

SUMMARY

MEADOWBANK PROJECT INUIT IMPACT & BENEFIT AGREEMENT

BETWEEN

CUMBERLAND RESOURCES LTD.

and

KIVALLIQ INUIT ASSOCIATION

Purpose

1. The purpose of the Agreement includes ensuring that the Meadowbank Project contributes to the well-being of Inuit by providing for training, employment and business opportunities and addressing potentially detrimental impacts and providing for benefits for Inuit.

Non-derogation

2. Nothing in the IIBA affects any right granted under the Nunavut Land Claims Agreement.

Assignment

3. Cumberland may not assign the Agreement, unless the assignee is the purchaser of the Meadowbank Project, has the capacity and qualifications to carry out Cumberland's obligations, and assumes all of Cumberland's obligations. KIA may only assign the Agreement to a Designated Inuit Organization.

Confidentiality

4. This summary of the Agreement may be made public.

Language

5. All documents intended for distribution to Inuit will be made available in both English and Inuktitut.

Review and Renegotiation

6. The parties will review the Agreement every three years to determine if there has been a material change requiring amendment of the Agreement.

IMPLEMENTATION

Objectives

1. Objectives include cooperative implementation, periodic review, ongoing adaptation of implementation plans, and effective communication.

Implementation Committee

2. The Parties will establish an Implementation Committee with 2 representatives from KIA and two representatives from Cumberland. At least one KIA representative must be from Baker Lake. The Committee meets twice a year and may hold teleconferences as necessary.
3. The Committee will monitor implementation, review reports, provide information and recommend strategies for successful implementation of the IIBA.

Annual IIBA Implementation Report

4. Cumberland will prepare an Annual IIBA Implementation Report each year, containing information on Inuit training and employment, contracts and economic benefits.

MEADOWBANK IIBA COORDINATOR

Objective

1. Objectives include the employment of a Meadowbank IIBA Coordinator for the full, effective and cooperative implementation of the IIBA.

Location and Duties

2. The Meadowbank Coordinator will be located in Baker Lake and will assist Cumberland to ensure it's obligations under the IIBA are observed and that there is effective communication between Cumberland and KIA.

KIA IIBA COORDINATOR

Objective

1. Objectives include the employment of a KIA IIBA Coordinator for the full, effective and cooperative implementation of the IIBA.

Location and Duties

2. The KIA Coordinator will assist KIA to ensure that it's obligations under the IIBA are observed and that there is effective communication between Cumberland and KIA.

TRAINING AND EDUCATION

Objective

1. Objectives include the provision of training and education to promote employment of Inuit.

Kivalliq Inuit Labour Force Development Plan

2. Cumberland will prepare a Labour Force Development Plan, to help achieve Inuit employment and remove barriers to employment. KIA will assist in the development of the Plan by working with other agencies to identify skills and qualifications available in the Kivalliq Inuit labour force and the number of Kivalliq Inuit potentially available to fill positions. The Plan will be updated annually.

Inuit Training Opportunities

3. Cumberland will provide on-going Inuit training and career path development opportunities. There will be at least eight entry level trainee positions and eight apprenticeship positions in different trades, subject only to availability of Inuit apprentices. In addition, within thirty six months of the commencement of operations, at least forty-four positions will be available to Inuit to receive training and experience.
4. Cumberland will require its contractors to implement training programs aimed at increasing Inuit employment.
5. Cumberland will provide Inuit employees with job placement counselling when a decision is made to close the Project.

Reporting

6. Cumberland must report to the Implementation Committee every six months, detailing its training programs, the number of hours of training, the percentage of Inuit who successfully completed training and the number of Inuit who received promotions.

Inuit Education Opportunities

7. Cumberland will pay to KIA \$14,000.00 per year for a Scholarship Fund for Inuit post-secondary education students from the Kivalliq Region.
8. Cumberland will provide community information and career awareness programs in all Kivalliq Communities once a year and will allow Inuit high school and post secondary students opportunities to visit the Project each year.

INUIT EMPLOYMENT

Objective

1. The objectives of this Schedule include processes to increase Inuit employment.

Meadowbank Project Positions

2. All positions will be open to Inuit with the ability, work skills, experience and qualifications required by the positions. Where appropriate, Cumberland will consider ability, skills and experience as an equivalent to formal qualifications and Inuit applicants with experience equivalencies will be treated equally with Inuit applicants with formal training.
3. Inuit will be given preference over other applicants and priority will be given to Inuit residents of Baker Lake.
4. Cumberland must give Inuit ten business days' advance notice of all Meadowbank positions, prior to making such opportunities available to others.
5. Points of hire for the Project include all Kivalliq Communities and Thompson, Manitoba. Cumberland will provide air transportation for Inuit employees from and to their respective points of hire to the Project.
6. Inuit who lack fluency in the English language may qualify for positions where fluency does not compromise safety. If required for safety reasons, Inuit without fluency in English may be transferred to another position. Cumberland will translate all policies, instructions and job descriptions into Inuktitut (Syllabics) and will employ Inuktitut translators to translate to unilingual Inuit.
7. Cumberland will make summer employment opportunities available to Inuit students. Inuit students from the Kivalliq Region will be given preference but priority will be given to Inuit students residing in Baker Lake.

Inuit Employment Target & Goals

8. Cumberland must use all reasonable efforts to achieve an Inuit employment target at a level that reflects the demographics of the Work Force in Nunavut by the 5th anniversary of the Commissioning Date, and thereafter.
9. The Implementation Committee will set an annual Minimum Inuit Employment Goal (MIEG) for the Project. The MIEG is the minimum level of Inuit employment that Cumberland shall use all reasonable efforts to achieve on an annual basis.
10. Cumberland must provide an annual MIEG Plan describing how it intends to achieve the MIEG and an annual report showing the success of the MIEG Plan.
11. If Cumberland doesn't achieve the MIEG, they may be required to undertake measures to correct the problem. If Cumberland fails for two successive years to achieve the MIEG, they may be required to make financial compensation to KIA, to be applied to Inuit training and employment programs.

Employment Support

12. Cumberland shall provide cross-cultural orientation and training for all Project personnel hired for 6 months or more and will provide Inuit employees and their legal dependents with counselling workshops and programs.
13. Cumberland will make Country Food available to employees at least once a week.

CONTRACTING OPPORTUNITIES

Objective

1. Objectives include improved capacity of Inuit Firms to be awarded contracts and increased contracting with Inuit Firms.

Notice

2. Cumberland must give not less than twenty business days' notice of contracts exceeding \$500,000.00. Notices will state that Inuit Firms will be given preference.
3. Cumberland shall assist Inuit Firms to complete contract proposals to maximize Inuit Content
4. For contracts under \$500,000.00, Cumberland can choose to negotiate with an Inuit Firm or may advertise the contract.
5. If, for reasons beyond Cumberland's reasonable control, Cumberland fails to complete contract negotiations with an Inuit Firm within a specified period, they may consider contract proposals submitted by non-Inuit Firms.

Inuit Content & Bid Adjustment

6. Inuit content in contract proposals will be evaluated and bids adjusted based on factors such as degree of Inuit ownership, Inuit employment, head office in the Kivalliq Region, proportion of wages paid to Inuit and total purchases from Inuit Firms. All contract proposals will be evaluated for cost competitiveness, supply, quality and schedule. The Contractor with the highest points will be awarded the contract. The Inuit content in each accepted contract proposal must be included in the contract.
7. Bid adjustments will not apply for contracts for the construction of the Project.
8. If an Inuit Firm is not awarded a contract, Cumberland will provide an explanation to any Inuit Firm which submitted a contract proposal.

Contractor's Inuit Content Plan

9. All Contractors must have a Contractor's Inuit Content Plan (CICP) containing details on Inuit Content Components and a description of how the Contractor intends to achieve, maintain and optimize Inuit Content.

Contract with Inuit Firm

10. Cumberland must make all reasonable efforts to negotiate a contract with Sakku Investments Corp. (“Sakku”) for the provision of Meadowbank Project catering services prior to commencement of construction.

ACCESS TO FACILITIES**Objective**

1. Objective is to provide Inuit access to facilities constructed for the Project.

Access to the Meadowbank Project

2. Where necessary for the administration of the IIBA, Cumberland must provide access to KIA to those parts of the Project which are on Inuit Owned Lands.

Practices and Procedures

3. Cumberland may establish operating procedures pertaining to safety and may require anyone, including Inuit, traveling on leased by Cumberland to comply with those procedures.
4. Cumberland will not unreasonably withhold requests for assistance in the search and rescue of persons missing in the Project area and will not unreasonably withhold requests for gasoline, emergency shelter and food made by Inuit travelling in the vicinity, if the requests are based on emergency need, health or safety. Cumberland may establish guidelines for cost recovery.

RESEARCH AND DEVELOPMENT**Objective**

1. The objectives are increased Inuit participation and profitability arising from research and development.

Opportunities

2. If research and development is undertaken for the Project, KIA may participate. If technologies and methodologies are developed which have commercial value beyond their use in the Meadowbank Project, KIA will share in that value to the extent of its participation.

Priority

3. Research and development that will increase the Meadowbank Project’s profitability will receive the highest priority.

Costs of Research

4. If joint research is undertaken, the costs will be shared by Cumberland and KIA in proportion to the benefit of the resulting commercial value.

OPTION TO ACQUIRE PROJECT ASSETS

Objective

1. The objective is to provide KIA the right to acquire Project assets.

Right to Acquire

2. Cumberland will give KIA the first opportunity to negotiate the purchase of any equipment, buildings or materials located on Inuit Owned Land considered by Cumberland to be surplus to its requirements at any time, at fair market value and on terms and conditions acceptable to the Parties.

Assets Located Off Inuit Owned Land

3. Subject to any rights granted before signing the IIBA, if Cumberland no longer needs any assets located off I.O.L., KIA will have the right to acquire such assets at fair market value and upon such other terms and conditions as they agree.

Construction of Assets

4. Whenever practicable, Cumberland will build buildings and facilities in such a manner that they are easily moveable after closure.

WILDLIFE

Objective

1. The objectives include management and monitoring of, and compensation for, wildlife kills.

Wildlife Reporting & Kills

2. Cumberland will have a wildlife sighting and incident program consistent with its Terrestrial Ecosystem Management Plan (TEMP) and will report wildlife sightings and incidents to KIA and the Baker Lake Hunters and Trappers Organization on a quarterly basis.
3. Cumberland will submit an annual report detailing bear kills, compensation paid, wildlife sightings and disposal of wildlife parts.
4. Valuable parts of wildlife killed must be delivered to the Baker Lake HTO.

5. If, as a result of Project activity, a bear is killed, Cumberland must pay compensation to KIA. KIA will notify the HTO of the affected community to determine appropriate compensation for the tag and for each additional tag forfeited, as a result of a reduction in that HTO's Total Allowable Harvest due to the bear kill.

TEMP Implementation

6. Cumberland shall implement its TEMP and will consult with KIA on any material changes to the TEMP. Cumberland shall ensure KIA is informed of all TEMP findings, on an annual basis.
7. The TEMP shall incorporate Inuit Qaujimanituqauqit.

ECONOMIC, SOCIAL AND CULTURAL WELLNESS

Objectives

1. Objectives include monitoring and mitigating negative impacts, promoting healthy Inuit communities and economic development.

Baker Lake Inuit Wellness Report and Implementation Plan

2. Cumberland will prepare an annual Baker Lake Inuit Wellness Report and Implementation Plan.
3. The Report and Plan will address physical and mental health, alcohol and drug abuse, relationships, family issues, migration, loss of Inuktitut language and culture, job satisfaction, finances, effect of long-distance employment on employees and their families and other impacts of the Project on Inuit of Baker Lake.
4. The Report and Plan will include recommendations to address negative impacts on Inuit of Baker Lake. Cumberland must implement measures identified in the Implementation Plan, as agreed by the Implementation Committee.

Post-Closure Inuit Wellness Strategy

5. Cumberland must prepare a Post-Closure Inuit Wellness Strategy to address the effects of closure of the Project on Inuit of the Kivalliq Region and detail reasonable measures to mitigate these effects.
6. Cumberland will provide to KIA funding for a Post-Closure Inuit Wellness Strategy Implementation Fund.

Inuit Initiatives Program

7. Cumberland will provide KIA with funding to establish an Inuit Initiatives Program to support local and regional Inuit initiatives for training, education, wellness and other programs.

Business Development Assistance

8. Cumberland will provide KIA with funding for business development workshops and assistance programs for Inuit residents of the Kivalliq Region.

ARBITRATION & DISPUTE RESOLUTION**Objective**

1. The objective is to provide a mechanism for dispute resolution.

Dispute Resolution

2. If the Parties are unable to resolve a dispute relating to any matter arising under the IIBA, either Party may give the other a notice demanding arbitration and the arbitration will be undertaken in accordance with the procedures set out.