

Note: Where there is a difference between the legal document known as the Environmental Agreement for the Diavik Project and this plain language version, the original will be considered correct. EMAB in no way guarantees the legal accuracy of this version.

Signatories – Parties to the Environmental Agreement.

ENVIRONMENTAL AGREEMENT

This agreement was signed on March 8, 2000.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
represented by the
Minister of Indian Affairs and Northern Development (DIAND)

AND

THE GOVERNMENT OF THE NORTHWEST TERRITORIES (GNWT)
represented by the
Minister of Resources, Wildlife and Economic Development (RWED)

AND

DIAVIK DIAMOND MINES INC. (Diavik)

AND

DOGRIB TREATY 11 COUNCIL

AND

LUTSEL K'E DENE BAND

AND

YELLOWKNIVES DENE FIRST NATION

AND

NORTH SLAVE MÉTIS ALLIANCE

AND

KITIKMEOT INUIT ASSOCIATION

Recitals: Statements of what had been done so far, at the time of the writing of this Environmental Agreement.

A.

- Diavik, with Aber Diamond Mines, came up with a mining project for the East Island in Lac de Gras.
- The project will produce rough diamonds.
- The joint venture between Diavik and Aber is not yet incorporated.

B.

- The federal departments responsible for regulating the project are:
 - the Department of Indian and Northern Development (DIAND),
 - Department of Fisheries and Oceans (DFO) and
 - Department of Natural Resources Canada.
- These federal departments carried out a full study of the project because the *Canadian Environmental Assessment Act* says they have to.
- They released a Comprehensive Study Report and **concluded** that the project will probably not cause any serious harmful effects to the environment. But they also concluded that this depends on carrying out the right measures to lessen harmful effects.

C.

- The Minister of the Environment and the other federal departments **decided** that the project will probably not cause any serious harmful effects.
- This depends on carrying out the right measures to lessen harmful effects.

D. The Comprehensive Study Report also says that the Minister (as the top federal department) must develop an Environmental Agreement that will explain the way measures to lessen effects will be carried out. These measures are listed and explained in Diavik's Commitments. The Environmental Agreement will make sure that any steps taken to lessen the harmful effects on the environment and follow-up needs that are demanded by Regulatory Instruments are carried out and monitored.

E. The air, the land, the water, fish and other living creatures, and wildlife are necessary to the lives and well being of the Aboriginal Peoples.

F. Diavik wants to approach environmental management in a responsive way that continuously includes Traditional Knowledge, new technology and information about the environment. In this way, there will be fewer effects on the environment.

G. Diavik and the Aboriginal Peoples have agreed to or are on the way to agreeing to Participation Agreements related to the project.

H. Diavik and the GNWT have an agreement on socio-economic monitoring. This is a requirement of the Comprehensive Study Report, as is the Environmental Agreement. That agreement also includes involving the Aboriginal Peoples.

The Parties agree to the following:

Article 1 Statement of Purpose and Guiding Principles

1.1 Purpose – Why this Environmental Agreement exists.

This agreement is legally binding for all Parties that signed. The goals are:

- a) To make sure that Diavik and others honour their requirements to lessen the effects of the Project on the environment and that this is done in the right way. How to carry this out is explained in Diavik's Commitments and in the Responsible Authorities' conclusion in the Comprehensive Study Report.
- b) To add monitoring activities. These activities, along with monitoring called for by the licences, leases and permits, will help check that predictions in the Environmental Assessment are right. This extra monitoring will also check that the effect on the environment is reduced and that Commitments are being carried out.
- c) To help make sure that monitoring, management and regulation of the Project is done in a way that respects the environment as a whole: land, water, air, and animals.
- d) To respect and protect the air, land water, fish, wildlife, and sites of importance (such as burial sites, sacred sites and objects and items of historical and cultural interest found at the sites) as well as cultural resources, and the land-based economy that are necessary to the way of life and well-being of the Aboriginal Peoples.
- e) To find ways to allow the people of the communities and the larger public to have a say and participate in the environmental side of the Project.
- f) To give advice and direction to Diavik so that Diavik can manage the project with all the purposes of this EA in mind.
- g) To help increase the usefulness of the environmental monitoring and to help pull together the efforts of everyone involved in the monitoring and regulation of the Project.

legally binding
means that the law can make the Parties carry out the Environmental Agreement

- h) To make sure that people in the Affected Communities know about the Project. To help the Aboriginal Peoples and the public take part in reaching these goals.

1.2 Guiding Principles – basic ideas and concepts for the Parties

Anything the Parties do under this agreement and all licences, leases and permits (Regulatory Instruments) must also be in keeping with Articles 1.1 and the following:

- a) adaptive environmental management
- b) sustainable development – means development that meets the needs of the people today without harming the ability of future generations to meet their own needs more about care of the land itself, minus the human element
- c) plan and bring about ways to protect the environment and lessen effects on the environment using the best correct technology that is also cost effective.
- d) precautionary principle – means that when there is threat of serious or irreversible damage, not being completely certain about the scientific situation is not a reason to delay using reasonable ways to stop damage to the environment.
- e) encourage further development of the abilities and resources of the Aboriginal People to participate in mine-related environmental issues.
- f) recognize the unique and valuable environment of the Lac de Gras area
- g) use Traditional Knowledge and scientific information where it is appropriate
- h) help the Parties work together on environmental issues that have to do with Diavik

Article 2 No Prejudice

2.1 The Parties that signed the agreement do not give up or lose any of their rights.

Taking part in the Environmental Agreement will not cause the Parties to lose their rights in:

- a) Aboriginal or treaty rights already in place;
- b) land claims or self-government talks taking place now or later;
- c) constitutional changes that may happen in the NWT;
- d) changes to legislation (laws written in the Canadian Parliament or the NWT Legislature) or regulations (rules that explain how to carry out the law) because of:
 - land claims settlements;
 - self-government negotiations;
 - constitutional changes; or
 - devolution; and
- e) Participation Agreements now or later.

participation agreements is another way of saying Impact Benefit Agreement

2.2 When changes happen.

If there are changes in who has control or authority over any part of the Diavik project (devolution), the Parties will work together in good faith to make changes in the Environmental Agreement.

Changes in who has control or authority in certain areas could happen because of a change in:

- the constitution;
- a treaty;
- a self-government agreement;
- a land claim agreement; or
- some other reason.

To act **in good faith** means that the Parties will do as they said, and without trying to get unfair advantage.

Article 3 – Definitions

3.1 Definitions

These definitions should be used unless the words are described in a different way in a clause.

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

“Affected Communities” means the communities identified in the Comprehensive Study Report that are affected by the Diavik project. Those communities are: Dettah, Gameti, Kugluktuk, Lutsel K’e, N’dilo, Rae-Edzo, Wekweti, and Wha Ti.

“Annual Report” means the reports put out by **EMAB** and Diavik, separately, once a year. The descriptions are in the agreement.

“Arbitrator(s)” means the mediator(s)/referee(s) chosen to help settle a disagreement.

“Archaeological Site” means a site or work of archaeological, ethnological or historical importance, interest, or significance or a place where an archaeological specimen is found – such as tool-making sites, gravesites, caribou blinds and windbreaks, as well as objects on those sites.

“Commercial Production” means production at the rate of 80% of design capacity for the Project processing plant for 30 days in a row.

“Commitment” means:

(a) a promise by Diavik to take steps to lessen the effect on the environment or to create a follow-up program, either

(i) given to a Responsible Authority while trying to get a recommendation or decision under the *Canadian Environmental Assessment Act* with respect to the Project, or

(ii) given to the government agency responsible for giving out any Regulatory Instrument, while trying to get the Regulatory Instrument,

and if—

(iii) the promise by Diavik is changed and the change is accepted by the right authority, “Commitment” means the new, changed promise, and

(iv) Diavik changes its promise so it can follow the principles of adaptive environmental management, “Commitment” means the new, changed promise; and

(b) any duty given to Diavik because of a recommendation, decision, or Regulatory Instrument.

"Consult" or "Consultation" includes:

- a) detailed notice to the Party to be consulted so that the Party can get its views on the matter ready;
- b) a period of time that lets the Party prepare its views, and an opportunity to present those views to the Party doing the consulting; and
- c) that the Party doing the Consulting gives care and attention to the views presented.

"CSR" means the report called "Comprehensive Study Report - Diavik Diamonds Project" dated June 1999 and includes the Responsible Authorities' Response to Public Comments dated September 1999.

"\$" means Canadian dollars.

"Effective Date" means March 8, 2000.

"Environment" means parts of the Earth:

- a) land, water, and air, including all layers of the atmosphere,
- b) all organic and inorganic matter and living creatures, and
- c) the natural systems that work together, including the land, water, and air, all layers of the atmosphere, and all living creatures.

"Environmental Management Plans" is defined in Article 6.

"Environmental Monitoring Advisory Board (EMAB)" means **EMAB** as defined in Article 4.

"Environmental Monitoring Programs" is defined in Article 7.

"Environmental Plans and Programs" means the Environmental Management Plans, Environmental Monitoring Programs, the clean up plans and any other environmental management plans or environmental monitoring programs carried out for the Diavik Project.

"Environmental Protection Measures" means all the steps taken to make sure that Environmental Quality is taken care of. That includes:

- review and prediction of effects,
- monitoring,
- steps taken to not cause or lessen effects,
- setting of limits for environmental damage, and

- steps taken in construction, operations, closure, clean up of the Project.

“Environmental Quality” means the state of the environment compared to natural and untouched or unchanged qualities of the area. This deals with the variety of living creatures and the variety of the places where they live, including their relationships.

Environmental Quality is better when everything goes as it naturally would, including habitat staying as it is and reproduction of animals and plants staying as it is. Environmental Quality is best when human actions on the land have barely any effects.

“Joint Venture” means the unincorporated joint venture set out by the parties to the Joint Venture Agreement.

“Joint Venture Agreement” means the agreement between Diavik and Aber.

“Land Leases” means the following leases under the *Territorial Lands Act*: 76D/8-5-2 (Water Lot B A154/418), 76D/8-6-2 (Quarry/PKC/North Inlet), 76D/8-7-2 (Infrastructure), 76D/9-5-2 (Airstrip), and 76D/9-9-2 (Water Lot E A21). These were not in effect March 8, 2000. But this includes any renewal, change or replacement of these.

“Minister” means the Minister of Indian Affairs and Northern Development (DIAND).

“Minister's Report” means a report that the Minister of DIAND gives to Diavik if the Minister decides that an Annual Report, Environmental Management Plan, or Environmental Monitoring Program isn't good enough.

“Notice of Default” means a notice the Minister may give to Diavik if Diavik does not comply with this agreement, including a requirement to fix a default.

“NWT” means the Northwest Territories

“Nunavut” means the Territory of Nunavut.

“Participation Agreements” means agreements like Impact Benefit Agreements or other agreements like that between Diavik and the Aboriginal Peoples that has to do with the Project. That includes any additions, revisions, rewritten or replaced agreements that happen during the time of this agreement.

“Parties” means the parties listed on the first and second pages of this agreement that signed this agreement, and “Party” means any one of them.

“Precautionary Principle” means that not knowing all the science involved is not an excuse to do nothing if there is a serious threat to the environment. It’s a “better safe than sorry” principle.

“Project” means the Diavik Diamond Mines.

“Reclamation and Abandonment Plan(s)” means clean up, described in Article 10.

“Regulatory Instrument(s)” means any authorization, licence, lease, or permit necessary under any legislation to carry out the Project, and includes:

- the water licence,
- the fisheries authorization(s) issued under s.35 of the *Fisheries Act*,
- the land use permits,
- the land leases,
- the explosives factory licences, and
- the navigable waters permits, etc.

“Responsible Authorities” means the federal departments listed in the CSR:

- the Department of Indian and Northern Development (DIAND),
- the Department of Fisheries and Oceans (DFO), and
- the Department of Natural Resources Canada.

“Socio-economic Monitoring Agreement” means the agreement made the October 2, 1999 between the GNWT and Diavik as required by the CSR.

“Water Licence” means the Type A Water Licence #N7L2-1645 for which original application was made by Diavik on March 4, 1998, revised September 10, 1999, and which on the date of this agreement, has not yet been issued by the Northwest Territories Water Board because of the *Northwest Territories Waters Act* and *Northwest Territories Waters Regulations* and includes any renewal, change or replacement.

3.2 EXTENDED MEANINGS

Words in the singular include more than one and vice versa; gendered words include the masculine, feminine and neuter genders; words that talk about people include firms and corporations.

3.3 TIME OF ESSENCE

Time is of the essence in all respects in the agreement – it’s important to meet

deadlines for things to run smoothly

3.4 BUSINESS DAY

If something is due on a Saturday, Sunday or statutory holiday, then it's actually due on the next business day.

3.5 REFERENCES

If a clause talks about another clause, it is talking about another clause in this agreement.

If a clause talks about "this agreement", it means this Environmental Agreement of March 8, 2000.

3.6 HEADINGS

The way the agreement is divided up, and the title of the sections is just to help understand the parts of the contract.

3.7 LEGISLATION

When a clause talks about a law, it also includes any regulations under that law, changes to that law or another law that replaces it.

Article 4 – Environmental Monitoring Advisory Board (EMAB)

4.1 Environmental Monitoring Advisory Board (EMAB)

a) The Environmental Monitoring Advisory Board (**EMAB**) for the Diavik project will be a non-profit group listed with the *Societies Act*. The Government of Canada will arrange to have **EMAB** set up within 60 days of Article 4's coming into effect.

b) The Government of Canada will subtract its costs for setting up **EMAB** from its part of the first-year payment. (see 4.8).

4.2 Mandate – what EMAB must do

As an arm's length board, **EMAB** will stay independent from the Parties and follow the purpose and guiding principles described in Article 1.

EMAB's responsibilities are to:

- a) provide an integrated approach to achieving the purposes in Article 1;
- b) help the Parties cooperate as they work towards the purposes and carry out the guiding principles;
- c) act as a watchdog:
 - by keeping an eye on the regulatory process of the organizations that keep track of environmental rules (like the Mackenzie Valley Land and Water Board); and
 - by making sure that everything in this Environmental Agreement is done;
- d) look over and assess:
 - Environmental Plans and Programs related to the project, like:
 - management plans,
 - programs that keep an eye on a different aspect of the project and how it affects the environment,
 - plans for recovering the mine site and leaving it, and
 - any other plan or program that deals with the environment and the project;
 - annual reports;
 - Environmental Protection Measures – which are steps taken to make sure Environmental Quality is respected, including:

- ideas about how the mine will affect the environment,
 - steps taken to avoid or lower effects,
 - setting limits for environmental damage, and
 - steps taken in construction, operations, closure, recovery of the site and leaving it;
 - reports about the monitoring of the project; and
 - other reports and information about the quality of the environment that are created by any of the Parties or regulatory authorities because of this agreement, or because of regulatory instruments (authorization; licence; lease; or permit such as water licence, fisheries authorization, land use permits, land leases, explosives factory licences and the navigable waters permits) and other general laws;
- e) make recommendations after the review of reports to make sure that the purposes and guiding principles are met. These go to:
- Diavik,
 - the Minister of Indian Affairs and Northern Development, or
 - any other party or group that has the responsibility to regulate or manage the matter in the report;
- f) make recommendations on issues relating to access for purposes of wildlife harvesting;
- g) make recommendations and offer advice on the participation of each of the Aboriginal Peoples and the Affected Communities in training and monitoring programs that deal with the Environment Quality;
- h) make recommendations about the need for and design of Traditional Knowledge and other studies. Where appropriate, EMAB will help manage and carry out these studies;
- i) find/develop ways to provide information to Affected Communities and the public on Environmental Quality;
- j) report to the Parties and the public on **EMAB's** activities and on how it's doing its job;

- k) set up a public library where anyone can find reports and studies about the environmental aspects of the mine;
- l) participate in hearings, the dispute resolution process as described in this agreement and other legal processes; and
- m) offer a meaningful role for each of the Aboriginal Peoples in the review and carrying out of Diavik's Environmental Monitoring Plans.

4.3

When **EMAB** makes a written recommendation to the Minister of DIAND, Diavik, or any other Party, these Parties have to give complete and serious attention and thought to **EMAB's** written recommendations and suggestions within 60 days of receiving them.

After thinking over the suggestions, the Minister, Diavik or other Parties must:

- a) accept to act on **EMAB's** recommendation if it is appropriate and report that back to **EMAB**; or
- b) give **EMAB** written reasons why the recommendation is not the right thing to do and will not be acted out.

4.4 The Minister of DIAND will encourage any Regulatory Authority that has received a recommendation from **EMAB** to respond in 60 days as instructed in 4.3.

4.5 Who is EMAB?

- a) The Parties to the agreement name members to **EMAB**.

For more detail read in 4.6 a).

- Dogrib Treaty 11 Council 1 representative
- Yellowknives Dene First Nation 1 representative
- Lutsel K'e Dene Band 1 representative
- Kitikmeot Inuit Association 1 representative
- North Slave Métis Alliance 1 representative
- GNWT 1 representative
- Government of Canada 1 representative
- Diavik 1 representative

- b) The Government of Nunavut can name one representative to **EMAB**, as described in 4.6 b).
- c) The Parties together (not **EMAB**) can name two public representatives to **EMAB**.
- d) Each Party and the Government of Nunavut can name an alternate member. The same details of 4.6 a) and b) apply.
- e) Either one or both of the Party or GN representatives named to **EMAB** must live in the Northwest Territories or Nunavut.

4.6 How EMAB works

Each Party and the Government of Nunavut can name representatives to **EMAB** as explained here.

- a) Each party names a representative and a alternate
 - within 60 days; or
 - as soon as possible after the signing of this agreement by a Party; or
 - when article 18.1 c is satisfied or given up.
- b) The Government of Nunavut will name a representative and alternate
 - within 60 days; or
 - as soon as possible after article 18.1 c) is satisfied or given up
- c) The names of representatives, when they are named, will be given in writing to the DIAND Minister and to the **EMAB** Chair once a Chair has been named.
- d) The Parties and the Government of Nunavut can change the representative or the alternate. The new names must be given in writing to the DIAND minister and the **EMAB** Chair.
- e) The Parties can change or remove one or both of the public representatives on **EMAB**, with written notice sent to the DIAND minister and the **EMAB** Chair.
- f) If a board position is empty, **EMAB** can continue its business with the members that are left.

- g) **EMAB** will set up rules and by-laws for procedure. These rules and by-laws must be consistent with the purposes and principles of this agreement.
- h) The conditions of appointment and selection of official and other similar matters such as payment and conflict of interest will be governed by **EMAB's** by-laws.
- i) A representative can put forward the general interests of their Party without being in conflict of interest.
- j) **EMAB** will carry out an annual audit of its accounts and will give a copy to the Parties and to the Government of Nunavut. **EMAB** will keep its financial records with generally accepted accounting principles.
- k) **EMAB** may coordinate its activities with those of the Board for the Socio-Economic Agreement.

4.7 Annual report

EMAB will write up an annual report.

The report will include:

- **EMAB's** activities for the year; and
- any recommendations made by **EMAB** to the Parties and the Government of Nunavut.

The annual report will be available to the public.

4.8 Funding

- a) Diavik will fund **EMAB** as long as this agreement is in place.
- b) Diavik will pay **EMAB** the full amount of its share of the budget for a 12-month period 60 days before that period starts. For the first budget, Diavik will pay its share within 30 days after the formation of **EMAB**.

- c) **EMAB** will manage and act in a financially careful, reasonable and cost-effective way. **EMAB** will try to reduce costs by:
- making full use of information, data and resources that might be available from Diavik or public sources;
 - avoiding the duplication of monitoring and other activities conducted by Diavik or government agencies or departments; and
 - coordinating its activities with the board formed from the Socio-economic Monitoring Agreement, including sharing offices and administrative, secretarial functions where it can.
- d) **EMAB's** annual budget for each of the first two years will be \$800,000. Diavik will give \$600,000, the Government of Canada will give \$150,000 and the GNWT will give \$50,000 of the total amount.

The Canadian Government and the GNWT will have no financial responsibility to **EMAB** after the first two years.

- e) **EMAB's** budget for two-year periods:
- 180 days before the end of the budget period, **EMAB** will prepares a budget for the next budget period based on a work plan and a review;
 - **EMAB** will try to make sure that its budget will not increase by more than the rate of inflation;
 - Diavik and **EMAB** will review the plan together and will try to agree on a budget for the period;
 - If Diavik and **EMAB** cannot agree on the budget within sixty (60) days following the start of the review, they will speak with the Minister and each of them will submit a proposed budget to the Minister; and
 - If Diavik, the Minister, and **EMAB** cannot within thirty (30) days agree on a budget for a period, the Minister will select either the budget submitted by Diavik or, provided the Minister is reasonably satisfied that **EMAB** has complied with Article 4.8(e) (ii), the budget submitted by **EMAB**. The budget selected by the Minister will be the budget for the next two years.
- f) Besides the regular budget, Diavik can provide more funding to **EMAB** for research and monitoring activities. The same goes if something unplanned

happens. These are the steps:

- **EMAB** hands in a proposal to Diavik showing that the budget does not include money for the proposed activity.
- Diavik reviews “in good faith” and considers the proposals.
- If Diavik disagrees about the necessity of the proposed activity, they must explain the reasons in writing – the reasons going to **EMAB** and the Government of Canada
- **EMAB** or Diavik can ask the Minister to review the matter.
- The minister can then give **EMAB** and Diavik his/her views on how the matter might be worked out.
- The Minister will then make those views public.

- g) Money from one budget period that isn’t spent will be used to fund the following budget period. BUT if a program continues into a new budget period, and the funds leftover are for the program, those leftover funds can be used for that program.

4.9 Administration, Traditional Knowledge and scientific support

- a) **EMAB** can hire staff to help it do the work it needs to do.
- b) **EMAB** can create two panels of experts:
- One panel to think about and apply Traditional Knowledge; and
 - One panel to think about and apply other types of scientific knowledge.
- c) **EMAB** will tell the panels how it wants their help.
- d) The panels can meet separately and/or together to discuss issues and prepare reports. They can meet with **EMAB**, if needed.
- e) Any scientific knowledge that **EMAB** gets from its panel is public information. Any Traditional Knowledge that **EMAB** gets from its Traditional Knowledge panel must have, from the Aboriginal Peoples who shared it, permission to make it public.

4.10 Information and cooperation

The Parties will cooperate with **EMAB**. They have to give **EMAB** the information and help that it needs to carry out its mandate, if they can. This has to be done in a reasonable amount of time.

4.11 Changes as time goes on

The Parties will review Article 4 by March 28, 2002. They will do this using results from:

- the regional cumulative effects assessment and management framework initiative referred to in Article 10; and
- the experience of other advisory environmental boards, including the BHP Independent Environmental Monitoring Agency.

The Parties can negotiate to change some of the items in Article 4. BUT Diavik does not have to provide any extra money because of these negotiations.

ARTICLE 5 – Environmental Compliance

5.1 Following the environmental rules while the Diavik project is happening

Diavik will follow environmental laws and regulations and Regulatory Instruments that apply to the Project, including:

- a) the Water Licence;
- b) Authorization(s) issued under Section 35 of the *Fisheries Act*;
- c) Explosives Factory Licences issued under the *Explosives Act*;
- d) the Land Leases;
- e) Navigable Waters Permits issued under the *Navigable Waters Protection Act*; and
- f) all additional Regulatory Instruments that apply to the Project at any time.

<p>compliance is act or process of fulfilling requirements</p>

5.2

Diavik will follow this agreement and all Environmental Plans and Programs submitted and reviewed as set out in this agreement.

5.3

If Diavik is breaking any of the above rules (5.1 and 5.2) it will do whatever it can, as quickly as it can, to get back in line.

5.4 Making sure the rules are being followed

- a) The DIAND Minister can direct any qualified person to investigate to make sure that the rules are being followed as written in Article 5.2. **EMAB** can ask the Minister to do this.
- b) Diavik will let the person assigned go anywhere on the Diavik site and will help the person as best they can.
- c) The Minister will do his/her best to co-ordinate investigations under this agreement with inspections under the Regulatory Instruments.
- d) The qualified person will prepare a report of his or her investigations for the Minister and the **EMAB**.

Article 6 – Environmental Management Plans

6.1 Providing (arranging for) Environmental Management Plans

- **During the times of construction:**

The plans have complete information on how environmental issues will be dealt with during times of construction.

If Diavik makes any changes to these plans, they will give copies of the changes to the Parties, the Government of Nunavut, and **EMAB** as they happen.

- **While the mine operates:**

Diavik will update its Environmental Management Plans for the operating phase of the Project and give copies to the Parties, the Government of Nunavut, and **EMAB**. The deadline for this is six months before commercial production begins (1.2 million tonnes a year).

The plans will have complete information on how specific environmental issues will be dealt with.

If Diavik makes any changes to these plans, they will give copies of the changes to the Parties, the Government of Nunavut, and **EMAB** as they happen.

As time goes on, there may be technological advances in the area of diamond mining. Diavik will keep these in mind as they update their environmental management plans.

One goal is to include Traditional Knowledge of Aboriginal Peoples in the Environmental Plans and Programs in the best way possible. Where it applies, Traditional Knowledge will be considered fully side by side with scientific knowledge in developing, reviewing and changing the Environmental Management Plans.

If a Party can show that a Traditional Knowledge study is:

- necessary;
- important to the Environmental Management Plan;
- not a repeat of another study that's been done; and
- has reasonable costs

Diavik will commit itself to do the study or fund it.

Environmental Management Plans

Plans means an action plan or system that looks at the how, when, who, where and what of carrying out environmental mitigation and monitoring measures during the life of a mine. It includes all the parts that are looked at separately in mitigation, monitoring and action plans.

- **When the mine closes:**

Diavik will update its Environmental Management Plans for the Closure and Post Closure phase(s) of the Project and give copies to the Parties, the Government of Nunavut, and **EMAB**. The deadline is three years before closure activities are scheduled.

If Diavik makes any changes to these plans, they will give copies of the changes to the Parties, the Government of Nunavut, and **EMAB** as they happen.

6.2 Environmental Management Plans

The Environmental Management Plans will guide Diavik through the environmental management of the Project.

These are some of the plans that apply to the Project:

- a) Waste Management Plan;
- b) Water Management Plan;
- c) Hazardous Materials Management Plan;
- d) Blasting/Explosives Management Plan;
- e) Quarry Management Plan;
- f) Emergency Response Plan;
- g) Processed Kimberlite Containment Management Plan;
- h) Country Rock and Till Storage Management Plan;
- i) Dredged Lakebed Sediment Management Plan;
- j) Reclamation and Abandonment Plan(s) (including Initial, Interim and Final Plans);
- k) Biotite Schist Management Plan;
- l) Exploration Environmental Management Plan;
- m) Traffic Management Procedures;
- n) Fish Habitat Management Plan;
- o) Construction Area and Activity Management Plan;
- p) Operations Area and Activity Management Plan; and
- q) Wildlife Management Related Extracts from above noted plans.

The Environmental Management Plans will include:

- the steps to be taken to reduce effects on the environment listed in Diavik's Commitments, and
- steps listed in the conclusions of the Responsible Authorities documented in the Comprehensive Study Report.

Diavik will change these steps, keeping in mind the principles of adaptive environmental management.

Diavik's Environmental Plans and Programs should normally include:

- a) quality control and assurance programs (like two or three samples of water to make sure testing is accurate);
- b) environmental awareness training for employees and contractors;
- c) regular briefings on environmental matters to on-site supervisors; and
- d) detailed adaptive environmental mitigation measures.

6.3 Review of the Environmental Management Plans

- a) The Minister can decide that an Environmental Management Plan is not good enough. The Minister can do this on his/her own or because he/she is asked by a Party or **EMAB**. The Minister must consult with Diavik before going ahead. Then the Minister can give Diavik a Minister's Report.
- b) Within 60 days Diavik must give:
 - the Minister revisions to the Environmental Management Plan that fix the problem(s);
 - a replacement Environmental Management Plan that fixes the problem(s); or
 - detailed reasons why Diavik thinks the Environmental Management Plan does not need to be revised or replaced to fix the problems. This explanation must satisfy the Minister
- c) For matters in its jurisdiction, the GNWT can give the Minister the problems they've seen. The Minister will include these in the Minister's Report.
- d) The Minister can give Diavik more time if there is a good reason for a delay.

Article 7 – Environmental Monitoring Programs

7.1 Providing Environmental Monitoring Program

Diavik will carry out compliance and environmental effects monitoring of the Project. It will do this with Environmental Monitoring Programs.

Diavik will give the Parties, the Government of Nunavut, and **EMAB** copies of its Environmental Monitoring Programs. The Environmental Monitoring Programs listed in this Article can be reviewed.

Environmental Management Programs means a plan of action that sets out how to watch for effects on the environment and collect information that can be used to help protect the environment – and carrying out those action plans.

The programs can be changed as needed.

The Environmental Monitoring Programs will include activities to:

- a) meet the monitoring needs of all Regulatory Instruments;
- b) check out how exact the environmental assessment of the Project is;
- c) find out how well the measures taken to lessen harmful environmental effects of the Project are working;
- d) bear in mind Traditional Knowledge;
- e) set up or prove limits or early warning signs;
- f) decide if stronger environmental protection is needed;
- g) provide opportunities that will let the Aboriginal Peoples get involved and participate in doing the monitoring; and
- h) provide training opportunities for each of the Aboriginal Peoples.

7.2 The different parts of Environmental Monitoring

For now, the Environmental Monitoring Program will include:

- a) an Environmental Air Quality Monitoring Program;
- b) a Wildlife/Vegetation Monitoring Program;

- c) an Aquatic Effects Monitoring Program;
- d) a Geotechnical Monitoring Program;
- e) an Operational Health and Safety Program (this is only about effects on human health that come from environmental changes); and
- f) other environmental monitoring programs considered necessary by territorial or federal legislation or by the Comprehensive Study Report.

7.3

The Environmental Monitoring Programs will include monitoring goals and the monitoring programs listed in:

- Diavik's Commitments, and
- the conclusions of the Responsible Authorities in the CSR.

The Environmental Monitoring Programs will be updated using adaptive environmental management.

7.4 Monitoring data and results

- a) Diavik will give monitoring data and information to the Parties, the Government of Nunavut, and **EMAB**. When and how this information is delivered will be figured out in discussion with **EMAB**.
- b) Reporting must follow environmental rules set in legislation, regulations and Regulatory Instruments.
- c) Reporting dates will be worked out to follow the needs of the Regulatory Instruments related to the program.
- d) Diavik will carry out the monitoring in a way that will give information that can be used with any cumulative effects monitoring programs that take place. Diavik will consult and co-operate with the regulatory agencies that are doing cumulative effects monitoring, as appropriate.

7.5 Review of Environmental Monitoring Programs

- a) The Minister can decide that an Environmental Monitoring Program is not good enough. The Minister can do this on his/her own or because he/she is asked by a Party or **EMAB**. The Minister must consult with Diavik before going ahead. Then the Minister can give Diavik a Minister's Report.

Within 60 days, Diavik must give The Minister:

- the revisions to the Environmental Monitoring Programs that fix the problem(s);
 - a replacement Environmental Monitoring Programs that fixes the problem(s); or
 - detailed reasons why Diavik thinks the Environmental Monitoring Programs does not need to be revised or replaced to fix the problems. This explanation must satisfy the Minister
- b) For matters in its jurisdiction, the GNWT can give the Minister the problems they've seen. The Minister will include these in the Minister's Report.
- c) The Minister can give Diavik more time if there is a good reason for a delay.

7.6 Aboriginal Community Involvement

Diavik will do its best to:

- a) involve each of the Aboriginal Peoples in designing and carrying out Environmental Monitoring Programs;
- b) make sure members of each of the Aboriginal Peoples have top priority in training and employment in relation to environmental monitoring. (This is also part of the Socio-economic Monitoring Agreement.); and
- c) give technical training opportunities for the youth of the Aboriginal Peoples.

Aboriginal Peoples also participate in the review of Environmental Management Plans and Environmental Monitoring Programs by participation on **EMAB** and its activities.

Article 8 – Scio-Economic Effects resulting from environmental change

8.1 Diavik will make sure that it monitors and lessens possible socio-economic effects that come as a result of environmental changes – as set out in the Comprehensive Study Report.

socio-economic in relation to impact on the environment means health issues (water quality), nutritional and cultural issues (access to caribou), and other stuff.

Article 9 – Regional Cumulative Effects Assessment and Management Framework

9.1 Diavik will help work at the regional cumulative effects assessment and management framework in the initiative announced by the Minister of the Environment on November 3, 1999.

This framework is to consider both scientific and Traditional Knowledge, and to be used in conjunction with adaptive management to ensure sustainable development.

cumulative effects
changes to the environment that are caused by an action in combination with other past, present and future human actions.

Article 10 – Reclamation and Abandonment

10.1 Reclamation and Abandonment

- a) Diavik will submit Reclamation and Abandonment Plan(s) as required by the *Northwest Territories Waters Act*, the *Mackenzie Valley Resource Management Act*, and the *Territorial Lands Act*;
- b) The Parties agree that the Reclamation and Abandonment Plan(s) will change during the life of the Project. This is part of adaptive environmental management. Also, new technologies will become part of the Plan(s);
- c) The final Project will be abandoned using the most up to date technology; and
- d) Diavik will work on restoring the land and water affected by the Project throughout the life of the Project in a way that respects sustainable development.

Reclamation and Abandonment means cleaning up the mine site and taking care of any maintenance after leaving the site.

Article 11 – Archaeological Sites

11.1 Protecting known sites

The idea is to protect archaeological sites as much as possible. To do this Diavik must consult with the Aboriginal Peoples and government agencies. That includes the Prince of Wales Northern Heritage Centre.

In lessening the effects of the mine, Diavik must also obey the laws and regulations on this issue.

11.2 Archaeological Surveys

- a) As the Project continues, Diavik will carry out Archaeological Surveys to meet the standards of the day. Diavik will respect places important to Aboriginal Peoples.
- b) As much as possible, Archaeological surveys will:
 - be designed in partnership with the Aboriginal Peoples and Affected Communities; and
 - carried out in partnership with the Aboriginal Peoples and Affected Communities.

If that's not possible, the work will be done in Consultation with the Aboriginal Peoples and Affected Communities.

- c) Diavik will Consult with Aboriginal Peoples and Affected Communities to make sure that Traditional Knowledge is included in the Archaeological Surveys. Aboriginal Peoples will also be consulted to make sure that burial sites are identified.
- d) If an Archaeological Site is discovered while carrying out the Project, Diavik will immediately notify the Minister, the GNWT and Aboriginal Peoples. Diavik will take all reasonable steps necessary to protect the Archaeological Site.
- e) If it becomes necessary to disturb the Archaeological Site and collect the artifacts, Diavik will Consult with Aboriginal Peoples and get the necessary authorizations and follow the law.

Archaeological Sites are place of special cultural and historic importance. They include such places as tool-making sites, gravesites, caribou blinds and windbreaks. **Artifacts** can usually be found at these places and include any object that was made, used, and/or carried from one place to another by humans that provides information about human behavior in the past, such as flint chips and other objects related to tool-making, tools, utensils, art, food remains, bones with cut marks.

Article 12 – Annual Report

12.1 Annual Report

- a) Diavik will create an annual report and pass it on to the Parties, the Government of Nunavut, and **EMAB** on March 31. If the Minister of DIAND OKs it, the date can be changed. The annual report has to come out each year of this agreement, starting March 31, 2001.
- b) Each Annual Report will include:
- The results of Environmental Monitoring Programs.
 - A summary that adds in data of each year and an analysis of environmental effects data over the life of the Project -- to show patterns over the years.
 - How the Project is actually affecting the environment will be compared to the results predicted in the Environmental Assessment and the Comprehensive Study Report.
 - A review of how Diavik's adaptive environmental management has been working so far.
- c) Each Annual Report will include:
- a full summary of all supporting information, data and results from the Environmental Monitoring Programs, plus all studies and research related to these;
 - a full summary of all reports on how Diavik has followed all rules and regulations in the Regulatory Instruments;
 - a full summary of mining activities during the year up to the annual report;
 - the ways Diavik is fixing any environmental effects or problems following rules and regulations;
 - a full summary of mining activities for the next year;
 - lists and summaries of all Environmental Plans and Programs;
 - a check that environmental assessments are correct;
 - a report on how well steps to lessen effects are working;
 - a full summary of all adaptive management steps taken;
 - a full summary of public concerns and responses to public concerns;
 - a full summary of the new technologies Diavik has looked into;
 - the Minister's comments on the Annual Report from the year before, including any Minister's Report; and
 - a plain English executive summary and translations into Dogrib, Chipewyan, and Innuinaqtun.

- d) Diavik will consult with the Minister and **EMAB** as Diavik puts together the information and data to be included in the Annual Report. This is so that there is the chance to find out and discuss problems as early as possible. This will also make sure that each Annual Report does what the Environmental Agreement requires.
- e) Any Party or **EMAB** may let the Minister know if the annual report is satisfactory or not. They have forty-five (45) days after receiving the Annual Report to do this.
- f) The Minister of DIAND has 90 days after receiving the report to let Diavik know if it is satisfactory or not. If the Minister decides that the report needs to be fixed, the Minister will give Diavik a Minister's Report.
- g) For the parts that involve the GNWT, the GNWT will let the DIAND Minister know if they think the report needs to be fixed. The Minister will include that information in his Minister's Report.
- h) Diavik has 60 days to:
- answer to the Minister's report, and
 - revise the Annual Report or add to the parts that need fixing.
- i) The Minister can give Diavik more time for the Annual Report or to fix the Annual Report if there's a good reason.

Article 13 – Regulatory Authority

13.1 Paramountcy – The final word, or which laws and regulations are supreme over others

In case of a conflict, the following order of authority stands:

- Canadian and NWT law;
- Regulatory Instruments (land leases and water licences etc);
- the Environmental Agreement.

13.2 Non-duplication – Not repeating requirements

This agreement should not repeat what is already in place through Regulatory Instruments. If it happens that this agreement does repeat a regulation or requirement of a Regulatory Instrument, then doing what the Regulatory Instrument requires is enough.

13.3 Exercise of Statutory Duties

Statutes are laws. This agreement cannot stop the Minister or a Regulatory Instrument from doing what it has to do under the law.

Article 14 – Communication and Public Access to Information

14.1 General Communications Principles

- a) **EMAB** will make sure that communication, and the sharing of information between:
- the Parties;
 - **EMAB** and the Parties; and
 - **EMAB** and the Affected Communities.

will be on time, responsive, proactive and cooperative at all times.

- b) The Parties will respect each other and each other's roles and responsibilities as they carry out their duties.
- c) The Parties will give **EMAB** enough copies of all information (including data, studies, reports and other material) that they create for another group, or the public, and isn't a trade secret.
- d) The Parties will do their best to provide access for the public and Affected Communities to all plans, programs, reports and other documents referred to in this agreement.
- e) Diavik will make their Annual Report available to the public and will arrange for public meetings to review and discuss them. They will do this in Consultation with **EMAB**.
- f) The Parties must respect all laws about access to information or privacy.

responsive means being open to suggestion and influence

proactive means acting instead of reacting – taking steps before something happens

cooperative done with or working with others for a common purpose or benefit

trade secret is information about a product or process kept secret from competitors.

14.2 Communication Plan

EMAB will develop a Communication Plan.

The Communication Plan will make sure that all communication about the environmental management of the Project:

- is done promptly,
- works well to pass on information,
- is done without waste, extra expense, time, or labor, and
- agrees with things that have been communicated before on the same subject.

14.3 Public Registry

EMAB will maintain a public library. All material in the library will be on a list. All letters, reports, or other materials received by **EMAB** that relate to this agreement will be in the library in **EMAB's** office so the public can look at them.

Article 15 – Security and enforcement

15.1 Security

There are three security deposits:

- the Security Deposit;
- the EA Security Deposit; and
- the Additional Security Deposit.

These deposits will be kept by the Minister of DIAND to make sure Diavik cleans up the mine site before leaving it as set out in:

- water licence and land leases;
- environmental laws and regulations;
- regulations from DIAND's Regulatory Instruments; and
- this agreement.

The security deposits can be used if Diavik does not honour their agreements in any of the above.

The amounts are all listed in Schedule 1 of the Environmental Agreement. If there are changes in the Project and Diavik feels that clean up costs have gone down, the company can request that the security deposits be lowered. The Minister decides.

DIAND can decide that clean up costs have gone up and asked that the amounts be changed.

The details and processes are described in 15.1 a) to o).

If any of this happens, **EMAB** must be notified.

Clean up must take place all the time during the life of the Project.

15.2 GNWT Jurisdiction

The GNWT has the same rights as DIAND has in 5.1 for anything in its jurisdiction.

If the Minister of DIAND withdraws any security deposit money for an issue that is under GNWT control, the Minister will refund the GNWT, within reason, for fixing a problem caused by Diavik.

15.3 Events of defaults and remedies

- a)
- i. If the Minister of DIAND feels Diavik has not performed any of its duties under this agreement, the Minister will let Diavik know. He/she will state the problem. Diavik will have the chance to explain if they think the problem doesn't exist. If Diavik agrees about the problem, they will fix the problem right away and make sure it doesn't happen again.
 - ii. If Diavik does not give a good reason to the Minister and does not start to fix the problem, or if Diavik does not continue to fix the problem, then the Minister can give Notice of Default to Diavik.
 - iii. Diavik has another 30 days after a Notice of Default to fix the problem. If they don't, the Minister can use the Security Deposit, the Additional Security Deposit and the EA Security Deposit to carry out any work reasonably required to fix the default. (The details of the process are in the legal Environmental Agreement.) The Minister can also stop operations and/or end Land Leases if Diavik is not in compliance or not doing a proper clean up.
 - iv. The Minister can use the EA Security Deposit only to fix defaults under this agreement except for defaults under Article 5.1.
- b) If there is a threat of an immediate environmental emergency because of the project, and Diavik does nothing about it, the Minister can use the deposits without giving notice.
- c) If Diavik does not honour its deposit duties (stated in this agreement and Schedule 1) the Minister can stop the operations of the Project and/or end the Land Leases.
- d) If Diavik goes broke or bankrupt or can't operate, they will be in default unless the Minister says it's OK. If it's not OK, the Minister can take the deposits without notice. BUT he/she must give the deposits back once an approved arrangement has been made. That, in turn, is subject to the possibility of DIAND keeping the money so other creditors can't take it.
- e) These remedies are not the only ones available. They are not supposed to replace steps taken under environmental legislation, regulations or the Regulatory Instruments.
- f) If there are any costs that have to be paid by the

default means failing to meet a duty, responsibility or requirement.

remedies means legal ways of repairing harm or damage as a result of defaulting on this agreement or any Regulatory Instruments or NWT or Canadian laws.

Government of Canada because of a default by Diavik (under the terms of this agreement), and if these costs are more than the deposits the Government of Canada can get the money back from Diavik.

- g) If the Minister of DIAND has to use any of the deposits to fix problems caused by a Diavik default, he/she has to use the money in a financially responsible way.
- h) As long as they aren't breaking any laws, Diavik has the right to audit any money spent by the Minister of DIAND that comes from the deposits. Diavik has to pay for the audit.

15.4 Dispute Settlement – resolving disagreements

Any decision by the Minister of DIAND that changes the amount of the security deposits can be arbitrated if Diavik disagrees with the decision. Any other disagreements or matters that come from Article 15 will go to the courts.

Article 16—Resolution of Disputes

16.1 Dispute Resolution

If there is a disagreement between any of the Parties because of anything to do with this agreement, then the Parties must try to solve the problem between themselves and/or with the help of a neutral person. If this fails, the Parties can turn to binding arbitration.

binding arbitration

means private negotiation to end a disagreement. Each party agrees to be required to hold to the decision reached by the referee or negotiator.

16.2

If a Party disagrees with a matter that comes out of this agreement, they must tell the other Party in writing. Once that happens, the Parties will do their best, including negotiating through a neutral person, to come to an agreement within sixty (60) days, or longer if the Parties agree.

16.3 Selection of the Arbitrator(s)

If the Parties do not agree after negotiating through a neutral person, then the Parties will turn to binding arbitration as described below:

- a) The Parties can agree to one arbitrator. If they disagree, there will be three arbitrators:
 - one chosen by one side;
 - one chosen by the other side; and
 - and one chosen by both arbitrators to be the Chair

An arbitrator is independent, disinterested (does not have anything to gain), knowledgeable and experienced in the issue of the disagreement.

- b) If one side or the other does not choose an arbitrator within 60 days of a disagreement moving to arbitration, then the situation can be turned over to the Supreme Court of the NWT. The court will choose an arbitrator.
- c) If one or the other arbitrator does not agree on the third arbitrator, then the Supreme Court of the NWT can be asked to choose a third arbitrator.

16.4

Laws about arbitration apply. [*Commercial Arbitration Act (Canada)* and *Commercial Arbitration Code*]

16.5

EMAB can have input in the process of solving disagreements that have to do

with this Environmental Agreement.

16.6 Costs of Dispute Resolution

Each side of a disagreement will cover its own costs. The costs of a negotiator/arbitrator will be shared.

16.7 Jurisdiction of the Arbitrator(s)

The arbitrator can only make decisions about which side is right or wrong on an issue in this agreement, or require compliance or work to be done. The arbitrator cannot make decisions about awarding money.

16.8 Interlocutory Relief

- a) Any Party can go to court at any time if:
- there is a time limit that might stop them from going to court later; or
 - a disagreement under arbitration is too slow and some property in the disagreement needs to be protected.
- b) A court decision or being in court is not a reason for either side not to continue arbitration.

Interlocutory means temporary and not final.

Article 17 – General clause or agreements

17.1 Remedies not Exclusive

The Parties keep other rights they have as well as the ones in this agreement. If a Party uses a right in this agreement, they can still use any rights they have outside the agreement. If a Party chooses to disagree with a part of this Environmental Agreement, it must be done in writing. That doesn't mean that the Party has decided to take issue with any other parts of this agreement or that it is permanent.

17.2 Review and Amendment of Agreement

- a) Every five years after March 8, 2000 the Parties can assess this agreement with the help of **EMAB**.
- b) This agreement can be changed anytime if all Parties agree in writing.

17.3 Governing Law

The laws of the GNWT and Canada apply to this agreement.

17.4 Further Assurances

The Parties must do whatever they can, and whatever is reasonable, to make sure they follow the agreement.

17.5 Successors and Assigns

This agreement applies to the Parties. BUT it also applies to anyone who inherits the role of a Party or is given the job of taking over the responsibility of a Party.

17.6 Assignment

Diavik will not give over its responsibilities in this agreement unless:

- a) the Government of Canada decides that the person/company that will take over the responsibility can handle it financially, and that it has the right ability and experience to take over from Diavik.
- b) the person/company makes an agreement in writing with the Government of Canada and the GNWT to take over all of Diavik's responsibilities that have to do with this agreement; and

- c) the person/company also takes over all of Diavik's responsibilities that have to do with the Regulatory Instruments and the Participation Agreements.

Once 16a) to c) are met, Diavik will be let go of its responsibilities. The Parties will then agree to let Diavik go in writing.

17.7 Severability – separating the clauses

If the law changes and that change means that something in this agreement can't legally be applied, the rest of the agreement is still good. Just because the law changes in one jurisdiction, it doesn't mean that that part of the agreement can't be applied in another jurisdiction. Or if a part of this agreement is written wrong and can't be upheld, the rest of the agreement is OK.

17.8 Member of House of Commons Not to Benefit

A Member of Parliament cannot be a part of this agreement or benefit from it.

17.9 Not a Partnership or Joint Venture

This agreement doesn't mean that the Parties are partners or are acting on behalf of each other.

17.10 Liability

Diavik has responsibilities beyond this agreement. They have to take care of those too – such as cleaning up the mine site and the water as required by law.

17.11 Diavik Commitments

This agreement does not change the fact that Diavik has to carry out its Commitments.

17.12 Review of Agreement

Once Diavik gets its Land Leases and Water Licences etc, this agreement should be looked over again to make sure they match.

17.13 Diavik as Manager

Diavik agrees that it is the manager of the project as set out Joint Venture Agreement. That agreement allows Diavik to sign this agreement and so take care of its responsibilities.

17.14 Force Majeure – Forces out of Diavik’s control

It’s understood that Diavik has responsibilities if there is a threat to the environment. BUT if Diavik can’t carry out its responsibilities because of an event out of its control like:

- strikes,
- inability to get materials or services,
- civil commotion,
- sabotage, or
- act of God,

then Diavik won’t be in default during the time of the event.

17.15 Suspension of Operations

Diavik can temporarily stop operations if it wants to. The Minister, in Consultation with **EMAB**, can decide that Diavik can stop doing some of the things under this agreement until operations start again.

17.16 Notices

If there is any information that needs to be communicated because of this agreement, it has to be done in writing and delivered during normal business hours. Or it needs to be sent by prepaid registered or certified mail, or faxed and receipt confirmed. These are the contact numbers of the Parties:

1) In the case of a notice or communication to the Minister:

Department of Indian Affairs and Northern Development

P.O. Box 1500

Yellowknife, NT

X1A 2R3

Attention: Regional Director General

Telephone: (867) 669-2501

Facsimile: (867) 669-2703

2) In the case of a notice or communication to the GNWT:

Government of the Northwest Territories

P.O. Box 1320

Yellowknife, NT

X1A 2L9

Attention: Deputy Minister

Resources, Wildlife and Economic Development

Telephone: (867) 920-8691

Facsimile: (867) 873-0563

3) In the case of a notice or communication to the Government of Nunavut:

Government of Nunavut

P.O. Box 1340

Iqaluit, NU

X0A 0H0

Attention: Deputy Minister

Sustainable Development

Telephone: (867) 979-5900

Facsimile: (867) 975-5982

4) In the case of a notice or communication to Diavik:

Diavik Diamond Mines Inc.

P.O. Box 2498

Yellowknife, NT

X1A 2P8

Attention: Vice President - Environmental Affairs

Telephone: (867) 669-6500

Facsimile: (867) 669-9058

5) In the case of a notice or communication to Dogrib Treaty 11 Council:

Dogrib Treaty 11 Council

P.O. Box 412

Rae-Edzo, NT

X0E 0Y0

Attention: Grand Chief

Telephone: (867) 392-6381

Facsimile: (867) 392-6389

6) In the case of a notice or communication to Lutsel K'e Dene Band:

Lutsel K'e Dene Band

P.O. Box 28

Lutsel K'e, NT

X0E 1A0

Attention: Chief

Telephone: (867) 370-3051

Facsimile: (867) 370-3010

7) In the case of a notice or communication to Yellowknives Dene First Nation:

Yellowknives Dene First Nation

P.O. Box 2514

Yellowknife, NT

X1A 2P8

Attention: Chiefs

Telephone: (867) 873-4307
Facsimile: (867) 873-5969

8) In the case of a notice or communication to North Slave Métis Alliance:

North Slave Métis Alliance

P.O. Box 340
Yellowknife, NT
X1A 2N3
Attention: President
Telephone: (867) 873-9176
Facsimile: (867) 669-7442

9) In the case of a notice or communication to Kitikmeot Inuit Association:

Kitikmeot Inuit Association

P.O. Box 18
Cambridge Bay, NU
X0E 0C0
Attention: President
Telephone: (867) 983-2458
Facsimile: (867) 983-2701

10) In the case of a notice or communication with **EMAB**:

EMAB will give notice of its address to the Parties and the Government of Nunavut as soon as is practicable.

17.17 Counterparts – copies of this agreement count

This agreement can be copied. All copies are considered THE AGREEMENT.

Article 18 – Term – Time period

18.1 Term – time period

- a) This agreement begins when it's signed by Diavik, the GNWT and the Government of Canada – that's the "effective date," March 8, 2000.
- b) This agreement includes the other Parties when they sign it. When a Party signs, they must hold to the agreement.
- c) Articles 4, 6, 7, 8, 12 and 14 don't come into effect until Diavik gets all the leases, licences and other Regulatory Instruments that will let them start construction. Also, Diavik has to tell the Minister of DIAND that they are going ahead with the construction and operation of the Project before those articles apply.
- d) Diavik can give up its rights as explained in the above clause.

18.2

This agreement ends when full and final clean up of the Project site takes place. BUT all the requirements of the Regulatory Instruments and this agreement must be taken care of. That includes anything required after the mine closes, and any maintenance after closing the mine.

18.3

Once Diavik has stopped Commercial Production at the Project, the Minister can, if he chooses, after checking with the Parties and **EMAB**, do one or the other or both of the following:

- a) reduce Diavik's responsibilities and obligations that come from this agreement. The Minister has to be reasonable in considering the circumstances; and/or
- b) set a schedule for winding down and ending the operation of **EMAB**.

ORIGINAL DOCUMENT SIGNED.

Diavik DIAMOND MINES INC.

By: _____ c/s

By: _____

Minister of Indian Affairs and Northern Witness
Development, on behalf of Her Majesty
The Queen in right of Canada

Minister of Resources, Wildlife and Economic Witness
Development on behalf of the Government of
the Northwest Territories

Grand Chief Witness
Dogrib Treaty 11 Council
49

Chief Witness
Lutsel K'e Dene Band

Chief Witness
Yellowknives Dene First Nation

President Witness
Kitikmeot Inuit Association

President Witness
North Slave Metis Alliance

Schedule 1
(millions)

	(A)	(B)	(C)
	Life of Project Amount of Additional Diavik Projected	Closure Costs Security Deposit Cumulative	Progressive R&A Expenditures
2000	C\$15	C\$0	C\$0
2001	C\$20	C\$0	C\$0
2002	C\$25	C\$0	C\$0
2003	C\$40	C\$10	C\$0
2004	C\$48	C\$26	C\$2
2005	C\$56	C\$43	C\$4
2006	C\$65	C\$59	C\$6
2007	C\$74	C\$75	C\$8
2008	C\$80	C\$103	C\$12
2009	C\$86	C\$102	C\$18
2010	C\$92	C\$101	C\$21
2011	C\$98	C\$98	C\$23
2012	C\$103	C\$95	C\$26
2013	C\$105	C\$95	C\$28
2014	C\$107	C\$105	C\$37
2015	C\$109	C\$103	C\$39
2016	C\$111	C\$101	C\$41
2017	C\$113	C\$99	C\$43
2018	C\$115	C\$97	C\$45
2019	C\$117	C\$95	C\$47
2020	C\$119	C\$93	C\$49
2021	C\$121	C\$91	C\$53
2022	C\$123	C\$89	C\$57
2023	C\$123	C\$79	C\$87
2024	C\$123	C\$59	C\$111
2025	C\$123	C\$39	C\$116
2026	C\$123	C\$19	C\$117
2027	C\$123	C\$10	C\$118
2028	C\$123	C\$10	C\$119
2029	C\$123	C\$10	C\$120
2030	C\$123	C\$10	C\$121
2031	C\$123	C\$10	C\$122
2032	C\$123	C\$10	C\$123