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

BC FORM 53-901F (Formerly 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: Every report required to be filed under section 85(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 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 "Issuer")
111 Richmond St. W., Suite 1116
Toronto, Ontario
M5H 2G4

Telephone: (416) 364-4938

Item 2. Date of Material Change

January 11, 2002

Item 3. Press Release

Press releases were issued in Toronto, Ontario on December 14, 21, 2001 and January 14, 2002 and were disseminated through Canada Stockwatch and Market News and copies were filed with the Canadian Venture Exchange and the British Columbia, Alberta and Ontario Securities Commissions.

Item 4. Summary of Material Change

Private Placement

The Issuer has completed the private placement of an aggregate 1,040,000 flow-through units at the price of $0.25 per unit for total gross proceeds of $260,000.

Item 5. Full Description of Material Change

Private Placement

On January 11, 2002, the Issuer completed the private placement of an aggregate 1,040,000 flow-through units at the price of $0.25 per unit for total gross proceeds of $260,000.

Each flow-through unit consists of one flow-through common share of the Issuer and one-half of one non-transferable flow-through share purchase warrant. One whole warrant entitles the holder to purchase one additional flow-through common share for a period of two years at a price of $0.45 until December 28, 2002 and at a price of $0.65 until December 26, 2003. The shares contained in the units and any shares issuable upon exercise of warrants are subject to a four-month hold period expiring on May 11, 2002.

A list of the purchasers, all residents of Ontario, are as follows:

Full Name of Purchaser	Number of Flow-Through Units Purchased	Price Per Flow-Through Unit ($)	Total Purchase Price ($)
James D.A. White	400,000	$0.25	$100,000
David M. Ross	300,000	$0.25	$75,000
Felicia Ross	100,000	$0.25	$25,000
R. James Andersen	200,000	$0.25	$50,000
Donald S. Bubar	40,000	$0.25	$10,000
TOTAL	1,040,000		$260,000

The Issuer intends to use the proceeds of the private placement to fund early-stage exploration work on certain of the Issuer's platinum-palladium and rare metals properties in Ontario and Manitoba.

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 Issuer who is knowledgeable about the material change and the report is Donald S. Bubar, President and CEO, (416) 364-4938.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated at Toronto, Ontario, this 14th day of January, 2002.

AVALON VENTURES LTD.

By: "Donald S. Bubar"

President and CEO
(Official Capacity)

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