

ECONOMIC FRAMEWORK AGREEMENT

This Agreement made the 6th day of June, 2003.

BETWEEN:

THE GOVERNMENT OF YUKON, as represented
by the Premier of the Yukon ("Yukon")

AND:

THE KASKA, as represented by the Liard First Nation,
the Ross River Dena Council, the Daylu Dena Council,
the Dease River First Nation, the Kwadacha First Nation,
the Kaska Dena Council, and the Kaska Tribal Council
("the Kaska")

WHEREAS Yukon and the Kaska concluded a Bilateral Agreement and executed it on the 9th day of May, 2003; and

WHEREAS representatives of Yukon and the Kaska have recently held discussions which have resulted in an agreement on the terms of an economic partnership between the Kaska and Yukon, on a government to government basis, in respect of the development of the lands and resources within the Kaska Traditional Territory; and

WHEREAS Yukon and the Kaska wish to record the terms of that agreement,

THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set out, Yukon and the Kaska hereby agree with each other as follows:

1.0 PURPOSE

1.1 The purpose of this Agreement is:

- (a) to establish an economic partnership between the Yukon and Kaska in respect of the management, development and beneficial enjoyment of the lands and resources within the Kaska Traditional Territory; and

- (b) to confirm the steps the parties shall take in respect of specific economic issues.

1.2 Yukon shall ensure that the purpose and spirit of this Agreement are conveyed to all government officials and departments who may be involved in negotiations towards Kaska Agreements or in the management of lands and resources in the Kaska Traditional Territory.

2.0 ECONOMIC PARTNERSHIP

2.1 The specific measures agreed to by the parties are set out in Schedules "A" and "B" which are attached to and form part of this Agreement.

2.2 Immediately following the signing of this Agreement the parties shall establish a working group to assist in the development of any further agreements required in relation to economic partnership between Yukon and the Kaska. In the event the parties determine that the Kaska/Yukon Economic Table is the appropriate working group for the development of such further agreements, its mandate shall be adjusted accordingly.

3.0 INTERPRETATION

3.1 This Agreement:

- (a) shall not be construed so as to abrogate or derogate from, or define the content of, the Kaska's aboriginal rights, titles and interests in and to the Kaska Traditional Territory;
- (b) shall not be construed so as to abrogate or derogate from any fiduciary duties or other obligations owed to the Kaska by either the Crown in Right of Canada or by the Yukon in respect of the Kaska's aboriginal rights, titles and interests; and
- (c) is intended to be without prejudice to the litigation commenced by the Kaska against Canada.

4.0 TERM OF THIS AGREEMENT

4.1 The parties agree that this Agreement shall terminate upon ratification of all Kaska Agreements, but may be extended by agreement of the parties.

4.2 This Agreement may be terminated by either party by providing 60 days

notice in writing.

5.0 DISPUTE RESOLUTION

- 5.1 Subject to 5.2 any disagreement on interpretation or implementation of this Agreement shall be referred to the principles for resolution.
- 5.2 This Agreement is without prejudice to the rights of the parties to refer any dispute to court.

6.0 CONTACT REPRESENTATIVES

6.1 Kaska:

Tribal Chief
Kaska Tribal Council
Box 530
Watson Lake, Y.T.
Y0A 1C0
Fax: (867) 536-2806

6.2 Government of Yukon:

Deputy Minister
Department of Energy, Mines and Resources
Government of Yukon
Box 2703
Whitehorse, Y.T.
Y1A 1C6
Fax: (867) 667-8801

7.0 AMENDMENTS

- 7.1 This Agreement may be amended upon their written agreement of the parties.

SIGNED THIS 6th day of June, 2003, in the City of Whitehorse in the Yukon Territory.

GOVERNMENT OF YUKON

Dennis Fentie
Dennis Fentie, Premier of the Yukon Nation

THE KASKA

Hammond Dick
Hammond Dick, Kaska Tribal Chief

**ECONOMIC FRAMEWORK AGREEMENT
ECONOMIC BENEFITS AND ECONOMIC PARTNERSHIP
SCHEDULE "A"**

The parties agree the initiatives set out herein will be the immediate focus of discussions in an effort to achieve an agreement on the economic partnership and economic benefit interests set out in this Agreement. The list of initiatives set out herein may be amended from time to time.

The Government of Yukon shall provide two hundred thousand dollars (\$200,000) to the Kaska pursuant to a duly executed contribution agreement, for the purposes of concluding an agreement for oil and gas disposition in the Southeast Yukon.

The action plan identified for each initiative, is intended as a workplan for the parties to achieve the intended objectives of the parties.

1.0 OIL AND GAS DISPOSITIONS IN SOUTHEAST YUKON

- 1.1 It is the intention of the parties to explore and determine a process that provides for a planned disposition for the exploration of oil and gas interests in the Southeast Yukon. The matters to be considered include but are not intended to be limited to the following:
- a. organizing and conducting a workshop on the existing disposition process;
 - b. organizing and conducting an "Oil and Gas Forum" in the Kaska Traditional Territory which would inform local residents of the potential economic opportunities. The forum would include industry participation and is not intended to be resourced out of the above noted \$200,000;
 - c. concluding an agreement on the sharing of revenues associated with this initiative. Such an agreement would form part of the Resource Revenue Sharing Agreement identified in Schedule "B";
 - d. agreeing to a process of resource planning that takes into account an integrated strategy for all economic values in an agreed to study area within the Kaska Traditional Territory. It is the understanding of the parties that this process will not be resourced out of the above noted \$200,000;

- e. explore options for access to oil and gas in the Southeast Yukon. Such exploration would take into account the potential for construction, maintenance, controlled access and a service centre for resource development in the Southeast Yukon portion of the Kaska Traditional Territory;
- f. identifying economic benefits and developing a strategy for Kaska businesses to be fully prepared to participate in such benefits. This strategy will consider potential equity participation with industry and will identify the equity necessary for the Kaska to take advantage of contracts associated with dispositions of oil and gas in their Traditional Territory. It will also consider employment opportunities and make recommendations with respect to training considerations and needs, and
- g. such other matters as the parties agree.

2.0 CANTUNG ROAD MAINTENANCE CONTRACT

- 2.1 It is the intention of the parties to monitor and direct the negotiation of a road maintenance contract for the Kaska that will replace the existing agreement between the Government of Yukon and North American Tungsten.
 - a. A representative for the Transportation Branch of the Department of Infrastructure department has provided an overview of the existing contract to the parties in Ross River.
 - b. The Transportation Branch representative and a Kaska representative from the Liard First Nation have been tasked with identifying the elements of the replacement contract. Training shall be one of those elements.
 - c. Upon completing the Yukon and Kaska understanding of the elements of the replacement contract, the parties will arrange a meeting with North American Tungsten to determine their interests and to identify with North American Tungsten how those interests should be reflected in the eventual replacement contract.

3.0 RECLAMATION/REMEDATION

- 3.1 As soon as possible after the DTA comes into effect, the parties will begin discussions with respect to Type II sites within the Kaska Traditional Territory. These discussions are intended to set out a

planning process with respect to the reclamation plans and policies for each of the Type II sites with a view to providing preferential economic opportunities for the Kaska in respect of such reclamation. The parties intend that those plans will take into account the actual cost of remediation and will include a financial plan to implement the cleanup.

- 3.2 The parties intend to work with DIAND and the Waste Management Committee to prioritize the remediation of known sites within the Kaska Traditional Territory and to develop an implementation plan for the remediation.

4.0 AKITA DRILL TRAINING PROJECT

- 4.1 The parties shall set out the parameters of the Akita Drill Training Project and monitor the progress of all planning and implementation associated with the Project.

5.0 R15 ORDER-IN-COUNCIL

- 5.1 Yukon agrees that it will, pursuant to Yukon legislation, make or execute regulations, orders, and other instruments satisfactory to the Parties in order to provide the Kaska or a Kaska Business mining tenures or rights to Ross River Dena Council land selection R15 on reasonable commercial terms, such rights to include the right to explore, develop, and mine that land.

6.0 ALASKA HIGHWAY/MACKENZIE PIPELINE PROJECTS

- 6.1 The parties agree to begin discussions with all other Yukon First Nations whose Traditional Territory the Foothills Pipeline right-of-way runs through to explore options in respect of a common approach to development along that right of way. It is the understanding of the parties that these discussions will not be resourced out of the above noted \$200,000.
- 6.2 The parties agree to begin discussions with respect to economic, employment and training opportunities associated with the Mackenzie Valley Pipeline Project as soon as possible.

- 6.3 Yukon shall consult with the Kaska in respect of the implementation of the protocol between the Governments of the Northwest Territories and Yukon in order to maximize the opportunities available to the Kaska.

**ECONOMIC FRAMEWORK AGREEMENT
RESOURCE REVENUE SHARING
SCHEDULE "B"**

The parties agree to begin discussions as soon as possible in an effort to achieve an agreement with respect to resource revenue sharing, as set out in this Agreement and the Bilateral Agreement. Any such agreement with respect to resource revenue sharing may be amended from time to time.

- 1.0 OIL AND GAS REVENUES**
- 2.0 FORESTRY REVENUES**
- 3.0 QUARTZ MINING REVENUES**
- 4.0 PLACER MINING REVENUES**
- 5.0 OTHER REVENUES**