

NOTIFICATION REGARDING GRANT OF AWARDS TO DIRECTORS

5E Advanced Materials, Inc. (Nasdaq:FEAM) (ASX:5EA) (“5E” or the “Company”) advises that the Company inadvertently granted awards under its Equity Compensation Plan (the “Plan”) to certain of its current and former Directors without shareholder approval as required under ASX Listing Rules 10.11 and 10.14.

Details of the Plan were included in the Company’s Form 10 that was used for its primary listing on the Nasdaq and released on the ASX on 14 March 2022.

The Plan is designed to promote the financial interests of the Company by providing a means through which current and prospective Directors, officers, key employees and consultants can be retained and motivated through acquiring equity interests in the Company. Grants made under the Plan are a key part of the Company’s remuneration policy and are considered a cost-effective and efficient means of payment in consideration of services rendered. The Company’s director remuneration is structured such that 50% of their compensation is cash and 50% of their compensation is equity.

Details of the awards granted pursuant to the Plan⁽¹⁾ without shareholder approval required under the ASX Listing Rules are as follows:

- 7,402 Director Share Units (“DSUs”) were granted to each of Mr David Salisbury, Mr Sen Ming (Jimmy) Lim, Mr Stephen Hunt and Ms Palvi Mehta⁽²⁾ on June 29, 2022 for services performed as directors;
- an additional 1,981 DSUs were granted to Mr David Salisbury, an additional 1,300 DSUs were granted to each of Mr Sen Ming (Jimmy) Lim and Mr Stephen Hunt, and an additional 1,455 DSUs were granted to Ms Palvi Mehta⁽²⁾ on July 1, 2022 for services performed as directors;
- 6,495 Restricted Share Units (“RSUs”) and 6,495 Performance Share Units (“PSUs”) were granted to Mr Henri Tausch⁽³⁾ on June 29, 2022 for services performed as the Chief Executive Officer; and
- an additional 26,880 RSUs and 17,920 PSUs were granted to Mr Henri Tausch⁽³⁾ on September 1, 2022 for services performed as the Chief Executive Officer.

⁽¹⁾ The DSUs granted to Ms Mehta vested following her resignation in accordance with their terms and were subsequently converted to common stock on October 10, 2022. The 24,415 PSUs granted to Mr Tausch were forfeited and terminated immediately upon his resignation in accordance with their terms. All other awards granted remain outstanding and unvested as at the date of this announcement.

⁽²⁾ On September 30, 2022, the Board accepted Ms Mehta’s resignation as a member of the Board effective as of October 3, 2022.

⁽³⁾ On September 28, 2022, the Board accepted Mr Tausch’s resignation as President and Chief Executive Officer, effective as of October 31, 2022.

The Company has agreed with ASX that it will:

- cancel or forfeit the outstanding and unvested awards granted to Mr Salisbury, Mr Lim, Mr Hunt and Mr Tausch under the Plan, for no consideration (i.e., 9,383 DSUs granted to Mr Salisbury; 8,702 DSUs granted to each of Mr Lim and Mr Hunt; 33,375 RSUs granted to Mr Tausch); and
- seek shareholder approval for the re-issue of the cancelled or forfeited outstanding and unvested awards granted to Mr Salisbury, Mr Lim, Mr Hunt and Mr Tausch as mentioned immediately above, for no consideration, for the purposes of ASX Listing Rule 10.11 / 10.14.

Each of Mr Salisbury, Mr Lim, Mr Hunt and Mr Tausch have agreed to the course of action outlined above. Ms Mehta having ably fulfilled the terms of service under her director appointment agreement (who is no longer a director of the Company and was therefore unable to participate in the Company deliberations related to this matter) has agreed to dispose of her common stock issued on conversion of her 8,857 DSUs (which vested following her resignation) on-market and donate any profits from such sale to a 501(c)(3) eligible charity within six weeks from the date of this announcement - 501(c)(3) being a tax-exemption for charities in the US.

The Company intends to seek approval of the Plan for the purposes of ASX Listing Rule 10.14 to allow for future awards to be granted to the Company’s Directors as part of its remuneration and incentive strategy.

The Company has implemented additional procedures, including additional compliance training and arrangements, for ensuring compliance with the ASX Listing Rules.





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.

Authorized for release by: David Salisbury, Chairman of the Board of Directors

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