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NEWS RELEASE

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Avalon Added to S&P-TSX Global Mining Index

Toronto, ON -- Avalon Rare Metals Inc. (TSX:AVL, OTCQX:AVARF) ("Avalon" or the "Company") is pleased to announce that effective today the Company is included in Standard & Poor's Canadian Index Operations' ("S&P Indices") S&P-TSX Global Mining Index and also the S&P-TSX Base Metals Index.

S&P Indices, a part of McGraw-Hill Financial, is the world's leading index provider maintaining a wide variety of investable and benchmark indices. Over \$1.25 trillion is directly indexed to Standard & Poor's family of indices, which includes the S&P 500, the world's most followed stock market index, the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices, the S&P Global BMI, an index with approximately 11,000 constituents, the S&P GSCI, the industry's most closely-watched commodities index and the S&P National AMT-Free Municipal Bond Index, the premier investable index for U.S. municipal bonds. For more information, please visit www.standardandpoors.com/indices.

Don Bubar, President and CEO of Avalon, stated: "We are very pleased to be included in these respected S&P Indices. They provide Avalon with global recognition and bring credibility to our role in the mining sector, as we evolve from an exploration company to a developer, on our way to achieving our goal of becoming a profitable producer of rare metals and minerals."

About Avalon Rare Metals Inc. (TSX:AVL, OTCQX:AVARF)

Avalon Rare Metals Inc. is a mineral exploration and development company focused on rare metals deposits in Canada. Its flagship project, the 100%-owned Nechalacho 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. Avalon is well funded, has no debt and its work programs are progressing steadily. Social responsibility and environmental stewardship are corporate cornerstones. Avalon's performance on community engagement in the north earned it the 2010 PDAC Environmental and Social Responsibility Award.

Shares Outstanding: 92,391,470. Cash resources: approximately \$39 million.

To find out more about Avalon Rare Metals Inc., please visit our website at www.avalonraremetals.com. For questions and feedback, please e-mail the Company at ir@avalonraremetals.com or phone Don Bubar, President at 416-364-4938.

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.

