Avalon and Cheetah Resources combine to work on REE's at Nechalacho, Yellowknife, NWT.

Avalon Advanced Materials {TSX: AVL}

Announced that it has attracted a new partner in private Australian company, Cheetah Resources Pty Ltd. to participate in the development of the rare earth resources on its mining leases collectively comprising the Nechalacho Project at Thor Lake, near Yellowknife, Canada.

.

.

.

.

.

.

Avalon Advanced Materials {TSX: AVL} is pleased to announce that it has attracted a new partner in private Australian company, Cheetah Resources Pty Ltd. ("Cheetah") to participate in the development of the rare earth resources on its mining leases collectively comprising the Nechalacho Project at Thor Lake near Yellowknife, NWT, Canada (the "Property").

Avalon and Cheetah have signed a binding Terms Sheet under which Cheetah will acquire ownership of the near surface resources in the T-Zone and Tardiff Zones for a total cash consideration of C$5 million while Avalon will retain ownership of the resources in the Basal Zone that was the subject of its 2013 Feasibility Study.

Avalon will continue to manage work programs on the Property and retain its 3% NSR type royalty. The formal agreement is expected to be completed within the next 60 days following which a new work program will be initiated focusing on the T-Zone rare earth resources.

Cheetah is focused on the small-scale development of rare earth resources enriched in the "magnet rare earths", neodymium and praseodymium ("Nd-Pr"), presently in short supply and high demand for clean technology applications notably electric vehicles. Such an opportunity was recently recognized by Avalon in the T-Zone and Tardiff Zones (see the Company's News Release dated October 10, 2018) that appears to be well-suited for very low cost, pilot-scale development utilising ore-sorting technology. This model also has the important benefit of having minimal environmental impacts.

Cheetah is interested in pursuing this opportunity collaboratively with Avalon. Once in operation, the partners will have the opportunity to begin to evaluate by-product opportunities from the T-Zone, notably lithium, and the future growth potential from the other mineralised zones on the Property.

Avalon President and CEO, Don Bubar commented, *"We are delighted to have attracted a like-minded partner in Cheetah to the rare earth opportunity at Thor Lake. The agreement structure will allow Avalon to resume its long term development aspirations for the Nechalacho Project, and secure a source of non-dilutive working capital to continue to advance our other near term development aspirations for the East Kemptville Tin and Separation Rapids Lithium Projects."*

Compilation work continues toward preparing a scope of work and budget for a 2019 work program on the T-Zone and Tardiff Zones. This includes preparing a new block model from historical data for the T-Zone resources and initial test work on the application of ore-sorting technology on the North T Nd-Pr-rich bastnaesite mineralisation. Re-sampling and analysis of select samples of archived drill core collected during the fall 2018 work program confirmed the high Nd-Pr grades in the bastnaesite-rich F-subzone. For example, a 2.59 metre core length in hole 84-77 averaged 9.0% total rare earth oxides including 2.80% Nd-Pr oxide.

The technical information included in this news release has been reviewed and approved by the Company's Vice President, Exploration, Dr. William Mercer, P. Geo (Ont), who is a Qualified Person under NI 43-101.

About Cheetah Resources Pty Ltd.

Cheetah Resources Pty Ltd is an Australian private company focused on the development of rare earth resource projects. Cheetah was established by a team of mining executives experienced in the financing and development of rare earth and other strategic mineral projects around the world.