



Mackenzie Valley Land and Water Board
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July 17, 2014

File: MV2014D0001
MV2014L2-0001

Mr. Mark Wiseman
Avalon Rare Metals
130 Adelaide Street West, Suite 1901
TORONTO ON M5H 3P5 Email: mwiseman@avalonraremetals.com

Dear Mr. Wiseman:

Spill Contingency Plan Approval- Conditional

The Mackenzie Valley Land and Water Board (the Board) met on July 17, 2014 and reviewed the Spill Contingency Plan in accordance with Part H Item 2 of Water Licence MV2014L2-0001, also in accordance with condition 57 of Land Use Permit MV2014D0001.

The Board has approved the Spill Contingency Plan conditionally upon receipt of the items identified in Table 1: Spill Contingency Plan (attached). Please submit these updates within 60 days of this letter.

If you have any questions or concerns, please contact Tyree Mullaney at (867) 766-7464 or email tyree@mvlwb.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Willard Hagen".

Willard Hagen
MVLWB Chair

Copied to: Distribution List

Attachment: Table 1: Spill Contingency Plan

Table 1: Spill Contingency Plan

#	Topic	Recommendation	Item to be addressed
1	Section 2.2: Preliminary Site Preparation and Construction Phase (page 4)	EC request that the proponent provide more detailed information regarding the fuel storage tanks in accordance with the Storage Tank Systems for Petroleum Products and Applied Petroleum Products Regulations. This includes the location and the spill containment infrastructure for all tanks. EC recommends that the Proponent use secondary containments (i.e. berms, double-walled tanks, etc.) for all stationary hazardous materials storage systems.	Avalon is committed to constructing and storing all fuel and other hydrocarbons in accordance with the CCME environmental code of practice for storage of these products (CCME 2003) and the Canadian petroleum products storage tank regulations (CEPA 2008). Further details on the design of the fuel storage tank system will be provided when this information become available. This information will be incorporated into the next updated version of the Spill Contingency Plan for the preliminary site preparation and construction program.
2	Section 10.2: Spill Response Equipment - Spill Kits (page 16)	EC recommends that a spill kit should be readily available at all locations where fuel is being stored or transferred and should accompany ATVs and snowmobiles in order to provide immediate response in the event of a spill.	Avalon is committed to locating suitably equipped spill kits in all fuel and lube storage areas and other locations where significant spills of such products could potentially occur. Given the proximity of these spill kits to the potential sites where spills could occur, available communications capability, small volumes of petroleum products utilized and planned preventative maintenance programs, Avalon does not believe that it would be practical or necessary to have ATVs or snowmobiles equipped with spill kits. Furthermore, additional loading of these working vehicles represents a potential safety hazard to the employee that is not warranted by the low spill risk of these vehicles. <i>(response is acceptable, update plan to include commitment to have spill kits located suitably equipped spill kits in all fuel and lube storage areas and other locations where significant spills of</i>

			<i>such products could potentially occur and how this addresses the concern by EC)</i>
3	Spill Contingency Plan Topic 1: Spill Contingency Plan	<p>1) As this is an updated the spill contingency plan, ENR requests that the proponent re-submit the SCP to follow the format and details required in the AANDC Guidelines for Spill Contingency Planning (INAC 2007) as noted above, and ensure that all designs are finalized and provided to the board for approval prior to construction of the Site. To Note for the Proponent: In addition to recommendation 1, the proponents training program should satisfy the requirements of Section 2.5 of the AANDC Guidelines for Spill Contingency Planning. Detailed information including the following should be included with the plan: a) outline of the company's training program, including a description of training materials and simulation exercises. The training program should ensure that employees understand the procedures in the action plan, the hazards of the materials stored on-site, where to find response equipment and how to operate it, and how to obtain off-site resources. Copies of training materials are not required in the plan but should be referenced b) A training schedule, indicating when training has occurred and future training dates c) A commitment to notify Inspectors and other relevant regulators of planned upcoming mock spill exercises so that regulators</p>	<p>As more detailed information becomes available on the proposed fuel and waste storage facilities and other project infrastructure, and the proposed spill response training program, the current version of the Spill Contingency Plan for the Site Preparation and Construction Phase will be updated as necessary. Avalon currently completes some form of emergency simulation exercise at least annually and when there is a significant level of activity on the site, and proposes to continue to do these in the future. Confidential training records are maintained by the HR department, and further development of training and record keeping will occur as the project develops.</p>

		<p>have the option of observing the on-site exercise d) A description of the record keeping procedures that will document which employees have received training and when e) Records of recent employee training (e.g. personnel sign-off sheets)</p>	
4	<p>Topic 2: Establishment of Petroleum Fuel Storage Facilities</p>	<p>1) The Spill Contingency Plan may also include the following: a) Project Name and Location on the title page b) All storage and transfer areas are at a distance greater than 100 meters from any local high water marks/drainage channels and within a secondary containment (i.e. berms, impermeable liner, double walled tank, etc.) c) Site map(s) with fuel storage and transfer areas clearly identified and location of spill response equipment. d) Contact information for local contractor and clean up specialists who can be called upon to assist with spill clean-up and remediation.</p>	<p>Item to be incorporated into the Plan and re-submitted to the Board.</p>
5	<p>Topic 4: Spill Contingency Plan</p>	<p>1) Sewage is an infectious substance and must be included in the Spill Contingency Response Action Plan.</p>	<p>As requested, potential sewage spills will be addressed in the in the next version of the Spill Contingency Plan for the Site Preparation and Construction Program.</p>