



AVALON

ADVANCED MATERIALS

# Restoring North American Critical Minerals Control

Rare Earths | Lithium | Processing

Corporate Presentation

June 2026



# CAUTIONARY STATEMENT

## FORWARD-LOOKING STATEMENT

This presentation contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with that are not based on historical fact contained in this presentation, including through documents incorporated by reference herein, are forward-looking statements that involve risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward-looking statements. Such forward-looking statements reflect the Company's current views with respect to future events and include, among other things, statements regarding targets, estimates and/or assumptions in respect of reserves and/or resources, and are based on estimates and/or assumptions related to future economic, market and other conditions that, while considered reasonable by the Corporation, are inherently subject to risks and uncertainties, including significant business, economic, competitive, political and social uncertainties and contingencies. These estimates and/or assumptions include, but are not limited to: grade of ore; rare metal and by-product commodity prices; metallurgical recoveries; operating costs; achievement of current timetables for development; strength of the global economy; availability of additional capital; and availability of supplies, equipment and labour. 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 project development 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, the ability to source feedstock for the Company's proposed lithium processing facility at reasonable prices or at all, the price of lithium hydroxide, no operating history, no operating revenue and negative cash flow, land title risk, the market price of the Company's securities, the Company's commercial viability, inflation and uncertain global economic conditions, uncertain geo-political shifts and risks, successful collaboration with indigenous communities, future pandemics and other health crises, dependence on management and other highly skilled personnel, 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 26, 2025 (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 project 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 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.

### Financial Projections

The Company's financial projections are inherently speculative and may prove to be inaccurate. Any financial projections provided in this presentation have been prepared in good faith based upon the estimates and assumptions considered reasonable by management. However, projections are no more than estimates of possible events and should not be relied upon to predict the results that the Company may attain. Future oriented financial information in this presentation includes statements with respect to (i) capital expenditures; (ii) post-tax net present values; (iii) after-tax rate of returns; (iv) proposed revenues over the course of the project life; (v) operating and production costs; and (vi) projected EBITDA. The projections are based upon a number of estimates and assumptions and have not been examined, reviewed or compiled by independent accountants or other third-party experts, including assumptions with respect to the Company's anticipated future revenues; foreign exchange rates and price fluctuations; corporate income tax rates; working capital requirements; capital expenditures including construction costs and timing, and annual operating costs; type of facility feedstock including minimum requirements; sale price of lithium hydroxide; and purchase price of spodumene and petalite. These assumptions may vary from the actual results. Accordingly, there is no assurance that future events will correspond to management's assumptions or that actual results during the periods covered will approximate the financial projections. Any variations of actual results from projections may be material and adverse. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the reasonable assumptions of the Company and management as at the date hereof. The Company's actual financial position and results of operations may differ materially from management's current expectations and, as a result, revenue, profitability, and EBITDA may differ materially from any revenue, and profitability profiles provided in this presentation. Such information is presented for illustrative purposes only and may not be an indication of our actual financial position or results of operations.

### Industry Data

This presentation also contains or references certain market, industry and peer group data which is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Company believe these sources to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties. The Company has not independently verified any of the data from third party sources referred to in this presentation and accordingly, the accuracy and completeness of such data is not guaranteed.

## QUALIFIED PERSON

Volker Moeller, P.Geo., and Ron Groenewegen, MAusIMM (CP), each a Qualified Person ("QP") as such term is defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects, have reviewed and approved the technical information included in this presentation within their respective areas of responsibility. Mr. Moeller reviewed and approved information related to the Nechalacho Rare Earths and Zirconium Project, and Mr. Groenewegen reviewed and approved information related to the Lake Superior Lithium / Thunder Bay lithium refinery project.

# WHY AVALON IS EVALUATING A POTENTIAL U.S. EXCHANGE LISTING

Evaluating a potential path to broader investor access, improved marketability and greater long-term capital markets flexibility



## BROADER INVESTOR ACCESS

If pursued and completed, a U.S. exchange listing could increase visibility with U.S. retail investors, institutions, analysts, brokers and market participants.



## IMPROVED MARKETABILITY

A post-consolidation share price more consistent with U.S. exchange norms may help address price-level constraints that can limit investor engagement.



## STRATEGIC ALIGNMENT

Avalon's critical minerals portfolio is North American in scope; the Company's public market profile should evolve with the next stage of development.



## CAPITAL MARKETS FLEXIBILITY

The proposed consolidation is intended to preserve flexibility as Avalon evaluates potential U.S. exchange listing requirements.



BOARD RECOMMENDATION: **VOTE FOR** THE PROPOSED SHARE CONSOLIDATION



## IMPORTANT REMINDERS

Further information relating to the share consolidation can be found in the Company's management information circular sent to registered shareholders and filed on the Company's website and SEDAR+ profile in connection with the special meeting of the company's shareholders scheduled for June 29, 2026. No final decision has been made to pursue a U.S. listing and there can be no assurance that any such listing will occur. Any share consolidation undertaken or U.S. listing pursued by the Company will be subject to, among other things any required shareholder approval, board discretion and approval, exchange and regulatory approval, satisfaction of applicable exchange listing requirements and market conditions. As described in the Company's management information circular, **any share consolidation undertaken by the Company will not, by itself, create economic value or change a shareholder's proportionate ownership**, other than as a result of the creation and disposition of fractional shares.

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# AVALON ADVANCED MATERIALS INC

A CANADIAN CRITICAL MINERALS COMPANY BUILDING DOMESTIC CAPACITY IN RARE EARTHS AND LITHIUM

Avalon operates with a clear conviction that the future will be defined by our ability to develop resilient, domestically anchored supply chains. As demand accelerates across electrification, defense, advanced manufacturing, and energy infrastructure, North America requires a secure, scalable, and self-sufficient critical minerals supply foundation to support long-term economic and industrial strength.



## WHO WE WORK FOR

Supporting the industries, communities, partners, and shareholders that depend on a secure North American critical minerals supply chain.



## WHAT WE WORK FOR

Developing the critical minerals essential for the energy transition and advanced technologies



## WHY WE WORK

To build a secure, sustainable, and independent North American future for generations to come

## OUR SUBSIDIARIES



**NECHALACHO**  
RARE EARTH PROJECT  
Thor Lake, NWT

DFS COMPLETED (2013) |  
MODERNIZATION UNDERWAY



**LAKE SUPERIOR LITHIUM**  
(LSLi)

Thunder Bay, ON

PEA COMPLETED (2024) | FS  
UNDERWAY

# A CRITICAL RISK. A BROKEN SYSTEM.

## CHINA DOMINATES THE SUPPLY CHAINS THAT POWER OUR FUTURE



### Supply Concentration

A significant portion of global critical mineral processing is concentrated in a single region.



### Geopolitical Risk

Policy shifts, export controls, and global tensions create supply chain vulnerability.



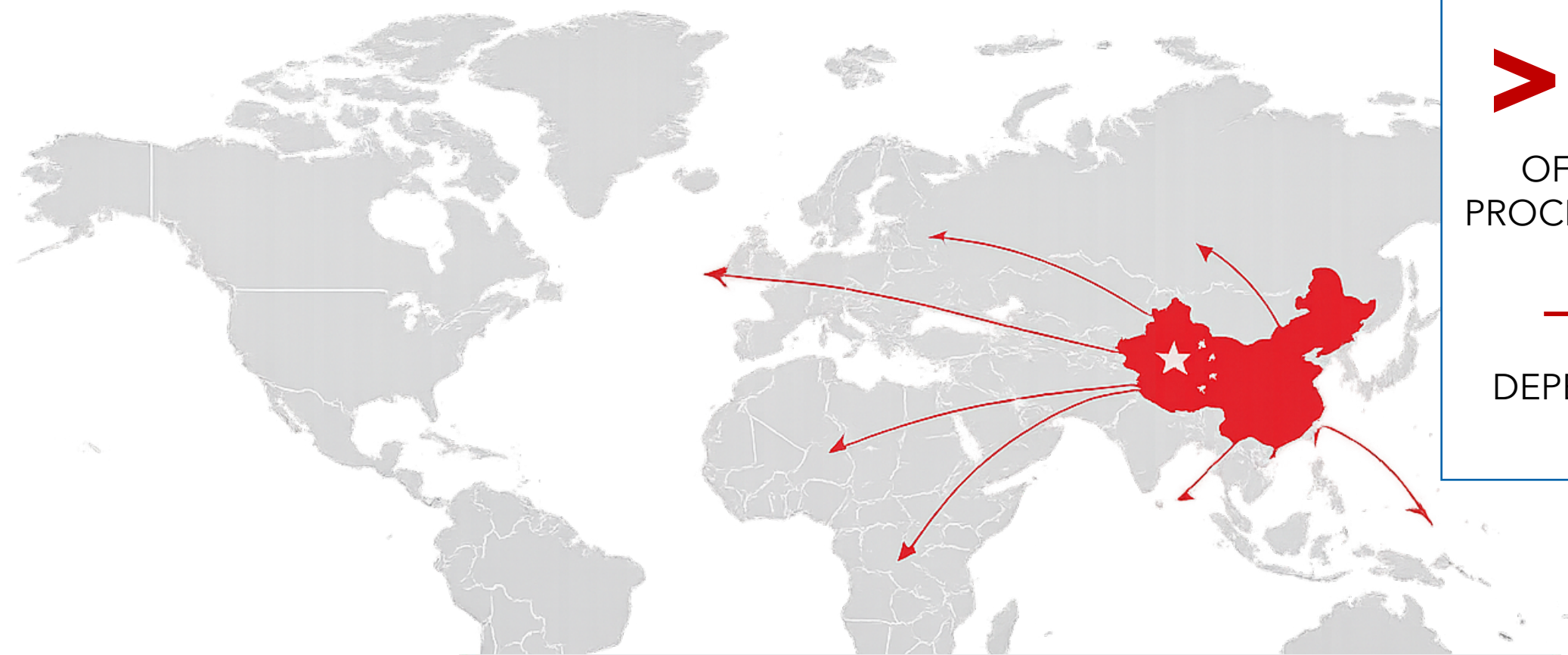
### Demand Outpacing Supply

Rapid growth in demand for critical minerals is outpacing supply, increasing pressure on global systems.

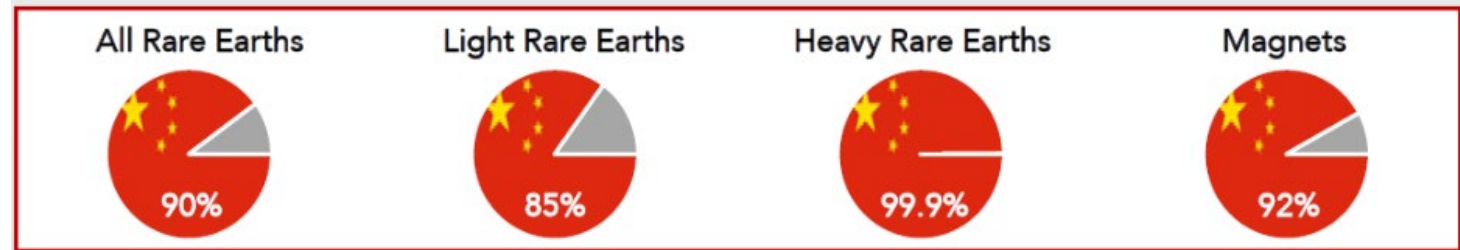


### STRATEGIC DEPENDENCY IS A GROWING RISK

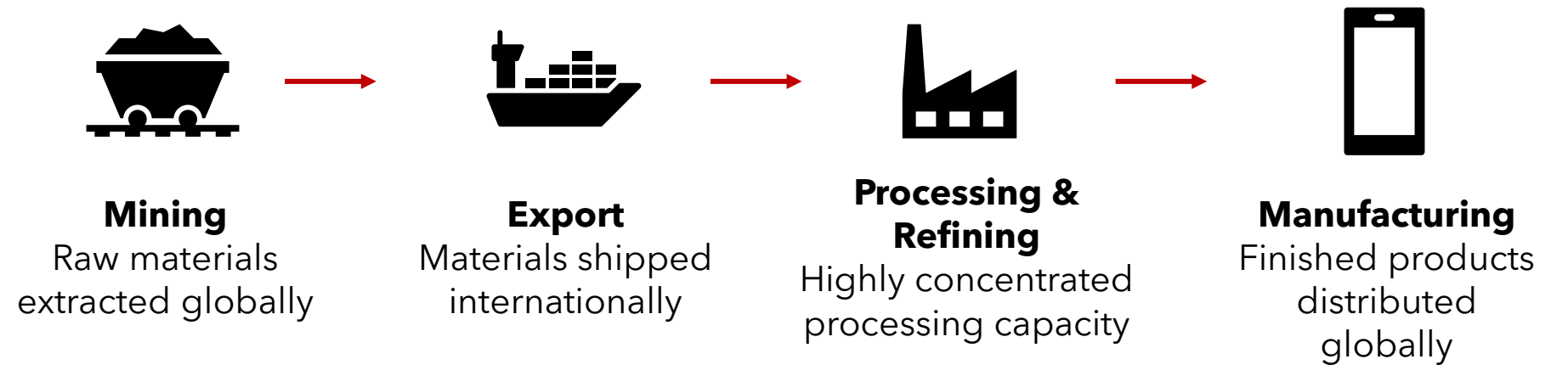
A secure domestic supply chain is critical to long-term economic and energy security.



**>90%**  
OF RARE EARTH PROCESSING OCCURS IN CHINA  
CREATING DEPENDENCY AND HIGH RISK



## CHINA'S CONTROL ACROSS THE CRITICAL MINERALS SUPPLY CHAIN



# LESSONS FROM CHINA'S RARE EARTH PLAYBOOK: 2005-2015

*Avalon's Market Capitalization*



- **2005** Avalon acquires 100% interest in the Thor Lake/Nechalacho property
- **2005-2010** China's dominance in REEs grows; export quotas constrain global supply and concentrate processing in China
- **Sept 2010** REE shipments to Japan are halted amid a maritime dispute. Prices surge into 2011, and global juniors see outsized investor attention.
- **July 2010** China slashes its second-half REE export quota by ~72%, stoking tightness
- **2013** Definitive Feasibility Study for Nechalacho completed and announced with strong economics
- **2014** WTO rules China's quotas illegal
- **2015** China scraps export quotas, replacing w/ licenses. Supply normalizes; prices retrace; funding for non-Chinese projects tightens—many Canadian juniors de-rate. REE prices fall 30-50%

**TODAY: WHAT HASN'T CHANGED**



**China still dominates global REE processing**









**Critical mineral supply remains concentrated**



**Western supply remains structurally constrained**

# Asset Locations

-  Corporate Headquarters  
Toronto, ON
-  Lake Superior Lithium Inc.  
Thunder Bay, ON
-  Nechalacho Project  
Thor Lake, NWT
-  Lilypad Cesium Project  
Fort Hope, ON
-  East Kemptville  
Yarmouth, NS
-  Warren Township Project  
Timmins, ON



# ASSET OVERVIEW

A diversified portfolio of critical minerals assets and opportunities strategically located in Canada.



## NECHALACHO RARE EARTH PROJECT

### Location:

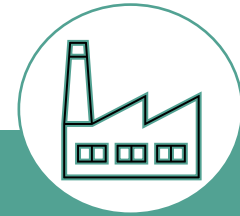
- Thor Lake, Northwest Territories

### Stage:

- DFS completed in 2013
- After-Tax NPV (8%) C\$1.3B
- After-Tax IRR ~20%
- CAPEX C\$1.6B
- 2026 PEA underway, advancing cleaner processing with improved project economics

### Mineralization:

- Light REEs (e.g., Nd, Pr)
- Heavy REEs (e.g., Tb, Dy)
- 15 of 17 REEs
- Zirconium, Tantalum, Niobium



## LAKE SUPERIOR LITHIUM (LSLI) LITHIUM PROCESSING FACILITY

### Location:

- Thunder Bay, Ontario

### Stage:

- PEA completed in 2024
- After-Tax NPV (8%) C\$4.1B
- After-Tax IRR 48%
- CAPEX C\$1.3B
- FS underway, advancing toward construction readiness and partnership engagement

### Commodity:

- Production of Lithium Hydroxide

### Key Points:

- 100% owned land for proposed lithium processing facility
- Existing strategic infrastructure
- MOU with Metso Corp. and Qualcomm Technologies Inc.



## Strategic Partnership & Divestment Opportunities

### Lilypad Cesium Project - Fort Hope, Ontario

#### Mineralization:

- Cesium

#### Stage:

- Early Exploration

### East Kemptville Tin - Yarmouth, Nova Scotia

#### Mineralization:

- Tin, Mineral Resource Estimate

#### Stage:

- PEA 2018

### Warren Township Anorthosite Project -

Timmins, Ontario

#### Mineralization:

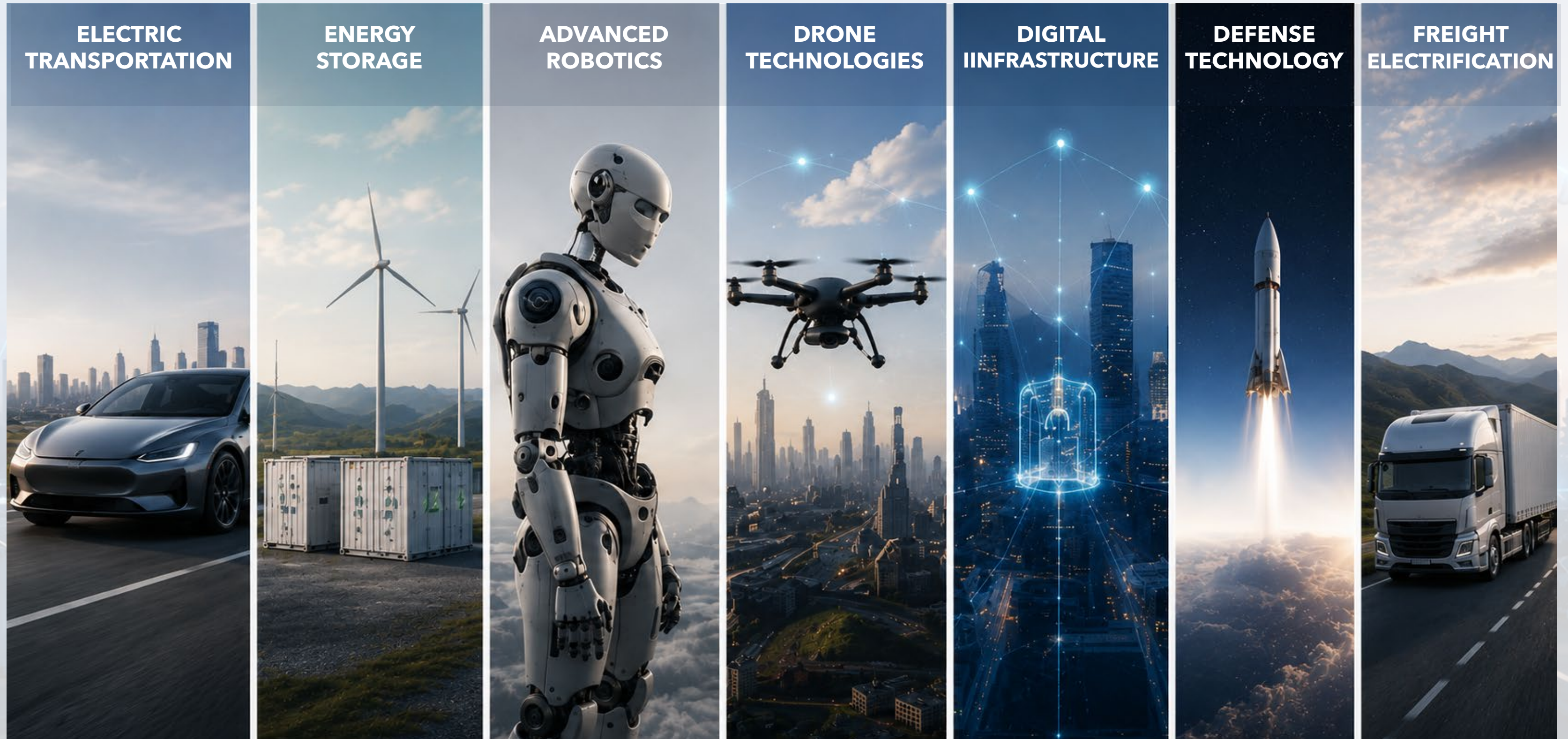
- Calcium Feldspar

#### Stage:

- Early Exploration

# Avalon: A Strategic Critical Minerals Platform for the Next Industrial Cycle

## RARE EARTHS & LITHIUM POWERING ELECTRIFICATION, DEFENSE, DIGITAL INFRASTRUCTURE & AUTOMATION



POWERING THE FUTURE OF CRITICAL TECHNOLOGIES

TSX:AVL

OTCQB:AVLNF

FRA:OU5A



# Avalon: A Strategic Critical Minerals Platform for the Next Industrial Cycle

## INVESTMENT THESIS

### Structural Demand Tailwinds



- **REE:** Permanent magnet demand scaling across electrification, wind energy, and advanced industrial technologies, reinforced by defense-driven and global realignment of supply chains away from China.
- **Lithium:** EVs and energy storage driving battery demand, alongside urgent buildout of regional refining capacity in NA.

### Multiple Value Creation Levers



- Management reset
- Board refresh: ~60% new directors
- Strengthening capital structure
- Further resource validation
- Securing strategic funding
- Additional strategic partnerships
- Non-core asset monetization
- Broadening of shareholder base

### Unique Diverse Portfolio



- Nechalacho REE DFS (2013) - After-Tax NPV @ 8%: C\$1.3B and 19.6% IRR
- Thunder Bay Facility PEA (2024) After-Tax C\$4.1B NPV & 48% IRR

## UNLOCKING VALUE THROUGH STRATEGIC EXECUTION



### Valuation Disconnect



- Market cap materially below intrinsic asset values (REE C\$1.2B NPV; Lithium C\$4.1B NPV)
- Management committed to closing this gap through disciplined execution against multiple value creation levers

### Strong Partnerships



Strategic collaborations with leading industry players, enhancing capabilities and enabling execution and market reach

- Nordmin Engineering Ltd.
- Primero Americas Inc
- Wood Engineering
- Metso Corp.
- Qualcomm

### Government Alignment



- Advancing rare earth and lithium assets central to national defense, technological advancement, energy and industrial policy (strengthening critical mineral supply chains).

# NECHALACHO PROJECT

BASAL



**One of the most advanced rare earth deposits in North America, located in the Northwest Territories Canada, with the potential to supply a range of magnet rare earth elements and other strategic materials**



### Global Supply Risk

Today, China controls > 90% of global rare earth processing. That's a high risk to our supply, economy, and national security.




### Rare Earths Power Modern Technology

Rare earths are the backbone of modern technology and impact everyday life




### Restoring Domestic Supply Advantage


Nechalacho combines scale, high-value rare earth enrichment, and a cleaner development path – supporting secure, sustainable supply within North America.



**920 lbs**  
of rare earth elements in a single US F-35 fighter jet



**1 kg**  
of rare earth elements in electric vehicles (EVs)



**2 tons**  
of rare earth magnets in a single 3MW wind turbine



**9200 lbs**  
of rare earth materials in each SSN-774 Virginia-class submarine



**REDUCING DEPENDENCE. STRENGTHENING SECURITY**



**DRIVING THE CLEAN ENERGY REVOLUTION**

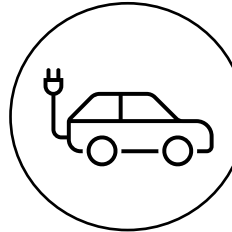


**ENABLING ADVANCED DEFENSE**

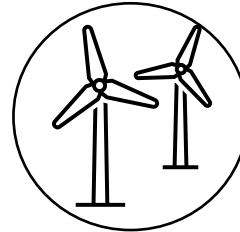


**BUILDING ECONOMIC OPPORTUNITY**

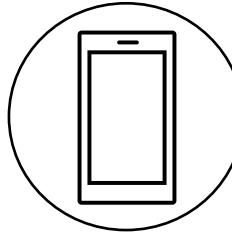
### Enabling Critical Technologies




**Electric Vehicles**



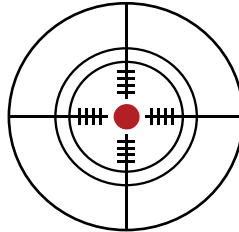
**Wind Turbines**



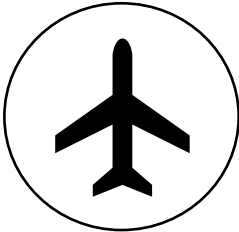
**Smart Phones**



**Missiles**



**Radar**



**Defense**

# NECHALACHO PROJECT BASAL Project Overview



## Strategic Location

Located at Thor Lake, Northwest Territories, - 100 km southeast of Yellowknife



## 100% Owned Basal Zone

Avalon owns 100% of resources below 150 metres (Basal Zone)



## Tardiff Zone Ownership

An unrelated third party owns resources above 150 metres (Upper Zone)



## High Demand for Growing Industries

Supports defense, nuclear, EVs, semiconductors, wind energy, and communications



## Permitting Advantage

- Regulatory pathway de-risked with Land Use Permit and Water Licence secured.

## ADVANCING TO EXECUTION



## Objective

- Update 2013 DFS based on a cleaner, more cost-effective process and new economic considerations.
- Secure funding and strategic partners to advance project



## Funding

- Advancing a diversified funding strategy that includes non-core asset divestments, government-backed financing, and strategic partnerships tied to offtake and supply agreements.



## Development Phase

Feasibility Study update underway

- Engaged Wood Canada Ltd. to advance updated feasibility work
- Building on the 2013 DFS to reflect a cleaner, cost-effective process, and new economic considerations

**wood.**

Global engineering leader engaged

# HIGH-VALUE RARE EARTH EXPOSURE


**1 Deposit 18 Elements of Economic Interest**



High value  
High demand  
Strategic advantage

## MAGNET RARE EARTH ELEMENTS - THE CORE VALUE ENGINE

65  
**Tb**  
Terbium




Improves high temperature performance in permanent magnets used in EVs, wind turbines, and defense technologies.

66  
**Dy**  
Dysprosium




Provides heat resistance and magnetic strength in high performance motors and advanced defense applications.

59  
**Pr**  
Praseodymium



Key component in NdPr permanent magnets used in EV motors, wind turbines, and industrial automation.

60  
**Nd**  
Neodymium



Critical input for powerful permanent magnets used in electric vehicles, wind turbines, robotics, and electronics.

## LIGHT RARE EARTHS

57  
**La**  
Lanthanum

58  
**Ce**  
Cerium

62  
**Sm**  
Samarium

## HEAVY RARE EARTH ELEMENTS

63  
**Eu**  
Europium

64  
**Gd**  
Gadolinium

67  
**Ho**  
Holmium

68  
**Er**  
Erbium

69  
**Tm**  
Thulium

70  
**Yb**  
Ytterbium

71  
**Lu**  
Lutetium

39  
**Y**  
Yttrium

## TRANSITION METALS

40  
**Zr**  
Zirconium

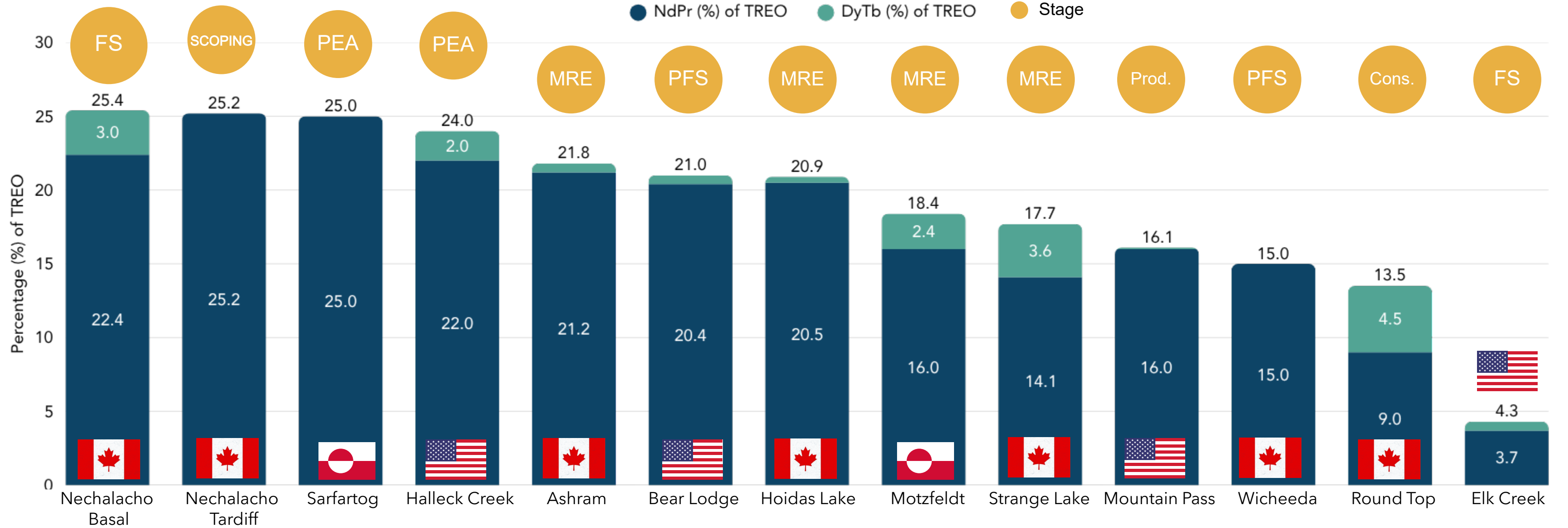
41  
**Nb**  
Niobium

73  
**Ta**  
Tantalum

# HIGHEST MAGNET REE RATIO & AMONG MOST ADVANCED DEVELOPMENT PATHS IN PEER GROUP

One of few projects to have achieved DFS-level – with unmatched quality (NdPr / DyTb proportion)

Peer Projects Viewed by NdPr + DyTb % of TREO





Source: Company public filings, equity research  
As of May 2026

# NECHALACHO'S MAGNET-CRITICAL REE PROFILE NOT REFLECTED IN AVALON'S VALUATION<sup>(1)(2)</sup>

Avalon trades at only ~1% to 3% of its Study NPV, well below the peer average, despite strong technical advancement and Nechalacho's significant exposure to magnet-critical NdPr and DyTb.

KEY TAKEAWAYS

- ✓ Deep valuation discount to REE developer peers
- ✓ High magnet-critical REE intensity: NdPr + DyTb
- ✓ Among peer leaders in contained NdPr/DyTb scale
- ✓ 2013 DFS refresh underway; PEA targeted Fall 2026
- ✓ U.S. listing evaluation may improve market visibility

Company Name	Ticker	Mkt Data	Asset Metrics (Main Asset) <sup>(3)(4)(5)</sup>				M&I+I Grade			M&I+I Contained		Valuation
		Market Cap	Main Asset(s)	Asset Location	Dev. Stage	Study NPV 8%	TREO Grade	NdPr / DyTb / TREO	NdPr / DyTb / TREO	NdPr Cont.	DyTb / Cont.	P/ Study NPV8%
		(US\$mm)				(US\$mm)		(%)		(Kt)		(x)
<b>Rare Earth Developers</b>												
Brazilian Rare Earths	BRE-AU	\$1,288	Multiple	Brazil	Scope.	\$630	--	--	--	--	--	2.04x
Arafura Rare Earths	ARU-AU	\$1,034	Nolans	Australia	DFS	\$1,859	2.60%	26.4%	--	384	--	0.56x
Rare Earths Americas	REA-US	\$428	Multiple	Brazil/USA	MRE	--	1.93%	21.0%	1.6%	1,896	145	--
Rare Element Resources	REEMF-US	\$426	Bear Lodge	Wyoming, USA	MRE	--	3.96%	20.4%	--	64	--	--
Mkango Resources	MKA-CA	\$272	Songwe Hill	Malawi	FS	\$461	1.09%	21.1%	1.0%	216	10	0.59x
American Rare Earths	ARR-AU	\$160	Halleck Creek	Wyoming, USA	PEA	\$733	0.33%	--	--	--	--	0.22x
Defense Metals	DEFN-CA	\$51	Wicheeda	BC, Canada	PFS	\$992	2.14%	15.2%	0.2%	112	2	0.05x
Leading Edge Materials	LEM-CA	\$50	Norra Karr	Sweden	PEA	\$1,029	0.50%	14.0%	5.7%	77	31	0.05x
Namibia Critical Metals	NMI-CA	\$33	Lofdal	Namibia	PFS	\$182	0.16%	11.0%	5.5%	12	6	0.18x
Vital Metals	VML-AU	\$25	Tardiff	NWT, Canada	Scope.	\$445	1.31%	25.2%	--	636	--	0.06x
<b>Mean</b>		<b>\$377</b>				<b>\$791</b>	<b>1.56%</b>	<b>19.3%</b>	<b>2.8%</b>	<b>425</b>	<b>39</b>	<b>0.47x</b>
<b>Median</b>		<b>\$216</b>				<b>\$681</b>	<b>1.31%</b>	<b>20.7%</b>	<b>1.6%</b>	<b>164</b>	<b>10</b>	<b>0.20x</b>
 Avalon	AVL-CA	\$39	Nechalacho	NWT, Canada	DFS (REE) / PEA (Li)	\$4,228	1.51%	22.4%	3.0%	406	55	0.01x
 Avalon (Excl. Lithium)	AVL-CA	\$39	Nechalacho	NWT, Canada	DFS (REE)	\$1,199	1.51%	22.4%	3.0%	406	55	0.03x

Sources: Company public filings, FactSet

(1) Pricing data as of June 3, 2026 (2) Avalon NPV based on Nechalacho and Lake Superior Lithium technical reports; all study NPVs converted to USD at study FX rate (3) Study NPV8% sourced from technical report sensitivity tables where not otherwise disclosed (4) Rare Earth Americas grade and contained resource shown as the sum of the Constellation and Alpha projects (5) No current study economics provided for Rare Earths Americas assets or the Bear Lodge Project

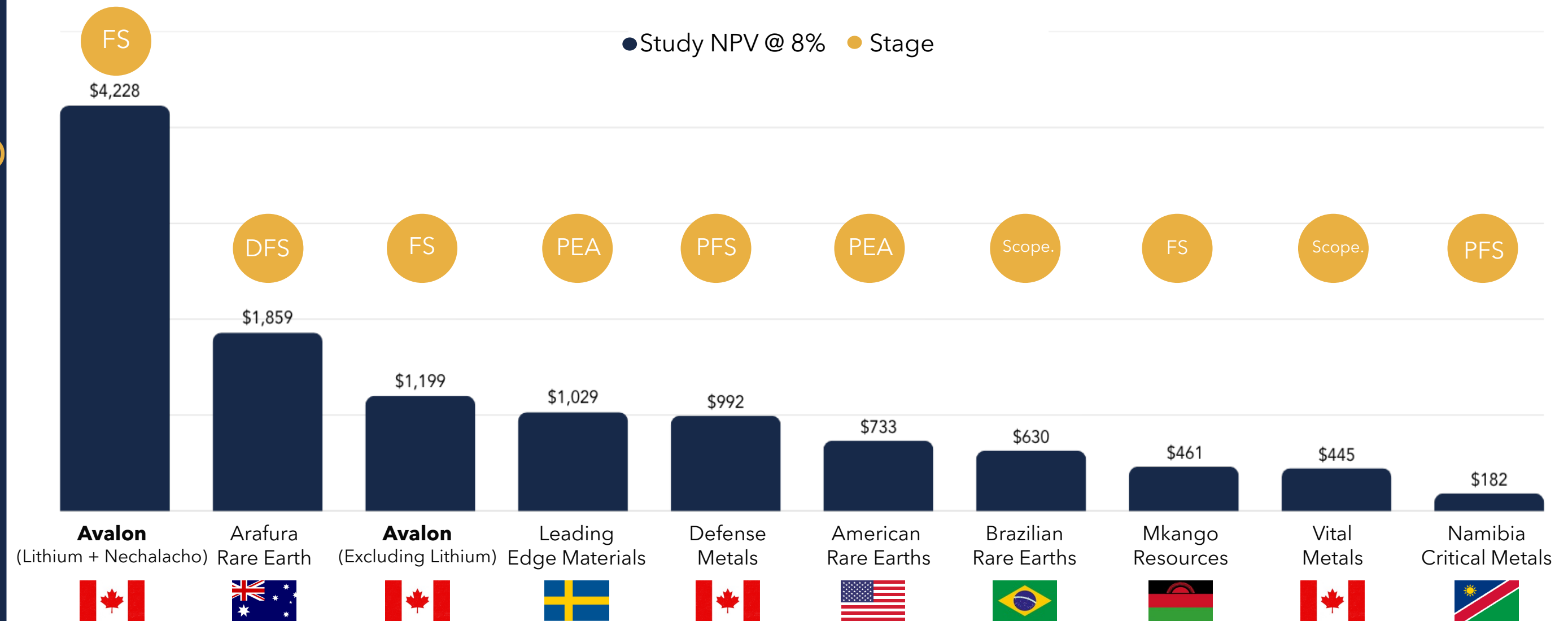
# NECHALACHO: HEAVY AND LIGHT REE DEPOSIT - CURRENTLY UNDERRECOGNIZED BY THE MARKET

NECHALACHO 2013 DFS +  
Lithium 2024 PEA STUDY  
NPV  
**\$4.2 BILLION**

PEA underway, in collaboration with  
Wood Canada Ltd, to modernize  
2013 DFS and refresh project  
economics - Fall 2026 completion  
targeted

## AVALON OFFERS TECHNICALLY WELL-ADVANCED HEAVY AND LIGHT REE EXPOSURE TRADING AT A MATERIAL DISCOUNT TO COMPARABLE REE DEVELOPERS

(US\$ millions)



**Note:** Market data as of June 3, 2026. Study NPV figures reflect latest publicly disclosed technical/economic studies and are converted to USD at study exchange rate. Multiples calculated as market capitalization divided by after-tax Study NPV @ 8%, unless otherwise noted. Sources: company filings, technical reports, investor presentations, and public market data.

### VALUATION DISCONNECT

#### RELATIVELY STRONG STUDY NPV VERSUS PEERS



\$4.2B versus \$0.8B  
peer average

#### ADVANCED TECHNICAL STATUS



Benefits from prior DFS-  
level work, technical  
studies, and clear path  
toward updated economic  
analysis.

#### HIGH MAGNET-CRITICAL REE RATIO



Differentiated by high concentration  
of magnet-critical REEs  
(NdPr and DyTb) as % of TReO,  
supporting strategic relevance to  
magnet supply chains.

16

TSX:AVL

OTCQB:AVLNF

FRA:OU5A



AVALON

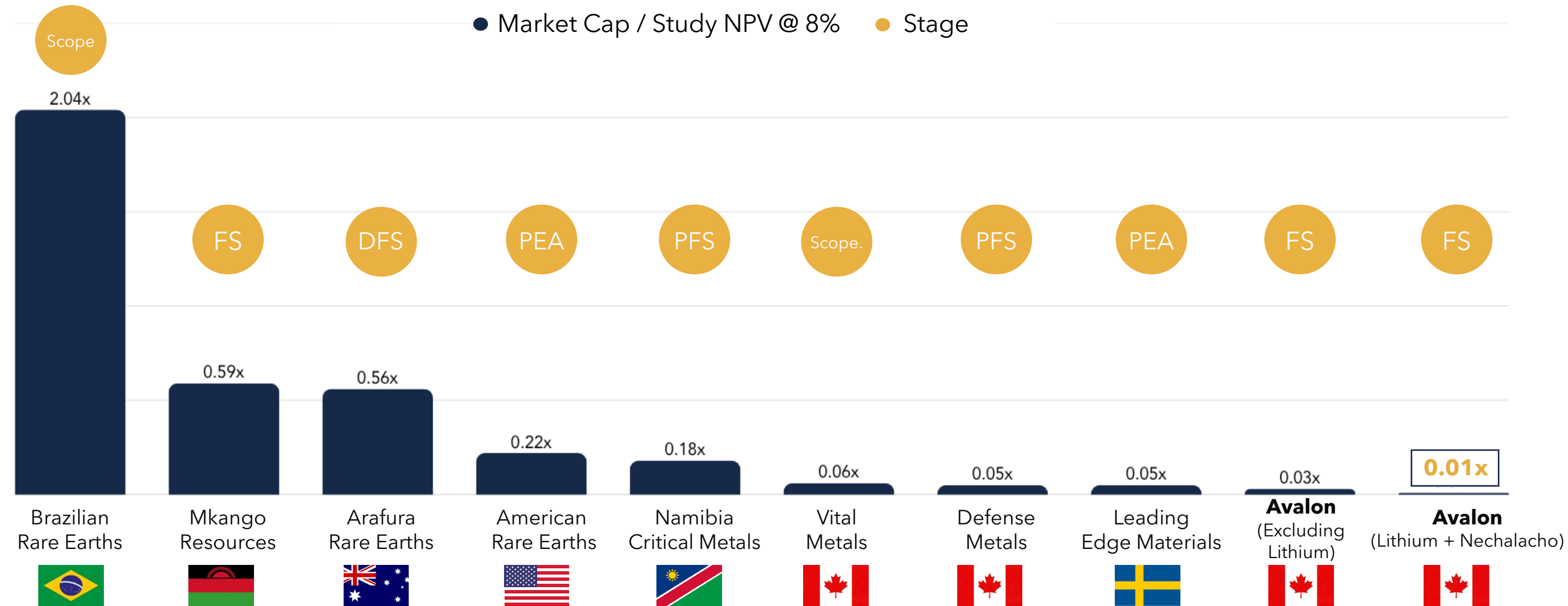
# NECHALACHO:

Heavy and Light REE Deposit - Currently Underrecognized by the Market

PEA underway, in collaboration with Wood Canada Ltd, to modernize 2013 DFS and refresh project economics - Fall 2026 targeted completion

## AVALON TRADES AT A FRACTION OF PEER VALUATION DESPITE NECHALACHO'S SCALE, TECHNICAL ADVANCEMENT & HEAVY REE EXPOSURE

(US\$ millions)



**Note:** Market data as of June 3, 2026. Study NPV figures reflect latest publicly disclosed technical/economic studies and are converted to USD at study exchange rate. Multiples calculated as market capitalization divided by after-tax Study NPV @ 8%, unless otherwise noted. Sources: company filings, technical reports, investor presentations, and public market data.

**0.01x**

P/ Study NPV  
AVALON

**0.47x**  
PEER AVERAGE

**MATERIAL DISCOUNT**  
TO PEER AVERAGE

### VALUATION DISCONNECT



#### SIGNIFICANT DISCOUNT TO PEERS

AVL trades at ~0.01x Study NPV versus peer average of 0.47x.



#### RE-RATING POTENTIAL

Achieving milestones has potential to narrow valuation gap



#### HIGH MAGNET-CRITICAL REE RATIO

Differentiated by high concentration of magnet-critical REEs (NdPr and DyTb) as % of TREO, supporting strategic relevance to magnet supply chains. <sup>17</sup>

# A CLEAN APPROACH TO RARE EARTH PROCESSING



Avalon and Engina Corporation have successfully recovered 15 rare earth elements from Nechalacho concentrate with >90% total recovery in preliminary bench-scale testing using a novel CO2-based extraction process.

TWO DIFFERENT WAYS TO GET RARE EARTHS OUT OF ORE	
CONVENTIONAL PROCESSING (INDUSTRY STANDARD)	AVALON / ENGINA HYBRID SUPERCRITICAL REFINING PROCESS (NOVEL APPROACH)
<p>Strong acids &amp; high heat    Complex process    Large volumes of waste    Environmental challenges</p> <ul style="list-style-type: none"> <li>• Uses harsh chemicals and high heat</li> <li>• Higher chemical and water use</li> <li>• Significant waste and emissions</li> <li>• More difficult to permit</li> </ul>	<p>CO2-based extraction    Closed-loop system    Lower waste    Designed to reduce impact, capex and opex</p> <ul style="list-style-type: none"> <li>• Uses CO<sub>2</sub>-based extraction in a closed-loop system</li> <li>• Designed to reduce chemical use, waste, and environmental impact</li> <li>• Lower water and chemical use potential</li> <li>• Supports Western supply chain objectives</li> </ul>

### WHAT WE HAVE ACHIEVED

**> 90%** Demonstrated recovery of **15 rare earth elements** from Nechalacho with 90% recovery yields

Preliminary bench scale results

High recovery across the full suite of rare earths

Novel process designed to reduce environmental impact

### WHY THIS MATTERS?

#### Reduced Environmental Footprint Potential

Designed to use fewer chemicals and generate less waste

#### Potential Economic Benefits

Higher recovery and lower cost potential, (subject to validation)

#### Permitting Advantage

Cleaner process may support a more favorable permitting pathway

#### Aligned with Strategic Supply Chain Priorities

Supports development of secure, diversified supply chains

### WHATS NEXT?

Wood Canada Ltd. advancing engineering evaluation and process optimization work.

# LAKE SUPERIOR LITHIUM PROJECT

**A proposed lithium chemical processing facility designed to convert spodumene concentrate into battery-grade lithium chemicals for electric vehicles and energy storage systems.**



**Demand is accelerating rapidly**

Lithium demand grew ~30% in 2025 and continues to expand as electrification scales globally



**Batteries are becoming the dominant end-use**

Battery applications are expected to represent ~96% of total lithium demand by 2040



**Supply is tightening as demand scales**

Market deficits are expected to emerge this decade, reinforcing the need for new supply



**Lithium is critical to energy security, decarbonization, and industrial growth.**



**~30%**

Lithium Demand in 2025



**~14-30%**

Expected demand growth in 2026



**~80%+**

Demand driven by EVs & batteries



**~96%**

Battery share of lithium demand by 2040



**ELECTRIC VEHICLES**



**ENERGY STORAGE**

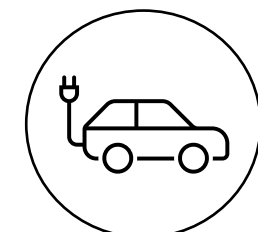


**RENEWABLE ENERGY**

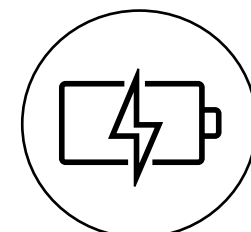


**INDUSTRIAL ELECTRIFICATION**

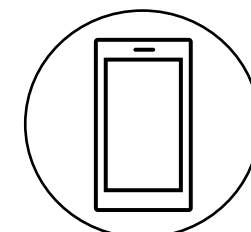
**Enabling Critical Technologies**



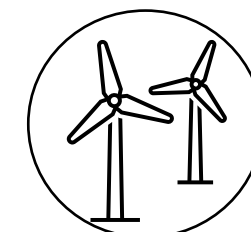
**Electric Vehicles**



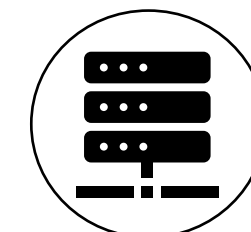
**Grid Storage**



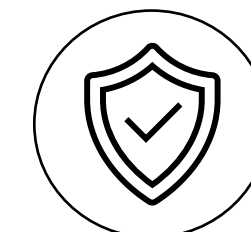
**Consumer Electronics**



**Wind Turbines**



**Data Infrastructure**



**Defense Applications**

# LAKE SUPERIOR LITHIUM PROJECT PROJECT OVERVIEW

A strategically located lithium hydroxide asset in Ontario, well positioned to support the growing electric vehicle and energy storage supply chain.



### Strategic Location

Located at Thunder Bay, Ontario, located in proximity of feed sources and main infrastructure



### 100% Owned

100% Avalon Owned



### Optimized Site

Site is ideally positioned to optimize supply chain efficiency and product logistics



### Technology Collaboration

Collaboration with Qualcomm Technologies Inc. to support advanced process development



### Strong Partnerships

Partnership with Metso Corp. to leverage sustainable processing technologies



## ADVANCING TO EXECUTION



### Objective

- Aims to support the rapidly expanding electric vehicle market by establishing a state-of-the-art lithium hydroxide facility in Thunder Bay, Ontario



### Funding

- Exploring funding options, including non-core asset divestments, government loans, grants, and strategic partnerships related to offtake and supply agreements.



### Development Phase

Feasibility Study underway with:

- Engaged Nordmin Engineering Ltd. to advance from a positive September 2024 PEA toward a Feasibility Study, positioning the Project for construction readiness and strategic partnerships



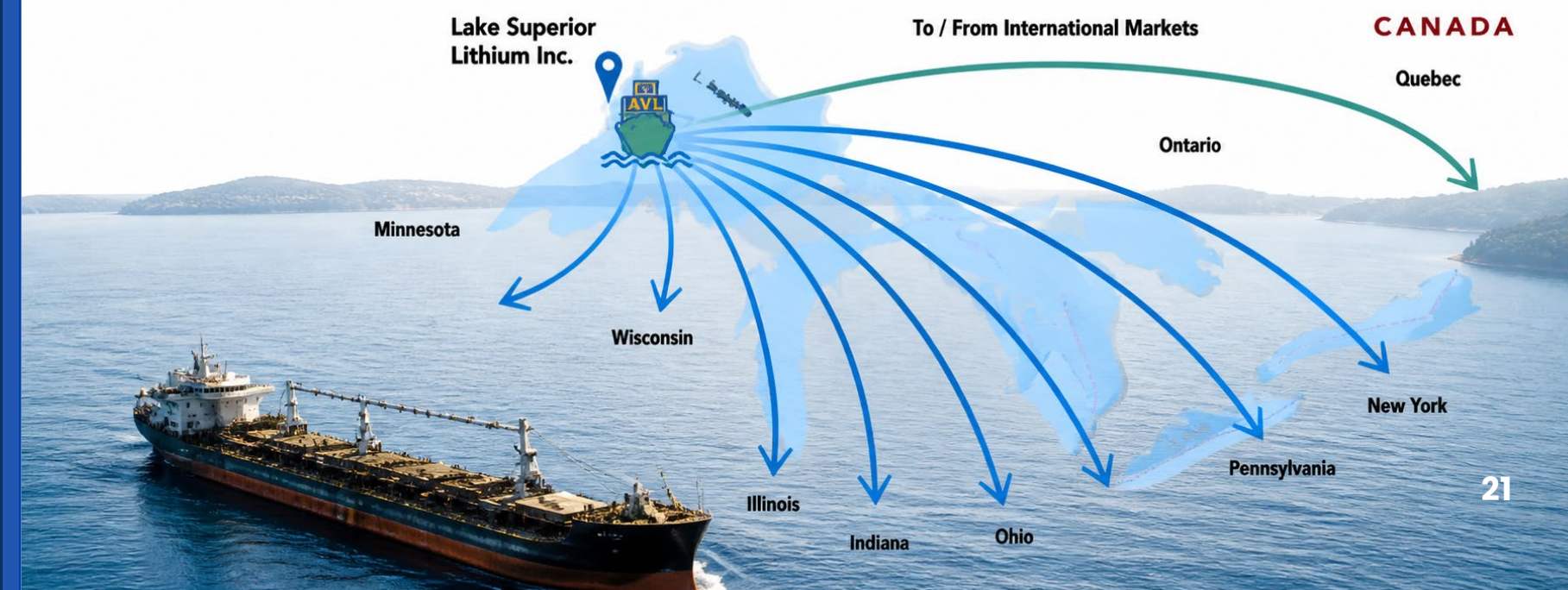
# LAKE SUPERIOR LITHIUM PROJECT

## STRATEGIC INVESTMENT OVERVIEW

- Strategic Location:**  
 Proximity to key markets and resources, supporting efficient supply chains
- Infrastructure Advantage:**  
 Robust infrastructure, including existing buildings, extensive rail connectivity, and a deep-water port
- Supporting Government Incentives:**  
 Leverage Canadian, and U.S. government incentives for green energy and technology projects
- Meeting High Demand:**  
 The facility will help meet the escalating demand for lithium in EVs and renewable energy storage
- Scalable Growth Potential:**  
 Capable of processing Spodumene and Petalite concentrate, Facility designed with scalability in mind, capable of expanding to meet future market demands
- Sustainability Commitment:**  
 Implement environmentally friendly processes to minimize ecological impact and support sustainability goals
- Integrated Lithium Platform:**  
 Host processing, recycling, chemical, and cell manufacturing capabilities at the Thunder Bay site
- Community Partnerships:**  
 We prioritize partnerships with First Nations communities, ensuring that benefits are extended to all regional communities

### 2024 PEA Financials (CAD \$)

<p><b>\$35,360</b></p> <p>Base Case LiOH \$/t LiOH (USD \$26,000/t LiOH)</p>	<p><b>\$4.1B</b></p> <p>After-Tax NPV @ 8% Discount</p>	<p><b>30 Year</b></p> <p>Operating Life</p>
<p><b>\$1,360</b></p> <p>Spodumene conc. \$/t (USD \$1,000/t Spodumene @ 6%)</p>		<p><b>2.5 Year</b></p> <p>Payback Period</p>
<p><b>30,000 tpa</b></p> <p>Annual LiOH production</p>	<p><b>48%</b></p> <p>After-Tax IRR</p>	<p><b>\$1.3B</b></p> <p>CAPEX</p>

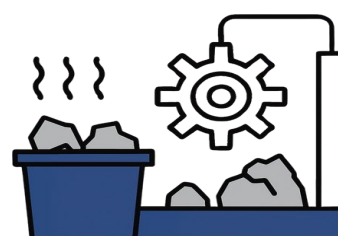


# A MORE EFFICIENT AND SUSTAINABLE PATH TO BATTERY-GRADE LITHIUM

Avalon, in partnership with Metso, is advancing a proprietary alkaline process that converts spodumene to battery-grade lithium hydroxide using **cleaner chemistry, lower inputs, and a more sustainable footprint**

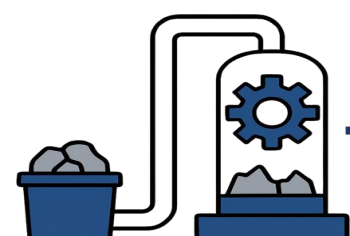
## THE METSO ALKALINE PROCESS

### 1. Calcination & Milling



Spodumene concentrate is calcined and milled to liberate lithium

### 2. Alkaline Pressure leach



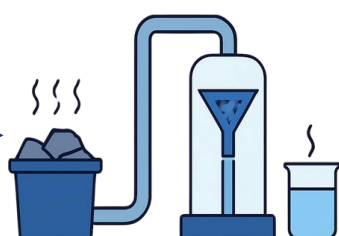
Milled spodumene is leached with soda ash in a high-pressure reactor

### 3. Lithium Conversion



Lithium in solution is converted to lithium hydroxide using lime

### 4. Purification



Solution is filtered to remove impurities and maximize purity

### 5. Crystallization & Drying



Purified solution is evaporated, crystallized and dried to produce battery-grade lithium hydroxide monohydrate



#### Cleaner Process

No sulfuric acid, fewer hazardous byproducts and a neutral, inert residue



#### Lower Operating Intensity

Significantly less water and chemical consumption



#### Permitting Advantage

Simpler environmental profile supports permitting and community acceptance



#### Proven Technology

Pilot-tested for the Lake Superior Lithium Project and commercially operating in Texas



A cleaner process with the potential to **reduce operating risk, improve permitting outcomes, and support long term cost efficiency**

#### Our Goal

Deliver battery-grade lithium with a lower environmental footprint and stronger economics

# LEVERS TO CLOSE VALUATION DISCONNECT

## ACHIEVED



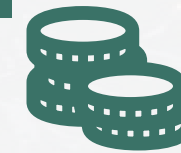
### Management Reset

Senior leaders new since 2023



### Governance Reset

4 of 7 directors joined since 2023, bringing operational and capital markets expertise.



### Secured Tactical Funding

- Recent C\$18.7M capital raise
- Refresh 2013 Nechalacho DFS
- Advance September 2024 Lithium PEA to FS
- Strengthen balance sheet and reduce selling pressure by prepaying convertible note



### Advancing Technical Studies

- Initiated Nechalacho PEA; to be followed by Feasibility Study.
- Commenced Feasibility Study at Lake Superior Lithium Project

## NEXT STEPS TO UNLOCK VALUE



### Secure Strategic Funding

- Private: Pursue strategic equity at the asset level (Nechalacho and Thunder Bay)
- Public: Pursue Canadian & U.S. government support programs
- SCP Resource Finance appointed as Strategic Capital Advisor



### Lithium: Commercial Enablement

- Secure feedstock source
- Secure offtake agreement



### Broaden and Strengthen the Shareholder Base Through Targeted Investor Outreach and Enhanced Market Access

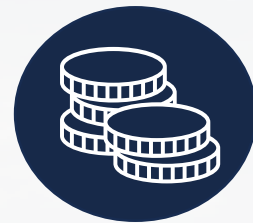


### Non-Core Asset Sales

- Completed Sibelco JV reorganization—debt eliminated, dilution overhang removed, and Lilypad cesium asset repositioned for potential monetization
- Monetize tin, cesium, and other valuable but non-core assets, providing non-dilutive funding

# EXECUTING THE PLAN

## DELIVERING RESULTS.



### **C\$18.7M** **CAPITAL RAISED**

Strengthening liquidity  
to fund growth



### **DEBT-FREE**

~\$7.5M debt eliminated  
In a non-cash transaction



### **~15%** **DILUTION REMOVED**

Potential shareholder  
dilution eliminated



### **100%** **LILYPAD OWNERSHIP**

100% ownership of  
Lilypad Cesium  
Project regained



### **BALANCE SHEET STRENGTHENED**

- ✓ C\$18.7M equity financing completed
- ✓ ~C\$7.5M debt eliminated in non cash transaction
- ✓ Lind convertible note fully repaid
- ✓ Convertible debenture extinguished with no shares issued
- ✓ Working capital strengthened to support next phase advancement



### **PORTFOLIO REPOSITIONING COMPLETED**

- ✓ Exit of Separation Rapids JV completed
- ✓ 100% ownership of Lilypad cesium project regained
- ✓ Portfolio aligned to core lithium and REE strategy
- ✓ Nechalacho DFS refresh initiated
- ✓ Lake Superior Lithium advanced from PEA toward Feasibility Study
- ✓ Cesium positioned for potential monetization

# Management Team



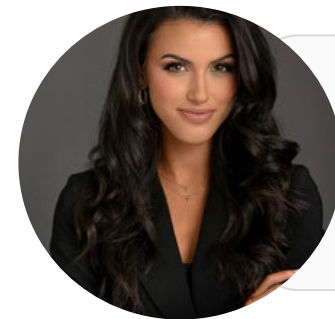
**Scott Monteith**, President & CEO  
Scott Monteith, CEO of Avalon since May 2023, is an experienced entrepreneur and founder of Monteco Ltd.



**Christopher Senyk**, VP, Corporate Development  
Mr. Senyk brings extensive experience across lithium, battery materials, and specialty chemicals, supporting Avalon's corporate strategy, partnerships, and commercial growth initiatives.



**Lorin Crenshaw**, CFO  
Mr. Crenshaw brings nearly 30 years of financial leadership, including as CFO of Compass Minerals, Orion S.A., and Albemarle's global lithium business, with earlier Wall Street experience as an equity investor at Citigroup and debt investor at PGIM.



**Vienna Psihos**, Director, Public Affairs & Government Relations  
Ms. Psihos is an experienced government relations professional with a strong track record in Ontario's policy and funding landscape, including her recent leadership role at the Treasury Board Secretariat.



**Crystal Yi Gordon**, Director, Accounting & Financial Reporting  
Ms. Gordon brings over 20 years of international finance leadership experience across public companies and global operations, overseeing financial reporting, disclosure, and strategic financial planning.



**Bliss Baker**, Strategic Advisor  
Mr. Baker brings over 30 years of public affairs experience, advising senior government leaders, including two Prime Ministers and Cabinet Ministers, with senior executive roles across renewables, and energy.



**Burl Joseph**, Project Director, Nechalacho  
Mr. Joseph brings over 15 years of experience delivering large-scale mining and infrastructure projects in northern environments, leading Nechalacho through engineering, permitting, and execution planning.



**Glen Smith**, Project Director, LSLi  
Mr. Smith brings over 35 years of experience in metallurgical and process engineering, supporting the advancement of complex projects from feasibility through to operations.

# Board of Directors



## **Alan Ferry, Chair**

Mr. Ferry, with 28 years in mining finance, is Avalon's director since 2000, and chairs the Audit Committee.



## **Scott Monteith, CEO, Director**

Scott Monteith, CEO of Avalon since May 2023, is an experienced entrepreneur and founder of Monteco Ltd.



## **Timothy Haig, Director**

A successful entrepreneur in renewable fuels and cleantech, known for transforming lab ideas into public companies, leading motivated teams, and upholding integrity and ethics.



## **Flavio Hees, Director**

VP of Geology and Mining at Sibelco, oversees over 130 mines, focuses on optimizing assets and compliance. He holds a master's in Geotechnical Engineering.



## **Alec Kodatsky, Director**

Alec Kodatsky, with over 20 years in finance, is Co-President of Forthlane Partners and a former top mining sector analyst. He holds a B.Sc. in Mining Engineering and an MBA.



## **Naomi Johnson, Director**

Ms. Johnson, Titan Mining VP since 2018, joined Avalon's Board in 2019 and chairs the Compensation Committee.



## **Harvey Yesno, Director**

Harvey Yesno, former Chief of Eabametoong First Nation and Grand Chief of Nishnawbe Aski Nation, led NADF and worked with Ontario's Ring of Fire Secretariat.

**DE-RISKED.**  
**FOCUSED.**  
**POSITIONED**  
**TO DELIVER.**



**STRONG, SECULAR GROWTH TAILWINDS: RARE EARTHS AND LITHIUM**

Advancing assets in two of the fastest-growing critical minerals—lithium and rare earths—projected to see sustained demand growth over the next decade



**TRANSFORMATIONAL FINANCING (OCTOBER 2025) CLOSED**

Poised to advance rare-earth and lithium assets, strengthen balance sheet, and position Avalon at the heart of the global shift toward establishing more secure critical minerals supply chains



**STRATEGIC PORTFOLIO SIMPLIFICATION (APRIL 2026)**

Exited Separation Rapids JV, eliminated associated debenture, and retained 100% of Lilypad cesium—enhancing focus and monetization optionality



**MULTIPLE POTENTIAL CATALYSTS TO REDUCE GAP BETWEEN CURRENT MARKET CAP AND INTRINSIC VALUE**



**NECHALACHO**  
RARE EARTH PROJECT



**LAKE SUPERIOR LITHIUM**  
(LSLi)

# Capital Structure

Description	Value ( CAD)
Ticker Symbol	TSX: AVL
52 Week High/Low	\$0.135/0.02
Common Shares Outstanding	835M
RSU & DSU	5.0M
Stock options (additional shares if converted)	25.5M
Warrants (additional shares if converted)	221M
Fully Diluted Shares	1,087M
Market Capitalization	54.3M

As of April 15, 2026

Update as of April 2, 2026: [Debt eliminated and dilution overhang removed following JV restructuring](#)

## OWNERSHIP STRUCTURE

● Sibelco ● Board & Management ● Others

