



June 19, 2009

By E-mail only to: [vchristensen@mveirb.nt.ca](mailto:vchristensen@mveirb.nt.ca)

Mr. Vern Christensen  
Executive Director  
Mackenzie Valley Environmental Impact Review Board  
Box 938, 200 Scotia Centre  
5102 – 50th Avenue  
Yellowknife, NT. X1A 2N7

Dear Mr. Christensen:

**Re: Final Terms of Reference dated May 25, 2009 – Environmental Assessment of Yellowknife Gold Project of Tyhee NWT Corp – Your File: EA0908-003**

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Tyhee NWT Corp (“**Tyhee**”) acknowledges receipt of a copy of the letter of the Mackenzie Valley Environmental Impact Review Board (the “**Review Board**”) dated May 22, 2009, together with a copy of the Final Terms of Reference dated May 25, 2009 and Workplan for the environmental assessment of Tyhee’s Yellowknife Gold Project (the “**YGP**”).

Before commenting on certain aspects of the Terms of Reference, we would note that many of provisions of the document are significantly different from those contained in the draft Terms of Reference dated January 30, 2009. The scope and nature of the differences suggest that considerable attention has been given to the comments and recommendations that were submitted in response to the original version. We wish to recognize this effort, and hope that Tyhee’s contribution assisted the Review Board in this regard.

As indicated on page 9 of the Final Terms of Reference, the Review Board indicates that we may contact you to seek clarification on any aspect of the document. We appreciate the invitation to do so, and wish to comment on the following provisions, which reflects our immediate concerns, however; as we move through the environmental assessment, further discussions may be appropriate. Our comments are:

**Geographic Scope of Assessment (Local Study Area)**

- Section 2.2.1 of the Terms of Reference states that the geographic scope of the environmental assessment of the YGP “...includes land covered by the developer’s mineral leases, mining claims and a local study area surrounding the proposed development.” The same provision also states that, for individual valued components of the environment, “...the geographic scope may go beyond this minimum area.”

- The draft Terms of Reference dated January 30, 2009 took a different approach. This document included, in Appendix 1, a map outlining the “local study area” that was envisaged at that time. We note that the Terms of Reference, as now issued, do not include such a map, and do not otherwise define the local study area.
- We understand this to mean that, in general, the Terms of Reference assign to the developer the responsibility to determine the “local study area” that is appropriate to the scope and nature of the project, that takes into account its potential adverse impacts, and that conforms to the requirements of the *Mackenzie Valley Resource Management Act* (the “**MVRMA**”) as well as any set out in the guidelines issued by the Review Board pursuant to that legislation.
- Tyhee concurs in this approach. We continue to believe that the local study area shown in Figure 1.5-1 of its July 2008 Project Description Report (the “**PDR**”) conforms to these criteria, and note that this area substantially encompasses all of the mineral tenures slated for development during the course of the YGP. We therefore anticipate preparing the Developer’s Assessment Report (the “**DAR**”) on the basis of this local study area.
- At the same time, we recognize that the Terms of Reference also instruct us to determine whether an expanded study area is necessary in order to assess the impacts of the YGP on any individual valued component, and to report on the anticipated cumulative effects of the project on an appropriate geographic basis. Tyhee intends to give due regard to these requirements throughout the preparation of the DAR.

### **Geographic Scope of Assessment (Potentially Affected Communities)**

- Section 2.2.1 of the Terms of Reference also indicates that the DAR must address the potential impacts of the YGP on any communities that could be affected by the project, and that the assessment must include the members of the North Slave Métis Alliance as well as other Aboriginal persons. The Terms of Reference go on to say that Tyhee must assess the impact of the YGP on a total of seven communities, namely Yellowknife, Dettah, N'Dilo, Behchoko, Gameti, Wekweeti and Whati.
- As outlined in the PDR, Tyhee anticipates that any impacts from the project, whether beneficial or adverse, are likely to be felt primarily in the communities of the North Slave region, namely Yellowknife, N'Dilo and Dettah. As a result, the company has thus far focused its consultation program on Yellowknife Dene First Nation communities and the North Slave Métis Alliance. At the same time, discussions have also been undertaken with the other communities that lie within the traditional territory of the Yellowknife Dene First Nations. And as indicated in the PDR, at an earlier stage of the project, Tyhee was in contact with representatives of the Dogrib Treaty 11 Council.

- Tyhee anticipates that its assessment of the socio-economic impacts of the YGP will generally reflect this pattern, namely, a particular focus on communities and individuals situated in the North Slave region. The assessment of impacts on communities beyond the North Slave, including those of the Tlicho region, will depend on the extent to which business enterprises based in those communities are likely to be involved in the project, and will be proportionate to the numbers of individuals from those communities who are likely to be employed, whether directly or indirectly, in relation to the project.

### **Selection of Valued Components**

- While we have taken note of the requirements pertaining to “Valued Components” as set out in Section 3.1.3 of the Terms of Reference, we have also noted that the specific valued components to be addressed in the DAR are not listed in the Terms of Reference. Instead, the developer is instructed to identify such components and to give each of them due regard in the conduct of the assessment.
- We believe that this is a proper approach, and expect that the DAR will focus primarily on the valued components listed in Table 5.1-1 of the PDR.

### **Baseline Water Quality Studies**

- Item 1(a) of Section 3.2.1, entitled “Existing Environment and Baseline Conditions”, includes an apparently open-ended requirement to study “...any water bodies...that previous development may have affected in order to identify the extent of previous contamination.” This provision of the document would therefore seem to require Tyhee to study water bodies in the vicinity of the project site that previous developments have affected, even if they are unlikely to experience further impacts as a result of the YGP.
- In the absence of an extensive “baseline” survey, Tyhee has no way of knowing the number of water bodies in the vicinity of the YGP that previous developments may have impacted. We respectfully suggest that government agencies should carry out any studies of this kind that may be required. We therefore believe that the company’s responsibilities should be limited to determining existing conditions in the specific water bodies that may change as a result of the project. As a result, we anticipate preparing the DAR on this basis.

As indicated above, we offer these comments and observations in response to the Review Board’s invitation to seek clarification on the requirements of the Terms of Reference. We therefore welcome any guidance that you may be able to provide after considering them.

While it can be said that each environmental and socio-economic assessment is always unique, two aspects of the YGP emphasize that this is the case. First, the project represents the first precious metals development to undergo an environmental assessment pursuant to Part 5 of the MVRMA. Second, this assessment is the first that Tyhee has been asked to undertake in its corporate history.

Following the Board's review of the foregoing, Tyhee would welcome the opportunity to meet with you and Board staff in a timely manner to discuss the issues noted above as well as any other aspects of the environmental assessment of the Yellowknife Gold Project in anticipation of initiating the preparation of the DAR.

I look forward to hearing from you.

Yours truly,

**TYHEE NWT CORP**

*Original signed by "H.R. Wilson"*

Hugh R. Wilson  
Vice President, Environment and Community Affairs

CC: Paul Mercredi, Environmental Assessment Assistant (MVEIRB) – by e-mail only  
Mr. Martin Haefele – Manager- Environmental Assessment (MVEIRB) – by e-mail only