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THIS AGREEMENT entered into this 1st day of April, 2012

BETWEEN:

CYCLONE HYDROVAC LTD.
6855 Westsyde Road
Kamloops, British Columbia
V2B 8N8

(hereinafter referred to as the "Employer" or the
"Company")

AND:

**CANADIAN IRON, STEEL AND INDUSTRIAL WORKERS' UNION,
LOCAL 1**
P.O. Box 19674
RPO Centre Point Mall
Vancouver, British Columbia
V5T 4E7

(hereinafter referred to as the "Union")

WHEREAS the Employer and the Union are desirous of entering into a
Collective Agreement;

AND WHEREAS the Employer and the Union desire to establish and
maintain conditions which will promote a harmonious relationship between the
Employer and the employees covered by this Agreement;

AND WHEREAS the parties desire to provide methods of fair and amicable
adjustments of disputes which may arise between them;

NOW THEREFORE, in consideration of the mutual covenants and
agreements herein set forth, and the mutual benefits likely to be obtained by
harmonious relations between the Company and the Union, the parties hereto
mutually covenant and agree as follows:

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ARTICLE 1 - PURPOSE

1.01 The purpose of this Agreement is to establish and maintain an orderly collective bargaining relationship between the Company and its employees, to set forth all agreements concerning rates of pay, hours of work, and working conditions to be observed by the parties and to provide an amicable method of settling any differences that may arise in the interpretation, application, administration or alleged violation of the Agreement.

ARTICLE 2 - SCOPE AND RECOGNITION

2.01 The Company recognizes the Union as the sole bargaining agent for all bargaining unit employees, excluding supervisors and office staff.

2.02 Employee or employees wherever used in the Agreement shall mean respectively and employee or employees in the bargaining unit described in Article 2.01.

2.03 The Union, in conjunction with the Employer, may determine on a project or site basis, if special dispensation is required to become competitive or if the members have a specific concern not addressed herein, and should the necessity arise, may by mutual agreement and in writing, add, amend or delete any terms or conditions of the Agreement for the length of that job.

ARTICLE 3 - UNION SECURITY

3.01 All employees covered by this Agreement shall remit to the Union, as a condition of employment, a sum equal to the Union dues set out in Article 3.02 herein.

3.02 Upon written authorization for each employee, the Company agrees to deduct from the first pay of each month, from the earnings of every employee covered by this Agreement, a sum equal to the monthly dues set forth herein and remit same to the Financial Secretary of the Union not later than the fifteenth (15th) of the month in which the deduction is made, with a list, in duplicate, of the names of the employees to whom said monies are to be credited. Should any employee have no earnings due to him or her on the first day of any month, such deduction shall be made from the next succeeding pay of the employee in question. Upon receipt of such deduction and list, the Financial Secretary shall receipt and sign one (1) copy of the list and promptly return same to the Company. The Union

dues are an amount equal to one and one-quarter (1 1/4) hours of pay received by each employee to whom this Agreement is applicable (it being understood that any employee who received forty (40) hours pay or more in any month shall have full dues deducted).

Such dues shall not be changed except in accordance with the provisions of the Constitution and By-laws of the Union, and in such event, the Financial Secretary shall notify the Company in writing.

3.03 The Union agrees to indemnify and hold the Company harmless against any claims, lawsuits or charges brought against it by an employee as a result of deduction of dues in accordance with this Article.

3.04 The Union recognizes the right of the Employer to hire whomever it chooses. The Employer may, however, give the Union the opportunity to refer suitable applicants for employment beyond the employees specifically listed above, when required, and if the Union cannot supply a fully qualified and suitable applicant within twenty-four (24) hours of the request, the Employer may hire elsewhere. In the event that the Union refers an employee who subsequently turns out to be unqualified or unsuitable, then the Employer may reject and terminate that employee without recourse.

3.05 All new employees are subject to a sixty (60) working day probationary period within any six (6) month period. During any probationary period, the Company may discharge the employee if it considers the individual to be unsuitable, to be not properly qualified, or if the individual's performance is found to be unsatisfactory.

3.06 Employees may be disciplined or discharged for serious and willful safety or Workers' Compensation Board rule violations.

3.07 The maximum dues payable per employee shall \$25.00 per month.

ARTICLE 4 - MANAGEMENT RIGHTS

4.01 The Union acknowledges that all management rights and prerogatives are vested exclusively with the Company except as specifically limited by the



Provisions of this agreement and, without limiting the generality of the foregoing, it is the exclusive function of the Company:

- (a) to maintain order, discipline, efficiency and in connection therewith to establish and enforce reasonable rules and regulations;
- (b) to hire, transfer, layoff, recall, promote, demote, retire, classify, assign duties, dismiss, suspend or otherwise discipline employees; and
- (c) to determine the method of operation, the amount of supervision, the schedules of work, the rotation of shifts, the hours and days of work and the number of employees required at any time.

The Company reserves any and all of its prior rights which have not been modified, limited, restricted or released by specific wording elsewhere in this Agreement.

ARTICLE 5 - UNION REPRESENTATION


5.01 A Shop Steward and/or a Job Steward may be appointed by the Union and shall not be discriminated against with respect to carrying out his lawful duties as a Shop Steward and/or Job Steward. The Company shall be notified by the Union of the name of the Shop Steward and/or Job Steward. The Company agrees to provide reasonable time to the Shop Steward and/or Job Steward to carry out his lawful and reasonable duties.

5.02 The Company agrees to allow Union representatives reasonable access to the Company's work premises, subject to restrictions of the contractor, provided that the request for such entry has been made to the Company and permission is granted by the Company prior to the entry. That permission shall not be unreasonably withheld. The Union Representative shall not in any way interfere with the normal operations of either the Company or the contractor.

ARTICLE 6 - GRIEVANCE PROCEDURES

6.01 A Shop Steward shall be appointed by the Union, pursuant to paragraph 5.01, from among its members employed by the Company.

6.02 The Shop Steward shall constitute the Shop Committee. In the absence of the Shop Steward, another employee shall constitute the Shop Committee. The



Shop Steward shall not be discriminated against for performing duties as hereinafter provided for. The Union shall notify the Company within fifteen (15) days after the signing of this Agreement of the name of its member who is appointed as Shop Steward and shall within fifteen (15) days notify the Company when changes occur. The Company shall within fifteen (15) days notify the Union after the signing of this Agreement of the names of Foremen whom the Steward should contact when seeking information or in connection with adjustments of disputes that may arise. The Company shall within fifteen (15) days notify the Union when changes occur. In performance of his or her duties in connection with adjusting grievances, the Shop Steward, if required to leave his or her job, must first obtain permission from his or her Foreman.


6.03 Grievance as used in the Agreement is a complaint or unsatisfied request involving any matter relating to wages, hours or working conditions, including questions of interpretation or application of, or compliance with, the provisions of this Agreement.

6.04 The Company, employee or Union must present all grievances within ten (10) working days from the date there is evidence of a grievance having occurred. Unless otherwise stated the word "day" or "days" wherever used herein shall be deemed not to include Saturdays, Sundays, and paid holidays observed by the Company. The procedure for the adjustment of a grievance shall be as follows:

STEP 1: Any employee who believes that he has a justifiable complaint or unsatisfied request may discuss the matter with his Foreman, with the Steward present. At this stage, the employee must clearly state that he is initiating Step 1 of this Grievance Procedure. The Foreman shall give his reply within two (2) working days, or at a time mutually agreed upon.

STEP 2: Should the employee be dissatisfied with the Foreman's disposition of such complaint, the grievance may be referred to the Superintendent. At this Step the grievance shall be reduced to writing, giving all particulars including the applicable Article of the Agreement if interpretation or alleged violation of the Agreement is involved. The Superintendent will answer the grievance in writing within five (5) working days, or at a time mutually agreed upon.

STEP 3: If no settlement is reached in Step 2, the grievance may be referred to the Manager of the Company or in his absence his representatives. The Manager will answer the grievance in writing within five (5) working days or at a time mutually agreed upon.



6.05 Grievances not processed from one Step to another within five (5) working days shall be deemed to be settled on the basis of the last written reply to the Grievor. Failure to reply to the grievance within the agreed time limit shall mean that the grievance is conceded.

6.06 Failure to comply with time limits in this Article shall mean the grievance has been abandoned and in no circumstances, unless mutually agreed in writing, shall time limits be extended or abridged.

6.07 All settlements arrived at under this Article shall be final and binding upon the Company, the Union and the employees or group of employees concerned.

6.08 The Union or the Company shall have the right to initiate a group grievance or a grievance of a general nature at Step 3, Subsection 6.04.

6.09 Insofar as possible, all grievances and disputes not settled as provided in Step 1 of this Article shall be taken up on some one day of each week to be mutually agreed upon. Grievances necessitating immediate action shall be handled during working hours without loss of pay to the Shop Committee.

6.10 The Shop Steward provided for and mentioned in this Article shall have and possess power and authority to act for and bind the Union only in connection with those functions, rights, obligations and matters provided for in this Agreement. He or she shall not have, or be deemed to have, any other authority to act for or bind the Union.

ARTICLE 7 - ARBITRATION

7.01 Any difference or disputes between the Company and the Union, or between the Company and an employee or employees, relating to the interpretation, application, administration or alleged violation of this Agreement, including any question as to whether or not a matter is arbitrable, that have not been satisfactorily settled pursuant to the grievance procedure as set forth in the preceding Article of this Agreement, shall upon the written request of either party, which request must be made within fifteen (15) calendar days after the dispute in question has been processed pursuant to Step 3 of Article 6.04 of this Agreement, be submitted to an Arbitrator. The Arbitrator shall hear and determine the difference or allegation and shall issue a decision in writing. Such decision shall be final and binding upon the parties and upon any employee affected by it. The Company, the Union and the

employees covered by this Agreement, shall do or refrain from doing anything required of them by the decision of the Arbitrator. The expense of the Arbitrator shall be borne equally by the Company and the Union.

7.02 The foregoing provisions for arbitration are not intended and shall not be construed as in any way qualifying or making subject to change, any term or condition of employment specifically covered by the Agreement, nor shall the Arbitrator have any authority to alter or change any of the provisions of this Agreement, or substitute any new provisions in lieu thereof, or make any decision inconsistent with the terms and provisions of this Agreement. It is expressly understood and agreed that the foregoing provisions for arbitration shall not apply to any dispute as to terms or provisions to be incorporated in any proposed new agreement between the parties. Any dispute between the parties as to the interpretation or construction to be placed upon the award made as hereinabove provided for shall be submitted to the Arbitrator who made the award, who may thereupon construe or interpret the award so far as necessary to clarify the same, but without changing the substance thereof, and such interpretation or construction shall be binding upon all parties.

ARTICLE 8 - NO STRIKE - NO LOCKOUT

8.01 The Company agrees that it will not cause or direct any lockout of its employees for the duration of this Agreement. The Union agrees that neither it nor its representatives will, during the term of this Agreement, authorize, call, cause, condone, or take part in any strike, picketing, sit-down, stand-in, curtailment or restriction of production or interference with work in or about the Company's plant, premises or places of work. The Union further agrees that any employee or employees participating in, taking part in, instigating or assisting in instigating such strike, picketing, sit-down, stand-in, slow-down, curtailment or restriction of production or interference with work in or about the Company's plant, premises, or places of work, for the duration of this Agreement shall be subject to discipline or discharge. The term "slow-down" shall mean a condition of willful restriction or reduction of production by an employee which is within such employee's reasonable control.

ARTICLE 9 - LEAVE OF ABSENCE

9.01 The Company may grant a leave of absence without pay to an employee if, in the judgment of the Company, the proposed leave of absence can be arranged without undue inconvenience to normal operations, or in the case of emergency.



9.02 In the event of the death of a member of the immediate family, immediate family being defined as the spouse and children of an employee, the Company shall pay bereavement pay of three (3) days. The Company shall pay one (1) day bereavement pay in the event of the death of the mother, father, brother, sister, mother-in-law, or father-in-law of the employee. These days will be paid provided the employee attends the funeral on a regular work day and he or she would, but for this clause, lose pay for that day, and the employee returns to work on the dates scheduled or, if on unpaid leave in addition to the paid leave specified above if requested in relation to the bereavement and such request is granted, on the expiry of that unpaid leave.

9.03 Any employee, who has worked for the Company a minimum of six months, shall be entitled to one paid day per calendar year if such employee is absent from work due to illness. A note from a medical practitioner is not required for such absence.

ARTICLE 10 - LEAVE OF ABSENCE FOR UNION BUSINESS

10.01 The Company may grant a leave of absence without pay to not more than two (2) employees, for a combined total period not exceeding thirty (30) days in any calendar year, to represent the Union at Union conventions, seminars and education classes provided the Company is given thirty (30) days advance notice in writing by the Union and, in the judgment of the Company, such leave of absence can be arranged without undue inconvenience to normal operations.

10.02 The Company may grant a leave of absence without pay to not more than one (1) member of the grievance committee for the purpose of preparing for arbitration under Article 7 or other Union business provided the Company is given at least two (2) days advance notice in writing by the Union.

ARTICLE 11 - HOURS OF WORK AND OVERTIME

11.01 The standard hours of work for which each employee shall receive his regular basic hourly rate shall be ten (10) working hours in a day and forty-four (44) working hours in a week. Overtime at time and one half (1 1/2) shall be paid for all hours worked in excess of ten (10) hours in a day and forty-four (44) hours in a week.

The Company will be entitled to determine when the standard hours of work will

occur and may change them from time to time. The Company may establish work schedules consisting of less than five (5) working days of eight (8) hours each or working days of less than eight (8) hours.

11.02 Each employee may agree to work more than eight (8) hours in a day or forty (40) hours in a week, if requested to do so by the Company.

The Company recognizes that all work performed in excess of eight (8) hours in a day or forty (40) hours in a week shall be done on a voluntary basis, by agreement of the employee or employees involved. An employee who works in excess of eight (8) hours in a day or forty (40) hours in a week shall not be required to take time off on one (1) or more of his scheduled days of work to offset the work performed at the overtime rate.

11.03 For the purpose of Article 11.01 a day shall commence at the start of an employee's shift and shall end twenty-four (24) hours later. A week shall commence at 12:01 a.m. Sunday and end at 12:00 midnight on Saturday.

11.04 If the Company decides to work two (2) shift per day with the second shift commencing in the afternoon, the employees on the shift commencing in the afternoon will be paid one-half (1/2) hour at the regular basic rate upon completion of the full shift.

11.05 An employee who works more than four (4) hours in a day shall be entitled to a thirty (30) minute unpaid meal period and two paid fifteen (15) minute coffee breaks at mutually agreeable times during such day. An employee who works four (4) hours in a day shall be entitled to one (1) fifteen minute coffee break during such day at a mutually agreeable time.

11.06 The Company does not guarantee to provide work for any employee nor to maintain the work week or hours of work at any time in effect.

11.07 The Company may change work schedules from time to time by giving twenty-four (24) hours notice of such change.

11.08 Time allowed as overtime in any work day shall not again be allowed as overtime in the work week. In no case shall an employee be entitled to more than one and one-half (1 1/2) times his regular basic hourly rate for any overtime worked.

11.09 An employee who reports for work as scheduled is entitled to two (2) hours pay if no work is available and he has not been advised in advance, except in cases beyond the Company's control or when an employee has been absent on his immediately preceding scheduled work day.

11.10 The Company may transfer an employee to another jobsite upon giving twelve (12) hours verbal notice of such transfer to the employee concerned.

ARTICLE 12 - VACATION AND STATUTORY HOLIDAYS

12.01 Upon completion of five (5) days of work employees shall be entitled to be paid four (4%) percent of gross pay in lieu of vacation pay based on hours worked. Employees who have worked in excess of four (4) years for the Company shall be entitled to six (6%) percent in lieu of vacation pay based on hours worked.

This is to be paid with each paycheque, or, if requested by the employee, retained by the Company and paid twice yearly or at layoff or termination.

12.02 Employees shall be entitled to be paid for statutory holidays at four (4%) percent on each paycheck.

12.03 The parties may agree to designate a day other than the calendar day for the observance of a paid holiday provided that when an alternative day is so designated the provisions of this Article shall apply to the alternative day and not the calendar day of the holiday.

12.04 An employee who is required by the Company to work on a statutory holiday shall be paid one and one-half (1 1/2) times his regular basic hourly rate for time worked on such holiday.

ARTICLE 13 - SAFETY, HEALTH AND BENEFITS

13.01 The parties hereto recognize the importance of safety provisions on the job for the welfare of the employees and the protection of the Company's property. The Company agrees to make reasonable provisions for the safety and health of its employees during their hours of employment.

13.02 Any employee suffering injury while in the employ of the Company must report immediately to the Company, or as soon thereafter as possible.



Should an employee sustain an injury or disability which affects the performance of his job, the Company' shall attempt to find other work for that employee within the Company for the period of injury or disablement. Such alternate employment shall be appropriate for the disabled worker and coordinated with any rehabilitation therapy that may be recommended for the employee. The injured or disabled employee shall make every possible effort to work at this new position.

13.03 All jobsites shall attend weekly safety meetings of at least ten (10) minutes duration during normal working hours. Employees shall be paid for attending these meetings.

13.04 The Company shall, for all employees who have been employed by the Company for at least six (6) months, arrange and pay for a (WCB) Level I First Aid training course. The Company shall advise any and all employees of the expiration of their Level 1 First Aid Certification at least two months prior to expiration of such valid Certificates.

ARTICLE 14 - WORKING FOREMAN

14.01 The Company will be entitled to use working foremen who shall be members of the Union.

ARTICLE 15 - SAVING CLAUSE

15.01 It is assumed by the parties hereto that each provision of this Agreement is in conformity with all applicable laws of the Dominion of Canada and the Province of British Columbia. Should it later be determined that it would be a violation of any legally effective Dominion or Provincial Order or Statute to comply with any provision or provisions of this Agreement, the parties hereto agree to renegotiate such provision or provisions of this Agreement for the purpose of making them conform to such Dominion or provincial Order or Statute, and other provisions of this Agreement shall not be affected thereby.

ARTICLE 16 - WAGES

16.01 The Company and the Union agree that the wage schedule effective during the term of this Agreement, except as noted herein, shall be attached hereto as Appendix "A".

16.02 Individual employee assessments shall be performed annually by the Company and provided to all employees who have been employed by the Company for a period of one year or more. Such assessments shall be performed prior to the end of December in each calendar year.

16.03 The Company may elect to perform employee assessments for employees with less than one year's employment at the Company's option.

16.04 In assessing employee wage rates, the Company shall take into consideration any employee possessing a certificate of technical qualifications for a trade relevant to his or her job.

ARTICLE 17 - PAY PERIOD AND PAY DAY

17.01 The Company shall pay all employees bi-weekly for all time worked from 12:01 a.m. Sunday until 12:00 midnight Saturday, two weeks later, on the following Friday at 4:00 p.m. If an employee is scheduled to work more than eight (8) hours on the Friday payday, he shall receive his pay at 12:00 noon on that Friday payday. If a Friday payday is a Statutory holiday, as defined in Article 12.02, or if no work is scheduled on that Friday, employees shall receive their pay at 4:00 p.m. on the Thursday following the bi-weekly pay period worked.

ARTICLE 18 - AFFIRMATIVE ACTION PROGRAMS

18.01 AFFIRMATIVE ACTION FOR WOMEN

The Union, in cooperation with the Company, may establish a program that would encourage and promote women to attain employment and enhance job skills in non-traditional roles in the construction industry.

18.02 AFFIRMATIVE ACTION FOR VISIBLE MINORITIES

The Union, in cooperation with the Company, may establish a program that would encourage and promote members of Visible Minority groups to attain employment and enhance job skills in the construction industry.

ARTICLE 19 - TRAINING PROGRAMS AND APPRENTICESHIP

19.01 The Company may indenture apprentices to the ICBA. The ICBA shall be responsible for the administration of indentured apprentices with the designated



apprenticeship authority. Any benefits provided by ICBA to such indentured apprentices shall be administered by ICBA.

19.02 The Company may indenture apprentices for the purpose of providing on the job training and experience.

ARTICLE 21 - NOTICES

21.01 Any notice in writing which either party gives to the other shall be by registered mail, postage prepaid, addressed as noted on the front of this Agreement.

21.02 Any notice provided in this Agreement to be mailed by as of the next day after the date of mailing. The registration receipt shall establish the date of mailing.

21.03 The Company or the Union may change its address for service of notice at any time by notice as set out in Article 17.01.

ARTICLE 22 - INTERPRETATION

22.01 Unless otherwise stated, the word "day" or "days" wherever used herein shall be deemed to include Saturdays, Sundays, and paid holidays observed by the Company.




ARTICLE 23 - TERM

23.01 This agreement shall be for three (3) years, effective April 1, 2012 to March 31, 2015, or until a new agreement has been negotiated.

IN WITNESS THEREOF the parties have executed this Agreement at Kamloops, British Columbia, this 27 day of April, 2012.

CYCLONE HYDROVAC LTD.

CANADIAN IRON, STEEL AND
INDUSTRIAL WORKERS' UNION,
LOCAL 1









APPENDIX "A"

The minimum straight time wage rates per hour are as follows:

CATEGORY HOURLY RATE

SWAMPER \$15.00-\$18.00/HOUR

HYDROVAC DRIVER/OPERATOR \$22.00-\$25.00/HOUR

NOTES:

1. NEW EMPLOYEES WILL BE PAID AT \$2.00 BELOW THE HOURLY RATE FOR THE FIRST MONTH OF PROBATION PERIOD.
2. A LIVING OUT ALLOWANCE CONSISTING OF A ROOM AND \$45.00 PER DAY WILL BE PROVIDED WHEN REQUIRED.
3. CYCLONE HYDROVAC PAYS FOR EMPLOYEES TOOLS/PPE.



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LETTER OF UNDERSTANDING

BETWEEN:

CYCLONE HYDROVAC LTD.
6855 Westsyde Road
Kamloops, British Columbia
V2B 8N8

(Hereinafter referred to as the "Employer" or the
"Company")

AND:

**CANADIAN IRON, STEEL AND INDUSTRIAL WORKERS' UNION,
LOCAL 1**
P.O. Box 19674
RPO Centre Point Mall
Vancouver, British Columbia
V5T 4E7

(Hereinafter referred to as the "Union")

The Union agrees that this Agreement as well as its collective bargaining rights generally with the Employer apply only to the Employer, and that the Union will not seek to apply the Agreement or its bargaining rights with the Employer to any other company or entity for whom the Employer is performing work or otherwise has any relationship with, regardless of the circumstances of any relationship between the Employer and any other company or entity.

IN WITNESS THEREOF the parties have executed this Letter of Understanding at Kamloops, British Columbia, this 27 day of April, 2012.

CYCLONE HYDROVAC LTD.

CANADIAN IRON, STEEL AND
INDUSTRIAL WORKERS' UNION,
LOCAL 1

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[Signature]

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LETTER OF UNDERSTANDING

BETWEEN:

CYCLONE HYDROVAC LTD.
6855 Westsyde Road
Kamloops, British Columbia V2B 8N8
(Hereinafter referred to as the "Employer" or the
"Company")

AND:

**CANADIAN IRON, STEEL AND INDUSTRIAL WORKERS' UNION,
LOCAL 1**
P.O. Box 19674
RPO Centre Point Mall
Vancouver, British Columbia V5T 4E7
(Hereinafter referred to as the "Union")

The parties agree that where conditions are such that changes must be made to the terms and conditions of the Agreement either to allow the Employer to better compete for a particular contract or contracts or to attract competent workers, the Parties will meet to discuss the matter to see whether an accommodation can be reached which will meet the interests of both the Employer and employees. The Parties also agree that the intent of the Agreement is not to lock the Parties into fixed terms and conditions of employment for the life of the Agreement, but to allow the Parties to adjust the terms and conditions of the Agreement during the life of the Agreement to meet new and different circumstances and conditions, and this Letter of Understanding will be applied consistent with that intent.

IN WITNESS THEREOF the parties have executed this Letter of Understanding at Kamloops, British Columbia, this 27 day of April, 2012.

CYCLONE HYDROVAC LTD.

CANADIAN IRON, STEEL AND
INDUSTRIAL WORKERS' UNION,
LOCAL 1

