ᑭᕙᓪᓕᕐᒥᐅᓄᐃᑦ ᑲᑐᔾᔨᖃᑎᒌᑦ
Kivalliq Inuit Association
ᑎᑎᕋᕐᕕᓯᐊᖓ/P.O. Box 340, ᑲᖏᕐᓖᓂᖅRankin Inlet, Nunavut X0C 0G0
ᐅᖄᓗᑦ/Tel: (867) 645- 5725 ᓱᑲᔪᖅ/Fax: (867) 645-2348 Toll free: 1-800-220-6581

LICENSE – TERMS AND CONDITIONS

Compliance

1. The Licensee shall comply with all applicable regulations, laws and orders of the federal, territorial or other governing body, and with the terms of this License, including Schedule "A". The Licensee shall deliver to KIA a copy of any written notice of non-compliance received by the Licensee. The Licensee shall use the licensed lands only for the purposes authorized by KIA.

2. The Licensee shall obtain and maintain such licenses, permits or approvals from the federal, territorial or other governing bodies as may be necessary to enable to Licensee to undertake the permitted activities on the lands.

3. The Licensee shall permit KIA reasonable access to the lands for the purpose of inspecting from time to time the condition of the lands and compliance with this License.

4. The board of director's for KIA have closed those IOL within calving grounds from May 1 to July 31 and allow activities from July 31 with guidelines to follow the mobile protection measure and strict restriction within the KIA Lease

Fees

5. The Licensee shall pay all fees and other amounts required under this license on the first of each month, in advance and without abatement or deduction. Without prejudice to any other rights or remedies, KIA shall have the right to charge interest on overdue amounts at a rate equal to prime rate established from time to time, plus 24% per annum, calculated and compounded monthly.

6. If the Licensee continues it's operations after the end of the term of this License without execution and delivery of a new license, the Licensee will be considered to be conducting its operations on a month to month basis at a monthly fee equal to 1/6th of the pro-rated annual fee and shall be subject to the covenants and conditions hereof.

7. If the Licensee continues in occupation of the lands for the purpose of undertaking environmental remediation reclamation or otherwise complying with this License but without otherwise continuing its operations, it shall nonetheless be required to pay the license fees stipulated herein.

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8. The Licensee shall pay any reasonable costs of all inspection that KIA deems necessary to monitor compliance with this License.

Insurance

9. The Licensee shall at all times during its occupation of the lands obtain and maintain insurance in such amounts and form acceptable to KIA. The insurance shall be enforceable by any party named as insured or additional insured there under and shall be primary to any other insurance available to KIA. The insurance shall not be subject to cancellation, reduction, amendment or non-renewal without at least thirty days advance written notice to KIA. Proof all of insurance shall be provided prior to commencement of this license.

Damages & Indemnity

10. All persons and property of this Licensee or those for whom the Licensee is responsible at law shall be entirely at the risk of the Licensee and KIA shall have no liability for any loss or damage to such property, unless caused by the negligence of KIA or those for whom KIA is responsible in law. Any damage or injury to the lands or property caused by the Licensee or those for whom the Licensee is responsible at law shall immediately upon notice given either verbally or in writing by KIA, be repaired, rebuilt, replaced and restored by the Licensee to the entire satisfaction of KIA.

11. The Licensee shall at all times indemnify and save harmless KIA, its agents, contractors, employees, directors and members, from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomsoever made, based upon or attributable to this License or any actions taken or things done by the Licensee or those for whom the Licensee is responsible in law.

Plans

12. The Licensee shall submit to the KIA for its approval, no later than September 30th in each year of the term, a Work Plan detailing the proposed operations on the licensed lands for the upcoming calendar year, together with an Environmental Action Plan detailing the Licensee's plans for reclamation of the licensed lands. Such Plans shall be subject to the approval of KIA and will be deemed to be incorporated into and form part of this License.

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Assignment

13. The Licensee shall not assign or transfer this License without the prior written consent of KIA.

14. Upon the Licensee being in default of any of its obligations hereunder and failure to remedy such default within 30 days of receipt of written notice identifying the default, KIA may, without prejudice to any other rights or remedies, cause to be performed any such obligations and all expenses incurred and expenditures in so doing, plus a sum equal to 15% thereof representing KIA's overhead, shall be treated as fees hereunder, payable immediately.

15. In the event that the Licensee fails to remedy any default within 30 days of receipt of written notice identifying the default, this License may be terminated by KIA. All obligations of the Licensee for the payment of fees and other amounts hereunder and the Licensee's obligations with respect to the environment, shall survive the termination of the License.

Security Deposit

16. If the Licensee breaches any of the terms and conditions of this License and fails to remedy such breach within the time permitted, KIA may, without prejudice to any other rights, apply the security deposit to any loss, damage or costs caused by such breach. Should KIA draw on the security deposit, the Licensee shall within five business days of receipt of notice replenish the security deposit to its original amount.

Voluntary Termination

17. This License may be cancelled by either party upon 90 days notice in writing to the other party.

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SCHEDULE "A"

General Standards.

1. The Licensee shall not conduct its operations on any lands not covered by this license.

2. The Licensee shall contact KIA at least 48 hours prior to the commencement of licensed activities.

3. The Licensee keep all combustible garbage and debris in a covered metal container until disposed of and shall burn all combustible garbage and debris in a suitable container. All non-combustible garbage and debris shall be removed to disposal location(s) approved by KIA.

4. All sewage shall be deposited into a sump or removed from the lands.

5. The Licensee shall not bury any metal wastes without the consent of KIA.

6. The Licensee shall locate all camps on gravel, sand or other durable land. No permanent structures shall be erected without the prior written consent of KIA.

7. The Licensee shall keep the lands clean of garbage and debris at all times.

8. The Licensee shall have available for viewing a summary of this license (in form and content acceptable to KIA) in a conspicuous place on the lands.

9. The Licenses shall give to KIA a final plan within 60 days to the expiry of this license, showing all areas within the lands actually used in its operation.

10. At the completion of its operations or expiry or termination of this license, the Licensee shall remove all buildings, equipment and materials placed or erected on the lands by or on behalf of the Licensee, unless otherwise authorized by KIA.

11. All archaeological site and burial grounds must be avoided and left undisturbed. Should a site be encountered, the Licensee shall have it flagged and reported immediately to KIA and CLEY.

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Ground Disturbance

12. All operations shall be carried out so as to minimize surface disturbances.

13. All disturbed areas must be restored in a manner acceptable to KIA.

14. The Licensee shall not use surface vehicles to move drill rigs or other equipment or supplies without the prior authorization of KIA. The use of any vehicles off approved routes is prohibited.

Fuel and Chemical Storage

15. The Licensee shall not place any petroleum storage containers within 30 meters of the normal high water mark of any water body.

16. The Licensee shall not allow any petroleum or chemical products to spread to surrounding Lands or into water bodies

17. All petroleum brought onto the Property by or on behalf of the Licensee shall be kept in approved containers marked with the Licensee's name, or within a bermed area.

18. The Licensee shall report all spills immediately as required by the license and by governmental authorities.

19. The Licensee shall dispose of all combustible waste combustible waste products by incineration or removal.

Drilling

20. All drill fluids must be disposed of into a properly constructed sump or a naturally occurring, contained depression and drill fluids should be recycled wherever possible.

21. Drill sumps shall not be located within 30 metres of any water body unless otherwise authorized by KIA.

22. All drill sumps must be restored to the natural surrounding contours of the land prior to expiry of this license.

23. Disturbance of vegetation from deposit of drill fluids/cuttings shall be restricted to the area of the sump and the ground prepared for re-vegetation upon abandonment.

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Fisheries

24. The Licensee shall not deposit any deleterious substance into any water body.

25. The Licensee shall not cause any obstruction of any stream.

26. Winter stream crossings shall be removed prior to the expiry of this license or annual break-up, whichever occurs sooner.

Wildlife

27. The Licensee shall abide by the attached Caribou Protection Measures for the Kaminuriak and Beverly Herds.

28. The Licensee shall ensure that there is no damage to wildlife habitat in conducting this land use operation.

29. The Licensee shall cease activities that may interfere with migration or calving, such as construction of road, movement of equipment or haulage of ore, until the migrating caribou have passed or left the area.

30. The Licensee shall institute a wildlife sighting and incident program and will:

    a) submit written reports of wildlife sightings and interactions to KIA on a quarterly basis;

    b) submit a written report to KIA (and others as required by law) detailing any incident that results in the killing of any wildlife as result of the Licensee's operations, immediately upon occurrence of the incident, together with compensation as follows:

Polar Bear	$20,000
Grizzly Bear	$10, 000
Caribou	$2,500
Musk oxen	$2,500
Wolf	$2,500
Wolverine	$2,500
Fox	$1,000