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## NEWS RELEASE

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### **Avalon contracts Scott Wilson RPA Associates for Lake Zone REE deposit Pre-feasibility Study**

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**TORONTO -- Avalon Rare Metals Inc. (TSX:AVL)** ("Avalon" or the "Company") is pleased to announce that it has contracted Scott Wilson Roscoe Postle Associates Inc. (Scott Wilson RPA) as the lead consulting company to prepare the Pre-feasibility Study ("PFS") on the Lake Zone REE deposit at Thor Lake NWT. Work on the PFS is to commence immediately and is planned for completion in early 2010.

Scott Wilson RPA is part of the Scott Wilson international consultancy group providing expert, sustainable, integrated solutions to meet the planning, engineering, management and environmental needs of four principal market sectors: transport, property, environment and natural resources. Scott Wilson has a global network of 80 offices and employs over 6,500 people around the world.

The prefeasibility phase is the first detailed evaluation stage of the project during which the project architecture is developed and key project parameters are measured and defined. It is the intent of this phase of the program to provide information that will allow senior management and investors to assess the viability of the project. A positive investment decision based on this study would result in significant expenditures to complete the final "bankable" Feasibility Study ("FS") and ultimately a production decision.

Also involved in the PFS, reporting to the lead consultants, are the following specialist consulting companies:

- Knight Piesold Consulting, an international consultancy offering engineering and environmental services in Mining, Environment, Hydropower, Water Resources, Roads & Construction Services. Knight Piesold will focus on geotechnical, environmental and community engagement aspects of the project.
- Melis Engineering, a metallurgical consultancy that has completed over 300 projects since 1982 for the mining and chemical industries with previous experience in the rare earth industry. Melis will focus on process plant and hydrometallurgical plant design for rare earth extraction and recovery into saleable products.
- Senes Consultants Limited, which provides a wide variety of environmental services to the mining industry. Senes will review the environmental sections of the PFS.

Jacques Whitford Stantec AXYS, as the consulting company undertaking the on-going environmental baseline work at Thor Lake, will also be involved with the PFS by providing data from the baseline studies completed under their direction.

## **OTHER ACTIVITIES**

A number of other on-going activities support the PFS. These include, among others, resource estimation, metallurgical testwork and environmental baseline studies. Environmental baseline field work has the objective of generating a minimum of two years of data prior to completion of the Feasibility Study.

The PFS will be based on the recent NI 43-101 resource estimate completed by Wardrop Engineering Inc, which is to be updated by Avalon over the next month incorporating the recent winter drilling results. Bruce Hudgins, of Hudgetec Consulting, is the Qualified Person responsible for preparing updated resource estimates for the Lake Zone REE deposit. These will be audited by Scott Wilson RPA.

Metallurgical testing is continuing at SGS Minerals Services, Lakefield, Ontario. At present this includes: 1) Testing of methods to improve to REE concentrate grades and investigate recovery of by-product rare metals such as gallium, 2) Hydrometallurgical processing of concentrate test samples to produce a saleable chemical concentrate of REE and 3) Environmental testing of all metallurgical products.

The Company's Vice-President, Exploration, William Mercer, Ph.D., P.Geo. provided overall direction on the project. The qualified persons for the purposes of this news release are William Mercer and D.S. Bubar, P. Geo., President.

## **About Avalon Rare Metals Inc. (TSX:AVL)**

Avalon Rare Metals Inc. is a mineral exploration and development company focused on rare metals deposits in Canada. Its flagship project, the 100%-owned Lake Zone Deposit, Thor Lake, NWT, is emerging as one of the largest undeveloped rare earth elements resources in the world. Its exceptional enrichment in the more valuable 'heavy' rare earth elements, which are key to enabling advances in green energy technology and other growing high-tech applications, is one of the few potential sources of these critical elements outside of China, currently the source of 95% of world supply. The Company is well funded, has no debt and its work programs are unaffected by market volatility. Social responsibility and environmental stewardship are corporate cornerstones.

Shares Outstanding: 69.85 million. Cash resources: approximately \$6.8 million.

To find out more about Avalon Rare Metals Inc., please visit our website at [www.avalonraremetals.com](http://www.avalonraremetals.com). For questions and feedback, please e-mail the Company at [office@avalonraremetals.com](mailto:office@avalonraremetals.com) or phone Don Bubar, P.Geo., President, at 416-364-4938.

For general discussion and commentary on the rare metals, please visit [www.raremetalblog.com](http://www.raremetalblog.com).

*This news release contains forward-looking information and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. The forward-looking information contained herein is given as of the date hereof and the Company assumes no responsibility to update or revise such information to reflect new events or circumstances, except as required by law.*