A. BACKGROUND

Pinehouse has a vision to be a significant and growing participant in the economy of Northern Saskatchewan.

To achieve this vision, Cameco, Areva and Pinehouse desire to build a cooperative and collaborative mutually supportive and beneficial long term relationship.

This document summarizes the Term Sheet entered into by Cameco Corporation, Areva Resources Canada Inc. and Pinehouse on October 2, 2012 (the “Parties”).

The Term Sheet describes what the parties will include in a Collaboration Agreement which will be a contract entered into by the parties and guide their relationship.

This agreement is needed as Cameco/Areva are engaged in mining operations near or on Pinehouse’s traditional lands that may affect these lands and that could also provide fiscal benefits, economic opportunities, and consultation opportunities to Pinehouse.

B. CONTENT OF THE COLLABORATION AGREEMENT

The Collaboration Agreement will consist of obligation and benefits falling within four main categories.

1. Community Investment
2. Workforce Development
3. Business Development
4. Community Engagement and Environmental Stewardship

1. Community Investment

This category outlines the amount and manner in which Cameco/Areva will make one-time payments that will be paid upon certain events happening and annual payments that will be based on how much Cameco/Areva jointly produce in mining that year.
(a) **One-time Payments**

Cameco/Areva will pay Pinehouse three lump sum payments when:

(i) the parties sign the Collaboration Agreement;

(ii) the production start up of Cigar Lake begins; and

(iii) the construction of Millennium begins.

(b) **Annual Payments**

Cameco/Areva will make yearly inflation protected payments which will increase based on various production levels from all their mining operations in each year.

(c) All payments will be made for the Village of Pinehouse and irrocably assigned to the Pinehouse Community Trust to be used for the community purposes set out in the Trust Agreement. There will be annual transparent public operational and fiscal reporting requirements.

2. **Workforce Development**

Cameco/Areva will provide social and economic benefits to Pinehouse, such as job and training opportunities for Pinehouse residents.

There will be a community liaison position financed by Cameco that will exchange information and facilitate employment, training and other related matters.

The parties will make a list of the people living at Pinehouse who have skills that could be used at Cameco/Areva's operations. Anyone from Pinehouse to work at their mines.

A one-time payment will be made to the school to improve its operations.

3. **Business Development**

(a) Cameco/Areva will give business opportunities and contracts to community owned Pinehouse business entities.

(b) Some examples of specific evergreen contracts\(^1\) that Cameco/Areva intends to give Pinehouse are as follows:

(i) Camp services at the millennium mine.

(ii) Private road services for the Millennium mine.

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\(^1\) Evergreen contracts are designed to build sustainable business intended to be in place for the duration of operations.
(iii) Provide environmental waste management services for all of Cameco/Areva's mines.

(iv) Labour and trades on the Millennium mine.

Pinehouse businesses will offer their services to Cameco/Areva for these specific contract on fair terms. Whenever possible, they will provide their services cost-plus.

(c) Disputes among the parties concerning these contracts will be resolved by a dispute resolution mechanism set out in the Collaboration Agreement.

4. **Other Cameco/Areva Contracts**

Pinehouse can also bid on and negotiate for other Cameco/Areva contracts under the Northern Preferred Supplier Program. Cameco/Areva will discuss any changes to this program with Pinehouse. Lastly, the parties expect that Cameco/Areva will try to direct contracts for their southern projects to Pinehouse businesses as well.

5. **Community Engagement Consultation and Environmental Stewardship**

Cameco/Areva will work with the Pinehouse community and to address environmental concerns about Cameco/Areva's mining.

C. **OTHER TERMS THE PARTIES AGREE UPON**

The Term Sheet also has general terms the parties agree on concerning the Collaboration Agreement.

6. **Joint Implementation Committee**

The parties plan to make a Joint Implementation Committee to allow the parties opportunities to monitor how well the parties are following their promises under the Collaboration Agreement, resolve disputes, oversee contracts, and review under the Workforce and Business Development categories.

7. **Pinehouse's Support for Cameco/Areva Projects**

Under the Collaboration Agreement, Pinehouse is expected to fully support Cameco/Areva's mining.
8. **Duration of the Collaboration Agreement**

The Collaboration Agreement will last as long Cameco/Areva are mining in the region.

9. **Dispute Resolution**

There will be expeditious and escalating dispute resolution mechanism.

10. **Costs of Negotiating**

Cameco/Areva, together, will pay Pinehouse's legal, travel and other costs for negotiating and drafting the Collaboration Agreement.

11. **Amendments**

The parties may negotiate any amendments that will let their relationship work best under the Collaboration Agreement.

12. **Term Sheet is Not Legally Enforceable**

The Term Sheet itself is not legally enforceable other than the promise of both parties to negotiate in good faith, and the promise of Cameco/Areva to pay for Pinehouse's negotiating costs.

13. **Target Date to Make the Collaboration Agreement**

The parties want to sign the Collaboration Agreement by December 31, 2012.

D. **APPENDICES OR ATTACHMENTS**

Attached to the Term Sheet are three additional documents that provide further details of what the parties have agreed to go into the Collaboration Agreement.

14. **Appendix “A”**

Appendix “A” is a list of Cameco/Areva's current and future mines that are to be covered by the Collaboration Agreement:

15. **Appendix “B”**

This attachment describes Pinehouse Support of Cameco/Areva's mining operations. This forms a main promise from Pinehouse under the Collaboration Agreement.
(a) Pinehouse will support Cameco/Areva’s Existing Operations, which are listed in Appendix “A”, in the following ways:

(i) acknowledge that Cameco/Areva have properly consulted Pinehouse for these operations;
(ii) agree with operations continuing to go ahead;
(iii) agree with and respect any additional government permission these projects may need in the future;
(iv) promise that Pinehouse will not ask for anymore payment or other monies or any other sort of accommodation from Cameco/Areva.

Pinehouse only has to keep these promises so long as Cameco/Areva keep all their promises under the Collaboration Agreement, and operate their projects in ways required by the government approvals they have received.

(b) Pinehouse will support Cameco/Areva’s Proposed Projects, which are listed in Appendix “B”, in the following ways:

(i) agree with and support Cameco/Areva going ahead with its Proposed Projects and getting government approval for its Proposed Projects;
(ii) promise not to oppose Cameco/Areva requesting government approvals for its Proposed Projects or the construction, development or operation of the Proposed Projects;
(iii) acknowledge that Cameco/Areva have properly consulted Pinehouse for these projects, including the possible social, economic and environmental effects of the projects and any effects the projects may have on the Pinehouse’s aboriginal rights;
(iv) agree not to seek any more payment or other monies or any other sort of accommodation from Cameco/Areva, including for any damages to Pinehouse’s aboriginal rights as a result of the projects.

Pinehouse only has to keep these promises when Cameco/Areva completes the consultation process that will be outlined in the Collaboration Agreement.

(c) Support Cameco/Areva’s Future Operations in the following ways:

(i) agree with and support the general idea of Cameco/Areva continuing to explore for mining opportunities in the region;
(ii) promise to cooperate with and participate in any necessary
government approvals for future operations at
Cameco/Areva's request.

These promises depend on Cameco/Areva fulfilling their promises under the
Collaboration Agreement, including the promise to consult with Pinehouse about
these operations. Cameco/Areva also are expected to pay the costs for
Pinehouse to participate in these government approvals.

F. PROTECTION OF PINEHOUSE'S ABORIGINAL RIGHTS WITH THE
GOVERNMENT

Pinehouse's promises under the Collaboration Agreement do not prevent
Pinehouse from making accommodation and compensation claims against the
Government, for the adverse cumulative (total) effects of development on its
traditional lands, that infringe or extinguish their aboriginal rights, as long as
making these claims against the Government does not affect Pinehouse's
promises to Cameco/Areva under the Collaboration Agreement.

G. OTHER PROMISES

Pinehouse promises to:

(a) Generally cooperate with Cameco/Areva and generally support
Cameco/Areva operations when it deals with the provincial or federal
governments although Pinehouse can raise concerns to the
governments about the projects.

(b) Participate in consultations with the Federal and Provincial
governments concerning Camco/Areva's mining in ways that are
consistent with the Collaboration Agreement.

(c) Provide letters of support for Camco/Areva's operations to the
government or any government agency stating that Cameco/Areva
have completed the necessary consultation (if it has), when the
Collaboration Agreement is signed and when Cameco/Areva asks
Pinehouse to do so.

(d) Write to or meet with Cameco/Areva lenders or investors when
requested by Cameco/Areva.

(e) Not make statements or say things in public or to any government,
business or agency that opposes Cameco/Areva's mining
operations.

(f) Make reasonable efforts to ensure Pinehouse members do not say
or do anything that interferes with or delays Cameco/Areva's mining,
or do or say anything that is not consistent with Pinehouse's
promises under the Collaboration Agreement.
(g) Respect all government approvals Cameco/Areva's receive for their mining operations.

(h) Not enter into any other agreement with anyone else, including the government, that interferes or changes its promises to Cameco/Areva under the Collaboration Agreement.

16. **Appendix “C”**

Attachment “C” describes plans under the **Community Engagement and Environmental Stewardship** category of the Collaboration Agreement in more detail. These details include the following:

**Video Conferencing Equipment**

Cameco/Areva are expected to provide video conferencing equipment at Pinehouse offices so that the Community Engagement plans can easily move forward.

**Community Outreach Plans**

Cameco/Areva are expected to engage with the Pinehouse Community by:

(a) Cameco/Areva having a yearly Northern Tour in Pinehouse that will provide updates of their operations, in class presentations, community dinners and forums for discussions;

(b) Cameco/Areva holding in-school workshops in Pinehouse, usually twice a year, to promote mining industry related careers, scholarships and summer employment.

(c) Cameco/Areva making its staff available to Pinehouse to answer any questions and provide information, including questions and information related to workforce development, business development and environmental/traditional land use matters.

(d) Cameco/Areva covering the costs for three Pinehouse members to attend the Cameco Leaders Roundtable, which provides opportunities for discussions with and presentations from mining representatives.

**Joint Implementation Sub-Committee Engagement**

The parties will establish a Sub-Committee to make sure the Collaboration Agreement concerning community engagement and environmental issues is being properly followed.
The Sub-Committee will be made up members of Pinehouse, Cameco and Areva. Cameco/Areva will pay the costs of the sub-Committee.

The Sub-Committee will meet four times per year and may meet with government or any other organization that it thinks is necessary.

**Community Engagement for Specific Projects**

The Collaboration Agreement will have detailed plans on how to engage the community for each specific Cameco/Areva project.

Some details of these plans include:

(a) Plans for Cameco/Areva’s at Rabbit Lake, Cigar Lake McLean Lake and Midwest will acknowledge that these projects do not affect Pinehouse’s traditional aboriginal rights, and that these project plans will only require information packages or notifications;

(b) Plans for Cameco/Areva projects at McArthur River, Key Lake, and Millennium will acknowledge that these projects may affect Pinehouse aboriginal rights;

(c) Plans for Cameco/Areva’s proposed projects, including major changes to existing projects, will be done by Cameco/Areva and reviewed and implemented through the Sub-Committee and expected to address:

   (i) Effects of the projects on Pinehouse’s traditional rights;
   
   (ii) Environmental impact affecting Pinehouse;
   
   (iii) Business and work opportunities.

(d) Cameco/Areva may fund studies for new projects that appear to cause major impacts on the Pinehouse’s traditional rights to determine how Pinehouse’s rights will be affected by the new project;

(e) The parties expect that license renewals for any project will not need a community engagement plan.