



130 Adelaide St. West, Suite 1901, Toronto, ON M5H 3P5
Tel: (416) 364-4938 • Fax: (416) 364-5162
Email: office@avalonraremetals.com

November 1, 2012

Mackenzie Valley Environmental Review Board
5102 - 50th Ave.
Yellowknife, NT X1A 2N7

Attention: Mr. Vern Christensen, Executive Director

Subject: Review Board letter to Avalon: 2nd Round IR Responses

Dear Mr. Christensen:

Thank you for your letter of October 26, 2012, addressed to David Swisher. Our team has since prepared and submitted responses to the Information Requests included in your letter which we trust will adequately address the issues raised. I note that they have now been posted to the public registry.

We agree that water quality impacts is a key line of inquiry and that the burden of proof rests with the Company to demonstrate that its proposed mineral processing operations at Nechalacho will not result in any significant undesirable impacts on the local environment.

We believe we have achieved this goal but also appreciate that the Information provided is highly technical in nature. I think we would all benefit from a face-to-face meeting, as you have proposed, to make sure nothing important has been overlooked, and everyone is clear on how to interpret the data submitted in the Information Request Responses as well as previously in the DAR and at the Technical Sessions held in August.

As previously stated, I support taking a more collaborative approach to complying with regulations governing the environmental assessment process, and I thank you for your offer to meet and provide any further clarification that may be required to satisfy the Board. Mr. Swisher will be contacting you directly to arrange the meeting.

Sincerely,

AVALON RARE METALS INC.

Donald S. Bubar
President & CEO