

COLLECTIVE AGREEMENT

Between

TRANSWEST MINING SYSTEMS

And

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 955

RECEIVED
MAY 18 2004

PERIOD: DECEMBER 4, 2003 TO JUNE 30, 2009

12817 (2)

TABLE OF CONTENTS

ARTICLE 1:00 - OBJECTS	1
ARTICLE 2:00 - BARGAINING AGENCY	1
ARTICLE 3:00 - UNION SECURITY	1
ARTICLE 4:00 - MANAGEMENT RIGHTS.....	2
ARTICLE 5:00 - DEFINITIONS.....	2
ARTICLE 6:00 - HOURS OF WORK & OVERTIME.....	3
ARTICLE 7:00 - GRIEVANCE PROCEDURE.....	4
ARTICLE 8:00 - ARBITRATION.....	5
ARTICLE 9:00 - SENIORITY.....	6
ARTICLE 10:00 - VACATION.....	8
ARTICLE 11:00 - LEAVE OF ABSENCE	11
ARTICLE 12:00 - NORTHERN LIVING ALLOWANCE	12
ARTICLE 13:00 - TRAVEL.....	12
ARTICLE 14:00 - NEW SITES.....	12
ARTICLE 15:00 - GENERAL PROVISIONS.....	12
ARTICLE 16:00 - JOB POSTINGS.....	18
ARTICLE 17:00 - SAFETY	19
ARTICLE 18:00 - MEDICAL, INSURANCE, DENTAL AND RRSP	19
ARTICLE 19:00 - SAVINGS CLAUSE.....	20
ARTICLE 20:00 - DURATION OF AGREEMENT.....	21
APPENDIX "A"- WAGE SCHEDULE.....	22
LETTER OF COMMITMENT.....	23
LETTER OF UNDERSTANDING	24
LETTER OF UNDERSTANDING	25
TOOL KIT PURCHASE PROGRAM.....	27
PARTICIPATION AGREEMENT AND PAYROLL DEDUCTION AUTHORIZATION.....	27

COLLECTIVE AGREEMENT

BY AND BETWEEN:

TRANSWEST MINING SYSTEMS

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 955

WITNESSETH: that the Parties hereto agree as follows:

ARTICLE 1:00 - OBJECTS

1:01

- (a) The objects of this Agreement are to maintain a harmonious relationship between the Employer and its employees; to provide an amicable and equitable method of settling grievances or differences which might possibly arise; to maintain mutually satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this Agreement.
- (b) For the purposes of this Agreement, the masculine shall be considered to include the feminine and the singular to include the plural.

ARTICLE 2:00 - BARGAINING AGENCY

2:01 The Employer recognizes and agrees that the Union is the sole bargaining agent for the employees of the Employer employed at Ekati Mine Site as set out in the Canada Industrial Relations Board Certificate (Order No. 7789-U, File No.20912-C).

ARTICLE 3:00 - UNION SECURITY

3:01 Each employee covered by this Agreement shall, as a condition of employment and/or continued employment, be and remain or become and remain, a Union member in good standing for the duration of this Agreement or for the duration of his employment with the Employer, whichever is shorter. Counting from the date he commences employment with the Employer, each new employee will be allowed thirty (30) calendar days within which to make application to join the Union and tender the appropriate initiation fees. The Union shall have the exclusive right to determine who is a member in good standing. Should an employee at any time cease to be a member in good standing of the Union, the Employer shall, upon notification in writing from the Union, discharge such employee forthwith.

3:02 Check-Off:

The Employer shall deduct from each new employee an amount equal to the Union dues from the employee's first payroll cheque after completion of forty-eight (48) hours of work in a calendar month and add that employee's name and said amount to the closest applicable check-off; i.e., if the check-off for the month has not been remitted to the Union, it shall be added to the following month's check-off and shown as the previous month worked.

3:03 Amounts Deducted:

Union dues deducted under this provision or other check-off provisions shall be remitted to the Union not later than the fifteenth of the month following the month in which such check-off applies.

ARTICLE 4:00 - MANAGEMENT RIGHTS

The Union recognizes that:

- 4:01** The management and operation of the plant and the direction of the working forces are vested exclusively in the Employer.
- 4:02** The Employer has and shall retain the right to select its employees, to hire, classify, promote, demote or discipline them and discharge employees for proper cause, provided that a claim of discrimination against an employee in respect to any of these matters, or a claim of violations, of any Section or Article of this Agreement, may be the subject of a grievance and be dealt with as hereinafter provided.
- 4:03** The right to hire employees of its choice is vested exclusively in the Employer.
- 4:04** The Employer will support BHP in any disciplinary action for just cause, initiated by them concerning a Transwest employee. Where an employee is not welcome on site by BHP, it is the responsibility of Transwest to honor such direction and suspend or terminate the employees' employment accordingly.

ARTICLE 5:00 - DEFINITIONS

- 5:01** In this Agreement "**employee**" means a person who is employed by the Employer and who is included in a unit of the Employer's employees for whom the Union has been certified as the collective bargaining agent by the Canadian Industrial Relations.
- 5:02** A **Senior Maintenance Technician** is an employee assigned to instruct others in the performance of their work and is held responsible for quality and quantity of work.
- 5:03** A **Lead Hand** is an employee who is able and willing to instruct others in the performance of their work, or who, because of exceptional skill and ability or the nature of his work, is so recognized by Employer.
- 5:04** A **Journeyman** is a certified tradesman ticketed with an Alberta Trades Qualification, NWT Trades Qualification or inter-provincial ticket and is classified as such. Journeyman are qualified by training to carry out the requirements of their respective trades. (e.g. Heavy Duty Mechanic, Welder, Machinist, Millwright, Partsperson).
- 5:05** A **Journeyman Partsperson** must have completed and passed a Provincial Partsperson Apprenticeship Program.

5:06 A **Parts Administrator** is responsible to carry out all the duties of a Partsman in addition to any other parts related duties as assigned by the Company.

5:07 In this Agreement, “**Northern Resident**” means a person who is employed by the Employer, resides in the Northwest Territories and maintains a valid NWT medical card.

ARTICLE 6:00 - HOURS OF WORK & OVERTIME

6:01 Dayshift:

The regular hours of work shall be (12) twelve, paid for at the regular rate of pay and having a start time between 6 and 8 am.

6:02 Nightshift:

The regular hours of work shall be (12) twelve, paid for at the regular rate of pay and having a start time between 6 and 8 pm.

6:03 Shift-Transfer of Employees:

- (a) When the Employer finds it necessary for an employee to be transferred from one shift to another shift, such transfer will not place any monetary burden on the employee.
- (b) When employees agree to trade rotational days this shall not place any monetary burden on the Employer. Such rotational trades must be approved by the Employer.

6:04 Statutory Holidays:

Employees shall receive twelve (12) hours of statutory holiday pay for each of the designated named holidays below:

Victoria Day	Christmas Day	Thanksgiving Day
Canada Day	Boxing Day	Good Friday
Citizens Day	New Year's Day	National Aboriginal Day
Labour Day	Family Day	Remembrance Day

In addition, Employees who work the statutory holidays will receive time and one-half (1½x) for all hours worked on the statutory holiday.

6:05 Hours of Work:

All hours worked in excess of twelve (12) hours per day and one hundred and sixty (160) hours per rotation, excluding travel time, shall be paid for at one and one-half (1½) the regular rate of pay.

6:06 Breaks:

There shall be a one-half (½) hour paid lunch break to be taken close to the mid point of the shift.

There shall be a fifteen (15) minute paid coffee break to be taken midway through the first half of the shift and another midway through the second half of the shift.

6:07 Overtime Distribution:

A system of equitable distribution of overtime beyond an employee's normal work schedule shall be established where each employee shall have the opportunity to work overtime. Records of overtime worked shall be kept up to date and made accessible to the Shop Steward.

ARTICLE 7:00 - GRIEVANCE PROCEDURE

7:01 Should a dispute arise between the Employer and an employee or the Union as an entity regarding the interpretation, application, operation or any alleged violation of this Agreement, including any question as to whether any matter is arbitrable, it shall be resolved in the following procedural manner:

Step A - The employee or the Union, together with such person or persons as he or the Union may wish, shall take the matter up with the Employer within twenty one (21) calendar days.

Step B - Should a solution not be reached by Step A, then a Business Representative of the Union, accompanied by the employee if the employee or Business Representative so wish, shall discuss the matter with the Employer. If a solution is reached, this shall be final.

Step C - If an agreement is not reached under the provisions of Step B above, upon mutual agreement between the Union and the Employer and at any time prior to the appointment of an Arbitration Board, or other body, another party may be requested to confer with the Union and the Employer to assist in the settlement of any difference arising from an alleged violation of this Agreement. Within ten (10) days of appointment, the selected party will make inquiries which it considers adequate and will submit in writing recommendations for settlement of the difference which will not be binding upon either the Union or the Employer or detract from their privileges under this Agreement. All expenses incurred by the appointed party will be paid equally by the Union and the Employer. The Parties may agree that the recommendation rendered at this Step will be binding on both Parties. If a solution is reached, this shall be final.

7:02 Grievance - Time Limit:

Any discharged or suspended employee may, within seventy-two (72) hours of his discipline or suspension, (exclusive of Saturdays, Sundays and Named Holidays), in

writing, require the Employer to give him the reasons for his discharge or suspension and the Employer will give such reasons to him, in writing, within seventy-two (72) hours of such request and in the event of any dispute or difference as to whether or not there was proper cause for the discharge or suspension of such an employee, only the reasons so set forth in writing, shall constitute cause.

ARTICLE 8:00 - ARBITRATION

8:01 If the procedures set forth in Section 7.01, Step A and Step B, do not result in a solution being reached within seven (7) days of the first discussion between a Business Representative of the Union and a representative of the Employer, or within such further period as the Employer and the Union agree to in writing, the dispute shall be referred to an Arbitration Board of three (3) persons appointed as follows:

- (a) The Party desiring arbitration shall appoint a member for the Board and shall notify the other Party in writing of the name and address of the person so appointed and particulars of the matter in dispute.
- (b) The Party receiving the notice shall within five (5) days appoint a member for the Board and notify the other Party of its appointment.
- (c) The two (2) Arbitrators so appointed, shall confer to select a third person to be Chairman, and failing for three (3) days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Canadian Industrial Relations Board.
- (d) The Arbitration Board shall sit, hear the Parties, settle the terms of the question to be arbitrated, and make its award within ten (10) days from the date of the appointment of the Chairman, provided the Parties may extend the time by agreement in writing.
- (e) The Parties may mutually agree that a sole arbitrator be appointed in place of a three (3) person board. The decision of the sole arbitrator shall be deemed to be the decision of the Board and shall be final and binding. All expenses incurred by the sole arbitrator shall be paid equally by the Parties. Each Party shall pay its own costs.

8:02 If the Arbitration Board finds (or if at any earlier stage of the Grievance Procedure it is found) that an employee has been unjustly suspended or discharged, that employee shall be reinstated by the Employer without loss of pay and with all his rights, benefits and privileges which he would have enjoyed if the suspension or discharge had not taken place, or if the Arbitration Board finds (or if any earlier stage of the Grievance Procedure it is found) that an ex-employee should have been rehired, that ex-employee shall be employed by the Employer and paid all pay which he would have enjoyed and accorded all rights, privileges and benefits which he would have enjoyed if had been hired at the proper time provided, that if it is shown to the Board that the employee has been in receipt of wages during the period between discharge or suspension and reinstatement, or date of failure to rehire and rehiring, the amount so

received shall be deducted from wages payable by the Employer pursuant to this Article, less any expenses which the employee has incurred in order to earn the wages so deducted, AND PROVIDED THAT the Arbitration Board sees circumstances established before it, which, in the opinion of the Arbitration Board, makes it just and equitable to do so, shall have authority to order the Employer to pay less than the full amount of wages lost.

- 8:03** The Arbitration Board shall have the right to modify any penalty imposed by the Employer on an employee.
- 8:04** If the award of the Arbitration Board is subsequently set aside by a court of competent jurisdiction, the question shall, at the request of either Party, be submitted to another Arbitration Board appointed pursuant to and with all the powers provided by this Article.
- 8:05** The expenses and remuneration of the Chairman shall be paid by the Parties in equal shares.
- 8:06** Without restricting the specific powers herein before mentioned, the Arbitration Board shall have all the general powers of an Arbitration Board.

ARTICLE 9:00 - SENIORITY

- 9:01** The Employer shall at least once every six (6) months provide to the Shop Steward an up to date list of all employees covered by this Agreement, showing the date when each commenced his employment with the Employer.
- 9:02** When a new employee is hired, it is agreed that he shall be on probation for sixty (60) work days and during this period seniority will not be applicable. When the probation period is completed seniority will commence from the date of hiring, Any time missed due to illness or injury will be added to the probationary period.

9:03 Employee - Re-Employment:

An employee re-entering the employ of the Employer within eighteen (18) months after his right of recall has expired shall not be subject to another probation period.

9:04 Layoff Procedure:

In the event of lay-offs, area of residence and seniority shall be recognized. There will be two seniority lists maintained, one outlining Northern residents and one outlining non-Northern residents. Employees on the Northern resident's list shall be laid-off last. The principle of last man on, first man off shall prevail starting with the non-Northern list and subject to job classification. The Employer shall give at least forty-eight (**48**) hours' notice on lay-offs. Northern Resident Seniority commences on an employee's date of permanent residence in the North, regardless if this date differs from their length of service with Transwest.

If lay-offs occur, providing a senior man is capable of performing another job, he shall be given the opportunity to take such a job.

If lay-offs are to take place out of seniority and residence sequence, the Employer will discuss the matter with the Union during the forty-eight **(48)** hour notice period. If no agreement can be reached, the lay-offs will occur and the matter referred to the grievance procedure.

In recognition of their valuable contribution in the early development stages of the Ekati Project, those employees hired before the certification date of April 27th, 2000, shall have seniority from their initial date of Ekati employment, regardless of their place of residence.

9:05 Seniority Retention:

- (a) If an employee requests a leave of absence and it is granted by the Employer, he shall retain his seniority and recall rights with the Employer for twelve **(12)** months after the start date of his leave of absence.
- (b) A laid-off employee shall retain his seniority and recall rights with the Employer for twelve **(12)** months after the date of lay-off.
- (c) If a laid-off employee is called back to work with the Employer within his right to recall period, there shall be deemed to have been no break in such an employee's continuous service with the Employer by reason of such lay-off.

9:06 Re-call:

When vacancies occur, the Employer shall rehire laid-off employees according to their seniority and the principle of last man off, first man on, shall prevail, subject to their classification.

The Employer shall contact laid-off employees either personally, by mail or through the Union dispatcher at the address or at the telephone numbers supplied by the employee. It shall be the responsibility of the employee to keep the Employer and the Union informed of his current address and telephone number while laid-off.

Employees who are recalled and offered a minimum of two (2) continuous weeks or one (1) ~~ind~~ continuation of work by the Employer shall have the right to refuse such work one (1) time without losing their right to recall and seniority. Employees who refuse such work more than one (1) time will automatically forfeit their right of recall and seniority and receive layoff pay in accordance with Article 9.07.

9:07 Lay-off Pay:

If an employee is laid off for a period that exceeds his right to recall as provided for in the seniority provisions of this Agreement, he shall be entitled to lay off pay as follows:

Ninety (90) days but less than three (3) years	80 hours
Three (3) years but less than four (4) years.....	120 hours
Four (4) years but less than five (5) years	160 hours
Five (5) years but less than six (6) years	200 hours
Six (6) years but less than seven (7) years.....	240 hours
Seven (7) years but less than eight (8) years	280 hours
Eight (8) years or more	320 hours

An employee may elect to accept lay-off pay under the provisions of this Section before the end of his right to recall period, but in so doing shall forfeit all seniority rights accruing to him under this Agreement, by reason of his term of service with the Employer.

9:08 Seniority Retention:

Employees who are promoted to a position exempt from coverage under this Agreement shall have the option to continue to accrue seniority for twelve (12) months after the date of their promotion and will lose seniority thereafter. In order to continue to accrue seniority, those employees shall be required to maintain their membership in the Union during the said twelve (12) months.

9:09 Moonlighting:

No employee shall undertake any work outside the Company, which could be construed in any way as competitive with the Company. It is understood that an employee on lay-off may practice his trade but may not solicit business from the Company's customers as a self-employed person. The term "moonlighting" shall refer to an employee who works for two or more Employers. When this practice affects the Company's business or the employee's ability to perform his job, it shall be cause for discipline.

Prior to undertaking any personal interest or employment that could conflict with this clause, the employee will advise and receive approval for same from Management and the Union.

ARTICLE 10:00 - VACATION

10:01 Vacation Pay

Employees will receive vacation pay in accordance with the following schedule:

YEARS OF CONTINUOUS SERVICE	VACATION PAY	VACATION PAY ON VACATION PAY CALCULATION
Less than one year	4%	4.16%"
1 year but less than 2 years	4%	4.16%"
2 years but less than 7 years	6%	6.36%"
7 years but less than 15 years	8%	8.64%"
15 years and over	10%	11%"

* Vacation pay will be paid to all employees on a current basis. In order to do so, the above asterisk figures are used. These noted percentages represent vacation pay on vacation pay calculations and are not to be considered base vacation pay entitlements as are outlined under the vacation pay column.

The principle of Company seniority shall be recognized for long time Transwest Mining Systems Inc. employees, for the purposes of vacation pay entitlement only.

10:02 Calendar Year:

For the purpose of determining a calendar year of employment to qualify an employee for vacation time and pay; the Parties agree that when an employee has earned a minimum of fifteen hundred (1500) hours for which wages are payable in an employee's calendar year, running anniversary date to anniversary date, they shall be eligible for vacation time and pay as set out in this article.

When an employee does not earn a minimum of fifteen hundred (1500) hours for which wages are payable in a calendar year, they shall maintain their previous year's vacation pay entitlement and the current year will not be counted as continuous for the purpose of calculating vacation pay as set forth in Article 10.01.

10:03 Vacation Pay on Termination:

In the event of termination of service with the Employer, by virtue of paying all employees' vacation pay on a current basis, the employee shall have received their entire vacation pay owing upon the receipt of their final pay and statement.

10:04 Statement of Vacation Pay:

As employees are paid vacation pay on a current basis, no additional vacation pay statement will be required beyond the employee's detailed payroll statement. On this payroll statement vacation pay paid will be clearly identified.

Upon written request of an employee, the Company shall make an optional second deposit into a separate account of an employee specified amount. This option will provide employee's full investment and financial control over their money, while at the same time helping them plan for vacation time taken.

10:05 Vacation Entitlement:

All employees with less than two (2) years service are entitled to 168 hours (2 weeks) of vacation time starting in their first year of employment. Employees with two (2) years or more of continuous service are entitled to 252 hours (3 weeks) of vacation time. Employees with more than two (2) years of continuous service may apply for additional vacation time. Such applications shall not be unreasonably refused.

10:06 Vacation Anniversary Date:

An employee's anniversary date of employment will govern his attainment of vacation pay entitlement.

10:07 Vacation Schedule Change:

An employee's scheduled vacation period shall not be changed by the Employer within the one (1) month period immediately preceding the start of the vacation period, without the consent of the employee concerned.

10:08 Vacation Schedule:

The Company will accept vacation requests from employees up to March 31st. These requests are to indicate the employee's preferred vacation period for the coming year. Requests submitted before this date will be approved or denied based on seniority and contract requirements. The Company shall indicate approval or denial of the vacation requests and post the resulting schedule by April 30th.

Requests for vacation time submitted after March 31st shall be approved or denied on a first come, first served basis, and based on workforce requirements and availability of vacation time. Such approval or denial to be given within thirty (30) days of the request.

10:09 Vacations - Requirement to Take:

Employees must take their allotted vacation time during the year in which it was entitled. There is no carry-over provision for vacation time.

10:10 Vacation Entitlement - Related to Statutes:

The entitlements of an employee under this section shall at no time be less beneficial than those he would be entitled to under the provisions of any Government legislation or any Orders or Regulations made thereunder.

10:11 Vacation Eligibility:

Eligibility for vacation pay shall be maintained, but not accumulated during absence:

- (a) due to temporary illness or non-occupational accident exceeding twenty-six (26) weeks;
- (b) with authorized leave of absence.

ARTICLE 11:00 - LEAVE OF ABSENCE

11:01 Union Service:

- (a) The Employer shall allow time off work without pay for any employee who is serving on a Union Committee for purpose of discussions with the Employer, or serving as a Union delegate to any conference or function, provided all requests for time off are reasonable and do not interfere with the proper operation of the business.
- (b) No employee who acts within the scope of this sub-section shall lose or be discriminated against for so acting.

11:02 Leave of Absence Due to Injury or Illness:

- (a) When an employee suffers an injury, whether on the job or not, or suffers an illness preventing him from reporting to work, he will automatically be granted leave of absence until such time as his doctor states he can resume work. In the event of a dispute the Employer reserves the right to obtain independent medical assessments.
- (b) When any employee suffers an injury or illness which requires his absence, he shall report this fact to the Employer as soon as possible, prior to his actual starting time, so that adequate replacement may be found if necessary.
- (c) All benefit coverage under Article 19 shall be maintained for all employees on Weekly Indemnity, Long Term Disability or W.C.B. for a period not exceeding twelve (12) months.

11:03 Leave of Absence - Application For:

If an employee desires a leave of absence for reasons other than referred to in this section, he must obtain permission, in writing, for the same from the Employer. A copy shall be supplied to the Union.

11:04 Leave of Absence - Other Employment Disallowed:

In any instance where an employee accepts other employment without consent of Management, while on leave of absence for any reason, his employment shall be terminated, subject to proper proof of same.

11:05 Maternity/Paternity Leave:

Maternity	up to eighteen (18) weeks
Paternity	up to twelve (12) weeks

ARTICLE 12:00 - NORTHERN LIVING ALLOWANCE

12:01

Effective December 04, 2003, Northern residents shall receive seven hundred and fifty dollars (\$750.00) per month as a Northern Living Allowance.

ARTICLE 13:00 - TRAVEL

13:01

The marshalling point will be Yellowknife. All employees will report to the marshalling point at their own expense. Travel time paid at straight time rates will be provided for as follows: Yellowknife to Ekati - two (2) hours. Return time will be the same.

13:02

Employees who find themselves in Yellowknife and weathered out on a day they are to travel in to the site will be paid their straight time hourly rate for the normal shift schedule of that particular day based on the flight manifest, up to a maximum of twelve (12) hours per day (including travel time). Employees who are weathered in at the site are paid for time worked up to a maximum of twelve (12) hours per day. Where weather delays exceed one (1) day, lodging provisions will be provided as per BHP policy.

Please note that pay for weathered out time when on nightshift is in accordance with the "Weather delay on scheduled travel days" procedure dated November 27, 2003. Please note that the procedure may be changed at anytime and employees are encouraged to check for updates. Additionally, the procedure will be discontinued if management believes it to be abused in any way.

ARTICLE 14:00 - NEW SITES

14:01

If the Company opens any additional work sites in the N.W.T., the Parties agree to meet and discuss the possibility of that work site falling under this Collective Agreement.

ARTICLE 15:00 - GENERAL PROVISIONS

15:01

Injury Report:

An employee suffering injury while in the employ of the Employer must report to the first aid department immediately, or as soon thereafter as practicable, and also report to that department on returning to work.

15:02

Washroom Facilities:

Washroom facilities are currently supplied and kept sanitary by BHP. Should that situation change, the Employer will endeavour to provide adequate, sanitary facilities. Employees will cooperate by observing the simple rules of cleanliness.

15:03

(a) Safety Clothing:

All safety clothing is currently supplied by BHP. Should this situation change, the employer will provide the following as required:

- Rain gear
- Welders' gloves
- Goggles
- Welding Helmets
- Hard hats for job use where required
- Specialist safety clothing where required

(b) Safety Glasses:

Safety Glasses are currently supplied by BHP. Should this situation change or should the cost associated with prescription safety glasses not be covered, the Employer shall reimburse employees required to wear prescription safety glasses up to maximum of one hundred and thirty dollars (\$130.00) once per calendar year. Any unused portion may be carried over for one (1) year. To be eligible for reimbursement, the safety glasses must have been damaged or broken as a direct result of work for Transwest and they must meet W.C.B. regulations; including permanent side shields. Safety glass allowances are paid only on production of original receipts.

(c) Safety Boots:

Effective January 1, 2004, employees will receive two hundred and fifty dollars (\$250.00) each November 30, as an annual safety boot allowance. New employees with less than twelve (12) months of service required to wear safety footwear, shall receive a portion of the allowance prorated to the number of full months employed with Transwest. Employees must ensure that their safety boots meet the minimum standard outlined by Transwest. The minimum standard will be posted from time to time and whenever changes occur. Additionally, it can be obtained from the supervisor at any time.

15:04

Protective clothing:

Protective clothing is currently supplied by BHP. Should this situation change the Employer shall supply protective clothing as required, when employees are engaged in cleaning equipment. Insulated coveralls shall be supplied.

Note: It must be recognized that an understanding of this nature requires a high degree of cooperation between employees and the Employer. Employees will not arbitrarily stop work without advising their supervisors.

15:05

Coveralls:

All employees required to wear coveralls shall have these supplied and cleaned by the Employer at no expense to the employees involved. Coveralls supplied shall be of the proper size to fit the employee. There shall be at least seven (7) changes available each week to the employees involved and damaged and worn out coveralls shall be replaced on an exchange (old for new) basis.

15:06

Lunch Room:

Lunch room facilities are presently supplied by BHP, should this situation change the Employer shall supply suitable enclosed and heated accommodation where employees may have their lunch. Lockers for personal storage are currently supplied by BHP.

15:07 Shop Steward:

- (a) The Union may elect or appoint a Shop Steward or Shop Stewards to represent the employees and the Union shall notify the Employer as to the name or names of such **Shop** Steward or Shop Stewards. The Employer agrees that no Shop Steward shall suffer any discrimination by reason of holding such office.
- (b) When the Employer for any reason finds it necessary to lay off or terminate a Shop Steward, the Business Representative of the Union shall be notified prior to such termination.
- (c) The Employer agrees to request permission from BHP to assist authorized agents of the Union to obtain access to the customer's premises during working hours for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to.
- (d) Where possible, the Shop Steward shall carry out his duties during non-work hours. Any employee being reprimanded by the Employer shall have the right to request that the Shop Steward be in attendance. This provision shall extend to the Employer **as** well.

15:08

Work Stoppage:

There shall be no lockouts by the Employer and no interruption, strike, work stoppage, sit-down or slowdown by any employees during the term of this Agreement.

15:09

Bonding:

If, at any time, the Employer requires an employee to be bonded by an individual bond, the cost of such bonding shall be assumed by the Employer. An employee shall not fill out the required bonding application form until such application form has been sanctioned by the Union.

15:10

Tools:

Employees shall supply their own personal tools based on the trade classification they are hired into.

Transwest shall transport said tools to the worksite from Edmonton at no cost to the employee and return them to Edmonton upon termination of employment.

Transwest shall provide a suitable mechanism and time for loading and unloading said tools at the beginning and the end of each shift or when an employee is transferred to another truck or shop.

Effective January 1, 2004, eligible tradespersons will receive an annual tool allowance by November 30 of each year. To be eligible to receive a tool allowance the following conditions apply:

- Trades people must have available at the worksite the minimum tools for their trade as outlined by Transwest. The minimum tools for each trade will be posted from time to time and whenever changes occur. Additionally, it can be obtained from the supervisor at any time.
- Each employee must provide a tool inventory of his/her tools at the worksite. The list must detail all tools, the brand name, the serial number and approximate age of each tool as applicable. This information is required for the tools to be insured. Employees will complete the tool inventory on their own time. The supervisor and the employee will each keep a copy of the tool inventory. Employees are responsible for updating their tool inventory and providing the supervisor with a copy of the updated inventory.
- Apprentices having a set of tools comprising eighty percent (80%) of the minimum tools for his/her trade will receive the allowance.
- New employees with less than twelve (12) months of service shall receive a portion of the allowance prorated to the number of full months employed with Transwest.

Yearly Allowance Amount:

Electricians/ Mechanics:	\$400.00
Welders:	\$120.00

Repair of Air Tools:

The Company shall pay up to a maximum of one hundred and twenty five dollars (\$125.00) for the repair of air tools / impacts over and above their tool allowance. This only applies to air tools and impacts that been worn/damaged as a result of work for Transwest. Should the employee choose to purchase a new air tool rather than repair the old tool, this one hundred and twenty five (\$125.00) can be applied against such a purchase.

Tool Insurance:

In order for an employee to be covered under the Company tool insurance policy, the yearly tool inventory form must be filled out and submitted. Failure to submit this list would result in the employee forfeiting insurance coverage for his tools. This insurance covers tools stolen from Transwest's allotted storage area or tools stolen while performing Transwest related work. Such insurance does not cover lost tools.

15:1 Shop Steward Accessibility:

The following information shall be made readily accessible to the Shop Steward:

- Seniority List
- Copy of the Agreement
- Welfare Plan Provisions
- Union Literature

Any employee requiring such information shall contact the Shop Steward for same.

15:12 Bereavement:

- (a) If an employee suffers a death in the immediate family, he/she shall be granted a compassionate leave of absence with full pay for up to three (3) days, providing that such leave is taken within a seven (7) consecutive day period, commencing with the date of death. Immediate family includes: spouse, mother, father, brother, sister, children, mother-in-law, father-in-law, grandparents (directly of the employee and/or spouse ie. Grandfather is a father's father and so on.) or grandchildren. This article does not apply if an employee is on a leave of absence or vacation.
- (b) The Employer may grant additional leave without pay to the bereaved employee.

15:13 Lost Time and Jury Duty:

- (a) All time lost by an employee due to necessary attendance on jury duty or acting as a witness or any court proceedings arising out of his employment, or subpoenaed as a witness, or in completing his driver's tests required by the Employer for actual employment with the Employer, or doctor's examinations in connection therewith, shall be paid for by the Employer at the rate of pay applicable to said employee.
- (b) When an employee returns from serving on jury duty or from participating as a witness, he will be returned to the job held prior to serving.
- (c) All jury duty pay received by an employee for the days he received pay from the Company shall be paid over to the Company. Employees will be expected to be available for work on the first scheduled work day immediately following the completion of their jury duty.

15:14 Relocate to N.W.T.:

When an employee, currently on the seniority list, agrees to relocate to the N.W.T. the Company shall pay eligible out of pocket expenses incurred as a part of this relocation up to a maximum of four thousand five hundred dollars (\$4,500.00) with original receipts, This benefit is considered a one-way, one-time entitlement. The following are considered eligible expenses, however, must be pre-approved by the Company prior to incurring:

- Transportation of Household Goods
- Travel Expenses Incurred During the Move
- Temporary Living Expenses

By accepting relocation assistance as described above, relocating employees acknowledge that if they voluntarily terminate their employment or are reassigned at their request within *two* (2) years of the relocation, they will be required to reimburse the Company monies paid to them or on their behalf, which are incidental to the relocation.

15:15 Headings:

The article headings shall be used for purposes of reference only, and may not be used as an aid in the interpretation of this Agreement.

15:16 Education For Upgrading:

The Company agrees to consider the reimbursement of fees to an employee, where he is improving or upgrading his work-related skills. Courses taken must be directly related to the on-the-job performance of the employee's present or potential future assignments.

Advance approval by the Company is required before the employees enroll in courses for which they expect to be reimbursed costs by Transwest. In order to be eligible for Transwest to pay course costs, the employee must complete the course in full and remain in the employ of Transwest until the course is completed. Furthermore, in courses where a grade is applied, a passing grade must be received in order to receive tuition reimbursement. If a passing grade is not achieved, no reimbursement will be paid.

The Company shall pay for all authorized industrial first aid courses as well as all required refresher courses for designated first-aid attendants. Where there is no outside work hours program offered in the specific location of the employees, the Company agrees to pay for actual hours scheduled to obtain/upgrade a first aid certificate. Company approval is required before the employee incurs the obligation.

15:17 Sick Days:

Sick time to a maximum of forty eight (48) hours per calendar year will be paid to eligible employees, at their regular rate of pay. Transwest reserves the right to not pay for unjustified sick days and to request medical confirmation of an employee's sickness. A doctor's note will be required for sickness lasting three (3) or more work days in duration and if an employee misses his flight in, due to sickness. There is no carryover of sick time from previous years.

ARTICLE 16:00 - JOB POSTINGS

16:01 Promotion:

When new jobs are available, wherever possible, the Employer will promote employees to a better paying job; qualifications, ability, and seniority to be considered.

16:02 New Job Classification:

- (a) When a new job classification is introduced which is not included in the list of classifications in Appendix "A" , the Employer and the Union shall promptly negotiate a wage rate for such classification.
- (b) Every effort will be made by the Parties to conclude negotiations within thirty (30) days, but in any event, the rate established shall be retroactive to the day the new job commenced.
- (c) In the event the Parties hereto are unable to conclude negotiations the matters in dispute shall be referred to a single Arbitrator agreed upon between the Parties. Failing such agreement, either Party at any time may call upon the Canadian Industrial Relations Board.

ARTICLE 17:00 - SAFETY

17:01 Safety meetings are scheduled and held under the direction of BHP. Should this change and the minimum once per month meeting not be scheduled, Transwest shall hold and write minutes for the meeting(s) as required.

ARTICLE 18:00 - MEDICAL, INSURANCE, DENTAL AND RRSP

18:01 Company Health Coverage:

The Company shall continue to provide Medical, Insurance, Extended Health and Dental coverage to it's employees subject to the terms of the insurance contract between the Company and insurance carrier. The coverage provided shall be equivalent to that provided to Transwest's B.C. Operating Engineers employees.

18:02 Coverage Limitations:

The Parties recognize that this coverage may contain restrictions, exceptions, qualifications and other terms affecting entitlement to benefits.

18.03 Medical:

The Medical coverage provided shall be supplied by the Medical Services Plan of Alberta or the employee's province of residence.

18:04 Extended Health Benefits:

To include but not restricted to Vision Care - Two hundred dollars (\$200.00) every twenty-four (24) months for each member of the family for glasses and/or contact lenses. Extended coverage also includes paramedical, drug, travel and hospital expenses to preset maximums and restrictions.

18:05 Group Insurance Coverage:

Life Insurance:	Flat: \$50,000
Accidental Death and Dismemberment:	Flat: \$100,000
Weekly Indemnity:	Flat \$475 per week (1-8-26)*

- * - Payable 1st day accident
- 8th day of disability due to sickness for
- Maximum of twenty-six (26) weeks entitlement.

Health & Welfare Policy Brochures outlining Benefit coverage will be made available upon request.

18:06 Dental Plan:

BASIC DENTAL -	100%
PROSTHETICS- (CROWNS, BRIDGES AND DENTURES)	80%
ORTHODONTIA -	50% (\$2,000 lifetime Maximum)

18:07 Eligibility:

Employees will be eligible for all coverage outlined on the first ~~Monday~~ day of the month following completion of their probationary period. Current employees on recall shall become eligible on the first of the month following re-employment.

18:08 Insured Benefit Coverage On Lay-off:

An employee who is laid off will be eligible for continued Health & Welfare Benefit Coverage (i.e. Basic medical, extended and dental) for sixty (60) days after the end of the month of lay-off. Coverage will continue for the period stated so long as the employee is unemployed and not receiving income from another Company or self-employment.

18:09 Long Term Disability:

Long Term Disability will be paid by the employee. It pays sixty (60%) percent of monthly earnings to a maximum of three thousand dollars (\$3,000.00) per month. This item is tax free when paid by the employee.

18:10 RRSP:

The Company shall make contributions into an employee's self-directed RRSP as follows:

Effective December 4, 2003	-	\$2.75 per hour
Effective July 1, 2004	-	\$3.00 per hour

ARTICLE 19:00 - SAVINGS CLAUSE

19:01

If any Article or Section of this Agreement should be held invalid by operation of law or by a tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid, or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

19:02

In the event that any Article or Section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the Parties affected thereby shall

enter into immediate collective bargaining negotiations, upon the request of the Union, for the purpose of arriving at a mutually satisfactory replacement for such Article or Section during the period of invalidity or restraint. If the Parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the Grievance Procedure.

ARTICLE 20:00 - DURATION OF AGREEMENT

20:01

This Agreement shall be in full force and effect from and including December 4th, 2003, to and including June 30, 2009, and shall continue in full force and effect from year to year thereafter, providing that either Party may not less than sixty (60) days nor more than one hundred and twenty (120) days prior to the termination date hereof, give notice in writing to the other party of its intentions to negotiate a revision thereof.

SIGNED this 11th day of May, 2004 on behalf of:

TRANSWEST MINING SYSTEMS

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 955


Kerry Veldhuis


Mike King


Ron Kusters


Bruce Moffatt

Michael Hunter


Ron Macdonald

Union **ti** **Committee:**
Ron |
Steven |
 | Poitras
Adam | istratecki

APPENDIX "A"- WAGE SCHEDULE

	<u>Dec. 4, 2003 Hourly Rate</u>	<u>July 1, 2004 Hourly Rate</u>	<u>July 1, 2005 Hourly Rate</u>
Parts/Service Administrator	\$27.44 per hr.	\$28.26 per hr.	\$29.11 per hr.
Journeyman Welder	\$28.92 per hr.	\$29.79 per hr.	\$30.68 per hr.
Journeyman Mechanic	\$28.92 per hr.	\$29.79 per hr.	\$30.68 per hr.
Journeyman Electrician	\$28.92 per hr.	\$29.79 per hr.	\$30.68 per hr.

* On July 1 in each of the years 2006, 2007, and 2008, the base wages will be increased by a minimum of three percent (3%). Additionally, if the average increase of the BHP Billiton and Finning settlements combined for the Ekati site in each year exceeds the 3% outlined above, all the base wages shall increase by the difference between the average and 3%.

NOTE: THE FOLLOWING WAGE RATES FOR THE YEARS 2006, 2007 AND 2008 ARE BASED ON A MINIMUM THREE PERCENT (3%) INCREASE. THESE RATES MAY BE SUBJECT TO FURTHER INCREASES AS NOTED ABOVE.

	<u>July 1, 2006 Hourly Rate</u>	<u>July 1, 2007 Hourly Rate</u>	<u>July 1, 2008 Hourly Rate</u>
Parts/Service Administrator	\$29.98 per hr.	\$30.88 per hr.	\$31.81 per hr.
Journeyman Welder	\$31.60 per hr.	\$32.55 per hr.	\$33.53 per hr.
Journeyman Mechanic	\$31.60 per hr.	\$32.55 per hr.	\$33.53 per hr.
Journeyman Electrician	\$31.60 per hr.	\$32.55 per hr.	\$33.53 per hr.

A Wage Scale

Apprentice wage rates will be as outlined in the applicable Northwest Territories Legislation.

Lead Hand Premium: \$1.00 per hour

Senior Maintenance Technician: 10% over and above the Journeyman Rate.

Continuous Shift Premium: \$2.25 per hour to be paid on all hours worked.

Reporting Allowance: Effective Dec. 4, 2003 - \$4.20 per hour to be paid on all hours worked.

Effective July 1, 2005 - \$4.25 per hour to be paid on all hours worked.

Field Premium: Effective July 1, 2004 - \$0.50 per hour to be paid on all hours worked.

All premiums/allowances do not attract overtime.


LETTER OF COMMITMENT

The IUOE 955 and Transwest Mining Systems agree to meet, discuss and share information on a regular basis with a view to improving relationships, productivity and administrative processes. The following topics will be discussed:

- On site labour management meetings: short meetings, up to four union and four management representatives. The meeting schedule will endeavour to cover all the different shifts; Transwest will ensure no wage loss for employees attending the meetings.
- Establishing on-site committees to ensure employee input into safety boot standards, minimum tool requirements, and appropriate supply of winter coveralls. Other items may be added as appropriate.
- Ensure appropriate communication to employees regarding their benefits and Group RRSP, including the option to increase RRSP contributions.
- Ensure that issues surrounding employee requests for additional vacation are resolved in a timely manner.
- Other matters **as** appropriate.

Dated this 20th day of February, 2004.


TRANSWEST MINING SYSTEMS


Kerry Velchurs


Ron Kusters

Mike Hunter

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 955


Ron Macdonald


Steven Hanas

Adam Mistecki

LETTER OF UNDERSTANDING

Between

**TRANSWEST MINING SYSTEMS
(the "Company")**

And

**INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 955
(the "Union")**

RE: TEMPORARY EMPLOYEES

Definition of Temporary Employee:

- (a) Those employees required to fill needs in spikes in worker demands or to cover vacation leaves
- (b) Shall be employed as per terms and conditions of the Transwest / I.U.O.E., Local 955 Ekati Collective Agreement
- (c) Shall pay applicable union dues
- (d) If their employment exceeds sixty (60) work days in consecutive rotations, they shall be required to become union members

Signed this 17th day of _____, 2004.

TRANSWEST MINING SYSTEMS

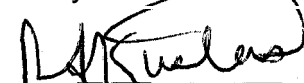
**INTERNATIONAL UNION OF
OPERATING ENGINEERS LOCAL 955**



Kerry Veldhuis



Mike King



don Kusters



Bruce Moffatt



Ron Macdonald

Michael Hunter

Union N i.t Committee:

Ron d

Steven Hanas

orr Poitras

adam Mistecki

LETTER OF UNDERSTANDING

Between

**TRANSWEST MINING SYSTEMS
(the "Company")**

And

**INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 955
(the "Union")**

**In a matter respecting a Company sponsored
Tool Kit Purchase Program
(the "Program")**

It is agreed between the Company and the Union that all employees of Transwest Mining Systems, in the classifications of Heavy Duty Mechanic, Welder or Electrician, and employed on a permanent basis at the Ekati minesite, will be eligible to participate in a Tool Kit purchase program as follows:

1. The Company will purchase one (1) Westward SKC330 tool kit, including tool box, for each eligible employee, at the best available price.
2. Individual employees will have the voluntary option of participating in the Program. For those employees opting to participate, the attached Agreement to Participate form must be submitted to the Company by no later than February 15, 2003.
3. Once participation has been refused by an existing employee, no further opportunity to participate will be allowed.
4. Newly hired employees will be given one (1) month from the successful completion of their probationary period to opt to participate in the Program.
5. The Program will not limit in any way the tradesman's responsibility to adhere to the Company's tool list.
6. The provisions of Article 15:10 of the Collective Agreement will remain in force.
7. The annual tool allowance will be withheld by the Company, for those employees participating in the Program, and applied directly to the Program. The balance of the purchase price, including applicable taxes, will be repaid by the employee as follows:
 - Two hundred dollars (\$200.00) per large pay period
 - One hundred dollars (\$100.00) per small pay period

until such time as the total purchase price, including applicable taxes, is repaid to the Company.

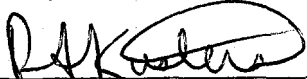
8. An employee whose net earnings are inadequate to cover the payroll deduction identified in point 7. above, due only to vacation and sickness, will be extended in the repayment plan by the number of pay periods in which inadequate net earnings occurred.
9. An employee whose net earnings are inadequate to cover the payroll deduction identified in point 7. above, due to layoff, or absenteeism not identified in point 8. above, shall remit directly to the Company a personal cheque in the amount identified in point 7. above. Failure by a participating employee to keep the payments current will result in the balance owing becoming immediately payable in full.
10. Should a participating employee terminate his employment with the Company, or be terminated by the Company, including a permanent layoff, the balance owing at the time of termination will become immediately payable in full.

Dated this 11TH day of May, 2004

TRANSWEST MINING SYSTEMS



Kerry Veldhuis



Ron Kusters

Michael Hunter

**INTERNATIONAL UNION OF
OPERATING ENGINEERS LOCAL 955**



Mike King



Bruce Moffatt



Ron Macdonald

Union Negotiating Committee:

Ron Macdonald

Steven Hanas

Lorne Poitras

Adam Mistecki

TOOL KIT PURCHASE PROGRAM
PARTICIPATION AGREEMENT AND
PAYROLL DEDUCTION AUTHORIZATION

I, _____, hereby agree to participate in the Company sponsored Tool Kit Purchase Program under the terms and conditions of the Letter of Understanding between the Company and the Union.

I hereby authorize the Company to deduct from my pay the amounts identified in the same Letter of Understanding, including authorization to deduct the full amount from my final pay should I terminate or be terminated by the Company, or failing to keep the payments current.

I understand all provisions of the Letter of Understanding and agree with all provisions therein contained, including any and all repayment provisions contained therein.

Dated this _____ day of _____, 20 _____

Employee signature: _____

29
/