

Avalon Advanced Materials Announces Special Meeting of Shareholders to Approve Share Consolidation as Part of U.S. Capital Markets Evaluation

Proposed share consolidation range intended to support potential U.S. exchange listing and broaden investor appeal

Toronto, Ontario--(Newsfile Corp. - June 5, 2026) - [Avalon Advanced Materials Inc.](#) (TSX: AVL) (OTCQB: AVLNF) ("Avalon" or the "Company") today announced that it will hold a special meeting of shareholders on June 29, 2026 to seek shareholder approval for a proposed consolidation of the Company's issued and outstanding common shares (the "Common Shares") at a ratio to be determined by the Board of Directors within a range of one post-consolidation Common Share for every 130 pre-consolidation Common Shares and one post-consolidation Common Share for every 180 pre-consolidation Common Shares (the "Share Consolidation"). The Board believes that establishing a range for the Share Consolidation provides appropriate flexibility to account for the trading price of the Common Shares, market conditions, and applicable listing requirements prior to implementation.

"The Board believes the proposed Share Consolidation is a prudent enabling step in Avalon's broader capital markets strategy," said Alan Ferry, Chair of the Board of Directors. "As the Company continues to advance its critical minerals portfolio, shareholder approval of the Share Consolidation would provide the Company with additional flexibility as it evaluates potential U.S. capital markets alternatives and continues to pursue the next phase of its development. The Board recommends that shareholders vote in favor of the Share Consolidation."

The Share Consolidation is intended to support the Company's broader capital markets strategy by providing greater flexibility as Avalon evaluates potential U.S. capital markets alternatives, including a possible future listing of the Common Shares on The Nasdaq Stock Market LLC or another major U.S. stock exchange. The Board believes that such a listing, if completed, could improve the Company's visibility in the U.S. capital markets and better align Avalon's public market profile with the North American scope and strategic relevance of its critical minerals assets.

Among other considerations, the proposed Share Consolidation is intended to help position the Company to satisfy minimum bid price or similar requirements that may apply in connection with a future listing of the Common Shares on a major U.S. stock exchange. The Company's current low nominal trading price may limit its ability to satisfy those requirements without a meaningful consolidation of its Common Shares. The Board believes that the proposed consolidation range provides flexibility to select a final ratio that better aligns the Company's share structure with U.S. exchange-listed peers and applicable listing requirements, subject to prevailing market conditions at the time of implementation and any listing application.

The Board further believes that a share price more consistent with U.S. exchange norms is an important element of the Company's broader capital markets strategy. A higher anticipated post-consolidation trading price may improve the marketability of the Common Shares, broaden the universe of investors and capital markets participants able or willing to engage with the Company's securities, and support the Company's ability to access U.S. capital markets over time. The Board recognizes that the Share Consolidation could affect trading liquidity; however, it believes any such effects should be considered in the context of the Company's broader objective of positioning Avalon for a broader investor base and potential access to deeper U.S. capital markets.

"As Avalon advances its critical minerals portfolio, we believe the Company's public market profile, share structure and investor access should evolve in a manner that supports the next stage of development," said Scott Monteith, President and Chief Executive Officer. "The proposed Share Consolidation is intended to support that evolution by improving comparability with U.S. exchange-listed peers, broadening recognition of the strategic opportunity Avalon is pursuing and positioning the Company to access deeper U.S. capital markets over time, if a U.S. exchange listing is pursued and completed."

The Company cautions that no final decision has been made to proceed with any U.S. exchange listing, Nasdaq application, SEC filing, financing, transaction or other capital markets initiative. Any potential U.S. listing would remain subject to numerous conditions, including shareholder approval of the Share Consolidation, final Board approval, approval of the Toronto Stock Exchange, acceptance by the applicable U.S. exchange, satisfaction of all applicable listing standards, regulatory review, market conditions and other customary considerations. There can be no assurance that any U.S. listing will be pursued or completed.

Shareholders are encouraged to review the Company's management information circular and related meeting materials, which will be mailed to shareholders and filed under the Company's profile on SEDAR+ at www.sedarplus.ca. The meeting materials will include additional information regarding the proposed Share Consolidation, the proposed consolidation range, the reasons for the proposal, the Board's discretion to determine the final ratio within the approved range, and the voting process.

If approved by shareholders, the Share Consolidation would be implemented at a time and ratio determined by the Board of Directors within the approved range, subject to applicable regulatory approvals. The Board would retain discretion not to proceed with the Share Consolidation if it determines that doing so would not be in the best interests of the Company.

About Avalon Advanced Materials Inc.

Avalon Advanced Materials Inc. is a Canadian critical minerals company focused on advancing lithium and rare earth elements-two of the fastest-growing segments of the global energy transition. The Company is developing strategic assets to participate in high-growth markets and support the build-out of secure North American supply chains. 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, advanced technologies, 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 is expected to serve as a cornerstone of North America's integrated battery materials supply chain, transforming northern Ontario lithium into essential inputs for transportation, grid storage, and advanced manufacturing.

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 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. 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.



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