



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

DIVISION OF
CORPORATION FINANCE

August 23, 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
Response dated August 14, 2013
File No. 001-35001**

Dear Mr. Andersen:

We have reviewed your filing and response 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 99.2 – Consolidated Financial Statements

Note 3 – Summary of Significant Accounting Policies, page 8
k) Exploration and Evaluation Assets, page 12

1. We note you disclose that exploration and evaluation assets are not tested for impairment and reclassified as property, plant and equipment until, among other things, a decision has been made to proceed with development. Paragraphs 5(b) and 17 of IFRS 6 are conditioned on demonstrable technical feasibility and commercial viability. Please modify your policy and related disclosure or tell us how you concluded managerial determinations/approvals are necessary for demonstrating technical feasibility and commercial viability in accordance with IFRS 6.

2. We also note that you have established Probable Mineral Reserves at your Thor Lake project utilizing the CIM Definition Standards of a Mineral Reserve. Consistent with those definitions, it appears your feasibility study related to the Thor Lake project demonstrates the technical feasibility and commercial viability of those reserves. Please tell us the financial statement and disclosure impact of demonstrating technical feasibility and commercial viability at Thor Lake, including the following:
- the timing of the impairment testing and reclassification of exploration and evaluation assets pursuant to paragraph 17 of IFRS 6;
 - the level at which your exploration and evaluation assets are tested for impairment pursuant to paragraph 21 of IFRS 6; and,
 - the disclosure requirements of exploration and evaluation assets pursuant to paragraph 24(b) of IFRS 6.

You may contact James Giugliano at (202) 551-3319, or Brian Bhandari at (202) 551-3390, if you have questions regarding comments on the financial statements and related matters. You may contact George Schuler, Mining Engineer, at (202) 551-3718 with questions about engineering comments. Please contact me at (202) 551-3871 with any other questions.

Sincerely,

/s/Tia L. Jenkins

Tia L. Jenkins
Senior Assistant Chief Accountant
Office of Beverages, Apparel, and
Mining