

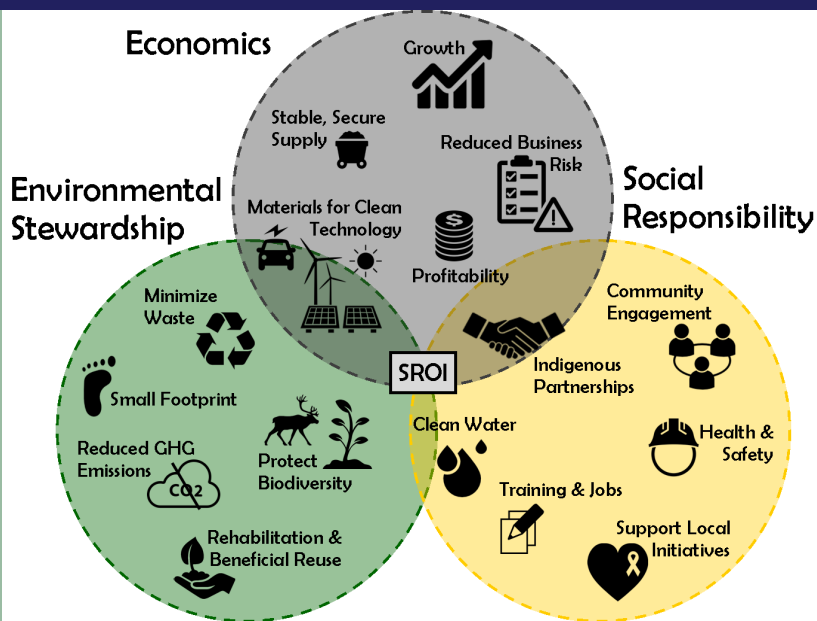
Avalon Advanced Materials is a Canadian company focused on sustainable production of clean technology materials. Avalon's mineral property assets are all 100% owned and located in Canada.

Avalon is establishing a diversified clean technology materials business, focusing initially on its **lithium, tin, cesium** and **rare earth elements** (REE) assets, and applying new process technology to increase efficiency, reduce costs and minimize environmental impacts. The company's staged development approach creates early revenue streams and a platform for growth by producing the best quality products at the lowest possible cost and expanding its production capacity over time with the growth in global demand for clean technology materials.

Avalon is a leader in adopting best practices and reporting on its performance in an annual sustainability report, which it has been producing for six years. This has earned the company recognition as one of *Corporate Knights' Future 40 Responsible Corporate Leaders in Canada* (2018, 2016, 2015).

Developing the Supply Chain for the Clean Economy in Canada

Avalon's Resource Development Strategy:



AvalonAdvancedMaterials.com

- Market Cap: C\$20 million
- Shares outstanding: 237 million (31/08/18)
- Fully diluted: 279.5 million (+570 convertible preferred shares)
- Shareholders: Insiders (15%), Institutional (15%), Retail (70%)
- Over 20,000 shareholders worldwide

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Corporate Knights 2018
FUTURE40
Responsible Corporate Leaders in Canada

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Lithium

Critical ingredient both for energy storage and high strength glass products

Cesium

A rare element in high demand for space technology and specialty drilling fluids

Rare Earths, Lithium

'Energy Metals' vital to electric vehicle technology

Northwest Territories
Nechalacho
 REE-Zirconium-Niobium-Lithium

Ontario
Separation Rapids
 Lithium

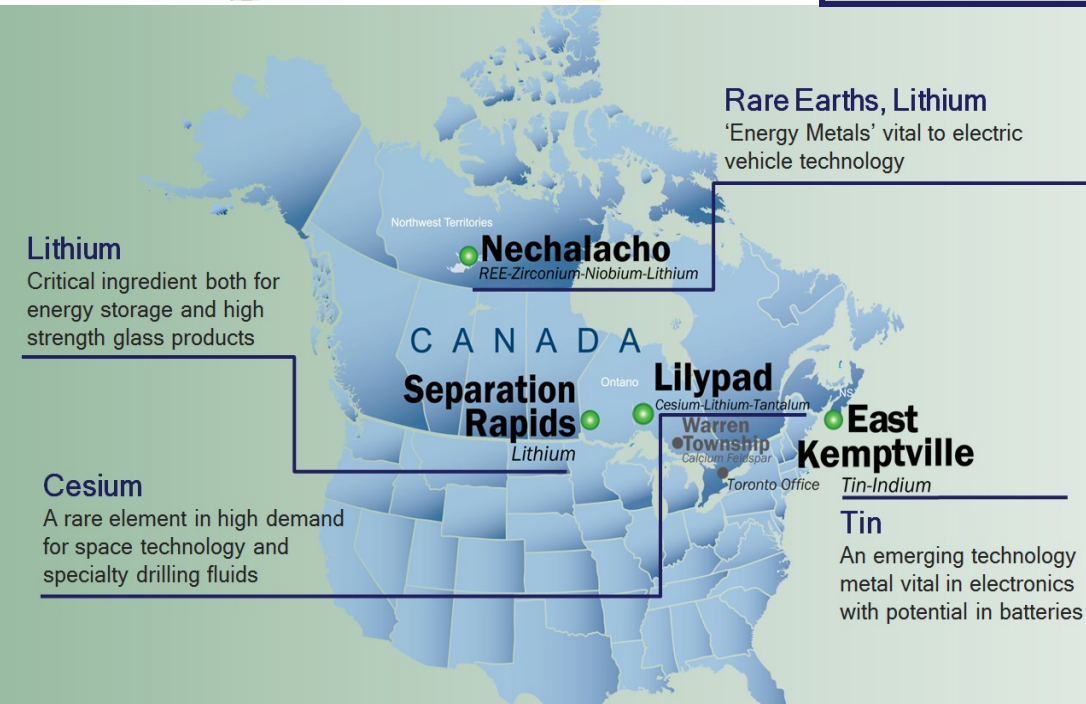
Ontario
Lilypad
 Cesium-Lithium-Tantalum

Warren Township
 Calcium Fluorspar

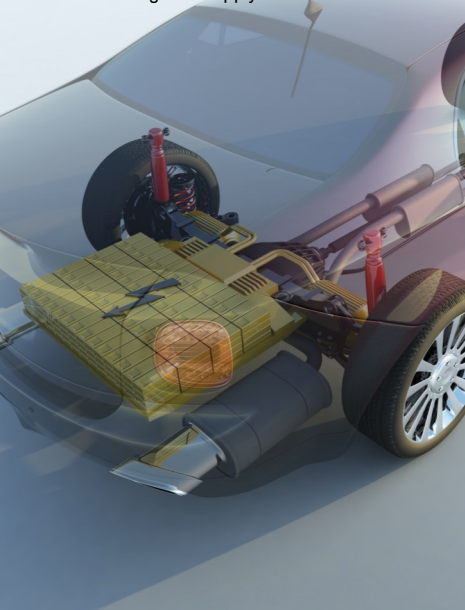
Ontario
East Kempville
 Tin-Indium

Tin

An emerging technology metal vital in electronics with potential in batteries



Shift to EVs is being driven by production quotas, regulations & government policies. In China alone, internal demand for lithium is forecasted to reach 340 ktpa LCE by 2021—double 2016 global supply.



Separation Rapids Lithium



Lithium is the critical ingredient in lithium ion batteries: the energy storage solution for both electric vehicles and renewable energy generation. It is also the critical ingredient in high strength glass products. Separation Rapids is a large pegmatite deposit unusual in its enrichment in the lithium minerals petalite and lepidolite, which are amenable to the production of lithium battery materials and lithium minerals for glass applications. The property has high potential for additional lithium pegmatite deposits, as evidenced by the recent discovery of the high grade Snowbank pegmatite. The deposits are situated close to road, rail and power infrastructure approximately 70 km north of Kenora, Ontario.

The results of an updated PEA on the project were disclosed in August 2018, reflecting a simplified business model that focuses on production of lithium mineral concentrates for glass and ceramics, with

potential for expansion into battery material production. This model showed attractive economics, including a pre-tax IRR of 27.1% at a reduced upfront capital expenditure of just C\$77.7 million.

Avalon is now planning a pilot plant program to finalize process parameters for final engineering, after which a Feasibility Study will be completed. This work is expected to proceed in 2019, once off-take agreements are concluded and financing is in place.

Avalon renewed its MOU with the Wabaseemoong Independent Nations in 2013, first signed in 1999. The company is committed to maximizing economic benefits for its Indigenous partners. Separation Rapids will have a very small environmental footprint with as little as 10% of the ore ending up as waste, and no toxic elements in the deposit.

Tin is primarily used in lead-free solders for electronics. MIT declared tin will be the metal most impacted by new technology.

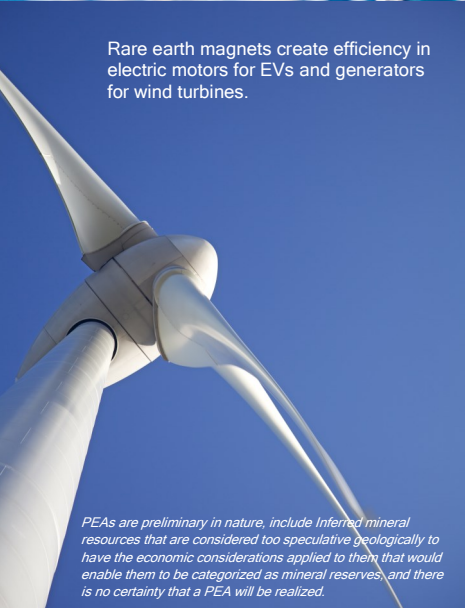


East Kemptville Tin

Tin is increasingly being recognized as a clean technology metal because its high conductivity gives it application in lithium ion battery technology and renewable energy applications, as well as its current use in lead-free solders for electronic circuit boards. Avalon is planning to recover conflict-free tin concentrates from waste materials left at the past-producing East Kemptville Mine in Nova Scotia. The company has developed an innovative approach to development that will also result in full rehabilitation of the long-term environmental liability at the site.

Large stockpiles of low-grade tin ore, that are a significant source of acid mine drainage, can now be processed economically utilizing new tin recovery technologies including ore-sorting to produce saleable tin concentrates. Small-scale profitable production could begin as early as 2019-20 at a very low CAPEX in the order of CAD\$31 million. Avalon finalized a PEA on the redevelopment model in July 2018 and is working toward securing full tenure to the site under a mining lease in late 2018.

Rare earth magnets create efficiency in electric motors for EVs and generators for wind turbines.



Nechalacho REE and Lilypad Cesium

The rare earths (REE) are a group of 15 elements all having emerging applications in clean technology. Nechalacho hosts high grade, near surface REE resources rich in neodymium-praseodymium (Nd-Pr), with potential for near-term, small-scale development, with a very small environmental footprint. In 2018, Avalon started conducting sampling and testwork toward producing an initial scoping study on the new, small scale Nd-Pr development model, as well as resuming the permitting process and community engagement toward identifying local indigenous business partners.

The Lilypad Cesium project was re-activated in 2018 due to strong demand for this very rare, high-value element. The main present use of cesium is for the very stable, environmentally-friendly, specialty drying fluid cesium formate. Cesium is also used in space technology for atomic clocks and has many other potential high tech applications. The original exploration work at Lilypad by Avalon in 2001-3 was focused on tantalum, but several of the tantalum pegmatites proved to be highly enriched in the cesium ore mineral pollucite, for which there was limited demand at the time. A global cesium shortage has inspired renewed interest in the property and an initial work program is planned for fall, 2018.

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risks in the mining industry, as well as those risk factors discussed or referred to in the Company's annual Management's Discussion and Analysis and Annual Report available at www.sedar.com. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. The forward-looking statements contained herein are qualified in their entirety by this cautionary statement. Readers should not place undue reliance on the forward-looking statements, which reflect management's plans, estimates, projections and views only as of the date hereof. Avalon does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities law. The information contained in this presentation has been reviewed and approved by Don Bubar, P. Geo. (ONT), President & CEO, Avalon Advanced Materials, qualified person for the purposes of National Instrument 43-101.