



February 4, 2013

VIA EMAIL

Paul Mercredi
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
200 Scotia Centre
Box 938, 5102-50th Ave
Yellowknife, NT
X1A 2N7

Dear Mr. Mercredi,

RE: Public Hearing Presentation for the Thor Lake Rare Earth Element Project Environmental Assessment (EA1011-001)

Attached to this cover letter is the Government of the Northwest Territories presentation for the Avalon Rare Metals Incorporated Thor Lake Rare Earth Element Project Public Hearing. It is requested this submission be posted to the Mackenzie Valley Environmental Impact Review Board public registry.

If you may require any further details, please contact Shafic Khouri, Environmental Assessment Analyst, at shafic_khouri@gov.nt.ca or (867) 873-7905.

Sincerely,

A handwritten signature in black ink that reads "Shafic Khouri". The signature is written in a cursive, flowing style.

For Joel Holder
Manager, Environmental Assessment and Monitoring
Department of Environment and Natural Resources
Government of the Northwest Territories
e: joel_holder@gov.nt.ca / t: (867) 873-7107

Attachment

Government of the Northwest Territories

Thor Lake Project

Environmental Assessment
Public Hearing Presentation
Yellowknife, February 20, 2012

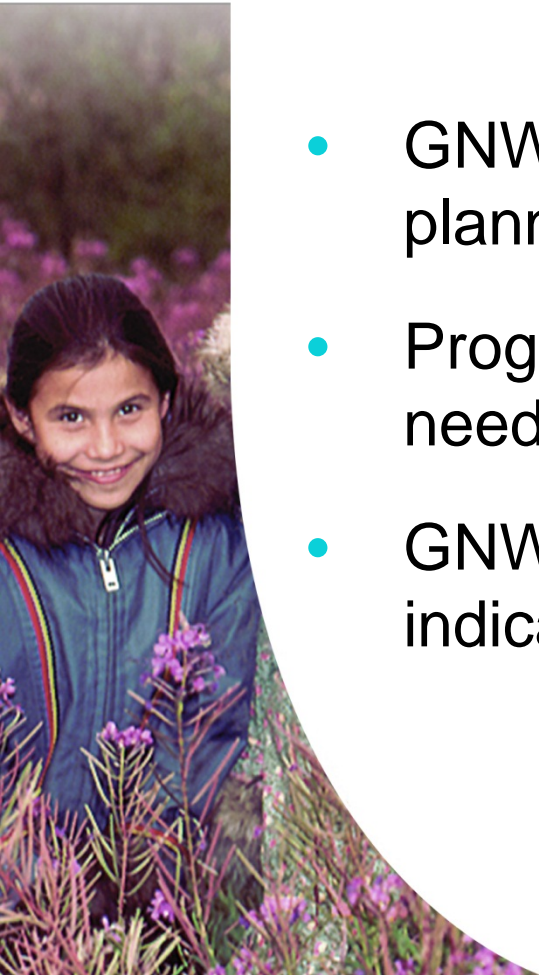


Socio-Economics



GNWT Socio-Economic Programs and Services

- GNWT socio-economic programs and services planned on NWT-wide basis
- Programs and services adapt to emerging needs of communities and residents
- GNWT monitors and reports on socio-economic indicators in all NWT communities



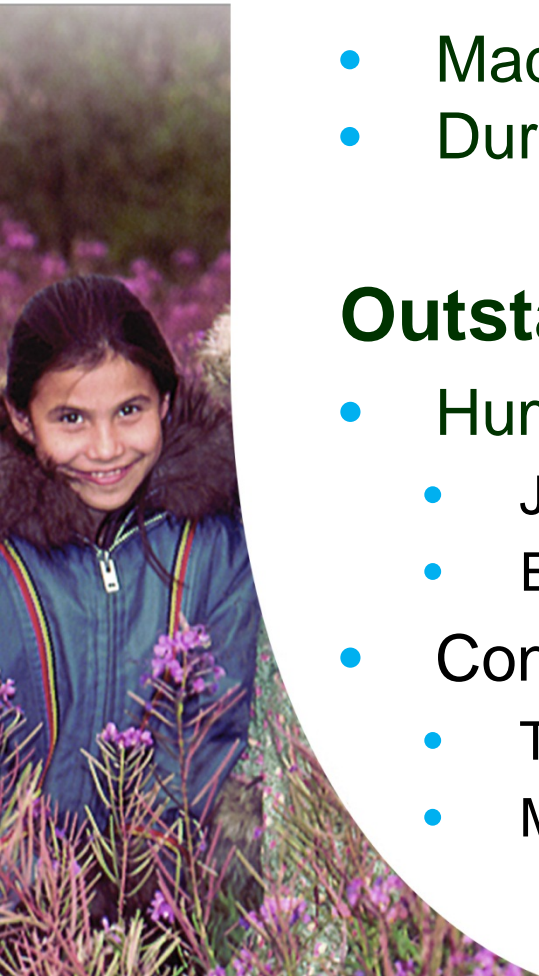
Education & Employment

Commitments

- Made in DAR and technical review
- During one-on-one meetings

Outstanding Issues

- Human Resources Plan
 - Job descriptions and required skills
 - Education supports and training
- Contractors
 - Training and apprenticeships
 - Monitoring and reporting



Health and Social Services

Commitments:

- Made in DAR and technical review
- During one-on-one meetings

Outstanding concerns:

- Medical costs incurred by non-NWT residents
- Promoting a healthy and stable workforce by:
 - Taking on initiatives to provide programs targeted at employees and their immediate families
 - Collaborating with GNWT to provide effective support to Avalon employees



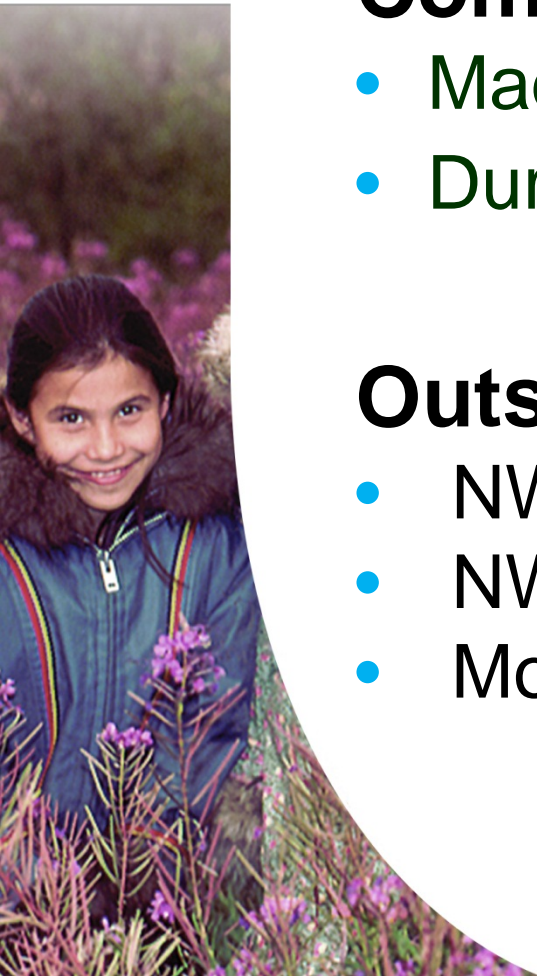
Northern Economy

Commitments:

- Made in DAR and technical review
- During one-on-one meetings

Outstanding concerns:

- NWT purchases
- NWT business development
- Monitoring and follow-up



Importance of SEA Follow-Up

Monitor socio-economic impacts and effectiveness of mitigation measures

Includes:

- Adaptive management for unintended results
- Compliance and impact reporting



Socio-Economic Recommendation

As a condition of project approval, the GNWT recommends the Board include the following requirement in its Report of Environmental Assessment:

Avalon and GNWT shall negotiate and sign a follow-up program in the form of a Socio-Economic Agreement.



Conclusion

Socio-economic impacts will be addressed through:

- Avalon EA commitments
- A Socio-Economic Agreement follow-up program between Avalon and GNWT



Air Quality

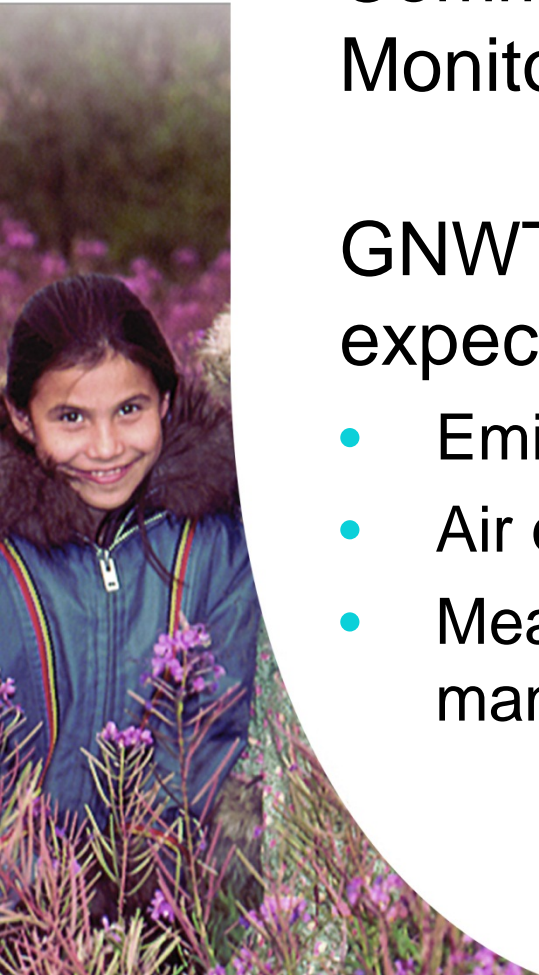


Air Quality Monitoring and Management Plan

Commitment to develop an Air Quality Monitoring and Management Plan

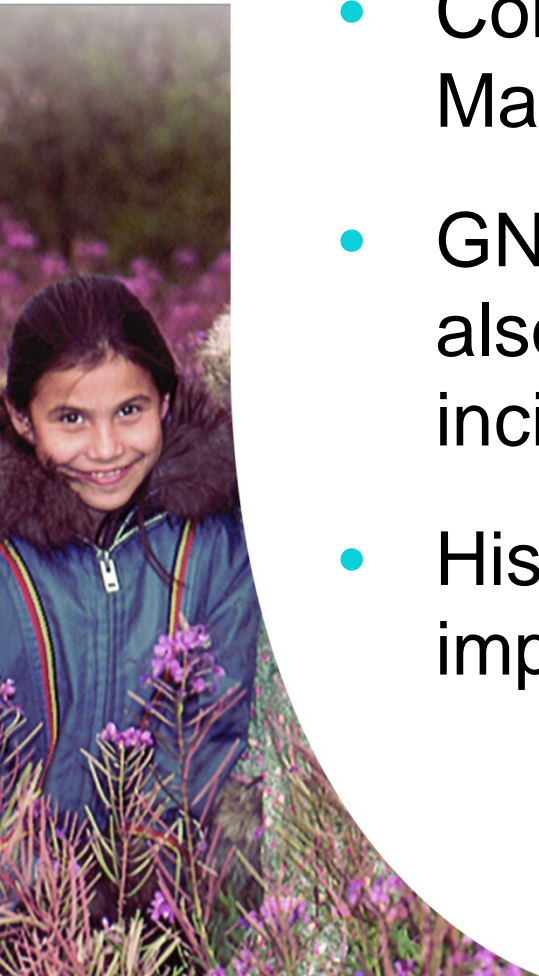
GNWT supports commitment but also expects:

- Emissions management and minimization
- Air quality monitoring
- Measures for mitigation and adaptive management



Incineration Management Plan

- Committed to develop an Incineration Management Plan
- GNWT supports this commitment but also recommends the plan incorporate incinerator stack testing
- Historical examples demonstrate importance of periodic testing



Conclusion

- GNWT Supports Air Quality Commitments
- GNWT recommends the Incineration Management Plan also include stack testing
- GNWT will continue to work with Avalon during development of these plans



Wildlife



Wildlife Role

- Ensure impacts on wildlife and wildlife habitat are mitigated
- Provide expert advice to MVEIRB



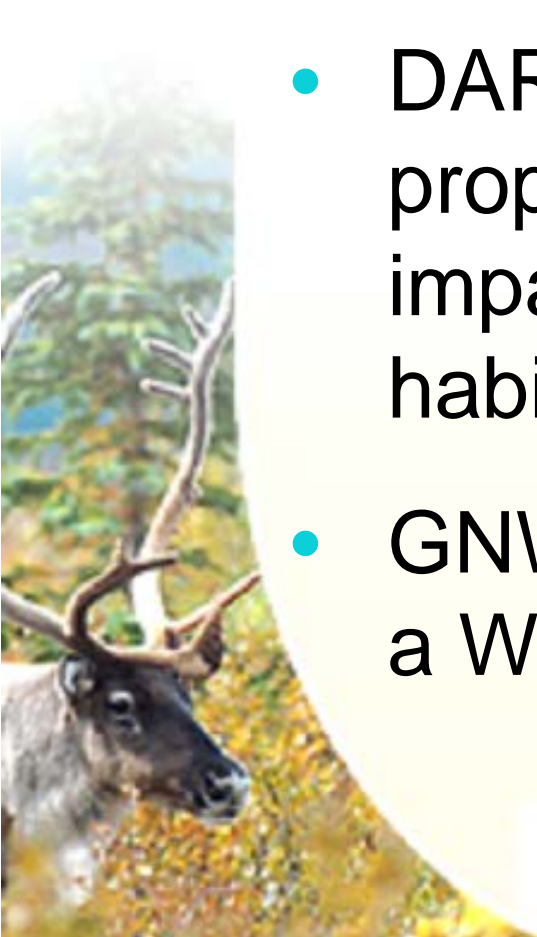
Wildlife and Wildlife Habitat Protection Plan (WWHPP)

- Intended to mitigate local scale impacts to:
 - Personnel, Wildlife, Wildlife habitat
- Further development in collaboration with partners



Wildlife Effects Monitoring Program (WEMP)

- DAR predicts Project impacts and proposes mitigation to lessen these impacts on wildlife and wildlife habitat
- GNWT recommends Avalon develop a WEMP to test predictions



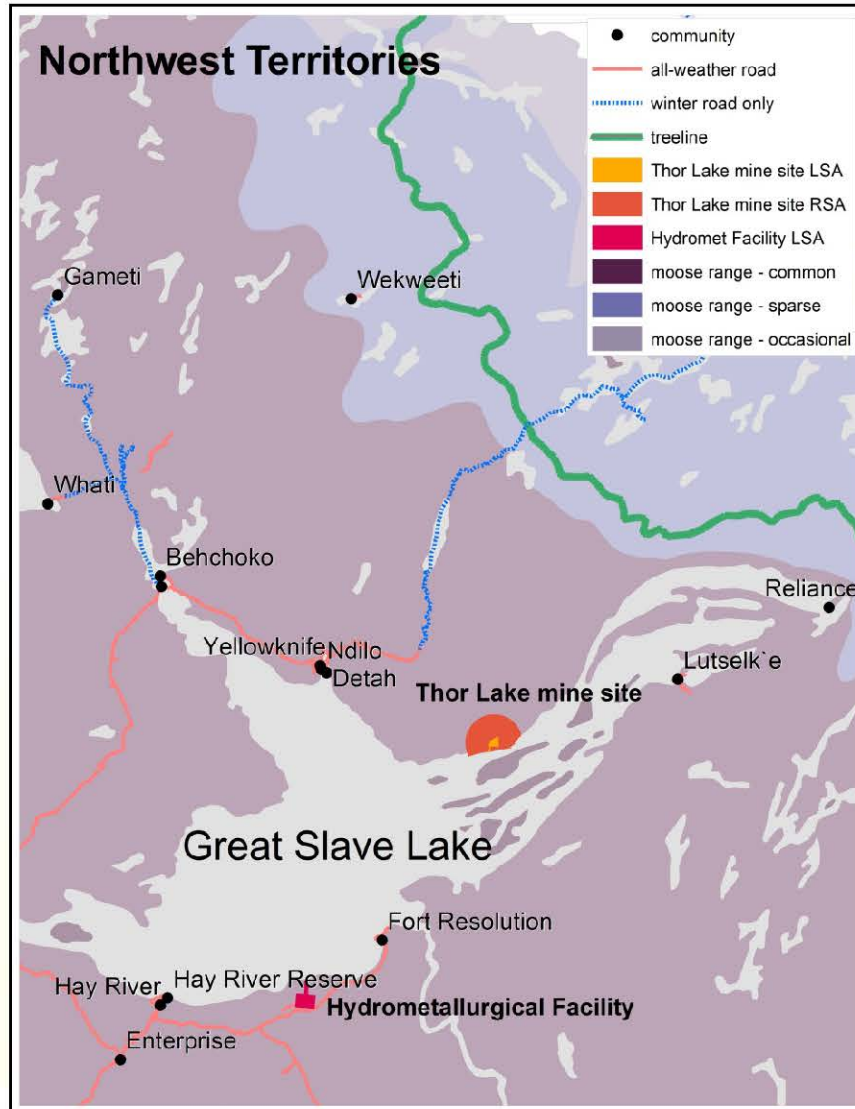
Historical Bathurst Caribou Range



Boreal Caribou Range

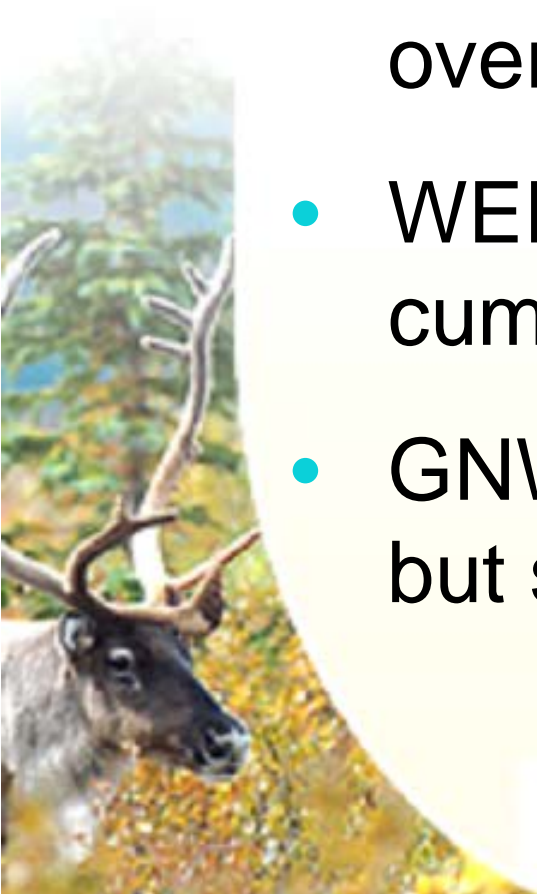


Moose Range



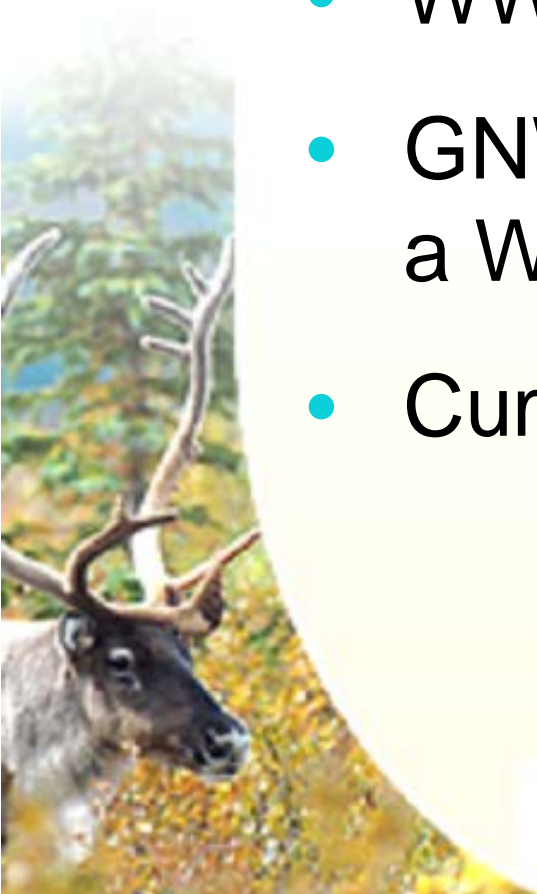
Cumulative Effects Concerns

- Concern over Project contribution to overall landscape disturbance
- WEMP information feeds into cumulative effects assessment
- GNWT has a lead coordinating role, but shared responsibility



Conclusion

- WWHPP conceptually sound
- GNWT recommends Avalon develop a WEMP
- Cumulative effects concerns exist



Thank you

