

THIS INDENTURE made in duplicate this 19th day of October, 2010

BETWEEN

THE COMMISSIONER OF NUNAVUT

hereinafter called the "Commissioner"

AND

THE MUNICIPAL CORPORATION OF THE HAMLET OF GJOA HAVEN, in
Nunavut

hereinafter called the "Municipality"

This Agreement witnesses, and the parties hereto covenant and agree, in consideration of the mutual terms, conditions and covenants herein set out, as follows:

1. **THIS AGREEMENT** is made pursuant to, or by reference to, sections 14.1.1(d), 14.3.1 and 14.4.1 of the *Nunavut Land Claims Agreement* (NLCA), and section 53.8 of the *Hamlets Act*. Having regard to the provisions of section 4 and subsection 6(1) of the *Nunavut Land Claims Agreement Act* (Canada), and the necessity for orderly regulation and operation of Municipal quarries, the parties agree that, for all lawful purposes (and, specifically, the purposes of this Agreement) and to the full extent lawfully permissible, references in the aforesaid section of the *Hamlets Act* to "Commissioner's land" shall be deemed to be references to Municipal Lands falling within sections 14.1.1(d) and 14.4.1 of the NLCA.
2. Subject to the foregoing, this Agreement is entered into pursuant to sections 53.8(2)(b) and 53.8(3) of the *Hamlets Act*. Notwithstanding anything herein which might be interpreted to the contrary, but subject always to law, the administration of this Agreement shall be conducted in accordance with sections 31, 31.2 and 33.1 of the *Commissioner's Land Regulations*, and the by-law or by-laws relating to quarry administration enacted by the Municipality and approved by the Commissioner.
3. This Agreement applies to all those parcels of land within the municipal boundaries of the Hamlet of Gjoa Haven shown outlined in red on the sketch or sketches annexed hereto and/or listed on the attached Appendix "C", all of the same being initialed for identification and forming a part hereof.
4. **THIS AGREEMENT** shall be in force and effect for a period of five (5) years beginning on August 15th, 2010.
5. Any act of the Commissioner pursuant to or with respect to this Agreement or any of its provisions is valid if done by the Deputy Minister of the Department of Community and

Government Services of the Government of Nunavut, or by any person authorized in writing by the Commissioner to so act.

6. Termination of this Agreement shall not prejudice either party's right to any remedy arising in consequence of any provision hereof.
7. The Municipality shall ensure the land subject to this Agreement is used only for quarry purposes, as contemplated by section 53.8 of the *Hamlets Act*.
8. The Municipality will not enter into any agreements with respect to any matters dealt with herein except as specifically authorized by the terms hereof.
9. The Municipality will assume sole responsibility and liability for the lawful administration and operation of the quarries under this Agreement in accordance with the Mine Health and Safety Act and the Mine Health and Safety Regulations, and the *Commissioner's Land Act* and the *Commissioner's Land Regulations*, and all other applicable territorial and federal legislation, and will indemnify and save harmless the Commissioner against and from any and all claims and liabilities, of whatever kind or nature and however arising, occurring in consequence of such administration and operation.
10. Government and Municipal requirements for granular material will be given precedence to private interests.
11. The Municipality will take all reasonable precautions to ensure that granular material is used for the purpose for which it is best suited, keeping in mind such factors as quality, quantity and the conservation of the same.
12. Except in the case of material removed pursuant to s.32 of the *Commissioner's Land Regulations*, the Municipality will ensure that no material will be removed from the quarries under this Agreement by an individual, corporation, municipality, government or person unless a quarrying permit authorizing the removal has been issued.
13. The Municipality shall issue complete and correct quarry permits in accordance with the form prescribed by the Commissioner's Land Regulations, as amended from time to time.
14. The Municipality shall retain the fees it collects in accordance with the Commissioner's Land Regulations.
15. The Municipality will not charge additional fees unless the *Commissioner's Land Regulations*, as amended from time to time, allow for such additional charges and the Municipality is authorized to do so under municipal legislation at the time. The Municipality will issue a receipt for all funds collected.
16. The Municipality shall establish and deposit all fees for quarry restoration into a Restoration Reserve Fund consistent with the provisions of the Tax-Based Financial Handbook published by the Department of Community and Government Services. The Municipality shall provide an audited report the Deputy Minister within one hundred and twenty (120) days of the end of the Municipality's fiscal year indicating the standing of the Restoration Reserve.

17. Subject to section 31.2 of the *Commissioner's Land Regulations*, the Municipality shall use all monies in the Restoration Reserve Fund to restore quarries, including the development of a restoration plan and for no other purposes. Should monies remain in the reserve fund after restoration is complete, the balance will be remitted to the commissioner. If sufficient funds are not available in the Restoration Fund to complete the approved restoration, the Commissioner may assist the Municipality to providing up to fifty (50%) of the additional funds to complete restoration.
18. The Municipality shall pay royalties collected pursuant hereto to the Commissioner, and shall deliver a statement indicating the types and quantities of materials quarried from all quarries under this Agreement to the Deputy Minister on or before the 31st day of March in each and every year of this Agreement.
19. The Municipality shall have a Management and Restoration Plan for each quarry. The Plan must be received and acknowledged by the Regional Lands Administrator as being complete prior to the execution of this Agreement and will form part of this agreement as Appendix One (1). Without restricting the scope or contents of the Plan, it shall include:
 - a) a statement of estimated material in the quarry
 - b) a statement of the management of the site, including removal methodology, depth of excavation, sequence of extraction
 - c) a statement on the method of operation, including stripping and location of overburden and topsoil materials, drainage and erosion control measures
 - d) a statement on the method and timing for restoration which will prevent substantial water-ponding, and include a final site contouring design and/or preparation of the land for a different land use; and such a Management Restoration Plan shall be prepared with the objective of operating and managing the land in an environmentally safe manner.
20. Unless otherwise agreed, the Municipality shall manage and restore all quarries under this Agreement in accordance with the Management and Restoration Plan prepared pursuant to Clause 18, and quarries shall be restored within twelve (12) months of depletion of the quarry.
21. The Commissioner may, at any time during the term of the Agreement, request the Municipality to review and update the Management and Restoration Plan.
22. Notwithstanding anything herein to the contrary, the Municipality shall, at all times, keep the land in a condition satisfactory to the Commissioner.
23. On the termination of this Agreement, the Municipality shall deliver up possession of the land in a condition satisfactory to the Commissioner.
24. Where the Municipality fails to restore the land as required and within the time allowed by Clause 20, the Commissioner may order the restoration of all or any part of such land and any expenses thus incurred by the Commissioner shall be recoverable from the Municipality as a debt due to the Commissioner.
25. The Commissioner may, where the Deputy Minister deems it necessary in the public

interest, establish easements through, under or over any portion of the land for any public utility purpose, but said easements shall not unreasonably interfere with the rights granted to the Municipality hereunder or with any improvements made by the Municipality on the land.

26. Unless a waiver is given in writing by the Commissioner, the Commissioner shall not be deemed to have waived any breach by the Municipality of any of the covenants or Agreements herein contained, and a waiver relates only to the specific breach to which it refers.
27. Wherever in this Agreement it is required or permitted that notice or demand be given or served by any party to this Agreement to or on the other, such notice or demand shall be given or served in writing and forwarded by registered mail, addressed as follows:

To the Commissioner:

Deputy Minister
Department of Community and Government Services
Government of Nunavut
Bag Service 800
Iqaluit, NU
X0A 0H0

To the Municipality:

Hamlet of Gjoa Haven
PO BOX 200
Gjoa Haven, NU
X0E 1J0

Or to such other address as either of the parties may from time to time notify the other in writing in the manner hereinbefore provided.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date and year first above written.

SIGNED, SEALED AND DELIVERED)
By)
)
)
)
)
)
)


THE COMMISSIONER OF NUNAVUT



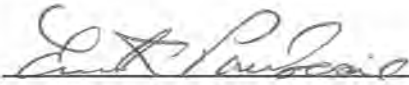
(SEAL)

SIGNED, SEALED AND DELIVERED)
by the Mayor and the Senior Administrative)
Officer of the Municipal Corporation of the)
Hamlet of Gjoa Haven)
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THE MUNICIPALITY OF GJOA HAVEN



(SEAL)



(SEAL)

Appendix One

Quarry Management and Restoration Plan

Hamlet of Gjoa Haven Quarry Administration Agreement Quarry Management Plan (QMP)

Quarry Management is designed to identify responsibility for the administrative authority, the permit holder, and the community.

The administrative authority, the Hamlet of Gjoa Haven, is responsible to manage the quarry application and permit process with the goal of controlling the timing, type, quantity and location of materials taken for the protection and preservation of the land that supports the people, wildlife, natural resources, recreation and future development options of the community.

The permit holder is responsible to work within the limits and conditions made and enforced by the Municipal Corporation of the Hamlet of Gjoa Haven. The Hamlet reserves the right to refuse a permit according to the criteria outlined in the application process.

The community at large is responsible to guide the quarry development process to ensure that locations chosen for quarrying have a purpose beyond the life of the quarry that will lead to the betterment of the community. One such goal is to plan future development in those areas where quarrying is required to shape the land to a suitable topography to maximize the economic development potential of the land.

The Hamlet of Gjoa Haven has identified the following goals:

- Plan future community development by consulting the Community Plan, By-law #125, to locate engineered quarries to ensure future growth
- Set up internal administrative structure of documents for quarry administration
- Organize existing quarries in use and develop their potential
- Enforce a consistent practice of extraction methods and ensure accuracy between quantities applied for, and quantities taken

Administrative Responsibilities

Material Estimates

To date no quantitative surveys have been completed to determine potential volume of material by type so the estimates of material available and required could generate different estimates. It is estimated that the gravel needs required to 2014 will exhaust what the current quarry is capable of producing by approximately 60%.

Material types generally are: pit run, sand, shale, and boulders of various sizes.

At this time (summer / fall 2010) a major project, the new quarry road development, requires a significant amount of granular material in order to complete the project. Estimates at this time are approximately 10,000 cubic metres.

As well the Nunavut Housing Corporation also has an intensified program of housing

delivery which requires gravel pads for housing placement. The pads required for these buildings create a demand estimate of 26,000 cubic metres by the end of year 2012. Additional municipal requirements for new roads and existing road maintenance, and miscellaneous (normal cycle) projects are estimated at 22,000 cubic metres up to the end of the year 2012.

Estimate of cubic metres of gravel material required	NHC/Private	Municipal/Territorial	Annual Total
2010	10,000	15,000	25,000
2011	8,000	16,000	24,000
2012	8,000	1,000	9,000
2013	8,000	1,000	9,000
2014	8,000	1,000	9,000

Quarry administration evaluation will be determined by administration costs and development of quarries. If favorable conditions exist at the end of 5 years we will contract the services of an engineering firm to prepare a quarry assessment that will help guide the Hamlet in restoration, planning, and quarry closures for existing quarries. Engineering expertise will also determine development methods, locations and financing strategies of future quarry sites. Services required are expected to include quantity surveying, topographical study, drainage study, soil analysis, and future land use planning.

Safety Measures

Safety will focus on the permit holder, transportation routes and access, and community members. Environmental impact surveillance relating to land sustainability will be an ongoing commitment of the Hamlet.

The Permit holder must conduct regular vehicle checks (example: tires, brakes and steering), verification of driver license class, and appropriate insurance coverage. Permit holder will be scrutinized for road safety and the adherence of applicable speed limits.

When the permit holder wishes to access a quarry on or thru airport land, prior approval must be obtained from Nunavut Airport personnel. The permit holder must possess a valid Airside Vehicle Operators Permit, or be escorted by a valid AVOP holder, have an operational beacon light on the vehicle crossing airport land, and be in communication with the on duty Observer/Communicator.

The permit holder must be fully knowledgeable of acceptable methods for managing any fuel or oil spills as part of the permitting process. For example, spill kits must be ready available. The permit holder must indicate at the time of application if they plan to use explosives and if authorized by the quarrying permit, the permit holder must advise the Hamlet a minimum of 72 hours prior to the use of such explosives.

Appendix A

Quarry Permit Conditions

QUARRY PERMIT CONDITIONS

- (*) = mandatory compliance condition
() = non-mandatory compliance condition

1B01 - LOCATION AND AREA

- (*) 1B02- The Permittee shall not conduct this quarry operation on any lands not designated in the accepted application, unless otherwise approved in writing by an authorized Municipal representative.
- () 1B03- The Permittee shall remove from the Lands, all scrap metal, discarded machinery and parts, barrels and kegs, buildings and material.

1B04- TIME

- () 1B05- The Permittee's Field Supervisor shall contact or meet with the authorized Municipal representative at least 48 hours prior to the commencement of this quarry operation.
- (*) 1B06- The Permittee shall advise the authorized Municipal representative at least 10 days prior to the completion of the quarry operation of (a) his plans for removal or storage of equipment and materials, and (b) when final clean-up and restoration of the lands used will be completed.
- () 1B07- The Permittee shall submit Quarry Return forms to the authorized Municipal representative by the 10th day of each month during this quarry operation.
- (*) 1B08- The Permittee shall complete all clean-up and restoration of the lands affected by this Quarry operation prior to the expiry date.
- (*) 1B09- The obligation of the Permittee with respect to clean-up and restoration of the area of quarrying does not cease until he is in possession of a letter of clearance from the Senior Administrative Officer.

1B10- EQUIPMENT

- (*) 1B11 The Permittee shall keep all garbage and debris in a covered metal container until disposed of.

1B12- METHODS AND TECHNIQUES

- (*) 1B13 The Permittee shall slope the sides of excavations and embankments except in solid rock to 2:1 (two horizontal to one vertical) unless otherwise approved in writing by the authorized Municipal representative.

QUARRY PERMIT CONDITIONS

(*) = mandatory compliance condition

() = non-mandatory compliance condition

- () 1B14- The Permittee shall slope the sides of waste material piles to a gradient specified in writing by the authorized Municipal representative.
- (*) 1B15- The Permittee shall leave a strip of undisturbed land at least one hundred metres in width between clearing and public roads or navigable waterways unless otherwise approved in writing by the authorized Municipal representative.

2B01- CONTROL OR PREVENTION OF FLOODING, EROSION AND SUBSIDENCE OF LAND

- () 2B02- The Permittee shall ensure that the quarry area is kept clean and tidy at all times.
- (*) 2B03- The Permittee shall adopt such measures to control erosion by surface disturbance as may be required by the Senior Administrative Officer.

2B04- USE, STORAGE, HANDLING & DISPOSAL OF CHEMICALS OR TOXIC MATERIAL

- () 2B05- The Permittee shall dispose of all non-combustible garbage and debris by burial beneath no less than one (1) metre of compacted soil.
- (*) 2B06- The Permittee shall dispose of all non-combustible garbage and debris from the quarry area to the metal dump disposal site.
- (*) 2B07- The Permittee shall remove all garbage and debris from the area of the quarry operation to the waste dump disposal site.
- (*) 2B08- The Permittee shall dispose of all combustible waste petroleum products by incineration or removal.
- (*) 2B09- The Permittee shall report all spills of petroleum and hazardous chemicals to the twenty-four (24) hour spill report line at (867)902-8130

2B10- THE ESTABLISHMENT OF PETROLEUM FUEL STORAGE FACILITIES

- (*) 2B11- The Permittee shall report in writing to the authorized Municipal Representative the location and quantity of all petroleum fuel caches within ten (10) days after the establishment of any such caches.
- (*) 2B12- The Permittee shall not place any petroleum storage containers within twelve (12) metres of the normal high water mark of any stream.

QUARRY PERMIT CONDITIONS

(*) = mandatory compliance condition

() = non-mandatory compliance condition

- (*) 2B13- The Permittee shall not allow petroleum products to spread to surrounding land or into water bodies.
- (*) 2B14- The Permittee shall:
 - a) examine all fuel storage containers for leaks a minimum of once every day.
 - b) repair all leaks immediately.
- (*) 2B15- The Permittee shall not use bladders for storing petroleum products.
- (*) 2B16- The Permittee shall seal all container outlets except the outlet currently in use.
- (*) 2B17- The Permittee shall mark all fuel containers with the Permittee's name.

3B01- MATTERS NOT INCONSISTENT WITH THE REGULATIONS

- (*) 3B02- The Permittee shall not construct earth approaches abutted to the roadbed on any public highway or road without prior written approval of the Senior Administrative Officer.
- (*) 3B03- The Permittee shall not remove any material from below the ordinary high water mark of any stream without first obtaining permission from the Department of Community & Government Services.
- (*) 3B04- The Permittee shall have a copy of this permit on the site of operation at all times.
- (*) 3B05- The Permit shall provide to the authorized Municipal representative at least forty-eight (48) hours prior to commencement of this quarry operation the following information:
 - a) Person, or persons, in charge of the field operation to whom notices, order and reports may be served;
 - b) Alternatives;
 - c) All the indirect methods of contacting the above person(s).

APPENDIX B
QUARRY PERMIT APPLICATION



APPLICATION FOR QUARRY PERMIT

Municipal Corporation of the Hamlet of Gjoa Haven

Name in Full: _____

Address: _____

Occupation: _____

Does hereby apply for a quarry permit for the purpose of taking _____ cubic metres of _____
(type of materials) from the lands indicated on a sketch or described as follows: _____

to be used for _____

1. Is any part of the land occupied? If so, by whom and for what purpose?

2. Permit Fee:	\$50.00	\$	50.00
Royalties	\$00.25 per cubic metre	\$	_____
Restoration Fee	\$00.50 per cubic metre	\$	_____
Road Maintenance Fee	\$00.25 per cubic metre	\$	_____
Quarry Administration Fee	\$00.50 per cubic metre	\$	_____
Subtotal		\$	_____
GST	5%	\$	_____
Total		\$	_____

Free Permit under Section 31(2) of the Commissioner's Land Regulations

Date: _____ Signature of Applicant _____

Forwarding Instructions:

- 1./ Send completed application to Planning & Lands Administrator by fax: 867-360-7142,
- 2./ Send original application and cheque made payable to the Hamlet of Gjoa Haven to:
Planning and Lands Administrator, Hamlet of Gjoa Haven, P.O. Box 200 Gjoa Haven, Nunavut X0B 1J0.

APPENDIX C
QUARRY AREA MAPS

