

Diavik Project on-line for turn of the century

By Carole Belhumeur

Approximately 300-km northeast of Yellowknife in the Northwest Territories, Aber Resources Ltd. (40 per cent) and partner Diavik Diamond Mines Inc. (60 per cent) are engaged in a full engineering feasibility study of their Diavik Diamonds Project.

The study is scheduled for

completion this fall, and will be used to assist the partners in making a final decision on whether they will proceed with the proposed diamond mine.

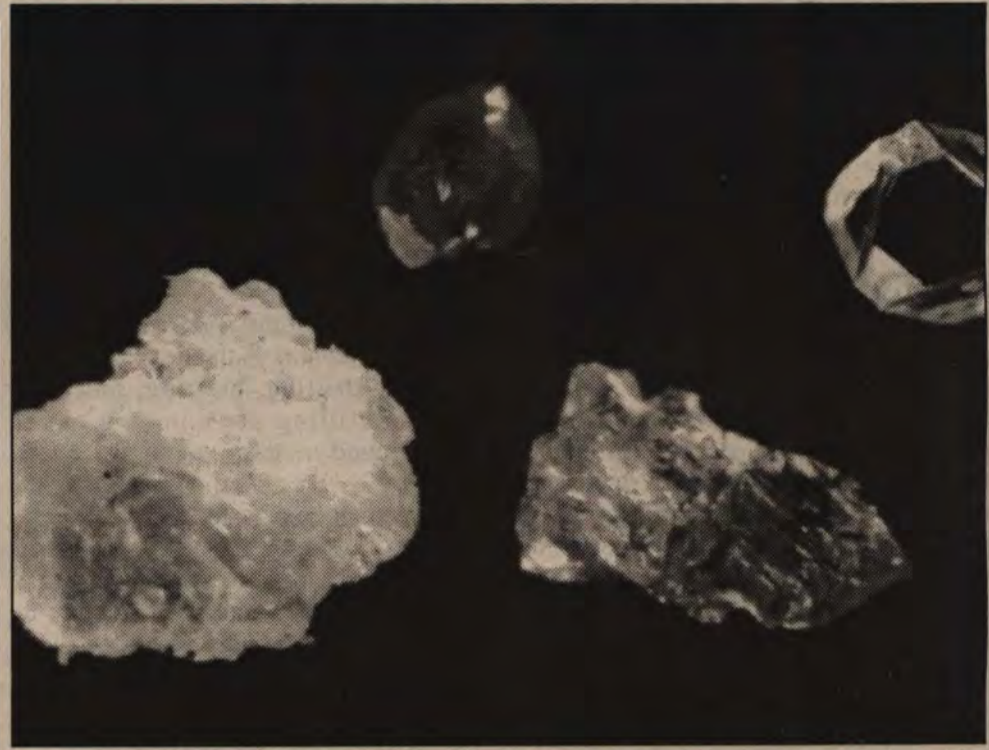
In addition, the partners have filed a Project Description and license applications with the Federal Government, putting into motion the applications for government approvals

under the Canadian Environmental Assessment Act. With positive results from both the feasibility study and the permit applications, the joint venture partners could be mining diamonds by late 2001.

Diavik continues to work closely with the Aboriginal community, and to

Since 1994, Diavik has carried out environmental baseline and pre-feasibility studies.

Together with ongoing consultation with local communities, Dene, Metis and Inuit organizations, non-governmental organizations and various levels of government, the partners have



date has signed cooperation agreements with the Dogrib Treaty 11 Council and the North Slave Metis Alliance.

These agreements are essentially written handshakes affirming the parties agreement to work together in mutual respect, active partnership, and long-term commitment.

According to Diavik President Rod Davey, Diavik recognizes that its project is on land traditionally used by Aboriginal people. Therefore, it is important that we work closely together in developing the mine.

"The Cooperation Agreement is one way for us to show our commitment to building a mutually respectful and beneficial relationship that we intend to maintain throughout the development and mining phase of our project, and even beyond."

The agreements should help reinforce the foundations of trust, which Diavik is establishing with local communities.

developed a pre-feasibility mining plan for the Diavik Diamonds Project.

The Diavik Diamonds Project proposes to mine four kimberlite pipes found under shallow water against a large, 20-square kilometre island in Lac de Gras.

While the pipes are below world average in size, they contain higher than average quantities of high quality and readily marketable diamonds.

This will help offset the higher cost of accessing them by using temporary retaining dikes to isolate the pipes from the lake during mining.

Subject to government approval and positive feasibility results, the mine would employ between 300 and 400 employees.

Annual total wages are estimated to be some \$25 million. It is expected that another 270 jobs will be created indirectly through spin-off businesses. Purchasing of supplies and services is estimated at \$90 million per year.

Furthermore, the mine would provide an estimated \$70 million plus annually to government via corporate taxes, royalties and personal income taxes. These benefits would flow, in large part to the north, throughout a projected life span of from 16 to 22 years.

Reclamation of the site is an important aspect of the project, and will be ongoing throughout the life of the mine.

The Diavik Diamond project has the potential to become a major producer of gem quality diamonds that, with careful planning, can be done in an environmentally sound manner.

At the same time it can provide economic value and opportunities to its joint venture partners, Aboriginal and non-Aboriginal communities, the federal and territorial governments and to Canadians in general.

With the environmental assessment process now underway and the feasibility study scheduled for completion in the fourth quarter of this year, the proposed mine is well on its way to becoming a world class diamond producing operation shortly after the turn of the century.