

Paul Mercredi

From: Mike Freeland [mfreeland@blachfordlakelodge.com]
Sent: Monday, September 27, 2010 12:00 PM
To: Paul Mercredi
Cc: Board Secretary
Subject: Blachford Lake Lodge /Avalon

Mackenzie Valley Environmental Impact Review Board
Box 938
#200 Scotia Centre
Yellowknife
NT
XIA2N7

RE: Environmental assessment of Nechalacho proposal

Attached in a following email is a submission outlining the concerns identified by Blachford Lake Lodge related to Avalon Rare Metals Inc's Nechalacho Rare Earth Element Project EA 1011 -001

Blachford Lake Lodge has been licenced and operating since the mid 1970s and is now the NWT's leading eco-friendly fly in wilderness conference resort. We operate both summer and winter .

We have invested millions of dollars and 30 years of effort into a high quality product of which we, long-time resident northerners, are very proud.

We cater to local , national and international markets seeking comfort in a true fly in only wilderness setting . Guests pay a premium for clean air and water , peace and quiet, clear skies for aurora viewing, Dene cultural experiences and access to pristine wilderness.

In the 1980's in response to a Highwood Resources application to INAC for permitting and further development at the Thor Lake site , Blachford Lake Lodge and the communities of N'Dilo, Dettah, Fort Resolution , Lutsel'k , Fort Smith and Hay River voiced strong concerns about the proposed development . The proposal did not proceed.

The increased activity at the Thor Lake site over the past two years has resulted in a substantial increase in noise and light pollution at the Blachford Lodge, just 7 kilometres away.

Complaints from our guests are increasing and given the extent of the proposed Nechalacho project, it's clear that the Blachford Lake Lodge wilderness experience will be less and less in demand as the project evolves.

Bluntly, a fly-in wilderness resort and a rapidly expanding mining development within 7 km of each other are not compatible !

The attached submission outlines in detail what Blachford Lake Lodge represents, our concerns about how the proposed development would affect our business and our recommendations for the Board's consideration.

We request that the Review Board support a request for intervener funding to enable Blachford Lake Lodge to effectively intervene in the review process; that all materials provided to the Review Board during the previous

review of a similar project be brought forward into this review; that the concerns raised by Blachford Lake Lodge be given full and serious consideration by both the project proponent and the Board itself; and that residual effects of the project be subject to appropriate compensation.

Blachford Lake Lodge is attempting to work directly with the proponent in order to mitigate our concerns. We will report to the Board on the progress of those discussions during the review process

I appreciate the opportunity to present our views and await your response .

Mike Freeland
Owner
Blachford Lake Lodge and Conference Resort

cc Paul Mercredi pmercredi@reviewboard.ca

Paul Mercredi

From: Mike Freeland [mfreeland@blachfordlakelodge.com]
Sent: Monday, September 27, 2010 12:03 PM
To: Paul Mercredi
Cc: Board Secretary
Subject: Blachford /Avalon

Mackenzie Valley Environmental Impact Review Board Submission from Blachford Lake Lodge and Conference Resort re :

Environmental Assessment of Avalon Rare Metals Inc. /Nechalacho Rare Earth Element Project -EA 1011 -001

Blachford Lake Lodge is about 7 km directly north of the proposed project (see attached map).

There is a long established winter connector trail south of Blachford to the proposed mine site and then further south to Great Slave Lake . It is about a 15 minute snowmobile ride from Blachford to the proposed site.

Blachford is both the business closest to the proposed site and the business potentially most affected by the potential negative environmental effects of the proposed project.

Attached is a brief overview of the Blachford Lake operation. More information can be found at blachfordlakelodge.com.

Blachford Lake Lodge and Conference Resort acquired a tourism establishment licence and a federal land lease in the mid 1970's. The operation was purchased in 1980 by Mike Freeland. Blachford's current surface lease ends in 2023 and can be renewed at that date.

The Government of the NWT Tourism Operating Licence enables Blachford to host up to 35 guests and gives Blachford exclusive tourism operator rights to Blachford Lake and 3 adjoining lakes: Grace, Magrum and Long .

Over the past 30 years the original one cabin has expanded to include 5 guest cabins, a main log lodge with full amenities, 14 tent frames, sauna and extensive nature trails.

Blachford operates 8 months of the year and hosts local, national and international guests who are attracted to Blachford for its remoteness, peace and quiet, pristine water, clean air, clear skies for aurora viewing (no light pollution), access to traditional Dene culture and on the land experiences, and comfort in a true wilderness setting .

In an effort to encourage our strong belief in education for northerners , Blachford has hosted over 55 school class groups , many years of summer kids camp, and educational programs in conjunction with a number of GNWT Departments

Dene culture and that of other first nations groups has been a key component of our experiences offered visitors . We have been honored to have residents of N'dilo, Dettah and Bechako involved for years as part of the Blachford team —from construction , maintenance , guiding , to hosting and teaching .

Dechinta Bush University (see dechinta.ca) hosted its first University accredited semester, at the Blachford facility in June 2010. Plans are underway for a number of programs accredited via McGill and University of Alberta in 2011 and beyond at Blachford Lake Lodge .

Blachford is the northern tourism industries leader in environmentally friendly operations with composting toilet systems, organic garden and greenhouse, wind /solar and battery bank power with back up diesel , 4 stroke outboard motors , and a long established “ catch and release “ fishing program .

THE EFFECTS OF THE PROPOSED NECHALACHO PROJECT ON OUR BUSINESS

We have increasing guest dissatisfaction with growing noise levels and light pollution . If the proposed mine does proceed we also have additional concerns for our staff as well as visiting Tourists . Being only 7 km away there are a number of factors of a large mine development that will affect us

On review of the mine plans and the size of the potential operation , all noise , light , dust and other problems will be multiplied many times from their current levels

NOISE POLLUTION

There has been a substantial increase in air traffic . Most fixed wing and helicopter traffic from Yellowknife to the mine site fly just east of the lodge. . Aircraft sound is much higher on takeoff and landing and with the airstrip now at the mine site, volume of traffic has increased greatly . If the proposed plan for the mine proceeds there will be even more air traffic to the mine to service the mine and its hundreds of employees .

This summer two drills have been going nonstop at the mine site . With a south or south west wind , we can hear the drills , vehicles , and generators .

Plans for the mine describe briefly the extent of potential sources of noise . Vehicles/road traffic, generators/power plant , drills , heavy equipment , planes , helicopters , various mine machinery ,. All of these noise problems will compound with size of the operation and pending wind direction , may be heard by our guests on Blachford Lake .

FOREST FIRES

Early this summer Blachford staff reported to the GNWT forest fire centre heavy black smoke from the Thor Lake Area . On inspection the source was brush fire burning from the new air strip at Thor . Why was the forest fire not reported by staff at the mine site ? .

GNWT Forestry officials note that Thor and Blachford are in a “ high potential forest fire zone “ that stretches along the north shore of the east arm of Great Slave Lake . This area has not had a major forest fire for hundreds of years and dry timber and underbrush is at maximum levels .

With increased activity at Thor the potential for forest fires also increases . With any out of control fires at the mine site and with a south , south east or south west wind —potential for spreading quickly the few km to Blachford is great . Potential loss of our facilities due to fire is of concern as well as loss of habitat /scenery /wildlife .

AIR QUALITY /DUST POLLUTION .

During the public consultation process for the Thor development application in the 1980's of major concern was dust pollution , both to workers on site , and with the proper wind direction to the waters of Blachford Lake and to our staff and guests . “ Beryllium Disease “ can be a fatal and is contracted from exposure to Beryllium dust created in the disturbance of rock(blasting /hauling /compacting /processing) containing Beryllium .

For the past two years Blachford has been contracted by the GNWT to do daily summer monitoring of weather , rain , wind , and other factors which are fed into the forest fire prevention data bank . This research indicates frequent southerly winds which brings us noise ,dust and any air borne pollutants from the proposed project .

Will rock containing any % of beryllium be disturbed ?

What other rare earths are in the lease area that may be disturbed , create dust , and may create health problems to those handling or those downwind from the operation ?

What effect might these have on fish and animals downwind (i.e. at Blachford ? Or with a north wind –what effect will these have on the water quality of Great Slave Lake ?)

Dust will be generated from a number of different sources at the mine site including road construction , facility and mine construction , drilling , heavy equipment and truck traffic .

LIGHT POLLUTION

Even with the current and limited size of the Nechalacho site , Blachford guests viewing aurora from our lodge decks frequently note the “light glow “ from the current site . Some guests have unknowingly inquired if it’s the lights of Yellowknife ? Again with the planned size of the mine operation light pollution will be multiplied many times .Mine site lights of buildings, machinery, vehicles, safety “area “ and road lights will be substantial .

One of Blachfords key competitive advantages over aurora viewing sites in or close to bigger centres like Yellowknife and Whitehorse and Faribanks is we are away from the light glow of the city or any substantial source of light . This will change with the growing Nechalacho project .

WATER QUALITY

Any dust generated from the mine operations blowing a few short km to Blachford , Grace , Magrum and Long lakes may create water quality problems ..

Our water quality can be effected by dust as well as by drainages from the proposed mine development .

We drink the water directly from these lakes . Blachford Lake is the source of our drinking water .

What is the effect of mine dust on fish habitat ? On plants , animals and birds ?

Our staff and guests eat fish from the lake . How will fish be affected by dust and drainages from the mine site ?

How will the water quality of Great Slave Lake be effected by dust pollutants ? What are downstream effects to the Mackenzie River, communities along the river who rely on the river for its water supply ? And the arctic ocean ?

REPUTATION OF BLACHFORD LAKE LODGE AND CONFERENCE RESORT .

We have built up a reputation and quality of product over 30 years of business development . . Activity at the Nechalacho site to date has already impacted our business . If the mine proceeds our hard fought reputation as a high quality fly in lodge offering wilderness activities will be hugely compromised.

OUR CHALLENGE

Being a long established northern business we do understand the potential value of the Nechalacho project to the north and to Canada .

However we cannot support the project knowing that it will destroy our wilderness fly in lodge business .

We expect, to be treated fairly . Our submission to your Review Board, as well as our engaging with Avalon, is in this light .

WE ASK THAT THE REVIEW BOARD CONSIDER :

That the Review Board support a request for intervener funding to enable Blachford Lake Lodge to effectively intervene in the review process

That all materials provided to the Review Board during the previous review of a similar project at Thor Lake be brought forward into this review .

That the concerns raised by Blachford Lake Lodge be given full and serious consideration by both the project component and the Board itself .

That the residual effects of the project be subject to appropriate compensation

Further information : AMENITIES AND KEY FEATURES : BLACHFORD LAKE LODGE AND CONFERENCE RESORT

- Blachford is accessed by multiple daily **commercial jet access flights to Yellowknife** from Calgary (1 hour 45 minutes) and Edmonton (1 hour 30 minutes) Alberta via Canadian North , Air Canada Jazz and First Air and from Vancouver (2 hours) direct with Air Canada ---then a **20 -30 minute twin otter or helicopter charter from Yellowknife to the lodge**

- We are **fly in access only** –no roads (float plane in summer , ski plane snowmobile or dog team in winter , helicopter year round)

- Blachford is 60 miles (90 km) southeast of Yellowknife the capital of the Northwest Territories and just north of the east arm of Great Slave Lake , the 11th largest fresh water lake in the world. A **true wilderness setting** deep in the boreal forest of Canada's north blessed with clear drinkable lake water and clean dry non polluted air .

- a **safe /secure completely private retreat** .You won't see anyone other than Blachford Lake Lodge guests on Blachford Lake . Yellowknife is the closest community 60 miles northwest while the closest all season road is the Ingraham trail , 45 miles north .

- Blachford is owner built and operated since 1981 and is currently operating as the **premiere northern Canadian fly in all season wilderness resort** . As a licenced resort, Blachford's success is keyed on hosting corporate and Government retreats , an international market seeking aurora borealis (northern lights) and unique northern Canada wilderness experiences , and a mix of other target markets including sports fishing, snowmobiling , dog mushing adventures etc

- **sample repeat Corporate clientele** include : DeBeers . BHP Billiton Diamonds , Bayer Pharmaceutical , Diavik Diamonds , Yellowknife Dene First Nations , Dene Nation , Legislative Assembly and numerous Departments -Government of the NWT . DIAND,/INAC, Transwest Mining , NWT Power Corporation , NWTel, Dupont Canada , to name a few

- Blachford Lake Lodge has been **featured** on Valerie Pringles TV travel show, in “ Real Weddings “ magazine, “ Just for Canadian Doctors” magazine, “Canada Scope “ – Canadas international magazine for the Tourism Industry , “ Private Air “ Oct /Nov 2007 , National Geographic , Pure Canada , CN Rails “ Rails to Adventure “ video series. Recently highlighted in Arctic Tourism's full page travel adds in the Wall St Journal, LA Times, Globe and Mail and Canadian Geographic Magazine . Rated by National Geographic Traveler as one of the top “ 150 go to destinations in North America - 2008

- **featured by a number of National and International Travel Wholesalers**

- Blachford Lake Lodge and Conference Resort voted the **NWTs top Tourism Operation** by the NWT Travel Industry Association

- **activities in summer** (June through early October):Dene interpretive cultural activities , hiking on groomed nature trails , aurora (northern lights) viewing from mid Aug to early Oct , sport fishing for lake trout , northern pike , pickerel/ walleye and whitefish –fish stocks are in excellent shape due to 20 plus years of “catch and release “ fishing, canoeing , kayaking , viewing wildlife (moose, beaver , wolf , wolverine, fox , rabbit ,caribou , porcupine) and birds (bald and golden eagles , loons , terns , Ptarmigan , grouse , seagulls , ravens, owls, and song birds) ,

- **Activities in winter** (January through late April) :Dene interpretive cultural activities . aurora (northern lights) viewing, cross country skiing on 20 km of groomed trails, snowshoeing , ice fishing , ice skating /hockey on lake rink , animal track identification, snowmobiling , dog mushing.

- all season 2 , 4 and 10 km **nature trails** with adjoining snowmobile trails south to Great Slave Lake or north west to Yellowknife . Snowmobile trails are signed and we have a route map with gps points and points of interest noted

- **4,500 square foot timber /post and beam lodge** with expansive views , northern decor (featuring aboriginal Dene Inuit and Metis artwork and traditional clothing , northern library and historic photo collection), 5 decks , aurora room/library, 5 guest bedrooms on second floor , lounge , conference /meeting /dining room , 2

fireplaces, bar , commercial kitchen and pantry , office /communications center , 2 common washrooms with 2 showers and toilets and 2 sinks change benches each, plus private shower , bathroom and sink room , staff room . Portable divider wall installed can provide two separate meeting rooms . Tiled entry ways and bathrooms , slate based fireplaces , “ Arctic Spa “ 8 person hot tub outside on east deck of lodge , organic garden and greenhouse, commercial “Clivus Multrum composting toilet system , in floor lodge heating via oil fired boiler , high volume hot water , fire alarm system.

- the lodge cabins and sauna **were constructed totally with logs from the Blachford Lake area** while all other materials were flown in by float and ski plane as there is no road access

- power via wind tower , **solar panels and diesel powered generator** with large battery bank and inverter system . One 13 kW Kubota and one 20 kW Kubota diesel generator in insulated generator building

- **commercially equipped kitchen** to cater for up to 55 guests . Garland stove /oven, 2 coolers , 4 freezers, heavy duty mixers , commercial dish washer etc

- The **lodge is engineered** for operating in the north’s all season . Designed by Stephen Fancott architect of Yellowknife and log work by Digha Log Homes Ft Smith .

- **5 cozy guest log cabins** –each made with local spruce logs and featuring 4 double beds, wood stove , propane stove oven and lights . The original “trappers cabin “ –now a guest cabin , was purchased in 1980 by current owner . Other log cabins and log sauna were built over the following years and 1999 saw the completion of the main log lodge

- **11 insulated all season 14 x 16 tent frame accommodations** for staff or additional guests , wood or oil stoves and electricity .

- **high speed internet in lodge , cabins and tent frames** and phone connections via 2 satellite dishes, ceiling mounted Proxima and screen for presentations , Sirius radio , AV and sound system .Two separate satellite phone and internet access systems

- **helipad and 2 float plane docks**

- **post and beam wood fired sauna** and deck

- **art , paintings,** museum quality muskox full rug, muskox wall mount and a number of caribou wall mounts. Collection of traditional Dene tools , artifacts , historical photographs of the Great Slave Lake /Yellowknife area

- “ **outpost adventure camp** “ consisting of two 14 x 16 tent frames and out building – on adjoining Grace Lake about 8 km from the lodge and a **group “ fish fry site “** on an island 1 km from the lodge ..

- insulated 14 x 48 **snowmobile “ tent frame “ garage** , insulated **workshop** with extensive tools and hardware to service this all season operation , various **winter and summer equipment** : chain saws, brush cutters , carpentry and power tools

- **fourteen 16 foot high transom aluminum boats** with 15 hp environmentally friendly 4 stroke outboard motors , **2 sea kayaks** , 3 16 foot canoes , **5 snowmobiles** , **1 quad/4 wheeler** and trailer ,three 10 foot komotiks (**sleds**) , 5 toboggan /skimmers , 2 dog sleds (racing style 2 passenger) and 2 12 foot oak toboggans with canvas – (5 passenger)

- **dog yard** . Set up for up to 25 sled dogs as part of the winter operation
- advanced (level 3) **first aid /emergency kit** with inflatable spine board
- .expansion **and operational documents** include: “**phase two “ lodge lighting design /plan** by “ Watershed Designs – “ Kate Bethke –interior designer /lighting consultant Toronto . “**Brand Positioning “ paper** completed by Outcrop Communications , Yellowknife . **Energy audit report** completed by the “Arctic Energy Alliance . “**Lodge Operations Manual “** with instructions on all aspects of lodge operation . “ **Food Bible “** with detailed menu options , recipes , food ordering, care and handling and an “**Office Procedures Manual “**