

Avalon's new leadership focuses towards the development of a vertically integrated lithium mine

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Avalon Advanced Materials Inc. (TSX: AVL | OTCQB: AVLNF) ("Avalon") has had an abundance of good news lately that has seen the stock price rise [over 50%](#) in the past month. Avalon's flagship project is the advanced stage [Separation Rapids Lithium Project](#) in Ontario, Canada.

Avalon Advanced Materials stock price has surged over 50% higher in June on lots of good news



Source: [Yahoo Finance](#)

Here is a brief summary of the good news (bold highlights by the author):

[June 1, 2023](#) – “Avalon reports drill results from 2022-2023 exploration program at Separation Rapids....SR23-85: **1.56% Li₂O over 47.71 metres** (“m”)....The assays for drill hole SR23-93 (the fourth hole) have confirmed the petalite mineralization to 566-metre depth increasing the potential depth of the deposit by 80%. The drilling has also confirmed that the deposit is open to the east and west, and to depth, over a 300-strike length, with similar grades to the current mineral resource estimate, **supporting a conceptual target to double the size of the deposit through future drilling.**”

[June 12, 2023](#) – “Avalon **overhauls leadership team** to compete in global lithium race....is pleased to announce the appointment of three veteran executives to its leadership team, a key milestone **as the Company executes on an ambitious growth plan**.....key steps in their Phase 1 strategy, including:

1. Advance production and capitalization for the Separation Rapids project in northwestern Ontario
2. Establish a best-in-class lithium-hydroxide facility in Thunder Bay, Ont.
3. Identify non-core assets that fall outside the scope of the Company’s focus on the first two business objectives....”

[June 15, 2023](#) – “Avalon announces **C\$63M strategic investment by Sibelco** to create a vertically integrated lithium strategic partnership in Ontario.....The C\$63-million transaction results in Antwerp-based Sibelco owning approximately 19.9% of the issued and outstanding Common Shares, and provides Avalon with a first tranche of funding to advance the Company’s lithium production

and processing goals across its suite of lithium mineral assets, led by Separation Rapids in northwestern Ontario. This new joint venture is expected to accelerate Avalon's core business objective of building a mid-stream lithium-hydroxide processing facility in Ontario."

[June 19, 2023](#) – "Avalon **completes purchase of industrial site in Thunder Bay** as key next step in becoming Ontario's first vertically integrated lithium producer....the successful acquisition of an industrial site in Thunder Bay, Ontario (965 Strathcona Avenue) which has existing road, rail, deep-water port, and utilities services for its planned midstream lithium-hydroxide (LiOH) processing facility.'

Wow! That's an amazing month of news and the month is not even over yet.

A potential to double the Separation Rapids Resource (currently at [8.4Mt @ 1.408% Li02](#)), new leadership team, C\$63M strategic investor (Sibelco), and an industrial site purchased for a future LiOH processing facility in Thunder Bay.

Clearly the new management team means serious business and is highly motivated to accelerate Avalon's Separation Rapids Project (& Lilypad Project) and a LiOH facility into production.

Avalon's new management team with addition of 3 experienced veterans

The new additions to Avalon's management team are:

- Scott Monteith as interim Chief Executive Officer. He is [quoted](#) by Avalon to be "an experienced clean-tech executive and entrepreneur with a successful track record of moving inventions from ideation to commercial success."
- Jim Jaques as the Company's inaugural Chief Administrative

Officer.

- Jan Holland as a new Directors of the Board. Avalon [state](#):
“Mr. Holland brings 35 years of experience in building and reorganizing businesses across an array of Canadian industries, from aerospace to financial services.”

Avalon President, Zeeshan Syed, [stated](#): *“These appointments, and others to come, underscore the arrival of Avalon 2.0.”*

C\$63M strategic investment by Sibelco to create a vertically integrated lithium strategic partnership in Ontario

Perhaps the biggest news for the month was Avalon announcing a new strategic investment of C\$63M by Sibelco, C\$10M of which is to own [109,692,764](#) (~19.9%) of the issued and outstanding common shares of Avalon. There was also a C\$3M secured convertible debenture issued.

SCR-Sibelco NV (“Sibelco”) is a global leader in materials solutions.

The announcement [stated](#):

“Avalon and Sibelco have agreed to establish a joint venture with respect to Avalon’s lithium projects, including Separation Rapids and Lilypad in northwestern Ontario. Sibelco, which will act as operator of the joint venture, has committed to invest €35 million (approximately C\$50.4 million) into the joint venture.”

The new JV will be owned 60% by Sibelco and 40% by Avalon and it will own Avalon’s lithium projects, including Separation Rapids and Lilypad in northwestern Ontario. The JV may change to 65% and 35%, respectively, if on the debenture maturity date Avalon fails to pay the full principal and accrued interest.

Avalon CEO [commented](#):

"This strategic partnership represents a significant step forward in scaling our business towards full vertical integration of our lithium production.....Sibelco's investment is a major vote of confidence in our vision, resources and capabilities by a respected and established international operator-and now partner."

The Separation Rapids Lithium Project in Ontario, Canada (PEA completed, DFS in 2023)

Separation Rapids Lithium Project



Location and Ownership	70km north of Kenora, Ontario; 100% held by Avalon
Area	19 mineral claims and 1 mining claim, covering 10,000+ acres
Resources (M&I)	8.4Mt @ 1.408% LiO ₂
Infrastructure and Power (hydro)	Road and rail access; ~25km Whitedog Generating Station
Community	First Nation support (Wabaseemoong Independent Nations)

Separation Rapids Lithium

Stage: PEA Complete,
advancing to DFS in 2023
Targets: The Big Whopper,
Snowbank, Glitter, Wolf
and Rattler



Source: [Avalon company presentation](#)

Closing remarks

Avalon certainly has had a huge month of news. Some may say they have sold off a good part of their lithium assets too cheap, but really they have secured a JV partner to help fund and rapidly accelerate progression of the Separation Rapids and Lilypad Lithium projects and a future LiOH facility in Thunder Bay. The stock price rise tends to agree that the recent moves are in the right direction for Avalon.

Avalon Advanced Materials trades on a market cap of [C\\$70M](#).