FORM 53-901.F
Securities Act

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

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**

January 10, 2003

Item 3. **Press Releases**

A press release disclosing the material change was issued in Toronto, Ontario on January 16, 2003 and was disseminated through CCN Matthews to its Canadian National Compliance distribution list and a copy was filed with the TSX Venture Exchange, The British Columbia Securities Commission and the Alberta Securities Commission.

Item 4. **Summary of Material Change**

Private Placement.
The Issuer has completed the private placement of an aggregate 670,000 flow-through units at the price of $0.15 per unit for total gross proceeds of $100,500.00

Item 5. **Full Description of Material Change**

Private Placement
On January 10, 2003, the Issuer completed the private placement of an aggregate 670,000 flow-through units at a price of $0.15 per unit for total gross proceeds of $100,500.00. Each flow-through unit consists of one flow-through common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one non flow-through common share at a price of $0.20 until December 31, 2004. The shares contained in the units and any shares issuable on exercise of the warrants are subject to a four month hold period expiring on May 10, 2003.

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 (Canadian $)	Total Purchase Price (Canadian $)
Dr. Randall Lang	170,000	$0.15	$ 25,500
Joseph G. Monteith	200,000	$0.15	$ 30,000
R. James Andersen	120,000	$0.15	$ 18,000
Forbes N.A. Andersen	180,000	$0.15	$ 27,000
TOTAL	**670,000**		**$100,500**

The proceeds from the private placement totalling $100,500 will be used to fund further advanced exploration work on the Company's Separation Rapids rare metals project, Kenora, Ontario.

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 20th day of January, 2003

AVALON VENTURES LTD.

By: *"Donald S. Bubar"*

President
(Official Capacity)

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