

The background image shows a mining camp with several white canvas tents with blue roofs. The tents are situated on a grassy, rocky plain. In the distance, a body of water is visible under a dramatic sunset sky with orange and pink hues. A large, dark, wavy line is drawn across the bottom right corner of the image.

RioTinto

Preparing for Closure

Socio-economic effects and mitigations update
City of Yellowknife Governance and Priorities Committee

April 2023

Presentation Overview

- Diavik at-a-glance
- Identified impacts of closure
- Mitigations proposed by Diavik
- Working together and Next Steps

Diavik at a glance

- Began operations in 2003
- Located on a 20 square kilometre island on Lac de Gras, neighboring Ekati, and 300 km northeast of Yellowknife.
- Four Kimberlite pipes: A21, A418 (now complete), A154 North and A154 South.
- 1,230 employees, 517 Northerners.
- Participation Agreements with five communities.
- Signatory to the Environmental Agreement and the Socio-economic Monitoring Agreement with GNWT and PA communities.
- Rio Tinto became sole owner of Diavik in 2021, assuming all responsibility for operations and closure.
- Serviced annually by Tibbitt to Contwoyto Winter Road Joint Venture.



Diavik over 20 years

- Diavik has spent \$9.8 billion between 2000 and 2022, \$3.6 billion spent with Northern Indigenous businesses.
- Over 142 million carats in total rough diamond production 2003-2023. Also produced single largest diamond in North America.
- Has provided 25 million Northern employment hours.
- Diavik contributes nearly 10% of NWT GDP. In 2019, the entire NWT diamond industry produced 24% of NWT GDP.
- Over the past two decades at Diavik there have been 96 graduates from the Northern Leadership Development Program; 1780 scholarships have been provided totalling more than \$4 million.
- First mine in NWT to operate wind-powered turbines in subarctic conditions, offsetting approximately 43.4 million litres of diesel use.



Closure and Communities

- Diavik is set to close in Q1 2026.
- Closure socio-economic effects assessments completed in 2017, updated in 2019 and 2021 along with economic forecasting.
- Recognized we needed to understand community perspectives on closure impacts and mitigations. Conducted engagements through 2021-2022.
- Held workshops with 92 participants across four different communities with 12 different groups.
- These groups included PA communities, staff, and leadership, PA Businesses, the City of Yellowknife, and various special interest groups.

“...create a legacy of responsible safety, environmental, and employee development practice and enduring community benefit.”

– *DDMI Vision Statement*



Engagement Word Cloud – What We Heard



Closure socio-economic impacts & proposed mitigations

Effect pathway, impact, mitigation

Loss of Employment

- **Primary impacts** on family finances, local economies, outmigration, wage earnings, job diversity
- **Proposed mitigations:** MyPath program for DDMI employees and northern contractors.

Loss of education and training opportunities

- **Primary impacts** on scholarship/apprentice programs
- **Proposed mitigations:** Continued scholarship support. Maintain apprenticeship program to 2026. Continued support for MTS.

Loss of business contracts/opportunities

- **Primary impacts** on local economies, loss of contracts leaving PA and Northern unviable
- **Proposed mitigations:** Maintain northern and Indigenous contracting priorities. Asset disposal opportunities for communities.

End of Participation Agreement Payments

- **Primary impacts:** Loss of scholarships and community programming in PA communities, increased competition for funds, increased demand on IGO's to make up gaps in programming, loss of funding that support health, wellbeing, and culture.
- **Proposed mitigations:** Transition community contribution funding, TK monitoring programming, PA Closure Addendums

Implement the MyPath Program

Loss of employment will be the biggest direct impact as a result of Diavik's closure. The MyPath Program will provide DDMI employees and northern contractors with the tools necessary to plan for the next chapter of their career.

- MyPath will help people consider options, career paths, and choose the next steps that are right for them, using five pathways: redeployment, continue career, new career, own business, or retirement.
- Elements of the plan include:
 - Development of personalized transition plans
 - Career coaching, career planning, financial planning
 - Skills certification and training programs
 - Retention and severance packages for DDMI Employees
 - Interview and networking training opportunities
- Diavik is committed to working with the GNWT and other mines and Northern businesses to job transition employees through closure to other opportunities in the North.



Education and Training

Diavik has supported education and training initiatives in the north since the beginning of operations. Through closure, we are committed to:

- Continuing our scholarship program through the Yellowknife Community Foundation until 2050 and establishing transition plans with other scholarship partners prior to closure.
- Maintaining our site-based apprentice program until 2026, with plans to transition apprentices to other job placements afterwards if needed, as well as extending the apprentice program post-2026 in communities if there is interest.
- Continued support for the Mine Training Society, including using MTS programs for re-training with the MyPath program.
- Working with Aurora College to continue to support the NLDP program as well as explore future partnership opportunities through the new Polytechnic University.



Transitioning Community Contributions

Diavik provides funds that support education and training, health and wellbeing, culture and community-pride to groups across the NWT and West Kitikmeot Regions. In preparation for closure, we are committed to ensuring:

- Funds to support social transition of larger or longer-term investments.
- Further engagement with community partners/organizations to understand how community contributions have been used and if potential alternative funding mechanisms are needed.
- Continued support for the Copper Wire Project through closure, including the establishment of a legacy Community Contribution fund through the copper resale proceeds.



Develop the TK Watching Program

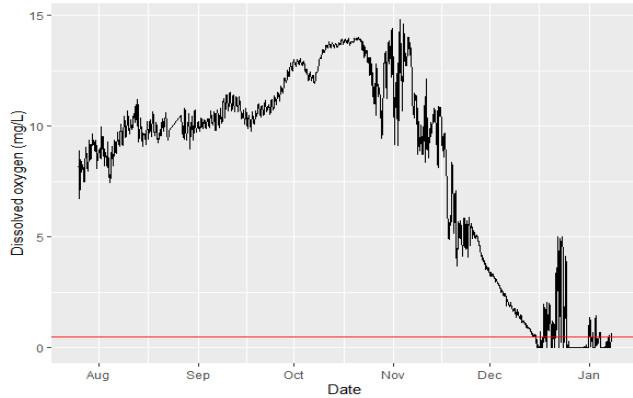
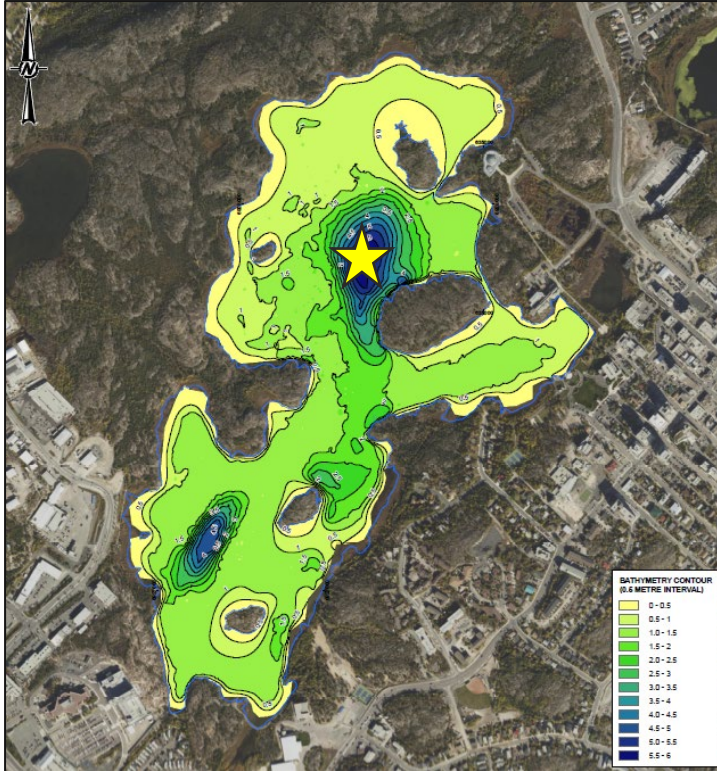
Support for PA groups to work collaboratively to design, manage and implement a community traditional knowledge closure watching program funded by Diavik. Program to last for a period of 10 years or longer.

Program will include (but not limited to):

- Four seasonal (continuous) on-site Indigenous watchers/environmental technicians (FTE) during active closure
- Periodic on-site Indigenous watchers, at least annually, post closure
- Science verification on-site Indigenous observers
- Healing the land ceremonies to be planned with communities at appropriate periods through closure.
- Prioritization of PA candidates for environmental monitoring work and training to ensure these roles are supported in communities ahead of closure.



Frame Lake – Fish Habitat Offset



- Frame lake is “dead” due to zero oxygen winter conditions
- Install an aerator so lake can support a fish population – fish re-introduction if aerator successful
- Significantly increase fish habitat within the City of Yellowknife – opportunity for further revitalization activities (tourism, rental shack)
- Positive impact on everyone who lives in or visits Yellowknife
- Project monitoring and maintenance opportunity for organization with easy access within the City
- Project lessons learned could inform rehabilitation of other lakes with similar human induced oxygen limitations



Supporting Business Opportunities and Regional Economic Development (RED)

Diavik is committed to ensuring that Northern and PA businesses continue to be prioritized for closure business opportunities and promoting RED through closure. This includes:

- Retention of RED resource to support RED activities with communities and governments.
- Continued advance notice and opportunities to split larger contracts into sub-contracts that can be shared across Northern or PA businesses.
- Extension of contracts with Northern and PA businesses through closure as opposed to switching suppliers.
- Annual site tours for asset disposal opportunities and prioritization of asset disposal to northern/PA businesses and/or communities (for resale or donation).
- Continued support for Reimagining Closure and economic study to independently define operating costs of a re-purposed facility at Diavik – expected completion April 2023.



Next Steps

- Diavik would like to work with the City of Yellowknife to explore opportunities to partner on mitigation strategies (existing programs or new)
- What are the City's RED priorities? Other challenges that need to be addressed as we move through mine closure? Who should we work with?
- Diavik is committed to providing regular updates with the City of Yellowknife and being an active participant in the social transition process of mine closure.



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