

## **Nechalacho Rare Earth Element Project – EA1011-001**

### **Community Scoping Issues- Dettah, August 16-17, 2010**

The following issues were identified on the cards used in the above scoping session and from discussions during the scoping session. The Review Board will consider these points when deciding which issues the environmental assessment should focus on.

While this meeting report is as comprehensive as Review Board staff could make it, this is not a verbatim document. It is based on notes by Review Board staff. Unlike the official statements made at Review Board hearings toward the end of the environmental assessment process, scoping sessions are less formal dialogues.

Review Board staff has organized the points and grouped them under general headings as follows:

#### **Socio-Economic**

- Company should hire people from here
- One elder wanted to know how people get chosen to sit on Boards
- Who assisted in doing feasibility studies re: environment, vegetation, wildlife, water etc? (First Nations, individuals or employees?)
- Is Avalon willing to compensate on a yearly basis to YKDFN & LKDFN for wildlife, water, etc. deterioration (spoilage)?
- Effects to Blachford Lake Lodge from project
  1. Noise pollution – drills, generators, aircraft, trucks and mine operations
  2. Light pollution – light glow from the site seen from Blachford Lodge
  3. Air pollution – dust from mining operations, roads, trucks
- Negative effect on business to Blachford Lake Lodge now and in the future
- Clientele are paying for wilderness lodge, clear skies away from the glow of lights for northern lights viewing
- There will be less appeal for Blachford Lake Lodge as a “wilderness fly-in resort”
- Tourism impact on Blachford Lake Lodge (and NWT).
- Provide a map that shows the project in relation to the Blachford Lake Lodge
- Highwood’s application process and resulting community concerns (INAC review from the 1980s) and reasons for application rejection to be included in this review process
- Will lodges and cabins owner surrounding the project site be compensated because of noise and activity in the area?

#### **Community Wellness**

- Provide a detailed list of potential use of products (each rare earth metal in its various forms) so that the Board is able to assess if the uses can be potentially harmful somewhere else

- Provide complete information about potential health problems associated to level of exposure to those metals
- Detail rates for bio-accumulation, if any
- Increase in mining jobs has resulted in social impact such as lack of on-the-land activity of families. What will the company do to decrease impacts? e.g. provide program funding, prevention program
- Is there security at the site right now?
- We hear people helping themselves to fuel – they may cause other problems

## **Cultural**

- How is traditional knowledge put in project?

## **Air Quality**

- Dust mitigation from air transport – is there any?
- Are there dust challenges with concentrate?
- Where are the containers filled with concentrate?

## **Access – barging concentrate across lake**

- How long would the barge take to cross the lake? Hours? Days?
- Can Avalon provide information on barge shipment?
- Will Avalon train people to work on barges?
- What happens if barge sinks? What is the plan for addressing this potential scenario?
- What is the worst case scenario for barging?

## **Barge landing site, Concentrate storage, containers**

- Are the containers refrigerated once they are filled with concentrate?
- Will the concentrate inside containers melt during summer?
- Request more information on concentrate freeze/thaw timing. Concern that concentrate may melt and leak from containers

## **Water**

- Do you know which way water flows and to which lakes?

## **Consultation**

- How are you going to consult First Nations that have cabins in the area?
- Need better engagement and consultation with neighbor/stakeholder
- Consultation with lodge to date is not good; lodge looks forward to engaging with developer

- Consider some kind of agreement on engagement with Blachford, need to respect a long-time northern business; ask that they be treated fairly
- Have you or did you talk to individual families that use the area?
- Re: trap lines and cabin owners – has Avalon ever met with them and do they know who the people are?

## Other

- Company should provide detailed MSDS (material safety data sheets) for all reagents
- Request a full literature review on rare earth elements – likely not too many studies available as no guidelines are available. Ensure guidelines are set.
- Are there traces of beryllium in Nechalacho deposit?
- How big will the camp be...how many workers?

## Project Description Modifications

The following describes modifications, as presented by Avalon representatives at the Dettah scoping session, from the original Project Description Report for the Nechalacho Project.

### Modification to Project Description at Nechalacho (Thor Lake Site)

Avalon proposes to reduce the 3 year ramp up in scale of mine production to improve project optimization. Avalon originally proposed an initial 3 years of production at 1,000 tonnes per day (tpd). After 3 years mine production would ramp up to 2,000 tpd for the remainder of the mine life. Avalon now plans to begin production at the full 2,000 tpd from the start-up of mine operations.

### Modification to Project Description at Pine Point Site

Avalon originally proposed to place tailings from their proposed hydrometallurgical facility in the old Teck-Cominco tailings pond at Pine Point. However, there are concerns with added weight and structural integrity of the dam so plans have changed. Instead Avalon will use one of 3 alternative sites for tailings disposal at Pine Point. Options include one of the old Pine Point open pits or an already cleared area.