

Avalon CEO Don Bubar chairs packed Lithium session at the PDAC

Avalon Advanced Materials {TSX: AVL} CEO Don Bubar chaired a packed out lithium event at the recent PDAC.

Gold and lithium shared the spotlight at the recent event.

INDUSTRY BULLETIN: Lithium in the spotlight at PDAC 2016

At the 2016 Prospectors and Developers Association of Canada ("PDAC") Convention, Trade Show and Investors Exchange in Toronto, Ontario, lithium shared the spotlight with gold as the commodities attracting the most interest from investors. In fact, a Tesla Motors Model S electric car powered by a lithium ion battery was on display in the Investors Exchange, reminding investors that electronic vehicles are creating much of the new demand for lithium.

The technical session entitled *Speciality Minerals and Metals for Energy Storage*, co-chaired by Avalon President & CEO, Don

Bubar, attracted a standing-room-only crowd for two excellent overview presentations on the lithium ion battery supply chain by Simon Moores of Benchmark Minerals Intelligence and Jon Hykawy, President of Stormcrow Capital. Mr. Hykawy noted, "Everyone can see the writing on the wall as we move toward 2020, and a need for new deposits to get into production."

Highlights from Hykawy's presentation can be found on Investing News network at <http://investingnews.com/-daily/resource-investing/energy-investing/lithium--investing/lithium-prices-jon-hykawy-stormcrow>.

Also presenting on lithium during the session were representatives of Nemaska Lithium Inc. and Western Lithium USA Corp.

All presentations will be available for download on the PDAC website in next few weeks at <http://www.pdac.ca/convention/-programming/technical-program/sessions/technical-program/-specialty-minerals-and-metals-for-energy-storage>.

For further media coverage of PDAC 2016 and the exposure lithium received at the show, a recent *Financial Post* article can be found at <http://business.financialpost.-com/news/mining/pdac-2016-how-lithium-has-become-a-rare--winner-amid-the-commodity-slaughter>.

Recent Global Lithium Developments

United States

- US Electric Vehicle sales in February 2016 set a fourth consecutive monthly record.
- The state of California took a large step forward in electric vehicle infrastructure by awarding \$8.9 million USD to fund projects that will install fast charging

stations along some of the state's major highways.¹

- US energy storage installations are up 243%, with almost half a billion dollars in investment in 2015, of which 96% was in lithium ion technology.
- GTM Research sees the market for residential and utility deployments of energy storage reaching more than 1.6 GW by 2020, up from 221 MW in 2015.²

Germany

- The electric car incentive plan is reportedly set to be unveiled in the near term and will include up to 5,000 euros to purchase electric vehicles.³
- Daimler AG envisions strong growth in the sector, as they recently announced that they will be investing 500 million euros to build a second lithium ion battery production facility to supply their Mercedes-Benz electric and hybrid vehicles, and for home energy storage battery packs.⁴ These are major steps towards Germany's goal of a million electric vehicles on the road by 2020.

South Korea

- LG Chem, the world's third largest battery producer, foresees its car battery business hitting \$1 billion USD in sales in 2016, a 70% increase from the previous year.
- LG Chem has vowed to lead the global electric vehicle battery market by building additional manufacturing facilities overseas (such as the one in Michigan) and producing batteries that will allow a 500+ kilometre vehicle range by 2019.⁵

Lithium industry commentators, including Joe Lowry (<https://www.linkedin.com/pulse/lithium-market-update--march-2016-joe-lowry>), are forecasting continuing growth in demand for lithium and sustained higher lithium prices, as the rapid growth in demand for lithium ion rechargeable batteries outpaces the ability of the supply side to rapidly increase production.

For questions or feedback, please email Avalon at ir@AvalonAM.com.

About Avalon Advanced Materials Inc.

[Avalon Advanced Materials Inc](#) (**TSX:AVL**), is a Canadian mineral development company specialising in niche market metals and minerals which are in 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.

¹ <http://insideevs.com/february-electric-vehicle-sales-set--4th-consecutive-monthly-record-for-us/>

² <http://www.canadianmanufacturing.com/-technology/energy-storage-market-booming-u-s-installs--jump-243-per-cent-2015-163810/>

³ <http://www.reuters.com/article/us-autos-electric--germany-idUSKCN0VZ251>

⁴ <https://cleantechnica.com/2016/03/06/daimler-investing--e500-million-into-new-lithium-ion-battery-factory-in-germany/>

⁵ <http://insideevs.com/lg-chem-hopes-for-70-increase-in--ev-battery-sales-this-year/> & <http://www.koreaherald.com/-view.php?ud=20160306000323>

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