



April 9, 2025

Avalon Advanced Materials Adopts Shareholder Rights Plan

TORONTO, ON – [Avalon Advanced Materials Inc.](#) ("Avalon" or the "Company") (TSX: [AVL](#) and OTCQB: [AVLNF](#)) announces that its Board of Directors (the "Board") has approved the adoption of a shareholder rights plan (the "Rights Plan") effective as of April 8, 2025, pursuant to a shareholder rights plan agreement entered into with TSX Trust Company, as rights agent under the Rights Plan.

The purpose of the Rights Plan is to ensure, to the extent possible, that all shareholders of the Company are treated fairly in connection with any unsolicited take-over bid and to protect against "creeping bids," which involve the accumulation of more than 20%, on an aggregate basis, of the Company's issued and outstanding common shares through purchases exempt from applicable take over-bid rules.

The Rights Plan is like other recently adopted plans by other Canadian companies and approved by their shareholders. It has not been implemented in response to any specific proposal or intention to acquire control of the Company.

Pursuant to the Rights Plan, one right will be issued in respect of each common share of the Company. Subject to the terms of the Rights Plan, in the event that rights become exercisable under the Rights Plan, holders of the rights (other than the acquiring person and its related parties) will be permitted to exercise their rights to purchase additional common shares of the Company at a 50% discount to the then prevailing market price of the common shares.

The Rights Plan has been conditionally approved by the Toronto Stock Exchange and is subject to ratification by the shareholders of the Company within six months of its effective date. The Company will be seeking shareholder ratification of the Rights Plan on a to be determined date. A complete copy of the Rights Plan will be available on SEDAR+ (www.sedarplus.com) under the Company's issuer profile. If the Rights Plan is not approved by the shareholders within six months of its adoption, the plan, together with the outstanding rights, will terminate and cease to be effective.

About Avalon Advanced Materials Inc.

Avalon Advanced Materials Inc. is a Canadian Critical Minerals company focused on vertically integrating the Ontario lithium supply chain. The Company, through its joint venture with SCR-Sibelco NV, is currently advancing its Separation Rapids lithium Project near Kenora, ON, and continuing exploration at its Snowbank lithium and Lilypad lithium-caesium deposits. Avalon is also working to develop its Nechalacho rare earths and zirconium project located in the Northwest Territories. This deposit contains critical minerals for use in advanced technologies in the communications and defense industries among other sectors. In addition to these upstream activities, Avalon is executing on a key initiative to develop Ontario's first midstream lithium hydroxide processing facility in Thunder Bay, ON, a vital link bridging the lithium resources of the north with the downstream EV battery manufacturing base in the south.

For further information regarding Avalon Advanced Materials Inc., please visit www.avalonadvancedmaterials.com or contact:

Investor Relations

Ms. Rachel Naji

ir@avalonam.com

416-364-4938

Cautionary Statement Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to statements that the Company will be seeking shareholder approval of the Rights Plan. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "add" or "additional", "advancing", "anticipates" or "does not anticipate", "appears", "believes", "can be", "conceptual", "confidence", "continue", "convert" or "conversion", "deliver", "demonstrating", "estimates", "encouraging", "expand" or "expanding" or "expansion", "expect" or "expectations", "forecasts", "forward", "goal", "improves", "increase", "intends", "justification", "plans", "potential" or "potentially", "promise", "prospective", "prioritize", "reflects", "robust", "scheduled", "suggesting", "support", "top-tier", "updating", "upside", "will be" or "will consider", "work towards", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved".

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including risks associated with mineral exploration and development operations such as: environmental hazards and economic factors as they affect the cost and success of the Company's capital expenditures, the ability of the Company to obtain required permits and approvals, the ability of the Company to obtain financing, uncertainty in the estimation of mineral resources, uncertainty with respect to the ability to successfully construct and develop the Company's lithium processing facility, the price of lithium, no operating history, no operating revenue and negative cash flow, land title risk, the market price of the Company's securities, the economic feasibility of the Company's mineral resources and the Company's commercial viability, inflation and uncertain global economic conditions, uncertain geo-political shifts and risks, successful collaboration with indigenous communities, changes in technology and advancements in innovation may impact the development of the Company's technology innovation centre and its lithium hydroxide processing facility, future pandemics and other health crises, dependence on management and other highly skilled personnel, title to the Company's mineral properties, the ongoing war in Ukraine and Israel, extensive government and environmental regulation, reliance on artificial intelligence technology to influence mining operations, volatility in the financial markets, uninsured risks, climate change, threat of legal proceedings, as well as those risk factors discussed or referred to in the annual information form of the Company dated November 28, 2024 (the "AIF") under the heading "Description of the Business - Risk Factors". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be

placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions identified in the AIF, assumptions have been made regarding, among other things: management of certain of the Company's assets by other companies or joint venture partners, the Company's ability to carry on its exploration and development activities without undue delays or unbudgeted costs, the ability of the Company to obtain sufficient qualified personnel, equipment and services in a timely and cost effective manner, the ability of the Company to operate in a safe, efficient and effective manner, the ability of the Company to obtain all necessary financing on acceptable terms and when needed, the accuracy of the Company's resource estimates and geological, operational and price assumptions on which these are based and the continuance of the regulatory framework regarding environmental matters. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions that may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.