



# *Aboriginal Economic Cooperation*

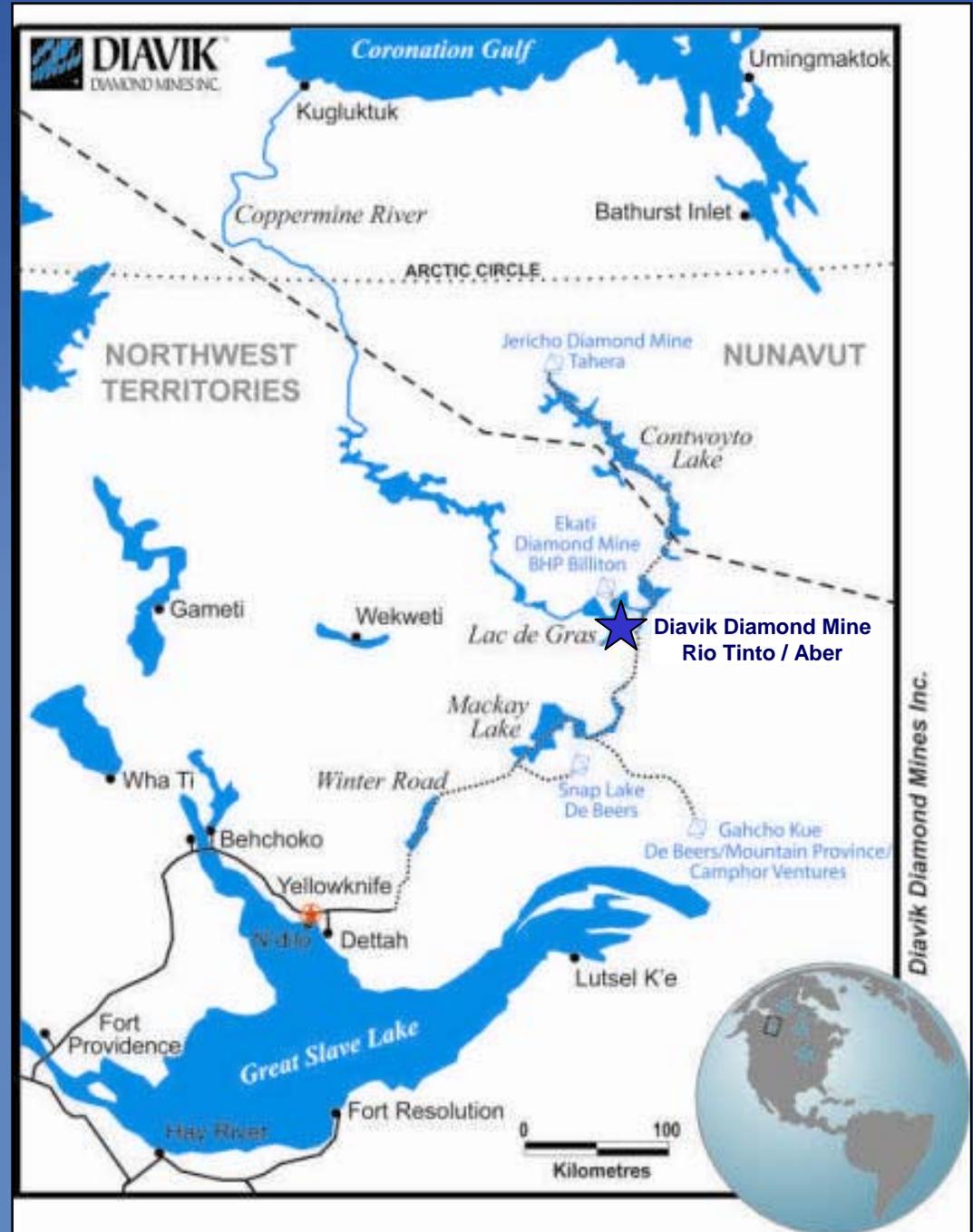
## *At the Diavik Diamond Mine*

**Through investment in training,  
employment & business**



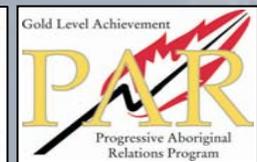
***NWT Aboriginal Development Conference***  
***October 17, 2007***  
***By: Tom Hoefler, Diavik Diamond Mines Inc.***

# Who is Diavik?



# Diavik – Canada's Top Diamond Producer

- A medium sized mine, with 3 high grade deposits
- Small footprint – approximately 9 sq.km. of land
- 2006 diamond production of ~ 10 million carats
- No chemicals to separate diamonds





Processed  
Kimberlite  
Containment

Diavik Plant Site

Country Rock  
Piles

Water  
Treatment  
Facilities

Airstrip

NEW A418 Dike & Pit

A154 Dike & Pit

Till placed for future fish  
habitat

Diavik – Our Island Home

March 28, 2007

# Our Mine Community

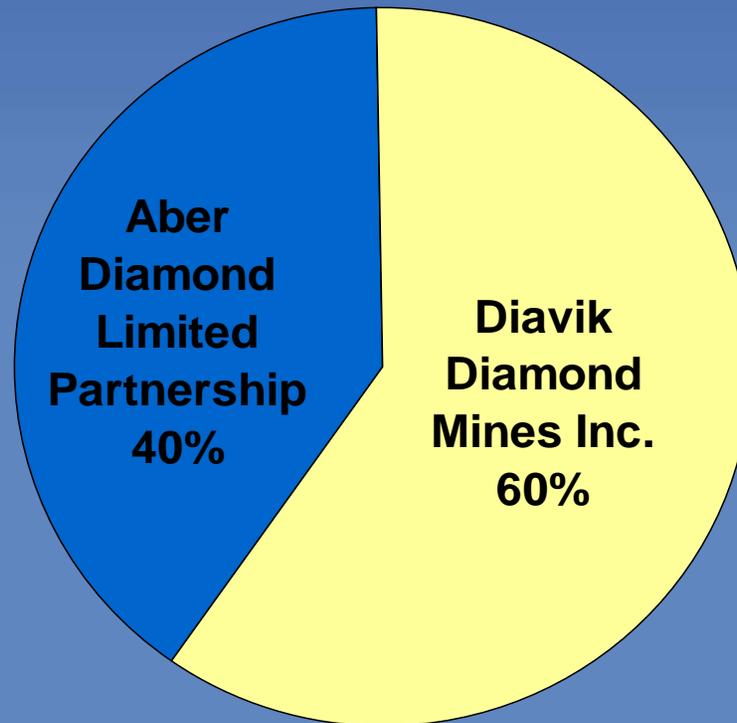




## Diavik – Our Ownership



Aber Diamond  
Corporation  
(Toronto)



Rio Tinto plc  
(London)

**MANAGER**



## Global Company, Global Policies

- **Rio Tinto's Statement of Business Practice:  
*The Way We Work***
  - **9 Core Corporate policies**
    - Communities
    - Employment
    - Environment
    - Human rights
    - Land access
    - Occupational health
    - Political involvement
    - Safety
    - Sustainable development



# Diavik's Region of Focus





# Our Approach to Economic Cooperation

- **Economic cooperation revolves around:**
  - Training, employment and business
- **We set high goals**
  - **Construction**
    - Jobs: hire 40% local
    - Business: spend at least 38% in North
  - **Operations**
    - Training: maintain from 8-18 apprentices annually
    - Jobs: hire at least 66% locally, 40% Aboriginal
    - Business: spend at least 70% locally
- **Committed to the goals – “a handshake wouldn’t do”**
  - **Socio-Economic Monitoring Agreement**
  - **5 Aboriginal Participation Agreements**
- **Fulfilled through innovative approaches**

## Community-Based Training

- **Innovative Approach**
  - Diavik “invented” to create trades helpers for construction
- **Elements**
  - Local administration & student selection
  - Partnership driven & funded
  - Training on-the-job & classroom
  - Left product in community
  - Academic upgrading
  - Team & confidence building
  - Offered Trades Entrance Opportunity
- **Construction Total - 234 Graduates**



# A Few Community Based Training Projects



Rae-Edzo Airstrip



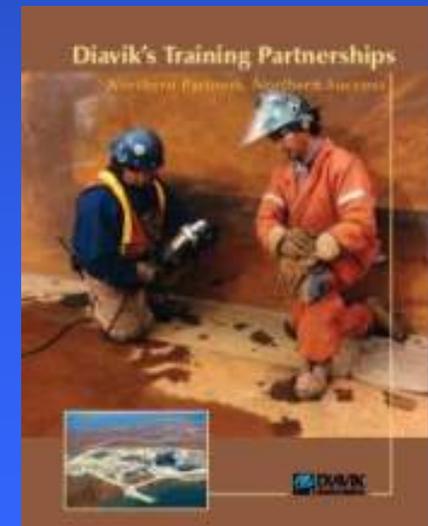
Kugluktuk House Rehabilitation



Kugluktuk arena



Rae-Edzo Welding



Book available at  
[www.diavik.ca](http://www.diavik.ca)

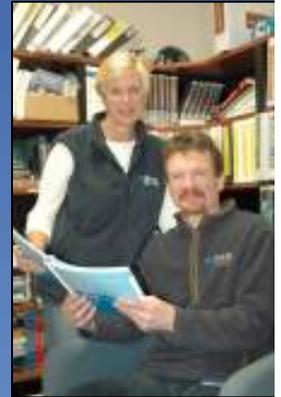
## College Partnerships Enhanced Success

- **NWT's Aurora College**
  - Key Partner in Community Based Training
  - Used for technical training, eg, process plant operator training, instrumentation, apprenticeship
  - Broadened their capacity with further partnerships with Northern Alberta Institute of Technology
- **Diavik was first real active college partner since Pine Point Mines in '70s & '80s**



## Workplace Learning Centre

- **Diavik Learning Centre**
  - Established during construction
  - 2 Qualified Adult Educators
  - Academic upgrading
  - Computer-based training modules
  - Web-based distance education
  - Career counselling
  - Customized training & career planning
  - Builds confidence
  - Apprenticeship support
  - Aligned with College Community Learning Centres



## Innovative Aboriginal Leadership

- **Aboriginal Leadership Development Program**
  - SAIT Partnership with Aurora College
  - Builds leadership capacity within DDMI & outsource contractors
  - 183 hour program – Diavik Business Literacy with SAIT Applied Management Certificate course work
  - Delivered by a qualified Northern instructor
  - Mentorship of participants by Diavik managers, sup'ts
  - Certification recognized towards further education
  - 18 graduates to date – 3<sup>rd</sup> session now underway



## Enhancing Aboriginal Employment

- **Career fairs in the schools**
- **Scholarships**
- **Summer student program**
- **Support pre-vocational programs in high schools**
- **Community awareness program**
- **Cultural awareness training**
- **Attraction & retention systems**
- **Contracting mining work to Aboriginal firms**





## Local Business Approach

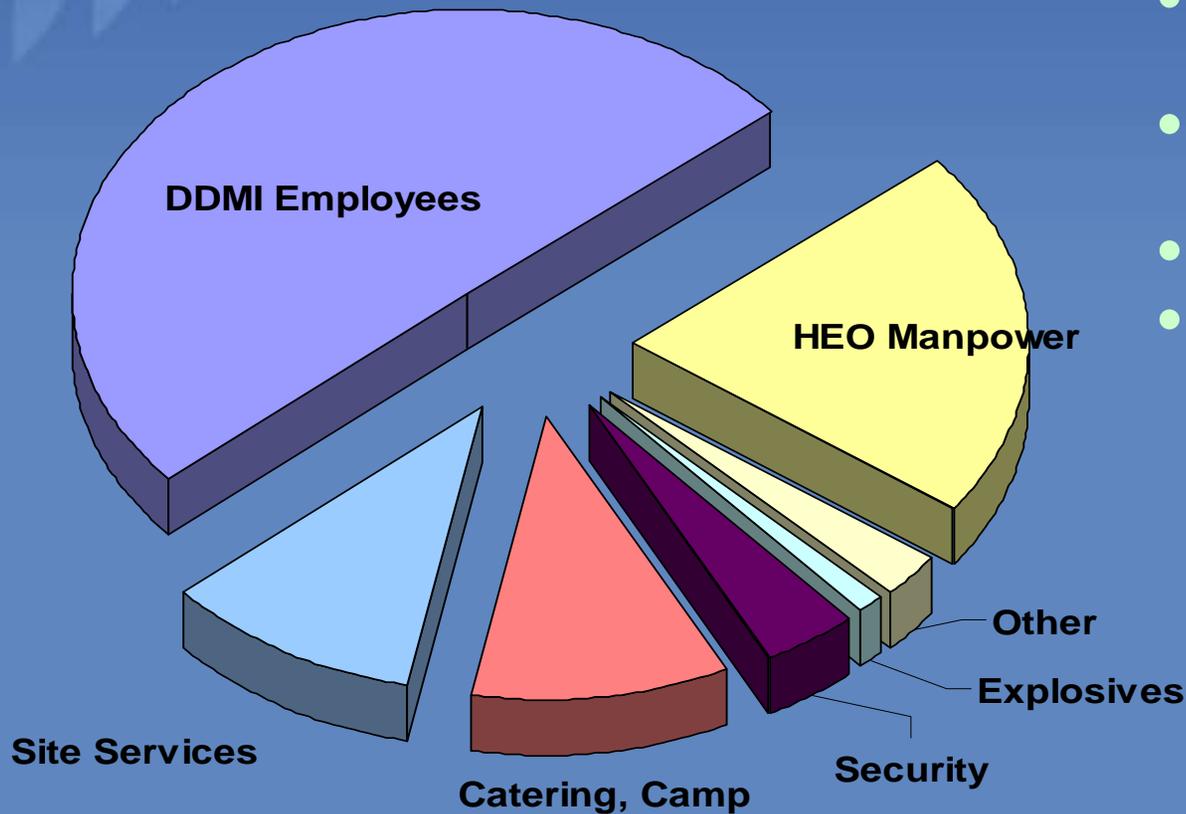
- **Developed “Northern Business Participation Policy”**
- **Drove from the top – President / Rio Tinto support**
- **Began early – started before construction**
- **Hired northern business development manager**
  - **Facilitated & monitored joint-venture partnerships**
  - **Assisted contractors in obtaining business financing**
  - **Developed Northern vendors & contractors capacity database**
  - **Provide locals advance notice of business opportunities**
- **Wrote community goals into contracts**

## Aboriginal Business Drivers

- **Identify opportunities for existing businesses**
  - Tailor contracts to local capabilities
- **Identify opportunities for new businesses**
  - Facilitate joint-venture partnerships
  - Develop strategic alliances with economic development agencies to help capitalize aboriginal business
- **“Welded” business opportunities into Participation Agreements**
  - Provided long-term security for business investment
  - Allowed direct negotiation with aboriginal businesses
  - Shares rewards & collective accountability
- **Outsource significant part of work**

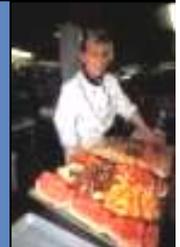
# Unique Aboriginal Contracting Plan

- Almost half the workforce is contracted
- Majority with aboriginal firms
- Helps build capacity
- Contractors share responsibility to meet Diavik commitments



## Aboriginal Mine Contractors

- **Site Services – Tli Cho Logistics**
  - Tli Cho First Nation
- **Mining Operators – I&D Mgmt Services**
  - 3 Dene / 1 Inuit Partners
- **Catering / Accommodations – Ekati Services**
  - Yellowknives Dene First Nation
- **Security – SecureCheck**
  - Kitikmeot Corporation (Inuit)
- **Explosives – Western Denesoline Explosives**
  - Lutsel K'e Dene First Nation

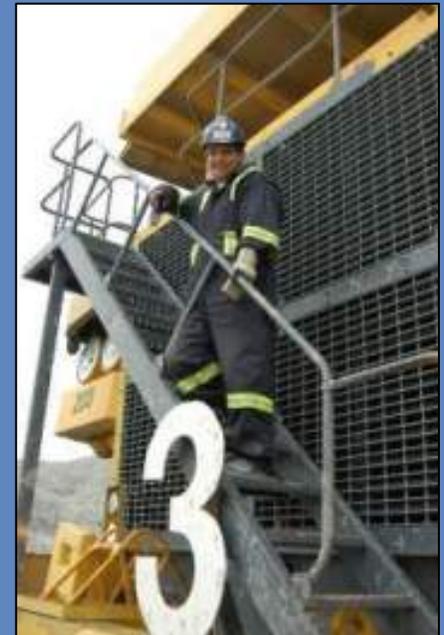


## Not Just Aboriginal Outsourcing

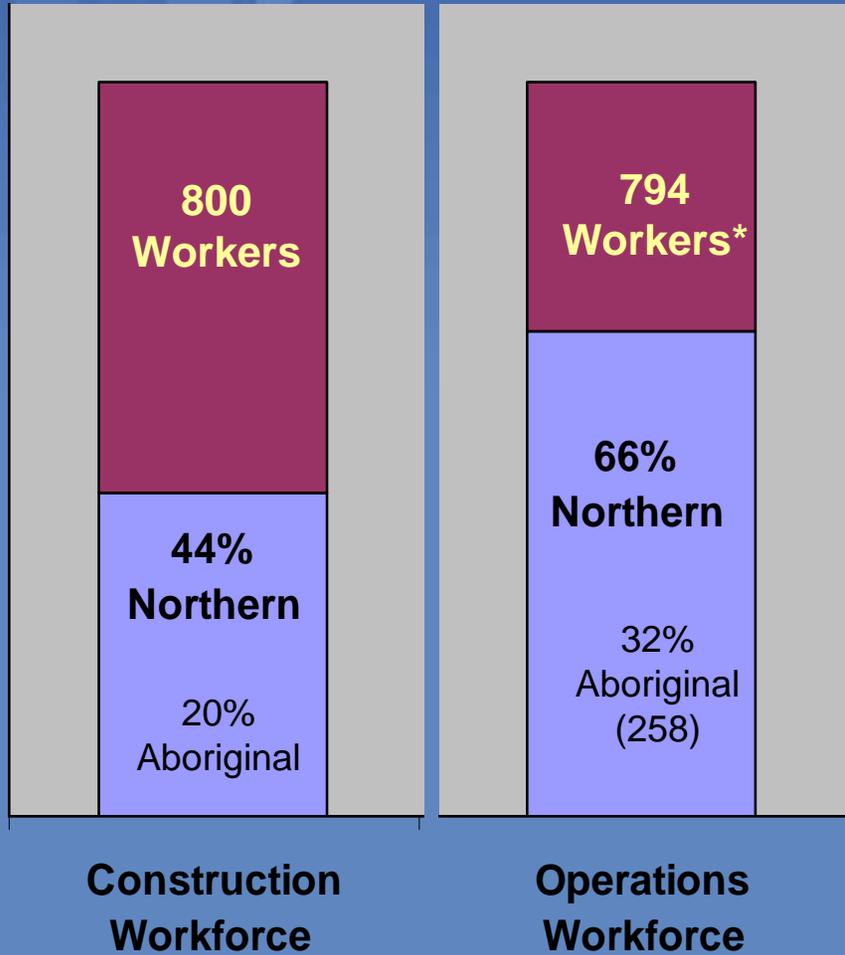
- **Other Aboriginal Businesses too, eg:**
  - **Operations**
    - Scheduled Air – Tli Cho Air, Canadian North
    - Trucking – Tli Cho Landtran
    - Ice road construction – Nuna Logistics
    - Medical services – Exploration Medical
  - **Second phase Construction / Capital**
    - Underground mining – Kitikmeot Cementation Mining
    - Dike construction – Lac de Gras Constructors
    - Engineering – Nishi-Khon/SNC Lavalin



## So, How Have We Done?



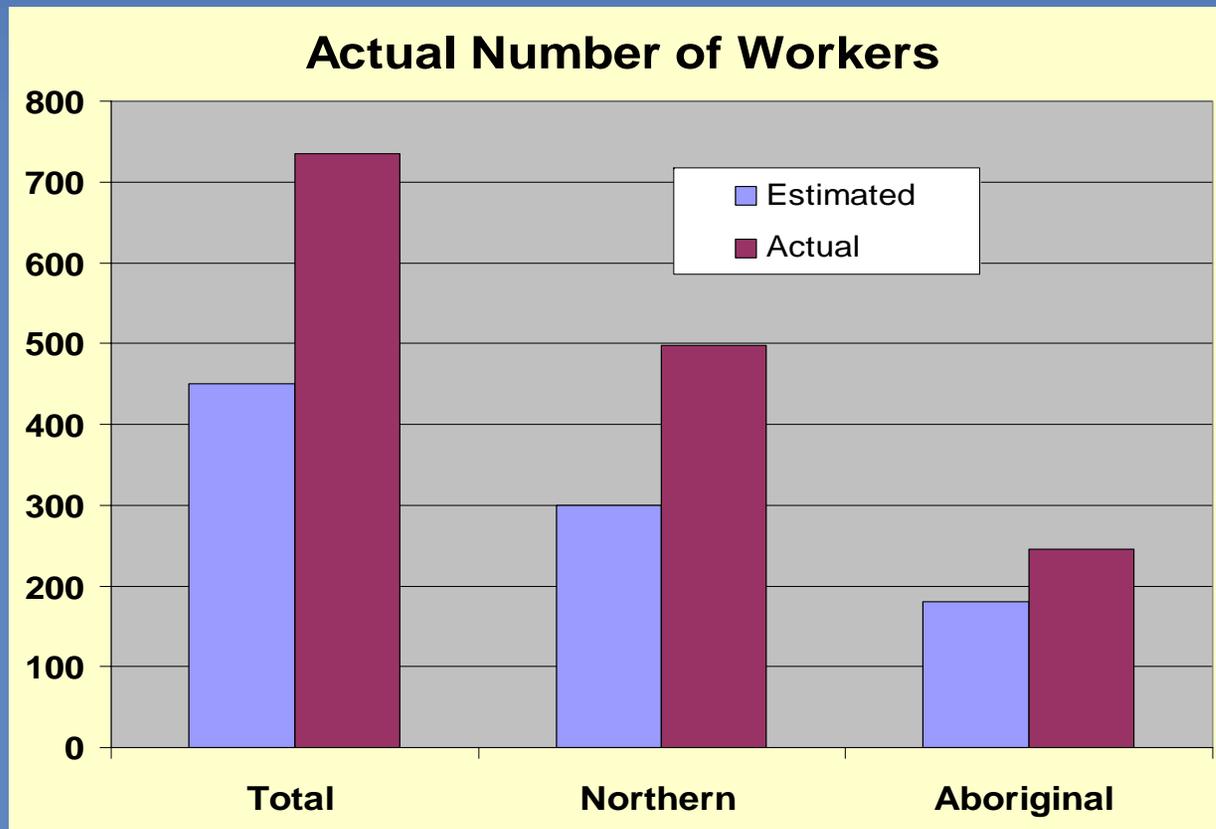
# Created Significant Employment



\*Mid-year 2007  
\*\*Year-end 2006, includes capital

## Employment is Exceeding Projections

- Commitment based on operations workforce of  $400 \pm 50$ .
- Have surpassed worker commitment with larger workforce



## Trades Training Success

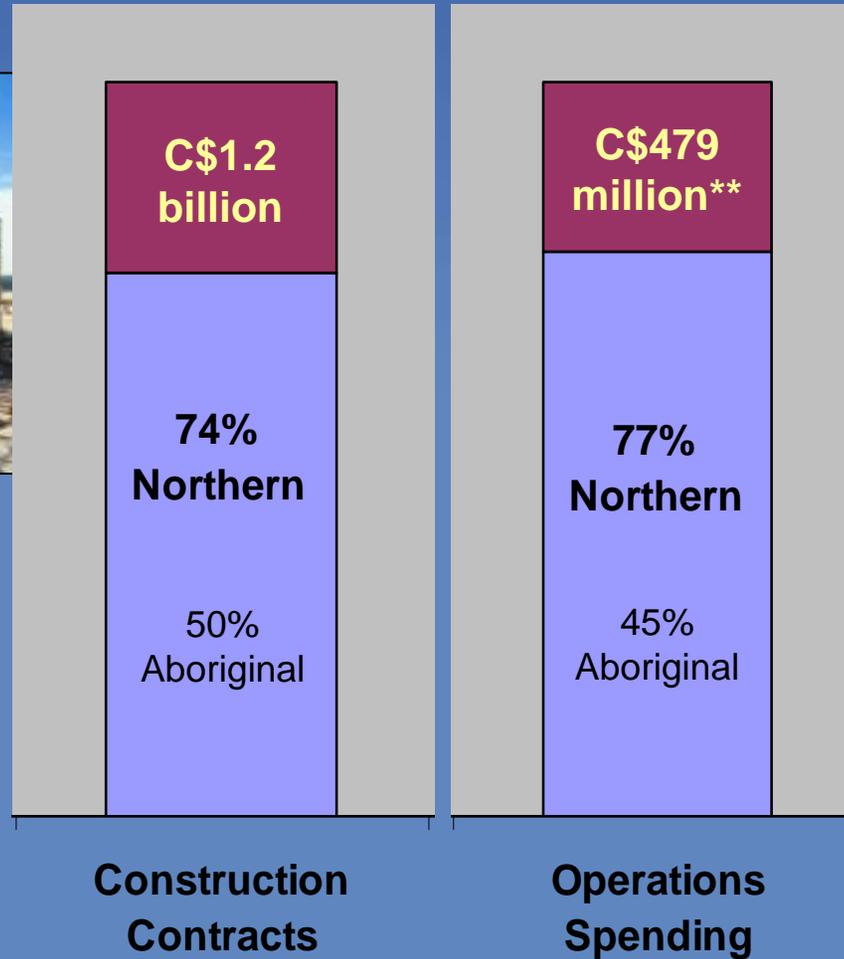
- **Commitment: 8-18 apprentices annually**
- **21 Apprentices as of December 2006**
  - 16 Aboriginal & 5 northern Non-Aboriginal
- **10 Journeymen created since 2003**
  - 8 certified in 2006
  - All northern & half Aboriginal



# Unprecedented Local Business



**Construction**



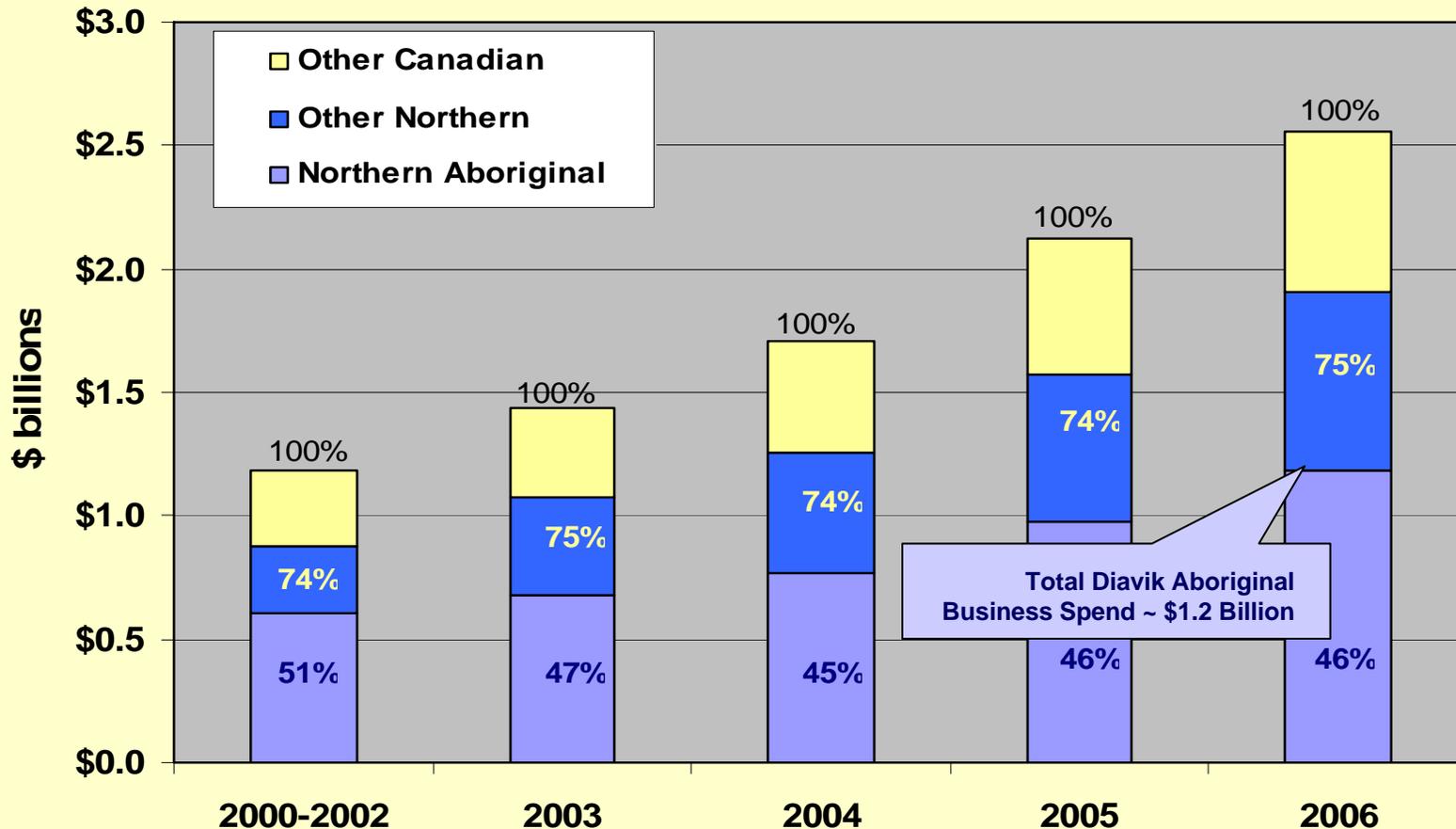
**Operations**

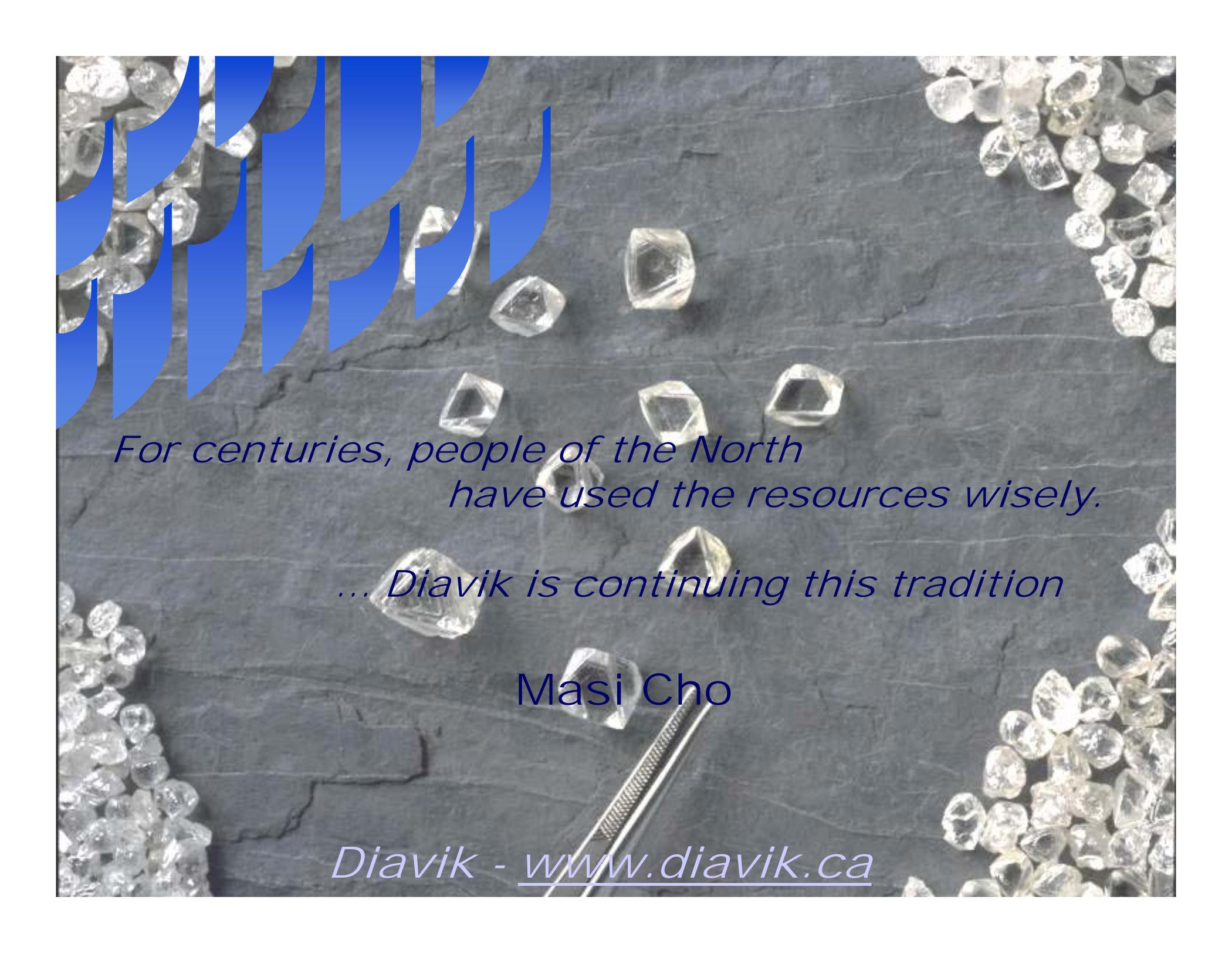


\*Mid-year 2007  
\*\*Year-end 2006, includes capital

# Aboriginal Business Exceeds \$1 Billion

**Chart 1: Diavik Cumulative Expenditures by Priority Group  
2000 to 2006**





*For centuries, people of the North  
have used the resources wisely.*

*... Diavik is continuing this tradition*

Masi Cho

*Diavik - [www.diavik.ca](http://www.diavik.ca)*