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PARTNERSHIP AGREEMENTS



The Minerals and Metals Sector of Natural Resources Canada promotes the participation of Aboriginal communities in minerals and metals activities across Canada by sharing information on Aboriginal industry leading practices.

Diavik Diamond Mine

The Project

The Diavik Diamond Mine (Diavik) is an unincorporated joint venture between Diavik Diamond Mines (2012) Inc. (a Rio Tinto company) and Dominion Diamond Diavik Limited Partnership, both headquartered in Yellowknife, Northwest Territories. The mine is 300 kilometres (km) northeast of Yellowknife and consists of three kimberlite pipes. The mine is on a 20-km² island under the waters of Lac de Gras. Construction of the mine started in 2000, and commercial production of the mine's rough diamonds commenced in January 2003. Mining operations are expected to continue beyond 2020.



Signed Agreements

In 1999, Diavik entered into a Socio-Economic Monitoring Agreement with the Government of the Northwest Territories to formalize its commitments to provide training, employment, scholarship programs and business opportunities to local Aboriginal peoples. This agreement was ratified through individual Participation Agreements negotiated with each of the five signatory Aboriginal groups, including the Tlicho Government (formerly Dogrib Treaty 11 Council), Yellowknives Dene First Nation, the North Slave Metis Alliance, the Kitikmeot Inuit Association, and the Lutsel K'e Dene First Nation.

Employment and Training

At the end of 2013, Diavik employed 997 people of whom 485 lived in the Northwest Territories

or West Kitikmeot region of Nunavut. Of the 485 northerners, 171 are northern Aboriginal. To increase its Aboriginal work force, Diavik adopted an Aboriginal Employment Strategy in 2004 that focuses on pre-employment initiatives, recruiting, employee retention, and employee development initiatives.

This strategy has enabled Diavik to operate a Workplace Learning Centre at the mine site and to coordinate the development of training and apprenticeship programs. Since 2003 a total of 35 apprentices have successfully completed their apprenticeships at Diavik and achieved journeyman certifications from the Government of the Northwest Territories. In 2010, Diavik committed to add 86 new apprenticeships through to 2020 and

currently the program supports 27 apprentices of which 14 are Aboriginal.

Diavik has supported the Mining Industry Human Resources (MiHR) council's national standardized certification program since it was launched in 2011 by serving as a pilot site. Since then, 96 employees have achieved certification as underground miners, mineral processors and workplace trainers. The training department at the mine site is working with the underground miners to assist and support them in completing the accreditation requirements.

Furthermore, the company developed the Aboriginal Leadership Development Program which is based on the company's leadership competencies and matches participants with a manager who acts as a mentor. The program is built around the Southern Alberta Institute of Technology's Applied Management Certificate program and has transitioned to the Aurora College in Yellowknife.

Economic and Business Development

Diavik recognized its significant role in creating new and long-term business opportunities that can lead to increased capacity for the local business community. As a result, Diavik has entered into several long-term-operations labour contracts with Aboriginal and northern businesses that supply over one third of its work force. Diavik works closely with Aboriginal-owned companies to assist them in building capacity so they are better positioned

to pursue potential future business opportunities. Capital and business spending on construction and operations expenditures reached \$6 billion from January 2000 to June 2013. Of this, \$4.3 billion was spent through northern companies and of the \$4.3 billion, \$2.3 billion was with Aboriginal businesses.



Diavik, as a four-time Canada's Top Employer, was recognized in 2011 as a leader in Aboriginal relations and was re-certified with the prestigious Gold level of achievement under the Canadian Council for Aboriginal Business's Progressive Aboriginal Relations program.

Community Investment

Diavik's investment in community consultation and capacity building is evident from the initial planning stages of the Diavik Diamond Mine.

The company initiated Cultural Awareness, Community Well-Being, and Employee Wellness programs. Diavik worked closely with each of the five parties to the Aboriginal Participation



Agreement when developing these programs to ensure project-related cultural and employee/community wellness issues would be addressed in a sensitive and meaningful manner. The Cultural Awareness program, for example, was designed by four well-known Northern Aboriginal teachers and includes cultural and drug and alcohol awareness workshops; mine tours for Aboriginal elders, women and students; and comprehensive community relations programs, including financial donations and scholarships.

Each year, Diavik invests \$5 million in local communities through sponsorships, scholarships and other community initiatives. Through to 2013 more than 1500 people in the Northwest Territories and Nunavut's West Kitikmeot region have received more than \$2 million in scholarships. In 2012, Diavik, in partnership with the Yellowknife Community Foundation, announced a \$25,000 scholarship fund, and in 2013, \$35,000 was added to the fund.

Environmental Protection

Diavik has entered into an Environmental Agreement with local Aboriginal groups and the federal and territorial governments. Concluded in March 2000, the agreement formalizes Diavik's environmental protection commitments, establishes reclamation security requirements, and provides transparency and oversight to local communities. Diavik's adaptive management and customized prevention programs are designed to protect the local environment. Included in the environmental management system is protection for caribou and other wildlife, as well as water and fish habitat.

Diavik has established an Environmental Monitoring Advisory Board that is comprised of First Nation groups that are affected by the mine, governments and Diavik.

Diavik constructs a wind farm

Diavik now operates the world's largest wind-diesel hybrid power facility and is the global leader in cold climate renewable energy.

With several years of studying renewable energy resources, planning and feasibility studies, Diavik has completed construction of the first large-scale wind farm in the Northwest Territories. Four 2.3-megawatt turbines were constructed in 2012 with a capacity of 9.2 megawatts. The wind farm, which has achieved peak power penetration of 52 percent (one half of the mine's energy needs), began delivering power to the mine's grid on September 28, 2012.

Over its first year, the wind farm resulted in a diesel offset of 3.8 million litres. Average power penetration is 7 percent with the target being 10 percent. The challenges of the first winter included frost build-up on the blades, lubrication and electronics operations in extreme cold. These challenges were resolved and the wind farm is gaining ground on the 10 percent target. This facility is operational to -40°C. Before the wind farm was commissioned, Diavik relied on diesel fuel for all its energy needs. Greenhouse gas emissions will be reduced by approximately 12 000 tonnes, or 6 percent of emissions. By diversifying the energy mix at the mine, Diavik is offsetting some of the risks associated with reliance on diesel, which is transported only on the annual, seasonal winter road.





Moving Forward

Diavik's vision is to be Canada's premier diamond producer, creating a legacy of responsible safety, environmental and employee development practices, and enduring community benefits.

In September 2012, with the conclusion of open-pit mining, Diavik safely and successfully completed its transition to an all underground mine. With its investment in its underground mine, Diavik ensures local training, employment and business benefits will continue to 2020 and potentially beyond. The transition began in 2007 when underground mine construction funding was announced by owners Rio Tinto and Dominion Diamond Corporation.

Total investment to construct the underground mine was approximately \$800 million. The underground mine construction required several kilometres of

tunnels, rescue bays, ventilation and dewatering systems, and maintenance areas. Related surface works included construction of a backfill plant as well as infrastructure to double the power generation and water treatment capacity. In 2013, Diavik's first full year of production as an all-underground mine, nearly 2 million tonnes of ore were mined, which produced 7.2 million carats of rough diamonds.

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Cat. No. M34-20/1-2014E-PDF (Online)
ISBN 978-1-100-23165-5

Aussi disponible en français sous le titre :

Ententes de partenariat : La mine de diamant Diavik

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