

Avalon raise \$750,000 in non brokered private placement

Avalon Rare Metals {TSX: AVL} have raised \$750,000 via a non brokered private placement.

This was a flow through issue at 12.5c per share, with a warrant priced at 17.5 cents for two years..

Avalon Completes Non-Brokered Private Placement for Gross Proceeds of \$750,000

December 24, 2015

Toronto, ON – **Avalon Rare Metals {TSX: AVL}** is pleased to announce that it has completed a non-brokered private placement (the "Private Placement") today of 6,000,000 flow-through units ("Flow-Through Units") at a price of \$0.125 per Flow-Through Unit for gross proceeds of \$750,000.

Each Flow-Through Unit was comprised of one flow-through common share and one-half of one non-flow-through common share purchase warrant. Each whole warrant shall entitle the holder to acquire one non-flow-through common share at a price of \$0.175 for a period of 24 months from today.

Secutor Capital Management Corporation, and its affiliates, acted as a finder for the Company, and were paid a cash commission of 6% of the gross proceeds and issued non-transferrable finder's warrants equal to 6% of the number of Flow-Through Units sold, with each finder's warrant being exercisable to acquire one common share of the Company at a price of \$0.125 for a period of 24 months from today. Pursuant to Canadian securities laws, the securities issuable under the Private Placement are subject to a hold period which expires on April 25, 2016. Proceeds from the Private Placement will be used to fund eligible exploration work on Avalon's Separation Rapids Lithium Project near Kenora, Ontario and its East Kemptville Tin-Indium Project, in Yarmouth, Nova Scotia.

This press release is not an offer of securities for sale in the United States. The securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), and may not be offered or sold in the United States or to US persons (as defined in Regulation S under the US Securities Act) absent registration or an applicable exemption from registration.

About Avalon Rare Metals Inc.

Avalon Rare Metals Inc. is a Canadian mineral development company specializing in niche market metals and minerals with growing demand in new technology. The Company has three advanced stage projects, all 100%-owned, providing investors with exposure to lithium, tin and indium, as well as rare earth elements, tantalum, niobium, and zirconium. Avalon is currently focusing on its Separation Rapids Lithium Project, Kenora, ON and its East Kemptville Tin-Indium Project, Yarmouth, NS. Social responsibility and environmental stewardship are corporate cornerstones.

For questions and feedback:

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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 related to how the Company plans to use the net proceeds from the Private Placement. 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, and the possibility of cost overruns or unanticipated costs and expenses 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.

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