



Avalon Rare Metals Inc.

**RESPONSE TO THE JANUARY 13, 2012 INFORMATION REQUESTS FROM
NORTH SLAVE METIS ALLIANCE
FOR THE THOR LAKE RARE EARTH ELEMENT PROJECT
DEVELOPER'S ASSESSMENT REPORT**

**Submitted To:
MACKENZIE VALLEY ENVIRONMENTAL IMPACT REVIEW BOARD**

January 25, 2012

Avalon Rare Metals Inc. (Avalon) is pleased to provide the following responses to the North Slave Metis Alliance's information requests provided via Mackenzie Valley Environmental Impact Review Board (MVEIRB) on January 13, 2012. Avalon's responses are found after each information request.

IR Number:	NSMA #1
Source:	North Slave Metis Alliance
To:	Avalon Rare Metals Inc.
Subject:	Description of Existing Human Environment
DAR Section:	
TOR Section:	

Preamble

Page 5 of the TOR specifies that the geographic scope of the assessment will include the Métis cultural communities making traditional use of any part of the study area and defines the Metis cultural community as one of the potentially-affected communities. Page 14 of the TOR requires the description of the existing human environment to include the "current socio-economic conditions and relevant trends in the potentially-affected communities..... using appropriate indicators of well-being and quality of life". In its September 27th, 2010 scoping submission, the NSMA identified the need for a properly done Aboriginal and Human Rights Impact Assessment, and listed a number of human/aboriginal rights that needed to be assessed, including economic and property rights in the context of non-renewable resource depletion and unsettled land claims, the right of self-determination, and issues of equity and distribution of impacts and benefits. A description of the current socio-political and economic environment would therefore be required, and indicators identified for community well-being.

NSMA Request #1

1. How were the appropriate indicators of well-being and quality of life for the North Slave Métis community identified?
2. Where in the DAR can we find the description of the existing environment of the North Slave Métis community for each of those indicators?

Avalon Response #1.1

Avalon used standard indicators of well-being and quality of life that are collected through the NWT Bureau of Statistics. The indicators are similar to those used by other proponents.

Avalon Response #1.2

Chapter 3 describes the anticipated socio-economic impacts of the Thor Lake Project. The existing conditions were described using publically-available statistics, which are organized by physical, rather than cultural community. No indicators were available specifically for the NSMA because NSMA members live in various physical communities.

IR Number:	NSMA #2
Source:	North Slave Metis Alliance
To:	Avalon Rare Metals Inc.
Subject:	Description of Existing Human Environment
DAR Section:	
TOR Section:	

Preamble

Page 5 of the TOR specifies that the geographic scope of the assessment will include the Métis cultural communities making traditional use of any part of the study area and defines the Metis cultural community as one of the potentially-affected communities. Page 14 of the TOR requires the description of the existing human environment to include “a summary of historic and present land use in the study area, including identification of traditional land use groups, areas used and traditional travel routes and timings.” The NSMA acknowledges that it has not yet submitted its Traditional Land Use Report to Avalon. However, the NSMA has already submitted some information to the public registry regarding our territory, history and land use. The shoreline of Great Slave Lake, the islands, the traditional fisheries, and the traditional Métis transportation route (Beaulieu River system) in the area were identified as specific areas of concern, culturally, in our scoping submission of September 27th, 2010. There is also a lot of publicly available information that could and should be referenced.

NSMA Request #2

1. Please, at least, include the North Slave Métis in your description of historic land use of the area, and identify the North Slave Métis as traditional land use group.

Avalon Response #2

Avalon appreciates that NSMA has identified an omission in the section “Human History in the Region”. This section neglected to refer to the history not only of the North Slave Métis Alliance, but Métis people generally at both Thor Lake Project sites. Avalon will work to learn more about the NSMA history and identity, so that this type of error does not occur in the future. NSMA submissions to the public record (e.g., CGV, Sidon, and Giant Mine Remediation) and published sources describe contemporary and historic land use. This information will be enhanced with the information from NSMA’s Traditional Knowledge study.

IR Number:	NSMA #3
Source:	North Slave Metis Alliance
To:	Avalon Rare Metals Inc.
Subject:	Description of Existing Human Environment
DAR Section:	
TOR Section:	

Preamble

Page 5 of the TOR specifies that the geographic scope of the assessment will include the Métis cultural communities making traditional use of any part of the study area and defines the Metis cultural community as one of the potentially-affected communities. Page 14 of the TOR requires the description of the existing human environment to include “areas of high potential for undiscovered physical heritage resources and cultural values associated with the environmental assessment study area”. In its scoping submission of September 27th, 2010 the NSMA expressed the opinion that a Heritage Resource Impact Assessment needs to be much more than an archaeological site survey, and that each community must be recognised as the experts with regards to their own heritage values.

NSMA Request #3

1. How were the heritage resources of the North Slave Métis identified, and where in the DAR can a description of them be found?

Avalon Response #3

The archaeological study included in the DAR identified archaeological sites, but they were not classified by culture. Avalon agrees that communities are “the experts with regards to their own heritage values.” Traditional knowledge studies are the vehicle by which Avalon can understand NSMA heritage sites. Avalon looks forward to the completion of the NSMA Traditional Knowledge Study to better identify and protect sites. The mitigation measures listed in Section 7.3.2.2 will apply to all archaeological or historical sites, regardless of cultural origin.

IR Number:	NSMA #4
Source:	North Slave Metis Alliance
To:	Avalon Rare Metals Inc.
Subject:	Social Impact Assessment
DAR Section:	
TOR Section:	

Preamble

The TOR required the developer to describe potential impacts on community wellness, including community cohesiveness and pride in cultural identity when conducting its social impact assessment. The developer must explain how each identified potential impact may affect individual potentially-affected communities.

NSMA Request #4

1. How was a social impact assessment done for the North Slave Métis community, and where can it be found in the DAR?
2. How will the pride in cultural identity and community cohesiveness of the North Slave Métis be affected by this project, as proposed?

Avalon Response #4.1

The potential effects on Aboriginal stakeholders, including the North Slave Métis, are discussed in section 7.0 Human Environment Assessment, and summarized in Table 7.0-1. Some socio-economic components are described by physical community, such as Yellowknife, where members of the NSMA live. The results of Traditional Knowledge Studies were incorporated into the social impact assessment for other Aboriginal parties. It is unfortunate that the NSMA Traditional Knowledge study was not completed in time to be incorporated into the Human Environment Assessment in the DAR. Avalon will incorporate the results from the Traditional Knowledge study into their action plans once NSMA's study is complete.

Avalon Response #4.2

Avalon is committed to recognizing and building cultural diversity and awareness of Aboriginal communities through collaboration and cultural education. Symbolically, NSMA's cultural identity is recognized through ongoing engagement with NSMA political representatives. Practically, Avalon will ensure high standards of environmental protection so that the Thor Lake project minimizes any impacts on harvesting. Avalon believes that community cohesiveness will be affected positively by economic opportunities for members and NSMA businesses.

IR Number:	NSMA #5
Source:	North Slave Metis Alliance
To:	Avalon Rare Metals Inc.
Subject:	Human Environment Monitoring and Management Plans
DAR Section:	
TOR Section:	

Preamble

The TOR required the developer to describe any commitments, plans and strategies to engage with potentially-affected communities in monitoring impacts on the human environment and how the developer will involve the residents of potentially affected communities in heritage assessments and monitoring of impacts on culture, on wildlife harvesting and practice of traditional culture on the land. The Developer is also supposed to identify relevant existing initiatives monitoring community wellness and investigate how it will engage with, contribute to, and consider results from these programs in its ongoing monitoring and adaptive management programs.

NSMA Request #5

1. Where in the DAR can we find commitments specifically aimed at engagement with the NSMA, and the monitoring of impacts specifically on the North Slave Métis community?
2. Where is the discussion of DCAB (the Diavik Communities Advisory Board)?

Avalon Response #5.1

Table 7.4-2 summarizes the location of commitments stated regarding human environment monitoring, including the North Slave Métis community. It is reproduced here for convenience.

TABLE 7.4-2: Human Environment Monitoring and Management Plans	
System	Location in Report
Personnel Requirements and Recruitment Strategy	4.9
Employment	4.9
Compensation/ Benefits	4.9 7.4
Employee Relations	4.9 7.4
Training and Development	7.4
Consultation and Agreement Terms	5.0
Community Wellness via <i>Communities and Diamonds Reports</i>	7.4

On page 550 of the DAR, Avalon stressed the importance of ongoing engagement with communities including the North Slave Métis Alliance. Monitoring will be conducted through formal and informal, ongoing communications with the North Slave Métis Alliance. During the Thor Lake Project planning stage, Avalon formally met several times with the NSMA and its President in addition to informal contacts with leadership and staff. Avalon is committed to ensuring that these relationships are upheld and that the terms of any agreements are followed. It is anticipated that the results of ongoing engagement will provide information regarding social, economic, and cultural effects, including traditional harvesting and land use, and potential mitigation or adaptive management strategies.

Avalon Response #5.2

There was no discussion of the Diavik Communities Advisory Board in the DAR. Socio-economic monitoring agencies, like this board, can be created by socio-economic agreements between a company and the Government of the Northwest Territories (GNWT).