



Fish Habitat Management
#101 - 5204 - 50th Ave
Yellowknife, NT X1A 1E2

DFO file *MPO référence*
YK050039



Prairie and Northern Region
#301 - 5204 - 50th Ave
Yellowknife, NT X1A 1E2

EC file *EC référence*
4702-11

December 16, 2005

Hugh R. Wilson, VP – Environment and Community Affairs
Tyhee NWT Corp.
Sutie 401 675 West Hastings Street
Vancouver, B.C. V6Z 1N2

Dear Mr. Wilson:

RE: Yellowknife Gold Project: Information Requirements for the designation of a Tailings Impoundment Area under Schedule 2 of the Metal Mining Effluent Regulations

As requested, with this letter Fisheries and Oceans Canada (DFO) and Environment Canada (EC) are informing Tyhee NWT Corp. of the information which will be required when applying to have Winter Lake designated as a Tailings Impoundment Area (TIA) under Schedule 2 of the *Metal Mining Effluent Regulations (MMER)*.

DFO has determined that Winter Lake is a natural water body which is frequented by fish. As such, to be used as a TIA Winter Lake would require addition to Schedule 2 of the *MMER*. This addition would require an amendment to the *MMER* and Governor in Council (GIC) approval of this amendment.

Please note that although some of the regulatory processes may be conducted concurrently, the decision whether or not to recommend amendment to the *MMER* will only occur after Environmental Assessment has shown there will be no significant adverse environmental impacts as a result of the project. The decision to amend a regulation is made by Government in Council (GIC).

The information needed to complete the review is listed below. Any additional technical or site specific information that you consider relevant to your proposal should also be provided.

ALTERNATIVES ANALYSIS

A scientifically-, practically- and economically-justified, sequential elimination of alternatives to the use of Winter Lake (or other fish bearing water body) for tailings disposal demonstrating they are non-viable must be provided. This analysis must include consideration of all possible disposal alternatives or combination of alternatives, which can be used to minimize the impact to the environment, including the use of areas historically impacted by Discovery Mine operations;

DESCRIPTION OF THE UNDERTAKING

A detailed description of the tailings impoundment area must be provided, including:

- Design of impoundment facilities. This should include TIA water balance, geological and geothermal analyses;
- Operating and tailings management plans from start to closure. These should include a description of the composition, quality and quantity of tailings or other waste that may be deposited into the TIA, a TIA monitoring plan, and conceptual closure plans;
- Effluent management plan. This should include predicted short and long term effluent water quality, a monitoring plan, and a treatment contingency plan.

FISH HABITAT COMPENSATION PLAN

As a requirement of proposed *MMER* amendments, in order to receive designation under Schedule 2, proponents must develop a fish habitat compensation plan (Plan) of sufficient detail to demonstrate that a No Net Loss of productive fish habitat will be achieved. The Plan must include:

- A detailed description of the potential loss of fish habitat associated with the construction and operation of the proposed TIA (i.e. a quantitative impact assessment of the resultant deposit on fish and fish habitat). The methodology used must provide information of the fish species present, the various life stages affected (e.g. spawning, rearing, nursery, food or migration areas), and provide a scientifically defensible quantification of productive capacity and habitat losses;
- A detailed description of the measures to be undertaken to offset the loss of productive capacity and fish habitat. This must consist of an explanation of how No Net Loss of fish habitat will be achieved through the compensation works including the proposed compensation options(s), methods/techniques to be utilized, design specifications and materials, etc.;
- A detailed description of measures to be taken to monitor the Plan's implementation and to verify the extent to which the Plan's purpose (i.e. No Net Loss) will be achieved, including the methodology and reporting format for monitoring surveys and a monitoring schedule with justification for the proposed schedule, frequency and duration. The monitoring program must include measures to assess the structural integrity of the proposed works and a comprehensive assessment of biological and physical parameters;
- A detailed description of the measures to be employed during the undertaking of the compensation works in order to avoid any potential adverse effects on fish and fish habitat (details to include maps, scheduling, proposed works and accompanying site-specific mitigation);
- A comprehensive description of scheduling associated with all aspects of the compensation program including construction, operation and monitoring;

- An estimate of all costs associated with the implementation of the compensation program including construction, operation, monitoring, etc.;

Please note that an irrevocable letter of credit covering the financial aspects of the Plan will be required as financial security to ensure the fish habitat compensation works and monitoring program will be completed.

PUBLIC CONSULTATION

A detailed description of the Public Consultation Component (e.g. methodology employed, communities/venues, participants, comments received, etc.) including how the concerns of the public will be addressed and/or provision of appropriate rationale why they were not, must be provided.

Please note that it is a requirement that the Public Consultation Component be National in scope.

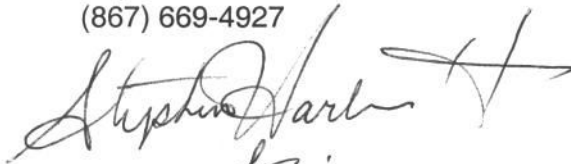
To prevent any delays in the regulatory process, Tyhee NWT Corp. is encouraged to provide this information for inclusion in the Environmental Assessment being conducted for the Yellowknife Gold Project under the MVRMA.

Please contact the undersigned directly if you have any questions or wish to discuss any of the foregoing in more detail.

Sincerely,



Ernest Watson
Area Habitat Biologist
Fish Habitat Management
Department of Fisheries and Oceans
(867) 669-4927



Ivy Stone
Environmental Assessment Officer
Assessment and Monitoring
Environment Canada
(867) 669-4708

cc	D. Majewski, DFO	S. Harbicht, EC	A. Ehrlich, MVEIRB
	B. Ross, DFO	C. Doiron, EC	P. Duxbury, MVEIRB
	G. Faulkner, DFO	G. Groskopf, EC	A. Plautz, MVLWB
	R. Baxter, DFO	A. Wilson, EC	L. Seale, INAC
	D. Tyson, DFO	C. Spagnuolo, EC	P. Cobban, GNWT