

DIAVIK DELIBERATIONS

Adco's relationship with the Diavik Diamond project is a study in finding win-win solutions.

Diavik Diamond Mines Inc. (DDMI) is a subsidiary of Rio Tinto plc of London, England and the Diavik mine is an unincorporated joint venture between DDMI (60%) and Aber Diamond Mines Ltd. (40%), a wholly owned subsidiary of Aber Diamond Corporation of Toronto, Ontario. DDMI is the operator of the mine.

An excerpt from Diavik's website explains some of DDMI's obligations:

In order to build the Diavik mine DDMI has entered into a number of agreements. Very early in the project development, Diavik committed to providing significant training, employment, and business opportunities to residents of the Northwest Territories and the West Kitikmeot region of Nunavut. Diavik formalized these commitments in 1999 in the Diavik Socio-Economic Monitoring Agreement (SEMA), which it concluded with affected local Aboriginal groups and the Government of the Northwest Territories. Diavik individualized these commitments through Participation Agreements negotiated with each of the same five Aboriginal groups, which include:

- Dogrib Treaty 11 Council
- Yellowknives Dene First Nation
- North Slave Metis Alliance
- Kitikmeot Inuit Association
- Lutsel K'e Dene Band

Under the SEMA, Diavik committed to supporting a 40 per cent northern workforce during construction. At its conclusion, Diavik had reached 44 per cent northern employment. For operations, Diavik committed to 66 per cent northern employment and 40 per cent Aboriginal employment.

Diavik also committed to reaching levels of northern purchasing of 38% during construction. At its conclusion, Diavik had actually reached 74 per cent, representing about \$900 million in contracts with northern companies, of which approximately \$600 million was with Aboriginal companies. During operations, Diavik has committed to purchasing 70 per cent of its annual requirements for goods and services from northern companies.

Adco itself has been associated with the Diavik mine since 1999 and has had an on-site presence at the mine since 2000. In that time Adco has completed a number of construction phase "hard dollar" contracts (under the auspices of the project engineers) and has provided "site services" directly to DDMI.

As DDMI shifted into the operational phase, Adco entered into a mutually beneficial arrangement with Tli Cho Logistics (Tli Cho), an aboriginal corporation, to provide DDMI with ongoing "site services" which includes small capital projects, emergency repairs and maintenance, adhoc construction services, and shut-down maintenance. This arrangement helps Tli Cho by providing it with technical support and skills transfer opportunities while at the same time helping DDMI meet its Participation Agreement and SEMA obligations.

Presently, Adco is involved in Pit Dewatering, Elevator Installations, Recovery Plant renovations, Lube Oil Building Modifications, Tankfarm Platform fabrication and installations, Pneumatic Conveyor installations and repair and ROM Hopper modifications. These projects are undertaken in partnership with Tli Cho and are being completed on a cost effective and timely basis.

Our field staff at Diavik has every right to be proud of their performance on the Diavik mine site.



Portable Dewatering Skid

DIAVIK PICTURE GALLERY



New Steel on the Lube Oil Building



Working on the ROM Hopper



N154 Pit



Seen on the tundra – the Adco Bunny