
The Review Board releases its Report of Environmental Assessment on the Nechalacho Rare Earth Element Project

YELLOWKNIFE – The Mackenzie Valley Environmental Impact Review Board (Review Board) recommends to the Minister of Aboriginal Affairs and Northern Development Canada (AANDC) that the Nechalacho Rare Earth Element Project (the Project) can proceed to the regulatory phase for approvals, subject to measures that minimize adverse environmental impacts.

The *Report of Environmental Assessment and Reasons for Decision* (the Report) for the Nechalacho Rare Earth Element Project is released by the Review Board today, July 26, 2013. This Report describes the Board's findings on the Project.

The Project includes two sites and barge transport across Great Slave Lake:

- Nechalacho Mine and floatation plant - underground rare earth element mine located near Thor Lake on the north side of Great Slave Lake
- Hydrometallurgical plant – facility to process the rare earth element concentrate located at the former Pine Point mine site on the south side of Great Slave Lake
- Barge transport on Great Slave Lake – barge transport of fuel and materials from Hay River to Nechalacho to construct and operate the mine and transport of rare earth element concentrate from Nechalacho to Pine Point for further processing

The developer of the Project is Avalon Rare Metals Inc.

After careful consideration, the Review Board concludes that the Project as proposed is likely to cause significant adverse environmental impacts, but these impacts will be minimized by the measures set out in the Review Board's Report so that they are no longer significant.

These measures will:

- minimize impacts from the Project on water quality at both the Nechalacho site and the hydrometallurgical site
- require preparation and implementation of a wildlife and wildlife habitat protection plan to reduce impacts to wildlife at the project scale
- preparation and implementation of a wildlife effects monitoring program to address regional scale wildlife impacts, particularly to caribou
- require signing a socio-economic agreement with the GNWT to maximize benefits to residents of the NWT

The Review Board's *Report of Environmental Assessment and Reasons for Decision* document for Avalon's Nechalacho Rare Earth Element Project, EA1011-001 is available online in the public registry at: <http://www.reviewboard.ca/>

Avalon made important commitments to minimize impacts from the Project on the environment including water quality, wildlife, air, impacts to Blachford Lodge and potential barging spills in Great Slave Lake. These commitments form part of the Project and need to be implemented.

In the opinion of the Review Board the measures and commitments described in the Report of Environmental Assessment will mitigate significant adverse impacts and address public concern. The Board recommends approval subject to these measures and implementation of the developer's commitments.

The Report has been sent to the Minister of AANDC for his consideration. Once the Report is accepted by the Minister of AANDC, the Nechalacho Rare Earth Element Project can move to the permitting and licensing phase.

For further information, please contact

Chuck Hubert
Senior Environmental Impact Assessment Officer
chubert@reviewboard.ca
(867) 766-7052

About the Review Board

The Mackenzie Valley Environmental Impact Review Board was established by the *Mackenzie Valley Resource Management Act* in 1998 as an independent administrative tribunal responsible for the environmental impact assessment process in the Mackenzie Valley, Northwest Territories. As a co-management board, aboriginal land claim organizations nominate half of the board members, and the federal and territorial governments nominate the other half of the board members. The Minister of Aboriginal Affairs and Northern Development appoints all members to the Review Board including the Chairperson.