



Dominion Diamond Mines ULC  
900-606 4 Street SW (403) 910 1933  
Calgary, Alberta T2P 1T1 (403) 910 1934 fax  
www.ddmines.com

May 10, 2018

The Public Service Alliance of Canada/  
Union of Northern Workers  
Diamond Workers Local X3050  
Suite 400, 4910 - 53<sup>rd</sup> Street  
Yellowknife, NT X1A 1V2

Attention: Todd Parsons, President

Dear Mr. Parsons,

**Re: Notice of intention to contract out work**

This letter is provided as notice pursuant to Article 26.01 of the collective agreement that Dominion Diamond Ekati ULC (the "Employer") intends to contract out certain mining support roles at the Ekati mine. This contracting out would result in the layoff of bargaining unit members.

The bargaining unit positions that would be impacted by this decision include the mining support positions of Equipment Operator – Support Loader, Equipment Operator – Support Dozer, Equipment Operator – Support Grader, Equipment Operator – Support Excavator and Equipment Operator – Support Haul Truck. This decision does not impact Production Loader or Driller/Blaster classifications. A total of approximately 150 bargaining unit positions are involved in the work which would be contracted out.

If the decision is made to proceed with the contracting out of the work, it is expected to take place on or about October 1, 2018.

The decision to contract out this work has not been finalized at this point. Under the terms of the collective agreement the Union is being provided with the opportunity to present any proposals for our consideration as an alternative to the contracting out. If the Union has proposals that it wishes us to consider, please provide them directly to my attention at your earliest opportunity. Alternatively, we would be pleased to meet with you over the coming weeks to discuss any proposals.

As set out in the collective agreement, any discussions concerning union proposals will not delay the tendering process, which is complicated and time consuming and therefore needs to begin immediately. We will be inviting expressions of interest from potential service providers in connection with this work before the end of this week. Therefore, we expect to receive any union proposals, and schedule any discussions concerning them, as soon as possible. *If any discussions*



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have not resulted in an agreement regarding alternatives to the contracting out of this work by May 31, 2018, then the decision concerning contracting out will be finalized.

If it assists the Union in determining whether to put forward alternate proposals for our consideration, I can advise that the major driver of our decision is absenteeism and all costs associated with absenteeism, such as overtime, hiring of replacement workers, loss of productivity and various administrative costs such as managing absenteeism and disputes related thereto. As you likely know, absenteeism has been a concern at the Ekati mine, in general, for several years, but it is especially problematic within our surface mining operation. We have tried to resolve these issues in various ways, but the problems and associated costs remain at an unacceptable level.

Yours truly,

**Dominion Diamond Ekati ULC**

A handwritten signature in blue ink, appearing to read 'Gaeleen Macpherson'.

Gaeleen Macpherson  
Vice President, Corporate Affairs