



August 16, 2006

Via e-mail only to: PDuxbury@mveirb.nt.ca

Mackenzie Valley Environmental Impact Review Board
Box 938
2nd Floor – 5102 - 50th Avenue
Yellowknife, NT
X1A 2N7

Attention: Mr. Patrick Duxbury, Environmental Assessment Officer;

**Re: Developers Assessment Report
Tyhee NWT Corp's Yellowknife Gold Project**

Further to our letter dated July 7, 2006 please consider this as an update on the Yellowknife Gold Project (YGP). Since our last letter, we have been busy on site continuing our surface drilling with two drills remaining active. As mentioned in the July 7, 2006 letter, the purpose of this drilling was mainly to increase the resource base which in turn is incorporated into a revised resource model. We have now completed the next iteration of the resource model which has confirmed earlier indications that the most efficient and effective extraction method for the YGP resource is best suited to include an open pit scenario.

Now that this extraction option has been confirmed, Tyhee NWT Corp is in the process of developing an action plan to move the YGP forward. This action plan includes completing a Scoping Study with the latest resource estimate as a guide. The Scoping study will include:

- Portion of the resource extraction from an open pit;
- Optimal Pit Design;
- Mine Plan stating tonnes per day extraction
- Estimated waste rock disposal requirements from the open pit scenario;
- Mill process rate including tailings quantities produced;
- Revisions (where needed) to manpower, consumables, camp requirements etc; and
- Review of current PDR and where changes are likely to occur.

With the above in mind, it is obvious that the date for submitting the DAR will unfortunately be pushed back, however; Tyhee NWT Corp feels that to enable a smooth review, all parties should review the most comprehensive and up-to-date information available. In the interim, we will be completing work on some inputs related to the DAR while the scoping study is underway, this could include:

- Traditional Land Use discussions with the Yellowknives Dene First Nation (YKDFN) and the North Slave Metis Alliance (NWMA).
- Meetings with MVLWB, MVEIRB and Regulators to update all on the project.
- Ongoing geotechnical monitoring of the airstrip and access route.

With respect to timing of the above action plan and continuing work, some of the DAR inputs Tyhee NWT Corp is hoping to have the Scoping Study completed in October/November and the DAR inputs completed in September/October. Once the Scoping Study is in completed and an internal review is carried out, Tyhee NWT Corp will be in a better position to establish a firmer submission date for the DAR.

As mentioned above and stated in our July 7, 2006 letter to you, Tyhee NWT Corp intends to meet with the MVLWB and discuss the potential changes to the PDR and how this would relate to the MVEIRB's terms of reference for review of the Yellowknife Gold Project.

We apologize for any inconvenience this may cause the MVEIRB in scheduling and will keep you informed of any further changes in Tyhee NWT Corp's submission of the DAR.

Please advise if you require anything from Tyhee NWT Corp as we move the Yellowknife Gold Project forward. If you wish to contact me, please do so by calling me on my cell (780) 975-2550.

Yours truly,

Original signed by H.R. Wilson

Hugh R. Wilson
Vice President–Environment and Community Affairs

CC: Bob Wooley, MVLWB
Peter Lennie-Misgeld, MVLWB
Dave Webb, President and CEO, Tyhee Development Corp.
Roger Sylvestre, Executive Vice President, Tyhee Development Corp
Doug Levesque, Vice President Operations, Tyhee NWT Corp
Carolyn Cornell, Tyhee Development Corp