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NEWS RELEASE

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Remaining REE assays from Thor Lake Phase 1 drilling program received Phase 2 drilling program commences

Avalon Ventures Ltd. TSX-V: AVL (the “Company”) is pleased to announce that further to its news release of January 8, 2008, it has now received the balance of the assay results from the Phase 1 drilling program on the Lake Zone deposit, on its 100% owned Thor Lake Rare Metals project located near Yellowknife, NWT. The results from the remaining 6 of the 13 completed holes confirm the presence of a laterally-extensive, relatively high grade, sub-zone of Rare Earth Element (“REE”) mineralization in the Lake Zone deposit, within a broad mineralized envelope averaging over 100 metres in thickness.

Highlights of the new results tabulated below include sub-intervals of **20m of 2.58% TREO in hole L07-53, 12m of 2.02% TREO in hole L07-54, 26m of 2.12% TREO in hole L07-55, 16.1m of 1.83% TREO in hole L07-56A, 39m of 1.75% TREO in hole L07-63 (including 9m of 2.43% TREO) and 14m of 1.48% TREO in hole L07-64** where TREO is defined as the sum of all 14 REE plus Yttrium, expressed in oxide form. The 100 metre thick mineralized envelope typically averages around 1.0% TREO. The high grade sub-zone forms a gently dipping tabular sheet situated near the base of this envelope and has been traced laterally over distances exceeding 1.2 km. It remains open to the north under Thor Lake, which is the main target area of the Phase 2 drilling program, now underway.

As noted previously, of greater significance is the confirmation of a relatively high proportion of the more valuable heavy rare earth elements Europium through Lutetium (“HREE”) in all of these intercepts. The newly announced results continue to indicate that the content of HREO (Heavy Rare Earth Oxides) as a percentage of TREO ranges from 7.9% to 17.3% over the entire mineralized envelope and selected sub-intervals average as high as **31% HREO over 16.1 metres** such as the interval reported above in hole L07-56A. By comparison, most known rare earth deposits are dominated by the light rare earths and typically contain less than 3% HREO. Because of the relatively high value of the HREE (for example, terbium oxide is now offered at \$710/kg compared to \$3.85/kg for cerium oxide, FOB China basis), a mineral concentrate produced from this rock would likely have a greater unit value and marketability than a typical light rare earth concentrate.

The Phase 2 drilling program has now commenced, with one hole complete as of the date of this release. The drilling is focused on completing as many holes as possible on the lake-covered part of the Lake Zone deposit while winter conditions prevail. A minimum of 5,000 metres of drilling in 30-40 holes is planned for this phase.

Complete assay data are now available for all of the 2007 drill holes and full analytical details of all intervals for all of the REEs and other rare metals received to date are posted on the Company’s website along with a drill hole location plan at: www.avalonventures.com/projects/rare/thor_lake.

All drill core was split on site, sampled on 2m intervals and shipped to Acme Laboratories 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. Acme then shipped pulverized splits from all the samples its laboratory in Vancouver, BC and also to Activation Laboratories in Ancaster, ON. The results reported to date were produced by Acme and achieved acceptable standard values. All samples are being analysed in both laboratories by lithium metaborate/tetraborate fusion and dilute nitric acid digestion, followed by whole rock and 45 element multielement ICP analysis. 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 Peak Drilling Ltd. of Courtenay B.C. under the supervision of J.C. Pedersen, P.Geol. and D.L. Trueman, Ph.D., P.Geol. The Company's Vice-President, Exploration, William Mercer, Ph.D., P.Geol. provided overall direction on the project.

About Avalon Ventures Ltd.

Avalon Ventures Ltd. (TSX-V: AVL) is a Canadian junior mineral exploration and development company, with a primary focus on the rare metals and minerals that are in increasing demand for numerous emerging "green" technologies in alternative energy and fuel efficient cars as well as many new electronics and aerospace applications. Avalon currently holds a portfolio of five such projects, including three that are at, or close to, the feasibility stage. Shares Outstanding as at the date of this release: 64,041,748. Cash resources: \$16.0 million.

To find out more about Avalon Ventures Ltd. (TSX-V: AVL), please visit our website at www.avalonventures.com. This news release is available on the Company's official on-line investor relations site for investor commentary, feedback and questions. Investors are invited to visit the "Avalon Ventures" IR Hub at <http://www.agoracom.com/ir/avalon>. In addition, investors are invited to e-mail their questions and correspondence to AVL@agoracom.com or phone Don Bubar, P.Geol. President, at 416-364-4938. Mr. Bubar and Dr. Mercer are the Qualified Persons responsible for the technical content of this news release.

The language used in this News Release may contain forward-looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from the Company's forward-looking statements and expectations. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

Complete REE assay results for the Phase 1 drilling program. New data highlighted in bold.

| Drill hole | From (m) | To (m) | Width (m) | TREO+Y (%) | HREO as a % of TREO |
|-------------------|--------------|--------------|--------------|-------------|---------------------|
| <u>DDH L07-52</u> | <u>41.0</u> | <u>154.0</u> | <u>113.0</u> | <u>0.72</u> | <u>17.2%</u> |
| incl | 87.0 | 103.0 | 16.0 | 0.98 | 11.0% |
| and | 122.0 | 150.0 | 28.0 | 1.34 | 23.6% |
| and | 138.0 | 142.0 | 4.0 | 3.58 | 30.9% |
| DDH L07-53 | 7.0 | 155.9 | 148.9 | 1.44 | 11.4% |
| incl | 23.0 | 77.0 | 54.0 | 1.14 | 8.0% |
| incl | 32.0 | 46.0 | 14.0 | 1.51 | 8.3% |
| and | 56.0 | 60.6 | 4.6 | 1.92 | 8.2% |
| and | 81.0 | 91.0 | 10.0 | 1.96 | 8.5% |
| and | 109.0 | 119.0 | 10.0 | 1.83 | 10.8% |
| and | 135.0 | 155.0 | 20.0 | 2.58 | 18.5% |
| DDH L07-54 | 37.0 | 161.0 | 124.0 | 1.02 | 15.6% |

| | | | | | |
|--------------------|-------------|--------------|--------------|-------------|--------------|
| incl | 40.0 | 74.7 | 34.7 | 1.42 | 7.8% |
| and | 79.3 | 87.8 | 8.5 | 1.60 | 18.4% |
| and | 141.0 | 153.0 | 12.0 | 2.02 | 28.7% |
| DDH L07-55 | 15.3 | 144.0 | 128.8 | 1.95 | 10.8% |
| incl | 15.3 | 47.0 | 31.8 | 4.64 | 6.0% |
| and | 116.0 | 142.0 | 26.0 | 2.12 | 26.1% |
| DDH L07-56 | 24.4 | 178.1 | 153.7 | 0.93 | 17.3% |
| incl | 84.0 | 97.0 | 13.0 | 1.91 | 7.9% |
| and | 142.0 | 178.1 | 36.1 | 1.24 | 27.4% |
| incl | 162.0 | 178.1 | 16.1 | 1.83 | 31.1% |
| <u>DDH L07-57</u> | <u>40.5</u> | <u>183.0</u> | <u>142.5</u> | <u>1.07</u> | <u>7.9%</u> |
| incl | 73.0 | 97.0 | 24.0 | 1.74 | 4.9% |
| and | 117.6 | 130.5 | 12.9 | 1.37 | 8.0% |
| and | 145.0 | 173.0 | 28.0 | 1.17 | 13.6% |
| <u>DDH L07-58</u> | <u>3.0</u> | <u>117.4</u> | <u>114.4</u> | <u>1.29</u> | <u>7.8%</u> |
| incl | 27.8 | 33.3 | 5.5 | 5.53 | 7.8% |
| incl | 27.8 | 65.0 | 37.3 | 1.82 | 7.8% |
| and | 71.4 | 96.0 | 24.6 | 1.36 | 9.1% |
| and | 108.0 | 117.4 | 9.4 | 2.16 | 7.1% |
| <u>DDH L07-59</u> | <u>8.0</u> | <u>120.0</u> | <u>112.0</u> | <u>1.04</u> | <u>17.1%</u> |
| incl | 63.0 | 80.2 | 17.2 | 1.34 | 13.1% |
| and | 83.6 | 96.0 | 12.4 | 0.99 | 16.5% |
| and | 98.0 | 118.0 | 20.0 | 2.36 | 22.2% |
| incl | 108.0 | 110.0 | 2.0 | 3.46 | 24.8% |
| <u>DDH L07-60</u> | <u>16.0</u> | <u>109.0</u> | <u>93.0</u> | <u>1.37</u> | <u>14.8%</u> |
| incl | 16.0 | 31.6 | 15.6 | 2.25 | 7.8% |
| and | 35.2 | 41.4 | 6.3 | 1.23 | 7.0% |
| incl | 73.0 | 96.4 | 23.4 | 1.90 | 17.8% |
| and | 79.4 | 84.0 | 4.6 | 2.95 | 16.6% |
| <u>DDH L07-61A</u> | <u>47.0</u> | <u>180.2</u> | <u>133.2</u> | <u>0.81</u> | <u>13.6%</u> |
| incl | 47.0 | 65.7 | 18.7 | 1.38 | 6.1% |
| and | 152.9 | 174.7 | 21.8 | 2.32 | 19.7% |
| incl | 167.0 | 174.7 | 7.7 | 3.85 | 25.0% |
| incl | 171.0 | 173.0 | 2.0 | 4.85 | 23.5% |
| <u>DDH L07-62</u> | <u>7.5</u> | <u>17.0</u> | <u>9.5</u> | <u>0.73</u> | <u>7.3%</u> |
| DDH L07-63 | 32.0 | 177.0 | 145.0 | 1.38 | 9.7% |
| and | 91.0 | 131.8 | 40.8 | 1.43 | 9.1% |
| incl | 114.0 | 131.8 | 17.8 | 1.93 | 9.1% |
| and | 138.0 | 177.0 | 39.0 | 1.75 | 12.9% |
| incl | 166.0 | 175.0 | 9.0 | 2.43 | 16.4% |
| DDH L07-64 | 56.0 | 173.0 | 117.0 | 0.95 | 13.9% |
| incl | 58.0 | 76.0 | 18.0 | 1.24 | 9.0% |
| and | 111.0 | 117.0 | 6.0 | 1.62 | 11.1% |
| and | 149.0 | 163.0 | 14.0 | 1.48 | 19.4% |

TREO = total rare earth elements, converted to oxides, and including yttrium

HREO = total heavy rare earth element oxides (europium to lutetium, including yttrium)

Widths are drilled widths in metres, which are believed to approximate true widths

Phase 1 Drill Hole Locations

| DDH No. | Northing | Easting | Dip (deg) | Az (deg) | Length (m) | Cumulative Metres |
|---------|----------|---------|-----------|----------|------------|-------------------|
|---------|----------|---------|-----------|----------|------------|-------------------|

| | | | | | | |
|---------|---------|--------|-----|-----|-----------|--------|
| L07-52 | 6886424 | 416835 | -90 | n/a | 201.3 | |
| L07-53 | 6886308 | 416926 | -90 | n/a | 250.1 | 451.4 |
| L07-54 | 6886378 | 417028 | -90 | n/a | 250.1 | 701.5 |
| L07-55 | 6886432 | 417231 | -90 | n/a | 200.4 | 901.9 |
| L07-56 | 6886304 | 417285 | -90 | n/a | 21.4 (Ab) | 923.3 |
| L07-56A | 6886304 | 417285 | -90 | n/a | 198.3 | 1121.6 |
| L07-57 | 6886213 | 417506 | -90 | n/a | 33.9 (Ab) | 1155.5 |
| L07-57A | 6886213 | 417506 | -90 | n/a | 183.0 | 1338.5 |
| L07-58 | 6886417 | 417532 | -90 | n/a | 161.7 | 1500.2 |
| L07-59 | 6886540 | 417128 | -90 | n/a | 151.0 | 1651.2 |
| L07-60 | 6886718 | 417139 | -90 | n/a | 143.4 | 1794.6 |
| L07-61 | 6886424 | 416835 | -60 | 142 | 18.3 (Ab) | 1812.9 |
| L07-61A | 6886424 | 416835 | -60 | 142 | 183.0 | 1995.9 |
| L07-62 | 6886226 | 416738 | -90 | n/a | 149.5 | 2145.4 |
| L07-63 | 6886209 | 416516 | -90 | n/a | 183.0 | 2328.4 |
| L07-64 | 6886323 | 416336 | -90 | n/a | 183.0 | 2511.4 |

Note: Northing and easting co-ordinates are NAD83 UTM in metres. Ab = abandoned