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Tyhee Development Corp Reports Positive Preliminary Feasibility Study On Yellowknife Gold Project.

VANCOUVER, B. C. Thursday July 22, 2010 -- Tyhee Development Corp. (TSX-V , TDC) (the "Company") is pleased to announce the completion of a Preliminary Feasibility Study on the Yellowknife Gold Project, located from 50 to 90 kilometres north of Yellowknife, NWT, Canada.

The Preliminary Feasibility Study (PFS) considers all aspects of the project including mining, processing, and related infrastructure. Gold mineralization from the Ormsby, Nicholas Lake Main and Clan Lake Main Zones are considered in this study. The Bruce Lake and Goodwin Lake Vad Zones along with all inferred resources are excluded from the economic model.

A combination of open pit mining at the Ormsby and Clan Lake Main Zones and underground mining at Nicholas Lake Main and Ormsby Zones feeding a 3,000 tonne per day conventional mill at the Ormsby Zone site is contemplated. The underground potential at Clan Lake was not considered as the deposit is in an early stage of assessment and its full lateral extent has not been established. **A total of 7,560,000 tonnes grading 3.34 recovered grams per tonne over a 7½ year mine life including stockpiles will produce 811,200 ounces of gold.** Potential for resource expansion occurs in all of the zones to depth, as well as along strike at the Clan Lake Main and Goodwin Lake Vad Zones. Additional gold zones at Clan Lake contribute to the overall resource potential of the project.

Dave Webb, President & CEO reports "We are very pleased to have demonstrated the economic viability of the Yellowknife Gold Project under the stated parameters. The project generates a discounted **Net Present Value (NPV) of CAD\$71.3 million with a base case scenario of US\$950/ounce of gold and a 5% discount rate. At more current prices, the economics become very robust with a NPV exceeding \$200 million and IRR exceeding 38%.** Tyhee converted 52% of its Measured and Indicated Gold Resource into Proven and Probable Reserves (Ormsby, Nicholas Lake, and Clan Lake (within 105m of surface)). The reduction in the PFS Internal Rate of Return (IRR) and NPV from the results of the Preliminary Assessment is attributed the exclusion of inferred resources (269,000 ounces of gold) all of the Bruce Lake Zone, only considering Proven and Probable Reserves, and the application of normal extraction rates". Webb continues to point out that "this not only validates the findings from the Preliminary Assessment, the inclusion of Clan Lake, although only recently acquired, confirms the concept of one central mill treating ores from multiple open pit and underground sources. This greatly expands our ability to develop additional resources."

Webb notes that "Archean Gold Deposits like the Yellowknife Gold Project are not easy to evaluate due to their limited lateral but significant vertical extent. Since it is usually more costly to explore to depth than along strike, these deposits can be expensive to develop to the limits of their mineralization, which may extend to depths of several thousands of metres. For example, mines such as those in Timmins, Val D'Or, Red Lake and Yellowknife characteristically started with only a short mine life but some have operated for several decades with the larger mines lasting for half a century or more."

Preliminary Feasibility Economic Details

The base case considers a 3,000 tonne per day operation, initially as an open pit at Ormsby with underground operations at Nicholas Lake. In year 4 underground mining will commence at Ormsby and the open pit equipment moving to Clan Lake for start up in year 6. Production will be on average 108,000 ounces of gold per year for 7.5 years (total 811,200 ounces) at an average operating cost of US\$541 per recovered ounce of gold. Initial capital costs are estimated to be CAD\$170 million with a contingency of CAD\$20 million. At a base case of US\$950 per ounce of gold, and a 5% discount rate the project has an IRR of 16.1% and a NPV of CAD\$71.3 million before taxes. The \$US/\$CAN rate is assumed to be 0.93.

Discount	BEFORE TAX NPV (\$M)
0%	119.0
5%	71.3
7%	55.5
10%	34.5

Sensitivities

Gold Price US\$	BEFORE TAX NPV (\$M)	IRR
750	-75.1	-7.7%
850	-1.7	4.7%
950	71.3	16.1%
1,050	144.6	27.3%
1,150	217.7	38.8%

The Ormsby open pit mine will extract 5.2 million tonnes of ore grading 3.20 gpt with an overall strip ratio of 14.2:1. The Nicholas Lake underground mine will extract 975 thousand tonnes grading 4.36 gpt concurrent with the Ormsby open pit. Underground operations at the Ormsby Zone will extract 976 thousand tonnes grading 5.60 gpt and commence upon completion of the Nicholas Lake component. Mining at Clan Lake will extract 441 thousand tonnes of ore grading 2.95 gpt from an open pit and commence near to the completion of the Ormsby open pit.

All ores are non-refractory and will be processed at a conventional crusher and grinding mill with separation utilizing gravity, flotation of the gravity tails, regrind of the flotation concentrate and cyanidation with Merrill Crowe recovery enabling Dore bars to be poured on site. Gold recoveries of 92% for Ormsby and Clan Lake ores and 90% for Nicholas Lake ores were established.

Power will be provided by a line connected to the electric grid at Yellowknife which proves to be better in the long term than the alternative of diesel generated power. Haul roads will connect the various gold zones to the main site at the Ormsby where all services, processing and warehousing will be established. The infrastructure will include a 150 man camp, 1,000 m airstrip (already installed), processing and waste treatment facilities.

Overall pit slope angles are estimated at 50 degrees but do vary according to geotechnical conditions.

Total capital costs are projected to be CAD\$218 million over the life of the project including reclamation.

The financial model assumes 100% equity financing although alternative financial options exist including debt financing.

Yellowknife Gold Projects Mineral Resources ¹						
Category	Ormsby Zone	Nicholas Lake Main Zone	Bruce Lake Zone	Clan Lake Main Zone	Goodwin Lake Vad Zone	Total Resources
Measured						
Tonnes	3,003,000	1,249,000	-	-	-	4,252,000
Grams Gold per Tonne	3.41	3.81	-	-	-	3.53
Troy Ounces, Gold	329,000	153,000	-	-	-	482,000
Indicated						
Tonnes	7,898,000	1,484,000	791,000	3,021,000	-	13,194,000
Grams Gold per Tonne	3.42	3.32	3.31	3.64	-	3.45
Troy Ounces, Gold	869,000	158,000	84,000	354,000	-	1,465,000
Inferred						
Tonnes	223,000	955,000	396,000	-	971,000	2,545,000
Grams Gold per Tonne	3.14	3.92	2.76	-	2.91	3.29
Troy Ounces, Gold	23,000	120,000	35,000	-	91,000	269,000

Yellowknife Gold Projects Mineral Reserves ¹					
Category	Ormsby Zone Open Pit	Ormsby Zone Underground	Nicholas Lake Underground	Clan Lake Open Pit	Total Reserves
Proven					
Tonnes	2,788,000		134,000	-	2,922,000
Grams Gold per Tonne Recovered	2.77		6.37	-	2.94
Troy Ounces, Gold Recovered	248,800		27,400	-	276,200
Probable					
Tonnes	2,378,000	976,000	841,000	441,000	4,636,000
Grams Gold per Tonne Recovered	3.14	5.15	3.52	2.71	3.59
Troy Ounces, Gold Recovered	239,900	161,500	95,200	38,400	535,000
Total					
Tonnes	5,166,000	976,000	975,000	441,000	7,558,000
Grams Gold per Tonne Recovered	2.94	5.15	3.92	2.71	3.34
Troy Ounces, Gold Recovered	488,700	161,500	122,600	38,400	811,200

¹ Mineral Reserves are exclusive of Mineral Resources and comply with NI 43-101 standards. Open pit Proven and Probable Reserves are determined using recovered gold values based upon a US\$950 per ounce gold price and 0.93 CAD\$. Underground Probable Reserves are determined using a 2.5 gpt cut-off Mineral Resources for Ormsby, Bruce, Goodwin Vad and Clan Main Zones are at a 1.25 gpt cut-off. The Nicholas Lake Zone is at a 1.1 gpt cut-off. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability, and except as reported, there is no guarantee that any resource will become a reserve.

EBA Engineering Consultants Ltd (EBA), the lead consultants on the study, recommends that Tyhee initiate a Feasibility Study to refine the estimates and optimize the operations with respect to a reduction in strip ratio, further geotechnical work at Clan Lake, revised underground optimized designs and further trade off studies with respect to power and transportation. Capital costs were completed by Merit Consultants in cooperation with EBA. Good potential for resource expansion exists and this should be tested more fully.

The Preliminary Feasibility Study was prepared by several independent and dependent qualified persons including EBA Engineering Consultants Ltd. Authors N. Eric Fier, CPG, P.Eng., and Lara Reggin, P.Geol., Frank Wright, P.Eng., John Fox, P.Eng., Jerry Kaehne, Dipl.T., Jay Collins, P.Eng with Merit Consultants and Val Pratico, P.Geol. of Tyhee. All QP's are compliant within the meaning of NI 43-101, have prepared the Preliminary Feasibility Study and have reviewed and approved the technical information in this news release.

Tyhee Development Corp. is a gold exploration and development company working to start gold production in the historic Yellowknife Gold Camp, NWT, Canada. It is the largest property holder in this camp and has the largest exploration and development program underway in the region. Its principal asset, the Yellowknife Gold Project includes the Nicholas Lake, Ormsby, Bruce, Goodwin Lake, and Clan Lake Gold Zones. All are located on mineral claims and mining leases 50 to 90 km north of Yellowknife, NWT and are expected to feed a single milling operation. (Note: only Nicholas Lake and Ormsby Zones are being included for permitting purposes).

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