



# 2013 Northern Benefits Summary

## Saskatchewan Mine Surface Lease Agreements

A truck hauling mine equipment north

### 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. Job opportunities in many small communities are limited.

There are seven mine/mill operations in the region – five uranium and two gold - which employ over 3,500 people on-site. They are the McArthur River, Key Lake, Rabbit Lake, Cigar Lake and McClean Lake uranium mines and mills plus the Seabee and La Ronge Gold projects. 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. The agreements focus on maximizing employment and training and business opportunities at the mine projects in order to help achieve mutually beneficial northern development objectives for residents of the northern region. 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 achieving their socio-economic benefit commitments. This is a summary of industry's initiatives and the province's monitoring of achievements for 2013.

### Industry Highlights 2013

#### Employment

- 3,570 workers employed at northern mines (Dec 2013)
- 1,669 of workers are residents of Saskatchewan's north – 47 per cent of the mining workforce
- About 40 per cent of all mine workers are of First Nations and Métis heritage

#### Training

- \$11.4 million in cash and in-kind industry investment during the five-year Multi-Party Training Plan IV for training and work experience that prepares northerners for jobs
- Provided job advancement and on-the-job-training to employees
- Awarded \$153,000 in scholarships to 40 northern students
- Awarded \$43,498 in school awards to 88 students in Grades 7 to 12 in the Athabasca Basin

#### Economic Impact

- \$558 million in goods and services purchased from northern companies and joint ventures
- \$92 million in wages paid to northern employees of mining companies
- \$5.7 billion spent on northern wages and purchases of goods and services since 1991
- \$44,400 cash and in-kind compensation paid to trappers who previously held the land

#### Public Involvement

- 182 visits to community leaders, residents and students

## 12 Agreements in Northern Saskatchewan

### Operations and Major Projects

- Cigar Lake (Cameco - operator)
- 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 (HRDA) for each mine site. The HRDA focuses on recruiting, hiring, training and job advancement opportunities for residents of Saskatchewan's north; and are
- 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. Uranium mining companies make an additional four 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
5. Employee services (uranium mining commitment)
6. Education promotion (uranium mining commitment)
7. Community vitality (uranium mining commitment)
8. Public involvement (uranium mining commitment)

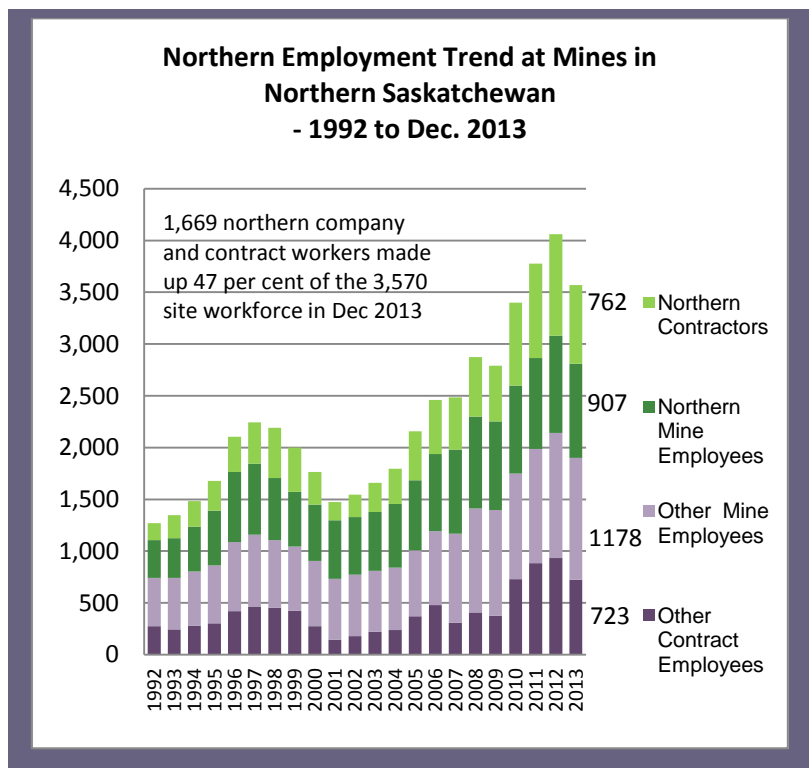
These agreements also require mine operators to report on each of these areas to the province. This enables measuring achievements, accountability to the public and the planning of programs. Companies report quarterly on employment levels and annually on their overall progress and socio-economic initiatives. These initiatives are discussed in detail in the following pages.

COMMITMENTS AND INITIATIVES IN 2013

**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 ability. As of December 2013, the mining industry in northern Saskatchewan:

- Employed 1,669 northerners directly with companies and as long-term contract workers (in catering, janitorial, security, construction and underground mining). Northern employment at the various mine sites ranged from 20 per cent to 54 per cent for an overall northern average of 47 per cent of the total 3,570 workers at sites. Contract employment decreased in late 2013 as Cigar Lake transitioned from construction to production.



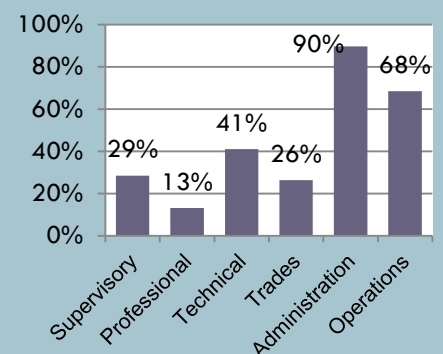
- Continued to be one of the largest employers of aboriginal people in Canada - about 40 per cent of the total mine site workforce is of aboriginal heritage;
- Employed northerners in 29 per cent of all management/supervisory jobs, in 41 per cent of all technical jobs and 26 per cent of all trades jobs. Northerners filled 68 per cent of all operations jobs and 90 per cent of administration jobs.
- Provided air transportation from 13 northern communities and two southern communities for workers to commute to mine sites.

**Industry Initiatives 2013**

**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 to northerners for all jobs particularly to those from the priority recruitment communities located nearest the mine sites
- Maintained eight offices in six northern communities to assist with recruiting and communications. They are in La Ronge, Pinehouse, English River, Black Lake, Hatchet Lake and Fond du Lac
- 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
- Visited two communities to assess and advise potential applicants

**Percentage of Mining Company Jobs Filled by Northerners - by category**



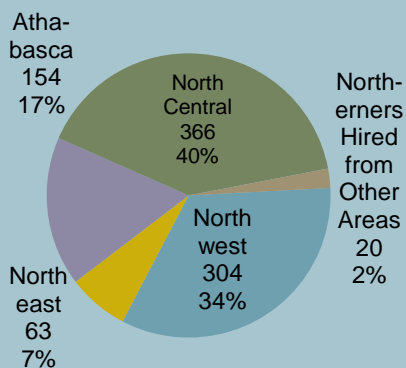
**For Recruitment Purposes a Resident of Saskatchewan's North is Defined as:**

- 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.

**Northern Mines' Direct Northern Employees - by Home Region When Hired - Dec 2013**



**Job Forecast for 2014**

Employment opportunities at the northern mine operations should continue to be strong in 2014 as Cigar Lake begins production and McClean Lake restarts its mill to process ore from Cigar Lake.

The mine operations forecast they will provide 39 summer student and intern/co-op student positions in 2014 with the majority targeted for northern residents. In addition, 107 new full-time and term job opportunities will be created in the following positions.

Job Recruitment Forecast for 2014	
<b>Supervisory</b> Mill Operations Supervisor Process Management  Quality and Compliance Coordinator Trainers	<b>Trades</b> Apprentices in Electrical and Mechanical (Automotive, Industrial and Heavy Duty) Electrician Industrial Mechanic Heavy Duty Mechanic Welder
<b>Technical/Professional</b> Instrumentation Technician Lab and Metallurgy Technician Maintenance Planner Metallurgist Mine Geologist Nurse Power Engineer and Trainee	<b>Entry Level/Operations</b> Clerk Equipment Operator Kitchen and Housekeeping Mill/Process Operator Planning Clerk Underground Miner Underground Equipment Operator

**Provincial Initiatives 2013**

As a partner in the mine surface lease agreements and human resource development agreements, the Government of Saskatchewan also undertook a variety of actions in 2013 to help build a skilled workforce, a sustainable resource sector and a better quality of life for residents.

**Training and Employment**

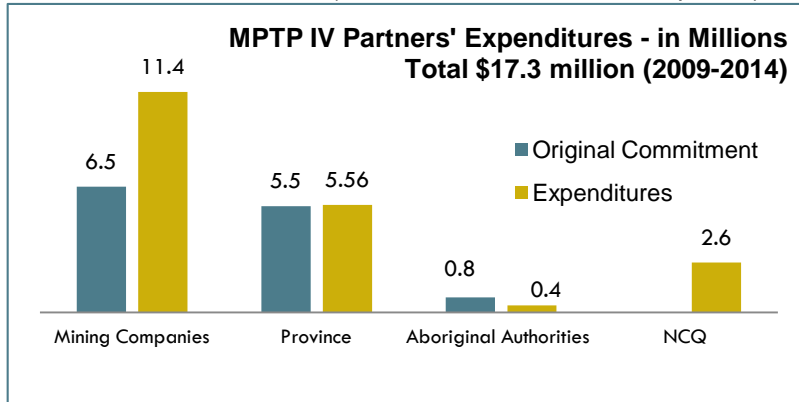
- Celebrated the 20<sup>th</sup> year of the Multi-Party Training Plan (MPTP), training northerners for jobs in the mining industry. Partners include gold and uranium mines, the province, Northlands College and First Nations and Métis authorities. During Phase IV (2009-2014):
  - \$5.56 million was spent by the province to train northerners;
  - 883 training seats were co-funded with a 75 per cent completion rate;
  - 70 per cent of enrolments were students of aboriginal heritage; and
  - 45 per cent of students in basic education and skill training programs gained employment while 43 per cent went on to further training.

## 2) Employee Education and Training Commitment

In their mine surface lease agreements and human resource development agreements all mining companies commit to working 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 Phase IV (MPTP IV) 2009-2014 -**  
 Partners provided \$17.3 million in cash and in-kind for training, work experience, tours and awards to prepare, attract and retain northerners for jobs at northern mines. Governments and training institutions contributed \$5.56 million, mining companies contributed \$11.4 million cash and in-kind and aboriginal organizations contributed over \$.4 million (note: this amount is under-reported).



- Northern Career Quest (NCQ)** - Provided \$2.6 million towards MPTP IV programs to train aboriginal people from the northern half of the province for jobs in the resource sector.
- Northern Labour Market Committee (NLMC)** - Mining companies, Woodland Cree Enterprises and the province co-chaired the NLMC to plan training that aligns with the needs of northern businesses. NLMC celebrated its 30<sup>th</sup> anniversary in 2013.

Companies also provided innovative programs at their mine sites in 2013 which helped employees and contract workers build their skills while on the job:

- Mill Utility Operator Training** - 23 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. Seventeen of these students were hired by early 2014.
- Long-term Apprenticeship Strategy** - 20 northerners are progressing through apprentice training at Cameco's sites. Three apprentices became journeypersons in 2013.
- Trades Helper Position** - McClean Lake resumed the trades helper position to help northern employees advance their skills and ultimately to progress on to apprenticeships.

## Industry Initiatives 2013

### Education and Training

#### External Training

- Provided 73 work placements for post-secondary students in carpentry, welding, chemical lab technician, radiation technician, mine engineer technician, security guard, underground mining and process operator programs
- Provided summer student employment and co-op education terms
- Provided \$11.4 million in cash and in-kind as mining companies' contribution during MPTP IV. Companies funded training and work experience that prepares northerners for jobs and awards and activities that encourage youth to stay in school
- Provided two mine sites as post-secondary training facilities for underground mining and mill utility operator programs

### Employee Development

- Offered academic upgrading and workplace essential skills
- Delivered basic orientation, safety training, radiation training and emergency response training
- Delivered on-the-job training in order to advance workers in new careers as chemical laboratory technicians, power engineers and supervisors
- Delivered on-the-job development in the areas of mining, milling, mobile equipment, underground, laboratory, trades and power engineering



Saskaloppet skiers in La Ronge

### Industry Initiatives 2013

#### Education Promotion

- Awarded 40 northern scholarships totalling \$153,000 to northern students in trades, college and university programs
- Sponsored Athabasca Student Awards Program: \$43,498 in cash and gifts awarded to 88 students in Grades 7 to 12
- Shared career information with students during 21 school presentations and workshops
- Hosted six educational tours at mine sites for northern students
- Engaged over 450 Athabasca students in Science Camps. University science students led two-hour spring workshops and one-week long summer camps. This is the eighth year of this initiative. It is delivered by AREVA, Cameco, Athabasca Health Authority and the University of Saskatchewan

### 3) Employee Services Commitment

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

Employee Services and Programs in 2013	
Elder advisors at sites and community relations staff in communities	Healthy living initiatives such as nutrition and fitness programs and fun-runs
Employee share ownership plans	Health, dental and wellness plans
Employee suggestion program	Retirement pension programs
Employment equity, diversity and respectful workplace policies and training sessions	Recreation options such as fitness centres, fishing boats, bicycles, libraries, internet and movies
Employee and family 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.

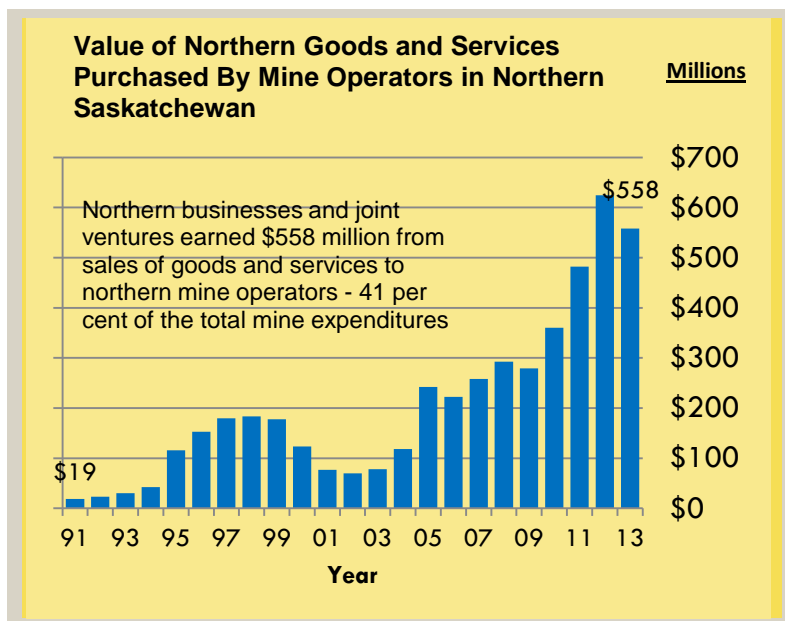
Some innovative programs for the north in 2013 included:

- **Science Ambassador Program** – Cameco and the University of Saskatchewan sponsored six graduate-level students to assist with six-week modules of science and math programming at four Athabasca schools in order to promote math and science careers.
- **Job Shadow Program** - AREVA hosted 30 northern students in Grades 10 to 12 for two-day visits to the McClean Lake mine. Students experienced life and work at a remote mine site and explored career opportunities in the mining industry.
- **The Claude Resources Award** - Matched by the Saskatchewan Advantage Opportunity and Innovation program, this award provides four \$2,500 annual awards in Mining Engineering Technology. Preference is given to students of First Nations or Métis heritage.

## 5) Northern Business Participation Commitment

In their surface lease agreements all northern mine operators commit 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 report annually on the achievements of the past year and forecast upcoming business opportunities.

- Mine operators spent \$1.36 billion on goods and services in 2013.
- \$558 million in goods and services was purchased from northern companies and joint ventures - 41 per cent of the gold and uranium mines' total expenditures.
- The value of northern goods and services purchased is the second highest on record, second only to the 2012 record of \$624 million. Northern businesses are those located in the Northern Administration District.



### Business Forecast 2014 and Beyond

- Mines' expenditures on goods and services are expected to decrease in the coming years as expansion and construction projects wind up. Contract construction employment levels will decrease as well.
- Projects completed in 2013 include the expansion of the McArthur camp, most of the construction at Cigar Lake and the decommissioning and demolition of the remaining infrastructure at Cluff Lake.
- In 2014 Cigar Lake is expected to transition to production.
- By 2016 upgrades to the McClean Lake JEB mill are scheduled to be completed.

### Industry Initiatives 2013

#### Business Capacity Building

- Maintained databases to use to tender to preferred northern suppliers
- Referred small contractors for sub-contracting opportunities
- Delivered northern supplier workshops
- Shared current and future business opportunities with contractors and members of the public attending workshops and forums

#### Economic Impact

- \$92 million in wages paid to northern employees of mining companies (36 per cent of total wages)
- \$558 million in goods and services supplied by northern businesses and joint ventures
- 41 per cent of total purchases of goods and services combined were from northern businesses. In services alone, mines purchased 49 per cent of their total needs from northern businesses/joint ventures such as camp services, underground mining, flights and freighting. Mines purchased 18 per cent of goods from northern businesses/joint ventures such as explosives, fuels and lubes
- \$5.7 billion paid in northern wages and northern goods and services since 1991

## Provincial Initiatives 2013

### Environment

- Approved Environmental Impact Assessment for new Millennium underground mine project
- Launched On-Line Services for clients to track the progress of their applications for mines and other projects
- Assessed country foods in the eastern Athabasca region (berries, fish, moose and barren-ground caribou) under the Human Health Risk Assessment and confirmed they are safe to eat for home consumption. The foods were collected by Athabasca communities including Black Lake, Camsell Portage, Fond du Lac, Stony Rapids, Wollaston Lake/Hatchet Lake, and Uranium City as part of the Eastern Athabasca Regional Monitoring Program

### Business

- Launched mine supply chain webpage and *Uranium Mining Supply Chain Requirement Guide* which includes information about opportunities to supply goods and services to uranium and potash mines  
[http://economy.gov.sk.ca/supply\\_chainopp](http://economy.gov.sk.ca/supply_chainopp)

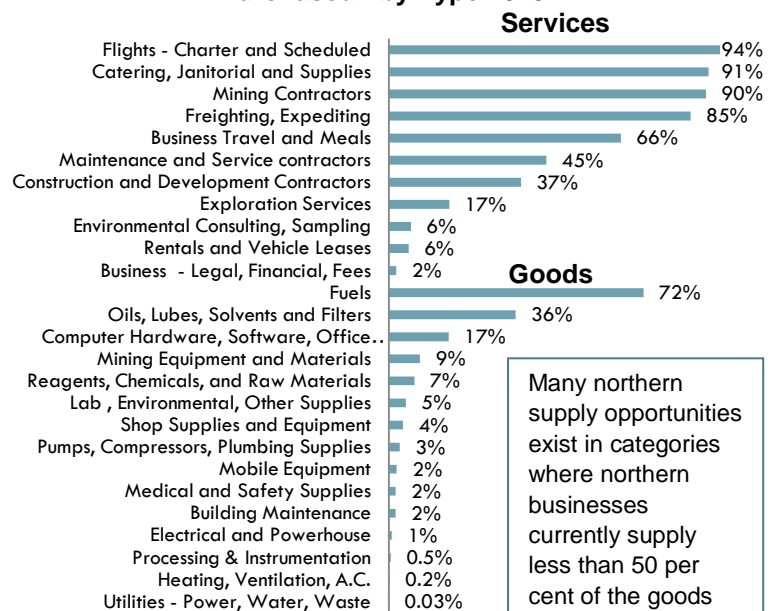
### Education and Research

- Awarded \$29,000 to 94 northern students through the Lieutenant Governor's Award of Excellence and the Northern Saskatchewan Student Achievement Award. These awards complement the Athabasca Student Awards delivered by uranium mines in the Athabasca basin
- Saskatchewan's mining industry and the province jointly fund and direct the International Minerals Innovation Institute (IMII) in order to develop and implement innovative training and research. IMII awarded \$1.8 million to Northlands College to expand its facilities and programs for mine training

## Business Accomplishments and Opportunities

- **Services:** 49 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, mining and business travel services. Potential opportunities not yet fully filled by northerners include services in construction and maintenance, exploration, vehicle rentals and business (see chart below).
- **Goods:** 18 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 outside the province such as mining/milling equipment and chemicals. But northern opportunities could include supplying oils, lubes, medical and safety equipment, pumps, general maintenance supplies, computers and office supplies.

### Percentage Northern Goods and Services Purchased - by Type 2013

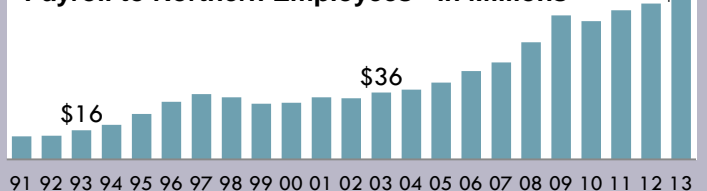


Many northern supply opportunities exist in categories where northern businesses currently supply less than 50 per cent of the goods and services

## Company Payroll to Northern Employees 2013

Mining companies' payroll to their northern employees was a record \$92 million – or 36 per cent of the total expenditures on wages. Total wages paid to mine employees are expected to continue to increase in 2014 as Cigar Lake begins production and McClean Lake mill restarts. This does not include contract wages.

### Payroll to Northern Employees - in Millions





## 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.



Wolf near a northern mine site

During 2013, the companies made cash payments of \$40,500 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

In their mine surface lease agreements uranium mining companies commit to assessing 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 process (CVMPP):

- 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/](http://www.cvmpp.ca/).

Community vitality initiatives planned for 2014 include:

- A report card of actions undertaken by various partners in response to the recommendations from *The Socio-Economic Impacts of the Modern Era of Uranium Mining on Northern Saskatchewan*;
- A project feasibility study focusing on the cost of poverty on northern Saskatchewan;
- A study focusing on the uranium mine worker health and wellness programs in northern Saskatchewan; and
- Monitoring media stories about northern Saskatchewan.

### Industry Initiatives 2013

#### Compensation for loss of Income

- Trappers may continue trapping areas of the mine surface lease
- \$40,500 in cash payments
- Fuel valued at \$3,900
- Security checks of trapper cabins
- Road access to cabins
- Pest control in buildings

#### Community Vitality Initiatives

- Updated the community vitality monitoring partnership process website to share information, reports and links to the mining industry and to community vitality-related sites
- Widely shared the report on *The Socio-Economic Impacts of the Modern Era of Uranium Mining on Northern Saskatchewan* with First Nations and Métis communities, municipalities, academic institutes and government. Feedback from community members, leaders and other organizations will be used to determine the next activities of the CVMPP
- Released a scan of mining industry investment into early childhood development as part of the study *Building a System for Sustained Knowledge Mobilization* in partnership with University of Waterloo and University of Saskatchewan
- Prepared a report to examine the *Supervisory Positions in the Uranium Industry: Opportunities and Challenges for Residents of Saskatchewan's North*

## Industry Initiatives 2013

### Public Involvement

- Hosted 20 open house meetings during annual northern community tours
- Made 182 visits to northern communities to talk with leaders, residents and students at cultural events, career fairs, workshops, meetings and open houses regarding mine projects, business opportunities and jobs
- Donated \$2 million for northern community projects
- Advertised jobs and scholarships in northern media such as newspapers, radio and websites
- Shared company news and information with northerners and employees by websites, You Tube, Facebook, local radio, *Opportunity North*, newspapers and employee newsletters
- Surveyed public opinion – 76 per cent of northerners polled support continued uranium mining
- Hosted four on-site meetings of the Athabasca Working Group
- Hosted six mine site tours for the Environmental Quality Committee and funded a trip for three to CAMA in Vancouver

### Contacts

- Government Relations: Municipal Relations and Northern Engagement 306-425-4283
- Economy: Canada-Saskatchewan Labour Market Services 306-236-7648
- Copies of report available at: <http://gr.gov.sk.ca/FNME/Northern-Engagement>

## 8) Public Involvement Commitment

In their mine surface lease agreements, uranium mining companies commit 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 2013:

- Uranium companies met with many municipal, Métis and First Nations leaders and community members, students, business owners, cabin owners and trappers in the north as well as mine employees. They also shared information with the Athabasca Working Group at four quarterly meetings which were held at mine sites.
- Uranium companies shared project information at two annual meetings of the Northern Saskatchewan Environmental Quality Committee (EQC) and sponsored travel for three EQC representatives to attend the Canadian Aboriginal Minerals Association (CAMA) conference in Vancouver. They hosted the EQC on tours to every northern uranium site under construction or in operation and to one site being decommissioned. The tours included the Cigar Lake, McClean Lake, Rabbit Lake, Key Lake, McArthur River and Beaverlodge sites.

## Provincial Initiatives 2013

### Engagement and Information Sharing

- Funded the operations of the EQC 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. Activities included six mine site tours, two EQC meetings, the annual CAMA conference and presentations at two Canadian Nuclear Safety Commission (CNSC) hearings concerning five project licensing applications. Information was published in the EQC annual report to communities, in five newsletters to its representatives and in five issues of *Opportunity North*.
- Released the *Proponent Handbook: Voluntary Engagement with First Nations and Métis Communities to Inform Government's Duty to Consult Process* to inform the public about consultations for mining and other projects.
- Co-hosted with Alberta the Northern Development Ministers Forum in Fort McMurray in Fall 2013 which showcased Alberta's oil sands and Saskatchewan's uranium industries.
- Partnered with northern development ministers across Canada to inventory benefit agreements between the mining industry and Canada's northern communities. More information is available at [www.focusnorth.ca](http://www.focusnorth.ca).