

Benefits from Northern Mining

2017 Summary

Mining in Northern Saskatchewan

The northern half of Saskatchewan is a land of lakes, forests, mineral resources, and natural beauty. It is home to about 40,000 people. The predominant cultures in the region are Cree, Dené, and Métis.

Mining is the major private industry in the north. In 2017, six operations employed 2,400 workers in mining, milling, and maintenance. Uranium operations included the McArthur River mine/Key Lake mill, Cigar Lake mine/McClean Lake mill, and Rabbit Lake operation (in care and maintenance). Seabee operation mined and milled gold.

Six more operations no longer have employees: Midwest Project, La Ronge Gold Project, Cluff Lake, Beaverlodge, Konuto, and Parks Lake.

Agreements in effect

The owners of these 12 operations entered into two agreements with the province for each site before operations began. These are the **mineral surface lease agreement** and the **human resource development agreement**.

The Ministries of Environment and Government Relations each administer sections of the mineral surface lease agreements. The main purpose of these agreements is long-term rental of Crown land for mining in Northern Saskatchewan.

The surface lease agreements also contain commitments for environmental protection, occupational health and safety, and socio-economic benefits for residents of Saskatchewan's North.

Each lease also requires the mining operator to have a human resource development agreement, administered by the Ministry of Immigration and Career Training. These focus on opportunities for northern training, employment, and job advancement.

Saskatchewan uses the mineral surface lease agreement to help residents of Saskatchewan's North benefit from mining operations in their region. After 30 years, the outcomes are: an increase in local skilled workers; competitive local suppliers; and better-informed communities.

Each year, the mining operations report to the province on their efforts in meeting their socio-economic commitments under these agreements. This document is a summary of their reports for 2017.



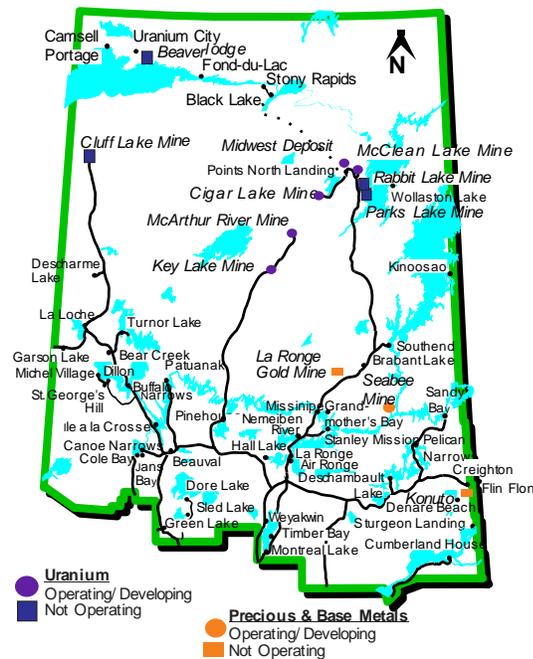
Native plant species used in reclamation and restoration at Rabbit Lake operation.

Partners' commitments

The parties to each mineral surface lease agreement make commitments for socio-economic benefits for Saskatchewan's North. The province commits to a spirit of cooperation with industry and to use best efforts in providing literacy and basic education.

The mining companies commit to their best efforts in maximizing opportunities in four areas: employment, training, business, and compensation to previous permit or leaseholders.

Uranium mining companies make four additional commitments for employee services, education promotion, community vitality monitoring, and public involvement.



Twelve mineral surface lease agreements are in effect for mine/mill operations in Northern Saskatchewan Administration District.

1) Employment commitment

All mining operations commit to work with the province, other mining 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 in their northern labour force.

In 2017, the mining industry in Northern Saskatchewan:

- Gave preferential consideration in all job openings to northerners, particularly those from priority recruitment communities located nearest to the mine/mill sites.
- Focused on contracting with service suppliers who employed northerners.
- Maintained seven offices and satellite offices in six northern communities – La Ronge, Pinehouse, English River, Black Lake, Hatchet Lake, and Fond du Lac.
- Employed three liaison staff in the Athabasca Basin to assist the seven Athabasca communities in recruitment, training, community investment, and engagement.
- Provided air transportation for workers to mine sites from 10 northern communities as well as Prince Albert and Saskatoon.
- Advertised jobs broadly on company websites, social media, radio stations, provincial papers, northern publications, and television scrolls.
- Assisted northern employees and other site workers with applications and interviews for internal career opportunities to help them advance their careers.
- Maintained union agreements that give preference to northern and Indigenous workers in jobs, apprenticeships, recalls, and retention during workforce reductions.

Definition of a "Resident of Saskatchewan's North"

For recruitment purposes, a "Resident of Saskatchewan's North" is defined as:

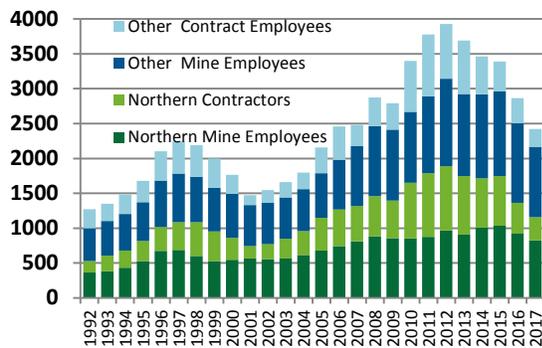
- A person who has resided in Saskatchewan's North for a period of 10 years or one-half his or her age, whichever is less. A person retains "northern status" if he or she:
 - needed to relocate outside of Saskatchewan's North for education;
 - resided outside of Saskatchewan's North for less than five years; or
 - moved back to the North.
- Or
- A northerner who is transferred to another northern mine, or re-employed by a mine within the year and met the above criteria at the time of recruitment.

Employment statistics

The northern workforce has grown in numbers and in abilities over the years – an outcome of the mining industry’s commitment to maximizing northern employment and advancement opportunities.

The industry workforce, however, has declined by 1,500 total jobs since a peak in 2012. The decline is the result of completion of construction projects and, since 2016, layoffs in response to a weak uranium market worldwide.

What is the long-term employment trend at mines in northern Saskatchewan?



As of December 31, 2017, the industry:

- Employed 2,423 people at mine sites in direct and contract jobs (400 less than a year ago).
- Maintained a high rate of northern employment – 48 per cent. Of the 1,159 northerners, 825 were employed by the mining operators and 334 by their long-term contractors (in catering, janitorial, security, construction, and underground mining).
- Achieved an Aboriginal participation rate of 41 per cent - one of the highest rates of Indigenous employment in Canada.
- Employed 362 females – they made up 15 per cent of the workforce. One-third worked in technical and professional jobs.
- Reported 69 per cent of northern workers continue to reside in the northern region.

Job forecast for 2018

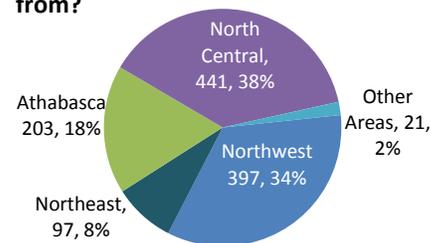
Employment opportunities at the northern operations will be limited in 2018 because of continued weak uranium markets.

In early 2018, about 800 workers at Key Lake and McArthur River operations were laid off temporarily for about 10 months, leaving a care and maintenance workforce of about 200. The operator plans to supplement Employment Insurance up to 75 per cent of regular pay for its direct employees and consider secondments or transfers to other sites as opportunities arise. Rabbit Lake mine continues in care and maintenance with a small workforce. Cigar Lake, McClean Lake, and Seabee operations plan to maintain their production and employment levels.

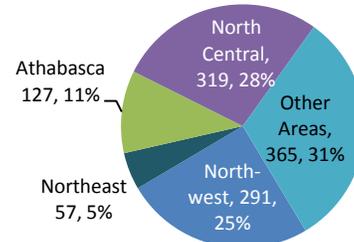
The mining operations report they will recruit for about 50 jobs, mostly to replace turnover – these are listed in the table below. As well, there will be about 30 summer jobs available.

Job Recruitment Forecast for 2018	
Supervisory Mill shift supervisor	Technical/Professional Environmental trainee Safety officer
Entry Level/Operations Housekeeping Kitchen Mill labourer/entry level Service/general maintenance operator Truck/ heavy equipment operator Underground miner	Trades Heavy duty mechanic Plumber

Where were the 1,159 northern mine employees and contract workers hired from?



And where do they live as of Dec. 31, 2017?



2) Employee education and training commitment

All mining operations commit to use their best efforts to maximize training and job advancement opportunities for northerners.

External partnerships

As partners in multi-party initiatives, mining companies help build a trained labour force in the North from which the mining companies and other businesses can recruit skilled workers. In 2017, mining operations:

- Provided 17 opportunities in work placements or summer jobs for students in tri-trades certification, industrial mechanic, power engineer, and radiation/environmental technician programs.

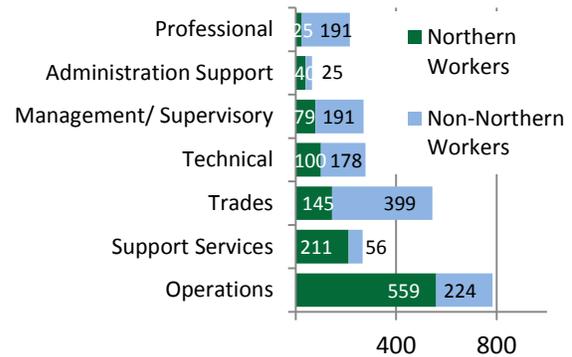
In-house employee development

- Delivered thousands of hours of skill advancement training for employees and contractors in underground mining, mobile equipment operations, trades, supervisory skills, and process operations.
- Ensured safe workplaces by delivering training for a respectful workplace, WHMIS, fall protection, first aid, radiation basics, control of hazardous materials, mine rescue, ventilation, underground hazards, and fire suppression.

Up-skilling employees

- Trained 17 northern apprentices as electricians, heavy-duty mechanics, industrial mechanics, welders, pipefitter/steamfitters, and scaffolders.
- Provided certified training to nine employees to help them advance within the companies as power engineers, environmental technicians, and mine engineer technicians.
- Supported 349 northerners in higher skill jobs in management/supervision, professional, technical, and trades categories. These northern workers made up 27 per cent of all workers in the higher skill levels. Other categories include Administration Support (clerks), Operations (mill, equipment, and mining positions) and Support Services (labourers, helpers, janitorial, and kitchen workers).

What types of jobs are at mining operations and how many people work in them? As of Dec. 31, 2017



Training forecast for 2018

- Collaborate with Northern Career Quest to offer northern employees training that will help them move up in their careers. Training plans include: mill operator; utility operator; environmental trainee; information technology; supervisor in training; and peer training/coaching and mentoring.
- Continue in-house training for apprentices, power engineers, and process operators, and deliver refresher training.

Provincial commitments

The government undertook the following education and training initiatives in 2017:

- Jointly funded second year of the Dené Teacher Education Program in La Loche.
- Funded \$1.55 million for the Following Their Voices initiative to raise educational achievement and participation of Saskatchewan's First Nations, Métis, and Inuit students. Northern schools included Canoe Lake, Cumberland House, Ile a la Crosse, La Loche, La Ronge, and Pinehouse.
- Awarded \$30,300 to 96 northern school students under the Lieutenant Governor's Awards of Excellence and the Northern Saskatchewan Student Achievement Awards.
- Matched donations of industry partners to award \$1,000 each to 100 high school students under the Saskatchewan Youth Apprenticeship (SYA) Industry Scholarships to encourage youth to enter skilled trades.

3) Northern business participation commitment

All northern mining operations 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.

As of December 31, 2017, the northern mining industry:

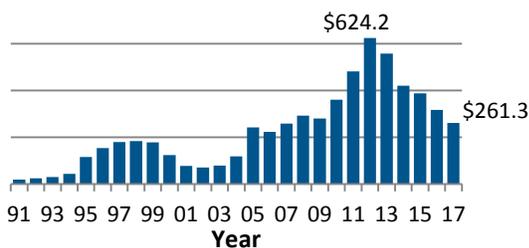
- Exceeded the target of 35 per cent northern procurement for the twenty-second year in a row, achieving 51 per cent in 2017.
- Maintained preferred supplier programs to maximize procurement from northern suppliers.
- Shared information about current and future business opportunities at meetings with communities, leadership, and partners in collaboration agreements.
- Employed staff to liaise with northern businesses.

Expenditure statistics

Over the years, the number of northern suppliers has grown and the variety of their goods and services has expanded. Many of the main suppliers are businesses owned by Indigenous persons or northern communities. In 2017, the northern mining industry:

- Reported total expenditures of \$515.1 million on goods and services.
- Purchased 51 per cent of their total goods and services - \$261.3 million - from northern businesses and joint ventures.

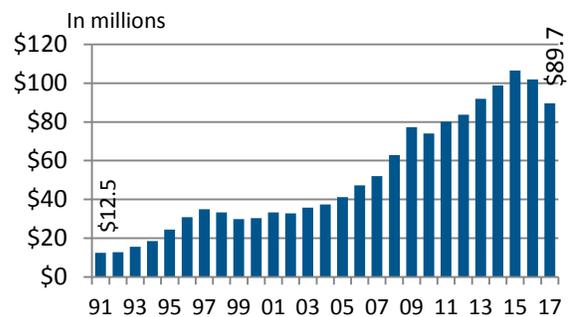
How much did northern businesses and joint ventures supply to mine operators in north Saskatchewan? In millions



- Maintained the long-term trend of high levels of northern purchases, although the amount has decreased since 2012. The decline in supplier purchases is due to the completion of mine construction projects and the slow-down in the uranium industry.
- Maximized northern participation in the categories of fuels, freighting, flights, catering, janitorial, environmental, industrial, and maintenance services.

Northern mining operations paid \$89.7 million in wages to their northern employees. Northern wages made up 36 per cent of the total \$251 million in wages. Although total and northern wages have declined, the values are double the wages paid in 2006. These amounts exclude contract payroll, which is included in business supply expenditures.

What did northern employees earn at Northern Saskatchewan mines?



Since 1991, northern mining operations have paid \$7.5 billion to northern employees and northern goods and services suppliers.

Provincial commitments

In business initiatives, the government:

- Co-hosted the 48th annual Saskatchewan Geological Open House in Saskatoon. The event highlighted new, high-quality geoscience data to support exploration programs and displayed advances in exploration techniques.
- Sponsored the ninth annual Saskatchewan Mining Supply Chain Forum with partners. Forum topics included mine supply opportunities and the first-ever Mining Innovation Boot Camp, featuring those able to assist and fund research and development.

Business Opportunities Forecast for 2018

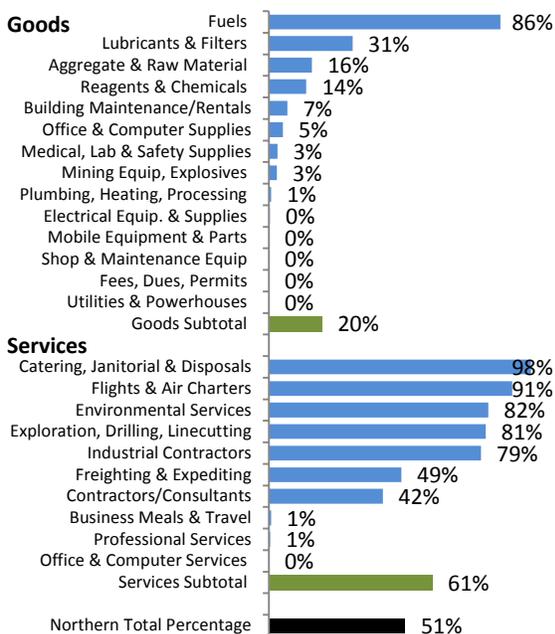
Mining operations report gold production will be slightly up in 2017 while uranium production will be down considerably.

Uranium companies continue their efforts to find savings because of prolonged low uranium prices and demand. Three uranium operations will be in care and maintenance shutdowns in 2018 - McArthur River, Key Lake, and Rabbit Lake. Cigar Lake mine, McClean Lake mill, and Seabee operation will be the only uranium and gold producers in the province.

With the shutdowns, mining operations will be purchasing fewer goods and services. Northern businesses will likely see significant reductions in both the number of opportunities and the volume of goods and services they supply such as in catering, janitorial, flights, freighting, and exploration.

Northern suppliers of goods could find new opportunities in categories where they had low participation rates in 2017 (see next chart). These include supplying aggregates; medical, laboratory, and safety supplies; pumps, electrical and shop supplies; and office and computer supplies.

What goods and services do northern businesses supply to the mines? Based on per centage of northern business by category in 2017



In service categories, potential opportunities include professional services in accounting, law, information technology, and environmental consulting.

Provincial commitments

In environmental and engagement initiatives, the government:

- Maintained competitive tax regimes, efficient permitting procedures, and certainty surrounding environmental regulations and land-claims. Because of these actions, the Fraser Institute named Saskatchewan the second-most attractive jurisdiction in the world for mining investment in 2017.
- Continued a contract with Saskatchewan Research Council (SRC) to manage remediation of legacy uranium sites under Project CLEANs. In 2017, SRC:
 - Continued work at several of the 35 satellite sites. They installed six stainless-steel caps and conducted water sampling and surveys of wildlife, vegetation, and heritage sites.
 - Oversaw regrading of tailings at Gunnar mine/mill, undertaken by contractor Fond du Lac Nuna Joint Venture.
 - Mentored five students from the Athabasca Basin in the Student Environmental Monitoring Program.
 - Toured northern leaders to the Gunnar mine/mill site.
- Renewed the Northern Saskatchewan Environmental Quality Committee program for five years and appointed people to represent 30 northern communities. The committee met in November to have questions answered and provide constructive input into uranium and other developments that they consider to have environmental interest.
- Sampled country foods (fish, berries, moose, and caribou) in Athabasca localities under the Eastern Athabasca Regional Monitoring Program between September 2016 and March 2017. All country foods were found to be safe to eat.

4) Compensation commitment – Loss of income

Each mining operation agrees to provide compensation for the loss of commercial income that resulted from their lease of the land. Payments are made to individuals who 1) held a lease or permit to use the lands immediately prior to the establishment of the mine’s surface lease; and 2) used the land to generate commercial income, such as from trapping.

As of December 31, 2017, the northern mining industry:

- Honoured five compensation agreements with trappers around six operations;
- Contributed over \$40,000 in cash payments;
- Provided fuel valued at over \$6,000; and
- Provided security checks of trappers’ properties.

5) Employee services commitment

Uranium mining operations 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 2017	
Employment equity, diversity, and respectful workplace policies and training sessions	Health, dental, and wellness plans, disability management, and retirement programs
Employee share ownership plans and bonus programs	Employee involvement in process improvements and innovation
Elder advisors at sites and community relations staff in communities to translate, share information, and provide support	Recreation clubs and facilities including fitness centres, fishing boats, bicycles, libraries, movies, and high speed internet
Employee and family counseling and resources for legal, financial, and work-related advice, and caregiver support	Healthy living initiatives to contribute to healthy lifestyles, nutrition, mental health, and fitness

Uranium operations are leaders in supportive and inclusive workplaces. For example, in 2017, Cameco’s initiatives earned the company several prestigious awards including being named among Canada’s Top 100 Employers; Canada’s Best Diversity Employers; Canada's Top Employers for Young

People; and Saskatchewan's Top Employers.



Northern Saskatchewan Environmental Quality Committee touring clean water released at McArthur River operation.

6) Education Promotion (Stay in School) commitment

Uranium mining operations 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. In 2017, the mining industry:

- Awarded or funded scholarships totaling \$47,000 to 23 northern students in technical and university programs including mine engineering technology, Bachelor of Science, process operations, and mental health and wellness.
- Awarded over \$20,000 to 84 students in Grades 7 to 12 to promote achievement and academic success among students in the Athabasca region.
- Since 2010, awarded 1,013 total awards and scholarships, worth \$1.5 million, to northern students.
- Made 17 visits to northern schools, career fairs, and science camps to increase career awareness and promote future opportunities in mining.
- Contributed to the Science Ambassador Program in Beauval, Pinehouse, Wollaston, Ile a la Crosse, Green Lake, Cumberland House, Buffalo Narrows, Stony Rapids, Black Lake, and Fond du Lac. The Science Ambassadors (senior university students) help students explore culturally relevant science activities to promote interest in science and math education. The experience also gives the Ambassadors new perspectives on learning and knowledge, and an appreciation for Indigenous cultures.

7) Community vitality commitment

Uranium mining operations commit to study the influence of operations on the vitality of communities in Northern Saskatchewan. To do so, the uranium industry funds the Community Vitality Monitoring Partnership (CVMP) of government ministries, regional health units, and uranium mining companies. CVMP works to identify and track indicators that provide insight into community vitality. People can use that knowledge to maintain and improve their quality of life.

In 2017, the CVMP:

- Maintained an information website at www.cvmpsk.ca/; and
- Collaborated with organizations on projects and information sharing, including International Centre for Northern Governance and Development, and the Northern Alcohol Strategy.

Plans for 2018

The CVMP plans to:

- Hold a workshop for stakeholders; and
- Begin a new project on *Sustainable Communities Beyond Mining* that will identify challenges and opportunities in building robust communities, independent of mining revenues.

8) Public involvement commitment

Uranium mining operations commit to work with governments, regulatory agencies, and community leaders to consult with and inform northerners about their operations in Northern Saskatchewan. In 2017, companies:

- Made 95 visits to northern communities, leaders, schools, cultural events, career fairs, and open houses regarding collaboration agreements, projects, employment, and career opportunities.
- Hosted three visits to mine/mill sites for community members, regulatory agencies, and a youth drumming group.
- Participated in the Environmental Quality Committee for Northern Saskatchewan to help bridge the information gap between northern communities, industry, and government.

2017 by the numbers:

- 1,159 northerners worked at sites
- 41 per cent of the total workforce were Indigenous northerners
- \$261.3 million in northern purchases
- \$89.7 million in northern wages
- \$67,000 in northern school awards and scholarships
- 95 northern community visits

- Surveyed public opinion in autumn and found that 82 per cent of Saskatchewan residents and 73 per cent of northerners supported the continuation of uranium mining in the province. The level of support has been consistent since 1990.
- Donated to programs and initiatives that benefit northern communities and children such as the Six Rivers Trust Fund, school trips, youth activities, graduations, cultural events, and science activities.
- Organized visits of northern leaders to key national decision-makers to establish relationships and identify opportunities for the North.
- Shared information on projects, jobs, health, safety, and environment with northerners and employees by websites, LinkedIn, YouTube, Facebook, Twitter, radio, email, magazines, *Opportunity North*, newspapers, brochures, and newsletters.

Outside of the expectations under mines' surface lease agreements, uranium operations signed a fifth collaboration agreement in 2017. These agreements benefit 17 of their key northern communities in employment, business, environmental stewardship, and communications.

For more information, contact:

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The summary is available at www.saskatchewan.ca by using the search box.