FORM 51-102F3
MATERIAL CHANGE REPORT

This amended material change report is being filed to correct the date in Item 4.

Item 1. Name and Address of Company

Avalon Advanced Materials Inc. (the "**Company**")
Suite 2060 - 130 Adelaide Street West
Toronto, Ontario M5H 3P5

Item 2. Date of Material Change

July 8, 2026

Item 3. News Release

A news release relating to the material change described herein was disseminated on July 8, 2026 through the services of Newsfile Corp. and subsequently filed under the Company's profile on the System for Electronic Document Analysis and Retrieval + (SEDAR+) at www.sedarplus.ca.

Item 4. Summary of Material Change

On July 8, 2026, the Company completed a consolidation of its issued and outstanding common shares (the "**Common Shares**") on the basis of one (1) post-consolidation Common Share for every one hundred and eighty (180) pre-consolidation Common Shares (the "**Share Consolidation**").

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Share Consolidation was approved by the shareholders of the Company (the "**Shareholders**") at the special meeting of Shareholders held on June 29, 2026 (the "**Shareholder Meeting**") and by the board of directors of the Company (the "**Board**") at the meeting of the Board held on June 29, 2026 following the Shareholder Meeting. The Share Consolidation was completed on July 8, 2026, with the Company's Common Shares trading on a consolidated basis on the Toronto Stock Exchange ("**TSX**") effective as of market open on July 13, 2026.

The Share Consolidation resulted in the number of issued and outstanding Common Shares being reduced from 835,628,796 pre-consolidation Common Shares to 4,642,336 post-consolidation Common Shares. No fractional Common Shares were issued as a result of the Share Consolidation. The number of Common Shares to be received by a Shareholder was rounded down to the nearest whole Common Share and Shareholders that were otherwise entitled to a receive a fractional Common Share, are entitled to a cash payment in lieu of any fractional Common Share interest at a price equal to the fractional interest to which the Shareholder would otherwise be entitled multiplied by the closing price of the Common Shares, as reported by the TSX, on July 7, 2026, the last trading day prior to the effective date of the Share Consolidation.

The exercise or conversion price and the number of Common Shares issuable under any of the Company's outstanding convertible securities were proportionately adjusted to reflect the Share Consolidation in accordance with the respective terms of such convertible securities.

5.2 Disclosure for Restructuring Transaction

Not applicable

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

For further information, please contact Lorin Crenshaw, CFO, at (416) 364-4938 or via email at LCrenshaw@AvalonAM.com.

Item 9. Date of Report

July 15, 2026.