



Kitikmeot Inuit Association

Kitikmeot Inuit Katuyikatigit

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INUIT OWNED LAND USE LICENSE

KITIKMEOT INUIT ASSOCIATION

LICENSE NO. KTL204C023

Subject to the Terms and Conditions in this License, authority is hereby granted to:

KENNECOTT CANADA EXPLORATION INC.

LICENSEE

To proceed with the land use operation described in the accepted application dated:

Location: Map sheet # 056L Parcel # GH-01

Type of Operation: Exploration (geophys-grd/air) & Staking & Prospecting.

Commencement Date: May 14, 2004

Expiry Date: May 13, 2005

This 20th day of May 2004

KITIKMEOT INUIT ASSOCIATION

By

Jack Kaniak
LAND MANAGER

This copy is to be signed, retained and displayed by the licence holder.

INTRODUCTION

Nunavut Tunngavik Incorporated has designated the Kitikmeot Inuit Association as the Designated Inuit Organization (DIO) to hold title to the surface of the Inuit Owned Lands in the East and West Kitikmeot land use regions pursuant to the Nunavut Land Claim Agreement.

Any use of the Inuit Owned Land is subject to the Rules and Procedures for the Use of the Inuit Owned Lands approved by Nunavut Tunngavik Incorporated and revised from time to time.

As the surface land owner, the Kitikmeot Inuit Association has the legal authority to ensure the terms and conditions for the use of its lands which are set out below and which form a part of this Land Use Licence.

These terms and conditions are in addition to and not in substitute for any applicable laws or regulations in force in the Nunavut Territory and nothing herein shall be construed so as to require or authorize the contravention of and such law or regulation, including without limitation the Nunavut Waters and Surface Rights Act, and Fisheries Act, or the Area Development Act or any regulations made thereunder.

These terms and conditions are subject to change from time to time at the discretion of the Kitikmeot Inuit Association.

TERMS AND CONDITIONS

General

1. The Licensee acknowledge that this License is personal and is revocable at any time by the Kitikmeot Inuit Association acting in its sole discretion.
2. This license is non-exclusive in respect of the use of the land and it is non-transferable. The License does not grant an easement, lease or any other interest in the lands.
3. The Licensee agrees and acknowledge that the Kitikmeot Inuit Association and Nunavut Tunngavut Incorporated shall not be liable for any losses or damages of any kind suffered by the licensee, its agent, Employees, contractors, licensees or invitees, arising from or occasioned by this license or the licensee's entry or actions on the Lands.
4. The Licensee shall indemnify and save the Kitikmeot Inuit Association and Nunavut Tunngavut Incorporated harmless from and against all manner of suits or actions, causes, claims, demands, damages, cost, expenses or liability for death, personal injury, economic losses, property damage, fines or other penalties for lack of compliance with permits or

License approvals, certificates, licenses or orders of any authority of competent jurisdiction arising from or occasioned by any act or omission of the Licensee, its agents, employees, contractors, Licensees or invites (including without limitation the discharge of contaminants or other noxious or toxic substances) on or in respect of the lands, including without limitation and liability arising from breach by the licensee of any municipal, territorial or federal statute regulation or by-law in force in the Nunavut Territory in respect of the land utilization, health and safety, transportation of dangerous goods, or environmental protection.

5. The Licensee shall be absolutely liable without the requirement for proof of fault or Negligence for any damage to the lands occasioned by its entry and activities on the lands.
6. The Licensee represents and warrants that it is and shall remain in compliance with all federal, territorial and municipal statutes, regulations and by-laws in respect of its entry and actions on the lands.
7. The Kitikmoet Inuit Association may in its sole discretion revoke this license at any time for breach of any of the terms and conditions of this license or of the Rules and Procedures for the Management of Inuit Owned lands.
8. The Licensee shall pay any reasonable costs of inspection the Kitikmeot Inuit Association deems necessary to monitor compliance with the terms and conditions of the license.
9. This License and the right of entry to the lands are subject to the Nunavut Land Claims Agreement and to all applicable laws in force in Canada and the Nunavut Territory.
10. The Licensee shall not conduct its land use operation on any lands not expressly designed in the License, unless otherwise authorized in writing by the Kitikmeot Inuit Association.
11. The Licensee shall contact the Kitikmeot Inuit Association at least 48 hours prior to commencement of any land use activity on the land.
12. The Licensee shall report and MAN-BEAR interactions to the nearest Wildlife Officer at **Cambridge Bay office 867-983-4167 in Kugluktuk office 867-982-7451.**

GROUND DISTURBANCE

13. All operation shall be carried out so as to minimize surface disturbance.
14. All disturbed areas must be restored in a manner acceptable to the Kitikmeot Inuit Association.
15. The Licensee shall not use surface vehicles to move drill rigs or other equipment or supplies, without the prior authorization of the Ktikmeot Inuit Association. The use of any vehicles off approved routes is prohibited.

License approvals, certificates, licenses or orders of any authority of competent jurisdiction arising from or occasioned by any act or omission of the Licensee, its agents, employees, contractors, Licensees or invites (including without limitation the discharge of contaminants or other noxious or toxic substances) on or in respect of the lands, including without limitation and liability arising from breach by the licensee of any municipal, territorial or federal statute regulation or by-law in force in the Nunavut Territory in respect of the land utilization, health and safety, transportation of dangerous goods, or environmental protection.

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OTHER GENERAL

16. The Licensee shall display this License in a conspicuous place in each campsite established To carry out this land use operation.
17. The Licensee shall give the Kitikmeot Inuit Association a final plan within 60 days of the expiry of this License, showing all land occupied and used during this land use operation.
18. At the completion of this land use operation or termination of the License whichever in the Earlier, the Licensee shall remove all equipment and materials unless otherwise authorized by the Kitikmeot Inuit Association.
19. All archaeological sites and burial grounds are to be avoided. Should such a site be encountered, it is to be flagged, reported to the Kitikmeot Inuit Association and protected from disturbance.
20. Nothing herein shall exclude the License from liability according to Article 6.3.1 of the Nunavut Final Agreement.
21. (a) The Licensee will hire qualified Inuit whenever possible during this land use operation.
(b) The Licensee shall provide training for Inuit at every opportunity.
22. Concentrations of caribou shall be avoided by low flying aircraft at all times.
23. The Licenses shall avoid disturbance to prevent caribou and/or their calves.
24. The Licensee shall submit a Restoration and Abandonment Plan for all work and undertakings associated with this land use operation, to the Kitikmeot Inuit Association at least 90 days prior to abandonment or the expiration of this License.
25. The Licensee shall carry out progressive reclamation and restoration of all disturbed areas.
26. The licensee shall submit an Annual Report in a form to be approved by the Lands Department of the Ktikmeot Inuit Association outlining all activities on the lands during each year of this License.
27. The Annual Report shall be submitted to the Kitikmeot Inuit Association within 60 days of Cessation of activity or where activity is year round, no later than March 1st of each year.
28. The Annual Report shall contain a list of Inuit Employed and/ Inuit firm contracted during the year.
29. The Licensee shall submit fees for all land used each year, and fees shall be submitted with the Annual Report.

30. If this License is revoked, all of the terms and conditions with respect to liability, indemnity and the requirements for abandonment and restoration of the land survive the revocation and continue to bind the Licensee.