

Avalon Rare Metals receives NYSE non compliance letter

Avalon Rare Metals {TSX:AVL} has recieved a letter of non compliance form the NYSE.

As a result, in order to comply with the NYSE' listing requirements, either AVL will have to trade at a higher share price within the time frame stipulated, or action a share consolidation, which will need shareholder approval.

Comment

This is a bit ridiculous, as the regulation referred to here stipulates;

“(b) Stock Price/Market Value of Shares Publicly Held–The Exchange requires a minimum market price of \$3 per share for applicants seeking to qualify for listing pursuant to Section 101 (a), (b) or (d), a minimum market price of \$2 per share for applicants seeking to qualify for listing pursuant to Section 101(c), and \$3,000,000 aggregate market value of publicly held shares for applicants seeking to qualify for listing pursuant to Section 101(a).”

So, in order to regain compliance, Avalon will have to action a share consolidation to increase the share price to the required minimum!

The market cap remains the same, so what's the point? What is the advantage to the shareholder? And what will it cost to action this?

I guess Avalon will do as requested as they have US based investors and won't want to de-list in this market.

News release

TORONTO, Aug. 5, 2015 – **Avalon Rare Metals {TSX: AVL}** has received a letter from NYSE MKT LLC dated July 30, 2015 which states that due to the Company's recent low selling share price, it has been deemed to be not in compliance with the continued listing standards of the Exchange.

Pursuant to Section 1003(f)(v) of the Exchange's Company Guide, the Company's continued listing is contingent upon the Company effecting a share consolidation within a reasonable period of time or upon a sustained increase in its share price.

A potential share consolidation, if required, will need to be approved by the Company's shareholders at the Company's next annual general meeting currently planned for February, 2016.

About Avalon Rare Metals Inc.

Avalon Rare Metals Inc. is a mineral development company focused on rare metal deposits in Canada, with three advanced stage projects. Its 100%-owned Nechalacho Deposit, Thor Lake, NWT is exceptional in its large size and enrichment in the scarce "heavy" rare earth elements, key to enabling advances in clean technology and other growing high-tech applications. Avalon is also advancing its Separation Rapids Lithium Minerals Project, Kenora, ON and its East Kemptville Tin-Indium Project, Yarmouth, NS. Social responsibility and environmental stewardship are corporate cornerstones.

For questions and feedback;

e-mail the Company at ir@avalonraremetals.com

Or phone Don Bubar, President & CEO at +1 416 364 4938.

Cautionary Statement

This news release contains “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements regarding the continued listing of the Company’s securities. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “potential”, “scheduled”, “anticipates”, “continues”, “expects” or “does not expect”, “is expected”, “scheduled”, “targeted”, “planned”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be” or “will not be” taken, reached or result, “will occur” or “be achieved”. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Avalon to be materially different from those expressed or implied by such forward-looking statements. Forward-looking statements are based on assumptions management believes to be reasonable at the time such statements are made. Although Avalon has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but

are not limited to market conditions, as well as those risk factors set out in the Company's current Annual Information Form, Management's Discussion and Analysis and other disclosure documents available under the Company's profile at www.SEDAR.com.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Such forward-looking statements have been provided for the purpose of assisting investors in understanding the Company's plans and objectives and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking statements. Avalon does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.