

Northern Benefits Requirements Associated with New Exploration Programs

A. BENEFITS STATEMENT OF PRINCIPLES

Companies engaged in exploration on frontier lands are expected to follow the principles outlined below.

It is recognized that the nature and duration of work programs must be considered in determining the extent to which companies are able to implement the benefits principles.

Industrial Benefits

The company is committed to obtaining its goods and services on a fair and competitive basis. The company will support and encourage the development of regional businesses by considering potential suppliers for work associated with the program on the basis of best value, competitiveness and benefits to the regional communities and by providing relevant information to the supply community. Within the context of its general procurement policy, the company will conduct its operations so as to optimize the short and long-term benefits accruing to the North by providing opportunities for involving northern businesses on a full, fair and competitive basis.

The company is committed to work with regional communities and government agencies to identify potential business development opportunities.

The company is committed to ensuring that its contractors follow the above with respect to all subcontracting opportunities.

Employment and Training

The company is committed to the principles of fair and equal employment and training opportunities consistent with the Canadian Charter of Rights and Freedoms. This commitment will promote fairness in employment opportunities and avoid employment practices which result in employment barriers. The company will give first consideration to qualified and individuals resident in the regional communities.

The company is committed to work with regional communities and government agencies to identify potential employment and training opportunities. The company is committed to ensuring that its contractors follow the above with respect to all employment and training opportunities.

Consultation

The company is committed to providing appropriate information concerning its exploration programs to concerned individuals, groups and communities in the region. Exchanging relevant information in a timely fashion will enable the company to assess the potential local economic and employment opportunities.

Compensation

The company will provide fair and equitable compensation to individuals involved in hunting, trapping and fishing in the event of adverse impacts demonstrated to result from project-related activities.

B. ANNUAL REPORT REQUIREMENT

The company will submit an annual report within six months of the completion date of its seasonal work program.

The report should contain the following information:

- (i) brief work program description;
- (ii) total program costs (total value of purchased goods and services, total direct wages and total direct work months);
- (iii) total direct wages by northern community of residence;
- (iv) total direct work months by community of residence;
- (v) number of northern community residents employed for each program component (e.g. seismic, drilling, support and construction);
- (vi) total value of purchased goods and services from each northern community, including a brief description of the goods and services purchased from each community;
- (vii) listing of consultations undertaken; and
- (viii) a brief description of any programs that may be undertaken in the next work season.

Annual reports are to be sent to:

Director
Northern Oil and Gas Directorate
Department of Indian Affairs and Northern Development
OTTAWA, ONTARIO K1A 0H4

I. COMPREHENSIVE LAND CLAIM SETTLEMENT AGREEMENTS

The comprehensive land claim settlement agreement for the Inuvialuit, Gwich'in, Sahtu and Nunavut areas contain provisions regarding consultation and benefits as well as other matters such as land and water use, environmental; review and surface access. When planning activities in these land claim settlement areas, companies are expected to familiarize themselves with the provisions of the relevant land claim settlement agreement and make early contact with the responsible aboriginal organization regarding procedures and time lines.