

IMPLEMENTATION PROTOCOL

This Agreement made as of the 8th day of October, 1996.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA as represented by the Minister of Indian Affairs and Northern Development (hereinafter referred to as "Canada")

AND

THE GOVERNMENT OF THE NORTHWEST TERRITORIES as represented by the Minister of Resources, Wildlife and Economic Development (hereinafter referred to as "GNWT")

AND

BHP DIAMONDS INC., a corporation under the laws of Canada (hereinafter referred to as "BHP")

AND

DOGRIB TREATY 11 COUNCIL as represented by the Grand Chief of the Dogrib First Nation (hereinafter referred to as "the Dogrib")

AND

THE AKAITCHO TREATY 8, (specifically the Yellowknives Dene First Nation and Lutsel K'e First Nation, and on behalf of their members) as represented by the Chiefs of the Yellowknives Dene First Nation and by the Chief of the Lutsel K'e First Nation (hereinafter referred to as "Treaty 8")

AND

METIS NATION - NORTHWEST TERRITORIES as represented by the President of the Metis Nation - Northwest Territories (hereinafter referred to as "the Metis")

AND

KITIKMEOT INUIT ASSOCIATION as represented by the President of the Kitikmeot Inuit Association (hereinafter referred to as "the Inuit")

WHEREAS

- A BHP has applied to Canada for permission to develop and mine mineral claims near Lac de Gras, in the Northwest Territories (hereinafter referred to as "the Project").
- B Canada has given conditional approval to the Project, subject to, inter alia, substantial progress on the development of an Environmental Agreement respecting the Project.
- C The Dogrib, Akaitcho Treaty 8, the Metis and the Inuit (hereinafter collectively "the Aboriginal Peoples") have rights and interests which will be affected by the management and regulation of the Project.
- D Canada, GNWT and BHP have agreed to conclude an Environmental Agreement (the "Environmental Agreement") and have conducted negotiations to that end.
- E At the invitation of Canada, GNWT and BHP, the Aboriginal Peoples have participated in the development of the Environmental Agreement.

NOW THEREFORE, in consideration of the premises and covenants herein contained and other good and valuable consideration, Canada, GNWT, BHP, the Dogribs, Treaty 8, the Metis and the Inuit covenant and agree as follows:

1 ENVIRONMENTAL AGREEMENT

1.1 Canada, GNWT and BHP shall, as soon as practicable, conclude an Environmental Agreement consistent with the Draft of that Agreement dated October 8, 1996, which has been initialled by those Parties' negotiators subject to legal and technical review, and which is attached as Schedule A to this Agreement (hereinafter referred to as the "Draft Agreement").

1.2 Canada, GNWT and BHP shall provide an opportunity to the Aboriginal Peoples to be involved in the finalization of the Environmental Agreement.

1.3 In finalizing the Environmental Agreement, Canada, GNWT and BHP shall not change the substance of the Draft Agreement without first consulting in good faith with the Aboriginal Peoples (including meetings, working group sessions, plenary sessions and related discussions) consistent with the consulting approach adopted by Canada, GNWT and BHP between September 30 and October 8, 1996, with a view to achieving consensus among Canada, GNWT, BHP and the Aboriginal Peoples with respect to any

such change. In the event that Canada, GNWT and BHP achieve, following such consultation process, consensus among themselves to change the substance of the Draft Agreement but such consensus does not extend to all the Aboriginal Peoples, Canada, GNWT and BHP shall furnish to the Aboriginal Peoples their written reasons for the change(s) to be made to the Draft Agreement; provided further, that if such change(s) affect the substance of Articles I, II, V, X, XI or XVI or Section 15.2 of the Draft Agreement, Canada, GNWT and BHP shall, at the request of any Aboriginal People and prior to making any such change(s) consult again with the Aboriginal Peoples in a final concerted effort to achieve consensus among all of Canada, GNWT, BHP and the Aboriginal Peoples on whether any such change(s) should be made to the Draft Agreement.

2 INDEPENDENT ENVIRONMENTAL MONITORING AGENCY

2.1 Within two (2) weeks of the execution of this Agreement, the Parties shall establish an Implementation Group (the "Implementation Group") to facilitate the establishment and initial operations of the Monitoring Agency provided for in the Draft Agreement.

2.2 Each Party to this Protocol Agreement shall appoint one representative to the Implementation Group.

2.3 Canada and GNWT shall each make available \$ 25,000 for the work of the Implementation Group.

2.4 The Implementation Group shall, as soon as practicable, develop and carry out a work plan for the establishment and initial operations of the Monitoring Agency, which shall include the following steps:

2.4.1 drafting of by-laws and incorporation of the Monitoring Agency pursuant to the *Societies Act* (of the Northwest Territories);

2.4.2 appointment of the Board of Directors;

2.4.3 provision of the core funds for the initial budget period;

2.4.4 arrangements for administrative services;

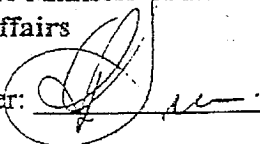
2.4.5 such further and other things as are agreed by the Implementation Group.

2.5 The Implementation Group shall facilitate the establishment and initial operations of the Monitoring Agency consistently with the Draft Agreement, in particular Article V.

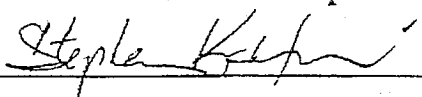
3 GENERAL

3.1 Without Prejudice Nothing herein provided, including the recitals, may be used in any other matter or proceeding as an admission of fact or of liability.

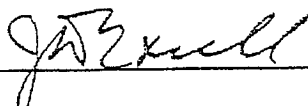
HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the Minister of Indian and Northern Affairs

Per:  _____

THE GOVERNMENT OF THE NORTHWEST TERRITORIES, as represented by the Minister of Resources, Wildlife and Economic Development

Per:  _____

BHP DIAMONDS INC.

Per:  _____

DOGRIB TREATY 11 COUNCIL


Per:  _____

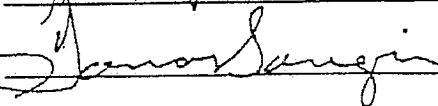
THE AKAITCHO TREATY 8


Per:  _____

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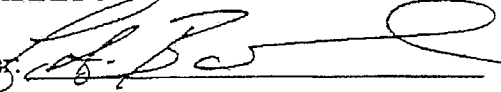
Per:  _____

Per:  _____

KITIKMEOT INUIT ASSOCIATION

Per:  _____

METIS NATION - NORTHWEST TERRITORIES

Per:  _____