Avalon Advanced Materials complete private placement

Avalon Advanced Materials Inc. (TSX.V: AVL} announced that it has completed a non-brokered private placement today consisting of 2,500,000 flow-through shares at a price of $0.15 per share for gross proceeds of $375,000.

TORONTO, Dec. 23, 2016– **Avalon Advanced Materials Inc.** (TSX.V: AVL} is pleased to announce that it has completed a non-brokered private placement today consisting of 2,500,000 flow-through shares at a price of $0.15 per share for gross proceeds of $375,000.

In conjunction with this private placement, Avalon paid finder's fees of $22,500 and issued 150,000 non-transferrable finder's warrants, with each finder's warrant being exercisable to acquire one common share of the Company at a price of $0.15 for a period of 24 months from today. Pursuant to Canadian securities laws, the securities issuable under this private placement are subject to a hold period which expires on April 24, 2017. The proceeds from this offering will be used primarily to advance the Company's Separation Rapids Lithium Project, including as described below.

Avalon is planning a drilling program for early 2017 with the main goals of expanding the existing resource and exploring untested extensions to the resource along strike and to depth. This will include testing other lithium sub-zones that were not fully explored historically when the focus was on defining a resource of the lithium mineral petalite for glass-ceramics markets. One such sub-zone open for expansion to the east of

the petalite resource contains lepidolite, a lithium-rubidium mica typically containing approximately 8% Li_2O (lithium oxide), compared to the 4.0 – 4.5% Li_2O typically contained in petalite. Testwork toward defining a flowsheet for efficiently extracting lithium and rubidium chemical products from a lepidolite mineral concentrate has already been initiated at an Australian laboratory.

Work continues on enhancing the performance of the petalite flotation process, where opportunities to reduce reagent consumptions are being investigated. Work on optimizing the lithium hydroxide production process is also progressing. Samples of high purity (>99.5%) lithium hydroxide crystals produced in the recent test programs have been sent to a major Canadian research facility for characterization and evaluation for use as a feed for lithium ion battery cathode material. In addition, Avalon continues to evaluate processes for recovery of valuable by-products, including tantalum and high-purity silica.

Don Bubar, Avalon's President and CEO, comments: "*I am pleased with the progress we are making with the Separation Rapids Project following the completion of a positive Preliminary Economic Assessment in September. In addition to advancing our resource modelling and process flowsheet development, we continue to make progress on developing the markets for our products, environmental assessment work, infrastructure alternatives and community relationships. An appropriate site for the proposed demonstration plant has also been identified. Demand for new supply sources of lithium continues to grow rapidly along with the energy storage market, and Avalon remains well-positioned to bring a new supply of lithium to the market within the next three years.*"

This press release is not an offer of securities for sale in

the United States. The securities have not been and will not be registered under the US Securities Act of 1933, as amended (the “US Securities Act”), and may not be offered or sold in the United States or to US persons (as defined in Regulation S under the US Securities Act) absent registration or an applicable exemption from registration. All currency reported in this release is in Canadian dollars.

The technical information included in this news release has been reviewed and approved by Donald S. Bubar, P. Geo., President and Chief Executive Officer of the Company who is a Qualified Person under NI 43-101.

About Avalon Advanced Materials Inc.
Avalon Advanced Materials Inc. (formerly Avalon Rare Metals Inc.) is a Canadian mineral development company specializing in niche market metals and minerals with growing demand in new technology. The Company has three advanced stage projects, all 100%-owned, providing investors with exposure to lithium, tin and indium, as well as rare earth elements, tantalum, niobium, and zirconium. Avalon is currently focusing on its Separation Rapids Lithium Project, Kenora, ON and its East Kemptville Tin-Indium Project, Yarmouth, NS. Social responsibility and environmental stewardship are corporate cornerstones.

For questions and feedback:

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or

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