



Fort Resolution Métis Council
Box 1921
Fort Resolution, NT
X0E 0M0
Phone (867) 394-4151
Fax (867) 394-3322
Email: frmc@northwestel.net

August 24, 2010

Submission to the MVEIRB on application EA1011-001 Nechalacho Rare Earth Element Project.

Since time immemorial, the Chipewyan Metis of Fort Resolution (Deninu Kue) have always used and occupied the lands and waters both north and south of the Great Slave Lake, the Fort Resolution Metis Council consider this land to be shared territory with our treaty relations, where in mineral exploration activities are presently occurring. We have always considered it within our lands of jurisdiction, duty, and interest. We have never ceded, surrendered, or sold their authorities and rights to this area. We are a Nation, whose rights and privileges are protected under Section 35 of the Canadian Constitution of 1982.

Furthermore, we have been recognized as Metis with traditional land interest and jurisdiction in all parts of our traditional land use area. Fort Resolution is a historical Chipewyan community, where the Metis and Dene still continue to pursue their traditional activities; (hunt, fish, trap, and gather) and lifestyles while moving forward in a modern world. Recently it has become more and more necessary for the Metis of Fort Resolution to address impacts and adaptation of all the resource development in the north and the world in general.

The Metis of Fort Resolution have witnessed and experienced an increase in resource exploration and development within its traditional territory with very little recognition, consents, or benefits. These issues and concerns remain outstanding for the Metis of Fort Resolution. We have now put a high priority on working towards resolving these matters while still working with the realities of a changing world, where the need for a strong economy with an increase world awareness of social conscience, northern claims settlement, cumulative effects, contamination, and climate change/global warming impacts. Presently, the Fort Resolution Metis find ourselves dealing with an increase in renewed interest in all types of mineral potential we have in our traditional territory.

Fort Resolution Metis Council's Aboriginal Rights. Fort Resolution Metis Councils membership currently has existing aboriginal rights in its traditional territory. These rights including; the rights to hunt, fish, trap, and gather in their traditional territory. The aboriginal rights of the Fort Resolution Metis Council have been exercised by its membership for generations and continue to be exercised to date.

The evidence of elders and the Metis members together confirm that in its traditional territory, including the Paulette Bay and areas to the west as far as the Hay River;

- The lands are currently used for hunting, trapping, fishing, and gathering on a regular basis.
- The Paulette Bay is still currently used for subsistence fisheries.
- The lands are also used for gathering of berries and plants for food and medicinal purposes.
- The trapping in the area provided fur to sell and sometimes meat to subsist on.
- The meat obtained from trapping and hunting this area feeds many members of the community and not just the trappers or hunters.
- Many different types of animals are trapped and hunted in the purposed area.
- The animals and fish are relied upon by the Fort Resolution Metis Council members in these areas for the exercise of their traditional and aboriginal rights which in turn rely upon the lands and waters of our traditional area.
- The traditional area under review is also used as recreational day-use area for picnicking, boating, and recreational fishing.

In short, the Fort Resolution Metis' rights to hunt, trap, fish, and gather provided for in Section 35 of the Canadian Constitution, in addition to other rights, but, do not only exist on paper, but are in active use and an integral part of the tradition and existence of the Fort Resolution Metis.

Avalon Rare Metals Inc. is a mineral exploration and development company focused on rare earth metal deposits in the share aboriginal territory within the Northwest Territory, its flagship project. The 100%-owned Nechalacho Rare Earth Elements Deposit at Thor Lake NT. is emerging as one of the largest undeveloped rare earth element resources in the world. Its exceptional enrichment in the more valuable "heavy" rare earth elements, which are keys to enabling advances in green technology and other growing high-tech applications, is one of the few potential sources of these critical elements outside of China, currently the sources of 95% of world supply.

The Nechalacho Rare Earth Element (REE) deposits at Thor Lake are exceptional in its size and its enrichment in the more valuable heavy rare earths such as europium, terbium, and dysprosium along with neodymium. REE are key to enabling advances in green technology and other growing high-tech applications. Avalon Rare Metal Inc. proposes to transport the rare earth elements across Great Slave Lake in hopes of processing the elements at the old Cominco Pine Point Mill site.

Pine Point was the town site built at the Pine Point Mine Site, the first buildings were erected in 1952 during the original exploration and development campaign, and before that a number of log buildings had been built in the late 1920's. Between 1961 and 1964, the Government of Canada constructed a

railway into Pine Point mill site and the Northern Canada Power Commission builds a 21 megawatt hydroelectric plant on the Taltson River. The town site was surveyed in 1962 and became operational in 1963.

Pine Point Mines conducted mining and milling operations from 1964 to 1987, after which time the Cominco Mines Ltd. shuts down the Pine Point mining and milling operations due to a number of factors not limited to but including; the extended mill haul distances, the ore is further to the west of the operations, increase cost of dewatering, escalating cost to maintain a town, and the change in operations focus.

All of the above were contributing factors to the shut-down of the Pine Point Mine. In 1991 the mill, town site and railway were removed. For ten years the property laid dormant until 2001 at which time Karst Investment LLC staked Pine Point property claims. In 2004 Tamerlane Ventures Inc. acquires 60% interest in Pine Point property claims and in 2006 Tamerlane acquires the remaining 40% and laid claims to 175 square kilometers. This claim extends from Birch Creek on the west to Paulette Bay area on the east, with five of the explored blocks having a known reserve exceeding 10 million tons of lead and zinc.

The proposed Hydro-Metallurgical Processing Plant is in an area that we feel is in a healing stage and may be too much for the already hugely impacted area to contend with. There are too many unknown factors that are associated with the development that we need to review and assess before we can support such a large project on our traditional use area.

The transporting of raw rare earth elements across Great Slave Lake from Thor Lake to the south shores is not supported by the Fort Resolution Metis Council prior to a full consultation process and the impacts explored should the hauling of the ore go through the ice or a marine mishap on the lake should it be barged.

Duty to Consult

To date there has been no consultation by the Crown or project proponent with the Fort Resolution Metis Council or its membership with respect to the subject matter of developing a Hydro-Metallurgical Processing Plant in the decommissioned Cominco Pine Point Mine site. Nor has the Fort Resolution Metis Council been provided with any information with respect to the proposal to transport raw Rare Earth Elements across Great Slave Lake from the mine site at Thor Lake to a dock on the south shores of Great Slave Lake.

The Fort Resolution Metis Council wishes to exercise its constitutional rights to be consulted to the fullest extent provided for in law with respect to the proposed activities within its traditional use area. The Fort Resolution Metis Council seeks consultation from the proponent (Avalon Rare Metals Inc.) and/or the Crown. Alternately, if the Crown has delegated some or its entire obligation to consult to industry, then the Fort Resolution Metis Council wishes to be consulted to the fullest by the project proponent.

The consultation requested by the Fort Resolution Metis Council with respect to its rights is as follows;

- Informing the Fort Resolution Metis Council of all relevant information upon which this proposal to develop is based upon.
- Giving the Fort Resolution Metis Council sufficient time to research, consider, and respond to the proposal.
- Listening with an open mind to what the Fort Resolution Metis Council has to say in regards to the proposal.
- Being prepared to alter the original proposal to eliminate or minimize impacts upon its traditional territory.
- Providing feedback both during the consultation process and after the decision process.

To date there has been one information meeting in regards to the proposed development, but, no meaningful consultation with the Fort Resolution Metis Council has happened with the proponent to out-line future working relationships.

The Fort Resolution Metis Council also seeks accommodation of any infringement upon its traditional lands and rights according to law. The required accommodation will become apparent through the consultation process, and may include compensation for any anticipated future infringements.

Further, the Fort Resolution Metis Council seeks the funds required to properly participate in the consultation processes.