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Kivalliq Inuit Association

ᐅᐅᑦᑲᐅᑦᐅᑦᐅᑦ/P.O. Box 340, ᑲᐅᑦᑦᑦᑲ Rankin Inlet, Nunavut X0C 0G0
ᐅᑦᑲᑦᑦ/Tel: (867) 645- 5725 ᐅᑲᑦᐅᑦ/Fax: (867) 645-2348 Toll free: 1-800-220-6581

- KIA may access the Reclamation Security Deposit if AEM breaches any material term, covenant or condition of the Lease pertaining to its obligations relating to the environment or the abandonment or reclamation of the Meadowbank Project, and fails to remedy such breach within the time permitted under the Lease.
- If KIA draws on the Reclamation Security Deposit, AEM must, within five business days of receipt of notice given by KIA, replenish the Reclamation Security Deposit by the amount that was drawn on by KIA.
- If at any time the Reclamation Plan identifies an increase in costs for reclamation of the Project, AEM must, within five business days' receipt of written notice from KIA, increase the Reclamation Security Deposit by the amount of such increase in costs.
- The Reclamation Security Deposit must be in a form and content acceptable to KIA. In the normal course, KIA would require a Letter of Credit, which will ensure it may be accessed by KIA regardless of AEM's financial circumstances.
- Upon receipt of confirmation from all regulatory bodies governing the Meadowbank Project that AEM has fulfilled all Project closure and reclamation requirements, KIA will release the Reclamation Security Deposit to AEM.

Based on KIA's assessment of the Meadowbank Project, KIA believes that total security should be \$86,519,614.00. Of that amount, KIA will require that the sum of \$78,834,710.00 be lodged with it as the Reclamation Security Deposit under the Production Lease. KIA agrees to provide notice to the NWB when it receives the Reclamation Security and further notice when and if the Security Deposit is accessed, reduced or increased.

In her letter, Ms Costello indicates that AANDC wants it to be established that "private security [is] available for the same purpose as license security under section 76(2)(b) of the Act" and that "the land owner intends to use the security for the same purposes as license security under section 76(2)(b) of the Act." However, it would never be the case that KIA would hold monies under



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Δ'α'ε'ε'-IGLULIGAARJUK-CHESTERFIELD INLET/ 'ε'ε'ε'ε'-QAMANITTUAQ-BAKER LAKE/ ε'ε'ε'ε'-KANGIQLINIQ-RANKIN INLET
 η'ε'ε'ε'-TIKIRARJUAQ-WHALE COVE/ ε'ε'ε'-SALLIQ-CORAL HARBOUR/ ε'ε'ε'-NAUJAT-REPULSE BAY/ ε'ε'ε'-ARVIAT