

October 12, 2023

Federal Ministers, The Hon. François-Philippe Champagne, The Hon. Patty Hajdu and Other Dignitaries Tour Avalon’s Planned Lithium Processing Site in Thunder Bay, ON

Thunder Bay, Ont. – Consistent with its strategic objective to build Ontario’s first vertically integrated lithium supply chain serving the North American EV battery market, Avalon Advanced Materials Inc. (TSX: AVL and OTCQB: AVLNF) (“Avalon” or the “Company”) today hosted the Hon. François-Philippe Champagne, Minister of Innovation, Science and Industry, the Hon. Patty Hajdu, Minister of Indigenous Services and FedNor and other officials for a private tour of the Company’s planned lithium processing site in Thunder Bay, ON.

Visit Highlights:

- The ministers were joined by Marcus Powlowski, MP for Thunder Bay-Rainy River.
- The delegation toured Avalon’s 383-acre industrial property on Strathcona Avenue that features major transportation infrastructure including, road, rail and deep-water port access.
- The Avalon team provided the delegation with details of its burgeoning project plan for an Industrial Park concept that includes Ontario’s first lithium processing facility, an Innovation, Technology and R&D Hub as well as lithium battery recycling capabilities, all of which will help catalyze Ontario’s economy, generate long-term job growth and deploy sustainable innovative process technology.

“We are extremely pleased to host the ministers and other dignitaries to showcase how far we’ve come in actualizing our vision to help decarbonize the economy and shift Canada to cleaner sources of energy—and underscore that we must continue to move quickly in order to secure Canada’s leading position in the global race to net-zero,” Zeeshan Syed, President of Avalon, said.

“Avalon is developing the province’s first domestic supply chain that will link the considerable lithium deposits of Ontario’s north to an expanding EV battery manufacturing base in the south, which at present lacks a stable, regional supply of this strategically vital resource.”

Significant investment has been made in rapidly expanding the downstream capacity of Ontario and North America's EV battery manufacturing base. A proportionate level of financing is now required to develop a secure, fully on-shored supply of lithium raw material to manufacturers. Avalon's core strategic objective is to build the midstream lithium processing solution in Thunder Bay that bridges the lithium resources of Northwestern Ontario with EV battery manufacturing in the south.

"As proud Canadians, our vision is that lithium should be mined in Ontario, refined in Ontario, and consumed in Ontario," added Jim Jaques, Avalon Chief Administrative officer. "On a North American level, and from a decarbonisation perspective, a lower carbon domestic supply source is paramount. We intend to generate long-term job growth and economic benefits for the region and province, both directly through our own commercial activities, and indirectly by attracting the capital necessary to commercialize other regional lithium projects."

Avalon Supply Chain Overview

- Over 500 direct jobs are expected to be created in Thunder Bay and Kenora, ON. Through Avalon's upstream and midstream commercial activities.
- The Avalon processing facility in Thunder Bay will operate as a regional hub, helping generate associated investment flow across Ontario.
- Thunder Bay is ideally positioned as the geographic bridge between the lithium resources of Ontario's northwest and the EV battery and EV battery manufacturing in the south.
- Avalon's Industrial Park in Thunder Bay will also host an Innovation, Technology and R&D Hub in collaboration with local and regional educational institutions (Lakehead University and Confederation College)

Innovative, Sustainable Processing

Avalon is diligently working with leading international partners to test and co-create novel commercial production processes that will help accentuate Canada's environmental leadership. Through the R&D efforts undertaken by Avalon and partners, the proprietary lithium hydroxide process is vastly less pollutive than conventional acid roasting conversion methodologies. The process operates in an alkaline state and utilizes a pressure leaching process which is unique for lithium conversion, allowing for the elimination of sulfuric acid use, and therefore no production of sodium sulphate as a byproduct. Instead, a substance called Analcime—an inert solid aluminium silicate—



From left: Zeeshan Syed, President, Avalon Advanced Materials, Inc., François-Philippe Champagne, Minister of Innovation, Science and Industry, Jim Jaques, Chief Administrative Officer, Avalon, Marcus Powlowski, Member of Parliament, Thunder Bay-Rainy River.



François-Philippe Champagne, Minister of Innovation, Science and Industry, speaks to reporters at Avalon's Strathcona industrial property in Thunder Bay, Ontario on October 12, 2023.



is produced, as well as calcium carbonate. Both substances have use in industrial building applications and industries. The method also reduces overall air emissions compared to conventional hydroxide production.

In addition, it is expected to be a safer process for the operating personnel, the environment and community in general compared to the traditional acid roasting technology employed in jurisdictions with less stringent commitments to environmental stewardship compared to North America.

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

For more information and media inquiries, Zeeshan Syed, President of Avalon, is available for comment at (647) 300-4706 or IR@AvalonAM.com.

Forward-Looking Information

This presentation 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 the development of the Company's material lithium projects, including the construction of the Company's lithium processing facility, expected capital expenditures, operations outlook, expected benefits from the facility the transition to a green economy, job creation, successful development of a lithium supply chain, governmental support, sustainable processing practices, environmental benefits, , requirements for additional capital, the Company's capital allocation, and government regulation of mining operations. 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: 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, uncertainty with respect to the ability to successfully construct and develop the Company's lithium processing facility, the price of lithium, no operating history, no operating revenue and negative cash flow, land title risk, 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, reliance on artificial intelligence technology to influence mining operations, 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.

