

YELLOWKNIFE GOLD PROJECT

MVEIRB Issues Scoping Session for the Environmental Assessment

October 16, 17 - 2008

Yellowknife, NT

YELLOWKNIFE GOLD PROJECT- OVERVIEW

Who is Tyhee Development Corp?

- Gold Exploration and Development Company
- Large Measured and Indicated Resource, ~1.8 million ounces of gold
- Developing in a gold camp with >14 million ounces of past production
- In Canada, 100% owned.
- Advancing toward Production

YELLOWKNIFE GOLD PROJECT- OVERVIEW

Who is Tyhee NWT Corp?

- Tyhee NWT Corp is a wholly owned subsidiary of Tyhee Development Corp
- Tyhee NWT Corp will be the operator of the Yellowknife Gold Project

YELLOWKNIFE GOLD PROJECT- OVERVIEW

Project Development Management Team

- Dave Webb, President and CEO
- Roger Sylvestre, Executive Vice President
- Lorne Anderson, Chief Financial Officer
- Doug Levesque, Vice President-Operations
- Hugh R. Wilson, Vice President-Environment and Community Affairs
- Val Pratico, Chief Geologist

YELLOWKNIFE GOLD PROJECT- OVERVIEW

Property History (Discovery Mine – Present)

- **1949-1969**; Produced 1 million ounces of gold from 1 million tons of ore.
- **1995**; Discovery of new form of gold mineralization
- **Jan 2001**; Purchase Discovery Mine Property (100%)
- **Jan 2001**; Purchase Nicholas Lake Mine Property (100%)
- **2002**; Confirm Resource, Initial Economic Evaluation
- **2003**; Expand Resource, Complete Scoping Study
- **2004**; Expand Resource, Initiate Prefeasibility Study
- **2005**; Continue Exploration, Permit applications submitted in March to initiate project review, project optimization and regular updates provided to MVEIRB
- **2008**; Submission of revised project description report, referral for EA , scoping sessions and receipt of Terms of Reference for DAR.

YELLOWKNIFE GOLD PROJECT- OVERVIEW

PROPERTY HISTORY (DISCOVERY MINE CIRCA 1952)



YELLOWKNIFE GOLD PROJECT- OVERVIEW

Key Project Components

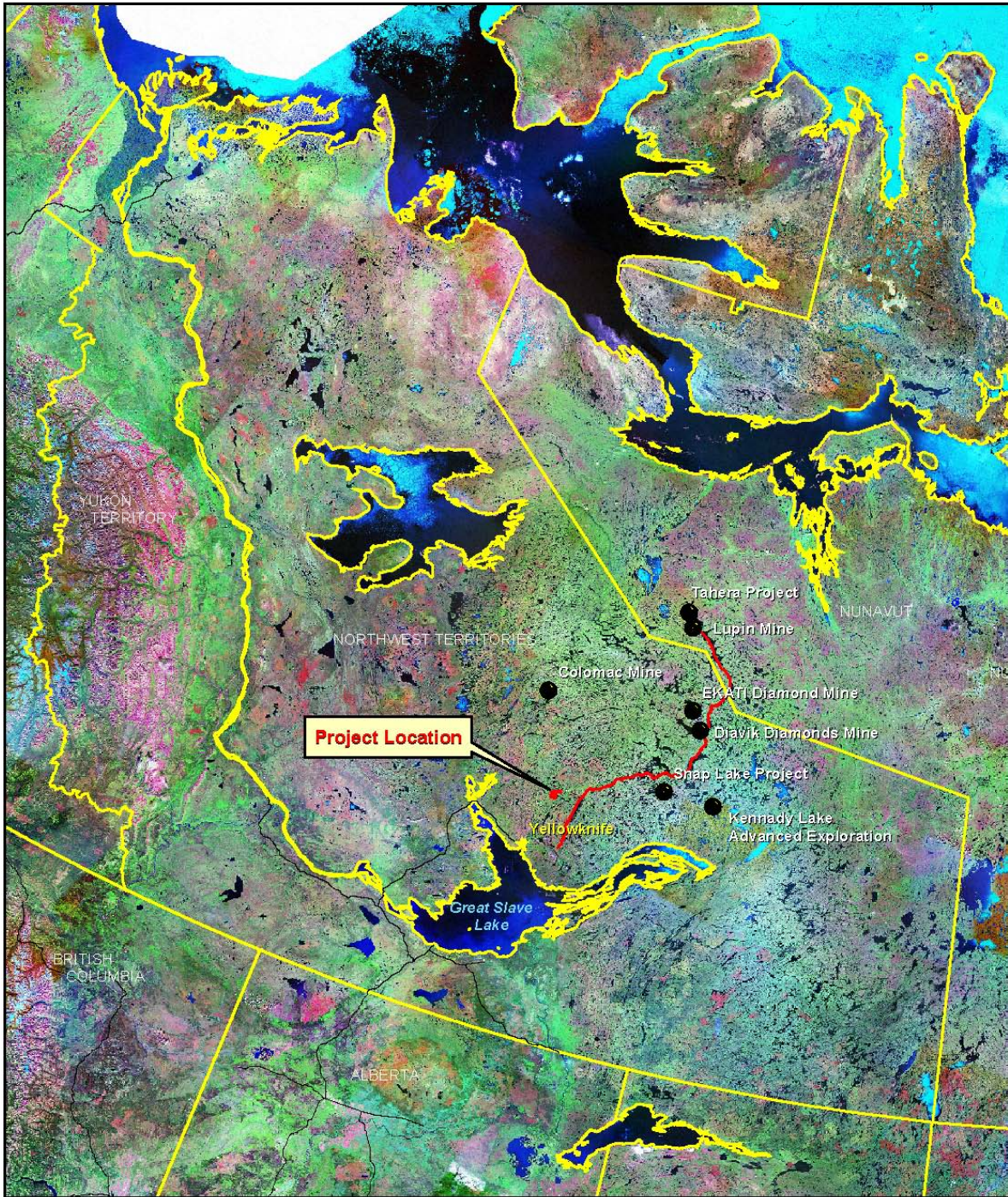
- Camp for ~120 persons (total workforce ~160-190) working 2-week in, 2 week out rotation
- Open Pit followed by underground (both Ormsby and Nicholas Lk)
- Fuel Storage for ~20 million litres (16 at Ormsby – 4 at Nicholas Lk)
- Conventional Mining and Processing at initial rate of ~ 2500 tpd up to 4000 tpd
- Tailings Containment Area – proposed as Winter Lake (releases from lake to meet MMER)
- Waste Rock Storage area ~15 M tonnes at Ormsby, ~ 4 M tonnes at Nicholas Lake

YELLOWKNIFE GOLD PROJECT- OVERVIEW

Key Project Components (continued)

- Use of existing airstrip including current overland access (geotechnical investigations have shown no impact on underlying tailings cap)
- Discussions with INAC – CARD will continue as the project advances.
- Winter access to site via existing winter road (Prosperous Lake to Discovery)
- Explosives storage areas- per NRCAN criteria
- Access to Nicholas Lake resources- proposed as winter road - could be all-weather road depending on economics.

Yellowknife Gold Project Location Map



YELLOWKNIFE GOLD PROJECT- OVERVIEW



YELLOWKNIFE GOLD PROJECT- OVERVIEW

Exploration Camp (photo by INAC)

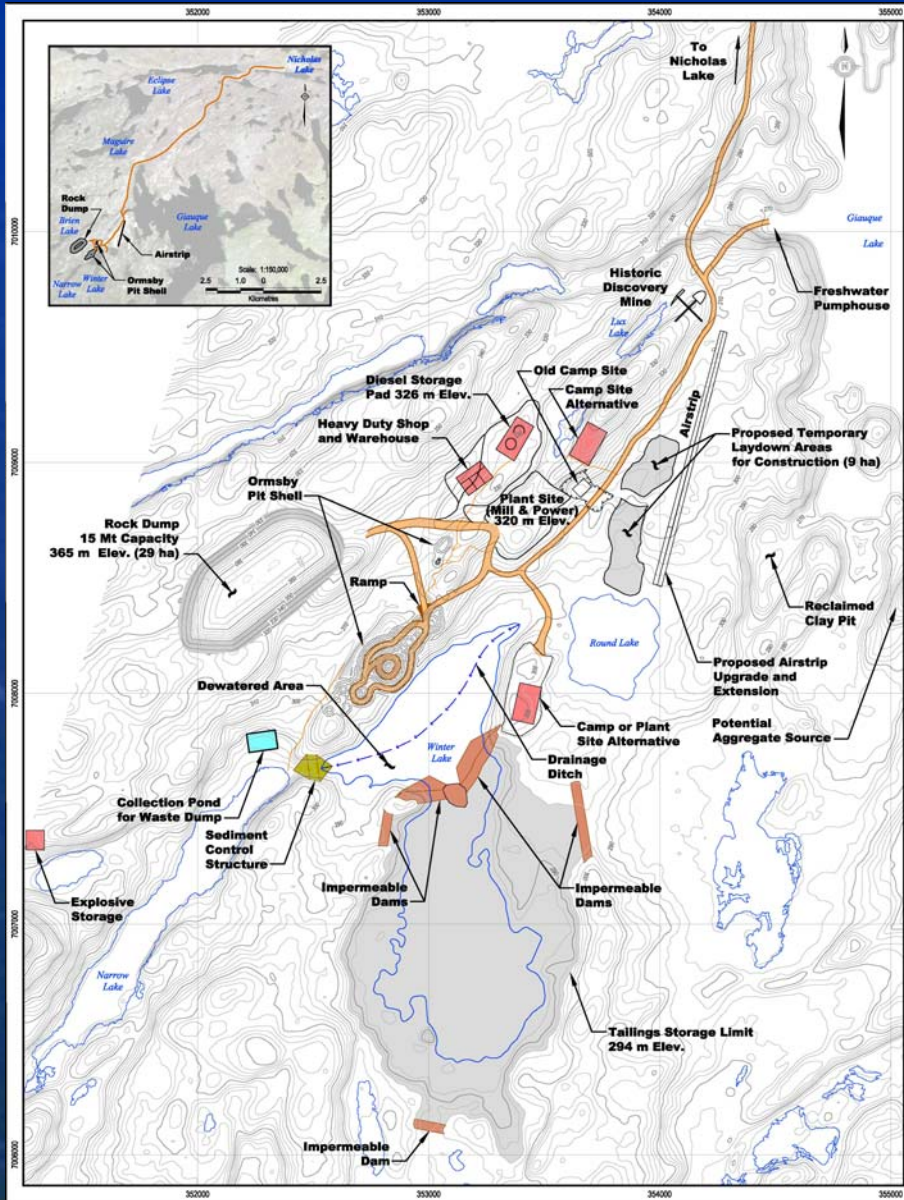


YELLOWKNIFE GOLD PROJECT- OVERVIEW

Exploration Decline (photo by INAC) **DO WE NEED THIS?**



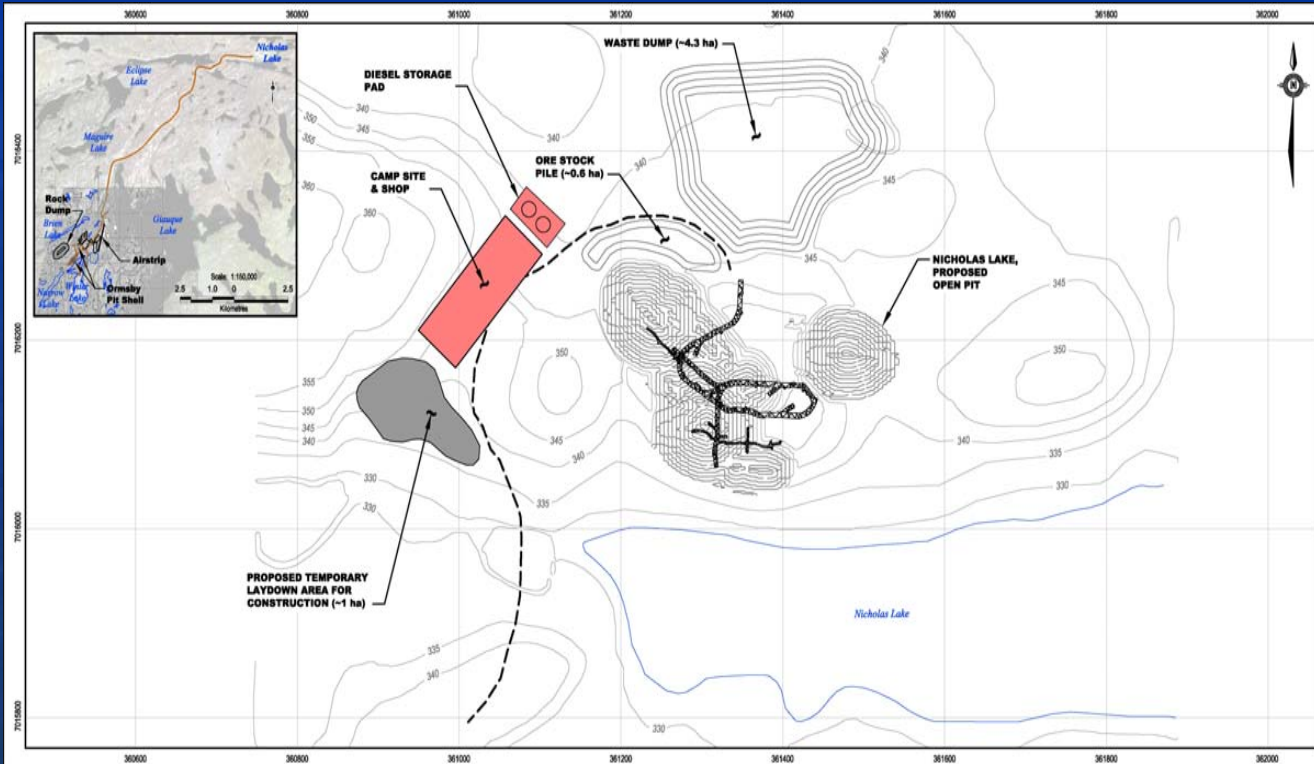
YELLOWKNIFE GOLD PROJECT



Yellowknife Gold
Ormsby Preliminary
Site Plan

July 25, 2008

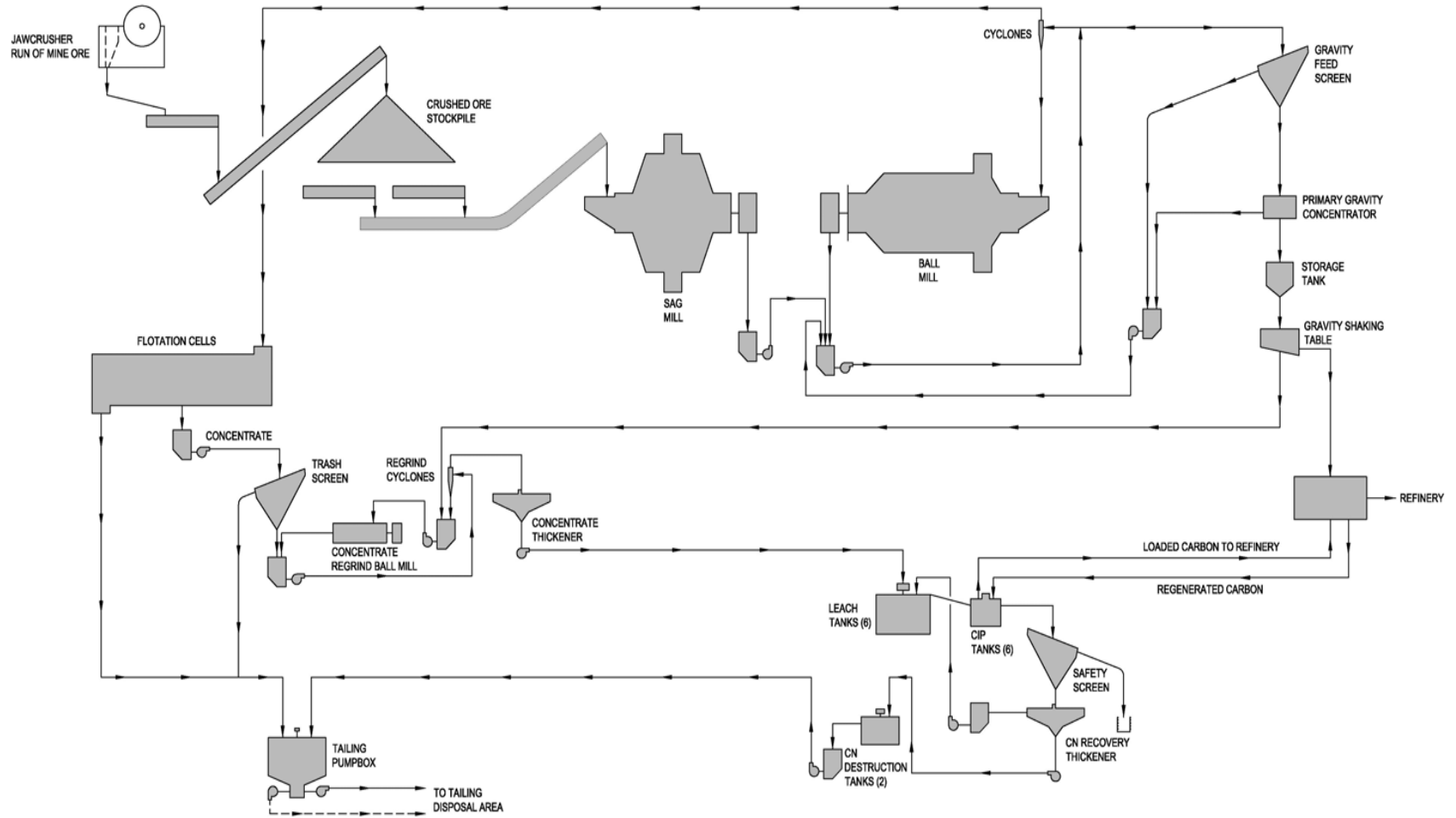
YELLOWKNIFE GOLD PROJECT



Yellowknife Gold
Nicholas Lake
Preliminary Site Plan

July 25, 2008

Yellowknife Gold Project – Simplified Process Flow Sheet



YELLOWKNIFE GOLD PROJECT

Scoping Session Objectives

- Discuss project components and interactions with the environment as per agenda
- Listen to concerns raised by participants
- Provide MVEIRB with the information necessary to develop clear and concise Terms of Reference for the Developers Assessment Report (DAR)
- Subject to Tyhee NWT Corp preparing and submitting its' DAR , timelines should be clearly stated and followed.
- At the Board's request, we provided a comparison from the 2005 ToR and where these ToR have been addressed in the 2008 submission.

YELLOWKNIFE GOLD PROJECT

Comparison of Scope Items from submissions in 2005 & 2008

Mining Process		
Scope Item	2005	2008
Development of Open pit and underground workings;	Underground operation only, 8 Year Mine Life	Open Pit for 3 years and then underground, 8-13 years LOM
Management of topsoil, waste rock and overburden stockpiles, and associated water treatment	Waste Rock Volume ~12 million tons	Waste Rock Volume ~15 million tons
Management of ore stockpiles, and associated water treatment;	No Change	No Change
Storage and use of explosives;		Higher use BUT same Storage and Handling Procedures
Management of rock with potential for ML/ARD	No Change	No Change
Transportation of ore from Ormsby Zone and Nicholas Lake deposits to the process plant;		Winter Road from Nicholas Lake. to Ormsby
Mine dewatering and treatment of mine water	No Change	No Change
Mining equipment and operation.	Underground	Open pit and underground

YELLOWKNIFE GOLD PROJECT

Comparison of Scope Items from submissions in 2005 & 2008 con't)

Milling Process		
Scope Item	2005	2008
Construction and operation of the process plant;	1,500 tonnes/day	Start up 2,500 to full capacity 4000 tonnes /day
Consumption of fresh water from Giauque Lake.	132,538 m ³ /year	253,700 m ³ /year
Storage, handling, use, and disposal of process chemicals;	No Change	No Change
Disposal of process water and tailings; and	Winter Lake TCA with polishing pond	Winter Lake TCA without polishing pond.
Construction and operation of tailing containment area, including recycling and disposal of process water, as well as its' treatment and discharge to the receiving environment.	Discharge to environment 271,500 m ³ /year	Discharge to environment maximum 312,000 m ³ /year ((2500 tpd-wet yr)

YELLOWKNIFE GOLD PROJECT

Comparison of Scope Items from submissions in 2005 & 2008(con't)

Support/Ancillary Facilities and Activities		
Scope Item	2005	2008
Transportation activities that support the YGP's operation	No Change	No Change
Expansion of the winter road	No Change	No Change
Construction and use of all-weather roads;	No Change	No Change
Stream crossings and any proposed modifications to water courses;	No Change	No Change
Construction and use of drainage control structures;	No Change	No Change
Development and use of borrow sources for aggregate production;	No Change	No Change
Construction and operation of power plant and transmission infrastructure;	Power consumption – 6.5 MW	Power consumption – 8 MW
Construction and operation of the building	No Change	No Change
Construction and operation of hydrocarbon storage and handling facilities;	Capacity 12 million liters at Ormsby	Capacity ~ 16 M litres at Ormsby, ~ 4 million litres at Nicholas Lake
Construction and operation of camp facilities;	No Change	No Change
Treatment of camp wastewater at Ormsby Zone and Nicholas Lake developments;	No Change	No Change
Solid and hazardous management and construction and operation of containment areas; and	No Change	No Change
Modifications and operation of an existing; airstrip or construction and operation of a new airstrip,	Possibly new airstrip location on esker south of Ormsby	Airstrip at present location upgraded

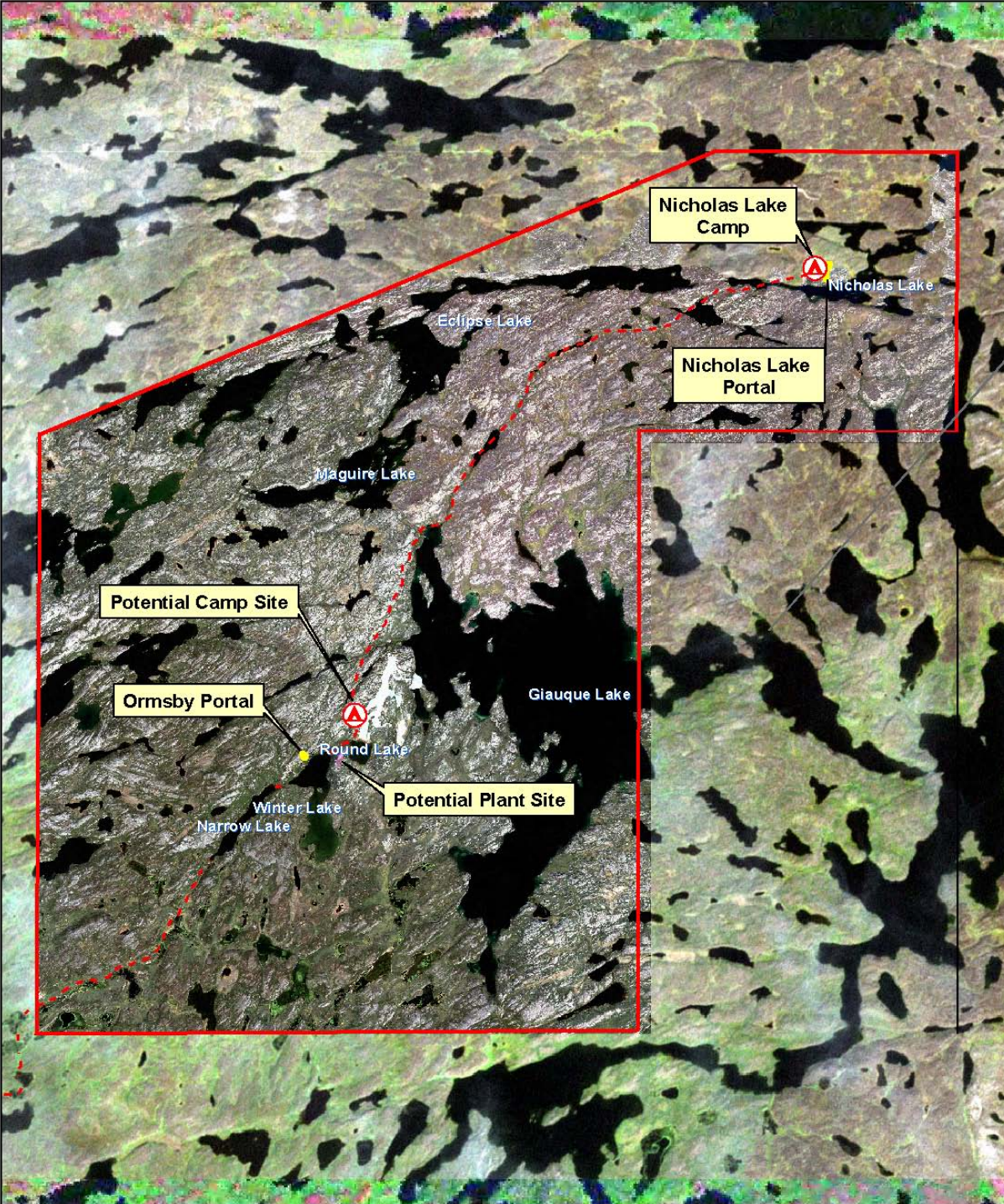
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Comparison of Scope Items from submissions in 2005 & 2008(con't)

Closure and Reclamation Activities		
Scope Item	2005	2008
Removal of structures and equipment;	No Change	No Change
Reclamation of the Tailings Containment Area (TCA);	Winter Lake and polishing pond	Part of Winter Lake
Reclamation of the road network;	No Change	No Change
Reclamation of infrastructure foundations;	No Change	No Change
Re-vegetation of areas affected by mining-;	Underground	Plan to be developed for open pit and underground
Reclamation of waste rock and overburden piles.	No Change	No Change
Reclamation of the airstrip, roads, tailings cap and quarries.	No Change	No Change

ENVIRONMENTAL ASSESSMENT





Yellowknife Gold Project Study Area

Valued Ecosystem Components (VEC's)

VEC Grouping	VECs
Air Quality	Air Quality
Water Quality	Water Quality (Indicators)
Fish	Fish /Aquatic Habitat
Terrestrial Vegetation	Traditional Use Plants/Rare Plants
Mammals	Moose/Habitat
	Caribou/Habitat
	Wolf
	Wolverine
Birds	Raptors/Habitat
	Waterfowl/Habitat

Impact Matrix

	Air Quality	Water Quality	Fish	Wildlife	Vegetation
Site Preparation and Construction	X	X	X	X	X
Construction Materials	X	X	X		X
Plant Site	X	X		X	X
Waste Rock Storage		X	X		X
Acid Rock Drainage(ARD)			X	X	
Mining	X	X		X	X
Processing	X		X		

Impact Matrix (con't)

	Air Quality	Water Quality	Fish	Wildlife	Vegetation
Power Supply	X				X
Sewage		X	X		
Tailings		X	X	X	
Water Management		X	X		
Solid and Hazardous Waste	X	X		X	
Airstrip	X				X
Winter Road				X	X
Other Infrastructure		X	X	X	X

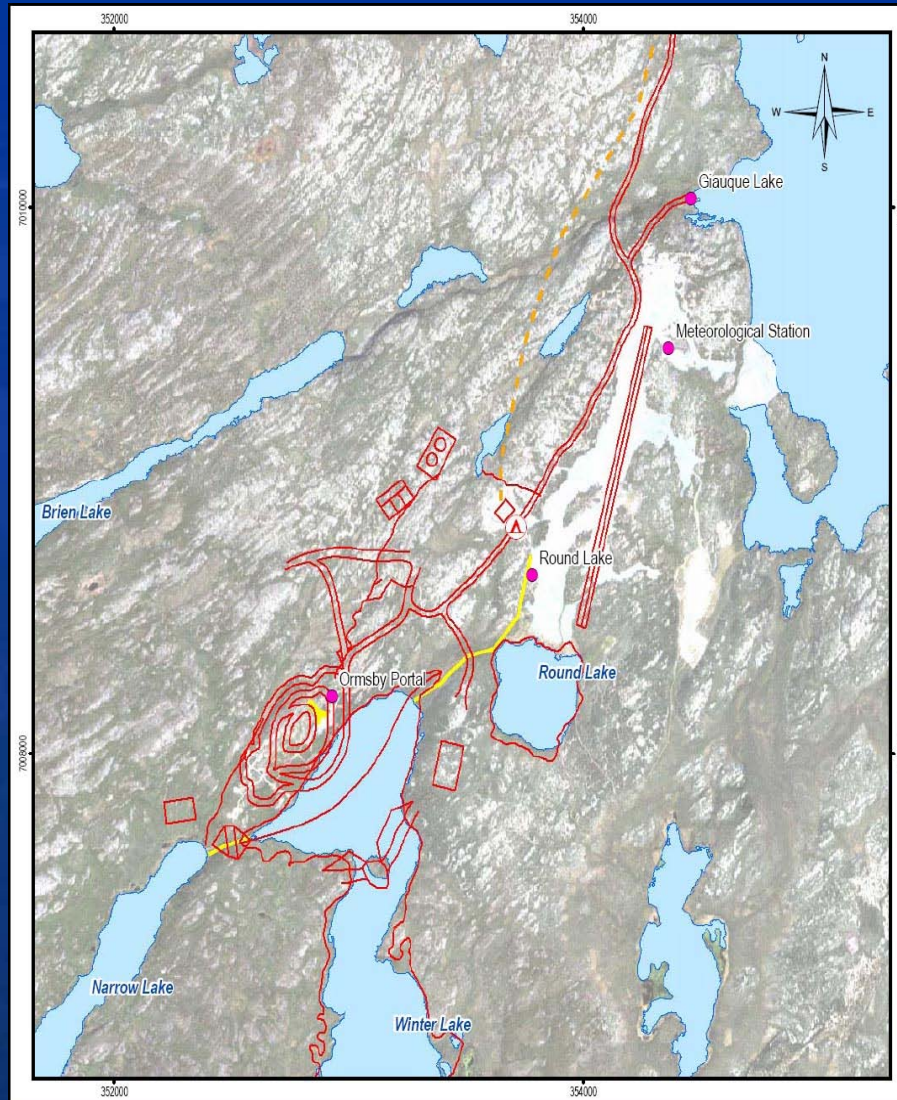
ENVIRONMENTAL ASSESSMENT

Air Quality / Noise



ENVIRONMENTAL ASSESSMENT

Air Quality / Noise Monitoring Sites



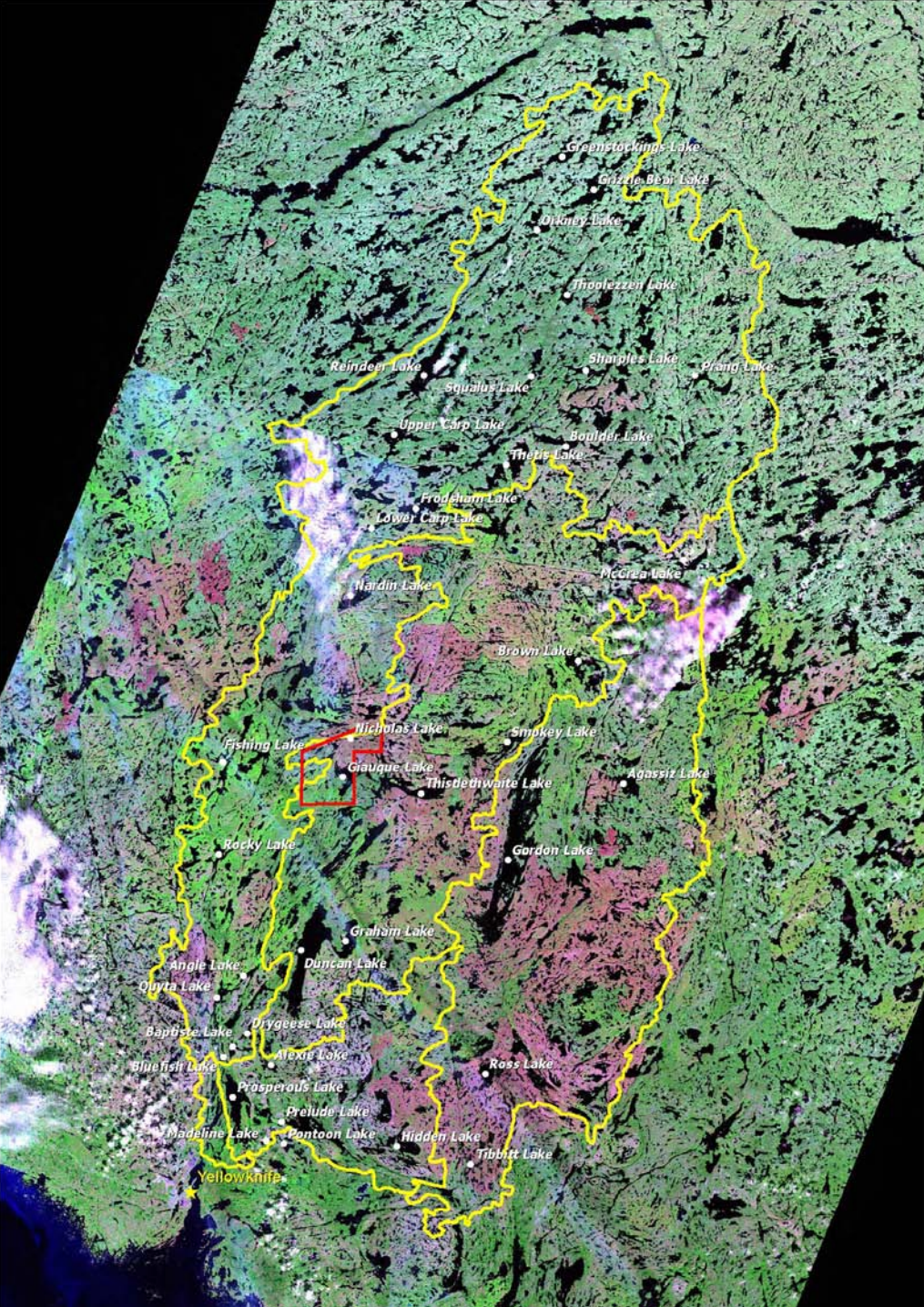
AIR QUALITY/NOISE

Project Component	Potential Impact	Mitigation
Site Preparation and Construction	particulate matter from clearing	Dust suppression GNWT Guideline for Dust Suppression
Construction	Materials Particulate matter from crushing and sorting.	<i>Environmental Protection Act, Asphalt Paving Industry Emission Regulations.</i>
Mining	Limited air emissions CO, SO ₂ and NO _x , particulates	GNWT, WCB standards for mine air quality
Processing	Particulate emissions.	Guideline for Ambient Air Quality Standards in the Northwest Territories
Power Supply	CO, SO ₂ and NO _x , particulates.	emission control equipment Guideline for Ambient Air Quality Standards in the Northwest Territories
Solid and Hazardous Waste	particulate material.	Guideline for Ambient Air Quality Standards in the Northwest Territories.
Airstrip	particulate matter	GNWT Guideline for Dust Suppression
Other Infrastructure	Particulate matter	GNWT Guideline for Dust Suppression

ENVIRONMENTAL ASSESSMENT

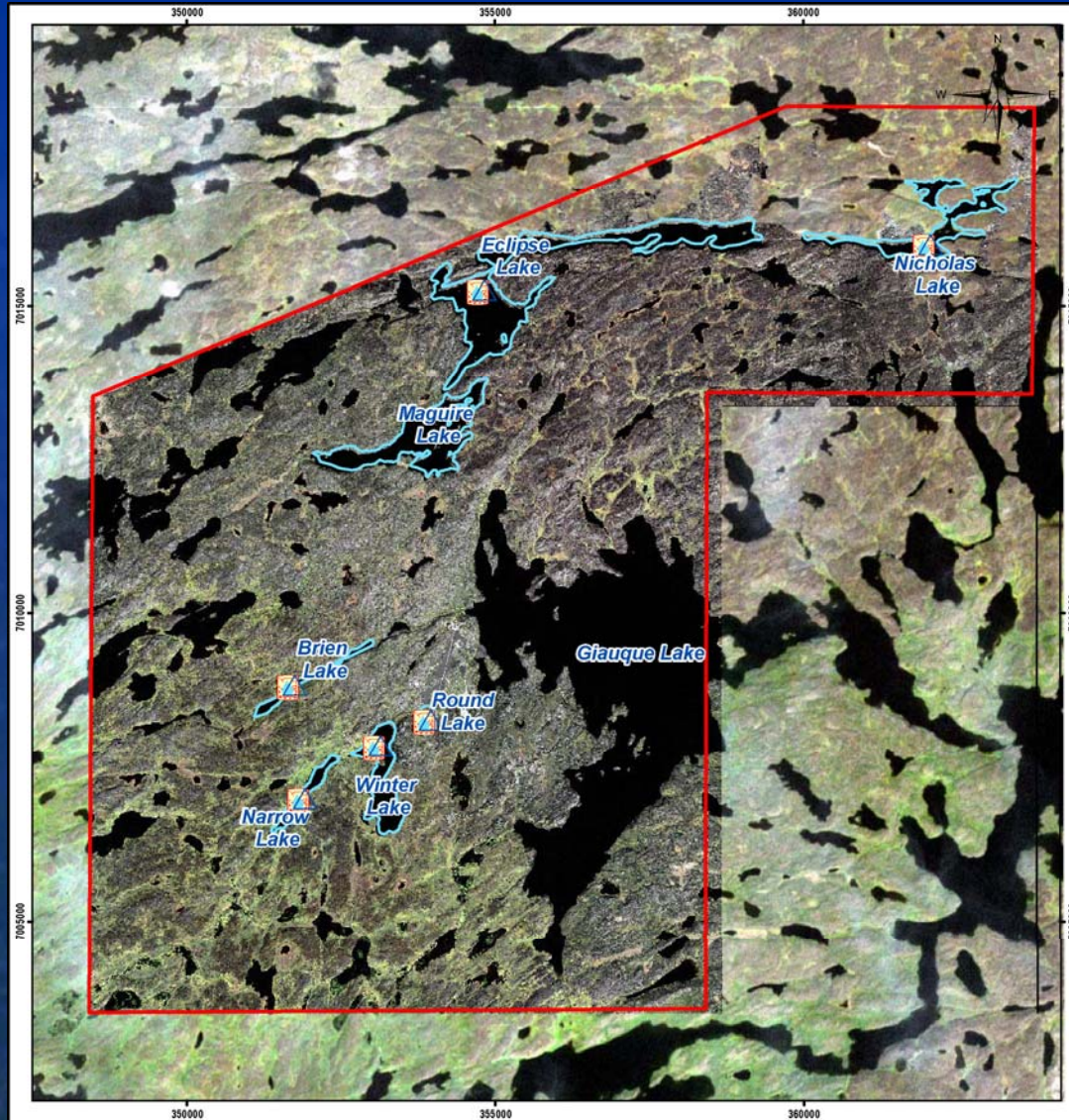
Water Quality





Yellowknife River Drainage Basin

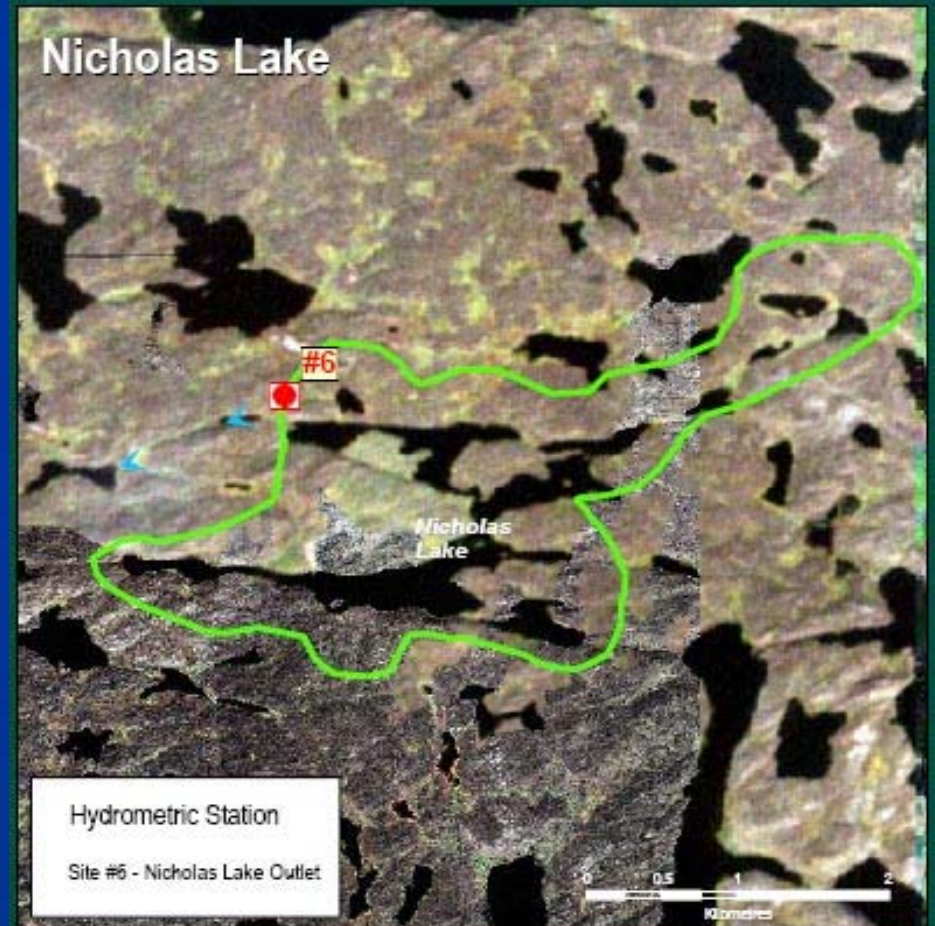
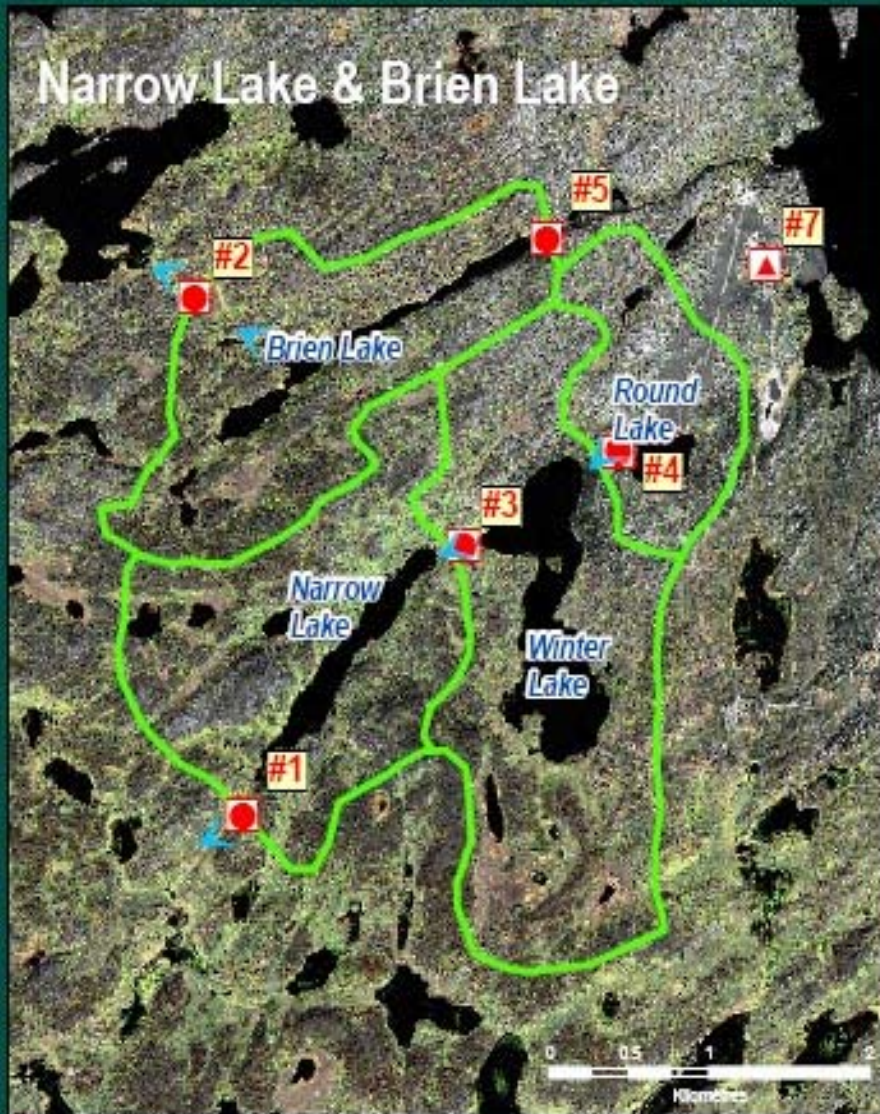
Yellowknife Gold Project - Water Quality Sites



WATER QUALITY

Project Component	Potential Impact	Mitigation
Site Preparation and Construction	sedimentation	silt barriers in construction activities. silt barriers in Winter Lake during construction of the TCA.
Mining	discharged pit / mine water	Minewater discharged to the TCA or used in mill
Waste Rock Storage	suspended solids or metal concentrations.	Drainage to the mill, mine or TCA.
Sewage	nutrients and bacteria to surface water.	treated using a packaged RBC plant, discharged to TCA.. RBC will meet the Camp Sanitation Regulations, R.R. N.W.T. 1990, c. P-12, Public Health Act, R.S.N.W.T. 1998, c. P-12
Tailings Containment Area.	annual discharge from the TCA.	discharge will meet the Metal Mining Effluent Regulations (Fisheries Act).
Water Consumption	Water from Giaugue Lake.	not adversely affect the volume of the lake.
Hazardous Materials	Impacts on water quality	Management Plan covering the transportation, use, disposal, and emergency response.

Yellowknife Gold Project – Hydrometric Stations

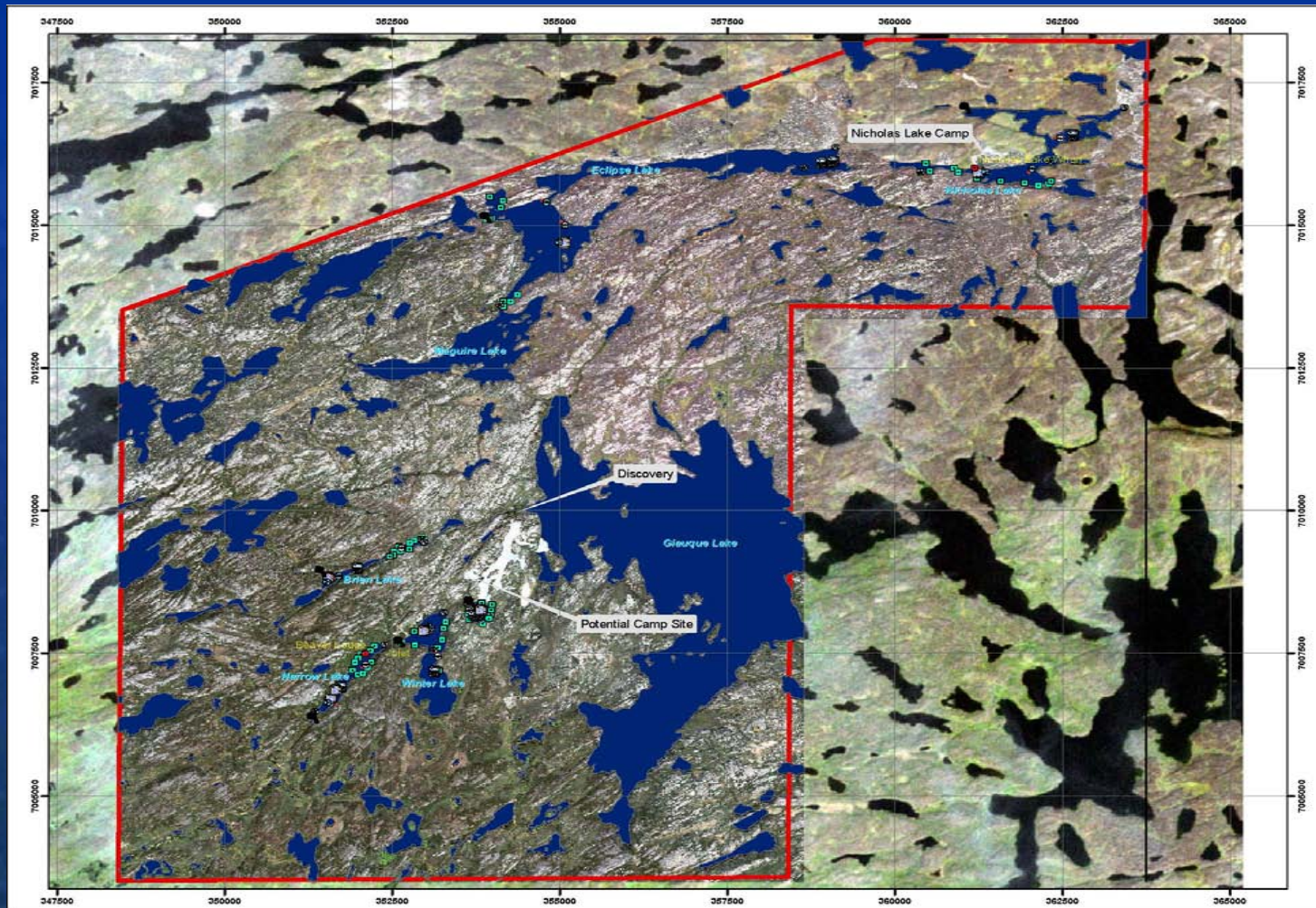


ENVIRONMENTAL ASSESSMENT

Fish & Fish Habitat



Yellowknife Gold Project Fish Sampling Lakes – 2004

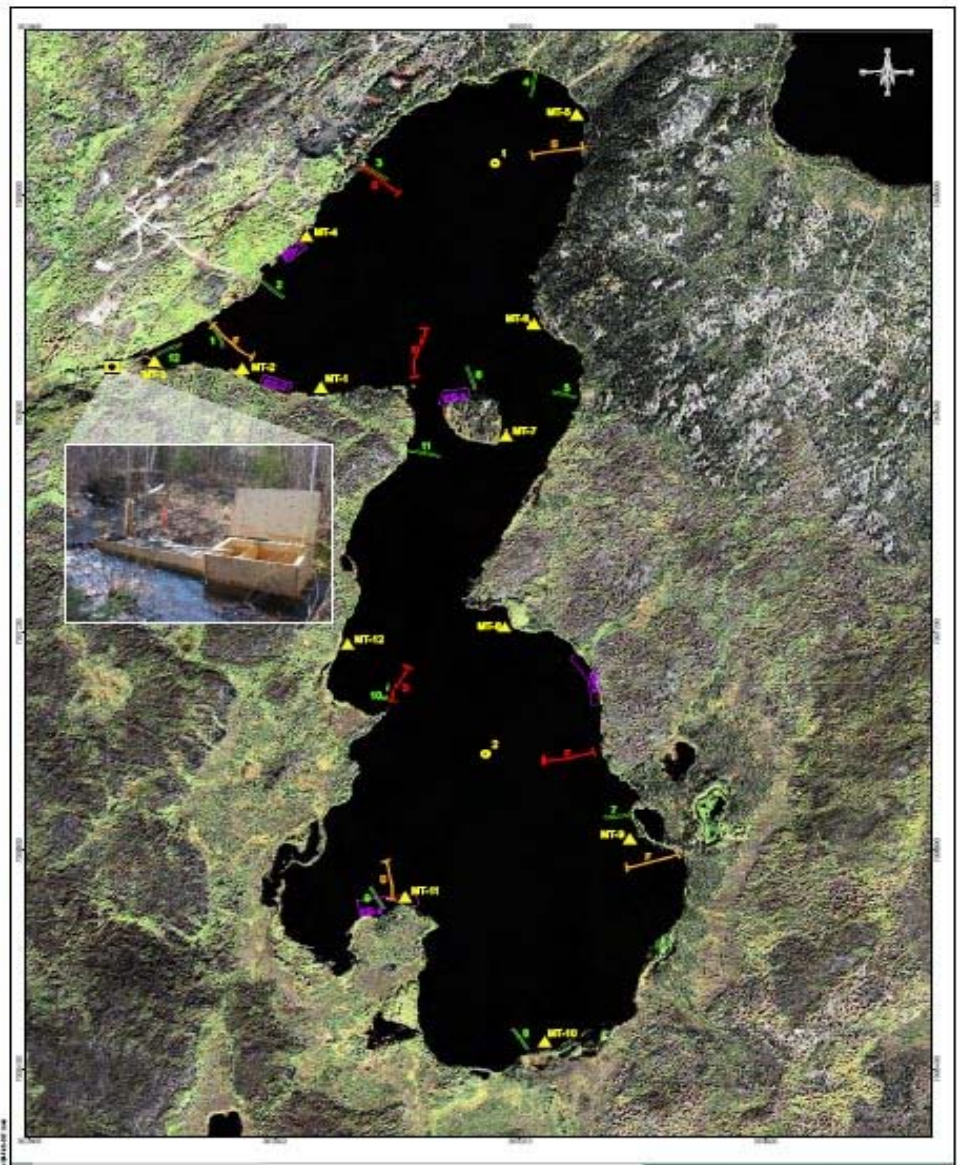


Legend

- Local Study Area

- Minnow Trap
- ⊗ Inlet
- ⊗ Inshore Benthic Invertebrates
- ⊗ Offshore Benthic Invertebrates
- Other
- ⊗ Outlet
- Sediment
- ⊗ Floating Gillnet
- ⊗ Sinking Gillnet
- Water Quality
- ⊗ Zooplankton

Yellowknife Gold Project Fish Sampling Lakes – 2005



LEGEND

Water Quality Station	Outlet (Drinking, Pre-leasing)
Snake Tunnel	Outlet 1
Water Lake Outlet Trap (Spring)	Outlet 2
	Minnow Trap
	Dredging

FISH & FISH HABITAT

Project Component	Potential Impact	Mitigation
Site Preparation and Construction	Silt deposition	Use of silt curtains and generally accepted construction standards.
Waste Rock Storage	Contaminated runoff from storage area.	Collected and pumped to TCA
Acid Rock Drainage (ARD)	high metal concentrations.	All runoff collected and pumped to TCA.
Processing	TSS and elevated metal levels	Discharge will meet Metal Mining Effluent Regulations.
Sewage	Sewage effluent containing parameter concentrations that could impact fish.	Treated by packaged sewage treatment plant, planned to discharge to the TCA.
Tailings	Tailing exiting the mill could have parameters toxic to fish	Final discharge from TCA meets Metal Mining Effluent Regulations. Minimal fish in Winter Lake
Water Management	volume of water source	Giauque Lake will not be adversely affected
Other Infrastructure	Water crossing	Crossing design will be to DFO standards.

ENVIRONMENTAL ASSESSMENT

Wildlife



Yellowknife Gold Project - Wildlife Components

Moose Survey

Caribou Survey

Esker Survey

Breeding Bird Survey

Waterfowl Survey

WILDLIFE

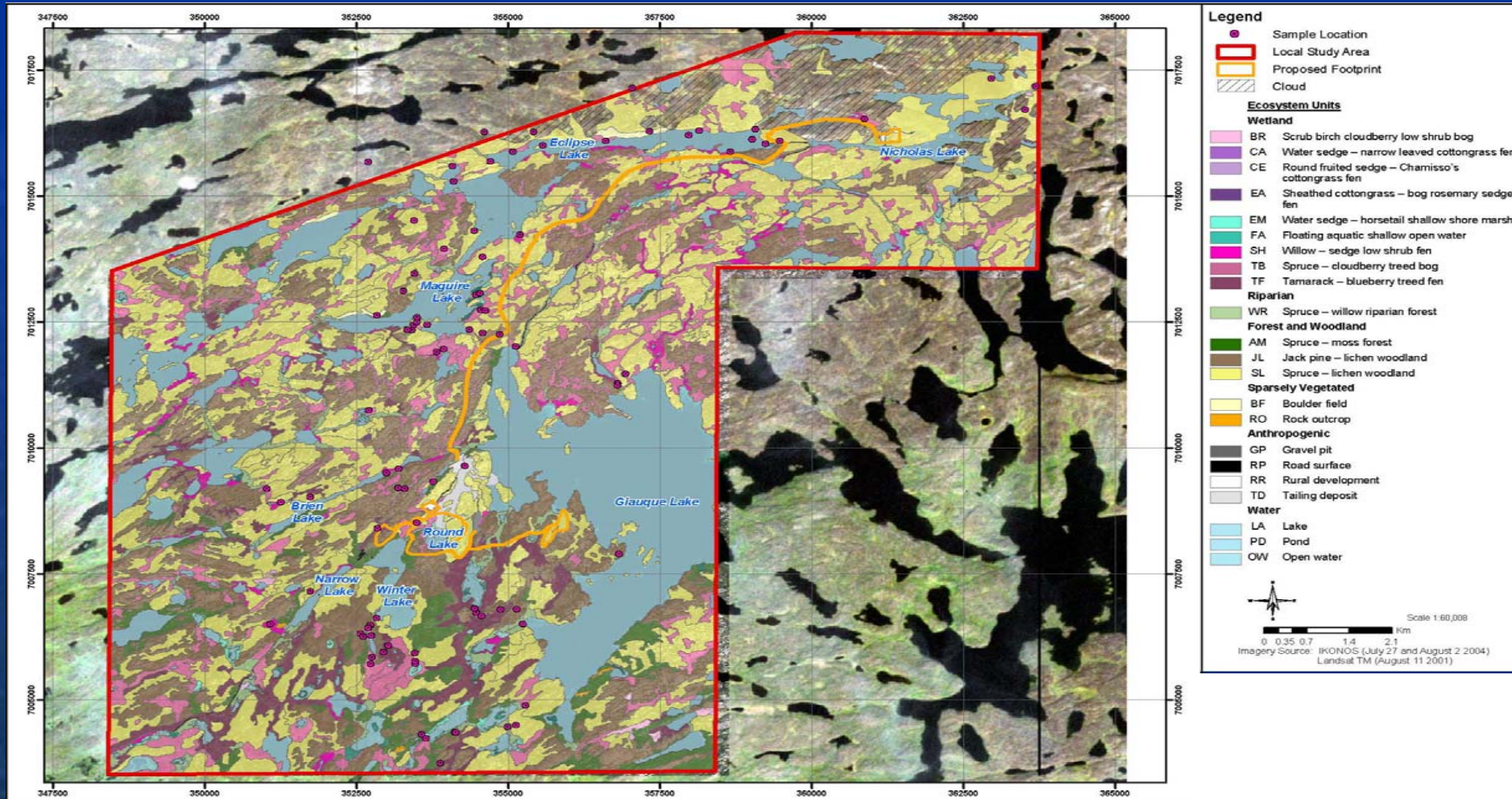
Project Component	Potential Impact	Mitigation
Site Preparation and Construction	Disturbance and removal of wildlife habitat	The habitat to be disturbed is not unique to the area.
Plant Site	Disturbance and removal of wildlife habitat	The habitat to be disturbed is not unique to the area.
Mining	Disturbance and removal of wildlife habitat	The habitat to be disturbed is not unique to the area.
Tailings	TCA may pose a hazard to both local and migrating wildlife.	Tailings will be disposed of sub-aqueously, minimizing interactions with wildlife
Solid Waste and Hazardous Waste	Solid waste will attract wildlife, which become a safety hazard	waste incinerated Hazardous wastes disposed of in approved manner
Winter Road	increase hunting pressure	Winter road use will be monitored
Other Infrastructure	Disturbance and removal of wildlife habitat	The habitat to be disturbed is not unique to the area. Sensitive species in the area will be avoided.

ENVIRONMENTAL ASSESSMENT

Vegetation



Yellowknife Gold Project Terrestrial Ecosystem Units



VEGETATION

Project Component	Potential Impact	Mitigation
Site Preparation and Construction Construction Materials Plant Site Mine Airstrip	Loss of vegetation; increase in ecosystem fragmentation; potential loss of rare plant habitat. Loss of soil; compaction of mineral soil by vehicle	Use of herbicides, sterilants and dust suppressants; salts on road surfaces. Minimize footprint minimize development on rare ecosystem types minimize off-site activities salvage mineral topsoil; implement erosion control measures monitor point source air emissions dispose of all hazardous wastes in approved manner.
Power Supply	emissions of SO ₂ and NO _x	equipped with appropriate emission controls Guideline for Ambient Air Quality Standards in the Northwest Territories.
Other Infrastructure	increased risk of fire	Limited mitigation

ENVIRONMENTAL ASSESSMENT

Socio-Economic Issues



SOCIO-ECONOMIC ISSUES

- Operate on a 2 week in / 2 week out rotation
- Objective is to hire as many local personnel as possible (those with the appropriate training and qualifications)
- Objective is to source operating supplies locally (based on cost effectiveness and competitive bid process)
- Opportunities for contracts (camp services, explosives, power supply etc)
- Objective of the YGP is to contribute positively to the economy of the region with minimal impacts on the social environment.

ENVIRONMENTAL ASSESSMENT

Archaeological – Cultural – Heritage Issues

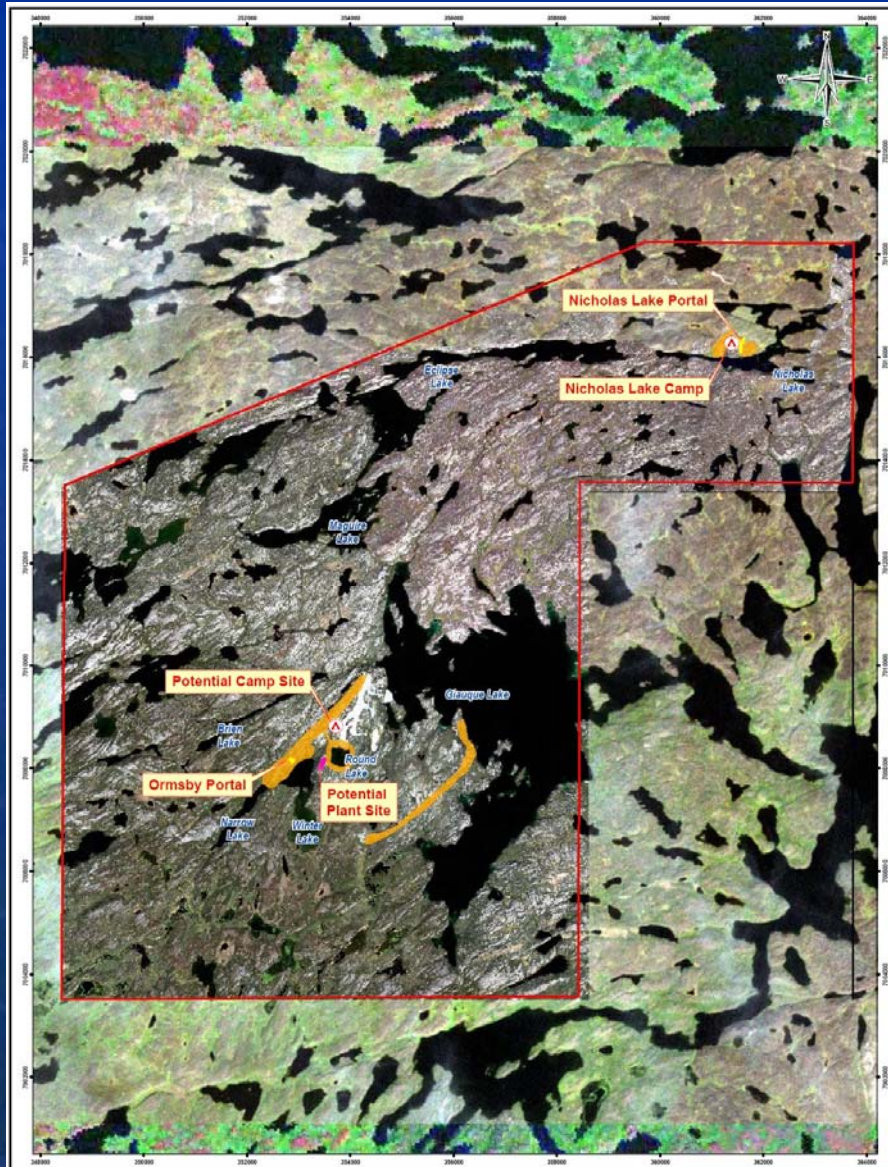


Yellowknife Gold Project

Archaeological – Cultural – Heritage Issues

- Archaeology Surveys in 2004 and 2005
- YKDFN Site Visit 2005
- NSMA Site Visit 2005
- NSMA – Traditional Land Use Report
- Discussions to continue with YKDFN and NSMA

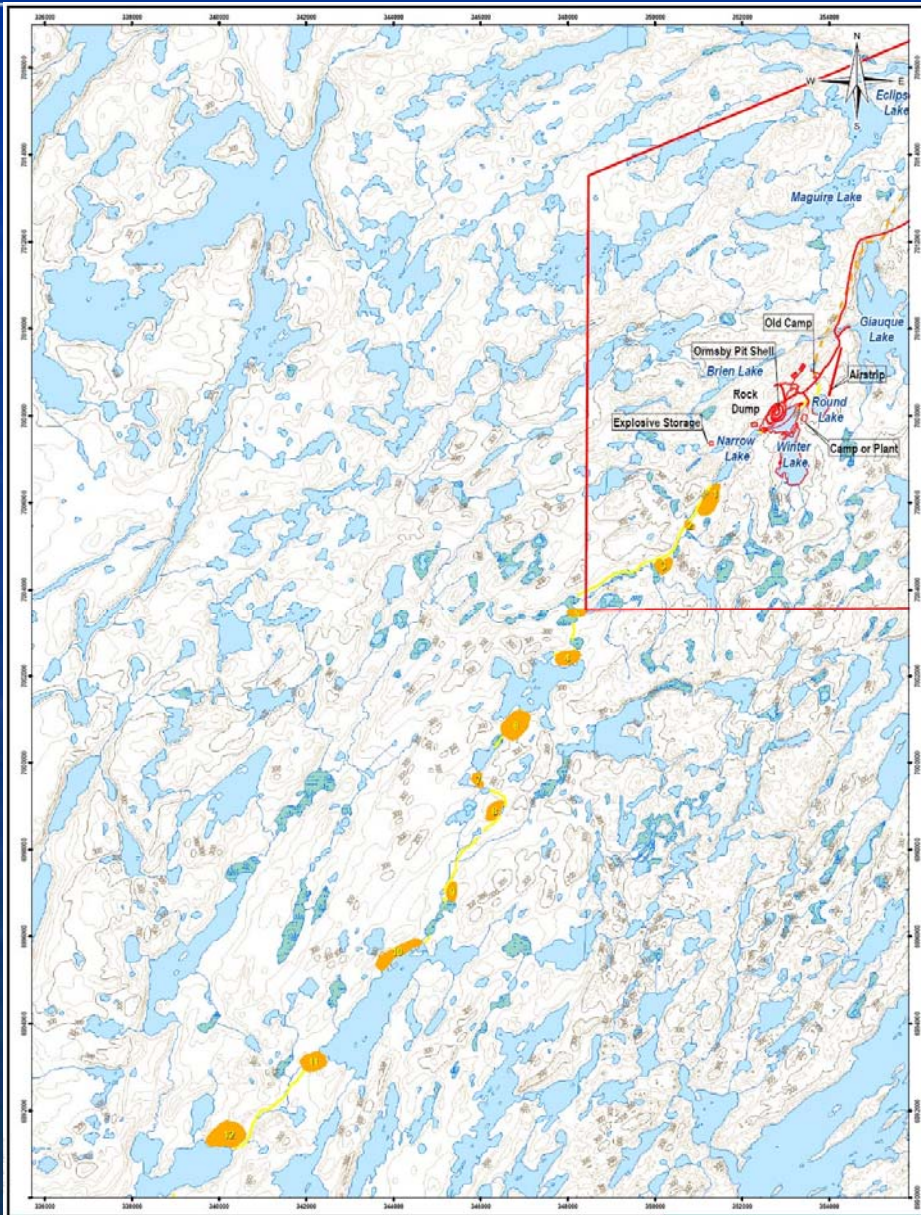
Yellowknife Gold Project Archaeology - 2004








LEGEND

- Local Study Area
- Camp
- Portal
- Plant Site
- Ground Reconnaissance

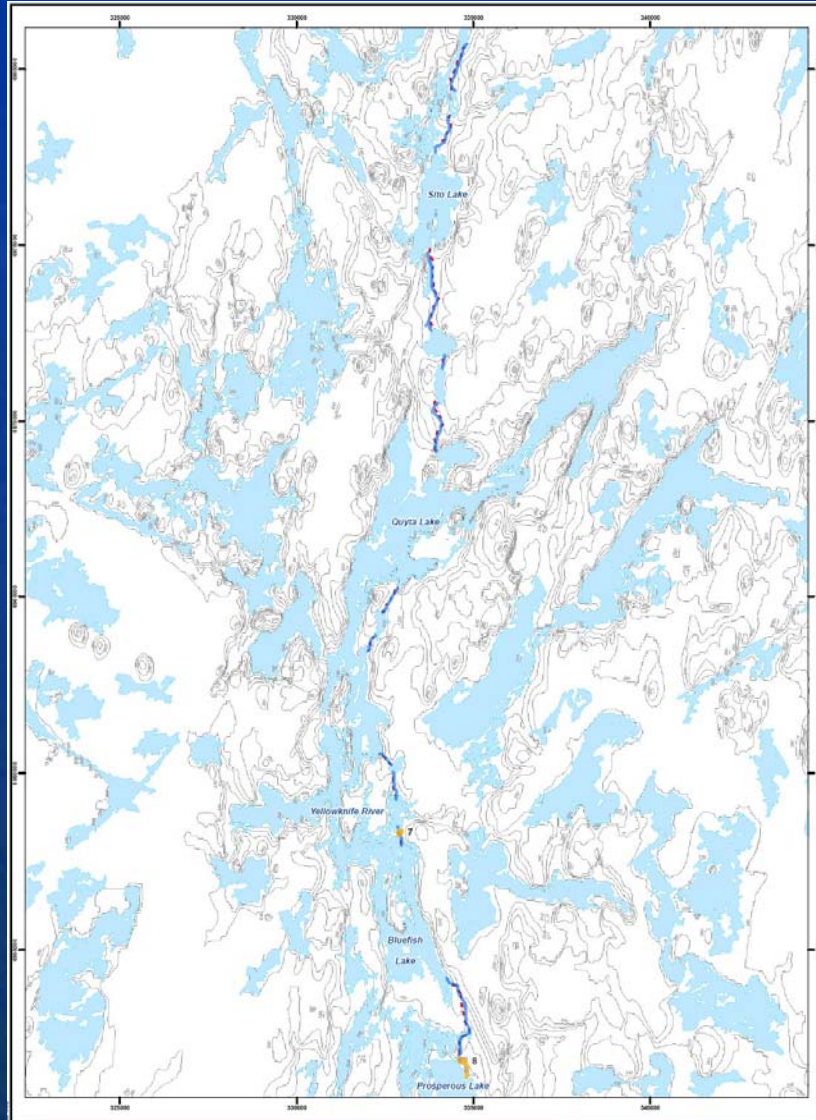
Yellowknife Gold Project Archaeology – 2005 – Winter Road Alignment






LEGEND

-  Local Study Area
-  Camp
-  Portal
-  Plant Site
-  Ground Reconnaissance

Yellowknife Gold Project Archaeology – 2005 – Winter Road Alignment (con't)



LEGEND	
	Winter Road
	10m Contours
	Aerial Reconnaissance
	Ground Reconnaissance

ARCHAEOLOGICAL/CULTURAL/HERITAGE ISSUES (summary)

- Documented records suggest the YGP area was not heavily used by FN prior to Euro-Canadian contact
- No archaeological sites found within Project Footprint (including the winter road route)
- Historical mining remains scattered across much of the study area
- Three prehistoric sites recorded 3-5 km north of the Nicholas Lake Camp in 1989.

YELLOWKNIFE GOLD PROJECT

THANK YOU
QUESTIONS