

Tr'ondëk Hwëch'in Mining Mandate

November 2011



Mandate Statement

The Tr'ondëk Hwëch'in government is directed to enter into beneficial agreements with mining proponents in accordance with this mandate.

Context

This Mandate applies to mining activities on Crown Land. It does not apply to mining activities on Tr'ondëk Hwëch'in Settlement Land. Tr'ondëk Hwëch'in legislation, regulations and policies will govern mining activities on Settlement Land.

The Tr'ondëk Hwëch'in are the original inhabitants of a vast area in west-central Yukon, commonly referred to as the Tr'ondëk Hwëch'in Traditional Territory. The Tr'ondëk Hwëch'in have lived and prospered in this area for millennia, living off the land.

Since the Klondike Gold Rush others have recklessly used our lands and extracted millions of ounces of gold for their own profit—with no benefit to the Tr'ondëk Hwëch'in and no share of the wealth or opportunities.

The Tr'ondëk Hwëch'in entered into a land claims treaty with Canada and Yukon in 1998. The Parties to the Tr'ondëk Hwëch'in Final Agreement have pledged to recognize and protect a way of life that is based upon an economic and spiritual relationship with the land.

Mining affects the land and has the potential to negatively affect Tr'ondëk Hwëch'in treaty rights. Pursuant to the Tr'ondëk Hwëch'in Final Agreement, Canada and Yukon legislation, and the common law, negative effects upon the land and treaty rights must be minimized, mitigated and compensated. At the same time resource development, including mining, can bring significant economic benefits without compromising our environment, culture or communities.

Approach

In general terms the Tr'ondëk Hwëch'in support responsible mining in Tr'ondëk Hwëch'in Traditional Territory.

Responsible mining means mining that does not compromise the environment, TH culture & communities, or the exercise of TH aboriginal rights. Responsible mining:

- Is sustainable;
- Respects Settlement Land;
- Does not affect the productive capacity of land;
- Does not have negative social effects; and
- Does not take place in special places with high cultural or environmental values.

The Tr'ondëk Hwëch'in expect to share the wealth and economic opportunities that arise from all significant mining projects in Tr'ondëk Hwëch'in Traditional Territory.

Significant mining project means any project:

- Undertaken by a company/proponent with publically traded shares;
- With gross annual revenues and expenditures over \$2,000,000 per year; or
- Which has the potential to significantly affect Tr'ondëk Hwëch'in rights and interests.

Principles

Mining projects in Tr'ondëk Hwëch'in Traditional Territory must not compromise the integrity of natural resources or adversely impact the Tr'ondëk Hwëch'in culture and way of life.

Mining projects in Tr'ondëk Hwëch'in Traditional Territory must provide long-term benefits to Tr'ondëk Hwëch'in Citizens and assist to build healthy and prosperous communities.

Tr'ondëk Hwëch'in Participation

Tr'ondëk Hwëch'in participation in a mining project is beneficial to the proponent. The Tr'ondëk Hwëch'in bring considerable expertise to a mining project, including traditional knowledge and local experience. We can assist to provide a stable and experienced labour force. Our businesses can support miners and mining activities.

Tr'ondëk Hwëch'in support for a mining project greatly enhances the project's prospects for success with respect to environmental assessment and timely regulatory approval.

It is in the best interest of both the Tr'ondëk Hwëch'in and the mining proponent to develop a constructive and mutually beneficial relationship.

Impact Benefit Agreements

The Tr'ondëk Hwëch'in intend to enter into Impact Benefit Agreements with all proponents who engage in significant mining projects within Tr'ondëk Hwëch'in Traditional Territory. There are two types of Impact Benefit Agreements:

1. Exploration Agreements, which relate to exploration and advanced exploration; and
2. Project Agreements, which relate to the construction, operation and closure of a mine, and the associated environmental assessment and regulatory approval processes related to mine development.

In both cases the Tr'ondëk Hwëch'in and proponent will agree upon a negotiation process, which will set the agenda, topics and schedule for negotiations, and identify funding to support the Tr'ondëk Hwëch'in in all aspects the negotiations, which include community consultation, due diligence, and legal and technical assistance. In most cases proponents are expected to contribute to Tr'ondëk Hwëch'in negotiation costs.

Exploration Agreements

Exploration Agreements will be entered into as soon as a proponent has staked a significant number of mining claims or any mining claims that have the potential to significantly impact Tr'ondëk Hwëch'in rights and interests in Tr'ondëk Hwëch'in Traditional Territory.

Exploration Agreements will:

- Set out non-derogation provisions confirming that the agreement does not affect aboriginal and treaty rights, titles and interests of the Tr'ondëk Hwëch'in government and its Citizens;
- Contain a detailed description of the project area and activities;
- Provide for timely and transparent communication of all relevant information;
- Provide for environmental stewardship and set out measures for environmental impact minimization and mitigation;
- Provide employment and training opportunities;
- Provide business opportunities;
- Provide financial benefits; and
- Contain commitments to negotiate Project Agreements if the project proceeds beyond exploration.

Project Agreements

Project Agreements will be negotiated when a proponent has decided to seek environmental assessment and regulatory approvals to develop an operating mine. Project Agreements will generally be for the life of a mine (including remediation) and will be binding upon new owners if ownership transfers.

Project Agreements will address the following matters:

- **Non-Derogation.**
- **Detailed Project Description.**
- **Transparent Communication and Due Diligence** – The Agreement will obligate the proponent to freely divulge all relevant information relating to the mine, including both environmental information and financial information relating to mine economics. The Tr'ondëk Hwëch'in agree to respect the confidentiality of financial information.
- **Environmental Protection, mitigation, monitoring and reporting** – The Agreement will identify specific measures to protect the environment and mitigate effects, including measures for monitoring and transparent communication. This may include the designation of one or more Environmental Monitors who report directly or jointly to the Tr'ondëk Hwëch'in.
- **Socio-Economic Effects** – Measures to protect the culture, health and well being of Tr'ondëk Hwëch'in Citizens. (e.g., substance abuse, psychological trauma, etc.)
- **Education and Training** – Provisions to provide Tr'ondëk Hwëch'in Citizens pre-employment training related to employment in the mine, such as heavy equipment training, and support for education opportunities that are not related to the mine, such as scholarships and bursaries.

- **Employment** – Provisions providing Tr’ondëk Hwëch’in Citizens a preference for jobs related to the mine.
- **Business Opportunities** – Provisions to maximize opportunities for Tr’ondëk Hwëch’in businesses and Citizens in obtaining contracts related to the mine, such provisions to be binding upon the proponent and any contractors or sub-contractors working for or with the proponent.
- **Royalties or Revenue Sharing** – Provisions for sharing a portion of the wealth generated by the mine. This could include a percentage of the net smelter return or a share of the profit.
- **Equity Acquisition** – Provisions for obtaining shares of the mine.
- **Money** – Provisions for lump sum payments of cash.
- **Implementation** – Provisions to guide the ongoing relationship between the Parties. This could include one or more employees (liaison officers) who report jointly to the Parties, an implementation committee, regularly scheduled meetings, periodic evaluations, etc. This could also include provisions for designating officials from both the proponent and Tr’ondëk Hwëch’in to meet regularly on socio-economic and technical issues.
- **Other Matters** – As agreed.

Communication

Unless agreed otherwise in specific circumstances, communications, discussions and negotiations between a proponent and the Tr’ondëk Hwëch’in will proceed through the Tr’ondëk Hwëch’in government. If deemed appropriate, the Tr’ondëk Hwëch’in government will invite Tr’ondëk Hwëch’in corporations and/or Tr’ondëk Hwëch’in Citizens to participate. The Tr’ondëk Hwëch’in Executive Director or Natural Resources Director will be the first point of contact for mining proponents.