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## **TYHEE GOLD CORP: PRESIDENT'S REPORT**

VANCOUVER, British Columbia – Tyhee Gold Corp. (TSX Venture: TDC) (the “Company”) is pleased to announce the release of the following Report to Shareholders by the Company's newly-appointed President (Interim,) Brian K. Briggs, P.E.

Dear Investors:

It has been a little more than a month since I began my new role as Interim President of Tyhee Gold Corp., and this seems a good time to introduce myself and, more importantly, to describe our plans for the coming year.

As was noted in our most recent announcements, our goal is to establish a profitable operating mine at our Yellowknife Gold Project (YPG) by or before 2015. To accomplish this goal, Tyhee Management and our consulting team members are undertaking two main tasks. These are finalization of the Feasibility Study (FS) we started last August and completion of the Environmental Assessment process, being conducted by the Mackenzie Valley Environmental Impact Review Board, which is the next major step on the regulatory path leading to receipt of all necessary operating permits. The Feasibility Study was initially expected to take approximately 12 months and we remain on target to finish this up on time.

As you may be aware, I have been with Tyhee for the past nine months as Vice President of Engineering and Project Manager, where my primary responsibility has been to manage the independent Feasibility Study on the Project in preparation for bringing it into production. I've worked as a mining engineer for more than 23 years in all phases of mine operations and mine development in North America, Africa and Asia. In other words, I have done what we are doing here at Tyhee several times before.

Of course, we also have a very strong team already in place, including our new Chief Financial Officer, Harjinder Gill CGA; our Vice President of Operations, Doug Levesque, Dipl. T.; our Vice President of Environment and Community Affairs, Hugh Wilson, Dipl. T.; and our Chief Geologist, Val Pratico, B. Sc., P. Geol. Each of these gentlemen has at least 30 years of experience in their field and I am pleased to underline the fact that this team is extremely capable and diligent in performing the tasks needed to bring the Project to fruition

Although I joined this team after the Prefeasibility Study (PFS) was completed in July 2010, I am very familiar with the results as the pattern is to build upon those portions of a PFS that are deemed positive, and to revise and improve those portions that need work. As with any PFS, there is always room for improvement, but as many are unaware, a PFS is not expected to be the final word. Rather, it is expected to be accurate to  $\pm 30\%$ , whereas a Feasibility Study has an expected accuracy of  $\pm 15\%$ .

We believe we have a number of material changes that will significantly improve the Project both in terms of its economic performance as well as our commitment to protect the environment. Unfortunately, we are unable to discuss the details of this plan until the Feasibility Study – being conducted independently with SRK Consulting as the lead consultant assisted by Knight Piesold and others – is completed.

I believe it is important to discuss the key areas that we are focusing on that we strongly believe will assist us in significantly enhancing the economics of this project. Of course, the first of these is the gold price, which has improved significantly since 2010 when a price of US\$950 an ounce was used in the PFS. Simply put, a higher gold price can improve a mine by making it more cost effective to extract lower grade

#401-675 West Hastings Street Vancouver B.C. V6B 1N2

Telephone 604.681.2877 Fax 604.681.2879 Email [info@tyhee.com](mailto:info@tyhee.com) Website [www.tyhee.com](http://www.tyhee.com)

material by lowering our cut-off grade. Such a change may both lengthen the life of a project and increase the overall revenue generated by the project. It also directly enhances the reserve base of a project as lower grade resources may now be used in the Feasibility Study mine plan. In other words, at the end of the day, we expect to see a marked improvement in the percentage of Measured and Indicated Resources which convert to Proven and Probable Reserves.

Secondly, as an engineer who has designed and built several mines, I expect that the design of the Ormsby open pit can be significantly improved. We are currently running numerous scenarios to determine what our most profitable pit size and tonnage rate is, along with underground stope designs and the timing of when to add the underground development and production. A key result of such pit and overall production optimization would be that, not only will we be able to mine more ore from the Ormsby pit, but the "lion's share" of production in the first seven years of the project would come from this near surface deposit without going underground or adding any ore from the Nicholas Lake or Clan Lake deposits. Of course, this would also reduce capital costs and should have a particularly positive impact on the early economics of the mine.

We are also enhancing the milling and gold recovery circuits by looking at various yearly throughput options, as well as conducting numerous batch testing procedures to further optimize recovery. The metallurgical testing is almost completed and the results will be available soon.

Further, the NWT Government is currently assessing the development of a Seasonal Overland Route (SOR), which could extend from Yellowknife to the diamond mines. One such route is proposed to extend north of Yellowknife, past the hydroelectric plant at Bluefish, and within a few kilometres of the Clan Lake Main Zone. The recommendation of a route for development by the engineering firms consulting for the government is expected in March.

In short, both my team and I believe strongly that the FS will demonstrate further the value and potential of this project – beginning with the primary focus on the Ormsby open pit. As with any mining project, we will have other hurdles to clear before we are in production. We are actively advancing and building on the cornerstones of this process: the FS and the Environmental / Regulatory phases. Once these are completed, project financing and receipt of all operating permits will commence, leading directly into final engineering, procurement and construction. Our current schedule shows that, if all stays on task, a 2014-2015 start date is eminently achievable. We look forward in the coming months to being able to fully support our belief with both the facts and the independent opinion of our world class consulting team.

On behalf of our team and the Board of Directors, I want to thank you for your support and for giving me the opportunity to help develop this very exciting project,

Sincerely,

*Brian K. Briggs, P.E.*

**About Tyhee:** Tyhee Gold Corp. is focused on rapidly developing its Yellowknife Gold Project, an advanced stage wholly-owned gold project currently in the final stages of a Feasibility Study as well as the Developer's Assessment Review, which is the environmental assessment process. The Feasibility Study, overseen by Mr. Briggs', with SRK Consulting as the lead consultant, is on schedule for mid-year completion and is expected to improve upon project fundamentals derived in the Pre-Feasibility Study completed in July 2010. Tyhee's shares trade on the TSX Venture Exchange under the symbol "TDC". For additional information, please visit the Company's website, [www.tyhee.com](http://www.tyhee.com) or [www.sedar.com](http://www.sedar.com).

For further information please contact:

**Greg Taylor**

GT Investor Relations Inc.  
O: 905 337-7673 C: 416 605-5120  
[gtaylor@gtinvestorrelations.com](mailto:gtaylor@gtinvestorrelations.com)

**Jay Bedard**

Envoy Strategic Partners  
T: 416 977-7778  
[jay@envoystategicpartners.com](mailto:jay@envoystategicpartners.com)

**Brian Briggs**

President – Tyhee Gold  
T: 604 681-2877  
[info@tyhee.com](mailto:info@tyhee.com)

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*This news release contains "forward-looking statements" within the meaning of applicable securities laws, including statements relating to the completion of the feasibility study and permitting, the projected improvement in project economics and protection of the environment, the effect of the redesign of the Ormsby open pit on costs and production, and the stated goal of constructing and operating the Yellowknife Gold Mine by 2015. Readers are cautioned not to place undue reliance on forward-looking statements. Forward Looking Statements made in this news release are based on Management's reasonable opinions and assumptions, which may prove to be incorrect. Such assumptions include assumptions that gold remains at a price in line with current levels; the Company does not encounter any unforeseen regulatory hurdles, the Company is able to complete the First Nations Consultation Process; additional resources will be included in the Ormsby open pit; capital and operating costs remain within current expectations; as well as limited changes in general financial and equity market conditions. Actual results and developments may differ materially from those contemplated by these statements. Factors which may lead the Company to not complete the feasibility study, or not to proceed with or complete construction or development projects and studies, to delay permit applications, or delay the delivery of the feasibility study include factors such as insufficient financing, analysis of the exploration results may lead to a determination that further exploration or development is not warranted, additional information requirements necessary to complete permit applications and the feasibility study may be delayed by weather and other constraints, delays as a result of early or late onset of winter conditions, availability of personnel and equipment to conduct work programs, permit reviews, information requests, changes in the price of gold, and other factors not within the Company's control. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company does not undertake to update forward-looking statements, except where required by law.*