

Agreement to Amend the  
Yukon Northern Affairs Program  
Devolution Transfer Agreement  
and the  
Canada Yukon Oil and Gas Accord

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This Amendment Agreement made this 21 day of August 2012.

**BETWEEN**

The Government of Canada as represented by the Minister of Aboriginal Affairs and Northern Development Canada (referred to as "Canada"); and

The Government of Yukon as represented by the Premier (referred to as the "YTG").

**PREAMBLE**

**WHEREAS**

Canada and the YTG entered into The Canada Yukon Oil and Gas Accord ("OGA") on May 28, 1993;

Canada and the YTG entered into the Yukon Northern Affairs Program Devolution Transfer Agreement ("DTA") on October 29, 2001;

**NOW THEREFORE**, Canada and the YTG agree as follows:

**1.0 AMENDMENT OF DTA**

1.1 Clause 7.27 of the DTA is replaced with the following:

7.27 In respect of Global Resource Revenues derived in each fiscal year beginning in 2011-12, an amount equal to one-hundred (100) percent of Global Resource Revenues subject to offset shall be deducted from territorial formula financing payments from Canada as determined under Part I.1 of the *Federal-Provincial Fiscal Arrangements Act* (Canada).

7.27.1 For the purpose of 7.27, the Global Resource Revenues subject to offset in a fiscal year shall be:

- (a) the greater of:
  - (i) Global Resource Revenues less \$6 million; and
  - (ii) zero dollars, or,
- (b) upon the election of the YTG, Global Resource Revenues less the lesser of:
  - (i) 50 percent of Global Resource Revenues, and
  - (ii) 5 percent of the YTG's Gross Expenditure Base used in the determination of the YTG's territorial formula financing payment under Part 1.1 of the *Federal-Provincial Fiscal Arrangements Act (Canada)* for the fiscal year to which the Global Resource Revenues are attributable.

7.27.2 For the purposes of 7.27, Global Resource Revenues means the sum of Resource Revenues for a fiscal year as defined in this Agreement and Resource Revenues for the fiscal year as defined in The Canada Yukon Oil and Gas Accord signed by Canada and the YTG on May 28, 1993.

7.27.3 Unless otherwise agreed by Canada and the YTG, in calculating Global Resource Revenues for the purposes of 7.27.1(a)(i), the value of Land Revenues derived from the sale of a parcel of Public Land shall be the greater of:

- (a) the sale price of the parcel less
  - (i) an amount, agreed upon by Canada and the YTG, representing the fair market value, at the time of sale, of improvements made by the YTG in respect of that parcel, or
  - (ii) in the absence of such agreement, the fair market value, at the time of sale, of such improvements as assessed by a mutually agreed upon assessor; and
- (b) zero (0) dollars.

7.27.4 Global Resource Revenues does not include Land Revenues for the purposes of 7.27.1(b).

7.27.5

- (a) The Minister of Finance for Yukon may make the election in 7.27.1(b) by communicating it in writing to the Minister of Finance of Canada by December 1 of the fiscal year following the year in which the Global Resource Revenues in respect of which the election is made have been derived.
- (b) Once made, the election cannot be revoked, and the calculation of Global Resource Revenues subject to offset in all subsequent years shall be done pursuant to 7.27.1(b).

7.27.6 The YTG shall provide the Minister of Finance of Canada with an assessment of the amount of Global Resource Revenues derived in each fiscal year on or before December 1 of the following fiscal year.

## 2.0 AMENDMENT OF OGA

2.1 Clause 7.5 of the OGA is replaced with the following:

### *7.5 Revenue Sharing/Offset Arrangements*

In respect of Resource Revenues derived in each fiscal year beginning in 2011-12, Global Resource Revenues subject to offset will be calculated in accordance with 7.27 of the Yukon Northern Affairs Program Devolution Transfer Agreement signed October 29, 2001, as amended.

2.2 Clause 7.6(a) of the OGA is replaced with the following:

### *7.6 Formula Financing*

- (a) Resource Revenues, including earnings thereon and the tax bases associated with these revenues, shall not be included in calculations under Part I.1 of the *Federal-Provincial Fiscal Arrangements Act* (Canada).

2.3 Clause 7.7 of the OGA is replaced with the following:

*7.7 Benefits Provision*

After consultation with Yukon, those Benefits which are deemed by Canada to be inconsistent with similar practices elsewhere in Canada and which excessively reduce Resource Revenues which would otherwise accrue to Yukon, will be quantified by Canada and treated as Resource Revenues for the purposes of 7.27.2 of the Yukon Northern Affairs Program Devolution Transfer Agreement signed October 29, 2001, as amended, and subject to offset under 7.27 of that agreement.

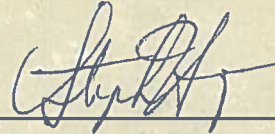
2.4 Clauses 3.9 and 7.8 are removed.

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## Signatures

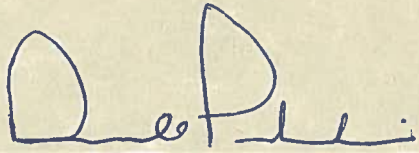


The Honourable John Duncan  
Minister of Aboriginal Affairs  
and Northern Development

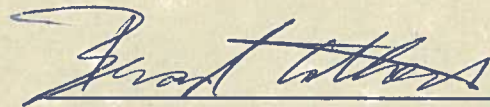


Witness  
The Right Honourable Stephen Harper  
Prime Minister of Canada

Date August 21, 2012



The Honourable Darrell Pasloski  
Premier  
Government of Yukon



Witness  
The Honourable Brad Cathers  
Minister of Energy, Mines and Resources

Date August 21, 2012