Corporate Profile

Avalon Advanced Materials is a Canadian mineral development company headquartered in Toronto, focused on specialty metals and minerals with clean technology applications. Avalon is developing three advanced projects, with the Separation Rapids Lithium and East Kemptville Tin-Indium projects being top priorities. Both projects offer opportunities to achieve initial production in the near term at a small scale.

Avalon is a leader among junior miners in adopting best practices and reporting on its performance in reducing its environmental footprint, engaging with local communities and protecting the health and safety of its people.

Capital Structure

Trading Symbol	AVL: TSX AVLNF: OTCQX
Shares Issued	Common: 207.1 m Preferred: 430
Fully Diluted	245 m (not including convertible preferred shares)
Market Cap	CAD$28 million (S/O @$0.135)
Year High/Low	CAD$0.23 - $0.11
Shareholders	Insiders: 15% Institutional: 15% (UBS, Empery, CPP, Marquest & others) Retail: 70%

Advanced Materials

- Global demand for **lithium** is growing rapidly in tandem with the demand for lithium ion rechargeable batteries: the energy storage solution of choice for electric vehicles, renewable energy and a host of other applications. Global lithium demand is forecast to at least double over the next 5-10 years.
- Due to lead toxicity concerns, **tin** is now the preferred alternative for solders used on all electronic circuit boards. This application now accounts for over 50% of global tin demand.
- Demand for **REE** (rare earth elements) is growing rapidly because of their application in high strength permanent magnets (now vital in electric vehicle technology), wind turbines and many other consumer electronic products.

Investment Highlights

- Avalon holds a diverse specialty metals and minerals property portfolio, offering investors exposure to **lithium, tin, indium, tantalum, niobium, zirconium, rubidium, cesium, beryllium, gallium, germanium and REE**. All of these commodities are seeing growing demand in clean technology, including renewable energy, energy storage and electric vehicles.
- The 100% owned **Separation Rapids** property is host to one of the largest "complex-type" lithium-cesium -tantalum (LCT) pegmatite deposits in the world, unusual in its enrichment in the rare high purity lithium mineral petalite. It is also enriched in a second valuable lithium mineral called lepidolite. Separation Rapids is a potential producer of lithium chemicals for the lithium ion batteries and lithium minerals for glass applications. The property is situated close to road, rail and power infrastructure approximately 70 km north of Kenora, Ontario, Canada. Construction of a Phase 1 demonstration plant is planned for 2018-19 to introduce Avalon's lithium products to the market.
- Avalon is working toward re-starting tin production at the past-producing **East Kemptville** Project in Nova Scotia, where a significant tin-indium (+copper-zinc-silver) resource remains undeveloped. The property also hosts large low-grade tin stockpiles that, with higher tin prices, are potentially economic to process to recover tin concentrates. Growing demand for tin in the electronics sector has created an opportunity to achieve initial production at a low CAPEX in 2019, utilizing the stockpiles as feed for a small-scale gravity concentrator.*
- With a completed Feasibility Study, the **Nechalacho** Rare Earth Elements Project, NWT, is ready to re-activate with recovering demand for REE, which is underway due to the importance of rare earth magnets in electric vehicle technology. The unique mineral resources at Nechalacho are also enriched in beryllium, lithium, zirconium, tantalum, niobium and gallium.

**Cautionary Note: The economic scenario for the East Kemptville Project presented here is preliminary in nature, based on resources that are considered "Inferred" under NI43-101 guidelines and should therefore not be relied upon.*

Project Summary

Avalon's mineral property assets are all 100% owned and located in Canada.

Avalon first explored its **Separation Rapids** project located near Kenora, Ontario in 1997, shortly after the discovery of a large LCT pegmatite enriched in the rare, high purity lithium mineral petalite. Petalite is a preferred industrial mineral in the glass industry for making thermal shock resistant glass-ceramics.

The project was re-activated in 2014 to evaluate its potential for producing a lithium compound for the battery market. Initial leach tests on the petalite concentrate have successfully demonstrated the potential to recover a high purity **lithium hydroxide product.** A Preliminary Economic Assessment on the battery materials opportunity was completed in September 2016. The next steps are focused on establishing a Phase 1 demonstration plant in 2018-19 to begin producing trial quantities of the lithium products and other potential by -products. Additional drilling was conducted in 2017 to update the geological model to reflect the lithium mineralogy, particularly the lepidolite rich sub-zones, and identify specific targets for future resource expansion.

At **East Kemptville**, located near Yarmouth, Nova Scotia, Avalon is evaluating the potential for re-establishing tin production at the past producing mine that has been closed since 1992. In 2016, Avalon recognized an opportunity to take advantage of large, low grade stockpiles totaling 5.87 million tonnes averaging 0.112% tin (Inferred Resource) to re-start production at a small scale and low CAPEX.* A 2,400tpd gravity concentrator could support tin concentrate production at a rate of 1,100-1,600tpy for 8-10 years.* Avalon is presently completing environmental studies and negotiations toward securing full tenure to the site under a mining lease.

The **Nechalacho** Rare Earth Elements Project, located at Thor Lake, NWT, was explored from 2006-14 primarily for its potential to produce **REE**. Avalon has invested over $100 million to date in taking the project through completion of a positive, comprehensive Feasibility Study released in April 2013. The project is currently inactive due to reduced demand for rare earths. In the meantime, Avalon is monitoring the rare earths market for recovery in demand and participating in new research initiatives into more efficient rare earth extraction techniques that can reduce costs. The Nechalacho deposit is a rich polymetallic rare metals resource, with potential for economic recovery of other rare metals, including niobium, tantalum, zirconium, beryllium and lithium.

Project Strategy

Product design: working with our customers to serve their needs

Innovative metallurgy: the best quality product at the lowest cost

Staged development: start producing from a demonstration plant

Minimizing environmental impacts: recycling reagents and by-product sales

Sustainable development: utilize renewable energy and maximize use of ore bodies

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Experienced Management Team

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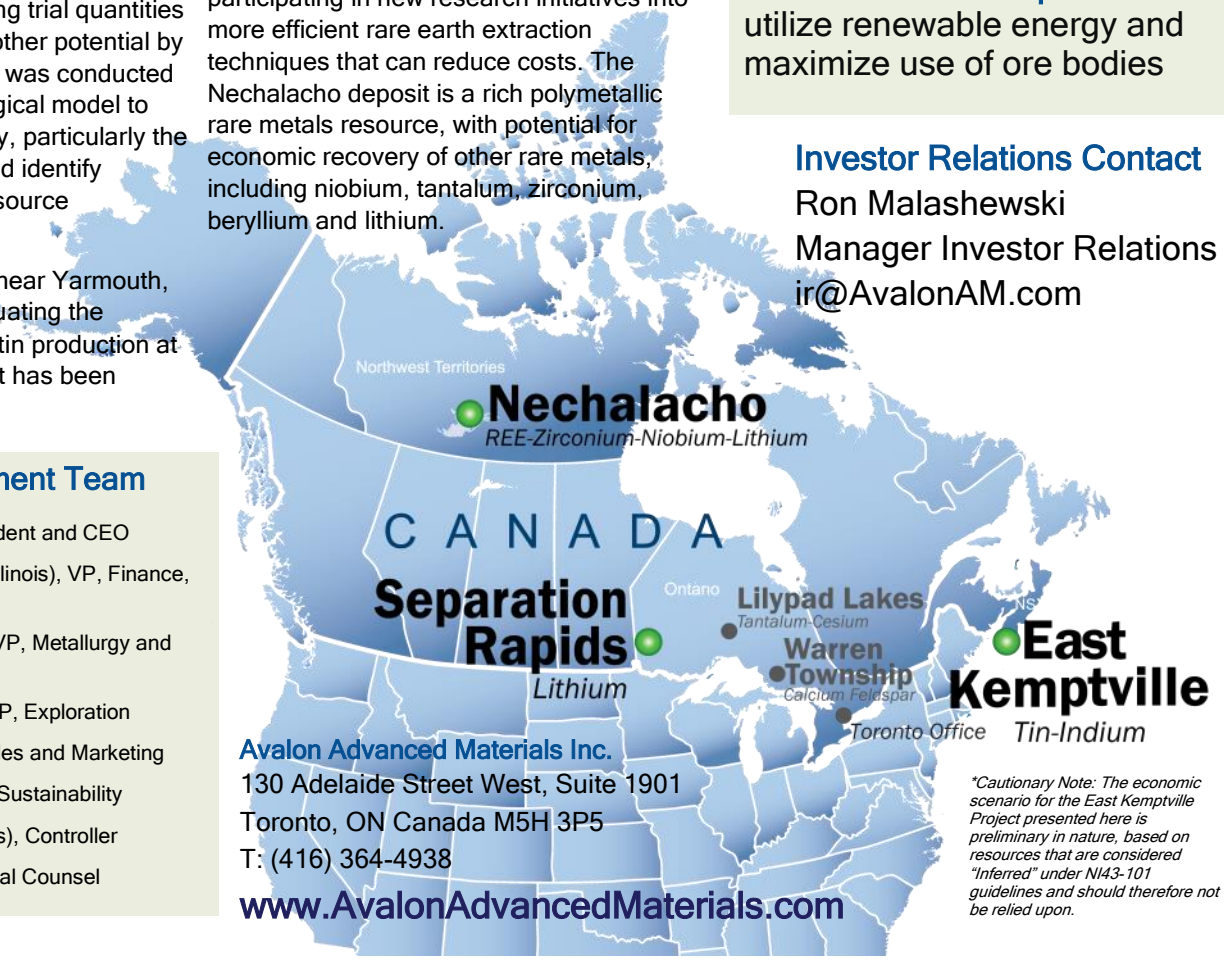

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The technical information contained in this document has been reviewed and approved by Donald Bubar, P.Geo. (ON), President and CEO of Avalon, the qualified person for the purposes of National Instrument 43-101.
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