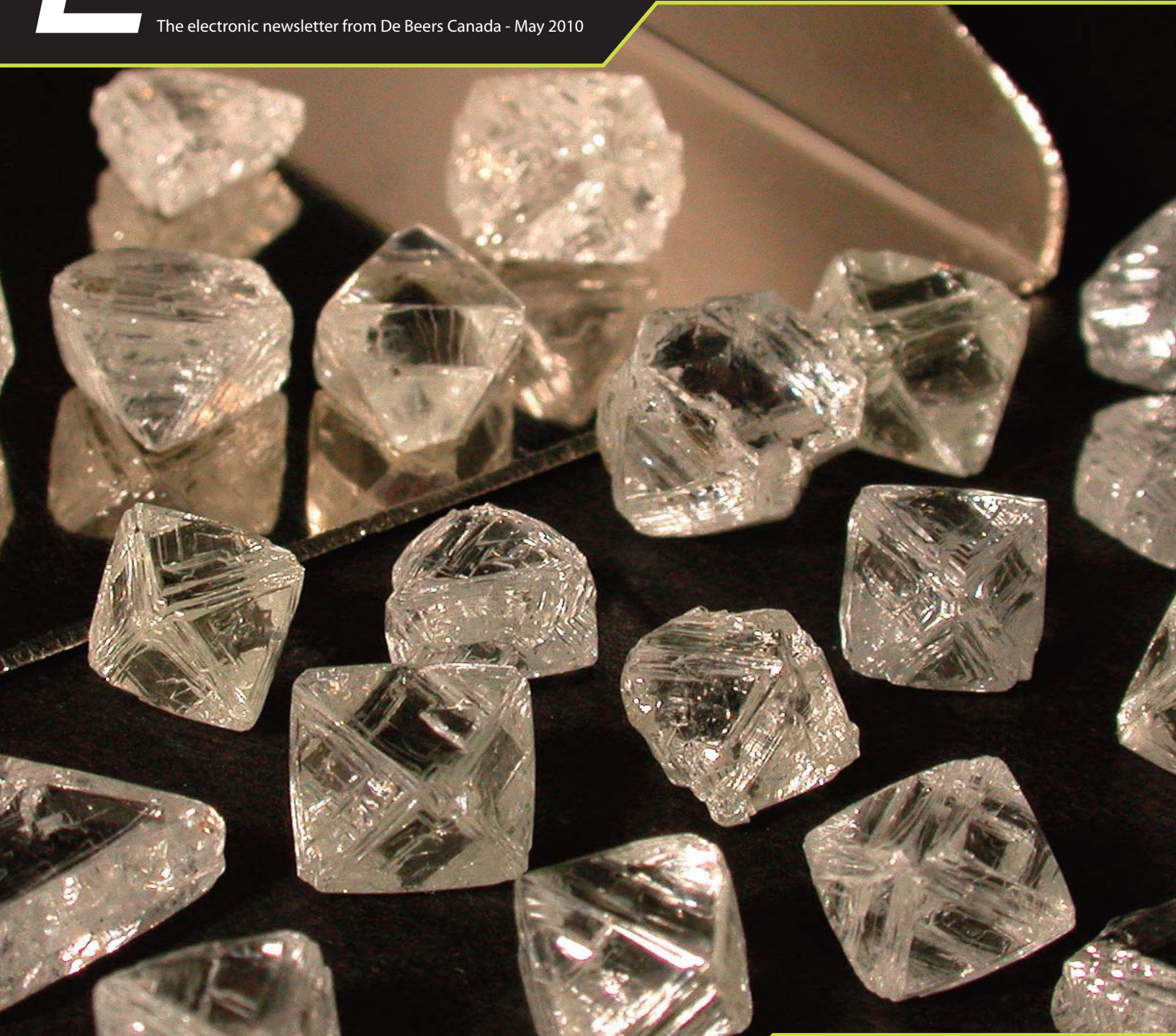


Engaged

The electronic newsletter from De Beers Canada - May 2010



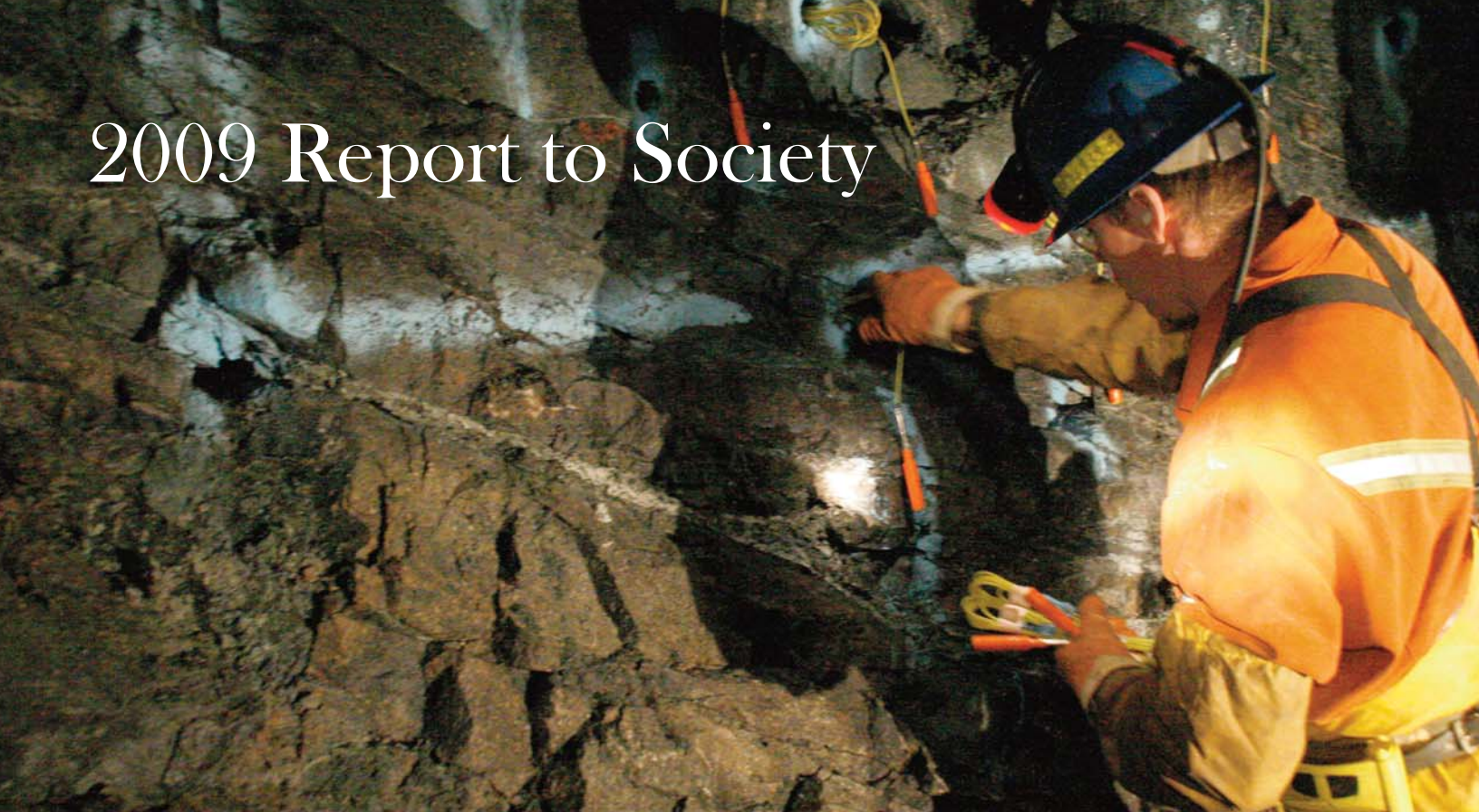
In April, De Beers Canada released the 2009 Report to Society, presenting a summary of the company's contribution to sustainable development during the 2009 reporting period. It reviews economic, ethical, employee, community and environmental performance.



DE BEERS

CANADA

2009 Report to Society



De Beers Canada released the *2009 Report to Society*, our second edition of the annual report that presents a summary of the company's contribution to sustainable development during the

2009 reporting period. It reviews economic, ethical, employee, community and environmental performance. "In support of our commitment to sustainable development in the

communities in which we operate, De Beers Canada continues to invest in local programs that focus on business opportunities, education, training and employment, while operating our company in a socially and environmentally responsible way," says Chantal Lavoie, De Beers Canada Acting Chief Executive Officer. "These are key areas identified by our community partners, and are also areas where we think our company can make a difference."

Some highlights of the *2009 Report to Society* include:

- » A total of 1.14 million carats produced by the Snap Lake and Victor mines.
- » De Beers Canada spent C\$297 million on goods and services.
- » At Snap Lake, C\$155 million was spent on operations contracts; C\$116 million (74 per cent) of this supplied by northern businesses, and C\$59 million (51 per cent) of this total provided by Aboriginal suppliers.
- » At Victor Mine, C\$121 million was spent on goods and services and C\$39 million (32 per cent) was supplied by Aboriginal businesses.
- » C\$3.8 million in cash, in-kind and staff time was spent on Corporate Social Investment, primarily in communities near our operations. The focus of these funds was education, youth literacy and capacity building.
- » All exploration programs and mining operations are registered to the ISO 14001:2004 Environmental Standard. Exploration programs are also compliant with the OHSAS 18001 Occupational Health and Safety standard.
- » A joint Impact Benefit Agreement (IBA) was signed with Fort Albany First Nation and Kashechewan First Nation. De Beers Canada has seven IBAs and one Working Relationship Agreement in place for the Snap Lake and Victor mines.
- » Direct total payments for all eight IBA communities totaled \$4.75 million in 2009 primarily on compensation, environmental monitoring and scholarships.
- » The Victor Mine was awarded "2009 Mine of the Year" by the international trade publication Mining Magazine.
- » De Beers Canada was awarded PDAC Environmental and Social Responsibility Award for demonstrated outstanding initiative, leadership and/or accomplishment in protecting and preserving the natural environment during an exploration program or operation of a mine.

The report is referenced against the Global Reporting Initiative G3 guidelines and indicators and our commitment as a signatory of the UN Global Compact and supporter of the Millennium Development Goals. It also introduces a systematic sustainability management framework including our principles, policies, guidance materials and assurance programs in place at our own operations and into our value chain. The content of this report has been informed by issues identified as relevant and material by our stakeholders, and the important insights and evidence provided by our employees.

The full *Report to Society* can be found at www.debeerscanada.com.

Snap Lake Mine surpasses \$1 billion spent with NWT businesses



As of April 2010, De Beers Canada had spent over \$1 billion dollars with Northwest Territories (NWT) businesses to construct and operate the Snap Lake Mine. The milestone includes more than \$640 million spent with NWT Aboriginal businesses and joint ventures.

"This milestone is a great measure of De Beers' continued commitment to the North," said Chantal Lavoie, Acting Chief Executive Officer. "It also speaks volumes about the capacity that Northern businesses have built in the 10 years they have been growing with the diamond mining industry."

The billion dollar investment with NWT businesses represents 70 per cent of the company's investment to date in Snap Lake, since the beginning of construction. In 2009, the company spent \$155.9 million at the Snap Lake Mine, of which close to 75 per cent was spent with NWT Businesses, exceeding the commitment to have at least 70 per cent of expenditures made with NWT businesses during the operations phase of the mine's life.

"De Beers Canada has spent approximately \$1.4 billion on the construction and operation of the Snap Lake Mine to date", said Brad Corrigan, Mine General Manager. "The spin offs from our spending in terms of indirect employment and other economic activity all contribute to the NWT's economic engine."

The company has established and uses a web-based NWT Business Registry to source goods and services for the mine. Last year, the company purchased from 170 NWT businesses and to date, 163 NWT businesses have self registered in De Beers' NWT Business Registry. Each fall, the businesses that are registered are invited to join De Beers for an advance look at the needs for goods and services in the year ahead so they can plan accordingly.

The Snap Lake Mine is located about 220 kilometres northeast of Yellowknife and has a 20+ year mine life. The mine officially opened in July 2008 and is presently ramping up to reach full production at Snap Lake by the end of 2012.



Visit us at CIM

De Beers Canada will be well represented next week at the CIM Conference and Exhibition 2010 in Vancouver, May 9-12.

We have donated a diamond for the Mother's Day draw and are copper sponsors for the entire event.

We also have two booths on display, one focused on recruitment (#1501), and one based on our sustainable development initiatives.

This year's theme is *Mining — Your Foundation for a Better World*, reflecting the key role that mining plays in the social and technical development of communities and societies around the world.

Link: [CIM Conference and Exhibition 2010](#)

Faye Logan Memorial Award at Queen's University

Photography by Greg Black, University Photographer



Front row, from left: Beth McCarthy, Lisa Menard, Julie Kong, Pam Ellemers, Ingrid Hann, Dr. Laurene Ratcliffe, Alicia Aden, Juanita Aden, Kristin Gerber. Back row, from left: Dr. Herb Helmstaedt, Dr. Ron Peterson, Ellen Logan, Dr. Jean Hutchinson, Mike Bushby, Robert Logan

In March, De Beers Canada awarded the first *Faye Logan Memorial Award* to Alicia Aden, a Chemical Engineering student at Queen's University. A group of Faye Logan's friends, family, colleagues and former professors gathered at the university to celebrate the presentation of the award. It is awarded on the basis of demonstrated financial need, academic achievement, and proven leadership ability to a female student in any year of the Faculty of Applied Science or Faculty of Arts and Science.



Alicia is currently in her third year of Chemical Engineering at Queen's University. Born in Saskatchewan and raised in Ontario, Alicia is a member of the Women's Varsity Rugby Team. When not studying or playing rugby, she enjoys yoga, reading and tutoring.



From left: Robert & Ellen Logan, Alicia Aden, Juanita Aden, Mike Bushby



Faye Logan
(1975 - 2008)

Faye was born on November 19, 1975 and lived in Bowmanville, Ontario.

She graduated from Queen's University in 1999 with a Bachelor of Science (Honours) Degree in Geology and her undergraduate thesis was a Mineralogical and Isotopic study of macrodiamonds from the Helam Mine in South Africa.

In the summer of 1999, Faye began her career with De Beers Canada as a contract field geologist in Yellowknife, collecting till samples in the NWT and Nunavut. She worked on research projects as a Laboratory Geologist, and travelled to South Africa and Brazil as a

Laboratory Manager with the Global Laboratory Team.

In her spare time Faye enjoyed being with her family and friends, and was especially committed to her nephew Logan. She loved the outdoors, biking, snowshoeing, camping, playing tennis and baseball. Travelling and experiencing different cultures also gave her great joy. She had a wonderful dry sense of humour and loved shopping - especially for jewellery.

Faye died July 9, 2008 at the age 32, from breast cancer. She is missed dearly by all.

Victor diamonds for sale at Birks



Chantal Lavoie, De Beers Canada Acting CEO, addresses the crowd at Birks' flagship store in Toronto. Below, rough diamonds from Victor Mine.



On April 26, 2010, Birks - Canada's most prestigious jewellery retailer - unveiled the first 131 cut and polished diamonds from the Victor Mine.

This represents the culmination of another diamond dream. From discovery through to the official opening in July 2008, to the agreement to provide 10 per cent of Victor goods locally, by value, to the establishment of Crossworks Manufacturing, this event signaled the completion of the diamond pipeline in Ontario.

"We realize the economic benefits that extend beyond our company and into the local communities, the province and the downstream diamond industry," said De Beers Canada Acting CEO, Chantal Lavoie. "De Beers Canada and the team at the Victor Mine are committed to growing our resources responsibly and sustainably for the benefit of all for many years to come."

The first diamonds are available for sale at the Birks flagship store in Toronto until May 1, 2010. They'll then be on exhibit and sale at other Birks stores across Canada and will return to the city in time for the Toronto Film Festival.

Links: [Birks](#)
[HRA / Crossworks Manufacturing](#)
[Ontario Ministry of Northern Development, Mines and Forestry](#)

About De Beers Canada [www.debeerscanada.com]

De Beers has been active in Canada for nearly 50 years and is the only diamond company in Canada with two operating mines. The Snap Lake Mine is located in the Northwest Territories and is Canada's only fully underground diamond mine. The Victor Mine in Northern Ontario is an open pit mine and the first diamond mine in the history of Ontario. De Beers Canada is also a Joint Venture Partner in the Gahcho Kué Project in the Northwest Territories, which is now in the Feasibility Phase. Advanced exploration is currently underway at the Victor Mine, targeting 15 previously identified diamond-bearing kimberlite pipes.

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