



**GWICH'IN QUARRY AUTHORIZATION
AUTHORIZATION # GTC18Q001**

DATED this 27 of July, 2018

GRANTED BY:

GWICH'IN TRIBAL COUNCIL, a body corporate incorporated under the laws of Canada, having an office in Inuvik, Northwest Territories (hereinafter referred to as the "GTC").

TO:

Government of the Northwest Territories – Department of Infrastructure, a body corporate incorporated under the laws of Canada having an office in Inuvik, NT (hereafter referred to as "Authorization Holder").

In consideration of the mutual covenants herein contained, the parties agree as follows:

DEFINITIONS

1. In this Authorization, the following capitalized terms shall have the following meanings, and those not included herein shall have the meanings set forth in the GCLCA, as applicable:
 - (a) "Affiliate" means a natural person, firm, partnership or corporation that is controlled by a party to this Authorization, or that controls a party to this Authorization, or that is controlled by the same natural person, firm, partnership or corporation that controls a party to this Authorization;
 - (b) "Application" means the Application to Access Gwich'in Owned Lands filed by the Authorization Holder with the GLR on June 8, 2018, and titled application for the proposed "Land Quarry, Access Permit for KM126 (Frog Creek) Quarry for Highway Reconstruction, Operations and Maintenance Work";

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- (c) "Authorization" means this Quarry Authorization #GTC18Q001;
- (d) "Authorization Holder" means Government of the Northwest Territories Department of Infrastructure;
- (e) "Contractor" means a party who has contracted with the Authorization Holder to carry out the Quarrying Activities, or a portion thereof, or any matter related thereto, or to perform other obligations of Authorization Holder under this Authorization;
- (f) "DGO" means a designated Gwich'in Organization as defined in the GCLCA;
- (g) "Director of Lands and Resources" means the person or persons appointed by the GTC, within the GLR, as the Director of Lands and Resources and Resources or his or her designate;
- (h) "Effective Date" means the date that the Authorization is issued by the GLR in connection with the activity;
- (i) "GCLCA" means the Gwich'in Comprehensive Land Claim Agreement;
- (j) "GLR" means the Gwich'in Lands & Resources Office of the GTC;
- (k) "GLR Inspector" means the Gwich'in lands inspector appointed and employed by the GTC;
- (l) "GTC" means the Gwich'in Tribal Council;
- (m) "Gwich'in Lands" means lands owned by the GTC in fee simple;
- (n) "Hazardous Materials" means a substance or mixture of substances that exhibits characteristics of flammability, corrosivity, reactivity or toxicity including without limitation any substance that is designated as a hazardous or dangerous substance or contaminant under the laws of Canada or the Northwest Territories;
- (o) "Letter of Clearance" means the letter of clearance referred to in Section 29;
- (p) "Quarrying Activities" means the excavation, loading and hauling of granular material as described in the Application;
- (q) "Subcontractor" means a party that has contracted with a Contractor or any other subcontractor to carry out the Quarrying Activities, a portion thereof, or any matter related thereto, or to perform other obligations of the Authorization Holder under this Authorization; and
- (r) "Term" has the meaning set forth in Section 10 hereof.

- (s) "Frog Creek Pit" means the location in the Gwich'in Settlement Area upon which the activity is authorized to be conducted, and which is located in Parcel 27 in Appendix F of the GCLCA, and which are more particularly described in the Application;

INTERPRETATION

2. All rights and obligations of the Authorization Holder also apply to its agents, contractors, successors or assignees.

RIGHTS GRANTED

3. The Authorization Holder is hereby granted the right to quarry **50,000 m³** (crushed pit run) granular material from of private lands owned by the GTC in fee simple and defined herein as the Frog Creek pit, during the Term and not on any other Gwich'in Lands notwithstanding anything to the contrary contained herein.
4. All rights and privileges granted by this Authorization are subject to:
- (a) all applicable provisions in the GCLCA;
 - (b) the provisions of this Authorization.
5. Nothing in this Authorization shall be construed to grant any further or additional rights to the Authorization Holder beyond those set out herein.
6. Any divergence from, modification or alteration of the Quarrying Activities requires prior written notification to, and written approval from, the Director of Lands and Resources.
7. This Authorization is granted solely for the Quarrying Activities defined herein. Any activity the Authorization Holder conducts outside those authorized in this Authorization shall be considered an act of trespass and is subject to the rights and remedies available at common law.
8. The Authorization Holder shall ensure that any Contractors and Subcontractors conducting activities for the Authorization Holder, pursuant to the Quarrying Activities, comply with the Authorization Holder's obligations under this Authorization. The Authorization Holder shall be responsible to the GTC for any breach of this Authorization by a Contractor or Subcontractor as if the Authorization Holder had committed the breach.
9. The granting of this Authorization by the GTC to the Authorization Holder does not release the Authorization Holder from requirements or obligations to obtain other permits or authorizations that may be required by other agencies or organizations. The Authorization Holder shall be solely responsible for obtaining all such other permits and authorizations, at its sole cost.

TERM OF AUTHORIZATION

10. Except as otherwise expressly provided for elsewhere in this Authorization, this Authorization is valid from the Effective Date to **June 30, 2023** (the "Term"), unless an extension is authorized in writing by the Director of Lands and Resources.

FEES

11. The Authorization Holder agrees to pay the fees referred to in Schedules, attached to this Authorization. The fees referred to in Fee Schedules shall be paid prior to project commencement, unless the Authorization Holder submits a written request to the GTC indicating fees to be paid after project completion.

NOTIFICATION

12. The Authorization Holder shall notify the Director of Lands and Resources at least **ten (10) business days** prior to commencement of the Quarrying Activities and **five (5) business days** prior to cessation of the Quarrying Activities, unless a shorter notification period is agreed to in writing by the Director of Lands and Resources.

QUARRY OPERATING CONDITIONS

13. Pre and post surveys must be conducted by a certified Canada Land Surveyor or certified engineering technician or as approved by the Director of Lands and Resources.
14. Any site work left unsatisfactory will be restored by the Authorization Holder, or it will be done by the GTC and the Authorization Holder will be billed for it.
15. All working areas are to be stripped back at least **30 meters** prior to material removal and operations are to utilize the disturbed areas first (to be identified by Authorization Holder's Contractors and agreed to by GLR in accordance with Frog Creek Pit Management Plan).
16. Working faces are to be left at a back-sloping of 2:1 and reclaimed faces at a back-sloping of 3:1, unless water is involved. Back-sloping with a water's edge must be 5:1 unless otherwise directed by the Director of Lands and Resources.
17. Dry land reclaimed areas must have recommended depths of overburden and topsoil replaced and the specified reclamation mix of seeds or plants applied.
18. Woody debris will be disposed of in accordance with the instructions of the Director of Lands and Resources and may require either salvaging or burning or other prescriptions such as piling or spreading the materials.

19. Ditching, contouring, or other site-specific conditions may also be required.

ENVIRONMENTAL

20. The Authorization Holder shall ensure that the Frog Creek pit and any other Gwich'in Lands impacted by the Authorization Holder by the Quarrying Activities, or by site related activities, are kept clean and tidy and in a condition reasonably satisfactory to the Director of Lands and Resources at all times.
21. The Authorization Holder shall immediately report all spills of petroleum or Hazardous Materials to the Government of the Northwest Territories Spill Report Line and to the Director of Lands and Resources.
22. The Authorization Holder shall conduct the Quarrying Activities in a proper, diligent and workmanlike manner in accordance with good environmental management, and good engineering and construction practices.
23. Subject to the terms and conditions of this Authorization, the Authorization Holder, after completion of the Quarrying Activities at the Frog Creek pit, shall, at its sole cost, remove all equipment, materials, fuel drums, and other storage containers used in connection with the Quarrying Activities.

REPORTING

24. The pre-survey must be submitted to the GLR, **10 days prior** to the commencement of operations, for approval.
25. The Authorization Holder shall submit **bi-weekly** reports to the Director of Lands and Resources indicating the quantity of material quarried and the quantity of material removed from the Frog Creek pit.
26. The Authorization Holder shall submit a final report in paper form within **two (2) months** of the completion date of the Quarrying Activities. This final report shall, to the extent applicable, identify the location of all:
 - (a) existing trails, rights-of-way, and cleared areas used in the Quarrying Activities at Frog Creek pit;
 - (b) new lines, turnarounds, trails, rights-of-way, and cleared areas used in the Quarrying Activities at Frog Creek pit;
 - (c) campsites, excavations or works constructed or used in the Quarrying Activities at Frog Creek pit; and
 - (d) known or suspected archaeological or cultural sites identified within or adjacent to Frog Creek pit.

27. The Authorization Holder shall discharge all of its obligations and complete all cleanup and Restoration of Frog Creek pit within one year after the Term. In the event the Authorization Holder is unable to fulfill its obligations under this Section 25 within one year, the Director of Lands and Resources may in his sole discretion grant the Authorization Holder additional time to fulfill such obligations.
28. The post-survey must be submitted to the GLR within 60 days of completion of the operation.

INSPECTIONS AND MONITORING

29. The GLR Inspector may inspect the Frog Creek pit, including without limitation, periodically during the Term and before a Letter of Clearance is issued.

STORAGE AND WASTE

30. The Authorization Holder has the right to unload and store material, vehicles, supplies and equipment on or near the Frog Creek pit, at such times only for the activity authorized by this Authorization, and only in accordance with its terms and conditions. Washing of vehicles, supplies, and equipment or surface materials is prohibited on, or near enough to affect, the Frog Creek pit or any Gwich'in Lands. The Authorization Holder shall not dispose of waste of any nature whatsoever on, or near enough to affect, the Frog Creek pit or any Gwich'in Lands.

ARCHAEOLOGICAL DEPOSITS

31. The Authorization Holder shall not conduct archaeological research at the Frog Creek pit or on Gwich'in Lands unless it is conducted by a qualified archaeologist holding a valid NWT Archaeologists Permit. Should archaeological deposits be disturbed at Frog Creek pit or on Gwich'in Lands, the Authorization Holder shall stop work and inform the Director of Lands and Resources immediately.

INDEMNIFICATION

32. The Authorization Holder shall be liable to, indemnify and save harmless the GTC, the GLR, and one or more Gwich'in, or any of them, from all actions, suits, costs, expenses, losses (whether direct or indirect), charges, damages and expenses whatsoever (including, without limiting the generality of the foregoing, interest, penalties and amounts paid in investigating, defending or settling any of the foregoing, and costs on a solicitor and his own client basis) that may be brought or made against, or sustained, paid or incurred by, the GTC, GLR, and one or more Gwich'in, or any of them, arising out of or in connection with the actions or failure to act of the Authorization Holder in connection with the conduct of the Quarrying Activities or any activities that contravene this Authorization (including but not limited to its staff, servants, agents, contractors, successors or assigns) regardless of:

- (a) whether the Authorization Holder is operating on, or off Frog Creek pit;
- (b) whether the operations were or were not negligently performed;
- (c) whether the Authorization Holder is exercising or purporting to exercise rights granted by this Authorization; or,
- (d) any other circumstances relating to or arising out of this Authorization.

BREACH AND DEFAULT

33. Where, in the opinion of the Director of Lands and Resources, acting reasonably, the Authorization Holder has breached a term or condition of this Authorization:
- (a) The Director of Lands and Resources shall provide written notice of such breach and outline the particulars of the breach and the requirement that the Authorization Holder remedy the breach;
 - (b) If within seven days of receipt of such notice, the Authorization Holder fails to remedy the breach, or has failed to commence and diligently pursue remediation of the breach to the satisfaction of the Director of Lands and Resources, the Director of Lands and Resources may:
 - (i) take any action necessary to remedy the breach; and/or
 - (ii) terminate this Authorization by written notice to the Authorization Holder and such termination shall be effective immediately upon receipt of such written notice by the Authorization Holder.
 - (c) Once the Authorization Holder has received notice that it has breached a term or condition of this Authorization, it shall not continue the Quarrying Activities at the Frog Creek pit without the written consent of the Director of Lands and Resources until such time as the breach has been remedied to the satisfaction of the Director of Lands and Resources and the Director of Lands and Resources has provided written notice to the Authorization Holder of same;
 - (d) The Authorization Holder shall be responsible for any and all costs incurred by or on behalf of the Director of Lands and Resources in the remediation of the breach, plus an administration fee of 15%, and any and all costs on a solicitor and his own client basis for any legal action undertaken by the Director of Lands and Resources to recover amounts payable under this Section;
 - (e) The Director of Lands and Resources shall not be liable to the Authorization Holder for any act or omission in the course of the remediation contemplated in this Section.

34. Nothing contained herein shall be construed as an obligation on the part of the Director of Lands and Resources to remedy any breach by the Authorization Holder of a term or condition of this Authorization.

BANKRUPTCY OF AUTHORIZATION HOLDER

35. The Director of Lands and Resources may cancel this Authorization in the event that there is instituted against the Authorization Holder bankruptcy or similar proceedings, the Authorization Holder is insolvent, or makes an assignment for the benefit of creditors. Notice of such cancellation shall be made by the Director of Lands and Resources in writing and shall be effective immediately upon delivery to the Authorization Holder.

NOTICE

36. Any notice, request, demand or other instrument which may be required or permitted to be delivered, given or served upon any party hereto shall be delivered, wherever possible, by facsimile in the case of the GTC, to:

Gwich'in Tribal Council
P.O. Box 1509
Inuvik, NT, X0E-0T0
Fax No. (867) 777-7919
Attention: Stephen Charlie, Director of Lands and Resources and
Resources

and in the case of Government of the Northwest Territories, Department of Infrastructure to:

Government of the Northwest Territories
Department of Infrastructure
Bag Service #1
3rd Floor Multi-Use Building
Inuvik, X0E 0T0
Fax: (867) 777-7109
Att: Jahangir Hossain

Any written communication or sent by facsimile shall be deemed to have been given or made on the day on which it was sent as aforesaid if it is sent at or before 4:30 p.m. Mountain time on the day in question or, if such day is not a business day or if such written communication is sent after 4:30 p.m. Mountain time, then delivery shall be deemed to have occurred on the next following business day. Either party hereto may from time to time change its address for service or contact person hereunder by notice to the other party.

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GENERAL

37. Notwithstanding any expiry or termination of this Agreement, but subject to Section 35 on bankruptcy of the Authorization Holder, the Authorization Holder remains responsible for its obligations arising under the terms and conditions of this Authorization until such time as the Director of Lands and Resources issues a Letter of Clearance.
38. The Authorization Holder and its contractors and subcontractors will give preference to the Gwich'in and Registered Gwich'in Businesses with respect to employment, training and business opportunities during the term of this land use operation.
39. The Authorization Holder shall at all times comply with all statutes, laws, regulations, permits, licenses, orders and directions of any governmental authority in relation to the Quarrying Activities. Without limiting the generality of the foregoing, the Authorization Holder shall comply with all health and safety legislation, regulations and guidelines applicable to this operation.
40. The Director of Lands and Resources, in exercising the discretion given to him pursuant to this Authorization, shall, at all times, exercise that discretion in a reasonable and expeditious manner.
41. This Authorization may be executed in separate counterparts and the executed counterparts shall together constitute one instrument and have the same force and effect as if all of the parties had executed the same instrument. Transmission of counterpart execution by way of facsimile shall constitute full and proper execution hereof.
42. This Authorization shall be binding upon and enure to the benefit of each of the parties and their respective successors and permitted assigns. This Authorization may not be assigned by either party, by operation of law or otherwise without the prior written consent of the other party except that either party shall have the right to assign the Authorization to an Affiliate, including an Affiliated partnership, provided that in the event of an assignment to an Affiliate, the assignor shall be jointly and severally liable under this Authorization along with the assignee.
43. All schedules attached to this Authorization shall form part hereof.
ISSUED this 27 of July, 2018; in the Town of Inuvik, in the Northwest Territories.

GWICH'IN TRIBAL COUNCIL

Per:  30/7/18
Stephen Charlie, Director of Lands and Resources & Resources

**GOVERNMENT OF THE NORTHWEST TERRITORIES, DEPARTMENT OF
INFRASTRUCTURE**

Per:  July 30, 2018
Jahangir Hossain