



NORTHWEST TERRITORY MÉTIS NATION

August 27, 2013

Northern Projects Management Office
Canadian Northern Economic Development Agency
5019 – 52nd Street
Yellowknife, NT X1A 1T5

Attention: David Alexander, Project Manager

Dear Mr. Alexander:

Re: Comments Respecting Report of Environmental Assessment of Avalon's Nechalacho Rare Earth Element Project (EA1011-001)

This letter is in reply to your letter dated, August 2nd, seeking comment by August 23 from the Northwest Territory Métis Nation (NWTMN) in respect to the *Report of Environmental Assessment of Avalon's Nechalacho Rare Earth Element Project*.

At the outset, the time period you have set out is unreasonable as it does not provide proper time for the NWTMN to consider the Report and to provide comment, which is exasperated by summer scheduling. In addition, for the Crown to meaningfully consult the NWTMN requires meetings and capacity funding. Thus, the NWTMN is only providing initial comments at this time until Canada commits to a proper consultation process.

The following are the initial comments of the NWTMN in respect to the Report:

1. The NWTMN has major concerns on the potential adverse the Project will have on the traditional way of life of the NWTMN, including the harvest of caribou and fish;
2. The NWTMN agree with the following findings set out in the Report:
 - “The Review Board finds that the Project is likely to cause three different significant adverse environmental impacts:
 - water quality impacts to the local water shed at the mine site;
 - wildlife impacts; and
 - socio-economic impacts.”

...

“The Review Board finds that the Project has the potential to cause significant adverse impacts to the environment.”

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3. While the Report sets out, at Appendix A, a "Summary of measures and suggestions", the Government of Canada has the fiduciary duty to ensure the concerns of the NWTMN are meaningfully addressed by imposing conditions in any government authorizations and ensuring any potential adverse affects on the aboriginal rights are mitigated through an accommodation agreement, including revenue sharing, and a socio-economic agreement. To date, Avalon, GNWT or Canada have not provided any proposals to accommodate the aboriginal rights of the NWTMN. Even though the NWTMN are in negotiations with Avalon, no benefit agreement has been entered into;
4. The NWTMN is requesting that Canada provide details on how Canada intends on implementing the "measures and suggestions" set out in the Report before the Responsible Ministers make any decisions. The NWTMN is requesting Canada disclose any proposed measures through a consultation process with the NWTMN before Canada makes any decisions in respect to the Project.

Accordingly, the NWTMN is requesting that Canada agree to a meaningful consultation process in respect to the Project before the NWTMN can provide substantive comment on the Report. The first step of the consultation process is timely disclosure of information Canada respecting Canada's assessment of the Report. Secondly, the NWTMN is requesting a consultation meeting with the responsible Ministries.

We look forward to your reply to the consultation requests of the NWTMN.

Sincerely,



Garry Bailey, President

- c.c. Honourable Robert R. McLeod, Premier Government of the Northwest Territories
Vern Christensen, Executive Director, Mackenzie Valley Environmental Impact Review Board
Kara King, President, Fort Resolution Métis Council
Ken Hudson, President, Fort Smith Métis Council
Wally Schumann, President, Hay River Métis Government Council