

ACR Aboriginal Programs Project Program Template

Program Area:	3.0	Business Development
Sub Program:	3.2	Strengthening Business Capabilities
Template:	3.2.5	Northern Business Participation Policy and Program
Sponsor(s):	<i>Diavik Diamond Mines Inc.</i>	

1. Objective

To support the development of Aboriginal and northern businesses, resulting in stronger communities and individuals with increased entrepreneurial, business and technical skills.

2. Description

The owners of the Diavik joint venture - international mining giant Rio Tinto plc and Aber Diamond Corporation - began exploration work in the Northwest Territories in 1992. Diamond discoveries a few years later led to the construction of Canada's second diamond mine, which began production in early 2003. Early in the project's development, the manager of the project, Diavik Diamond Mines Inc., adopted a Northern Business Participation Policy to support Aboriginal and northern businesses during the construction and operation of the mine.

3. Implementation

Diavik's business policy is implemented through a variety of business mechanisms, primarily through contracts to Aboriginal companies and joint ventures.

4. Timeframe for Results

The Diavik diamond mine has a limited life-span. The intention of the Diavik Northern Business Participation Policy and Program is to assist communities to build capacity and skills that will allow them to grow into other contracts and opportunities, both during the life-span of the mine and once the mine has closed.

5. Measurable Criteria

The Diavik Northern Business Participation Policy and Program has resulted in over 70% of Diavik's spending on goods, services and construction being won by northern and Aboriginal companies.

6. Budget

Not identified.

7. Partners and Sponsors

This policy and program has seen a wide range of partners including large and small businesses from the North as well as the rest of Canada, governments and institutions.

8. Experience with the Program

A number of Aboriginal enterprises have been supported, using a variety of business models. A selection includes:

- **Tli Cho Logistics** originated as a partnership between the Dogrib Rae Band's Behcho Ko Development Corporation and ATCO Frontec, combining local Dogrib knowledge with ATCP Frontec's expertise in site services, facilities management, fuel provision and handling. The company, guided by an active board of directors, was structured to give the Dogrib maximum control over personnel and capacity building, and to ensure the conditions of employment reflected Dogrib values and aspirations. Within a year of formation, Tli Cho Logistics was awarded a contract for site services at Diavik. Since 1999, Tli Cho Logistics has provided Diavik with site services including road maintenance, facility management (airport, power house, water and sewage treatment), and oversees fuel handling services. The Tli Cho Logistics workforce has grown from six employees to over 140. In June 2005, Behcho Ko Development Corporation and ATCO Frontec transitioned their joint ownership of Tli Cho Logistics to 100% Behcho Ko ownership, marking a new stage of growth in the young Aboriginal company.
- **Ekati Services** is a diversified company providing Diavik with accommodation facilities, camp management, food and environmental services. It is a joint venture between Deton'Cho Investments North Ltd. and Edmonton-based PTI Group. Since 1996, Ekati Services has been providing camp management services to Diavik, including meal preparation, housekeeping, maintenance, procurement, laundry, administration and other services. Their first project for Diavik was building a temporary 89-person camp and providing catering service. Ekati Services later built the four wings of Diavik's permanent accommodations complex. The company supplied catering and housekeeping services through the entire construction of the Diavik mine, and today provides the same services for mine operations.
- **Denesoline Corporation** is owned by the Lutsel K'e, a Dene band on the shores of Great Slave Lake. The Denesoline Corporation's goal is for economic development of their community. Denesoline is a business development corporation with contracts for firefighting, ice road maintenance, survey stake production, big game hunting and outfitting, and residential construction and other general contracting. Incorporated in the early 1990s, Denesoline has joint ventures with industry and investment equity in other corporations. Denesoline has various interests in the diamond mining industry. In a joint venture with Calgary's Western Explosives, Western provides experience in the manufacture, distribution, transportation and storage of explosives, while Denesoline provides labour and financing. The Western Denesoline Explosives joint venture currently supports Diavik's explosives program by supplying ammonium nitrate prill, operating the emulsion plant and storage facilities, and providing a down-hole service for mining operations.

- **SECURECheck** is a full service, Inuit-owned, security firm operating in the Northwest Territories and Nunavut. SECURECheck has been supplying security services to industry, business and government since late 1997. Their management team has extensive experience in all areas of security and enforcement including intelligence, project management, risk assessment and investigations. SECURECheck was the first in Canada to provide security training in rough diamonds, bringing in diamond experts from Antwerp, Belgium, to train government, industry, and law enforcement professionals.
- **Kitikmeot Cementation Mining & Development** is a new partnership between the Kitikmeot Corporation (KC), the birthright development corporation of the Inuit of the Kitikmeot Region of Nunavut, and Cementation Canada, one of the largest and most respected underground mine contracting companies in North America, and part of the global Murray & Roberts mining group. KC's expansion into underground mine services is a natural progression that will provide further opportunities for the Kitikmeot Inuit and other Aboriginals and northerners to participate in the northern mining industry. The company was recently awarded the contract to carry out the underground development for Diavik's underground feasibility studies, a two-year \$20-million contract.
- **Lac de Gras Constructors** is a joint venture between Peter Kiewit Sons Ltd, a major international mine constructor, and a majority Inuit-owned company, Nuna Logistics. Nuna's involvement with Diavik goes back to its early exploration days, where the company cleared the land and built the exploration camps, the first small airstrip and assisted with the original sampling of the lake bottom. Lac de Gras Constructors provides logistics, construction, contract mining and site services to the mining industry in northern Canada, in particular the expertise required to construct Diavik's water retention dikes, without which there would be no mine.

9. General Applicability

This policy and program are applicable to other companies.

10. Additional Information or Support

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