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NEWS RELEASE

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Summer drilling program produces best results to date from Lake Zone REE deposit, Thor Lake, NWT.

Avalon Ventures Ltd. TSX: AVL (the "Company") is pleased to announce assay results from the final 31 holes drilled in July, August and September, 2008 on the Lake Zone Rare Earth Element ("REE") deposit on its 100% owned Thor Lake Rare Metals project located near Yellowknife, NWT. These holes were designed to define the southern, eastern and western margins of the deposit, and follow-up on the very encouraging results obtained from the two most southerly holes drilled last winter (L08-97, 98) in an effort to define the richest part of the deposit for development planning purposes. While limits to the economic grade REE mineralization were defined on the eastern margins of the deposit, the southern and western extensions remain wide open. The recent drilling in these parts of the Lake Zone has produced some of the best results to date, in terms of both grade and thickness of the REE mineralization, and will be further explored this winter.

In particular, drill hole L08-118, near the southeastern margin of the deposit, returned the highest combination of width and grade encountered to date with the virtually the entire hole intersecting potentially economic grade mineralization averaging **1.6% TREO over 185.4m** with 12% of the TREO consisting of the more valuable HREO. TREO is defined as the sum of all 14 REE plus yttrium, expressed in oxide form and HREO is defined as the heavy rare earth elements from europium to lutetium plus yttrium as oxides. The high grade Basal Zone in this same hole produced some exceptional grades of **3.71% TREO with 36% HREO over 8.0 metres** or **2.71% TREO with 34% HREO over 17.4 metres**. Widths reported are believed to approximate true thickness.

Other highlights include two holes, L08-117 and L08-129, drilled 90 and 150 metres respectively south of previously-announced hole L08-98. Hole L08-117 intersected another very broad interval of Basal Zone mineralization averaging **1.9% TREO with 23% HREO over 45.10m including 16m averaging 2.66% TREO with 22% HREO**. Hole **L08-129 intersected a 22m interval in the Basal Zone averaging 2.25% TREO with 30% HREO**. This attractive part of the Basal Zone remains open to the south for potential expansion. This potential is supported by historical airborne magnetic data which indicates a magnetic anomaly similar to that associated with the known Lake Zone deposit extending over a broad untested area for about 1 km to the south.

A complete compilation of significant assay results and hole locational data is provided in Tables 1 and 2 below. An updated drill hole location plan, preliminary block model and illustrative cross section can be found in the Corporate Presentation at www.avalonventures.com. The cumulative drilling on the Lake Zone since August, 2007 totals 16,640 metres in 85 drill holes.

As previously reported, the higher grade sub-zone, called the Basal Zone, forms a gently dipping tabular sheet situated near the base of the mineralized envelope. The Basal Zone is notable for its relatively high proportion of the more valuable heavy rare earth elements Europium through Lutetium ("HREE"). For example the above-mentioned 8m interval in L08-118 contained 8m of 5800ppm (5.8 kg/tonne) neodymium oxide, 1728ppm (1.7kg/tonne) dysprosium oxide and 283 (0.28kg/tonne) terbium oxide (Table 3). The Lake Zone mineralization also contains high levels of other rare metals notably **tantalum, niobium, zirconium, and gallium**, which may prove to be valuable by-products of REE production. Assay highlights for these elements from the recent drill holes are summarized in Table 4 below.

Average REE oxide prices over the past 3 years (FOB China basis) are US$20.50/kg for neodymium oxide, US$88.55/kg for dysprosium oxide and US$573/kg for terbium oxide. Prices for some of the rare earths have softened recently in response to reduced demand associated with the global economic slowdown, but none have seen the precipitous price drops experienced by many of the base and precious metals. In fact, one light REE (Lanthanum) has actually increased in price over the past 10 months from US$5.65 to US$8.00/kg today, peaking at US$9.60/kg in June, 2008.

Lake Zone REE Resource Estimate

The interim REE resource estimate for the Lake Zone, which was to be based on all the drilling results received by July 31, 2008, and that the Company had anticipated disclosing earlier this fall, unfortunately could not be completed on schedule. This was due to slow assay turnaround, capacity issues with our technical consultants, and some initial technical challenges in modeling the Basal Zone resource as a distinct sub-zone of the deposit. Consequently, the plan to release an interim resource estimate has now been abandoned. With all the results from the summer drilling program now being available, work will continue toward preparing a comprehensive resource estimate incorporating all of the available data, as well as results from some of the historic holes, where quarter core could be re-assayed. This work is targeted for completion by mid-January, 2009.

A $1.5 million winter drilling program, financed with the proceeds of the recently completed flow-through private placement, is scheduled to commence in February, 2009. The main objectives of this program will be further exploration of the southern extensions of the deposit for additional high-grade mineralization and in-fill drilling to better define the deposit and increase the confidence level on the known resource in support of the prefeasibility study to be completed in 2009. The drill contract is currently being tendered and given the dramatic slowdown in activity in the industry, management is optimistic that a reduction in the average all-in drilling costs and faster assay turnaround will be achieved in 2009.

Metallurgical Process Development Work

Metallurgical testwork to determine optimal recovery methods for the REE and other rare metals is continuing at SGS Minerals, Lakefield, metallurgical facility ("SGS") under the supervision of Mr. John Goode, P.Eng. REE mineral concentrates produced in preliminary flotation tests are now being utilized in bench scale hydrometallurgical testwork, targeted for completion in early, 2009. This data will assist in the determination of potential operating costs for a process plant which will, in turn, be applied in the resource estimate to identify appropriate cut-off grades.

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, and 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.

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 applications related to electronics, energy efficiency and a cleaner environment. Avalon currently holds a portfolio of five such projects, including three that are at, or close to, the feasibility stage. Shares Outstanding: 67,649,748. Cash resources: approximately $10.0 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	Note	E (NAD83)	N (NAD83)	Elevation (m)	Depth (m)	Dip	Azimuth	Cumulative (m)
L08-110		416,835.88	6,886,607.25	238.31	216.85	-90.00	360	8,941
L08-111		416,838.11	6,886,504.80	244.41	201.30	-90.00	360	9,143
L08-112		416,819.13	6,886,346.09	242.61	198.25	-90.00	360	9,341
L08-113		416,834.03	6,886,219.05	244.02	198.25	-90.00	360	9,539
L08-114		416,936.60	6,886,222.89	243.35	192.15	-90.00	360	9,731
L08-115		416,830.61	6,886,155.59	243.58	198.25	-90.00	360	9,930
L08-116		416,949.46	6,886,099.84	244.19	198.25	-90.00	360	10,128
L08-117		417,103.88	6,886,023.47	243.18	205.10	-90.00	360	10,333
L08-118		417,524.01	6,886,305.33	241.84	216.55	-90.00	360	10,549
L08-119		417,533.72	6,886,529.65	246.16	198.25	-90.00	360	10,748
L08-120		417,532.07	6,886,672.42	243.10	198.25	-90.00	360	10,946
L08-121		417,551.63	6,887,152.66	241.29	198.25	-90.00	360	11,144
L08-122	* (ab)	417,465.00	6,887,345.00	242.88	21.40	-90.00	360	11,166
L08-		417,476.97	6,887,283.06	242.88	109.80	-90.00	360	11,275
L08-123		417,404.22	6,886,674.93	238.46	207.40	-90.00	360	11,483
L08-124		417,400.08	6,886,571.71	241.59	198.25	-90.00	360	11,681
L08-125		417,399.89	6,886,424.66	242.76	195.20	-90.00	360	11,876
L08-126		417,284.35	6,886,505.92	241.13	204.35	-90.00	360	12,081
L08-127		417,235.41	6,886,671.67	238.04	201.30	-90.00	360	12,282
L08-128		417,228.73	6,885,963.61	240.28	213.50	-90.00	360	12,495
L08-129		416,952.15	6,885,961.29	240.54	213.50	-90.00	360	12,709
L08-130		416,518.77	6,886,370.61	246.04	198.25	-90.00	360	12,907
L08-131		416,363.17	6,886,229.11	249.78	244.00	-90.00	360	13,151
L08-132		416,206.90	6,886,217.58	247.10	261.65	-90.00	360	13,413
L08-133	* (ab)	416,200.00	6,886,375.00	238.50	64.05	-90.00	360	13,477
L08-134		415,993.89	6,886,376.58	242.31	231.80	-90.00	360	13,709
L08-135		416,000.22	6,886,531.74	248.52	210.45	-90.00	360	13,919
L08-136	*	417,983.00	6,887,313.00	257.50	368.80	-90.00	360	14,288

Note: Northing and Easting coordinates are in NAD83 (Zone 12) in meters.
* = Surveyed by hand held GPS, otherwise surveyed by registered surveyor
(ab) = abandoned

Table 2: REE assay results summary for drill holes L08-110 to 136

Drill Hole		ZONE	From	To	Width	TREO	HREO	HREO/TREO %
L08-110		Complete interval	4.10	106.00	101.90	0.82	0.06	7%
L08-110	incl		4.10	18.00	13.90	2.32	0.10	5%
L08-110	and		85.25	100.20	14.95	1.45	0.16	11%
L08-111		Complete interval	9.15	116.90	107.75	0.94	0.13	13%
L08-111	incl		9.15	15.00	5.85	2.59	0.12	5%
L08-111	and		21.00	31.00	10.00	1.70	0.13	8%
L08-111	**and**	**Basal Zone**	**99.00**	**116.90**	**17.90**	**2.12**	**0.40**	**19%**
L08-111	incl	Basal Zone	107.00	116.90	9.90	2.96	0.59	20%
L08-112			No significant values - gap in zone (see L07-62)					
L08-113		Complete interval	4.05	123.90	119.85	1.17	0.13	11%
L08-113	incl		80.50	84.00	3.50	2.36	0.18	8%
L08-113	and		90.00	100.00	10.00	2.62	0.24	9%
L08-113	**and**	**Basal Zone**	**106.00**	**123.90**	**17.90**	**1.62**	**0.26**	**16%**
L08-114		Complete interval	5.90	147.70	141.80	0.87	0.12	14%
L08-114	incl		5.90	17.00	11.10	1.66	0.13	8%
L08-114	and	Basal Zone	106.00	147.70	41.70	1.22	0.23	19%
L08-114	**incl**	**Basal Zone**	**125.00**	**147.70**	**22.70**	**1.51**	**0.32**	**21%**
L08-115		Complete interval	26.90	110.00	83.10	1.18	0.19	16%
L08-115	incl		71.00	73.00	2.00	3.48	0.51	15%
L08-115	and		76.10	112.00	35.90	2.04	0.35	17%
L08-115	and		84.00	92.00	8.00	2.28	0.35	15%
L08-115	**and**	**Basal Zone**	**100.00**	**110.00**	**10.00**	**2.79**	**0.54**	**19%**
L08-116		Complete interval	6.25	145.00	138.75	0.93	0.15	16%
L08-116	incl		6.25	10.00	3.75	1.94	0.15	8%
L08-116	and		95.00	105.00	10.00	2.02	0.24	12%
L08-116	**and**	**Basal Zone**	**118.15**	**145.00**	**26.85**	**1.78**	**0.44**	**25%**
L08-116	incl	Basal Zone	125.00	143.45	18.45	1.93	0.49	25%
L08-117		Complete interval	33.70	142.60	108.90	1.48	0.26	18%
L08-117	incl		69.00	74.35	5.35	2.50	0.25	10%
L08-117	**and**	**Basal Zone**	**97.50**	**142.60**	**45.10**	**1.90**	**0.43**	**23%**
L08-117	incl	Basal Zone	103.00	119.00	16.00	2.66	0.58	22%
L08-117	and	Basal Zone	131.00	135.00	4.00	2.37	0.65	27%
L08-118		Complete interval	8.00	193.40	185.40	1.60	0.19	12%
L08-118	incl		8.00	19.00	11.00	2.79	0.09	3%
L08-118	and		33.00	41.00	8.00	2.45	0.14	6%
L08-118	and		45.15	55.80	10.65	2.97	0.15	5%
L08-118	**and**	**Basal Zone**	**176.00**	**193.40**	**17.40**	**2.71**	**0.93**	**34%**
L08-118	incl	Basal Zone	182.00	190.00	8.00	3.71	1.35	36%
L08-119			No significant values - eastern boundary of deposit					
L08-120			No significant values - eastern boundary of deposit					
L08-121			No significant values - eastern boundary of deposit					
L08-122A			No significant values - eastern boundary of deposit					
L08-123			No significant values - eastern boundary of deposit					
L08-124			No significant values - eastern boundary of deposit					

Drill Hole		ZONE	From	To	Width	TREO	HREO	HREO/TREO %
L08-125		Complete interval	9.00	119.00	110.00	1.07	0.09	8%
L08-125	incl		9.00	27.00	18.00	1.60	0.08	5%
L08-125	and		37.00	55.80	18.80	1.59	0.12	7%
L08-126		Complete interval	6.60	154.00	147.40	1.28	0.18	14%
L08-126	incl		12.00	20.00	8.00	2.88	0.14	5%
L08-126	and		86.00	90.00	4.00	3.19	0.41	13%
L08-126	and		106.00	124.00	18.00	2.63	0.49	19%
L08-126	**and**	**Basal Zone**	**150.00**	**154.00**	**4.00**	**2.17**	**0.65**	**30%**
L08-127		Complete interval	2.50	103.00	100.50	1.60	0.18	11%
L08-127	incl		6.00	8.00	2.00	4.88	0.25	5%
L08-127	and		23.00	27.00	4.00	2.04	0.17	9%
L08-127	and		49.00	71.00	22.00	2.25	0.27	12%
L08-127	**and**	**Basal Zone**	**61.00**	**65.00**	**4.00**	**2.31**	**0.59**	**26%**
L08-128			No significant values - gap in deposit (see 62 and 112)					
L08-129		Complete interval	8.00	196.10	188.10	0.84	0.15	18%
L08-129	**incl**	**Basal Zone**	**171.00**	**193.00**	**22.00**	**2.25**	**0.67**	**30%**
L08-129	incl	Basal Zone	171.00	185.00	14.00	2.66	0.79	30%
L08-130			No significant values - hole abandoned due to ground instability					
L08-131		Complete interval	76.00	219.60	143.60	1.16	0.18	15%
L08-131	incl		97.00	103.00	6.00	2.26	0.20	9%
L08-131	and		126.00	142.00	16.00	2.14	0.20	9%
L08-131	**and**	**Basal Zone**	**201.20**	**219.60**	**18.40**	**2.06**	**0.59**	**29%**
L08-131	incl	Basal Zone	211.00	219.00	8.00	3.18	0.94	30%
L08-132		Complete interval	58.00	245.40	187.40	0.61	0.10	16%
L08-132	**incl**	**Basal Zone**	**238.00**	**245.40**	**7.40**	**2.19**	**0.70**	**32%**
L08-133			No significant values - abandoned due to unstable ground					
L08-134		Complete interval	58.00	192.00	134.00	0.93	0.10	11%
L08-134	incl		60.75	69.00	8.25	2.00	0.13	6%
L08-134	and		107.00	123.00	16.00	2.01	0.21	11%
L08-134	**and**	**Basal Zone**	**174.00**	**176.00**	**2.00**	**2.05**	**0.53**	**26%**
L08-135			No significant values - mineralization is dyked out					
L08-136			No significant values - geological step out test					

Notes: TREO = Total Rare Earth Oxides. HREO = Heavy Rare Earth Oxides (europium through lutetium plus yttrium) reported as %.

Widths in metres are believed to approximate true thicknesses.

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

Table 3: Individual REO values for selected high grade sub-intervals: Neodymium (Nd), Europium (Eu), Terbium (Tb), Dysprosium (Dy), and Yttrium (Y) as oxides

Drill Hole	From	To	Width	Y2O3 ppm	Nd2O3 ppm	Eu2O3 ppm	Tb2O3 ppm	Dy2O3 ppm
L08-111	107.00	116.90	9.90	3,076	5,554	138	141	701
L08-115	100.00	110.00	10.00	2,874	5,129	129	125	632
L08-116	125.00	143.45	18.45	2,700	3,454	86	102	586
L08-117	131.00	135.00	4.00	3,503	4,050	117	153	851
L08-118	182.00	190.00	8.00	8,133	5,815	169	283	1,728
L08-126	86.00	90.00	4.00	1,996	6,613	149	107	466
L08-127	6.00	8.00	2.00	942	9,082	120	90	341
L08-127	61.00	65.00	4.00	3,743	3,463	66	119	735
L08-129	171.00	185.00	14.00	4,333	4,346	124	173	1,032
L08-131	211.00	219.00	8.00	5,107	5,203	148	204	1,196
L08-132	238.00	245.40	7.40	3,780	3,616	106	158	932
L08-134	174.00	176.00	2.00	2,886	3,690	94	115	625

Notes:
ppm = parts per million. 1000 ppm is 1 kg. 10,000 ppm is 1%. Widths in metres are believed to approximate true thicknesses.

Table 4: Individual rare element values for selected high grade sub-intervals: Niobium (Nb), Tantalum (Ta), Gallium (Ga), and Zirconium (Zr) as oxides in ppm.

Drill Hole	From	To	Width	Nb2O5 ppm	Ta2O5 ppm	Ga2O3 ppm	ZrO2 ppm
L08-110	4.10	18.00	13.90	7,098	329	228	39,993
L08-111	107.00	116.90	9.90	7,212	785	136	57,583
L08-113	90.00	100.00	10.00	5,667	358	144	46,127
L08-114	125.00	147.70	22.70	5,145	446	118	35,019
L08-115	100.00	110.00	10.00	7,716	584	113	54,151
L08-117	131.00	135.00	4.00	6,110	620	115	54,356
L08-118	182.00	190.00	8.00	7,643	780	112	66,015
L08-126	86.00	90.00	4.00	10,975	544	140	61,342
L08-127	61.00	65.00	4.00	5,776	361	227	58,123
L08-129	171.00	185.00	14.00	6,397	665	89	54,619
L08-131	211.00	219.00	8.00	7,029	822	88	60,897
L08-132	238.00	245.40	7.40	4,695	643	82	44,491
L08-134	174.00	176.00	2.00	4,858	537	110	43,287

Notes:
Ppm = parts per million. 1000 ppm is 1 kg. 10,000 ppm is 1%. Widths in metres are believed to approximate true thicknesses.
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