# FORM 51-102F3
# MATERIAL CHANGE REPORT

**Item 1 Name and Address of the Company**

**AVALON VENTURES LTD.** (the "Issuer")
130 Adelaide Street West, Suite 1901
Toronto, ON
M5H 3P5

Tel: 416-364-4938

**Item 2 Date of Material Change**

December 15, 2008

**Item 3 News Release**

A News Release was issued on December 15, 2008 and disseminated through Marketwire and filed on SEDAR.

**Item 4 Summary of Material Change**

The Issuer realized $1,500,000 in gross proceeds from the issuance of 3,000,000 flow-through shares on the closing of the previously announced non-brokered private placement.

**Item 5 Full Description of Material Change**

See attached News Release

**Item 6 Reliance on subsection 7.1(2) of (3) of National Instrument 51-102**

n/a

**Item 7 Omitted Information**

n/a

**Item 8 Executive Officer**

The Senior Officer of the Issuer who is knowledgeable about the material change and the report is Donald S. Bubar, President and Chief Executive Officer, 130 Adelaide Street West, Suite 1901, Toronto, ON M5H 3P5, Telephone: 416-364-4938.

**Item 9 Date of Report**

December 19, 2008

AVALON VENTURES LTD.

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# *NEWS RELEASE*

December 15, 2008 No. 08-14

## Avalon Announces Closing of Private Placement

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**Avalon Ventures Ltd.** TSX: AVL (the "Company") is pleased to announce the closing of its previously-announced private placement (the "Offering") with the issuance of 3,000,000 flow-through common shares (the "Flow-Through Shares") for gross proceeds of $1,500,000. Following the issuance of the shares under the Offering, Avalon now has 67,649,748 common shares outstanding (76,737,998 on a fully-diluted basis) and cash resources of $10.4 million.

Avalon paid Finder's fees of $99,375 being 7% of that portion of the gross proceeds sold by the Finders as well as 198,750 Finder Warrants to acquire Flow-Through Shares at an exercise price of $0.50 per share for 2 years.

The Finders' Warrants, as well as the Flow-Through Shares are subject to a hold period which ends on April 16, 2008.

Proceeds from the Offering are intended to be used by Avalon to fund additional diamond drilling and other eligible exploration work on the Lake Zone Rare Earth Elements deposit on its 100% owned Thor Lake rare metals project, located near Yellowknife, NWT.

**About Avalon Ventures Ltd.**

Avalon Ventures Ltd. 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. Shares Outstanding: 67,649,748. Cash resources: approximately 10.4 million.

To find out more about Avalon Ventures Ltd. (TSX: AVL), please visit our website at www.avalonventures.com. 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 http://www.agoracom.com/ir/avalon. In addition, investors are invited to e-mail their questions and correspondence to AVL@agoracom.com or phone Don Bubar, P.Geo. President, at 416-364-4938.

*This news release contains forward-looking information. This forward-looking information includes, or may be based upon, estimates, forecasts, and statements as to management's expectations with respect to, among other things, the size and quality of the Company's mineral resources, progress in development of mineral properties, demand and market outlook for metals and future metal prices. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the inherent risks involved in the exploration and development of mineral properties, uncertainties with respect to the receipt or timing of required permits and regulatory approvals, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. The forward-looking information contained herein is given as of the date hereof and the Company assumes no responsibility to update or revise such information to reflect new events or circumstances, except as required by law.*