



COLLECTIVE AGREEMENT

**Term of Agreement:
January 1, 2013 – December 31st, 2017**

BETWEEN

Mount Polley Mining Corporation

AND

**UNITED STEELWORKERS
(On Behalf on Local Union 1-425)**

WITNESSETH: The general purpose of this Agreement is to secure for the Company and its employees the benefits of orderly and legal collective bargaining, and to ensure to the fullest extent possible the safety and physical welfare of the employees, economy of operation and quantity of production. It shall be the duty of the Company and the Union to cooperate fully, honestly and sincerely for the purpose of bringing about a better understanding and good relationship by which both parties will be benefited.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the parties hereto mutually agree as follows:

ARTICLE 1 - BARGAINING AGENCY AND RECOGNITION

- 1.01** The Company recognises the Union is the sole collective bargaining agency of the employees of the Company for the period of duration of this Agreement at Mount Polley, as certified by the order of the Labour Relations Board of the Province of British Columbia.
- 1.02** Non-bargaining unit employees may perform work covered by this agreement, as required, provided no bargaining unit employee will suffer a layoff as a result of this clause.
- 1.03** The company shall have the right to contract out all or any part of the Mount Polley Mine and the work covered by this Collective Agreement, provided no regular employee is laid off, or prevent his recall to his position at the time of layoff, as a direct result of the contracting out.

1.04 When the company retains contractors to supply services that may be performed by bargaining unit employees, and those contractors work more than 40 hours during a given month, the company shall pay monthly dues of one hundred dollars (\$100.00) per month per contractor employee. Warranty work and special projects are not considered bargaining unit work. This article shall apply only to non-union contractors and does not apply to:

Seasonal Tailings Dam Construction
Explosives Suppliers
Exploration Activities
Heavy Duty Tire Suppliers
Concentrate Haulage Suppliers

Environmental, Biological, Geotechnical and/or other contract services provided by a Professional individual or group.

ARTICLE 2 – DEFINITION OF EMPLOYEE

2.01 The word “employee(s)” as used in and for the purpose of this agreement shall include all production and maintenance employees in the Company’s Mount Polley Mine and Processing Plant, (hereinafter called the “Mount Polley Mine”) approximately fifty-seven (57) miles northeast of Williams Lake, British Columbia, except those excluded by the Labour Relations Code, shift bosses, foremen, persons above the rank of shift boss or foreman, office, clerical employees, technical employees (including assayers and buckers), engineering staff, metallurgical and geological staff, warehouse staff, purchasing staff, surveying staff and security guards.

2.02 Any reference to the masculine gender shall also refer to the feminine gender for the purpose of this agreement.

ARTICLE 3 – MANAGEMENT RIGHTS

3.01 Management retains all rights to manage the operation subject only to the provisions of this agreement and relevant legislation.

ARTICLE 4 – UNION SECURITY

4.01 Membership

The Company agrees that all employees covered under this Agreement, and all new employees hired subsequent to the effective date of this Agreement shall, as a condition of their hiring or continued employment:

- a. Authorize the Company in writing to deduct union dues from their pay. The Union will provide a *Check-off Authorization* to the Company for this purpose, the “copy” portion of which is to be mailed by the Company to the servicing staff office of the **United Steelworkers at 124C North 2nd Avenue, Williams Lake, BC, V2G 1Z6.**
- b. Become members of the union within thirty (30) days from their effective date of hire, and remain members of the Union in good standing.

4.02 Check-Off: Process and Procedures

- a. The Company shall deduct from the pay of each member of the bargaining unit, an amount equivalent to the monthly dues, fees and assessments prescribed by the International Constitution of the United Steelworkers of America.
- b. The Union will give reasonable notice to the Company of any changes in Union dues, fees or other amounts, which the Company is required to deduct. All changes will coincide with the beginning of the Company's next pay period.
- c. No later than ten (10) days following the last dues deduction of the month, the dues so deducted shall be made payable and remitted to:

International Secretary-Treasurer
United Steelworkers
P.O. Box 9083
Commerce Court Postal Station
Toronto, Ontario, Canada
M5L 1K1

- d. The monthly remittance shall be accompanied by a completed USWA R115 Form (a summary of the duties calculations made for the month, each month), as well as a statement showing the names of each employee from whose pay deductions have been made and the total deducted for the month. Such statements shall also list the names of the employees from whom no deductions have been made and the reason why, i.e. W.C.B., W.I., laid off, etc.
- e. A duplicate R115 Form and employee deduction statement as in d. above shall be forwarded by facsimile to:

United Steelworkers, Local Union 1-425, Attention: Financial Secretary at fax number 250-398-6218

- f. The company agrees to print the amount of total deductions paid by each employee for the previous calendar year on their annual statement of Remuneration (T4 Slip)
- g. The Union agrees to indemnify and save the Company harmless against all claims or other forms of liability that may arise out of, or by reason of deductions made or payments in accordance with this Article.

4.03 It is the parties' desire to establish and maintain excellent labour relations in the work place. To this end, the Union and the Company shall jointly acquaint new employees with the Collective Agreement. The Company shall introduce all new employees to the Steward on the crew to which they are assigned within the first rotation.

4.04 No person shall engage in any union activity on Company time on Company property except as expressly provided in this Agreement.

4.05 Upon receiving permission from his Supervisor, a Steward or Safety Representative may leave his work area or duties to attend union business or affairs. Such permission shall not be unreasonably withheld.

- 4.06** The Union shall promptly notify the Company, in writing, of the names of those who have been elected to the Executive or other Union Committees. The Company shall recognize them when so notified. The Company shall recognize one (1) Steward from each crew, one of which will be designated as the Chairman of the Grievance Committee. To be a Steward, an employee must have completed his probationary period.
- 4.07** Union Officials, upon presenting notification, shall be permitted to enter the Company's operations to carry out their duties as provided for in this Agreement. The Union agrees that their representatives must arrive at the Mount Polley Mine properly attired for a visit to an industrial work place and their visit shall not result in any adverse disruption of the Company's operations or affairs and employees shall not neglect their work duties and responsibilities.
- 4.08** The Company agrees there shall be no discrimination against any employee because of his legitimate activities as a member and/or representative of the Union.

ARTICLE 5 – HOURS OF WORK AND OVERTIME

- 5.01** The following paragraphs and sections are intended to define the normal hours of work and shall not be construed as any guarantee of work, or pay, or hours of work per day, per week, or of days of work per week.
- 5.02** The standard work week for all employees shall be forty (40) hours. The work week shall begin and end at 12:01 am Sunday except for agreed work schedules.
- The work day shall be the period beginning at an employee's regularly scheduled start time and terminating twenty-four (24) hours thereafter.
- 5.03** The Company will establish work schedules averaging not more than forty-two (42) hours per week. The Union agrees to jointly apply with the Company for any necessary governmental approval of schedules in excess of forty (40) hours per week. Before implementing any major change of schedule, the Company will discuss and agree to the proposed schedule with the Union.
- 5.04** a. 7x7 shifts will consist of twelve (12) consecutive hours in any twenty-four hour period based on a work cycle which is seven (7) shifts on followed by seven shifts off averaging forty-two (42) hours per week commencing with the start of the work cycle. Employees shall be paid at straight time for the first eighty (80) hours and overtime for the additional four (4) hours (the hours of work are averaged over the work cycle). There shall be two (2) thirty (30) minute lunch breaks on company time during which the employee shall continue all necessary supervision of machinery and maintenance of services. Employees who are directed by the Company to work through their scheduled lunch breaks and are not provided the opportunity for a break immediately before or after their scheduled lunch break(s) shall be paid at the applicable overtime rate of pay.
Employees who do not work all the regularly scheduled hours in the work cycle will not be eligible for the scheduled overtime associated with the averaging agreement.
- b. An employee on 12 hour (7x7 shifts) shall commence and end his shift at the worksite.

- c. Employees on dayshift schedules may also be scheduled on 8x10 hour shifts with overtime only after the ten (10) hours have been worked. This shift will be eight (8) days worked followed by six (6) days off. The shift will be of 10 hours duration averaging forty hours per week. There will be one paid lunch break of one-half hour.

5.05 Overtime will be paid for all hours worked by an employee for any of the following reasons:

1. Hours worked in excess of scheduled hours.
2. Hours worked beyond eighty (80) straight time hours in the work cycle.
3. Hours worked beyond or after an employee's regular shift.
4. Double time after twelve (12) hours worked in a day.
5. An employee who works on a regularly scheduled day of rest during the work cycle will be paid at 1 ½ times the employee's regular rate of pay for all time worked on the first extra working day, and 2 times the employee's regular rate of pay for each subsequent day(s) worked during that cycle. This overtime shall be paid in the pay period following the next work cycle.
6. All overtime will be distributed as equitably as possible among the employees in a particular job classification.

5.06 Overtime shall not be paid more than once for the same hours worked and there shall be no pyramiding of overtime or other premium pay.

5.07 An employee who reports for work on his regular shift, without having been notified that no work is available, shall be paid four (4) hours pay at his regular rate of pay.

5.08 An employee who is called to work at other than his regular shift will receive his minimum pay of four (4) hours at one and one-half (1 ½) times his basic rate when he reports to his place of work. If the work he reported for is contiguous with his regular shift he will revert to his regular straight time pay at the beginning of his regularly scheduled shift. In any event he will be paid the 4 hours as per the first sentence.

5.09 (a) If an employee is given less than forty-eight (48) hours notice of a shift change, which provides twelve (12) or less hours of rest between shifts, the employee shall receive one and one-half (1 ½) times his basic rate for all hours worked on the first and second shift of the change. A shift change occurs when an employee's start and finish times are both changed.

(b) If an employee is given notice of a rotation change he/she shall not work more than seven (7) days in the pay period. A minimum of forty-eight (48) hours written notice and non-working break must be provided to the employee affected prior to commencing work on the new rotation.

If said employee is requested to work for the efficiency of the operation, the employee will be paid as per Article 5.05.

5.10 Employees working unscheduled overtime for more than two (2) hours beyond their normal shifts shall be entitled to a fifteen (\$15.00) meal allowance.

5.11 Whenever possible, employees shall be provided the opportunity to perform work, on an overtime basis if required, that is normally performed by bargaining unit employees.

Warranty work and special projects are not considered bargaining unit work.

ARTICLE 6 – STATUTORY HOLIDAYS

6.01 Employees shall receive their regular daily pay for each of the following holidays subject to the provisions set out below. Employees will be paid for the holidays on the day on which they fall.

New Years Day
Family Day
Good Friday
Victoria Day
Canada Day
BC Day

Labour Day
Thanksgiving Day
Remembrance Day
Christmas Day
Boxing Day

6.02 For all work performed on a Statutory Holiday, an employee shall be paid the 1-1/2 times his regular rate.

6.03 In order to qualify for Statutory Holiday Pay, an employee must have worked his last scheduled shift prior to, and his next scheduled shift after, such holiday except for reasons acceptable to the Company such as illness or injury. Proof will be required.

6.04 To qualify for Statutory Holiday pay, the employee must have been on the Company's payroll continuously for a period of thirty (30) days prior to the holiday.

6.05 When a Statutory Holiday falls within an employee's vacation, his vacation may be extended, upon request, by an equivalent number of days as are designated as Statutory holidays. The employee shall receive pay for those days according to 6.01. The statutory holiday may be taken immediately prior to or immediately on termination of his vacation.

ARTICLE 7 – VACATIONS

7.01 For the purpose of Article 7 the Anniversary Date shall be the date of hire.
It is understood and agreed that effective on the employee's anniversary date in 2008 that in calculating vacation pay "total wages" includes vacation pay.

7.02 Employees with one (1) or more years of service, as of their anniversary date shall be granted vacations as follows:

Completed Years of Service	Working Hours of Vacation	Wages Including Vacation Pay
1	80	4%
2	80	4%
3	120	6%
4	120	6%
5	120	6%
6	120	6%
7	160	8%
8	160	8%
9	160	8%
10	160	8%
11	160	8%
12	180	9%
13	180	9%
14	180	9%
15	180	9%
16	180	9%
17	180	9%

Years	Accrual
1	4%
2	6%
3	6%
4	6%
5	6%
6	8%
7	8%
8	8%
9	8%
10	8%
11	9%
12	9%
13	9%
14	9%
15	9%
16	9%

This applies to all employees hired after December 1, 2004.

The Company shall have a reasonable attitude toward requests for additional leave of absence to make up full days vacation.

- 7.03** a. The parties recognize that operational requirements will govern vacation schedule. Employees shall be required to submit their choices of vacation time prior to March 31st of each calendar year in which the vacation shall be taken. Preference of vacation times shall be allocated in seniority order within each department.
- b. The Company shall have the unilateral right to schedule up to one-half (1/2) of an employee's annual vacation time during a maintenance or economic shutdown or reduction of forces, provided it gives thirty (30) calendar days advance notice.
- 7.04** All employees shall be granted and shall take their full vacation entitlement each vacation year.
- 7.05** Employees who leave the service of the Company shall be paid vacation pay at the time of severance in accordance with the provisions of article 7.03.
- 7.06** An employee may elect to be paid his/her vacation pay from one of the following three options:
- a. Full vacation pay to be paid on the payday immediately following his/her anniversary date, unless the Company is notified in writing to hold the vacation pay prior to the employee's anniversary date.
- b. Full vacation to be paid in the period which the employee notifies the Company when he/she wishes to received the earned vacation pay.

- c. Vacation to be paid as if the employee worked the day. Vacation will be reconciled at the end of each employee's vacation year.

Implementation of Vacation Pay payment (Article 7.06) to occur within 3 months of ratification of this agreement.

ARTICLE 8 – SENIORITY

8.01 An employee will have Company seniority and Departmental seniority. Company seniority means the length of an employee's continuous employment with the Company at the Mount Polley Mine. Previous service at the Mount Polley Mine prior to a termination of seniority under clause 8.03 will not be counted in determining seniority. Departmental seniority means the length of an employee's continuous employment within his department.

Subject to Clause 8.02 hereof, the Departments will be the Mine Operations, Mine Maintenance, Mill Operations and Mill Maintenance.

8.02 The Company may, in its discretion, from time to time, enlarge or decrease the scope of the existing departments, reduce the number of existing Departments or increase the number of existing departments, provided an employee's seniority in his department is not reduced as a result of the Company's decision.

8.03 The seniority of an employee shall be completely lost and his employment shall be deemed to be terminated if he:

- a. quits;
- b. is discharged and not subsequently reinstated through the grievance procedure;
- c. takes an unauthorized leave of absence for three (3) or more work days;
- d. is retired;
- e. is laid off by the Company for a period of more than:
 - i) six (6) months where the employee has less than two (2) years Company seniority;
 - ii) one (1) year where the employee has more than two (2) years Company seniority;
- f. fails to satisfy the recall provisions of Clause 13.02;
- g. is absent due to non-occupational injury or illness for a period in excess of one (1) year, and cannot return to work in the reasonable foreseeable future and cannot be returned to work pursuant to the duty to accommodate;
- h. accepts employment with another employer while on a leave of absence;
- i. is absent due to occupational injury or illness which occurs while the employee is performing work for the Company, for a period in excess of three (3) years; or
- j. does not return to work as required at the end of an authorized leave of absence, except in the case of unforeseen circumstances beyond his control.

8.04 Seniority shall be maintained and accumulated, subject to any legal duty to accommodate, during:

- a. absence due to an occupational injury or illness, which occurs while the employee is performing work for the Company, for up to three (3) years;

- b. non-occupational injury or illness causing absence as per Article 8.03(g) subject to a doctor's report verifying the exact nature and extent of the injury or illness, the prescribed treatment and prognosis for recovery.
- 8.05** Seniority shall be maintained but not accumulated during:
- a. authorized leave of absence exceeding thirty (30) calendar days; and
 - b. absence due to layoff not exceeding one (1) year where seniority has not been lost under Clause 8.03 e. above.
- 8.06** Notwithstanding anything to the contrary contained in this Agreement, an employee shall be considered a probationary employee and he shall have no seniority rights until forty-five (45) shifts actually worked with the Company at which time he shall be entitled to forty-five (45) shifts worked seniority. However, it is understood that if the Company deems it necessary, upon written notification to the Union the probationary period of an employee shall be extended by a further forty-five (45) shifts worked.
- 8.07** A probationary employee may be terminated or discharged, where the Company in its discretion, determines that he is unsuitable or unsatisfactory. A probationary employee shall have rights to the Grievance and Arbitration Procedure except in respect to seniority.
- 8.08** Every three (3) months the Company will post seniority lists of employees showing their Company and department seniority. A copy of such list will be mailed to the union.
- 8.09** Where an employee is transferred to a position not covered by this collective agreement, he shall continue to retain seniority for a period of six (6) months, following such transfer after which time he shall lose his seniority and no longer be a member of the bargaining unit.
- 8.10** If the transfer of the employee is required by the Company from one Department to another for the efficient conduct of operations or because of consideration of health, his departmental seniority in his new Department shall be deemed to be equal to that which he previously held in his last department.
- 8.11** If an employee is transferred to another Department at his own request he shall have no departmental seniority in his new department.
- 8.12** In cases where an employee is to be transferred to another shift or rotation, and where the company determines the ability of employees is relatively equal, the employee with the greater seniority shall be asked, and if they decline, the junior employee must be transferred to the shift or rotations. (Senior may – Junior must).
- 8.13** In the case of a permanent lay-off occurring after the ratification of this Collective Agreement, resulting in the termination of employment, as defined in the Employment standards Act, the following will apply.
- (i) Two weeks' pay or notice for every year of completed service, to a maximum of twelve (12) weeks.
 - (ii) Employees shall be paid severance on the expiration of recall rights or upon termination of employment while on lay-off.
 - (i) Upon payment of severance, the employee shall lose all recall rights.

ARTICLE 9 – LAYOFFS & PERMANENT VACANCIES

- 9.01** In any case of reduction in force, the Company shall issue layoff notices to the employees in the redundant positions with the least departmental seniority. These employees may then use their departmental seniority to bump a more junior employee provided they have the qualifications and skills relatively equal to the person presently holding the position. Employees who eventually get laid off out of their department may exercise their company seniority to bump into another position provided they have the qualification and skills relatively equal to the person presently holding the position.
- 9.02** Recall Procedure:
- Laid-off employees will be notified of recall by telephone, which will be confirmed by registered mail. An employee being recalled must return to work no longer than fourteen (14) working days after mailing of the registered notice. A copy of the notice will be given to the Union. It is the responsibility of the laid-off employee to keep the Company informed of their current address and telephone number.
- If an employee is recalled to a job other than the posted job he held at the date of his lay-off, he will be entitled to return to that posted job if it becomes available within six (6) months following his recall.
- 9.03** The Company recognizes the seniority rights of its employee and shall furnish the Union with a seniority list based upon the last date of employment of all employees and department. This seniority list will be recognized as the official seniority list under the terms of this Agreement. The Company will provide a revised seniority list on January 1st and July 1st of each calendar year.
- 9.04** Whenever a layoff is planned because of a change or reduction in plant production requirements, the Company will, not less than fourteen (14) calendar days prior to the effective date of the layoff, post a bulletin stating the expected extent of such layoff, and the expected effect on the work force. In the event the required notice is not given with the above, the Company will pay the laid off employee(s) the scheduled time lost at the applicable straight time rate. The foregoing does not apply to layoffs because of curtailment made necessary by disaster or emergency conditions affecting the ability of the Company to operate the mine or ship concentrate.
- 9.05** Prior to any contemplated layoff or reduction in working force planned by the Company due to lack of work or other causes, the Company and the Union will meet to discuss ways and means to prevent hardship and reduction in the living standards of our people, including a consideration of shortening the work hours and/or work week as an alternative to a layoff or reduction in working force.
- 9.06** In the event of two or more employees having the same hire date, the employee with the lowest payroll number will be deemed to have the greater seniority.
- 9.07** All permanent vacancies shall be posted in all departments. Special project positions and positions for a fixed term not exceeding one (1) year need not be posted. Postings shall remain up for ten (10) days.

9.08 In selecting a successful applicant for a vacancy, the Company shall consider the following two factors:

- (a) The Department seniority of each applicant; and
- (b) The requirements and efficiency of the operations and the relative ability of the employees applying for the position.

Where in the judgement of the Company, (b) is relatively equal as between two (2) or more applicants, then the applicant having the greater seniority shall be awarded the posting.

9:09 If there are no successful applicants from within the Department, the Company may fill the opening from outside the Department by:

- (i) training from within the bargaining unit if such training can be completed within sixty (60) calendar days;
- (ii) hiring outside the bargaining unit.

If the vacancy is not filled within ninety (90) days, the vacancy will be reposted.

9:10 The Company will post the name of the selected candidate or the fact that no candidate has been chosen within seven (7) days following the conclusion of the posting. The Company will inform the Union if more time is necessary.

9:11 Employees who are absent on vacation, or on approved leave-of-absence not exceeding five (5) weeks may file an application under Clause 9.07 and 9.08 immediately prior to such absence and their application will be considered as if it had been filed during the time referred to in the notice. Such application shall be valid only during the vacation period or the approved leave-of-absence period. If a job vacancy is to be filled by such absent employee, a temporary assignment to the vacancy may be made.

ARTICLE 10 – SAFETY & HEALTH

10.01 Safety and Health - Responsibility

- a. The Company agrees that it is the responsibility of the Company to make adequate provision for the safety and health of the employees during the hours of their employment.
- b. The Union and the employees agree to cooperate fully with the Company on all matters of health and safety.

10.02 Safety Committee

- a. A permanent Safety Committee of nine (9) employees shall be appointed by the Union, three (3) of which shall meet with the Company during the first (1st) week of each month, to conduct workplace inspections. The safety meetings with Management shall be during the third (3rd) week of each month, allowing time for the inspection report to be prepared. Official minutes shall be kept and copies forwarded to the Safety Committee and Local Union. A copy of their report shall be filed with the inspector of mines and posted on all bulletin boards.

- b. With the permission of the Ministry of Mines Inspector one (1) employee representative of the Joint Safety Committee shall accompany him during his inspections, along with a Company representative.
- 10.03** Any employee suffering injury while in the employ of the company shall report such injury promptly.
- 10.04** The company and the Union recognize the employees' right to refuse unsafe work in accordance with the provisions of the Health, Safety and Reclamation Code for Mines in British Columbia. The parties each commit to working in a joint manner to minimize such situations.
- 10.05** All accidents and dangerous occurrences shall be investigated by persons knowledgeable in the type of work involved and the co-chairman of the Occupational Safety and Health Committee or their designates.
- 10.06** Employees who have worked continuously in the service of the Company for one (1) year or more will be paid, subject to provision of a receipt, one hundred and fifty dollars (\$150.00) per annum towards the purchase of safety boots. Boots must conform to safety standards.
- 10.07** The company will furnish on a loan basis such personal protective equipment, as it deems necessary including:
1. Safety glasses;
 2. Safety harness;
 3. Safety line and safety belts;
 4. Mono goggles;
 5. Grinding goggles;
 6. Aprons and face shields for handling corrosive substances;
 7. Electrician's high voltage gloves;
 8. Heat shielding gloves;
 9. Painter's masks;
 10. Locks for switchgear; multi-locks;
 11. Respiratory protection;
 12. Ear muffs or plugs;
 13. Welder's aprons;
 14. Earmuffs mounted on hard hat;
 15. Hard hat;
 16. Hard hat liners (cold weather);
 17. Welder's gloves;
 18. Slicker' and/or rain suits;
 19. Hip waders, rubber gloves, rubber boots.

ARTICLE 11 – LEAVES OF ABSENCE

11.01 Union Leave

- a. Any employee selected as a delegate or representative of the Union, necessitating a leave of absence, shall be granted such leave of absence without pay upon making application to the Company at least two (2) weeks in advance of the commencement of the leave.

The time spent on such leave of absence for Union work shall not in any way affect his seniority. The Company shall not be required to grant that privilege under this Article to more than four (4) persons at the same time.

- b. The Company will grant an employee leave of absence up to one (1) year of work for the local or International Union. The employee must request the leave in writing and the Union must approve it. This leave will be extended for additional periods at the request of the Union. Not more than one employee will be granted leave under this section at any one time.

11.02 Personal Leave

- (a) An employee may be granted leave of absence without pay for personal reasons provided:
 - 1. A request is made, in writing, at least seven (7) days in advance; and
 - 2. The leave is for reasons acceptable to the Company.
- (b) An employee not reporting for work must notify a supervisor at least two (2) hours in advance of his shift, with reason why he will not be reporting.

11.03 A leave of absence may be extended at the discretion of the Company. The employee must request the extension, in writing, prior to the expiration of his initial leave.

11.04 Pregnancy and Parental leave shall be granted in accordance with the Employment Standards Act of the Province of British Columbia.

11.05 Bereavement Pay

- a. For each day that an employee is absent from work due solely to the death and funeral of his legal spouse or natural or adoptive child he shall be paid an allowance amounting to his full regular daily straight time pay up to a maximum of seven (7) working days including the date of the funeral.
- b. For each day that an employee is absent from work due solely to the death and funeral of his mother, father, mother-in-law, father-in-law, sister or brother; he shall be paid an allowance amounting to his full regular daily straight time pay up to a maximum of three (3) working days including the date of the funeral.
- c. In the event of the death of an employee's grandfather, grandmother, brother-in-law, sister-in-law, son-in-law or daughter-in-law, the employee will be paid on the basis of his regular hours at his normal straight time rate for the day of the funeral.

11.06 An employee who is called for jury duty or is subpoenaed by the Crown as a witness will receive for each day that he would have otherwise worked to a maximum of thirty (30) work days, the difference between his regularly scheduled hours at his basic hourly rate and the amount of jury fee or witness fee provided that the employee furnishes the Company with a certificate of service showing attendance and the amount of pay received.

11.07 Family Responsibility Leave

An employee is entitled to up to five (5) days of unpaid leave during each employment year to meet responsibilities related to:

- a) The care, health or education of a child in the employee's care, or
- b) The care or health of any other member of the employee's immediate family.

ARTICLE 12 – INSURANCE & MEDICAL PLAN

12.01 General Conditions

- a. The Company will provide group insurance and health and welfare plans. Coverage is subject to the terms and conditions of the plans as set out in the insurance policies and/or plan booklets. Copies of the plan booklets will be made available to employees and the Union. A copy of the policies of the plans will be made available to the Union upon its request.
- b. A summary of benefits is as generally set out in this Article; the specific provisions of the appropriate policies and/or plans will prevail.
- c. The Company will pay one hundred percent (100%) of the premium amounts required to continue these benefits as provided for this article.
- d. Eligibility for coverage for these benefits commences the first day of the month following completion of the employee's probationary period.
- e. Coverage ceases on the last day of work when an employee is terminated, quits or is laid-off.

12.02 Medical Care

Basic medical care as provided by the Medical Services Plan of British Columbia.

- 1.) The Company's obligations under Article 12 hereof to provide the Plan and the Province of British Columbia Medical Plan will terminate:
 - (a) At the end of the month in which an employee is laid off; or
 - (b) On the first day an employee commences a leave of absence under Article 11 (not including 11.05 and 11.06) of a period greater than 2 weeks; or
 - (c) At the end of the sixth (6th) calendar month after the first day an employee is absent from work due to a non-occupational illness or injury; or
 - (d) At the end of the twelfth (12th) calendar month after the first day an employee is absent from work due to an occupational illness or injury.
- 2.) An employee's annual vacation or lieu days will not be considered as a leave of absence for the purpose of this article.

12.03 Extended Health Benefits

An extended health benefit plan based on:

- a. One Hundred percent (100%) reimbursement of eligible expenses in Province and non-emergency eligible expenses in Province, effective July 1, 2013.
- b. One hundred percent (100%) of eligible emergency expenses out of Province/Canada to lifetime maximum of \$1,000,000.00.
- c. Prescription drug card.

12.04 Weekly Indemnity

A weekly sick pay benefit for non-occupational illness/injury based on:

- a. A benefit level equal to the greater of five hundred dollars (\$500.00) per week or the maximum weekly disability benefit payable by Employment and Immigration Canada.
 - i) Effective July 1, 2013, this benefit level shall increase to six hundred dollars (\$600.00) per week, and
 - ii) Effective January 1, 2014, this benefit level shall increase again to six hundred and fifty dollars (\$650.00) per week.
- b. Qualification Period; hospitalization, none; four (4) work days for illness or injury; benefits to continue for a maximum of fifty-two (52) weeks.
- c. Definition of disability: employee is unable to continue his regular type of work.
- d. Employee must apply for benefit within the established benefit period and upon request must supply, without cost to the Company, an appropriate certificate, from a duly qualified physician, stating the nature of the employee's disability and certifying the employee's inability to work because of said disability.

12.05 Life Insurance

Life Insurance and Accidental Death and/or Dismemberment coverage each in the amount of seventy five thousand (\$75,000.00) dollars, and increasing by two thousand dollars (\$2,000.00) in each year of the collective agreement.

12.06 Dental Plan

Dental benefits as follows, reimbursement based on the current College of Dental Surgeons of British Columbia schedule of fee allowance:

		<u>Reimbursement</u>
Plan A -	Basic Services Effective July 1, 2013	100%
Plan B -	Prosthetic Appliances, Crowns, Bridges Annual Maximum: \$ 3500.00 per plan member	50%
Plan C -	Orthodontics Lifetime maximum: \$2,500.00	50%

12.07 Vision Care Plan

The Company shall provide a Vision Care Plan for all employees and their dependants. The Plan will provide for a payment of three hundred dollars (\$300.00) for claims every twenty-four (24) months. Employees will be permitted to purchase glasses or contacts or Laser Eye Correction, whichever they prefer.

12.08 Hearing Aids

Employees will be reimbursed the cost of hearing aids.

ARTICLE 13 – GRIEVANCE PROCEDURE

13.01 The Union shall forthwith elect or appoint shop stewards, and shall notify the Company accordingly. The Shop Steward shall meet with the Manager or other designated officials of the Company whenever matters arise which, in its judgement, should be discussed between them. The management, on its part, may ask for a meeting with the Shop Steward/Grievance Committee at anytime.

The Company agrees that the time spent by a Shop Steward during their regular working hours in the processing of grievances at the worksite, shall be considered as time worked and paid for at straight time. The time when grievances will be dealt with shall be mutually agreed to and time off shall not be unreasonably withheld.

When a grievance or difference arises, the employee or employees affected shall set down in writing on an official grievance form, a brief statement of the circumstances complained of and shall hand such statement to the Foreman.

An earnest attempt shall be made to settle such difference immediately in the following manner, each ensuing stage to be followed only if settlement has not been achieved at the previous stage.

Grievance Procedure

- | | |
|---------|---|
| Stage 1 | Between the aggravated employee, the Shop Steward and the Foreman /General Foreman within seven (7) working days of the occurrence. The Foreman/General Foreman shall have up to give seven (7) working days to reply. |
| Stage 2 | Between the Shop Steward and Superintendent or other designated official of the Company within seven (7) working days from the Stage 1 reply. The Superintendent or other designated Company official shall have up to fourteen (14) working days to reply. |
| Stage 3 | Where a difference between the parties cannot be settled at the second (2 nd) stage of the grievance procedure then within ten (10) days of the second (2 nd) stage response to the matter shall be referred to the Mine Manager or his designate who will meet with the Union staff representative or his designate in an attempt to resolve the issue. Failing a resolution the matter may be referred to arbitration. |

13.02 Discipline

- a. Employees may only be disciplined for just cause. Suspension days will run as consecutive working days.

An employee being disciplined shall have the presence of a Union Executive member or Shop Steward of their choice, provided that the individual is readily available. If the Union Executive member or Shop Steward of their choice is not readily available, the employee shall have the opportunity to be accompanied by another Union Executive, Shop Steward or employee who is readily available. The Union Executive member, Shop Steward or other Employee shall attend as a witness. In the event the employee declines a witness, he shall sign a statement to that effect, a copy of which will be sent to the union.

- b. All warnings and suspensions will be deemed void when, after two (2) years from the date of issue providing the employee has received no further discipline.

13.03 Time Limits – Failure to Act

If either party fails to act within any of the time limits, or within an agreed upon extension, it will be deemed that the party failing to meet the time limit has abandoned its position and the position of the other party has been established for that grievance.

13.04 Grievance Committee Members and Company Representatives:

At each of the three grievance steps the Company and the Union may have equal representation.

ARTICLE 14 – ARBITRATION

- 14.01** In the event that a grievance is referred to arbitration as per article 13.01 the following arbitrators will be chosen on a rotational basis:

John Hall
Vince Ready
Christopher Sullivan

- 14.02** The arbitrator shall hear and determine the difference or allegation and shall issue a decision and the decision is final and binding upon the parties and upon any employees affected by it.

- 14.03** The arbitrator shall have the right to enter any premises where work is being done or has been done by the employee or in which the employer carries on business or where anything is taking place or has taken place concerning any of the differences submitted to him and inspect and view any work material, machinery, appliance, or article therein, and interrogate any person respecting any such thing or any of such differences.

- 14.04** The Union and the Company shall each pay one-half of the remuneration.

ARTICLE 15 – WAGES

- 15.01** Wage Schedule

The job classifications and rates of pay listed in the attached wage schedule are agreed upon by both parties and is a part of this Collective Agreement. The Company agrees to show vacation accrual on employee's pay stubs and will try to effect a change on the current font size on pay stubs.

15.02 New or Changed Job Classifications

- a. If any new job classifications are established, or if there is a significant change in the job content of any job classification (s) set forth in this Wage Schedule, or if any job classification (s) have been overlooked in this Wage Schedule, the parties hereto are agreed to negotiate a rate of the job(s) in question. Any increase in rate as a result of such negotiations shall be retroactive.
- b. If the parties are unable to reach agreement then the dispute will be settled through the Grievance and Arbitration procedures of this agreement.

15.03 Daily Rate Retention

Employees will be allowed daily rate retention at the rate of the highest rated classification worked by them during each shift and such rate shall be used as the basis to calculate overtime.

ARTICLE 16 – DISCRIMINATION AND HARASSMENT

16.01 Prohibition Against Personal Harassment

The Company and the Union recognize the right of all persons employed by the Company to work in an environment, which is free of personal harassment; accordingly, the personal harassment of any person employed by the Company is prohibited.

It is understood and agreed that the definition of personal harassment as outlined herein shall not prohibit the Company from exercising its right to supervise and direct the workforce.

16.02 Definition of Personal Harassment

Personal harassment shall be defined as any discriminatory behaviour at the workplace, which denies an individual their dignity or respect.

Discrimination behaviour shall be defined as any discrimination on the basis of race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability where the disability does not render the employee incapable of fulfilling his employment duties and obligations, sex, sexual orientation, age, conviction or a criminal or summary conviction offence that is unrelated to the employment of the employee, or membership or activity in any trade union.

16.03 Obligations

- a. The Company, the Union and the employees must at all times act appropriately to preserve and promote a work environment which is free from personal harassment.

- b. The Company will undertake discipline or other appropriate action against any person employed by the Company who engages in personal harassment in violation of this Article. The company may also undertake discipline or other appropriate action against any person employed by the Company who under this article makes a claim of personal harassment, which is determined to be frivolous, vexatious or vindictive in nature.

16.04 Procedure

- a. In the event that any employee feels that they suffered any personal harassment, they may, in confidence make an appointment with the manager to present the complaint.
- b. An employee, who alleges personal harassment has occurred in violation of this Article, shall have the right to initiate a grievance, through the Union, at step 2 of the grievance procedure.
- c. Any person employed by the Company, who is alleged to have committed an act of personal harassment in violation of this article, shall be entitled to:
 - i) be given notice of the substance of the complaint brought against him; and
 - ii) be given notice of, and to attend and participate in, any hearing, which is held with respect to an employee's grievance brought pursuant to paragraph b. above

ARTICLE 17 – HUMANITY FUND

- 17.01** For the purpose of International Aid and Development the company agrees to deduct twenty dollars (\$20.00) from each employee on October 1st of each year and forward to the United Steelworkers Humanity Fund:

United Steelworkers of America
National Office Humanity Fund Depot
234 Eglinton Avenue East, 7th Floor
Toronto, Ontario
M4P 1K7

And to advise in writing both the Humanity Fund at the aforementioned address and the Local Union that such payment has been made, the amount of such payment and the names of all employees in the bargaining unit on whose behalf such payment has been made.

It is agreed that the total for each employee's yearly deduction will be entered in Box 46 (Charitable Contribution) of the Revenue Canada T4 slip for the year it has been deducted. For this purpose, the payroll department will note the following Charitable Donation number for the "Humanity Fund" R119172278 RR 001.

ARTICLE 18 – R.R.S.P.

The Employer agrees to contribute three point four percent (3.4%) of gross earnings of each employee into a group RRSP Plan. Employees may voluntarily contribute to the RRSP through payroll deduction. These contributions will not commence until the first month following the employee successfully completing his or her probationary period. The contributions will be increased as follows:

January 1, 2014	3.80%
January 1, 2015	4.20%
January 1, 2016	4.60%
January 1, 2017	5.0%

The increase to the RRSP plan shall be retroactive to January 1, 2013.

ARTICLE 19 – GENERAL PROVISIONS

19.01 Bulletin Boards

The Union will have the exclusive use of a bulletin board on the premises of the Company and provided by the Company for the purpose of posting official Union notices.

A copy of any Company notice or memo to employees will be given to the Union.

19.02 The Company agrees to provide a tool allowance for tradesmen as follows:

Millwright	\$0.20 per hour
Heavy Duty Mechanics	\$0.30 per hour
Electricians	\$0.20 per hour
Welders	\$0.15 per hour

The Company agrees to replace lost or broken tools with tools of equal value to those lost or broken.

19.03 Strikes/Lockouts

There shall be no strikes or lockouts so long as this agreement continues in full force and effect. Neither the Union, nor its representatives, nor its members shall cause, sanction, authorize or take part in any strike so long as this agreement remains in full force and effect. Neither the Company nor its representatives shall cause, sanction, authorize or take part in any lock out so long as this agreement remains in full force and effect.

19.04 Picket Line:

Employees will not be disciplined for refusing to cross a legally constituted picket line.

- 19.05** The Company will pay the cost of printing the Collective Agreement and shall provide each employee with a copy not later than three (3) months after the signing of this Agreement. Extra copies will be supplied to the Union upon request.
- 19.06** An employee being discharged or laid-off shall be paid all wages due him within two (2) working days of the time of discharge or lay-off.
- 19.07** The cost of medical examinations required by the Company shall be paid for by the Company. Such examinations shall be scheduled on an employee's days off.
- 19.08** The Company may at any time notify and carry out an inspection of:
- (a) an employee's motor vehicle carry all container while it is on the Company's property or entering or leaving the Company's property;
 - (b) an employee's lunch box or other container; and
 - (c) an employee's locker,
- so long as the employee or a Union representative is present during the inspection.

19.09 The Company will supply coveralls as follows:

Department	Summer Coveralls	Winter Coveralls
Maintenance	8	4
Mill Operations	8	2
Mine Operations - Drillers and Blasters	4	4
Mine Operations	3	3

The Company will pay for cleaning and repair of such coveralls and replace coveralls deemed to be irreparable by the cleaning Company.

- 19.10** When appropriate, the Company may require an employee to have a medical evaluation as it relates to their employment.
- 19.11** Upon agreement with the Company as to a time, employees shall be permitted to review their personal records in the presence of a Company delegate. Upon request, the employee shall be provided with copies of materials contained in such records. If the employee wishes, he may be accompanied by his steward.
- 19.12** Employees who are not on the prescribed bus route as determined by the Company and/or who are not utilizing a Company vehicle for transportation to and from work will be compensated with a subsidy to offset the travel cost at the rate of twelve dollars (\$12.00) per shift worked.

The Company agrees to put on a second bus suitable in size to meet the needs of the employees and the Company and in so doing adjust the arrival and departure times. The parties recognize that should the copper price fall below \$Can 2.00 per pound, and if the cost factor out weighs the consideration factor the bus may be pulled out of service unless other cost saving measures are mutually agreed.

ARTICLE 20 – CONDITIONS OF EMPLOYMENT

20.01 The Company and the Union agree to the following policies:

1. A pre-employment medical, including drug and alcohol testing;
2. The employee, whose job requires him to have a valid driver's licence, may not operate any Company equipment without a valid driver's licence; and
3. Adherence to the Operating Policies / Mine Rules.

ARTICLE 21 – APPRENTICESHIP

21.01 The Company will sponsor an apprentice-training program in conformity with the laws of the Province.

- (a) The course content of training programs, evaluation of apprentice performance and matter related thereto or regulated by statute or government regulations shall not be subject to the grievance procedure.
- (b) In selecting applicants for apprenticeship training, the Company shall post its requirements as set out in Article 9.07 and the selection of the successful candidate shall be based on successfully completing the pre-apprenticeship training and/or aptitude examinations, attendance record and must meet the criteria established by the Provincial Industrial Training Authority.
- (c) Where in the judgement of the Company, (b) is relatively equal as between two (2) or more applicants, then the applicant having the greater seniority shall be awarded the posting.

21.02 The Company or employee will schedule the employee for school once per year subject to classroom availability.

21.03 (a) Apprentices will be paid the equivalent of forty (40) hours per week with no premiums or overtime pay while attending trade school. The basic hourly rates for apprentices shall be in accordance with Appendix A.

(b) If the apprentice is absent from school, he will be deducted for all hours absent.

21.04 (a) The company will pay the tuition required for the courses and registration fees that may be levied by the educational institution where the course is being offered.

(b) The books and course materials are the responsibility of the student.

21.05 (a) If an apprentice is unsuccessful (fails) his course and does not advance to the next level, and if he requests another opportunity to attempt the course again, he will be afforded one (1) repeat and will be retained as an apprentice. He will be eligible for wages as per 21.03(a) (above) and, if unsuccessful on this attempt, he will be excluded from the program.

- (b) An Apprentice who fails to complete his apprenticeship shall be reassigned to the classification he held prior to entering the apprenticeship program.
- 21.06**
- (a) Apprentices will further be eligible to receive a reasonable advance to assist them with the financial burdens of attending school. The pay advances must be repaid to the company, interest free, before they attend the next trades school session or before the end of the calendar year, whichever comes first. For advances, employees will be required to make an assignment of wages to repay the advance, as per the Employment Standards Act of BC.
 - (b) If an apprentice terminates his employment prior to the forgiveness period being completed, he will be responsible to repay immediately any monies outstanding.
- 21.07**
- (a) The basic hourly rates for apprentices shall be in accordance with Appendix "B".

ARTICLE 22 – TERM OF AGREEMENT

- 22.01** This Agreement shall be in full force and effect from and including January 1, 2013 to and including December 31, 2017 and shall continue in full force and effect from year to year thereafter subject to the right of either party of this Agreement within four (4) months immediately preceding the date December 31, 2017 or immediately preceding the anniversary date in any year thereafter, by written notice to the other Party, required the other Party to commence collective bargaining with a view to the conclusion of a renewal or revision of the Collective Agreement or a new Collective Agreement.
- 22.02** The Parties agree to exclude the operation of Section 50 (2) and 50 (3) of the Labour Relations Code of British Columbia.

ARTICLE 23 – PREMIUMS

23.01 First Aid

All employees who have a valid Level III Industrial First Aid Ticket, and are qualified to act as a first aid attendant shall receive one dollar (\$1.00) per hour.

23.02 Lead Hand

It is understood between the parties that leadhands may be designated from time to time on an "as needed" basis to help, lead and direct a work crew. A leadhand will be paid \$1.50/hour over the highest paid worker supervised.

23.03 Hoisting Certificate

Employees who are in possession of a valid hoisting certificate are eligible to receive a \$0.75 per hour premium, for operating the crane on an "as needed" basis, for all working hours. Those accepting the premium will be designated as a crane operator from time to time and when directed will operate the crane.

23.04 Shift Premium

Effective the date of ratification employees on a continuing cycle will be paid a premium for all hours worked on what is commonly referred to as the back shift. This premium shall be retroactive to January 1, 2013.

The Premium is as follows:

January 1, 2013 - \$0.75/hr through the term of the collective agreement.

23.05 Weekend Premiums

Effective the date of ratification employees will be paid a premium for all hours worked between 7:00 pm Friday and 7:00 pm Sunday. This premium shall be retroactive to January 1, 2013.

The Premium is as follows:

January 1, 2013 - \$0.75/hr through the term of the collective agreement.

23.06 Trainer Premium

Existing qualified Operators who are acting as trainers, shall receive a premium of one dollar (\$1.00) per hour for all hours training other untrained employees.

23.07 Arbitration Fund:

The Company agrees to deduct four dollars (\$4.00) per month from each employee to be paid into the Local Union Arbitration Fund.

23.08 Pit Bus Driver

The Company agrees to pay fifteen dollars (\$15.00) per shift to the designated Pit Bus Driver


Signed in Williams Lake, British Columbia this _____ day of _____.

For: MOUNT POLLEY MINING CORPORATION

For: UNITED STEELWORKERS LOCAL 1-425

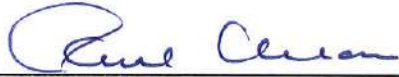
Per:

Per:



Tim Fisch - Mine Manager

Randy Gatzka – Staff Representative



Paul Allan – Human Resources

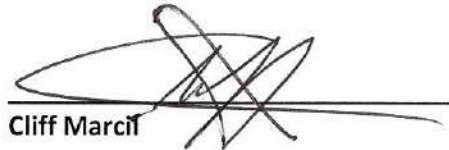
Bob Macnair – Local 1-425



Judith Gagnon



Todd Marchant



Cliff Marcil



Hugh Smith

APPENDIX A

WAGE PER HOUR WORKED

Lines of Progression

Class	Pit Operations	Mill Operations	Surface Operations	Maintenance
1A				Journeyman Welder "A" Ticket
1B				Uncertified Trades Welder "B" Ticket
2	Production Shovel / Loader Operator Excavator >600	Mill Operator I (4 Circuits) Central Control Operator		
3	Driller / Blaster	Mill Operator II (3 Circuits)		
4	Equipment Operator (Excavator, Grader, Dozer)	Mill Operator III (2 Circuits)		
5	Haulage Drivers	Mill Operator IV (1 Circuit)	Utility Operator I (966 & 950 Loader, 270 Excavator, D7 Dozer)	Service Man
6			Utility Operator II (Gravel Truck, Water Truck, Sand Truck, Wiggle Wagon)	
7		Mill Trainee	Labourer	

Wage per Hour Worked:

Class	At Jan. 1, 2012	Jan. 1, 2013 (+3%)	Jan. 1, 2014 (+3%)	Jan. 1, 2015 (+2.5%)	Jan. 1, 2016 (+2.5%)	Jan. 1, 2017 (+3%)
1A	38.56	39.72	40.92	41.95	43.00	44.29
1B	35.50	36.57	37.67	38.62	39.59	40.78
2	32.37	33.35	34.35	35.21	36.09	37.18
3	31.75	32.71	33.70	34.55	35.42	36.49
4	31.11	32.05	33.02	33.85	34.70	35.75
5	28.29	29.14	30.02	30.77	31.54	32.49
6	26.40	27.20	28.02	28.72	29.44	30.33
7	23.27	23.97	24.69	25.31	25.95	26.73

All wage increases shall be retroactive to January 1, 2013.

Apprentices shall be paid according to the following schedule:

First Year	75% of Journeyman Rate
Second Year	80% of Journeyman Rate
Third Year	85% of Journeyman Rate
Fourth Year	90% of Journeyman Rate
Fifth Year	95% of Journeyman Rate

APPENDIX B

Sliding Scale Copper Bonus

The base rates for each classification as stated below are to be adjusted quarterly by a sliding wage scale that is determined by the exchange rate and the average copper price. The adjustment is to be commenced the date this Agreement is effective and will be based on the previous quarter. Quarters are defined as January 1 to March 31; April 1 to June 30; July 1 to September 30; October 1 to December 31.

The copper bonus will be calculated using the following figures as the basis of calculation effective January 1, 2008.

The Average Copper Price will be calculated by using the average London Metal Exchange copper price in US Dollars per pound for the previous quarter.

Base Price of Copper per pound: 2.00 \$US
 Base Exchange Rate to the U.S. dollar: 1.00 \$US/\$Can
 Base Copper Price in \$CDN 2.00 \$Can

Factor = (Actual Copper / Base Copper) x (Base Exchange / Actual Exchange)

Copper Bonus capped at: 9% - From January 1, 2013 to December 31, 2017.
 This rate shall be retroactive to January 1, 2013.

Table to Determine Wage Premium/Discount

Actual exchange rate	\$ 0.75	\$ 0.80	\$ 0.85	\$ 0.90	\$ 0.95	\$ 1.00	\$ 1.05
Actual Copper price							
\$1.750	109.00%	106.56%	102.06%	98.06%	95.00%	95.00%	95.00%
\$1.800	109.00%	108.75%	104.12%	100.00%	96.32%	95.00%	95.00%
\$1.850	109.00%	109.00%	106.18%	101.94%	98.16%	95.00%	95.00%
\$1.900	109.00%	109.00%	108.24%	103.89%	100.00%	96.50%	95.00%
\$1.950	109.00%	109.00%	109.00%	105.83%	101.84%	98.25%	95.00%
\$2.000	109.00%	109.00%	109.00%	107.78%	103.68%	100.00%	96.67%
\$2.050	109.00%	109.00%	109.00%	109.00%	105.53%	101.75%	98.33%
\$2.100	109.00%	109.00%	109.00%	109.00%	107.37%	103.50%	100.00%
\$2.150	109.00%	109.00%	109.00%	109.00%	109.00%	105.25%	101.67%
\$2.200	109.00%	109.00%	109.00%	109.00%	109.00%	107.00%	103.33%
\$2.250	109.00%	109.00%	109.00%	109.00%	109.00%	108.75%	105.00%
\$2.300	109.00%	109.00%	109.00%	109.00%	109.00%	109.00%	106.67%
\$2.350	109.00%	109.00%	109.00%	109.00%	109.00%	109.00%	108.33%
\$2.400	109.00%	109.00%	109.00%	109.00%	109.00%	109.00%	109.00%
\$2.450	109.00%	109.00%	109.00%	109.00%	109.00%	109.00%	109.00%

Quarters are defined as January 1 to March 31; April 1 to June 30; July 1 to September 30; October 1 to December 31.

APPENDIX C

Mill Progression System

The Mine Processing Plant (the Mill) has four distinct processing circuits. They are integral to the production of saleable concentrate and perform different functions in the processing of the raw ore delivered to the mill from the mine. These circuits are Crushing, Grinding, Flotation and Dewatering. In order to be able to classify employees and assign appropriate rates for their knowledge and experience a progression system has been developed to reward the employees for their job demonstrated knowledge and training. Each level has a minimum number of hours of on-the-job training and testing, made up of a computer-based training module (CBT) and a site specific written and verbal test. Until the minimum hours have been achieved and the tests have been completed and passed no employee will receive the increase.

Mill Trainee	Entry level position
Mill Operator 4	Capable of performing all requirements of one (1) Circuit within the Mill.
Mill Operator 3	Capable of performing all requirements of two (2) Circuits within the Mill.
Mill Operator 2	Capable of performing all requirements of three (3) Circuits within the Mill.
Mill Operator 1	Capable of performing all requirements of four (4) Circuits within the Mill.
Central Control Operator	- Capable of performing all requirements of three (3) Circuits within the Mill

* Mill Operator 2 shall receive Mill Operator 1 rate of pay when working as a Central Control Operator.

Evaluation

Criteria used to evaluate an employee in consideration of a pay rate increase will be based on the following:

Training Hours: A minimum of 600 working hours will be required on each individual Circuit in order to be considered for an increase in pay. Assignments to training positions will be at the discretion of the Shift Supervisor, and will be determined by manpower availability, attendance, safety records and seniority. It is understood that the most senior employee on the Crew will be afforded the first opportunity to train on the Circuit that he requires to receive an increase in rate. If the most senior employee is presently training on another Circuit he will be by-passed for the next most senior employee. The Training Supervisor will record all hours spent in training and be signed-off by the employee and his supervisor/trainer at the end of each month. A copy of these records will be placed in the employee's field file and upon completion of the Circuit will be transferred to his personnel file.

Testing: Each employee, prior to receiving an increase in pay, must pass the CBT module as well as the site specific verbal and written tests. The minimum 600 hours training must be completed prior to taking the mandatory testing.

Certification: The Shift Supervisor, the Training Supervisor and the Mill General Foreman must approve increases in pay. Recommendations for an increase in pay will be as per the Collective Bargaining Agreement and be specific to the Circuit for which the employee is being tested.

Work assignments made for the purpose of fulfilling the training requirements of the Collective Agreement shall be clearly so designated with sign-off sheets which will be tracked by the Company.

Hiring: As of the date of this agreement no one will be hired into the positions of Mill Operator 1, 2 until all employees have been qualified in those positions or have been offered and declined the opportunity to qualify for all those positions.

All employees who perform work on a Circuit, which would give him a higher rate, when not training, after the date of this agreement shall be paid the applicable rate adjustment. Such assignments will be for a period of 84 hours or less. Any overtime will be calculated at the higher rate. All hours worked on that Circuit will be credited toward the training hours required to qualify for that Circuit and the higher rate.

MINE JOB PROGRESSION SYSTEM

PURPOSE

The purpose of this Agreement is to provide a system for training and qualifying employees for temporary shift coverage and to provide a system for selection and training of employees for advancement to permanent job vacancies. The Company has an obligation to train senior employees. Once the employee has commenced training, he/she will remain in the position for which he/she is being trained until the training is complete.

JOB POSTINGS

Permanent vacancies will be posted as per Article 9 of the Collective Agreement.

When a training opportunity becomes available the vacancy will be posted as a Training Opportunity. Assignments to training positions will be awarded to the most senior applicant on the crew.

It is recognized that not every employee has the ability learn any job. If, in management's opinion, a trainee would require an excessive amount of time to train, or owing to lack of skill or understanding, impedes production or endangers equipment, he/she may be removed at any time during the competency assessment period. Postings will only be valid for thirty (30) working days.

EQUIPMENT OPERATING PROGRESSION

TRAINING & QUALIFICATION PERIOD

HAULAGE TRUCK DRIVER

Competency Assessment Period:
Competency Test:

Job Class 5

96 hours training on Truck as a Trainee
Administered by the Training Foreman

EQUIPMENT OPERATOR

Competency Assessment Period:

Competency Test:

Total Hours for Qualification

Job Class 4

168 hours training on any one of the Excavator,
Grader or Dozer as a Trainee
Administered by the Training Foreman

504 hours

DRILLER

Competency Assessment Period:
Competency Test:

Total Hours for Qualification

Job Class 3

336 hours training on the Driller as a Trainee
Administered by the Training Foreman

1260 hours

SHOVEL/PRODUCTION LOADER

Job Class 2

An applicant for a Shovel Operator trainee posting must be qualified as an Equipment Operator.

Competency Assessment Period: 336 hours training on the Shovel as a Trainee
Competency Test: Administered by the Training Foreman

Total Hours for Qualification: **1260** hours

TRAINING RATES

A trainee will be paid the rate he/she had achieved prior to becoming a trainee until he/she has successfully completed the Competency Assessment period and at that point the trainee will be paid the classification rate for the job.

Evaluation

Training sheets will be developed relating to which piece of equipment is being trained on, where the equipment is operating and how many hours per day are spent in which area of the mine.

Criteria used to evaluate an employee in consideration of a pay rate will be based on the following:

Training Hours – The Training Supervisor will record all hours spent in training and be signed off by the employee and his/her trainer at the end of each cycle. A copy of these records will be placed in the employees' training file and upon completion of the training on the specific job will be transferred to his/her personnel file.

Testing – Each employee, prior to receiving an increase in pay, must pass the competency assessment test which may include any written, verbal and practical test set out by the Company. The minimum specified training hours must be completed prior to taking the competency assessment test.

Certification – Upon completion of the Competency Assessment period the Training Supervisor will issue a Certificate of Competency to the trainee, at which point pay will be increased as per this Letter of Understanding.

RESTRICTIONS

1. While in training for a permanent position, application cannot be made for any posting with the exception of Apprenticeship Postings.
2. There is no pay rate change during training until the trainee has successfully completed the full competency assessment period for the job which he/she has been trained. The training supervisor shall conduct the competency test. After such time the successful trainee will be paid the hourly rate for the job while accumulating further experience towards qualification.

3. The Employee will be paid his/her posted hourly rate when not seeking qualification or not operating equipment in a higher hourly rate category, until such time as they have been awarded a permanent vacancy position.
4. Exceptions to normal accumulation of training hours may be made in recognition of an employee's previous operating experience gained at Mount Polley Mining Corporation, which will be determined by the Training Supervisor.
5. Training hours reflect the normal training period based upon equipment presently in operation at Mount Polley Mine. These hours may be varied by mutual agreement as equipment is added to or deleted from the operation.

LETTER OF UNDERSTANDING #1

BY AND BETWEEN:

MOUNT POLLEY MINING CORPORATION
(The "Company")

AND:

UNITED STEELWORKERS, LOCAL 1-425
(The "Union")

Re: SUMMER STUDENTS

The parties agree that the Company may hire students to provide vacation relief and do project work. These students will be hired for a finite period, amass no seniority, have no recall rights, qualify for no benefits and pay union dues when employed in a bargaining unit job. Preference for summer employment will be given to sons and daughters of employees of Mount Polley Mining Corporation.

Signed this 9th day of Sept, 2013

For: Mount Polley Mining Corporation

For: United Steelworkers, Local 1-425

Per:



Per:



LETTER OF UNDERSTANDING #2

between

MOUNT POLLEY MINING CORPORATION
(herein called: the Company)

and

UNITED STEELWORKERS (USW) LOCAL 1-425
(herein called: the Union)

Re: Mine Operations; Shift Start/Stop Time

With respect to the start/stop time issue in mine operations, the parties do hereby agree as follows:

1. This agreement supersedes the agreement made on February 2, 2005 regarding start/stop times for Mine Operations.
2. Lineup at 6:20.
3. Leave shifter shack to Pit at 6:30 and start shift.
4. Two lunch breaks 10:00 to 10:30 and 2:00 to 2:30.
5. Blasting takes place during the breaks whenever possible.
6. Employees guarding blasts will be notified during line-up whenever possible.
7. The employees who are required to guard the blast will be given a 30 minute break commencing at the all clear notification.
8. Pit bus pick up will commence at 6:15 and will be back at the shifter shack by 6:30.
9. In the event the employees are not returned to dry by 6:30, the following shall apply:
 - a) If returned between 6:36 and 6:45 the Company will pay a \$12.50 penalty to each employee affected.
 - b) if returned between 6:46 and 7:00: the Company will pay a \$25.00 penalty to each employee affected.

*Bus arrival and departure time are subject to seasonal fluctuations.

Duly agreed to this 5th day of July, 2010.

On Behalf of Mount Polley Mining Corporation:

Original signed here by Paul Allan

Original signed here by Tim Fisch

On Behalf of USW Local 1-425:

Original signed here by Norman Prevost

Original signed here by Todd Marchant

LETTER OF UNDERSTANDING #3

Between

UNITED STEELWORKERS LOCAL 1-425 (the Union)

And

MOUNT POLLEY MINING CORPORATION (the Company)

RE: NON-BARGAINING UNIT MEMBERS (TEMPS)

The parties agree that the Company may hire non-bargaining unit members (temps) to provide vacation relief and do special project work. These employees have NO rights under the collective bargaining agreement except for Article 5 and Rates of Pay under the Collective Agreement. The Company will deduct dues as per the Collective Agreement and forward them in the same manner.

Employees under this agreement will also be entitled to the following:

Rates of Pay as per the sliding scale

Fuel subsidy

Signed this 9th day of Sept., 2013.

ON BEHALF OF:

Mount Polley Mining Corporation



United Steelworkers Local 1-425



LETTER OF UNDERSTANDING #4

Between

MOUNT POLLEY MINING CORPORATION

(herein called: the Company)

And

UNITED STEELWORKERS (USW) LOCAL 1-425

(herein called: the Union)

BUS TRANSPORTATION

With respect to bus transportation to and from the Mount Polley Mining Corporation's minesite, it is hereby agreed that the following will apply:

1. The bus would originate in Williams Lake with scheduled stops at locations on the route to the Mine.
2. Employees on the bus route would be compelled to ride the bus and would forfeit the travel allowance.
3. In order to maintain a regular schedule and keep the costs down, all employees in the Mobile Maintenance Department, Mill Operations Department and all others working a twelve (12) hour shift commencing at 7:00 and ending at 7:00 would be required to commence work at the same time. This time would be 6:30 to 6:30. There will no change in the start/stop time for the Mine Operations Department.
4. The bus would arrive at the minesite at 6:15 and depart at 6:45.
5. Employees who reside in Likely, Horsefly and McLeese Lake who are working twelve-hour shifts would still continue to receive their travel allowance.
6. All others who wish to use their own transportation will travel at their own cost.

The bus schedule and pickup and drop off points will be determined by the Company prior to the commencement of the service but may be subject to change as the needs dictate.

The parties agree that this Letter of Understanding resolves issues related to Bus Transportation.

Dated this 11th day of July, 2006.

On Behalf of:

MOUNT POLLEY MINING CORPORATION

Original is signed by Paul Allan here

Original is signed by Tim Fisch here

UNITED STEELWORKERS LOCAL 1-425

Original is signed by Mitch VanDale here

Original is signed by Terry Tate here

LETTER OF UNDERSTANDING #5

Between

MOUNT POLLEY MINING CORPORATION

(herein called: the Company)

And

UNITED STEELWORKERS (USW) LOCAL 1-425

(herein called: the Union)

With respect to the First Aid Training, the parties do hereby agree as follows:

1. Three (3) months prior to the date of recertification, the employee must present in writing, a request to recertify to his immediate supervisor. The request must contain: the dates and where the course is being offered, the cost of the course, and the amount of leave needed to attend the course.
2. The leave requires must be approved by the department superintendent and by human resources.
3. If approved the company will pay the employee for all hours in attendance in the course up to 40 hours in a week.
4. The employee will pay the course costs and upon successful completion the company will reimburse the employee for the costs incurred. If requested the company will advance the course costs.

If the employee accepts the reimbursement and the wage subsidy he will be required to sign an agreement to remain in the employ of the Company for one year after the course or the course cost and wages must be repaid to the Company. The employee will sign an agreement acknowledging acceptance and understanding of this Letter of Understanding.

Duly agreed to this 23rd day of July, 2007.

On Behalf of Mount Polley Mining Corporation:

On Behalf of USW Local 1-425:

Original signed here by Tim Fisch

Original signed here by Mitch VanDale

Original signed here by Paul Allan

Original signed here by Robert Macnair

LETTER OF UNDERSTANDING #6

Between

MOUNT POLLEY MINING CORPORATION

(herein called: the Company)

And

UNITED STEELWORKERS (USW) LOCAL 1-425

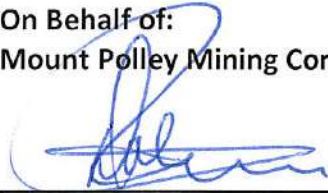
(herein called: the Union)

With respect to the Carpenter on site;

- 1 – The position of Carpenter in the Mill Maintenance Department on site will work a 4 & 3 (four days of work followed by three days of rest), ten (10) hour shift.

Agreed to this 9th day of Sept 2013.

On Behalf of:
Mount Polley Mining Corporation:



United Steelworkers Local 1-425:



LETTER OF UNDERSTANDING #7

Between

MOUNT POLLEY MINING CORPORATION

(herein called: the Company)

And

UNITED STEELWORKERS (USW) LOCAL 1-425

(herein called: the Union)

Union Management Committee:

Recognizing the need for good labour relations, the Parties shall schedule Union-Management meetings once every three (3) months or more frequently as required.

The meetings shall serve as a forum for discussion and consultation about policies and practices not necessarily covered by the Collective Agreement.

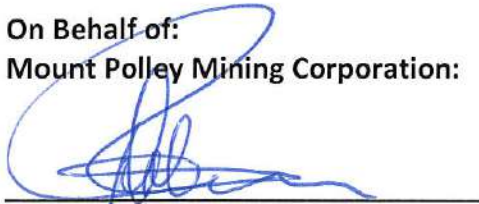
Areas for discussion shall include but not be limited to:

- 1) Training
- 2) Safety Measures
- 3) Contracting Out issues
- 4) Matters that affect the employees' employment conditions

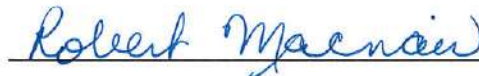
Agreed to this 9th day of Sept 2013

On Behalf of:

Mount Polley Mining Corporation:



United Steelworkers Local 1-425:



LETTER OF UNDERSTANDING #8

Between

MOUNT POLLEY MINING CORPORATION

(herein called: the Company)

And

UNITED STEELWORKERS (USW) LOCAL 1-425

(herein called: the Union)

Re: Crane Apprenticeship

During negotiations, the issue of Crane Apprenticeships was discussed.

The parties agree that having certified Crane Operators at the mine would be beneficial to both the Company and Union:

Therefore, the Company commits to reviewing the issue of Crane Apprentices within sixty (60) days following the date of ratification of the Collective Agreement at the Labour Management meetings.

The Parties will review the unique requirements of a crane apprenticeship, and the pay rate of the apprenticeship while training to be a certified Crane Operator.

Agreed to this 9th day of Sept 2013

On Behalf of:

Mount Polley Mining Corporation:

United Steelworkers Local 1-425:





LETTER OF UNDERSTANDING #9

Between

MOUNT POLLEY MINING CORPORATION

(herein called: the Company)

And

UNITED STEELWORKERS (USW) LOCAL 1-425

(herein called: the Union)

RE: BENEFITS

The Parties hereby agree that: ninety (90) days from ratification, Union and Company representatives will meet to discuss issues related to benefits and claims administration.

This meeting will include a representative from the benefits carrier and an insurance representative designated by the Union.

Agreed to this 9th day of Sept 2013

On Behalf of:

Mount Polley Mining Corporation:



United Steelworkers Local 1-425:



LETTER OF UNDERSTANDING #10

Between

MOUNT POLLEY MINING CORPORATION

(herein called: the Company)

And

UNITED STEELWORKERS (USW) LOCAL 1-425

(herein called: the Union)

RE: Mill Maintenance

The Company hereby agrees to schedule Mill Maintenance on a "7 x 7" work schedule, as per Article 5.04(a) for those employees who would like this shift schedule.

The Company further agrees to schedule Mill Maintenance on an "8 x 6" shift schedule as per Article 5.04 (c) for those employees who would like this shift schedule.

The parties finally agree that, if the Company is unable to schedule according to the employee's wishes, they will be assigned on a "senior may, junior must" basis.

Should any issues arise from this agreement, they will be discussed at the Labour Management meeting.

Agreed to this 9th day of Sept 2013

On Behalf of;
Mount Polley Mining Corporation:



United Steelworkers Local 1-425:

Robert Macneil
