



June 15, 2012

Via e-mail only to: Nicole Spencer: nspencer@reviewboard.ca

Ms. Nicole Spencer, Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
200 Scotia Centre
5102-50th Ave
Box 938,
Yellowknife, NT X1A 2N7

Dear Ms. Spencer:

**Re: Response to Information Requests (IR's)
Tyhee NWT Corp. - Yellowknife Gold Project [2008]
EA0809-003**

Tyhee NWT Corp acknowledges receipt by e-mail from Mr. Todd Slack at the YKDFN on June 8, 2012 a copy of the letter addressed to you from the Yellowknives Dene First Nation dated June 7, 2012 with the subject line "Tyhee Information Requests – Round One".

Tyhee NWT Corp submitted responses to the MVEIRB's Information Requests on March 28, 2012 and at that time advised the MVEIRB that remaining information, focused on the TCA design, Site Water Balance and related water quality issues would be submitted in late May 2012. This information was in fact submitted to the MVEIRB on May 31, 2012.

As you are aware, during the MVEIRB Board and Board staff site visit in September 2011, we provided an update on the Feasibility Study and some of the initial findings at that time. Some of these changes were highlighted in our IR responses on March 28, 2012 and on May 31, 2012. In summary they are:

- Revised mine plan that included additional ore tonnage coming from the Ormsby Pit. This in itself has added to the overall mine life with the Ormsby pit and subsequent underground now expected to be 10 years.
- With increased ore tonnage this also increases the overall tonnes processed and tailings disposal within the proposed Winter Lake Tailings Containment Area (TCA). The revised TCA design was provided in our IR 1-1-1, 1-1-2 and 1-1-3 responses.
- An increase in additional ore tonnage also increases the amount of waste rock produced and requiring storage.
- The waste rock storage area has been reevaluated and is now proposed to be located over a portion of the preexisting Discovery Mine Tailings Cap. Details of this were presented in our IR 1-1-5 response on May 31, 2012.
- Based on the above points, a site wide water balance had to be reevaluated and this was provided as an appendix to our IR 1-1-1, 1-1-2 and 1-1-3 responses on May 31, 2012.



With respect to YKDFN comments on the mine plan and in particular Nicholas Lake, this resource remains a component of the YGP as originally proposed in the Project Description Report and subsequent DAR and as such remains a part of this EA. During the Feasibility Study review and the findings that indicated elevated Arsenic levels in the Nicholas Lake ore, the following strategy has been developed to address the concerns with these elevated levels:

- Processing of the Nicholas Lake ore will be carried out later in the overall project schedule which, at this time, we expect in about year 4 from the Ormsby deposit start up.
- Further metallurgical testwork will be undertaken on the Nicholas Lake ore to determine the speciation of arsenic present as well as where in the waste streams these concentrations occur and how best to handle them. Tyhee sees this exercise as part of the overall monitoring program which would outline the treatment processes (if needed) and the MVLWB would incorporate these findings in the projects Surveillance Network Program (SNP) appended to the YGP's water licence, issued following the Regulatory Phase.

To clarify some other comments in the YKDFN letter under the heading "Inconsistent Information" are noted and Tyhee NWT Corp provides the following in response:

- The submission of the DAR should be considered a "point in time" project status and when further studies including but not limited to the Feasibility Study are undertaken there is always the possibility of changes to both the operating scenarios and resulting predictions. An example of this is the current mine plan changes that has increased the mine life of the Ormsby pit and underground to about 10 years.
- Delaying the processing of Nicholas Lake ore until about year 4, during which time additional metallurgical studies to better understand the arsenic concentrations within the Nicholas Lake ore streams and develop the appropriate processing and treatment processes.
- Similarly, comments on the water balance differences from those stated in the DAR and those submitted as and IR response on May 31, 2012 are a result of findings during the Feasibility Study and the difference in the revised mine plan.
- Other comments are considered that, comments, that appear to be directed to the MVEIRB and are not in the form of an IR, therefore; Tyhee NWT Corp has not provided a response.



With respect to other comments in the YKDFN letter under the heading "Recommended Decisions", Tyhee NWT Corp provides the following in response:

- Tyhee NWT Corp opposes the suggestion to prepare and submit an update to the project description through a DAR update as the operational changes described in Tyhee's IR response submissions are considered in our mind as updates and follow our earlier comments that these changes were relayed to the MVEIRB Board members and staff during their site visit in September 2011.
- Tyhee NWT Corp feels that the IR responses provided to the MVEIRB on March 28 and May 31, 2012 meets the intent of those IR's and further feels that these responses lay the groundwork for further discussions during the upcoming technical sessions.

Tyhee NWT Corp firmly believes that the YGP will be constructed, operated and closed in a responsible manner based on the latest information provided to the MVEIRB and want to emphasize that the project schedule, including the current EA process needs to move forward in a timely manner and any suggestions from interested parties for extensions to provide their IR's (other than the one granted by the MVEIRB on June 13, 2012 with IR's due on June 29, 2012) or other suggested delays such as submitting a revised DAR would be detrimental to the overall YGP project and the benefits this project can bring to all stakeholders.

Although this letter is in response to the YKDFN letter of June 7, 2012, Tyhee NWT Corp feels it's content will also assist other interested parties in understanding the recent changes and allow for them to prepare and submit meaningful IR's.

If there are any questions concerning our submission please contact me on my cell 780-975-2550. We look forward to working with you to complete this review in a timely manner.

Yours truly,

Original signed by "H.R. Wilson"

Hugh R. Wilson
Vice President–Environment and Community Affairs

CC: Chief Ed Sangris (YKDFN – Dettah)
Chief Ted Tsetta (YKDFN – N'dilo)