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Nechalacho: The Key to North America's Rare Earth Independence

Avalon is determined to unlock the potential of its assets in Nechalacho despite headwinds in the international marketplace.

Canada's mineral wealth is a strategic asset that needs to be deployed as we move into a new world order of trade battles and American unilateralism.

Prime Minister Justin Trudeau recently told business executives that U.S. President Donald Trump's sabre-rattling over annexation of Canada is fueled in part by his desire for our reserves of critical minerals.

Trump's covetousness sends a clear message to Canadians: the resources under our feet are enormously valuable, and we have to overcome our typical hesitancy to invest in their development.

The Nechalacho rare earth project is located at Thor Lake within the Mackenzie Mining District, Northwest Territories. It lies approximately 100 kilometres southeast of Yellowknife near the eastern shore of the Great Slave Lake.

The deposit holds enormous potential for value creation as well as in nurturing a domestic North American supply chain for geo-strategic materials that are vital to our common security.

As owners of this project, Avalon continues to advance Nechalacho ensuring that engagement with local communities and creation of economic

opportunities remain a priority. This includes direct Indigenous employment at the project site, contracts with businesses that have partial or complete Indigenous ownership, fostering creation of new Indigenous-owned business and sponsoring and encouraging job training opportunities.

"Across the globe, 2024 was a year of uncertainty," Monteith said in his year-end letter to shareholders.

Lithium faced multiple challenges including slowing demand for electric vehicles, low commodity prices, and the impact of political and geopolitical developments. Rare earths also encountered significant issues, such as supply chain disruptions, export restrictions, and fluctuating demand driven by global economic and geopolitical uncertainties, he noted.

Reliance on China is not an option due to security concerns. Commercial development of critical minerals needed by the United States provides Canada with leverage in its dealings with a protectionist Trump administration.

Under its critical mineral strategy, Ottawa has promised to provide money to support northern regulatory reviews and permitting, and to help project developers navigate their engagement with governments. The Business Development Bank of Canada, Export Development Canada and the Canadian Commercial Corporation are all primed to support the development of critical mineral projects.

The Government of the Northwest Territories has its own critical mineral strategy that focuses on improved infrastructure and access to reliable energy supplies, as well as Indigenous partnerships.

All that government commitment suggests that the time is now for Avalon and Nechalacho. Canada has rightly been criticized for foot-dragging when it comes to developing our resources. We no longer have that luxury.



"The importance of both lithium and rare earths in driving the transition to clean energy and advanced technologies remains undeniable and so we remain focused and optimistic for a strong recovery"

- Scott Monteith

