

COLLECTIVE AGREEMENT

BETWEEN

**Thompson Creek Mining Ltd. and Sojitz Moly Resources, Inc.
A joint venture operating as Endako Mines, Fraser Lake, BC
(hereinafter called the "Company"),**

AND

**UNITED STEELWORKERS
LOCAL 1-424
(hereinafter called the "Union")**

APRIL 1, 2011 TO MARCH 31, 2013 COLLECTIVE AGREEMENT

Errors and Omissions Excepted

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THIS AGREEMENT made the 1st day of April 2011.

BETWEEN:

THOMPSON CREEK MINING LTD. AND SOJITZ MOLY RESOURCES, INC.
A JOINT VENTURE OPERATING AS ENDAKO MINES, FRASER LAKE, BC
(hereinafter called the "Company"),

OF THE FIRST PART

- and -

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING,
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL
UNION (UNITED STEELWORKERS) LOCAL 1-424 (hereinafter called the "Union"),

OF THE SECOND PART

APRIL 1, 2011 TO MARCH 31, 2013 COLLECTIVE AGREEMENT

Errors & Omissions excepted

PREAMBLE

The parties agree that it is mutually beneficial and desirable to promote cordial relations and to set forth herein the agreement concerning rates of pay, hours of work, and conditions of employment to be observed between the parties and to provide an orderly adjustment of differences and grievances;

Therefore, this Agreement witnesseth, in consideration of the mutual covenants and agreements herein set forth, the parties hereto have mutually agreed as follows:

ARTICLE 1: RECOGNITION

- 1.01** The Company recognizes the Union as the sole and exclusive representative for the purpose of conducting collective bargaining regarding working conditions of employees employed at the Company's operations, and the Company will continue to recognize the Union as required under law.
- 1.02 (a)** The word "employees" as used in this Agreement means all employees in the employ of the Company except sales staff, office personnel, shift foremen and those above the rank of shift foremen and those excluded by the Labour Relations Code at Endako Mines, Endako Mines Road, Fraser Lake, British Columbia; Thompson Creek Town site Office, 31 Tunasa Crescent
- (b)** The word "operations" as used in this Agreement means the Company's operations at Endako Mines.
- 1.03** Words imparting the masculine gender shall include the feminine and vice-versa.
- 1.04** Union representatives will be permitted entry to the Company's operations in order to attend meetings with management. It is agreed that this attendance will not cause any disruption of the Company's operations or affairs.
- 1.05 i)** The parties subscribe to and support the principles of the Human Rights Code with respect to the employment of the employees in the bargaining unit.

- ii) The parties agree that all employees should be assured of a work environment that is free of all forms of discrimination including personal and sexual harassment.

- 1.06 The Company recognizes that it is not normally the function of a shift foreman or persons above the rank of shift foreman to perform work that is normally performed by an employee in the bargaining unit where qualified employees are available to do such work, except when it is deemed necessary by the Company to instruct employees, to protect Company property, to assure safety and health of employees, to operate pilot or test programs, or to man new facilities during start up programs, and in the case of emergency, or in the performance of occasional unforeseen and necessary work when production facilities or troubles are encountered on the job. The Company agrees that these functions shall not be abused.
- 1.07 The Company agrees that there shall be no intimidation or discrimination against any employee by reason of his legitimate activities as a member, steward or officer of the Union.
- 1.08 It is the duty of the Company and the Union to cooperate fully in the promotion and achievement of the matters set forth in the Preamble to this Agreement.
- 1.09 Employees shall not engage directly or indirectly in any Union activity on Company property or during working hours, except as expressly provided for in this Agreement, or as otherwise mutually agreed upon.
- 1.10 The Company agrees that the contracting out of bargaining unit work which is normally performed by employees will not be done for the purpose of laying off, failing to recall, or deferring recall of an employee or preventing an employee from receiving training.

ARTICLE 2:

MANAGEMENT RIGHTS

2.01 The Union acknowledges that the Company has and shall retain the sole, exclusive and undisputed right and responsibility to manage its operations as it sees fit, including, but not limited to, the following:

- (a)** to plan, direct and control operations, to schedule production and other activities, to determine the products to be produced and the methods, processes and means of production or other work, to determine the location of a plant and facilities, and the extent and schedule to which its operations shall be operated.
- (b)** to hire, promote, demote, classify, transfer, assign, reassign, and lay off employees and to discipline, suspend and discharge employees for just cause;
- (c)** to direct the working forces, including the right to decide on the number of employees needed by the Company, or the number of employees required for any task at any time, to change the number of employees assigned to any task, to determine the classifications required in any and all operations, to determine the qualifications required for each classification, to organize the work, to assign the work, to schedule shifts, to maintain order, safety, discipline and efficiency in the operations; and,
- (d)** to make and, from time to time, to alter rules and regulations to be observed by all employees. The Union and affected employees shall be notified of any new or changed rule or regulation prior to implementation.

2.02 It is expressly understood that all matters not specifically covered by this Agreement shall remain within the sole prerogative of the Company and nothing in this Agreement shall be construed as limiting the usual and regular rights of the Company.

ARTICLE 3:
UNION SECURITY

3.01 Each employee shall as a condition of hiring or continued employment:

- (a) Authorize the Company in writing to deduct union dues from his pay. The authorization shall be in a form agreed to between the Company and the Union.
- (b) Become a member of the Union and maintain membership in good standing.

3.02 (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.

(b) The Union will give reasonable notice to the Company of any changes in the amount of 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) business days following the last dues deduction of the month, the dues so deducted shall be made payable and remitted electronically 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 USW R115 Form (a summary of the dues 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 1-424, Attention: Financial Secretary at
fax number 250-563-0274

- (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. Notwithstanding any provisions contained in this Article, the responsibility on the part of the Company for dues shall not exceed the amount of an employee's unpaid wages in the hands of the Company.

ARTICLE 4:
NO STRIKES, NO LOCKOUTS

- 4.01** The Union agrees that neither the Union nor its officers, nor its representatives, nor its members, shall in any way authorize, encourage or participate in any strike, work stoppage, walk-out, slow-down, illegal act or any act of a similar nature during the term of this Agreement.
- 4.02** In case any of the aforementioned acts should occur, the Company shall, in addition to all of its other rights and remedies, have the right to discharge or discipline any or all of the employees taking part in such act or acts, providing, however, that any such action by the Company shall be subject to the grievance procedure if any employee believes he has been discharged or disciplined unjustly.
- 4.03** The Company agrees that there shall be no lock-out of employees during the term of the Agreement.

ARTICLE 5:
GRIEVANCE PROCEDURE

5.01 The parties agree that it is desirable that any complaints or grievances should be resolved as quickly as possible. Many complaints or grievances can be resolved by discussion between the employee and his supervisor and, therefore, employees are encouraged to attempt to settle any complaints or disputes with their immediate supervisor before proceeding with the Grievance Procedure.

5.02 Should a complaint or dispute become a grievance between the Company and employee(s) regarding the interpretation, application or alleged violation of the Agreement, or a question as to whether a matter is arbitrable, a reasonable effort shall be made to settle the dispute in the following manner:

Step 1

Within ten (10) days after the alleged grievance has arisen, or within ten (10) days from the time the employee should reasonably have known of the occurrence giving rise to the grievance, the employee and a steward may present the grievance in writing to the employee's General Foreman. Failing a satisfactory resolution within ten (10) days, the grievance may be processed to Step 2.

Step 2

Within ten (10) days from the time a decision was made or could have been made under Step 1, the steward and grievance committee person may present the grievance in writing to the employee's Department Head. The Department Head shall reply in writing within ten (10) days of the presentation of this grievance under Step 2. Failing a satisfactory resolution, the grievance may proceed to Step 3.

Step 3

Within ten (10) days from the time a decision was made or could have been made under Step 2, the Union Mine Chair, Grievance Committee Chair and Union representative may take the matter up with the Mine Manager and Human Resources Superintendent. Failing a satisfactory resolution within ten (10) days, the grievance may be referred to arbitration within thirty (30) calendar days from the date settlement could have been made in Step 3.

5.03 In determining the time within which any step is to be taken under the foregoing provisions of this Article, Saturdays, Sundays and the recognized holidays in this Agreement shall be excluded. Any and all time limits fixed by this Article may be extended by mutual agreement in writing between the Company and the Union, such agreement not to be unreasonably withheld.

5.04 All grievances submitted to the Company must clearly outline in detail the nature of the grievance, the remedy sought and the section(s) of the Agreement which are alleged to have been violated. The Company will provide its answers in writing at each step of the Grievance Procedure. The third stage grievance response shall be sent to the Union representative in Prince George.

5.05 Any agreement between the Company and the Union in the grievance procedure shall be final and binding upon the Company, the Union and the employee(s).

5.06 Each member of management and/or Union referred to above may appoint a designate to act in his absence or in his place.

5.07 Subject to any agreement under Article 5.03, any grievance which is not commenced or processed through the next stage of the grievance or arbitration procedure within the time specified shall be deemed to be abandoned and all rights of recourse to the grievance procedure or arbitration shall immediately terminate and be at an end.

5.08 Policy Grievance

A policy grievance shall be defined as a dispute involving a question of application or interpretation of any Article of this Agreement which arises directly between the Company and the Union. It shall be submitted as a policy grievance at Step 3 within ten (10) days following the circumstances giving rise to the grievance. The provisions of this Article may not be used with respect to a grievance directly affecting an individual employee or a group of employees.

5.09 Company grievances shall be submitted to the Union at Step 3. Failing a satisfactory resolution of the grievance within five (5) days, the grievance may be referred to arbitration within thirty (30) calendar days from the date of settlement could have been made in Step 3.

5.10 If it is necessary for a steward and/or other employee(s) to take time off during working hours in an attempt to resolve a grievance, he must first notify his shift foreman and give a brief explanation for such need. The shift foreman will make the necessary arrangements and will not arbitrarily or unreasonably withhold permission.

The time spent in settling disputes by employees delegated by the Union for that purpose shall be considered as time worked and no employee shall suffer loss of regular earnings. If the time spent occurs outside the

employee's working hours, such hours will not be used for the calculation of overtime.

- 5.11** Generally, the meetings involved in the grievance procedure shall be carried out on the Company's property. Any other location shall be as mutually agreed between the Union and the Company.

ARTICLE 6: ARBITRATION

- 6.01** Either party must, within thirty (30) calendar days upon the completion of Step 3 of the grievance procedure outlined in Article 5, notify the other party in writing of its desire to submit to arbitration an unsettled grievance relating to the application, operation, interpretation or alleged violation of this Agreement, including any question as to whether the matter is arbitrable.
- 6.02** The party electing arbitration will submit the name of one (1) or more arbitrators to the other party. If the parties are unable to agree on the choice of an arbitrator within thirty (30) days, the Minister will be requested to appoint an arbitrator.
- 6.03** The Arbitrator shall hear the parties to the grievance and shall within a maximum of thirty (30) days following the conclusion of the hearing render a decision.
- 6.04** The parties shall equally bear the costs of the arbitrator. Each of the parties shall bear the expenses incurred in the preparation and presentation of its own case.
- 6.05** An Arbitrator shall have jurisdiction to consider any matter properly submitted to him under the terms of this Agreement, including whether a matter is arbitrable or not, but shall not have the jurisdiction to make any decision inconsistent with the provisions of this Agreement, or alter, modify, add to, subtract from or amend any part of the provisions of this Agreement in whole or in part.
- 6.06** The decision of the arbitrator shall be final and binding on both parties.

- 6.07** The parties agree that the operation of Section 87 of the Labour Relations Code is excluded.

**ARTICLE 7:
DISCIPLINE AND DISCHARGE**

- 7.01** If it is alleged that an employee has been suspended without just cause the grievance shall start at Step 2. If it is alleged that an employee has been discharged without just cause the grievance shall start at Step 3. In either case, the grievance must be filed within five (5) days of the Union being notified, in writing, by the Company of such suspension or discharge, failing which any recourse to the grievance procedure shall be deemed to have been abandoned.
- 7.02** When an employee is disciplined, upon an employee's request, a steward will be present.
- 7.03** Upon request an employee will be shown his disciplinary or attendance record at a time mutually agreed upon.
- 7.04** If it is agreed or decided at any step of the grievance procedure, excluding arbitration, that an employee has been suspended or discharged without just cause, the Company will reinstate him in his job without loss of seniority.

**ARTICLE 8:
OFFICERS, COMMITTEES AND STEWARDS**

- 8.01** The Union shall notify the Company in writing of the names of all officers, committeemen, and stewards and of any changes in the same.
- 8.02** The Union may appoint up to four (4) stewards for each of the Mine, Mill and Maintenance departments.

- 8.03** The officers, committeemen and stewards have as their primary responsibility the performance of their duties for the Company. The Company may allow employees to leave their work to attend to their duties as outlined in the Agreement. If allowed to leave their duties, they shall be paid their hourly rate, for the hours that they were scheduled to work, if they attend meetings on site which are held during their regular working hours.
- 8.04** The Company shall provide three (3) bulletin boards for the use of the Union for posting of notices regarding Union business. Prior to posting, the approval of the Company will be obtained, such approval not to be unreasonably withheld.
- 8.05** The Company will arrange for a locked cabinet to be provided to the Union for storage of the Union's documents and records.

**ARTICLE 9:
SENIORITY**

- 9.01** The seniority of an employee shall be defined as the length of continuous and uninterrupted service with the Company according to its records.
- 9.02** An employee shall complete a probationary period of sixty (60) working days or four hundred and eighty (480) regularly scheduled hours worked within a six (6) month period. During this period, the probationary employee shall have no seniority rights. The parties agree that, during the probationary period, an employee may be dismissed for any reason satisfactory to the Company and if the Union files a grievance on behalf of a probationary employee in relation to their dismissal, the arbitrator will consider this lesser standard of cause in reviewing the dismissal.
- 9.03** Upon completion of the probationary period, an employee shall acquire seniority and his name shall be entered on the seniority list according to his most recent hiring date.
- 9.04** Employees who have acquired seniority shall have that seniority maintained and accumulated subject to loss of seniority and termination of employment identified in Article 9.05.

- 9.05** An employee who has acquired seniority shall have that seniority completely lost and his employment as an hourly employee terminated if he:
- (a)** Quits his employment with the Company;
 - (b)** Is discharged and not re-instated under the terms of this Collective Agreement.
 - (c)** Is laid off for a period in excess of:
 - i)** six (6) months where the employee has less than two (2) years of seniority at the time of lay-off, or
 - ii)** twelve (12) months where the employee has two (2) or more years of seniority at the time of layoff.
 - (d)** Is sent notice of recall by registered mail to his last address of record with the Company and fails to report within fifteen (15) days of receipt of notice, unless he has contacted the Company in writing and has received an extension to report in writing. The extension will not be unreasonably withheld. A notice of re-call which has been returned as unclaimed or refused will be considered received. Illness substantiated by medical evidence will be sufficient grounds to be granted an extension to report;
 - (e)** Accepts a salaried position on a permanent basis and does not return to the bargaining unit within four hundred and eighty (480) regularly scheduled hours;
 - (f)** Is absent from work without permission for more than three (3) consecutive working days unless the employee provides a proven reasonable excuse;
 - (g)** If he utilizes a leave of absence for reasons other than those for which it was granted; and,
 - (h)** Accepts severance pay.
- 9.06**
- (a)** The Company shall maintain an up-to-date seniority list showing each employee's order of seniority with his name, payroll number, service date, and classification.
 - (b)** The seniority list shall be posted every three (3) months and a copy shall be supplied to the Union office.

(c) The seniority for employees hired on the same day will be determined by the date their application for employment was received by the Company.

9.07 (a) In the event of a layoff, the employee(s) affected shall be laid off in the inverse order of their Company seniority, provided that the employees being retained have the skill, ability, qualifications, and certifications (if required) to perform immediately the available work

(b) Skills, ability and qualifications as referred to above shall include the following:

i) The employee's work experience at the operations;

ii) The employee's skills; and,

iii) The employee's ability to perform the work.

(c) The determination of the skills, ability and qualifications shall be made by the Company in a fair and equitable manner.

(d) Employees who are laid off will be recalled in the reverse order in which they were laid off provided that the employee(s) being recalled have the skills, ability, qualifications, and certifications (if required) to perform immediately the available work.

(e) The parties will meet as required to discuss the orderly application of the provisions of Article 9 with respect to layoffs and recall.

9.08 It shall be the responsibility of employees who have been laid off and wish to be available for recall to keep the Human Resources Department informed of their current mailing address.

9.09 In the case of a permanent layoff or shutdown or the Company's operations resulting in the termination of employment, the Company will give notice of termination, pay in lieu of notice of termination or a combination of notice and pay in lieu of notice of termination equivalent to the requirements of the Employment Standards Act based upon the continuous service of an employee.

9.10 In addition to the notice requirements outlined above, in the case of a permanent layoff or shutdown of the Company's operations resulting in a termination of employment, the Company will provide severance of two

weeks' pay at the employee's regular rate of pay for each completed year of active service to a maximum payment of 26 weeks' pay at the employee's regular rate of pay.

- 9.11** Employees shall be paid severance upon the expiration of recall rights or upon termination of employment while on layoff, at the employee's option. Upon payment of severance pay, the employee shall lose all recall rights.

ARTICLE 10 **JOB POSTINGS**

- 10.01 (a)** The following departments shall have Lines of Progression

Mine Department

Mill Department

Maintenance Department

Materials Department

Assay Lab

- (b)** The following positions shall be deemed to be entry level positions and need not be posted – Labourer, Mill Helper, Mine Helper, Laboratory Helper.
- (c)** The following positions shall be posted:
Concentrator Operator V, Roaster Operator IV, Site Services Operator IV, Mine Operator VI, Mine Maintenance Service Person IV, Tire Person IV, Warehouse Person IV, and Lab Assistant III, Trades Apprentice

- 10.02 (a)** Notice of all job vacancies that require posting shall be posted on Company notice boards and remain on Company notice boards for a period of eight (8) calendar days.

- (b)** The notice that a vacancy exists shall be in the following form:

Date posted _____ Posting # _____

The following vacancy (vacancies) in the _____
 Department for the job(s) of _____ on _____
 crew _____ schedule _____ in which, on assignment,
 is paid for at the rate of \$ _____ per hour, is announced.

Applications in writing shall be received by the Applicant's foreman no
 later than _____ (date to be eight (8) calendar days after the date of
 posting).

_____ Date
 _____ Superintendent,
 Human Resources

10.03 Notice of all job postings filled in accordance with Article 10 shall be posted on Company notice boards within five (5) working days, exclusive of Saturdays, Sundays and Paid Holidays, and remain on the Company notice boards for a period of eight (8) calendar days.

10.04 An employee may make application in anticipation of up to two (2) job vacancies that may occur while he is absent on vacation. Such application must be made prior to the commencement period of the vacation. The application shall be valid for the vacation period only.

10.05 In awarding a job posting, the Company shall consider the Company seniority of each employee concerned in determining which employee shall be awarded the job.

- 10.06** The successful candidate will undergo a trial period not exceeding forty-five (45) calendar days during which time the employee will be trained and tested. At the end of the trial period, the successful candidate will either be confirmed in the position or returned to his position. An employee may elect during the trial period to return to his former position.
- 10.07** An employee who has completed the trial period and has not returned, or been returned, to his previous position must remain in the posted job for a period of six (6) months before applying for another job posting, with the exception of those who are accepted as applicants in the Apprenticeship Training Program.
- 10.08** The parties agree that an employee is allowed to make a transfer request in writing to move to a vacant position within their classification to a different crew.
- 10.09** Should an employee decide not to advance further in a Line of Progression, he will maintain his current rate of pay so long as he performs the work entitling him to that rate for at least the minimum hours per year requirement.
- 10.10** In all Lines of Progression employees do not receive the higher wage rate until they have completed the training entitling them to the wage rate.

ARTICLE 11:
HOURS OF WORK

- 11.01** This Article is intended to define the normal hours of work and shall not be construed as any guarantee of work or pay or of hours of work per day, or per week, or of days of work per week. This Article shall not be considered as

any basis for the calculation or payment of overtime, which is solely covered by Article 12.

- 11.02 (a)** At its discretion, the Company may from time to time initiate, maintain and discontinue to conduct, all or any part of its operations on a continuous and/or semi-continuous shift basis, subject to the pertinent statutes and regulations of the Province of British Columbia.
- (b)** The term "work week" means that period of time commencing at 12:01 a.m. Sunday and terminating one hundred and sixty-eight (168) hours thereafter.
- 11.03** Prior to introducing a shift schedule outside of those referred to in 11.04 the Company will meet with the Union to discuss the new schedule, the impact it will have on employees, and consider alternatives that may arise from these discussions.
- 11.04** The normal hours of work for employees shall be based on one of the following schedules:
- (a)** Eight (8) hours per day, five (5) days per week (with preference given to Saturday and Sunday being days off);
- (b)** Ten (10) hours per day, four (4) days per week (with preference given either to Friday, Saturday and Sunday or Saturday, Sunday and Monday being days off); and,
- (c)** Twelve (12) hours per day based on a work cycle which is eight (8) consecutive weeks (four (4) shifts on, four (4) shifts off) averaging forty-two (42) hours per week.

11.05 Normal shift starting times will be as follows:

Eight Hour Shifts:

Day Shift 7:30 a.m.

Ten Hour Shifts:

Day Shift 7:30 a.m.

Twelve Hour Shifts:

Day Shift 7:30 a.m.

Night Shift 7:30 p.m.

11.06 The Company may, at its sole discretion, establish normal shift starting times at different hours for any operation, employee or group of employees, because of emergencies, breakdowns, preparation work, or for reasons of efficiency of operations.

11.07 Employees will commence their shift at the designated starting time and place and shall cease at the designated stopping time and place.

11.08 Employees on a 5:2 or 4:3 schedule will have an unpaid lunch break of thirty (30) minutes, designated by the Company during the period of the fourth and fifth hours of the shift. They will have paid breaks, at the workplace, of fifteen (15) minutes each, designated by the Company during the periods of the second and third hours and the sixth and seventh hours of the shift.

11.09 Mill employees on a 4:4 schedule will have two (2) paid lunch breaks of thirty (30) minutes designated by the Company during the period of the fourth and fifth hours of the shift and the seventh and eighth hours of the shift. They will have paid breaks of fifteen (15) minutes each, designated by the Company during the periods of the second and third hours and the ninth and tenth hours of the shift.

Pit employees on a 4:4 schedule will have two (2) paid lunch breaks of thirty (30) minutes designated by the Company during the period of the fourth and fifth hours of the shift and the seventh and eighth hours of the shift. The Pit employees agree they will exchange the two fifteen (15) minute paid breaks, which Mill employees receive, for travel time to a lunchroom for their lunch breaks.

- 11.10** Employees who have their break interrupted by the Company will be entitled to complete the time owing on their break normally within the time frames expressed in these provisions.
- 11.11** Modification of, or new shift schedules, shall be made and posted wherever possible, not later than twenty-four (24) hours preceding the scheduled change. Where less than twenty-four (24) hours notice is given, the employee shall be paid at the applicable overtime rate for regular hours worked on the first shift following the change. This provision shall not apply either to a new employee's initial assignment to a regular shift or to a change requested by an employee for personal reasons.
- 11.12** If an employee is required to work overtime, the Company will, if necessary, ensure arrangements are made to transport them home.
- 11.13** Days off on any of the 5:2, 4:3 or 4:4 schedules shall be scheduled consecutively.
- 11.14** An employee working more than two (2) hours of overtime beyond his regular scheduled shift is entitled to a thirty (30) minute paid lunch break and a hot dinner. An additional thirty (30) minute lunch period will be granted four (4) hours later.
- 11.15** The Union recognizes that lunch time scheduling will be required to accommodate blasting and servicing of equipment.

ARTICLE 12:
OVERTIME AND SPECIAL PAY

- 12.01** Overtime work shall be voluntary, provided that operating requirements can be met. In the event there are insufficient volunteers, the Company may assign the work in reverse order of seniority.
- 12.02** In calculating overtime, an employee's working time shall be calculated to the nearest one half (1/2) hour next following the time at which he is directed to stop work.
- 12.03 (a)** 5:2 Schedule

- i) An employee will receive overtime at the rate of one and one-half (1 1/2) times the employee's regular hourly rate for time worked in excess of eight (8) hours in a work day or time worked in excess of forty (40) hours. In calculating weekly overtime, only the first eight (8) hours worked by an employee in each day are counted, no matter how long the employee worked on any day of the week.
- ii) An employee will receive overtime pay at the rate of two (2) times the employee's regular hourly rate for time worked in excess of ten (10) hours in a work day or time worked in excess of forty-eight (48) hours. In calculating weekly overtime, only the first eight (8) hours worked by an employee in each day are counted, no matter how long the employee worked on any day of the week.

(b) 4:3 Schedule

- i) An employee will receive overtime pay at the rate of one and one-half (1 1/2) times the employee's regular hourly rate for time worked in excess of ten (10) hours in a work day or time worked in excess of forty (40) hours. In calculating weekly overtime, only the first ten (10) hours worked by an employee in each day are counted, no matter how long the employee worked on any day of the week.
- ii) An employee will receive overtime pay at the rate of two (2) times the employee's regular hourly rate for time worked in excess of eleven (11) hours in a work day or time worked in excess of forty-eight (48) hours. In calculating weekly overtime, only the first ten (10) hours worked by an employee in each day are counted, no matter how long the employee worked on any day of the week.

(c) 4.4 Schedule

- i) An employee will receive overtime pay at the rate of one and one-half (1 1/2) times the employee's regular hourly rate for any hours over three hundred twenty (320) hours at the end of the eight (8) week cycle. For the purpose of calculating this overtime, only the first twelve (12) hours worked by an employee in each day are counted, no matter how long the employee worked on any day of the schedule.
- ii) An employee will receive overtime pay at the rate of two (2) times the employee's regular hourly rate for time worked in excess of twelve (12) hours in a work day or any hours over three hundred eighty-four (384) hours at the end of the eight (8) week cycle. For the purpose of calculating overtime at the end of the eight (8) week cycle, only the first twelve (12) hours worked by an

employee in each day are counted, no matter how long the employee worked on any day of the week.

- 12.04** No overtime shall be paid for hours worked in excess of the employee's regularly scheduled hours in a work day because of personal arrangements between employees. Any such arrangements must be made in writing with the express permission of the employee's supervisor.
- 12.05** Overtime shall not be paid more than once for the same hours worked.
- 12.06** There shall be no pyramiding of overtime.
- 12.07** Where an employee who reports for work for his regular shift and who has not been notified not to report to work (except an employee returning from an unauthorized absence):
- (a)** is sent home because no work of any kind is available, he shall be paid an amount equal to two (2) hours pay at his hourly wage rate.
 - (b)** is offered alternate work, the employee may choose to refuse alternate work and go home without pay or discipline for that shift.
- 12.08 (a)** An employee who has already left the Company's premises after the end of his regular shift and is called back to work shall be paid the applicable overtime rate for each hour worked, from the time he reported for work on call out to the starting time of his next regular shift, but in any event, he shall be paid not less than the equivalent of four (4) hours at the double (2) time rate.
- (b)** Maintenance employees called out will not be required to perform work other than that for which they were called out.

- 12.09** Shift premiums shall be paid for regularly scheduled hours for employees working either a 5:2 or 4:3 schedule as follows:
- (a) a premium of fifty (50) cents per hour for hours worked between 6:00 p.m. until 11:59 p.m.
 - (b) a premium of sixty five (65) cents per hour for hours worked between 12:00 a.m., until 5:59 a.m.
 - (c) a premium of one dollar and fifty (\$1.50) cents per hour for all hours between 12:01 a.m. Saturday and 11:59 p.m. Sunday.
- 12.10** Shift premiums shall be paid for regularly scheduled hours for employees working a 4:4 schedule as follows:
- (a) a shift premium of fifty (50) cents per hour for the last four (4) hours while working day shift.
 - (b) a shift premium of fifty (50) cents per hour for the first four (4) hours and sixty five (65) cents for the last eight (8) hours while working night shift.
 - (c) a premium of one dollar and fifty (\$1.50) cents per hour for all hours between 6:00 a.m. Saturday and 6:00 a.m. Monday.
- 12.11** Shift premiums will not be included in calculating the employee's regular hourly rate for overtime pay purposes.
- 12.12** Subject to the efficient and economical operations of the Company, overtime will be distributed as equitably as circumstances permit among the qualified employees in the appropriate classification in the department.
- 12.13** Except in cases of emergencies or breakdowns, the Company shall give an employee twenty-four (24) hours notice of a change in his regular shift. Where such notice is not given, the employee shall be paid at the applicable overtime rate for regular hours worked on the first shift following the change. This provision shall not apply to a new employee's initial assignment to a regular shift.

The provisions of this Article shall not apply to a change requested by an employee for personal reasons. No employee shall be allowed to change shifts under any circumstances without first receiving the approval in writing of his immediate Supervisor.

- 12.14** An employee temporarily assigned to work in a lower classification will maintain his regular rate of pay.
- 12.15** For employees on a 5:2 schedule, the hours for which a paid holiday allowance is paid pursuant to Article 13 shall be deemed to be hours worked in computing overtime on a weekly basis, provided the employee was normally scheduled to work such hours.

**ARTICLE 13:
STATUTORY HOLIDAYS**

13.01 The following days shall be paid holidays:

New Year's Day;	Good Friday;
Victoria Day;	Canada Day;
B.C. Day;	Labour Day;
Thanksgiving Day;	Remembrance Day;
Christmas Day;	Boxing Day

13.02 In order to qualify for pay for any one of the holidays specified in Article 13.01, an employee:

- (a)** must have been employed for at least thirty (30) calendar days prior to the holiday; and,
- (b)** must have worked no less than fifteen (15) of the thirty (30) calendar days prior to the holiday. However, an employee will be considered to have qualified if during his absence in the qualifying days he is in receipt of wages from the Company.

13.03 For each holiday for which an employee qualifies, the employee shall earn a day off with pay at straight time. The number of hours in the day will be determined by the employee's regular schedule of hours in the thirty (30) day period prior to the holiday.

13.04 (a) If a paid holiday falls within an employee's vacation period, that day will not be counted as a vacation day.

- (b) Where a paid holiday is observed on an employee's scheduled day of rest, the employee is entitled to a substitute day off with pay at a mutually acceptable time.

13.05 An employee required to work on a holiday, provided he qualifies for pay for the holiday, shall be paid two (2) times his basic hourly rate for all hours worked. In addition, the employee may elect to take a substitute day off with pay at a mutually acceptable time.

**ARTICLE 14:
VACATION**

14.01 January 1st will be used for the purpose of calculating vacation entitlements for full time employees. For the purpose of calculating vacation entitlement, a vacation year shall be from January 1st to December 31st.

14.02 (a) Employees will be granted vacation with pay as follows:

Completed Years of Service	Working Hours Entitlement	Pay %
Less than 1 Year	12 hours per month of service to a maximum of 120 hours	6%
1 year to less than 8 years	120 hours	6%
8 years to less than 18 years	160 hours	8%
18 years to less than 25 years	200 hours	10%
25 years or more	240 hours	12%

- (b) Employees may elect each December either to be paid their vacation pay in one lump sum on January 15th followed by unpaid vacation time, or to receive vacation pay when they take their vacation time.

Outstanding vacation pay will be paid out to the employee in the last pay period of the year.

- 14.03 (a)** Operational requirements shall govern vacation schedules, but preference shall be given to employees in accordance with seniority where requested vacation periods conflict.
- (b)** Employees shall be required to submit their preference for vacation time to their immediate supervisor before March 31st in each year. Following this, the Company will post approved vacation schedules, by department, no later than April 30th.
- (c)** Employees electing to split their vacation will be entitled to preference for only one portion of vacation. This process shall repeat itself until all vacations are completed.
- (d)** Those employees who do not indicate preference for vacation scheduling before March 31st of each year will take their vacation in vacation blocks which are not already filled. The Company shall retain the right to schedule those vacations, provided that the Company will not schedule vacation in prime time.
- 14.04** Employees who leave the service of the Company shall be paid their outstanding vacation entitlement at the time of termination of employment.
- 14.05** Vacations may be split into units in accordance with an employee's shift cycle. Vacations shall not be taken in blocks of less than one shift cycle, except where there is less than one shift cycle remaining in vacation entitlement.
- 14.06** The Company will give three (3) months notice of a planned vacation shutdown. In the event an employee has an approved, scheduled vacation which is to occur within the three months prior to the planned vacation shutdown, the employee will have the option of taking his vacation as previously approved

ARTICLE 15:
LEAVES OF ABSENCE

- 15.01 (a) (i)** Where the operational requirements permit, an employee who submits a written request may be granted a personal leave of absence for sufficient reason at the discretion of the Company. Such requests will not be unreasonably denied. A personal leave of absence may be granted once every three years for up to thirty (30) calendar days if no additional expense to the Company results from the absence.
- (ii)** A leave of absence form must be in writing and authorized by a management representative. All requests for leave of absence will be answered by the Company, in writing, within 10 calendar days.
- 15.02 (a)** A bereavement leave with pay for up to forty (40) hours at the employee's regular rate of pay will be granted to an employee upon a death in his immediate family. Prior to taking such leave, the employee must advise his immediate supervisor which days he will be taking. "Immediate family" means the employee's spouse, common law partner, mother, father, mother-in-law, father-in-law, brother, sister, son, daughter, step-child, grandmother, grandfather or grandchild.
- (b)** An employee eligible for a bereavement leave which occurs during his vacation shall be entitled to have that portion of his vacation rescheduled. Bereavement leave pay is not paid in addition to any other compensation from the Company. Bereavement leave is not counted as time worked for the purposes of calculating overtime.
- (c)** Employees may be granted one day of unpaid time off to attend the funeral of a close friend or relative, other than an immediate family member.
- 15.03 (a)** An employee who is called for jury duty or is subpoenaed as a witness if related to their community service (but not in his own defence), will be paid an allowance equal to the difference between the payment, excluding payment for expenses, he receives for each day of such service and his regular straight time pay for work for which he would have been scheduled and which he would otherwise have performed on those days.
- (b)** Whenever possible, employees are required to report for work during their normal working hours if not scheduled for court appearances.
- 15.04 (a)** An employee is entitled to up to five (5) days of unpaid leave each year to attend to the care, health or education of a child in their care, or to the care or health of any other member of the employee's immediate family.

- (b) Employees are expected to give as much notice as possible and to provide sufficient information for the Company to understand the reason for the leave.
- 15.05**
- (a) Employees shall be entitled to pregnancy and parental leave in accordance with the provisions of the Employment Standards Act.
 - (b) On advice of her doctor, a pregnant employee who requests a transfer to an alternate workplace due to workplace conditions will be provided with alternative work if available.
 - (c) Any benefit premiums the employee pays by normal payroll deduction must be deducted in advance if the employee wishes these benefits to be continued.
 - (d) The period of such leave shall be considered as service for seniority and pension purposes and vacation entitlement (but not vacation pay) only.
- 15.06** Upon reasonable prior notice in writing, the Company will grant any employee an unpaid leave of absence for the term of office as a Member of Parliament of Canada, or as a Member of the Legislative Assembly of British Columbia.
- 15.07**
- (a) On two (2) weeks' notice and written application by the Union to the Company, and subject to the requirements of the operation, the Company agrees to grant leaves of absence without pay to employees to attend labour conventions, labour seminars, or other Local Union matters. It is agreed that no more than four (4) employees will be off at the same time, with no more than two (2) of these employees being in the same department.
 - (b)(i) On two (2) weeks' notice and written application by the Union to the Company, the Company agrees to grant a leave of absence, without pay, to an employee appointed to a position with the Local or International of the Union or for the business purposes of the Local or International of the Union.
 - (ii) Such leave of absence shall be limited to a maximum period of one (1) year. The Company shall not be required to grant the privilege under this section to more than two (2) employees at the same time.

ARTICLE 16:
HEALTH AND SAFETY

16.01 The Company and the Union agree that it is in the interest of all concerned to maintain high standards of health and safety at the Company's operations in order to prevent industrial injury and illness.

To this end, all persons at the operations shall co-operate and be responsible to identify, report, or correct unsafe conditions or behaviours and to promote safe work conditions, practices, and enforcement of reasonable rules of safety on the property.

16.02 In accordance with the obligations under the Health, Safety and Reclamation Code for Mines in British Columbia, there will be a Joint Occupational Health and Safety Committee (the "Committee") composed of management and an equal number or greater number of worker representatives, chosen by the workers. There will be two (2) co-chairpersons, one of the worker representatives and the other a management representative.

For each regular member chosen, there may also be an alternate chosen to act in the absence of the regular member. The Company will not unreasonably refuse to expand the Committee to meet the need for representation.

16.03 The Committee's common goal is to promote health and safety in the workplace.

(a) It shall:

- i. inspect as many of the work areas as it considers appropriate every month and, as soon as possible after the inspection, meet to discuss its findings and any other matters concerning health and safety;
- ii. prepare minutes of the meeting, including a description of the conditions found during the inspection; and,
- iii. participate in the investigation of dangerous occurrences when required and to review safety standards and policies.

(b) Where the Committee makes an inspection and finds a serious unsafe condition, they shall immediately notify the supervisor responsible for the area and advise him of the unsafe condition.

- (c) Minutes of all meetings of the Committee and reports of all inspections made by the Committee shall be prepared by the Committee and provided to the Local Union. The minutes shall be jointly signed.

- 16.04 All reportable accident reports or reportable incident reports filed with the Ministry of Mines shall be forwarded to the Committee.
- 16.05 The Union agrees that prior to discussion with governmental agencies or the public, it will discuss any safety or health concerns with the Company as soon as the concern arises.
- 16.06 The Committee Co-Chairpersons or their designates shall participate in the investigation of reportable accidents and dangerous occurrences.
- 16.07 The Company shall provide the Committee with the information necessary for the Committee to carry out its responsibilities.
- 16.08 The Company agrees that there shall be regularly scheduled safety meetings on Company time for all members of every crew once per calendar month. The Company will make every reasonable effort to hold the meetings during day shifts. In the event this is not possible for a crew, the meeting will be held during the first four (4) hours of the night shift for that crew.
- 16.09 Where a work refusal occurs, the process under the Health Safety and Reclamation Code for Mines in BC will be followed. The Company agrees to post the applicable provisions of the Code on bulletin boards.
- 16.10 An employee who is injured on the job and is unable to complete his shift will have his regular earnings maintained for the balance of that shift.
- 16.11 (a) The Company shall continue to furnish or provide financial assistance towards protective equipment and other safety devices in accordance with present policy, subject to such improvements or changes as may be implemented from time to time.
 - (b) Any other safety equipment the Committee recommends is necessary shall be requested through the Mine Manager in writing.

- 16.12** New employees who require corrective lenses must possess safety lenses and safety frames prior to the commencement of work. The Company will provide financial assistance every twenty-four (24) months towards the purchase of new or replacement prescription safety glasses or lenses.
- 16.13** Employees involved in authorized safety meetings, inspections, or investigations will suffer no loss of regular earnings while attending their assigned duties. The Union Co-Chair or his alternate, while attending monthly safety tours, as outlined in Article 16.03, on their days off, will receive their regular straight time rate of pay for actual hours spent on the tour. Such hours will not be used for the calculation of overtime.
- 16.14** The parties recognize their joint obligations in situations where an employee would benefit from a modified return to work program when recovering from work related and non-work related injuries/sickness.
- 16.15** The Company will pay a monthly premium to holders of an Occupational First Aid Certificate Level III as follows:
- a. First time ticket holder - \$50.00
 - b. Second time ticket holders and subsequent - \$150.00
 - c. Employees who have allowed their ticket to lapse and are once again certified will be considered first time ticket holders.
- 16.16** The Company will provide a yearly allowance to an employee as follows:
- i. Safety boots - \$200.00
 - ii. Coveralls (2 Pairs) - \$150.00

ARTICLE 17:
HEALTH AND WELFARE

- 17.01** Employees who have completed their probationary period will be eligible to participate in a comprehensive and flexible programme of benefits which can be personally customized to meet their own needs.

- 17.02** Where a benefit is provided by an insurer, it is agreed and understood that any dispute regarding an employee's eligibility or entitlement to benefits will be between the employee and the insurer and will not be the subject matter of a grievance.
- 17.03** The Company's sole obligation in relation to any benefits is to ensure it makes the premium payments it is required to make.
- 17.04** It is recognized and agreed that the Company may from time to time change insurers or insurance carriers and it will not be a breach of this Agreement to do so.
- 17.05** The Company agrees to provide short term disability coverage with benefits payable after 24 working hours of sickness, or the first day of a non-occupational accident. The level of coverage is equal to 70% of base pay for up to 15 weeks. Base pay means an employee's regular hourly rate exclusive of overtime or shift premiums.

ARTICLE 18:
GENERAL PROVISIONS

- 18.01** Any notice required to be given to the Company under the terms of this Agreement shall be given by registered mail addressed to Endako Mines, Bag 4001, Fraser Lake, BC, V0J 1S0. Any notice to be given to the Union under the terms of this Agreement shall be given by registered mail addressed to the Secretary of the Union at its registered address for United Steelworkers, Local 1-424, 1777 - 3rd Avenue, Prince George, BC, V2L 3G7. When either party changes its address, it shall notify the other.
- 18.02** An employee terminating his employment or being laid off shall be paid all wages due him as promptly as possible.
- 18.03** The regular procedure for payment of wages will be by direct deposit every 8th and 23rd day of each month or, if a pay day falls on a weekend or general holiday, on the working day immediately before the scheduled day, to the financial institution of an employee's choice.

- 18.04** Employees who attend voluntary training courses on their scheduled day of rest will be paid at their regular rate of pay for the hours spent in training. Such hours will not be used for the calculation of overtime.
- 18.05 (a)** The Company and Union agree to hold Union Management meetings on a bi-monthly basis if requested by either party, for the purpose of discussing issues which relate to the workplace that affect the parties or any employee bound by this Agreement.
- (b)** The Committee will consist of a maximum of three (3) members from each party. The agenda for the meeting will be established at least one week prior to the meeting date.
- (c)** Employees shall suffer no loss of regular earnings while in attendance at such meetings. Attendance at such meetings outside regular work hours will be paid at regular straight time.
- 18.06** The Company and the Union will equally bear the cost of printing the collective agreement and will provide all employees with a copy as soon as they are available.
- 18.07** Upon request by the Union, the Company will implement a payroll deduction to collect monies from employees to be used to provide financial assistance to other employees or their families.
- 18.08** The present practice with regard to mutual shift exchanges will be continued.
- 18.09** The Company shall replace employee owned tools which are rendered useless as a result of breakage in Company service.
- 18.10 (a)** The Company will provide a tool allowance of twenty cents(\$0.20) per hour to the following maintenance personnel:
- Plumber
 - Pipefitter
 - Instrumentation Tech
 - Millwright
 - Machinist
 - Heavy Duty Mechanic

Gas Mechanic
Electrician
Tireman
Heat and Ventilation
Refrigeration
Carpenter
Welder
Serviceman
Apprentices
Uncertified Trades

- (b) Toolboxes damaged beyond repair through legitimate accidents in the course of employment, and which are proved to be no fault of the owner, will be replaced by the Company, to a comparable standard, at no cost to the employee.

18.11 Training Premium

An employee who is assigned by the Company to train another employee will receive a premium of one dollar (\$1.00) per hour for each hour the employee trains the other employee. This clause applies only to employees who are approved trainers and does not apply to certified journeypersons or leadhands.

ARTICLE 19:
LEADHANDS

- 19.01** Leadhands may be selected by the Company from time to time at the Company's sole discretion.
- 19.02** A Leadhand primarily acts as a leader of a group or groups of employees working on similar or related work under the direction of a shift foreman or person above the rank of shift foreman. Leadhands may also replace a shift foreman when absent.
- 19.03** Leadhands will assign work as directed by the shift foreman or person above the rank of shift foreman and works along with and/or co-ordinates this work among the employees.
- 19.04** The leadhand is responsible for the correct completion of work, but not for disciplinary action or other personnel matters.

ARTICLE 20:
APPRENTICESHIP PROGRAM AND TRADES TRAINING

- 20.01 (a)** The Company and the Union recognize the importance of providing unskilled employees with the opportunity to receive occupational and vocational training through an apprenticeship.
- (b)** The educational requirements established by the Provincial Government body administering apprenticeships will be the minimum educational standards for candidacy as an apprentice.
- 20.02 (a)** In selecting applicants for Apprenticeship Training, the Company shall post its requirements as set out in Article 10, and the selection of the successful candidate shall be based on meeting the qualifications as established in Article 20.01, successfully completing the pre-apprenticeship examinations in Article 20.02, and having the skills, ability and qualifications as defined in Article 9.07. Seniority shall govern where candidates are relatively equal based on the skills, ability and qualifications.

- (b) Certified Journeymen who have been displaced from their trade classification will be eligible as candidates for apprenticeships.
- (c) Passing grades for the apprenticeship selection tests have been established as being a requirement of seventy percent (70%) in each of the mechanical aptitude, space relations and shop math.
- (d) All scoring computations of percentages in each section will be rounded off to the next highest percentage point where any fraction of a percentage point exists.
- (e) Where an applicant has failed to pass one or more sections, the employee will be allowed to be retested one (1) additional time. Any testing will only be allowed where the employee can demonstrate to the Company that some relevant upgrading has taken place since the last failure.

20.03 The course content of Training Programs, evaluation of Apprentice performances and matters related thereto or regulated by statute or government regulations shall not be subject to the grievance procedure.

20.04 (a) For an Apprentice absent from the job due to attendance at the government sponsored Apprentice School, the Company shall pay the apprentice his normal wages unless the Apprentice is absent from school for reasons other than bereavement leave. Should an Apprentice fail to pass the school term examinations and is permitted to repeat the same, the Company shall pay the Apprentice as provided herein upon successful completion of school term examinations. The Company's obligation is limited to one repeat during the term of the apprenticeship.

- (b) An Apprentice who fails to complete his apprenticeship shall be reassigned to the classification he held prior to entering the apprenticeship program if there is a vacancy. Where no vacancy exists he may exercise his seniority on bid entry jobs.

20.05 The basic hourly rates for Apprentices shall be in accordance with the Appendix 'A' wage schedule.

20.06 The Company shall offer a conditional forgivable loan to an Apprentice with which to cover the costs of vocational training tuition. The Company will reimburse an apprentice for the costs of required textbooks upon submission of a receipt.

- 20.07** The Company and the Union agree to implement the concept of Apprentice Rotation through departments in order to provide broad exposure in the trade concerned.

**ARTICLE 21:
DURATION OF AGREEMENT**

- 21.01** This Agreement shall commence on April 1, 2011. It shall continue in full force and effect to and including March 31, 2013 and shall continue in full force and effect from year to year thereafter unless either party gives written notice, within ninety (90) days prior to the expiry date or of any subsequent anniversary date thereafter, requiring the other party to commence collective bargaining with the intent of concluding a renewal agreement.
- 21.02** Should either party give written notice to the other party pursuant to Section 21.01, this Agreement shall thereafter continue in force and effect until either the Union gives notice of strike or the Company gives notice of lockout in accordance with the Labour Relations Code of British Columbia.
- 21.03** The parties agree to exclude the operation of Section 50(2) and 50(3) of the Labour Relations Code.

Appendix A

WAGE GRADE A-H, Z OR S	CURRENT WAGES	EFFECTIVE <u>APRIL 1, 2011</u> 5% INCREASE	EFFECTIVE <u>APRIL 2, 2012</u> 4% INCREASE
A	21.04	22.09	22.97
B	24.50	25.72	26.75
C	25.88	27.17	28.26
D	26.84	28.18	29.31
E	28.16	29.57	30.75
F	29.20	30.66	31.89
G	30.80	32.34	33.63
H	32.87	34.51	35.89
Z or S	34.45	36.17	37.61

POSITION	WAGE CLASS
Labourer Mill Helper Mine Helper Lab Helper	"A"
Concentrator Operator V (Trainee) Roaster Operator IV (Trainee) Site Services Operator IV (Trainee) Mine Operator VI (Trainee) Mine Maintenance Service Person IV Trades Apprentice 0-12 month Tire Person IV (Trainee) Warehouse Person IV (Trainee) Lab Assistant IV (Trainee)	"B"
Concentrator Operator IV Roaster Operator III Mine Operator V Mine Maintenance Service Person III Tire Person III Warehouse Person III Lab Assistant III	"C"
Concentrator Operator III Roaster Operator II Site Services Operator III Mine Operator IV Mine Maintenance Service Person II Trades Apprentice 13-24 month Tire Person II Warehouse Person II Lab Assistant II	"D"
Site Services Operator II Mine Operator III Crusher Operator Blaster Helper Mine Maintenance Service Person I Tire Person I Warehouse Person I Lab Assistant I	"E"
Concentrator Operator II Roaster Operator I Site Services Operator I Mine Operator II Blaster Trades Apprentice 25-36 month	"F"
Concentrator Operator I Mine Operator I Trades Apprentice 37-60 month Operations Leadhand	"G"
Certified Tradesperson	"H"
Maintenance Leadhand Acting Supervisor	Z or S

Rates of Pay for Indentured Apprentices

<u>Apprentice</u>	<u>Wage Grade</u>
First Year	B
Second Year	D
Third Year	F
Fourth Year	G
Fifth Year	G

Appendix B

Molybdenum Bonus

The bonus plan is based on the calendar year (January 1 – December 31) and will be comprised of the following elements:

1. Targets involving three elements:
 - a. Actual tonnes milled versus budgeted tonnes milled per quarter;
 - b. Actual hours worked versus base hours per employee per quarter of 520 hours (which includes all hours for which an employee receives wages); and,
 - c. Molybdenum price of at least 10 dollars (\$10) per pound based on the average price for the quarter as reported by Metals Week.
2. The base bonus per quarter will be \$400 assuming all three targets are met.
3. Assuming the molybdenum price target is met, each individual target will be subject to a multiplier factor. For targets 1(a) and 1(b) above, the multiplier factor will be determined based on measuring either actual tonnes milled or actual individual hours worked versus the targets. For molybdenum, the multiplier factor is as follows:

Mo Price	Multiplier
\$10	1.000
\$11	1.000
\$12	1.000
\$13	1.000
\$14	1.000
\$15	1.000
\$16	1.200
\$17	1.400
\$18	1.600
\$19	1.800
\$20	2.000
\$21	2.200
\$22	2.400
\$23	2.600
\$24	2.800
\$25	3.000

Mo Price	Multiplier
\$26	3.200
\$27	3.400
\$28	3.600
\$29	3.800
\$30	4.000
\$31	4.200
\$32	4.400
\$33	4.600
\$34	4.800
\$35	5.000
\$36	5.200
\$37	5.400
\$38	5.600
\$39	5.800
\$40	6.000

4. If the average molybdenum price for a quarter falls between two different multipliers, the multiplier will be determined by calculating the fractional amount between the two multipliers based on the average price. For instance, if the average price was \$16.50, the multiplier would be 1.30 or if the average price was \$16.75, the multiplier would be 1.35.
5. Assuming the molybdenum price target is met, each individual multiplier effect will be multiplied against the other (tonnes x hours x price) in order to determine the payment to be made.
6. If a bonus is to be paid, it will be paid following the quarter upon which it is determined. If a bonus is paid to an individual employee, he may determine to direct all or a portion of the payment directly to his RPP contributions.
7. Attached is a bonus system example based on 2010 budget versus actual tonnes milled.

Endako Mines Hourly Bonus System Example - Based on 2010 Budget vs Actual Tonnes Milled

Base Bonus	Base Hours
\$400	520
\$400	520
\$400	520
\$400	520
\$1,600	2,080

Targets			Individual Multiplier Factors		Multiplier Factor	Qtrly Payment	Percent of Base	
Production	Base \$/lb	Base Hrs	Hours	Production	Mo Price	(Hrs x Prod x Mo Price)		
2,520,000	\$10.00	520	1.00	1.01	1.00	1.01	\$405.65	2.60%
2,548,000	\$15.00	520	1.00	1.06	1.00	1.06	\$423.62	2.72%
2,380,000	\$20.00	520	1.00	1.15	2.00	2.30	\$918.69	5.89%
2,576,000	\$30.00	520	1.00	0.85	4.00	3.40	\$1,359.72	8.72%

Mo Price	Multiplier
\$10	1.000
\$11	1.000
\$12	1.000
\$13	1.000
\$14	1.000
\$15	1.000
\$16	1.200
\$17	1.400
\$18	1.600
\$19	1.800
\$20	2.000
\$21	2.200
\$22	2.400
\$23	2.600
\$24	2.800
\$25	3.000
\$26	3.200
\$27	3.400
\$28	3.600
\$29	3.800
\$30	4.000
\$31	4.200
\$32	4.400
\$33	4.600
\$34	4.800
\$35	5.000
\$36	5.200
\$37	5.400
\$38	5.600
\$39	5.800
\$40	6.000

Actuals (Example Only)		
Production	Base	Hrs
2,555,602	\$15.00	500
2,698,462	\$20.00	520
2,733,095	\$25.00	540
2,189,152	\$30.00	560

Mo price - average for the period, and based on Metals Week

2010 Production Tonnes Milled		
Month	Budget	Actual
Jan	868,000	868,518
Feb	784,000	748,461
Mar	868,000	938,623
Apr	840,000	831,852
May	868,000	974,054
Jun	840,000	892,556
Jul	672,000	914,610
Aug	868,000	949,669
Sep	840,000	868,816
Oct	868,000	834,857
Nov	840,000	748,673
Dec	868,000	605,622

Letter of Understanding

Temporary Employees

The Company may employ temporary employees in reasonable numbers provided that no employee shall be laid off, failed to be recalled from layoff, discharged or displaced to make place for a temporary employee.

The Company and the Union agree to the following terms and conditions of employment with respect to temporary employees:

1. Temporary employees may be employed for special projects; illness, injury, vacations or approved leave of absence replacement; and emergency situations;
2. Temporary employees who work 1040 hours shall be eligible to participate in the programme of insured benefits, and after 2080 hours shall become a full time employee with seniority from his most recent hiring date;
3. Temporary employees shall not accumulate seniority while working as a temporary employee, but shall be required to pay union dues;
4. Temporary employees shall not be entitled to take any vacation, but shall receive vacation pay at the rate of four (4) percent of gross earnings;
5. Hours of work, overtime, shift premium, and paid holiday provisions, and Appendix "A" provisions regarding classifications and wage rates will be applicable to temporary employees;
6. Notwithstanding the provisions of Article 17, temporary employees shall have no eligibility for insured benefits until they have worked 1040 hours as noted above; and,
7. The Company will not hire a student to directly replace a temporary employee.

Letter of Understanding

Students

The Company may employ non-technical students in reasonable numbers provided that no employee shall be laid off, failed to be recalled from layoff, discharged or displaced to make place for a student

The Company and the Union agree to the following terms and conditions of employment with respect to students:

1. Primary consideration for summer student jobs will be given to employee dependents. The Company will attempt to ensure an equal number of job offers will be made to hourly and management employee dependents.
2. All students will be hired in entry level positions and may move to a higher rated position which is not filled under Article 10 with an employee.
3. Students may be employed only during the school vacation period (May to August 31);
4. Students shall be paid the wage rate of the classification in which they are working;
5. Students shall not be entitled to take any vacation, but shall receive vacation pay at the rate of four (4) percent of gross earnings;
6. Students shall have no seniority rights but shall be required to pay union dues;
7. Students shall not have the right to grieve discipline or discharge on a just cause basis;
8. Hours of work, overtime, shift premium and statutory holidays provisions will be applicable to students; and,
9. Notwithstanding the provisions of Article 17, students shall have no eligibility for insured benefits.

Letter of Understanding

Lines of Progression

In negotiations, the Company and the Union discussed the Company's approach to a Line of Progression model in the operations.

The Company's goal in having a line of progression model is to have as many highly trained, highly skilled employees as it needs to operate the mine in a productive and cost-effective manner.

To achieve that goal, it is the Company's intent to train as many employees as time and training resources allow.

Upon request, an employee will be provided with a copy of his training record, including any successfully completed written examinations.

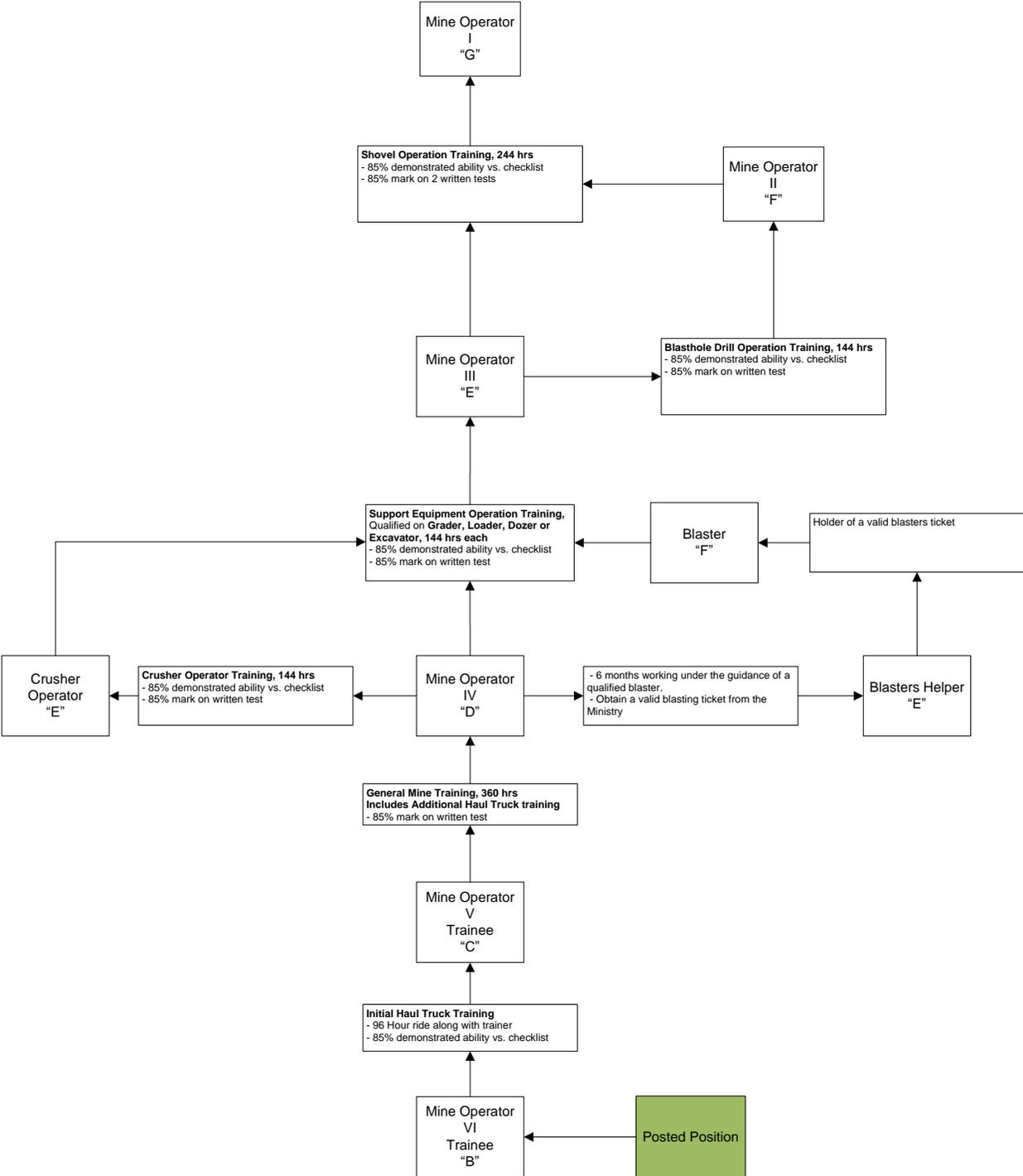
It is in the Company's interest to ensure that an employee who has progressed to a level where he obtains a regular assignment will remain in that regular assignment unless the Company need to:

- a) train an employee or to maintain an employee's qualifications;
- b) re-assign the employee because of production facilities or other troubles which are encountered.

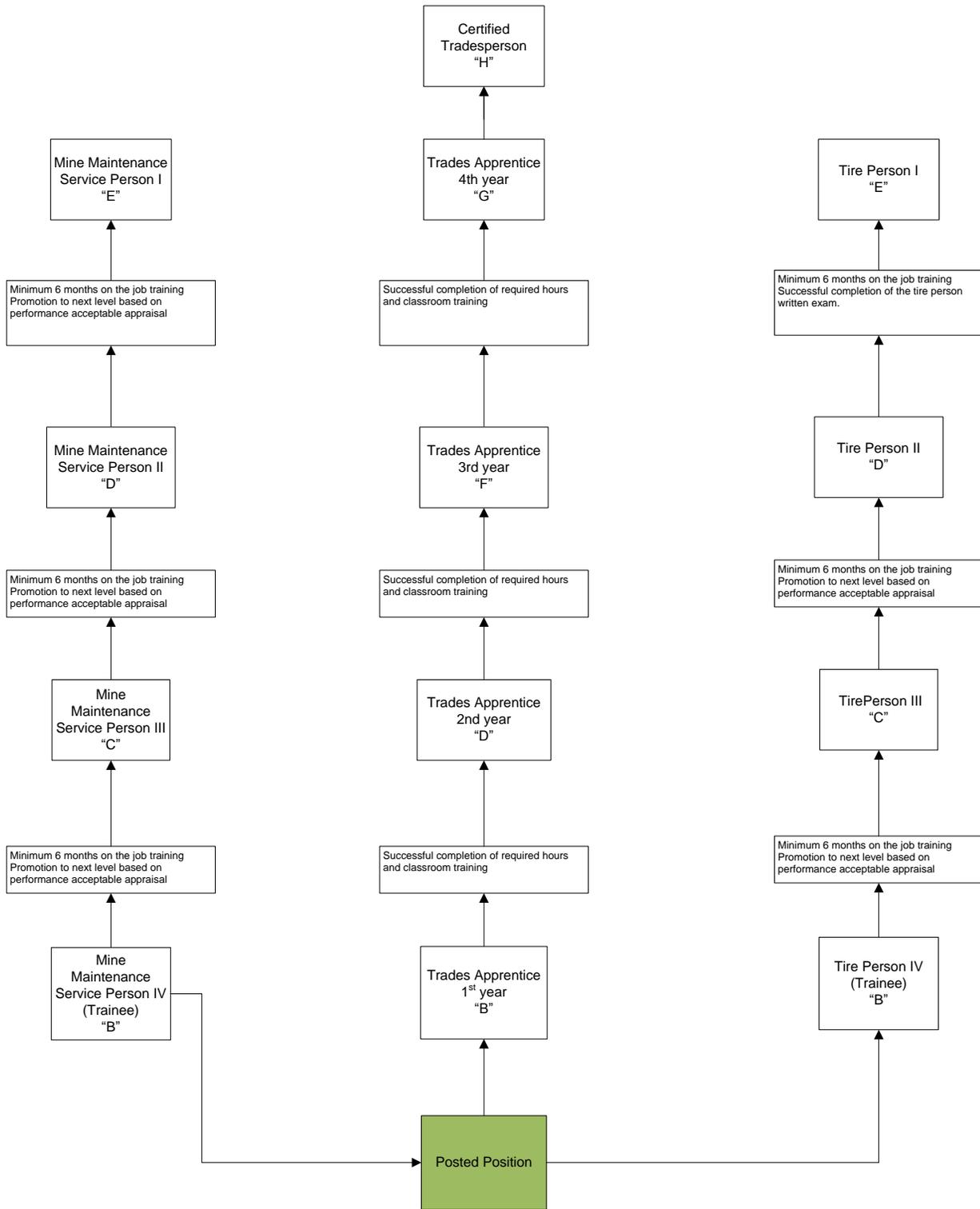
MILL DEPARTMENT JOB PROGRESSION



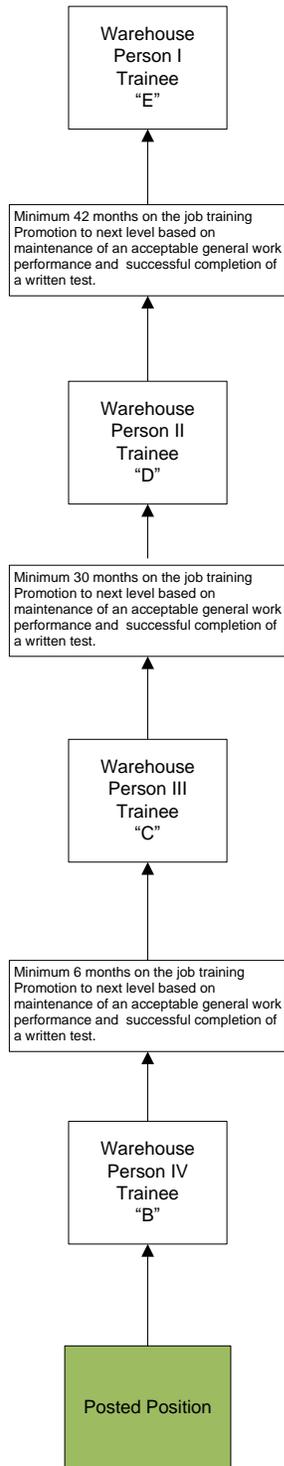
MINE DEPARTMENT JOB PROGRESSION



MAINTENANCE DEPARTMENT JOB PROGRESSION



MATERIALS DEPARTMENT JOB PROGRESSION



ASSAY LAB JOB PROGRESSION

