

December 20, 2023

Avalon Reaffirms Commitment to Responsible Critical Minerals Development with 12th Annual Sustainability Report

TORONTO, ON (Dec. 20, 2023) — Consistent with its long-established commitment to the sustainable development of Canadian critical minerals, [Avalon Advanced Materials Inc. \(TSX: AVL and OTCQB: AVLNF\)](https://avalonadvancedmaterials.com) (“Avalon” or the “Company”) is pleased to announce the publication of its 2023 Sustainability Report, which can be accessed on the Company’s website found here:

<https://avalonadvancedmaterials.com/resources/sustainability/AVL2023-Sustainability-Report.pdf>

The 2023 report represents the 12th consecutive report Avalon has produced detailing our environmental impacts, health and safety reporting and economic developments as they relate to Avalon’s sustainability performance.

“It has been a year of transformative change for Avalon, led by a new senior management team and reinvigorated board aligned around the creation of a vertically integrated Ontario lithium value chain,” Scott Monteith, Avalon’s Chief Executive Officer, said. “What has not changed is Avalon’s unwavering commitment to the highest standards of environmental stewardship, which can be seen in the many developments undertaken in the past 12 months. We are not talking, we are doing.”

2023 Sustainability Highlights:

- **May** – Appointment as CEO of Mr. Monteith, a veteran green-tech senior executive and entrepreneur
- **July** – Strategic partnership with Metso Corp. of Finland, a global leader in sustainable processing technology solutions, to construct a best-in-class lithium hydroxide platform
- **October** – Expansion of Metso partnership to create innovation and research laboratory, and to cooperate on the recycling of used batteries and battery chemicals
- **November** – New joint venture agreement finalized with SCR-Sibelco NV to form the Separation Rapids Ltd. subsidiary and import world-class mining processes to Avalon’s flagship lithium deposit near Kenora, ON.

In addition to detailing Company developments, the 2023 Sustainability Report has transitioned to the new International Financial Reporting Standards (IFRS) sustainability disclosure standards, a global framework which unifies and complements existing requirements to increase efficiency and comparability and improve the overall quality of reporting. We see this as the new gold standard.

The report outlines the industry-based standards for metals and mining by the International Sustainability Standards Board (ISSB) of the IFRS Foundation, and includes all relevant metrics and analysis applicable to our projects in 2023.

Under the Company's revamped leadership, Avalon continues to embrace the principles of sustainability as core to its business practices and reaffirms its strong commitment towards implementing corporate social responsibility ("CSR") best practices.

Indigenous Partners

Avalon is committed to working closely with its Indigenous partners to create lasting economic and social benefits in the communities in which the Company operates. The Avalon management team recently completed the *San'Yas Anti-Racism Indigenous Cultural Safety Training Program* (Ontario) and received certification. Further, Avalon has developed and published its first Land Acknowledgement that reads as follows;

"Avalon Advanced Materials Inc. acknowledges that our work takes place within the ancestral and traditional territories of First Nations, and Métis people. We respect Indigenous rights and are committed to deepening our existing relationships while forging new lasting ties which will ensure that we and future generations benefit from the positive social and economic opportunities related to our operations."

Avalon's leadership in applying the principles of sustainability in all of the Company's work is also benefitting the mineral exploration industry generally. Avalon is supporting the PDAC, the Ontario Mining Association and the Mining Association of Canada in their efforts to educate regulators and policymakers regarding the need to update regulations in order to encourage more and sustainable development of critical minerals resources in Canada that are vital for establishing the clean energy economy in North America and to ensure access to land for exploration purposes.

Strategic Update

On Dec. 7, 2023 Avalon announced a non-brokered private placement of up to a maximum of 93,000,000 units of the Company (each, a "Unit") at a price of C\$0.10 per Unit for aggregate gross proceeds of C\$9.3 million (the "Offering"). Closing of the Offering will occur in one or multiple tranches, with the first tranche of the Offering now expected to close on or about January 31, 2024.

The net proceeds of the Offering are expected be used to fund: (i) site preparation and the preparation of a feasibility study for the Corporation's Thunder Bay Lithium Hydroxide Processing Facility; (ii) the preparation of an updated feasibility study for the Nechalacho Rare Earths & Zirconium project; (iii) repayment of the convertible debenture, including accrued interest thereon, to SCR Sibelco NV; and (iv) for working capital and general corporate purposes.



About Avalon Advanced Materials Inc.

Avalon Advanced Materials Inc. is a Canadian advanced manufacturing company focused on vertically integrating the Ontario lithium supply chain. The Company, through its joint venture with SCR-Sibelco NV, is currently developing its Separation Rapids lithium deposit near Kenora, ON, while also continuing to advance the Snowbank lithium and Lilypad lithium-caesium projects. 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 the downstream EV battery manufacturing base in the south.

Avalon is listed on the TSX: AVL and OTCQB: AVLNF.

For more information and media inquiries, Zeeshan Syed, President, Avalon Advanced Materials at IR@AvalonAM.com.

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 the Company's expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering; the completion of the Offering, if it is to be completed at all; the expected closing date of the Offering; sourcing of additional funding if and when required; and completion of the Company's business objectives, and the timing, costs, and benefits thereof. 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, changes in technology and advancements in innovation may impact the development of the Company's technology innovation centre and its lithium hydroxide processing facility, 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 and Israel, 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, 2023 (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.

