



May 18, 2012

Mackenzie Valley Environmental Review Board
5102 - 50th Ave.
Yellowknife, NT X1A 2N7

Attention: Mr. Paul Mercredi
Environmental Assessment Officer

Subject: Site Specific Water Quality Objectives for the Avalon Thor Lake Project

Dear Mr. Mercredi:

Further to our informal meeting in your office earlier this week, as requested, Avalon Rare Metals Inc. (Avalon) is pleased to provide to the MVEIRB the following additional information pertaining to Site Specific Water Quality Objectives (SSWQOs) for the Thor Lake Project. In addition, Avalon is also pleased to provide for the public record a copy of Det'on Cho Stantec's April 2012 water quality sampling data report (Attachment 1), which includes analysis of the normal suite of Rare Earth Elements (REEs).

Table 1 summarizes Avalon's current position on appropriate SSWQOs for all typically regulated metals and the suite of REEs present in water at the Nechalacho Mine site. To obtain appropriate values for the REE parameters for which there are no CCME guideline values, EBA, on behalf of Avalon, developed tentative SSWQOs for the REEs based on the CCME protocol for the derivation of water quality guidelines for the protection of aquatic life (2007).

More specifically the proposed SSWQOs for the REEs presented in Table 1 were developed using the CCME principal of applying a safety factor of 10 to the Lowest Observed Adverse Effect Level (LOAEL), based on the data presented in the Wilfred University Lanthanide report prepared for Environment Canada (2011) and previously summarized in Table 1 of Avalon's response to AANDC IR 2.1.

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Table 1: Proposed Site Specific Water Quality Objectives (SSWQOs) for the Nechalacho Mine Area

| Parameter | CCME Guideline $\mu\text{g/l}$ | Drizzle Lake $\mu\text{g/l}$ | | | Murky Lake $\mu\text{g/l}$ | | | Thor Lake $\mu\text{g/l}$ | | | Proposed SSWQO |
|------------------------------|--------------------------------|------------------------------|-------|----------------|----------------------------|------|----------------|---------------------------|-------|----------------|--|
| | | Mean | S.D. | Modelled Value | Mean | S.D. | Modelled Value | Mean* | S.D. | Modelled Value | $\mu\text{g/l}$ |
| Metals | | | | | | | | | | | |
| Aluminum (Al) | 100 | 8.30 | 9.10 | 10.0 | 7.20 | 3.90 | 8.53 | 3.30 | 0.54 | 3.77 | 100 |
| Arsenic (As) | 5.0 | 0.92 | 0.23 | 0.93 | 1.29 | 0.51 | 1.29 | 0.77 | 0.06 | 0.77 | 5.0 |
| Cadmium (Cd) | 0.052 | 0.01 | 0.002 | 0.01 | 0.02 | 0.01 | 0.02 | 0.02 | 0.01 | 0.02 | 0.052 |
| Chromium (Cr) | 8.9 | 0.25 | 0 | 0.25 | 0.25 | 0 | 0.25 | 0.28 | 0.02 | 0.28 | 8.9 |
| Copper (Cu) | 2-4 | 0.25 | 0.09 | 0.26 | 0.36 | 0.13 | 0.36 | 0.36 | 0.15 | 0.36 | 2-4 |
| Iron (Fe) | 300 | 1091 | 2322 | 1093 | 3054 | 4948 | 3055 | 69.50 | 25.40 | 69.93 | background |
| Lead (Pb) | 1-7 | 0.028 | 0.01 | 0.030 | 0.03 | 0.01 | 0.031 | 0.05 | 0.05 | 0.050 | 1-7 |
| Mercury (Hg) | 0.026 | 0.005 | 0 | 0.005 | 0.01 | 0.01 | 0.01 | 0.01 | 0 | 0.01 | 0.026 |
| Molybdenum (Mo) | 73 | 1.27 | 0.48 | 1.40 | 1.42 | 0.53 | 1.52 | 2.10 | 0.03 | 2.14 | 73 |
| Nickel (Ni) | 25-150 | 0.25 | 0 | 0.27 | 0.25 | 0 | 0.27 | 0.25 | 0 | 0.26 | 25-150 |
| Selenium (Se) | 1.0 | 0.50 | 0 | 0.50 | 0.50 | 0 | 0.50 | 0.50 | 0 | 0.50 | 1.0 |
| Silver (Ag) | 0.1 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.01 | 0.01 | 0 | 0.01 | 0.1 |
| Thallium (Tl) | 0.8 | 0.05 | 0 | 0.05 | 0.05 | 0 | 0.05 | 0.05 | 0 | 0.05 | 0.8 |
| Uranium (U) | 0.01 | 0.15 | | | | | | | | | background |
| Vanadium (V) | 0.1 | 0.3 | | | | | | | | | background |
| Zinc (Zn) | 30 | 0.90 | 0.60 | 0.92 | 2.30 | 1.10 | 2.32 | 1.43 | 0.50 | 1.44 | 30 |
| Rare Earth Elements** | | | | | | | | | | | Based on 10% of Lowest Observed Adverse Effect Level |
| Cerium (Ce) | N/A | <0.05 | | 0.1 | 0.05 | | | <0.05 | | | 3.2 |
| Dysprosium (Dy) | N/A | <0.05 | | 0.0019 | <0.05 | | | <0.05 | | | 16.2 |
| Erbium (Er) | N/A | <0.05 | | 0.00044 | <0.05 | | | <0.05 | | | 19.1 |
| Europium (Eu) | N/A | <0.05 | | 0.00083 | <0.05 | | | <0.05 | | | 11.2 |

Table 1: Proposed Site Specific Water Quality Objectives (SSWQOs) for the Nechalacho Mine Area

| Parameter | CCME Guideline µg/l | Drizzle Lake µg/l | | | Murky Lake µg/l | | | Thor Lake µg/l | | | Proposed SSWQO µg/l |
|-------------------|------------------------|----------------------|------|----------------|--------------------|------|----------------|-------------------|------|----------------|---------------------------|
| | | Mean | S.D. | Modelled Value | Mean | S.D. | Modelled Value | Mean* | S.D. | Modelled Value | |
| Gadolinium (Gd) | N/A | <0.05 | | 0.0071 | <0.05 | | | <0.05 | | | 15.0 |
| Hafnium (Hf) | N/A | <0.1 | | 0.046 | <0.1 | | | <0.1 | | | 4.4 |
| Holmium (Ho) | N/A | <0.05 | | 0.0024 | <0.05 | | | <0.05 | | | 0.7 |
| Lanthanum (La) | N/A | <0.05 | | 0.052 | <0.05 | | | <0.05 | | | 1.8 |
| Lutetium (Lu) | N/A | <0.05 | | 0.000025 | <0.05 | | | <0.05 | | | 2.9 |
| Niobium (Nb) | N/A | <0.1 | | 0.0019 | <0.1 | | | <0.1 | | | 2.6 |
| Neodymium (Nd) | N/A | <0.05 | | 0.047 | <0.05 | | | <0.05 | | | 14.3 |
| Praseodymium (Pr) | N/A | <0.05 | | 0.013 | <0.05 | | | <0.05 | | | 3.5 |
| Samarium (Sm) | N/A | <0.05 | | 0.0083 | <0.05 | | | <0.05 | | | 7.4 |
| Scandium (Sc) | N/A | 0.90 | | 0.0026 | 1.2 | | | 0.5 | | | 2.9 |
| Tantalum (Ta) | N/A | <0.1 | | 0.00017 | <0.1 | | | <0.1 | | | 0.2 |
| Terbium (Tb) | N/A | <0.05 | | 0.00062 | <0.05 | | | <0.05 | | | 8.4 |
| Thulium (Tm) | N/A | <0.05 | | 0.000035 | <0.05 | | | <0.05 | | | 6.9 |
| Ytterbium (Yb) | N/A | <0.05 | | 0.00025 | <0.05 | | | <0.05 | | | 6.9 |
| Zirconium (Zr) | N/A | <0.1 | | 0.0025 | <0.1 | | | <0.1 | | | 11.2 |

* Mean of mean values for four sampling locations in Thor Lake.

** REE data obtained from Det'on Cho Stantec (2012)



As noted in the SSWQO Table 1 included with this letter, the background REE values presented in this table were incorporated from the April 2012 water quality sampling program completed by Det'on Cho Stantec. The modeled values for REEs in the table represent the maximum predicted concentration of REEs that would be added to the current background levels in the Drizzle Lake receiving environment.

The water quality data presented in this table for the standard metals were based on mean values generated for these parameters from the several years of data previously obtained by Stantec and presented in the DAR. The modeled values for these parameters in Drizzle, Murky and Thor Lakes represent the predicted concentrations of these parameters in each of these lakes taking into consideration the prevailing natural background concentrations.

As also noted in our May 10, 2012 response to MVEIRB Clarification Number 2, Avalon anticipates the need for further meeting(s) with AANDC and EC in the future to reach a final consensus on the appropriate suite of SSWQOs that should apply to the Thor lake Project and the specific SSWQO guideline values.

Avalon appreciates the opportunity to provide this additional information on Site Specific Water Quality Objectives to the MVEIRB and trust that this will meet the Board's needs such that the review process can proceed to the Technical Hearing phase.

Yours truly,

A handwritten signature in blue ink, appearing to read "David Swisher", is written over a light blue rectangular background.

David Swisher
VP Operations
Avalon Rare Metals Inc.

Attachment 1 - Det'on Cho Stantec April 2012 Water Quality report.



Det'on Cho Stantec

Det'on Cho Stantec
5021 - 49th Street PO Box 1680
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Tel: (867) 920-2216
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VIA E-MAIL

May 18, 2012
File No.: 123510673-202

Avalon Rare Metals
Unit 330, 6165 Highway 17
Delta, BC V4K 5B8

Attention: David Swisher, VP Operations

Dear Mr. Swisher:

Reference: Thor Lake Rare Earth Metals Baseline Aquatics Program – April 2012 Water Quality

As part of the aquatics program for the Thor Lake Rare Earth Metals Baseline Program, Det'on Cho Stantec (DCS) completed a winter field program in the Thor Lake area to collect water quality data from eight (8) lakes. This letter report is provided at the request of Avalon Rare Metals (Avalon) and serves to provide an update on the analytical results for the winter sampling event. All aquatic data collected from June 2011 to April 2012 will be provided in an updated Technical Data Report in June 2012.

METHODOLOGY

Between April 3 and 6, 2012, DCS collected lake profile data and water quality samples at the following lake sample stations:

| Lake | Sample Station | Coordinates ¹ | |
|-------------------|----------------|--------------------------|----------|
| | | Easting | Northing |
| Long | LL-02 | 417273 | 6885871 |
| Ring | TL-04 | 417267 | 6888738 |
| Thor | TL-06 | 415842 | 6886885 |
| | TL-07 | 416636 | 6887520 |
| Murky | UN-10 | 417893 | 6887973 |
| Buck | UN-12 | 417861 | 6889261 |
| Drizzle | UN-13 | 418851 | 6888823 |
| Redemption | UN-14 | 429566 | 6899312 |
| Ball ² | n/a | 417796 | 6889038 |

NOTE:

¹ All UTM coordinates are in UTM Zone 12 and were collected in the WGS84 datum

² Only profile data were collected from Ball Lake to support DCS' fish habitat assessment

Reference: Thor Lake Rare Earth Metals Baseline Aquatics Program – April 2012 Water Quality

Ice thickness and profile data were collected at all sample stations from under the ice to lake bottom. Measurements were taken every 0.5 m, if the total station depth was greater than 2.0 m, or every 0.25 m, if station depth was less than 2.0 m. *In situ* parameters included temperature, pH, dissolved oxygen (D.O.), conductivity, and oxidation-reduction potential.

Water quality samples were collected from all sample stations with the exception of Ball Lake, which only required winter profile data to support DCS' baseline fisheries program. Water samples were collected at mid-depth from each sample station and analysed for general chemistry, nutrients, dissolved organic carbon, total and dissolved metals (at ALS Laboratories) and radionuclides (at the Saskatchewan Research Council [SRC]). Additionally, at the request of Avalon on May 9, 2012, the samples were analysed for the full suite of rare earth elements (REEs) by the SRC.

RESULTS

Profile data for each sample station are provided in Appendix A while water quality data are presented in Appendix B. Across the sampled waterbodies in April 2012, lake profiles indicate a mean water temperature of 2.50°C (range from 0.39 to 3.50°C), mean pH of 7.80 (range of 7.36 to 8.43) and mean conductance of 352 µS/cm (range of 131 to 598 µS/cm). Mean D.O. was 4.23 mg/L (range from 0.13 to 10.17 mg/L) or 31.5% (range from 0.9 to 71.8%) and decreased from under ice to bottom at all sample stations. Ice thickness was an average of 0.64 m, ranging from 0.35 m at Murky to 0.80 m at Long and Thor West.

As has been noticed in the past for samples collected under ice, levels of ammonia, nitrate and total Kjeldahl nitrogen were elevated during April 2012. Several metals exceeded their applicable CCME guidelines at one or more sample stations: total aluminum, cadmium and iron in Ring and total iron at Murky, Buck and Drizzle. Elevated levels of dissolved iron were also observed at these four stations; however, the elevated levels of total aluminum and cadmium in Ring are likely related to high suspended solids in the sample. Similar to past results, all radionuclide results and most of the REE results were below detection or less than five times the detection limit.

Differences of lake profile and water quality data were noted between shallow (<2.0 m) and deep (>2.0 m) lakes. This pattern has been observed during previous winter sampling events (see Stantec's 2010 *Thor Lake Rare Earth Metals Baseline Project Environmental Baseline Report: Volume 3 – Aquatics and Fisheries*) and reflects the reducing and anoxic conditions typically seen under ice in shallow lakes. This, along with the decreased pH and increased solubility typically observed, can naturally cause elevated levels of metals (e.g., arsenic, iron, manganese, strontium) and other parameters (i.e., several REEs were highest in the shallow lakes).

Det'on Cho Stantec

May 18, 2012

Attention: David Swisher, VP Operations

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Reference: Thor Lake Rare Earth Metals Baseline Aquatics Program – April 2012 Water Quality

CLOSURE

We trust that this information meets your current requirements. If you have any questions or comments about the April 2012 water quality data, please contact Carey Sibbald at 867-920-2216 or by email at carey.sibbald@stantec.com.

Sincerely,

DET'ON CHO STANTEC

Original signed by

Carey Sibbald, B.Sc., EPT
Environmental Biologist
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CS/KM/

Original signed by

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Attachment: Appendix A: Lake Profile Data – April 2012
Appendix B: Water Quality Data – April 2012

c. Nick Lawson, Det'on Cho Stantec
Rick Hoos, EBA

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Det'on Cho Stantec
May 18, 2012

Attention: David Swisher, VP Operations
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Reference: Thor Lake Rare Earth Metals Baseline Aquatics Program – April 2012 Water Quality

APPENDIX A

Lake Profile Data – April 2012

Table A1 Long Lake (LL-02) Surface Water *In situ* Water Quality - April 2012
Avalon Rare Metals Ltd. Thor Lake Property
Thor Lake, NT
Project # 123510673-202

| Date | Total Depth (approx. m) | Depth (m) | Temperature (°C) | pH | Conductivity (µS/cm) | D.O. (%) | D.O. (mg/L) | ORP (mV) | Salinity (ppt) | Comments |
|----------|-------------------------|-----------|------------------|------|----------------------|----------|-------------|----------|----------------|--------------------------|
| 5-Apr-12 | >15.0 | 0.5 | ICE | | | | | | | - Ice thickness = 0.80 m |
| | | 1.0 | 1.22 | 7.86 | 317 | 62.9 | 9.13 | 85.7 | 0.15 | |
| | | 1.5 | 1.82 | 7.73 | 313 | 62.6 | 8.92 | 92.0 | 0.15 | |
| | | 2.0 | 1.40 | 7.81 | 311 | 62.0 | 8.70 | 97.0 | 0.15 | |
| | | 2.5 | 1.74 | 7.81 | 311 | 61.2 | 8.52 | 100.9 | 0.15 | |
| | | 3.0 | 1.96 | 7.81 | 310 | 60.5 | 8.35 | 104.3 | 0.15 | |
| | | 3.5 | 2.17 | 7.81 | 310 | 69.5 | 8.19 | 107.5 | 0.15 | |
| | | 4.0 | 2.24 | 7.81 | 311 | 68.5 | 8.00 | 110.0 | 0.15 | |
| | | 4.5 | 2.26 | 7.81 | 311 | 56.7 | 7.79 | 113.0 | 0.15 | |
| | | 5.0 | 2.26 | 7.80 | 312 | 55.5 | 7.61 | 116.1 | 0.15 | |
| | | 5.5 | 2.27 | 7.80 | 312 | 55.0 | 7.55 | 119.1 | 0.15 | |
| | | 6.0 | 2.28 | 7.79 | 312 | 54.6 | 7.48 | 123.6 | 0.15 | |
| | | 6.5 | 2.29 | 7.80 | 312 | 52.6 | 7.21 | 131.5 | 0.15 | |
| | | 7.0 | 2.30 | 7.78 | 312 | 52.4 | 7.19 | 134.4 | 0.15 | |
| | | 7.5 | 2.31 | 7.78 | 313 | 52.0 | 7.11 | 136.5 | 0.15 | |
| | | 8.0 | 2.32 | 7.77 | 313 | 51.3 | 7.02 | 139.0 | 0.15 | |
| | | 8.5 | 2.32 | 7.77 | 313 | 50.9 | 6.89 | 140.9 | 0.15 | |
| | | 9.0 | 2.35 | 7.76 | 313 | 50.0 | 6.82 | 142.7 | 0.15 | |
| | | 9.5 | 2.38 | 7.75 | 313 | 49.2 | 6.71 | 144.8 | 0.15 | |
| | | 10.0 | 2.41 | 7.75 | 313 | 48.6 | 6.63 | 146.2 | 0.15 | |
| | | 10.5 | 2.43 | 7.74 | 313 | 48.0 | 6.54 | 147.7 | 0.15 | |
| | | 11.0 | 2.45 | 7.74 | 313 | 47.0 | 6.40 | 149.0 | 0.15 | |
| | | 11.5 | 2.49 | 7.73 | 313 | 46.4 | 6.25 | 150.9 | 0.15 | |
| | | 12.0 | 2.52 | 7.72 | 314 | 44.3 | 5.99 | 152.0 | 0.15 | |
| | | 12.5 | 2.55 | 7.70 | 314 | 41.1 | 5.54 | 153.3 | 0.15 | |
| | | 13.0 | 2.58 | 7.69 | 314 | 38.4 | 5.12 | 155.0 | 0.15 | |
| | | 13.5 | 2.48 | 7.67 | 315 | 33.5 | 4.36 | 155.9 | 0.15 | |
| | | 14.0 | 2.82 | 7.63 | 316 | 23.8 | 3.01 | 156.6 | 0.15 | |
| | | 14.5 | 3.00 | 7.56 | 345 | 12.2 | 1.53 | 93.0 | 0.16 | |
| | | 15.0 | 3.19 | 7.40 | 420 | 6.5 | 0.81 | -77.9 | 0.20 | |

NOTE:

- Shaded row implies sample depth, unless otherwise noted in Comments

Table A2 Ring Lake (TL-04) Surface Water *In situ* Water Quality - April 2012
Avalon Rare Metals Ltd. Thor Lake Property
Thor Lake, NT
Project # 123510673-202

| Date | Total Depth (approx. m) | Depth (m) | Temperature (°C) | pH | Conductivity (µS/cm) | D.O. (%) | D.O. (mg/L) | ORP (mV) | Salinity (ppt) | Comments |
|----------|-------------------------|-----------|------------------|------|----------------------|----------|-------------|----------|----------------|--------------------------|
| 4-Apr-12 | 1.50 | 0.25 | ICE | | | | | | | - Ice thickness = 0.70 m |
| | | 0.50 | | | | | | | | - Sampled at 0.90 m |
| | | 1.00 | 1.11 | 7.67 | 596 | 32.2 | 4.36 | -119.4 | 0.29 | |
| | | 1.25 | 1.58 | 7.60 | 598 | 10.7 | 1.42 | -127.9 | 0.29 | |
| | | 1.50 | 2.10 | 7.59 | 570 | 5.0 | 0.65 | -139.1 | 0.27 | |

NOTE:

- Shaded row implies sample depth, unless otherwise noted in Comments

Table A3 Thor Lake West (TL-06) Surface Water *In situ* Water Quality - April 2012
Avalon Rare Metals Ltd. Thor Lake Property
Thor Lake, NT
Project # 123510673-202

| Date | Total Depth (approx. m) | Depth (m) | Temperature (°C) | pH | Conductivity (µS/cm) | D.O. (%) | D.O. (mg/L) | ORP (mV) | Salinity (ppt) | Comments |
|----------|-------------------------|-----------|------------------|------|----------------------|----------|-------------|----------|----------------|-------------------------|
| 3-Apr-12 | >15.0 | 0.5 | ICE | | | | | | | - Ice thickness = 0.8 m |
| | | 1.0 | 0.63 | 8.18 | - | 62.3 | 8.61 | 300.3 | 0.18 | |
| | | 1.5 | 1.44 | 8.14 | 359 | 51.7 | 7.01 | 299.1 | 0.17 | |
| | | 2.0 | 2.35 | 8.09 | 354 | 48.1 | 6.51 | 289.0 | 0.17 | |
| | | 2.5 | 2.82 | 8.06 | 353 | 46.3 | 6.23 | 296.7 | 0.17 | |
| | | 3.0 | 2.97 | 8.04 | 353 | 44.0 | 5.88 | 296.4 | 0.17 | |
| | | 3.5 | 3.03 | 8.03 | 355 | 40.8 | 5.64 | 296.1 | 0.17 | |
| | | 4.0 | 3.02 | 8.01 | 357 | 38.1 | 5.09 | 295.5 | 0.17 | |
| | | 4.5 | 3.05 | 7.99 | 360 | 37.3 | 5.01 | 295.0 | 0.17 | |
| | | 5.0 | 3.02 | 7.99 | 363 | 37.5 | 5.04 | 294.7 | 0.17 | |
| | | 5.5 | 3.00 | 7.99 | 365 | 38.0 | 5.13 | 294.7 | 0.17 | |
| | | 6.0 | 3.11 | 7.98 | 367 | 38.5 | 5.18 | 293.1 | 0.17 | |
| | | 6.5 | 3.02 | 7.97 | 367 | 37.9 | 5.09 | 293.5 | 0.18 | |
| | | 7.0 | 3.04 | 7.96 | 367 | 36.9 | 4.92 | 293.3 | 0.18 | |
| | | 7.5 | 3.04 | 7.96 | 371 | 35.9 | 4.82 | 293.2 | 0.18 | |
| | | 8.0 | 3.04 | 7.95 | 372 | 36.0 | 4.84 | 293.3 | 0.18 | |
| | | 8.5 | 3.03 | 7.95 | 373 | 36.0 | 4.85 | 292.8 | 0.18 | |
| | | 9.0 | 3.04 | 7.94 | 375 | 36.0 | 4.83 | 292.7 | 0.18 | |
| | | 9.5 | 3.12 | 7.93 | 376 | 33.7 | 4.48 | 293.0 | 0.18 | |
| | | 10.0 | 3.10 | 7.92 | 378 | 31.9 | 4.27 | 292.6 | 0.18 | |
| | | 10.5 | 3.15 | 7.92 | 380 | 30.8 | 4.10 | 292.5 | 0.18 | |
| | | 11.0 | 3.18 | 7.91 | 380 | 28.7 | 3.83 | 293.6 | 0.18 | |
| | | 11.5 | 3.22 | 7.90 | 382 | 28.0 | 3.73 | 292.3 | 0.18 | |
| | | 12.0 | 3.26 | 7.90 | 383 | 26.8 | 3.55 | 292.4 | 0.18 | |
| | | 12.5 | 3.30 | 7.88 | 385 | 23.7 | 3.14 | 292.3 | 0.18 | |
| | | 13.0 | 3.35 | 7.86 | 386 | 21.0 | 3.74 | 285.5 | 0.18 | |
| | | 13.5 | 3.42 | 7.79 | 412 | 10.4 | 1.27 | -183.9 | 0.20 | |
| | | 14.0 | 3.47 | 7.86 | 419 | 2.6 | 0.28 | -212.6 | 0.20 | |
| | | 14.5 | 3.48 | 7.88 | 419 | 1.4 | 0.18 | -222.5 | 0.20 | |
| | | 15.0 | 3.49 | 7.91 | 419 | 1.1 | 0.14 | -230.9 | 0.20 | |

NOTE:

- Shaded rows implies sample depth unless otherwise noted in Comments

Table A4 Thor Lake East (TL-07) Surface Water *In situ* Water Quality - April 2012
Avalon Rare Metals Ltd. Thor Lake Property
Thor Lake, NT
Project # 123510431-201

| Date | Total Depth (approx. m) | Depth (m) | Temperature (°C) | pH | Conductivity (µS/cm) | D.O. (%) | D.O. (mg/L) | ORP (mV) | Salinity (ppt) | Comments |
|----------|-------------------------|-----------|------------------|------|----------------------|----------|-------------|----------|----------------|--------------------------|
| 3-Apr-12 | 14.0 | 0.5 | ICE | | | | | | | - Ice thickness = 0.65 m |
| | | 1.0 | 1.38 | 8.05 | 365 | 55.2 | 7.62 | 199.3 | 0.17 | |
| | | 1.5 | 2.13 | 7.99 | 362 | 49.8 | 6.83 | 203.3 | 0.17 | |
| | | 2.0 | 2.60 | 7.95 | 360 | 48.0 | 6.50 | 215.9 | 0.17 | |
| | | 2.5 | 2.89 | 7.92 | 369 | 46.0 | 6.17 | 208.0 | 0.17 | |
| | | 3.0 | 2.96 | 7.89 | 360 | 42.5 | 5.62 | 209.7 | 0.17 | |
| | | 3.5 | 3.02 | 7.87 | 361 | 36.4 | 4.83 | 211.1 | 0.17 | |
| | | 4.0 | 3.15 | 7.84 | 360 | 31.9 | 4.93 | 212.6 | 0.17 | |
| | | 4.5 | 3.10 | 7.82 | 363 | 29.0 | 3.86 | 213.5 | 0.17 | |
| | | 5.0 | 3.15 | 7.80 | 363 | 27.5 | 3.64 | 214.5 | 0.17 | |
| | | 5.5 | 3.12 | 7.78 | 365 | 25.6 | 3.43 | 215.2 | 0.17 | |
| | | 6.0 | 3.10 | 7.77 | 367 | 25.5 | 3.41 | 215.7 | 0.17 | |
| | | 6.5 | 3.12 | 7.75 | 368 | 24.7 | 3.26 | 216.1 | 0.18 | |
| | | 7.0 | 3.16 | 7.74 | 369 | 23.0 | 3.05 | 216.7 | 0.18 | |
| | | 7.5 | 3.17 | 7.73 | 370 | 21.8 | 2.92 | 216.8 | 0.18 | |
| | | 8.0 | 3.15 | 7.71 | 373 | 21.5 | 2.88 | 217.4 | 0.18 | |
| | | 8.5 | 3.18 | 7.71 | 374 | 20.8 | 2.76 | 217.5 | 0.18 | |
| | | 9.0 | 3.20 | 7.69 | 377 | 23.6 | 2.24 | 217.4 | 0.18 | |
| | | 9.5 | 3.25 | 7.68 | 378 | 16.3 | 2.12 | 217.7 | 0.18 | |
| | | 10.0 | 3.39 | 7.64 | 411 | 11.9 | 1.46 | -145.5 | 0.20 | |
| | | 10.5 | 3.42 | 7.75 | 420 | 2.4 | 0.31 | -212.5 | 0.20 | |
| | | 11.0 | 3.44 | 7.78 | 421 | 1.8 | 0.21 | -226.3 | 0.20 | |
| | | 11.5 | 3.46 | 7.79 | 422 | 1.3 | 0.17 | -231.5 | 0.20 | |
| | | 12.0 | 3.46 | 7.80 | 423 | 1.1 | 0.15 | -235.5 | 0.20 | |
| | | 12.5 | 3.48 | 7.81 | 424 | 1.1 | 0.14 | -239.1 | 0.20 | |
| | | 13.0 | 3.48 | 7.82 | 424 | 1.0 | 0.13 | -242.5 | 0.20 | |
| | | 13.5 | 3.49 | 7.83 | 425 | 1.0 | 0.13 | -244.9 | 0.20 | |
| | | 14.0 | 3.50 | 7.83 | 425 | 0.9 | 0.13 | -246.9 | 0.20 | |

NOTE:

- Shaded rows implies sample depth unless otherwise noted in Comments

Table A5 Murky Lake (UN-10) Surface Water *In situ* Water Quality - April 2012
Avalon Rare Metals Ltd. Thor Lake Property
Thor Lake, NT
Project # 123510673-202

| Date | Total Depth (approx. m) | Depth (m) | Temperature (°C) | pH | Conductivity (µS/cm) | D.O. (%) | D.O. (mg/L) | ORP (mV) | Salinity (ppt) | Comments |
|----------|-------------------------|-----------|------------------|------|----------------------|----------|-------------|----------|----------------|--------------------------|
| 5-Apr-12 | 1.50 | 0.25 | ICE | | | | | | | - Ice thickness = 0.35 m |
| | | 0.50 | 1.31 | 7.62 | 131 | 26.2 | 3.36 | -155.4 | 0.06 | - Sampled at 0.90 m |
| | | 0.75 | 1.62 | 7.57 | 435 | 11.2 | 1.49 | -147.7 | 0.20 | |
| | | 1.00 | 1.75 | 7.51 | 445 | 5.7 | 0.79 | -142.6 | 0.21 | |
| | | 1.25 | 2.53 | 7.48 | 540 | 4.1 | 0.54 | -139.1 | 0.26 | |

NOTE:

- Shaded rows implies sample depth unless otherwise noted in Comments

Table A6 Buck Lake (UN-12) Surface Water *In situ* Water Quality - April 2012
Avalon Rare Metals Ltd. Thor Lake Property
Thor Lake, NT
Project # 123510673-202

| Date | Total Depth (approx. m) | Depth (m) | Temperature (°C) | pH | Conductivity (µS/cm) | D.O. (%) | D.O. (mg/L) | ORP (mV) | Salinity (ppt) | Comments |
|----------|-------------------------|-----------|------------------|------|----------------------|----------|-------------|----------|----------------|---|
| 4-Apr-12 | 1.50 | 0.25 | ICE | | | | | | | - Ice thickness = 0.60 m - Sampled at 0.90 m |
| | | 0.50 | | | | | | | | |
| | | 0.75 | 0.62 | 7.43 | 531 | 16.2 | 2.10 | -118.3 | 0.25 | |
| | | 1.00 | 0.98 | 7.41 | 534 | 8.3 | 1.12 | -122.1 | 0.26 | |
| | | 1.25 | 1.44 | 7.38 | 533 | 5.5 | 0.74 | -123.7 | 0.25 | |
| | | 1.50 | 2.39 | 7.36 | 529 | 3.6 | 0.48 | -130.0 | 0.25 | |

NOTE:

- Shaded rows implies sample depth unless otherwise noted in Comments

Table A7 Drizzle Lake (UN-13) Surface Water *In situ* Water Quality - April 2012
Avalon Rare Metals Ltd. Thor Lake Property
Thor Lake, NT
Project # 123510431-201

| Date | Total Depth (approx. m) | Depth (m) | Temperature (°C) | pH | Conductivity (µS/cm) | D.O. (%) | D.O. (mg/L) | ORP (mV) | Salinity (ppt) | Comments | |
|----------|-------------------------|-----------|------------------|------|----------------------|----------|-------------|----------|----------------|----------|---|
| 4-Apr-12 | 1.75 | 0.25 | ICE | | | | | | | | - Ice thickness = 0.60 m - Sampled at 0.90 m |
| | | 0.50 | | | | | | | | | |
| | | 0.75 | 0.63 | 7.88 | 535 | 12.3 | 1.61 | -127.6 | 0.25 | | |
| | | 1.00 | 0.75 | 7.81 | 532 | 5.9 | 0.82 | -127.5 | 0.25 | | |
| | | 1.25 | 1.65 | 7.77 | 524 | 4.0 | 0.55 | -126.3 | 0.25 | | |
| | | 1.50 | 2.30 | 7.59 | 533 | 2.4 | 0.31 | -150.3 | 0.26 | | |

NOTE:

- Shaded rows implies sample depth unless otherwise noted in Comments

Table A8 Redemption Lake (UN-14) Surface Water *In situ* Water Quality - April 2012
Avalon Rare Metals Ltd. Thor Lake Property
Thor Lake, NT
Project # 123510673-202

| Date | Total Depth (approx. m) | Depth (m) | Temperature (°C) | pH | Conductivity (µS/cm) | D.O. (%) | D.O. (mg/L) | ORP (mV) | Salinity (ppt) | Comments |
|----------|-------------------------|-----------|------------------|------|----------------------|----------|-------------|----------|----------------|--------------------------|
| 4-Apr-12 | 13.5 | 0.5 | ICE | | | | | | | - Ice thickness = 0.70 m |
| | | 1.0 | 0.39 | 8.43 | 25 | 71.8 | 10.17 | - | 0.10 | |
| | | 1.5 | 0.85 | 8.36 | 199 | 66.3 | 9.38 | 161.5 | 0.09 | |
| | | 2.0 | 1.21 | 8.25 | 192 | 62.9 | 8.86 | 166.4 | 0.09 | |
| | | 2.5 | 1.56 | 8.18 | 195 | 61.7 | 8.60 | 169.9 | 0.09 | |
| | | 3.0 | 1.74 | 8.14 | 194 | 60.4 | 8.38 | 173.5 | 0.09 | |
| | | 3.5 | 1.93 | 8.10 | 193 | 69.2 | 8.15 | 176.3 | 0.09 | |
| | | 4.0 | 2.07 | 8.07 | 192 | 66.6 | 7.74 | 178.7 | 0.09 | |
| | | 4.5 | 2.22 | 8.02 | 192 | 49.9 | 6.76 | 182.0 | 0.09 | |
| | | 5.0 | 2.23 | 7.99 | 193 | 45.3 | 6.18 | 184.5 | 0.09 | |
| | | 5.5 | 2.29 | 7.96 | 193 | 42.9 | 5.81 | 187.5 | 0.09 | |
| | | 6.0 | 2.35 | 7.93 | 193 | 42.1 | 5.71 | 190.3 | 0.09 | |
| | | 6.5 | 2.37 | 7.90 | 195 | 40.0 | 5.45 | 192.7 | 0.09 | |
| | | 7.0 | 2.38 | 7.87 | 195 | 38.2 | 5.19 | 195.0 | 0.09 | |
| | | 7.5 | 2.40 | 7.84 | 195 | 35.5 | 4.81 | 197.2 | 0.09 | |
| | | 8.0 | 2.45 | 7.81 | 195 | 32.0 | 4.31 | 199.3 | 0.09 | |
| | | 8.5 | 2.49 | 7.78 | 195 | 27.7 | 3.67 | 200.9 | 0.09 | |
| | | 9.0 | 2.51 | 7.75 | 196 | 22.0 | 2.91 | 202.5 | 0.09 | |
| | | 9.5 | 2.54 | 7.72 | 197 | 18.3 | 2.44 | 203.9 | 0.09 | |
| | | 10.0 | 2.58 | 7.76 | 198 | 14.2 | 1.81 | 205.4 | 0.09 | |
| | | 10.5 | 2.65 | 7.63 | 201 | 11.0 | 1.41 | 206.5 | 0.09 | |
| | | 11.0 | 2.76 | 7.59 | 216 | 7.0 | 0.84 | 207.3 | 0.10 | |
| | | 11.5 | 2.82 | 7.53 | 234 | 3.9 | 0.50 | 205.5 | 0.11 | |
| | | 12.0 | 3.00 | 7.47 | 262 | 2.5 | 0.32 | 66.5 | 0.12 | |
| | | 12.5 | 3.19 | 7.45 | 283 | 1.5 | 0.19 | -94.8 | 0.13 | |
| | | 13.0 | 3.32 | 7.49 | 306 | 1.1 | 0.14 | 150.9 | 0.15 | |
| | | 13.5 | 3.37 | 7.40 | 332 | 1.0 | 0.13 | -157.8 | 0.16 | |

NOTE:

- Shaded rows implies sample depth unless otherwise noted in Comments

Table A9 Ball Lake Surface Water *In situ* Water Quality - April 2012
Avalon Rare Metals Ltd. Thor Lake Property
Thor Lake, NT
Project # 123510673-202

| Date | Total Depth (approx. m) | Depth (m) | Temperature (°C) | pH | Conductivity (µS/cm) | D.O. (%) | D.O. (mg/L) | ORP (mV) | Salinity (ppt) | Comments |
|----------|-------------------------|-----------|------------------|------|----------------------|----------|-------------|----------|----------------|--|
| 4-Apr-12 | 1.50 | 0.25 | ICE | | | | | | | - Ice thickness = 0.60 m - Water quality profile only |
| | | 0.50 | | | | | | | | |
| | | 0.75 | 0.80 | 7.62 | 554 | 40.3 | 4.27 | -65.2 | 0.26 | |
| | | 1.00 | 0.95 | 7.53 | 550 | 16.4 | 2.22 | -67.6 | 0.26 | |
| | | 1.25 | 1.17 | 7.44 | 540 | 10.0 | 1.37 | -67.0 | 0.26 | |

NOTE:

- Shaded rows implies sample depth unless otherwise noted in Comments

Det'on Cho Stantec
May 18, 2012

Attention: David Swisher, VP Operations
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Reference: Thor Lake Rare Earth Metals Baseline Aquatics Program – April 2012 Water Quality

APPENDIX B

Water Quality Data – April 2012

| Parameter | Units | D.L. ^a | CCME FAL ^b | BC WQG ^c | Long 5-Apr-12 LL-02 | Ring 4-Apr-12 TL-04 | Thor West 3-Apr-12 TL-07 | TL-07 | Thor East 5-Apr-12 Replicate | RPD ^v | Murky 5-Apr-12 UN-10 | Buck 4-Apr-12 UN-12 | Drizzle 4-Apr-12 UN-13 | Redemption 4-Apr-12 UN-14 | Field Blank 5-Apr-12 - | Travel Blank - |
|----------------------------|-------|-------------------|-----------------------|---------------------|---------------------------|---------------------------|--------------------------------|-------|------------------------------------|------------------|----------------------------|---------------------------|------------------------------|---------------------------------|------------------------------|-------------------|
| Rare Earth Elements | | | | | | | | | | | | | | | | |
| Cerium (Ce) | µg/L | 0.05 | - | - | <0.05 | 0.21 | <0.05 | <0.05 | <0.05 | - | 0.05 | 0.07 | <0.05 | <0.05 | <0.05 | <0.05 |
| Dysprosium (Dy) | µg/L | 0.05 | - | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Erbium (Er) | µg/L | 0.05 | - | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Europium (Eu) | µg/L | 0.05 | - | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Gadolinium (Gd) | µg/L | 0.05 | - | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Hafnium (Hf) | µg/L | 0.1 | - | - | <0.1 | <0.1 | <0.1 | <0.1 | <0.1 | - | <0.1 | 0.3 | <0.1 | <0.1 | <0.1 | <0.1 |
| Holmium (Ho) | µg/L | 0.05 | - | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Lanthanum (La) | µg/L | 0.05 | - | - | <0.05 | 0.14 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Lutetium (Lu) | µg/L | 0.05 | - | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Neodymium (Nd) | µg/L | 0.05 | - | - | <0.05 | 0.16 | <0.05 | <0.05 | <0.05 | - | <0.05 | 0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Niobium (Nb) | µg/L | 0.1 | - | - | <0.1 | <0.1 | <0.1 | <0.1 | <0.1 | - | <0.1 | <0.1 | <0.1 | <0.1 | <0.1 | <0.1 |
| Praseodymium (Pr) | µg/L | 0.05 | - | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Samarium (Sm) | µg/L | 0.05 | - | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Scandium (Sc) | µg/L | 0.1 | - | - | 0.4 | 0.3 | 0.6 | 0.5 | 0.5 | - | 1.2 | 0.8 | 0.9 | 0.2 | <0.1 | <0.1 |
| Tantalum (Ta) | µg/L | 0.1 | - | - | <0.1 | <0.1 | <0.1 | <0.1 | <0.1 | - | <0.1 | <0.1 | <0.1 | <0.1 | <0.1 | <0.1 |
| Terbium (Tb) | µg/L | 0.05 | - | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Thulium (Tm) | µg/L | 0.05 | - | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Ytterbium (Yb) | µg/L | 0.05 | - | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | - | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 | <0.05 |
| Yttrium (Y) | µg/L | 1 | - | - | <1 | <1 | <1 | <1 | <1 | - | <1 | <1 | <1 | <1 | <1 | <1 |
| Zirconium (Zr) | µg/L | 0.1 | - | - | <0.1 | <0.1 | <0.1 | <0.1 | <0.1 | - | <0.1 | 0.6 | <0.1 | <0.1 | <0.1 | <0.1 |

NOTES:

- a. D.L. = laboratory detection limit
- b. CCME FAL - Canadian Council of Ministers of the Environment Freshwater Aquatic Life
- c. BC WQG - British Columbia Water Quality Guidelines (Approved and Working) for maximum concentrations
- d. BC WQG for Fluoride is 0.3 mg/L (maximum) where water hardness \geq 50 mg/L (as CaCO₃)
- e. BC WQG for Nitrite 0.12 mg/L when chloride is 2 - 4 mg/L
- f. ** implies detection limit varied by season - '<' (less than) value implies detection limit
- g. CCME FAL Total Aluminum guideline is 100 µg/L when pH > 6.5
- h. BC WQG for Total Beryllium is Working chronic criterion
- i. CCME FAL Total Cadmium guideline is site-specific, calculated by $10^{(0.86[\text{Log}(\text{hardness})] - 3.2)}$
- j. CCME FAL Total Copper guideline:
 - 2 µg/L when [CaCO₃] is 0 - 120 mg/L
 - 3 µg/L when [CaCO₃] is 120 - 180 mg/L
 - 4 µg/L when [CaCO₃] is > 180 mg/L
- k. BC WQG for Total Copper is site-specific, calculated by $0.094 \times (\text{hardness}) + 2$
- l. CCME FAL Total Lead guideline:
 - 1 µg/L when [CaCO₃] is 0 - 60 mg/L
 - 4 µg/L when [CaCO₃] is 120 - 180 mg/L
 - 7 µg/L when [CaCO₃] is > 180 mg/L
- m. BC WQG for Total Lead is site-specific, calculated by $e(1.273 \times [\text{Ln}(\text{hardness})] - 1.460)$ (when water hardness (as CaCO₃) > 8 mg/L)
- n. BC WQG for Total Manganese is site-specific, should be less than or equal to $0.01102 \times (\text{hardness}) + 0.54$
- o. CCME FAL Total Nickel guideline:
 - 25 µg/L when [CaCO₃] is 0 - 60 mg/L
 - 110 µg/L when [CaCO₃] is 120 - 180 mg/L
 - 150 µg/L when [CaCO₃] is > 180 mg/L
- p. BC WQG for Total Silver:
 - 0.1 µg/L when [CaCO₃] is \leq 100 mg/L
 - 3 µg/L when [CaCO₃] is > 100 mg/L
- q. BCWQG for Total Zinc is site-specific, maximum value calculated by $33 + 0.75 \times (\text{hardness} - 90)$
- r. BC WQG for Dissolved Aluminum guideline 100 µg/L for pH \geq 6.5
- s. GCDWQ MAC - Health Canada's Guidelines for Canadian Drinking Water Quality
Maximum Acceptable Concentration for Radionuclides; based on adults consuming 2 L of water per day or 730 L of water per year (May 2008)
- t. Bq/L = Becquerel per litre; the becquerel (Bq) measures the quantity of radioactivity present without consideration for what kind of radiation is emitted
- u. **Bolded** result implies a guideline exceedance
- v. RPD = relative percent difference, when results are greater than 5 times the detection limit
- x. **Replicate** result where precision threshold (RPD > 25%) was exceeded