



December 15, 2011

VIA EMAIL

Paul Mercredi, Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
200 Scotia Centre
P.O. Box #938
Yellowknife, NWT
X1A 2N7

Dear Mr. Mercredi,

Re: EA 1011-001, Thor Lake Project, Avalon Rare Metals Inc. – Meeting Report

I am pleased to submit a Meeting Report of the December 7, 2011 meeting between Avalon Rare Metals Incorporated and the Government of the Northwest Territories to discuss socio-economic information requests and responses.

Please contact myself or Mr. Swisher if you any questions regarding the attached submission.

Sincerely,

Environmental Assessment Analyst
Environmental Assessment and Monitoring
Environment and Natural Resources, GNWT
loretta_ransom@gov.nt.ca
Phone #: 867-873-7905

Meeting Report

Avalon Rare Metals Inc. Thor Lake Rare Earth Element Project

Main Issue: GNWT Socio-economic Information Requests

Attendees:	(1)	Mr. David Swisher	Vice President Operations	Avalon
	(2)	Mr. Mark Wiseman	Vice President Sustainability	Avalon
	(3)	Ms. Kelly Cumming	Northern Relations Manager	Avalon
	(4)	Ms. Loretta Ransom	Environmental Assessment Analyst	GNWT – ENR
	(5)	Ms. Deb Bain	Partnerships and Agreements – Program Development and Evaluation Specialist	GNWT – ECE
	(6)	Ms. Kris Johnson	Manager, Land and Resources Policy	GNWT – ITI
	(7)	Ms. Amy Lizotte	Land and Environmental Affairs Specialist	GNWT – ITI
	(8)	Ms. Tracy St. Denis	Regional Superintendent, North Slave	GNWT – ITI
	(9)	Ms. Juanita Robinson	Industrial Initiatives Consultant	GNWT – ITI
	(10)	Ms. Brittany Shuwera	Industrial Initiatives Analyst	GNWT - ITI

Meeting Date: December 7, 2011

Summary of Discussion:

Avalon Rare Metals Incorporated and GNWT officials met to discuss socio-economic information requests and responses. Discussion topics included: arrangements for employee transportation and accommodation for employees working at the Pine Point site; location of human resource and procurement functions; basis for procurement predictions; calculation of fiscal impacts; emergency transportation of employees at night; adaptive management; long-term public reporting; inclusion of socio-economic matters in plans for closure and reclamation; assessment of cumulative effects related to the Mackenzie Gas Project. The intent of Information Requests and possible responses were discussed.

In addition, the following was discussed: use of the dock by the local fishing industry; traplines; and ITI's interest in posting interpretative signage in the area of the road to Pine Point, about the history of the Pine Point Mine and community.

Developer commitments:

- 1) Avalon may need to accommodate fishermen so that they can safely store their equipment near the dock. Avalon is aware that they need to communicate with local fisherman on this and are initiating that discussion.
- 2) Avalon has a working relationship with local trappers, is aware of trap lines in the regional study area and will ensure trappers have unrestricted access to their lines.
- 3) References in the Project Description to a 3-week rotation for the Nechalacho site are no longer accurate; the proposed planned rotation is a 1-week rotation period for the

Nechalacho mine however, there may be other schedules depending on the operations needs.

- 4) Avalon will have human resource generalists and procurement staff at both the Pine Point site and at the Nechalacho site. The staff at both of these sites will have the authority to hire employees and to purchase goods and services.
- 5) Avalon will provide the GNWT with the data applied in the calculation of government tax revenue.
- 6) The DAR Deficiency Submission (RPA Technical Report, page 18-16) states that the runway at the Nechalacho mine site will not be lit. This is inaccurate. The airstrip at the Nechalacho site will be lit, and emergency evacuations will be able to occur at any time of the day and year.
- 7) Avalon's primary preference is to have employees live within or re-locate to Hay River or Fort Resolution to work at the Hydrometallurgical Facility in Pine Point. Should employees not be able to move, Avalon will:
 - a. Investigate various ways to accommodate employees working at the Pine Point site
 - b. Pay transportation costs (where economically feasible) for northern employees working at the Pine Point site and rotating on a weekly basis.
- 8) Avalon will include socio-economic matters in its plans dealing with closure.

Action Items:

- 1) GNWT to identify what data it will need in order to produce a corrected assessment of fiscal impacts as part of its technical report.
- 2) ITI to provide Avalon examples of NWT business procurement strategies.
- 3) Avalon will post its Corporate Social Responsibility Roadmap on the public registry.
- 4) GNWT will submit signed meeting minutes to the Mackenzie Valley Environmental Impact Review Board.



Signature of GNWT representative
Loretta Ransom, ENR



Signature of Avalon Rare Metals Inc.
David Swisher, Vice President Operations

Date: 14-December-2011