

Avalon Announces Amendments to Brokered LIFE Financing of up to C\$21 Million to Advance its Rare Earth and Lithium Projects in Canada

Toronto, Ontario--(Newsfile Corp. - October 23, 2025) - [Avalon Advanced Materials Inc.](#) (TSX: AVL) (OTCQB: AVLNF) ("**Avalon**" or the "**Company**") is pleased to announce that it has filed an amended and restated offering document under the listed issuer financing exemption (the "**Amended and Restated Offering Document**") to expand on and clarify certain disclosure included in its previously disclosed offering document under the listed issuer financing exemption dated October 14, 2025, including but not limited to, information relating to:

- the components of the FT Units (as defined below) that will qualify as "flow-through shares";
- the period during which warrants and broker warrants issued under the Offering (as defined below) can be exercised;
- the Company's stock exchange listings; and
- the proceeds that may be available to the Company pursuant to the Offering.

As previously disclosed, and set forth in the Amended and Restated Offering Document, the Company has entered into an agreement with Canaccord Genuity Corp. ("**Canaccord**"), as lead agent and sole bookrunner, on its own behalf and on behalf of a syndicate of agents (collectively, the "**Agents**"), in connection with a brokered private placement under the Listed Issuer Financing Exemption of up to: (i) up to 154,545,455 units of the Company (each a "**Non-FT Unit**") at a price of \$0.11 per Unit (the "**Non-FT Offering Price**") for gross proceeds of up to approximately \$17,000,000 (the "**Non-FT Offering**"); and (ii) up to 30,769,231 flow-through units of the Company (each a "**FT Unit**", and together with the Non-FT Units, the "**Units**") at a price of \$0.13 per Unit for gross proceeds of up to approximately \$4,000,000 (the "**FT Offering**", and together with the Non-FT Offering, the "**Offering**").

The terms of the Offering also included an option granted to the Agents sell up to 27,272,727 additional Non-FT Units at the Non-FT Offering Price to raise additional gross proceeds of up to approximately \$3,000,000 (the "**Agents' Option**"). The Agents' Option is exercisable in whole or in part, at any time to 48 hours prior to the closing of the Offering (the "Closing Date").

The Offering supports Avalon's strategy to advance its rare earth and lithium assets and play a meaningful role in strengthening the foundation of a resilient North American critical minerals supply chain.

Terms of the Offering

As previously disclosed, Each Non-FT Unit shall be comprised of (i) one common share of the Company (each a "**Common Share**") and (ii) one common share purchase warrant of the Company (each a "**Warrant**"). Each FT Unit will consist of (i) one Common Share, each of which will qualify as a "flow-through share" within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the "**Tax Act**"), and (ii) one Warrant, each of which will qualify as a "flow-through share" within the meaning of subsection 66(15) of the Tax Act. Each Warrant will entitle the holder to acquire one Common Share (each, a "**Warrant Share**") at an exercise price of \$0.17 per Warrant Share for a period of 36 months from the Closing Date.

Subject to compliance with applicable regulatory requirements and in accordance with National

Instrument 45-106 - Prospectus Exemptions ("NI 45-106"), the Units are being offered for sale to purchasers resident in Canada and/or other qualifying jurisdictions pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 (the "Listed Issuer Financing Exemption") As the Offering is being completed pursuant to the Listed Issuer Financing Exemption, the securities issued pursuant to the Offering will not be subject to a hold period pursuant to applicable Canadian securities laws. There is an offering document related to the Offering that can be accessed under the Company's issuer profile on SEDAR+ at www.sedarplus.ca and on the Company's website at avalonadvancedmaterials.com. Prospective investors should read the offering document before making an investment decision.

Any securities issued under other exemptions from the prospectus requirements will be subject to a statutory hold period of four months and one day following issuance, as required by applicable securities laws.

Use of Proceeds

As set out in the Amended and Restated Offering Document, the net proceeds of the Offering are expected to be used to fund, among other things:

- The preparation of an updated feasibility study for the Nechalacho Rare Earths & Zirconium project to advance project readiness and support ongoing strategic partnership discussions;
- The preparation of a feasibility study related to the Company's planned Thunder Bay lithium refinery to advance project readiness and support ongoing strategic partnership discussions;
- The repayment of outstanding convertible notes; and
- Working capital and general corporate purposes.

In consideration for the services provided to the Company in connection with the Offering, the Agents will be entitled to receive a cash commission equal to 6.0% of the gross proceeds raised under the Offering and such number of broker warrants ("**Broker Warrants**") as is equal to 6.0% of the number of Units sold under the Offering. Each Broker Warrant will entitle the holder thereof to acquire one common share of the Company (a "**Broker Warrant Share**") at a price of \$0.11 per Broker Warrant Share for a period beginning 61 days after the Closing Date and ending 36 months following the Closing Date.

The Offering is expected to close on or about October 24, 2025 and is subject to certain customary conditions including receipt of all necessary regulatory approvals, including final acceptance by the Toronto Stock Exchange.

About Avalon Advanced Materials Inc.

Avalon Advanced Materials Inc. is a Canadian critical minerals company advancing the supply of materials essential for Canada's future. The Company is focused on developing strategic assets that support secure, domestic supply chains and long-term economic growth. Avalon is advancing the Nechalacho Rare Earth Elements and Zirconium Project in the Northwest Territories, which contains all light and heavy rare earth elements, as well as yttrium, zirconium, tantalum, and niobium—critical minerals used in advanced technologies across the communications, defense, clean tech, and energy sectors. The Company is also focused on vertically integrating the Ontario lithium supply chain through the development of Lake Superior Lithium Inc., Ontario's first midstream lithium hydroxide processing facility, located in Thunder Bay. This facility will serve as a vital link between northern Ontario's lithium resources and the growing EV battery manufacturing base in southern Ontario and North America. Through a joint venture with SCR Sibelco NV, Avalon is advancing the Separation Rapids Lithium Project near Kenora, Ontario, as well as continuing exploration at its Snowbank lithium and Lilypad lithium-caesium deposits.

For further information regarding Avalon Advanced Materials Inc., please visit www.avalonadvancedmaterials.com, email ir@avalonam.com, or call 416-364-4938.

Cautionary Statement Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. 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 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. 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.

This news release is not an offer of securities for sale in the United States. The securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), and may not be offered or sold in the United States or to US persons (as defined in Regulation S under the US Securities Act) absent registration or an applicable exemption from registration.



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