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NEWS RELEASE

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Initial Assays from Thor Lake Phase 2 drilling confirm north extension of Rare Earth Element enriched zones in Lake Zone deposit

Avalon Ventures Ltd. TSX: AVL (the "Company") is pleased to announce initial assay results from the Phase 2 drilling program carried out from January 29 to April 29, 2008 on the Lake Zone Rare Earth Element ("REE") deposit, on its 100% owned Thor Lake Rare Metals project, located southeast of Yellowknife, NWT. This phase of drilling was focused on a 1200m by 600m area on the northern part of the deposit, that is covered by Thor Lake itself, plus two holes in a swampy area on the south part of the deposit. A total of 6447 metres were drilled in 34 holes (Table 1, below) and assays results are now available for 9 of these holes, all drilled in the northeast corner of the deposit.

As reported in the Company's news release dated April 22, 2008, the REE-enriched mineralized zones in the southern part of the deposit do extend into the northern part and the assay results received to date confirm this observation with 8 of the 9 holes containing several very similar several 4-23 metre wide intervals of relatively high grade REE mineralization, within a broad mineralized envelope averaging over 100 metres in thickness. Mineralization in the ninth hole (L08-67) was "dyked-out" by a younger, subvertical diabase intrusion.

Assay highlights include broad sub-intervals of **43.65m of 2.15% TREO ("Total Rare Earth Oxides") in hole L08-65 and 46.9m of 1.74% TREO in hole L08-72,** where TREO is defined as the sum of all 14 REE plus Yttrium, expressed in oxide form. Individual intercepts averaged as high as **3.54% TREO over 8.8 metres in hole L08-69 and 4.2% TREO over 1.1m in L08-76**. All the widths reported are believed to approximate true thicknesses. The entire mineralized envelope typically averages around 1.0% TREO (Table 2).

Of further significance is the confirmation of a relatively high proportion of the heavy rare earth elements ("HREE", Europium through Lutetium) in all of these intercepts. The content of HREO (Heavy Rare Earth Oxides) as a percentage of TREO ranges from 8.1% to 14.3% over the entire mineralized envelope in these holes and selected sub-intervals average as high as **32.6% HREO over 6.0 metres** in hole L08-70. 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.

Individual HREE values were as high as **143.5 ppm terbium (Tb) oxide, 155.6 ppm europium (Eu) oxide and 818.7 ppm dysprosium (Dy) oxide over widths of 6.0 to 8.8 metres** (Table 3). Bid prices for these oxides have all risen sharply since January and are reported for May 15, 2008 by Metal-Pages.com on an FOB China basis as: US$720/kg Tb, US$470/kg Eu and US$115/kg Dy compared to just US$4.05/kg for the more abundant Light REE cerium. These elements are in short supply yet are vital to many current applications in electronics (colour phosphors) and hybrid cars (high strength magnets). In addition to the HREE, these zones also contain high levels of neodymium (Nd), a light rare earth element also in high demand for magnet applications, that is currently quoted at US$32/kg on an FOB China basis. The high grade sub-zones typically contain in excess of 2,000ppm Nd oxide. **One 8.8 metre sub-zone produced an exceptional Nd oxide assay of 7,379 ppm** (Table 3, below. Note that 1000ppm = 1 kg per tone).

The main objectives of the Phase 1 and 2 drilling programs on the Lake Zone are to delineate the full extent of the deposit on 100-150 metre hole spacing and define indicated resources within high grade sub-zones. To this end, recent drilling has enabled the recognition of a "layer-cake" horizontal zonation within the deposit consisting of alternating layers of variable grade and mineralogy. A zone containing consistently high relative enrichment in the HREO has been recognized near the base of this mineralized sequence between depths of 100-150 metres and is referred to as the Basal Zone. Several other such sub-zones occur elsewhere within the deposit and it should also be noted that the drilling done to date has not defined any lateral limits to the Lake Zone deposit, which remains open for expansion in all directions

The Basal Zone is anticipated to be the priority for resource definition and future development work on the project. Its thickness, relative shallow depth, and horizontal geometry are believed to make it amenable to low cost underground bulk mining techniques utilizing ramp access. An updated resource estimate for the Lake Zone will be prepared once all the Phase 2 drilling results have been received and are compiled in to a block model. This work will be done by Wardrop Engineering and should be complete by mid summer.

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 related cross-sections at http://www.avalonventures.com/projects/rare/thor_lake. Assays are pending for holes L08-73 to 75 and L08-77 to 98, and will be released as they come available.

On April 29, 2008, a detailed drilling program, consisting of 9 to 15 closely-spaced holes, was initiated in the south-central part of the deposit with 6 of these holes complete as at the date of this news release. The objective of this program is to acquire at least 800 kgs of the Basal Zone mineralization for bench-scale metallurgical tests, which will include flotation and hydrometallurgy to be completed by SGS Lakefield Research before year end. The metallurgical test program has commenced with "QEMSCAN" mineralogical studies of all the ore types present, focusing on the Basal Zone with higher HREO values. This work has already confirmed the presence of *fergusonite*, (an yttrium-niobium-tantalum oxide mineral enriched in HREE plus neodymium) as a significant component of the Basal Zone.

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 drill core samples, then analysed at five separate laboratories to determine an averarge value. These standards were then routinely inserted into the sample batches to monitor analytical data. All drill core was split on site, sampled in 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. Duplicate samples are being analysed at ALS Laboratories in Vancouver, BC.

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. Further check assays are being conducted by Actlabs Ltd., Ancaster, ON, but are not yet available.

Drilling operations were performed by Peak Drilling Ltd. of Courtenay B.C. under the supervision of J.C. Pedersen, P.Geo., Senior Geologist. The Company's Vice-President, Exploration, Dr. William Mercer, Ph.D., P.Geo. provided overall direction on the project.

About Avalon Ventures Ltd.

Avalon Ventures Ltd. is a Canadian junior mineral exploration and development company, with a primary focus on rare metals and minerals with high technology and environmentally-beneficial applications. Avalon currently holds a portfolio of five such projects, including three that are at, or close to, the feasibility stage. Shares Outstanding: 64,649,748. Cash resources: approximately $14.0 million.

To find out more about Avalon Ventures Ltd., 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.

This news release contains forward-looking information. This forward-looking information includes, or may be based upon, estimates, forecasts, and statements as to management's expectations with respect to, among other things, the size and quality of the Company's mineral resources, progress in development of mineral properties, demand and market outlook for metals and future metal prices. 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. These factors include the inherent risks involved in the exploration and development of mineral properties, uncertainties with respect to the receipt or timing of required permits and regulatory approvals, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. 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

DDH No.	Northing	Easting	Dip (deg)	Az (deg)	Length (m)	Cumulative (m)
L08- 65	6887221.5	417086.7	-90	n/a	189.10	189
L08- 66	6887221.7	416932.7	-90	n/a	164.70	354
L08- 67	6887368.1	416928.6	-90	n/a	140.30	494
L08- 68	6887369.6	417084.0	-90	n/a	183.00	677
L08- 69	6887364.4	417234.0	-90	n/a	186.00	863
L08- 70	6887067.0	416937.3	-90	n/a	183.00	1,046
L08- 71	6887065.8	417088.6	-90	n/a	140.30	1,186
L08- 72	6887065.8	417088.6	-60	360	195.20	1,382
L08- 73	6886917.5	417084.3	-90	n/a	186.05	1,568
L08- 74	6886917.2	416933.1	-90	n/a	186.05	1,754
L08- 75	6886968.5	416685.0	-90	n/a	27.45 (ab)	1,781
L08- 075A	6887019.2	416669.6	-90	n/a	204.35	1,986
L08- 76	6887224.3	416797.9	-90	n/a	204.35	2,190
L08- 77	6887079.3	416803.8	-90	n/a	210.45	2,400
L08- 78	6886683.6	416787.3	-90	n/a	183.00	2,583
L08- 79	6886669.1	416534.0	-90	n/a	164.70	2,748
L08- 80	6886821.5	416533.9	-90	n/a	173.85	2,922
L08- 81	6886769.4	416936.9	-90	n/a	173.85	3,096
L08- 82	6886519.8	416535.3	-90	n/a	188.80	3,284
L08- 83	6886520.7	416384.7	-90	n/a	179.95	3,464
L08- 84	6886668.8	416384.8	-90	n/a	173.85	3,638
L08- 85	6886818.9	416385.5	-90	n/a	213.50	3,852
L08- 86	6886970.7	416532.7	-90	n/a	213.50	4,065
L08- 87	6886970.9	416387.3	-90	n/a	179.95	4,245
L08- 88	6886815.5	416238.3	-90	n/a	189.10	4,434
L08- 89	6886709.6	416171.9	-90	n/a	213.50	4,648
L08- 90	6886667.8	416683.9	-90	n/a	192.15	4,840
L08- 91	6886673.0	416934.1	-90	n/a	213.50	5,053
L08- 92	6886596.1	416530.5	-55	360	228.75	5,282
L08- 93	6886748.5	416534.9	-55	180	164.70	5,447
L08- 94	6886719.6	416534.4	-90	n/a	198.25	5,645
L08- 95	6886970.0	416800.0	-90	n/a	189.10	5,834
L08- 96	6886820.0	416800.0	-90	n/a	183.00	6,017
L08- 97	6886220.0	417135.0	-90	n/a	192.15	6,209
L08- 98	6886110.0	417135.0	-90	n/a	237.90	6,447
L08- 99	6886510.0	417020.0	-90	n/a	183.00	6,630

Note: northing and easting coordinates are in NAD83 (zone12) in meters. Ab = abandoned

n/a = not applicable

Table 2. Summary of Significant assays. TREO+Y = Total Rare Earth Oxides plus yttrium oxide
HREO = Heavy rare earth Oxides (Europium through Lutetium plus Yttrium)

Drill Hole		Zone	From (m)	To (m)	Width (m)	TREO+Y (%)	HREO as percent of TREO
L08-65		**Complete interval**	**27.00**	**131.00**	**104.00**	**1.06**	**10.7%**
	incl		27.00	70.65	43.65	2.15	9.6%
	and	Basal Zone	122.00	131.00	9.00	0.68	11.9%
L08-66		**Complete interval**	**15.00**	**143.00**	**128.00**	**0.81**	**11.9%**
	incl		88.00	110.00	22.00	1.48	10.0%
	and	Basal Zone	116.00	141.00	25.00	1.04	20.0%
	incl	Including	121.35	139.00	17.65	1.16	21.6%
L08-67			**No significant assays, Zones dyked-out**				
L08-68		**Complete interval**	**20.30**	**149.00**	**128.70**	**0.82**	**11.8%**
	incl		22.60	35.00	12.40	1.11	7.0%
	and	Basal Zone	102.80	152.80	50.00	0.94	17.1%
	incl		129.00	149.00	20.00	1.35	18.9%
L08-69		**Complete interval**	**82.60**	**147.50**	**64.90**	**1.30**	**13.6%**
	incl		82.60	91.40	8.80	3.54	7.3%
	and	Basal Zone	104.00	147.50	43.50	1.14	17.7%
	incl		128.90	141.70	12.80	1.25	26.3%
L08-70		**Complete interval**	**29.00**	**110.90**	**81.90**	**1.25**	**14.3%**
	incl		29.00	58.00	29.00	1.38	9.9%
	and		68.60	78.60	10.00	2.07	11.1%
	and	Basal Zone	92.00	110.90	18.90	1.50	23.7%
	incl		103.00	109.00	6.00	1.90	32.6%
L08-71		**Complete interval**	**11.50**	**46.30**	**34.80**	**1.06**	**8.1%**
	incl		11.50	20.20	8.70	2.13	7.5%
	and		32.30	46.30	14.00	1.06	8.8%
L08-72		**Complete interval**	**37.05**	**143.70**	**106.65**	**1.19**	**13.6%**
	incl		37.05	49.20	12.15	1.81	10.1%
	and	Basal Zone	96.80	143.70	46.90	1.74	15.5%
L08-76		**Complete interval**	**37.00**	**118.85**	**81.85**	**0.88**	**12.4%**
	and	Basal Zone	72.90	118.85	45.95	1.10	13.5%
	incl		106.00	118.85	12.85	1.48	20.0%

Table 3. Selected assay intervals for individual rare earth elements. Y2O3 = Yttrium oxide, Nd2O3 = neodymium oxide, Eu2O3 = Europium oxide, Tb2O3 = Terbium oxide, Dy2O3 = dysprosium oxide.

				in PPM				
DDH Number	**From (m)**	**To (m)**	**Width (m)**	**Y2O3**	**Nd2O3**	**Eu2O3**	**Tb2O3**	**Dy2O3**
L08-65	27.00	70.65	43.65	949	4,373	89.3	50.8	199.6
L08-68	129.00	149.00	20.00	1,219	2,605	68.3	71.3	338.4
L08-69	82.60	91.40	8.80	929	7,379	155.6	70.3	250.5
L08-69	128.90	141.70	12.80	1,896	2,092	48.9	76.1	440.1
L08-70	68.60	78.60	10.00	1,002	4,346	102.4	62.9	239.5
L08-70	103.00	109.00	6.00	3,320	3,226	100.4	143.5	818.7
L08-71	11.50	20.20	8.70	636	4,357	80.4	45.2	160.9
L08-72	96.80	143.70	46.90	1,379	3,281	73.2	66.4	316.8
L08-76	106.00	118.85	12.85	1,508	2,721	72.0	74.2	369.1