



130 Adelaide St. W., Suite 1901, Toronto, Ontario M5H 3P5
Tel: (416) 364-4938 Fax: (416) 364-5162
E-Mail admin@avalonventures.com Internet: www.avalonventures.com

NEWS RELEASE

January 30, 2007

No. 07-04

Avalon Files Quarterly Financial Statements and Announces Grant of Incentive Stock Options

Avalon Ventures Ltd. TSX-V: AVL (the “Company”) announces that its Interim Financial Statements and Management Discussion and Analysis (“MDA”) for the three months ended November 30, 2006 have been filed on SEDAR and are also accessible for viewing on the Company’s website at: http://www.avalonventures.com/investor_information/financial_reports/

Incentive Stock Options

The Company also announces that it has granted 250,000 incentive stock options to a senior officer to replace options which were recently exercised just prior to their expiry. The options will be exercisable at a price of \$1.20 per share for a period of five years and will vest at the rate of 25% every twelve months following the date of grant of the options. Any shares issuable on exercise of the options will be subject to a four month hold period beginning on the date of grant of the options.

About Avalon Ventures Ltd.

Avalon Ventures Ltd. (TSX-V: AVL) 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 the feasibility stage. To find out more about Avalon Ventures Ltd. (TSX-V: AVL), please visit our website at www.avalonventures.com. Shares Outstanding as at the date of this release: 50,592,248. Cash resources: \$2.8 million

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.Ge. President, at 416-364-4938. Mr. Bubar is the Qualified Person responsible for the technical content of this news release.

The language used in this News Release may contain forward-looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from the Company's forward-looking statements and expectations. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.