

## **NEWS RELEASE**

October 15, 2007

No. 07-10

## Avalon concludes Phase 1 drilling on Thor Lake Rare Earth Elements Target

**Avalon Ventures Ltd.** TSX-V: AVL (the "Company") is pleased to provide the following update on the Phase 1 drilling program on its 100% owned Thor Lake Rare Metals project located near Yellowknife, NWT.

The target of this program was the southern part of the Lake Zone Rare Earth Elements ("REE") target, where 16 holes totaling 2551 metres were drilled. The 16 holes (of which three were abandoned short of the target depth due to drilling difficulties) tested previously undrilled portions of the southern part of the Lake Zone REE deposit where historical drilling has produced significant intersections such as a 5.2m interval in hole 81-1 which averaged 0.70%  $Y_2O_3$  ('yttrium oxide") and 4.11% TREO ("Total Rare Earth Oxide") having a high proportion of neodymium and the heavy rare earths. A location map for these holes and an interpretive cross section is available on the Company's website. The program which began in late July, 2007, was concluded prior to the completion of the planned 3000 metres due to the early onset of winter conditions. A second phase program is scheduled to commence after freeze-up in January, 2008.

The current program has confirmed the presence of two mineralized alteration zones which form distinct dark-coloured horizontal layers within the tabular Lake Zone deposit. The zones vary in thickness from 10 to 35 metres and have now been traced laterally over distances of 1100 metres where they remain open for expansion. A total of 1160 samples of split drill core and standards have been submitted for assay, but due to extensive sample backlogs at the analytical labs, assay results are not expected for at least 6 weeks. This program is the first to be conducted using modern analytical methods that determine all the rare earth elements and modern QA/QC protocols. All drill core has been split and sent to the Acme Laboratories facility in Yellowknife for sample preparation. Assays will be performed both by Acme and Activation Laboratories of Ancaster, ON.

Preliminary petrographic work was carried out on a suite of 14 small split core samples collected from hole L07-54 by Dr. A. N. Mariano, consulting mineralogist, and a recognized expert in REE mineralogy. Dr. Mariano confirmed that the mineralized zones contain a complex suite of REE-bearing minerals including bastnaesite, allanite, synchisite, parasite, monazite and fergusonite along with zircon and magnetite. Fergusonite is an yttrium-niobium-tantalum oxide mineral which contains a high proportion of heavy REE's such as terbium (Tb) and dysprosium (Dy) as well as the valuable light REE neodymium (Nd) in the following relative proportions:

Element	Y	La	Ce	Pr	Nd	Sm	Eu	Gd	Tb	Dy	Но	Er	Tm	Yb	Lu
Oxide %	29.05	0.30	4.40	1.70	15.6	10.4	1.60	14.3	1.80	9.80	1.20	4.10	0.70	4.40	0.7

Dr. Mariano's mineralogical work confirmed previous observations that the fergusonite is primarily concentrated in the lowermost mineralized horizon which forms a 10 to 25 metre thick mineralized layer at depths of 140 to 175 metres. This horizon is considered the primary target for development due to its relatively high enrichment in the the heavy REE's, which are in the highest demand because of their critical importance in new hybrid car technology and many popular consumer electronic products such as flat screen TV's and portable music players.

The Lake Zone contains a very large inferred resource of rare metal mineralization as determined by independent consultant, Wardrop Engineering and first reported on January 22, 2007, as follows:

Lake Zone: Summary of Interret Winter at Resources						
CUTOFF%	TONNES	TREO+Y2O3%	Ta2O5%	Nb2O5%	ZrO%	
0.10 Y2O3	14,005,000	1.23	0.025	0.33	1.73	
0.05 Y2O3	83,224,000	0.99	0.025	0.31	1.96	
0.01 Y2O3	375 410 000	0.41	0.014	0.22	1 19	

Lake Zone: Summary	of Inferred Mineral Resources
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TREO + Y2O3 = the sum of all rare earth oxides plus yttrium oxide Ta2O5 = tantalum oxide, Nb2O5 = niobium oxide ZrO = zirconium oxide

The objective of the current work is to define indicated resources in the higher grade sub-zones within this large inferred resource that would be of sufficient size and grade to justify development. Large parts of the deposit covered by Thor Lake remain untested. These will be tested during the upcoming winter program, once a sufficient thickness of ice has formed. Drilling operations were supervised by J.C. Pedersen, P.Geo. and D.L. Trueman, P.Geo., under the overall direction of the Company's Vice-President, Exploration, Dr. William Mercer, P.Geo.

## About Avalon Ventures Ltd.

Avalon Ventures Ltd. (TSX-V: AVL) is a Canadian junior mineral exploration and development company, with a primary focus on rare metals and minerals with high technology applications or offering environmental benefits. Avalon currently holds a portfolio of five such projects, including three that are at, or close to, the feasibility stage. The Company operates with high standards for environmental protection and community engagement that meet or exceed current industry norms.

To find out more about Avalon Ventures Ltd. (TSX-V: AVL), please visit our website at <u>www.avalonventures.com</u>. Shares Outstanding as at the date of this release: 52,518,623. Cash resources: \$1.3 million. 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 <u>http://www.agoracom.com/ir/avalon</u>. In addition, investors are invited to e-mail their questions and correspondence to <u>AVL@agoracom.com</u> or phone Don Bubar, P.Geo., President, at 416-364-4938. Mr. Bubar is the Qualified Person 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.