

Baker Lake

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DEVELOPMENT PARTNERSHIP AGREEMENT

THIS AGREEMENT made this 17th day of February,
2007

BETWEEN:

THE GOVERNMENT OF NUNAVUT
as represented by the Minister of Economic Development and
Transportation
("GN")

- and -

MEADOWBANK MINING CORPORATION
a corporation incorporated under the laws of British Columbia
having a head office at Vancouver, British Columbia
("MMC")

(hereinafter the "Parties")

WHEREAS the Government of Nunavut has approved a Development Partnership Agreement Policy and Program Guidelines and a Fuel Tax Rebate Program for Mining Development;

AND WHEREAS The Meadowbank Mining Corporation has received a Project Certificate to construct and operate the Meadowbank Mine, near Baker Lake, Nunavut;

AND WHEREAS This Development Partnership Agreement sets out the terms of an agreement between Meadowbank Mining Corporation and the Government of Nunavut to work together and with other interested parties in order to maximize the long term socio-economic benefits of the Meadowbank Mine to Nunavut.

NOW THEREFORE this Agreement, in consideration of the terms and mutual covenants contained herein, witnesses the Parties' agreements, as follows:

ARTICLE ONE
Purpose and Scope

- 1.1 **MMC** made a number of socio-economic commitments in its Final Environmental Impact Statement (FEIS) and during the Nunavut Impact Review Board (NIRB) review process and these commitments are detailed in NIRB Certificate No. 004 issued to the Meadowbank Mining Corporation. Socio-economic commitments are also included in the Inuit Impact & Benefit Agreement (IIBA) between MMC and the Kivalliq Inuit Association (KIA).
- 1.2 This agreement is intended to complement, not duplicate these commitments and provide a framework for the GN and MMC to work together and with stakeholders including federal and municipal governments and the KIA to maximize cooperation and efficiency while ensuring long term socio-economic benefits from the Meadowbank Mine for Nunavut.
- 1.3 To the extent possible, the activities undertaken under this agreement will minimize duplication of efforts with those required by the Meadowbank IIBA and NIRB Certificate, including the compilation, analysis and reporting of socio-economic and other information.

ARTICLE TWO

Saving

- 2.1 In the event of any conflict or inconsistency between this Agreement and the terms of any applicable legislation or regulations, the Project Certificate, any licence, permit or other authorization, the NLCA or the IIBA, the latter will prevail to the extent of the conflict, or inconsistency.

ARTICLE THREE

**Socioeconomic Planning, Monitoring,
Reporting and Mitigation**

- 3.1 **MMC** will work with the GN to protect archaeological resources affected by the Project and to ensure implementation of the Project's Archaeological Resources Management Plan.

- 3.2 Under the terms of the Project Certificate, MMC the GN and Indian and Northern Affairs Canada shall participate in a Meadowbank Socio-Economic Monitoring Committee (SEMC).
- 3.3 MMC and the KIA have also agreed to appoint coordinators for implementation and monitoring of the terms of the IIBA.
- 3.4 Governments have mechanisms in place for tracking various statistical indicators. A coordinated monitoring plan will provide all parties with the best information and GN will provide information relevant to the Meadowbank project to MMC on a regular basis.
- 3.5 SEMC members representing the GN and MMC shall be the lead officials for implementing this Development Partnership Agreement.
- 3.6 The GN and MMC shall work together and with other stakeholders to streamline socio-economic planning, monitoring, implementation, mitigation and reporting as set out in this Agreement, the Project Certificate and the IIBA.
- 3.7 MMC and the GN, in consultation with other SEMC members, will endeavour to ensure that the SEMC considers;
- Identification of the roles and responsibilities of all stakeholders in Socio-economic monitoring and mitigation for the project.
 - Key indicators to be monitored.
 - Data collection methodology.
 - Annual reporting requirements.
 - Indicators to trigger mitigating action.

ARTICLE FOUR

Infrastructure

- 4.1 MMC has identified the requirement for a barge landing, laydown area and fuel storage in the Hamlet of Baker Lake (the Hamlet) and an all weather road to the mine site. This, as well as on-site mine infrastructure, may have a residual value when the mine is decommissioned.
- 4.2 The parties agree that;
1. Within 30 days of signing this Agreement, the MMC shall provide the GN with a plan identifying any project infrastructure within the Hamlet or on other Commissioner's lands, for review and discussion.
 2. The MMC shall make best efforts to accommodate any suggestions for modification to infrastructure associated with the project made by the GN.

3. To the extent practicable administrative functions for the mine will be located in Baker Lake.
4. The GN shall have right of refusal on any surplus infrastructure assets, not acquired by the KIA under the terms of the IIBA. Such right to be exercised within such reasonable period as MMC may specify at the time notice is provided to GN and the Hamlet.
5. Within 5 years of the commencement of production at the mine, MMC and the Government of Nunavut will review the status and future of the all weather road.

ARTICLE FIVE

Education, Training and Employment

- 5.1 The Meadowbank Project will provide opportunity for training and employment of Nunavut residents. MMC has made commitments in the areas of labour force development, hiring preferences and targets and on-the-job training. The Governments of Canada and Nunavut, the KIA and the Hamlet all have roles in ensuring that these opportunities are fully realized.
- 5.2 The Parties agree;
 1. As a first priority, to develop and implement (in cooperation with other stakeholders) a program for local training and certification of heavy equipment operators.
 2. Subject to any confidentiality requirements therein, to review the efforts made through the IIBA or otherwise and, if the GN deems necessary, develop a *Training and Employment Plan* that compliments other initiatives and which may address;
 - Identification of the roles and responsibilities in achieving training and employment objectives for the project;
 - Identification of project employment needs, including minimum hiring pre-requisites (legislated and operational);
 - Development of a labour force survey and community skills database for communities identified as points of hire.
 - Identification of training and employment priorities and targets for Inuit and local hires on the project;
 - Development of agreements for training and education programs that will allow Inuit and local residents to obtain the necessary pre-employment skills for the project;
 - Development of programs to encourage women to pursue non-traditional mine employment;

- Programs to encourage youth to stay in school;
 - Establishment of an on-site adult basic literacy program;
 - Development of guidelines for Inuit and local hiring;
 - Development of guidelines for on-the-job training and upgrading; and
 - Development of a method for monitoring and reporting of employment, education and training during the various stages of the project.
3. Consistent with its operational requirements, MMC will remain flexible in establishing appropriate shift rotation schedules for retention of Nunavut based employees.

ARTICLE SIX

Business Development

- 6.1 To the extent practicable all business activity related to the MMC's Meadowbank Mining activities will be directed through Baker Lake.
- 6.2 MMC has identified initiatives that will be put in place to enhance the ability of residents and Nunavut firms to supply goods and services. Maximizing participation may require investment and support for business start-ups and expansion.
- 6.3 The Parties agree to develop a *Business Development Plan* for the Meadowbank Mine. This will include the following items, intended to compliment what is already addressed by the IIBA Implementation Committees;
- Identification of the roles and responsibilities of all stakeholders in achieving Inuit and Nunavut business objectives for the project;
 - Identification of project needs and business opportunities;
 - Development of guidelines for communication of business opportunities to Nunavut residents and firms;
 - Establishment of partnership agreements for development of business capacity to participate in the project.
 - Monitoring and reporting on contracts awarded to Nunavut residents and Nunavut firms.

ARTICLE SEVEN

Other Matters

- 7.1 The Parties agree that;

1. The MMC will comply with the terms of the MOU on Caribou Collaring.
2. The MMC will collaborate with the GN and its marine carriers in best efforts to make unused marine backhaul available to the GN at cost.
3. Any programs, services or reporting provided as a result of this Agreement will observe the highest standards of ethical conduct.

ARTICLE EIGHT

Nunavut Fuel Tax Rebate Program

- 8.1 The parties agree that subject to execution of this Agreement and compliance with the terms and conditions set out herein as well as maintaining its NIRB Certificate for the project in good standing, MMC shall qualify for the Government of Nunavut's Fuel Tax Rebate Program.
- 8.2 In any year that the MMC qualifies for a Fuel Tax Rebate, the GN shall pay that rebate to MMC in a timely fashion.

ARTICLE NINE

Monitoring and Reporting

- 9.1 The Parties agree that;
 1. Within 6 months of the execution of this Agreement, lead officials for each Party shall initiate the development of terms of reference for evaluating and reporting on the performance of the terms of this Agreement.
 2. The lead official for the Meadowbank Mining Corporation shall have prepared an annual report within 6 months of each anniversary of signing of this Agreement.

ARTICLE TEN

General Provisions

10.1 Entire Agreement

Subject to Article 2.1, the Preamble, Articles and any Schedules constitute the entire agreement between the Parties with respect to the subject matters set forth therein and supersede any prior agreement, negotiation or understandings between the Parties. Headings are for convenience of reference only and shall not affect the interpretation of the Agreement.

10.2 **Severability**

The provisions of the Agreement are severable. If any provision is declared by a court of law of competent jurisdiction to be void or unenforceable, it shall be severed and the remaining provisions shall continue to have full force and effect. In the event that a provision is held to be invalid and severed from the Agreement, the Parties agree to make best efforts to negotiate a replacement of the provision which is consistent with the purpose and intent of this Agreement.

10.3 **Commitments of MMC**

MMC shall deliver to GN all of its commitments set out in this Agreement.

10.4 **Commitments of GN**

GN shall deliver to MMC all of its commitments set out in this Agreement.

10.5 **Representations and Warranties**

Each of GN and MMC represent and warrant to the other that they have the legal power, capacity and authority to enter into this Agreement and carry out their respective obligations.

10.6 **Non-derogation**

Nothing in this Agreement shall derogate from or abrogate any right or interest granted to KIA or to Inuit under the Nunavut Land Claims Agreement.

10.7 **Assignment**

MMC shall not assign this Agreement or any part of it, unless:

- (a) the assignee is the purchaser or transferee of the Meadowbank Project or of a controlling interest in it;
- (b) the Parties agree that the assignee, at the time of the transaction, has the financial and such other capacity and qualifications as may be required to carry out the obligations of MMC under this Agreement;
- (c) the assignee undertakes in writing to GN to assume all of MMC's obligations and liabilities under this Agreement; and

- (d) GN consents in writing to the assignment, such consent not to be unreasonably withheld once the conditions in paragraphs (a) to (c) are satisfied.

10.8 **Non Waiver**

No consent or waiver, expressed or implied, by either Party of any breach or default by the other Party shall be deemed to be a consent to or waiver of any other breach or default in the performance of obligations by such Party. Failure to complain or act or declare the other Party in default, irrespective of how long such failure continues, shall not prevent a Party from subsequently exercising its rights hereunder.

10.9 **Notices**

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

- (a) In the case of MMC:

C/O Cumberland Resources Ltd.
#950 505 Burrard Street,
Box 72, One Bentall Centre,
Vancouver, B.C. V7X 1M4
Fax (604) 608-2559

- (b) In the case of GN:

Deputy Minister
Department of Economic Development & Transportation
Government of Nunavut
P.O. Box 1000, Station 1500
Iqaluit, NU, X0A OHO
Fax (867) 975-7800

10.10 **Governing Law**

This Agreement will be governed by and interpreted in accordance with the laws of the Territory of Nunavut and the laws of Canada applicable therein.

10.11 **Further Acts**

The Parties shall do all acts and execute and deliver all such documents and instruments as may from time to time be necessary or advisable in order to perform and carry out the purpose and intent of this Agreement.

10.12 No Agency, Partnership

Nothing in this Agreement shall be construed to create a relationship of agency, partnership, fiduciary or similar relationship between the Parties.

10.13 Benefit of Agreement

This Agreement shall be for the benefit of the Parties and their respective successors and permitted assigns.

10.14 Disputes

A Dispute between the Parties on the interpretation or implementation of this Agreement may be referred for resolution in accordance with the *Arbitration Act* of Nunavut.

ARTICLE ELEVEN

Coming into Force, Termination & Unavoidable Event

11.1 Coming into Force

This Agreement shall come into force on the date indicated on page 1 hereof and shall continue until completion of abandonment and reclamation of the Meadowbank project

11.2 Termination

This Agreement can be terminated upon mutual agreement of the Parties or upon completion of abandonment and reclamation of the Meadowbank project.

11.3 Unavoidable event

If a Party is unable to undertake or complete any obligation under this Agreement as a result of an Unavoidable Event, such Party shall not be in default under this Agreement until the cause thereof has been removed, provided that the Party seeking to invoke the benefit of this provision promptly notifies the other Party in writing of the Unavoidable Event and proceeds diligently to undertake or complete those obligations not affected by the Unavoidable Event;

ARTICLE TWELVE
Review and Amendment

12.1 Review and Renegotiation

The Parties may review this Agreement from time to time, and shall do so on or about the fifth anniversary of the execution with a view to determining whether there has been any material change in circumstance which would require a reconsideration of any terms of this Agreement. If either Party is of the view that amendments should be made, the Parties shall in good faith enter into negotiations to amend this Agreement. If the Parties are unable to reach agreement on any amendment, the matter shall be considered a Dispute to be resolved in accordance with Article Ten.


12.2 Amendment

This Agreement may be amended from time to time by written agreement, signed by the Parties.

ALL OF WHICH HAS BEEN AGREED TO as of the date first above written, as evidenced by the signatures of the duly authorized representatives of the Parties.




Meadowbank Mining Corporation



date



Government of Nunavut



date