Nechalacho Rare Earth Element Project - EA1011-001

Community Scoping Session - Fort Resolution

August 24-25, 2010

The following issues were identified from discussions during the scoping session as well as from comment cards at the session. The Review Board will consider these points when developing the Terms of Reference and in deciding what issues to consider in this environmental assessment.

While this meeting report is as comprehensive as Review Board staff could make it, this is not a verbatim document. It is based on notes by Review Board staff. Unlike the official statements made at Review Board hearings toward the end of the environmental assessment process, scoping sessions are less formal dialogues.

Review Board staff has organized the points, questions, comments and concerns and grouped them under general headings as follows:

Water

- Concerns about water quality from the processing facility and from any possible accidents while barging concentrate across Great Slave Lake
- Composition of tailings at processing plants
- Amount of uranium and thorium buildup in tailings after mine life of 18 years
- Groundwater issues associated with putting tailings into pit
- There may be groundwater issues with putting tailings in the pit and possible impacts from that since water flows downhill into Great Slave Lake
- What is the chemical composition of run-off and seepage from tailings ponds?
- Water a big issue for people
- Concern with beryllium getting in water. The Review Board needs to consider that beryllium should not be touched as part of this project
- Water security is being endangered
- What are the acid-rock drainage impacts from this mine?

- Water is important. It's important to protect the watershed. The boss of the water is INAC they tend to see the land as a dumping ground for the south
- What are the plans to contain toxins and poisons from escaping the tailings ponds?
- Concerns about uranium in the waste tailings
- Concerns over the amount of water used for project
- What are the impacts on water from blasting, from ANFO, and ammonium nitrate residue?
- How much water will be used? How will it be mitigated?

Cultural Impacts

- Community wants an independent archaeological site assessment on Thor Lake Site.
- Concerns that not enough Traditional Knowledge studies have been incorporated into studies done so far. Traditional knowledge can also identify users from area.
- Developer should conduct more traditional knowledge studies this would help with vegetation section
- There should be an independent archaeological assessment done for both sites

Social Impacts

- Developer should consider day care support to help workforce
- Government needs to ensure communities are ready for development
- There needs to be protection for youth from irresponsible development
- Communities do not want southern workers coming to communities and causing problems
- Fort Resolution should not be left out of socio-economic agreements the way they were with the diamond mines – Fort Resolution should get the same treatment as other communities
- Concern that people from the North will be given menial jobs like janitorial work or truck driving
- Concerns about social impacts from development
- Impacts on future generations community people, maybe young people work with Avalon to try to get some of the better paying jobs, not just truck driving. People can work their way up to better jobs
- Need to look at these development projects in relation to diseases up here cancer etc.

Economic Impacts

- There should be employment in the form of community monitors
- What kind of training will occur for Fort Resolution residents to obtain good jobs with Avalon? Many local residents do not have the expertise to fill the jobs that Avalon is proposing like a metallurgical technician.
- How will community people benefit from this development? Any socio-economic agreements need to benefit the younger generation.
- What are the economic benefits that will come from this mine? The community has concerns that jobs will be given to southerners.
- Avalon should have mentoring-like programs and positions so that Fort Resolution residents can take over technical jobs earlier.
- There should also be jobs in environmental monitoring.
- We feel we will be left out again. Companies are taking our resources away from us.
- Concern that our resources go from our territory without benefit to the community
- What is the nature of community partnerships that Avalon is suggesting?
- What kind of opportunities are there for the community in the way of business ventures for the hamlet of Fort Resolution?
- Need to look at impact-benefit agreements to see if it works and to change it so that the agreement does what it is supposed to do
- Inventory of skills, services and businesses needed versus what we have in the North versus what you have to import

Wildlife

- Concern with wildlife disturbance at Pine Point
- Do not want development to kill wildlife
- What are the effects on wildlife from noise?
- Concerns over possible impacts from project site noise on animals
- Concerns for migratory birds, waterfowl and other wildlife that will encounter project
- Developer should include moose in wildlife impact assessment
- Should include docking facility as a project component that will interact with wildlife
- What are the impacts from this project on peregrine falcons? What mitigations for these impacts does the developer suggest?

- Avalon should check if Woodland caribou frequent area, or if caribou from any major herds come near Pine Point
- Review Board should include ENR's recent study of woodland caribou migration in Terms of Reference
- Avalon needs a plan to monitor caribou and to mitigate impacts from this development on caribou that may encounter the project sites
- Will Avalon employ wildlife monitors?
- Include frogs and insects in baseline studies
- What are the mitigation plans for effects to caribou?
- How will Avalon prevent effects to caribou from ammonium nitrate?
- Caribou are at Narrow Island
- Avalon should include Species at Risk Act-listed species in their assessment of impacts
- Concern that employees will hunt or fish while at site
- How are endangered species being dealt with or species at risk?

Accidents and malfunctions

- What happens if the tailings pond leaks?
- What are spill containment plans?
- There could be a danger of concentrate containers cracking from the moisture freezing and expanding and impacts from this. Will this cause any impacts—did you look at that?
- What sort of impacts will the developer be responsible for with regards to invasive species like the pine beetle?
- What happens to concentrate once submerged in water?
- What is barge stability in high winds?
- Concerns regarding shallow-water accidents with concentrate barging across Great Slave Lake.
- What will happen to the concentrate containers if the barge sinks?
- Concerns about effects to water quality in Great Slave Lake from accidents associated with concentrate, reagent and fuel shipping
- Concerns over potential impacts to fish spawning habitat from barging related accidents
- Concerns that Avalon's transport equipment will bring in invasive plants like thistle, foxtail barley, and take over indigenous plant life in the area
- Avalon should consider the risks associated with wind and storms on Great Slave Lake
- Moored barges will get banged up from extreme weather

Alternatives

- Barging may be too risky. Developer should look at taking the Ingraham Trail for shipping concentrate, or having the processing plant in Yellowknife
- Would TNR Gold ask Avalon to process their rare earth elements? Would the hydrometallurgical facility be used for future customers?

Scope of Assessment and Development

• Developer should include Great Slave Lake in the geographic scope of development

Monitoring

- There should be an independent monitoring agency for this development
- Does Avalon have a preliminary Aquatic Effects Monitoring Program?

Closure and Post-Closure

• What will be done for post-closure water quality in pit and any contaminants?

Cumulative Effects

- Cumulative impacts to water in the Pine Point area from past and future developments are a main concern
- Cumulative effects from past and future development should be considered
- There should be a cumulative impact study conducted that includes this mine and past development.
- What are the cumulative effects and correlation to health in nearby communities?
- Developer should consider climate change in their Developer's Assessment Report
- Concern about cumulative impacts to Pine Point area. Review Board needs to understand that the South Slave is in an area of many cumulative effects
- Cumulative impacts/effects What is the Review Board's role in impacts/effects/mitigation

Fish

- Will the tailings affect fish?
- Metals from tailings runoff may accumulate in fish this is a concern
- Impacts to fish habitat and fishing industry from barging accidents
- What are the effects to fish and aquatic life from the barge-port component?
- Concern that employees will hunt or fish while at site
- Avalon should compensate for effects to fish from Thor Lake

Air Quality

- Concern with dust from mine operations
- What is the toxicity of dust from tailings and concentrate?
- There are air quality concerns about sulphur dioxide
- Concerns about air emissions from coal. Do not appreciate more air emissions in our area.
- Effects on climate change from use of coal and diesel
- What are the possible impacts from dust suppression products?
- What are the alternative products for dust suppression?

General

- Lack of participant funding a huge concern for community
- Concerns over poor baseline information from developer
- How does the community benefit from the baseline work being done by Avalon?
- Water fish, land most important
- Why is this new development allowed to occur when previous Pine Point site has not yet been cleaned up yet?
- We are speaking for the animals and fish they don't have a voice
- Concern that the developer will mine beryllium
- Can rare earth elements cause cancer?
- Further consultation with communities needed from Avalon
- What is the current state of environment at Pine Point? This is a concern.
- Pine Point site is currently in a state of healing. How will the land water and air be affected there?
- Wildlife studies (caribou) should be put on public registry

- Environment might be protected but community is not ready since development is happening too fast
- Aboriginal rights affected if there are impacts to wildlife
- Thor Lake mine is in same place as where beryllium was located. What is the guarantee that beryllium will not be touched?
- Concerns should result in mitigation measures so that trapper/hunters can be protected
- Water licence hearing from Tamerlane should be put on public registry.
- What is current status of land at Pine Point? Brownfield? Abandoned?
- Who has duties, legal responsibilities for the site? What are legal conditions of site?
 Don't want environmental liability to get thrown by the wayside at Pine Point.
- Land Use Plan needed for Fort Resolution area
- Fort Resolution is not settled territory, yet there is still development happening in spite of negotiations.
- Beryllium mining is a major concern for the people of Fort Resolution
- Concerns from UR Energy/Bayswater/Uravan environmental assessment should be put on public registry
- Need information gathered and Traditional Knowledge that was gathered in the early 1990s regarding Highwood's project
- There is information on rare earth metals from a University of Tokyo study
- Snowfield project at Drybones Bay should be put on registry.
- Developer should assist young people in learning about geology
- Community would like to know more about rare earth elements
- How many barges will it take to transport concentrate?
- Should pick somebody on your Avalon Board from the Akaitcho territory
- What is the exact route of barging lanes?
- How do you extract the material you are after? What are the impacts/effects of the material and how do you mitigate it?
- What are the chemicals that will be used, how do you use it and how do we mitigate it?
- What is the make-up of the waste and what is its effects/impacts and mitigation measures?
- Pine Point Pilot Project information should go on registry
- Will vegetation be reclaimed in footprint?
- There are rare plants and orchids that should be studied
- Tech Cominco lease information should be considered.
- What is your total footprint?
- What is the current state of environment at the Thor Lake area where the mine will be?

- Review Board should look at separating social and economic impacts/effects/mitigation (might be a better approach and better successes than our current way)
- Need to know current status of Pine Point. What will change?
- Need to know current status of Pine Point environment
- Need to know more on rare earth elements (value, use, and mitigations)
- Need to look at monitoring and our participation in it (now during and after)
- New and more successful approaches to really include us and benefit us (us/you/gov)
- Sooner or later development will require management plans, land use plans. When will the government make this a priority issue?