

NORTH SLAVE METIS ALLIANCE

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December 11th, 2012

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Re: Technical Report for Avalon Thor Lake Project – EA1011-001

The North Slave Métis Alliance (NSMA) does not have the capacity at this time to complete a technical report in regard to Avalon Rare Metal Inc.'s proposed Nechalacho project in accordance with the guidelines provided by the Mackenzie Valley Environmental Review Board (MVEIRB). We made a concerted effort to complete the Report, but capacity challenges were just too overwhelming for us to do so. That being said, we note that other directly affected Aboriginal Parties are also experiencing capacity issues, which has resulted in their also having to submit their comments in a much abbreviated fashion. In light of our severe capacity issues, we trust you will allow us the latitude to take a similar, more cost-effective approach. Please accept this letter and attached Traditional Knowledge Report, entitled "North Slave Métis Traditional Land Use, Occupancy and Knowledge of the Thor Lake Project Area", as the NSMA's "technical report" submission.

Introduction to the North Slave Métis Alliance (NSMA)

The NSMA represents the Aboriginal rights-bearing Métis of the Great Slave Lake area, who use and exercise their Aboriginal rights throughout the area that will be affected by the proposed project. The NSMA has been registered as a non-profit society in the Northwest Territories since 1996. The *raison d'être* of the NSMA is to secure a regionally based comprehensive land claim for its

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members in the North Slave Region of the Northwest Territories. It's mandate also includes a protection and enhancement of the North Slave Métis People's traditional lands and lifestyle

NSMA takes its representation mandate seriously, and must continue to insist it is consulted and accommodated on any and all forms of activities, planned or underway, by public and private sector organizations, on its traditional lands or affecting its resources. The NSMA's right to be consulted and accommodated is supported by Canada's Constitution, the Mackenzie Valley Resource Management Act, the Northwest Territories Waters Act, numerous federal and territorial government policies and guidelines, as well as international law and United Nations Declarations which Canada has endorsed.

The Canadian Constitution recognises Indians, Inuit, and Métis as the three Aboriginal Peoples of Canada. It is important to note that the North Slave Métis place significant value on their distinct cultural identity and right to speak on their own behalf through their own representative institution. The Tlicho Agreement contains a non-derogation clause which states in section 2.7.1(b)(ii), General Provisions, that "*No provision in the Agreement shall be construed to affect any Aboriginal rights of any Aboriginal people other than the Tlicho.*" Similar non-derogation clauses are expected in all comprehensive or specific aboriginal rights settlement agreements that might otherwise infringe on the North Slave Métis' Aboriginal Rights.

Shortcomings of the Developers Assessment Report

Baseline Data.

The NSMA is of the view, so far, that Avalon's baseline information is inadequate. There are numerous inadequacies in the description of baseline air quality and the Great Slave Lake fishery resources. The zone of influence selected for the Great Slave Lake fishery is far too small and too linear. The baseline description of the North Slave Métis community is missing, and the selection of socioeconomic indicators is inadequate. The heritage resource and archaeological study is incomplete, and in places inaccurate. There is no baseline data on aesthetic values, and the land use information is inappropriately narrow in scope.

NSMA's Traditional land use, occupancy and knowledge study, funded by Avalon, reveals that NSMA members insist that good baseline data be collected before any potentially damaging activity is allowed.

The lack of suitable baseline information makes it impossible to make accurate impact predictions or to test the validity of those predictions. This is a troubling shortcoming, as there may be serious impacts on the NSMA's traditional lands that have not been adequately addressed by the developer. In short, the developer needs to provide the NSMA with adequate information so that it can make an informed decision about the developer's project.

In sum, without adequate baseline data, the limits of acceptable change cannot be defined, and residual impacts after closure cannot be measured.

Environmental Assessment

The NSMA is also uncomfortable with the environmental assessment conducted by Avalon. The NSMA has not been adequately Consulted on any of the air quality objectives, standards or guidelines being referenced. There is no assessment of the human health impacts of rare earth metals. There is no discussion of the potential economic, social, or cultural effects on North Slave Métis community as a distinct, vulnerable and disadvantaged group, and no assessment of impacts on NSMA heritage values or archaeological resources. The issue of non-renewable resource depletion and inequitable allocation of resource development benefits is not addressed. Aesthetic effects are not discussed, except with respect to Blachford Lake Lodge. Effects on wildlife, particularly caribou, and fish in Great Slave Lake, are also inadequately addressed. The cumulative effects predictions are inaccurate and the assessment of significance of effects is unsupported.

In sum, it is not possible to determine the significance of impacts to the environment on Aboriginal peoples without consulting them about it.

Monitoring and Mitigation

There are many weaknesses in the environmental monitoring and mitigation programs so far proposed. There is no community-specific monitoring or mitigation proposed for harvesting impacts, socioeconomic impacts or cultural impacts. Cumulative effects monitoring and post-closure monitoring are also inadequate. The NSMA is encouraged by Avalon's commitments to engage with

communities, but concerned that there is no commitment to provide resources or mechanisms to ensure communities have the capacity to participate in that engagement.

Closure

There has not been adequate consultation to ensure fully informed, free and prior consent to the closure plan, and the proposed closure goals are not appropriate. There are no site component specific closure objectives or criteria to evaluate. Post-closure monitoring and mitigation are not adequately described, and thus cannot be evaluated.

Recommendations

- 1) The Mackenzie Valley Environmental Impact Review Board (MVEIRB) should ensure that Avalon completes adequate baseline studies.
- 2) MVEIRB should ensure that environmental impact predictions and assessment of the significance of those impacts are adequately and accurately undertaken.
- 3) MVEIRB should ensure that adequately detailed and comprehensive monitoring and mitigation plans are developed, for construction, operation and closure, including cumulative effects monitoring and assessment, in Consultation with the Aboriginal communities.
- 4) MVEIRB should ensure that Avalon gains the fully informed, free, and prior consent of the North Slave Métis Alliance (and other aboriginal communities) regarding specific closure goals and objectives.

All four of the above recommendations can be accomplished by requiring Avalon to negotiate a “good neighbor agreement”, also known as an “impact-benefit agreement (IBA as with BHP for the Ekati Mine)”, a “Participation Agreement (PA as with Diavik), or an “Accommodation Agreement”, with the Aboriginal communities prior to proceeding through the licensing and permitting process.

The MVEIRB should outline topic areas which should be covered to the mutual satisfaction of the developer and the Aboriginal parties, in order to fulfill their

statutory duty to satisfy themselves that no significant adverse environmental impacts from this proposed project are likely to occur.

In approving the MVEIRB Report of Environmental Assessment, the Minister of Aboriginal Affairs and Northern Development must satisfy himself that the Crown's fiduciary obligation with respect to the protection and development of the North Slave area has been honorably discharged. An agreement such as an IBA or Good Neighbor Agreement, entered into voluntarily, with fully informed consent, by the North Slave Métis and Avalon, would go a long way in providing such satisfaction.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cheryl Shreve".

Environment Branch Manager

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