

COLLECTIVE
AGREEMENT

BETWEEN:

AURICO GOLD INC.

(hereinafter called the "Company")

AND:

INTERNATIONAL UNION
OF OPERATING ENGINEERS,
LOCAL NO. 115

(hereinafter called the "Union")

January 1, 2014 to December 31, 2016

TABLE OF CONTENTS

PREAMBLE	1
ARTICLE 1 – DEFINITION OF EMPLOYEE.....	1
ARTICLE 2 – UNION RECOGNITION.....	2
ARTICLE 3 – UNION SECURITY	2
ARTICLE 4 – MANAGEMENT RIGHTS	2
ARTICLE 5 – UNION ACTIVITY	3
ARTICLE 6 – CONTRACTING OUT.....	4
ARTICLE 7 – HOURS OF WORK/OVERTIME.....	5
ARTICLE 8 – STATUTORY HOLIDAYS.....	8
ARTICLE 9 – VACATIONS.....	10
ARTICLE 10 – LEAVES OF ABSENCE.....	12
ARTICLE 11 – OCCUPATIONAL HEALTH & SAFETY.....	14
ARTICLE 12 – UNION-MANAGEMENT COMMITTEE.....	16
ARTICLE 13 – NOTICES.....	17
ARTICLE 14 – GRIEVANCE PROCEDURE.....	17
ARTICLE 15 – ARBITRATION.....	19
ARTICLE 16 – DISCIPLINE.....	19
ARTICLE 17 – SENIORITY	21
ARTICLE 18 – JOB CLASSIFICATIONS/LINES OF PROGRESSION.....	24
ARTICLE 19 – PREMIUM PAY.....	24
ARTICLE 20 – JOB POSTINGS	25
ARTICLE 21 – APPRENTICESHIP	29
ARTICLE 22 – STUDENTS	30
ARTICLE 23 – NEW CLASSIFICATIONS	31
ARTICLE 24 – SUPERVISORS WORKING	31
ARTICLE 25 – LAYOFF AND RECALL	32
ARTICLE 26 – TECHNOLOGICAL CHANGE.....	34
ARTICLE 27 – TOOL ALLOWANCE	35
ARTICLE 28 – GENERAL PROVISIONS	36

ARTICLE 29 – BENEFIT PLAN	41
ARTICLE 30 – SAVINGS CLAUSE	43
ARTICLE 31 – STRIKES AND LOCKOUTS	44
ARTICLE 32 – TERM OF AGREEMENT	44
APPENDIX “A”	45
APPENDIX “B”	48
LETTER OF UNDERSTANDING #1 RE: VOLUNTARY RECOGNITION - KEMESS NORTH	51
LETTER OF UNDERSTANDING #2 RE: RESIDENT CONTRACTOR PERMIT FEES	52
LETTER OF UNDERSTANDING #3 RE: MINE OPERATIONS BACKUP OPERATORS	53
LETTER OF UNDERSTANDING #4 RE: FIRST NATIONS PROTOCOL	54
LETTER OF UNDERSTANDING #5 RE: SHARING ROOMS	56
LETTER OF UNDERSTANDING #6 RE: DRUG AND ALCOHOL POLICY	57
LETTER OF UNDERSTANDING #7 RE: CONTRACTING OUT FOR ALL MINE CONSTRUCTION AND DEVELOPMENT FOR KEMESS NORTH AND ALL TAILINGS DAMS	59
LETTER OF UNDERSTANDING #8 RE: POST-SHUTDOWN WORK	60
LETTER OF UNDERSTANDING #9 RE: PREFERENTIAL REHIRING FOR KEMESS UNDERGROUND	62

THIS AGREEMENT

Made this _____ day of _____, 2014

BETWEEN:

AURICO GOLD INC.

(hereinafter called the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter called the "Union")

WITNESSETH that the Parties hereto agree as follows:

PREAMBLE

The parties to this Agreement recognize that it is to their mutual interest to promote as fully as possible safe working conditions, efficiency of operations and protection of property. This can best be achieved and maintained by harmonious relations between the Company, the Union and the employees, and by the settlement in an amicable and timely manner of all disputes that may arise. The Company and the Union shall direct their efforts towards this purpose.

Singular and masculine terms have been used throughout this Agreement for the sole purpose of simplifying the writing of the text. For purposes of interpretation and meaning, the plural and feminine form should be used where the context requires.

ARTICLE 1 – DEFINITION OF EMPLOYEE

- 1.01 The word "employee(s)" as used in and for the purpose of this Agreement shall include all production and maintenance employees in the Company's Kemess Mine and processing plant, British Columbia, except those excluded by the Labour Relations Code and shift bosses, foremen, persons above the rank of shift boss or foreman, office employees, clerical employees, technical employees, assayers, assay technicians, engineering staff, metallurgical staff, geological staff, purchasing staff, surveying staff, security guards, nurses and safety personnel.
- 1.02 (a) The Company and the Union agree that there shall be no discrimination against any employee because of a person's race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability, sex, age, union affiliation or non-affiliation.
- (b) The Company agrees that all employees shall be treated equally in all respects and are assured of a work environment that is free of all forms of discrimination including personal and sexual harassment.

- (c) It is the Company's intention to apply its policies equally to employees covered by the Collective Agreement.

ARTICLE 2 – UNION RECOGNITION

- 2.01 The Company recognizes the International Union of Operating Engineers, Local 115 as the sole and exclusive bargaining representative of employees, as defined in this Agreement.

ARTICLE 3 – UNION SECURITY

- 3.01 The Company shall deduct such fees and dues as provided by the Union from the pay, which is known by the employees as the "end of period pay." These deductions shall be submitted monthly to the Union before or near the twenty-fifth (25th) day of the month in which said monies were deducted. The Union shall indemnify the Company for such remittances and deductions when in accordance with Union instructions.
- 3.02 Each employee shall, as a condition of employment and/or continued employment, become and remain a member in good standing of the Union. Should an employee, at any time, cease to be a member in good standing of the Union, the Company shall, upon notification in writing from the Union, discharge such employee forthwith. In the event the Company is requested by the Union to discharge employees pursuant to this Article, the Union agrees to indemnify the Company in the event of subsequent proceedings being brought against the Company for such discharge.
- 3.03 The Company shall hand each new employee a Union membership card and dues deduction card. The employee shall complete said cards and return them to the Company. The Company shall ensure that the cards are completed and submit the Union membership card to the Union prior to the first dues being submitted as per Article 3.01, and shall retain the dues deduction card on the employee's file.
- 3.04 The Company shall submit a check-off list containing the names and social insurance numbers of each employee and the dues applicable to each employee.
- 3.05 Notwithstanding any provisions contained in this Article, there shall be no financial responsibility on the part of the Company for fees, dues or assessments of an employee unless there are sufficient unpaid wages of that employee in the Company's hands.
- 3.06 The Union shall indemnify and save the Company harmless against any and all such claims, demands, suits or other forms of liability that shall arise out of or by reason of such action taken or not taken by the Company for the purpose of complying with any of the provisions of this Article.
- 3.07 The Company agrees and covenants it shall make no written or verbal agreements with any employee(s) regarding items covered by this Collective Agreement.

ARTICLE 4 – MANAGEMENT RIGHTS

- 4.01 The Union acknowledges that it is the sole and exclusive right of the Company to supervise, manage and control the Company's operations, except as expressly and specifically limited in writing by this Agreement and without limiting the generality of the forgoing, includes the right to hire any and all employees that may be needed from time to time, to promote,

demote, transfer, schedule, direct, classify, suspend, discipline, lay-off, and discharge employees. The determination of the extent to which the methods by which, and the hours during which operations shall from time to time be carried on; the determination of the numbers and classifications of employees required for any and all operations; the right to determine the qualifications required for each classification, the extent to which any individual meets those qualifications and to assess the performance of each and every employee, the right to make, publish and enforce rules for the promotion of safety, efficiency and discipline, and for the protection of the employees and the Company's facilities, equipment and operations. All matters concerning the operation of the Company's business not specifically stated herein shall be reserved to be Management's right.

- 4.02 Nothing contained in this Agreement shall be deemed to obligate the Company to continue to operate any of its operations or properties.

ARTICLE 5 – UNION ACTIVITY

- 5.01 It is the parties' desire to establish and maintain excellent labour relations in the work place. The Company shall introduce all new employees to the appropriate Steward or recognized Union official and to the Safety Representative at the time of hire and provide him with a copy of the Collective Agreement and the Mines Act.
- 5.02 Upon receiving permission from his Supervisor, a Steward or Safety Representative may leave his work area or duties to attend to Union business or affairs. Such permission shall not be unreasonably withheld.
- 5.03 The Union shall promptly notify the Company, in writing, of the names of employees who have been elected or appointed Stewards. The Company shall recognize one (1) Steward from each shift and each department to a maximum of six (6) Stewards, one of which shall be a designated Lead Steward. To be a Steward, an employee must have completed his probationary period. Where the Union decides that a specific need exists, an additional Steward and/or Safety Representative shall be elected or appointed and recognized for the area/department identified.
- 5.04 Upon notifying the Company, Union Business Representative(s) shall be permitted on Company property to carry out their duties as provided for in this Agreement. The Union representatives must first obtain permission from the Company before visiting areas of the work place, and their activities shall not result in any disruption of the Company's operations or affairs and employees shall not neglect their work duties and responsibilities.
- 5.05 The Company shall provide three (3) bulletin boards on Company property, located in the dining hall, mill and service complex. Notices shall be posted only by a Union Representative. Only notices pertaining to Union business shall be posted on such boards. It is agreed that a copy of such notices shall be given to the Human Resources Superintendent or designate, prior to posting.
- 5.06 The Company agrees there shall be no discrimination against any employee because of his legitimate activities as a member and/or representative of the Union.
- 5.07 The Company will allow sufficient time off for training of Shop Stewards and Safety Representatives. The Company will pay up to a maximum of two hundred (200) hours per year for lost wages and benefits for employees to take such training.

5.08 Where the operations of the Company permit, shop stewards will be allowed up to two hours off work, with no loss of pay, to attend steward meetings. These meetings will be held Wednesday of each week at 5p.m. The steward will obtain permission to leave for the meeting and inform the supervisor when he/she has returned.

ARTICLE 6 – CONTRACTING OUT

6.01 The Company shall not contract out bargaining unit work that results in a Bargaining Unit employee being laid off, suffering a loss of regular earnings, or having their right to recall deferred or delayed. Regular employees shall not be reclassified to another position as a result of contracting out.

6.02 Prior to the Company contracting out work, the following protocol will be observed.

- (a) It is acknowledged that contracting out of work is permissible within the provisions of the Collective Agreement, but that problems may arise if there is not appropriate notice and discussion.
- (b) Taking into consideration the importance of demonstrating respect for each other, the parties will do their utmost to communicate in advance of contracting out.
- (c) There are various types of contracting out that may occur.
- (d) These different types of contracting out may require differing levels of notice and discussion, such as but not limited to the following examples: project work, warranty work, specialty work, and emergencies.
- (e) When a contract is to be tendered, the matter will be raised as part of the agenda of the Union Management meeting, or sooner.
 - (i) The Company will then keep the Union informed of progress, and will meet with the Union to outline alternatives that the Company has considered.
 - (ii) The Union will be given seven (7) days to propose details of alternatives to contracting out that the Company agrees to consider.
 - (iii) If a contract is tendered, the Company will immediately notify the Union that the contract had been tendered.
 - (iv) On the determination of the Company as to the successful bidder, the Company will provide to the Union the details on the “Confirmation of Contracting out Form.”
- (f) There may be contracting out of a regular and reoccurring nature that may not be tendered for bid.
 - (i) The Company will meet in advance with the Union to outline details of and alternatives that the Company has considered.

- (ii) The Union may propose for discussion alternatives that they have considered for this reoccurring work to be done by Bargaining Unit members.
 - (iii) On consideration of various factors if the Company decides to use the contractor, then the Company will provide to the Union available details on the "Confirmation of Contracting out Form" regarding the scope of work.
 - (g) Due to manufacturers' requirements, warranty work is normally characterized as contracted work.
 - (i) The Company will provide the Union with advance notice detailed on a "Confirmation of Contracting out Form."
 - (h) Where an emergency, for example an equipment failure, arises that jeopardizes production, safety, or the environment, the Company may engage a contractor immediately. In recognition of the spirit and intent of this protocol the Company will attempt to notify the Union immediately, but it is recognized that the provision of the "Confirmation of Contracting out Form", may not be delivered prior to the arrival of the contractor.
- 6.03 The Company will give fair consideration to contractors certified with the International Union of Operating Engineers when it goes out for competitive bids and provided they bid on the work and:
- (a) the contractor(s) meets the Company's bid criteria; and
 - (b) the competitiveness of the bidders is relatively equal amongst those bidding the work.
- 6.04 The Company agrees that where the work with contractors is based on an hourly rate, the rate paid to the contractor will be at least equal to the average hourly wage and benefit rate paid to AuRico employees.
- 6.05 This Article does not apply to situations involving partial or complete shutdowns of the mine. In this event, the Company has the right to contract out this work. Prior to contracting the work, the Company shall meet with the Union.

ARTICLE 7 – HOURS OF WORK/OVERTIME

- 7.01 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 except as recognized in this Article.
- 7.02 A workday is defined as the twenty-four (24) hour period commencing at the start of an employee's first scheduled shift on a calendar day. It is recognized and agreed that the maximum hours of work shall not exceed sixteen (16) hours in any twenty-four (24) hour period.
- 7.03 It is recognized Kemess Mine is a remote fly in/out camp operation. The mine shall operate on a fourteen (14) day in/fourteen (14) day out cycle and other existing schedules

for which a variance has been granted at the time of ratification and any others that are mutually agreed under the following provision:

The Company shall, at their cost, provide air transportation between both Smithers and Prince George and the mine site corresponding to the crew change cycle. Air transportation to and from the site shall be the sole method of transportation that an employee shall use to arrive at the site to commence their work and to depart the site, unless otherwise authorized in writing.

- 7.04 (a) When an employee is on site and is prepared for, and able, and permitted to work, each regular fourteen (14) day in/fourteen (14) day out cycle shall consist of a twelve (12) hour shift on each day of the cycle except for day shift whereby on the first and last day of the cycle the hours shall equal a minimum of twelve (12) hours combined between the two shifts. The parties acknowledge that the start time of an employee's regular twelve-hour shift may vary by the department he is in and crew he is on.
- (b) Employees on four (4) days in, three (3) days out shift cycle shall be scheduled to work nine (9) hours on the first day, twelve (12) hours the second and third days, and ten (10) hours on the last day. The last day is made up of seven (7) hours at the regular time and two (2) hours at time and one half and one (1) hour at double time.
- 7.05 The Company shall guarantee an employee work in his classification or provide alternate work at his regular rate of pay for all regularly scheduled work hours, when an employee is on site and is prepared for, and able, and permitted to work. The only exception to this provision is when a situation occurs which results in the employee(s) being removed from the mine site.
- 7.06 Crews that have both a day and night shift shall rotate between these shifts on alternate cycles unless mutually agreed otherwise.
- 7.07 An employee's schedule on site shall be twelve (12) hours per shift or as otherwise stated in this agreement, with two (2) paid one-half hour lunch periods or one (1) paid one half hour lunch period and two (2) fifteen (15) minute rest periods taken at the employee's workplace. Lunch periods and rest periods shall be taken so as not to interfere with operations. If an employee works through his lunch or rest periods and does not receive the break(s) at a later time, he shall add the time as overtime to the end of his shift.
- 7.08 In accordance with this Agreement the normal work cycle of fourteen (14) days of twelve (12) consecutive hours shall be paid to the employees at one hundred and sixty (160) hours straight time and eight (8) hours at time and one half.
- 7.09 An employee on continuous operations shall not leave his place of work at the end of shift until their replacement has reported for work, unless he has been given permission by his supervisor to leave the workplace. The employee shall notify supervision if his replacement does not report after a reasonable period of time. Supervision shall make arrangements for a qualified replacement as soon as possible. This also applies to delayed transportation/flights of employees.

7.10 The Union agrees to jointly apply with the Company to the appropriate government agencies for the renewal of any variances for schedules currently in effect. The Union also agrees to jointly apply with the Company to the appropriate government agencies for the implementation of any new schedules mutually agreed to.

7.11 The provisions of Article 7.09 provide that employees engaged in continuous operations shall not leave their workplace until relieved. Due to the size of the pit and distance from the dry, and given considerations of safety it is necessary for the Company to transport pit production employees to and from their actual work area/equipment.

Pit production employees will be marshaled and depart the dry fifteen minutes prior to the commencement of their work shift, and return to the dry fifteen minutes after the end of their shift. Employees will receive a premium equivalent to twenty dollars (\$20.00) each day on which the employee relieves another employee in the pit.

This marshaling time will not be deemed time worked and will not attract overtime or be used for the purposes of calculating overtime, nor pyramided on any premium.

Mill Hot Change Premium: \$10.00 each day starting January 1, 2008 for the Mill production positions on a shift requiring hot change, i.e. control room, grinding, flotation, tailings, crusher, dewatering and sample bucket.

7.12 Supervisors shall allow sufficient time to a maximum of fifteen (15) minutes prior to quitting time for cleaning and putting away tools.

7.13 (a) All hours worked in excess of an employee's scheduled shift hours shall be paid at double time rates.

(b) An employee who is on his scheduled days off and is called to work or required to work an overtime assignment shall be paid double time rates for all hours worked. Such time worked will not be used for the purposes of calculating further overtime pay.

(c) If the Company plans to introduce a new shift schedule, it shall notify the Union at least ninety (90) days prior to the planned implementation of the new shift.

The Company and the Union shall meet within fourteen (14) days of notification to discuss the implementation of the shift and negotiate the terms in accordance with the collective agreement. Both parties are free to raise any issue in negotiations including the impact of the new shift on employees' earnings, schedules, travel time and posting requirements.

If the parties are unable to agree on the application of the collective agreement to the new shift schedule, the parties agree within the 90-day period, to expedite an arbitration hearing to resolve all outstanding matters prior to the actual implementation of the new shift.

7.14 (a) An employee who is on site and is called out to work outside his regular shift hours shall be paid a minimum of four (4) hours pay at straight time (the "minimum guarantee") or overtime hours at the "applicable" rates for actual hours worked, whichever is the greater.

- (b) The “applicable” rates for a day shift employee on call out will be double time for all call out hours and double time and one half for hours after 10 p.m. if they have been called out before 2 a.m.
- (c) The “applicable” rates for a night shift employee on call out will be double time for all call out hours and double time and one half for hours after 10 a.m. if they have been called out before 2 p.m.
- (d) As a result of hours worked on a call out between 10 p.m. and 2 a.m. or between 10 a.m. and 2 p.m., an employee may require a rest period that reduces the hours worked in the 168-hour regular scheduled rotation. In such cases, the hours deducted from the employee’s regular scheduled rotation will not affect their eight hours of overtime in their regular scheduled rotation.

As an example: If an employee takes a rest period following a call out and misses four hours of their regular shift, they will work 164 hours of their regular scheduled rotation. The employee will be paid at 156 hours at straight time and eight hours at overtime rates.

- 7.15 Overtime work shall be on a voluntary basis provided sufficient employees are available to perform the work. The Company reserves the right to assign overtime work on a reverse order of seniority basis if there are insufficient volunteers. Overtime opportunities shall be distributed in a fair and equitable manner amongst the employees within their classification on the crew within the department that regularly performs the work. An overtime equalization chart shall be posted in each department on a monthly basis to monitor the distribution of overtime. (The Company shall post equalization charts within thirty (30) days of ratification.)
- 7.16 Overtime shall not be paid more than once for the same hours worked.
- 7.17 An employee who works three (3) hours or more before the start of or beyond the end of his regular shift shall be provided with a hot meal and thirty (30) minutes time to eat it. Where the overtime is anticipated to extend beyond two hours the hot meal shall be made available as soon as practical after the end of the regular shift.
- 7.18 When the Company initiates a change in an employee's shift schedule with less than 24 hours' notice, there shall be no loss of regular wages for the employee.
- 7.19 With prior approval, the Company shall allow an employee to utilize sick time hours in Article 29.02 to attend medical and dental appointments.
- 7.20 (a) The bus drivers will be paid fifteen minutes overtime rates at double time for each direction they operate the pit crew bus at shift change.

(b) The parties agree that any employee who is used to block a road during a blast will be given the appropriate break when the blast is over.

ARTICLE 8 – STATUTORY HOLIDAYS

- 8.01 The Company shall recognize the following eleven (11) statutory holidays each year:

New Years Day	Labour Day
Family Day	Thanksgiving Day
Good Friday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
B.C. Day	

8.02 Statutory Holiday Pay

- (a) For employees scheduled on a twelve (12) hour shift, the following shall apply:
- (i) When a Statutory Holiday falls on an employee's scheduled day off, or on vacation, the employee shall be paid twelve (12) hours at his hourly rate for the holiday.
 - (ii) When the employee works a Statutory Holiday, he shall receive twelve (12) hours' pay at his regular rate, and in addition, shall be paid one and one-half (1½) times his hourly rate for all hours worked in accordance with his regular work schedule.
 - (iii) All hours worked in excess of the regularly scheduled hours of work shall be paid at the applicable overtime rate.
- (b) Employees scheduled to work on a shift where the normal hours of work are not twelve (12) hours, Statutory Holiday pay shall be calculated on the basis of the employee's regularly scheduled daily hours of work. The criteria for Statutory Holiday pay as outlined in (a) (i) (ii) (iii) above shall apply for employees on these schedules.

8.03 To qualify for the Statutory Holiday pay as mentioned in this clause, the employee must meet the criteria as outlined below if the Statutory Holiday falls on his regular work schedule:

- (a) report for work as scheduled or be excused by the Company either verbally or in writing on either of the qualifying days which are his last regular work day before and his first regular work day after such holiday(s) and
- (b) report for work as scheduled on the Statutory Holiday.

8.04 An employee shall not be entitled to Statutory Holiday pay:

- (a) if he has been absent from work on either of the qualifying days which are his regular work day (or shift) before and his first regular workday (or shift) after such holiday, or
- (b) if he has been granted leave of absence greater than thirty (30) calendar days or
- (c) if he has been employed by the Company for less than fourteen (14) calendar days prior to the date of the Statutory Holiday or

- (d) if he was scheduled to work on the Statutory Holiday, but was absent without leave.

ARTICLE 9 – VACATIONS

- 9.01 For the purpose of this Article, the anniversary date shall be the date of hire. Employees that leave the employment of the Company with less than one (1) year’s service with the Company shall be paid four percent (4 %) of their total wages earned as vacation pay.
- 9.02 For the purpose of this Article, vacations will be recognized for the shift schedules on the two by two and four by three shift rotations.
- 9.03 Employees with one (1) or more year of service as of their anniversary date shall be granted vacation in accordance with the following schedule.

Employees who work a two by two (2x2) shift or employees who work the one by one (1x1) shift during the care and maintenance of the Kemess South mine will receive the following:

<u>Completed Years of Service</u>	<u>Vacation Period</u>	<u>Vacation Pay</u>
One (1) year but less than five (5)	Two (2) weeks	4% of gross earnings
Five (5) years but less than seven (7)	Three (3) weeks	6% of gross earnings
Seven (7) years but less than ten (10)	Three (3) weeks	7% of gross earnings
Ten (10) years and over	Four (4) weeks	9% of gross earnings

Employees who work a four by three (4x3) shift schedule will receive the following:

<u>Completed Years of Service</u>	<u>Vacation Period</u>	<u>Vacation Pay</u>
One (1) year but less than five (5)	12 working days	4%
Five (5) years but less than seven (7)	16 working days	6%
Seven (7) years but less than ten (10)	16 working days	7%
Ten years and over	20 working days	9%

Employees who work a four by three (4x3) shift schedule may request an additional four (4) day leave of absence. Such leave will not be unreasonably denied should operational requirements permit. If necessary, disputes arising under this clause will be arbitrated expeditiously and informally by Brian Foley or an agreed to arbitrator.

Gross earnings for the purpose of vacation pay calculation is regular wages (includes previous years’ vacation pay) and overtime only.

Vacation pay will be paid out up to two times per calendar year. Employees must give thirty (30) calendar days written notice at which time all accrued vacation monies will be paid. Vacation money not issued in a calendar year is accrued and paid out in the following calendar year when requested.

9.04 Vacation Pay On Termination – In the event an employee leaves the employ of the Company, he shall receive, as the case may be, four percent (4%), six percent (6%) or eight percent (8%) of his gross earnings upon which he has not yet received vacation pay.

9.05 Vacation Schedule

- (a) The Company shall post a vacation schedule sheet, for the period of May 1st to April 30th, on each department's bulletin board no later than the last day of February each year and each employee shall make application using the appropriate form to their supervisor as to their vacation request(s) no later than March 31st. On or after April 1st, but no later than April 30th, the Company shall post the vacation schedule and confirm vacation periods on an individual basis by seniority and skill required.

Failure of an employee to choose a vacation period prior to March 31st shall result in the employee not being given the choice of vacation openings existing after April 30th. Such openings shall be granted on a first come first served basis subject to the operational requirements of the Company. If an employee applies for vacation after March 31st the Company will respond, in writing, within thirty (30) calendar days.

After the employee's vacation is confirmed by the Company, it shall not be changed without mutual agreement subject to the operational requirements of the Company. The Company will reimburse employees for costs incurred as a result of vacation cancellation provided the Company initiated the cancellation.

- (b) Employees who work a twelve (12) hour day, fourteen (14) days in - fourteen (14) days out work schedule must take their vacation entitlement in a single allotment of consecutive workdays. Vacation shall commence on the first day of the cycle.
- 9.06 (a) Providing transportation is available, the Company shall allow an employee to take vacation in seven (7) day increments. If an employee has more than two weeks of vacation or where an employee with only two weeks of vacation is permitted to take his vacation in one-week blocks, then the vacation shall either commence on the first day of his work cycle or end on the last day of his work cycle.
- (b) Employees who work a twelve (12) hour day, four (4) days in - three (3) days out work schedule must take their vacation entitlement in a four (4) day allotment of consecutive workdays. Vacation entitlement shall commence on the first day of the cycle.
- (c) If an employee requests and the department head agrees, a vacation break of less than seven (7) days may be taken.
- 9.07 Vacation entitlement may not be carried over into the following May 1 to April 30 period unless mutually agreed.
- 9.08 An employee who elects not to take his annual vacation time as time off realizes that such time worked shall not attract overtime premiums.

9.09 The Company has the right to schedule a vacation shutdown for different departments or all of its operations. Prior to scheduling a vacation shutdown, the Company shall discuss its intentions with the Union. The Company shall attempt, subject to emergencies, breakdowns or unplanned interruptions to operations, to give affected employees at least one month's notice of any such vacation shutdown or cancellation thereof.

ARTICLE 10 – LEAVES OF ABSENCE

10.01 Employees may request an extended leave of absence for special purposes and personal leave for urgent and unavoidable personal reasons. Employees are required to schedule arrangements for dealing with personal business outside of working hours. However, the Company recognizes that certain situations may arise which deserves consideration for granting a leave of absence. At Management's discretion, bearing in mind the reason for the leave, its length, the employee's shift schedule, and the operational impact on the Company, Management may grant the employee a leave of absence.

(a) Approval Process:

Requests for leave must be made in writing to the immediate Supervisor as far in advance as possible and a reply received in writing within four (4) working days of the request being made. In the event of an emergency, the employee must contact his Supervisor prior to the commencement of the absence in order to request verbal approval. It is understood that receipt of such prior notification does not constitute approval of the absence.

(b) Payment:

Except as otherwise provided for in this Agreement, all leaves of absence shall be without pay.

10.02 Union Leave

Employees who have been selected or elected and approved by the Union Business Representative to attend Union functions shall be granted a leave of absence with wage continuation for this purpose provided the Company's work requirements shall allow for such leave. (The Company shall be reimbursed by the Union for wage continuation.) The request for such leave must be made by the employee and confirmed by the Union as far in advance as possible, in any event, no later than two (2) weeks prior to the date the leave is to commence. Not more than two (2) employees (maximum of one (1) employee from any one department) may take such leave at one time and the leave shall not exceed fourteen (14) workdays.

10.03 The Company shall consider an application for extended leave of absence without pay for Union business subject to the following conditions:

(a) Application for such leave must be submitted by the Union on the employee's behalf at least one (1) month in advance of the date the leave is to commence, and

(b) The leave, if granted, shall be for a maximum period of one (1) year and only one employee at a time may be granted such leave. Upon the request of the Union said leave may be extended for additional periods of up to one (1) year each.

10.04 Bereavement Leave:

- (a) In the case of a death in the immediate family of an employee, an employee shall be granted a leave of absence of not more than four (4) days with pay (to a maximum of forty-eight [48] hours at his regular schedule for actual time loss only), for the purposes of attending the funeral, providing he loses that time from work. The Company may require proof of attendance.

Immediate family of the employee shall mean spouse (including common-law), mother, father, son, daughter, sister, brother, mother-in-law, father-in-law, grandmother, grandfather, grandfather-in-law, grandmother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandchildren, stepparents, stepbrothers, stepsisters, and stepchildren.

- (b) In extenuating circumstances the employee may request, and the Company may grant an extension of leave without pay.

10.05 Maternity/Paternity Leave

Maternity/Paternity Leave shall be granted in accordance with the Employment Standards Act of the Province of British Columbia. RSBC, 1996, Chapter 113.

10.06 Jury Duty

An employee called for jury duty, or subpoenaed as a witness in a criminal proceeding (providing such proceeding is not occasioned by the employee's own involvement) before the court, shall be paid each day of jury service or subpoenaed witness on which he was scheduled to work the difference between his regular pay and the payment he received for jury service. The employee shall present proof of service and of the amount of pay received.

10.07 Shift Exchange

All such requests shall be made in writing and signed by both employees concerned and submitted to the Department Head for approval. Apprentices may perform a shift exchange when returning from trade school in order to minimize loss of wages. Approval of such requests shall be at the discretion of Management. Any employee who works a shift exchange recognizes it shall not attract overtime premiums.

- 10.08 If an employee returns to work after an unauthorized absence without first giving the Company forty-eight (48) hours notice of his intent to return and without receiving permission to return to work, the Company is not obligated to provide work upon his return.

- 10.09 An employee who is on site, and who is, unable to report for work, must notify his Supervisor as soon as possible, but, no later than one (1) hour before the beginning of his shift.

- 10.10 An employee who is off site, and who is unable to report for work must notify the Company as soon as possible and every effort shall be made to provide a minimum of forty-eight (48) hours notice, prior to his scheduled manifest time.

ARTICLE 11 – OCCUPATIONAL HEALTH & SAFETY

11.01 The Company and the Union recognize the benefits to be derived from safe working conditions and work practices. Accordingly, it is agreed that all employees, Union representatives and Supervisors at all levels, shall cooperate to promote safe work practices, safe and healthy working conditions and the enforcement of safety rules. Further, all employees of the Company are fully obligated to comply with any and all reasonable rules of conduct established by the Company which have a bearing on safety and health.

11.02 The Company, the Union, and all employees agree they shall at a minimum abide by all provisions of the Mine Safety Act, W.C.B. Regulations and any and all other Occupational Safety and Health Regulations, rules or recommendations. The Company shall ensure monthly Health and Safety Committee meetings are held and that the minutes of said meetings are posted on all notice boards and a copy sent to the Union.

The Joint Occupational Health and Safety Committee shall be composed of eight (8) persons, four (4) of whom shall be selected by the Union from among recognized Union Safety Representatives and four (4) appointed by the General Manager of the Mine. This number shall accommodate the shifts and allow a minimum of four (4) committee members to be present at a joint meeting or other duty functions while the other four (4) are out on turn around or otherwise occupied.

11.03 Once each month a formal safety tour shall be conducted and such tours shall be made by the Committee members. While in a work area the Committee members may confer with employees working in the area providing such conference shall not result in any disruption of the Company's operations or affairs and employees shall not neglect their work duties and responsibilities. As soon as possible, but in no case later than a month after each tour the Committee shall have a follow-up meeting, in order to review the findings of the tour and make recommendations.

11.04 Time spent on authorized Safety Committee inspections and meetings shall be considered as time worked, however such time shall not attract overtime premiums. Safety Committee inspections and meetings shall be performed during an employee's regularly scheduled shift, whenever possible.

11.05 When an employee has reason to believe that the work on which he is engaged is unusually dangerous to his health or safety, he has the right to cease the work but must immediately contact his Supervisor and detail the nature of his belief.

(a) A person shall not carry out any work or operate any equipment, tool, or appliance if he has reasonable cause to believe that to do so would create an undue hazard to the health or safety of any person.

(b) A Supervisor shall not knowingly perform or permit a worker to perform work, which is, or could create, an undue hazard to the health or safety of any person.

(c) A person who refuses to carry out any work or operate any equipment, tool, or appliance, in compliance with Article 11.05 (a), shall forthwith report the circumstances to his Supervisor.

- (d) The Supervisor receiving a report under Article 11.05 (c) shall forthwith investigate the matter and ensure that any hazardous condition is remedied without delay; or if, in his opinion the report is not valid, he shall inform the person who made the report.
- (e) If the procedure provided for in Article 11.05 (d) fails to resolve the issue and the person continues to refuse to carry out the work, the Supervisor or other management representative shall forthwith make an investigation in the presence of the person who made the report, together with another person having knowledge of the work in question and who is
 - (i) a worker representative or designate of the JOHSC if available, or
 - (ii) designated by the local Union to represent the person refusing to carry out the work, or
 - (iii) a co-worker selected by the person refusing to carry out the work.
- (f) If the person still refuses to carry out the work after his Supervisor and the other person have investigated the issue in accordance with Article 11.05 (e) and are both of the opinion that no undue hazard exists and that
 - (i) the refusal is considered to be justifiable for reasons peculiar to that person and
 - (ii) there is no justification for an alternate person to refuse to carry out the work in question then, the Supervisor, after informing the alternate person of the reason for the refusal, may have him perform the work.
- (g) If the procedures in sections 11.05 (d)(e) and (f) fail to resolve the issue, the General Manager shall
 - (i) conduct an investigation and either develop a plan that is acceptable to the persons who will do the work and which will allow the work to proceed safely, or suspend further work and,
 - (ii) if the work is suspended or is allowed to proceed, submit a report to the District Mines Inspector describing the situation and any remedial action taken.

11.06 The Union shall notify the Company in writing of the names of those who have been elected or appointed Safety Representatives. The Company shall recognize them when so notified. The Company shall recognize one Safety Representative from each of the following crews:

Mill Operations Mine Operations Mine Maintenance Mill Maintenance

to a maximum of sixteen (16) in total.

11.07 (a) The Company shall furnish on a loan basis such personal protective equipment as it deems necessary, including:

1. Non-prescription safety glasses;
2. Safety harnesses;
3. Safety lines and safety belts;
4. Safety goggles/grinding goggles;
5. Aprons and face shields for handling corrosive substance;
6. Painters' masks;
7. Tag out locks;
8. Dust masks and respirator protection;
9. Ear muffs or plugs;
10. Welders aprons and gloves;
11. Hard hats;
12. Work gloves (old for new);
13. Welders' helmets and shields;
14. Winter hard hat liners;
15. Rubber boots (old for new);
16. Linesmen's gloves.

- (b) The employee shall be required to sign for same and return said equipment to the Company in good order and serviceable condition (fair wear and tear accepted), as and when the Company so requires. If the employee fails to do so he shall be charged with the replacement cost of the equipment in question.

ARTICLE 12 – UNION-MANAGEMENT COMMITTEE

- 12.01 The Union and the Company recognize the mutual benefits of ongoing consultations and open communications. Without limiting the opportunities for employees and Management to use other avenues for communications, the parties agree to the utilization of a Union-Management Committee wherein matters of mutual concern and interest can be freely and candidly discussed with a view to exploring possible solutions which are acceptable and beneficial to employees and the Company.
- 12.02 The parties understand and agree that the Union-Management Committee is a vehicle for joint discussion and consultation, and is in no way intended to restrict or replace the rights reserved to the parties by this Agreement; nor is the Committee intended to take the place of normal communications between employees and Management.
- 12.03 The Union-Management Committee shall meet at least every three (3) months or as required. The Committee shall be comprised of three (3) representatives from the Union and three (3) representatives from the Company.

The lead shop steward (or designate) and the Human Resources Superintendent (or designate) shall be in attendance at all meetings.

As required, additional representatives of Union or Management may attend Union Management Committee meetings to represent their respective positions or departments as indicated by the agenda. Topics not on the agenda and without proper representation should not be discussed at these meetings.

ARTICLE 13 – NOTICES

13.01 Any notices in writing which either party desires to give to the other shall be given by registered mail, postage prepaid, addressed as follows:

To the Company:

Human Resources Superintendent
AuRico Gold Inc.
Box 3519
Smithers, B.C. V0J 2N0

To the Union:

International Union of Operating Engineers, Local 115
Unit B - 3339 - 8th Avenue
Prince George, B.C. V2M 1N1
Attention: Business Representative

13.02 Any notice so mailed shall be deemed given as of five business days after the date of mailing. The registration receipt shall establish the date of mailing.

ARTICLE 14 – GRIEVANCE PROCEDURE

14.01 Employees shall attempt to settle any differences, complaints or disputes with their immediate Supervisor before proceeding with the Grievance Procedure. Employees are encouraged to promptly bring forward any differences so that problems can be clearly understood and resolved.

14.02 Nothing contained in this Agreement shall preclude an employee's right to the Grievance Procedure.

14.03 If there should arise any difference between the Company and the Union regarding the interpretation, application, or alleged violation of the Collective Agreement, or a question as to whether any matter is arbitrable, an earnest effort shall be made to settle the dispute in the following manner:

STAGE ONE

14.04 Within seven (7) workdays of the employee or employees becoming aware of, or the date they should have become aware of, the grievance shall be submitted in writing to the immediate Supervisor. The Supervisor, together with such other management person he wishes, shall meet promptly with the grievor(s) and/or his Steward in an attempt to resolve the grievance. The Supervisor shall respond in writing within seven (7) workdays of his receiving the written grievance. Failing settlement then;

STAGE TWO

14.05 Within seven (7) workdays from the time the immediate Supervisor responded in writing, or should have responded, the grievor(s) or his Steward and/or Lead Steward shall present the grievance in writing, on the Union grievance form, to the appropriate Department

Superintendent or his designated substitute. The Department Superintendent, or his designated substitute, shall give his decision in writing within seven (7) workdays from the time the grievance was advanced to Stage Two. Failing a settlement, then,

STAGE THREE

14.06 Within seven (7) workdays from the time when the decision at Stage Two has been or should have been given, a Business Representative of the Union may give notice in writing, requesting further consideration of the matter to the General Manager or his substitute designated by him to handle such matters at Stage Three. A meeting shall be held within fourteen (14) workdays from the date upon which the General Manager received written notice requesting further consideration of the matter at Stage Three. The employee(s) making the complaint may be present at this meeting if the Company or the Union so requests. A Business Representative of the Union or his designate, accompanied by the Lead Steward or Steward involved, shall be present at this meeting. The General Manager may, if he so desires, be accompanied by other officials of the Company.

The General Manager shall give his decision in writing on behalf of the Company within seven (7) workdays after such a meeting. Failing settlement either party may express its intent within ten (10) workdays to the other party in writing to submit the grievance to arbitration, according to the provisions of Article 15 of this Agreement.

14.07 (a) A grievance which alleges that an employee has been suspended without just cause may be commenced at Stage Two above provided it is done within seven (7) workdays after the alleged grievance has arisen.

(b) A grievance, which alleges that an employee has been discharged without just cause, may be commenced at Stage Three above provided it is done within seven (7) workdays after the alleged grievance has arisen.

14.08 Any difference which arises between the Company and the Union concerning an interpretation, application, operation or alleged violation of this Collective Agreement, instead of following the procedure herein before set out, may be submitted as a written grievance to be initiated at Stage Three, within twenty-one (21) days of the occurrence giving rise to the grievance.

14.09 Each step to be taken under the procedure set forth in this Article (including any reference to arbitration and those relating to discharge cases) shall be taken by the party concerned within the time limits set forth or the matter shall be deemed to have been abandoned.

14.10 Any and all time limits fixed by this Article for the taking of action by either party or by an employee may at any time be extended by mutual agreement in writing.

14.11 The Second and Third Stage meetings of the Grievance Procedure shall normally commence during the day shift, however, this does not preclude a meeting commencing before or continuing after this period. Every attempt shall be made by the parties to schedule grievance meetings at a mutually acceptable time.

14.12 The parties may, upon mutual agreement, refer any outstanding grievance to the Canadian Joint Grievance Panel process. The Panel decision shall be final and binding on the Parties. The Panel shall not have the authority to change this Agreement or to alter, modify

or amend any of its provisions. However, the panel shall have the authority to dispense of a grievance by any arrangement that is deemed just and equitable. It is further agreed that in the event the Panel is unable to render a majority decision that the grieving party may refer the matter to a Schedule II Hearing under the Panel process, refer the matter back to the arbitration process as outlined above in this Article or, withdraw the grievance.

ARTICLE 15 – ARBITRATION

- 15.01 If written notice of a referral to arbitration is given under Article 14, the Company and the Union shall attempt forthwith to agree on an arbitrator.
- 15.02 If the Company and the Union fail to agree on an arbitrator within ten (10) days of the date on which the grievance was referred to arbitration, the arbitrator will be selected pursuant to Section 104 ("Expedited Arbitration") of the Labour Relations Code.
- 15.03 Arbitrations shall be heard at Prince George, British Columbia or at such place, if the situation warrants, as the parties shall mutually agree upon in writing.
- 15.04 The issue(s) raised in the written grievance shall be presented to the Arbitrator and his award shall be confined to such issue(s). All grievances not heard by an Arbitrator within twelve (12) months, unless the reason for the failure to hear the matter is solely due to the availability of the Arbitrator, shall, unless extended by mutual agreement in writing, be considered abandoned without precedent or prejudice.
- 15.05 The Arbitrator shall have jurisdiction and authority to interpret and apply the provisions of this Agreement insofar as it may be necessary to the determination of a difference referred to arbitration, but shall not have the jurisdiction nor the authority to alter, amend, add to or delete from any part of the provision of this Agreement.
- 15.06 In any arbitration, the difference shall be presented to the Arbitrator and the award of the Arbitrator shall be confined to determining the issues set out therein.
- 15.07 The decision of the Arbitrator shall be final and binding on the employee(s) concerned and on the parties to this Agreement.
- 15.08 Each party shall pay the costs of their witnesses and the parties shall equally share the costs of the Arbitrator.
- 15.09 The parties agree that the operation of Section 87 of the Labour Code of British Columbia is excluded.

ARTICLE 16 – DISCIPLINE

- 16.01 (a) Discipline at the mine may take one of the following forms:
 - (i) Oral Reminder
 - (ii) Written Reminder
 - (iii) Decision Making Leave
 - (iv) Suspension

- (v) Termination
 - (b) Nothing in this Article shall preclude the Company from initiating discipline in any form they deem appropriate to the infraction.
 - (c) All discipline shall be documented laying out the reason for discipline and, the discipline issued and placed in the employee's file.
 - (d) Oral Reminders, Written Reminders, and Decision Making Leave shall be considered as a form of discipline and shall be subject to the provisions of the Grievance Procedure.
 - (e) Oral Reminders, Written Reminders, and Decision Making Leaves shall be deemed void after one (1) year from date of issue.
 - (f) Suspensions will be deemed void provided there is not further form of discipline for any consecutive eighteen (18) month period.
 - (g) When an Oral Reminder, Written Reminder, Decision Making Leave, Suspension or Termination is issued to an employee a representative of the Union shall be present and a copy of the discipline shall be sent to the Union.
 - (h) The parties recognize that discipline should be issued as soon as practical after the supervisor becomes aware of, or should have become aware of, the incident in question and the matter has been investigated and a meeting with the employee can be arranged.
- 16.02 (a) Oral Reminders, Written Reminders, and Decision Making Leave are non-punitive and emphasize correcting a problem rather than imposing punishment. The focus of the Oral Reminders, Written Reminders, and Decision Making Leave is to communicate an expectation of change and improvement rather than communicating an anticipation of future problems and eventual termination.
- (b) For clarity, the terms Oral Reminders, Written Reminders, and Decision Making Leave mean:
 - (i) Oral Reminder

The Supervisor meets with the individual to discuss the problem. He will explain the need and purpose of the expected performance; make sure the employee understands the explanation; and express confidence that the performance will improve. The Supervisor will also listen to and discuss any reasonable explanation the employee may have. If it is decided that the performance problem was unintentional or based on misunderstanding, he will inform the employee that the matter is resolved.
 - (ii) Written Reminder

The Supervisor reviews the notes taken during the investigation and once again explains the need and purpose of the required performance. The Supervisor listens to the employee's comments and stresses the importance

of the change and the possible consequences should there be no change. The Supervisor then expresses the desire and confidence that the employee will, in fact, improve their performance to the level they are capable of and will adapt themselves to the normal requirements of the operation.

(iii) Decision Making Leave

The employee is asked to meet with his Supervisor and other representatives. A final review of the investigation is done and the employee is asked for comments. The Supervisor tells the employee to leave the workplace for the rest of the day and to consider seriously whether they wish to be part of the team and adapt themselves to the normal requirements of the operation. He is informed that he will get full pay for this time away from his duties as a last expression of the Company's hope that he wishes to stay and perform up to his ability and capacity. The employee is informed that another occurrence may result in termination. If the employee decides to keep his job, he and the Supervisor will meet and review the previous steps that were taken and agree to an action plan that is mutually satisfactory and reasonable. The focus of this meeting is to create a solution that will work for everyone.

ARTICLE 17 – SENIORITY

- 17.01 (a) The parties recognize that job opportunity, training and security shall increase in proportion to the length of service in the Bargaining Unit at the Kemess Mine.
- (b) All regular employees shall serve a probationary period of forty-two (42) working shifts.
- (c) Upon successful completion of an employee's probationary period, an employee's seniority date shall be effective from his first date of hire.
- (d) The Company shall have the right to terminate an employee during the probationary period for reasonable cause. For the purposes of this clause, cause shall be deemed to mean where the employee has not displayed the attributes required for regular employment.
- (e) Any time spent off work for occupational/non-occupational reasons during the probationary period shall not be counted as contributing time to the probationary period.

17.02 For the purpose of this Agreement, there shall be one type of seniority:

Company seniority is the length of service an employee has within the Bargaining Unit except as provided for in the article.

In the case of a layoff, employees who have attained seniority shall be entitled to eighteen (18) months of recall rights. Employees with more than three (3) years' seniority will be entitled to thirty-six (36) months of recall rights.

17.03 The Company shall prepare and post seniority lists and furnish copies to the Union. These lists shall be prepared in order of seniority commencing with the most senior employee and shall contain the following information:

- (a) employee's starting date with the Company,
- (b) employee's classification and trade designation, and
- (c) employee's name and number.
- (d) employees who are inactive (lay-off, WCB, leave of absence, etc.), and
- (e) temporary employees (separate list)

Lists Provided to Union

- (a) Up-to-date seniority lists and a list of probationary employees shall be provided to the Union Business Agent and local Site Representative once every three (3) months or when requested by the Union. These lists shall include the current addresses and phone numbers of the employees.
- (b) Employees shall be required to notify the Company of any changes to their addresses and phone numbers.

17.04 Company seniority of an employee shall be completely lost and the employee shall be terminated from the payroll for any of the following reasons:

- (a) Voluntary termination or resignation,
- (b) Discharge for just and reasonable cause,
- (c) Expiration of an employee's recall rights,
- (d) If an employee is terminated for non-culpable discharge, or
- (e) Is absent without notifying the Company for three (3) consecutive regular working shifts.

17.05 Seniority shall be maintained and accumulated during:

- (a) Absence due to an occupational illness or accident, subject to Article 17.04 (d),
- (b) Absence due to non-occupational illness or accident,
- (c) Any authorized leave of absence,
- (d) A layoff of less than eighteen (18) months, or in the case of an employee with more than 3 years' seniority, a layoff of less than thirty-six (36) months, or
- (e) For the first six months after an employee accepts a Supervisory or other staff position during which time he may return to a Bargaining Unit position. After said

six months, his seniority shall be completely lost. A returning employee cannot displace a fellow employee from his current job under this Article.

17.06 Temporary Employees

The Company may employ temporary employees in the following instances:

1. Special projects (new construction, mechanical, rebuild, cleanup, dam work etc.).
2. Illness, injury, vacations or approved leaves of absence.
3. Emergency situations (natural disasters, flooding, mechanical problems, environmental cleanup etc.).
 - (a) It is agreed that any employees on layoff who have the necessary qualifications and/or pre-requisites shall be recalled prior to temporary employees being hired.
 - (b) Work of a project nature shall be reviewed with the Union with a view to explore opportunities of providing preferential work to existing employees.
 - (c) Temporary employees shall not exceed three (3) months employment unless mutually agreed by the parties.
 - (d) Temporary employees shall not accumulate seniority in the Bargaining Unit, but shall pay the equivalent of regular monthly Union dues during the term of their employment. Should a temporary employee exceed working 42 shifts he will receive benefits equivalent to that of a permanent employee with the exception of ESPP and STD. The Company shall add the RRSP contribution to the rates after 42 shifts. Should a temporary employee be retained and hired as a permanent employee, his Bargaining Unit seniority shall commence on the date of his first shift and all other terms and conditions of the Collective Agreement will apply as a permanent employee.
 - (e) Temporary employees shall be paid in accordance with the Collective Agreement and classification of work performed.
 - (f) Where circumstances allow, the Union shall be provided seven (7) days notice prior to a temporary employee commencing work, but in any event, the Union shall be notified of the reason for, and anticipated duration of all temporary hires as soon as practicable. The Company shall provide a monthly listing of temporary employees indicating:
 - date hired,
 - department classification,
 - reason for hire,
 - anticipated termination date.
 - (g) Temporary employees with less than 42 shifts worked shall be provided with the following benefits:

- Basic Life Insurance,
 - Provincial Hospital/Medical Insurance, and
 - Payment for any Statutory Holiday during their period of employment after thirty (30) days providing they work their regularly scheduled shift immediately before and after the holiday
- (h) Temporary employees with less than 42 shifts worked shall be terminated without recall rights and removed from the payroll when the work opportunity is over.

ARTICLE 18 – JOB CLASSIFICATIONS/LINES OF PROGRESSION

- 18.01 Job classifications shall be those as set out in Appendix “A” Wages and the Lines of Progression shall be as set out in Appendix “B” and new classifications that may be added as part of the Collective Agreement.
- 18.02 The Company shall establish and post criteria on the skills required to be qualified for each job classification and the training the Company will provide to enable an employee to achieve the needed skills to progress through the Line of Progression in Mill Operations.
- 18.03 Consistent with the need to train employees in the mill line of progression the Company undertakes to develop specific training matrices setting out the nature and duration of training, both practical and theoretical, and the objective standards to determine an employee’s progress for all jobs in the mill line of progression.

Each employee’s training will be recorded and monitored and posted quarterly.

During training the wage rate for his current regular classification will be maintained. Once the employee has successfully completed the requisite number of hours, and modules necessary and has passed the practical and written tests that indicate that he has attained the basic skills level for the position for which he is training he will, thereafter, during any further training receive the rate for that job for the hours that he trains on that job on his own.

- 18.04 This Article will be placed on the agenda of Union Management Meetings for discussion. Both sides may have people familiar with Mill training at the meeting to discuss the application and the success of Article 18 and how training can be improved.

ARTICLE 19 – PREMIUM PAY

19.01 Leadhands

The Company may designate employees as needed as Leadhands, with the acceptance of the employee, when the Supervisor is absent from the department or unable to attend to his regular duties in the department.

A Leadhand acts as a leader of a group or groups of employees carrying out similar or related work. The Leadhand assigns work to employees, works along with and coordinates work among them. He is responsible for the safe and correct completion of work but not for disciplinary action or other personnel matters, which are the responsibility of the Supervisor to whom the Leadhand reports.

A designated Leadhand position shall not be subject to the job posting procedure. Employees designated as Leadhands shall, while so designated, be paid as per Appendix "A" of this Collective Agreement.

19.02 Occupational First Aid Tickets

All employees who possess a valid Occupational First Aid Ticket (Level 3) or are otherwise qualified to act as a First Aid attendant shall be paid an additional one dollar (\$1.00) per hour when designated by the Company. An employee will be paid an additional one dollar (\$1.00) per hour when scheduled to perform the duties of a First Aid attendant. The Company agrees to pay the costs associated with training or re-certifying any employee acting in this capacity upon prior approval from the Company.

All employees who possess a valid occupational First Aid Ticket (Level 3) shall be rotated through the schedule to perform the necessary duties in order to keep his/her skills up to date.

19.03 Instructional Training

The Company may appoint employees as trainers on an as needed basis, for the purposes of instructing or training other employees in job skills. A designated training position shall not be subject to the job posting procedure. Employees designated as Instructors/Trainers shall, while so designated be paid an additional one dollar (\$ 1.00) per hour.

19.04 Shift Differential

Employees who are scheduled to work on the night shift will be paid a daily premium of nine dollars (\$9.00) per shift worked on the night shift.

19.05 Off Site Training

The Company may initiate the training of employees off the work site and direct employees to attend. The Company will provide room, board and travel. If the employee is on scheduled days off this training will be considered as time worked and paid at overtime rates. Employees will be excused from attending training if they have legitimate personal reasons which will not be unreasonably withheld.

ARTICLE 20 – JOB POSTINGS

20.01 Permanent vacancies resulting from an addition and/or replacement to the workforce in the classifications covered by this Collective Agreement shall be posted internally.

20.02 (a) The Company shall post a notice of vacancy on all bulletin boards for twenty-one (21) calendar days, during which time interested employees may make application in writing to the Human Resources department. Within a further seven (7) calendar days, the successful applicant shall be awarded the position. A notice of the award shall be posted on all bulletin boards. Within twenty-eight (28) calendar days of the award being made, the successful applicant shall be placed into the position.

(b) Copies of all postings and awards, if any, shall be given to the Union at the time of posting.

- (c) An employee awarded a job posting is required to fill that vacancy.
 - (d) An employee must withdraw his job posting application prior to the closing date should he not want to continue in the posting procedure.
- 20.03 The job posting shall set out the classification, a description of the job, qualifications required, current shift rotation, crew and the rate of pay.
- 20.04 In selecting the successful applicant(s) for a job posting, seniority shall be the governing factor in filling all job vacancies provided the skills, qualifications, ability and certification (if required), as demonstrated with the Company, are relatively equal.
- 20.05 (a) Within mill operations job vacancies in the line of progression shall be filled by the senior employee in the next lower job classification, provided he has the necessary skills, qualifications, ability, certification (if required) as demonstrated with the Company, and wishes to progress. Where the employee in the next lower classification does not wish to progress, the Company will fill the vacancy with the most senior qualified employee in another classification. Vacancies will be filled by a “notice of vacancy” posted in the department.
- (b) The purpose of the “Mill Line of Progression” is to provide structures for job changes within the line of progression. It is the objective that each job in the Line of Progression will provide the opportunity for employees to become acquainted with and trained by the Company in at least two classifications above and below their current classification. The jobs within Appendix “B” are shown in order of ascending wages.
 - (c) Should there be no successful qualified candidate for a vacant position then the junior qualified employee shall be assigned in ascending order of seniority from the classifications preceding the identified vacancy. If an employee is assigned as per this paragraph and incurs a loss of earnings he shall be afforded the opportunity to make up lost earnings as per the current pay schedules. This provision shall be excluded from transfers within the same classifications.
 - (d) The Company reserves the right to hire external employees should there be no qualified candidates internally.
 - (e) In order to bring all employees into line with these structures, the Company will offer employees the opportunity to develop the required skills over the term of this Agreement.
 - (f) Except in circumstances which legitimately restrict an employee’s ability to train, an employee in the line of progression may not refuse training on other jobs in the line of progression nor may they refuse an appointment to those jobs for short term vacancies of 14 days or less.
 - (g) Should an employee in the line of progression decide not to accept a promotion in the line of progression he may not qualify for a future promotion for a period of six (6) months.

- 20.06 Prior to a job being posted, employees on layoff must be recalled to that classification, provided they have the necessary skills, qualifications, ability and certification (if required) as demonstrated with the Company to perform the available work.
- 20.07 An employee who has successfully bid into a position under this Article shall not be entitled to bid on another posted vacancy for twelve (12) months from the date of his award, except by mutual agreement between the Company and the Union. The parties agree that this preclusion will not apply to employees who bid into job vacancies in the line of progression in the mill.
- 20.08 An employee who has successfully bid into a position under this Article shall be returned to his former position, within fourteen (14) working days if he cannot demonstrate the skills and abilities to do the job.
- 20.09 (a) The Company may temporarily assign employees to fill permanent vacancies until such time vacancies are filled through the posting procedure as outlined in Article 20.02.
- (b) Temporary vacancies, such as vacancies created by illness, accident, leave of absence, vacations, special projects or any other reason shall not be subject to the posting procedure as outlined in Article 20.02. These vacancies may be filled by temporary assignment. Temporary assignments shall not last more than three (3) months unless mutually agreed with the Union.
- (c) The following procedure will be applied to cover absences expected to last more than three (3) months but less than nine (9) months:

Such postings shall indicate all the pertinent information, i.e. shift, pay rate, duration of posting and classifications.

When an injured employee returns to work he shall be slotted into his pre-injury classification. The temporary posting employee shall return to his pre-temporary posting classification at the appropriate rate of pay for that classification.

After a total of nine (9) months of absence a permanent posting shall be initiated unless the return of the injured employee is imminent. This is to be agreed to by both parties.

An injured employee returning to work after his pre-injury job has been awarded on a permanent posting, shall, subject to seniority, qualifications and/or restrictions, bump a junior employee on the property.

In the case of absences due to parental leave the reference to nine (9) months will be extended to twelve (12) months.

If the vacancy falls within a line of progression, the position shall be filled by the senior qualified employee from the descending position in the line of progression.

Article 20.07 shall not be applicable in this application.

20.10 An employee temporarily assigned to fill a permanent vacancy under Article 20.09, shall be paid at his regular rate or the rate of pay for the temporary assignment, whichever is greater.

20.11 An employee who is temporarily assigned to work in a higher rated classification in excess of one-half (½) of his daily shift shall be paid the highest rate of pay for all hours worked in that shift.

20.12 Haulage Truck Driver Trainees

(a) When a permanent vacancy occurs for a Haulage Truck Driver, the Company will post for a Haulage Truck Driver Trainee at the same time as it posts for a Haulage Truck Driver. For every other permanent vacancy, the Company will not be required to post for a Haulage Truck Driver Trainee.

- i.e
1. Post for Haulage Truck Driver and Trainee positions.
 2. Post for Haulage Truck Driver position.
 3. Post for Haulage Truck Driver and Trainee positions.

(b) When no qualified Haulage Truck Driver applies and a Trainee position is posted, the posting shall be awarded to the senior trainee applicant. The intent of this article is to ensure that every other position has the opportunity to be filled internally.

(c) A successful applicant shall be placed in a training program, which will be for a duration of 672 hours. During this period an employee's progress and training will be monitored by the trainer and the employee's Supervisor.

(d) Should it be determined within 21 days after the commencement of the training that the employee has not demonstrated the aptitudes necessary to indicate that he can successfully become qualified, then he will be returned to his previous position.

(e) Thereafter should the employee fail to become qualified he will be removed from the position, and placed in any other vacant position for which he is qualified and which he has seniority to hold.

20.13 Transfers within a classification to a different crew

The parties agree that employees are allowed to submit a transfer request to move to a different crew within their classifications using the following guidelines:

(a) An application must be made in writing to the General Foreman using the transfer request form.

(b) Applications shall be recorded and listed by each department on a Company seniority basis.

(c) No overtime will be attached to transfers.

(d) A transfer will not have an effect on the bidding rights of the employee involved.

- (e) Approved crew changes shall take place within twenty-eight (28) calendar days from the date the crew change has been approved.
- (f) An employee who obtained a crew change under the provisions of 20.13 shall not be entitled to another crew change for six (6) months from the date of change.

20.14 If there are no successful applicants the Company may, in its discretion, fill the opening by hiring outside the Bargaining Unit.

ARTICLE 21 – APPRENTICESHIP

21.01 Apprenticeship Committee

- (a) AuRico Gold Inc. will undertake where practical to train a limited number of apprentices while working directly with the Industry Training and Apprenticeship Commission (ITAC), or any other successor organization designated by the government, that is responsible for all apprenticeship training in British Columbia. All training and examinations will be held in British Columbia.
- (b) The Company will establish a joint apprenticeship committee whose function shall be to fully examine the apprenticeship training program and make recommendations in respect thereto. Any changes made by the Company and or the joint committee shall be in accordance with the appropriate legislation.
- (c) The Company will undertake to train a limited number of apprentices in the automotive, heavy duty, electrical, welding, millwright, instrumentation trades and any apprenticeships in other trades as required by the Company.
- (d) In selecting applicants for one of the apprenticeship programs it is understood that an applicant meets the minimum selection criteria, as outlined by ITAC and also passes the pre-apprenticeship exam. The passing mark for this exam is 70%. For instrumentation and electrical apprenticeships the candidate must pass an aptitude exam as part of the selection process.
- (e) Employees who possess a certified trades designation shall not be considered for an apprenticeship position unless no other employees qualify.
- (f) Candidate selection will be based on the following weighted criteria:

Meets educational requirements	Mandatory
Government pre-apprenticeship tests	40%
Committee interview and site test	25%
Seniority	35%
- (g) Apprentices shall be expected to purchase the required minimum tools prior to starting their apprenticeship and be in the process of building up the necessary tools to equip themselves for their future job requirements.
- (h) An apprentice absent from the job due to attendance at a provincial apprenticeship school will be paid wage continuation consisting of his regular pay less any training allowances received based on a 40-hour work week at straight time.

- (i) No repeating of any school term will be allowed due to unsatisfactory attendance, or behavior resulting in failure to pass exams. In this event the employee's status will be reviewed by the joint apprenticeship committee and suitability for continued employment will be assessed and findings reported to the General Manager.
 - (j) If an employee is permitted to repeat any level, the Company will pay for only one repeat during the course of the employee's apprenticeship program. If the need to repeat is for a good and legitimate reason, as adjudged by the apprenticeship committee, then one additional repeat with pay may be granted.
 - (k) During the apprentice's on the job-training period, the Company shall make periodic evaluations of their progress or lack of thereof. An unsatisfactory work record may result in the apprentice being required to withdraw from the program.
 - (l) It is the intention of the Company that all apprentices will work on the normal crew rotation and cycle except while attending school. However, cycle changes may be implemented a maximum of twice per year, and with thirty days notice each time to the employee, to assist in the training and development of an apprentice.
 - (m) ITAC will forward the indentured apprentice's contract and record book to Human Resources. The training schedule will be reviewed by the apprentice and his immediate Supervisor and then kept in Human Resources for safekeeping. Human Resources will be responsible for the notice of school scheduling and inform the respective department head in advance.
 - (n) Hours of work experience at Kemess may be considered for credit if they are documented and reviewed with the ITAC counselor.
- 21.02 Upon successful completion of each level of schooling, the Company shall reimburse an apprentice who submits receipts for one hundred percent (100%) of the cost of textbooks that he was required to purchase for that level.
- 21.03 (a) The basic hourly rates for apprentices shall be in accordance with Appendix "A" Wage Schedule.
- (b) Rate increases are contingent upon successful completion of the previous year. This includes passing the Apprenticeship Board's exams and achieving the required number of work hours as prescribed by the Apprenticeship Board. The yearly intervals shall be calculated using the date of entry into the program as the anniversary date. If he should be unsuccessful in his examination, the rate becomes effective when he passes a subsequent examination.

ARTICLE 22 – STUDENTS

- 22.01 The Company may employ students for the periods of up to 4 months provided the student indicates at the commencement of his employment an intent to return to his studies at the end of his employment, and provided that no employee shall lose straight time earnings, benefits, be demoted, be laid-off, fail to be recalled or discharged to make a place for a student; nor shall promotion within the Bargaining Unit be affected. Students who wish to remain in the employ of the Company, must reapply for employment at the end of this time.

In the event a student is hired as a regular employee, his seniority shall begin at the time of rehire for the purposes of seniority within the Bargaining Unit.

22.02 A student hired under the provisions of 22.01 shall be considered an employee for that period, but shall not be considered as a member of the Bargaining Unit or covered by the Collective Agreement for the purposes of seniority, promotions, demotions, layoff, termination, or entitlement to benefits.

22.03 Student employees shall be considered temporary but shall not accumulate seniority within the Bargaining Unit. A student employee shall not be required to pay initiation fees but shall pay the equivalent of regular monthly union dues.

ARTICLE 23 – NEW CLASSIFICATIONS

23.01 Where the Company introduces a new classification or effects changes to an existing job classification, which significantly alters the responsibility or complexity of the job, the appropriate pay rate shall be determined through negotiation between the parties. The changes or the new classification shall be in effect for an experience period of thirty (30) working days prior to the negotiation of the rate, in order for the parties to evaluate the responsibility, complexity and workings of the new classification or the impact of the changes. The Company shall set an initial rate for the new or significantly changed job, which shall remain in effect during the experience period and until the parties have mutually agreed to a new rate. New rates shall be made retroactive to the date of introduction of the new classification or changes.

Failing a satisfactory resolution at that stage, the difference may be referred to the Grievance and Arbitration Procedure, for final and binding settlement. In such cases, the arbitrator shall have the power to determine the appropriate pay rate and to order the retroactive payment of wages owing to person(s) performing the job since its introduction.

ARTICLE 24 – SUPERVISORS WORKING

24.01 It is not the intention of the Company that employees outside of the Bargaining Unit shall do Bargaining Unit work except in the cases listed below. It is recognized however, that staff employees may occasionally become involved in work to a minor degree. (For example: a Supervisor may help an employee line up a pipe on a project but is not expected to actually assemble the piping.)

- (a) Emergencies for reason of safety or health or to prevent environmental damage or damage to property or equipment.
- (b) For the purpose of legitimate instruction.
- (c) In case of breakdowns after all reasonable efforts have been made to locate and utilize the required type of Bargaining Unit employee.
- (d) Experimentation, after notification to the Union in writing:
 - (i) in different ways of doing a job.
 - (ii) in ways of operating new or different types of equipment.

ARTICLE 25 – LAYOFF AND RECALL

- 25.01 (a) In the event of a planned permanent layoff (except emergency), affecting in excess of more than twenty-five (25) Bargaining Unit employees, the Company shall convene a meeting of the Union-Management Committee no less than seven calendar days prior to the expected date of notification of the employees affected. For a layoff of twenty-five (25) employees or less, the Company shall inform the Union Business Representative and/or Site Representative no less than seven (7) days prior to the expected date of notification of the employees affected.
- (b) The purpose of the meetings(s) shall be to discuss the extent of the layoff and its impact on Kemess Mine employees.
- (c) Notice, for the purpose of this Article, shall be in writing, either hand delivered, couriered or by registered mail to the employee(s) affected.
- 25.02 (a) In the case of an a temporary emergency shutdown of the Company's operation or a part of the operation which is not anticipated to exceed 28 calendar days, employees on the crews directly affected may be temporarily laid off irrespective of the other provisions of this Article that apply to layoff and recall. An employee will not be laid off under this provision where he has demonstrated the skills and has the qualifications such that he is capable, ready and willing to perform work that may be awarded to a contractor.
- (b) In the case of layoffs other than those set out in 25.02 employees shall have bumping rights in accordance with their Company seniority and in compliance with Article 25.05.
- 25.03 In the case of a reduction in workforce, the Company shall consider the requirements and efficiency of operations in determining which employee(s) shall be affected. All temporary employees and students shall be laid off before any permanent employee is laid off, provided the permanent employee can perform the work of the temporary employee.
- 25.04 In the case of a permanent layoff of employees of more than thirteen (13) weeks, the Company shall provide notice or pay in lieu as follows:
- (a) One (1) week's written notice where the employee has completed a period of employment of at least three (3) consecutive months; and
- (b) After completion of a period of employment of twelve (12) consecutive months, two (2) weeks' written notice, and for each subsequent completed year of employment, an additional week's notice up to a maximum of eight (8) weeks' notice.
- This provision will not apply where the provisions of the Employment Standards Act regarding Group Notice would apply.
- 25.05 Upon receiving notice of layoff, an employee shall, as soon as practical but in any event within forty eight (48) hours either:
- (a) inform the Company in writing of the employee's intention to exercise his seniority to "bump" a junior employee; or

- (b) accept the layoff notice.
- 25.06 (a) In order to avert a layoff, an employee may elect to bump the most junior employee in a classification for which he has the skills, qualifications, ability and certification (if required) as demonstrated with the Company to perform the available work without additional training. However, this shall not preclude one brief familiarization period up to a maximum of four (4) working shifts to demonstrate to the Company that they possess the necessary skills and abilities to perform the work.
- (b) Employees who exercise their rights to bump shall exercise their right in the following manner:
- Step 1: Bump the most junior employee within the desired classification in their own department on their existing rotation.
- If no position is available within the desired classification he shall;
- Step 2: Bump the most junior employee within the desired classification, within their department on the opposite rotation.
- If no position is available within the desired classification he shall;
- Step 3: Bump to any classification within the Bargaining Unit where the employee has the skills, qualifications, ability and certification (if required) as demonstrated with the Company to perform the available work.
- (c) Nothing above precludes an employee from bumping the most junior employee on the other rotation in order to maintain their classification.
- 25.07 Employees laid off shall be recalled in order of Company seniority, provided they possess the necessary skills, qualifications, ability and certification (if required) as demonstrated with the Company to perform the available work.
- (a) It shall be the responsibility of employee(s) on layoff to keep the Human Resources department and the Union informed of their current mailing address and phone number.
- (b) In case of recall, the Company shall notify the employee (with a copy to the Union by fax) by registered mail or courier, forwarded to the employee's last known address.
- (c) When the employee is notified of recall as in (b) above, he must indicate his intention to the Company Human Resources department within four (4) calendar days of the date of receipt of notice, and report for work within fourteen (14) calendar days of receipt of such notice unless prevented from reporting for a reason acceptable to the Company.
- For the purpose of administration it shall be deemed that the registered mail or courier was received in ten business days from the date of mailing. The Company shall be deemed to have fulfilled the requirements of Article 25.08(b) if the notice is hand-delivered to the employee.

- (d) Failure to comply with the provisions of (c) above or if the registered mail is returned with no known forwarding address, shall result in loss of seniority and removal from the recall list.

25.08 An employee permanently laid off /displaced shall be recalled under the following criteria.

- (a) All employees on lay off/displacement shall be deemed to have bid on all job postings for which they have the necessary prerequisites and/or qualifications.
- (b) Employees on layoff/displacement shall be given preference for recall into their former classification or trade within their department prior to an employee from another department or trade being selected on a job posting.
- (c) An employee who refuses recall to his former classification within his department, or in the case of certified or apprentice tradesman into their trade, will forfeit his seniority and all recall rights, except as provided in (f).
- (d) An employee refusing recall to any other classification within a department for which he has the necessary prerequisites and/or qualifications will forfeit his recall rights to that classification within that department.
- (e) An employee recalled to any classification, other than his former classifications, shall be given a voluntary trial period of 14 calendar days to remain in that classification or revert to layoff status.
- (f) An employee may refuse a recall for work anticipated to last for less than 168 hours without it adversely affecting any of his recall rights.
- (g) New hires shall not be offered employment in a trade or classification until all employees laid off/ displaced in that trade or classification are offered the opportunity for recall.

25.09 An employee may accept severance pay at the time of notice of layoff and shall forfeit his rights for recall upon payment, or maintain his recall rights as provided for in the Collective Agreement.

ARTICLE 26 – TECHNOLOGICAL CHANGE

- 26.01 (a) The Company and the Union agree that technological change is both necessary and desirable for the viability of the Company and the on-going security of its employees.
- (b) In recognition of the foregoing, the Company undertakes to reduce the effects of technological change on the job security and earnings of employees who are laid off or demoted as a direct consequence of technological change, as set out below. Where people are to be laid off as a result of a technological change, then they will not be laid off until the implementation of the technological change has commenced.
- 26.02 For purposes of this Article “technological change” means the automation of equipment or the mechanization or automation of duties, which directly results in the layoff, or demotion of employees.

- 26.03 The Company shall notify the Union in writing not less than sixty (60) days in advance of its intention to institute technological changes which shall affect employees as set out in 26.02. If possible, the notification shall set forth the estimated number of employees affected, together with the nature and extent of the change anticipated. Notice of layoff or pay in lieu of notice to any employees affected shall be provided as described Article 25.04.
- 26.04 Following the notice of technological change, and if a significant number of employees are affected, the Company and Union shall meet in accordance with Article 54 of the Labour Relations Code. In any event, the parties shall review the practicality of re-training affected employees.
- 26.05 (a) Where an employee's job is eliminated as a result of technological change introduced by the Company, the employee shall have the right to exercise his seniority as provided in Articles 25.05 and 25.06.
- (b) Employees affected by technological change shall be given the opportunity to post for any new jobs that result from technological change before any new hires are brought on to the property, provided they possess the necessary skills to perform the basic job requirements.
- (c) Employees who are displaced as a result of technological change shall be given preference to existing vacancies prior to these vacancies being subject to the job posting procedure.

ARTICLE 27 – TOOL ALLOWANCE

- 27.01 Commencing on the anniversary date of the Agreement, and subsequently thereafter the Company shall pay quarterly a tool allowance to each designated tradesperson and apprentice who has the requisite tools as required by the Company as follows:

	Effective Jan. 1, 2008	Effective Jan. 1, 2009
HD Mechanic, Millwright, Machinist, LD Mechanic	\$125.00	\$150.00
Electrician, Instrumentation Mechanic, Electronics Technician, Welder, Carpenters, Plumber/Gasfitter	\$75.00	\$75.00
PM Repairman, Lubeman	\$50.00	\$50.00

Tool crib attendants shall receive the appropriate allowance for the trades designation that they hold.

- 27.02 The Company shall replace employee owned tools (tool for tool, make for make) if:
- (a) at the direction of the Company, or
- (b) the Company agrees, the tool was used appropriately in the circumstances, the tool is rendered useless providing such tools are not covered by manufacturer warranty. This excludes tools that are rendered useless by normal wear and tear.
- 27.03 (a) The Company will give two (2) pair of coveralls to every employee who has completed their probation period. These coveralls will be replaced by the

Company, each year, to a maximum of two pairs if a pair of coveralls is no longer usable.

- (b) The Company shall also supply one (1) pair of insulated coveralls to all employees who regularly work outside during cold weather temperatures. One pair of insulated coveralls will be replaced by the Company, each year, if the current pair is no longer usable.
- (c) The Company will continue the current practice of laundering coveralls.

ARTICLE 28 – GENERAL PROVISIONS

28.01 (a) Upon prior agreement with the Human Resources Department, employees in the Bargaining Unit shall be permitted to review their personnel records in the presence of a Human Resources representative. Upon request, the employee shall be provided with copies of material contained in such records.

- (b) Employees in the Bargaining Unit shall be permitted to review their medical records in the presence of the Health Care Professional. Upon request, the employee shall be provided with copies of material contained in such records when the request is made through the Human Resources Department.

28.02 (a) Where there is no running water available, drinking water in approved sanitary containers shall be provided.

- (b) Waterless handcleaner and/or clean water and soap, and paper towels shall be provided at Company expense in all dries, lunchrooms and worksites so that employees can clean their hands and faces prior to eating or following the use of toilet facilities.

- (c) The Company shall, at their expense, provide and regularly clean portable toilet facilities for work locations not equipped or able to be equipped with permanent facilities (i.e.: pumphouses, tailings dam, pit).

28.03 Employees shall use common rules of cleanliness when using washrooms, lunchrooms, camp facilities and other common area facilities.

28.04 An employee shall be required, on Company time, to fill out and sign such time slips, service reports, job or work reports and any other forms required, daily if the Company so requests.

28.05 During the term of this Agreement, the hourly wages applicable and paid to employees shall be those set out in Appendix "A".

28.06 Paydays

Payday shall be bi-weekly on Friday. If a general holiday is on the regular payday, employees shall be paid the day before. The employees' pay statements shall be delivered to them on site. Employees shall be paid by direct bank deposit.

Any employee short paid twelve (12) hours or more shall within three (3) banking days receive a direct bank deposit for the short pay.

Each alternate payday shall be an advance consisting of eighty (80) hours at straight time. The following payday shall consist of all other monies due the employee for the cycle.

28.07 An employee injured at work and unable to continue work shall be paid for the balance of the shift. Such payment shall be the applicable rate.

28.08 A discharged employee shall be provided with a termination slip stating the reason for termination. A copy of this slip shall be given to the Union Business Representative and Site Representative.

An employee on being discharged or laid-off shall be paid all wages due him as promptly as possible, but in any event, within seven (7) calendar days of the time of discharge or layoff. Within seven (7) calendar days of being discharged or laid off the Company shall arrange for the employee's personal belongings remaining at the mine to be forwarded to the departure point closest to the employee's residence. Further, the Company will make every effort to ensure employees who quit will have their tools shipped to Prince George within fourteen (14) calendar days provided their tools are packed and ready for shipping.

28.09 The cost of medical examinations required by the Company shall be paid for by the Company.

28.10 Travel

(a) Each employee is responsible for arranging his own transportation to and from his residence and the point of departure, (subject to Article 7.03), for Company provided aircraft.

(b) Cancelled Flights

It is understood that from time to time aircraft departure to the site may be delayed due to weather or mechanical difficulties with the aircraft. Should the Company provided plane to/from Kemess to an employee's departure point be cancelled for these or any other reason, accommodations and meals (breakfast, dinner and/or supper to a maximum of \$35.00 per day) shall be paid by the Company. In the event of a delay or cancellation of a flight to Kemess there shall be no loss of hours from an employee's regular scheduled shift (i.e. 168 hours for employees on a 2x2 rotation). If an employee is delayed in camp due to cancelled flights, work shall be provided at overtime rates. It is understood that such work may not be in his regular classification worked.

In the event that accommodations become necessary, the Company shall be responsible for providing accommodations within one (1) hour of cancellation notice for those employees living outside of a one hundred (100) kilometre radius of the plane departure point. Save and except if the reason for the delay is due to weather conditions at the location from which the employee normally departs to go to the mine such that the roads are impassible and the employee lives at least 25 kilometers outside the city limits from which his plane departs.

Employees requiring accommodations shall have a single room where possible at hotels which are designated by the Company.

(c) Procedure for Flight Delays

In the event of plane delay, the Human Resources Superintendent or designate shall secure details of backup planes if possible, expected length of delay, weather probabilities etc.

The Human Resources Superintendent or designate shall approve hotel rooms, meals and transportation.

Manifest totals shall be provided to the Human Resources Superintendent or designate and authorization shall be given by the Human Resources Superintendent or designate for hotel reservations.

Alternate manifests shall be developed and faxed to hotels for posting and distribution.

(d) All air transportation between Smithers/Prince George and the Kemess minesite shall be on a scheduled basis and each employee coming into the mine site shall know their flight time before leaving the mine site on completion of their previous cycle. It is agreed there may be exceptions to the foregoing.

(e) All employees leaving the Kemess minesite shall know their departure time no later than the start of their full shift preceding their departure date. It is agreed there may be exceptions to the foregoing. No employee shall displace another employee without authorization.

(f) Travel Allowance: The existing \$75 Travel Allowance will remain at \$75 and payable to employees who do not qualify for the following travel allowance.

There will be a travel allowance for employees on the following terms:

(i) The following employees will qualify for the travel allowance:

Employees actually working on a 2x2 shift rotation who live more than 125 kms and employees actually working on a 4x3 shift rotation who live more than 50 kms from their departure point from the Kemess charter airport.

(ii) Employees who qualify will receive:

(A) Employees on the 2x2 will receive \$.20 per km., to a maximum of 500 kms., in each direction they travel. This will increase to \$.30 per km effective January 1, 2009.

(B) Employees on the 4x3 will receive \$.20 per km., to a maximum of 250 kms., in each direction they travel. This will increase to \$.30 per km effective January 1, 2009.

- (iii) Terms of the Allowance:
 - (A) Calculations will be made from the employee's city or town of residence to the departure point.
 - (B) If the employee moves closer to the departure point, his travel allowance will decrease. An allowance will not increase during the term of this agreement.
 - (C) If an employee qualifies for the allowance and then relocates he/she must immediately inform the employer.
 - (D) To account for time-off for vacations, employees on 2x2 shift rotation will receive the equivalent of twelve travel allowance payments over the thirteen paid periods in a calendar year. Similarly, employees on a 4x3 shift will be paid the equivalent of twelve travel allowance payments over their thirteen pay periods in a calendar year.
 - (E) Payment will be made each month.
- (iv) Procedure:
 - (A) There will be a specific form employees must fill out and sign, stating their current town or city of residence.
 - (B) The Travel Allowance will commence from the signing of that form.

28.11 The Company shall pay one half ($\frac{1}{2}$) the cost of the printing of the Collective Agreement. The Union shall be responsible for having the Collective Agreement printed and distributed.

28.12 The Company may, with reasonable and just cause, require an employee returning from an occupational or non-occupational illness or injury, to provide at Company cost, a medical report from the employee's attending physician. If further evaluation is required from another physician and/or an occupational assessment professional, it shall be done at no cost to the employee. These reports will cover:

- (a) the employee's general medical condition as it relates to the injury or illness;
- (b) the employee's ability to return to work at Kemess Mine;
- (c) the employee's prognosis for recovery;
- (d) upon returning to work, an employee is required to inform the Company of any prescription drugs he is taking which may cause an impairment to perform work at the mine site.

28.13 (a) The Company shall annually, on each employee's anniversary date, subject to the ratification of this Agreement, pay to each employee a personal protective equipment and safety footwear allowance in the amount of four hundred dollars (\$400.00).

- (b) The Company shall, in accordance with the Company policy on prescription safety glasses, provide prescription safety glasses as follows:
 - (i) the cost to a maximum of three hundred dollars (\$300.00) per year;
 - (ii) employee must have completed his probationary period;
 - (iii) one hundred percent (100%) of cost of repairs if damaged at work;
 - (iv) cosmetic repairs are not covered.

28.14 The Company may, with reasonable and just cause, inspect:

- (a) an employee's lunch box or container;
- (b) an employee's locker;
- (c) an employee's room;
- (d) an employee's baggage, prior to boarding the Company chartered aircraft,

provided the employee and a Union Representative are present and they are informed of the reason for the inspection.

28.15 The parties to this Collective Agreement acknowledge and agree to abide by Sections 3.1.1 and 3.1.2 of the Health, Safety and Reclamation Code for Mines in British Columbia (1997) reflecting the use, possession or sale of illegal drugs or alcohol on a mining property.

28.16 Camp Conditions

The Company recognizes that the quality of camp conditions, including accommodation, recreation facilities, and meals are of utmost importance to the quality of life for the employees of Kemess Mine.

In the interests of providing the above, the Company agrees to the following:

- (a) The Company shall provide suitable meals and such food shall be handled in a sanitary fashion in accordance with all Federal and Provincial regulations.
- (b) The Company shall provide a single room to each employee for their sole use while on site and at work during their employment. Each room shall be maintained in good order and shall have clean bedding at least two (2) times and the rooms cleaned three (3) times per 14 day rotation. Each room will be furnished with electrical outlets, heat, ventilation, cablevision, and a suitable locker for personal belongings.
- (c) Employees working a four by three (4 x 3) rotation shall have the rooms and bedding cleaned once per week.

The Camp Committee shall be maintained to discuss ways to further the interests of this Article.

Any issues regarding camp conditions shall be forwarded through the Camp Committee to the General Manager, Human Resources Superintendent and the Union Representative for resolution.

28.17 Dry facilities shall be cleaned each working shift.

ARTICLE 29 – BENEFIT PLAN

29.01 (a) During the life of this Agreement the Company shall maintain in effect the following programs:

- (i) Basic Life Insurance – \$90,000.
- (ii) Accidental Death and Dismemberment Insurance –\$60,000.
- (iii) Extended Health Care Insurance

Coinsurance is 90%.

The plan will pay 90% reimbursement to a maximum of \$800 per member of the family per year for physiotherapy, chiropractors, massage therapists, naturopaths and podiatrists.

The plan will pay up to a maximum of \$50.00 every two years for eye examinations.

On ratification, the plan will pay up to a maximum of \$200.00 per dependent every two years for the purchase of prescription eyewear.

- (iv) Dental Plan

Dental Plan A: 100% reimbursement \$3,000 cap per calendar year.

Dental Plan B: 90% reimbursement \$3,000 cap per year.

Dental Plan C: 50% reimbursement \$3,000 lifetime cap.

- (v) Short Term Disability Insurance:

Weekly indemnity will be 66 2/3% to a maximum of \$625.

- (vi) Employee and Family Assistance plan

- (vii) RRSP Payroll deduction program

The Group RRSP Plan will be amended as follows:

(A) Employees are entitled to contribute a percentage of their basic earnings to their Group RRSP account.

(B) Employees will have a number of investment vehicles within the Group RRSP to which they may direct their contributions.

- (C) Employees are no longer obligated to contribute to the RRSP.
 - (D) The Company will match the contribution made by the employee to the Group RRSP account to a maximum of 5% of the employee's basic earnings.
 - (E) It is the employee's responsibility and liability to ensure that his total contributions to all RRSP's shall not exceed legislated limits.
 - (F) This program will be subject to all applicable legislative requirements including but not limited to the Canada Income Tax Act.
- (viii) B.C. or Alberta Provincial medical coverage for eligible employees.
 - (ix) The Company will introduce a plan whereby employees may purchase additional units of term life insurance in units of ten thousand dollars to a maximum of one hundred and fifty thousand dollars. The employee pays the full cost of this premium.
- (b) Eligibility and the nature and type of coverage shall be as set out in the policies issued by the carrier or agent and reflected in the handbooks provided to employees.

29.02 Sickness on site

- (a) Regular hourly paid employees of Kemess Mine who have completed the probationary period of forty-two (42) working shifts are eligible for this benefit;
- (b) Eligible employees are permitted paid on site sick day absences of 24 hours, during each calendar year with a minimum of four (4) hours for each absence;
- (c) In order to receive pay for a sick day, the employee; must be seen by the on site Occupational Health Coordinator or designated First Aid attendant and report the absence to his Supervisor in person or by telephone prior to the commencement of his shift;
- (d) The sick pay benefit is paid based on the employee's regular pay rate;
- (e) Should the employee not use all the hours within the year in which they are allotted, then he shall be paid an amount equivalent to the number of hours not taken at his basic hourly rate;
- (f) Time off for illness (whether paid or unpaid) is not counted as time worked when computing overtime.
- (g) Time off for paid sick day absences will be counted as time worked when computing time worked for an employee's regular scheduled work shift (i.e. when computing 168 hours for employees on a 2x2 rotation).

29.03 Educational Assistance Plan

Upon an employee's successful completion of a course that has been pre-approved for the employee by the Company, the Company will reimburse the employee, upon submission of receipts, for fifty percent (50%) of the cost of registration fees, tuition fees, examination fees and prescribed textbooks. The course or courses must be directly related to the employee's present or future work with the Company, normally leading to a degree or certificate.

29.04 Benefit Coverage During Layoff

Benefit coverage shall be provided, at the employee's option, for employees laid off during the term of the Collective Agreement, subject to the following provisions:

(a) Benefits covered:

1. Provincial Health Care
2. Extended Health Care
3. Basic Life Insurance
4. Basic AD & D Insurance

(b) Benefit coverage shall be for a period of up to one year or until the employee obtains alternate employment, which offers comparable benefits, or he loses his right of recall, whichever should occur first.

(c) The employee must decide on this coverage at the time of layoff, and may cancel his participation at any time during the one year period. Once an employee cancels his coverage he shall not be eligible for further benefit coverage until he is recalled.

Benefit coverage shall terminate under this Agreement if the employee is recalled or is paid severance pay during the one year period.

(d) Actual premium costs for the benefits shall be paid by the employee.

ARTICLE 30 – SAVINGS CLAUSE

30.01 Nothing herein contained shall preclude higher wages being paid to employees of special skills and abilities.

30.02 (a) 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.

(b) 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 discussions, if necessary 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 directly to the grievance/arbitration procedure.

ARTICLE 31 – STRIKES AND LOCKOUTS

- 31.01 (a) The Union shall not sanction and the employees will not participate in any strike, cessation or stoppage of work or picketing for the duration of this Collective Agreement and there shall be no deliberate interference with the operation of the Company.
- (b) There shall be no lockout or collective action taken by the Company for the duration of this Agreement.
- (c) Upon expiration of this Agreement there shall be no strike or lockout action as long as negotiations are continuing, subject to Article 32.02.

ARTICLE 32 – TERM OF AGREEMENT

32.01 The Collective Agreement shall be in full force and effect from January 1, 2014 up to and including December 31, 2016 and shall continue in full force and effect from year to year thereafter subject to the right of either party of this Agreement within four (4) months immediately preceding the date of December 31, 2016 or immediately preceding the anniversary date in any year thereafter, by written notice to the other party, require the other party to commence collective bargaining with a view to the conclusion of a renewal or revision of the Collective Agreement or a new Collective Agreement. All other new provisions in the Collective Agreement will be effective the date of ratification.

32.02 In the event that one (1) party serves notice on the other party to commence negotiations for a new Collective Agreement, the provisions of this Agreement shall remain in full force and effect until either:

- (a) the Union commences a legal strike, or
- (b) the Company commences a legal lockout.

32.03 The parties agree to exclude the operation of Section 50(2) and 50(3) of the Labour Relations Code of British Columbia.

SIGNED this _____ day of _____, 2014.

AURICO GOLD INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 115

APPENDIX "A"

	JOB CLASS	Jan. 1, 2014 \$/Hr	Jan. 1, 2015 \$/Hr	Jan. 1, 2016 \$/Hr
TRADES 1	Electrician 1	\$36.93	\$37.67	\$37.67
	Instrument Mechanic 1	\$36.93	\$37.67	\$37.67
	Electronics Technician 1	\$36.93	\$37.67	\$37.67
	Heavy Duty Mechanic 1	\$36.93	\$37.67	\$37.67
	Light Duty Mechanic 1	\$36.93	\$37.67	\$37.67
	Machinist 1	\$36.93	\$37.67	\$37.67
	Millwright 1	\$36.93	\$37.67	\$37.67
	Plumber / Gasfitter 1	\$36.93	\$37.67	\$37.67
	Carpenter 1	\$36.93	\$37.67	\$37.67
	Welder A	\$36.93	\$37.67	\$37.67
	Crane Operator 1	\$36.93	\$37.67	\$37.67
TRADES 2	Warehouse Person	\$33.89	\$34.57	\$34.57
TRADES 3	Electronics Technician 3	\$30.84	\$31.46	\$31.46
	Heavy Duty Mechanic 3	\$30.84	\$31.46	\$31.46
	Light Duty Mechanic 3	\$30.84	\$31.46	\$31.46
	Machinist 3	\$30.84	\$31.46	\$31.46
	Millwright 3	\$30.84	\$31.46	\$31.46
	Carpenter 3	\$30.84	\$31.46	\$31.46
	Crane Operator 3	\$30.84	\$31.46	\$31.46
	Welder B	\$30.84	\$31.46	\$31.46
	Apprentice 5	\$32.18	\$32.83	\$32.83
	Tool Crib Attendant	\$33.81	\$34.49	\$34.49
	Apprentice 4	\$30.84	\$31.46	\$31.46
	PM Repairman	\$30.84	\$31.46	\$31.46
	Lubeman	\$27.99	\$28.55	\$28.55
	Maintenance Helper	\$27.99	\$28.55	\$28.55
	Apprentice 3	\$28.94	\$29.52	\$29.52
	Apprentice 2	\$27.99	\$28.55	\$28.55
	Apprentice 1	\$25.35	\$25.85	\$25.85
	Labourer	\$24.61	\$25.10	\$25.10
MILL OPS	Control Room Operator	\$34.90	\$35.60	\$35.60
	Flotation Operator	\$33.29	\$33.95	\$33.95
	Grinding Operator	\$32.60	\$33.25	\$33.25
	Utility Operator	\$31.51	\$32.14	\$32.14
	Tailings Operator	\$31.25	\$31.87	\$31.87
	Crusher Operator	\$30.99	\$31.61	\$31.61

	JOB CLASS	Jan. 1, 2014 \$/Hr	Jan. 1, 2015 \$/Hr	Jan. 1, 2016 \$/Hr
MILL OPS (continued)	Dewatering Operator	\$30.71	\$31.33	\$31.33
	Sample Bucker	\$27.59	\$28.15	\$28.15
	Mill Helper	\$27.06	\$27.60	\$27.60
	Labourer	\$24.61	\$25.10	\$25.10
PIT OPS	Shovel Operator	\$34.90	\$35.60	\$35.60
	Driller	\$32.46	\$33.10	\$33.10
	Blaster	\$32.46	\$33.10	\$33.10
	Loader Operator	\$32.46	\$33.10	\$33.10
	Backhoe Operator	\$31.17	\$31.80	\$31.80
	Grader Operator	\$31.17	\$31.80	\$31.80
	Track Dozer Operator	\$31.17	\$31.80	\$31.80
	Haul Truck Driver	\$30.16	\$30.76	\$30.76
	Light Equip Operator	\$28.13	\$28.69	\$28.69
	RTD Operator	\$30.30	\$30.91	\$30.91
	Blaster Helper	\$28.13	\$28.69	\$28.69
	Truck Driver Trainee	\$26.29	\$26.82	\$26.82
	Labourer	\$24.61	\$25.10	\$25.10
WAREHOUSE	Warehouse I	\$26.11	\$26.64	\$26.64
	Students	\$19.88	\$20.27	\$20.27
	Leadhand	\$1.50 above highest rate supervised		

Tradesmen 1 BC TQ recognized equivalent under Mines Act:

Electrician
 Electronics Tech
 Instrumentation Mech
 HD Mechanic
 LD Mechanic
 Machinist
 Millwright
 Plumber/ Gasfitter
 Carpenter
 Welder A
 Crane Operator 1

Tradesmen 2 BC TQ or recognized equivalent under Mines Act:

Warehouse Person

Tradesmen 3 no BC TQ or recognized equivalent under the Mines Act:

Electronic tech
Instrumentation Mech
HD Mechanic
LD Mechanic
Machinist
Millwright
Crane Operator 3
Welder B class
Carpenter

* Uncertified tradesmen working for the Company as of June, 2002 will be grandfathered at the journeyman trades rate. New hires will be paid at the uncertified trades rate or Tradesmen 3.

APPENDIX "B"

Warehouse Person

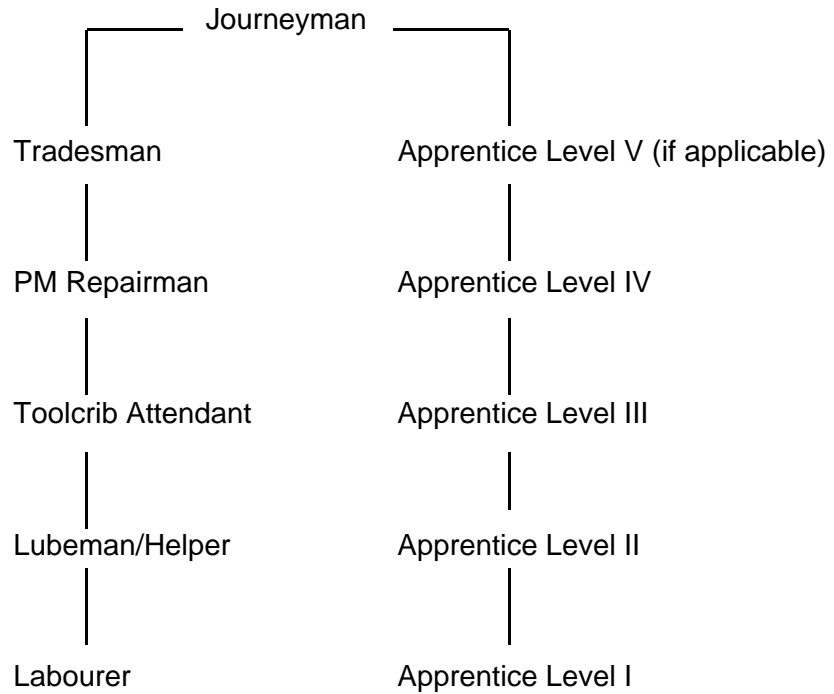


Warehouse 1

Note: 1. All certified (T.Q.'d) Warehousemen shall be paid at the Warehouse Person rate.

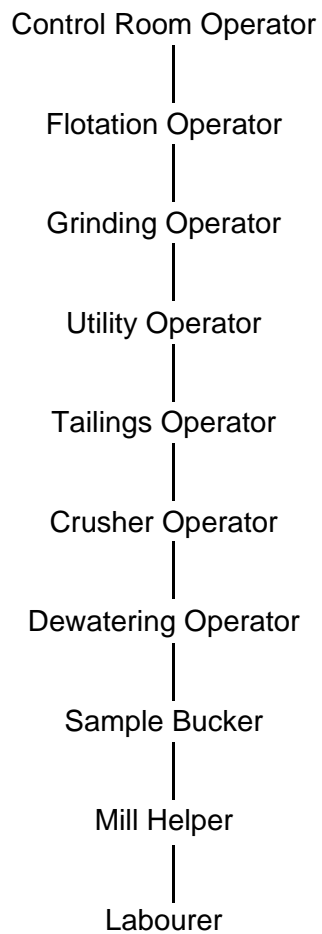
APPENDIX "B"
MAINTENANCE

Crane Operator



Note: 1. This is not a Line of Progression for the purpose(s) of training or the filling temporary vacancies

APPENDIX "B"
MILL OPERATIONS



LETTER OF UNDERSTANDING #1

BY AND BETWEEN:

AURICO GOLD INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: VOLUNTARY RECOGNITION - KEMESS NORTH

It is agreed that this Collective Agreement will have jurisdiction over the Kemess South Mine and the Kemess North Deposit should the Kemess North Deposit be developed by the same company that owns Kemess South Mine at the time.

If AuRico Gold Inc. has controlling interest and operates a mine either as a subsidiary, joint venture or partnership, within an 80 km radius of Kemess South, the Company will voluntarily recognize the Operating Engineers to represent that operation's hourly employees.

Further, the Union and the Company agree that the wages and benefits of this collective agreement will apply until the parties have been able to negotiate a new collective agreement at the operation. The parties will negotiate a collective agreement prior to commercial production commencing.

SIGNED this _____ day of _____, 2014.

AURICO GOLD INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 115

LETTER OF UNDERSTANDING #2

BY AND BETWEEN:

AURICO GOLD INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: RESIDENT CONTRACTOR PERMIT FEES

This Letter of Understanding acknowledges the agreement between the parties as to Resident Contractors paying permit fees while doing bargaining unit work on the Kemess Mine property.

Within forty-five days of the end of the month, the Company shall remit to the Union's Prince George office, an amount equal to two and one half times (2½) times the current journeyman rate for each contractor doing bargaining unit work during the month.

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise either out of, or by reason of, the Company complying with this Letter of Understanding.

Exemptions from Billing:

- Bona fide warranty work
- I.U.O.E. Local 115 certified companies
- Transportation providers
- Salesmen or consultants
- Contractors on site for less than 2 months.

Resident Contractors (two consecutive weeks or more) shall supply a list of employees, dates and classifications to the local Union at the end of each month.

The Company shall supply to the local Union a list of resident contractors.

The Company agrees, for the purpose of skill development, that it is in everyone's best interest to have available trades employees working with contractor trades on warranty work.

SIGNED this _____ day of _____, 2014.

AURICO GOLD INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 115

LETTER OF UNDERSTANDING #3

BY AND BETWEEN:

AURICO GOLD INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: MINE OPERATIONS BACKUP OPERATORS

This Letter of Understanding acknowledges the agreement between the parties as to mine operations backup operators.

The parties agree that a temporary vacancy created in mine operations as the result of vacations, short term disabilities, maternity/paternity leave, etc. (less than three (3) months) shall be filled as follows:

1. The time of the vacancy will be distributed in a fair and equitable manner between the most senior qualified person on the crew not currently holding the classification and the most senior person on the crew formally requesting training from the training department. In all cases these individuals will be from the same crew as the person creating the vacancy.
2. In cases where there is no qualified operator on the crew and no trainee is yet qualified to operate the equipment alone, a qualified operator from another crew will be used and will assist in training an individual from the crew with the vacancy.
3. When the vacancy lasts longer than one week, the position may be rotated between other qualified persons and/or persons requesting training as long as it is done in a fair and equitable manner.

If the previously mentioned requirements cannot be satisfied, then Article 7 of the Collective Agreement shall be used to determine the person who will fill the vacancy.

SIGNED this _____ day of _____, 2014.

AURICO GOLD INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 115

LETTER OF UNDERSTANDING #4

BY AND BETWEEN:

AURICO GOLD INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: FIRST NATIONS PROTOCOL

Whereas under the provisions of Project Approval Certificate M96-03 the Company is required to:

Make reasonable efforts to co-operate with local Aboriginal groups or First Nations whose traditional territories are directly affected by the project, make reasonable attempts to address any concerns resulting from the project that are advanced by such First Nation or Aboriginal groups; and

Whereas various First Nation groups have voiced a desire to be provided with opportunities to enter the work force; and

Whereas some of the training and exposure opportunities will be within the Bargaining Unit; and

Whereas if such requests are not met to the reasonable satisfaction of the Minister, then the Minister may require the Company to comply with directions of the Minister to introduce such measures as are deemed appropriate to satisfy the concerns of various First Nation groups:

NOW THEREFORE

1. The Company shall make available to members of the designated First Nations groups opportunities to obtain exposure and training that would permit them to obtain the basic knowledge and personal skills and practices necessary to succeed in the obtaining of regular employment.
2. The purpose of this training and exposure is not to guarantee members of the First Nations groups employment, but to help them to become employable and to create a level playing field should there be employment opportunities that become available in the normal course of the operation.
3. The positions to be made available to give members of the First Nations groups the opportunity to participate in such training and exposure will be in excess of the normal Bargaining Unit manpower complement.
4. No member of the Bargaining Unit will be laid off or disadvantaged as a result of such training.
5. Prior to the commencement of training the Company will notify the Union of the First Nations persons participating in any training and exposure opportunities.

6. To be eligible to participate in such training and exposure opportunities the Company may require the First Nations member to have certain basic skills and education.
7. To be eligible to participate in these training and exposure opportunities the individual must be designated by their "Band Chief" as a candidate for this program.
8. The maximum duration of any training and exposure opportunity shall be 42 shifts unless mutually agreed between the Union and the Company.
9. Persons will only be given one training and exposure opportunity.
10. The total number of First Nations persons who may participate in training and exposure opportunities within the Bargaining Unit, at any one time, will be a maximum of six.
11. All standard operating rules and policies of the Company shall apply to First Nations participants.
12. Persons participating in these training and exposure opportunities will be paid in accordance with applicable hourly rates set out in the Collective Agreement.
13. Persons participating in these training and exposure opportunities will be covered by life insurance.
14. Persons will be required to pay the equivalent of Union dues, but they will not be required to join the Union or pay initiation fees.
15. First Nations persons participating in these training and exposure opportunities will be covered by the various provisions of the Collective Agreement save and except: posting procedures, seniority provisions, lay-off provisions, and the grievance procedure as it applies to terminations.
16. Training and exposure opportunities will normally be given as mill labourers, mine labourers, blasters helper, maintenance helper, lubeman, and haulage truck driver trainees.

SIGNED this _____ day of _____, 2014.

AURICO GOLD INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 115

LETTER OF UNDERSTANDING #5

BY AND BETWEEN:

AURICO GOLD INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: SHARING ROOMS

The Company will maintain 110 rooms that will be assigned to employees as single rooms on the basis of seniority so long as the Company determines overall bunk house requirements permit. Other employees will share a room with an employee on their opposite rotation. Should a senior employee turn down the opportunity for a single room, they can give notice after six months and the next available single room will be offered.

The Company agrees to attempt to place short term contractors in their own bunk house.

The parties agree to discuss the allocation of single rooms in Union Management meetings.

SIGNED this _____ day of _____, 2014.

AURICO GOLD INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 115

LETTER OF UNDERSTANDING #6

BY AND BETWEEN:

AURICO GOLD INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: DRUG AND ALCOHOL POLICY

The Company agrees to amend its existing Drug and Alcohol policy as follows:

If an employee is caught on the mine site with either illicit drugs or alcohol, he will be immediately suspended from employment without pay. Within one week, the employee must indicate to the Company one of two mitigating circumstances he wishes to pursue. First, the employee claims that he has an addiction to either drugs or alcohol. Second, there were exceptional circumstances that caused him/her to break the Company's policy. If neither mitigating circumstance is presented within the week, his employment will be terminated.

If the employee claims dependency/addiction, the following steps will occur:

1. The employee will continue on Company benefits.
2. The employee may apply for short term disability.
3. The employee must take the initiative within two weeks and be tested at a designated Health Care Clinic.
 - If found to be dependent/addicted, he must enter a rehabilitation program within three weeks.
 - If found not to be dependent/addicted, his employment will be terminated.
4. Upon completion of the rehabilitation program and having received medical clearance, the employee will return to his previous position.
5. If legally prohibited from returning to his regular job, the employee will be given a permanent labourer position from which he can exercise posting/line of progression rights.

If the employee claims there were exceptional circumstances that caused him to break the Company rule, the employee with the assistance of the Union, will be given the opportunity to explain why the expected practice of termination should not be followed in his case. Where the Company agrees that there are exceptional circumstances, an employee could be returned to work.

The Union agrees that each case is unique and unique restrictions may have to be imposed on an employee's return to work.

The Parties agree that there will be no difference in the administration of Letter of Understanding #6 except the following:

Employees who are addicted and come forward before being caught will have 100% of the cost of the rehabilitation program paid for by the Company.

Employees who are addicted and are caught will have 60% of the cost of the rehabilitation program paid for upon successful completion of the program and upon their return to work. Employees returning to work will be brought back within thirty (30) calendar days of successful completion.

SIGNED this _____ day of _____, 2014.

AURICO GOLD INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 115

LETTER OF UNDERSTANDING #7

BY AND BETWEEN:

AURICO GOLD INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: CONTRACTING OUT FOR ALL MINE CONSTRUCTION AND DEVELOPMENT FOR KEMESS NORTH AND ALL TAILINGS DAMS

It is agreed that wherever possible the Operating Engineers or an affiliate of the BC Federation of Labour shall have preference for work tendered subject to the Company applying its criteria for ranking bids.

The Company shall notify the Union sixty (60) days prior to the tender call to discuss the extent of the contracted work and provide the details on the "Confirmation of Contracting Out Form". Where a contract is to be tendered the matter will be raised as part of the agenda at the Union Management meeting to communicate and discuss any issues that may arise as a result of the contracting out.

It shall be a requirement of the contract tendering process that the current Kemess Mine collective agreement shall be used as the basis for the wage component for such contracted work.

The Company and Union will meet to discuss the possibility of tailings pond work being performed by bargaining unit employees.

SIGNED this _____ day of _____, 2014.

AURICO GOLD INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 115

LETTER OF UNDERSTANDING #8

BY AND BETWEEN:

AURICO GOLD INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: POST-SHUTDOWN WORK

1. During negotiations the Company and the Union discussed potential employment opportunities during the post-shutdown period. The Company expressed its intent to provide opportunities to individuals whose employment has been terminated in the period from January 1, 2011 as a direct result of the shutdown to perform tasks associated with the care and maintenance of the site.
2. The number of opportunities to perform tasks associated with the care and maintenance of the site will be dependent on the tasks to be performed and the overall manpower needs of the Company. Excluding technical employees, the Company agrees to staff a rotation based on the following approach: the first 2 employees will be non-bargaining unit, the next 2 will be individuals on the list, the next 2 will be non-bargaining unit, the next 2 will be individuals on the list and thereafter will be on a one and one basis. It is agreed that replacing either an individual on the list or non-bargaining unit employee who has left employment does not count as a "new hire" for this staffing approach. It is also agreed that the Company does not have to follow this staffing approach if there are no qualified individuals on the list to fill an opportunity.
3. The Union agrees that during the post-shutdown period it will not invoke the provisions of Articles 6, 7.03, 7.04 (a) and (b), 7.06, 17, 20, 24.01, 25, 27 and 28.06 of the Collective Agreement.
4. In offering opportunities to individuals, the Company will offer opportunities to individuals on the list based on skills, qualifications, ability and certification (if required) to immediately perform the available tasks. If there are two or more individuals where the required skills, qualifications, ability and certification (if required) are relatively equal, as demonstrated with the Company, seniority will be the governing factor in filling the position.
5. The provisions of Article 7.08 will be changed to reflect a normal work cycle of 7 days of twelve (12) consecutive hours and eighty hours straight time and four (4) hours at time and one half.
6. For the purposes of the post shutdown period air transportation provided by the Company will be from Smithers and Prince George only. Air transportation to and from the site shall be the sole method of transportation that an employee shall use to arrive at the site to commence their work and to depart the site. For the purposes of Article 28.10 (f), an employee who lives more than 75 kms from Smithers or Prince George will receive a travel

allowance of \$.30 per km, to a maximum of 400 kms, in each direction they travel. If an employee does not qualify, then they will receive the existing \$75 travel allowance.

7. Service during post closure period shall begin to accumulate from the employee's date of hire for the post closure position for the purpose of vacation pay and entitlement in Article 9.
8. Paragraph three of Article 28.06 will be replaced with: paydays shall be bi-weekly on Friday and the employees will be paid for the actual hours worked or credited in the previous pay period.
9. The provisions of Article 25.07 regarding notice and an individual's obligations will apply to the offering of opportunities, with the consequence of an individual's failure to comply being his removal from the list for post shutdown work only.
10. The parties agree that an individual will accrue seniority from the start of the period of time they are performing the available tasks.

SIGNED this _____ day of _____, 2014.

AURICO GOLD INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 115

LETTER OF UNDERSTANDING #9

BY AND BETWEEN:

AURICO GOLD INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: PREFERENTIAL REHIRING FOR KEMESS UNDERGROUND

1. The Company and the Union both recognize the importance of commitments that may be made in regards to employment to the local First Nations in any agreements with the local First Nations and as such this Letter of Understanding is contingent on the commitments in the agreements. The Company agrees to provide a copy of the Collective Agreement to the local First Nations negotiator.
2. The Company agrees that, if and when it commences the operation of a mine at the Kemess North deposit, it will give preference in rehiring to those individuals whose employment was terminated in the period from January 1, 2011 forward as a direct result of the closure of the mine.
3. This preference in hiring will be subject to the following conditions:
 - a. The individual has informed the Company in writing by no later than August 1, 2011 of his interest in being hired. The Company agrees to forward copies to the Union.
 - b. The individual has kept the Union informed of his current mailing address, email address and phone number; and,
 - c. The individual possesses the necessary skills, qualifications, ability and certification (if required) as demonstrated with the Company to perform the available work. An individual will be deemed to meet these criteria if the Company records confirm training received and positions held with the Company.
4. When an individual is notified by registered mail or courier or email, forwarded to his last known address, of the Company's intention to preferentially hire him, he must indicate his intention to the Company within four (4) calendar days of the date of the receipt of the notice, and report to work within fourteen (14) calendar days of receipt unless prevented from reporting for a reason acceptable to the Company. If the individual fails to do either of those things, the Company will be under no obligation to hire him.
5. Upon commencement of employment, an individual who is hired pursuant to this Letter of Understanding will be treated as a new hire for all seniority and service purposes, with the exception that he will receive three weeks vacation and 6% vacation pay for the first five (5) years of employment from his new date of hire.

6. The parties agree to meet every six (6) months during the post shutdown period to discuss the progress of the Kemess Underground activity.

SIGNED this _____ day of _____, 2014.

AURICO GOLD INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 115

WM/sda cope378
AuricoGold_CA_2014-2016.docx