Environment & Conservation Box 1500 YELLOWKNIFE NT X1A 2R3

December 3, 2010

MVEIRB File Number: EA1011-002

Nicole Spencer
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
P.O. BOX 938
YELLOWKNIFE NT X1A 2N7

Via email

Re: TNR Gold - Moose Property Environmental Assessment – Undertaking #3 from the Hearing of November 19, 2010

Dear Ms. Spencer:

Indian and Northern Affairs Canada (INAC) is providing the following information as a response to the undertaking #3 from the TNR Gold, Moose Property Hearing of November 19, 2010, which reads:

Undertaking #3

For INAC to submit information on how it plans to consult or inform the nearby communities on the contamination remediation results for the Destephany [sic] Mine Phase II and Phase III of the ESA.

Response

To assist in addressing this undertaking, INAC would like to refer the Mackenzie Valley Environmental Impact Review Board (MVEIRB) to INAC's letter dated October 22, 2010 regarding assessment work plans for the DeStaffany Mine site. At that time, INAC also provided the Phase I Environmental Site Assessment (ESA) report to the MVEIRB for placement on the public registry for EA1011-002.

Consultants to the INAC's Contaminants and Remediation Directorate completed field work for a Phase II ESA of DeStaffany Mine in July 2010 and are expected to provide INAC with the final Phase II report in late January 2011. As stated in INAC's October 22 letter, INAC will provide this report to MVEIRB for placement on the TNR public registry if the public registry is still open. A Phase III investigation is planned for 2011, however if TNR Gold's exploration activities are approved and permitted before this time, the Phase III investigation may be delayed to allow for negotiations and coordination of remediation plans with TNR Gold. INAC recognizes TNR's commitment to communicate with INAC in regards to INAC's ongoing efforts to

assess the old DeStaffany mine site, as well as TNR's commitment to provide assistance in INAC's work at the site.

In conjunction with this assessment and remediation work, CARD will continue to engage with the nearby communities. CARD staff will travel to the communities of Lutsel K'e and Fort Resolution in late January/early February. CARD will be holding meetings and open houses to update the communities on several sites in the Great Slave Lake area that CARD is developing remedial plans for, including DeStaffany Mine. The engagement plan will include the following:

- Meeting with Lutsel K'e Dene First Nation leadership
- Meeting with the Akaitcho Interim Measures Agreement Implementation Office
- Meeting with Deninu Kue First Nation leadership
- Meeting with Fort Resolution Métis Council leadership
- Meeting with Akaitcho Territory Government
- Hosting open houses in Lutsel K'e and Fort Resolution

Prior to February 2011, CARD staff will also engage with staff from the Yellowknives Dene First Nation and the North Slave Métis Alliance in Yellowknife and hold an open house in Dettah.

In addition, CARD will provide a final copy of the Phase II assessment report to TNR Gold Corp. and meet with Corey Segboer of Aurora Geosciences to discuss options for the remediation schedule.

If you have any further questions regarding the DeStaffany Mine remediation plan, please contact Jane Amphlett at iane.amphlett@ainc-inac.gc.ca. If you require further information about the about the Destaffany Mine site in relation to this environmental assessment, please contact Krystal Thompson at 669-2595 or via email at krystal.thompson@inac-ainc.gc.ca.

Yours sincerely,

For Teresa Joudrie

Director, Rénewable Resources and Environment