



Yellowknives Dene First Nation

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June 7th, 2012

Nicole Spencer
Mackenzie Valley Environmental Impact Review Board
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Dear Ms. Spencer:

Re: Tyhee Information Requests – Round One

The Yellowknives Dene First Nation (YKDFN) have reviewed the available information on the Tyhee Gold Project and are requesting a delay – not just for the submission of Information Requests, but to allow the Board to review the May 31st, 2012 responses and request more information. In the YKDFN's view, the current level of information is not adequate for the Board and the intervening Parties to meaningfully review and prepare appropriately for technical upcoming sessions.

This requires one of two solutions:

- 1) The company should be required to submit an updated DAR reflective of the most recent and significant changes to the mine plan; or
- 2) The environmental assessment workplan should be amended to allow the Parties to submit information requests to the company, with the objective of enhancing the level of understanding, based on the new substantive changes to the mine plan as of May 31

Project Definition:

The May 31st submission from the proponent contemplates a very significant change to the mine plan with consequential changes to the statements and impact predictions found in the DAR. To alter the mine plan to include only the Ormsby deposit, to significantly alter the Tailings Containment Area operation plan, and to introduce a completely different waste rock scheme restricts the meaningful participation of the Parties. The quality of information outlining these changes and the timing of the submission is, in our opinion, a breach of procedural fairness.

Simple data that should form the basis of the Developer's Assessment Report is not provided – for instance (just one example of many information requirements), there is no new water balance provided. The metrics associated with the site have not been provided – no new rock pile heights, no pit depth, and no updated volume of tailings. The preliminary questions – how high, how much, how deep are remain unknown.

Inconsistent Information:

The lack of updated information complicates a picture that was already inconsistent with the previous mine plan – there are numerous examples of inconsistent data being used in one part of the DAR compared to another – whether it is simple statements such as those surrounding grizzly bears that could be clarified relatively easily such as:

- Section 2.12.1.4 “Grizzly Bears in the project area...”
- Table 6.6-1 “[Grizzly Bears] not anticipated to occur in YGP area”

OR

Rockpile elevations:

- Figure 4.9-1 notes rock pile elevation of 365m
- Section 4.3.5 notes 392m

Or more technical inconsistencies such as:

- the Knight Pieshold report submitted as a supplementary document using completely different water balance numbers than found in the DAR. As an example, the contribution from the Open Pit is an approximately an average monthly rate of 20k m³ in this report while in the DAR the average monthly contribution is 31.75k m³ (after table 4.13-1).
- Golder’s Multiple Accounts analysis was completed with a tailings volume of 7.7Mt. The Project Description Report (PDR) submitted to the MVLWB noted a volume of 12.1Mt. Section 2.5.4.1 of the May 30th Knight Piesold report noted that the TCA needs to hold 14.1 Mt. The DAR does not seem to contain a projected tailings volume at all, though it does note that the volume of the TCA can accommodate is 7.6 Mt (4.12.2.1).

At this point, YKDFN staff are frustrated at the lack of a coherent project description that we are able to review and evaluate in a meaningful manner.

Lastly, some of the sections of the DAR should have been refused as they do not respond to the guidance provided in the Terms of Reference – examples include:

- There is a lack of details on waste management, with solid wastes either being deposited in a yet to be determined landfill or in the underground workings (with little discussion on the management and subsequent impacts of either option). Hazardous wastes may or may not be deposited on site. The uncertainty around location, operation and size of these facilities is not consistent with the Terms of Reference section 3.2.2 (7) requiring “*Conceptual domestic/industrial/hazardous waste management plans... the locations, and descriptions of hazardous and non-hazardous waste facilities, with particular attention to the volume of material that the developer will process in these facilities*”.
- The accident and malfunctions section does not respond to the Terms of Reference, particularly with reference to 3.5(1). This section asks for the “*predications for the risks, modes of failure and impacts of accidents and malfunctions...*” while the response discusses the best practices to avoid incidents.

It is not possible to evaluate impacts and their significance if the proponent does not provide adequate information.

Just to be clear, YKDFN have selected examples - this does, and should not be construed as a complete list of the potential issues. Without attempting to be exhaustive, some other notable, unaddressed concerns surround the impacts to the downstream from the reduction of flows, the air quality impacts from changing from a 3000 tpd mill to a 4000 tpd, the socio economic impacts from removing the Nicholas Lake deposit from the project description, and a plan with details to mitigate

the potential for Acid Rock Drainage.

Purpose of Information Requests

The Information Request stage is designed to settle technical questions that arise during an environmental assessment (Section 3.14, Mackenzie Valley Environmental Impact Board EIA Guidelines) to allow the Parties to focus on evaluating the significance of impacts. At this point in time we lack the necessary information to complete a preliminary technical review. This means that the 1st round of Information Requests will be used to complete the provision of basic information rather than contemplating impacts from the proposed activity. To allow the submission of documents with variable quality and uncertain statements forming the basis of the parties' review does not allow for thorough Environmental Assessments. The YKDFN hopes that the high standard of information gathering and evaluation expected by the Board will be maintained throughout this and all other EAs.

Recommended Decisions

- 1) The Board delay the Information Request submission stage, granting the company an opportunity to update the project description. Whether this is accomplished through a DAR update or some other means, YKDFN would be supportive.
- 2) Alternatively, the Board may want to use this round of IRs to advance the adequacy of information to a level suitable for technical review. If so, the Board must introduce an additional round of IRs immediately following those submissions (provided the company furnished forthright answers) and prior to any technical session.

Option 1 is preferable for the YKDFN. The burden of evidence in an environmental assessment is upon the proponent – it must provide adequate evidence to support its impact predictions. It conforms to the spirit of the EIA Guidelines where the Board states the “Onus is on the developer to convince the Review Board that it will not cause significant impacts”. Requiring the company in this case to submit a DAR update would insure the evidentiary burden is appropriately allocated.

Sincerely,



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