



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

July 31, 2013

Via E-mail

Mr. R. James Andersen
Chief Financial Officer
Avalon Rare Metals Inc.
130 Adelaide St. West, Suite 1901
Toronto, ON M5H 3P5
Canada

**Re: Avalon Rare Metals Inc.
Form 40-F for Fiscal Year Ended August 31, 2012
Filed November 29, 2012
File No. 001-35001**

Dear Mr. Andersen:

We have reviewed your filing and have the following comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days by providing the requested information or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances, please tell us why in your response.

After reviewing the information you provide in response to these comments, we may have additional comments.

Form 40-F for Fiscal Year Ended August 31, 2012

Exhibit 99.1 – Annual Information Form

Resource Estimate, page 21

1. Updated resources and reserves are disclosed for your Thor Lake property as of November 2012, along with modifications to your development plan which included a Preliminary Feasibility Study for a rare earth separation plant and refinery completed in March 2012. Please forward to our engineer as supplemental information and not as part of your filing, your information that establishes the legal, technical, and economic feasibility of your materials designated as resources/reserves, as required by Section C of Industry Guide 7 pursuant to Rule 12b-4 of the Exchange Act. The information requested includes, but is not limited to:

- Property and geologic maps
- Description of your sampling and assaying procedures
- Drill-hole maps showing drill intercepts
- Representative geologic cross-sections and drill logs
- Description and examples of your cut-off calculation procedures
- Cutoff grades used for each category of your reserves and resources
- Justifications for the drill hole spacing used to classify and segregate proven and probable reserves
- A detailed description of your procedures for estimating reserves
- Copies of any pertinent engineering or geological reports, and executive summaries of feasibility studies or mine plans which including the cash flow analyses
- A detailed permitting and government approval schedule for the project, particularly identifying the primary environmental or construction approval(s) and your current location on that schedule.

To minimize the transfer of paper, please provide the requested information on a CD, formatted as Adobe PDF files and provide the name and phone number for a technical person our engineer may call, if he has technical questions about your reserves.

In the event your company desires the return of this supplemental material, please make a written request with the letter of transmittal and include a pre-paid, pre-addressed shipping label to facilitate the return of the supplemental information. Please note that you may request the return of this information pursuant to the provisions of, Rule 12b-4 of the Exchange Act.

If there are any questions concerning the above request, please phone Mr. George K. Schuler, Mining Engineer at (202) 551-3718.

Mineral Reserve Estimate, page 26

2. We note your mineral reserves were estimated using price forecasts for rare earth oxides in 2015 based on CIBC's forecast dated March 6, 2011, which was later updated as of November 21, 2012. Supplementally provide the historic three-year (36-month) average

price for all the rare earth oxides you plan to produce and sell as of your resource/reserve effective dates and compare these prices to the forecast prices in 2015 that you used to estimate your resources/reserves. We may have further comments pending your response.

3. Please insert a small-scale map showing the location and access to each of your material properties. Maps and drawings should contain the following features:
- A legend or explanation showing, by means of pattern or symbol, every pattern or symbol used on the map or drawing.
 - A graphical bar scale should be included. Additional representations of scale such as "one inch equals one mile" may be utilized provided the original scale of the map has not been altered.
 - A north arrow.
 - An index map showing where the property is situated in relationship to the state or province, etc., in which it was located.
 - A title of the map or drawing, and the date on which it was drawn.
 - In the event interpretive data is submitted in conjunction with any map, the identity of the geologist or engineer that prepared such data.

Any drawing should be simple enough or of sufficiently large scale to clearly show all features on the drawing.

Historical Work, page 46

4. We not you use the term grab samples and describe assays values as up to designated values. When reporting the results of sampling and chemical analyses, please revise your disclosure to address each of the following regarding mineralization of existing or potential economic significance on your property:
- Disclose only weighted-average sample analyses associated with a measured length or a substantial volume.
 - Eliminate all analyses from "grab" or "dump" samples, unless the sample is of a substantial and disclosed weight.
 - Eliminate all disclosure of the highest or best values/grades of sample sets. Present a balanced disclosure of the drill and sampling results

- Eliminate grades disclosed as “up to” or “as high as” or “ranging from.”
- Eliminate statements containing grade and/or sample-width ranges.
- Aggregated sample values from related locations should be aggregated based on a weighted average of lengths of the samples.
- Generally, use tables to improve readability of sample and drilling data.
- Soil samples may be disclosed as a weighted average value over an area.
- Refrain from reporting single soil sample values.
- Convert all ppb quantities to ppm quantities for disclosure.
- Avoid optimistic descriptive adjectives such as high-grade or ore-grade.

Please revise your disclosures to comply with this guidance. Please note the TSX Venture Exchange Corporate Finance Manual – Appendix 3F also addresses many of these items.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes the information the Securities Exchange Act of 1934 and all applicable Exchange Act rules require. Since the company and its management are in possession of all facts relating to a company’s disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In responding to our comments, please provide a written statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Mr. R. James Andersen
Avalon Rare Metals Inc.
July 31, 2013
Page 5

You may contact George Schuler, Mining Engineer, at (202) 551-3718 with questions about engineering comments. Please contact me at (202) 551-3795 with any other questions.

Sincerely,

/s/ John Reynolds

John Reynolds
Assistant Director
Office of Beverages, Apparel, and
Mining