

5E ADVANCED MATERIALS ANNOUNCES FIRST BORIC ACID PRODUCTION AND EXTENDED WAIVER OF CASH COVENANT

First production of boric acid allows the company to commence customer qualification process to potentially become an approved supplier to targeted customers

HESPERIA, CA., April 30, 2024 (GLOBE NEWSWIRE) – 5E Advanced Materials, Inc. (Nasdaq: FEAM) (ASX: 5EA) (“5E” or the “Company”), a boron and lithium company with U.S. government Critical Infrastructure designation for its 5E Boron Americas Complex, today announced the Company’s operations team has successfully achieved first production of boric acid and the Company amended its outstanding senior secured convertible notes to extend the waiver of the notes’ cash covenant.

First Production and Next Steps

With the first production batch of boric acid now achieved, 5E will continue to refine operating parameters to meet and exceed customer specifications. 5E anticipates beginning the customer qualification process with a variety of customer prospects. The customer qualification process will include 5E providing samples of boric acid for customers to validate their customer-established qualification criteria. Upon successful feedback from customers that the product meets their specifications, 5E will then deliver larger volumes of boric acid from the SSF, to the customer production facilities for product validation.



Figure 1: Boric Acid from 5E’s Boron America Complex – April 25, 2024



Figure 2: The 5E team filling a “super sack” of Boric Acid - April 25, 2024

Susan Brennan, Chief Executive Officer at 5E Advanced Materials, stated, “I am pleased that we have achieved first production of boric acid from our Small-Scale Facility (SSF). I am incredibly proud of our team’s dedication and hard work to achieve another historic milestone. This marks an important step in bolstering and securing a boron supply chain that is made in America. While first production was no easy task, the team delivered through the normal challenges of starting up a new production process, to continue building a globally significant business in the boron market.”

Amendment of Senior Secured Convertible Note

The Company also announced an amendment to its outstanding senior secured convertible notes, which extends a waiver of the existing financial cash covenant from June 28, 2024, to December 31, 2024. Beginning December 31, 2024, the cash covenant will require that the Company maintains a cash balance of at least \$7.5 million.

About 5E Advanced Materials, Inc.

5E Advanced Materials, Inc. (Nasdaq: FEAM) (ASX: 5EA) is focused on becoming a vertically integrated global leader and supplier of boron specialty and advanced materials, complemented by lithium co-product production. The Company's mission is to become a supplier of these critical materials to industries addressing global decarbonization, food and domestic security. Boron and lithium products will target applications in the fields of electric transportation, clean energy infrastructure, such as solar and wind power, fertilizers, and domestic security. The business strategy and objectives are to develop capabilities ranging from upstream extraction and product sales of boric acid, lithium carbonate and potentially other co-products, to downstream boron advanced material processing and development. The business is based on our large domestic boron and lithium resource, which is located in Southern California and designated as Critical Infrastructure by the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements other than statements of historical fact included in this press release regarding our business strategy, plans, goal, and objectives are forward-looking statements. When used in this press release, the words "believe," "project," "expect," "anticipate," "estimate," "intend," "budget," "target," "aim," "strategy," "plan," "guidance," "outlook," "intent," "may," "should," "could," "will," "would," "will be," "will continue," "will likely result," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on the Company's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the extraction of the critical materials we intend to produce and advanced materials production and development. These risks include, but are not limited to: our limited operating history in the borates and lithium industries and no revenue from our proposed extraction operations at our properties; our need for substantial additional financing to continue as a going concern and to execute our business plan and our ability to access capital and the financial markets; our status as an exploration stage company dependent on a single project with no known Regulation S-K 1300 mineral reserves and the inherent uncertainty in estimates of mineral resources; our lack of history in mineral production and the significant risks associated with achieving our business strategies, including our downstream processing ambitions; our incurrence of significant net operating losses to date and plans to incur continued losses for the foreseeable future; risks and uncertainties relating to the development of the Fort Cady project, including our ability to timely and successfully complete our Small Scale Boron Facility; our ability to obtain, maintain and renew required governmental permits for our development activities, including satisfying all mandated conditions to any such permits; the implementation of and expected benefits from certain reduced spending measures, and other risks and uncertainties set forth in our filings with the U.S. Securities and Exchange Commission from time to time. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. These risks are not exhaustive and the information in this press release may be subject to additional risks. No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets, and opinions contained herein, and no liability whatsoever is accepted as to any errors, omissions, or misstatements contained herein. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as to the date of this press release.

For additional information regarding these various factors, you should carefully review the risk factors and other disclosures in the Company's Form 10-K filed on August 30, 2023. Additional risks are also disclosed by 5E in its filings with the U.S. Securities and Exchange Commission throughout the year, including its Form 10-K, Form 10-Qs and Form 8-Ks, as well as in its filings under the Australian Securities Exchange. Any forward-looking statements are given only as of the date hereof. Except as required by law, 5E expressly disclaims any obligation to update or revise any such forward-looking statements. Additionally, 5E undertakes no obligation to comment on third party analyses or statements regarding 5E's actual or expected financial or operating results or its securities.

For further information contact:

Joseph Caminiti or Nick Teves
Alpha IR Group
FEAM@alpha-ir.com
Ph: +1 (312) 445-2870

J.T. Starzecki
Chief Marketing Officer
jstarzecki@5advancedmaterials.com
Ph: +1 (612) 719-5076

For personal use only