

Diavik Second Quarter Update

Tuesday July 27, 5:00 pm ET

YELLOWKNIFE, NT, July 27 /CNW/ - The Diavik Diamond Mine, located 300 kilometres northeast of Yellowknife, Northwest Territories, and managed by Diavik Diamond Mines Inc. (DDMI) continued to perform well during the second quarter, and by June 30 the year-to-date diamond production had reached 3.81 million carats.

Diavik's total workforce reached 730, of which 73% was northern, and 36% was Aboriginal. In June, DDMI completed a 69-room expansion of its main accommodations complex, bringing capacity in that facility to 385.

There were three lost time injuries in the quarter, bringing Diavik's year to date lost time injury frequency rate to 0.64. In June, Diavik was presented with the John T. Ryan Regional Safety Award for Select Mines in Western Canada for its exemplary safety record in 2003.

Diavik continues to operate in environmental compliance. Work to certify Diavik's environmental management system to ISO14001 standards is proceeding as planned for a fall completion.

On the community side, Diavik worked closely with government, community and industry partners to conclude an Aboriginal Skills & Employment Program, which can access up to \$15 million in Federal funding for aboriginal mine training over the next four years. Diavik's Annual Charity Silent Auction raised \$20,000 for the local charities, the YWCA and the NWT Council for Persons with Disabilities. Work on the Diavik-sponsored project to accelerate completion of the Yellowknife Multiplex Arena is advancing as planned for a projected end of year completion.

A recently concluded winter exploration program, including geophysical surveys and diamond drilling, revealed two new kimberlite pipes. One pipe is located approximately 55 km northeast of the mine site. A second pipe is located approximately 4 km east of the A154 pit. This brings the total number of kimberlite pipes and bodies on the Diavik claim block to 64. A summer exploration program began near the end of July.

The Diavik Diamond Mine is an unincorporated joint venture between DDMI (60%) and Aber Diamond Mines Ltd. (40%). Both companies are headquartered in Yellowknife. DDMI is a wholly owned subsidiary of Rio Tinto plc of London, England, and Aber Diamond Mines Ltd. is a wholly owned subsidiary of Aber Diamond Corporation of Toronto, Ontario.

<http://www.newswire.ca/en/releases/orgDisplay.cgi?okey=80406>

For further information

Tom Hoefer, Manager of External & Internal Affairs at Tel: (867) 669-6500, or visit the DDMI website at www.diavik.ca

Source: Diavik Diamond Mines Inc.