

EA1011-001
Nechalacho Rare Earth Element Project

June 28, 2010

Distribution List

EA1011-001

Nechalacho Rare Earth Element Project, Avalon Rare Metals Inc.

Re: Notice of Referral to Environmental Assessment – Avalon Rare Metals Inc. - Nechalacho Rare Earth Element Project - EA1011-001

On June 11, 2010 the Mackenzie Valley Land and Water Board referred Avalon Rare Metals Incorporated's land use permit application (MV2010D0017) and water license application (MV2010L2-005) for a rare earth metals mining and milling operation (the "development) to environmental assessment by the Mackenzie Valley Environmental Impact Review Board. The Mackenzie Valley Land and Water Board referred the proposed development to environmental assessment pursuant to paragraph 125(1)(b) of the *Mackenzie Valley Resource Management Act* "because the development proposal might have a significant adverse impact on the environment and be of public concern".

The proposed Development includes:

- underground mine at Thor Lake
- flotation plant at Thor Lake
- tailings management facility at Thor Lake
- access road to Thor Lake site
- Storage of up to 14 million litres of fuel per year at Thor Lake
- barge docking facilities on Great Slave Lake
- a metallurgical plant in the former Pine Point mine area

The Mackenzie Valley Environmental Impact Review Board (the "Review Board") will hold issues scoping sessions with interested parties and agencies to help identify what aspects of the development require further analysis in the environmental assessment. Afterwards, the Review Board will determine both the scope of the development and scope of the assessment to produce a draft Terms of Reference and Work Plan. Please browse the following website for further information on the Review Board's processes:

http://www.reviewboard.ca/review_board_101.



The Review Board will post an electronic copy of the Nechalacho Rare Earth Element Project description report on its public registry at <http://www.reviewboard.ca/registry/>. In the interest of an efficient process, the Review Board encourages interested parties to review the Nechalacho Rare Earth Element Project description report prior to participation in the scoping sessions. Parties wishing to obtain electronic copies of the project description report should contact the Review Board at (867) 766-7050.

Please indicate before July 9, 2010 whether you wish to receive further correspondence and remain on this distribution list by returning the attached sheet by e-mail to pmercredi@reviewboard.ca or by fax at (867) 766-7074.

Regards,

Paul Mercredi
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board

Tel.: 867.766.7063; Fax: 867.766.7074
Toll Free: 1.866.912.3472
pmercredi@reviewboard.ca



Distribution List Form

If your organization wants to remain on the distribution list for the environmental assessment of the proposed Nechalacho Rare Earth Element Project, please fax or e-mail or mail this form to the lead Environmental Assessment Officer for the project at the Review Board office within the next 14 days.

Tel.: (867) 766-7050

Fax: (867) 766-7074

If you have internet access, the Review Board encourages parties to subscribe to the environmental assessment on the Review Board's website:

www.reviewboard.ca.

Organization	
Contact Person	
Mailing Address	
Telephone Number	
Fax Number	
E-mail address	
Correspondence preference (fax or e-mail)	Please note that this assessment will generate considerable amounts of paper. If you select fax as preferred mode you will receive all correspondence via fax. We will send all correspondence via e-mail unless otherwise instructed. If you prefer fax transmissions, check here []