



Gahcho Kué Project

Human Resource Strategy

Introduction



Combining over 120 years of De Beers’ World class expertise with the elite of the Canadian mining industry, De Beers Canada has built a dynamic and diverse workforce in Canada and we are growing again. This document is a Human Resource Strategy (HR Strategy) for De Beers Canada’s proposed Gahcho Kué Mine in the Northwest Territories (NWT). It builds on our exceptional human resources record in Canada and leverages our competitive positioning as an employer of choice at our Snap Lake Mine in the NWT.

We have made employing Aboriginal and NWT residents a priority here in the NWT, and we have had considerable success, despite a number of challenges we have faced. When hiring workers from the NWT has not been possible, we have encouraged southern workers to relocate to the NWT and we have trained NWT residents to fill important roles.

Building on our successes at Snap Lake, De Beers has developed this HR Strategy, which is designed to optimize NWT resident participation in the Gahcho Kué project. This HR Strategy also builds upon De Beers’ long-term commitments and investments in diamond mining in the North and across Canada. With experience in both underground and open pit mining and with 3 mines in Canada, De Beers will have the critical mass necessary to develop unique and tailored professional development programs.

» Gahcho Kué Mine is an important project to the NWT, as it comes on line as the other two producers (Diavik and BHP) are beginning to wind down. De Beers is preparing to provide opportunities to skilled workers at the Gahcho Kué Mine and this project will play an important role in retaining NWT resident skills.



De Beers’ Purpose

It is important to De Beers Canada that this strategy be completely consistent with its broader purpose as well as guiding statements and policies established for the De Beers Group. At De Beers, we believe that it is very important to be completely transparent about who we are and what is important to us.

De Beers is guided in all of our operations, relationships and especially our day-to-day activities by a set of clear statements that we are committed to. These statements apply fully to our Human Resource Strategy, Policies, Plans, and Commitments. At the end of the day, these statements give us a higher purpose beyond financial goals.

We offer the following with that as our intent.

The De Beers Group has one purpose:

» We are driven to turn “diamond dreams” into lasting realities.

De Beers’ Purpose, Vision and Values

De Beers’ Vision

Corporate Vision

The De Beers Group Vision is intended to provide each and every employee with a meaningful and clear picture of success. It also puts into context each person’s role and helps him or her understand the importance of his or her contribution to the pursuit of better performance. There are big dreams for the De Beers Group. We have an ambitious growth vision focused on:

Unlocking the full economic value of our leadership position across the diamond pipeline.

We will make it a reality by maximizing the potential of our global partnerships, the skills and commitment of our people and the magic and emotional value of our product.

Human Resources Vision

At De Beers, we know and appreciate the skills and commitment of our employees. We understand that our employees are the primary element in making De Beers successful. Following is the De Beers Human Resources Vision:

To establish and maintain human resource practices which contribute to the achievement of the company’s business objective of becoming the leading diamond company in Canada and to ensure and sustain the pride and spirit of its employees.

Corporate Values

In everything we do, we strive to reflect the unique qualities of our product - we call this ‘living up to diamonds’. It means we will:

Be Passionate – We will be exhilarated by the product we sell, the challenges we face and the opportunities we create.

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.

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

Show We Care – The people whose lives we touch, their communities and 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.

Shape the Future – We will find ways. We will set demanding targets and take both tough decisions and considered risks to achieve them. We will insist on executional excellence and reward those who deliver.

De Beers’ Human Resources



Mission

To support the attainment of the company’s business objectives by ensuring that positions are filled by highly motivated employees and that the company maintains its ability to attract and retain talent with above average performance rewards.

Organizational Culture

De Beers Canada is committed to best practice principles and to building a strong organizational culture that is shaped by empowered and inspirational leaders who demonstrate a deep belief in the company’s values. De Beers Canada promotes a culture that will support unity of purpose among all employees to ensure that it remains a world leader in the diamond industry, while contributing to sustainable development of the communities in which it operates.

Commitments

De Beers Canada is committed to:

- o Providing a healthy and accident-free workplace for its employees through frequent review and continual improvement of all safety and health programmes and procedures.
- o Making all reasonable efforts to maximize the quality of work-life balance for employees.
- o Providing equal employment opportunities offering long term careers; valuing and embracing diversity as an element that enhances organizational strength.
- o Providing a work environment that encourages collaborative networks, empowerment, cross-functional team effectiveness and that stimulates broad-based thinking and learning capabilities.
- o Managing in such a way as to generate a climate of opportunity and challenge for each employee within which the individual can effectively contribute to the fulfillment of his/her personal goals and aspirations as well as those of the company.

The Gahcho Kué Mine will achieve these commitments by:

- o Achieving excellence in safety and health management and applying industry best practices.
- o Maintaining policies, procedures and health care strategies that promote the health and well being of employees.
- o Designing systems and programmes that will support human resource development of Aboriginal people.
- o Fostering a clear understanding with each employee of his or her job, accountabilities and expected standards of performance through ongoing constructive feedback and regular and meaningful performance reviews.
- o Encouraging and supporting team concepts and team building techniques to inspire continuous improvement within the work processes.
- o Providing employees with opportunities for promotion and for developing their job knowledge, skills and satisfaction.
- o Developing a culture of mutual support among all personnel characterized by a climate of open communication.
- o Being alert and receptive to new and productive developments in the field of human resource management.
- o Remaining alert and positively responsive to employees’ contributions to the business and to their expression of concerns and needs.



Gahcho Kué Project Opportunities

» \$600-\$650 million
to build the Gahcho Kué Mine

» \$1.3 billion
spent during operations for labour and goods and services

Since 1995, exploration, environmental studies and other work has been underway leading up to the development of the proposed Gahcho Kué diamond mine.

The proposed Gahcho Kué Mine will provide between 360-380 jobs during operations, with just over half of that number required on site at any one time. During the peak of construction about 690 jobs will be available.

De Beers will continue to support the development of a skilled northern workforce, working with government and other partners to provide a range of training opportunities to prepare northern residents for jobs at the Gahcho Kué Mine.

De Beers’ NWT Business Policy ensures that Aboriginal and NWT businesses can participate successfully in our NWT projects. As an example, De Beers has spent more than \$1.88 billion to build and operate our Snap Lake Mine, including \$1.29 billion with NWT companies, of which \$756 million was with Aboriginal companies or joint ventures. NWT businesses are well positioned to continue to provide competitive goods and services to De Beers’ NWT projects and the company looks forward to building on the strong NWT business relationships that have already been established.

Gahcho Kué | What We Propose to Build

What We Propose to Build

Located at Kennady Lake, approximately 280 km northeast of Yellowknife and 80 km southeast of our Snap Lake Mine in the Northwest Territories, the Gahcho Kué Project is a joint venture between De Beers Canada Inc. (51%) and Mountain Province Diamonds Inc. (49%).

Exploration has determined that three kimberlite deposits currently have potential to be mined: 5034, Hearne and Tuzo.

De Beers, as the operator, is committed to building this new mine to high safety standards and with deep respect for the land.

Upon receipt of permits to build and operate the mine, construction is expected to take two years. It is estimated that the mine will cost between \$600 - \$650 million including construction, working and sustaining capital. Depending on the environmental impact review and the subsequent permitting process, the Gahcho Kué Mine could be in construction as early as 2014.

The mine complex will include an accommodation facility with enough rooms to house the 360-380 employees needed to operate the mine and the workers needed for construction. There will also be an administration complex, process plant, maintenance and warehouse facility, a lined and bermed fuel tank farm, explosives storage and manufacturing facilities, and an airstrip capable of handling the aircraft needed to fly workers and supplies to the site.

A 120 km winter road that follows the route established during the exploration phase of the site would be constructed in winter each year, connecting the site to the Tibbitt-Contwoyto winter road near the top end of MacKay Lake



Gahcho Kué | What We Have Accomplished To Date

2005

De Beers applied for a Type 'A' Water License & Class 'A' Land Use Permit; application was referred to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) to complete an Environmental Assessment.

2006

MVEIRB completed the Environmental Assessment and referred the project to an Environmental Impact Review. Camp upgrades including new bulk fuel farm and a new kitchen were completed. Advanced evaluation and baseline studies were ongoing.

2007

Terms of Reference for the Environmental Impact Statement (EIS) were released by the Gahcho Kué Environmental Impact Review Panel. De Beers began work to prepare the detailed EIS document and increased Community Engagement, including site visits, meetings with leadership, lands and wildlife departments, community meetings and open houses, socio-economic baseline data collection and community verification of data. Technical work included a winter core drilling program on Tuzo and land-based large diameter core drilling on 5034.

2008

Bulk sampling program was undertaken to update diamond revenue models. In December, De Beers advised the Panel that the project would be delayed due to the world economic situation and the need to consider further study of the project options.

2009

In July, De Beers signed a new Joint Venture Agreement with MPV (DBCI 51%, MPV 49%). In August the JV partners commenced a \$10 million Project Feasibility Study.

1995

5034 pipe discovered by Mountain Province Mining Inc. and partners (MPV group).

1997

De Beers Canada formed a joint venture with the MPV Group; Tuzo & Hearne pipes were discovered; project name was changed to Gahcho Kué, which means in Chipewyan "a place where there are big rabbits or hares".

1997-2003

Tested the kimberlite by core and large diameter drilling, mini-bulk sampling and environmental studies.

2004

Started Gahcho Kué Project Study and commenced environmental work to support an application for a Class 'A' Land Use Permit and a Type 'A' Water License.

2004-2005

Geotechnical studies were undertaken including drilling at site to investigate pit geo-hydrology, geotechnical, civil engineering and ore processing characteristics.

2010

Collection of baseline data continued. Community Engagement recommenced in July 2010 with site visits. In October the Definitive Feasibility Study was delivered to Joint Venture Partners for evaluation. Environmental Impact Statement (EIS) was filed with the Gahcho Kué Environmental Impact Review Panel on December 23.

2011

Joint Venture partners, after reviewing and clarifying, approved the project feasibility study in June and set about to produce a plan and budget for development of the proposed mine, to be used to make the final investment decision to build the mine. In July, the EIS was declared to be in conformity with the Terms of Reference for the Environmental Impact Review. The Gahcho Kué Environmental Impact Review Panel set the work plan for the EIR process. A decision from the panel is expected by July 2013.

2012

In February, community workshops were held with Aboriginal groups close to the project, including sessions in all four Tlicho Communities, Dettah and Lutsel K'e and with the North Slave Métis Alliance and NWT Métis Nation. The first round of Information Requests were issued in January and De Beers has responded to all of those information requests. In March a Traditional Knowledge Study Agreement was signed with the Deninu Kué First Nation. The Gahcho Kué Panel held technical sessions in May and the second round of Information Requests commenced in July. In August, the Tlicho Traditional Knowledge Study was submitted to the Gahcho Kué Panel and De Beers held site-based workshops with Aboriginal communities at the Gahcho Kué project site. The public hearing will be held the first week of December.

Gahcho Kué | What We Know

Kennady Lake, the site of the proposed Gahcho Kué Mine, is one of thousands of small lakes on the barrens. At 792 Hectares in size, Kennady Lake is only one per cent of the size of Lac de Gras – which is where BHP Billiton’s Ekati Mine and Rio Tinto-Harry Winston’s Diavik Mine are located. Protecting water quality and ensuring the land and lake can be returned to as close to a natural state as quickly as possible after the end of mining are the key principles on which the Gahcho Kué Project plan has been developed.

We know that the kimberlite deposits are pipe shaped, steep sided and occur mostly under Kennady Lake, which is about eight metres deep on average. Because of their shape and size, open-pit mining is the best method to access the kimberlite.

There are also many challenges in developing a new mine. These challenges relate to environmental and social concerns as well as human resource and operational issues. De Beers has undertaken extensive planning to mitigate any negative impacts of the proposed Gahcho Kué Mine.

Managing human resources wisely means knowing the value and importance of our employees to the company’s success. Employees who are skilled, motivated and proud to work for us is critical to the achievement of our business objective to become the leading diamond company in Canada.



Human Resources | The Jobs are Coming

The NWT’s economy picked up substantially as diamond exploration and then diamond mine development and production followed the discovery of diamonds at Lac de Gras in 1991. Coincidentally, this economic upsurge came at the same time as gold mines were closing in the NWT. With BHP and Diavik looking at winding down their operations in the coming years, it is timely that De Beers is planning the development and operation of the Gahcho Kué mine. Workers who have enjoyed the many benefits of working in the diamond mining industry in the NWT can look forward to more years of employment as Gahcho Kué gets underway. This is a particularly important development for NWT resident workers who have gained many skills while working for existing diamond mines.

The Gahcho Kué mine will provide between 360-380 jobs during operations and up to 690 jobs during construction.

De Beers Canada has significant experience in human resource planning for our existing diamond mines and we know that we cannot rely on existing well-trained employees to join us at Gahcho Kué to fill all of our employment requirements. We have a long-term plan, as we did with the Snap Lake Mine and Victor Mine, and we understand the extensive requirements for us to recruit and develop a new workforce through partnerships and collaborative efforts. These efforts will include recruitment and retention, training and development, and human resource sharing between our other diamond mining operations to grow capacity in our exisitng workforce. We know that this Human Resource Strategic Plan is critical to ensure effectiveness and efficiency of our operations at Gahcho Kué Mine. This plan includes analysis of our strengths and weaknesses and it identifies our opportunities. Our strategies are targeted to eliminate or mitigate our weaknesses, take advantage of opportunities and capitalize on our strengths.

» 360-380 jobs
during operations

» 690 jobs
during construction



Where Are We Now? | Strengths

Labour Force Potential

In June 2012, Statistics Canada estimated that 22,600 out of 32,000 residents 15 years of age and older were employed in the Northwest Territories, representing an employment rate of 70.6%. When this figure is broken down relative to Aboriginal participation we can see that there is still an untapped labour market within Aboriginal communities. Non-Aboriginal residents are employed at a rate of 84% while Aboriginal residents of the NWT are employed at a much lower rate of 54 %. (NWT Bureau of Statistics - NWT Labour Force Activity - June 2012.)

Community unemployment rates are still high in the NWT. For example, in 2009 the Tlicho Region, had an unemployment rate of 23.3% compared to 5.6% in Yellowknife. (2012 GNWT Bureau of Statistics: Community Indicators.) While this number represents a negative social indicator it is also an indication of an untapped potential labour force. While many of the individuals represented by this statistic have significant barriers to employment, there are opportunities to assist some individuals within this group to become job-ready.

Aboriginal employment in the three NWT diamond mines was 850 employees in 2008, 25% of the total employment in these mines.

Aboriginal communities are often viewed as a major source of Canada's future labour market. The NWT has many Aboriginal communities in the same geographic location as its mining operations. Many Aboriginal Northerners have taken advantage of the many occupational opportunities available to them at NWT mines. There are many success stories of Aboriginal Northerners acquiring jobs at Snap Lake and other mine sites and thriving - providing long term and

sustainable benefits for themselves, their families and their communities. The availability of this workforce is an opportunity for the Gahcho Kué Mine.

The availability of workers who have worked for Snap Lake and/or other NWT mines is a definite strength as De Beers plans its recruiting efforts. In addition to having experienced workers Aboriginal communities are now seeing a new generation of younger workers wishing to follow in the footsteps of their parents and secure quality jobs in northern mines. The employment culture has changed in Aboriginal communities in the past 15 years with the development of diamond mines. The expansion of diamond mining through the Gahcho Kué Mine will continue to support aspirations of northern youth to gain meaningful employment.

Corporate Culture

De Beers Canada has significant experience in working in northern situations where human resource challenges are the norm. Both in the NWT and northern Ontario, the human resource planning anomalies present obstacles that are unique to each of our two Northern projects. De Beers has developed a corporate culture that works well in this environment. De Beers works collaboratively with Aboriginal communities and insists upon fairness and respect for all employees. Our corporate culture, with our Vision, Mission and Values as examples, is inclusive and welcoming.

Having an established corporate culture, that works in and for the North, and especially for Aboriginal Northerners well positions the Gahcho Kué Mine for targeted recruitment that will support the company's growth in the NWT.

Community Relations

De Beers Canada has been involved in the NWT for more than a decade and has developed many contacts in communities throughout the North and particularly with those communities in close proximity to the Snap Lake Mine. We have worked hard to maintain positive community relations and have created and/or sponsored many programs and services, which directly benefit northern communities. The building of new things always starts with a firm foundation and we have already put that foundation in place for our existing operations in Canada, including in the NWT. The pillars of this foundation include our investment in the Kimberlite Career and Technical Centre in Yellowknife, support for events and activities developed in partnership with Aboriginal communities as part of Impact Benefit Agreements (IBA's), our Books in Homes Literacy Projects, our annual Scholarships, Apprenticeship and other Trades Training Programs, our financial support for and partnership with the Mine Training Society (MTS) and our support and sponsorship of many community events and projects. De Beers has been a significant contributor towards the positive development of Northern individuals, families and communities. We are proud of our contributions and of the relationships that we have developed with individuals and community leaders across the NWT. These relationships provide us with a very positive base from which to build our Gahcho Kué Mine.



Existing Human Resources

De Beers will have at least three Canadian diamond mines once Gahcho Kué goes into production. This creates an opportunity to share our expertise and resources between projects. Mobility of our workforce will be an important part of our successful human resource strategy. The existence of established operations enables us to consider earlier training opportunities for NWT residents, allowing us to place new Gahcho Kué employees at other locations first where they can train under experienced workers who are familiar with De Beers' policies and procedures. In addition, we will be able to leverage the investment in training our employees at other sites, moving some experienced workers to our Gahcho Kué Mine to lead and supervise in our new Gahcho Kué Mine while paving the way for new leaders to emerge in our other operations. The opportunity to share our experienced human resources between projects provides De Beers with a valuable opportunity to avoid mistakes and to apply much of the positive knowledge that we have gained from our established projects.



Where Are We Now? | Strengths

Existing HR Systems and Organization

A challenging labour market situation existed when De Beers began its recruiting for Snap Lake Mine in 2005. We had a recruitment strategy that dealt with the unique characteristics of the existing labour market at that time. Early in Snap Lake's life and still today, we know that critical professional positions prove difficult to staff and that extra measures will be required in this area. In spite of these challenges, De Beers' Snap Lake Mine has been able to train, recruit, develop and retain the workers we need, including 37% of our workforce from the NWT.

Along the way, De Beers has developed human resource systems, procedures, policies and programs that all serve to make our operations run smoothly and efficiently. These same systems will be used at the Gahcho Kué Mine and this will allow De Beers to 'hit the ground running' with well-established and effective human resources processes. Recruitment systems are in place, community contacts are established, training programs are developed and are being delivered, retention programs are established, pick-up point transportation arrangements are in place, strategies to maximize NWT resident employment have been tested and applied and community support initiatives have been implemented.

Recruiting a workforce for a new mine is a complicated recipe. It is not insignificant that De Beers does not have to "put this recipe together from scratch." We have already designed and developed our human resource systems, tools and procedures. We need only apply these tools strategically to address the unique labour market we will face when we commence recruitment.

Existing Education, Training and Human Resource Partnerships

Secondary school graduation rates in the NWT have increased from 36% to 56% since the discovery of diamonds in 1991¹.

The NWT has K-12 schools, Aurora College, the Kimberlite Career and Technical Centre, the Mine Training Society (MTS) and a few other private training organizations. De Beers has well established relationships with these organizations. We recognize that excellence in training means we need to be a partner. As we develop the Gahcho Kué Mine and begin the process of recruiting, training, hiring and then developing our staff, our plan will build upon all of these partnerships. We will use existing programs where they continue to be valuable success factors, and we will negotiate and develop new programs where new skills are needed. We will continue to encourage our employees to upgrade their knowledge and skills through our twice annual performance appraisals and development discussions. All of this expansion of current relationships with education and training organizations will be made much easier because of the relationships and agreements are already established.

¹ (Learning Together: An Aboriginal Approach to Mining Relationships - <http://learning-together.ca/2012-conference/fact-sheet-for-northwest-territories/>).

Where Are We Now? | Weaknesses

Skill Shortages in the North

Labour shortages continue to exist in the NWT. As Nunavut's mining industry continues to expand, the labour shortage across the North will become even more acute. In addition, mining and oil and gas developments in Yukon, Saskatchewan and Alberta will have direct and significant impacts on the labour shortage in the NWT.

The NWT labour force grew from 21,000 in 2001 to 23,000 in 2011 (11%) with unemployment varying between 8.1% (2010) and 4% (2007) during that period. Unemployment was 6.3% in March 2011 ².

» 4%
unemployment in 2007

» 8.1%
unemployment in 2010

» 6.3%
unemployment in 2011

Competitive Labour Market

Labour generally, and especially skilled labour is in short supply. This competitive situation has already seen employers travelling internationally to recruit skilled labour.

Alberta will continue to have a labour shortage as the oil sands increases production over the next 10 years. Alberta is anticipating a shortage of 77,000 workers ³.

The Government of Saskatchewan has reported that the province will require thousands of skilled employees in the coming decade. The province has begun efforts to recruit skilled labour internationally.

Thirty companies from Saskatchewan recently went to Ireland to recruit 275 skilled worker positions ⁴.

In the NWT, the Prairie Creek Mine is preparing to proceed. Canadian Zinc is planning to begin construction of the mine in 2013, pending final approvals and licensing. This mine is expected to employ approximately 220 employees and the mine has a life of approximately 15 years.

Avalon Rare Metals are progressing with the development of their mine at Thor Lake. The mine is planned to come into production in 2016 and will employ approximately 270 workers during its 18-year life.

³ <http://www.workingin-canada.com/news/38032/construction-shortage-hits-home-in-canadas-west>
⁴ http://www.hrsdc.gc.ca/eng/workplaceskills/labour_market_information/monitors/sk-sk-imm-201203.pdf

² (Labour Market Information Division, Service Canada, April 2011).



Limited Training Opportunities

The NWT MTS, the Government of Canada, the Government of the Northwest Territories Department of Education, Culture and Employment, Aurora College, Aboriginal organizations and various private agencies and employers (including De Beers Canada) have all developed and delivered training programs designed to help fill the skilled worker gap in the Northern mining labour force.

There is still a demand for more education and training programs specifically designed and targeted to meet the demands of the mining sector. Journeypersons are still needed in many of the Red Seal Trades occupations across the North.

High School Graduation Rates Need to Increase

There is still much work to do to encourage youth to stay in school and complete Grade 12 as well as to go on to complete post-secondary education and participate in various training programs. This will take dedicated long-term planning and investment and targeted initiatives that begin at the earliest stages of development. The GNWT has the challenge and responsibility of providing basic education (K-12) as well as certified post secondary education.

De Beers is hopeful that the GNWT will invest and create more programs and initiatives that succeed in encouraging Northern youth to stay in school and complete grade 12.



Employment

The Gahcho Kué Mine will provide significant employment and business opportunities in the NWT as well as for residents from other territories and provinces. Based on the NI 43-101 Feasibility Study for the Gahcho Kué project, the life of Gahcho Kué mine is expected to be 11 years. The comparison to the mine-life of other diamond mines in the NWT (Diavik - 2022, Ekati - 2019, and Snap Lake - 2028) ⁵ suggests that the Gahcho Kué Mine will provide direct employment at the site and indirect employment through business contracts beyond the closure date of two of the existing three diamond mines.

'Doing it Better' - Building on our Snap Lake Experience

Diamond mining in Canada's remote North is complex at the best of times and recruiting for a highly skilled workforce when there are difficult labour market conditions means we have our work cut out for us. We are building on seven years of experience in the NWT with recruiting for both the construction and operation of the Snap Lake Mine and we are up for the Gahcho Kué human resource challenge. Creating and implementing recruitment and retention strategies for our Snap Lake Mine have provided us with learning, methods, products, tools, policies, procedures and protocols that work. These are underpinned by the experience of our northern based human resources team, who are mapping out the details for our Gahcho Kué Mine. Building upon our systems, relationships, materials, contacts, contracts and agreements, and growing our Human Resources team upon approval of the Environmental Impact Review, we will be ready get Gahcho Kué Mine up and running in an efficient and organized manner.

⁵ www.infomine.com

Where Are We Now? | Opportunities

Finding New Ways to Work with Communities

De Beers is particularly proud of the associated socio-economic benefits that we have been involved with in the NWT related to our Snap Lake experience. This has been a significant benefit to NWT communities. We have created many quality jobs directly with De Beers in the NWT. We have contracted many businesses in the NWT, providing indirect jobs. We have sponsored many events and projects in NWT communities. We are particularly proud of the educational and cultural projects that we have directly or indirectly supported. These include our Books in Homes Project and our Cultural Awareness Program.

We have an opportunity with the Gahcho Kué Mine to enhance and improve upon our experience in the NWT to date. We can build upon our successes, learn from our mistakes and provide even greater benefits to the NWT, its communities, and its residents. We have developed many positive relationships with political and administrative leaders in NWT communities. We are planning to build and expand upon these positive relationships and enhance the benefits to communities through the Gahcho Kué Mine.

Generating More Interest in Training Positions

Through experience, residents of the NWT and especially residents from the smaller communities, are realizing the importance of education and training. They are realizing that more training and more education means access to more job opportunities, better pay and greater benefits. The Tlicho region is seeing great success in sending young adults to post secondary education programs ⁶. The Tlicho Government is stressing the need for professionals from within their communities. Community leaders are encouraging youth to become health professionals

⁶ <http://www.hltss.gov.nt.ca/english/news/prDetails.asp?ID=917>

and engineers. Mines and other companies, including De Beers, are providing scholarships to young Northerners to encourage them to complete grade 12 and advance to college and university programs. For every additional year of education, the chance of re-employment inches up two to three percentage points ⁷.

Aboriginal leaders across the North are promoting, more and more, the value of education and encouraging their youth to stay in school and reach their maximum academic potential.

As these NWT graduates return to the NWT they will become role models for other youth. De Beers will continue to work with communities, schools and governments to promote participation in training and education programs. There is an opportunity to encourage youth in the North, especially Aboriginal youth, to complete post secondary programs and aspire to very rewarding jobs and careers at the Gahcho Kué Mine. De Beers plans to take advantage of this opportunity through enhancements it will make to its NWT Scholarships in 2013.

⁷ <http://digitaljournal.com/article/281226>

Training is Needed to Prepare and Advance NWT Residents



More Training Is Needed

De Beers has already exceeded its NWT resident training commitments for the Snap Lake Mine, and the Gahcho Kué Mine creates another opportunity where more training can be done to develop Northern skill sets and to put more Northern residents to work. More can be done. There are many vocational categories and positions within various skill levels. At the Gahcho Kué Mine, the following jobs noted in the table to the right, will be available for the operations phase of the mine.

Generally, the higher the education, training, knowledge and skill level of the worker - the higher the occupational level and remuneration that can be achieved. Through performance management, De Beers will assist all of its employees to grow, advance and achieve the highest levels of job classification and job satisfaction possible, matching skills to opportunities and identifying training and development that will support this end goal. For NWT residents, De Beers will organize, develop, partner and deliver literacy initiatives, education and training

programs, and will have training support programs in place to support advancement of NWT residents. Our approach will be to put in place partnerships that support training people for mining specific careers and to contribute to the general educational advancement of NWT residents through scholarship programs and professional development opportunities.



Training is Needed to Prepare and Advance NWT Residents

Gahcho Kué Planned Positions by Skill Category

Position	# of Positions (Operations Phase)	Category	Position	# of Positions (Operations Phase)	Category	Position	# of Positions (Operations Phase)	Category
Mining & Maintenance Manager	1	Management	Technical Services Manager	1	Management	Security Supervisors	2	Skilled
Mine Coordinators	2	Skilled	IT - Communications Specialists	2	Skilled	Security Personnel	16	Semi-Skilled
Mining Team Leaders	4	Skilled	Senior Mine Engineer 4x3	1	Professional	Materials Superintendent	1	Skilled
D&B Team Leaders	2	Skilled	Long Term & Business Planner	1	Professional	Purchasing Coordinators	2	Skilled
Administrative Assistant	5	Semi-Skilled	Planning Engineers	2	Professional	Contracts Coordinator	1	Skilled
Shovel Operators	8	Semi-Skilled	Drill & Blast Engineer	2	Professional	Camp/Travel Administrative Assistant	2	Semi-Skilled
793 Truck Drivers	28	Semi-Skilled	Surveyors	2	Skilled	Logistics Operators	4	Semi-Skilled
777 Truck Drivers	8	Semi-Skilled	Mine Technicians	2	Skilled	Logistics Personnel	2	Semi-Skilled
Excavator Operator	4	Semi-Skilled	Geologist/Geotechnician	2	Skilled	Warehouse Personnel	4	Semi-Skilled
FEL Loader Operators	8	Semi-Skilled	Process Plant Manager	1	Management	HR and Training Superintendent	1	Skilled
Track Dozer Operators	12	Semi-Skilled	Process Plant Coordinator	2	Skilled	HR Coordinator	2	Semi-Skilled
Grader/RTD Operators	4	Semi-Skilled	Senior Metallurgist	1	Professional	Mine Ops HE Trainers	2	Skilled
Drillers	10	Semi-Skilled	Metallurgists	2	Professional	Process Plant Trainers	2	Skilled
Blasters	4	Semi-Skilled	Process Plant Team Leaders	4	Skilled	Training Coordinators	2	Skilled
Blast Helpers	4	Unskilled	Operators	20	Semi-Skilled	Mine Accountants	1	Skilled
Mine Maintenance Coordinator	2	Skilled	Control Room Operators	4	Semi-Skilled	Supervisor/Plant	2	Skilled
Maintenance Planners	2	Skilled	Pump-Tailings Operators	6	Semi-Skilled	Truck Operators	6	Semi-Skilled
Fuel/Lube Truck Operators	4	Semi-Skilled	Sorters	2	Semi-Skilled	Supervisor/Plant	2	Skilled
Maintenance Team Leaders	2	Skilled	Assay-Samplers	4	Semi-Skilled	Truck Operators	6	Semi-Skilled
HE Mechanics	10	Skilled	Maintenance Coordinator	2	Skilled	Mobile Equip. Maintenance	4	Skilled
Electrical-Hydraulic Technicians	4	Skilled	Maintenance & Reliability Planner	2	Skilled	Tire Supplier	1	Skilled
Welders	8	Skilled	Maintenance Personnel 2x2	16	Unskilled	Light Vehicle Maintenance	2	Skilled
Services Team Leaders	2	Skilled	General Manager	1	Management	Medical Contractor	2	Skilled
Crane	2	Semi-Skilled	SHE Manager	1	Management	Camp & Catering Manager	2	Management
Crusher Operators	4	Semi-Skilled	S & H Superintendent	1	Skilled	Cleaning Personnel	12	Unskilled
Excavator Operators	2	Semi-Skilled	Environmental & Permitting Superintendent	1	Skilled	Kitchen Personnel	14	Semi-Skilled
Truck/Bus Drivers 2x2	2	Unskilled	Environment Technicians	4	Skilled	"Offsite Labour"	12	Semi-Skilled
Equipment Operators	4	Semi-Skilled	Permitting Coordinator	2	Skilled	TOTAL	372*	
Electricians 2x2	2	Skilled	S&H Coordinators	4	Skilled	*This total does not include apprentices.		
Camp Maintenance Personnel	8	Skilled	Risk Analyst	1	Skilled			
Labourers	4	Unskilled	Security Manager	1	Management			

Training is Needed to Prepare and Advance NWT Residents



Gahcho Kue Planned Position Skill Category

Category	Total	Percentage
Unskilled	38	10%
Semi-Skilled	211	58%
Skilled	106	28%
Professional	9	2%
Management	8	2%
TOTAL	372	100%

Training Partnerships Are In Place
While De Beers undertakes training projects on its own at times, we realize that the creation of partnerships in training projects is often the best way to proceed. In 2004, before Snap Lake was operational, De Beers lead the sponsorship of the development of the NWT Apprenticeship Study Materials. These study materials were designed to prepare learners to write the NWT Trades Entrance Exam. These materials are extensive and lead learners through Math, Science and Reading Comprehension competencies related to Trades Certification. De Beers also sponsored the piloting of a six-month training program to prepare Northerners to pass the NWT Trades Entrance Exam. This project was in partnership with Education, Culture and Employment, Aurora College, Skills Canada, Genesis Group, and Services Canada. The materials are now used extensively across Canada.

De Beers continued to develop training partnerships. From the start of operations in 2008 through 2011, a total of 64 trainees have worked for De Beers at the Snap Lake Mine. This includes 18 trade’s trainees, 17 apprentices and 29 underground miner trainees. De Beers continued its commitment to literacy, learning and individual development in 2011. Last year, the company offered 318 courses at the mine, attended by 8,954 people, for a total of 12,500 training hours. It is also pursuing a variety of onsite training, including Ontario Common Core for underground miners, for which 69 per cent of its underground miners had completed the basic certification at the end of the year. De Beers also introduced Your Money Matters, an online personal financial training program, in 2011. This program was made available to communities in partnership with Aurora College Community Learning Centres in 7 communities close to the Snap Lake Mine and to all employees at the Snap Lake Mine.



The MTS continues to be a significant De Beers partner and many of the Snap Lake Mine’s underground miner trainees and mineral processing operator trainees have come to the company after graduating from the MTS Underground Miner Training Pprogram or Mineral Processing Operator Trainee (MPOT) program. De Beers has been the key host for site visits and tours at it Snap Lake Mine for the MPOT program, seeing up to sixteen students for each intake visit the mine, tour its process plant and other facilities, speak with employees who previously joined the Company upon graduation from the same program and interacting with other training staff.In 2011, De Beers committed to provide in excess of \$100,000 in funding to the MTS to sustain the MTS and the important work it does while the MTS prepared a pan northern strategy for training and a companion funding proposal to the federal government. De Beers’ financial commitment was companion funding to funds also made available by three other industry partners and this commitment is ensuring the MTS continues to train and develop NWT Residents as we advance the Gahcho Kué Project through the regulatory process.

Training is Needed to Prepare and Advance NWT Residents

In partnership with MTS, De Beers continues to help change the face of mining in the NWT by encouraging females to work in the industry. This is accomplished by promoting female role models in our advertising for training opportunities, by making female employees available in high school career fairs and by setting aside a portion of our scholarship program for females and by encouraging females to apply for scholarships. The plans for De Beers’ proposed Gahcho Kué Project anticipates continued work to train northern residents in partnership with the MTS, NWT schools, Skills Canada, Aurora College as well as other organizations that are interested in partnerships related to training Northern workers. As such, De Beers has recently committed to the MTS, in support of its application to the Skills Partnership Fund.

In August 2012 De Beers confirmed just over \$5 million in support to the MTS for their concept proposal for funding through the Skills and Partnership Fund provided by Human Resources and Skills Development Canada. De Beers committed both in-kind support as well as full-time employment to trainees who participate in MTS-sponsored training programs between 2012 and March 2015. This commitment was made to ensure the longevity of the MTS, a valued training partner to De Beers and the industry as a whole and to position De Beers as a significant contributor to NWT skill development.

Guiding Principles for the Human Resources Strategy

The following guiding principles are statements that provide direction in how we are going to operate in terms of human resource management at the Gahcho Kué Mine. These principles will serve as pillars that support our strategies to recruit, hire, develop and retain employees at Gahcho Kué Mine. These principles will be visible throughout the Gahcho Kué Mine and will be continually reinforced in various orientations and supervisory training events. It is imperative that we ‘walk this talk’.

- Guiding Principle 1:** Value Employees
- Guiding Principle 2:** Work in Partnership
- Guiding Principle 3:** Hire North
- Guiding Principle 4:** Maximize Skill Development and Employee Advancement
- Guiding Principle 5:** Value Diversity
- Guiding Principle 6:** Maintain a Healthy and Safe Workplace
- Guiding Principle 7:** Support Wellness
- Guiding Principle 8:** Support Work/Life Balance
- Guiding Principle 9:** Provide Effective and Efficient Management
- Guiding Principle 10:** Encourage and Promote Northern Residency
- Guiding Principle 11:** Work with Communities
- Guiding Principle 12:** Be Accountable
- Guiding Principle 13:** Be Transparent



The Need for Collaboration

The Role of Industry
Industry has the responsibility to promote employment opportunities that can benefit individuals and communities in the proximity of their projects. For De Beers and the proposed Gahcho Kué Mine, this means working with communities in proximity to the Gahcho Kué Mine as a priority and expanding our efforts across the NWT generally.

Our approach to maximizing choices by NWT residents to work at the Gahcho Kué Project will be a two pronged approach. Our focus on NWT residents will be to match our job opportunities to their skills, focussing our training and scholarship programs on the areas where we have the largest gap in skills for the opportunities we will be providing. Our approach with non NWT residents who have the skills we need will be to encourage them to consider not only working for us, but also to consider moving to the NWT. We will do this with an attractive salary and benefits package and the offer of a relocation package. These initiatives are part of our commitment to optimize the benefits that flow to NWT residents and into the NWT economy. We are prepared and planning through this strategy to undertake initiatives that will create these benefits. We will continue to work with other mines, partner organizations, communities and individuals to convert these plans into realities.

De Beers’ commitment to recruiting, training and retaining NWT residents at our Gahcho Kué Mine is underpinned by numerous policies and procedures that are aimed at positioning De Beers for success in a competitive Canadian labour market. Our salary and benefits packages will be reviewed annually to ensure our company remains an employer of choice for NWT residents and our recruitment strategies, and training and development plans for employees will ensure we are continuing to do our part to build skills capacity in the NWT workforce.

The choice to work and live in the NWT is a choice influenced by more than just the factors in the company’s control. We recognize that we can’t work in isolation when it comes to encouraging NWT resident employment at the Gahcho Kué Mine, but we are committed to doing what we can to support this goal.

The Need for Collaboration



The Role of Government

Governments have a significant role to play in supporting human resource strategies and initiatives developed by NWT diamond mines.

The GNWT has a broader role in leading success in the K – 12 system. The greater the success that the GNWT has in producing grade 12 graduates, the easier it is for individuals to take post-secondary education and training. Success in this area makes it easier for mines to place Northerners in jobs and for Aurora College and the MTS (and other training agencies) to offer higher level training and education programs. Higher levels of academic education will assist mines like the Gahcho Kué Mine to provide developmental programs for existing mine employees from the NWT.

The Government of Canada has played a significant role by supporting and encouraging economic development and labour market development in the North. As an existing funder of the MTS, health and wellness initiatives, Aboriginal organizations' initiatives, and various other developmental initiatives, the Government of Canada plays a huge role directly and indirectly in labour market enhancements and human resource development. Their continued support is critical to human resource capacity building in the North.

Aboriginal government organizations are assuming more and more responsibilities and they are playing a larger and larger role in education, health and wellness and labour market initiatives for their constituents across the North. Advocacy and participation in partnerships to employ, educate and train NWT citizens is a much-needed addition to the efforts to encourage NWT residents to maximize their potential and live healthy and productive lives.

The Role of Communities

Community formal and informal leadership has a responsibility to encourage citizens to live healthy lives and maximize their potential through education, training and employment. Communities can continue to be engaged partners with mines, governments and education and training organizations to foster and promote participation in the NWT labour market. Parents and extended families play an important role in setting children up for success by minimizing school absenteeism, by participating in family literacy activities and by encouraging active participation in learning opportunities at school and ensuring healthy eating and activity choices.

Communities can also play a large role in promoting participating in the wage economy. Mines are great places to work with significant benefits. They offer safe and healthy work environments. Communities can communicate the benefits of mining jobs and everyone benefits.

The Role of Individuals

At the end of the day, seizing opportunities is about the choices people make. It is the individual people who have to take advantage of the many opportunities available to them to gain an education, participate in training programs, live healthy lives and aspire to gain employment in the mining sector or other economic sectors in the North. Employers, governments, and community leadership can set up partnerships and structures and promote participation; however it is the individual who must step up to the plate.

Through collaboration with our partners, De Beers will communicate clearly and directly with individual people and make it as straightforward as possible for them to see an achievable path to access employment at De Beers as well as to gain knowledge, skill and credentials to advance their careers. De Beers will do our best to encourage NWT residents and others to choose a path that leads to employment, personal growth and professional development at the Gahcho Kué Mine.



Addressing Social Challenges

De Beers requires a workforce that is fit to work and we know that it is important for our employees to have healthy communities to go home to when they are off shift. Whether it is through our health and wellness programs in the workplace for employees, or through our contributions to communities close by to reduce negative social trends or increase healthy choices – we will do our part to contribute to the health and wellness of communities near our NWT operations. The following identifies some areas that present challenges for individuals, families and communities in the NWT.

The Need for Collaboration

Health and Wellness

Issues of health and wellness and social well-being are important to the communities close to our proposed project and to De Beers. We have heard about a number of areas as we have engaged communities and governments in discussion about our project. Whether it is substance abuse, poverty, poor nutrition, disease, illness, teen pregnancy, sexually transmitted diseases, mental health, depression, suicide, smoking, gambling, crime, family violence, bullying or homelessness, communities want industry to carefully consider how their mining activity can contribute to improved health and wellness in communities close by.

We will promote a healthy and stable workforce by ensuring all employees participate in a mandatory drug and alcohol awareness program as part of their standard training and development. We will partner with governments and communities to promote healthy choices and to extend promotional prevention and awareness programs to site. Our employee assistance program will provide family counselling services which may include collaboration with social services or community agencies to support employees when off site.

A Coordinated Strategy is Needed

Strategy

The Gahcho Kué Mine will provide close to 400 jobs during operations and close to 700 jobs during construction.

De Beers Canada understands that we have to put in place a coordinated set of tactics to help us recruit, retain, train, develop and manage effective and efficient human resources for our operation at the Gahcho Kué Mine. Our Human Resource Strategy is absolutely critical to our immediate and long term success. We understand that our strategy includes short, medium and long-term tactics. De Beers is prepared to undertake these and has described them in detail in our Gahcho Kué Project Environmental Impact Statement (submitted to the Mackenzie Valley Environmental Impact Review Board on 23 December 2010) and we have provided further clarification in subsequent Information Request Responses as part of the Environmental Impact Review for the Gahcho Kué Mine.

Our Human Resource Strategy is in line with the commitments made by De Beers in the Environmental Impact Statement for the proposed Gahcho Kué Mine and will:

» Support the attainment of the company's business objectives by ensuring that positions are filled by highly motivated employees and that the company maintains its ability to attract and retain talent with above average performance rewards.

» Establish and maintain human resource practices which contribute to the achievement of the company's business objective of becoming the leading diamond company in Canada and to ensure and sustain the pride and spirit of its employees.

At De Beers, we understand the extensive requirements for us to develop a new workforce through partnerships and collaborative efforts. Our strategy necessarily includes significant training, development, recruitment, retention and sharing of human resources between our other diamond mining operations to build capacity and provide growth opportunities.

This Human Resource Strategy represents best practices based on the De Beers' experience at Snap Lake and in our other mines. This strategy is our commitment to our employees, their families, their communities and their governments.



Tactic # 1 – Broaden Existing Snap Lake Hiring Priorities for the Gahcho Kué Project

For the Gahcho Kué Project, De Beers will expand its hiring priorities that were established for the Snap Lake Mine to the following hiring priority in Construction, Operations and Closure phases. This priority will apply to the entire spectrum of project-based employment including managerial, professional, technical and trades-related jobs.

1. Aboriginal people living in the communities within the Socio-economic local study area for the Gahcho Kué Project;
2. Aboriginal people residing in the NWT;
3. Other NWT residents;
4. Those relocating to the NWT; and
5. All Others

These priorities also apply to other Mine sponsored initiatives including training opportunities; scholarship selections, etc.

A Coordinated Strategy is Needed

Tactics

Tactic # 2 – Remain an NWT Employer of Choice in a highly competitive Canadian labour market while Maximizing Hiring Priorities

De Beers will continue to evaluate its salary, benefit and relocation packages to ensure it is positioned competitively as a an NWT employer of choice. In addition to salary and benefits, our commitment to safety, health and protection of the environment will attract employees with excellent skills who are interested in contributing to sustainable economic development in Canada's North.

As the lives of other NWT mines approach closure, there is the potential that NWT residents, who have been trained for open pit operations, will consider leaving the NWT, taking their valuable skills with them. De Beers wants to keep the people with those skills in the NWT and employ them at the Gahcho Kué Mine. Our social investment policy and employee volunteer policy are designed not only to contribute to communities close to our project, but to add to community life, making NWT communities more attractive for our employees and their families.

Already, as part of our Human Resource Strategy, promotion of the Gahcho Kué Mine and its potential for future employment has been an important part of De Beers' dialogue with communities as the Project has come through the regulatory process. We aren't waiting to get the exciting possibilities out there! A new career booklet is being made available to NWT high schools in the fall of 2012 to begin to promote to students the variety of job opportunities and the training and skills required for them at both of our NWT Projects.

As we get closer to construction and operations, De Beers plans to work with regional employment center staff at the GNWT to ensure they are briefed on upcoming job opportunities, and on our key policies, which are designed to encourage NWT residents to choose employment or training opportunities with De Beers. These include:

- o **NWT Points of Pick Up** – this establishes the Company's pick up points and governs how employees and contractors will obtain access to travel allowances that are designed assist employees in transporting themselves to and from our designated pick-up points;
- o **Travel to Mine Site** – this policy manages access to the Company's commercial or chartered transportation to and from the mine site;
- o **Regional Allowance** – this policy provides for both a salary enhancement and travel allowance for employees who are residents living in the NWT and it establishes monitoring of residence location to administer this allowance.
- o **Apprenticeship Policy** - this policy provides financial support for tuition, books, transportation, accommodation and other costs associated with attending technical training course to complete an apprenticeship and outlines the performance requirements for students supported by De Beers.

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A Coordinated Strategy is Needed

Tactics

Tactic # 3 – Maximize Contractor Hiring Priorities

NWT and Aboriginal businesses will continue to be significant participants in De Beers’ business through procurement opportunities and a competitive tendering process. Consistent with our commitments already established in our NWT Business Policy, De Beers will use a competitive evaluation and adjudication system for procurement tendering of goods and services. While evaluation of tenders will vary with the complexity, criticality and value of the purchase and evaluation criteria, they will include such evaluation criteria, but not limited to price competitiveness and stability, support, reputation and quality. Points will also be included for NWT and Aboriginal content. De Beers views its contractors as an important partner in developing NWT and Aboriginal businesses and skills capacities and will encourage its contractors through the tendering and awarding of contracts to achieve the goal of maximizing the training of NWT and Aboriginal employees in accordance with De Beers’ hiring priorities.

Tactic # 4– Accommodate Traditional Pursuits

De Beers will be flexible in scheduling work for its employees so that those who wish to participate in traditional pursuits can put forward requests for leave that can be accommodated without jeopardizing operations. For example, the company currently works with its community liaison staff to identify key cultural events and activities of importance to communities close by. By notifying its employees that leave requests are important for planning purposes, and calling for those who would like to attend to request leave in advance, the company can work with employees to ensure coverage for those taking leave to participate in traditional pursuits. Examples at the Snap Lake Mine have included arranging leave to participate in the Tlicho Annual Gathering, leave to participate in Dene Handgames and freeing up community drummers to participate in important community events. This is how we support our employees in remaining connected to their cultural heritage and we will continue to do so.

Tactic # 5– Provide a Northern Relocation Package

De Beers will continue to promote the NWT as a great place to live and work to all prospective employees. The Regional Allowance noted above is an important component in our recruitment and retention strategy for both NWT residents and for non NWT residents. It is aimed at assisting our employees in offsetting the higher cost of residing within the NWT.

We will continue to offer relocation packages to prospective employees who express an interest in the interview process in relocating to the Northwest Territories.

As we ramp up and recruit our workforce for the Gahcho Kué Mine, we will invite the GNWT to participate with us in recruitment efforts that are planned for outside of the NWT, creating the opportunity for the GNWT to participate with us in promoting the NWT as a great place to live and work.



Tactic # 6 – Transportation to and from the Mine Site

De Beers will use a combination of charters, commercial flights and mileage based travel allowances to provide employees with transportation options to get to and from the work site. Where a direct charter is the most economical for the company and is able to meet the schedule requirements of the mine, this will be the preferred option. De Beers will coordinate commercial flights from small communities to pick up points or to the mine while factoring in wherever possible minimizing travel time for employees while meeting operational rotation requirements.

Tactic # 7 – Promote Participation of Women

De Beers will make every effort to maximize hiring of women at the Gahcho Kué Mine and encourage contractors to follow suit. This will be achieved by providing female role models for career fair activities and showcasing female careers success stories in corporate publications and advertising initiatives. In keeping with the company’s commitment to encourage women in mining through our scholarship program, the company will aim to achieve selection of 50% of the recipients as women across all disciplines, wherever possible, based on the applicants. Promotion of women in trades will be an important part of our plans to encourage female participation in job categories where they are underrepresented.

A Coordinated Strategy is Needed

Tactics

Tactic # 8 – Monitor, Track, Report and Adapt Human Resource Strategies

De Beers will monitor, track and report on its hiring and employment across job categories, gender and for NWT resident employment as we do for the Snap Lake Mine. Initiatives undertaken by the company to increase NWT resident, Aboriginal or female employment will be outlined in a report issued annually for our NWT Projects. The company will meet at least annually with governments, communities, special interest groups and training partners to ensure an avenue for dialogue with the company regarding the steps we are taking to maximize northern employment in our Projects and the steps we are taking to support the health and wellness of our employees, communities close to our NWT Projects and our promotion and support of culture in the communities close by.

Tactic # 9 – Buy North

NWT and Aboriginal Businesses have more than ten years experience in supplying goods and services to the NWT Diamond Industry. They have developed a complement of skills and business capacity to address our needs. We will continue to support northern employment and northern business development by sourcing NWT businesses wherever possible and practical, aiming to achieve economies of scale through contracts that can supply both the Snap Lake Mine and the Gahcho Kué Mine and in actively pursuing and demonstrating fair and open competition for the acquisition of goods and services. Our track record demonstrates a commitment to sustainable development and our NWT Business Policy will be updated to incorporate the Gahcho Kué Project upon receipt of permits.

A Coordinated Strategy is Needed

Tactics

Tactic # 10 – Maximize Northern Exposure to Job and Training Opportunities

The recruitment strategy for Gahcho Kué really has three components: the initial ramp up to commence operations, ongoing recruitment and retention, and ongoing training and development of NWT residents to build the NWT's skills capacity. These are outlined below.

Initial Ramp Up

This will require a different recruitment approach than the recruitment and retention activities during ongoing operations. For initial start up De Beers will hire its recruitment team well in advance so that the details for recruitment plans can be put in place and so they can be trained on De Beers' systems and policies. Initial ramp up recruitment will include the following tactics:

- A promotional campaign will be launched across the NWT to promote employment opportunities, training opportunities and our apprenticeship and scholarship programs available to NWT residents as well as a series of career fairs which the company will hold in communities close to the mine in advance of operations;
- Career fairs will be scheduled in communities close to the Gahcho Kué Mine in advance of the commencement operations so that the company can outline the project, the employment opportunities and the training opportunities and our apprenticeship and scholarship programs to NWT residents and so they can meet with HR staff and discuss their applications directly;
- An overview of De Beers job opportunities, training

supports and apprenticeship policy along with an orientation to our key recruitment and retention policies as well as to our apprenticeship policy will be scheduled for Government of the Northwest Territories Employment Officers to ensure they are informed and able to assist NWT residents in accessing the opportunities presented by the Gahcho Kué Mine;

- De Beers community liaisons will work with Aboriginal language media to ensure briefings on the employment and training opportunities available are provided in Aboriginal languages via radio on CKLB;
- Key markets in the south, where we anticipate available skillsets can be pursued, will be identified in advance of operations and career fairs will be planned in these locations along with our northern recruitment tours. Partnerships to promote the NWT as a great place to live and work will be explored with the Department of Industry, Tourism and Investment (ITI) in advance for these southern recruitment initiatives

Ongoing Recruitment and Retention:

As part of ongoing recruitment and retention, we will continue to:

- Promote our NWT Toll free line in all recruitment advertising to ensure NWT residents can call De Beers Human Resources free of charge to discuss and pursue employment opportunities;
- Advertise all job and training opportunities using a variety of media vehicles including those that reach a broad base of potential employees across NWT communities;



- Maintain contact with key employment and human resource development officers in communities and Aboriginal groups so that all job and training opportunities are posted in local band offices and so employment coordinators in communities can assist in matching potential employees to available opportunities;
- Provide periodic training sessions for career employment offices regarding De Beers recruitment and retention policies;
- Use established hiring priorities to guide the selection of employees and training candidates;
- Continue to make HR services available in our office in Yellowknife, NT.

Ongoing Training and Development

De Beers' performance management plays an important part of growing and developing the skills in our employees. Twice annually employees are provided with a performance evaluation. In these assessments, gaps in the employees' skills to do their current job or to pursue advancement are identified and plans to address them are discussed with their supervisor. Training plans for the employees are managed by the Human Resources Department.



Tactic # 11 – Provide Money Management Training

De Beers will continue to encourage and support its employees to manage their money effectively. Currently the company does this by providing an on line money management tool at the Snap Lake Mine and in seven communities through a partnership with the local adult learning centres. In 2013 De Beers will introduce a new measurement tool to assess the effectiveness of this training tool and will share the results of this assessment with the GNWT Department of Education Culture and Employment (ECE). ECE is considering the development and implementation of a similar money management tool in all NWT high schools, and should the GNWT move forward with implementing its own money management training tool, De Beers will work with the GNWT ECE to determine whether it makes sense for De Beers to replace the money management program tool in the adult learning centres with the newly developed GNWT curriculum.

De Beers will from time to time arrange training for employees regarding investment planning, retirement planning and their pension plan.

A Coordinated Strategy is Needed

Tactics

Tactic # 12 – Build NWT Skills Capacity through Trades Training and Apprenticeships and Snap Lake Mentorship

De Beers will create a number of training positions for the Gahcho Kué Mine that will be made available for NWT residents over the life of the mine. Key areas of apprenticeship will be millwrights, heavy duty mechanics, electricians and instrumentation technicians, which are trades difficult to recruit for now. Having an NWT mine in operation already creates the opportunity for us to place Gahcho Kué apprentices at the Snap Lake Mine in advance of commencement of operation at the Gahcho Kué Mine. This enables us to plan the timing of training so that apprentices and trades trainees start their training at Snap Lake and land at the Gahcho Kué Project with some training and experience when they take on permanent roles at the Gahcho Kué operation. Upon receipt of permits, De Beers will call for Aboriginal and other northern residents who have completed Trades Entrance requirements to fill apprenticeship positions at site.

Tactic# 13 – Conduct a Needs Assessment and Provide Extensive Human Resource Development Opportunities to Employees

De Beers will provide extensive training opportunities at site and will work with training partners where it makes sense to deliver programs in communities. These programs will be based on a comprehensive Training Needs Assessment completed for employees to identify possible gaps in order to create plans to address those gaps and ensure the success of our employees. All employees will receive a standard set of training upon arrival at the Gahcho Kué Mine to ensure they are ready to work safely, understand the policies and procedures required to meet De Beers' commitments to mining safely without harm to people or the environment. In addition to this, job-specific training will be identified for each job and the mandatory training that is job specific will be scheduled for the employee in advance of commencing work.

Working with partners who are evaluating candidates for training programs, De Beers will seek to understand where the knowledge and skill gaps are at the community level that may be serving as obstacles to gaining employment and De Beers will seek input from communities on how these gaps can be addressed. De Beers will remain flexible in partnering with governments and agencies on initiatives that may involve pre-employment training programs.

A Coordinated Strategy is Needed

Tactics



Tactic # 14 – Maintain Partnership with Northern Education, Training and Career Development Organizations and Support Training and Development Projects

De Beers will maintain existing partnerships with education, training and career development organizations and expand those relationships. By providing our training needs and skills requirements to governments and training agencies, we can assist them in prioritizing the training program needs for the NWT.

De Beers will continue to fund and support classroom-based, field-based and on-the-job training projects. Today De Beers contributes to the Northern Student Education Initiative (NSEI) which provides support to NWT students taking post secondary studies in Edmonton at university or technical training institutions. The service available to students assists in many things including welcoming students to the city, helping to locate accommodations, assisting in the location of various resources students may need while attending school, and just being there for students for support while they are attending school. De Beers is proud to continue to support this important initiative.

In August 2012, we committed \$5.1 million dollars to training partnerships with the MTS for training at both the Snap Lake Mine and Gahcho Kué Project. The commitment to the MTS will see support for trainees who complete training in trades training such as Underground Mining for Snap Lake Mine, Mineral Processing for both the Snap Lake Mine and Gahcho Kué Mine and for Heavy Equipment Operating for Gahcho Kué Mine.

Tactic # 15 – Expanded Scholarship Opportunities

Since 2006, De Beers has been providing scholarships to NWT students through its Impact Benefit Agreements for the Snap Lake Mine. In the fall of 2012, De Beers is expanding its scholarship programs to make additional scholarships available for a broader base of NWT students. These lump sum scholarships will be available to all Northwest Territories resident students who have successfully graduated from high school and who have been accepted into a degree program at a recognized post-secondary institution within the following disciplines will be eligible to apply for the lump sum and tertiary scholarship programs:

1. Mine Engineering
2. Mine Geology
3. Finance & Accounting
4. Human Resources
5. Safety & Health
6. Environmental Sciences
7. Metallurgy & Chemical Engineering
8. Mechanical & Electrical Engineering

In addition, commencing in 2013, on an annual basis, De Beers will establish tertiary sponsorships, providing NWT students with financial support for each of the years they attend school and experiential support through summer employment and ultimately permanent employment upon successful completion of their educational program. Successful students may be in any of the disciplines identified above. Four of these tertiary sponsorships will be in place at any given time during the life of the Gahcho Kué Mine and the first of these will be awarded in 2013.

Tactic # 16 – Ensure Competitive Positioning of Salary and Benefits Packages in a Canadian Context

Positioning De Beers in a highly competitive labour market will require an excellent salary and benefits package that addresses regional differences in the company's operating locations. For our NWT Projects, De Beers has established a regional allowance policy. The policy provides for both a salary enhancement and travel allowance for employees who are residents living in the NWT to overcome the higher cost of living in the NWT. These will augment the other benefits packages that include at this time dental, medical, vision, paramedical, long-term disability, accidental death and dismemberment and general life insurance.

Tactic # 17 – Provide Support for Community Programs, Events and Initiatives

Through our social investment programs, whether we are providing financial support, goods in kind or the contribution of our employee's time, De Beers will continue to provide support for events and activities that are important in the lives of communities close to our projects. We will also actively promote the Employee Volunteer Grant program which rewards volunteer time of our employees in their home communities with funds to the community organizations they are supporting with their time.



Tactic # 18 – Encourage Cultural Understanding

De Beers has funded the development of a cultural awareness program in partnership with the Yamózhá Kúé Society (formerly the Dene Cultural Institute) that is now being delivered to all employees at the Snap Lake Mine. De Beers will extend this program to the Gahcho Kué Mine and as is at Snap Lake. It will be mandatory for all employees. This program will provide cultural awareness and Cross-cultural training to Aboriginal and Non-aboriginal employees.

Tactic # 19 – Promote Stay-in-School

De Beers visits schools annually as part of its literacy programs and initiatives. Through our visits to NWT schools, all employees will promote the value and the importance of staying in school and of literacy to self empowerment. De Beers will encourage attendance at school through the sponsorship of attendance awards for middle school and high schools in Aboriginal communities where absenteeism is a potential barrier to youth being able to access training opportunities.

A Coordinated Strategy is Needed

Tactics

Tactic # 20 – Reward Excellent Performance

As the world's leading diamond company, we set the bar for employee performance high. Our business goals are set to shape a strong future for our company and our industry. For our employees, this means we will work with them to help them achieve demanding targets, make tough decisions and take considered risks to achieve them. We insist on executional excellence and our annual performance system is designed to reward those who deliver. De Beers Canada has a performance incentive program in place, which will be implemented for the Gahcho Kué Mine to ensure consistency across its Canadian Operations.

Tactic # 21 – Deliver a Leadership Development Program

De Beers will deliver a Leadership Development Program for employees.

Tactic # 22 – Continue De Beers Books in Homes Literacy Program

De Beers believes that literacy is the first step in empowering people to shape their own future and that it is a key to ensuring individual opportunities, community development and economic success. Our De Beers Books in Homes initiative began in 2003 and includes nine communities close to our Northwest Territories projects.

Over the years, our program has evolved. It has grown from a program that saw students in Kindergarten to Grade 8 pick their books from an order form in 2003 to today's program where youth from preschool to Grade 12, including teachers and school staff, select three books in a book-fair setting. De Beers will continue this Award Winning Books in Homes Project to continue to support literacy at the community level. De Beers will continue its partnership with the NWT Literacy Council and the GNWT Department of Education, Culture and Employment on this initiative. Our partnership with these organizations has resulted in family literacy training and new literacy teaching tools being provided in the communities as well as the opportunity for students considering post secondary education to meet with student financial assistance officers.

A Coordinated Strategy is Needed

Tactics



Tactic # 23 – Zero Tolerance for Workplace Harassment and Discrimination

De Beers Canada recognizes and embraces the diversity of its workforce and will endeavour at all times to provide an environment which is supportive of productivity, personal goals, dignity, worth and self-esteem of every employee. De Beers Canada is committed to creating a climate of understanding and mutual respect and will not tolerate behaviour that conflicts with the spirit or intent of human rights law, or other applicable legislation. Toward this end, our Workplace Harassment and Discrimination Policy is in place to create a working environment which is free from sexual, racial or any other forms of harassment and discrimination, or abuse of authority.

Tactic # 24 – Collaborate with the GNWT and Communities of Interest

De Beers will meet annually with the GNWT and communities of interest close to the mine to report on the implementation of our Human Resource Strategy, our results and to invite input into the company’s plans to recruit, retain and develop our NWT workforce.

Conclusion



De Beers Canada wants to employ as many NWT resident employees as possible so that benefits from our NWT project flow back to the NWT. We know that this goal can be accomplished by working with governments, communities and other training partners and by leveraging our experience with the Snap Lake Mine. We have planned new initiatives in our HR Strategy to continue to position our company and the Gahcho Kué Mine as an opportunity for NWT residents to pursue excellent careers in mining. Our HR Strategy responds to suggestions and concerns raised by communities and governments as we have engaged in discussion with them on this proposed project. We have also used input received from existing employees, their families and their support networks in designing our HR strategy for the Gahcho Kué Mine.

Our record as an employer providing competitive salaries, benefits, developmental programs, training opportunities, and contributions to communities across the NWT is evidence that we can do the same for the Gahcho Kué Mine.

De Beers recognizes that success is never achieved alone. Partnerships with governments, training organizations and communities will continue to be necessary to build skills capacity in the NWT. We are ready. Let’s get at it!

Links and Contacts



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Links

De Beers Canada related links:

De Beers Canada | debeerscanada.com

Feedback form | debeerscanada.com/files_3/Feedback.php

Engaged newsletter registration | debeerscanada.com/files_3/register.php

Donations and sponsorship | debeerscanada.com/files_3/social-investment.php

Careers | debeerscanada.com/files_3/careers.php

De Beers Group related links:

De Beers Group | debeersgroup.com

Anglo American | angloamerican.com

Forevermark | forevermark.com

De Beers Jewellery | debeers.com

To ensure we gain a better understanding of your concerns, we invite you to share your thoughts and ideas about our company, events or initiatives, by filling in our online feedback form at:

debeerscanada.com/files_3/Feedback.php

Your input is extremely important to us and will be reviewed and actioned as quickly as possible.

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Mining industry links:

Mining Association of Canada | mining.ca

Ontario Mining Association | oma.on.ca

NWT & Nunavut Chamber of Mines | miningnorth.com

Diamond industry links:

Kimberley Process Certification Scheme | kimberleyprocess.com

World Diamond Council | worlddiamondcouncil.com

Jewellers Vigilance Canada | jewellersvigilance.ca

Responsible Jewellery Council | responsiblejewellerycouncil.com

Diamond Bourse of Canada | diamondbourse.ca

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