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NEWS RELEASE

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Avalon to Proceed with Scoping Study on Rare Earth Element Potential at Thor Lake

Avalon Ventures Ltd., (TSX-V: AVL) (the “Company”) is pleased to announce that it has engaged the services of Wardrop Engineering, Vancouver, B.C. (“Wardrop”) to carry out a preliminary economic assessment (scoping study) of the Rare Earth Element (“REE”) development potential of the Lake Zone REE-yttrium-niobium-tantalum-zirconium deposit. Wardrop will prepare an inventory of REE resources in the Lake Zone as delineated from historical drilling data and recommend specific areas for follow-up definition drilling in order to complete a NI 43-101 compliant reserve calculation. The study will model potential development scenarios for the deposit in order to develop preliminary estimates of capital cost requirements to construct a mine and processing facility at the site.

Wardrop will also be conducting an audit of both the beryllium and REE resources in the North T and South T deposits focusing on the F-Zone which is a distinct REE-enriched sub-zone in the North T containing relatively high levels of neodymium. A decline driven in to the North T deposit in the 1980’s provides access to this zone creating possibilities for near term exploitation of the REE resource on a small scale. Neodymium is currently in high demand because of its use in high intensity permanent magnets, which are a critical component in the electric motors and generators for hybrid cars. High purity (99%) neodymium oxide is currently quoted at over US\$10/kg. Work on the scoping study is scheduled to commence next week.

2005-2006 Winter Program

The decision to proceed with a scoping study evaluation of the project follows the completion of geological studies over the winter on archived drill cores from the Lake Zone which confirm the exceptional REE potential of this zone because of the relatively high quality of the mineralization. The geological work involved systematic re-sampling of cores from 7 of 51 widely-spaced drill holes, analysis of 351 core samples for the full suite of REE’s plus yttrium, whole rock geochemistry on selected samples and detailed mineralogical studies to identify the REE-bearing mineral phases. Assaying of the samples was conducted by Global Research Laboratories of Vancouver utilizing ICP-MS (Inductively-coupled plasma – mass spectroscopy) procedures and overlimit or high value samples were re-assayed using X-ray Fluorescence methods. The work was done under the supervision of Dr. D. L. Trueman, P.Ge., a qualified

person under National Instrument 43-101, and the mineralogical work was performed by Dr. A. Mariano, Ph.D., a well known expert in REE mineralogy.

The seven holes were selected to provide information from widely-spaced parts of the deposit in order to begin mapping internal zonation patterns and attempt to determine the location of higher grade sub-zones. The selected holes are spread over a distance of 1100 metres in both the north-south and east-west directions.

The Lake Zone is very large and most of its known extent has not been drill-tested. It forms a tabular, flat-lying body with its upper contact at the bedrock surface. It covers an area of over 1.1 km² and extends to depths of at least 150 metres. The recent analytical data demonstrates that the Lake Zone is extensively mineralized with REE's and yttrium over thicknesses of up to 172.5 m at levels ranging from 0.4 to 1.1% TREO (total rare earth oxides) and 0.02% to 0.06% Y₂O₃. The complete dataset is accessible at http://www.avalonventures.com/projects_thor_lake.html.

More importantly, the recent work has confirmed that the Lake Zone exhibits distinct internal zonation with higher grade sub-zones averaging over 3% TREO and 0.10% Y₂O₃ over widths of up to 22 metres. One hole reported previously (news release dated September 21, 2005) contained a 5.1 metre interval averaging 4.11% TREO, 0.701% Y₂O₃ and 0.11% Ta₂O₅ (tantalum oxide). Defining the location and extent of these high grade sub-zones will be the top-priority for future work programs.

Key Mineralogical Observations

Mineralogical studies indicate that the higher grade REE mineralization correlates with sub-zones enriched in the mineral fergusonite (Y(Nb,Ta)O₄). Fergusonite is an unusual REE mineral because it preferentially concentrates the more valuable heavy rare earths ("HREE's") such as europium, terbium and dysprosium and contains very low levels of the much more abundant and lower value light rare earths such as cerium and lanthanum. This is readily apparent from the data provided in the attached Table 1 and the chondrite normalized plot of the data prepared by Dr. Mariano also accessible on Avalon's website by scrolling to the bottom of the Thor Lake section at http://www.avalonventures.com/projects_thor_lake.html.

The fergusonite-hosted REE mineralization in the Lake Zone is exceptional in its enrichment in the HREE's plus neodymium and its depletion in lanthanum and cerium. This is illustrated by the inverse slope of the fergusonite composition on the chondrite-normalized distribution plot. Since all 14 REE's plus yttrium will occur together in any one REE mineral, *and must all be separated to produce saleable REE metal products*, concentrates containing relatively low levels of lanthanum and cerium are economically very attractive. Also, a concentrate rich in fergusonite would contain high levels of tantalum, further enhancing its potential value. For comparison, high purity (99%) oxides of cerium and lanthanum currently sell for around US\$1.40/kg while high purity terbium oxide sells for US\$450/kg, europium oxide for US\$260/kg and dysprosium oxide for US\$68/kg.

Clearly, REE mineral concentrates rich in fergusonite would represent a highly desirable mineral product. Other REE-bearing minerals present in variable amounts in different parts of the deposit include bastnaesite, synchysite, parisite, monazite and allanite. These minerals are thought to have been introduced in separate (earlier) mineralizing events distinct from the event that deposited the fergusonite. The fergusonite-rich zones appear to be localized in the south

central part of the Lake Zone where there has been relatively little drilling to date and this area will be a top priority for future drilling.

The REE mineralization in the F-Zone of the North T deposit is entirely contained in bastnaesite a REE-fluoro-carbonate mineral, that is the principal ore mineral of REE's. The F-zone mineralization consists almost entirely of coarse grained bastnaesite and quartz, simplifying the beneficiation of the bastnaesite. The quality of the bastnaesite mineralization in the F-zone compares favourably with other REE deposits worldwide, particularly with regard to its neodymium content (18.36% of total REE + Y).

Future exploration work plans

In addition to the scoping study, the Company plans to continue with exploration work on the property through the summer. This work will include further analysis of archived drill cores from the Lake Zone accompanied by detailed mineralogical studies to map out the distribution of the fergusonite-rich zones. The data will be used to design a diamond drilling program to define NI 43-101 compliant REE resources and reserves in the Lake Zone. This drilling program is now scheduled to commence in the fall. The delay gives the Company more time to fully discharge its consultation obligations with local aboriginal communities before applying for a land use permit.

The mineralogical data will also provide the basis for initiating metallurgical studies on the ore to design a process flow sheet for concentrating the REE mineralization. Preliminary metallurgical work done by Lakefield Research Limited in 2002 for Navigator Exploration, successfully produced a hydrometallurgical grade, bulk concentrate of zirconium, niobium, tantalum, rare earths and yttrium from the archived drill core samples, providing encouragement that further concentrating the REE + yttrium mineralization will be achievable.

About Avalon Ventures Ltd.

Avalon Ventures Ltd. (TSX-V: AVL) is a Canadian junior mineral exploration and development company, with a primary focus on industrial minerals and rare metals with high technology applications. Avalon currently holds a valuable portfolio of advanced stage projects, including two projects at the feasibility stage, that have received considerable interest from around the world. To find out more about Avalon Ventures Ltd. (TSX-V: 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.Geol. President, at 416-364-4938.

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.

Table 1. REE distribution in Thor Lake ores expressed as a percentage of Total REE + Y compared with other major international REE (Bastnaesite) deposits

Sample	La	Ce	Pr	Nd	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu	Y	Total
Thor Lake																
Lake Zone High-grade REE min (1)	15.15	33.20	4.98	16.18	3.73	0.52	3.94	0.73	3.53	0.79	1.87	0.25	1.60	0.25	13.28	100.00
Lake Zone Fergusonite (2)	0.35	4.43	1.68	15.64	10.35	1.63	14.29	1.77	9.77	1.21	4.06	0.65	4.43	0.68	29.05	99.94
Bastnaesite F-Zone (3)	24.15	49.47	5.55	18.36	1.27	0.12	0.75	-	-	-	-	0.19	-	-	0.19	100.05
Other REE Deposits																
Bastnaesite Mtn. Pass, CA (4)	33.20	49.10	4.34	12.00	0.79	0.12	0.17	0.16	0.03	0.005	0.004	0.009	0.006	0.0001	0.09	99.86
Bastnaesite Bayon Obo, China (5)	23.00	50.00	6.20	18.50	0.80	0.20	0.70	0.10	0.10	tr	tr	tr	tr	tr	0.5	100.1
Bastnaesite Maoniuping Sichuan China (6)	40.45	46.55	3.17	9.04	0.71	0.07	0.20	0.04	0.05	0.01	0.03	0.003	0.009	0.001	0.10	100.4

(1) Sample T-707L from Lake Zone, DDH 81-1 218-223.5' \sum REE + Y = 4.82 wt.%. Contains bastnaesite, allanite and monazite as well as fergusonite.

(2) Fergusonite composition from Lake Zone based on average of 6 microprobe analyses reported by Pinckston, 1989. M.Sc Thesis, University of Alberta

(3) Analysis of bastnaesite from F-Zone North T Deposit by Hazen Research Limited, 1985

(4) Source: Molycorp Inc.

(5) Source: L. Heymann, Consulting metallurgist

(6) Source: L. Heymann, Consulting metallurgist

La = Lanthanum, Ce = Cerium, Pr = Praseodymium, Nd = Neodymium, Sm = Samarium, Eu = Europium, Gd = Gadolinium, Tb = Terbium,

Dy = Dysprosium, Ho = Holmium, Er = Erbium, Tm = Thulium, Yb = Ytterbium, Lu = Lutetium, Y = Yttrium