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February 8, 2011

MVLWB File Number: MV2010C0015  
MVEIRB File Number: EA0809-002

Willard Hagen  
Chair  
Mackenzie Valley Land and Water Board  
P.O. BOX 2130  
YELLOWKNIFE NT X1A 2P6

Richard Edjericon  
Chair  
Mackenzie Valley Environmental Impact Review Board  
P.O. BOX 938  
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Dear Messrs. Hagen and Edjericon:

**Re: Report of Environmental Assessment and Reasons for Decision EA1011-002: TNR Gold Corporation Limited, Mineral Exploration at Moose Property**

The Minister of Indian and Northern Affairs Canada (INAC) and the Minister of Environment and Natural Resources, Government of the Northwest Territories (GNWT), who are the Responsible Ministers for the above noted development, have reviewed the Mackenzie Valley Environmental Impact Review Board's (Review Board) *Report of Environmental Assessment and Reasons for Decision EA1011-002: TNR Gold Corp. Ltd., Mineral Exploration at Moose Property*, dated January 20, 2011 (*Report of Environmental Assessment*).

In its *Report of Environmental Assessment* the Review Board determined, pursuant to paragraph 128(1)(a) of the *Mackenzie Valley Resource Management Act* (MVRMA), that an environmental impact review of the proposed development is not required. In its opinion the proposed development, as described in the *Report of Environmental Assessment*, "is not likely to cause significant adverse impacts or to be a cause of significant public concern if the developer implements the mitigation commitments set out in this report." Pursuant to ss. 117(1) of the MVRMA, the scope of the development as assessed by the Review Board includes the developer's commitments.

Pursuant to paragraph 130(1)(a) of the MVRMA, the Responsible Ministers may agree to order an environmental impact review of the proposed development, notwithstanding the determination of the Review Board under paragraph 128(1)(a). I write to confirm that the Responsible Ministers did not choose to exercise their authority to refer the development to an environmental impact review.

In considering whether to exercise this authority, the Responsible Ministers considered the evidence presented during the environmental assessment, including evidence relevant to Crown consultation with Aboriginal peoples.

The proposed development, as modified by the developer's commitments, can now proceed to the regulatory phase. The Responsible Ministers expect that the Mackenzie Valley Land and Water Board will conduct a consultative process to develop the land use permit. In particular, we expect that the Land and Water Board will circulate a draft land use permit with appropriate terms and conditions for review by all parties including the Aboriginal groups who participated in the environmental assessment process. Additionally, the Prince of Wales Northern Heritage Centre will proceed with its archaeological permitting process that includes consultation with Aboriginal parties.

If you have any questions about the above, please do not hesitate to contact Teresa Joudrie, Director of Renewable Resources and Environment, at (867) 669-2647.

Yours sincerely,

  
Trish Merrithew-Mercredi  
Regional Director General  
Northwest Territories

cc: The Honourable John Duncan, Minister of Indian and Northern Affairs Canada  
The Honourable Michael Miltenberger, Minister of Environment and Natural Resources, Government of the Northwest Territories  
Corey Segboer, Operations Manager, Aurora Geosciences Ltd., on behalf of TNR Gold Corp. Ltd.