



Canadian Northern Economic
Development Agency

Agence canadienne de développement
économique du Nord

5019 – 52nd Street
Yellowknife, NT X1A 1T5

November 6, 2013

VIA EMAIL

Bill Enge, President
North Slave Métis Alliance
P.O. Box 2301
32 Melville Drive
YELLOWKNIFE, NT X1A 2P7

Re: ***Report of Environmental Assessment and Reasons for Decision:***
Avalon Rare Metals Inc. – Nechalacho Rare Earth Element Project (EA1011-001)

Dear Mr. Enge:

As you are aware, on November 4, 2013, the Minister of Aboriginal Affairs and Northern Development, on his own behalf as federal Minister and on behalf of the other responsible ministers (the "Ministers") with jurisdiction in relation to the above project (the Ministers of Environment and Transport, as well as the Government of the Northwest Territories), conveyed the Ministers' decision to adopt the Mackenzie Valley Environmental Impact Review Board's (the "Review Board") recommendation that the Project be approved subject to the implementation of the mitigation measures and developer commitments contained in the Report.

On behalf of the Ministers, I am responding to your letter of August 22, 2013, to outline some of the considerations taken by the Ministers in reaching their decision on the project. Full and fair consideration was given to all the views expressed in the responses from Aboriginal groups with regard to the Review Board's findings, including those outlined in your letter.

The Ministers have noted your support for the Review Board's recommendation in your letter and have taken into account your suggestions with respect to the mitigation of potential impacts of the Project, including the incorporation of First Nation and Métis traditional knowledge into the management of the Project.

The Ministers want to assure you that North Slave Métis Alliance views are important and that they look forward to your continued participation in the regulatory phase of the Project where there will be additional opportunities for input, and that Crown consultation is an ongoing process which will continue through to the regulatory phase.

Thank you for taking the time to provide your views.

Sincerely,



Matthew Spence
Director General
Northern Projects Management Office

c.c.:

**Ray Case, Assistant Deputy Minister, Corporate & Strategic Planning,
Department of Environment and Natural Resources, Government of the
Northwest Territories**

**Marc D'Iorio, Director General, Environmental Protection Operations, Environment
Canada**

**Michele Taylor, Regional Director General, Prairie and Northern Region,
Transport Canada**

**Alec Simpson, Acting Director General, Stewardship and Sustainable
Transportation Programs, Transport Canada**

**Paula Isaak, Director General, Natural Resources and Environment Branch,
Aboriginal Affairs & Northern Development Canada**

**Kathryn Bruce, Regional Director General, Northwest Territories Region,
Northern Affairs, Aboriginal Affairs and Northern Development Canada**

**Vern Christensen, Executive Director, Mackenzie Valley Environmental Impact
Review Board**

Willard Hagen, Chair and CEO, Mackenzie Valley Land and Water Board

Donald Bubar, President and CEO, Avalon Rare Metals Inc.