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NEWS RELEASE

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Avalon announces latest Thor Lake drilling results extend high grade Basal REE Zone, over 100 metres to south

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TORONTO-- Avalon Rare Metals Inc. TSX:AVL ("Avalon" or the "Company", formerly Avalon Ventures Ltd.) is pleased to announce initial assay results from the 2009 winter drilling program on the Lake Zone Rare Earth Elements ("REE") deposit, Thor Lake, NWT, 100km southeast of Yellowknife. Assay results from two of seven holes received to date have succeeded in extending the high grade Basal Zone REE mineralization by over 100 metres into previously untested areas to the south. All seven drill holes encountered significant REE mineralization in the Basal Zone over intervals ranging from 11.30 metres to 35.45 metres in thickness and averaging from 1.91% TREO (total rare earth oxides[1]) to 2.60% TREO.

Highlights from the latest assays include a 35.45 metre interval in hole L09-139 averaging 2.12% TREO with 25.2% HREO (Heavy rare earth oxides) and a 15.75 metre interval in hole L09-141 averaging 2.60% TREO and comprised of 28.9% HREO. The intersection in hole L09-139 contained two exceptional sub-zones averaging 3.13% TREO with 20.2% HREO over 4.50m and 3.18% TREO with 26.4% HREO over 3.45m. Drill hole locations are detailed in Table 1 and a complete assay summary is provided in Table 2 below.

To date, 22 holes totaling 4631 metres have been completed in the 2009 program. Drilling is expected to continue for another 10 days before the onset of spring break-up conditions forces suspension of work until summer. Metallurgical testwork is also progressing well with recent work focusing on the hydrometallurgical extraction process.

The 2009 drilling program has two objectives:

1. Increase the proportion of REE resources in the Indicated category, by reducing the average drill-hole spacing to 50 metres as recommended by independent consultant, Wardrop Engineering Inc.
2. Delineate the southern limits of the Lake Zone deposit where some of the highest grades and greatest thicknesses have been encountered to date.

The recent drilling has focused on the water-covered parts of the southern area where both of these objectives can be achieved. Previous wide-spaced drilling has already delineated a relatively continuous Basal Zone resource in the central part of the deposit, at grades higher than the 1.6% TREO cut off, over a 5 meter drilled width, recommended by Wardrop in the recently-filed NI 43-101 resource report. This cut-off grade was applied to the intercepts reported in this news release.

Drill holes L09-137 and 138 were designed to test the extension of the Basal Zone intercept in drill hole L07-54 (previously announced: 2.02% TREO with 26.7% HREO over 12m). Drill hole 137 with two HREO enriched zones (two Basal type zones: 2.26% TREO and 0.40% HREO over 18.5m and 2.15% TREO with 24.5% HREO over 11.3m) confirmed this resource approximately 40m to the east. Drill hole 138

[1] Total Rare Earth Oxides (TREO) refers to the elements lanthanum to lutetium, plus yttrium, expressed as oxides. See Avalon's website for conversion factors from elements to oxides. Heavy Rare Earth Oxides (HREO) refers to the elements europium to lutetium, plus yttrium, expressed as oxides as a percentage of the TREO.

encountered a Basal Zone intercept of 1.92% TREO with 10.2% HREO over 22m confirming continuity for 55m to the west.

Drill holes L09-139, 140 and 141 were targeted at approximately 50m spacing to existing holes to define the Basal Zone between 2008 holes L08-116 (1.93% TREO with 25% HREO over 18.45m), L08-117 (1.90% TREO with 22.6% HREO over 45.1m) and L08-129 (2.66% TREO with 30% HREO over 14m). All three new holes intercepted Basal Zone type mineralization ranging from 2.33% TREO over 16.35m to 1.79% TREO over 12.4m, confirming good continuity in this area.

Drill holes L09-142 and 143, were drilled on the ice of Long Lake, targeting the extension of the Lake Zone to the south. Drill hole L09-142 (**1.91% TREO with 26% HREO over 28.1m**) was located 90m south of any previous drilling, and DH L09-143 (**2.02% TREO with 22.5% HREO over 19m**) about 150m further west. These holes have extended the Basal Zone further south and southwest than previously interpreted where it remains open. Subsequent holes have tested further south intersecting similar-looking Basal Zone mineralization near the south shore of Long Lake.

Drill hole L09-142 contained exceptional heavy rare earth enrichment, with one 2m sub-interval from 159m to 161m averaging **3.09% TREO and containing a remarkable 55.5% HREO.** This included: 0.309% (3.09 kg/t) Nd2O3 **(**neodymium oxide**),** 1.122% (11.22kg/t) Y2O3 **(**yttrium oxide**),** 2204ppm (2.20kg/t) Dy2O3 **(**dysprosium oxide**),** 153ppm (0.153kg/t) Eu2O3 (europium oxide) and 329ppm (0.329kg/t) Tb2O3 **(**terbium oxide**)**, some of the richest heavy rare earth mineralization yet encountered in the Basal Zone.

Recent bid prices for these REE oxides as reported for April 9, 2009 by Metal-Pages.com on an FOB China basis (USD) are: $340/kg Tb, $430/kg Eu, US$105/kg Dy, $15/kg Y and $14.20/kg Nd compared to just US$4.70/kg for the more abundant Light REE cerium. These elements are vital to many high demand applications in electronics (colour phosphors) and hybrid cars (high strength magnets). Prices for several of the more scarce heavy rare earths such as dysprosium and europium as well as yttrium, have remained relatively stable over the past year compared to many other commodities, reflecting continuing strong demand.

Metallurgical Testwork Program Update

Metallurgical testwork is continuing at SGS Minerals, Lakefield, Ontario. Processing of the rock for rare earth recovery is a two-stage process, with crushing, grinding and mineral flotation as the first step to produce a mineral concentrate. This is followed by a hydrometallurgical process to extract the rare earth elements from the minerals. The initial flotation test work has been completed, with recoveries of 83% to 86% for the light rare earths, 75% to 82% for the heavy rare earths and 85% for zirconium with a three- to four-fold concentration of the rare earth elements. It is planned to continue flotation testing with the objective of further upgrading this concentrate.

Hydrometallurgical testing is continuing with three main processing alternatives being examined:

1. Cracking of the minerals with sodium hydroxide at high temperatures followed by dissolution with hydrochloric acid.
2. Cracking of the minerals with sodium hydroxide at high temperatures followed by dissolution with sulphuric acid.
3. Cracking of the minerals directly with sulphuric acid.

The best results to date, involved hydrochloric acid, have indicated 99% recovery to solution of both light and heavy rare earths. However, the hydrometallurgical process is not optimized in terms of reagent consumption, and testing is continuing. This testwork is conducted under the supervision of John Goode, P. Eng., a consultant to Avalon, and the qualified person for this work.

Sampling Protocol

All drill core was split on site, sampled on 2m intervals and shipped to ALS Chemex facility in Yellowknife for sample preparation. Analytical standards were prepared from crushed rejects of historical Lake Zone samples, then analysed at five separate laboratories to determine reproducible values. These standards were then routinely inserted into the sample batches to monitor core analyses. ALS Chemex ships crushed splits of all the samples to its laboratory in Vancouver, BC. Selected duplicates are also analyzed

at an alternative independent laboratory. The results reported to date were produced by ALS Chemex and achieved acceptable standard values.

All samples are being analysed by lithium metaborate/tetraborate fusion and dilute nitric acid digestion, followed by whole rock and 45 element multielement ICP analysis, being ALS sample method ME-MS81. Any samples exceeding analytical limits are rerun using similar ALS method ME-MS81H for higher concentration levels. Details of the factors used to calculate rare earth oxides are posted on the Company website along with complete analytical data. Drilling operations were performed by Foraco Drilling Ltd. of Yellowknife, NWT under the supervision of J.C. Pedersen, P.Geo. Bruce Hudgins, P.Geo., maintains the geological database and monitors QAQC on the laboratory analyses. 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: 68,152,248. Cash resources: approximately $7.5 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 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.

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.

Table 1: Drill Hole Locations (all holes drill to date)

Drill Hole number	Easting	Northing	Depth (m)	Dip (deg)	Azimuth (deg)
L09-137	417030	6886377	199.64	-75	90
L09-138	417023	6886377	184.71	-70	270
L09-139	416950	6886015	199.95	-90	n/a
L09-140	416950	6886015	166.42	-75	0
L09-141	416950	6886015	199.95	-70	90
L09-142	416951	6885872	224.33	-90	n/a
L09-143	416800	6885965	197.21	-90	n/a
L09-144	417130	6886425	200.25	-90	n/a
L09-145	417126	6886324	203.30	-90	n/a
L09-146	417130	6886375	191.11	-90	n/a
L09-147	417337	6886206	212.14	-90	n/a
L09-148	417282	6886152	214.88	-90	n/a
L09-149	417281	6886104	215.19	-90	n/a
L09-150	417398	6886151	215.19	-90	n/a
L09-151	417423	6886298	215.19	-90	n/a
L09-152	417133	6886271	193.85	-90	n/a
L09-153	417048	6885869	215.19	-90	n/a
L09-154	416954	6885817	230.43	-90	n/a
L09-155	416850	6885871	230.43	-90	n/a
L09-156	416610	6885430	309.68	-90	n/a
L09-157	416850	6885920	206.04	-90	n/a
L09-158	416900	6885870	206.04	-90	n/a

Note:
Northing and Easting coordinates are in NAD83 (Zone 12) in metres. Drill hole locations by handheld GPS.

Table 2: Drill Hole Composites, L08-137 to L08-143

Drill Hole Number	Zone	From (m)	To (m)	Drilled Width (m)	TREO (%)	HREO (%)	HREO/TREO %
L09-137		34.50	41.00	6.50	3.05 %	0.13 %	4.3%
L09-137		89.15	107.65	18.50	2.26 %	0.40 %	17.6%
L09-137	including	89.15	95.00	5.85	2.81 %	0.53 %	18.9%
L09-137	Basal Zone	143.80	155.10	11.30	2.15 %	0.53 %	24.5%
L09-137	including	152.1	155.1	3.00	2.88 %	0.71 %	24.5%
L09-138		32.55	38.00	5.45	2.51 %	0.12 %	4.9%
L09-138		48.00	65.40	17.40	2.02 %	0.14 %	6.9%
L09-138	Basal Zone	115.00	137.00	22.00	1.92 %	0.20 %	10.2%
L09-138	including	133.00	137.00	4.00	2.78 %	0.53 %	18.9%
L09-139		80.00	84.00	4.00	2.23 %	0.24 %	10.9%
L09-139	"Upper Basal Zone"	104.85	117.25	12.40	1.79 %	0.34 %	18.9%
L09-139	Basal Zone	152.00	187.45	35.45	2.12 %	0.53 %	25.2%
L09-139	including	165.95	170.45	4.50	3.13 %	0.63 %	20.2%
L09-139	And	184.00	187.45	3.45	3.18 %	0.84 %	26.4%
L09-140	"Upper Basal Zone"	102.00	118.35	16.35	2.33 %	0.38 %	16.4%
L09-140	including	108.00	112.00	4.00	2.98 %	0.51 %	17.2%
L09-140	Basal Zone	140.00	147.00	7.00	1.92 %	0.25 %	12.9%
L09-141		133.00	140.75	7.75	1.91 %	0.16 %	8.4%
L09-141	Basal Zone	170.00	185.75	15.75	2.60 %	0.75 %	28.9%
L09-141	including	176.00	184.00	8.00	3.09 %	0.90 %	29.3%
L09-142	Basal Zone	140.90	169.00	28.10	1.91 %	0.50 %	26.0%
L09-142	including	159.00	167.00	8.00	2.24 %	0.85 %	38.1%
L09-142	including	159.00	161.00	2.00	3.09 %	1.71 %	55.5%
L09-143	Basal Zone	145.00	164.00	19.00	2.02 %	0.45 %	22.5%
L09-143	including	159.90	164.00	4.10	2.36 %	0.61 %	26.0%

Notes:

1. Widths represent drilled widths. Mineralization dips are close to horizontal, so drilled widths are generally close to true widths.
2. HREO represents total heavy rare earth oxides, comprising yttrium plus europium to lutetium. Conversion factors from elements to oxides as per NI 43-101 report.
3. TREO represents total rare earth oxides, which comprises HREO plus lanthanum to samarium as oxides. Conversion factors from elements to oxides as per NI 43-101 report.
4. Cutoff grade for complete zone intercepts at 1.6% TREO or higher for minimum width of 5 metres.
5. Complete assay data for all of the individual REE are posted at www.avalonraremetals.com along with a drill hole location map