

This is a form of a material change report required under Section 67(1) of the Securities Act

FORM 27
Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 67(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: Every report required to be filed under Section 67(1) of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 67", 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 "Issuer") of Suite 1116 - 111 Richmond Street West, Toronto, Ontario, M5H 2G4. Telephone number (416) 364-4938.

Item 2. Date of Material Change

January 3, 2001.

Item 3. Press Release

A press release was issued in Vancouver, British Columbia on January 3, 2001, and was disseminated through Stockwatch, and Market News and copies were filed with the Canadian Venture Exchange and the British Columbia Securities Commission. An earlier press release issued on December 11, 2000 disclosed preliminary information related to the material change.

Item 4. Summary of Material Change

The Issuer announced encouraging tantalum and cesium assay results from an eight-hole, 1094 metre diamond drilling program completed in December, 2000 on the Lilypad Lakes tantalum project, located near Pickle Lake, Ontario.

Item 5. Full Description of Material Change

The issuer announced that economically significant tantalum mineralization ranging in grade from 0.023% to 0.158% Ta₂O₅ (0.5 to 3.5 lb/tonne), over estimated true widths of 0.5 to 28.0 metres was intersected in all eight holes, and all three of the targets tested show excellent vertical continuity. Tantalum mineral concentrates have recently sold for up to US \$363.55/lb Ta₂O₅ (tantalum oxide).

The most encouraging results have been received from the Rubellite Dyke where six of the eight holes were drilled on four sections spaced 20-25 metres apart to a maximum vertical depth of 125 metres. The deepest intersection produced the greatest thickness averaging 0.026% Ta₂O₅ (0.57 lb/tonne) across an estimated true width of 28.0 metres in hole LRD00-11. A new dyke intersected at depth in this hole assayed 0.047% Ta₂O₅ (1.04 lb/tonne) over a core length of 5.4 metres. Step-out holes 20 metres north and 25-50 metres south of LRD00-11 produced assays in the Rubellite Dyke ranging from 0.029% to 0.048% Ta₂O₅ (0.64 to 1.06 lb/tonne) over estimated true widths ranging from 4 to 22 metres, as detailed in the accompanying table. One hole drilled in the South Dyke intersected an estimated true width of 6.0 metres averaging 0.041% Ta₂O₅ (0.90 lb/tonne) at a vertical depth of 123 metres, plus a second narrow dyke assaying 0.158% Ta₂O₅ (3.48 lb/tonne) over 0.53 metres. One hole drilled on the Pollucite Dyke intersected economically significant grades of cesium as well as tantalum. This hole tested the Pollucite Dyke at a vertical depth of 162 m below three previous holes drilled in March-April, 2000, and yielded an average of 2.154% Cs₂O (cesium oxide) and 0.023% Ta₂O₅ (0.51 lb/tonne) across an estimated true width of 8.0 metres. A second dyke intersected below the Pollucite Dyke in this hole, also yielded significant tantalum values averaging 0.034% Ta₂O₅ across an estimated true width of 6.0 metres.

Results from the six holes drilled on the Rubellite Dyke indicate very good continuity of economic-grade tantalum mineralization over a minimum strikelength of 70 metres and to depths exceeding 130 metres where the pegmatite appears to widen. The mineralization is also remarkable in its consistency of grade from wall to wall in the pegmatite. For example, in hole LRD00-14, which averaged 0.032% Ta₂O₅ (0.71 lb/tonne) across 22 metres, every sample in this interval produced an assay within the range of 0.011% to 0.052% Ta₂O₅ (0.24 to 1.15 lb/tonne). A follow-up drilling program this winter to further delineate the size and grade of the Rubellite Dyke and test other tantalum targets on the property is currently being planned.

The Lilypad Lakes property is one of three tantalum projects being explored under a joint venture agreement between Avalon and Global under which Global can earn a 50% interest in any one property by spending \$5.0 million or completing a feasibility study before December 31, 2002. Global has the right to increase its interest to 75% in any one property by arranging production financing. A total of \$750,000 in expenditures was incurred in the fall program and the next stage of the earn-in (optional) obligates Global to spend a further \$1.25 million before August 31, 2001.

Tantalum is a high-technology metal used in the production of miniature high-efficiency electronic capacitors and in a variety of specialty metal alloys used in the chemical and aerospace industries where its high capacitance per unit volume, strength and resistance to corrosion make it especially valuable. Tantalum capacitors are presently in particularly high demand, accounting for 60% of the world tantalum market, because they are now an

essential component of cellular phones, pagers, computers, video game systems and a host of other popular electronic products. These products are experiencing explosive growth in popularity worldwide and new sources of supply of tantalum will be required to meet anticipated future demand for this strategic metal.

The cesium in the Pollucite Dyke occurs in the cesium ore mineral Pollucite. Pollucite is presently mined at the Tanco mine at Bernic Lake, Manitoba, where it is used by parent company Cabot Corporation to produce Cesium Formate. This is a newly-developed specialty drilling fluid designed for high-temperature, high-pressure oil wells. Cesium also has many other high-technology applications which are limited in their development only by the lack of defined cesium ore reserves, currently estimated at less than 500,000 tonnes worldwide. Concentrates of pure pollucite grading 24% Cs_2O have historically sold for in the order of US \$1,000/tonne.

LILYPAD LAKES DRILL HOLE COORDINATES

Hole	Target	Vertical Depth At Centre (m)	Easting	Northing	Dip	Azm	Depth (m)
LPD00-10	Pollucite Dyke	-162	26+36 E	27+50 N	-70°	320°	225.0
LRD00-11	Rubellite Dyke	-128	50+05 E	26+20 N	-70°	090°	200.0
LSD00-12	South Dyke	-125	41+12 E	16+30 N	-65°	095°	179.0
LRD00-13	Rubellite Dyke	-25	50+48 E	26+39 N	-45°	090°	71.0
LRD00-14	Rubellite Dyke	-50	50+48 E	26+39 N	-65°	090°	80.0
LRD00-15	Rubellite Dyke	-35	50+49 E	26+02 N	-50°	090°	62.0
LRD00-16	Rubellite Dyke	-80	50+49 E	26+02 N	-70°	090°	113.0
LRD00-17	Rubellite/East Dyke	-25	50+41 E	25+73 N	-45°	090°	164.0
						Total	1094.0

LILYPAD LAKES DRILL HOLE ASSAY RESULTS

Hole	Target	Interval (metres)	Core Length (m)	Estimated True Width (m)	Ta ₂ O ₅		Cs ₂ O %	Rb ₂ O %
					%	lb/tonne		
LPD00-10	Pollucite Dyke	168.05 – 181.35	13.30	8	0.023	0.51	2.154	0.327
	and	211.80 – 221.90	10.10	6	0.034	0.75	0.572	0.283
LRD00-11	Rubellite Dyke	114.10 – 158.20	44.10	28	0.026	0.57	0.062	0.387
	and	185.50 – 190.90	5.40	?	0.047	1.04	0.012	0.062
LSD00-12	South Dyke	109.50 – 110.03	0.53	?	0.158	3.48	0.050	0.340
	and	135.80 – 145.80	10.00	6	0.041	0.90	0.123	0.585
LRD00-13	Rubellite Dyke	8.00 – 9.40	1.40	?	0.042	0.93	0.020	0.220
	and	29.20 – 50.00	20.80	14	0.048	1.06	0.029	0.271

LRD00-14	Rubellite Dyke	31.75 – 71.20	39.45	22	0.032	0.71	0.169	0.595
LRD00-15	Rubellite Dyke	36.30 – 53.20	16.90	11	0.029	0.64	0.153	0.535
LRD00-16	Rubellite Dyke	64.50 – 107.90	43.40	17	0.034	0.75	0.063	0.296
	including	64.50 – 79.00	14.50	6	0.055	1.21	0.059	0.276
	including	77.00 – 79.00	2.00	1	0.100	2.20	0.018	0.158
LRD00-17	Rubellite Dyke /	27.40 – 31.65	4.25	4	0.041	0.90	0.335	0.659
	East Dyke	114.30 – 115.95	1.65	?	0.045	0.99	0.593	0.709

Note: Analyses of split NQ drill core were performed by XRAL Laboratories, Don Mills, Ontario. Tantalum, rubidium and cesium values, along with tin and niobium (for geochemical studies) were determined by XRF while lithium was determined by AA.

1 metric tonne = 2204.6 lb 1 lb/tonne = 0.04535%

Item 6. Reliance on Section 67(2) of the Act

Nothing in this form is required to be maintained on a confidential basis.

Item 7. Omitted Information

Not applicable.

Item 8. Senior Officers

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

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Date: January 15, 2001

AVALON VENTURES LTD.

By: "Donald S. Bubar"

President, C.E.O.

(Official Capacity)

Donald S. Bubar

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