

BUILDING FOREVER

GAHCHO KUÉ MINE
SOCIO-ECONOMIC REPORT 2018



DE BEERS GROUP



Mountain Province
DIAMONDS



De Beers Group employees Shirley Tsetta, Michelle Peters and Andrea Sluggett serve lunch to seniors at the Baker Centre in Yellowknife in November 2018. De Beers Group hosted the luncheon, which included a presentation about Gahcho Kué Mine.

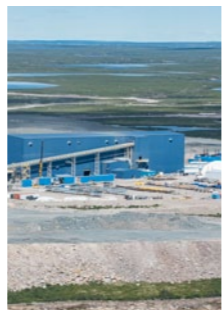
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Cover
Cranes flank the conveyor that carries ore from the primary crusher into the Gahcho Kué Mine process plant. A large winterization program was carried out in 2018, focused on enclosing the conveyor.

IT'S OUR PEOPLE THAT HAVE MADE US SUCCESSFUL.



HIGHLIGHTS

- Improved safety performance
- 6.9 million carats recovered
- 3.2 million tonnes of ore treated
- Hearne pit added into production in April 2018
- Second consecutive NWT/NU Overall Surface Mine Rescue championship for the Mine Rescue Team
- 72% of goods and services purchased in 2018 were made through NWT businesses and joint ventures
- 50% of mine employees live in the NWT
- 26% of the Gahcho Kué workforce is Indigenous
- \$530,000 invested in communities through a variety of corporate social investments
- 6,900 books provided free of charge to youth in local communities and babies born during 2018 at Stanton Territorial Hospital
- Nine teens from local Indigenous communities attended the University of Waterloo Impact Camp for girls in August



DE BEERS GROUP - CANADA CEO INTRODUCTION

2018 was again a busy year for the Gahcho Kué Mine team as operating performance was improved, various construction projects were completed and mining began on the second kimberlite pipe. I want to congratulate the Gahcho Kué Mine team for their solid performance.

Whether it was the continued commitment to driving safety improvements, new ways to deliver production success, or work to strengthen our relationships with local communities, Gahcho Kué is living up to its potential to create positive change and growth in the Northwest Territories.

This annual report tells a story about hard work, determination and success of Gahcho Kué and its partners on so many levels. We are proud of the contributions being made by this world-class operation, through jobs, spending with local business, and investment in communities.

Kim Truter
CEO, Canada



MOUNTAIN PROVINCE DIAMONDS CEO INTRODUCTION

Together with De Beers Group, Mountain Province takes corporate social responsibility very seriously. We both operate a best in class policy for all our stakeholders and are fully committed to operating Gahcho Kué to the highest safety standards and to the benefit of our local communities. We will continue to improve our policies where we feel this will enhance sustainability, safety and the environment whilst seeking to deliver growing returns for all shareholders.

I would like to offer my sincere thanks and congratulate both the De Beers Canada and Mountain Province staff, for the excellent performance at our new mine in 2018. This was Gahcho Kué's first full year of commercial production and successfully, and safely, it transitioned into one of the world's leading diamond mines. This achievement is to be celebrated.

Stuart Brown
CEO, Mountain Province Diamonds

Gahcho Kué Mine General Manager Allan Rodel, left, speaks with representatives from Diavik Diamond Mines and Alrosa, the Russian diamond mining company. De Beers Group hosted the delegation at Gahcho Kué Mine in November 2018 as part of an exchange of best practices on diamond mining safety. They also visited Ekati and Diavik diamond mines.



MINE GENERAL MANAGER INTRODUCTION

I am extremely proud of the contributions by everyone at Gahcho Kué Mine during 2018. Having led the team through construction and the first two years of operation, it is gratifying to witness the evolution of this diverse group, including those

who work for De Beers Group and everyone who provides important support services through our site-based contractor partners.

Every employee and every team contributes so much to our success.

The Gahcho Kué Team understood from day one that we had to work collaboratively, that we had to instill confidence in our investors, employees, Government and Community partners and that we had to make a meaningful contribution to each of these stakeholders.

I also want to highlight the accomplishments of the emergency

response team, who won their second consecutive overall surface mine rescue championship last June. Their performance exemplifies the commitment to excellence exhibited by so many at Gahcho Kué.

Allan Rodel
General Manager, Gahcho Kué Mine

2018 Gahcho Kué Total Spend in NWT at 72% APPROXIMATELY \$208 MILLION WAS SPENT WITH NWT-BASED COMPANIES, INCLUDING MORE THAN \$51 MILLION WITH INDIGENOUS COMPANIES.



Joe Adams, Gahcho Kué Mine camp coordinator, inspects the installation of shelving in a new cold-storage warehouse added at the mine.

NWT SPEND AT 72% OF GAHCHO KUÉ TOTAL IN 2018

For the second straight year, purchases of goods and services from Indigenous and NWT companies by Gahcho Kué Mine during 2018 reached 72% of the mine's total spend.

This is well above the 60% commitment made in the socio-economic agreement with the Government of the Northwest Territories. The strong performance can be attributed to a number of factors, including the tiered procurement structure implemented in 2017 and ongoing engagement of the NWT business community by the Supply Chain and Social Performance teams to make NWT businesses aware of upcoming opportunities.

Of the \$290 million spent by Gahcho Kué for goods and services during 2018, approximately \$208 million was spent with NWT-based companies, including more than \$51 million with Indigenous companies.

One of the ways we did this was to hold a Business Opportunity update in Yellowknife in June. Approximately 50 businesses heard from Allan Rodel, Gahcho Kué Mine General Manager, and Trevor Good, Procurement Superintendent from De Beers Group's operational support centre in Calgary, and Kelly Brenton, Social Performance Manager. Members of De Beers Group's Yellowknife-based procurement team also attended.

Due to the success of this event, Gahcho Kué plans to hold these business updates twice during 2019.

De Beers Group and Gahcho Kué joint venture partner Mountain Province Diamonds also attended the 46th annual Yellowknife Geoscience Forum in November, allowing additional opportunities for NWT businesses to learn about opportunities with our companies.

In addition, De Beers Group sponsored the annual Yellowknife Chamber of Commerce Business Awards in March.

CAPITAL PROJECTS

Significant investments during 2018 included a \$25 million winterization program for the primary crusher and conveyor system feeding ore into the process plant and a \$2.7 million gymnasium to improve recreation facilities for employees.

Although led by Colony Construction, a Surrey, B.C.-based company specializing in steel fabrication and installation, a Yellowknife contracting company, Kasteel Construction, was brought in to provide labour and other support, ensuring some of the benefits went to an NWT business and resident employees. There were 21 Kasteel employees who performed work on the winterization project, some of whom worked as many as 71 days on the project.

The winterization project was completed by late October while the gymnasium opened during the first quarter of 2019.



A worker builds a form into which concrete will be poured to create the base for a steel structure being added to the process plant feed conveyor as part of a winterization project at Gahcho Kué in 2018.

SUPPORT FOR ARTISANS

Not all business investments involve multi-million-dollar projects, and during the year a number of opportunities were held for artisans, primarily from local Indigenous communities.

Artisans were hired to lead quarterly workshops in the Gahcho Kué Mine cultural centre. These artisans came from each of the mine's impact benefit communities as well as Yellowknife. In

addition, a craft sale featuring artisans from Indigenous communities was held in early December. During this sale, employees were able to purchase a variety of arts and crafts to take home.

Gahcho Kué also worked with Yellowknife artist Robbie Craig to produce a limited edition Christmas ornament which was given to each employee who worked at the Mine on Christmas Day.



“Through their contributions and commitment to sustainable, responsible development, the people and businesses that we will honour this evening have made lasting contributions to our territory.”

Wally Schumann
Minister of Industry, Tourism and Investment for the Government of the Northwest Territories

DE BEERS GROUP RECOGNIZED FOR ECONOMIC CONTRIBUTION TO THE NORTHWEST TERRITORIES

A cumulative Gross Value Add (GVA) of more than \$2.1 billion to the NWT economy has earned De Beers Group the 2018 NWT Mining and Exploration (MAX) Economic Leadership Award.

The award was presented on November 22 at the second annual MAX Awards Gala, held in Yellowknife to wrap up the 46th annual Yellowknife Geoscience Forum. Ni Hadi Xa, a joint environmental monitoring agency comprised of six NWT Indigenous communities and Gahcho Kué Mine, was also recognized, receiving the Environmental & Social Responsibility Award. In all, De Beers Group captured two of the five awards presented.

De Beers Group has contributed over \$7 billion to the Canadian economy thus far. The \$2.1 billion impact in the Northwest Territories to date is expected to increase by a further \$5.3 billion over the life of Gahcho Kué Mine, a joint venture between De Beers Group (51% and the operator) and Mountain Province Diamonds (49%).

Allan Rodel, General Manager of Gahcho Kué Mine, accepted the Economic Leadership award.

“Our strategy is based on the fundamentals of being a trusted corporate leader, creating thriving communities and operating in, and leaving behind, a healthy environment. Our ambition is to build upon our first 50 years in Canada and to be the most innovative and sustainable diamond mining business in Canada.”

Allan Rodel, General Manager of Gahcho Kué Mine, (left) accepts the MAX Economic Leadership Award presented to De Beers Group by Wally Schumann, GNWT Minister of Industry, Tourism, and Investment.

SAFETY AND SUCCESS FOR DE BEERS GROUP WINTER ROAD PROGRAM

De Beers Group coordinated another comprehensive winter road resupply program in 2018 that overcame harsh weather conditions to safely deliver more than 1,580 truckloads of cargo and fuel to Gahcho Kué Mine.

In the Northwest Territories, Gahcho Kué is a member of the Tibbitt-to-Contwoyto Winter Road Joint Venture that operates the main trunk ice road connecting three remote NWT mines to the all-season road network near Yellowknife. As part of the program, De Beers Group also built and maintained a 116 km spur road connecting Gahcho Kué Mine to the main ice road. First loads went out January 29 and final loads arrived March 31.

Winter storms were a challenge in 2018, closing the Gahcho Kué Mine spur road for 9.5 days.

Some of the unique and larger items going up the NWT ice road to Gahcho Kué in 2018 included a massive new mining shovel that required multiple loads, three new 830E haul trucks and a Pit Viper drill rig for the mining team. In addition, a new fuel truck and 450,000 litres of jet fuel were brought in to support refueling of aircraft on site.

482

LOADS OF CARGO AND EQUIPMENT

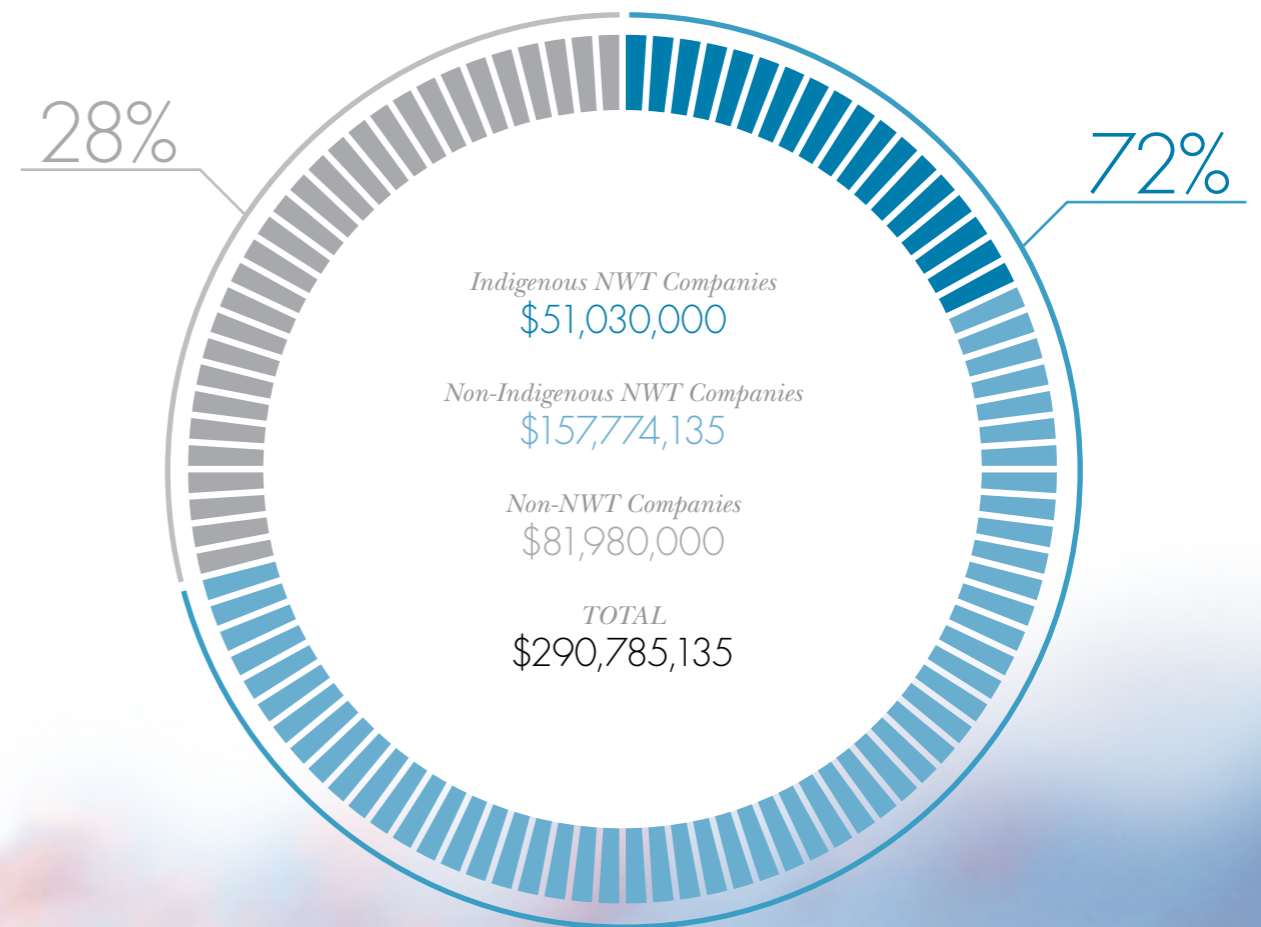
52.1M

LITRES OF FUEL TRANSPORTED (1,102 TRUCKLOADS)

107

BACKHAULS (TRUCKLOADS)

2018
GAHCHO KUÉ
MINE SPEND



A fuel tanker heads toward Gahcho Kué Mine as the sun sets on the horizon, part of the annual winter road resupply program that brought 52.1 million litres of fuel to the mine in 2018.



HOW WE RANK COMPANIES WHEN AWARDING CONTRACTS

TIER 1 A company that is 100% Indigenous owned/equity and is associated with an IBA partner.

TIER 2 A Joint Venture or Partnership company that has >70 % Indigenous ownership/equity contractor and is associated with an IBA partner or an NWT company that is a 100% Indigenous owned contractor in the area of the mine's operations.

TIER 3 A Joint Venture or Partnership that has 51% or greater ownership/equity by an Indigenous contractor associated with an IBA partner and is 49% or less owned by another contractor.

TIER 3B Non-Indigenous 100% owned/equity NWT contractor that works closely or partners with IBA related companies and/or other Indigenous or Northern companies.

TIER 4 Non-Indigenous 100% owned/equity NWT contractor that operates in the area of the mine's operations.

TIER 5 A specialized contractor that provides specialized services to the mine site that may be based in the NWT or is not available in the NWT.

TIER 6 A southern contractor with <50% Indigenous ownership.

2015-2018
GAHCHO KUÉ MINE
CUMULATIVE SPEND



A haul truck heads down from a rock pile toward the 5034 pit.

PEOPLE

Employment levels at Gahcho Kué Mine stabilized during 2018

THE MINE PROVIDED 527 PERSON YEARS OF EMPLOYMENT DURING 2018, OF WHICH 50% WENT TO NWT RESIDENTS.



Mining supervisor Ted Zwack reviews plans for the day with the Gahcho Kué Mining team.



To support people living in Indigenous communities improve success in obtaining employment in the diamond mines, De Beers Group worked with the GNWT Departments of Industry, Tourism and Investment and Education, Culture and Employment to develop a recruitment workshop. The goal was to help local residents understand how the application process works and also provided tips on interview skills, resume writing and other information. Dominion Diamond Corp. and Rio Tinto were also invited to take part in this series of recruitment workshops.

“
DE BEERS GROUP
PROVIDES 10 PICKUP POINTS
TO EMPLOYEES LIVING IN THE
NORTHWEST TERRITORIES”

As employment levels at Gahcho Kué stabilized during 2018, considerable focus was put on engaging Indigenous NWT residents about opportunities at the Mine as well as helping them understand the hiring process.

Gahcho Kué provided 527 person years of employment in 2018, of which 50% went to NWT residents.

Recruitment efforts continued to focus on maximizing the number of NWT employees, with all available opportunities advertised through *NWT News/North* and online through our company website, as well as on InfoMine and LinkedIn.

RECRUITMENT WORKSHOPS HELD IN INDIGENOUS COMMUNITIES

One of the ways Gahcho Kué worked to improve NWT employment was a series of workshops in Indigenous communities during late 2018. The

De Beers Group-led workshops were a partnership with the GNWT departments of Industry, Tourism and Investment and Education, Culture & Employment and Dominion Diamond Corp. and Rio Tinto Diavik Diamond Mine. Events were held in Lutsel K'e, Behchoko, Whati, Gameti, Fort Resolution and Wekweeti.

Participants attended a series of presentations to learn about resume writing, interview skills, and how to navigate online application platforms.

A workshop in Ndilo for the Yellowknives Dene First Nation was held in February 2019.

MINING CAREERS HIGHLIGHTED FOR NWT STUDENTS

It was also important to highlight mining career opportunities to NWT students. This included bringing Dr. Lesley Rig, Dean of Science at the

University of Calgary, to Yellowknife in November for career presentations at Sir John Franklin and St. Patrick high schools and the second annual De Beers Group Women in Mining Luncheon, attended by over 60 female students from Yellowknife and Behchoko.

During both events, information was shared about 21 scholarships for females going into Science, Technology, Engineering, Math and similar programs offered by De Beers Group at the University of Waterloo, University of Calgary and through Scholarships Canada in 2019.

On December 4, 25 Grade 9-12 students from seven schools visited Gahcho Kué Mine where they met with employees to learn about careers in mining and to tour the operation. (See *NWT High School Students Visit Mine*, page 21.)

PRIORITY PICKUP POINTS

De Beers Group provides 10 pickup points to employees living in the Northwest Territories from which the company will provide travel to and from Gahcho Kué Mine. Employees are also eligible to receive travel allowances to help them get to and from pickup points, hopefully eliminating any travel barriers to work at the mine.

Pickup Points

- YELLOWKNIFE (includes residents of Behchoko, Dettah, Ndilo)
- FORT SIMPSON
- LUTSEL K'E
- WHATI
- FORT SMITH
- GAMETI
- HAY RIVER
- WEKWEETI
- NORMAN WELLS
- INUVIK

24,000
HOURS OF TRAINING

376
EMPLOYEES ATTENDED
VARIOUS COURSES

63
AVERAGE HOURS
SPENT IN TRAINING

TRAINING OPPORTUNITIES

Ensuring employee training is currently a major focus at Gahcho Kué Mine. The nine-member team supported close to 24,000 hours of training during 2018. Altogether, 376 employees attended various courses ranging from site orientation, to confined space, working at heights, hot works, first aid, and other training during the year. Employees spent an average of 63 hours in training during the year.

Training for supervisors continued during the year with two programs.

Five Gahcho Kué Mine employees successfully completed the Northern Leadership Development Program offered through Aurora College.

The successful Leader as Coach program was held again in October, timed to include Unconscious Bias - training designed to help supervisors understand the importance of an inclusive and diverse workforce. Four Leader as Coach sessions were held, attended by 17 Gahcho Kué Mine supervisors, joined by colleagues from across De Beers Group and Forevermark.

In addition, a Front Line Leadership course was attended by 43 Gahcho Kué supervisors and managers at the Southern Alberta Institute of Technology in Calgary.

This 10-day program was implemented to support supervisors with training, tools and techniques designed to help them with the complexity of managing their crews, including modules on Leading Self, Leading Others, and Leading Operations.

TRAINING POSITIONS

During 2018, 11 NWT residents took part in training positions at Gahcho Kué, including six in the process plant and five in mining. The six process plant trainees included four hired directly by De Beers and two who came to the mine out of a Mine Training Society (MTS) program. Because surface mine training isn't recognized as a "trade", these trainees are not included in the training table.

The five surface mining trainees filled training positions at the mine following completion of their MTS program.

In addition, two apprenticeship positions were filled during the year by existing Gahcho Kué employees, both from IBA communities. Their apprenticeships officially began in 2019 so they are not included in our 2018 statistics.

2018 GAHCHO KUÉ MINE TRAINING

	Life of Mine Commitment	# of 2018 Trainees	Total Trainees to end of 2018	Cumulative Program Graduates
Trades	16	6	8	8
Apprenticeships	10	0	1	1
Professional Development Sponsorship	4	0	0	0
Total	30	6	9	9



An aerial photo taken in July 2018 shows work underway on the Hearne pit (foreground) with 5034 in the background.



GAHCHO KUÉ APPRENTICE DISCOVERS HER MECHANICAL SIDE

“A lot of people underestimate me because I’m small, but it’s a trade that anyone can do if you like hard work.”

Deanna Buckley
Millwright apprentice, Gahcho Kué Mine

Millwrights are jacks-of-all-trades, called in to fix machinery, cut and weld steel and other important maintenance tasks.

As a process plant trainee Deanna Buckley had seen millwrights at work at Gahcho Kué Mine and was quick to apply for a millwright apprenticeship when the opportunity arose during 2018. Originally from Hay River, NT, and now living in Yellowknife, she was originally hired in May 2017. Deanna is a member of the NWT Métis Nation.

“Every day there’s something new to learn,” she explained. “I didn’t even know I was mechanically inclined.”

On the day of the interview, Deanna and other members of her team were preparing tools and materials to rebuild a critical pump inside the mine process plant.

Millwright apprentice Deanna Buckley gathers supplies in the tool crib inside the Gahcho Kué Mine Process Plant.

As one of 70 female De Beers Group employees at Gahcho Kué Mine, she said she fits right in with the male-dominated maintenance team.

“A lot of people underestimate me because I’m small, but it’s a trade that anyone can do if you like hard work.”

Deanna is accumulating hours on the job before going into her classroom sessions during 2019.

Although Deanna was hired to fill the millwright apprenticeship position in 2018, she doesn’t officially become an apprentice until early 2019 when she formally enrolls in a program. As well, a second apprenticeship position, an instrumentation technician, was also filled in 2018, to formally begin in 2019.

“

WE WANTED TO GIVE THE STUDENTS AN EXPERIENCE THAT IS EVERLASTING... WHICH WE HOPE MAY INSPIRE THE STUDENTS TO LOOK INTO WORKING WITHIN THE MINING INDUSTRY IN THE FUTURE.”

Kimberly Balsillie
Community Liaison Officer

NWT HIGH SCHOOL STUDENTS VISIT MINE

High school students from six NWT communities learned that there is more to mining jobs than driving haul trucks and heavy equipment during a trip to Gahcho Kué Mine.

Twenty-five Grade 11-12 students from schools in N’dilo, Yellowknife, Behchoko, Fort Smith, Hay River and Lutsel K’e visited the mine on December 4 to learn about the variety of jobs available in the mining industry. Students from Whati and Gameti were also invited but weren’t able to join in the trip due to inclement weather.

While at the mine, the students toured the truck shop, the process plant and visited 5034 open pit. Following the tour, speakers from a number of

departments met with students to provide information about their roles and the training required.

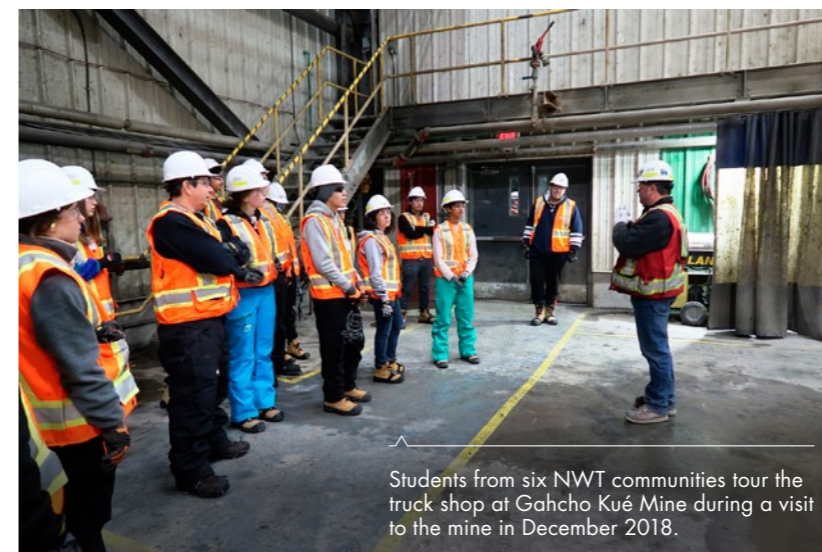
“We wanted to give the students an experience that is everlasting,” said Kimberly Balsillie, the community liaison officer who coordinated the tour. “Our colleagues at the mine site were able to give the youth insight into what kind of jobs are at Gahcho Kué which we hope may inspire the students to look into working within the mining industry in the future.”

The chaperones also appreciated the experience.

“I had never been to a mine before and seeing it all in person is so much better than in pictures,” said Orlanda Patterson, a chaperone for Diamond Jenness Secondary School in Hay River.

“Overall it was a fantastic tour and I haven’t stopped talking about it or promoting it to younger kids to encourage them to go when they get to the senior grades.”

Another tour is planned for September 2019.



Students from six NWT communities tour the truck shop at Gahcho Kué Mine during a visit to the mine in December 2018.

GAHCHO KUÉ WINS REGIONAL MINE RESCUE COMPETITION FOR SECOND CONSECUTIVE YEAR

The Gahcho Kué Mine Rescue Team won the regional surface mine rescue competition for the second year in a row, fiercely defending the title against competitors from the Northwest Territories, Nunavut and Ontario. The 61st annual NWT/NU Mine Rescue Competition was held in Yellowknife on June 1-2.

Gahcho Kué captured the difficult Surface Obstacle, Surface Rope and Written Test and had high scores in all the other events to win the trophy as Top Overall Surface Team. The Mine Rescue Team from the De Beers Group Victor Mine in Northern Ontario also took part in the competition.

"I am extremely proud of the performance by the Gahcho Kué team and their colleagues from Victor

Mine. They performed to a high level against some of the best mine rescue teams in Canada and demonstrated the passion and commitment our entire workforce has when it comes to putting safety first in everything we do at De Beers Group," said CEO Kim Truter. "This winning performance by Gahcho Kué also gives confidence to our employees' families that their loved ones are in good hands when they are away from home."

The eight-member competition team is drawn from members of the 35-person Gahcho Kué Emergency Response Team based at the mine. Four members were new to the team that dominated the 2017 competition.

"The fact that half of the members of this winning team were new to the competition reflects the high level of training and professionalism exhibited by all members of our Emergency Response Team," said Allan Rodel, Mine General Manager.

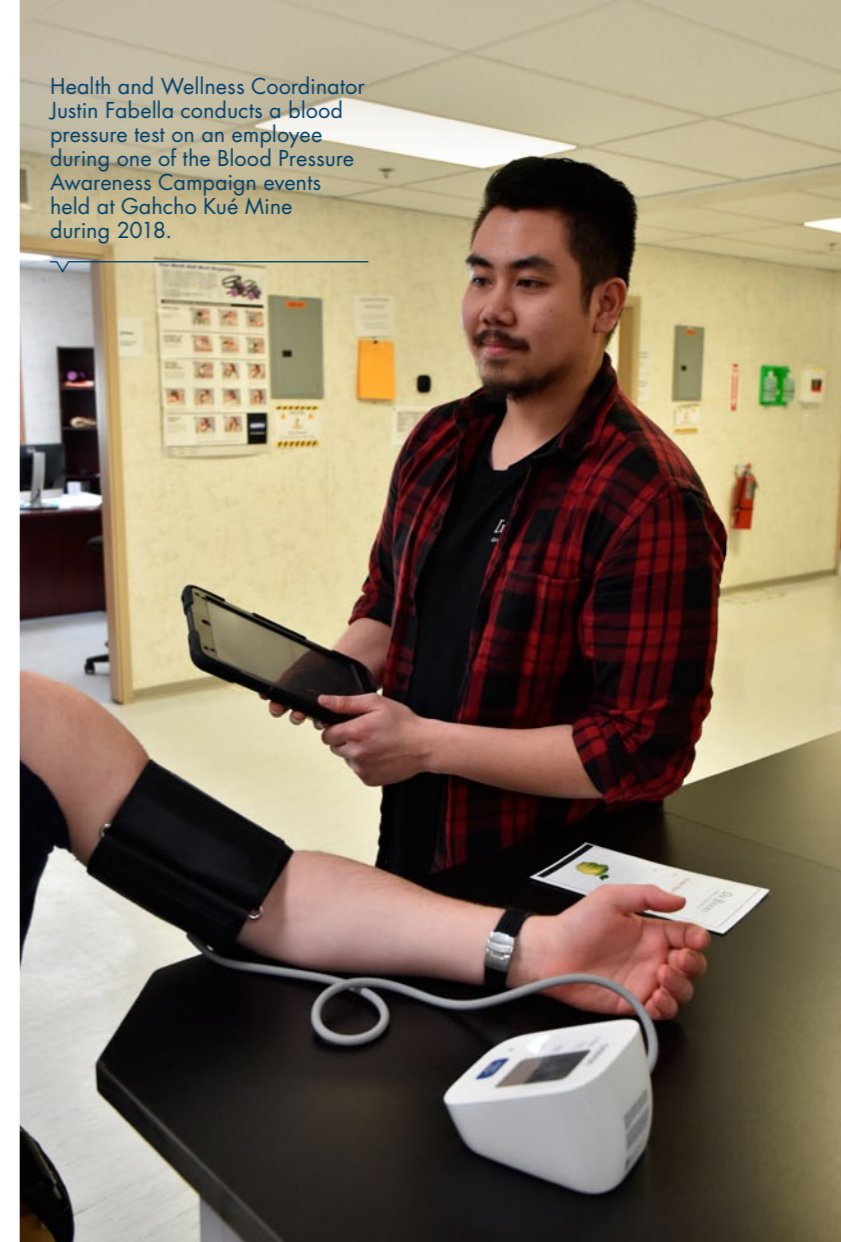
EXPANDED FOCUS ON HEALTH AND WELLNESS DURING 2018

Employees working at Gahcho Kué Mine benefited from an increased variety of health and wellness programs held throughout 2018.

Justin Fabella, the mine's health and wellness coordinator, joined the team in late 2017 and introduced seven different programs for employees during 2018.

- **Walk To Tuk** – two teams totaling 40 employees participated in this annual NWT Parks and Recreation activity, walking the equivalent distance from Fort Providence to Tuktoyaktuk between January and March.
- **Know Your Numbers Campaign** – Aimed to help employees understand their overall health numbers: Blood Pressure, Cholesterol (HDL and LDL), Triglycerides, Blood Sugar, Body Fat Percentage and Muscle Mass. Over 180 employees learned more about their numbers in this campaign that took place from February to April.
- **Weight Management Challenge** – Employees had three months to reduce their body fat percentage. Just over 100 employees were involved, of whom nine people lost more than eight pounds between February and April.
- **Vitamins and Minerals Campaign** – In February and March, signage and table toppers were placed in the hallways and in the dining room to educate employees as to what foods can provide the vitamins and minerals needed by your body.
- **Blood Pressure Awareness Campaign** – Blood pressure readings were offered to employees and information

Health and Wellness Coordinator Justin Fabella conducts a blood pressure test on an employee during one of the Blood Pressure Awareness Campaign events held at Gahcho Kué Mine during 2018.



regarding blood pressure was provided on table toppers in the dining room from May through July.

- **Sugar Awareness Campaign** – In July and August, information outlining the amount of sugar found in foods that we eat was on display in the dining room.
- **Stress and Sleep guest speaker** – Amanda Hudye from SleepWell Consulting visited site in August to help employees understand how to get better sleep, create a

sleep routine, and manage their sleep with their rotation life and home life.

In addition, Bouwa Whee Catering offers a variety of healthy food options with every meal and employees have access to weight and cardio equipment at the mine's fitness centre. A new gymnasium featuring a basketball/volleyball/badminton court, running/walking track, two squash courts and expanded fitness centre was under construction during the second half of 2018 and opened to employees in late March 2019.



Members of the Gahcho Kué Mine Rescue Team display the four trophies won at the 2018 NWT/NU Mine Rescue Competition, including their second consecutive title as top surface mine rescue team.

EMPLOYMENT REPORT

Approximately half of De Beers Group's Gahcho Kué NWT employees were Indigenous.

THE GAHCHO KUÉ MINE'S NWT RESIDENT WORKFORCE DREW EMPLOYEES FROM 14 COMMUNITIES THROUGHOUT THE TERRITORY, REPRESENTING EVERY REGION IN THE NWT.

Employees take part in a routine "stretch and flex" session to wrap up a tool box meeting at the start of their shift. The exercise program helps employees warm up before undertaking work, one way to reduce the possibility of injury on the job.

EMPLOYMENT BY HIRING PRIORITY

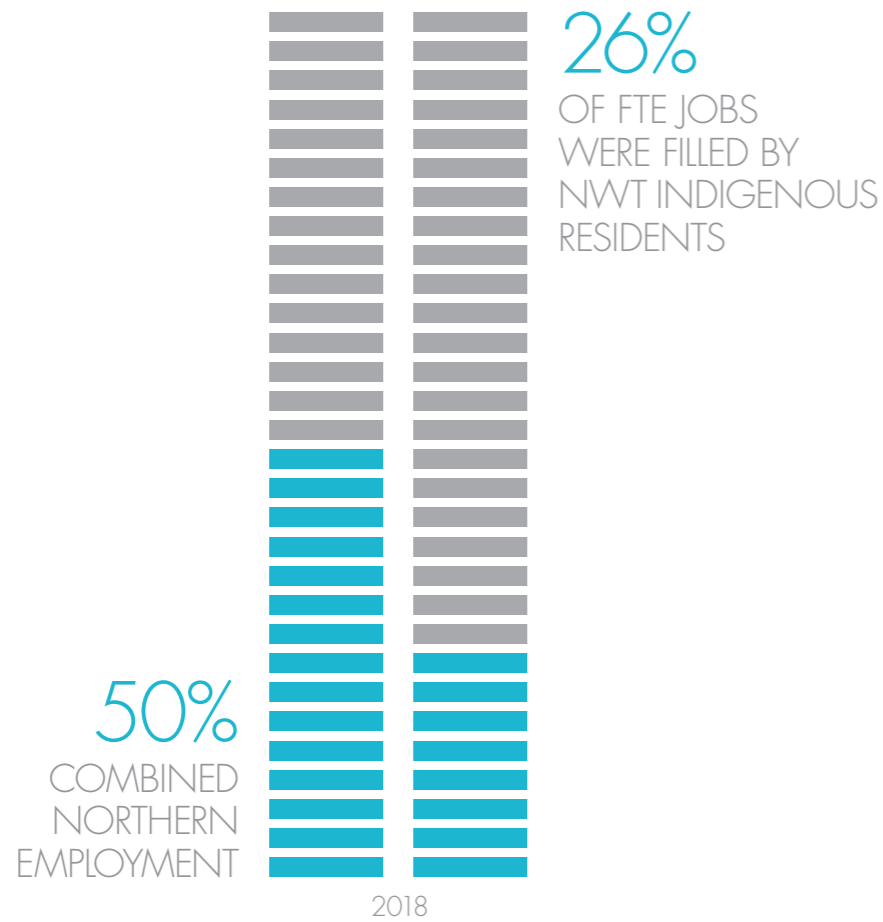


TABLE 1: EMPLOYMENT BY HIRING PRIORITY, TO THE END OF 2018

	2015	2016	2017	2018
	(PERSON-YEARS)			
NWT Indigenous	47	70	119	135
Other NWT Residents	94	102	117	131
Subtotal NWT Residents	142	172	236	265
Non-NWT	762	455	247	262
Grand Total	903	628	483	527
	(PERCENT OF TOTAL)			
NWT Indigenous	5%	11%	25%	26%
Other NWT Residents	10%	16%	24%	25%
Subtotal NWT Residents	16%	27%	49%	50%
Non-NWT Residents	84%	73%	51%	50%
Grand Total	100%	100%	100%	100%

Note: NWT Indigenous employees who were identified as residing outside the NWT are recorded as Non-NWT Residents in this table. Any employee whose Indigenous status could not be established was identified as non-Indigenous in this table. Figures may not add up due to rounding error.

2018 GAHCHO KUÉ EMPLOYMENT REPORT

The Gahcho Kué Mine provided 527 person years of employment, or full-time equivalent (FTE) jobs in 2018.¹ NWT residents represent half of that total (265). Employees self-identifying as NWT Indigenous residents filled 26% (135) of the FTE jobs. In both cases, these employment results are an improvement over 2017 and bring NWT labour participation closer to the 55% employment target established in the *Gahcho Kué Socio-Economic Agreement*.²

The majority of workers at the Gahcho Kué Mine are employees of De Beers Group. The company's workforce

equalled 383 FTE positions in 2018, with 48% being NWT residents. Approximately half of De Beers Group's NWT employees (90) were Indigenous.

The Gahcho Kué Mine's NWT resident workforce drew employees from 14 communities throughout the territory representing every region in the NWT. Most (71%) of these employees live in Yellowknife,³ but also represented are some of the territory's smallest communities, including residents from Jean Marie River, Fort McPherson, and Enterprise. Seven Indigenous residents from the Beaufort-Delta region, over 1,200 km away from the mine site, worked at

the Gahcho Kué Mine, five of whom were employees of De Beers Group.

All of the jobs at the Gahcho Kué Mine have been categorized according to the skill-level required to complete the assigned work. The largest of these categories is semi-skilled jobs with 256 FTE positions and includes most equipment operators and process plant workers. NWT residents filled 55% of these jobs. The second largest category is skilled positions with 172 FTE jobs, which includes positions that require a professional designation such as a journeyman electrician or mechanic. It is in this category where limitations within the NWT labour

market are most evident; NWT residents filled 28% of these positions. NWT residents filled a large majority (91%) of the 75 unskilled positions.

De Beers Group supports and encourages the participation of women in all aspects of work related to the Gahcho Kué Mine and encourages similar commitments from its contractors.⁴ De Beers Group is proud to report that women have filled 100 FTE jobs at the mine this year, which is an 11% improvement over 2017.

¹ The majority of people working at the Gahcho Kué Mine are on a 2-week rotation, meaning they are at the mine site for 14 days and are then away for 14 days. A fulltime equivalent job is equal to 13 rotations of 14 days, working 12 hours each day. This represents 2,184 hours of work, which is used to calculate the number of FTE jobs.

² See Section 3.4.3 in the *Gahcho Kué Project Socio Economic Agreement*. Section 3.4.4 of that *Agreement* states that the achievement of NWT Resident employment is subject to the availability of NWT Residents with the required skills, training and experience and the ability to pass training program entrance

requirements and that NWT Residents may or may not choose to pursue employment opportunities made available at the Gahcho Kué Mine.

³ Designated Pick-Up Points for the mine include Lutsel K'e, Gameti, Whati, Wekweeti, Yellowknife (which includes Behchoko, Dettah, Ndilo), Hay River, Fort Smith, Fort Simpson, Inuvik, and Norman Wells. De Beers Group will provide a Travel Allowance to its Gahcho Kué Mine employees who reside in an NWT community that is not a De Beers Group designated Pick-Up Point.

⁴ See Section 4.9 of the *Gahcho Kué Project Socio Economic Agreement*.

TABLE 2: EMPLOYMENT BY HIRING PRIORITY, 2018

	De Beers	Contractor	Total
	(PERSON-YEARS)		
NWT Indigenous	90	44	135
Other NWT Residents	92	39	131
Subtotal NWT Residents	182	83	265
Non-NWT Indigenous	24	6	29
Other Non-NWT Residents	177	56	233
Subtotal Non-NWT Residents	201	61	262
Total	383	145	527
	(PERCENT OF TOTAL)		
NWT Indigenous	24%	31%	26%
Other NWT Residents	24%	27%	25%
Subtotal NWT Residents	48%	58%	50%
Non-NWT Indigenous	6%	4%	6%
Other Non-NWT Residents	46%	38%	44%
Subtotal Non-NWT Residents	52%	42%	50%
Total	100%	100%	100%

Note: NWT Indigenous employees who were identified as residing outside the NWT are recorded as Non-NWT Residents in this table. Any employee whose Indigenous status could not be established was identified as non-Indigenous in this table. Figures may not add up due to rounding error.

TABLE 3(A): EMPLOYMENT BY HIRING PRIORITY AND JOB CLASSIFICATION, 2018

	NWT Indigenous	Other NWT Residents	Subtotal NWT Residents	Non-NWT Residents	Grand Total
	(PERSON-YEARS)				
Management	2	4	5	6	12
Professional	0	4	4	9	14
Skilled	17	31	48	124	172
Subtotal	19	40	58	139	197
Semi-Skilled	75	64	139	116	256
Unskilled	41	26	68	7	75
Subtotal	116	91	207	123	330
Total	135	131	265	262	527
	PERCENT BY JOB CLASSIFICATION				
Management	14%	34%	47%	53%	100%
Professional	0%	32%	32%	68%	100%
Skilled	10%	18%	28%	72%	100%
Subtotal	9%	20%	30%	70%	100%
Semi-Skilled	29%	25%	55%	45%	100%
Unskilled	55%	35%	91%	9%	100%
Subtotal	35%	27%	63%	37%	100%
Total	26%	25%	50%	50%	100%
	PERCENT BY TOTAL HIRING PRIORITY				
Management	1%	3%	2%	2%	2%
Professional	0%	3%	2%	3%	3%
Skilled	13%	24%	18%	47%	33%
Subtotal	14%	30%	22%	53%	37%
Semi-Skilled	56%	49%	53%	44%	48%
Unskilled	31%	20%	25%	3%	14%
Subtotal	86%	70%	78%	47%	63%
Total	100%	100%	100%	100%	100%

Note: NWT Indigenous employees who were identified as residing outside the NWT are recorded as Non-NWT Residents in this table. Any employee whose Indigenous status could not be established was identified as non-Indigenous in this table. Figures may not add up due to rounding error.

TABLE 3(B): EMPLOYMENT BY HIRING PRIORITY AND JOB CLASSIFICATION, 2018

	NWT Indigenous	Non-NWT Indigenous	Total Indigenous	Other NWT Residents	Other Non-NWT Residents	Grand Total
(PERSON-YEARS)						
Management	1.6	0.0	1.6	3.9	6.1	11.6
Professional	0.0	0.0	0.0	4.4	9.2	13.6
Skilled	16.9	9.7	26.6	31.5	113.9	172.0
Subtotal	18.5	9.7	28.2	39.8	129.2	197.2
Semi-Skilled	75.0	19.0	94.0	64.4	97.3	255.7
Unskilled	41.2	0.7	41.9	26.4	6.2	74.5
Subtotal	116.2	19.7	135.9	90.8	103.6	330.3
Total	135	29	164	131	233	527
PERCENT BY JOB CLASSIFICATION						
Management	14%	0%	14%	34%	53%	100%
Professional	0%	0%	0%	32%	68%	100%
Skilled	10%	6%	15%	18%	66%	100%
Subtotal	9%	5%	14%	20%	66%	100%
Semi-Skilled	29%	7%	37%	25%	38%	100%
Unskilled	55%	1%	56%	35%	8%	100%
Subtotal	35%	6%	41%	27%	31%	100%
Total	26%	6%	31%	25%	44%	100%
PERCENT BY TOTAL HIRING PRIORITY						
Management	1%	0%	1%	3%	3%	2%
Professional	0%	0%	0%	3%	4%	3%
Skilled	13%	33%	16%	24%	49%	33%
Subtotal	14%	33%	17%	30%	56%	37%
Semi-Skilled	56%	65%	57%	49%	42%	48%
Unskilled	31%	3%	26%	20%	3%	14%
Subtotal	86%	67%	83%	70%	44%	63%
Total	100%	100%	100%	100%	100%	100%

Note: NWT Indigenous employees who were identified as residing outside the NWT are recorded as Non-NWT Residents in this table. Any employee whose Indigenous status could not be established was identified as non-Indigenous in this table. Figures may not add up due to rounding error.

TABLE 4: EMPLOYMENT BY NWT COMMUNITY

	Person Years	% of Total Employment	% of NWT Employment
Yellowknife	187	36%	71%
Hay River	27	5%	10%
Behchoko	19	4%	7%
Whati	2	0.4%	1%
Fort Resolution	3	1%	1%
Fort Smith	11	2%	4%
Fort Good Hope	2	0.5%	1%
Fort McPherson	1	0.2%	0%
Fort Providence	1	0.2%	0%
Gameti	3	1%	1%
Inuvik	4	1%	1%
Enterprise	1	0%	0%
Deline	1	0.1%	0%
Jean Marie River	3	0.5%	1%
Non-NWT	262	50%	N.A.
Total	527		

Note: Figures may not add up due to rounding error. Employment from communities with less than one person year of employment during 2018 are not included in this table.



DE BEERS GROUP IS PROUD TO REPORT THAT WOMEN FILLED 100 FTE JOBS AT THE MINE IN 2018, WHICH IS AN 11% IMPROVEMENT OVER 2017.”

TABLE 5: EMPLOYMENT BY GENDER

	Person Years	Percent
Men	428	81%
Women	100	19%
Total NWT	527	100%

Note: Figures may not add up due to rounding error.

TABLE 6: EMPLOYMENT BY JOB CLASSIFICATION FOR WOMEN

	Person Years	% of Total Employment
Management	2	2%
Professional	3	3%
Skilled	15	15%
Subtotal	20	20%
Semi-Skilled	51	52%
Unskilled	29	29%
Subtotal	80	80%
Total	100	100%

Note: Figures may not add up due to rounding error.

TABLE 7: NEW HIRES BY EMPLOYER, 2018

	De Beers Group	Contractor	Total
NWT Indigenous	11	15	25
Other NWT Residents	10	9	19
Subtotal NWT Residents	21	24	45
Non-NWT Residents	22	13	34
Total	42	37	79

Note: The system of reporting does not distinguish between new hires and rehires; figures may not add up due to rounding error.

TABLE 8: NEW HIRES BY SKILL CATEGORY, 2018

	Person Years	Percent
Management	0	0%
Professional	2	2%
Skilled	16	16%
Subtotal	18	23%
Semi-Skilled	38	38%
Unskilled	23	23%
Subtotal	61	77%
Grand Total	79	100%

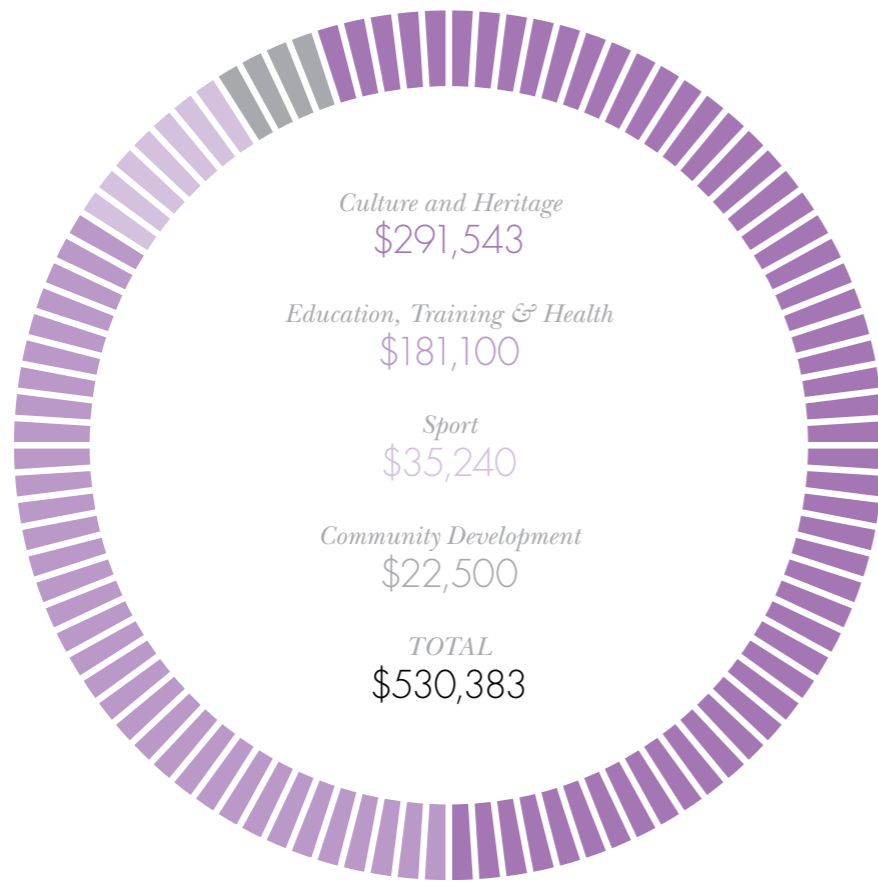
Note: Figures may not add up due to rounding error.

COMMUNITIES

Contributions to communities topped \$530,000 in 2018, WITH FUNDING FOR A VARIETY OF PROGRAMS COMING FROM THE DE BEERS CANADA FUND AND GAHCHO KUÉ MINE.



Grade 8 girls participating in NWT Skills Canada's annual PowerUp! Event take part in an exercise at De Beers Group Yellowknife office in November 2018.



HERITAGE AND CULTURE PROGRAMS RECEIVE LARGEST SHARE OF 2018 SOCIAL INVESTMENT

Contributions to communities topped \$530,000 in 2018, with funding for a variety of programs coming from the De Beers Canada Fund and Gahcho Kué Mine.

Of the total, \$482,000 was provided to Impact Benefit Agreement (IBA) community projects and programs, funded by Gahcho Kué Mine jointly by De Beers Group and Mountain Province Diamonds. IBA community programs that receive support are selected in collaboration between the communities and Gahcho Kué Mine. De Beers Canada Fund committee members in Yellowknife and at the

Calgary Operational Support Centre review applications for support on a regular basis.

De Beers Group was also proud to work with Dominion Diamond Mines and Diavik Diamond Mines to provide a combined \$45,000 to the YWCA, \$15,000 from each company, following the devastating Rockhill Apartment fire on October 2, 2018.

The popular De Beers Group Books in Homes program resumed in 2018, giving out more books than ever before thanks to the expansion of the program to Hay River and addition of Books for Babies, due in part to financial support from a number of Gahcho Kué Mine contractors. In all, 6,900 books were given out, pushing the program over 50,000 books given

out since it began in 2003. (See Contract Partners Join Books in Homes Program, page 39.)

Other notable contributions included \$45,000 to support the purchase of five freighter canoes for the Tlicho Trails of Our Ancestors program, bringing the total support for this program to \$180,000 since 2015; \$42,000 to De Beers Inspired Ice International Ice Carving Competition (see Record International Field for De Beers Inspired Ice, page 41); a second \$25,000 instalment to the South Slave Arctic Winter Games; \$30,000 for a basic carpentry training program in Fort Resolution; and \$30,000 for Yellowknives Dene First Nation scholarships.

Tlicho Elder Angelique Julie Wedzen picks cranberries on the hillside at Fletcher Lake, location of a cabin operated by Ni Hadi Xa, the cooperative environmental monitoring organization between Gahcho Kué Mine and local Indigenous communities.



Programs that received resources in 2018 included:

- | | | |
|--|---|---|
| 1. NORTH SLAVE MÉTIS ALLIANCE FISH FRY | 4. STANTON TERRITORIAL HOSPITAL FESTIVAL OF GIVING | 7. YELLOWKNIFE ARTISTS COOPERATIVE |
| 2. TRAIL CONSTRUCTION BY LUTSEL K'E DENE FIRST NATION | 5. YELLOWKNIFE CHAMBER OF COMMERCE BUSINESS AWARDS GALA | 8. DEVELOPMENT OF HUMAN RESOURCES DATABASES FOR ALL IBA COMMUNITIES |
| 3. CARNIVALS AND FEASTS IN WHATI, DETTAH, FORT SMITH AND YELLOWKNIFE | 6. GRADUATION EVENTS IN HAY RIVER, FORT RESOLUTION, AND YELLOWKNIFE | 9. ARCTIC INDIGENOUS INVESTMENT CONFERENCE |
| | | 10. NWT CHAMBER OF MINES ANNUAL MINER'S PICNIC |

“

LITERACY IS CRITICAL TO INDIVIDUAL AND COMMUNITY ECONOMIC SUCCESS AND BY PUTTING BOOKS INTO CHILDREN'S HANDS AND HOMES, WE HOPE WE'RE HELPING ESTABLISH A LOVE OF READING. IT OPENS DOORS TO TRAINING, EDUCATION AND EMPLOYMENT OPPORTUNITIES.”

Kelly Brenton
Social Performance Manager



Kelly Brenton, Social Performance Manager, left, helps youth at Kaw Tay Whee School in Dettah select books during the Books in Homes book fair held there in May 2018.

CONTRACT PARTNERS JOIN BOOKS IN HOMES PROGRAM

De Beers Group's Flying Book Store brought more books than ever before to help build home libraries as the expanded Books in Homes program visited 14 schools in nine Northwest Territories (NWT) communities during 2018.

This year's program was bigger than ever in the NWT, with the addition of five schools in Hay River, expansion supported by financial contributions from 13 of our contractor partners.

"This program is an investment in the future of the communities where we work," explained Kelly Brenton, Social Performance Manager who coordinated the NWT program. "Literacy is critical to individual and community economic success and by putting books into children's hands

and homes, we hope we're helping establish a love of reading. It opens doors to training, education and employment opportunities."

Communities visited this year in the NWT were: Whati, Behchoko, Gameti, Wekweeti, Dettah, Ndilo, Lutsel K'e, Fort Resolution and Hay River. De Beers Group also provided 700 books to Stanton Territorial Hospital Foundation to provide one book to babies born at the hospital during the year.

In addition to hosting the Flying Book Store in each community, Books in Homes brought NWT Literacy Council workers to each school to hold activities designed to develop literacy skills. Representatives from the Student Financial Assistance Program of the Government of Northwest Territories were also invited to attend,

so they could share information about financial support available to students considering post-secondary education.

De Beers Group wants to thank our contractor partners for their contributions to the success of Books in Homes this year: Paul Bros. NEXtreme, Epiroc, SMS Equipment, Tlich Orica, De'on Cho Nahanni Construction, Wesclean, De'on Cho Logistics, De'on Cho Corporation, Summit Air, Bouwa Whee Catering, Acasta Helicopters, DTE Electric, and De'on Cho Medic North.

Founded in 2003, the program provides books to youth free of charge to encourage reading and build home libraries. Including the 2018 campaign, De Beers Group has distributed more than 50,000 books to NWT students over the past 15 years.

Ice carving artists from around the world created amazing works of art out of ice from Great Slave Lake during the 6th annual De Beers Inspired Ice International Ice Carving Competition in Yellowknife.

RECORD INTERNATIONAL FIELD FOR DE BEERS INSPIRED ICE

A record 15 teams took part in the 6th annual De Beers Inspired Ice International Ice Carving Competition, held during the Long John Jamboree, March 23-25 in Yellowknife. This was the first event held as part of a five-year, \$150,000 commitment to the Jamboree by De Beers Group.

Junichi Nakamura of Japan and Shinichi Sawamura of Fairbanks, Alaska and formerly of Japan crafted a beautiful elephant (pictured on previous page) to capture their second title in the annual event. The 2015 De Beers Inspired Ice winners and 15-time World Ice Carving Champions finished with a final score of 91.17, just ahead of defending 2017 champions Peter Slavin and Chris Swarbrick who scored 90.20. Aaron Costic and Jeff Meyers were right on their heels with a score of 90.00. Teams came from the NWT, Manitoba, Ontario, Quebec, six U.S. states, Japan, Sweden, Belgium, and Italy. The event was held despite a massive storm that shut down the Jamboree for an entire day.

Inspired Ice also included a media competition, which was won by the team representing Radio Taiga.

“What an amazing result from three days of intense competition and difficult weather as incredible works of art have been created out of these huge blocks of natural ice from Great Slave Lake, truly making this a unique world-class event the north can be extremely proud of,” said Gahcho Kué General Manager Allan Rodel. “We are also very pleased that our commitment of five years of funding will provide financial stability to the De Beers Inspired Ice International Ice Carving event, which continues to attract the best carvers from around the world.”

The 2018 event also included the second annual student ice carving showcase held at Yellowknife City Hall on March 2. In all, 13 students from Sir John Franklin and St. Patrick schools participated under the watch of Yellowknife artist Terry Pamplin.



PARTNERSHIP WITH UN WOMEN AND THE UNIVERSITY OF WATERLOO HELPS EXPAND PROGRAM TO OTHER PARTS OF CANADA

Like most young teens her age, Madison Beck was beginning to plan her life after high school. The student from Hay River, Northwest Territories (NWT) wants to become a surgeon.

She knows that there is a lot of hard work and hurdles to overcome in order to make her dreams come true.

Madison and her sister Emerson, were among nine girls and eight caregivers from the NWT who attended the IMPACT Camp in August at the University of Waterloo in Ontario, sponsored by De Beers Group. Participants in Grades 7-9 came from Hay River, Yellowknife, Lutsel K'e, Norman Wells and Behchoko. The annual camp also included 10 girls from Indigenous communities in Ontario.

The three-day camp included cultural and science-based activities at the university, hosted by the University of Waterloo. In addition to the activities at the university, the NWT group also toured Google's Canadian headquarters and the Perimeter Institute, both in Waterloo. De Beers Group provided funding to the program as part of a three-year USD\$3 million program in partnership with UN Women to advance women and girls in its producer countries.

"I was a little nervous about going into the (medical) field," said Madison. "One of the leaders at the camp is going to be a nurse and she provided a lot of great ideas, like I never would have thought to go to a pre-medical camp."

For Emerson, the camp opened her eyes to the fact that while science is important to success, it can also be a lot of fun.

"I wasn't so good in science at school before," she explained. "But I learned a lot more about science and can relate to it better now."

Their mother Andrea traveled to the camp with the girls and said it was eye-opening to experience

opportunities available outside of the NWT and demonstrated that gender should not be a barrier to success.

"We don't get a lot of exposure to things like this," said Andrea.

That exposure and support was the purpose of sponsoring girls to attend the IMPACT Camp, said De Beers Group CEO Kim Truter.

"We know that females are underrepresented in the STEM fields, with indigenous females from communities where we operate in the NWT and northern Ontario facing additional economic and other barriers that make it even more difficult to succeed, so this investment is designed to level the playing field as much as possible," said Truter. "These students will take this positive experience back to their schools and home communities and keep the discussion going, which may inspire other young female students to consider furthering their science education as a career path that they may not have considered before."

De Beers Group also participated in the camp with two female employees attending as camp leaders. Megan Rodel, a mining engineer, said the camp was an excellent way to connect the students to the sciences at a critical time in their education.

"I know from personal experience that pursuing a science-based education can be exciting and challenging at the same time, which is why this camp is so valuable in answering questions and knocking down any myths early for the students so they can be successful if this is the path they choose," said Rodel.

Kelly Brenton, Social Performance Manager, coordinated the De Beers portion of the program and described the participants as "sponges ... soaking it in all in."

"It was a powerful time," she said. Whether it was learning to code a robot's movement or viewing Saturn and its iconic rings through a telescope, "they learned a lot."

DE BEERS GROUP SPONSORSHIP DOUBLES ATTENDANCE AT STEM IMPACT CAMP FOR INDIGENOUS GIRLS



Sisters Madison and Emerson Beck attend the IMPACT Camp for Indigenous Girls at the University of Waterloo, participation funded by the De Beers Group.



Employees gather for dinner in the dining room at Gahcho Kué Mine.

YOUR VOICE

De Beers Group provides a confidential and secure mechanism to enable employees, suppliers, business partners and other stakeholders to raise concerns about any potentially unsafe, unethical or unlawful conduct, especially actions that are misaligned with our company values, provided below.

This is an independently managed program.

Concerns can be raised about, but are not limited to, the following:

- Safety
- Bribery
- Fraud
- Violence
- Abuse
- Harassment
- Bullying

All complaints made in good faith will be fully investigated and the outcomes reported back. People can raise complaints anonymously using enhanced technology to protect personal information.

CONTACT INFORMATION

www.yourvoice.debeersgroup.com

Telephone: 1-855-303-7713

OUR VALUES



PUT SAFETY FIRST

We consider all risks to people and the environment before proceeding with any activity. We address risks before beginning any activity, even if this means stopping a task. Zero Harm is always our goal.



BE PASSIONATE

We are exhilarated by the product we sell, the challenges we face and the opportunities we create.



SHOW WE CARE

The people whose lives we touch, their communities, nations and the environment we share, all matter deeply to us. We will always think through the consequences of what we do so that our contribution to the world is real, lasting and makes us proud.



BUILD TRUST

We will always listen first, then act with openness, honesty and integrity so that our relationships flourish.



PULL TOGETHER

Being united in purpose and action, we will turn the diversity of our people, skills and experience into an unparalleled source of strength.



SHAPE THE FUTURE

We will find new ways. We will set demanding targets and take both tough decisions and considered risks to achieve them. We will insist on excellent execution and reward those who deliver.



An employee with a drilling contractor puts a core sample into a box at Gahcho Kué Mine in early 2018. De Beers Group and joint venture partner Mountain Province Diamonds have invested in a brownfield exploration program to try to expand the resource at Gahcho Kué, potentially extending the life of mine.



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