

June 8, 2012

VIA E-MAIL

Nicole Spencer
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
P.O. Box 938
Yellowknife, NT X1A 2N7

Dear Ms. Spencer,

**Re: EA0809-003 (2008), Tyhee NWT Corp.,
Yellowknife Gold Project: Information Requests (Round 1)**

Please find attached the Information Requests for the Tyhee NWT Corp. Yellowknife Gold Project Environmental Assessment.

If you have any questions or concerns regarding this request, please contact Loretta Ransom, Environmental Assessment Analyst at (867) 873-7905 or loretta_ransom@gov.nt.ca.

Sincerely,



Loretta Ransom
Environmental Assessment Analyst
Environmental Assessment and Monitoring
Land and Water Division
Department of Environment and Natural Resources

Attachment

cc. Doug Levesque, Vice President, Operations, Tyhee NWT Corp. (via e-mail)
Hugh Wilson, Vice President, Environment and Community Affairs, Tyhee NWT Corp. (via e-mail)

**Government of the Northwest Territories
Information Request Submission for the Tyhee NWT Corp.
Yellowknife Gold Project Environmental Assessment
(EA0809-003)**

Submission Date: June 8, 2012

Table of Contents

Abbreviations and Acronyms.....	1
GNWT-1: Employee Assistance Program.....	2
GNWT-2: Medical Insurance.....	3
GNWT-3: Adaptive Management	4
GNWT-4: Procurement	5
GNWT-5: Public Reporting.....	7
GNWT-6: Closure	9
GNWT-7: Commitments.....	10
GNWT-8: Preferential Hiring Commitment	11
GNWT-9: Employment Numbers and Rotations.....	12
GNWT-10: Training	13
GNWT-11: Travel and Relocation	15

Abbreviations and Acronyms

DAR	Developer's Assessment Report
GNWT	Government of the Northwest Territories
IR	Information Request
NWT	Northwest Territories
TOR	Terms of Reference
Tyhee	Tyhee NWT Corporation
YGP	Yellowknife Gold Project

GNWT-1: Employee Assistance Program

IR Number: GNWT-1
Source: Government of the Northwest Territories (GNWT)
To: Tyhee NWT Corp. (Tyhee)
Subject: Employee Assistance Program
DAR Section: 7.2.2.1
TOR Section: ---

Preamble:

The DAR identifies the intention of Tyhee to provide their employees with health benefits that may include counselling (table 7.2-1, section 7.2.2.1). In a meeting on May 29th, 2012 between GNWT and Tyhee representatives, Tyhee noted that these services would be part of an Employee Assistance Program (EAP).

Request:

1. Please provide details regarding the services that will be covered in the EAP, including the types of counselling that will be available, if applicable.
2. Will this service be provided by a confidential party?
3. Please provide information regarding access for employees' immediate family members to the services entailed in the EAP.
4. Please indicate whether there will be any costs to employees for accessing the EAP. For example, will it be accessible via a toll free telephone number?

GNWT-2: Medical Insurance

IR Number: GNWT-2
Source: Government of the Northwest Territories (GNWT)
To: Tyhee NWT Corp. (Tyhee)
Subject: Medical Insurance
DAR Section: 7.1.2.1
TOR Section: ---

Preamble:

The DAR identifies that Tyhee will have to hire workers who are non-NWT residents.

Request:

1. Please provide information regarding whether medical insurance will be required by employees and contracted workers who are not NWT residents. For example, will Tyhee ensure that their employees and contracted workers working in the NWT will all carry provincial or territorial health insurance from their home province/territory (and be within their portability rules while working in the NWT) and that non-Canadian employees and contracted workers carry health insurance while working in the NWT?

GNWT-3: Adaptive Management

IR Number: GNWT-3
Source: Government of the Northwest Territories (GNWT)
To: Tyhee NWT Corp. (Tyhee)
Subject: Adaptive Management
DAR Section: 7.2.4
TOR Section: 3.4.5 (bullet 2)

Preamble:

It will be important for Tyhee to have adaptive management plans in place to ensure that unforeseen negative socio-economic impacts will be adequately addressed. Examples of unforeseen negative socio-economic effects associated with the YGP that may occur include but are not limited to:

- Actual northern employment being below the predicted 20 percent during construction and 30 percent during operations (e.g. at 15 percent during construction; 25 percent during operations);
- Actual northern procurement being below the predicted 30 percent during construction and 40 percent during operations (e.g. at 25 percent to 20 percent during construction; 35 percent to 30 percent during operations); and
- Northern residents not filling entry level positions and/or apprenticeships.

It is important to know how Tyhee will apply adaptive management throughout the life of the YGP to address changing and unexpected conditions, impacts and effects.

Request:

1. Describe what steps Tyhee will take to adapt to negative socio-economic effects such as those identified above. Specifically:
 - a. Please provide a framework for the adaptive management plan;
 - b. Please specify adaptive management triggers (e.g. five or ten percent variance from commitment) that will result in consultation, strategies and actions to address the variance; and
 - c. Please detail the steps Tyhee will undertake in response to an adaptive management trigger.

GNWT-4: Procurement

IR Number: GNWT-4
Source: Government of the Northwest Territories (GNWT)
To: Tyhee NWT Corp. (Tyhee)
Subject: Procurement
DAR Section: 7.1.3.9; Appendix G
TOR Section: 3.4.1 (bullets 7, 8 and 9)

Preamble:

According to the TOR, Tyhee is required to provide:

“By project phase, an estimate of all contractor and subcontractor goods and services that the proposed Yellowknife Gold Project will require, as well as an estimate of what percentage of goods and services the developer [Tyhee] can source from Tlicho- and North Slave-based businesses” (bullet 7, section 3.4.1, TOR); and

“The developer’s [Tyhee’s] policies, plans, strategies and commitments associated with maximizing contracting to Northern owned and operated businesses” (bullet 8, section 3.4.1, TOR).

Development of the diamond mines has demonstrated the capacity for northern businesses to diversify within the mining sector. For example, the three NWT diamond mines are spending 73 percent of cumulative total procurement purchases within the NWT. However, Tyhee states that \$168 million in purchases will be made in the NWT (section 7.1.3.9, DAR; Appendix G). This number represents only 36 percent of the total \$436 million in purchases for the YGP. Section 3.2 of Appendix G indicates 30 percent of construction purchases and 40 percent of operations purchases (over eight years of production) will be made in the NWT.

NWT businesses face a number of challenges in securing contracts for goods and services for the resource industry. They may have less experience and smaller economies of scale. They often lack opportunities to develop the specialized goods and services that mines require. Northern businesses may require assistance to position them to enter into effective partnerships and joint ventures that would increase their participation in servicing the resource industry.

NWT businesses that are informed about available contracts and provided with information sessions on business and procurement opportunities are more likely to be able to participate in contract opportunities. Early communication of business opportunities is critical for northern businesses to compete to the best of their abilities.

The GNWT would like to ensure that opportunities for business development are maximized locally and territorially, and requests further details regarding this.

Request:

1. Please provide a rationale, including methodology, for calculating total purchases in the NWT for the YGP.

2. Please provide an annual percentage for local, NWT and total procurement expenditures for each phase of the YGP.
3. Please provide further information, including a list of the total estimated goods and services Tyhee would likely source for the YGP.
 - a. Please include a breakdown of NWT and non-NWT goods and services.
4. Tyhee has indicated local NWT interests will have first chance at procurement.
 - a. Please provide Tyhee's policy on preferential procurement, including priority order.
5. Please identify any steps Tyhee will take to implement the policy referred to in 4a above.
 - a. Specifically, please describe the process for notification, tendering, and awarding of contracts in the procurement process (e.g. invitational tenders, public tenders, notification process and period, weighting factors).
6. Please identify any mitigation measures Tyhee will implement to address the barriers to local NWT and NWT businesses (i.e. support for joint ventures, advanced public notice of contracts to be sourced outside the NWT, etc.)
7. Indicate how Tyhee will determine if a business is a local NWT or an NWT business. For example, will Tyhee's definitions include the following criteria:
 - a. Maintains a permanent place of business in the NWT;
 - b. Maintains a manager who is a NWT Resident; and
 - c. Undertakes the majority of its management and administrative functions (related to its operations in the NWT) in the NWT.
8. Please provide more details on Tyhee's NWT office. Specifically:
 - a. How many human resource and procurement staff will be located in the NWT and what will their role be in hiring and purchasing?

GNWT-5: Public Reporting

IR Number: GNWT-5
Source: Government of the Northwest Territories (GNWT)
To: Tyhee NWT Corp. (Tyhee)
Subject: Public Reporting
DAR Section: 7.0; 7.2.4
TOR Section: 3.4.5

Preamble:

Tyhee discusses its human environment assessment, including socio-economic effects, employment and business opportunities and social effects (section 7.0, DAR). When considering how these effects are monitored, it is important to understand how key information from the YGP will be gathered and reported to the public.

A lack of follow up is a recognized weakness in the Environmental Assessment process. The GNWT sees public reporting as a way to partially address this gap. Public reporting is important not only when determining the effectiveness in reducing or eliminating potential adverse effects, but also for enabling the necessary adjustment of mitigation measures.

It is accepted practice for developers in the NWT to collect and annually report the socio-economic data listed (see Request section below) to both the GNWT and public, for all phases of a project from construction to closure.

The TOR states the following requirements:

“1) The developer will provide description of any commitments, plans and strategies proposed to engage with the responsible authorities and affected communities in monitoring and reporting on the following:

- a. success of local and regional residents and Aboriginal people in gaining employment at the proposed Yellowknife Gold Project, and the success of training initiatives;
- b. success of local and regional businesses in providing goods and services to the proposed Yellowknife Gold Project;
- c. employee retention and worker and family wellness;
- d. the potential contribution of the proposed Yellowknife Gold Project to beneficial and adverse social impacts at the regional and local levels;
- e. the use of the winter road; and
- f. impacts on wildlife harvesting and practice of traditional culture on the land.

2) The developer will identify relevant existing initiatives monitoring community wellness and investigate how it will engage with, contribute to, and consider results from these programs in its ongoing adaptive management programs” (section 3.4.5, TOR).

Tyhee addresses some aspects of monitoring and reporting of socio-economic impacts in a number of sections in the DAR. In order to assess the effectiveness of monitoring and reporting from the potential YGP, the following additional information is requested.

Request:

1. Please confirm whether Tyhee will collect and publicly report annually on:
 - a. Hiring by hiring priority, gender and job category in total numbers and percentage of total hires;
 - b. Hiring by NWT community in total numbers and percentage of total hires;
 - c. Total employment in person years by hiring priority and job category in total numbers and percentage of the workforce;
 - d. Total employment in person years by NWT community in total numbers and percentage of the workforce;
 - e. Total number of NWT resident employees who resigned or who were laid off, fired or otherwise terminated in the previous year;
 - f. Participation in and results of training activities;
 - g. The gross value of goods and services purchased during the calendar year by major category of purchase in relation to each phase of the YGP ("Purchases" based on the gross value of all purchases of goods and services, including both goods and services produced in the NWT and those produced outside the NWT, that are purchased through NWT Businesses);
 - h. A business forecast and assessment for the upcoming year; and
 - i. Total number of employees advanced and/or promoted by hiring priority and job category in total numbers and percentage of the workforce.
2. Please identify what process Tyhee will take to ensure it has the systems in place to collect, evaluate and report this information annually on behalf of itself and its contractors.
3. Will Tyhee engage with point-of-hire, local and regional study area communities regarding the above annual report?
 - a. If so, how often will this dialogue occur?

GNWT-6: Closure

IR Number: GNWT-6
Source: Government of the Northwest Territories (GNWT)
To: Tyhee NWT Corp. (Tyhee)
Subject: Closure
DAR Section: 11.0
TOR Section: 3.7

Preamble:

While development is an important part of the NWT economy, so too is the wellbeing of NWT residents when considering the adverse effects of a boom-bust economy associated with non-renewable resource development. Tyhee details its closure and reclamation plan (section 11, DAR). This plan mainly considers the biophysical environment in terms of reclamation after closure.

It is important that the local workforce, as well as local businesses and communities are prepared for a successful transition by having plans and strategies in place to minimize the possible negative effects of mine closure, including unforeseen early closure and temporary shutdown (bullet 4, section 3.7, TOR).

Request:

1. When considering unforeseen closure, including temporary or early closure, or scaling back of operations, please describe the method and timing of notice to be given to employees and to GNWT program departments (in addition to requirements under the NWT Employment Standards Act) should the need for lay-offs occur.
2. Please describe what anticipated steps Tyhee will take to mitigate the negative effects of both temporary and permanent mine closure for local and regional businesses and communities.
3. Please describe what steps Tyhee will take to mitigate the negative effects of both temporary and permanent mine closure for employees.

GNWT-7: Commitments

IR Number: GNWT-7
Source: Government of the Northwest Territories (GNWT)
To: Tyhee NWT Corp. (Tyhee)
Subject: Commitments
DAR Section: 7
TOR Section: 3.4.2; 3.4.5

Preamble:

The TOR requires Tyhee to provide commitments for the mitigation of any adverse socio-economic impacts (bullet 2, section 3.4.2, TOR). It is difficult to assess commitments that are widely spread throughout the DAR. In some cases it is also difficult to determine if a commitment exists. For example, the following statement is unclear if there is a commitment:

“Tyhee NWT Corp will attempt to put in place a northern hiring strategy that preferentially hires NWT residents[...]" (section 7.1.2.2, DAR).

The language leaves the question of whether or not Tyhee has committed to implementing a northern hiring strategy that preferentially hires NWT residents.

Request:

1. Please provide a table listing all of Tyhee’s commitments related to social, economic and cultural mitigation and monitoring, along with a column identifying where in the YGP Environmental Assessment material the information can be found.

GNWT-8: Preferential Hiring Commitment

IR Number: GNWT-8
Source: Government of the Northwest Territories (GNWT)
To: Tyhee NWT Corp. (Tyhee)
Subject: Preferential Hiring Commitment
DAR Section: 7.1.2.2
TOR Section: 3.4.1 (bullets 5 and 6); 4.0

Preamble:

The TOR require Tyhee to provide its “[...]strategies and commitments for maximizing direct employment and retention of northern and Aboriginal persons[...]” (bullet 5, section 3.4.1, TOR).

Tyhee state it “[...]will attempt to put in place a northern hiring strategy that preferentially hires NWT residents (with the same levels of education, skill, and experience) over non-NWT residents (people who do not live in the NWT)” (section 7.1.2.2, DAR).

It is unclear whether there is a commitment to develop and implement a northern hiring strategy. It is also unclear whether this statement could be implemented in a way that may create a barrier to northern and Aboriginal employment. For example, this wording could allow for a housekeeper position, which may require only the minimum education level and no experience, to be filled by a non-resident applicant with two years of experience instead of a northern resident applicant with one year of experience (even though the northern applicant possesses the other requirements for the position).

Tyhee state their “[...]commitment to maximizing the employment and retention of NWT residents will be extended through the company’s human resources policies” (section 7.1.2.5, DAR). Tyhee has not provided a copy of its human resources policies for review and analysis.

Tyhee states, “Depending on the success of directly employing northern and Aboriginal residents, Tyhee NWT Corp may consider further actions including[...] Performance bonuses,” (section 7.1.2.5, DAR). It is unclear, however, what the performance bonus refers to. For example, it could be interpreted as a northern allowance, work performance bonus, etc.

Request:

1. Please describe Tyhee’s preferential hiring priorities, practises and policies with respect to northern and Aboriginal employees and include definitions of northern, Aboriginal, Regional Study Area, direct labour, indirect labour, etc.
2. Please describe in detail the steps Tyhee will take to require its contractors to follow Tyhee’s hiring priorities and policies, and the steps Tyhee will take in the event that a contractor does not follow the hiring policies.
3. Please provide a copy of Tyhee’s human resources policies including the specifics of its recruitment, retention and training strategies and activities.

GNWT-9: Employment Numbers and Rotations

IR Number: GNWT-9
Source: Government of the Northwest Territories (GNWT)
To: Tyhee NWT Corp. (Tyhee)
Subject: Employment Numbers and Rotations
DAR Section: 4.15.1.1; 7.1.2.1; Appendix G
TOR Section: 3.4.1 (bullets 1, 2 and 3)

Preamble:

The TOR requires Tyhee to provide:

“1) An estimate of human resource requirements for the proposed development that includes a listing of all direct and contract employee requirements by skills category for each phase of the life of the proposed Yellowknife Gold Project, including work at the mine and in any other required activities (e.g., transportation). The developer will identify the skill levels that each position requires;

2) An assessment of the likely percentage of direct employment for northern and Aboriginal residents at the proposed Yellowknife Gold Project, in light of the current and likely future (life of mine) labour pool context;

3) Any target goals for northern and Aboriginal employment” (section 3.4, TOR).

Tyhee states, “The total mine workforce to be employed is estimated at 326 persons with 164 people on site at any one time” (section 4.15.1.1, DAR). Then it is stated that “[...]personnel requirements are estimated at 245 people per year with 164 people on-site at any one time” (section 7.1.2.1, DAR). The conflicting totals create uncertainty. This further creates uncertainty in the rotation schedule. For example, if the 245 total personnel number is used, then a two-on/two-off week rotation may not be the rotation utilized for all positions.

Tyhee states, “During the operations phase, up to 50% of the mine’s employees are likely to be from the NWT” (section 7.1.2.2, DAR). This later conflicts with, “Initial targets have been set at a minimum of a 30% northern workforce” (section 7.1.3.8, DAR).

Request:

1. Please confirm the total mine workforce numbers and percentages and their respective rotations for all phases of the project.
2. Please indicate which types of positions would likely be filled by third party contractors.
3. Is the workforce planned for Nicholas Lake (50 person camp) included in the total workforce numbers? If so, please identify these positions.
4. Please indicate those positions (including the number of jobs in these positions) that are likely to be hired outside of the NWT for each phase of the project.
5. Please confirm northern prediction numbers for all phases of the project.
6. Please provide the preliminary number of positions needed at each phase of the mine and include job description skill requirements and categorization (i.e. skilled, semi-skilled, etc.).

GNWT-10: Training

IR Number: GNWT-10
Source: Government of the Northwest Territories (GNWT)
To: Tyhee NWT Corp. (Tyhee)
Subject: Training
DAR Section: 4.15.1.1; 7.1
TOR Section: 3.4.1 (bullets 1, 4 and 5); 3.4.5

Preamble:

The TOR requires Tyhee to provide:

“[...]plans, strategies or other commitments to increase the mine ready workforce and support career paths in mining. The developer must specifically outline how these strategies will create or contribute to training opportunities for northern and Aboriginal persons in general, and its employees in particular” (bullet 5b, section 3.4.1, TOR).

Tyhee has stated, “It is anticipated that Tyhee NWT Corp will provide training, employment, business opportunities, and/or other benefits to these communities” (section 4.15.1.1, DAR). It is unclear whether training will be delivered in the regional study area communities prior to recruitment and employment activities undertaken by Tyhee and/or a third party contractor.

Tyhee has stated that its “[...]commitment to training will include site-based, on-the-job training and the support for a number of apprenticeships” (section 7.1, DAR). It is unclear whether the number of apprentices will be based on achieving preferential hiring commitments and adaptive management, or whether the number will be a predetermined figure that Tyhee knows will be required and plans to train. It is unclear what strategies will be in place to support career paths for positions that require skills development and training that is not provided through on-the-job training and/or apprenticeships. It is also unclear what site-based training will include.

Tyhee indicates support for post-secondary training as a mitigating measure to out-migration (table 7.2-1, section 7.2.2.1, DAR). It is unclear what this support will include.

The TOR requires Tyhee to:

“[...]provide description of any commitments, plans and strategies proposed to engage with the responsible authorities and affected communities in monitoring and reporting on the[...] success of local and regional residents and Aboriginal people in gaining employment at the proposed Yellowknife Gold Project, and the success of training initiatives” (bullet 1 and 1a, section 3.4.5, TOR).

It is unclear how Tyhee will work with the GNWT and affected communities to monitor and report on the impacts of the project on local and regional residents, and Aboriginal people. This is with respect to employment and advancement, and the outcome of training initiatives at the proposed YGP.

“4) A description of any barriers to direct or contract employment, advancement and retention for northern residents, with particular emphasis on Aboriginal people and residents of smaller Tlicho and North Slave communities. This description must include:

c. additional training programs required to maximize direct employment benefits for northern residents and/or Aboriginal persons.

5) The developer’s strategies and commitments for maximizing direct employment and retention of northern and Aboriginal persons, including a description of:

a. hiring and retention policies related to minimum education levels, criminal records, and drug and alcohol use; and

b. the developer’s plans, strategies or other commitments to increase the mine ready workforce and support career paths in mining. The developer must specifically outline how these strategies will create or contribute to training opportunities for northern and Aboriginal persons in general, and its employees in particular” (section 3.4.1, TOR).

Request:

1. What are Tyhee’s plans, strategies or other commitments to increase the mine-ready workforce prior to employment at the mine site? How are third party contractors included in Tyhee’s training commitments?
2. Please identify the number of apprenticeships planned and trades these would include.
3. How will Tyhee work with stakeholders to ensure appropriate training is available?
4. Please clarify the role and responsibilities of the onsite trainer and whether there will be a cost to employees to participate in any onsite training or education.
5. Will support be provided for employees to build their skills and qualifications for all positions on site? For example, can a dishwasher take apprenticeship readiness training on-site to build their qualifications in order to advance to an apprenticeship?
6. How will Tyhee address training and skills development to enable employees to move into skilled and professional positions? For example, such as advancing into management positions.
7. How will Tyhee support post-secondary training as a mitigation to population out-migration (as indicated in table 7.2-1, section 7.2.2.1, DAR)?

GNWT-11: Travel and Relocation

IR Number: GNWT-11
Source: Government of the Northwest Territories (GNWT)
To: Tyhee NWT Corp. (Tyhee)
Subject: Travel and Relocation
DAR Section: 7.2; 7.1.2.5
TOR Section: 3.2.2 (bullet 19);

Preamble:

Tyhee has stated that it will “Provide transportation for workers from RSA [Regional Study Area] communities to the YGP” (table 7.2-1, section 7.2.2.1, DAR). However, in another section of the DAR, Tyhee states that “Depending on the success of directly employing northern and Aboriginal residents, Tyhee NWT Corp may consider further actions including[...] Reviewing different community pick up points for northern and Aboriginal residents” (section 7.1.2.5, DAR).

Request:

1. At what point will the expansion of pick up points be considered?
2. Please provide Tyhee’s travel policy that addresses travel benefits. For example, between which communities and the mine site will Tyhee provide travel allowances or pay all employee travel costs? At what point would Tyhee extend this practice to additional communities?
3. Will Tyhee or its contractors provide or reimburse travel costs for non-NWT resident employees? If so, from which communities or cities?
4. Will Tyhee pay to relocate workers that are willing to move to the North?