

5E ADVANCED MATERIALS COMPLETES ASSIGNMENT OF SALT WELLS PROJECT

Agreement releases 5E from contractual spending obligations while preserving operational and financial optionality, as well as future economic upside in the Salt Wells Project

HESPERIA, Calif., May 23, 2023 (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 (Fort Cady) Complex, is pleased to announce it has entered into an assignment agreement with Osmond Resources Limited (ASX: OSM) (“Osmond”). The new agreement with Osmond provides optionality for 5E to retain an interest in the greenfield Salt Wells Project while deferring additional spending requirements to Osmond in the near term. This agreement aligns with the Company’s strategy and overall goal of bringing its 5E Boron Americas Complex in southern California online and becoming the first new producer of borate and lithium in the U.S.

In 2018, the Company entered into an Earn-in Agreement with Great Basin Resources, Inc. whereby the mineral interest for the Salt Wells Project could be earned over time through a minimum required exploration expenditure of USD \$3,000,000. To date, the Company has spent approximately USD \$544,000 on exploration activities.

Upon assigning the Earn-in Agreement to Osmond, 5E will defer all the additional exploration spending requirements to Osmond in exchange for retaining 20% of the mineral interest upon completion of exploration activities. Once the mineral title is transferred to 5E and Osmond, 5E may elect to form an unincorporated joint venture with Osmond to carry out joint activities at the Salt Wells Project, whereby future funding would be contributed on a pro-rate basis. Additionally, 5E obtained a right of first refusal to act as the exclusive sales and marketing agent for the sale of all borates produced from the Salt Wells Project.

Susan Brennan, Chief Executive Officer of 5E Advanced Materials, commented, “We are pleased to have reached this assignment agreement with Osmond relating to the exploration of the Salt Wells Project, as it serves several strategic advancements for our Company. This not only allows 5E to forego the expenditures required for initial exploration and subsequent production of a non-core asset, but most importantly it allows the Company to focus its efforts on our attractive and advanced 5E Boron Americas Complex at Ft. Cady. As part of the assignment agreement, 5E has retained the optionality to capture associated economic upside tied to any successful exploration of borates at the Salt Wells Project.”

Brennan concluded, “As we look ahead to the remainder of 2023, we will continue to focus intently on advancing our 5E Boron Americas Complex, to begin production of the mineral resources including boric acid and lithium. We remain advantageously positioned, possessing a premier resource to develop, scale, and integrate boron advanced materials here in the U.S.”

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 in Southern California and designated as Critical Infrastructure by the Department of Homeland Security’s Cybersecurity and Infrastructure Security Agency.





Forward Looking Statements and Disclosures

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,” “estimate,” “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 5E’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 execute our business plan and our ability to access capital and the financial markets; our status as an exploration stage company dependant 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; and other risks. 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. No representation or warranty (express or implied) is made as to, and no reliance should be place 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 September 28, 2022. 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.

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

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