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NEWS RELEASE

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Progress report on drilling results, resource estimates, environmental and metallurgical studies for the Lake Zone REE deposit, Thor Lake, NWT.

Avalon Ventures Ltd. TSX: AVL (the "Company") is pleased to provide the following progress report on the 2008 work program on its 100% owned Thor Lake Rare Metals project located near Yellowknife, NWT. The summer drilling program on the Lake Zone Rare Earth Element ("REE") deposit concluded in September bringing the cumulative totals since drilling commenced in 2007 to 16,640 metres in 85 drill holes (Table 1). Assay results from 11 more holes are provided below (Table 2), with assays from 27 holes yet to report.

The drill core from the 11 holes reported provided the material required for bench-scale metallurgical process development now underway at SGS Minerals, Lakefield. These holes are also being incorporated into the database for the revised resource estimate for the Lake Zone deposit now being prepared by Wardrop Engineering. This work is behind schedule due to slow assay turn-around and capacity issues with the various consultants involved in the work, but a revised resource estimate is now expected to be available by mid-November, 2008.

Drilling Results

The 11 holes reported were all drilled in a tight cluster in the central part of the Lake Zone deposit providing 800kg of mineralized rock from the Basal REE zone for metallurgical studies and detailed information on the lateral continuity of the Basal Zone mineralization. Highlights of the new assay results tabulated below for holes L08-99 to109, include sub-intervals of **6m of 4.15% TREO in hole L08-99, 14m of 2.54% TREO in hole L08-101, 14m of 2.9% TREO in hole L08-104, and 13.3m of 2.29% TREO in hole L08-107** where TREO is defined as the sum of all 14 REE plus Yttrium, expressed in oxide form. The 100 metre thick (range in these drill holes between 73m and 163m) mineralized envelope typically averages around 0.9% TREO.

The higher grade sub-zone, called the Basal Zone, forms a gently dipping tabular sheet situated near the base of the mineralized envelope. It has been traced laterally over distances exceeding 1.2 km and remains open. The new drill holes up to hole L08-109,

plus those of the historic holes where quarter core could be re-assayed, will form the basis of a new, revised resource estimate to be prepared by Wardrop Engineering. This work will initially focus on defining a resource estimate specifically for the more valuable Basal Zone. This is expected by mid-November, 2008. A final resource estimate will be prepared once all the assays from the 2008 program have been received.

The Basal Zone is notable for its relatively high proportion of the more valuable heavy rare earth elements Europium through Lutetium ("HREE"). The new results confirm that the content of HREO (Heavy Rare Earth Oxides) as a percentage of TREO in the Basal Zone typically ranges from 15% to 30%. **Hole L08-105 intersected a 11.9 metre interval averaging 1.39% TREO and containing an exceptional 34% HREO**. By comparison, most known rare earth deposits are dominated by the light rare earths and typically contain less than 3% HREO/TREO. Because of their relatively scarcity in a typical deposit, the HREE tend to be much higher value; for example, terbium oxide is now offered at $600/kg compared to $4.80/kg for cerium oxide, FOB China basis.

Interestingly, rare earth oxide prices have not suffered the same levels of price decline over the past few months that are being experienced by many other metal commodities in the face of worries about global economic recession. Heavy rare earths such as dysprosium oxide at $115/kg and europium oxide at $490/kg are largely unchanged while prices for some light rare earths such as lanthanum oxide used in re-chargeable batteries for hybrid cars have actually *increased* since last spring! These reflect continuing strong demand for REE due to their growing demand for use in applications related to energy efficiency and a cleaner environment.

Environmental Studies and Site Remediation Work

In late September, 2008, the Company received the requisite permits to commence a program of environmental baseline studies on the property, to be carried out by Jacques Whitford AXYS. This initial program, for which fieldwork is now complete, included studying surface and ground waters, water chemistry in the lakes of the area, aquatic biology and terrain analysis. Further environmental studies will be undertaken as the project progresses. During the summer, the Company also installed an autonomous weather station on site in order to gather climatic data required for future environmental impact assessments.

In late August, a program of environmental site remediation work was initiated to clean up waste material and debris left behind by previous operators on the site. This includes disposal of exploration debris, demolition of the unrecoverable parts of an old trailer camp, removal of soil contaminated by historical oil and fuel spills and rehabilitation of recoverable buildings. Unrecoverable trailer camp units will be hauled out to Yellowknife during the winter for disposal. Diesel fuel remaining in an old tank farm on the site has been largely consumed in heaters over the past two years, thus removing a potential environmental hazard. The cleanup work is being completed under a contract with the Deninu Kue First Nation of Fort Resolution, NWT, consistent with the Company's policy of maximizing employment opportunities for local communities.

Metallurgical Process Development Work

The drill core from holes L08-99 to L08-110 has produced a mini-bulk sample of approximately 800 kgs of Basal Zone for testing at SGS Minerals, Lakefield, metallurgical facility ("SGS"). The first step of the metallurgical program was mineralogical work using QEM*SEM (using QEMSCAN® equipment) and electron microprobe (EMP) analysis in order to determine the mineralogical hosts of the various rare earth elements[1]. Minerals containing REE include bastnaesite, monazite, allanite, fergusonite and zircon. The HREE are largely contained in fergusonite and zircon which are concentrated in the Basal Zone. A key objective of the current work is to develop a metallurgical process to maximize recoveries of these HREE-bearing minerals, due to the high value of the HREE. Fergusonite, being a very rare mineral, has not been historically produced as an HREE concentrate.

Beneficiation of the Lake Zone REE mineralization is currently envisioned as a two stage process. After milling, the REE-bearing minerals would be concentrated using froth flotation and magnetic separation methods. The resultant mineral concentrate would then be "cracked" in a hydrometallurgical process, with the REE being captured in a mixed oxide chemical precipitate that would be shipped off-site for further processing to separate the individual REE oxides. To provide oversight on this work, the Company has retained the services of Mr. J.R. Goode, P.Eng., a consulting metallurgist with over 40 years of international experience, including direct experience with rare earth elements beneficiation, on several REE projects around the world.

Very preliminary flotation study results reported by SGS are indicating recoveries to an initial bulk cleaner concentrate of about 85% of analyzed REE, about 70% of Nb and Ta, and just over 80% of the Zr with a fivefold concentration of the main potentially economic elements. Further trials are being undertaken to upgrade this concentrate. Bench scale hydrometallurgical testwork using these initial concentrates has already commenced at SGS and all the bench scale metallurgical testwork is targeted for completion in early, 2009. This data will form an integral part of the prefeasibility study ("PFS") planned for 2009.

Pre-feasibility Study

Requests for proposals to prepare the PFS have been submitted to a number of engineering firms, but the contract has not yet been awarded. Despite the recent global economic slowdown, capacity issues still exist with many contracting firms serving the mineral industry due to high demand for their services from the many on-going mineral

[1] QEM*SEM is quantitative mineral analysis where whole or crushed rock samples are analysed for their mineral content. QEMSCAN® (a registered trademark of Intellection Holdings Pty Ltd of Australia) is the instrument used by SGS to complete QEM*SEM analysis. Electron microprobe (EMP) is technology for analysing the elemental content of an individual mineral.

development projects around the world. This reality, combined with other bottlenecks in the system such as slow assay turn-around, have led management to revise its estimates for completion of the PFS to the second quarter of 2009 from the first quarter. Management wishes to re-assure shareholders, that with approximately $9.5 million in cash resources, the Company is more than adequately financed at this time to complete all the work related to the PFS, and its activities have not been materially affected by the global financial crisis, which is negatively impacting the share prices of all publicly-traded companies.

Quality Control

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 analyzed at five separate laboratories to determine an average 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 to its laboratory in Vancouver, BC. Duplicates and other check samples are being analyzed at ALS Chemex Laboratories, Vancouver, BC.

All samples are being analyzed at 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., Senior Geologist. The Company's Vice-President, Exploration, Dr. William Mercer, Ph.D., P.Geo. provided overall direction on the project.

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.

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 $9.5 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

Drill Hole	Surveyed	Easting (NAD 83)	Northing (NAD83)	Elevation (m)	Depth (m)	Dip (deg)	Azimuth (deg)
L08-099	*	417,020.00	6,886,510.00	243.28	183.00	-90	na
L08-100	*	417,020.00	6,886,510.00	243.28	198.25	-75	335
L08-101	*	417,020.00	6,886,510.00	243.28	204.35	-65	335
L08-102	*	417,020.00	6,886,510.00	243.28	198.25	-75	245
L08-103	*	417,020.00	6,886,510.00	243.28	228.75	-65	245
L08-104	*	417,020.00	6,886,510.00	243.28	228.75	-75	155
L08-105	*	417,020.00	6,886,510.00	243.28	204.05	-65	155
L08-106	*	417,020.00	6,886,510.00	243.28	228.45	-75	65
L08-107	*	417,020.00	6,886,510.00	243.28	210.15	-65	65
L08-108	Y	417,032.76	6,886,502.77	243.28	213.20	-75	110
L08-109	Y	417,032.76	6,886,502.77	243.28	182.70	-75	200

Note * Surveyed with handheld GPS
Y Surveyed by licenced surveyor, base station GPS

Table 2: Assay results, drill holes 99-109

Drill Hole		Zone	From	To	Width	TREO %	HREO %	HREO/TREO %
L08-99		Complete interval	15.00	117.60	102.60	1.11	0.20	18%
L08-99	incl		15.00	22.10	7.10	1.65	0.13	8%
L08-99	and		58.00	64.40	6.40	2.38	0.31	13%
L08-99	and		69.00	73.00	4.00	1.99	0.27	14%
L08-99	**and**	**Basal Zone**	**77.00**	**121.00**	**44.00**	**1.67**	**0.37**	**22%**
L08-99	**incl**	**Basal Zone**	**85.00**	**91.35**	**6.35**	**1.70**	**0.44**	**26%**
L08-99	**and**	**Basal Zone**	**111.00**	**117.60**	**6.60**	**4.15**	**1.18**	**28%**
L08-100		Complete interval	7.15	125.45	118.30	0.82	0.11	13%
L08-100	incl		16.30	20.00	3.70	1.99	0.12	6%
L08-100	incl		75.00	78.60	3.60	2.62	0.36	14%
L08-100	**and**	**Basal Zone**	**101.00**	**125.45**	**24.45**	**1.69**	**0.30**	**18%**
L08-100	**incl**	**Basal Zone**	**108.00**	**125.45**	**17.45**	**1.90**	**0.32**	**17%**
L08-101		Complete interval	6.20	154.30	148.10	0.83	0.12	14%
L08-101	and		66.30	84.00	17.70	2.12	0.27	13%
L08-101	**and**	**Basal Zone**	**125.00**	**154.30**	**29.30**	**1.77**	**0.34**	**19%**
L08-101	**incl**	**Basal Zone**	**138.00**	**152.00**	**14.00**	**2.54**	**0.51**	**20%**
L08-102		Complete interval	5.70	79.00	73.30	0.78	0.08	10%
L08-102	incl		13.60	22.00	8.40	2.05	0.12	6%
L08-102	incl		56.30	60.00	3.70	1.82	0.21	12%
L08-102	**incl**	**Basal Zone**	**65.00**	**74.30**	**9.30**	**1.05**	**0.19**	**18%**
L08-103		Complete interval	6.10	117.00	110.90	0.87	0.09	11%
L08-103	incl		16.20	20.00	3.80	2.00	0.11	5%
L08-103	**incl**	**Basal Zone**	**64.50**	**70.25**	**5.75**	**1.82**	**0.36**	**20%**
L08-103	**and**	**Basal Zone**	**86.00**	**91.50**	**5.50**	**1.91**	**0.14**	**7%**
L08-104		Complete interval	5.10	124.00	118.90	1.00	0.11	11%
L08-104	incl		21.00	25.00	4.00	2.07	0.20	9%
L08-104	and		73.00	77.05	4.05	2.70	0.23	8%
L08-104	**incl**	**Basal Zone**	**94.15**	**133.60**	**39.45**	**1.88**	**0.28**	**15%**
L08-104	**and**	**Basal Zone**	**94.15**	**100.00**	**5.85**	**1.99**	**0.25**	**13%**
L08-104	**and**	**Basal Zone**	**110.00**	**124.00**	**14.00**	**2.90**	**0.36**	**12%**
L08-105		Complete interval	6.00	169.00	163.00	0.92	0.12	13%
L08-105	incl		6.00	20.00	14.00	2.15	0.09	4%
L08-105	and		85.00	100.10	15.10	1.52	0.23	15%
L08-105	and		122.50	129.70	7.20	1.76	0.31	18%
L08-105	**and**	**Basal Zone**	**157.10**	**169.00**	**11.90**	**1.39**	**0.47**	**34%**
L08-106		Complete interval	5.20	132.00	126.80	0.86	0.14	16%
L08-106	**and**	**Basal Zone**	**62.45**	**130.00**	**67.55**	**1.16**	**0.22**	**19%**
L08-106	**incl**	**Basal Zone**	**68.00**	**88.30**	**20.30**	**1.42**	**0.22**	**15%**
L08-106	**and**	**Basal Zone**	**103.40**	**110.00**	**6.60**	**1.44**	**0.30**	**21%**
L08-106	**and**	**Basal Zone**	**118.00**	**132.00**	**14.00**	**1.26**	**0.32**	**25%**
L08-107		Complete interval	5.80	146.00	140.20	0.71	0.11	16%
L08-107	incl		5.80	29.50	23.70	1.12	0.07	6%
L08-107	incl		5.80	11.00	5.20	2.48	0.11	4%
L08-107	and		79.00	89.00	10.00	1.04	0.18	17%
L08-107	**and**	**Basal Zone**	**109.00**	**146.00**	**37.00**	**1.38**	**0.27**	**20%**
L08-107	**incl**	**Basal Zone**	**127.80**	**141.10**	**13.30**	**2.29**	**0.44**	**19%**
L08-108		Complete interval	6.40	132.60	126.20	0.85	0.12	14%
L08-108	and		70.50	83.35	12.85	1.65	0.27	17%
L08-108	and		89.65	91.25	1.60	2.76	0.23	8%
L08-108	**and**	**Basal Zone**	**101.80**	**132.60**	**30.80**	**1.27**	**0.23**	**18%**
L08-108	**incl**	**Basal Zone**	**102.00**	**106.00**	**4.00**	**2.14**	**0.30**	**14%**
L08-109		Complete interval	6.00	124.70	118.70	0.94	0.13	14%
L08-109	incl		12.00	16.00	4.00	1.99	0.13	7%
L08-109	incl		28.00	31.00	3.00	2.28	0.18	8%
L08-109	and		40.00	46.00	6.00	1.37	0.11	8%
L08-109	**and**	**Basal Zone**	**93.00**	**124.70**	**31.70**	**1.39**	**0.29**	**21%**
L08-109	**incl**	**Basal Zone**	**113.40**	**119.00**	**5.60**	**2.05**	**0.37**	**18%**

Notes: HREO includes yttrium. Metal to Oxide conversion factors provided at:
http://www.avalonventures.com/projects/rare/thor_lake/