

Benefits from Northern Mining 2019 Summary

For more information, contact:

Ministry of Government Relations,
Northern Engagement Unit - 306-425-4200

Email: northernengagement@gov.sk.ca

Ministry of Immigration and Career Training,
Labour Market Services - 306-236-7648

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

Northern Saskatchewan Mining Operations

Northern Saskatchewan is known for its lakes, mineral resources, forests, and tourism. Northern Saskatchewan is home to approximately 40,000 people in over 50 municipal, First Nation and resort communities. The local cultures are mostly Cree, Dene, and Métis.

The mining industry workforce in northern Saskatchewan peaked in 2012 with approximately 3,900 people employed. In 2019, that decreased to approximately 1,750 due to low uranium prices. Uranium prices fluctuate based largely on worldwide supply and demand. Three mining facilities in northern Saskatchewan are operating at full production: Cigar Lake uranium mine with milling at McClean Lake mill, and Seabee gold mine/mill. The following three uranium operations are in care and maintenance: Key Lake mill, McArthur River mine and Rabbit Lake mine/mill.



Members of the Northern Saskatchewan EQC during a site visit to a mine in northern Saskatchewan

Aside from these operations, there are five leases that no longer have operations or employees: Beaverlodge, Cluff Lake, Konuto, La Ronge Gold Project, and Parks Lake are in various stages of decommissioning. A sixth lease, Midwest Project, is not yet developed.

Agreements

The owners of the 12 properties have entered into two separate agreements with the province for each site for the life of the operation. These agreements are called 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 (MSLA). These agreements serve the purpose of providing long term rental of Crown land for mining in northern Saskatchewan.

A mineral surface lease agreement helps residents of northern Saskatchewan benefit from mining operations in Saskatchewan's north. Residents benefit from training provided by the mining operations and the economic spinoff related to mining operations.

Through the MSLA, the companies also provide commitments for environmental protections for the life of the project, occupational health and safety protocols, socio-economic benefits for northern Saskatchewan residents and reporting requirements.

The human resource development agreements are administered by the Ministry of Immigration and Career Training. They focus on opportunities for training, employment, and job advancement for northern residents.

The mining operations report to the province on their best efforts in the socio-economic commitments listed in their mining agreements with the province of Saskatchewan.

Partners' Commitments

All parties involved with each mineral surface lease agreement make commitments for socio-economic benefits for northern Saskatchewan. The province commits to cooperating with industry and to use best efforts in providing basic education and literacy.

The mining companies have committed to using their best efforts in maximizing employment and training, utilizing northern businesses, and providing compensation to previous permit or leaseholders.

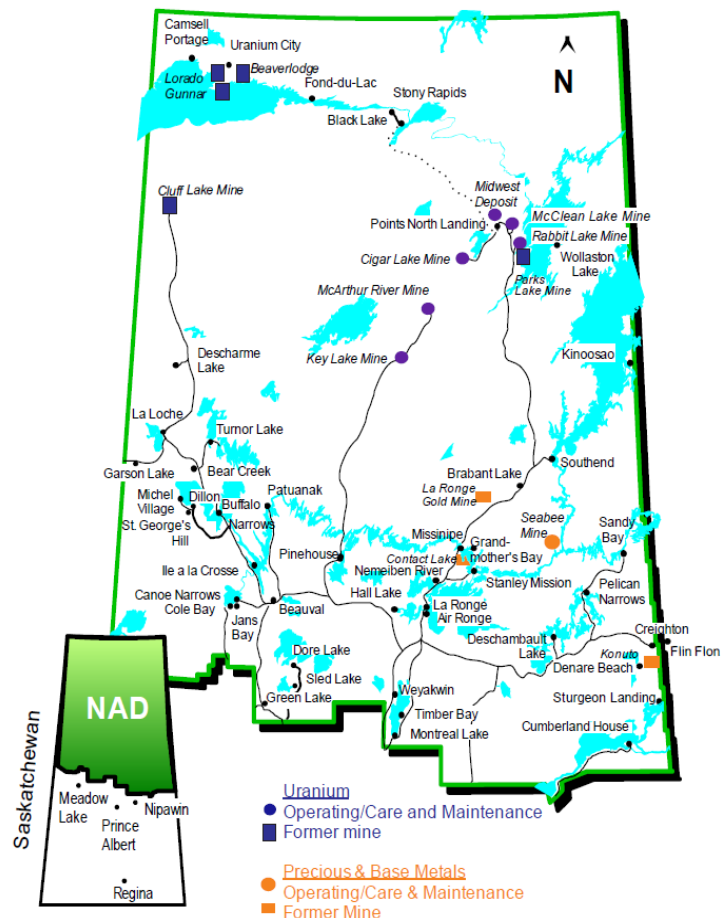
Uranium mining companies have made additional commitments for employee services, promoting education, community vitality monitoring and public involvement.

Employment Commitment

All mining companies operating in the Northern Saskatchewan Administration District (NSAD) have committed to use their best efforts to prioritize the employment of northern residents of Saskatchewan. Organizations involved in uranium mining have also committed to work towards a goal of 67% of NSAD employees in their work force. In 2019, in the mining industry in northern Saskatchewan:

- Northern mines offered priority consideration in all employment opportunities to northern residents from 16 communities in close proximity to mine/mill sites.
- Northern mines utilized best efforts in procuring goods and services from businesses with employees in the NSAD.
- Offices were located in the four northern communities of Black Lake, Fond du Lac, Hatchet Lake, and La Ronge.
- Employees were provided transportation to and from the mine and mill sites from nine northern communities, Prince Albert, and Saskatoon.
- Employment opportunities were listed on job websites, northern radio stations, social media, and community television scrolls.
- Advertisements were aired on local radio for northern scholarship applications. The advertisements were in the Cree, Dene, and English languages.
- Union collective agreements gave preference to northern and Indigenous workers for employment opportunities, apprenticeships, recalls and retention situations during workforce reductions.

Northern Saskatchewan Administration District



There are currently twelve mineral surface lease agreements in place in the Northern Saskatchewan Administration District.

Definition of a “Resident of Saskatchewan’s North”

For recruitment purposes, a “Resident of Saskatchewan’s North” (RSN) is defined as:

- A person who has resided in Saskatchewan's North for a period of 10 years or one-half their age, whichever is less. A person retains “northern status” if they:
 - 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.

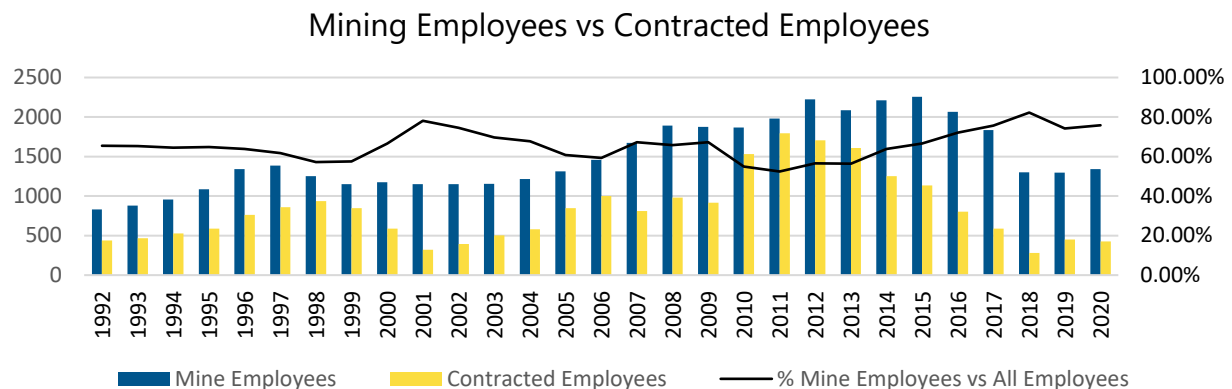
Or

- 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 chart below shows the fluctuations in the mining sector in northern Saskatchewan. The sector peaked in 2012 and has declined by approximately 1700 jobs. The decline is the result of the completion of construction projects and layoffs due to decreased demand for uranium worldwide. Worldwide demand for uranium is outside the control of any company.

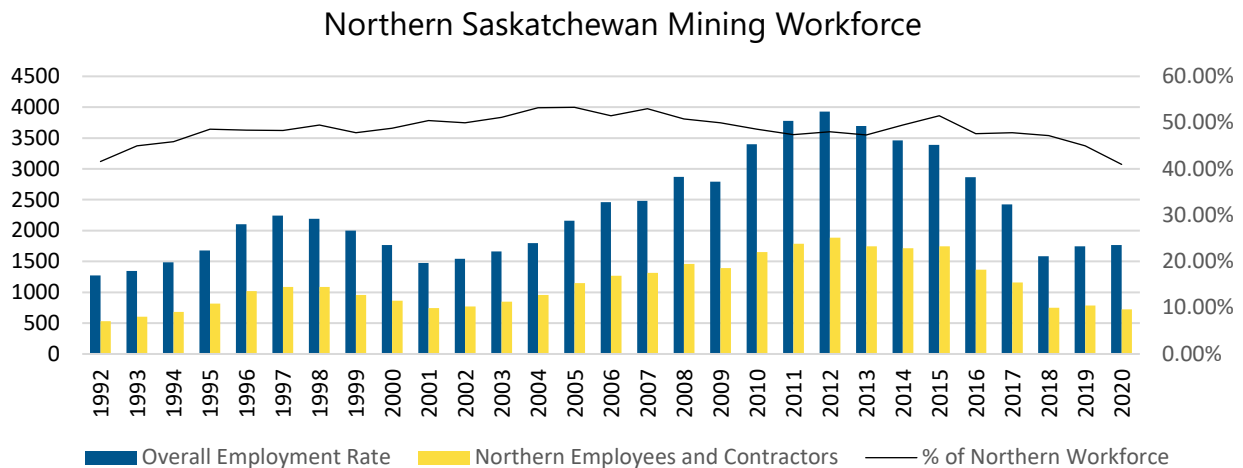
Sites presently in care and maintenance include Key Lake, McArthur River and Rabbit Lake. There is still a small workforce at each site, but none is producing ore.



Listed below are the employment statistics as of December 31st, 2019:

- There were 1,747 people employed (Including contracted employees) at the mine and milling sites in 2019. This is an increase of 164 positions from 2018. The majority of the increase was in contracted positions.
- Northern employment continued to thrive at a rate of 45%. Of the northerners supporting mine and milling sites, 544 were employed by mining operators and 786 were hired by contractors (catering, janitorial, security, construction and underground mining).
- Indigenous employment at the mine and mill sites in northern Saskatchewan was 44.8%. This was considered one of the highest rates in the Canadian industrial sector.
- 247 females were employed and contracted at the northern mine and mill sites. This worked out to approximately 14.1% of the workforce.

Job Recruitment Forecast for 2020	
Operations	Technical/Professional
Miner, equipment operator, mill operator	Environmental and geological technician, engineer, geologist, nurse
Entry Level	Trades
Mill utility person, labourer, kitchen and housekeeping worker	Power engineer, welder, plumber, carpenter, industrial mechanic, heavy duty mechanic



Job Forecast for 2020

Cigar Lake, McClean Lake, and Seabee operations plan to maintain their production and employment levels during 2020. Key Lake, McArthur River, and Rabbit Lake all remain in care and maintenance. There are no plans yet to restart the sites that are in care and maintenance. As a result, employment opportunities will be limited. Companies anticipate hiring a minimal number of workers, mostly to replace turnover.

Employee Education and Training Commitment

All mining operations in northern Saskatchewan have committed to their best efforts in training northern Saskatchewan employees for internal career opportunities.

Mine Operations Required Training

- All positions within the northern Saskatchewan mine operations have an orientation program designed to familiarize employees with general rules and regulations.
- Training for all personnel includes basic training, and occupational health and safety protocols designed to make all mine and mill sites a safe work environment.
- Some of the occupational health and safety training includes instruction for working at heights, emergency procedures, and mobile equipment training.

Training Programs

- Some of the training programs offered in the mine and mill sites were the Mill Utility Operator Training Program, the Environmental Trainee Program, and the Power Engineer Trainee Program. In addition to these programs, individual coaching and mentoring was also available. The Mill Utility Operator Program and the Environmental Trainee Program were offered in partnership with Northern Career Quest (NCQ) and therefore were contingent on available funding.
- For the future, some of the long-term training plans in development are the Information Technology Position Training Program, Supervisor-in-Training Program and Mill Operations Training Programs. These would be offered in partnership with NCQ and would be available as funding allows.
- On-the-job apprenticeship training programs were offered to northern Saskatchewan employees.
- The mining companies, with help from Northern Career Quest (NCQ), provided some training specifically for northern Indigenous employees.
- Other training exists for employees such as First Aid Training, CPR, Safety Culture Training, Rigging and Slinging, Electrical Awareness Training, Ergonomics, Health and Wellness, etc. Many of these training programs are transferable to other work sites and industries.

Success Stories in Northern Saskatchewan

Listed below are several achievements by residents of the NSAD in 2019:

- One Steamfitter/Pipefitter Apprentice completed and passed the interprovincial journeyman exam.
- One Heavy Duty Mechanic completed the fourth year of technical training.
- One Power Engineer Trainee attained Class 3 Power Engineer certification.
- One Power Engineer Trainee attained Class 4 Power Engineer certification.
- One Scaffolder Apprentice completed their second year of technical training.

Provincial Commitments

The Government of Saskatchewan took part in the following mineral- related educational opportunities:

- Partnered with the International Minerals Innovation Institute to provide scholarships to students interested in a career in the minerals industry and undergraduate students currently enrolled in one of three Mining Engineering Options at the University of Saskatchewan. The scholarships are part of a five-year initiative with over \$500,000 of committed funds.
- With trades employers, co-funded Saskatchewan Youth Apprenticeship Industry Scholarships of \$1,000 each to approximately 100 graduating high school students in Saskatchewan.
- Helped fund Mitacs, a not-for-profit organization. Mitacs builds partnerships that support industrial and social innovation in Canada.

Northern business participation commitment

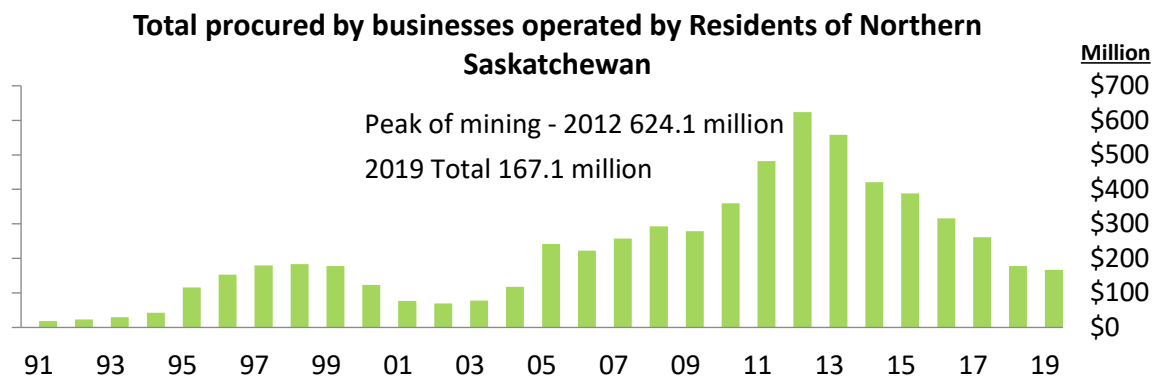
All northern mine operations commit to use their best efforts to procure products and services from businesses with a workforce based in the Northern Saskatchewan Administration District (NSAD).

Operations involved in uranium mining have committed to use their best efforts to work towards a goal that 35% of goods and services be provided by businesses with a northern Saskatchewan workforce. In 2019, the northern Saskatchewan mining industry's efforts resulted in a rate of 37.6% northern procurement. 2019 marks the twenty-fourth consecutive year their goal has been exceeded. Forecasts for 2020 and beyond have comparable procurement expectations.

Northern Procurement Statistics

Throughout the years, procurement of products from vendors with employees in northern Saskatchewan has fluctuated. 2012 was the peak of mining activity in northern Saskatchewan. The expenses paid on goods and services in northern Saskatchewan have followed that trend. Listed below is a summary of the 2019 procurement statistics from the mining industry in the NSAD.

- Total procurement of goods and services from businesses with employees in northern Saskatchewan by mining companies was approximately \$167.1 million.
- Northern goods and services accounted for 37.6% of total mining expenditures in 2019.
- Some of the top northern industries supported by the mining industry in northern Saskatchewan were consulting, airline, and freight industries, making up a total of approximately \$100 million.

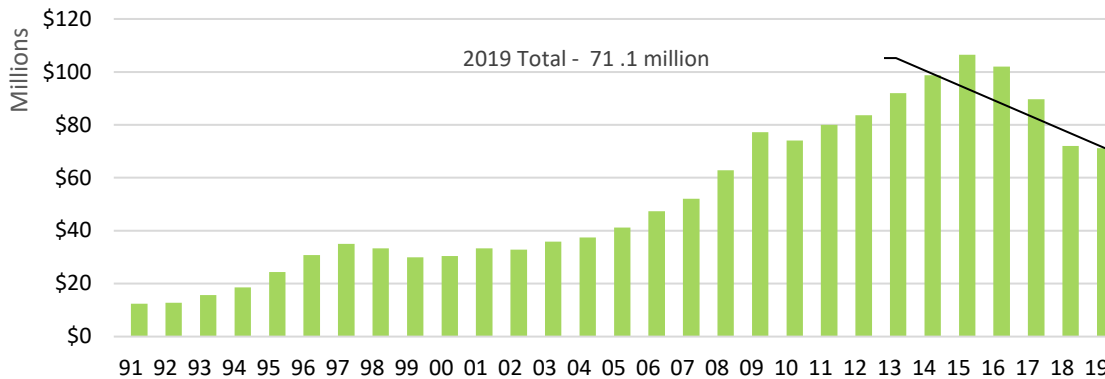


Additional Benefits and Supports

Wages from employment in mining in northern Saskatchewan was approximately \$191 million in 2019. Of this amount \$71 million was paid to residents of northern Saskatchewan. In addition to these wages, there were other benefits realized by northerners:

- Some full-time employees of mining operations were offered RRSP plans in which the company added matching funds.
- Full time employees had access to a variety of mental health supports including an employee and family assistance program (EFAP). The employees who utilized this benefit were able to receive counselling and a variety of other services.
- Indigenous Elders were available at some of the mine sites to provide advice and guidance for employees. The Elders employed at the mining operation sites speak Cree and/or Dene and English.
- Medical and dental benefits were provided to mine employees and their families.
- Some of the mine organizations offer retirement benefits and employee share purchase plans. The employee share purchase plans offer employees the chance to purchase shares and receive a matching contribution from their company. Both of these programs will help the affected employees support themselves during their retirement years.

What did northern employees earn at northern Saskatchewan mines?



Business Opportunities Forecast for 2020

Due to the continued low forecasted price of uranium, the forecasted wages and expenses of the mining operations are not expected to have a significant increase.

Compensation Agreements for Loss of Commercial Income

Mining operations are required to provide compensation for commercial income that has been affected by mining activities in northern Saskatchewan. 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.

During 2019, the northern mining industry:

- Contributed \$40,500 in cash payments meant to offset any financial losses due to mining operations; and
- Provided fuel valued at over \$4,800.
- Industry has provided over \$390,000 in total cash and in-kind compensation since 2011.

Employee Services Commitment

Uranium mining operations commit to provide their employees with on-site services and counselling programs and to consider employee suggestions to enhance these services.

Employee Services and Programs in 2019	
Employee Share Purchase Plans were made available to some mine site employees.	Scholarships have been provided to help mine employees provide education to their children.
Mining companies provide newsletters, social media and other types of communication to ensure that employees are kept up to date with mining operations.	Elders are available at some mine sites to provide advice and experience for individuals experiencing issues carrying out their responsibilities. Elders speak in English and Cree and/or Dene.
Recreation clubs are maintained to ensure employee wellness during non-work periods for employees.	Mining operations provide gym equipment and space to ensure the physical health of their employees.

Employee family plans have been available to ensure employees get access to important resources such as legal, financial, wellness and family support.	RRSP programs have been offered to employees, including plans with matching contributions by the employer.
--------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------

Education Promotion (Stay in School) Commitment

Uranium mining companies have committed to working with industry partners to implement programs that encourage northern students to complete high school, look towards post-secondary education and consider a profession in the mining industry. Listed below are some of the highlights for 2019.

- \$77,000 was given to northern students in technical and university programs. Funds are awarded from company scholarship programs as well as their contributions to collaboration agreement scholarships.
- Awarded approximately \$20,000 to about 100 students in Grades 7 to 12 to promote achievement and academic success among students in the Athabasca region.
- Since 2010, awarded over 1,300 total awards and scholarships, worth \$1.8 million, to northern students.
- Visits to northern schools, career fairs and science camps have increased awareness and provided future learning opportunities to students

Community Vitality Commitment

The uranium mining industry in Saskatchewan has committed to working with government agencies and industry counterparts to develop and fund a means to study the effects of uranium mining on the vitality of communities in northern Saskatchewan. As a result of this commitment, the Community Vitality Partnership Program (CVMP) was funded to study the impacts of mining operations.

- In 2019, the CVMP commenced a third-party report called “Sustainable Communities Beyond Mining”.
- The purpose of this report is to determine what challenges and opportunities are present in northern Saskatchewan. The goal is to help communities build sustainable economies independent of mining activities.
- Plans for 2020 include continuing studies on community vitality and sustainability of northern communities independent of mining activities.

Public Involvement Commitment

Uranium mining companies have committed to engage with and support northerners in the Northern Saskatchewan Administration District (NSAD). Some of the accomplishments are listed below.

- Regular meetings were held with the Business Advisory Committee of the Ya'thi Néné Collaboration Agreement.
- Participation in numerous public and community gatherings took place in 2019. Some of the meetings were designed to discuss issues related to mining in northern Saskatchewan.
- Presentations took place at “Core Days” (a mining conference held in the La Ronge region).
- Industry programs have been effective at providing the public with information related to mining, such as health and safety regulations, and key decisions within the mining industry.

2019 by the numbers:

- 917 northerners worked at sites
- 36.1% of the total workforce were Indigenous northerners
- \$167 million in northern purchases
- \$190.9 million in total wages
- \$71.1 million in wages to RSN employees
- \$105,732 in northern school awards and scholarships

Mining companies have worked to provide information as it pertains to environmental issues in northern Saskatchewan.

- Over \$27,000 was provided for northern cultural camps, breakfast programs, youth educational trips, elders’ gatherings, science programs and fairs, career fairs, fish derbies, and hoop dancing.
- Stakeholders have been provided opportunities to discuss issues, concerns and questions, or provide comments to the northern mining companies. This collaboration helps northern operations identify issues and provide responses.
- Information related to current and future projects, employment opportunities, health and safety, scholarships and the environment has been provided through various sources including MBC Radio, newspapers, magazines, *Opportunity North*, brochures, newsletters, Facebook, Twitter, Instagram, and in-person meetings.

In addition to the terms of the mineral surface lease agreements, uranium operations have five collaboration agreements in effect. The agreements benefit 17 communities within northern Saskatchewan in areas of employment, business, environmental stewardship and communications.