

October 3, 2023

## Avalon Commences New \$3.6M Drilling Program at Flagship Separation Rapids Joint Venture Lithium Deposit

TORONTO, ON – Consistent with its strategic transformation into a vertically integrated Canadian lithium producer serving both the North American Glass-Ceramics and EV battery markets, [Avalon Advanced Materials Inc.](http://avalonadvancedmaterials.com) (TSX: [AVL](http://tsx.com/AVL) and OTCQB: [AVLNF](http://otcqb.com/AVLNF)) (“Avalon” or the “Company”) is pleased to announce the commencement of a new comprehensive drilling program at Separation Rapids, the Avalon-Sibelco joint venture lithium deposit in Northwestern Ontario.

### **New Drill Program Highlights:**

- 8,000m drilling program intended to upgrade the Inferred resources to Indicated status
- Potential increase of the total lithium resource available in the open pit and underground portions of the project
- C\$3.6M (€2.51M) of capital budget with an estimated program duration of four months
- First major capital initiative funded by the new Avalon-Sibelco joint venture

“This is the logical and exciting next step in moving Separation Rapids forward into commercial production. We have already identified a quality volume asset and are now defining the total scope of the resource as part of Avalon’s broader efforts to build a vertically integrated lithium supply chain serving the Ontario and North American EV battery market place,” said Scott Monteith, Chief Executive Officer, Avalon.

Mr. Monteith added: “At the same time, we and our partners at Sibelco are tremendously excited about the potential that Separation Rapids holds for the glass-ceramics market, which is part of the dual-market commercial strategy we are pursuing.”

On August 10th, 2023 Avalon announced a Mineral Resource Estimate (“MRE”) for Separation Rapids, which is located near Kenora, ON. The updated MRE, compliant with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, revealed 10.08 million tonnes (Mt) averaging 1.35% lithium oxide (“Li<sub>2</sub>O”) in Measured and Indicated resources, a 20% increase compared to previous results. The MRE results confirmed sufficient qualities in the Separation Rapids deposit for both the glass-ceramics and lithium battery markets. In addition, the MRE indicated

the potential of an additional 3Mt to 6Mt of available resource, with an average grade of between 1.0% and 1.4% Li<sub>2</sub>O, which the current drilling program will seek to confirm.

Avalon retained Major Drilling Group International Inc. to conduct the work program. Major Drilling Group is one of the largest drilling services providers in the world, with over 3,500 employees across five continents.

### **Objectives of the Drilling Program:**

- Priority 1: Upgrade the Inferred to Indicated category in the open pit
- Priority 2: Test east and west extension on strike to increase total pit resource
- Priority 3: Upgrade the Inferred to Indicated category and add further resource in the underground

This new Separation Rapids drilling program follows the acquisition in June of the Strathcona property in Thunder Bay, ON., a 383-acre industrial site that is intended to host Ontario's first lithium hydroxide conversion facility built and operated by Avalon.

### **Avalon-Sibelco Joint Venture**

Avalon and Sibelco are continuing to negotiate in good faith a definitive agreement in respect of the joint venture. Avalon has applied for, but not yet received, approval of the Ontario Ministry of Mines to the assignment and transfer of leasehold PIN 42180-2461(LT) forming part of the Separation Rapids property. Avalon and Sibelco have agreed to extend their timing with a view to execute a definitive agreement in respect of the joint venture by November 15<sup>th</sup>, 2023, and in any event no later than December 31<sup>st</sup> 2023.

### **About Avalon Advanced Materials Inc.**

Avalon Advanced Materials Inc. is a Canadian mineral development company focused on vertically integrating the Ontario lithium supply chain. The Company, through its joint venture with Sibelco NV, is currently developing its Separation Rapids lithium deposit near Kenora, ON, while also continuing to advance the Lilypad and Snowbank lithium projects located near Fort Hope, ON. Avalon is also working to develop its Nechalacho rare earths and zirconium project located in the Northwest Territories. This deposit contains critical minerals for use in advanced technologies in the communications and defense industries among other sectors.

In addition to these upstream activities, Avalon is executing on a key initiative to develop Ontario's first midstream lithium hydroxide processing facility in Thunder Bay, ON, a vital link bridging the lithium resources of the north with downstream EV battery manufacturing customers and markets in the south. Social responsibility and environmental stewardship are corporate cornerstones. Avalon is listed on the TSX: AVL and OTCQB: AVLNF

### **About SCR-Sibelco NV**

Headquartered in Antwerp, Belgium, SCR-Sibelco NV is a global leader in material solutions. Sibelco mines, processes and sells specialty industrial minerals – particularly silica, clays, feldspathics and olivine – and is a leader in glass recycling.



Sibelco's solutions support the progress of modern life and serve a diverse range of industries including semi-conductors, solar photovoltaic, glass, ceramics, construction, coatings, polymers and water purification. The Sibelco Group has production facilities in more than 30 countries and a team of more than 5,000 people worldwide. Learn more at [www.sibelco.com](http://www.sibelco.com)

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### **Forward-Looking Information**

*This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to Avalon's proposed drill program, mineral resource estimates, the potential expansion of mineral resource estimates, the development of the Company's material lithium projects including its proposed lithium hydroxide conversion facility, the advancement of projects towards a development decision, receipt of approval from the Ontario Ministry of Mines to the assignment and transfer of certain leaseholds forming part of the Separation Rapids property, execution of a definitive joint venture agreement with Sibelco, the Company's other plans with respect to the exploration and development of its properties, the continued exploration and drilling initiatives and having the necessary funding required to complete these initiatives, the prospectivity of exploration targets, costs of exploration and production, expected capital expenditures, operations outlook, expected benefits from the joint venture with Sibelco, , requirements for additional capital, and the Company's capital allocation.. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "add" or "additional", "advancing", "anticipates" or "does not anticipate", "appears", "believes", "can be", "conceptual", "confidence", "continue", "convert" or "conversion", "deliver", "demonstrating", "estimates", "encouraging", "expand" or "expanding" or "expansion", "expect" or "expectations", "forecasts", "forward", "goal", "improves", "increase", "intends", "justification", "plans", "potential" or "potentially", "promise", "prospective", "prioritize", "reflects", "robust", "scheduled", "suggesting", "support", "top-tier", "updating", "upside", "will be" or "will consider", "work towards", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved".*

*Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including risks associated with mineral exploration and development operations such as: the Company's ability to complete its planned exploration programs, the absence of adverse conditions at mineral properties, environmental hazards and economic factors as they affect the cost and success of the Company's capital expenditures, the ability of the Company to obtain required permits and approvals, the ability of the Company to obtain financing, uncertainty in the estimation of mineral resources, the price of lithium, no operating history, no operating revenue and negative cash flow, ability to maintain good working relations with Sibelco, failure to obtain regulatory receipts in respect of the transfer of certain properties, the market price of the Company's securities, the economic feasibility of the Company's mineral*



*resources and the Company's commercial viability, inflation and uncertain global economic conditions, uncertain geo-political shifts and risks, successful collaboration with indigenous communities, future pandemics and other health crises, dependence on management and other highly skilled personnel, title to the Company's mineral properties, the ongoing war in Ukraine, extensive government and environmental regulation, , volatility in the financial markets, uninsured risks, climate change, threat of legal proceedings, as well as those risk factors discussed or referred to in the annual information form of the Company dated November 28, 2022 (the "AIF") under the heading "Description of the Business – Risk Factors". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions identified in the AIF, assumptions have been made regarding, among other things: management of certain of the Company's assets by other companies or joint venture partners, the Company's ability to carry on its exploration and development activities without undue delays or unbudgeted costs, the ability of the Company to obtain sufficient qualified personnel, equipment and services in a timely and cost-effective manner, the ability of the Company to operate in a safe, efficient and effective manner, the ability of the Company to obtain all necessary financing on acceptable terms and when needed, the accuracy of the Company's resource estimates and geological, operational and price assumptions on which these are based and the continuance of the regulatory framework regarding environmental matters. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions that may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*

