

2014 Northern Benefits Summary

Saskatchewan Mine Surface Lease Agreements

Representatives of the Northern Saskatchewan Environmental Quality Committee visiting legacy mine sites in Uranium City area.

NORTHERN SASKATCHEWAN

The northern half of Saskatchewan, a land of lakes and forests, is home to about 37,000 people who are mostly of Cree, Dené and Métis heritage.

Mining offers job opportunities for many residents of small communities in the north. There are seven mine/mill operations in the region. Uranium operations include the McArthur River mine, Key Lake mill, Rabbit Lake mine/mill, Cigar Lake mine and McClean Lake mill. The two gold operations are the Seabee gold mine and La Ronge Gold project (operations suspended at the latter in 2014). These sites employ over 3,400 people. Most workers fly in for a work rotation of one-week-in/one-week-out. They usually work 11-hour shifts each day.

TWO SOCIO-ECONOMIC BENEFIT AGREEMENTS

Every northern mine operation enters into two special partnership agreements with the Province of Saskatchewan. These agreements focus on maximizing northern employment, training and business opportunities and increasing communication. The intent is to help to develop a skilled northern mine labour force and contractor base, as well as increase the capacity over the longer term of individuals and communities in northern Saskatchewan. The agreements are:

The Mine Surface Lease Agreement
The Human Resource Development Agreement

Each year the mine operations report to the province on their best efforts in meeting their commitments to provide local benefits for northerners from their operations. This is a summary of industry's initiatives and the province's monitoring of achievements for 2014.

Industry Highlights 2014

Employment

- Employed 1,713 residents of Saskatchewan's north at northern mine sites. They form half of the total 3,464 mining workforce (Dec 2014).
- 43 per cent of all mine workers are of First Nations and Métis heritage

Training

- Partnered with the federal and provincial governments in Northern Career Quest Mining Project to train 1,385 aboriginal northern students during first two years
- Provided job advancement and on-the-job-training to employees
- Awarded over \$160,000 in post-secondary scholarships to northern students
- Awarded \$35,630 in school awards to 95 students in Grades 7 to 12 in the Athabasca Basin

Economic Impact

- \$420 million in goods and services purchased from northern companies and joint ventures
- \$98.7 million in wages paid to northern employees of mining companies
- \$6.2 billion spent on northern wages and purchases of goods and services since 1991
- \$43,500 cash and in-kind compensation paid to trappers who previously held the land

Public Involvement

- 87 visits with community leaders, residents and students

12 Agreements in Northern Saskatchewan

Projects and Operators

- Cigar Lake (Cameco)
- Key Lake (Cameco)
- La Ronge Gold Project (Golden Band Resources)
- McArthur River (Cameco)
- McClellan Lake (AREVA)
- Midwest Project (now part of McClellan Lake) (AREVA)
- Rabbit Lake (Cameco)
- Seabee (Claude Resources)

Decommissioning Projects

- Beaverlodge (Cameco)
- Cluff Lake (AREVA)
- Konuto (Hudbay Minerals)
- Parks Lake (part of Rabbit Lake) (Cameco)

Northern Administration District



Mine Surface Lease Agreement

- Enables long-term rental of Crown land for mining in Saskatchewan's Northern Administration District;
- Reinforces provincial control of the regulation of uranium mines;
- Obliges mine operators to use and report on their best efforts to maximize training, employment and business benefits for local communities; and is
- Signed by the mine owners, the Ministry of Environment (responsible for managing Crown lands) and the Ministry of Government Relations. The Ministry of Government Relations helps address government's desire to improve employment and economic opportunities in the north.

Human Resource Development Agreement

- Under the terms of the above lease agreement, each operator agrees to negotiate a human resource development agreement for each mine site. This agreement focuses on recruiting, hiring, training and job advancement opportunities for residents of Saskatchewan's north; and is
- Signed by the mine operator and the Ministry of the Economy – Canada-Saskatchewan Labour Market Services.

Agreement Commitments

Saskatchewan's policies work towards maximizing both economic and social opportunities from mining in the north to help ensure that communities prosper over the long-term. The agreements reinforce an industry/government partnership that enables more effective joint planning of long-term labour, training and contracting needs. The agreements also support and encourage communication amongst mining companies, communities and government.

All mining companies make four northern commitments:

1. Employment and job forecasting
2. Employee education and training
3. Business participation and opportunity forecasting
4. Compensation for income loss to a prior leaseholder

Uranium mining companies make these additional commitments:

5. Employee services
6. Education promotion
7. Community vitality
8. Public involvement

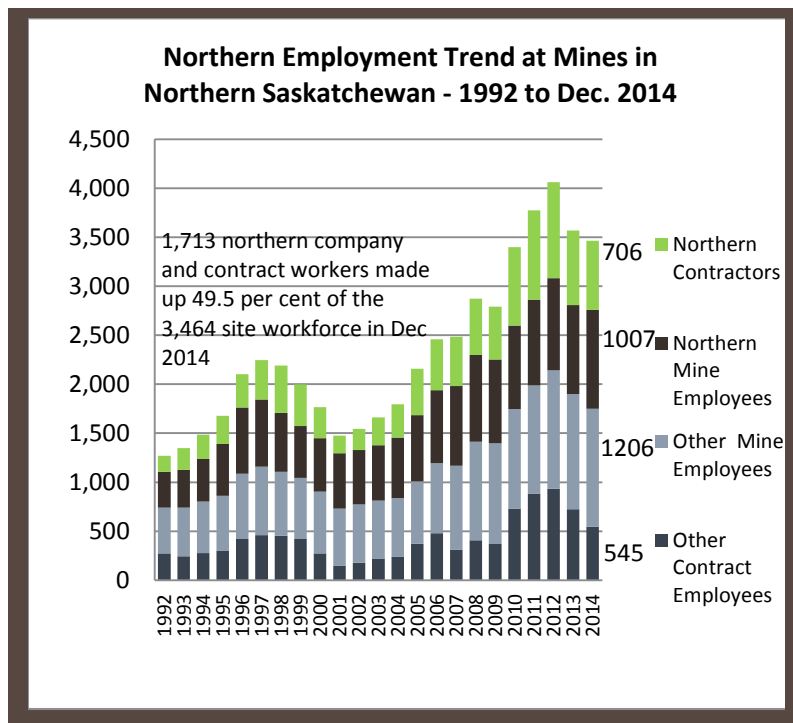
These agreements also require mine operators to report on each of these areas to the province. The information they provide makes it possible to measure industry-wide achievements, be accountable to the public and to plan or improve programs. Companies report quarterly on employment levels and annually on their overall progress and socio-economic initiatives. These initiatives are discussed in the following pages.

COMMITMENTS AND INITIATIVES IN 2014

1) Employment Commitment

In their mine surface lease agreements and human resource development agreements, all mining companies commit to work with the province, other mine operators and other agencies to use their best efforts to maximize northern employment. Uranium companies make an additional commitment to work towards a long-term goal of 67 per cent northern participation. The outcome of this cooperation is a northern workforce that has grown in numbers and in abilities. As of December 2014, the mining industry in northern Saskatchewan:

- Employed 1,713 northerners at mine sites: 1,007 were hired directly by companies and 706 by long-term contractors (in catering, janitorial, security, construction and underground mining). Northern employment at the mine sites averaged 49.5 per cent of the total 3,464 workers at sites. Construction contract employment decreased in late 2014 as Cigar Lake mine and McClean Lake mill transitioned to production.

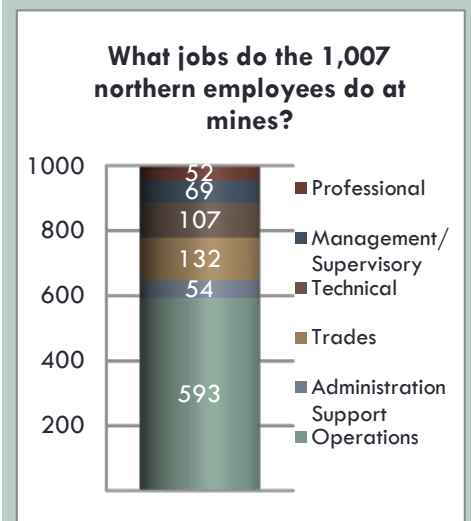


- Continued to be one of the largest employers of aboriginal people in Canada - about 43 per cent of all mine site workers are northerners of First Nations or Métis heritage.
- Employed 360 northerners in higher skills jobs in management, professional careers, technical positions and trades.
- Provided transportation to mine sites for workers from 13 northern communities and two southern communities.

Industry Initiatives 2014

Northern Employment

- Respected the terms of the human resource development agreements by maximizing hiring, job advancement and training opportunities for northerners in company and contractor workforces
- Gave preferential consideration in all job openings to northerners, particularly to those from the priority recruitment communities located nearest the mine sites
- Maintained nine offices in seven northern communities to assist in recruitment and communications. These are in La Ronge, Pinehouse, English River, Black Lake, Hatchet Lake, Fond du Lac and Stony Rapids
- Advertised jobs internally and in northern media and websites
- Maintained union agreements that give preference to northern and aboriginal workers in jobs, apprenticeships, recalls and retention during workforce reductions



For Recruitment Purposes a Resident of Saskatchewan's North is Defined as:

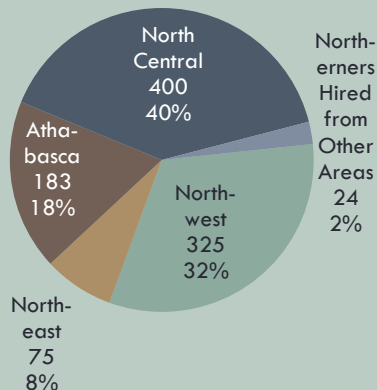
- A person who has resided in Saskatchewan's north for a period of 10 years or one-half his or her age, whichever is less. A person retains "northern status" if they:
 - needed to relocate outside of Saskatchewan's north for post-secondary education;
 - resided outside of Saskatchewan's north for less than five years; or
 - moved back to the north.

OR

- A northerner who is transferred to another mine or re-employed by a mine within the year and met the above criteria at the time of recruitment.



Where were the northern mines' 1,007 direct northern employees recruited from?



Job Forecast for 2015

Employment opportunities at the northern mine operations should continue to be strong in 2015 as Cigar Lake mine and McClean Lake mill continue to ramp up production.

Mine operators have forecast that they will create 71 new full-time and term job opportunities in 2015. As well, they plan to provide 65 summer student and intern/co-op student positions with the majority targeted for northern residents. These 136 total jobs will be in the positions listed in the table below.

Job Recruitment Forecast for 2015	
Supervisory Chief Power Engineer Mine Foreman Utilities General Foreman	Trades Carpenter Electrical Apprentice Electrician Heavy Duty Apprentice Heavy Duty Mechanic Plumber
Technical/Professional Engineer and Engineer Technician Environmental Technician Instrumentation Technologist Maintenance Planner Mechanical Engineer Technologist Metallurgist Mine Geologist Nurse Power Engineer and Trainee	Entry Level/Operations Chemical Lab Assistant Clerk Equipment Operator Mill/Process Operator Trades Helper Underground Miner Warehouseperson

Provincial Initiatives 2014

As a partner with mines in their mine surface lease agreements and human resource development agreements, the Government of Saskatchewan was also active in 2014 to help build a skilled workforce, a sustainable resource sector and a better quality of life for residents.

Training and Employment

- Funded \$612,000 in mine-related training under the **Multi-Party Training Plan (MPTP)**. Although the formal agreement expired in June 2014, partners continued to fund programs while they developed the next five-year plan. Training delivered through Northlands College included:
 - Mine engineering technologist year one and two;
 - Radiation environmental monitoring technician year one; and
 - Workplace education at mine sites.
- Opened the **Creighton Work Prep Centre** in fall of 2014. The centre helps workers get the training they need for industrial and construction jobs in northeast Saskatchewan. It is a partnership of Saskatchewan government, Saskatchewan Indian Institute of Technologies and aboriginal authorities.

2) Employee Education and Training Commitment

The mine surface lease agreements and human resource development agreements commit all mining companies to work with the province, other mine operators and training agencies to use their best efforts to maximize training and job advancement opportunities for northerners.

Mining companies collaborate in several major partnerships to help build a trained labour pool in the north from which the mining companies as well as other businesses can recruit skilled workers:

- **Multi-Party Training Plan** - During 2014, mining companies began a five-year projection of manpower and skill needs that will form the training plan of a new five-year MPTP agreement.
- **Northern Career Quest (NCQ) Mining Project** is an industry-led training program directed toward aboriginal residents in the northern half of Saskatchewan. This second phase of NCQ was to run from January 7, 2013, to June 30, 2015. Commitments for funding included up to \$8.9M by the federal government; up to \$1.5M by the provincial government; and up to \$10.2M by industry. During 2013 and 2014, NCQ served 1,385 clients in training:
 - 1,200 (87 per cent) gained employment, exceeding the target of 625;
 - Less than 3 per cent discontinued their program;
 - 98 were still in training; and
 - NCQ partners extended the program to May 30, 2016.
- **Northern Labour Market Committee (NLMC)** - AREVA, Kineepik Development Corporation of Pinehouse and the province co-chaired the NLMC in 2014 to plan training that aligns with the needs of northern businesses. NLMC celebrated its 31st anniversary in 2014.

Companies also worked with partners to provide innovative programs at their mine sites in 2014 that helped employees and contract workers build their skills while on the job:

- **Mill Utility Operator Training** - 11 northern students learned job skills at McClean Lake, increased their overall workplace essential skills and became familiar with life and work at a remote site. All of these students were hired in 2014. Given the success of the program, another program will be delivered with NCQ in 2015.
- **Apprenticeships** - 16 apprentices trained on the job at Cameco sites during 2014 and two of them achieved their journeyman certification. Nine more northern apprentices will be recruited in 2015 in partnership with NCQ.
- **Mill Operations Peer Training program** - senior, experienced mill operators, supervisors and trainers improved their skills as on-the-job trainers.
- **Workplace Education** - 88 apprentices and other workers at Rabbit Lake and McArthur River mines enrolled in training while on site to increase their academic levels to progress in their jobs.

Industry Initiatives 2014

Education and Training

External Training

- Provided 60 work placements for post-secondary students in Saskatchewan Indian Institute of Technologies, Northlands College and NCQ-funded programs: process operator, workplace readiness, mine mentoring, mine engineering technician, underground mining, radiation environmental monitoring technician and exploration technician
- Hired four northern graduates of engineering programs funded by four-year MPTP scholarships
- Provided a mine site as a post-secondary training facility for mill utility operator program

Employee Development

- Offered academic upgrading and workplace essential skills
- Delivered on-the-job training for workers to advance to new careers as power engineers, trades helpers and supervisors
- Delivered on-the-job development for workers in mining, process operations, mobile equipment operations, underground mining, trades and power engineering
- Supported a worker through university to transition to a professional health career
- Ensured safe workplaces by delivery of respectful workplace training, WHMIS, job hazard analysis, fall arrest, first aid, basic radiation safety, control of hazardous materials and emergency response training



Children of Fond du Lac, Black Lake, Hatchet Lake and Stony Rapids at the annual Pine Channel Spiritual Gathering on Lake Athabasca.

Industry Initiatives 2014

Education Promotion

- Awarded over \$160,000 in scholarships to northern students in technical and university programs
- Sponsored **Athabasca Education Awards Program**: \$35,630 in monetary awards and gifts to 95 students in Grades 7 to 12
- Shared career information with students during 18 school presentations and workshops
- Hosted two educational tours at mine sites for northern students
- Engaged over 450 students from Wollaston, Hatchet Lake, Fond du Lac, Black Lake and Stony Rapids in interactive **Science Camps**. U of S science students led two-hour spring workshops and one-week long summer camps. This initiative is delivered by AREVA, Cameco, Athabasca Health Authority and U of S

3) Employee Services Commitment

The mine surface lease agreements commit uranium mining companies to provide their employees with on-site services and counseling programs and to consider employee suggestions to enhance these services.

In 2014, Cameco was recognized for its exceptional working conditions and benefits, winning awards as a top employer, top employer for young people and best diversity employer.

Employee Services and Programs in 2014

Employment equity, diversity and respectful workplace policies and training sessions	Healthy living initiatives provide direction in nutrition, diabetes and fitness programs
Employee share ownership plans	Health, dental and wellness plans and retirement programs
Elder advisors at sites and community relations staff in communities to translate and share information	Recreation clubs and facilities including fitness centres, fishing boats, bicycles, libraries, movies and high speed internet access
Employee, family and financial assistance counseling	Rewards and bonus programs and other incentive plans

4) Education Promotion Commitment (Stay in School Program)

In their mine surface lease agreements, uranium mine operators commit to work with other companies, government and northern schools to plan and implement programs that encourage northern students to complete high school, pursue higher levels of education and consider professional careers related to the mining industry.

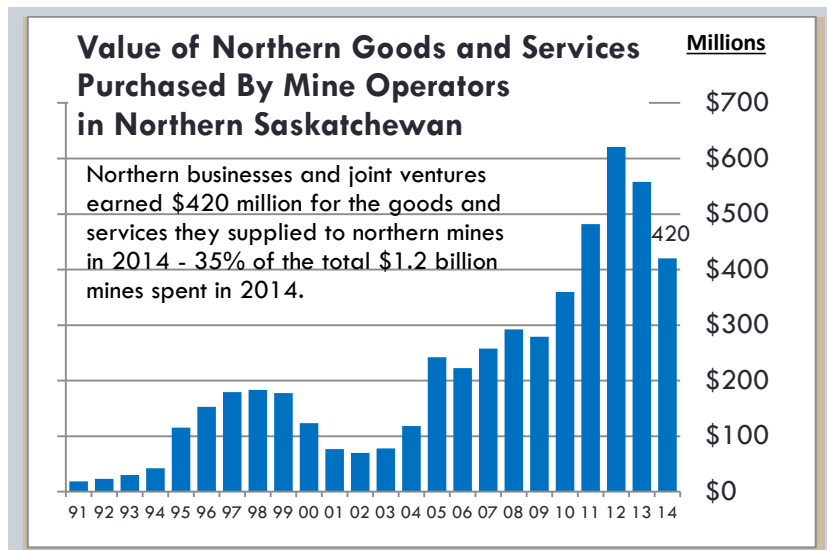
Some innovative programs for the north in 2014 included:

- **Science Ambassador Program** – Cameco and the University of Saskatchewan (U of S) sponsored six graduate-level students to deliver six weeks of math and science programming to students in Hatchet Lake, Fond du Lac, Black Lake and Stony Rapids.
- **Cameco Corporation Scholarship for First Nation and Métis Students** – funded by Cameco and administered by Indspire, a supporter of Indigenous education, this new scholarship will provide \$200,000 in scholarships over four years to aboriginal students from northern Saskatchewan. The second application deadline is November 1 and scholarships apply to all disciplines.
- **AREVA** awards over \$100,000 in scholarships each year to northern students. In addition, **AREVA, Cameco and Claude Resources** sponsor \$50,000 annually for 11 scholarships focused on engineering, geological sciences and business studies, with preference given to aboriginal or northern applicants.

5) Northern Business Participation Commitment

The surface lease agreements commit all northern mine operators to use their best efforts to encourage northern businesses and joint ventures to supply goods and services. Uranium operations make an additional commitment - to use their best efforts to achieve a goal of northern businesses annually supplying 35 per cent of the total goods and services to support their operations in northern Saskatchewan. The mine operators have met or exceeded this target for the past 20 years.

- In total, mine operators spent \$1.2 billion on goods and services in 2014, with \$420 million going to northern companies and joint ventures.
- Mines' purchases of goods and services from northern businesses and joint ventures peaked in 2012 during construction of capital projects for expanded and new mine facilities. Mine expenditures are now decreasing as projects are completed.



Business Forecast 2015 and Beyond

- In October 2014, McClean Lake mill packaged the first uranium concentrate from the new Cigar Lake mine. The mine and mill will continue to ramp up to their targeted annual production rate of 18 million pounds by 2018.
- Contracts to upgrade the McClean Lake mill are scheduled to be completed in 2016.
- Cameco is seeking regulatory approval to expand the tailings capacity at the Rabbit Lake site. Without the expansion, Cameco estimates production at Rabbit Lake would cease in 2018.
- Seabee gold mine started production at its Santoy Gap deposit in 2014. Record production levels are expected to continue in 2015.
- La Ronge Gold project was placed in care and maintenance mode in February 2014. Exploration is continuing to increase the ore base.
- In 2015, McArthur River will apply for approval to produce up to 25 million pounds per year to match Key Lake mill's production rate.

Industry Initiatives 2014

Business Capacity Building

- Maintained databases of preferred northern suppliers for tender invitations
- Hosted two mine tours for northern contractors
- Signed up new northern suppliers of concrete, electrical work and exploration services
- Referred small contractors for subcontracting opportunities
- Employed staff to work with northern suppliers and deliver northern supplier workshops
- Supported the **2014 Northern Opportunities Forum** in La Ronge to inform northern businesses about ways to become mine suppliers

Economic Impact

- \$98.7 million in wages paid to northern employees of mining companies (39 per cent of total wages)
- \$420 million in goods and services supplied by northern businesses and joint ventures (35 per cent of total purchases)
- In services alone, mines purchased 39 per cent of their total needs from northern businesses/joint ventures such as camp services, underground mining, flights and freighting. Mines purchased 24 per cent of goods from northern businesses/joint ventures such as fuels, office equipment and mining supplies.
- \$6.2 billion paid in northern wages and northern goods and services since 1991

Provincial Initiatives 2014

Environment

- Approved the Environmental Impact Assessments for:
 - the Roughrider Deposit to do an Advanced Exploration Program
 - the former Gunnar Uranium Mine site and the former Lorado Uranium Mill site located near Lake Athabasca to do remediation activities that reduce human and ecological health risks
 - the Key Lake Extension Project to increase the mill production capacity

Business

- Co-funded the **Northern Opportunities Forum** in October in La Ronge to share information on building supply chain networks and opportunities for northern businesses in the mining and forestry sectors

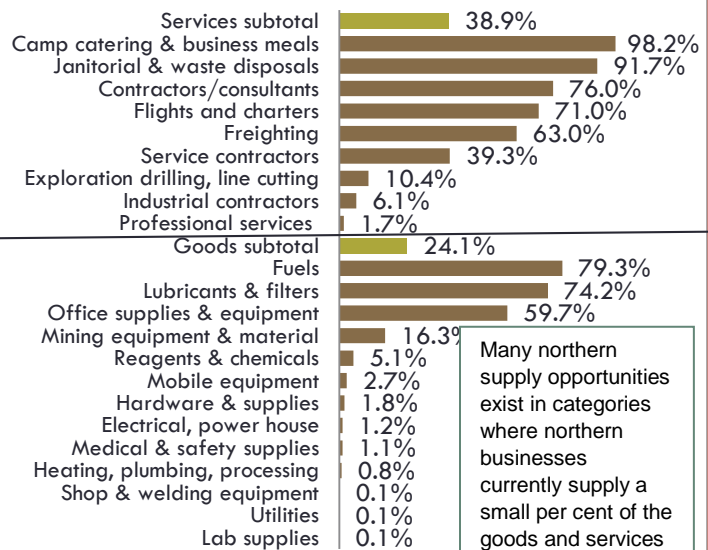
Education and Research

- Awarded \$29,050 to 92 northern students through the **Lieutenant Governor's Awards of Excellence** and the **Northern Saskatchewan Student Achievement Awards**. These awards complement the Athabasca Student Awards delivered by uranium mines
- Jointly funded and directed the **International Minerals Innovation Institute (IMII)** with Saskatchewan's mining industry. IMII committed \$6.6M for six education and training and two research and development projects, including:
 - \$1.8M over two years to Northlands College Mine School to expand facilities and programs and acquire state of the art mining equipment simulators.
 - Establishment of a mining engineering option through the U of S chemical, mechanical and geological engineering streams
 - Funding for an Introduction to Mining program delivered by two colleges, potash mines and aboriginal partners

Business Accomplishments and Opportunities

- **Services:** 39 per cent of all services needed by the mines were supplied by northern businesses and joint ventures. Northern businesses provided most of the freighting, flights, catering, janitorial, and mining services. Potential opportunities not yet fully filled by northerners include construction, maintenance, and exploration, as well as professional services in accounting, law, information technology and environmental consulting (see chart below).
- **Goods:** 24 per cent of all goods required by the mines were supplied by northern businesses and joint ventures. Some highly specialized and complex goods were procured elsewhere such as mining/milling equipment and chemicals. Northern opportunities could include supplying oils and lubricants, medical and safety equipment, pumps, general maintenance supplies, computers and office supplies.

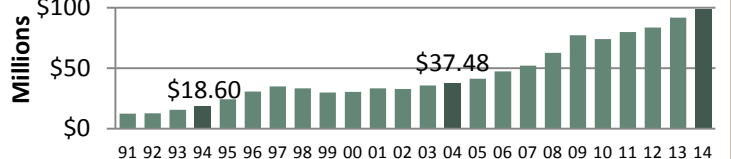
Percentage Northern Goods and Services Purchased - 2014 by category



Company Payroll to Northern Employees 2014

Mining companies paid a record payroll of \$98.7 million to their northern employees - or 39 per cent of the total expenditures on wages. This amount is almost three times the wages paid ten years ago. Contract workers' wages are in addition to this amount and are included in the value of goods and services.

Value of Payroll Paid to Northern Employees of Northern Saskatchewan mines



6) Compensation Commitment - Loss of Income

Each mining operation agrees to provide compensation for the loss of commercial income that results from their lease of the land. Payments are made to individuals who, immediately prior to the establishment of the mine surface lease, held a lease or permit to use the lands to generate commercial income, such as from trapping.



Bear and cub north of the Churchill River.

During 2014, the companies made cash payments of \$40,000 to more than 13 trappers and family members under six compensation agreements. They also provided fuel and other neighbourly services such as making roads available for

trappers to access their cabins and security checks and pest control of the trappers' buildings.

7) Community Vitality Commitment

The mine surface lease agreements commit uranium mining companies to assess community vitality challenges such as the social well-being and quality of life of residents. This commitment arose from recommendations of the joint federal-provincial panel on uranium mining developments in northern Saskatchewan in the 1990s. The vision for activities is to demonstrate that information related to uranium mining impacts and other community influences can be used to address and act upon issues of priority to northern communities.

The **Community Vitality Monitoring Partnership (CVMP)**:

- Involves government regulatory ministries, regional health authorities and uranium mining companies;
- Employs one staff to coordinate activities and share information with communities and other agencies;
- Funds pertinent professionals to undertake its major studies; and
- Maintains an information website at: www.cvmpp.ca/.

Community vitality initiatives for 2015 include:

- Revitalize the CVMP logo and website;
- Release and share the *Study of the Effects of the Uranium Industry Health and Wellness Programs*;
- Continue to work on recommendations from previous studies; and
- Continue building and developing partnerships that benefit northern Saskatchewan and assess the vitality of northern communities.

Industry Initiatives 2014

Compensation for loss of Income

- Trappers may continue trapping areas of the mine surface lease
- \$40,000 in cash payments
- Fuel valued at \$3,500
- Security checks of trapper cabins
- Road access to cabins
- Pest control in buildings

Community Vitality Initiatives

- Released the study *Cost of Poverty in Northern Saskatchewan: a Literature Review and Project Feasibility Assessment*. The study analyzed cost-of-poverty assessments by other organizations and identified best practices for such a project for northern Saskatchewan.

The study was made available to the provincial committee moving forward on a poverty reduction strategy for Saskatchewan.

- Prepared and shared a study that examined the media perception of news stories about northern Saskatchewan. Although half of all stories were found to have negative subject matter, the tone was positive or neutral
- Studied the role that mines' health and wellness programs and services have in supporting and promoting health in the northern workforce and their families. The study was released in 2015.
- Visited 18 northern Saskatchewan communities to share information during open houses and cultural and elders gatherings

Industry Initiatives 2014

Public Involvement

- Hosted 17 community open houses to share information on northern mine projects and workforce opportunities
- Made a total of 87 visits to northern communities to talk with leaders, residents and students at cultural events, career fairs, schools, workshops, meetings and open houses regarding mine projects, business opportunities and jobs
- Advertised jobs and scholarships in northern media such as newspapers, radio and websites
- Shared company news and information with northerners and employees by websites, YouTube, Facebook, local radio, *Opportunity North*, newspapers and employee newsletters
- Surveyed public opinion – 79 per cent of northerners polled in May supported continued uranium mining. The level of support has been consistent since 1990
- Hosted two meetings and two tours to Cigar Lake and McClean Lake sites for the **Athabasca Working Group**
- Hosted two mine site tours for Northern Saskatchewan **Environmental Quality Committee** representatives and sponsored travel for three of them to attend CAMA in Toronto

Contacts

- Government Relations: Municipal Relations and Northern Engagement 306-425-4283
- Economy: Canada-Saskatchewan Labour Market Services 306-236-7648
- Report available at www.saskatchewan.ca by using the search box

8) Public Involvement Commitment

The mine surface lease agreements also commit uranium mining companies to work with governments, regulatory agencies and community leaders to consult with and inform northerners about their operations in northern Saskatchewan. The companies report to the province and the public on their progress and activities each year.

During 2014:

- Uranium companies met with many municipal, Métis and First Nations leaders and community members, students, business owners, cabin owners, mine employees and northern trappers. They also shared information with the Athabasca Working Group during two meetings and tours of McClean Lake milling operation and Cigar Lake mine.
- Uranium companies shared project information at three meetings of the Northern Saskatchewan Environmental Quality Committee (NSEQC) including the first ever in-depth Uranium 101 workshop. The companies sponsored travel for three NSEQC representatives to attend the Canadian Aboriginal Minerals Association (CAMA) conference in Toronto in November. They also hosted tours of Rabbit Lake and Cigar Lake mine sites for NSEQC representatives.

Provincial Initiatives 2014

Engagement and Information Sharing

- Funded the operations of the **NSEQC** as a way to engage northern communities in government and industry decisions about northern uranium exploration and mining. This community advisory group is made up of representatives from 34 northern municipal and First Nations communities. The term of all representatives expired in November and the Minister appointed representatives for a new term to run until October 2015. Some communities took this opportunity to select new representatives.

Activities included visiting two mine sites, attending the annual CAMA conference, attending three regular meetings and a new event – the Uranium 101 (U101) workshop. The U101 workshop introduced representatives to uranium geology, mining, tailings handling, radiation, environmental assessments and industry regulations. Information was shared during the year in five newsletters to representatives, in five issues of *Opportunity North*, and in the NSEQC annual report to communities.

- Collected water and country food samples (fish, berries, and mammals) with local community members in the six Athabasca Basin communities in September. Samples were submitted to independent laboratories for chemical analysis. The results as well as raw data will be made available. This community program is part of the **Eastern Athabasca Regional Monitoring Program** funded by the Province of Saskatchewan, in partnership with Cameco and AREVA.