

PRESS RELEASE – FOR IMMEDIATE RELEASE

Sibelco Advances Additional C\$3,500,000 to Avalon Advanced Materials Inc. under Amended and Restated Convertible Debenture

Toronto, Ontario – November 18, 2024 – SCR-Sibelco NV (“**Sibelco**”) announces that on November 18, 2024 (the “**Closing Date**”) it advanced an additional C\$3,500,000 to Avalon Advanced Materials Inc. (“**Avalon**”) pursuant to an amended and restated secured convertible debenture (the “**Amended and Restated Debenture**”). The Amended and Restated Debenture amends and restates the previous 7.115% secured convertible debenture of Avalon issued on June 14, 2023 with a principal amount of C\$3,000,000 and a maturity date of June 14, 2025 (the “**Original Debenture**”).

The Amended and Restated Debenture has a principal amount of C\$6,500,000, a maturity date of November 18, 2026 (the “**Maturity Date**”), and bears interest from and after the Closing Date at 7.5% per annum. The Amended and Restated Debenture continues to be secured by a pledge of Avalon’s 40,000 shares (the “**Pledged SRL Shares**”) of Separation Rapids Ltd. (the “**SRL**”), the joint venture company established by Sibelco and Avalon with respect to certain Avalon lithium mining projects located in northwestern Ontario. The initial participating interests of Sibelco and Avalon in SRL are 60% and 40%, respectively. In the event that Avalon has not paid the outstanding principal amount of the Amended and Restated Debenture and all accrued interest thereon on or prior to the Maturity Date (or in certain other circumstances involving the acceleration of Avalon’s obligations thereunder), Sibelco shall have the right to convert the outstanding principal amount and all accrued and unpaid interest thereon into either: (i) Avalon common shares (“**Avalon Shares**”) at a conversion price per share (the “**Conversion Price**”) equal to the greater of (A) the volume weighted average trading price (“**VWAP**”) of the Avalon Shares on the Toronto Stock Exchange (the “**TSX**”) over the 15 consecutive trading days immediately preceding Sibelco’s exercise of the conversion right, and (B) the minimum conversion price permitted by the TSX; or (ii) up to 30,000 of the Pledged SRL Shares, based on the proportion that the actual principal and accrued interest outstanding at the time that Sibelco exercises the conversion right is of C\$6,500,000 plus all the interest that would have accrued if no repayments of principal or interest had been made prior to the time of such conversion. If the entire C\$6,500,000 and all accrued interest were converted into the maximum 30,000 Pledged SRL Shares, this would result in a change in the participating interests of Sibelco and Avalon in SRL to 90% and 10%, respectively.

Immediately prior to the Closing Date, Sibelco owned: (i) 111,486,486 Avalon Shares (the “**Owned Shares**”), representing approximately 18.89% of the issued and outstanding Avalon Shares on a non-diluted basis; and (ii) the Original Debenture. If Sibelco were to have converted the full C\$3,000,000 principal amount of the Original Debenture and all accrued interest thereon at its original maturity date (being June 14, 2025) in accordance with the terms thereof, Sibelco would have acquired an additional 37,590,496 Avalon Shares. These additional Avalon Shares, together with the Owned Shares, would represent approximately 23.76% of the then issued and outstanding Avalon Shares on a non-diluted basis (after giving effect to the conversion, and otherwise assuming no further issuances of Avalon Shares prior to such time).

Immediately after the Closing Date, Sibelco owns: (i) the Owned Shares, representing approximately 18.89% of the issued and outstanding Avalon Shares on a non-diluted basis; and (ii) the Amended and Restated Debenture. By way of example, assuming the Conversion Price was the same as the closing price on the TSX of the Common Shares on November 15, 2024 (being C\$0.045 per Common Share), if Sibelco were to convert the full C\$6,500,000 principal amount of the Amended and Restated Debenture and all accrued interest thereon into Avalon Shares instead of the Pledged SRL Shares at the Maturity Date, Sibelco would acquire an additional 172,907,722 Avalon Shares (the “**Conversion Shares**”). The Conversion Shares, together with the Owned

Shares, would represent approximately 37.28% of the then issued and outstanding Avalon Shares on a non-diluted basis (after giving effect to the conversion, and otherwise assuming no further issuances of Avalon Shares prior to such time).

Sibelco acquired the Amended and Restated Debenture for investment purposes. Subject to the provisions of an investor rights agreement dated June 14, 2024 between Sibelco and Avalon, Sibelco may from time to time acquire additional Avalon Shares or other securities of Avalon or dispose of some or all of the Avalon Shares or other securities of Avalon that it owns at such time.

About SCR-Sibelco NV

Sibelco is a Belgian-based global leader in material solutions. Sibelco mines, processes and sells specialty industrial minerals – particularly silica, clays, feldspathic minerals and olivine – and is a leader in glass recycling. Sibelco’s solutions serve a diverse range of industries including semiconductors, solar photovoltaic, glass, ceramics, construction, coatings, polymers and water purification. The Sibelco Group has production facilities in more than 30 countries and a team of more than 5,000 people worldwide.

Sibelco has its global headquarters at Plantin en Moretuslei 1A, 2018 Antwerpen, Belgium.

For further information, or to obtain a copy of the early warning report filed by Sibelco in accordance with applicable securities laws, please contact:

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