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NEWS RELEASE

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Avalon announces more assays from Lake Zone drilling and the initiation of a study on wind power generation potential at Thor Lake

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TORONTO -- Avalon Rare Metals Inc. (AVL:TSX) ("Avalon" or the "Company") is pleased to announce further assay results from the 2009 winter drilling program on the Lake Zone Rare Earth Elements ("REE") deposit, Thor Lake, NWT, 100 kilometres southeast of Yellowknife. All seven drill holes released today encountered significant REE mineralization in the Basal Zone over intervals ranging from 10 metres to 26.85 metres in thickness and averaging from 1.57% TREO (Total Rare Earth Oxides[1]) to 2.62% TREO, in previously untested areas in the southern part of the deposit.

Highlights from the latest assays include a 26.85 metre interval in hole L09-148 averaging 1.80% TREO with 29% HREO (heavy rare earth oxides as a percentage of TREO) and **20 metres in hole L09-150 averaging 2.00% TREO and comprised of 30% HREO**. Drill hole L09-146 also included a second zone with Basal Zone characteristics of high HREO, with 2.99% TREO and 17% HREO over 4.85 metres. Drill hole locations are detailed in Table 1 and illustrated on the location map found below and on our website: http://www.avalonventures.com/projects/rare/thor_lake/. A complete assay summary is provided in Table 2 below.

The winter drilling program concluded on April 22, 2009, due to warm weather and deteriorating snow and ice conditions at a total of 5473.6 metres in 26 holes. Drilling is planned to resume in July to continue defining the southern part of the deposit not covered by lakes. The current drilling results will be compiled and used to generate an updated resource estimate once all the analyses are received.

The 2009 winter drilling program had two main objectives:

1. Increase the proportion of REE resources assigned to the Indicated level of confidence, 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 winter drilling program extended the deposit about 150 metres south of the furthest south previous intercept (L08-129) across Long Lake but did not close off the deposit on the south side

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[1] Total Rare Earth Oxides (TREO) refers to the 14 rare earth elements lanthanum to lutetium, plus yttrium, expressed as oxides. See Avalon's website for conversion factors from elements to oxides by going to http://www.avalonventures.com/_resources/oxide_conversions.pdf . The Heavy Rare Earth Oxides (HREO) are the elements europium to lutetium, plus yttrium, while the Light Rare Earths Oxides (LREO) refers to the elements lanthanum to samarium, all expressed as oxides.

as expected. One step-out hole, L09-156, was drilled about 450 metres further to the south, but it did not reach the zone which appears to be deeper in this area than projected and had to be abandoned when it reached the maximum depth range for the drill as presently equipped.

Drill hole L09-152 contained exceptional heavy rare earth enrichment, with one 2.3 metre sub-interval from 141.4 metres to 143.7 metres averaging **3.96% TREO and containing 31% HREO.** This included 0.667% (6.67 kg/t) Nd2O3 (neodymium oxide), 0.768% (7.68kg/t) Y2O3 (yttrium oxide), 1148ppm (1.148kg/t) Dy2O3 (dysprosium oxide), 203ppm (0.203kg/t) Eu2O3 (europium oxide) and 227ppm (0.227kg/t) Tb2O3 (terbium oxide). The complete breakdown of individual REE for the sample intervals reported is provided in the Thor Lake section of the Avalon website by going to http://www.avalonventures.com/projects/rare/thor_lake/.

The light rare earth dominant Upper Zone has also produced some economically significant intercepts including drill hole L09-144 which cut 13.25 metres averaging 3.03% TREO with 6% HREO from 21.3 to 34.5 metres. Some of these rich light rare earth dominant subzones in the Upper Zone may prove to be of economic importance because of a high content of neodymium (Nd). For example, drill **hole L09-147 which assayed 5.49% TREO from 31 to 33 metres, contained 1.06% (10.6 kg/t) Nd2O3 over this 2 metre interval**.

Recent bid prices for these REE oxides as reported for May 5, 2009 by Metal-Pages.com on an FOB China basis (USD) are: $350/kg Tb, $460/kg Eu, US$105/kg Dy, $15/kg Y and $14.45/kg Nd compared to just US$4.55/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.

Sustainability Efforts

Wind Power Potential. Mining projects in northern Canada are typically dependent on diesel-generated electrical power. This can be a significant long term operating cost factor. Avalon believes that there may be potential for wind power generation close to the Lake Zone deposit on the north side of the Hearne Channel in Great Slave Lake based on local observations and the Wind Atlas Map of Canada developed by the federal Ministry of the Environment (www.windatlas.ca). The wind atlas data suggests that this area may be among the windiest places in the NWT, supporting the potential for power generation. (Figure 2).

Belief in the potential for wind power generation in the area is shared by the Yellowknives Dene First Nations which have suggested to the government that a formal study be undertaken to evaluate this potential. A preliminary study is underway and if the result of the study is positive, then a test tower may be erected in order to measure wind speeds over an extended period of time and determine the economic viability of wind power generation at the site.

Land Use Compliance. The work areas were inspected for compliance with Land Use regulations by the Ministry of Indian and Northern Affairs, mainly for camp operations, land disturbance, fuel spill containment and proper disposal of drill cuttings. No major issues were documented by the Inspector whose report is posted on Avalon's website which can be found by going to http://www.avalonventures.com/sustainability/.

Sampling Protocol

All drill cores were split on site, sampled on 2 metre 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 for the main rare earth elements of economic interest (Nd, Tb, Eu and Dy).

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. Commencing with hole L09-144, all samples contained within intercepts above the 1.6% cutoff criteria and any additional samples exceeding analytical limits are re-run using similar ALS method ME-MS81H for higher concentration levels. ME-MS81H is a similar method but with greater dilution in the analytical procedure. Details of the factors used to calculate rare earth oxides are posted on www.avalonraremetals.com 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.

Avalon Rare Metals Inc. (**AVL:TSX)** 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: 68,169,748. Cash resources: approximately $7.0 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)

DDH	Northing (NAD83)	Easting (NAD83)	EOH (m)	Dip	Azi
L09-137	**6886377**	**417030**	199.64	-75	90
L09-138	6886376	417024.9509	184.71	-70	270
L09-139	6886009	416952.0781	199.95	-90	n/a
L09-140	**6886015**	**416950**	166.42	-75	0
L09-141	6886009	416956.1872	199.95	-70	90
L09-142	6885869	416952.3807	224.33	-90	n/a
L09-143	6885962	416801.2829	197.21	-90	n/a
L09-144	6886424	417130.9275	200.25	-90	n/a
L09-145	6886324	417124.5752	203.30	-90	n/a
L09-146	6886374	417127.7016	191.11	-90	n/a
L09-147	6886200	417342.5801	212.14	-90	n/a
L09-148	6886147	417287.2134	214.88	-90	n/a
L09-149	6886098	417286.2136	215.19	-90	n/a
L09-150	6886147	417401.9208	215.19	-90	n/a
L09-151	6886295	417423.0298	215.19	-90	n/a
L09-152	6886269	417133.7662	193.85	-90	n/a
L09-153	6885868	417050.6133	215.19	-90	n/a
L09-154	6885819	416955.5683	230.43	-90	n/a
L09-155	6885870	416850.5822	230.43	-90	n/a
L09-156	6885429	416609.3639	309.68	-90	n/a
L09-157	6885919	416853.5582	206.04	-90	n/a
L09-158	6885869	416901.4476	206.04	-90	n/a
L09-159	6885916	416804.3894	203.00	-90	n/a
L09-160	6885872	416801.9193	224.33	-90	n/a
L09-161	6885967	416704.1509	199.95	-90	n/a
L09-162	6885999	416603.0541	215.19	-90	n/a

Note: Northing and Easting coordinates are in NAD83 (Zone 12) in metres. Drill hole locations of 137 and 140 by handheld GPS, and remainder are coordinates from registered surveyor.

Table 2: Drill Hole Composites, L08-144 to L08-150

DH Number	Zone	From (metres)	To (metres)	Width (metres)	TREO %	HREO %	% HREO/TREO
L09-144		21.30	34.55	13.25	3.03	0.20	6%
L09-144	including	27.00	33.00	6.00	4.49	0.26	6%
L09-144	**Basal Zone**	**145.00**	**155.00**	**10.00**	**2.62**	**0.63**	**24%**
L09-145		21.00	27.00	6.00	1.77	0.16	9%
L09-145		65.00	69.70	4.70	2.68	0.27	10%
L09-145	**Basal Zone**	**160.00**	**183.10**	**23.10**	**1.57**	**0.41**	**26%**
L09-145	**including**	**164.00**	**172.00**	**8.00**	**1.92**	**0.55**	**28%**
L09-146		78.00	86.85	8.85	2.00	0.15	8%
L09-146		111.15	116.00	4.85	2.99	0.52	17%
L09-146	**Basal Zone**	**150.00**	**163.80**	**13.80**	**1.75**	**0.43**	**25%**
L09-146	**including**	**150.00**	**156.00**	**6.00**	**2.31**	**0.43**	**19%**
L09-147		99.00	110.00	11.00	1.77	0.21	12%
L09-147		118.00	124.75	6.75	2.84	0.35	12%
L09-147	**Basal Zone**	**179.00**	**195.00**	**16.00**	**2.37**	**0.71**	**30%**
L09-148		51.00	56.50	5.50	1.63	0.12	8%
L09-148		91.00	108.00	17.00	1.94	0.19	10%
L09-148	**Basal Zone**	**174.00**	**200.85**	**26.85**	**1.80**	**0.53**	**29%**
L09-148	**including**	**180.00**	**190.00**	**10.00**	**2.10**	**0.57**	**27%**
L09-149		105.00	113.00	8.00	2.11	0.20	10%
L09-149	**Basal Zone**	**190.00**	**202.00**	**12.00**	**1.68**	**0.44**	**26%**
L09-149	**including**	**190.00**	**196.00**	**6.00**	**1.90**	**0.45**	**23%**
L09-150		104.00	114.00	10.00	2.14	0.20	10%
L09-150	**Basal Zone**	**171.00**	**191.00**	**20.00**	**2.00**	**0.59**	**30%**
L09-150	**including**	**181.00**	**186.00**	**5.00**	**2.66**	**0.82**	**31%**

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.

Figure 1: Drill Hole Locations, Lake Zone

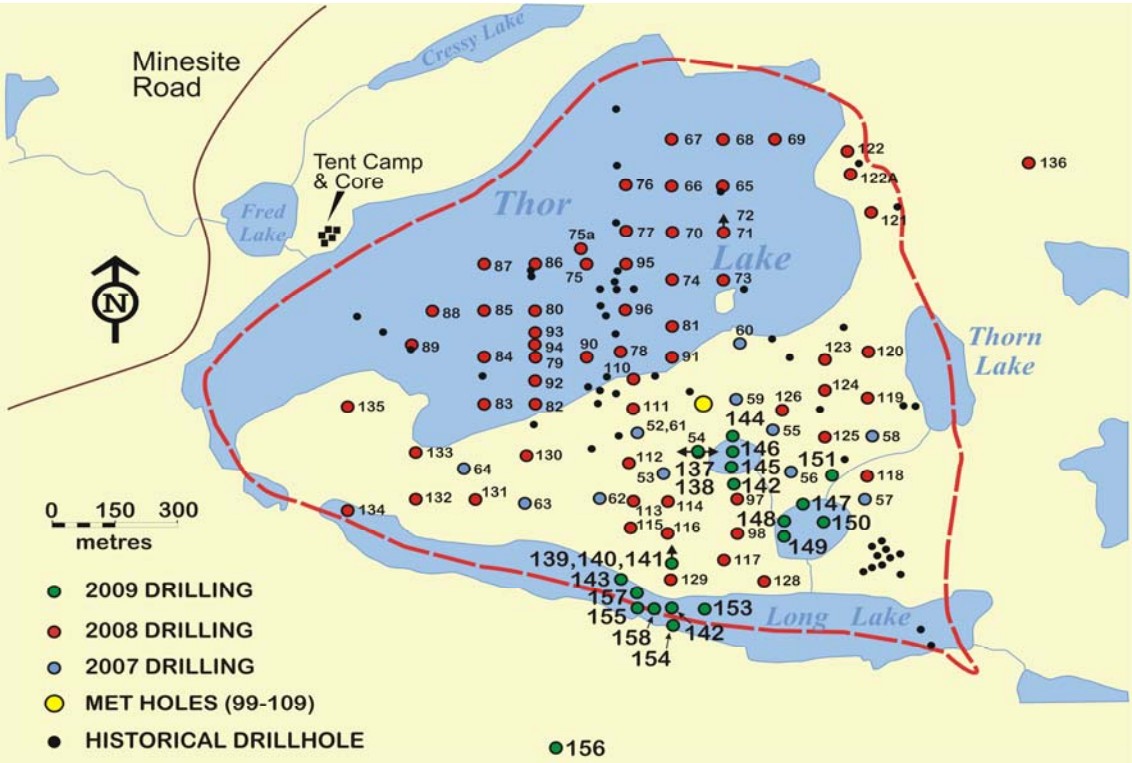

Figure 2: Location of Thor Lake on Environment Canada Wind Potential Map

Note: Yellow area represents predicted annual average wind speed greater than 7m/sec at 30 metres height (www.windatlas.ca from Ministry of the Environment)