

Ministre des Affaires autochtones
et du développement du Nord

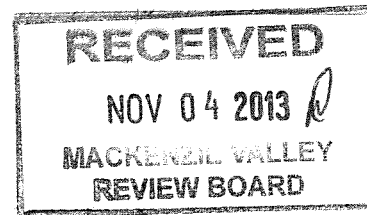


Minister of Aboriginal Affairs and
Northern Development

Ottawa, Canada K1A 0H4

NOV 04 2013

VIA FACSIMILE: (867) 766-7074



Mr. Richard Edjericon
Chairperson
Mackenzie Valley Environmental Impact Review Board
PO Box 938
200 Scotia Centre
YELLOWKNIFE NT X1A 2N7

Dear Mr. Edjericon:

As the federal Minister, and on behalf of the Responsible Ministers (Environment Canada, Transport Canada and the Government of the Northwest Territories), with jurisdiction related to the proposed Nechalacho Rare Earth Element Project, I am writing to convey our decision on the recommendation contained in the Report of Environmental Assessment and Reasons for Decision (Report) for the Project submitted on July 26, 2013.

In its Report, the Mackenzie Valley Environmental Impact Review Board (Review Board) has recommended pursuant to subparagraph 128 (1)(b)(ii) of the *Mackenzie Valley Resource Management Act* (Act) that the Project be approved subject to the measures necessary to mitigate significant adverse impacts on the environment, and the implementation of commitments made by the developer during the environmental assessment process.

On July 30, 2013, the Northern Projects Management Office on behalf of the Responsible Ministers, initiated engagement with affected Aboriginal groups to request their views on the Report's findings. The Yellowknives Dene First Nation, Northwest Territory Métis Nation, Lutsel K'e Dene First Nation, Deninu K'ue First Nation, and the North Slave Métis Alliance responded to this request.

Pursuant to section 130(1)(b)(i) of the Act, the Responsible Ministers have agreed to adopt the recommendation of the Review Board that the proposal be approved subject to the implementation of measures and commitments contained in the Report.

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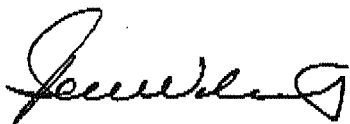
The Responsible Ministers' decision was made after careful consideration of:

1. the above-noted Report, including measures and developer's commitments;
2. the August 22, 2013 letter from the North Slave Métis Alliance;
3. the August 23, 2013 letter from the Yellowknives Dene First Nation;
4. the August 23, 2013 letter from Lutsel K'e Dene First Nation;
5. the August 23, 2013 letter from Deninu K'ue First Nation;
6. the August 27, 2013 letter from the Northwest Territory Métis Nation; and
7. the September 17, 2013 and September 20, 2013 letters from Avalon to the Northern Projects Management Office.

The Responsible Ministers have given full and fair consideration to the views expressed by Aboriginal parties. Our analysis has determined that all concerns raised that relate to established or asserted Aboriginal or Treaty rights have been or will be fully addressed by the implementation of the measures specified by the Review Board and through the developer's commitments. Any remaining concerns are expected to be considered, where feasible, during regulatory processes or project implementation by the appropriate parties.

I wish to thank the Review Board for effectively and efficiently discharging its duties under the Act.

Sincerely,



Bernard Valcourt, PC, QC, MP

Encl.

c.c.: The Honourable Leona Aglukkaq, Minister of the Environment
The Honourable Lisa Raitt, Minister of Transport
The Honourable Michael J. Miltenberger, Minister of Environment and Natural
Resources, Government of Northwest Territories
Grand Chief Eddie Erasmus, Tlicho Government
Chief Edward Sangris, Yellowknives Dene First Nation (Dettah)
Chief Ernest Betsina, Yellowknives Dene First Nation (Ndilo)
Chief Dora Enzoe, Lutsel K'e Dene First Nation

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c.c. (cont'd.)

Chief Louis Balsillie, Deninu K'ue First Nation
Mr. Bill Enge, President, North Slave Métis Alliance
Mr. Garry Bailey, President, Northwest Territory Métis Nation
Mr. Steve Ellis, Akaicho IMA Implementation Office
Mr. Matt Spence, Director General, Northern Project Management Office
Ms. Kathryn Bruce, Regional Director General, NWT Regional Office
Ms. Paula Isaak, Director General, Northern Affairs Organization