

Diavik 2004 fourth quarter update

YELLOWKNIFE, NT, Feb. 7, 2005 - The Diavik Diamond Mine, located 300 kilometres northeast of Yellowknife, Northwest Territories, and managed by Diavik Diamond Mines Inc. (DDMI) continues to perform well. During the fourth quarter, mining shifted focus to developing the A154 North ore body, also contained within the same pit as the adjacent A154 South pipe. By year end, total 2004 diamond production from both pipes had reached 7.57 million carats.

At 2004 year end, Diavik's total workforce was just over 700, of which 70 per cent was northern and 38 per cent was Aboriginal.

Zero lost time injuries in the fourth quarter helped contribute to Diavik's excellent safety performance for 2004. Over the year, there were four lost time injuries on just over two million hours worked generating a year-to-date Lost Time Injury Frequency Rate of 0.38. With medical aids added, the All Injury Frequency Rate was a low 0.48.

Diavik continues to operate in environmental compliance. At year end, work to certify Diavik's environmental management system to ISO14001 standards was virtually complete as was work to certify Diavik's Product Splitting Facility to ISO 9001 standards.

On the community side, Diavik was recognized as a leader in Aboriginal relations by reaching the prestigious Gold level of achievement under the Canadian Council for Aboriginal Business Progressive Aboriginal Relations program -- the highest level of achievement obtainable. Only two other mines in Canada have reached this level, and Diavik is the first in northern Canada.

In other community work, Diavik, in partnership with the City of Yellowknife, local businesses, and local fundraising group Facilities for Kids, completed Phase 2 of the Multiplex Arena, advancing completion two years and ahead of the original schedule and well below original budget.

In December, owners of the Diavik diamond mine approved a capital construction program worth approximately US\$265 million (C\$363.1 million) for construction of the mine's second dike, a process plant optimization study, and an underground mining feasibility study. Construction of the A418 dike to allow open pit mining of the A418 ore body is expected to cost US\$190 million and will commence in the summer of 2005. First production from the A418 pit will be in early 2008. Key to the underground study is construction of an exploratory decline to provide access to the A418 pipe and both the North and South A154 pipes to provide data to support feasibility studies into underground mining of the three diamond ore bodies. These studies will be completed in the first half of 2007. The cost of the feasibility studies, including the exploratory decline, together with a process plant optimization program, is expected to be US\$75 million.

The Diavik Diamond Mine is an unincorporated joint venture between DDMI (60%) and Aber Diamond Mines Ltd. (40%). Both companies are headquartered in Yellowknife, Canada. 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, Canada.

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

For further information

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