

Canadian Wildlife Service Nova Coast Plaza, 5019-52 Street P.O. Box 2310 Yellowknife, NT X1A 2P7

December 7, 2010

Paul Mercredi, Environmental Assessment Officer Mackenzie Valley Environmental Impact Review Board Box 938, 5102-50th Avenue Yellowknife, NT X1A 2N7

Dear Mr. Mercredi,

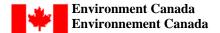
Re: Notification pursuant to section 79 of the Species at Risk Act (SARA)

Thank you for your notification letter of December 6, 2010 informing Environment Canada (EC) that the proposed Nechalacho Rare Earth Element Project submitted by Avalon Rare Metals Inc. (MVEIRB file: EA1011-001) may potentially impact the following Species at Risk: Whooping Crane, Wood Bison, Woodland Caribou (Boreal Population), Rusty Blackbird, Common Nighthawk, Olive-sided Flycatcher, Yellow Rail, Horned Grebe, Shortjaw Cisco, Short-eared Owl, Wolverine and Peregrine Falcon.

EC is the competent minister under SARA for Woodland Caribou, Peregrine Falcon (*anatum* subspecies), Rusty Blackbird, and Wood Bison. Wolverine, Short-eared Owl, and Grizzly Bear have been assessed by COSEWIC as Special Concern and are under consideration for listing on Schedule 1 of SARA. As such, EC has a national role to play in the conservation and recovery of these species in Canada. However, expertise and day-to-day management responsibility for these species in the Northwest Territories is within the jurisdiction of the Government of the Northwest Territories (GNWT). Thus, for this particular project, the GNWT is best suited to provide specific advice and information on whether the species is within the range of the project activities, the potential adverse effects of this project to these species and their habitat, and, if required, to suggest mitigation and monitoring measures. EC's role with respect to this particular project and any adverse effects on these species will be to provide advice and information on SARA, and general comments on the assessment.

Expertise and responsibility for Whooping Crane, Yellow Rail, Horned Grebe, Olive-sided Flycatcher and Common Nighthawk are within the jurisdiction of EC. If these species could be encountered or affected by the project, EC's role with respect to this particular project and these species will be to provide advice and information on potential adverse effects to these birds and their habitat, and suggest mitigation and monitoring measures.

Species status reports and other information on specific Species at Risk can be found on the Species at Risk registry at www.sararegistry.gc.ca as well as the booklet "Species at Risk in the Northwest Territories" [2010 edition] available at the GNWT website at www.enr.gov.nt.ca.



Sincerely,

James Hodson, Environmental Assessment Coordinator, CWS

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cc: Vanessa Charlwood (A/Western Arctic Section Head, Northern Conservation Section, CWS, EC)

Anne Wilson (Water Pollution Specialist, EPOD, EC)

Rob Gau (Species at Risk Specialist, Wildlife Division, ENR, GNWT)