



July 7, 2006

Via e-mail only to: [PDuxbury@mveirb.nt.ca](mailto:PDuxbury@mveirb.nt.ca)

Mackenzie Valley Environmental Impact Review Board  
Box 938  
2<sup>nd</sup> Floor – 5102 - 50th Avenue  
Yellowknife, NT  
X1A 2N7

Attention: Mr. Patrick Duxbury, Environmental Assessment Officer;

**Re: Developers Assessment Report  
Tyhee NWT Corp's Yellowknife Gold Project**

Further to your e-mail dated June 19, 2006 with an attached letter, within which you asked for clarification on recent company press releases and statements made by company representatives related to an open pit operating scenario at the Yellowknife Gold Project. In response to you e-mail and letter , Tyhee NWT Corp provides the following update on the Yellowknife Gold Project.

As you know, Tyhee NWT Corp. (Tyhee) has completed additional drilling (and continues to have two diamond drills active) at the site, mainly to increase the resource base which in turn is incorporated into a revised resource model. This revised resource model then feeds into the Pre-feasibility Study Report and provides some direction as to the most efficient and effective extraction method for this resource. Initial review of the latest drill results by Tyhee NWT Corp's mining consultant and the revised resource model indicates that the most efficient and effective extraction method of the Yellowknife Gold Project resource may initially include open pit methods.

Tyhee NWT Corp is fully aware that should an open pit scenario become reality, that this would require a change in the Project Description Report (PDR) and that there may be a need to revise the MVEIRB's Terms of Reference for the Yellowknife Gold Project.

Tyhee NWT Corp intends to meet with the MVLWB and discuss the potential changes to the PDR and how this would relate to the MVEIRB's terms of reference for review of the Yellowknife Gold Project. It should be noted that Tyhee NWT Corp feels that although the mining method may change, processing the resource will be similar to that stated in the PDR. As you know, any open pit mining scenario generally results in increased waste rock storage areas. It should be noted that increases in waste rock storage areas from the Yellowknife Gold Project are seen to be by volume only as the geochemistry is not seen to change, thereby not significantly increasing impacts from waste rock storage as a result of an open pit scenario at the Yellowknife Gold Project.

As you can appreciate, Tyhee NWT Corp needs to evaluate the report from our mining consultant and following our review including any internal discussions, will meet with

the MVLWB to discuss any changes to the PDR and how this will then change the MVEIRB's Terms of Reference for the review of the Yellowknife Gold Project.

With respect to timing of the above, Tyhee NWT Corp anticipates that we can provide an update to both the MVLWB and the MVEIRB by August 15, 2006.

We apologize for any inconvenience this may cause the MVEIRB in scheduling and will keep you informed of any further changes in Tyhee NWT Corp's submission of the DAR.

Please advise if you require anything from Tyhee NWT Corp as we move the Yellowknife Gold Project forward. If you wish to contact me, please do so by calling me on my cell (780) 975-2550.

Yours truly,

*Original signed by H.R. Wilson*

Hugh R. Wilson  
Vice President–Environment and Community Affairs

CC: Bob Wooley, MVLWB  
Peter Lennie-Misgeld, MVLWB  
Dave Webb, President and CEO, Tyhee Development Corp.  
Roger Sylvestre, Executive Vice President, Tyhee Development Corp  
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