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October 18, 2011

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

**RE: Avalon response to MVEIRB deficiency e-mail dated October 14, 2011**

Dear Mr. Mercredi,

Avalon is pleased to provide the attached responses to the Mackenzie Valley Environmental Impact Review Board's deficiency request provided in an e-mail dated October 14, 2011.

Although Avalon respects the Review Board's desire to seek additional information for the purposes of the environmental assessment, Avalon believes that the commitments provided in the Developer's Assessment Report (dated May 24, 2011) should enable the assessment process to continue without further delays as information requests are responded to. Specifically, Avalon refers to the following commitments:

- Commitment #3: Avalon will comply with Land Use Permit and Water License conditions to be issued by the MVLWB.
- Commitment #7: Avalon will conform with the Guidelines for Ambient Air Quality Standards in the NWT.
- Commitment #8: Avalon will conform with GNWT and WSCC standards for mine and process plant(s) air quality.
- Commitment #18: There will not be any Beryllium produced from the operations.
- Commitment #23: The transportation of all hazardous materials transported to and from the site will be conducted in accordance with existing territorial

and federal regulations, including the Transportation of Dangerous Goods guidelines.

- Commitment #103: All decant water released from the TMF into Drizzle Lake will comply with the requirements of the MVLWB Water License and the federal MMER regulations.
- Commitment #110: Water quality and biological monitoring will be carried out according to requirements of the Water License and the MMER. Monitoring results will be used to confirm the water quality downstream of the TMF discharge remains within allowable limits.
- Commitment #115: The tailings solids from the proposed hydrometallurgical process will be predominantly gypsum (approx.. 84%) which are expected to be similar to gypsum tailings in terms of void ratio, dry density and consolidation properties. From a geochemical point of view the tailings will be a fully neutralized material (by the addition of limestone) and it is expected that there will not be any regulatory exceedances of significant amounts of leachable metals based on testing of the concentrate completed to date.

It should also be noted that Avalon is also subject to the NWT *Mine Health and Safety Act* and Regulations during construction and operations of the Nechalacho deposit.

As such, Avalon respectfully requests that the Review Board proceed to the next stage of the environmental assessment process, without further delay, where further technical review of the Project may occur.

Should you have any other inquiries or questions, please do not hesitate to call me directly.

Thank you,



David Swisher  
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