# Avalon Completes Purchase of Industrial Site in Thunder Bay as Key Next Step in Becoming Ontario's First Vertically Integrated Lithium Producer

written by InvestorNews | June 19, 2023

June 19, 2023 (Source) – As part of its strategic transformation to become a vertically integrated lithium producer, Avalon Advanced Materials Inc. (TSX: AVL) (OTCQB: AVLNF) ("Avalon" or the "Company") is pleased to announce 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.

The planned facility will ensure the long-term security of domestic lithium processing capacity required for North America's electric vehicle (EV) and battery supply chain-a core objective of both the Ontario and Canadian governments.

"In addition to accelerating onshore EV production capacity, our plan will help achieve a geo-strategic priority for Canada and other G7 nations to establish stable, secure access to refined raw material," noted Zeeshan Syed, Avalon President. "While there is more work to do with our government and community partnerships, we are confident we will help close the gap between increasing demand and domestic supply of this key resource and help fortify North American energy security."

Thunder Bay, population 125,000, is strategically located at a

provincial midpoint between the resources of the north and downstream EV battery and automotive manufacturing hubs in the south.

“Thunder Bay has long served as a strategic port for Canadian industry, facilitating trade between Ontario’s north and the rest of North America,” Ken Boshcoff, Mayor of Thunder Bay, said. “We’re thrilled to be partnering with Avalon to continue that tradition, while bringing jobs and new economic opportunities to the region.”

With the finalization of this site purchase, Avalon’s focus moves to build upon its relations with First Nations partners, the local community and government. Deepening this collaboration is key to ensuring members of the regional ecosystem all benefit from the project and prioritize environmental stewardship. First Nations communities are valued partners, and the Company looks forward to an ongoing dialogue of mutual respect and seeking innovative partnerships in the new green economy.

The Company also continues to advance discussions with a range of other parties interested to join in the project and help contribute to the province’s industrial competitiveness.

When complete, the integrated project will:

- Create an estimated 500 jobs in the City of Thunder Bay as well as in Kenora, Ontario and their surrounding regions, respectively.
- Enable broader development of northwestern Ontario’s lithium assets by producers seeking to utilize the proximity of Avalon’s processing capacity.
- Create tangential benefits, including the intention to create a regional critical-minerals innovation and R&D hub in partnership with local university and college stakeholders.

- Create new economic development opportunities for local and regional First Nations communities.
  Demonstrate best-in-class environmental and sustainability process innovation and enable novel Canadian IP.
- Create supply chain efficiencies by connecting lithium assets in the north with regional processing capacity thus leading to a decreased life-cycle carbon footprint compared to producers who ship raw materials to processing facilities overseas.

Localizing the EV battery supply chain creates a multiplier effect of investment opportunities. In just the few short months since the Inflation Reduction Act (IRA) was passed, the United States has seen more than US$40 billion worth of new investment announcements across the battery supply chain. These investments help spur local economic development by supporting surrounding industries, fostering spinoff entrepreneurship, and contributing to the development of industry clusters that improve productivity and growth.

The Thunder Bay site acquisition follows Avalon entering a strategic partnership with SCR-Sibelco NV (“Sibelco”), a global leader in materials solutions. The agreement with Sibelco secured C$63 million of new investment to facilitate the development of Avalon’s vision of becoming a vertically integrated lithium producer. The transaction, in which Antwerp-based Sibelco received 19.9% of outstanding AVL shares, provides Avalon with a first tranche of funding to advance the firm’s lithium production and processing goals across its suite of lithium mineral assets, led by Separation Rapids in northwestern Ontario.

“Sibelco congratulates Avalon on achieving its next strategic milestone of acquiring the Thunder Bay site, strengthening its EVB market focus,” noted Mr. Hilmar Rode, the CEO of Sibelco.

“We are proud to contribute and support Avalon through Sibelco’s focus on development of the lithium mine JV with the aim to expand the mineral resource and develop the mining operations to meet the needs of the downstream markets in both technical glass and ceramics and the Avalon refinery project.”

About Avalon Advanced Materials Inc.
Avalon Advanced Materials Inc. is a Canadian mineral development company aimed at vertically integrating North America’s lithium supply chain. The company is currently focusing on developing its Separation Rapids Lithium Project near Kenora, Ontario while continuing to advance other projects in its portfolio, including its 100%-owned Lilypad Spodumene-Cesium-Tantalum Project located near Fort Hope, Ontario. Social responsibility and environmental stewardship are corporate cornerstones.

For investor relations and media inquiries, please e-mail the Company at ir@AvalonAM.com, or phone Zeeshan Syed, President, at (647) 300-4706.

Forward-Looking Statements

Statements included in this news release, including any with respect to the Company’s future financial or operating performance and other statements that express management’s expectations or estimates of future performance, including statements in respect of the completion of the joint venture, the use of proceeds of the Private Placement, prospects and/or development of the Company’s projects, other than statements of historical fact, constitute forward-looking information or forward-looking statements within the meaning of applicable securities laws (collectively referred to herein as “forward-looking statements”) and such forward-looking statements are based on expectations, estimates and projections as of the date of this news release. Forward-looking statements in this news

release include, but are not limited to, statements with respect to: the Company's strategic review of certain of its assets; the development of the Company's material lithium projects, the Company's plans with respect to the exploration and development of its properties, costs of production, expected capital expenditures, operations outlook, expected benefits from the joint venture, the expected receipt of permits; permitting timelines, the future price of commodities; foreign exchange rates and currency fluctuations; requirements for additional capital; the Company's capital allocation; the estimation of mineral reserves and mineral resources; the realization of mineral reserve and mineral resource estimates, and government regulation of mining operations. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Forward-looking statements are generally identifiable by the use of words such as "may", "will", "should", "continue", "expect", "budget", "forecast", "anticipate", "estimate", "believe", "intend", "plan", "schedule", "guidance", "outlook", "potential", "seek", "targets", "suspended", "strategy", or "project" or the negative of these words or other variations on these words or comparable terminology.

The Company cautions the reader that forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, financial, operational and other risks, uncertainties, contingencies and other factors, including those described below, which could cause actual results, performance or achievements of the Company to be materially different from results, performance or achievements expressed or implied by such forward-looking statements and, as such, undue reliance must not be placed on them. Forward-looking statements are also based on numerous material factors and

assumptions, including as described in this news release, including with respect to: the completion of the joint venture, use of proceeds from the Private Placement, the Company's present and future business strategies, operations performance within expected ranges, local and global economic conditions and the economic environment in which the Company will operate in the future, legal and political developments in the jurisdictions in which the Company operates, the price of lithium and other key commodities; projected mineral grades; international exchanges rates; anticipated capital and operating costs; the availability and timing of required governmental and other approvals for the Company's projects.

Risks, uncertainties, contingencies and other factors that could cause actual results, performance or achievements of the Company to be materially different from results, performance or achievements expressed or implied by such forward-looking statements include, without limitation: the Company's business strategies and its ability to execute thereon, including the ongoing strategic review of certain of the Company's assets; political and legal risks; risks associate with the estimation of mineral reserves and mineral resources; the ongoing impacts of the Ukraine war, the availability of labour and contractors; the volatility of the Company's securities; management of certain of the Company's assets by other companies or joint venture partners; the lack of availability of insurance covering all of the risks associated with a mining company's operations; business risks, including pandemics, adverse environmental conditions and hazards; unexpected geological conditions; potential shareholder dilution; increasing competition in the mining sector; changes in the global prices for lithium and certain other commodities; consolidation in the lithium mining industry; legal, litigation, legislative, political or economic risks; government actions taken in response to potential future

public health emergencies and pandemics, including new variants of COVID-19, and any worsening thereof; changes in taxes, including mining tax regimes; the failure to obtain in a timely manner from authorities key permits, authorizations or approvals necessary for exploration, development or operations; the availability of capital; the level of liquidity and capital resources; access to capital markets and financing; the Company's level of indebtedness; the Company's ability to satisfy covenants under its outstanding debt instruments; changes in interest rates; the Company's choices in capital allocation; risks related to third-party contractors; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of reserves; the fact that reserves and resources, expected metallurgical recoveries, capital and operating costs are estimates which may require revision; failure to meet operational targets; equipment malfunctions; laws and regulations governing the protection of the environment; physical and regulatory risks related to climate change; the potential direct or indirect operational impacts resulting from external factors, including infectious diseases, public health emergencies or pandemics, such as COVID-19, unpredictable weather patterns and challenging weather conditions; attraction and retention of key employees and other qualified personnel; availability and increasing costs associated with mining inputs and labour; the availability of qualified contractors and the ability of contractors to timely complete projects on acceptable terms; the relationship with the communities surrounding the Company's operations and projects; indigenous rights or claims; and the inherent risks involved in the exploration, development and mining industry generally. Please see the Company's current annual information form available on www.sedar.com or for a comprehensive discussion of the risks faced by the Company and which may cause actual results, performance or achievements of the Company to be

materially different from results, performance or achievements expressed or implied by forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as required by applicable law.