Avalon issue Separation Rapids update

Avalon Advanced Materials {TSX: AVL} reported that further to the Company's news release dated July 25, 2016, the Preliminary Economic Assessment ("PEA") on the Separation Rapids Lithium Project is now targeted for completion by mid-September, 2016.

Avalon update on their Separation Rapids PEA

Toronto, ON – **Avalon Advanced Materials Inc. {TSX: AVL}** reports that further to the Company's news release dated July 25, 2016, the Preliminary Economic Assessment ("PEA") on the Separation Rapids Lithium Project is now targeted for completion by mid-September, 2016.

Work continues towards finalizing the hydrometallurgical process plant cost estimates, the mine plan and the economic model. Some delays were experienced in receiving final analytical results from the laboratory which has delayed completion of the PEA. Most of the other components of the PEA, including the updated resource estimate and environmental studies, have now been completed.

The technical information included in this news release has been reviewed and approved by the Company's Senior Vice President, Metallurgy and Technology Development, Mr. David

Marsh, FAusIMM (CP), and Donald S. Bubar, P.Geo., both Qualified Persons 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, please e-mail the Company at ir@AvalonAM.com

or

Don Bubar, President & CEO at +1 416 364 4938