

This is a form of a material change report required under Section 85(1) of the *Securities Act*.

**FORM 27**  
**Securities Act**

**MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT**

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS, PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 85", AND EVERYTHING THAT IS REQUIRED TO BE FILED SHALL BE PLACED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

**Item 1.**            **Reporting Issuer**

**Avalon Ventures Ltd.** (the "Company")  
111 Richmond Street West, Suite 1116  
Toronto, Ontario M5H 2G4  
Telephone: (416) 364-4938

**Item 2.**            **Date of Material Change**

August 9, 2000

**Item 3.**            **Press Releases**

Press releases were issued in Toronto, Ontario on August 9, and August 17, 2000 and were disseminated through BCE Emergis to the Canadian National Compliance and a copy was filed with the Canadian Venture Exchange, The British Columbia Securities Commission and the Alberta Securities Commission.

**Item 4.**            **Summary of Material Changes**

The 12,680 acre, Legris Lake palladium-platinum ("PGE") property, located 80 km north of Thunder Bay, Ontario, is held under a 50/50 joint venture between Avalon Ventures Ltd. and Starcore Resources Ltd. with the Company acting as operator. A four-hole diamond drilling program completed by the joint venture in July intersected significant palladium-platinum-copper-nickel mineralization in three of the four holes, with the best assay result being a 10.7 metre interval in hole L00-2, averaging 1.62 g/t PGE, 0.32% copper and 0.09% nickel.

## Item 5. Full Description of Material Changes

The Company, in two joint news releases with Starcore Resources Ltd. announced assay results from Holes L00-1, 2, 3 and 4 of a 4-hole, 447 metre diamond drilling program completed in July on the Legris Lake palladium-platinum project north of Thunder Bay, Ontario. Holes L00-1 and 2 both intersected significant palladium+platinum+gold (“PGE”) plus copper-nickel values at vertical depths of 25 to 50 m below the Main Showing which previously produced assays in grab samples ranging from 0.80 to 4.52 g/t PGE. Hole L00-4 intersected a second zone of PGE-copper-nickel approximately 300 metres southeast of the Main Zone.

The highlight from the drill core assays received for the four holes was an interval in hole L00-2 which averaged 2.66 g/t PGE, 0.47% copper and 0.14% nickel over 3.1 metres within a 10.70 metre interval which averaged 1.62 g/t PGE, 0.32% Cu and 0.09% Ni. The best individual sample in this zone assayed 3.75 g/t PGE, 0.75% Cu and 0.27% Ni across 0.45 m. The true widths of the mineralized zones are currently estimated to be 80-90% of core length. Complete assay and locational data are provided in the tables below.

The PGE-copper-nickel zone intersected in holes L00-1 and 2 is characterized by multiple sub-zones of disseminated sulphide mineralization varying from 3 to 12 metres across, occurring over a combined interval of approximately 30 m. Most of this interval lies unexposed under overburden to the northwest of the Main Showing, but correlates with a strong I.P. (chargeability) anomaly that is traceable for over 500 metres to the northeast, where it remains open. The sulphide mineralization consists of an average of 2-4% pyrite and pyrrhotite with 1% chalcopyrite (copper sulphide) hosted by vari-textured gabbros and leucogabbros.

Holes L00-3 and 4 tested two parallel stronger I.P. (chargeability) anomalies located 150 and 300 m southeast of the Main Showing which are also open for over 500 m to the northeast. These holes intersected three separate sulphide-rich zones, similar to those encountered in holes L00-1 and 2, but only one of these, in hole L00-4, yielded significant PGE values, averaging 0.87 g/t PGE, 0.27% copper and 0.66% nickel over 4.7 metres. A follow-up work program consisting of additional geological mapping and at least 1250 metres of diamond drilling is currently being planned and is expected to commence in early September.

### LEGRIS LAKE DRILL HOLE COORDINATES

Hole	Line	Station	Dip	Azm	Depth (m)
L00-01	95+55 N	94+85 E	-45°	315°	72.0
L00-02	95+55 N	95+10 E	-50°	315°	123.0
L00-03	95+50 N	97+00 E	-45°	315°	150.0
L00-04	95+50 N	98+00 E	-45°	315°	102.0
				<b>Total</b>	<b>447.0</b>

**LEGRIS LAKE DRILL HOLE ASSAY RESULTS**

<b>Hole</b>	<b>Interval</b>	<b>Core Length (m)</b>	<b>PGE (Pd+Pt+Au) g/t</b>	<b>Pd ppb</b>	<b>Pt ppb</b>	<b>Au ppb</b>	<b>Cu %</b>	<b>Ni %</b>
L00-01	35.75 – 42.00	6.25	0.88	632	171	75	0.17	0.09
and	51.30 – 63.30	12.00	0.86	609	157	99	0.22	0.10
Including	51.30 – 56.60	5.30	1.10	797	176	132	0.34	0.15
and	60.55 – 61.80	1.25	1.78	1170	412	201	0.35	0.11
L00-02	51.60 – 62.30	10.70	1.62	1217	237	171	0.32	0.09
Including	52.70 – 56.10	3.40	1.93	1543	260	130	0.34	0.13
Including	54.25 – 54.70	0.45	3.75	3150	386	214	0.75	0.27
and	56.90 – 62.30	5.40	1.82	1315	283	222	0.33	0.09
Including	56.90 – 60.00	3.10	2.66	1947	404	312	0.47	0.14
L00-03	No significant	values						
L00-04	3.70 – 8.40	4.70	0.87	519	161	187	0.27	0.06
Including	6.90 – 8.40	1.50	1.15	655	260	238	0.41	0.10

Note: Analyses of split NQ drill core were performed by XRAL Laboratories, Don Mills, Ontario. Palladium (Pd), platinum (Pt) and gold (Au) determined by fire assay with an ICP finish on 30 gram sub-samples. Copper (Cu) and nickel (Ni) analyses were performed by ICP using an aqua regia digestion. Check assays will be performed on selected samples at a third party laboratory. 1000 ppb = 1 gram/tonne (g/t)

**Item 6. Reliance on Section 85(2) of the Act**

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Senior Officers**

The Senior Officer of the Company who is knowledgeable about the material change and the report is Donald S. Bubar, President, (416) 364-4938.

**Item 9.            Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated this 18<sup>th</sup> day of August, 2000.

**AVALON VENTURES LTD.**

By: "Donald S. Bubar"

President

(Official Capacity)

Donald S. Bubar

(Please print here name of individual whose signature appears above.)