



Feb 18th – 20th, 2013

MACKENZIE VALLEY ENVIRONMENTAL IMPACT REVIEW BOARD
Avalon Rare Metals Inc. – Thor Lake Project (EA10111-001)

INTRODUCTION



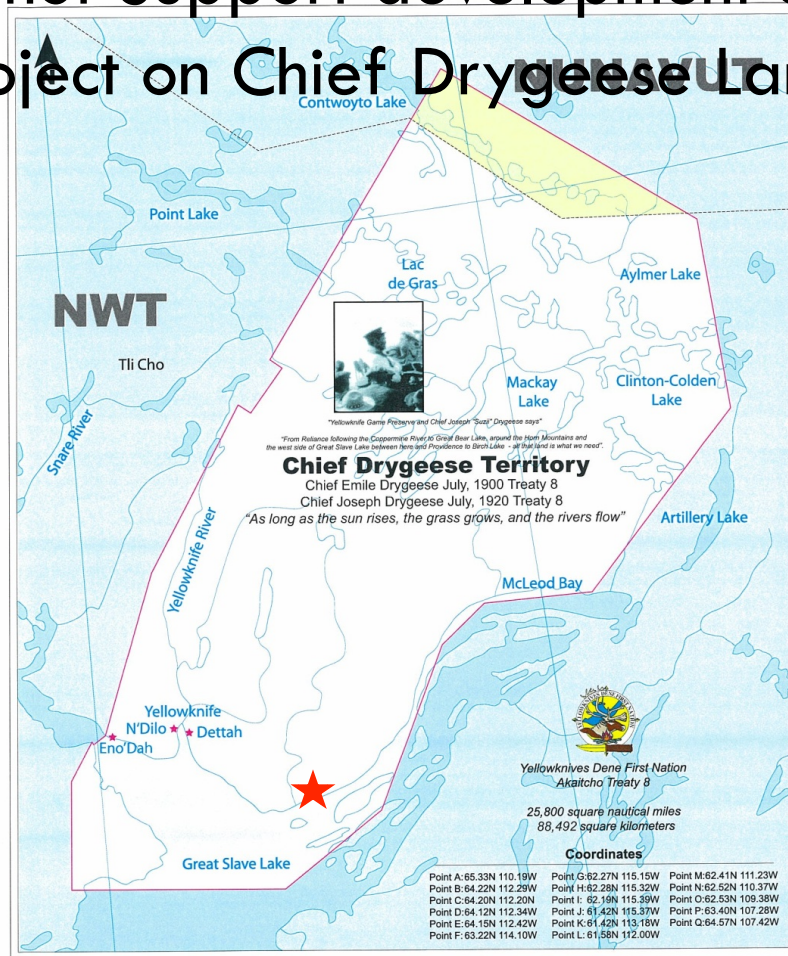
Members of the Yellowknife Dene First Nation are descendants of people whose very existence depended on utilization of the rich resources of the lands and waters north of Great Slave Lake, known as the Chief Drygeese Territory. The Yellowknives Dene continue to practiced traditional, Constitutionally enshrined rights, as they have for generations, to hunt, trap, travel and enjoy what is one of the most environmentally intact places in the world. Since 1935 the environment and traditional use of the Chief Drygeese Territory has been threatened by mineral exploration and mining. We have seen the devastating results of this in the many abandoned and contaminated mine sites north of Great Slave Lake, we're here today to ensure that doesn't happen again.

- YKDFN Team:
 - Chief Edward Sangris
 - Shannon Gault: Director, Lands Management
 - Randy Freeman: Traditional Knowledge Specialist
 - Todd Slack: Regulatory Specialist



Motion#2013-02-13-004

YKDFN does not Support development of the
Thor Lake Project on Chief Drygeese Lands.



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WORKING WITH AVALON



- Community information sessions have not occurred or been discussed
 - YKDFN requires that Avalon consult with the YKDFN regarding how best to engage community members on current and future plans associated with Nechalacho development
- Avalon has not acknowledged that YKDFN is the most impacted First Nations community. Without Thor Lake, other project components (like those south of Great Slave Lake) will not exist.
 - Avalon committed to removing disrespectful statements about YKDFN from the DAR, YKDFN has not received confirmation of this action (IR Response #1)
- IBA negotiations currently at a stand still
 - Without a Final Agreement, that ensures positive economic benefit to offset environmental impacts, YKDFN opposes permitting of this project.

CUMULATIVE EFFECTS



- YKDFN seeks a measure from the Board that requires cumulative effects management prior to mine development
- Within 10 years, YKDFN anticipates there will be as many as 10 operating mines within Chief Drygeese Territory and encroaching on caribou migration routes.
- Efforts to push these companies to monitor and assess cumulative effects have been met with a response indicating that this is a government responsibility. However, YKDFN have seen little response to this over the last 15 years.

YKDFN DO NOT CARE WHO FULFILLS THIS ROLE, BUT IT MUST BE COMPLETED OR SIGNIFICANT IMPACTS WILL RESULT.

LAND, WILDLIFE, AIR



Air Quality:

- At this point, there are no enforceable mechanisms or any monitoring to demonstrate compliance

Wildlife:

- WEMP – Avalon has committed only to wildlife monitoring within the “immediate vicinity of the mine”. YKDFN requires greater certainty that impacts on wildlife will be monitored and managed with greater attention given to YKDFN concerns.
- With the current level of development, plus known projects in permitting, the level and range of impacts will be much higher. Presently 3/4 active mines on the Bathurst Caribou range – likely to be 10 in the near future.
 - Existing: Ekati, Diavik, Snap Lake, Jericho
 - Late EA: Avalon (2015), Fortune (2015), Gahcho Kue (2015)
 - Early EA: NWT Gold, Izok (2017), Back River (2018)
 - Starting EA in 2013: Hackett River, Courageous Lake
- YKDFN members are relying more heavily on moose and small game to satisfy traditional diets.

WATER, BARGING



Aquatic Effects Monitoring Program:

- YKDFN wants assurance that engagement will occur for AEMP design
- YKDFN specific Traditional Knowledge must play a key role in ongoing monitoring and management

Tailings:

- YKDFN remains concerned that tailings will contaminate water flowing directly into Great Slave Lake
- YKDFN is concerned that appropriate mitigation is not in place to prevent wildlife from coming in contact with tailings
- (IR#6) Avalon provided a response stating “progressive reclamation” will be applied to tailings management and closure. YKDFN specific Traditional Knowledge must be incorporated

Barging:

- YKDFN is not comfortable with the high risk of spills associated with barging operations
- YKDFN is concerned about lack of clarity regarding accountability for spills occurring on Great Slave Lake
- (IR#2) YKDFN is not satisfied with the level of engagement for selecting alternate transportation methods and/or barge routes
- YKDFN members need to be informed how barging will interfere with traditional activities and access to land/water

CLOSURE



- YKDFN finds Avalon's closure plans to be lacking in sufficient detail to warrant accurate assessment of risks and potential for long-term adverse impacts on the surrounding environment and humans
 - Examples of closure components that YKDFN would like addressed, include: Restoration of waterfront, removal of infrastructure, restoration of traditional trails, etc.
- YKDFN asks the Board to request a conceptual plan consistent with MVLWB guidelines
- This unique mine warrants extra consideration regarding financial ability to fulfill closure expectations and necessitates better communication of closure plans with interested groups

"YKDFN's closure goal is to return the area to an environment as close to pristine as possible so that wildlife, and environmental quality will once again thrive and be conducive to traditional practices"

TRADITIONAL KNOWLEDGE



- Avalon Rare Metals Inc. contracted EBA Engineering Consultants Ltd. to “obtain Traditional Knowledge from the YKDFN community that is specific to the Thor Lake Project’s proposed project sites and the geographic North Slave region”.
- Interviews with 17 YKDFN members were conducted in Ndilo and Dettah from September 20th to 25th, 2010.
- From these interviews a Summary Report was produced in January 2011.

It is the opinion of the YKDFN’s Lands and Environment that this project has failed to fulfill the MVEIRB’s requirement to adequately consult YKDFN on either traditional or current use of the Thor Lake area.

TRADITIONAL KNOWLEDGE



What's wrong with Avalon/EBA's TK study:

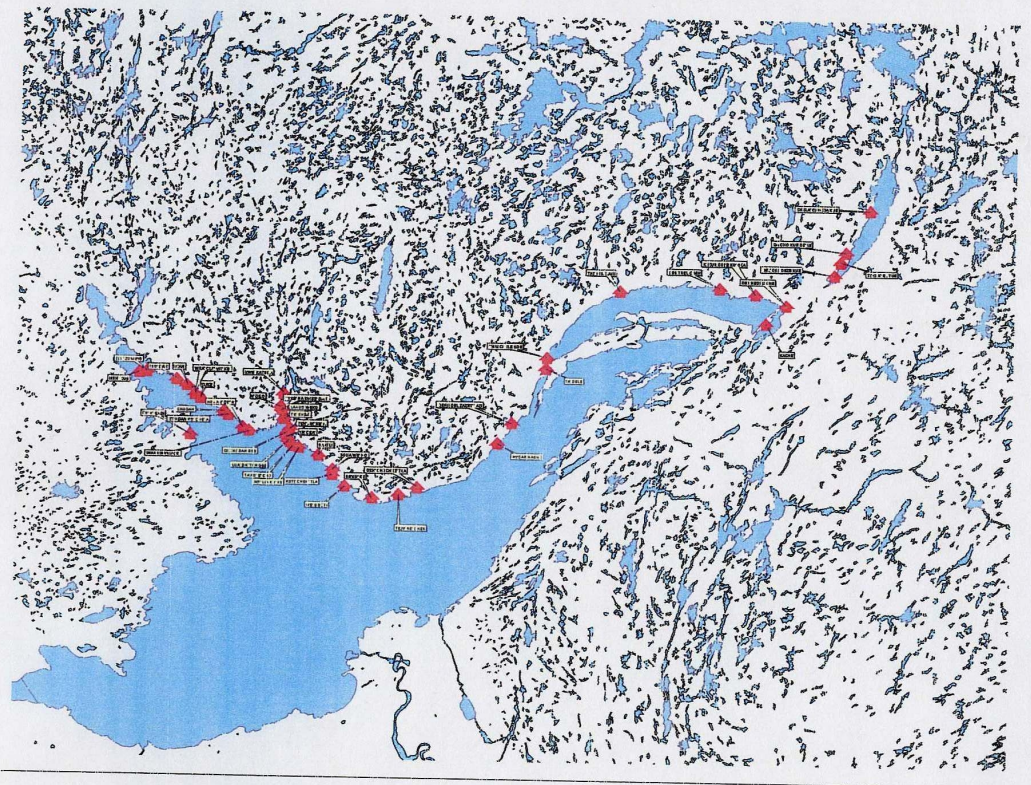
- No spatial or temporal context to the study
- No background historical or cultural research
- No contextual perspective
- The questions asked are mostly meaningless
- No follow-through to the answers given on the questionnaire

TRADITIONAL KNOWLEDGE



77

NWT Treaty 8 Mapping Project Traditional Villages



◆ Traditional Villages
■ Water bodies



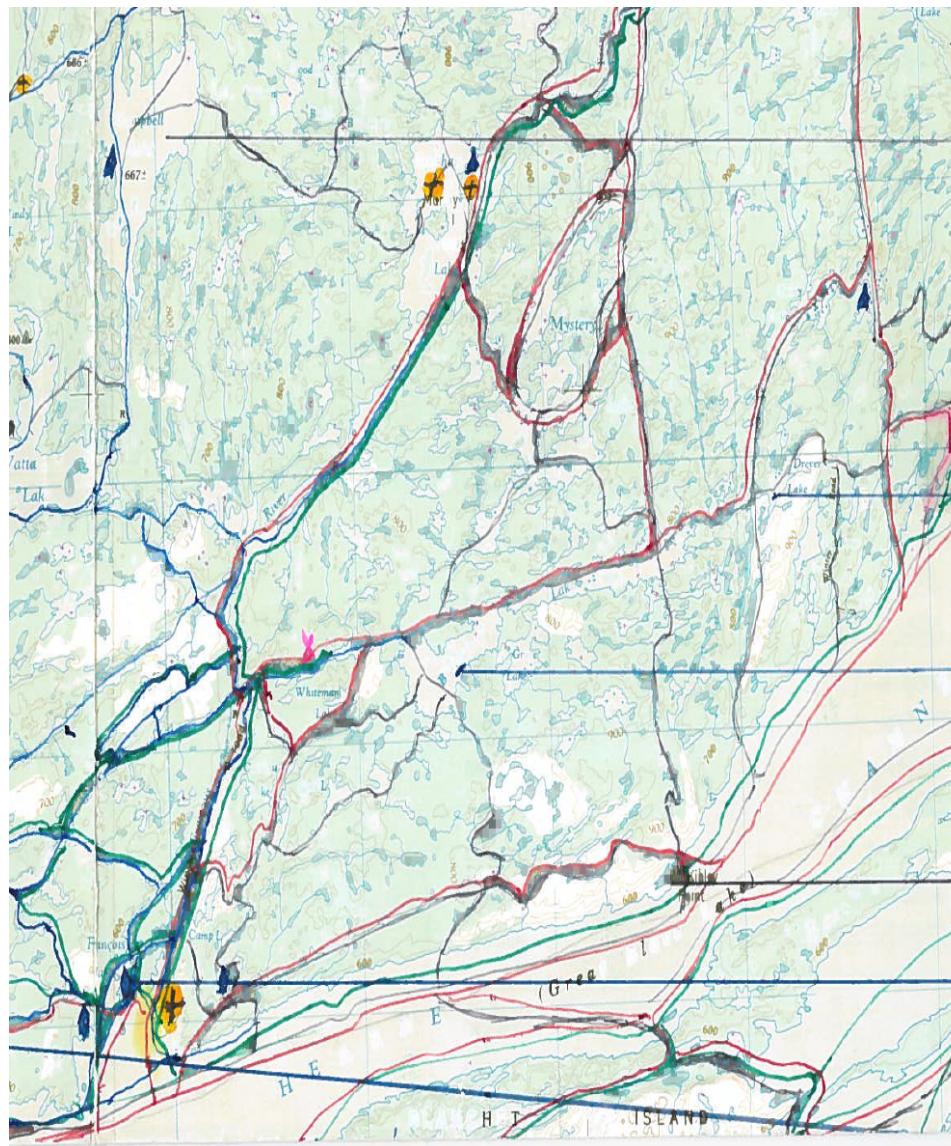
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RECOMMENDATIONS FOR MEASURES

- 1) A measure that requires a signed Accommodation Agreement between YKDFN and Avalon Rare Metals prior to licensing the Thor Lake project.
- 2) A measure requiring Avalon to consult with the YKDFN regarding how best to engage community members on current and future plans associated with Nechalacho development
- 3) A measure to require Avalon's participation in Regional Cumulative Effects monitoring and management programs
- 4) The development of a Wildlife Effects Monitoring Program, with clarity on the expectations in terms of types of research, the participants and the implementation period.
- 5) That the project be required to develop and submit an incineration management plan, which features regular monitoring to demonstrate compliance
- 6) YKDFN requests a measure for establishing independent oversight for Nechalacho mine



RECOMMENDATIONS FOR MEASURES

- 7) That the Board use the rules of procedure to require the project to submit an improved closure plan for Nechalacho, which follows the guidelines from the MVLWB
- 8) Require the project to provide resources to allow regulators to conduct independent economic analysis of Avalon Rare Metals prior to licensing, seeking to provide decision makers with a better understanding of the risks with the project
- 9) The Yellowknives Dene First Nation requests that the Board require Avalon Rare Metals conduct a detailed, properly designed Traditional Knowledge study of the region. The information gathered must guide Avalon in the design, operation, and closure of the mine and must also become part of the long-term evaluation of impacts the mine will have on the surrounding land and water