRIORITIES

During Construction, Operations and Closure, FML shall hire according to the Hiring Priorities set out in clause 3.2. FML shall use best efforts to apply the Hiring Priorities across the entire spectrum of NICO Project-Based Employment, including managerial, professional, skilled, semi-skilled and unskilled job categories.

3.4 EMPLOYMENT OBJECTIVES

3.4.1 FML shall, in keeping with the Hiring Priorities set out in clause 3.2, use best efforts to hire, retain and promote as many NWT Residents as possible for the NICO Project.

3.4.2 FML shall use best efforts to aim to achieve:

- a. employment of NWT Residents, including employment by Contractors, of at least 35% of the total employment on average during Construction; of which 50% will be Indigenous
- b. employment of NWT Residents, including employment by Contractors, of at least 60% of the total employment on average during Operations of which 50% will be Indigenous.
- c. employment of NWT Residents, including employment by Contractors, of 70% of the total employment on average during Closure, of which 50% will be Indigenous.

3.4.3 Both Parties acknowledge that the achievement of NWT Resident employment is subject to the availability of NWT Residents with the required skills, training and experience and ability to pass training program entrance requirements and that NWT Residents may or may not choose to pursue employment opportunities made available by FML at the NICO Project.

3.4.4 Both Parties acknowledge that developing qualified workers for the NICO Project is a shared responsibility of FML, the GNWT, educational institutions, the Mine Training Society and other training partners, Indigenous Authorities, and communities in the NWT.

3.4.5 Both Parties acknowledge that if NWT Resident employment is less than the targets that FML is aiming to achieve in Clause 3.4.3, then working together to understand the challenges, collaborating to address those challenges, and reporting on the efforts made together or individually to improve NWT employment is appropriate and adequate mitigation.

3.4.6 Both Parties acknowledge that if the employment targets are achieved at any point during Life of Mine, then both Parties will continue to work toward further increasing NWT Indigenous Persons and NWT Resident employment.

3.5 EMPLOYMENT OBJECTIVES WITH CONTRACTORS

3.5.1 FML will, through the tendering and contracting process, cause its Contractors to establish the same hiring priorities as FML's hiring priorities established in clause 3.2. FML will achieve this by:

- a. requiring all Contractors to expressly state in their bids their commitment to hiring in accordance with the Hiring Priorities set out in clause 3.2;
- b. including in bid evaluation an assessment of whether appropriate commitments to Hiring Priorities are included or planned for in the bid;
- c. incorporating in the contract document the successful bidder's commitments to hire in accordance with the Hiring Priorities set out in clause 3.2; and
- d. requiring all Contractors to provide all relevant information to FML to enable FML to fulfill the reporting requirements of this Agreement.

3.5.2 FML will meet at least annually with its Contractors to review their performance, including their success in contributing to the employment of Indigenous Persons and NWT Residents and to discuss ways to work together to develop the participation of Indigenous Persons and NWT Residents in the NICO Project.

3.6 EMPLOYMENT INCENTIVES

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

3.6.2 FML will develop work schedules to accommodate traditional pursuits of Indigenous employees in balance with the operational requirements of the NICO Project.

3.6.3 To facilitate employment from all NWT Communities, FML will establish designated Pick-Up Points in the NWT. FML will provide return ground, and where needed, air transportation, at its expense, on employee time to its employees travelling to and from the NICO Project site from its designated Pick-Up Points.

The NWT Pick-Up Points for the NICO Project are:

- a. Whatì;

- b. Gamètì;
- c. Behchokò;
- d. Wekweètì;
- e. Detah
- f. Ndilo
- g. Yellowknife; and
- h. Hay River.

3.6.4 FML will provide a Travel Allowance to its NICO Project employees who reside in an NWT community that is not a FML designated Pick-Up Point in order assist them with the costs of return travel from their home community to the nearest FML designated Pick-up point. The amount of the Travel Allowance is at the sole discretion of FML.

3.6.5 From time to time, FML will re-evaluate the effectiveness of its established Pick-up Points and Travel Allowance and make adjustments to support Construction and Operations employment priorities. Additional Pick-Up Points beyond those listed in Section 3.6.3 will be selected by FML based on the location of its workforce, requirements to recruit and retain employees, and the need to align with Construction and Operations schedules and rotations.

3.6.6 FML will provide confirmation of additional designated Pick-Up Points and its Travel Allowance to the GNWT annually.

3.7 EMPLOYMENT REQUIREMENTS AND STANDARDS

3.7.1 FML will establish Grade Ten as a minimum standard for trainable positions, but will consider the equivalencies of individuals not meeting the minimum education requirements for a position on a case-by-case basis in order to encourage recruitment and employment of NWT Residents.

3.7.2 FML will establish Grade Twelve as a minimum standard for management and senior positions, but will consider the equivalencies of individuals not meeting the minimum

education requirements for a position on a case-by-case basis in order to encourage recruitment and employment of NWT Residents.

- 3.7.3 While honouring priorities related to employment and human resource development, FML retains the right to make independent decisions, in its sole discretion, relating to qualifications for employment, terms of employment, wages, salaries, benefits, allowances, skills, training, experience, qualifications for training, promotion, demotion, or dismissal, of individual employees or Contractors during Construction, Operations and Closure.
- 3.7.4 FML retains the right to employ officers and management and to retain professional consultants who FML, in its sole discretion, determines to have the necessary skills, training and experience to fulfill services, duties and obligations.
- 3.7.5 Where, in the course of their duties, NICO Project employees are required to have specific skills to operate equipment at the NICO Project training will be provided by FML and/or its Contractors.

4. HUMAN RESOURCE DEVELOPMENT

4.1 HUMAN RESOURCE STRATEGY

- 4.1.1 In this Part 4, “HRS” means the human resource strategy to be developed by FML which includes a set of tactics aimed at ensuring FML’s recruitment, retention, training, development and management of its human resources for the NICO Project is effective, efficient and supportive of the objective of FML to hire and employ as many NWT Residents as possible.
- 4.1.2 FML will implement and adaptively manage its HRS. In implementing and adaptively managing the HRS, FML will give special emphasis to providing developmental opportunities, including training in accordance with the Hiring Priorities established in clause 3.2.
- 4.1.3 Fortune will share the HRS with GNWT along with any updates or revisions on an annual basis.

4.2 RECRUITMENT & RETENTION STRATEGIES

FML will use best efforts to hire as many Indigenous Persons and NWT Residents as possible. In order to do so, FML may use, but is not limited to using, the following methods:

- a. the programs, policies and partnerships outlined in its HRS;
- b. establish a recruitment, training and employment strategies that will include NWT recruitment plans, and the development of career plans for its NICO Project employees who are Indigenous Persons or NWT Residents throughout Life of Mine;
- c. broadly advertise employment opportunities with the NICO Project throughout the NWT, including postings in GNWT Department of Education, Culture and Employment Service Centres (“GNWT ECE Service Centres”) and local employment offices, advertisements in NWT newspapers, postings with NWT employment agencies and through other means that will contribute to optimizing exposure of opportunities to all residents of the NWT;
- d. promote and encourage partnerships with NWT schools to create awareness and understanding of the career opportunities available through the NICO Project as well as the training and education required to pursue these opportunities;
- e. encourage partnerships with GNWT Education, Culture and Employment (“GNWT ECE”), Aurora College, the Mine Training Society, Indigenous organizations, regional training partnerships and other Canadian post-secondary educational institutions to establish educational, training, work experience or job placement programs;
- f. link employment initiatives to support implementation of Impact Benefit Agreements or similar such agreements with Indigenous Authorities;
- g. as FML approaches Construction and Operations phases of the NICO Project, work with GNWT ECE Service Centres, regional training partnerships and local employment offices to ensure they are briefed on upcoming job opportunities, and on FML key policies designed to encourage NWT Residents to choose employment or training opportunities with FML, including an overview of FML designated Pick-Up Points and travel allowances and how these help NWT Residents access the employment opportunities at the NICO Project site;

- h. offer Educational Awards to NWT Students who are attending tertiary programs intended to include universities, colleges and/or trade schools, and work with GNWT ECE Service Centres to identify opportunities to support NWT Students in completion of high school or equivalencies. FML will aim to have at least half of its Educational Awards recipients awarded to women;
- i. actively promote and encourage careers in the mining industry;
- j. develop and maintain a career and/or development plan for each NWT Resident employee; and
- k. provide Professional Development Sponsorships to NWT Students in the area of Mine Engineering, Mine Geology, Finance and Accounting, Human Resources, Safety & Health, Environmental Sciences, Metallurgy & Chemical Engineering, and Electrical Engineering, or any other discipline as deemed relevant by FML from time to time.

4.3 DEVELOPMENT OF TRAINING PROGRAMS COLLABORATION

- 4.3.1 FML will collaborate with the GNWT and other organizations in the development of pre-employment preparation, skill development training, on-the-job training, and re-training programs to better enable NWT Residents to take advantage of employment and advancement opportunities arising from the NICO Project.
- 4.3.2 FML will collaborate with the GNWT, Indigenous Authorities and other training partners to encourage the development and delivery of training programs based on cultural value systems that include a cultural component which would introduce new employees to rotation employment and employer expectations for scheduled work.
- 4.3.3 Where the GNWT has a regional training partnership that is a forum aimed at building understanding regarding training and development requirements for NWT Residents and optimizing collaboration in the development of NWT training programs, FML will participate in such forums.

4.4 RECRUITMENT AND TRAINING OBJECTIVES

- 4.4.1 FML will:
 - a. Maintain a staffed office in the NWT for Life of Mine, the primary function of which will include but not be limited to human resource recruitment and

retention, and other such human resource functions associated with the NICO Project (see clause 5.1.2);

- b. work with its Contractors to achieve the goal of maximizing the training of Indigenous Persons and NWT Residents in accordance with the hiring priorities established in this Agreement;
- c. link training strategies to support the implementation of Impact Benefit Agreements with Indigenous Authorities;
- d. offer workplace orientation sessions in Local Communities and establish a mine orientation program for all new employees;
- e. establish a strategy for school students that encourages and promotes completion of secondary school in the Local Communities;
- f. work with its training partners to schedule training so that potential employees completing training will be able to take immediate advantage of employment opportunities, wherever possible, at the NICO Project and encourage its Contractors to do the same;
- g. participate in career fairs in the NWT, develop relationships with and make information available to schools in the Local Communities and other community organizations;
- h. develop and offer a student employment program and aim to have at least half of its placements filled by women;
- i. in respect of those Indigenous Persons and NWT Residents who have applied on specific NICO Project-related job opportunities and who have been identified as potential employees that FML may be able to train for the job opportunity that has been applied for, or in respect of those existing NICO Project-Based Employment employees who may have potential for promotion and advancement, conduct a training needs assessment to identify their existing education and skill levels to assess the opportunity to hire or advance them, conditional on successful completion of training programs to be provided by FML or arranged with training partners; and

- j. train and offer advancement opportunities to its existing NICO Project-Based Employment employees in accordance with the Hiring Priorities in clause 3.2 and subject to each employee's performance, training, skills, interest and the career plan developed for that employee as set out in clause 4.2.b.

4.4.2 FML will use best efforts to apply the recruitment and training objectives of clause 4.4.1 across the entire spectrum of NICO Project-Based Employment, including unskilled, semi- skilled, skilled, professional and management job categories.

4.5 TRAINING AND DEVELOPMENT

4.5.1 FML will develop apprentice positions for Indigenous Persons and NWT Residents in accordance with the requirements of the Apprenticeship, Trade and Occupations Certification Act and will fill those positions in accordance with the Hiring Priorities set out in clause 3.2.

4.5.2 FML will for the NICO Project as a whole:

- a. establish a training trades and industrial training, apprenticeship and professional training sponsorship program and provide a combined minimum of 26 training, apprenticeship and professional training positions for Indigenous Persons and NWT Residents, comprised of the following opportunities:
 - i. a minimum of 14 trades and industrial training positions, made available over the Life of Mine, with a minimum of 4 positions being made available within 3 years of commencing production;
 - ii. a minimum of 10 apprenticeship positions, made available over the Life of Mine, with a minimum of 2 positions being made available within 3 years of commencing production; and
 - iii. a minimum of 2 Professional Development Scholarships at any given time during the life of the NICO Project;
 - iv. a minimum of 4 Educational Awards made available over the Life Of Mine, with a minimum of 2 Educational Awards being made available within 3 years of commencing production.
- b. fill the positions and carry out the commitments identified in this clause 4.5.2 in accordance with the Hiring Priorities set out in clause 3.2 of this Agreement, subject to the availability of persons who meet the requirements of any applicable legislation or rules governing such positions;

- c. organize and implement its training and apprenticeship programs so that employees completing the training will be able to use the skills acquired and time spent as credit towards certification or status recognized in the NWT under the Apprenticeship, Trade and Occupation Certification Act;
- d. record the details of employment and training of its employees in accordance with the requirements of the Apprenticeship, Trade and Occupation Certification Act; and
- e. following the Hiring Priorities in clause 3.2, FML agrees to make 4 Educational Awards available annually to NWT Residents studying in tertiary programs to be mutually agreed upon by the Parties;
- f. work with the GNWT and other training partners to make best efforts to exceed the minimum training commitments in clause 4.5.2.a. above, where possible.
- g. demonstrate career advancement over Life of Mine.

4.5.3 The Parties may adjust the training commitments associated with clause 4.5.2.a to achieve the training objectives in a different manner, while respecting the overall commitment to 30 training opportunities available to Indigenous Persons and NWT Residents over the Life of Mine.

4.5.4 FML will implement and will maintain an NWT apprenticeship policy.

4.5.5 Develop a Leadership Development Program for its employees.

4.6 RECRUITMENT AND TRAINING OBJECTIVES WITH CONTRACTORS

4.6.1 FML, through the tendering and contracting process, will:

- a. require all Contractors to outline in their bids, a plan to hire, train and advance the careers of Indigenous Persons and NWT Resident employees in accordance with the Hiring Priorities set out in clause 3.2;
- b. include in the bid evaluation, an assessment of the Contractors plan for the above;

- c. incorporate into the contract document for the successful bidder, commitments to report on the employment data required by FML to provide Project hiring and employment information by hiring priority, heritage and gender;
- d. meet at least annually with contractors to review their performance, including their success in contributing to the employment and training of Indigenous Persons and NWT Residents and to discuss ways to work together to grow participation rates by Indigenous Persons and NWT Residents in the NICO Project; and
- e. require its contractors to provide all relevant information to allow for reporting on hiring and employment according to the hiring priorities established in clause 3.2.

4.6.2 FML will work with its Contractors to obtain information annually regarding their training and apprenticeships for Indigenous Persons and NWT Residents. This information will be included in the annual report produced by FML and made publicly available.

4.7 LITERACY PROGRAMS

4.7.1 In the communities of the Local Communities, FML will:

- a. collaborate with those agencies that deliver literacy programs so that participants may further improve their qualifications towards employment at the NICO Project and encourage its employees to enroll in such programs;
- b. through its community liaison personnel, assist Indigenous Authorities and existing local learning institutions to encourage community members, including FML employees and employees of its Contractors to upgrade their literacy levels, including financial and computer literacy skills; and
- c. work with the GNWT and the federal government to support and fund community- based literacy programs.

4.7.2 At a facility in Whatì, FML will:

- a. establish and maintain a learning centre with equipment and resources to be fully funded by FML and to include at a minimum, suitable computers and a learning centre resource library; and
- b. ensure that on site literacy programs will be linked to its recruitment

and employment strategy to permit employees to take advantage of career advancement opportunities.

4.8 GNWT SUPPORT

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

- a. designate a principal liaison from GNWT ECE for Project related education, training and employment opportunities;
- b. meet with FML at least annually, to review GNWT program and service delivery plans to identify areas for collaboration;
- c. collaborate with FML, Indigenous organizations, Aurora College, the Mine Training Society and other organizations in the design of relevant literacy and training programming;
- d. collaborate with FML and governing authorities in the communities in the Local Communities to support the planning and delivery of community-based literacy and training programs;
- e. collaborate with FML to plan, design or co-ordinate the delivery of employment support programs;
- f. provide funding for literacy, pre-employment training and trades-related training for GNWT approved activities;
- g. develop and distribute information on careers in the mining industry which will be made available at GNWT ECE Service Centres to high school counsellors and distributed publicly;
- h. promote and facilitate the organization of career fairs for high school students and adults;
- i. offer, through its school system, opportunities for students to take courses and participate in work experiences that prepare them for potential future employment in the mining industry; and

- j. use best efforts to educate, train and develop an NWT workforce that has the skills required by FML for the NICO Project and to make the NWT an attractive residency location for skilled workers.

4.9 PROMOTING EQUAL OPPORTUNITY

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

4.9.2 FML will:

- a. work with the following organizations to promote women in trades and mining occupations: Skills Canada, the Native Women’s Association of the Northwest Territories, the Northwest Territories Status of Women Council, Aurora College, the Mine Training Society, Indigenous organizations and the GNWT, and will create formal projects or partnerships where appropriate;
- b. develop specific strategies for the employment of Indigenous and other northern women including on the job training, further training, work experience, performance reviews, coaching and other activities.
- c. offer scholarships and awards to female NWT Students who are attending college and university programs related to mining or in discipline areas where FML has had difficulty recruiting Indigenous Persons or NWT Residents;
- d. incorporate female role models into its promotional campaigns in order to encourage young women to consider employment and training opportunities at the NICO Project;
- e. involve female employees in company promotional activities at site and in communities as role models to encourage young women to consider employment opportunities at the NICO Project;
- f. from time to time, offer tours of the NICO Project directed at women potentially interested in mining industry and related career opportunities; and
- g. offer training programs and personal development strategies to women working at the NICO Project who may not possess all of the requisite skills and knowledge for particular positions.

4.10 HUMAN RESOURCE TRANSITIONING UPON OPERATIONAL CHANGES OR CLOSURE

- 4.10.1 FML and the GNWT understand that all employees need the ability to quickly respond to manage the impact of lost employment, whether it is a temporary or permanent loss. The GNWT has programs in place to help NWT Resident employees in such circumstances.
- 4.10.2 While respecting and protecting the relationship FML holds with its employees and FML's need to implement unique retention strategies, in the case of a slow-down of Operations, a suspension of Operations as described in clause 12.3.1, a temporary Closure or a permanent Closure of the NICO Project, FML will collaborate with the GNWT so that the GNWT can optimize its preparedness for NWT Resident employees affected by any of the foregoing scenarios. FML will provide the GNWT with a minimum of four weeks' Notice in the case of a suspension of Operations, a temporary or a permanent Closure, and Notice as soon as reasonably possible in the case of a slow-down which is anticipated to impact NICO Project-Based Employment, such Notice to include FML's HRS with respect to the particular case. For greater certainty, FML will not be required to meet the foregoing Notice periods if any of the foregoing scenarios are caused by a matter beyond reasonable control as set forth in Part 13.
- 4.10.3 In the case of permanent closure, FML will meet legislative requirements, including those set out in the Employment Standards Act, and will collaborate with the GNWT leading up to permanent Closure to ease employee transition to new jobs.

5. BUSINESS DEVELOPMENT

5.1 POLICY OBJECTIVE AND IMPLEMENTATION

- 5.1.1 FML will implement a Northwest Territories Business Policy to maximize business and value-added opportunities for NWT Businesses.
- 5.1.2 FML will maintain a staffed office in the NWT for Life of Mine (see clause 4.4.1), the primary function of which will include but not be limited to procurement associated with the NICO Project.

5.2 PURCHASING OBJECTIVES

- 5.2.1 While actively pursuing and demonstrating fair and open competition for the acquisition of goods and services for the NICO Project, FML will source procurement needs from

NWT Businesses as much as reasonably possible, during Construction, Operations and Closure.

5.2.2 While placing special emphasis and priority on developing business opportunities with Indigenous and NWT businesses, FML will expect all contractors for the NICO Project to meet the following general criteria:

- a. cost competitiveness;
- b. quality;
- c. ability to meet the technical specifications of prescribed goods and services;
- d. ability to supply and deliver the goods and services;
- e. timely delivery;
- f. safety, health, and environmental records and program descriptions;
- g. Degree of Indigenous participation; and
- h. Degree of NWT participation.'

5.2.3 FML shall, through the implementation of the provisions of this Agreement and in collaboration with the GNWT and Indigenous Authorities, use best efforts to ensure that:

- a. purchases of goods and services through or from NWT Businesses during Construction to be at least 35% of the total annual value of goods and services purchased associated with Construction;
- b. purchases of goods and services through or from NWT Businesses during Operations will be at least 60% of the total annual value of goods and services purchased associated with Operations; and
- c. purchases of goods and services through or from NWT Businesses during Closure will be at least 70% of the total annual value of goods and services purchased associated with Closure;

5.2.4 Maximizing the procurement objectives undertaken by FML as set out in clauses 5.2.1, 5.2.2 and 5.2.3 of this Agreement is subject to the availability of NWT Businesses with the required skills, experience, interest and competitive pricing

5.3 PURCHASING PRIORITY

5.3.1 FML will use best efforts to provide opportunities for sourcing procurements in the following order of priority:

- i. Indigenous Businesses in the Local Communities;
- ii. NWT Businesses; then

iii. Other Canadian Businesses.

- 5.3.2 FML will cause its Contractors to make commitments similar to those set out in clause 5.3.1.
- 5.3.3 FML retains the right in its sole discretion, to make decisions relating to qualifications for Contractors, the assessment of tenders or proposals against FML selection criteria, and the terms and conditions of any contract awarded to the successful bidder.

5.4 BUSINESS OPPORTUNITIES MANAGEMENT:

FML will:

- a. designate a FML employee with the responsibility to act as a liaison between FML, the GNWT, Indigenous Authorities, and NWT businesses. FML is solely responsible for selection of this position, which position will remain staffed throughout the Life of Mine;
- b. prepare a business development strategy for Indigenous Authorities, and communicate to GNWT and Indigenous Authorities the scope and scale of business opportunities and NICO Project requirements in a timely and effective manner;
- c. identify the NICO Project components during Construction, Operations, and Closure that should be targets for an Indigenous and NWT business development strategy;
- d. identify possible opportunities for joint ventures with NWT and Indigenous businesses;
- e. maintain a NWT business policy that supports the objectives and commitments in this Agreement;
- f. share business-related expertise with NWT mine-related business initiatives;
- g. develop a flexible contracting approach by size and scope to match the capacity of Indigenous businesses and NWT businesses, where feasible;
- h. prepare a business opportunities forecast to identify foreseeable procurement requirements of the NICO Project, and provide it to Indigenous businesses and NWT businesses annually;
- i. make available business opportunities information related to FML business objectives and service requirements that will enable the completion of business plans or proposals by Indigenous Businesses or NWT Businesses in seeking development support services through existing public and private sector programs; and

- j. ensure broad communication of business opportunities to Indigenous Businesses, NWT Businesses, and business-industry associations in the NWT.

5.5 INTERPRETATION REGARDING FINANCING

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

5.6 GNWT SUPPORT

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

- a. designate a principal liaison from the GNWT, for NICO Project-related community economic and business opportunities;
- b. co-ordinate, through the principal liaison identified in clause 5.6.a, the activities of the GNWT that support Project-related community economic and business opportunities;
- c. collaborate with FML or governing authorities in the Local Communities and NWT Communities to facilitate and co-ordinate business development planning and delivery of business development programs relevant to the NICO Project;
- d. meet with FML at least annually to review GNWT program and service delivery plans to identify areas for collaboration;
- e. provide FML information on business development programs delivered by the GNWT;
- f. provide FML with information available to the GNWT on its Business Incentive Policy;
- g. maintain a registry of businesses eligible under the GNWT Business Incentive Policy; and
- h. support development by providing NWT Businesses with access to programs for:
 - i. Indigenous capacity building;
 - ii. business development projects;

- iii. business creation or expansion;
- iv. business skills;
- v. market development and product promotion;
- vi. planning and other development costs;
- vii. pilot or other demonstration projects; and
- viii. small business.

6. SOCIAL WELL-BEING

6.1 HEALTH SYSTEM

- 6.1.1 FML will ensure that all FML employees who are non-NWT residents, as defined in the Medical Care Act (NWT) and the Hospital Insurance and Health and Social Services Administration Act (NWT), carry health care insurance from their home province or territory and that their insurance will provide them with Canada health care coverage while working in the NWT.
- 6.1.2 FML will, through the tendering and contracting process, require its Contractors to meet the obligation in clause 6.1.1 for consistency.
- 6.1.3 FML will, have health care coverage in place for its non-Canadian employees.
- 6.1.4 FML will, for consistency with clause 6.1.3, through the tendering and contracting process require its Contractors to confirm that health care coverage is in place for their non-Canadian employees.
- 6.1.5 FML will reimburse the GNWT for any medical costs, including inter-community medical transportation costs that the GNWT may incur for non-NWT resident employees that it cannot recover from a non-NWT resident's health care plan, third party coverage, or from Workers' Safety and Compensation Commission of the NWT and Nunavut. FML will through the tendering and contracting process, cause its Contractors to meet this obligation for consistency.
- 6.1.6 FML will ensure that all FML employees are aware that any elective (non-acute) procedures for non-NWT residents may require prior approval from the non-resident's

home provincial/territorial health care plan. FML will, through the tendering and contracting process, cause its Contractors to meet this obligation for consistency.

- 6.1.7 FML acknowledges that the GNWT recommends a list of vaccinations on its website as part of the Adult Immunization Standards, FML will make its employees and Contractors aware of the vaccinations recommended by the GNWT H&SS, the associated risks should an employee choose to not be vaccinated in accordance with the recommendations of the GNWT and of the authority which public health officials have under the Public Health Act. (NWT).
- 6.1.8 FML will cause vaccination records for its employees and Contractors working at the NICO Project site to be confidentially maintained and updated.
- 6.1.9. FML acknowledges the authority of the Chief Public Health Officer under the Public Health Act to acquire personal health information of employees.
- 6.1.10 FML will ensure compliance with the Public Health Act.
- 6.1.11 Prior to the commencement of construction, FML and the GNWT will discuss and enter into mutually acceptable protocol arrangements regarding the medical treatment, emergency services, and medical emergency transportation of employees.

6.2 WELLNESS INITIATIVES

- 6.2.1 FML and the GNWT recognize that the health and wellness of individuals and families is fundamental to the social and economic sustainability of communities.
- 6.2.2 In order to promote a healthy and stable workforce, FML will assist NWT Resident employees to perform well in their jobs and careers, and help them to address potential effects of the NICO Project by working with the GNWT to address issues of individual and family wellness as follows:
 - a. designate a FML representative as the principal liaison to the GNWT for Project related health and wellness initiatives who, while ensuring confidentiality regarding Employee and Family Assistance Programs (EFAP) and employee participation in those programs, will provide information and meet annually with the GNWT designated liaison to review the following:
 - i. the services offered by FML under its EFAP;

- ii. a list of alternative services and programs that FML has been made aware of by Indigenous communities or others and that FML has informed its EFAP Service provider about to enable the inclusion of culturally sensitive services for FML employees and their families;
 - iii. EFAP utilization data and the utilization made of each service;
 - iv. the programs and plans supported in NWT Communities by FML and initiatives planned in the year ahead to address issues of wellness for its employees;
 - v. a summary of the programs and plans supported in the Local Communities, as well as initiatives planned for the year ahead to address issues of wellness for its employees; and
 - vi. initiatives focusing on outcomes relevant to clauses 6.2.2 (b, c, d, e, f, g and h).
- b. support initiatives and resources for addressing alcohol and substance abuse problems for FML employees;
- c. consult with the GNWT regarding initiatives being undertaken by FML with Indigenous Authorities, or NWT communities from which FML is drawing its employees, to address substance abuse issues with the aim of improving the health and wellness of NWT Residents;
- d. collaborate with the GNWT designated liaison to ensure information on effective and recognized substance abuse, family violence and domestic abuse programs and services are made available for NWT resident NICO Project employees;
- e. carry out ongoing prevention and awareness programs on- site and, where available with trained alcohol and substance abuse, family violence and domestic abuse counselors, to ensure ongoing prevention and awareness program delivery;
- f. ensure that the EFAP provides ongoing family counselling services (which may include, for example, family and relationship counselling, stress management,

anger management, support services for women and single mothers, child care services and parenting training) for mine employees and their immediate family;

- g. provide information on-site regarding the existence of support services available in NWT Communities to encourage full use of such services while off-site;
- h. establish a training and learning centre in Whatì to provide opportunities for employees to participate in financial management training within the first year of employment.

6.2.3 In addition, FML will:

- a. make available to all employees via a toll-free telephone number an EFAP service and will provide information to its EFAP service provider regarding support services in the NWT that are available including those that offer culturally relevant service alternatives;
- b. maintain a first aid facility in accordance with Division 4 of the Mine Health and Safety Regulations and ensure that medical personnel are on call at the NICO Project site 24 hours per day and 7 days per week during the Life of Mine;
- c. in collaboration with Indigenous Authorities and GNWT, disseminate information to employees and in communities related to awareness prevention areas such as: substance abuse, sexually-transmitted infections and family violence;
- d. ensure that foods provided at the NICO Project site, whether provided by FML directly or by a Contractor, promote healthy living, and are particularly appropriate for those who have or are at risk for developing diabetes;
- e. provide recreation activities, facilities and equipment at the NICO Project site;
- f. implement and maintain a harassment policy and an alcohol-free and drug-free workplace policy at the NICO Project Site
- g. actively manage those employee pension plans for which it is responsible, in a prudent and competent manner so as to preserve and protect those pension plans to the best of its ability; and

- h. provide access to communications links from the NICO Project Site where FML will provide the equipment and telecommunications access.
- i. support a Socio-Economic Legacy project in the Northwest Territories by way of financial investment and/or in partnership with a non-profit organization(s) once NICO Project has paid back its capital investment.

6.3 GNWT SUPPORT

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

- a. designate a principal liaison from GNWT for Project related health and wellness initiatives;
- b. collaborate with governing authorities in the Local Communities and NWT Communities to facilitate the planning and delivery of community-based mental health, addictions, and wellness programs and ensure that FML is aware of these programs and services;
- c. collaborate with governing authorities in the Local Communities and NWT Communities in the design of community mental health, addictions, and wellness programs and ensure that FML NWT resident employees needs are considered in relation to these programs and services;
- d. provide funding for mental health, addictions, and wellness programs;
- e. meet with FML at least once annually to discuss GNWT program and service delivery plans to identify areas for collaboration; and
- f. make available information on mental health, addictions, and wellness programs to FML for sharing with their employees.

7. CULTURAL WELL-BEING

7.1 WORKING TOGETHER

FML will work with communities in the Local Communities and the GNWT to promote cultural preservation and sustainability and to address cultural issues.

7.2 PROMOTING CULTURAL PRESERVATION AND UNDERSTANDING

7.2.1 FML will:

- a. support the promotion of traditional cultural practices of the communities in the Local Communities;
- b. work with community, governments, educational institutions and agencies to promote use of resources in local schools that promote the culture and traditions of communities located in the Local Communities;
- c. provide cross-cultural training to all NICO Project-staff;
- d. collaborate with communities in the Local Communities, and in accordance with FML policy for social investment, sponsor community celebrations that promote cultural practices;
- e. provide traditional foods on site when commercially available;
- f. provide and maintain space at the mine site for spiritual and cultural pursuits;
and
- g. provide core policies in Tlicho, as well as English and French.

8. MONITORING AND REPORTING

8.1 REPORTING BY PARTIES

Each Party will prepare an annual report outlining its efforts during the previous calendar year to fulfill its commitments under this Agreement and the specific information set out in this Part 8.

8.2 FML REPORTS

- 8.2.1 FML shall, in coordination with its Contractors, produce an annual report by March 31st for the duration of the Life of Mine. In addition to the information set out in clause 8.1, the annual report may include a compilation of individual reports issued during or prior to NICO Project phases. The FML annual report will include but not be limited to:

Human Resources

- a. Fortune's new hires by Hiring Priority, job category, community, and gender;
- b. Contractors' new hires by Hiring Priority, job category, community, and gender;
- c. Fortune's employment advancement by Hiring Priority, job category, community and gender;
- d. Contractors' employment advancement by Hiring Priority, job category, community and gender;
- e. Fortune's employment (expressed in person-years) by Hiring Priority, job category, community, and gender;
- f. Fortune's employment (expressed in head-count) by Hiring Priority, job category, community, and gender;
- g. Contractors' employment (expressed in person-years) by Hiring Priority, job category, community, and gender;
- h. Contractors' employment (expressed in head-count) by Hiring Priority, job category, community, and gender; and
- i. Pick-Up Point locations utilized.

Training

- a. Number of applicants, participation in and results of training activities described in clause 4.5.
- b. allocation of scholarships to Indigenous Persons and NWT Residents by gender and the study topic; and
- c. participation of Indigenous Persons and NWT Residents in student employment placements.

Procurement

- a. Fortune's procurement (gross value of goods and services by project phase, calendar year, category, purchasing priority;
- b. Cumulative total of data 'referred to by' 8.2.1(Procurement a.); and;
- c. a business forecast and assessment for the upcoming year in accordance with clause 5.4.h.

Wellness

- a. activities related to clauses 6.2.3(b) to (i).
- b. a report on healthy living food options available at the NICO Project site, whether provided by Fortune directly or by its Contractors, as described in clauses 6.2.3(d) and 7.2.1(e); and
- c. activities related to clauses 7.2.1(a) to (g).

8.2.2 The FML annual report shall contain information relating to FML's progress fulfilling its commitments and the implementation made regarding socio-economic issues arising from the NICO Project and this Agreement will be considered, discussed and publicly reported; and will include reporting on employment and training by gender.

8.3 GNWT REPORTS

8.3.1 GNWT shall produce an annual report in accordance with clause 8.1. The annual report may include a compilation of individual reports issued during the year. The report will be shared with Local Communities and will be made publicly available as described under 8.4.2 The data shall be collected in a manner that would be useful for analysis of the NICO Project's impacts on NWT communities. This may be limited to reporting data by affected communities in aggregation or through the use of multi-year averages. The annual report will include but will not be limited to data collection and analysis on the following:

- a. Employment;
- b. Training;
- c. business and economy;
- d. wellness; and
- e. baseline indicators.

8.3.2 GNWT will also report annually on participation and results in training activities described in clause 4.8.

8.3.3 The GNWT annual report need not necessarily relate solely to the NICO Project.

8.4 PUBLIC RELEASE OF THE REPORTS

8.4.1 The Parties shall, to the extent practicable, prepare the required annual reports by March 31 in each year, and make them publicly available on that day.

8.4.2 On making its annual report publicly available, each Party shall ensure that copies are also provided to the Indigenous Authorities and to the communities in the Local Communities on the same date.

8.5 EMPLOYEE SURVEY

FML agrees to provide access to employees and contractor employees on the NICO Project site to the GNWT to enable the GNWT to conduct a survey for the purpose of measuring the socio-

economic impacts of the NICO Project. The survey shall be conducted not more than once annually, at such times and on such terms as are mutually acceptable to the GNWT and FML.

8.6 PERSONAL, PROPRIETARY AND COMMERCIALY SENSITIVE INFORMATION

- 8.6.1 FML will use best efforts to collect from its employees and Contractors any personal information that may be required to provide the data necessary to compile and provide its reports, subject to and in compliance with the *Protection of Personal Information and Electronic Documents Act* (Canada) or other applicable legislation.
- 8.6.2 FML shall not be required to report or disclose information of a proprietary or commercially sensitive nature.
- 8.6.3 The Parties will, to the extent possible, report data in a manner that does not disclose personally identifiable information.
- 8.6.4 The reporting by FML in clause 8.2.1 shall be subject to the information that employees of FML and its Contractors agree in writing to provide in accordance with the *Protection of Personal Information and Electronic Documents Act* (Canada).
- 8.6.5 The Parties agree that, to the extent possible without breaching confidentiality, proprietary interests, commercial interests or intellectual property rights, information will be summarized so that it can be shared in public forums and reports.
- 8.6.6 GNWT shall only collect or disclose data subject to and in accordance with the applicable legislation, and shall decline to disclose data that would be likely to identify individuals.

9. ENGAGEMENT BETWEEN THE PARTIES

- 9.1 The Parties shall meet regularly and at multiple levels in order to review and discuss the results of activities and programs undertaken by both Parties, and to identify challenges and opportunities for collaboration intended to enhance socio-economic outcomes.
- 9.2 In particular, the following meetings shall occur:
 - a. The FML Chief Operating Officer shall meet annually with the GNWT Deputy Ministers of ITI, ECE and HSS;
 - b. FML representatives shall meet with and appear annually before representatives of the Legislative Assembly of the NWT. Such meetings shall be arranged by the GNWT;
 - c. Appropriate representatives from FML and from one or more GNWT

departments shall meet at least once per year. FML and the GNWT will each select their own representative based on the items to be discussed; and

- d. such other meetings or sharing of information as the Parties may mutually agree on.

9.2.1 Each Party may, at any time, offer suggestions or recommendations to the other Party that are intended to improve socio-economic performance and better implement the purposes and principles of this Agreement.

9.2.2 A record of all meetings will be formalized between the Parties, including documentation regarding recommendations for adaptive management measures discussed by the Parties, and all action items agreed to between the Parties.

9.3 COMMUNITY ENGAGEMENT

9.3.1 On providing their reports to the Indigenous Authorities and the communities in the Local Communities pursuant to clause 8.4, the Parties shall invite the Indigenous Authorities' and the communities' comments, concerns and recommendations respecting the socio-economic impacts of the NICO Project.

9.3.2 The Parties shall make themselves available to jointly meet at least once per year with representatives of each community in the Local Communities and of the Indigenous Authorities to discuss the results in the annual reports in order to provide an opportunity for input into discussions regarding the efforts of the Parties to address socio economic impacts. Each party shall bear its own costs for attending these meetings, while any costs associated with community participation in these meetings will be shared equally by the Parties.

9.4 FOLLOW-UP

9.4.1 The purpose of this section is to set up a follow-up process through which the principles of adaptive management can be applied in the event there are deficiencies in implementing any commitments set out in this Agreement or any negative impacts that were unforeseen or of a magnitude greater than predicted in the Environmental Assessment.

9.4.2 Each Party will respond to formalized concerns or recommendations received from Indigenous Authorities or communities in the Local Communities within 90 days after receipt thereof. Such response may take the form of a written response, an action plan or the adoption of or revision to an initiative or program.

9.4.3 The Parties will also consider written proposals from the Indigenous Authorities and communities in the Local Communities for specific projects or initiatives relating to the

NICO Project's socio-economic impacts, and will respond to a formal written proposal within 90 days after receipt thereof.

9.4.4 The Parties will work together to include, in their respective annual reports, reference to any recommendations for adaptive management responses made to each other or received from the Indigenous Authorities or communities in the Local Communities regarding how the Parties can improve the NICO Project's socio-economic contributions or minimize any negative socio-economic impacts. Each Party shall include a summary of how recommendations for adaptive management responses were addressed in its annual report.

10 GNWT OBLIGATIONS SUBJECT TO ACT AND JURISDICTION

10.1 GNWT EXPENDITURES SUBJECT TO FINANCIAL ADMINISTRATION ACT

Expenditures by GNWT contemplated under this Agreement are subject to section 46 of the Financial Administration Act which provides, "It is a condition of every contract made by or on behalf of the Government requiring an expenditure that an expenditure pursuant to the contract will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the contract."

11. REPRESENTATION

FML represents and warrants that it is the operator of the NICO Project.

12. COMMENCEMENT, SUSPENSION AND TERMINATION

12.1 COMMENCEMENT OF AGREEMENT

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

- a. execution of this Agreement by FML and the GNWT; and
- b. delivery by FML to the GNWT of a copy of FML's written notice of its intention to proceed with the NICO Project.

12.1.2 Nothing in this Agreement, whether express or implied, shall be construed as creating or recognizing any obligation on the part of FML or the GNWT arising prior to the delivery of FML's written notice in 12.1.1(b) above.

12.2 TERMINATION OF AGREEMENT

This Agreement terminates upon completion of permanent Closure or as otherwise agreed by the Parties. FML shall give as much notice as possible, though no less than eight weeks, to GNWT and to communities in the Local Communities regarding the expected start date of a Permanent Closure.

12.3 SUSPENSION OF OPERATIONS

12.3.1 FML may, subject to compliance with the legislative requirements, including those set out in the Employment Standards Act, suspend Operations as it sees fit and during such period of suspension FML shall be temporarily relieved of its obligations under this Agreement, providing it gives Notice to , and agrees to meet in person with, the GNWT in advance of the suspension of Operations for the purpose of discussing how the suspension will impact NICO Project – Based Employment and employees.

12.3.2 For greater certainty, a suspension of Operations is deemed to occur when the NICO Project is in Care & Maintenance.

13. MATTERS BEYOND REASONABLE CONTROL

Neither Party will be liable for delay in performing its obligations under this Agreement if and to the extent it cannot perform the obligation because of an event that is beyond its reasonable control and was not reasonably foreseeable when the Agreement was made. This event includes the following: act of God, outbreak of hostilities, act of terrorism or civil commotion, industrial action, epidemic, fire, explosion or other accidental damage, exceptionally severe weather conditions, failure of equipment, failure of power or telecommunication lines, and any delay caused by another Party.

14. DISPUTE RESOLUTION

14.1 APPLICATION OF ALTERNATIVE DISPUTE RESOLUTION PROCESS

14.1.1 If a dispute arises out of or in connection with this Agreement (including any question regarding its existence, validity or termination) or the legal relationships established by it, the Parties agree to use the dispute resolution process in this Part 14.

14.1.2 Despite clause 14.1.1, disputes relating to any of the following matters may be submitted at any time to the jurisdiction of the courts:

- a. questions or legal relationships arising out of or in connection with devolution or constitutional change;
- b. questions of law;
- c. protection of confidential information or property or rights on an interim basis.

14.1.3 Despite clause 14.1.1, this Part 14 does not prevent or excuse the Parties from participating in any regulatory process concerning the NICO Project.

14.2 EFFICIENCY, COSTS, DISCLOSURE AND CONFIDENTIALITY

14.2.1 The Parties agree to use all reasonable efforts to:

- a. conduct any dispute resolution procedures in this Part 14 as efficiently and cost effectively as possible;
- b. provide timely disclosure of all relevant facts, information and documents to facilitate negotiations and mediation under this Part 14.

14.2.2 During negotiation, whether or not mediated, under this Part 14, all discussions and documents prepared or disclosed for the purpose of facilitating negotiations, shall be “without prejudice” and shall be treated by each Party as confidential, unless the Parties otherwise agree, and except as required to be disclosed by law.

14.2.3 The Parties may resolve or revoke a dispute by mutual agreement at any time. Disputes resolved by negotiation or arbitration under clauses 14.3, 14.4, or 14.5, respectively, shall be recorded in writing and signed by the authorized representatives of the Parties.

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

14.2.5 If there are more than one related disputes ongoing involving the Parties, the disputes may be combined during the mediation or arbitration process, as the case may be.

14.3 NEGOTIATION

A Party may serve the other Party with a written notice of a dispute and request a conference be held promptly. A conference (which may be conducted by phone or electronic means) to

attempt to negotiate a resolution shall be held within 14 days of receipt of such notice, with each Party represented by individuals with decision-making authority.

14.4 MEDIATION

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

14.5 ARBITRATION

14.5.1 If the Parties have not settled the dispute by mediation within 60 days after the end of the mediated negotiation period referred to in clause 14.4, or such further period agreed by the Parties in writing, either Party may refer the dispute to arbitration under the *Arbitration Act* (NWT). The Parties agree:

- a. the tribunal will consist of a single arbitrator, who is to be a practicing barrister and solicitor or a retired judge;
- b. the place of arbitration will be Yellowknife, Northwest Territories, unless the Parties agree to another location or to use any alternate means of communication as may be permitted under the *Arbitration Act*; and
- c. the arbitrator may adopt the ADR Institute of Canada Inc.'s National Arbitration Rules, to the extent allowed under the *Arbitration Act*.

14.5.2 The Parties consent to any documents in any arbitration proceedings being served in accordance with clause 14 (notices). Nothing in this Agreement affects the right to serve documents in any other manner permitted by law.

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

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

15. NOTICES

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

- a. delivered personally;
- b. sent by pre-paid, recorded delivery or registered post or (in the case of a notice sent outside Canada by registered airmail); or
- c. sent electronically by fax or email and confirmed by telephone or by mailing a hard copy within 24 hours.

The notice must be delivered or sent to the address and for the attention of the relevant person set out in clause 15.3.

15.2 A notice is deemed to have been received:

- a. if delivered personally, at the time of delivery;
- b. in the case of pre-paid, recorded delivery or registered post, 3 days after the date of posting;
- c. in the case of registered airmail, 5 days after the date of posting;
- d. In the case of electronic transmission, at the time of transmission. If notice is sent electronically outside of regular business hours (meaning 8:30 am to 5:00 pm Monday to Friday on a day that is not a public holiday in the place of receipt), notice is deemed to have been received when business next starts in the place of receipt.

15.3 The addresses for written notice are: FML:

Fortune Minerals Limited

Suite 1600– Fullarton Street
London, OnN6A5P3
Attention: Chief Operating Officer
Telephone: 519-858-8188
Fax number: 518-858-8155

GNWT: Government of the Northwest Territories

P.O. Box 1320 Yellowknife, NT X1A 2L9
Attention: Deputy Minister, Industry, Tourism and Investment Telephone: 867-920-8048
Fax number: 867-873-0563

Or such other address as may be notified in writing by a Party.

16. GENERAL PROVISIONS

16.1 APPLICABLE LAW

This Agreement shall be interpreted and governed by the laws of the Northwest Territories and the laws of Canada applicable therein, and any action taken relating to this Agreement shall be commenced in the Supreme Court of the Northwest Territories.

16.2 OBLIGATIONS SEVERAL, NOT JOINT

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

16.3 FURTHER ASSURANCES

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

16.4 ENUREMENT

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

16.5 ASSIGNMENT

16.5.1 Neither Party shall assign its rights or obligations under this Agreement, in whole or in part, without the prior consent of the other Party, such consent not to be unreasonably withheld.

16.5.2 The assignment of FML's rights and obligations under this Agreement will be effective only if the proposed assignee

- a. agrees in writing to assume all of FML's rights and obligations under this Agreement; and
- b. is also the assignee of FML's rights and obligations under the Regulatory Instruments.

16.5.3 Where the conditions in this clause 16.5 are met, FML shall be released from its obligations under this Agreement.

16.6 NO AGENCY, PARTNERSHIP

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

16.7 WAIVER

A waiver of any right under this Agreement is only effective if it is in writing, and only applies to the circumstance for which it is given.

16.8 AMENDMENT

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

16.8.2 In the event that a title, department or position referred to in this Agreement is changed, the relevant Party will notify the other Party of the new title, department or position and all references to the former term shall be deemed to be references to the new term.

16.9 SURVIVAL OF CLAUSES

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

16.10 SIGNING IN COUNTERPART

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

16.11 SEVERABILITY

If any provision of this Agreement is determined by a court of competent jurisdiction or an arbitrator to be invalid, unenforceable or illegal, in whole or part, then that provision (or part thereof) shall be deemed to be severed and the remaining provisions continue in full force and effect. In such event, the Parties will expeditiously negotiate in good faith to amend this Agreement to substitute for any invalid, unenforceable or illegal provision, a valid, enforceable and legal provision that achieves to the greatest extent possible the same result that would have been achieved by the invalid, unenforceable or illegal provision.

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

Fortune Minerals Limited

Witness: _____

By: _____

Chief Operating Officer

Printed: _____

Date: _____

Title: _____

Minister of Industry, Tourism and Investment

By: The Honourable

Witness: _____

Date: _____

Printed: _____

Minister of Health and Social Services

By: The Honourable

Witness: _____

Date: _____

Printed: _____

Minister of Education, Culture and
Employment

By: The Honourable

Witness: _____

Printed: _____

Date: _____