

February 14, 2011

Our file: EA1011-001

David Swisher
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Via e-mail: dswisher@avalonraremetals.com

Re: Final Terms of Reference for the environmental assessment of Avalon Rare Metals Inc.'s Thor Lake Rare Earth Element Project

The Mackenzie Valley Environmental Impact Review Board has released the *Final Terms of Reference* for the environmental assessment of Avalon's Thor Lake Rare Earth Element Project. The terms of reference specifies what information Avalon must present in the Developer's Assessment Report for the Review Board's consideration during this environmental assessment.

The Review Board will not release a work plan until after Avalon submits the Developer's Assessment Report. In the Review Board's experience, the time it takes a developer to research and write this report can vary greatly from one environmental assessment to another. Due to the uncertainty associated with this waiting period, the Review Board cannot accurately provide expected completion dates for the remainder of steps in the environmental assessment process. Avalon is instead required to produce quarterly updates on the expected completion date for the Developer's Assessment Report.

For any questions related to this environmental assessment please contact the lead officer for this environmental assessment, Paul Mercredi, via e-mail at pmercredi@reviewboard.ca, or by other means.

Regards,



Paul Mercredi
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Mackenzie Valley Environmental Impact Review Board

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