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NEWS RELEASE

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Assays from Thor Lake Phase 1 drilling confirm presence of high grade Rare Earth Element mineralized zones in Lake Zone deposit

Avalon Ventures Ltd. TSX-V: AVL (the "Company") is pleased to announce initial assay results from the Phase 1 drilling program carried out from August 1 to October 15, 2007 in the Lake Zone deposit on its 100% owned Thor Lake Rare Metals project located near Yellowknife, NWT. The results from 7 of 13 completed holes received to date confirm the presence of several 4 to 23 metre wide intervals of relatively high grade Rare Earth Element ("REE") mineralization, within a broad mineralized envelope averaging over 100 metres in thickness.

Highlights include sub-intervals of **9.4m of 2.16% TREO in hole L07-58, 15.6m of 2.25% TREO and 23.4m of 1.90% TREO in hole L07-60 and 21.8m of 2.32% TREO in hole L07-61A,** where TREO is defined as the sum of all 14 REE plus Yttrium, expressed in oxide form. Individual intercepts averaged as high as **3.59% TREO over 4.0 metres in hole L07-52 and 5.06% TREO over 5.5m in hole L07-58**. The mineralized envelope typically averages around 1.0% TREO (Tables 1 and 2).

Of greater significance is the confirmation of a relatively high proportion of the heavy rare earth elements Europium through Lutetium ("HREE") in all of these intercepts. The content of HREO (Heavy Rare Earth Oxides) as a percentage of TREO ranges from 7.9% to 17.2% over the entire mineralized envelope and selected sub-intervals average as high as **30.9% HREO over 4.0 metres** such as the interval reported above in hole L07-52. By comparison, most known rare earth deposits are dominated by the light rare earths and typically contain less than 3% HREO. The Lake Zone is a very unusual REE deposit for its relatively high content of some of the more scarce and valuable heavy rare earth elements such as Terbium, Europium and Dysprosium compared to other known magmatic REE deposits.

Individual HREE values were as high as **1100 ppm terbium oxide, 210 ppm europium oxide and 1691 ppm dysprosium oxide over widths of 2.0 metres** (Table 3). Bid prices for these oxides as reported for January 3, 2008 by Metal-Pages.com on an FOB China basis are: US$600/kg Tb, US$340/kg Eu and US$92/kg Dy compared to just US$3.60/kg for the more abundant Light REE cerium. These elements are in short supply yet are critical to many new applications in electronics (colour phosphors) and hybrid cars (high intensity magnets). In addition to the HREE, these zones contain high levels of neodymium oxide (Nd2O3), a light rare earth element also in high demand for high intensity magnet applications, that is currently quoted at US$29/kg on an FOB China basis. The high grade sub-zones typically contain in excess of 2,000ppm Nd2O3. **Two 2.0 metre sub-zones produced assays of 6,083ppm Nd2O3 and 8,526 ppm Nd2O3, respectively** (Table 3).

The main objectives of the Phase 1 drill program were to begin to delineate higher grade sub-zones of REE mineralization within the Lake Zone deposit and increase confidence in the HREE content of this mineralization through the systematic use of modern analytical methods with appropriate quality control and assurance (QA/QC). These objectives have been achieved, although large areas of the known resource underlying Thor Lake remain to be tested. These areas will be drilled in a minimum 5,000 metre Phase 2 program set to begin within the next 2-3 weeks.

The assay results received to date confirm visual observations that the high grade REE mineralization occurs within a series of alteration zones which form 10-35 metre thick dark-coloured, horizontal to gently-dipping layers within the tabular Lake Zone deposit. The layers with the highest HREE content typically occur near the base of the deposit between vertical depths of 100 and 175 metres. Preliminary petrographic work indicates that the zones containing a high proportion of HREO are characterized by the presence of fergusonite, an yttrium-niobium, tantalum oxide mineral that preferentially concentrates the HREE along with neodymium.These layers are magnetic and also characterized by high contents of visible zircon mineralization. They appear to be laterally extensive over distances of 500-1000 metres but further in-fill drilling will be required to correlate individual intercepts and establish indicated resources.

In addition to the REE mineralization, these zones exhibit strong enrichment in other rare metals notably zirconium, hafnium, gallium, tantalum and niobium as well as minor thorium (Table 4). For example, the 4.0 metre interval in hole L0-52 averages 17,620 ppm zirconium oxide, 388ppm hafnium oxide, 142ppm gallium oxide, 781ppm tantalum oxide 7,128ppm niobium oxide and 864ppm thorium oxide. Hafnium is a rare metal often found with zirconium that is now in increasing demand for new electronics applications in semi-conductors, but with few defined supply sources.

The locations of all the Phase 1 drill holes are listed in Table 1. Complete assay data are now available for drill holes L07-52, 57, 58, 59, 60, 61A and 62. Hole L07-62 was drilled on the southwestern edge of the deposit and produced no REE values of economic interest. Assays are pending for holes L07-53, 54, 55, 56, 63 and 64. These will be reported once all remaining results have been received. Full analytical details of all intervals for all REE and other rare metals received to date are posted on the Company's website along with a drill hole location plan and sections at http://www.avalonventures.com/projects/rare/thor_lake.

The 2007 drilling program was the first such program on the Lake Zone deposit to use modern analytical methods to systematically determine the full suite of rare earth elements. Accordingly, a rigorous QA/QC program was implemented for all of the program samples to ensure high quality data. 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. All drill core was split on site, bagged on 2m intervals and shipped to Acme Laboratories facility in Yellowknife for sample preparation. Acme then shipped pulverized splits from all the samples its laboratory in Vancouver, BC and also to Activation Laboratories ("Actlabs") in Ancaster, ON.

The results reported to date were produced by Acme and achieved acceptable standard values. Additional assays from Actlabs are not yet available. 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.Geo. and D.L. Trueman, Ph.D., P.Geo. The Company's Vice-President, Exploration, William Mercer, Ph.D., P.Geo. 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: 63,856,748. Cash resources: $16.4 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.Geo. 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.

Table 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

Table 2: Lake Zone Drill Hole TREO Assay Summary

DRILL HOLE		From (m)	To (m)	Width (m)	TREO (%)	HREO as percent of TREO
DDH L07-52		**41.0**	**154.0**	**113.0**	**0.72**	**17.2%**
	incl	122.0	150.0	28.0	1.34	23.6%
	and	138.0	142.0	4.0	3.58	30.9%
DDH L07-57		**40.5**	**183.0**	**142.5**	**1.07**	**7.9%**
	incl	145.0	173.0	28.0	1.17	13.6%
DDH L07-58		**3.0**	**117.4**	**114.4**	**1.27**	**8.0%**
	incl	27.8	33.3	5.5	5.06	8.5%
	and	71.4	96.0	24.6	1.36	9.1%
	and	108.0	117.4	9.4	2.16	7.1%
DDH L07-59		**8.0**	**120.0**	**112.0**	**1.04**	**17.1%**
	incl	98.0	118.0	20.0	2.36	22.2%
	and	108.0	110.0	2.0	3.46	24.8%
DDH L07-60		**16.0**	**109.0**	**93.0**	**1.37**	**14.8%**
	incl	16.0	31.6	15.6	2.25	7.8%
	and	73.0	96.4	23.4	1.90	17.7%
	and	79.4	84.0	4.6	2.95	16.6%
DDH L07-61A		**47.0**	**180.2**	**133.2**	**0.81**	**13.6%**
	incl	152.9	174.7	21.8	2.32	19.7%
	and	167.0	174.7	7.7	3.85	25.0%
	and	171.0	173.0	2.0	4.85	23.5%
DDH L07-62		**7.5**	**17.0**	**9.5**	**0.73**	**7.3%**

Notes

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

Table 3: Selected individual TREO values for three high grade sub-intervals: Neodymium (Nd), Europium (Eu), Terbium (Tb), Gadolinium (Gd), Dysprosium (Dy), and Yttrium (Y)

				Element Oxides in ppm					
Drill Hole	from (m)	to (m)	Width(m)	Nd	Tb	Eu	Gd	Dy	Y
DDH L07-59	108.0	110.0	2.0	6,083	1,100	191	1,293	229	4,583
DDH L07-60	79.4	84.0	4.6	5,513	121	111	706	606	2,886
DDH L07-61A	171.0	173.0	2.0	8,526	319	211	1,562	1,691	6,153

Table 4: Examples of values for Gallium (Ga), Hafnium (Hf), Niobium (Nb), Tantalum (Ta), Zirconium (Zr)

				Element Oxides in ppm				
Drill Hole	from (m)	to (m)	Width(m)	Ga	Hf	Nb	Ta	Zr
DDH L07-59	98.0	118.0	20.0	114.5	963.7	6,013	610.0	20,936
DDH L07-60	73.0	96.4	23.4	176.9	443.7	5,017	412.9	19,188
DDH L07-61A	152.9	174.7	21.8	121.3	960.2	6,360	588.3	32,348