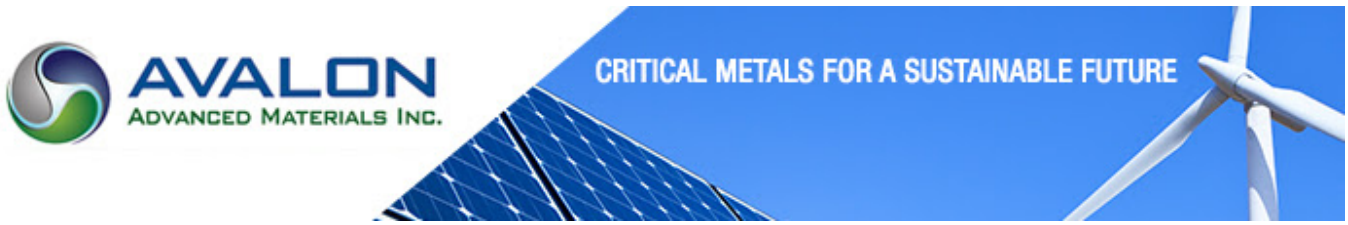
Avalon updates on progress at their Separation Rapids Lithium Project, Kenora Ontario.

Avalon Advanced Materials Inc. {TSX: **AVL}** provided the following update on recent activities on its Separation Rapids Lithium Project.

The Company is focused on advancing its proposed Phase 1 lithium production facility and has been analysing various alternatives on flowsheets to meet the needs of potential battery materials, glass-ceramics customers, as well as lithium mineral concentrate processors.



Avalon provides progress

report on Separation Rapids Lithium Project, Kenora ON.

Toronto, ON – **Avalon Advanced Materials Inc. {TSX: AVL}** is pleased to provide the following update on recent activities on its Separation Rapids Lithium Project.

The Company is focused on advancing its proposed Phase 1 lithium production facility and has been analysing various alternatives on flowsheets to meet the needs of potential battery materials and glass-ceramics customers, as well as lithium mineral concentrate processors, that have expressed interest in the products. The mineralogy of the Separation Rapids lithium resource, containing significant quantities of both petalite and lepidolite, provides opportunities to produce both lithium carbonate and lithium hydroxide for battery makers and petalite as an industrial mineral for glass makers. Accordingly, recent work on the resource block model following the spring drilling program has focused on generating a detailed mineralogical model of the deposit.

Resource Update and Phase 1 Plant Design

As disclosed in the Company's News Release dated July 18, 2017, the spring drilling program has generated considerable new data towards creating a detailed mineralogical model of the deposit. The four in-fill holes contributed to a better understanding of resource geometry for mine planning purposes,

in particular the spatial distribution of the lepidolite rich sub-unit that comprises at least 20% of the known resource. The block model created will also help guide further drilling planned for later this fall designed to expand the resource to depth.

Mapping mineralogical zonation in the deposit is integral to designing the flowsheet for the planned Phase 1 production facility in order to maximize recoveries of lepidolite and petalite which will need to be concentrated separately. Initial testwork has shown that lepidolite can be recovered as the first step in a sequential flotation process prior to flotation of petalite. Concentrates of lepidolite are attracting increasing interest as a feedstock for production of lithium carbonate due to innovative low cost process technology such as the L-Max® process of Lepidico Ltd.

As reported in the Company's news release dated February 6, 2017, Avalon signed a letter of intent with Lepidico under which it is contemplated that Avalon would sell a minimum of 15,000 tonnes per annum of lepidolite concentrate produced from its Phase 1 plant to Lepidico for processing at Lepidico's planned Phase 1 commercial lithium carbonate production facility. Lepidico now contemplates building this facility in Ontario. Avalon's Phase 1 plant would also include a circuit to produce lithium hydroxide from petalite using the innovative new process flowsheet developed by the Company in 2016.

Numerous expressions of interest have been received from potential customers for the Company's lithium products and discussions on off-take commitments are ongoing. Once off-take commitments are secured that define the priority lithium

product lines, the Company can finalise the design and engineering of the Phase 1 plant. With demand for lithium growing rapidly and few advanced lithium projects ready to initiate production, the Company is well-positioned to bring a new supply to the market to serve priority customers, once project financing is in place.

Summer Geological Mapping Program and Environmental Studies

The 2017 summer geological mapping and sampling program was carried out on the western part of the property covering the new claims acquired earlier this year. This work confirmed the potential for discovery of additional lithium pegmatite resources over a six kilometre long trend to the west of the main Separation Rapids lithium deposit and has outlined six new pegmatite targets based on either lithogeochemical or biogeochemical (vegetation) sampling. The westernmost occurrence, known as the Glitter pegmatite, has never been drill-tested and yielded **1.18% Li20 over 14.8 metres** in a continuous chip sample of petalite mineralisation collected this summer, confirming results obtained by previous operators.

Avalon completed site water, sediment, fish, invertebrate and endangered species studies in June and October that successfully advanced the validation of the 1999 environmental baseline study. Sites for infrastructure, including the tailing management facility, have been identified that do not impact fish or other wildlife habitat. Leachate work has been initiated on the site rock and tailings to confirm that these have a low risk of generating acid rock drainage.

Avalon held a multi-Ministry meeting to review the project and

associated permitting requirements as well as separate meetings with the leadership of Wabaseemong Independent Nations and local representatives of the Métis Nation of Ontario to present the project in detail, obtain input and discuss potential avenues for collaboration. Overall, the Company does not anticipate any delays in securing the necessary permits and approvals to proceed with the Phase 1 production facility.

Future Work

Further drilling is planned in order to increase the total lithium resources in the main Separation Rapids lithium deposit, which is open for expansion to depth below 200 metres with the deepest holes at present indicating similar widths and grades as in the near surface holes. In addition, the lepidolite-rich sub-unit of the main pegmatite is also open for expansion to depth and along strike.

Detailed mineralogical studies using several different techniques are underway in order to further quantify the lithium pegmatite resources on the basis of mineralogy, as well as grades of the rare elements lithium, tantalum, cesium and rubidium.

Further geological work on the regional targets to the west is planned, in order to bring these to the drill stage. The Glitter pegmatite merits drill-testing, along with the similarly untested petalite-bearing “West” pegmatite located just 800 metres west of the main deposit. These can be tested in the same program as the deeper drilling planned for the main Separation Rapids lithium resource.

The geological and technical information contained in this news release has been reviewed and approved by Don Bubar P. Geo. (ONT) and President & CEO, Avalon Advanced Materials, qualified person for the purposes of National Instrument 43-101.

About Avalon Advanced Materials Inc.

Avalon Advanced Materials Inc. is a Canadian mineral development company focused on technology metals and minerals. 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