

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-41279

**5E ADVANCED MATERIALS, INC.**



(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

87-3426517  
(I.R.S. Employer  
Identification No.)

9329 Mariposa Road, Suite 210  
Hesperia, CA  
(Address of principal executive offices)

92344  
(Zip Code)

(442) 221-0225  
(Registrant's telephone number, including area code)

N/A  
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	FEAM	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 14, 2025, there were 20,017,746 shares of the Registrant's common stock, \$0.01 par value per share, outstanding.

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References herein to the “Company,” “we,” “our,” “us,” and “5E” refer to 5E Advanced Materials, Inc., and its subsidiaries.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q for the period ended March 31, 2025 and documents incorporated by reference herein (this “Form 10-Q”) include statements that express our and our subsidiaries’ opinions, expectations, beliefs, plans, goals objectives, assumptions or projections regarding future events or future financial performance and results, financial condition, business strategy, including certain projections, milestones, targets, business trends and other statements that are not historical facts. These statements constitute forward-looking statements within the meaning of the Safe Harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “seeks,” “projects,” “forecasts,” “budgets,” “targets,” “aims,” “intends,” “plans,” “may,” “will,” “should,” “could,” “would,” “will be,” “will continue,” “will likely result” and similar expressions, and in each case including their negative or other variations of comparable terminology. However, not all forward-looking statements contain these identifying words. All statements other than statements of historical fact contained in this Quarterly Report, including without limitation, statements regarding our results of operations and financial position, business strategy, plans and prospects, our ability to secure additional financing and continue as a going concern, and our ability to operate the SSF and develop the Project (each as defined herein), production forecasts and capital expenditure estimates. Forward-looking statements reflect management’s expectations regarding our future growth, results of operations, operational and financial performance and business prospects and opportunities. Such forward-looking statements are based on available current market material and management’s expectations, beliefs and forecasts concerning future events impacting our business.

The forward-looking statements in this Form 10-Q are only predictions. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available. These forward-looking statements are subject to a number of known and unknown risks, uncertainties, assumptions, and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including risks described under the heading “Part II, Item 1A. – Risk Factors” in this Quarterly Report on Form 10-Q, and in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024, any of which could cause the Company’s actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

Other sections of this Quarterly Report on Form 10-Q include additional factors that could harm our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment.

You should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report or to conform these statements to actual results or to changes in our expectations. You should read this Quarterly Report on Form 10-Q and the documents that we reference or incorporate by reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this report with the understanding that our actual future results, levels of activity, performance, and achievements may be materially different from what we expect. You are advised, however, to consult any additional disclosures we make in our reports to the U.S. Securities and Exchange Commission (the “SEC”). All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in our latest Annual Report on Form 10-K for the fiscal year ended June 30, 2024, and this Quarterly Report on Form 10-Q.

## Part I - Financial Information

### Item 1. Financial Statements.

#### 5E ADVANCED MATERIALS, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (In thousands, except per share data)

	March 31, 2025	June 30, 2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,032	\$ 4,896
Prepaid expenses and other current assets	547	1,913
Total current assets	4,579	6,809
Mineral rights and properties, net	7,622	7,616
Construction in progress	2,052	608
Properties, plant and equipment, net	58,665	73,872
Reclamation bond deposit	319	311
Right of use asset	172	282
Other assets	—	6
Total assets	<u>\$ 73,409</u>	<u>\$ 89,504</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,056	\$ 9,567
Lease liabilities, current	91	141
Total current liabilities	6,147	9,708
Long-term debt, net	33	64,831
Convertible note derivative liabilities	—	3,315
Lease liabilities	90	149
Asset retirement obligations	877	795
Total liabilities	<u>7,147</u>	<u>78,798</u>
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, \$0.01 par value; 360,000 shares authorized; 17,996 and 2,753 shares outstanding March 31, 2025 and June 30, 2024, respectively	180	28
Additional paid-in capital	287,924	210,679
Retained earnings (accumulated deficit)	(221,842)	(200,001)
Total stockholders' equity	66,262	10,706
Total liabilities and stockholders' equity	<u>\$ 73,409</u>	<u>\$ 89,504</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**5E ADVANCED MATERIALS, INC**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**  
**(In thousands, except per share amounts)**

	<u>Three months ended March 31,</u>		<u>Nine months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating expenses:				
Project expenses	\$ 1,050	\$ 1,155	\$ 4,283	\$ 4,169
Small-scale facility operating costs	897	—	3,564	—
General and administrative	3,265	2,997	11,342	16,431
Research and development	—	—	—	45
Depreciation and amortization expense	4,992	53	14,955	159
Total operating expenses	<u>10,204</u>	<u>4,205</u>	<u>34,144</u>	<u>20,804</u>
Income (loss) from operations	<u>(10,204)</u>	<u>(4,205)</u>	<u>(34,144)</u>	<u>(20,804)</u>
Non-operating income (expense):				
Interest income	21	73	68	215
Other income	—	4	4	7
Gain (loss) on extinguishment of debt	17,333	(20,953)	17,333	(20,953)
Derivative gain (loss)	—	—	1,357	—
Interest expense	(1,869)	(822)	(6,454)	(4,348)
Other expense	(1)	(2)	(5)	(8)
Total non-operating income (expense)	<u>15,484</u>	<u>(21,700)</u>	<u>12,303</u>	<u>(25,087)</u>
Income (loss) before income taxes	<u>5,280</u>	<u>(25,905)</u>	<u>(21,841)</u>	<u>(45,891)</u>
Income tax provision (benefit)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net income (loss)	<u>\$ 5,280</u>	<u>\$ (25,905)</u>	<u>\$ (21,841)</u>	<u>\$ (45,891)</u>
Net income (loss) per common share:				
Basic	<u>\$ 0.73</u>	<u>\$ (10.18)</u>	<u>\$ (5.05)</u>	<u>\$ (21.56)</u>
Diluted	<u>\$ (0.97)</u>	<u>\$ (10.18)</u>	<u>\$ (5.05)</u>	<u>\$ (21.56)</u>
Weighted average common shares outstanding — basic	<u>7,207</u>	<u>2,544</u>	<u>4,329</u>	<u>2,129</u>
Weighted average common shares outstanding — diluted	<u>10,452</u>	<u>2,544</u>	<u>4,329</u>	<u>2,129</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**5E ADVANCED MATERIALS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
**(In thousands)**

	<b>Nine months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash Flows From Operating Activities:</b>		
Net income (loss)	\$ (21,841)	\$ (45,891)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	14,955	159
Share based compensation	1,841	2,088
Loss on extinguishment of debt	(17,333)	20,953
Unrealized (gain) loss on convertible note derivatives	(1,357)	—
Transaction costs incurred in troubled debt restructuring	(837)	—
Accretion of asset retirement obligations	59	53
Amortization of debt issuance costs and discount — convertible notes	1,095	3,306
Amortization of right of use asset	110	120
Interest earned on reclamation bond	(8)	—
Change in:		
Prepaid expenses and other current assets	1,366	(204)
Accounts payable and accrued liabilities	4,543	(221)
Net cash used in operating activities	<u>(17,407)</u>	<u>(19,637)</u>
<b>Cash Flows From Investing Activities:</b>		
Construction in progress	(1,377)	(5,790)
Properties, plant and equipment additions	(104)	(88)
Refund on previously acquired equipment	86	—
Net cash used in investing activities	<u>(1,395)</u>	<u>(5,878)</u>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from issuance of common stock and warrants, net of issuance costs	3,018	15,794
Proceeds from debt exchange transaction, net of issuance costs	4,891	—
Proceeds from issuance of convertible notes	11,000	—
Debt issuance costs	(764)	(2,586)
Payments on note payable	(31)	(30)
Taxes withheld for equity award vesting	(176)	—
Net cash provided by financing activities	<u>17,938</u>	<u>13,178</u>
Net increase (decrease) in cash and cash equivalents	(864)	(12,337)
Cash and cash equivalents at beginning of period	4,896	20,323
Cash and cash equivalents at end of period	<u><u>\$ 4,032</u></u>	<u><u>\$ 7,986</u></u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid for interest	\$ 3	\$ 22
<b>Noncash Investing and Financing Activities:</b>		
Accounts payable and accrued liabilities change related to capital additions	\$ (220)	\$ 2,365
Accounts payable and accrued liabilities change related to equity issuance costs	—	—
Accounts payable and accrued liabilities change related to debt issuance costs	(271)	—
Recognition of operating lease liability and right of use asset	—	234
Interest paid through issuance of additional convertible notes (Note 7)	7,441	3,961
Increase in asset retirement costs	\$ 23	\$ —
Convertible note derivatives liability reclassification to equity (Note 8)	3,601	—
Net fair value of equity interest exchanged for convertible notes (Note 7)	65,059	—
Increase in net long-term debt resulting from modification (Note 7)	—	20,954

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**5E ADVANCED MATERIALS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(Unaudited)**  
**(In thousands)**

	<b>Common Stock</b>		<b>Additional</b>	<b>Accumulated</b>	<b>Total</b>
	<b>Shares</b>	<b>Amount</b>	<b>Paid-in</b>	<b>Deficit</b>	<b>Stockholders'</b>
			<b>Capital</b>		<b>Equity</b>
<b>Balance at June 30, 2023</b>	1,921	\$ 19	\$ 191,535	\$ (137,988)	\$ 53,566
Vesting of restricted share units	2	—	(31)	—	(31)
Share based compensation expense	—	—	599	—	599
Net income (loss)	—	—	—	(9,370)	(9,370)
<b>Balance at September 30, 2023</b>	<u>1,923</u>	<u>\$ 19</u>	<u>\$ 192,103</u>	<u>\$ (147,358)</u>	<u>\$ 44,764</u>
Vesting of restricted share units	—	—	(62)	—	(62)
Share based compensation expense	—	—	906	—	906
Net income (loss)	—	—	—	(10,616)	(10,616)
<b>Balance at December 31, 2023</b>	<u>1,923</u>	<u>\$ 19</u>	<u>\$ 192,947</u>	<u>\$ (157,974)</u>	<u>\$ 34,992</u>
Issuance of common stock, net of offering costs	829	9	15,785	—	15,794
Share based compensation expense	—	—	583	—	583
Net income (loss)	—	—	—	(25,905)	(25,905)
<b>Balance at March 31, 2024</b>	<u>2,752</u>	<u>\$ 28</u>	<u>\$ 209,315</u>	<u>\$ (183,879)</u>	<u>\$ 25,464</u>

  

	<b>Common Stock</b>		<b>Additional</b>	<b>Accumulated</b>	<b>Total</b>
	<b>Shares</b>	<b>Amount</b>	<b>Paid-in</b>	<b>Deficit</b>	<b>Stockholders'</b>
			<b>Capital</b>		<b>Equity</b>
<b>Balance at June 30, 2024</b>	2,753	\$ 28	\$ 210,679	\$ (200,001)	\$ 10,706
Issuance of common stock, net of offering costs	232	2	1,520	—	1,522
Issuance of warrants, net of offering costs	—	—	1,502	—	1,502
Vesting of restricted share units	10	—	(127)	—	(127)
Share based compensation expense	—	—	1,350	—	1,350
Net income (loss)	—	—	—	(12,859)	(12,859)
<b>Balance at September 30, 2024</b>	<u>2,995</u>	<u>\$ 30</u>	<u>\$ 214,924</u>	<u>\$ (212,860)</u>	<u>\$ 2,094</u>
Vesting of restricted share units	1	—	(9)	—	(9)
Share based compensation expense	—	—	179	—	179
Convertible note derivative liability reclassification	—	—	3,601	—	3,601
Net income (loss)	—	—	—	(14,262)	(14,262)
<b>Balance at December 31, 2024</b>	<u>2,996</u>	<u>\$ 30</u>	<u>\$ 218,695</u>	<u>\$ (227,122)</u>	<u>\$ (8,397)</u>
Shares issued in debt exchange:					
Debt exchange, net of issuance costs	13,587	136	56,962	—	57,098
Common stock, net of issuance costs	1,408	14	4,362	—	4,376
Warrants, net of issuance costs	—	—	7,639	—	7,639
Vesting of restricted share units	5	—	(46)	—	(46)
Share based compensation expense	—	—	312	—	312
Net income (loss)	—	—	—	5,280	5,280
<b>Balance at March 31, 2025</b>	<u>17,996</u>	<u>\$ 180</u>	<u>\$ 287,924</u>	<u>\$ (221,842)</u>	<u>\$ 66,262</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**5E ADVANCED MATERIALS, INC.**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**1. Basis of Financial Statement Presentation**

These unaudited condensed consolidated financial statements (herein after referred to as “financial statements”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and should be read in the context of the consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2024, filed with the Securities and Exchange Commission (“SEC”) on September 9, 2024. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company’s financial position as of March 31, 2025, results of operations for the three and nine months ended March 31, 2025 and 2024 and cash flows for the nine months ended March 31, 2025 and 2024 have been included. Operating results for the three and nine months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the full fiscal year ending June 30, 2025.

Effective April 1, 2024, the Company placed the Small-Scale Facility (the “SSF”) into full operation, and accordingly all direct operating costs associated with the SSF, including raw materials, labor, and maintenance, have been separately classified as Small-scale operating costs within the Company’s condensed consolidated statements of operations after such date. Prior to April 1, 2024, these direct costs have not been reclassified and remain either as Project expenses or General and administrative costs, as appropriate.

*Basis of Consolidation*

The unaudited condensed consolidated financial statements comprise the financial statements of 5E Advanced Materials, Inc. and its wholly owned subsidiaries, American Pacific Borates Pty Ltd. and 5E Boron Americas, LLC (formerly Fort Cady (California) Corporation, (“5EBA”)), (collectively, the “Company”). The Company holds 100% of the mineral rights through ownership and lode claims filed with the United States Bureau of Land Management in the 5E Boron Americas (Fort Cady) Complex (the “Project”) located in southern California, through its ownership of 5EBA. In preparing the condensed consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated.

*Reverse Stock Split*

On January 21, 2025, at an annual meeting of stockholders, the Company’s stockholders approved amendments to the Company’s Amended and Restated Certificate of Incorporation to effect a reverse stock split of the Company’s common stock, par value \$0.01 (“Common Stock”) at a ratio ranging from any whole number between 1-for-10 and 1-for-25, with the exact ratio within such range to be determined by the Company’s Board of Directors (the “Board”) in its discretion. On February 3, 2025, the Board approved a 1-for-23 Reverse Stock Split, which became effective at 5:00 p.m., Eastern Time on February 14, 2025 (the “Effective Time”), upon filing of an amendment to the Amended and Restated Certificate of Incorporation (the “Charter Amendment”) with the Secretary of State of the State of Delaware (the “Reverse Stock Split”).

As a result of the Reverse Stock Split, at the Effective Time, every 23 shares of the Company's issued and outstanding shares of Common Stock immediately prior to the Effective Time, were automatically converted, without any action on the part of the holder thereof, into one validly issued, fully-paid and non-assessable share of Common Stock, subject to the treatment of fractional shares as described below.

The Charter Amendment did not affect the number of authorized shares of Common Stock or the par value of each share of Common Stock. The number of CHES Depositary Interests (“CDIs”) in respect of the Company’s shares of Common Stock outstanding immediately prior to the effectiveness of the Reverse Stock Split was proportionately reduced by the final split ratio, subject to rounding. The 1:10 share-to-CDI ratio was not affected by the Reverse Stock Split.

No fractional shares of Common Stock or CDIs were issued as a result of the Reverse Stock Split. Holders who otherwise would have been entitled to receive a fractional share of Common Stock in connection with the Reverse Stock Split received a cash payment in lieu thereof.

As a result of the Reverse Stock Split, proportionate adjustments were made to the per share exercise price and the number of shares issuable upon the exercise of all outstanding options and warrants to purchase shares of the Company's Common Stock, and a proportionate adjustment was made to the number of shares issuable upon the vesting of all outstanding Restricted Stock Units and Performance Stock Units.

These notes to the unaudited condensed consolidated financial statements and the accompanying unaudited condensed consolidated financial statements give retroactive effect to the Reverse Stock Split for all periods presented.

### *Debt Exchange and Related Agreements*

On January 14, 2025, the Company entered into a Restructuring Support Agreement (the “Restructuring Support Agreement”) with BEP Special Situations IV LLC (“Bluescape”), Meridian Investments Corporation (“Meridian”) and Ascend Global Investment Fund SPC, for and on behalf of Strategic SP (together with Meridian, “Ascend”) in connection with certain restructuring and recapitalization transactions with respect to the Company’s capital structure (collectively the “Exchange Transaction”), including the Company’s Convertible Notes (as defined in Note 7–*Debt*) issued pursuant to the Amended and Restated Note Purchase Agreement (as defined in Note 7–*Debt*) by and among the Company, Bluescape, Ascend, the Guarantors from time to time party thereto and Alter Domus (US) LLC, as collateral agent.

Pursuant to the Restructuring Support Agreement, the parties agreed to implement the Exchange Transaction either as an:

- Out-of-Court Restructuring: Subject to the satisfaction of customary conditions, including approval by the Company’s stockholders, a recapitalization through, among other things:
  - (i) pursuant to an Exchange Agreement dated January 14, 2025 among the Company, Ascend and Bluescape (the “Exchange Agreement”), the issuance of an aggregate of 13,586,524 shares of the Company’s Common Stock, to Ascend and Bluescape upon exchange of all of the outstanding Convertible Notes (as defined in Note 7–*Debt*) (the “Exchange”);
  - (ii) pursuant to a Securities Subscription Agreement dated January 14, 2025 among the Company, Ascend and Bluescape (the “January 2025 Subscription Agreement”), the issuance and sale by the Company of an aggregate of \$5.0 million of Common Stock to Ascend and Bluescape at a price per share equal to the lesser of (a) \$6.716 per share and (b) the volume weighted average price for the Common Stock on the five consecutive trading days immediately following the date of the Exchange (the “Subscription Price”);
  - (iii) pursuant to the January 2025 Subscription Agreement, the issuance by the Company to Ascend and Bluescape of warrants with a one-year term (the “Restructuring Warrants”) to purchase an aggregate number of shares of Common Stock represented by up to \$20.0 million divided by the Subscription Price, at a price per share equal to the Subscription Price; and
  - (iv) pursuant to a Fourth Amended and Restated Investor and Registration Rights Agreement dated January 14, 2025 among the Company, Ascend and Bluescape (the “IRRA”), the right of each of Ascend and Bluescape to designate two directors to serve on the Company’s Board following the consummation of the Exchange Transaction for so long as such party beneficially owns 25% of the Company’s Common Stock and one director to serve on the Company’s Board for so long as such party beneficially owns 10% of the Company’s Common Stock (clauses (i) through (iv), together, the “Out-of-Court Restructuring”); or
- In-Court Restructuring: To the extent that the terms of or the conditions precedent to the Out-of-Court Restructuring could not be timely satisfied or waived, the Company would file voluntary pre-packaged cases under chapter 11 of title 11 of the United States Code in a United States Bankruptcy Court (the “Bankruptcy Court”) pursuant to a pre-packaged plan of reorganization (the “Pre-Packaged Chapter 11 Plan”) pursuant to which, among other things, all existing equity interests of the Company would be extinguished, with Ascend and Bluescape each owning their respective pro rata share of 100% of the new equity interests in the Company upon the effective date of the Pre-Packaged Chapter 11 Plan (the “In-Court Restructuring”). The Restructuring Support Agreement further provided that Ascend and Bluescape would provide a \$10.0 million debtor-in-possession financing facility pursuant to a debtor-in-possession credit agreement to be agreed upon by the parties and, as necessary, approved by the Bankruptcy Court.

On March 4, 2025, at a special meeting of stockholders, the Company’s stockholders voted in favor of the Out-of-Court Restructuring, and on March 5, 2025 the Exchange was completed and resulted in 13,586,524 shares of the Company’s Common Stock issued to Bluescape and Ascend, the termination of the Amended and Restated Note Purchase Agreement and the extinguishment of all indebtedness owed by the Company under the Amended and Restated Note Purchase Agreement.

On March 13, 2025, pursuant to the January 2025 Subscription Agreement, the Company issued and sold an aggregate of 1,408,173 shares of Common Stock to Bluescape and Ascend, at a Subscription Price of \$3.5507 per share for aggregate gross proceeds of \$5.0 million (the “March 2025 Subscription”). Also pursuant to the January 2025 Subscription Agreement, the Company issued Restructuring Warrants to purchase up to an aggregate of 5,632,692 shares of Common Stock to Bluescape and Ascend. The Restructuring Warrants are immediately exercisable and expire on March 13, 2026, and have an exercise price per share equal to the Subscription Price.

### *Going Concern*

Management evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date that these condensed consolidated financial statements are issued. When substantial doubt exists, management evaluates whether the mitigating effect of its plans sufficiently alleviates

substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the condensed consolidated financial statements are issued. In performing this analysis, management concluded there continues to exist substantial doubt regarding the Company's ability to continue as a going concern.

Although the August 2024 Equity Offering (as further described and defined in Note 10—*Equity*) provided net cash proceeds of approximately \$3.0 million, the issuance of the September 2024 Notes and January 2025 Notes (each as further described and defined in Note 7—*Debt*) provided aggregate net cash proceeds of approximately \$10.2 million, the March 2025 Subscription provided net cash proceeds of approximately \$4.9 million, and the May 2025 Subscription (as further described and defined in Note 14—*Subsequent Events*) provided proceeds to the Company before costs payable by the Company of approximately \$7.0 million, each of which improved the Company's cash position, and while the Company continues to operate under a business plan that includes reductions in certain spending, management anticipates the need for additional financing within the next twelve months to maintain its operations. The receipt of potential funding cannot be considered probable at this time because these plans are not entirely within management's control as of the date of these condensed consolidated financial statements. Therefore, there exists substantial doubt regarding the Company's ability to continue as a going concern. Even if additional financing is successfully consummated, available liquidity may still not be sufficient to eliminate the aforementioned substantial doubt regarding the Company's ability to continue as a going concern. If the Company is unable to raise additional capital or generate cash flows necessary to fund our operations, we will need to curtail planned activities, discontinue certain operations, or sell certain assets, which could materially and adversely affect our business, financial condition, results of operations, and prospects.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business and do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of the uncertainties described above.

#### *Financial Instruments*

The Company's financial instruments consist of cash and cash equivalents, vehicle notes, and accounts payable and accrued liabilities. Management believes the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these instruments, due to their short-term nature, with the exception of the vehicle notes, approximate their carrying value.

#### *Concentrations of Risk*

The Company maintains cash deposits at several major banks, which at times may exceed amounts covered by insurance provided by the United States Federal Deposit Insurance Corporation. Management monitors the financial health of the banks and believes the Company is not exposed to any significant credit risk, and the Company has not experienced any such losses.

The Company's operations are predominately focused on the Project, which results in the Company being dependent upon a single mining operation in a single geographic region in the western United States in California. The geographic concentration of the Company's operations may disproportionately expose it to disruptions if the region experiences severe weather, transportation capacity constraints, constraints on the availability of required equipment, facilities, personnel or services, significant governmental regulation, or natural disasters.

#### *Risks and Uncertainties*

The Company is subject to a number of risks that its management believes are similar to those of other companies of similar size and industry, including but not limited to, the success of its exploration activities, need for significant additional capital (or financing) to fund operating losses, competition from substitute products and services from larger companies, protection of proprietary technology, patent litigation, tariff and trade policy impacts on operating and construction costs, and dependence on key individuals. The Company currently generates no revenue from operations and will need to rely on raising additional capital or financing to sustain current and planned operations in the long term. There can be no assurance that management will be successful in its efforts to raise additional capital on terms favorable to the Company, or at all, or in management's ability to adequately reduce expenses, if necessary, to maintain sufficient liquidity or capital resources. Refer to the Going Concern discussion above for additional details.

#### *Recently Issued and Adopted Accounting Pronouncements*

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") that are adopted by the Company as of the specified effective date. Unless otherwise discussed, management believes that the impact of recently issued standards did not or will not have a material impact on the Company's consolidated financial statements upon adoption.

In November 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-07, Segment Reporting (Topic 280) (“ASU 2023-07”). ASU 2023-07 is intended to enhance reportable segment disclosure requirements, including significant segment expenses and interim disclosures. The guidance allows for disclosure of multiple measures of a segment’s profit or loss, and it requires that public entities with a single reportable segment provide all disclosures required by ASU 2023-07 and all existing disclosures required by the existing segment disclosure guidance. ASU 2023-07 is effective for annual reporting periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The amendments are to be applied retrospectively, and early adoption is permitted. The Company is currently evaluating the impact that ASU 2023-07 will have on the consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures (“ASU 2023-09”). ASU 2023-09 is intended to improve income tax disclosures primarily through enhanced disclosure of income tax rate reconciliation items, and disaggregation of income (loss) from continuing operations, income tax expense (benefit) and income taxes paid, net disclosures by federal, state, and foreign jurisdictions, among others. ASU 2023-09 is effective for annual reporting periods beginning after December 15, 2024, and early adoption is permitted. The Company is evaluating the impact that ASU 2023-09 will have on the consolidated financial statements and its plan for adoption, including the adoption date and transition method.

In November 2024, the FASB issued ASU 2024-03, Income Statement–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”), which requires the disaggregation of certain expenses in the notes of the financials, to provide enhanced transparency into the expense captions presented on the face of the income statement. In January 2025, the FASB issued Income Statement–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date (“ASU 2025-01”), which clarified the effective dates of ASU 2024-03. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027 and may be applied either prospectively or retrospectively. The Company is currently evaluating the impact that ASU 2024-03 will have on its related disclosures, including the adoption date and transition method.

## 2. Mineral Rights and Properties, Net

Mineral rights and properties, net consisted of the following at the end of each period presented.

	March 31, 2025	June 30, 2024
	(in thousands)	
Mineral properties	\$ 6,733	\$ 6,733
Hydrology wells	547	547
Asset retirement cost, net of accumulated amortization of \$59 and \$44 as of March 31, 2025 and June 30, 2024, respectively <sup>(1)</sup>	342	336
Mineral rights and properties, net	<u>\$ 7,622</u>	<u>\$ 7,616</u>

(1) Represents the carrying value of capitalized costs associated with asset retirement obligations, as discussed in Note 5–*Asset Retirement Obligations*.

## 3. Construction in Progress

Construction in progress consisted of the following at the end of each period presented.

	March 31, 2025	June 30, 2024
	(in thousands)	
Engineering services and vendor testing	\$ 1,967	\$ 608
Capitalized interest	85	—
Total construction in progress	<u>\$ 2,052</u>	<u>\$ 608</u>

#### 4. Properties, Plant and Equipment, Net

Properties, plant and equipment, net consisted of the following at the end of each period presented.

Asset category	Depreciation method	Estimated useful life (in years)	March 31, 2025	June 30, 2024
(in thousands)				
Land	N/A	—	\$ 1,533	\$ 1,533
Small-scale facility — plant	Straight-line	3.75	69,328	69,619
Injection and recovery wells	Straight-line	5	6,134	6,134
Buildings	Straight-line	7-15	979	979
Vehicles	Straight-line	3-5	344	345
Other plant and equipment	Straight-line	5-10	754	729
			79,072	79,339
Less accumulated depreciation			(20,407)	(5,467)
Properties, plant and equipment, net			<u>\$ 58,665</u>	<u>\$ 73,872</u>

The Company recognized depreciation expense of approximately \$5.0 million and \$48 thousand for the three months ended March 31, 2025 and 2024, respectively.

The Company recognized depreciation expense of \$14.9 million and \$145 thousand for the nine months ended March 31, 2025 and 2024, respectively.

#### 5. Asset Retirement Obligations

The change in the Company's asset retirement obligations during the period presented and the balance of its accrued reclamation liabilities at the end of the period are set forth below.

	Nine months ended March 31, 2025
	(in thousands)
Asset retirement obligation — beginning of period	\$ 795
Obligation incurred during the period	23
Revisions to previous estimates	—
Accretion	59
Asset retirement obligation — end of period	<u>\$ 877</u>

#### 6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following at the end of each period presented.

	March 31, 2025	June 30, 2024
	(in thousands)	
Accounts payable - trade <sup>(1)</sup>	\$ 1,132	\$ 854
Accrued expenses	860	603
Accrued capital expenditures	3,193	3,309
Accrued payroll	827	2,263
Accrued interest	—	2,496
Current portion of debt	44	42
Accounts payable and accrued liabilities	<u>\$ 6,056</u>	<u>\$ 9,567</u>

(1) Includes \$45 thousand and \$235 thousand related to capital expenditures as of March 31, 2025 and June 30, 2024, respectively.

## 7. Debt

### Long Term Debt

Long-term debt consisted of the following at the end of each period presented.

	March 31, 2025	June 30, 2024
	(in thousands)	
August 2022 notes	\$ —	\$ 65,671
June 2024 notes	—	6,000
September 2024 notes	—	—
January 2025 notes	—	—
Vehicle notes payable	77	108
Total debt	77	71,779
Current portion of debt	44	42
Long-term debt	33	71,737
Unamortized convertible note discount	—	(4,035)
Unamortized debt issuance costs	—	(2,871)
Long-term debt, net	<u>\$ 33</u>	<u>\$ 64,831</u>

Interest expense consisted of the following for each period presented.

	Three months ended March 31,		Nine months ended March 31,	
	2025	2024	2025	2024
	(in thousands)			
Convertible notes interest	\$ 1,555	\$ 1,500	\$ 5,441	\$ 3,393
Vehicle notes payable interest	1	1	3	4
Amortization of debt issuance costs and discount — convertible notes	337	402	1,095	3,306
Other interest	—	—	—	19
Gross interest expense	1,893	1,903	6,539	6,722
Less: amount capitalized to construction in progress	24	1,081	85	2,374
Interest expense, net of amounts capitalized	<u>\$ 1,869</u>	<u>\$ 822</u>	<u>\$ 6,454</u>	<u>\$ 4,348</u>

Effective interest rate — convertible notes <sup>(1)</sup>	13.9%	13.7%	13.2%	19.9%
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(1) The effective interest rate represents a weighted-average interest rate applicable for the respective period, for the period of time which the Convertible Notes were outstanding. Interest expense utilized in the calculation is based upon the gross interest expense in the table above, and the principal balance utilized in the calculation is based on the ending net long-term debt applicable to each interest period inclusive of unamortized debt issuance costs and discount, changes in the principal balance resulting from the issuance of any Convertible Notes, interest paid-in-kind and any adjustments resulting from the Amended and Restated Note Purchase Agreement.

### Convertible Notes - Background

On August 11, 2022, the Company executed a \$60.0 million private placement of senior secured convertible notes (the “August 2022 Notes”) with Bluescape, which were secured by substantially all of the Company’s assets. On January 18, 2024 (the “Modification Date”), the Company entered into an amended and restated note purchase agreement (the “January 2024 Amended and Restated Note Purchase Agreement”) which modified certain terms of the August 2022 Notes, including to extend the maturity date of the August 2022 Notes to August 15, 2028, a reduction to the conversion rate applicable to the August 2022 Notes, and fifty percent (50%) of the outstanding August 2022 Notes being acquired by Ascend and Meridian. Under the terms of the January 2024 Amended and Restated Note Purchase Agreement, the Convertible Notes bore interest at an annual rate of 4.50% if paid in cash, and 10.00% if paid through the issuance of additional notes. Interest was paid semi-annually on February 15 and August 15 of each year.

On May 28, 2024, the Company entered into a second amendment (“Amendment No. 2”) to the January 2024 Amended and Restated Note Purchase Agreement and agreed, among other things, to (i) issue and sell new senior secured convertible notes in substantially the same form and under the same terms as the August 2022 Notes, as amended, in an aggregate principal amount of \$6.0 million (the “June 2024 Notes”) to Bluescape, Ascend and Meridian, and (ii) amend and restate the January 2024 Amended and Restated Note Purchase Agreement in the form attached as Annex A to Amendment No. 2 (the “May 2024 Amended and Restated Note Purchase Agreement”).

On August 15, 2024, the Company elected to issue additional notes as payment for approximately \$3.4 million of interest accrued on the August 2022 Notes during the period from February 16, 2024 through August 15, 2024, and on the June 2024 Notes during the period from issuance through August 15, 2024.

On September 16, 2024, the Company entered into a third amendment (“Amendment No. 3”) to the January 2024 Amended and Restated Note Purchase Agreement and agreed, among other things, to (i) issue and sell new senior secured convertible notes in substantially the same form and under the same terms as the June 2024 Notes, in an aggregate principal amount of \$6.0 million (the “September 2024 Notes”) to Bluescape, Ascend and Meridian, and (ii) amend and restate the January 2024 Amended and Restated Note Purchase Agreement in the form attached as Annex A to Amendment No. 3 (the “September 2024 Amended and Restated Note Purchase Agreement”).

On January 14, 2025, the Company entered into a fourth amendment (“Amendment No. 4”) to the January 2024 Amended and Restated Note Purchase Agreement and agreed, among other things, to (i) issue and sell new senior secured convertible notes in substantially the same form and under the same terms as the September 2024 Notes, in an aggregate principal amount of \$5.0 million (the “January 2025 Notes” and, together with the August 2022 Notes, the June 2024 Notes and the September 2024 Notes, the “Convertible Notes”) to Bluescape, Ascend and Meridian, and (ii) amend and restate the January 2024 Amended and Restated Note Purchase Agreement in the form attached as Annex A to Amendment No. 4 (as amended, the “Amended and Restated Note Purchase Agreement”). The Amended and Restated Note Purchase Agreement also extended the date to which the Company must comply with a financial covenant for the Company to maintain a cash balance of at least \$7.5 million from December 31, 2024 to March 31, 2025 (the “Minimum Cash Covenant”). Concurrently with the execution of Amendment No. 4, the Company entered into the Restructuring Support Agreement, and other related agreements, as discussed in Note 1-*Basis of Financial Statement Presentation*.

On February 17, 2024, the Company elected to issue additional notes as payment for approximately \$4.0 million of interest accrued on the August 2022 Notes and June 2025 Notes during the period from August 15, 2024 through February 15, 2025, and on the June 2024 Notes and January 2025 Notes during the period from their respective issuance through February 15, 2025.

In connection with its entry into the January 2024 Amended and Restated Note Purchase Agreement, May 2024 Amended and Restated Note Purchase Agreement, September 2024 Amended and Restated Note Purchase Agreement, and January 2025 Amended and Restated Note Purchase Agreement, the Company incurred approximately \$2.6 million, \$541 thousand, \$454 thousand, and \$283 thousand of debt issuance costs, respectively.

As discussed in Note 1-*Basis of Financial Statement Presentation*, on March 4, 2025, at a special meeting of stockholders, the Company’s stockholders voted in favor of the Out-of-Court Restructuring, and on March 5, 2025 the Exchange was completed and resulted in 13,586,524 shares of the Company’s Common Stock issued to Bluescape and Ascend, the termination of the Amended and Restated Note Purchase Agreement and related Minimum Cash Covenant, and the extinguishment of all indebtedness owed by the Company under the Amended and Restated Note Purchase Agreement.

#### *Convertible Notes - Conversion Terms*

Prior to the Exchange, the Convertible Notes, including accrued interest paid-in-kind, were convertible into shares of the Company’s Common Stock at any time before the Convertible Notes matured, at conversion rates (the “Conversion Rates”) applicable to each separate issuance of Convertible Notes, at the election of the holder of the Convertible Notes. In addition, the Amended and Restated Note Purchase Agreement provided for certain adjustments to the Conversion Rates to increase the number of shares of Common Stock issuable upon conversion of the Convertible Notes in the event of certain change of control transactions or other events specified in the Amended and Restated Note Purchase Agreement (a “Make-Whole Fundamental Change”). The adjustment to the Conversion Rates in the event of a Make-Whole Fundamental Change was to be based on the timing of a Make-Whole Fundamental Change and the trading price of the Common Stock at such time or the cash received by holders of the Common Stock in connection with such Make-Whole Fundamental Change.

The Conversion Rate applicable to the June 2024 Notes and September 2024 Notes was subject to adjustment if, after the issuance date of the respective Convertible Notes and on or prior to December 31, 2024, the Company sold Common Stock or any other equity-linked securities in one or more transactions at an effective price per share that was less than the respective conversion price then in effect, subject to certain exemptions (a “Degrassive Issuance”). In the event of a Degrassive Issuance, the Conversion Rate applicable to the respective Convertible Notes was subject to adjustment based on the weighted average issuance price of the securities sold in such Degrassive Issuance, as set forth in the Amended and Restated Note Purchase Agreement. As part of the August 2024 Equity Offering (as further described and defined in Note 10-*Equity*), a Degrassive Issuance provision applicable to the June 2024 Notes resulted in an adjustment to the Conversion Rate applicable only to the June 2024 Notes. A Degrassive Issuance did not occur with respect to the September 2024 Notes prior to the expiration of such feature on December 31, 2024.

During the period over which the Convertible Notes were outstanding, and prior to the Exchange, no holder of Convertible Notes elected to convert such Convertible Notes into the Company’s Common Stock.

### Convertible Notes - Derivatives

The terms of the Amended and Restated Note Purchase Agreement permitted a change to the Conversion Rates applicable to the June 2024 Notes and September 2024 Notes upon a Digressive Issuance by the Company on or before December 31, 2024. As a result, these conversion features were deemed to be embedded derivatives requiring bifurcation and separate accounting as stand-alone derivative instruments (the “June 2024 Convertible Note Derivative” and “September 2024 Convertible Note Derivative,” respectively, and together, the “Convertible Note Derivatives”) through December 31, 2024. The June 2024 Notes were initially recorded at their face amount of \$6.0 million less debt issuance costs of \$541 thousand and the fair value of the June 2024 Convertible Note Derivative, which was determined to be \$4.1 million. Similarly, the September 2024 Notes were initially recorded at their face amount of \$6.0 million less debt issuance costs of \$454 thousand and the fair value of the September 2024 Convertible Note Derivative, which was determined to be \$1.6 million.

The provisions that resulted in separate accounting for the Convertible Note Derivatives expired on December 31, 2024, and accordingly, the fair value of the Convertible Note Derivatives on such date was transferred to additional paid-in capital. Refer to Note 8—*Convertible Note Derivatives* and the discussion immediately below for additional details regarding the fair values of the Convertible Note Derivatives.

### January 2024 Convertible Notes – Loss on Extinguishment

For accounting purposes, the modification of the terms of the Convertible Notes in connection with the January 2024 Amended and Restated Note Purchase Agreement was evaluated and determined to be representative of an in-substance extinguishment of the Convertible Notes outstanding at that date, and establishment of new debt, primarily due to the significance of the changes to the terms of the conversion features. As a result, the Company wrote-off the remaining principal, accrued interest, unamortized discount and debt issuance costs associated with the prior debt on the Modification Date and recognized the modified debt on the balance sheet at its fair value of \$65.2 million. The fair value of the modified debt was determined utilizing a binomial lattice model. The difference in value between the prior debt and the modified debt resulted in a loss on extinguishment of debt of \$21.0 million, the calculation of which is summarized in the following table.

	For the three and nine months ended March 31, 2024	
	(in thousands)	
Modified convertible notes, at fair value		
Principal	\$	63,561
Accrued interest		1,621
Net long-term debt recognized	\$	65,182
Convertible notes on modification date		
Principal	\$	63,561
Accrued interest		1,621
Unamortized convertible notes discount		(17,953)
Unamortized debt issuance costs		(3,000)
Net long-term debt derecognized	\$	44,229
<b>Gain (loss) on extinguishment of debt</b>	<b>\$</b>	<b>(20,953)</b>

### March 2025 Convertible Notes – Debt Exchange

The Exchange Transaction described in Note 1—*Basis of Financial Statement Presentation*, was evaluated and constitutes a single transaction that is accounted for as troubled debt restructuring. The Exchange transaction is considered a troubled debt restructuring as the Company was experiencing financial difficulty at the time of the transaction and the noteholders granted a concession to the Company. A concession was determined to be granted to the Company, as the fair value of equity interests received by the noteholders was less than the net carrying value of the long-term debt on such date.

In accordance with the accounting for troubled debt restructurings, the Company derecognized the remaining principal, accrued interest, unamortized discount and debt issuance costs associated with the Convertible Notes upon the effectiveness of the Exchange, and recognized the equity interest issued to the noteholders at fair value, less issuance costs paid. Refer to Note 10—*Equity*, for information related to the determination of fair value of the equity interests issued and issuance costs paid. The difference in value between the prior debt and the fair value of the equity interest issued, less proceeds received by the Company in the Exchange Transaction, resulted in a gain on extinguishment of debt of approximately \$17.3 million, the calculation of which is summarized in the following table.

	For the three and nine months ended March 31, 2025	
	(in thousands)	
Values exchanged in debt exchange, at fair value		
Equity interests, at fair value	\$	70,059
Cash proceeds received		(5,000)
Net value exchanged for extinguishment of debt	\$	65,059
Convertible notes on extinguishment date		
Principal	\$	90,112
Accrued interest		497
Unamortized convertible notes discount		(5,109)
Unamortized debt issuance costs		(3,108)
Net long-term debt derecognized	\$	82,392
<b>Gain (loss) on extinguishment of debt</b>	<b>\$</b>	<b>(17,333)</b>

The gain on extinguishment of debt increased basic earnings per share of Common Stock for the three and nine months ended March 31, 2025, by \$2.41 and \$4.00, respectively.

## 8. Convertible Note Derivatives

The June 2024 Convertible Note Derivative and September 2024 Convertible Note Derivative, each which relate to the June 2024 Notes and September 2024 Notes, respectively, described above in Note 7—*Debt*, were valued upon initial recognition and at each reporting period at fair value using a with-and-without methodology utilizing a binomial lattice model (a model which utilizes Level 3 fair value inputs).

The valuation model for the Convertible Note Derivatives requires the input of subjective assumptions including expected share price volatility, risk-free interest rate and debt rate. Changes in the input assumptions as well as the Company's underlying share price can materially affect the fair value estimates.

The significant assumptions used in the fair value model for the Convertible Note Derivatives include the following, with changes in volatility, debt rate and stock price having the most significant impact on the related fair values.

	Dec. 31, 2024	Sep. 16, 2024 (Sep. 2024 Notes)	Jun. 30, 2024
Risk-free interest rate	4.4%	3.4%	4.5%
Volatility	60.0%	60.0%	50.0%
Debt rate	21.6% - 32.6% (1)	23.7%	28.7% - 36.7% (2)
Stock price per share	\$14.72	\$11.50	\$27.83

(1) Debt rates of 24.5%, 32.6% and 21.6% were utilized in the valuation of the August 2022 Notes, June 2024 Notes and September 2024 Notes, respectively.

(2) Debt rates of 28.7% and 36.7% were utilized in the valuation of the August 2022 Notes and June 2024 Notes, respectively.

Changes in the fair value were recognized in Derivative gain (loss) in the statement of operations but had no related impact on the Company's cash position or cash flows. The provision that resulted in separate accounting for the June 2024 Convertible Note Derivative began June 11, 2024 in connection with the issuance of the June 2024 Notes, and on September 16, 2024 for the September 2024 Convertible Note Derivative in connection with the issuance of the September 2024 Notes. Each of these provisions expired on December 31, 2024, and accordingly, the Convertible Note Derivatives were derecognized and the remaining fair values were transferred to additional paid-in capital.

The components of changes to the fair value of the Convertible Note Derivatives for the period presented are summarized below.

	Derivative (Asset)/Liability
	(in thousands)
<b>Convertible note derivatives (asset) liability — June 30, 2024</b>	<b>\$ 3,315</b>
Additions, at fair value, September 16, 2024	1,643
Fair value adjustments (gain) loss, net	(1,357)
Reclassified to additional paid-in capital, at fair value	(3,601)
<b>Convertible note derivatives (asset) liability — March 31, 2025</b>	<b>\$ —</b>

## 9. Financial Instruments and Fair Value Measurements

At March 31, 2025, cash equivalents as well as trade and other payables approximated their fair value due to their short-term nature. The Company's financial instruments also consist of environmental reclamation bonds which are invested in certificates of deposit and money market funds which are classified as Level 1, and the Convertible Note Derivatives which were classified as Level 3. The reconciliation of changes in the fair value of the Convertible Note Derivatives can be found in Note 8—*Convertible Note Derivatives*.

## 10. Equity

The Company is authorized to issue up to 360,000,000 shares of common stock, par value \$0.01 per share, and 20,000,000 shares of preferred stock, par value, \$0.01 per share. The Company has no outstanding shares of preferred stock.

### *Debt Exchange Transaction*

As further described in Note 1—*Basis of Financial Statement Presentation* and Note 7—*Debt*, the Exchange Transaction resulted in (i) the issuance of 13,586,524 shares of Common Stock issued in the Exchange for the termination of the Amended and Restated Note Purchase Agreement and the extinguishment of all indebtedness owed by the Company under the Amended and Restated Note Purchase Agreement, (ii) the issuance of 1,408,173 shares of Common Stock for an aggregate purchase price of \$5.0 million in the March 2025 Subscription, and (iii) the issuance of Restructuring Warrants with a one-year term to purchase an aggregate 5,632,692 shares of Common Stock. For accounting purposes, and as described in Note 7—*Debt*, the Exchange Transaction was determined to constitute a single transaction accounted for as a troubled debt restructuring. As such, the equity interests issued in the Exchange Transaction were recognized in shareholders' equity at fair value on their respective issuance dates, less issuance costs incurred, which were allocated based upon the relative fair value of the underlying equity interests. The table below summarizes the method by which fair value was determined, the fair value, the allocation of transaction costs incurred, and net amounts recognized in shareholders' equity for each equity interest issued in the Exchange Transaction.

Equity Interest Issued / Transaction	Fair Value Method	Units	Fair Value per Unit	Fair Value (in thousands)	Transaction Costs Incurred	Amount Recognized in Equity
Common Stock / Exchange	Closing price	13,586,524	\$ 4.26	\$ 57,879	\$ (781)	\$ 57,098
Common Stock / Subscription	Closing price	1,408,173	\$ 3.15	4,436	(60)	\$ 4,376
Warrants / Subscription	Black Sholes	5,632,692	\$ 1.37	7,744	(105)	\$ 7,639
<b>Total</b>				<b>\$ 70,059</b>	<b>\$ (946)</b>	<b>\$ 69,113</b>

### *August 2024 Equity Offering*

On August 27, 2024, the Company completed an offering (the "August 2024 Equity Offering") of (i) 231,884 shares (the "Shares") of Common Stock, (ii) Series A warrants to purchase up to an aggregate of up to 231,885 shares of Common Stock (the "Series A Warrants") and (iii) Series B warrants to purchase an aggregate of 231,885 shares of Common Stock (the "Series B Warrants", and collectively with the Series A Warrants, the "2024 Warrants"). The Shares and 2024 Warrants were offered and sold on a combined basis for consideration equating to \$17.25 for one Share and two 2024 Warrants. This transaction resulted in net proceeds to the Company of approximately \$3.0 million after deducting the placement agent's fees and other offering expenses. The aggregate net proceeds and issuance costs associated with the August 2024 Equity Offering were allocated to the Shares and 2024 Warrants based upon the relative fair value of such items on the offering date.

### *Warrants*

The Series A Warrants and the Series B Warrants became exercisable on February 27, 2025. The Series A Warrants will expire on February 27, 2030 and the Series B Warrants will expire on February 27, 2027. The exercise price for each of the 2024 Warrants is \$18.3563 per share. The Restructuring Warrants were exercisable upon issuance and will expire on March 13, 2026. The exercise price for the Restructuring Warrants is \$3.5507 per share.

The 2024 Warrants and Restructuring Warrants (collectively, the "Warrants") contain standard adjustments to the exercise price including for stock splits, stock dividends, rights offerings and pro rata distributions. The Warrants also include certain rights upon the occurrence of a "fundamental transaction" (as described in the respective Warrant), including the right of the holder thereof to receive from the Company or a successor entity the same type or form of consideration (and in the same proportion) that is being offered and paid to the holders of Common Stock in such fundamental transaction in the amount of the Black Scholes value (as described in the respective Warrant) of the unexercised portion of the Warrant on the date of the consummation of such fundamental transaction. The Warrants include cashless exercise rights to the extent the resale of the shares of Common Stock underlying the Warrants is not registered under the Securities Act.

### *Vesting of Equity Awards*

During the three months ended March 31, 2025 and 2024, the Company issued approximately 5 thousand shares and zero shares of its Common Stock upon the vesting of equity awards, respectively. During the nine months ended March 31, 2025 and 2024, the Company issued approximately 16 thousand shares and 2 thousand shares of its Common Stock upon the vesting of equity awards, respectively. The vesting events did not result in any cash proceeds to the Company.

### *2024 Equity Distribution Agreement*

On March 28, 2024, the Company entered into an equity distribution agreement (the “Equity Distribution Agreement”) with Canaccord Genuity LLC and D.A. Davidson & Co. (the “Agents”) pursuant to which the Company may offer and sell up to \$15.0 million of shares of Common Stock from time to time through the Agents, acting as the Company’s sales agents, or directly to one or more of the Agents, acting as principal (the “ATM Program”).

Neither of the Agents is required to sell any specific number or dollar amount of shares of the Company’s Common Stock, but each has agreed, subject to the terms and conditions of the Equity Distribution Agreement, to use its commercially reasonable efforts, consistent with its normal trading and sales practices, to sell the shares of Common Stock on the terms agreed upon by such Agent and the Company.

The Company did not sell any shares of Common Stock nor receive any proceeds under the Equity Distribution Agreement during the three and nine months ended March 31, 2025. As a result of the August 2024 Equity Offering, the Company is precluded from utilizing the ATM Program for one year following the closing of the offering, and as a result approximately \$410 thousand of costs previously capitalized for the ATM Program were written-off to General and administrative expense during the three months ended September 30, 2024.

## **11. Share Based Compensation**

Share based compensation expense is included in general and administrative expense and represents costs associated with restricted share unit (“RSU”) and performance share unit (“PSU”) activity and options granted to directors, employees, and consultants of the Company. Share based compensation expense consisted of the following for the periods presented.

	<b>Three months ended March 31,</b>		<b>Nine Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	(in thousands)			
Share based compensation expense — service based				
Employee share option plan	\$ —	\$ 88	\$ 167	\$ 293
2022 Equity Compensation Plan — Options	33	64	88	372
2022 Equity Compensation Plan — PSUs	35	23	60	147
2022 Equity Compensation Plan — RSU and DSUs	244	408	1,526	1,276
Total share based compensation expense	<u>\$ 312</u>	<u>\$ 583</u>	<u>\$ 1,841</u>	<u>\$ 2,088</u>

As of March 31, 2025, the Company had approximately \$627 thousand of total unrecognized stock-based compensation expense related to unvested stock-based compensation awards that is expected to be recognized over a weighted average period of approximately 1.5 years.

### *Stock Options*

Option grants are made under the 2022 Equity Compensation Plan and vest ratably over the vesting period which is generally three years or less. The significant assumptions used to estimate the fair value of stock option awards granted during the nine months ended March 31, 2025 and 2024, using a Black-Scholes option valuation model are as follows.

	<b>Nine months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Exercise price	\$23.69 - \$29.21	\$177.68
Share price	\$10.61 - \$14.25	\$56.58
Volatility	99.2% - 99.9%	99.0%
Expected term in years	2.8 - 2.9	9.6
Risk-free interest rate	3.4% - 4.1%	4.3%
Dividend rate	Nil	Nil

The following table summarizes stock option activity for each of the periods presented.

	Nine months ended March 31,			
	2025		2024	
	Number of Options	Weighted Average Exercise Price (In thousands, except per share data)	Number of Options	Weighted Average Exercise Price
Outstanding at beginning of the period	174	\$ 214.51	182	\$ 250.82
Granted	24	26.70	13	177.68
Exercised	—	—	—	—
Expired/forfeited	(72)	120.98	(30)	341.78
Outstanding at end of the period	<u>126</u>	<u>232.53</u>	<u>165</u>	<u>228.17</u>
Vested at the end of the period	90	314.37	144	230.70
Unvested at the end of the period	36	\$ 27.54	21	\$ 210.83

The weighted average remaining life of vested options at March 31, 2025 and 2024 was approximately 1.7 years and 0.7 years, respectively. As of March 31, 2025 and 2024, the maximum expiration date for vested options was approximately 8.1 and 1.5 years, respectively.

As of March 31, 2025, there was approximately \$230 thousand of unrecognized compensation cost related to 36 thousand unvested stock options. This cost is expected to be recognized over a weighted-average remaining period of approximately 1.5 years. As of March 31, 2025 and 2024, the maximum expiration date for unvested options was approximately 2.3 and 8.3 years, respectively.

The following table summarizes the activity for unvested options for each of the periods presented.

	Nine months ended March 31,			
	2025		2024	
	Number of Options	Weighted Average Grant Date Fair Value per share (In thousands, except per share data)	Number of Options	Weighted Average Grant Date Fair Value per share
Unvested at beginning of the period	15	\$ 41.12	36	\$ 147.63
Granted	24	5.46	13	47.84
Vested	(3)	141.22	(3)	142.71
Expired/forfeited	—	—	(25)	140.87
Unvested at end of the period	<u>36</u>	<u>\$ 9.26</u>	<u>21</u>	<u>\$ 94.57</u>

As of March 31, 2025 and 2024, all outstanding stock options and vested stock options had no intrinsic value as the exercise prices of the respective options exceeded the Company's stock price on such dates. There were no options exercised during the nine months ended March 31, 2025 and 2024.

### Full Value Awards (Restricted Share Units and Performance Share Units)

The following table summarizes RSU and PSU activity for each of the periods presented.

	Serviced-Based Shares	Weighted Average Grant Date Fair Value per Share	Performance- Based Shares	Weighted Average Grant Date Fair Value per Unit	Total Shares
(In thousands, except per share data)					
Non-vested shares/units					
outstanding at June 30, 2024	16.0	58.95	4.1	\$ 131.68	20.1
Granted	40.6	9.54	19.8 <sup>(1)</sup>	11.62	60.4
Vested	(24.5)	30.95	—	—	(24.5)
Forfeited	(0.5)	13.60	(1.0)	56.58	(1.5)
Non-vested shares/units					
outstanding at March 31, 2025	31.6	\$ 17.86	22.9	\$ 31.18	54.5

	Serviced-Based Shares	Weighted Average Grant Date Fair Value per Share	Performance- Based Shares	Weighted Average Grant Date Fair Value per Unit	Total Shares
(In thousands, except per share data)					
Non-vested shares/units					
outstanding at June 30, 2023	9.1	\$ 155.97	6.0	\$ 165.60	15.1
Granted	16.1	48.54	5.3 <sup>(2)</sup>	56.58	21.4
Vested	(3.4)	144.75	—	—	(3.4)
Forfeited	(2.5)	112.27	(2.1)	123.46	(4.6)
Non-vested shares/units					
outstanding at March 31, 2024	19.3	\$ 74.33	9.2	\$ 112.87	28.5

(1) During the nine months ended March 31, 2025, approximately 19.8 thousand PSUs were granted, which based on the achievement of certain financial and operational targets, could vest within a range of 0% to 100%. The targets are 1) construction of the large-scale commercial facility commencing prior to September 1, 2026; 2) an approved final investment decision in the large-scale commercial facility at a modeled internal rate of return of 20%; 3) achievement of an enterprise value in excess of \$200 million, and 4) achievement of an enterprise value in excess of \$300 million. The determination of the percentage of shares that ultimately vest will be made at the three-year anniversary of the grant date based upon achievement of the performance targets over the period.

(2) During the nine months ended March 31, 2024, approximately 5.3 thousand PSUs were granted, which based on the achievement of certain financial and operational targets, could vest within a range of 0% to 100%. The targets are 1) construction of the large-scale commercial facility commencing prior to September 1, 2026; 2) the budget for the large-scale commercial facility remaining within a range of \$342-418 million; and 3) an approved final investment decision in the large-scale commercial facility at a modeled internal rate of return of 20%. The determination of the percentage of shares that ultimately vest will be made at the three-year anniversary of the grant date based upon achievement of the performance targets over the period.

During the nine months ended March 31, 2025, the vesting of approximately 1.9 thousand RSUs was accelerated, and approximately 1 thousand PSUs were forfeited in accordance with the terms of severance agreements with former employees. This resulted in approximately \$335 thousand of incremental share based compensation expense recognized during the same period as compared to the amount of expense that would have been recognized under the terms of the original awards. There was no similar activity for the nine-months ended March 31, 2024.

## 12. Earnings (Loss) Per Common Share

Basic loss per share is computed by dividing the net loss available to common stockholders by the weighted average number of shares of Common Stock outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if convertible securities, such as the Convertible Notes, Warrants, RSUs, PSUs, and stock options were exercised or converted into Common Stock. For the three months ended March 31, 2024 and the nine months ended March 31, 2025 and 2024, diluted loss per share equals basic loss per share as the effect of including dilutive securities in the calculation would be anti-dilutive, primarily because there was a net loss in such periods. For the three months ended March 31, 2025, diluted loss per share is less than basic loss per share, as there was net income in such period and the Convertible Notes had a dilutive effect. For a complete description of the terms of the warrants and outstanding equity awards, refer to Note 10-Equity and Note 11-Share Based Compensation, respectively. The following table includes a reconciliation of basic and dilutive earnings per share for each of the periods presented, as well as a summary of the potentially dilutive securities that were excluded from such computations as they would have had an anti-dilutive effect.

Three months ended March 31,		Nine Months Ended March 31,	
2025	2024	2025	2024

(in thousands, except per share data)

#### Basic earnings (loss) per share:

Net income (loss) - numerator	\$ 5,280	\$ (25,905)	\$ (21,841)	\$ (45,891)
Weighted-average shares — denominator	7,207	2,544	4,329	2,129
Basic earnings (loss) per share	<u>\$ 0.73</u>	<u>\$ (10.18)</u>	<u>\$ (5.05)</u>	<u>\$ (21.56)</u>

#### Diluted earnings (loss) per share:

Net income (loss)	\$ 5,280	\$ (25,905)	\$ (21,841)	\$ (45,891)
Interest expense on convertible notes, net of amounts capitalized	1,868	—	—	—
Gain on extinguishment of debt	(17,333)	—	—	—
Net income (loss) - numerator	<u>\$ (10,185)</u>	<u>\$ (25,905)</u>	<u>\$ (21,841)</u>	<u>\$ (45,891)</u>

Weighted-average shares (denominator):	7,207	2,544	4,329	2,129
Additional shares assuming conversion of convertible note	3,245	—	—	—
Weighted-average shares — diluted	10,452	2,544	4,329	2,129
Diluted earnings (loss) per share	<u>\$ (0.97)</u>	<u>\$ (10.18)</u>	<u>\$ (5.05)</u>	<u>\$ (21.56)</u>

Warrants excluded due to anti-dilutive effect	6,096	—	6,096	—
Stock options, unvested restricted stock units and performance share units excluded due to anti-dilutive effect	180	193	180	193

#### Subsequent Equity Issuance – May 2025

As discussed in Note 14—*Subsequent Events*, subsequent to March 31, 2025, the Company issued an aggregate of 1,984,709 shares of its Common Stock in connection with the May 2025 Subscription (as defined in Note 14—*Subsequent Events*) and an additional 37,042 shares of its Common Stock as an advisory fee in connection with the transactions. The impact of the equity issuance is not reflected in the computation of earnings per share for the three and nine months ended March 31, 2025 and 2024.

### 13. Commitments and Contingencies

#### Purchase Obligations

As of March 31, 2025, the Company had purchase order commitments of approximately \$2.7 million primarily for raw materials for the operation of the SSF, engineering services and vendor testing for the Company's proposed commercial-scale facility, and drilling services related to wellfield development.

#### Litigation

On July 17, 2023, the Company filed a complaint (the "Complaint") against a previous construction contractor in the United States District Court for the Central District of California, Eastern Division, alleging, among other things, numerous breaches by the contractor of its contractual obligations to 5EBA under the Procurement and Construction Contract, effective April 26, 2022, by and between 5EBA and the contractor, relating to the construction of the SSF in California (the "Contract"). On August 10, 2023, the contractor filed an answer to the Complaint as well as a counterclaim for, among other things, alleged breaches by 5EBA of its contractual obligations to the contractor under the Contract and has requested relief in the approximate amount of \$5.5 million. The Company plans on filing a response disputing the counterclaims asserted by the contractor and reaffirming the grounds for recovery raised in the Complaint. Discovery has begun and is ongoing. An estimate of reasonably possible losses, if any, cannot be made at this time.

### 14. Subsequent Events

On May 12, 2025 and May 13, 2025, the Company entered into subscription agreements to issue and sell an aggregate of 1,984,709 shares of its Common Stock at a price of \$3.55 per share (collectively, the "May 2025 Subscription"). In connection with the May 2025 Subscription, the Company also issued 37,042 shares of its Common Stock as partial payment for advisory services in connection with the transactions contemplated by the subscription agreements. The May 2025 Subscription closed on May 15, 2025 and resulted in aggregate proceeds to the Company of approximately \$7.0 million before deducting fees and other offering expenses payable by the Company. The securities were offered in a private placement exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, or Regulation S under the Securities Act.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

*The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") summarizes the significant factors affecting the operating results, financial condition, liquidity and capital resources, and cash flows of our Company for the three and nine months ended March 31, 2025 and 2024. This MD&A should be read in conjunction with, and is qualified in its entirety by, the unaudited condensed consolidated financial statements, the accompanying notes thereto and other financial information included in this Quarterly Report on Form 10-Q, and the consolidated financial statements and accompanying notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission ("SEC") on September 9, 2024 (the "Annual Report"). Except for historical information, this discussion and analysis contains forward looking statements that involve risks, uncertainties and assumptions and other important factors, which include, but are not limited to, the risks described elsewhere in this Quarterly Report on Form 10-Q under "Item 1A. Risk Factors" and elsewhere in our Annual Report filed with the SEC, any of which could cause the Company's actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made. Additionally, you should refer to the "Cautionary Note Regarding Forward-Looking Statements." References within this MD&A to the "Company," "we," "our," and "us," refer to 5E Advanced Materials, Inc., and its subsidiaries.*

### **Overview**

We are an exploration stage company focused on becoming a vertically integrated global leader and supplier of specialty boron and advanced boron derivative materials whose mission is to enable decarbonization, increase food security, and ensure domestic supply of critical materials through sustainable best practices. Our 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. We hold 100% of the rights through ownership and lode claims filed with the United States Bureau of Land Management in the 5E Boron Americas (Fort Cady) Complex (the "Project") located in southern California through our wholly owned subsidiary 5E Boron Americas LLC. Our Project is underpinned by a mineral resource that includes boron and lithium, with the boron being contained in a conventional boron mineral known as colemanite. In 2022, our facility was designated as Critical Infrastructure by the U.S. Department of Homeland Security's Cybersecurity and Infrastructure Security Agency. We believe the Project represents one of the most compelling domestic critical material projects in the United States as a strategically located operation that targets stable long-term demand, with a defined pathway to production and a low-cost, high margin and profitable financial profile.

### **Recent Developments**

#### **Highlights for the Three Months Ended March 31, 2025**

##### ***Operational Highlights***

###### ***Successful Specialty Glass Trial***

During April 2025, samples of boric acid that we supplied to a global specialty glass manufacturer successfully produced glass during qualification trials against other suppliers, with results showing that our boric acid performed as well as or better than the product of other suppliers across a variety of attributes of comparison. The successful trial advances our customer onboarding and qualification process, and we believe demonstrates that our boron production is of the necessary quality to meet the rigorous standards of the specialty glass market. As the next phase of the qualification process, we plan to ship larger quantities of boric acid for production scale evaluation.

###### ***Engineering Progress and Capital Assessment***

During the first three months of calendar year 2025, we received initial capital estimates from our Engineering Procurement and Construction firm, Fluor Corporation. Updated analysis indicates that the Project is expected to deliver stronger Phase 1 economics than previously forecasted while maintaining additional optionality for advanced materials and bi-product production. The first phase of commercial production now forecasts 77,000 short tons of B<sub>2</sub>O<sub>3</sub>, targeted capital expenditure between approximately \$390 and \$430 million, and targets a project unlevered internal rate of return ranging from 18% to 22%. We believe these updates support our delivery of a pre-feasibility report with a robust final economic analysis in June 2025.

### *Project Timeline and Path to Final Investment Decision (“FID”)*

Completion of vendor equipment testing remains the critical step on our path to completing the first phase of commercial engineering. We have made meaningful progress to date and we are now targeting completion of vendor testing during June 2025. Upon completion of the vendor equipment testing and subsequent release of our pre-feasibility report, the Company expects to stage-gate to a streamlined Front End Engineering Design (“FEED”) phase and anticipates a final investment decision (FID) in early calendar year 2026.

### *Financing Highlights*

#### *January 2025 Notes*

On January 14, 2025, we entered into a fourth amendment (“Amendment No. 4”) to the January 2024 Amended and Restated Note Purchase Agreement and agreed, among other things, to (i) issue and sell an aggregate \$5 million of new senior secured convertible notes (the “January 2025 Notes”) in substantially the same form and under the same terms as the then existing convertible notes issued in June 2024 (the “June 2024 Notes”) and September 2024 (the “September 2024 Notes”, together with the June 2024 Notes, the “Existing Notes”) and together with the January 2025 Notes, the “Convertible Notes”) to BEP Special Situations IV LLC (“Bluescape”), Meridian Investments Corporation (“Meridian”) and Ascend Global Investment Fund SPC, for and on behalf of Strategic SP (together with Meridian, “Ascend”), and (ii) amend and restate the January 2024 Amended and Restated Note Purchase Agreement in the form attached as Annex A to Amendment No. 4 (as amended, the “Amended and Restated Note Purchase Agreement”). The Amended and Restated Note Purchase Agreement also extended the date to which we were required to comply with the then enforce financial covenant for us to maintain a cash balance of at least \$7.5 million from December 31, 2024 to March 31, 2025. Concurrently with the execution of Amendment No. 4, we entered into the Restructuring Support Agreement, and other related agreements, as discussed below.

#### *Debt Exchange and Related Agreements*

On January 14, 2025, we entered into a Restructuring Support Agreement (the “Restructuring Support Agreement”) with Bluescape, and Ascend in connection with certain restructuring and recapitalization transactions with respect to our capital structure (collectively the “Exchange Transaction”), including our Convertible Notes issued pursuant to the Amended and Restated Note Purchase Agreement.

Pursuant to the Restructuring Support Agreement, the parties agreed to implement the Exchange Transaction either as an:

- Out-of-Court Restructuring: Subject to the satisfaction of customary conditions, including approval by our stockholders, a recapitalization through, among other things:
  - (i) pursuant to an Exchange Agreement dated January 14, 2025 among Ascend, Bluescape and us (the “Exchange Agreement”), the issuance of an aggregate of 13,586,524 shares of our common stock, par value \$0.01 per share (“Common Stock”) to Ascend and Bluescape upon exchange of all of the outstanding Convertible Notes (the “Exchange”);
  - (ii) pursuant to a Securities Subscription Agreement dated January 14, 2025 among Ascend, Bluescape and us (the “January 2025 Subscription Agreement”), the issuance and sale by us of an aggregate of \$5.0 million of Common Stock to Ascend and Bluescape at a price per share equal to the lesser of (a) \$6.716 per share and (b) the volume weighted average price for the Common Stock on the five consecutive trading days immediately following the date of the Exchange (the “Subscription Price”);
  - (iii) pursuant to the January 2025 Subscription Agreement, the issuance by us to Ascend and Bluescape of warrants with a one-year term (the “Restructuring Warrants”) to purchase an aggregate number of shares of Common Stock represented by up to \$20.0 million divided by the Subscription Price, at a price per share equal to the Subscription Price; and
  - (iv) pursuant to a Fourth Amended and Restated Investor and Registration Rights Agreement dated January 14, 2025 among Ascend, Bluescape and us (the “IRRA”), the right of each of Ascend and Bluescape to designate two directors to serve on our Board of Directors (“Board”) following the consummation of the Exchange Transaction for so long as such party beneficially owns 25% of our Common Stock and one director to serve on our Board for so long as such party beneficially owns 10% of our Common Stock (clauses (i) through (iv), together, the “Out-of-Court Restructuring”); or
- In-Court Restructuring: To the extent that the terms of or the conditions precedent to the Out-of-Court Restructuring could not be timely satisfied or waived, we would file voluntary pre-packaged cases under chapter 11 of title 11 of the United States Code in a United States Bankruptcy Court (the “Bankruptcy Court”) pursuant to a pre-packaged plan of reorganization (the “Pre-Packaged Chapter 11 Plan”) pursuant to which, among other things, all of our existing equity

interests would be extinguished, with Ascend and Bluescape each owning their respective pro rata share of 100% of the new equity interests in the Company upon the effective date of the Pre-Packaged Chapter 11 Plan (the “In-Court Restructuring”). The Restructuring Support Agreement further provided that Ascend and Bluescape would provide a \$10.0 million debtor-in-possession financing facility pursuant to a debtor-in-possession credit agreement to be agreed upon by the parties and, as necessary, approved by the Bankruptcy Court.

On March 4, 2025, at a special meeting of stockholders, our stockholders voted in favor of the Out-of-Court Restructuring, and on March 5, 2025 the Exchange was completed and resulted in 13,586,524 shares of the Company’s Common Stock issued to Bluescape and Ascend, the termination of the Amended and Restated Note Purchase Agreement and the extinguishment of all indebtedness owed by the Company under the Amended and Restated Note Purchase Agreement.

On March 13, 2025, pursuant to the January 2025 Subscription Agreement, we issued and sold an aggregate of 1,408,173 shares of Common Stock to Bluescape and Ascend, at a Subscription Price of \$3.5507 per share for aggregate gross proceeds of \$5.0 million (the “March 2025 Subscription”). Also pursuant to the January 2025 Subscription Agreement, we issued Restructuring Warrants to purchase up to an aggregate of 5,632,692 shares of Common Stock to Bluescape and Ascend. The Restructuring Warrants are immediately exercisable and expire on March 13, 2026, and have an exercise price per share equal to the Subscription Price.

#### *May 2025 Equity Offering*

On May 12, 2025 and May 13, 2025, we entered into a subscription agreements to issue and sell an aggregate of 1,984,709 shares of our Common Stock at a price of \$3.55 per share (collectively, the “May 2025 Subscription”). In connection with the May 2025 Subscription, we also issued 37,402 shares of our Common Stock as an advisory fee. The May 2025 Subscription closed on May 15, 2025 and resulted in aggregate proceeds to us of approximately \$7.0 million before deducting fees and other offering expenses payable by us.

#### *Financing Transactions — Liquidity Considerations and Going Concern*

Although the January 2025 Notes, March 2025 Subscription and May 2025 Subscription improved our cash position by providing an aggregate of \$17.0 million of proceeds to the Company, prior to recognition of issuance costs and transaction fees, and we continue to operate under a business plan that includes reductions in certain spending, we will need additional financing in order to continue as a going concern for a period of at least one year after the date these financial statements are issued. The receipt of potential funding cannot be considered probable at this time because these plans are not entirely within management's control as of the date of the unaudited condensed consolidated financial statements. Therefore, there exists substantial doubt regarding our ability to continue as a going concern. Even if additional financing is successfully consummated, available liquidity may still not be sufficient to eliminate the aforementioned substantial doubt regarding our ability to continue as a going concern. Refer to the “Going Concern” discussion within Note 1—*Basis of Financial Statement Presentation* of the unaudited condensed consolidated financial statements and “Liquidity and Capital Resources” below for more information.

#### *Reverse Stock Split*

On February 14, 2025, following approval by our stockholders at our 2024 annual meeting of our stockholders (the “Annual Meeting”), we effected a 1-for-23 reverse stock split (the “Reverse Stock Split”) of our Common Stock.

The Reverse Stock Split did not affect the number of authorized shares of Common Stock or the par value of each share of Common Stock. The number of CHESS Depositary Interests (“CDIs”) in respect of the Company’s shares of Common Stock outstanding immediately prior to the effectiveness of the Reverse Stock Split was proportionately reduced by the final split ratio, subject to rounding. The 1:10 share-to-CDI ratio was not affected by the Reverse Stock Split.

Our Common Stock began trading on a post-split adjusted basis on February 18, 2025. On March 4, 2025, we were notified by the Nasdaq Listing Qualifications staff that the closing bid price of our Common Stock had been at \$1.00 per share or greater for 10 consecutive business days, from February 18, 2025 to March 3, 2025, and accordingly, that we had regained compliance with Nasdaq Listing Rule 5450(a)(1) and this matter is now closed. If our Common Stock again closes below the \$1.00 per share minimum bid price required by Nasdaq for 30 consecutive business days, we would again receive another notice of non-compliance with Nasdaq's listing standards and face the risk of delisting.

All references to the number of shares and per share amounts of our Common Stock included in this Quarterly Report on Form 10-Q have been retroactively adjusted to give effect to the Reverse Stock Split for all periods presented.

#### *Meeting with U.S. Import-Export Bank*

In late January 2025, our executive management held meetings with representatives of the Export-Import Bank of the United States (“EXIM”) in Washington, D.C., through which we gained deeper insights into the funding process requirements and expected timetables for EXIM’s loan programs, and provided EXIM with additional education on our Project. As previously disclosed, in September 2024, we received a non-binding letter of intent from EXIM for a loan-backed guarantee on project debt financing of up to

\$285 million for our proposed commercial scale facility. We now expect to formally apply for the EXIM loan package once the first phase of commercial engineering is complete with diligence on-going during the FEED engineering phase.

### Director Changes

Effective December 31, 2024, David J. Salisbury, Chairman and Director, and Keith Jennings, Director, resigned from the Board, and the Board's size was reduced from six to four. On January 21, 2025, Paul Weibel, our Chief Executive Officer, was elected to the Board at the Annual Meeting, and succeeded Jimmy Lim, who was not re-nominated for election at the Annual Meeting. On March 5, 2025, upon the effectiveness of the Exchange, Mr. Weibel resigned from the Board and was succeeded by Curtis L. Hebert, Jr.

### Results of Operations

The following table summarizes our results of operations for the periods presented.

	Three Months Ended March 31,				Nine Months Ended March 31,			
			Variance				Variance	
	2025	2024	\$	%	2025	2024	\$	%
	(in thousands)				(in thousands)			
COSTS AND EXPENSES								
Project expenses	\$ 1,050	\$ 1,155	\$ (105)	-9%	\$ 4,283	\$ 4,169	\$ 114	3%
Small-scale facility operating costs	897	—	897	N/A	3,564	—	3,564	N/A
General and administrative	3,265	2,997	268	9%	11,342	16,431	(5,089)	-31%
Research and development	—	—	—	N/A	—	45	(45)	-100%
Depreciation and amortization expense	4,992	53	4,939	*	14,955	159	14,796	*
Total costs and expenses	10,204	4,205	5,999	143%	34,144	20,804	13,340	64%
LOSS FROM OPERATIONS	(10,204)	(4,205)	(5,999)	143%	(34,144)	(20,804)	(13,340)	64%
NON-OPERATING INCOME (EXPENSE)								
Interest income	21	73	(52)	-71%	68	215	(147)	-68%
Other income	—	4	(4)	-100%	4	7	(3)	-43%
Gain (loss) on extinguishment of debt	17,333	(20,953)	38,286	-183%	17,333	(20,953)	38,286	-183%
Derivative gain (loss)	—	—	—	N/A	1,357	—	1,357	N/A
Interest expense	(1,869)	(822)	(1,047)	127%	(6,454)	(4,348)	(2,106)	48%
Other expense	(1)	(2)	1	-50%	(5)	(8)	3	-38%
Total non-operating income (expense)	15,484	(21,700)	37,184	-171%	12,303	(25,087)	37,390	-149%
NET INCOME (LOSS)	\$ 5,280	\$ (25,905)	\$ 31,185	-120%	\$ (21,841)	\$ (45,891)	\$ 24,050	-52%

\* Represents a percentage change greater than +/- 300%

### Comparison of the three and nine months ended March 31, 2025 and 2024

#### Project expenses

Project expenses include drilling, plug and abandonment, site preparation, engineering (excluding amounts eligible to be capitalized), consumables, testing and sampling, hydrology, permits, surveys, and other expenses associated with further progressing our Project. Prior to April 1, 2024, Project expenses also included non-labor related costs incurred to prepare for the operation of the SSF, as these costs were incurred prior to the SSF being placed into operation. For the three months ended March 31, 2025, project expenses decreased \$105 thousand, or 9%, versus the comparable period in the prior year. The decrease was primarily the result of decreases in: (i) testing and analysis costs, primarily for environmental compliance (\$0.2 million), (ii) wellfield development costs (\$0.2 million), and (iii) Environmental Protection Agency and other environmental compliance costs (\$0.1 million). These decreases were offset by increases in: (i) site-related costs (\$0.3 million), and (ii) insurance costs (\$0.1 million).

For the nine months ended March 31, 2025, project expenses increased \$114 thousand, or 3%, versus the comparable period in the prior year. The increase was primarily the result of: (i) increased wellfield development activity primarily related to the installation of additional observation monitoring wells that were required for environmental compliance (\$0.8 million), and (ii) an increase in site related costs due to increased activity at the Project (\$0.7 million). These increases were offset by decreases in: (i) Environmental Protection Agency and other environmental compliance costs, including permit activity (\$0.6 million), (ii) testing and analysis costs, primarily for environmental compliance (\$0.5 million), (iii) insurance costs (\$0.2 million), and (iv) expenses incurred relating to our plug and abandonment program to prepare the wellfield for injection operations (\$0.1 million).

### *Small-scale facility operating costs*

Small-scale facility operating costs consists of raw materials, salaries and benefits for employees that are directly responsible for the operation of the SSF, and maintenance and upkeep related to the SSF after April 1, 2024. Prior to April 1, 2024, such costs were reported within either Project expenses or General and administrative expenses as the SSF had not yet been placed into operation. For the three months ended March 31, 2025, Small-scale facility operating costs consisted of: (i) salaries and benefits for our employees directly responsible for operating the SSF (\$0.6 million), (ii) raw materials necessary to operate the SSF and produce boric acid (\$0.2 million), and (iii) maintenance, upkeep and other costs incurred for the operation of the SSF (\$0.1 million). There were no comparable expenses for the same period in the prior year as the SSF had not yet been placed into service and such costs were reported as either Project expenses or General and administrative expenses, as appropriate.

For the nine months ended March 31, 2025, Small-scale facility operating costs consisted of: (i) salaries and benefits for our employees directly responsible for operating the SSF (\$2.6 million), (ii) raw materials necessary to operate the SSF and produce boric acid (\$0.6 million), (iii) maintenance, upkeep and other costs incurred for the operation of the SSF (\$0.3 million), and (iv) other operating costs (\$0.1 million). There were no comparable expenses for the same period in the prior year as the SSF had not yet been placed into service and such costs were reported as either Project expenses or General and administrative expenses, as appropriate.

### *General and administrative expenses*

General and administrative expenses include professional fees, costs associated with marketing, on-going SEC and public company costs, public relations, rent, salaries for administrative personnel within the Company, share based compensation and other expenses. Prior to April 1, 2024, all salaries and benefits for the entire organization were reported in general and administrative expenses. After April 1, 2024, the date which we began operation of the SSF, salaries and benefits for employees that are directly responsible for the operation of the SSF are reported in Small-scale facility operating costs. For the three months ended March 31, 2025, general and administrative expenses increased \$268 thousand, or 9%, versus the comparable period in the prior fiscal year. The increase was primarily due to increases in professional fees (\$2.1 million), primarily due to a \$1.8 million reclassification of legal and accounting fees to either debt or equity issuance costs in the prior year which resulted from the successful implementation of the January 2024 restructuring transaction. The increase was offset by decreases in: (i) base compensation and employee benefits, resulting from the combined impact of (a) salaries and benefits for personnel responsible for the operation of the SSF now reported as Small-scale facility operating costs, and (b) a reduction in head count across the organization (for a combined impact of \$0.9 million), (ii) incentive compensation related costs, inclusive of share based compensation expense (\$0.5 million), (iii) miscellaneous, travel and marketing costs as a result of cost cutting measures across the organization (\$0.3 million), and (iv) insurance costs (\$0.1 million).

For the nine months ended March 31, 2025, general and administrative expenses decreased \$5.1 million, or 31%, versus the comparable period in the prior fiscal year. The decrease was primarily due to decreases in: (i) base compensation and employee benefits, resulting from the combined impact of (a) salaries and benefits for personnel responsible for the operation of the SSF now reported as Small-scale facility operating costs, and (b) a reduction in head count across the organization (for a combined impact of \$2.7 million), (ii) incentive compensation related costs, inclusive of share based compensation expense (\$0.9 million), (iii) professional fees, primarily as a result of incurring incremental legal fees in the prior year leading up to the January 2024 restructuring transaction (\$0.6 million), (iv) miscellaneous and travel costs resulting from cost cutting measures across the organization (\$0.5 million), and (v) marketing related costs (\$0.4 million).

### *Research and development*

Research and development expense includes costs incurred under research agreements with Georgetown University and Boston College that aim to enhance the performance of permanent magnets through increased use of boron. Both engagements were completed during the second fiscal quarter of 2024. Therefore, we incurred no research and development costs in the three months ended March 31, 2024 or the three and nine months ended March 31, 2025, compared to \$45 thousand in research and development costs incurred in the nine months ended March 31, 2024.

### *Depreciation and amortization expense*

Depreciation and amortization relates to use of our SSF, injection and recovery wells, owned or leased vehicles, buildings and equipment and the accretion of our asset retirement obligations. For the three months ended March 31, 2025, depreciation and amortization expense increased \$4.9 million versus the comparable period in the prior year. For the nine months ended March 31, 2025, depreciation and amortization expense increased \$14.8 million versus the comparable period in the prior year. These increases were primarily due to placing the SSF and its related injection and recovery wells, facilities, and equipment into service as of April 1, 2024, corresponding with the commencement of operations.

### *Interest income*

Interest income is derived from the investment of our excess cash and cash equivalents in short-term (original maturities of three months or less) investments of highly liquid treasury bills and certificates of deposit. For the three months ended March 31, 2025,

interest income decreased \$52 thousand, or 71%, versus the comparable period in the prior fiscal year. For the nine months ended March 31, 2025, interest income decreased \$147 thousand, or 68%, versus the comparable period in the prior fiscal year. Such decreases correspond to decreases in our average cash and cash equivalent balances between the periods.

#### *Other income*

Other income is derived from the third-party use of our hydrology wells, the sale of scrap and other materials, and other non-operating income. For the three months ended March 31, 2025, other income decreased \$4 thousand, or 100%, versus the comparable period in the prior fiscal year. For the nine months ended March 31, 2025, other income decreased \$3 thousand, or 43%, versus the comparable period in the prior fiscal year. The decreases primarily relate to other non-operating income compared to the same periods in the prior year.

#### *Gain (Loss) on extinguishment of debt*

The gain on extinguishment of debt incurred for the three and nine months ended March 31, 2025 resulted from the Exchange Transaction and the related extinguishment of all indebtedness owed by the Company under the Amended and Restated Note Purchase Agreement. As discussed within Note 7-*Debt* to the unaudited condensed consolidated financial statements, the Exchange Transaction was accounted for as a troubled debt restructuring. As a result, we derecognized the remaining principal, accrued interest and unamortized discount and debt issuance costs associated with the Convertible Notes of \$82.4 million, and recognized the fair value of various equity interests issued to the former noteholders, less \$5.0 million of proceeds received, at their fair value of \$65.1 million. The difference in value between the Convertible Notes and the net fair value of equity interests issued resulted in a gain on extinguishment of debt of \$17.3 million.

The loss on extinguishment of debt incurred for the three and nine months ended March 31, 2024 resulted from the modification of the terms of our Convertible Notes contained in the Amended and Restated Note Purchase Agreement executed January 18, 2024. The modified terms of the Convertible Notes were evaluated and determined to be representative of an in-substance extinguishment of the Convertible Notes and establishment of new debt, for accounting purposes, primarily due to the significance of the changes to the terms of the conversion features. As a result, we derecognized the remaining principal, accrued interest and unamortized discount and debt issuance costs associated with the prior debt with an aggregate value of \$44.2 million, and recognized the modified debt at its fair value of \$65.2 million upon execution of the Amended and Restated Note Purchase Agreement. The difference in value between the prior debt and the modified debt resulted in a loss on extinguishment of debt of \$21.0 million.

#### *Derivative gain*

Derivative gain (loss) results from changes in the fair value of the embedded conversion features relating to degressive issuance provisions originally contained in the May 2024 Amended and Restated Note Purchase Agreement, and subsequently incorporated into and continued under the September 2024 Amended and Restated Note Purchase Agreement. As a result, these conversion features were deemed to be embedded derivatives requiring bifurcation and separate accounting as stand-alone derivative instruments (the “June 2024 Convertible Note Derivative” and “September 2024 Convertible Note Derivative”). On December 31, 2024, upon the expiration of the degressive issuance conversion feature associated with the June 2024 Notes and September 2024 Notes, the June 2024 Convertible Note Derivative and September 2024 Convertible Note Derivative expired and the remaining aggregate fair value of such derivatives of \$3.6 million was transferred to additional paid-in capital. Refer to Note 7-*Debt* and Note 8-*Convertible Note Derivatives* to the unaudited condensed consolidated financial statements for additional details.

There was no unrealized derivative gain (loss) during the three months ended March 31, 2025, as the June 2024 Convertible Note Derivative and September 2024 Convertible Note Derivative expired prior to the beginning of such period. There was no unrealized derivative gain (loss) during the three months ended March 31, 2024, as this period occurred before the existence of the June 2024 Convertible Note Derivative and September 2024 Convertible Note Derivative.

The unrealized derivative gain of \$1.4 million during the nine months ended March 31, 2025, was primarily due to a decrease in our stock price during the period, which resulted in a gain on the June 2024 Convertible Note Derivative. Our stock price on June 28, 2024 (the last trading day prior to the end of our prior fiscal year) and December 31, 2024 (the date the June 2024 Convertible Note Derivative expired) was \$27.83 and \$14.72, respectively. The observed decline in our stock price resulted in a decline in the value of the embedded conversion feature liability and a resulting derivative gain of \$2.2 million. This derivative gain was offset, by a loss with respect to the September 2024 Convertible Note Derivative during the same period, which was primarily due to an increase in our stock price from \$11.50 on September 16, 2024 (the issuance date of the September 2024 Notes) to \$14.72 on December 31, 2024 (the date the September 2024 Convertible Note Derivative expired), resulting in an increase in the value of the embedded conversion feature liability during such period and a resulting derivative loss of \$0.8 million. There were no comparable embedded conversion

features requiring bifurcation and separate accounting in the comparative period in the prior fiscal year and therefore there was no related Derivative gain (loss).

#### *Interest expense*

Interest expense primarily relates to interest expense incurred on the Convertible Notes and is net of amounts capitalized to construction-in-progress. Prior to the January 2024 Amended and Restated Note Purchase Agreement, the August 2022 Notes accrued interest at a rate of 6% when interest was paid-in-kind through the issuance of additional notes. Subsequent to the January 2024 Amended and Restated Note Purchase Agreement, the August 2022 Notes accrue interest at a rate of 10% when interest is paid-in-kind through the issuance of additional notes, with such rate also applying to the June 2024 Notes, September 2024 Notes and January 2025 Notes. We also recognize interest expense for the amortization of debt issuance costs and the amortization of debt discounts on the Convertible Notes. As part of the modification of the terms of our debt associated with the January 2024 Amended and Restated Note Purchase Agreement, the modified debt was recognized at fair value on our balance sheet which eliminated the prior debt discount and prior debt issuance costs that were amortized to interest expense. In connection with the Exchange Transaction on March 5, 2025, all indebtedness owed by the Company under the Amended and Restated Note Purchase Agreement was extinguished and the recognition of interest expense ceased.

For the three months ended March 31, 2025, interest expense increased \$1.0 million, or 127%, versus the comparable period in the prior fiscal year. This increase was primarily a result of capitalizing less interest expense to construction-in-progress between periods (which results in an increase in the amount of interest expense recognized) as a result of the SSF being placed into service on April 1, 2024 and therefore no longer eligible for interest capitalization (an impact of \$1.1 million increase in interest expense). Although interest expense accrued more rapidly during the current period due to the combined effect of interest accruing (i) at 10% under the terms of our January 2024 Amended and Restated Note Purchase Agreement compared to 6% under our prior agreement in the prior period, (ii) on a \$17.0 million aggregate increase in the principal balance of Convertible Notes resulting from the issuance of the June 2024 Notes, September 2024 Notes, and January 2025 Notes and (iii) on \$3.4 million and \$4.0 million of interest that was paid-in-kind during August of 2024 and February 2025, respectively, this impact was not material due to the shorter period over which the Convertible Notes were outstanding in the current year, as a result of the Exchange Transaction.

For the nine months ended March 31, 2025, interest expense increased \$2.1 million, or 48%, versus the comparable period in the prior fiscal year. This increase was primarily the result of (i) capitalizing less interest expense to construction-in-progress between periods (which results in an increase in the amount of interest expense recognized) as a result of the SSF being placed into service on April 1, 2024 and therefore no longer eligible for interest capitalization (an impact of \$2.3 million increase in interest expense), and (ii) the combined effect of interest accruing (a) at 10% under the terms of our January 2024 Amended and Restated Note Purchase Agreement compared to 6% under our prior agreement in the prior period, (b) on a \$17.0 million aggregate increase in the principal balance of Convertible Notes resulting from the issuance of the June 2024 Notes, September 2024 Notes, and January 2025 Notes, and (c) on \$3.4 million and \$4.0 million of interest that was paid-in-kind during August of 2024 and February 2025, respectively (for a combined impact of \$2.0 million increase in interest expense). These increases were partially offset by the effects of a reduction in the amount of debt discount amortization primarily resulting from the write-off of the remaining unamortized debt discount (established August 26, 2022) and corresponding elimination of the amortization of such amount in connection with the accounting for the January 2024 Amended and Restated Note Purchase Agreement (\$2.2 million reduction in interest expense).

#### *Other expense*

Other expense relates to losses on foreign currency transactions and certain non-income related taxes and penalties. For the three months ended March 31, 2025, other expense decreased \$1 thousand, or 50%, versus the comparable period in the prior fiscal year. The decrease primarily relates to reduced foreign currency transaction losses compared to the prior year.

For the nine months ended March 31, 2025, other expense decreased \$3 thousand, or 38%, versus the comparable period in the prior fiscal year. The decrease primarily relates to reduced foreign currency transaction losses compared to the prior year.

#### *Income tax expense*

We did not have any income tax expense or benefit for the three and nine months ended March 31, 2025 and 2024, as we have recorded a full valuation allowance against our net deferred tax asset.

## Liquidity and Capital Resources

### Overview

As of March 31, 2025, we had cash and cash equivalents of \$4.0 million and a working capital deficit of \$1.6 million compared to \$4.9 million of cash and cash equivalents and a working capital deficit of \$2.9 million as of June 30, 2024. We maintain the majority of our cash and cash equivalents in accounts with major U.S. and multi-national financial institutions, and our deposits at certain of these institutions may exceed insured limits. Market conditions can impact the viability of these institutions.

Our predominant source of cash has been generated through equity financing from issuances of our common stock and equity-linked securities, including our Convertible Notes. Since inception, we have not generated revenues, and as such, have relied on equity financing and equity-linked instruments to fund our operating and investing activities. As a result of the Exchange Transaction in March of 2025, all outstanding indebtedness pursuant to the Convertible Notes was extinguished in exchange for equity interest in the Company, and the financial covenant requiring us to maintain a minimum cash balance was eliminated. Refer to the discussion above under the caption *Recent Developments – Debt Exchange and Related Agreements* for a description of the Exchange Transaction.

A summary of our cash flows for the nine months ended March 31, 2025 and 2024 follows.

	For the nine months ended March 31,		Variance	
	2025	2024	\$	%
		(\$ in thousands)		
Net cash used in operating activities	\$ (17,407)	\$ (19,637)	\$ 2,230	-11%
Net cash used in investing activities	(1,395)	(5,878)	4,483	-76%
Net cash provided by financing activities	17,938	13,178	4,760	36%
Net increase (decrease) in cash and cash equivalents	\$ (864)	\$ (12,337)	\$ 11,473	-93%

\* Represents a percentage change greater than +/- 300%

### Cash Flows Used For Operating Activities

Net cash used in operating activities for each of the above periods was primarily the result of general and administrative costs (exclusive of share based compensation), costs incurred in furthering the Project, operating costs of the SSF, and transaction costs incurred related to the Exchange Transaction that were not directly related to the issuance of the related equity interests issued to our former noteholders. During the nine months ended March 31, 2025, we used \$17.4 million of cash for operating activities, a decrease of approximately \$2.2 million or 11% compared to the comparable period in the prior fiscal year. The decrease in cash used in operations during the current period primarily results from the decrease in General and administrative expenses, net of non-cash share based compensation expense, offset by the incurrence of Small-scale facility operating costs (refer to the discussion of year-over-year changes in General and administrative expenses and Small-scale facility operating costs above for additional details).

### Cash Flows Used For Investing Activities

Our cash flows used for investing activities primarily relate to equipment purchases, engineering, the construction and commissioning of our SSF, FEL-2 engineering and related vendor testing related to our commercial-scale facility. During the nine months ended March 31, 2025, we used \$1.4 million of cash for investing activities, a decrease of approximately \$4.5 million, or 76%, compared to the comparable period in the prior fiscal year. Net cash used in investing activities during the nine months ended March 31, 2025 related to engineering services for FEL-2 engineering and related vendor testing for our commercial-scale facility. Net cash used in investing activities during the nine months ended March 31, 2024 primarily related to final construction and commissioning of our SSF.

### Cash Flows From Financing Activities

Our cash flows from financing activities primarily relate to equity and equity-linked financing transactions to fund our business and operations. Cash flows provided by financing activities for the nine months ended March 31, 2025 were the result of (i) approximately \$3.0 million of net proceeds received from the August 2024 Equity Offering, (ii) approximately \$5.5 million of net proceeds received from the issuance of September 2024 Notes, (iii) approximately \$4.7 million of net proceeds received from the issuance of January 2025 Notes, (iv) approximately net \$4.9 million of proceeds received from the March 2025 Subscription, after recognition of the related costs and fees related directly to the issuance of the related equity instruments, and (v) approximately \$0.2 million of taxes withheld and paid upon the vesting and release of shares for equity awards.

Cash flows provided by financing activities for the nine months ended March 31, 2024 were the result of \$15.8 million of proceeds received from two closings of a private placement of our Common Stock in January of 2024, after recognition of the related costs and fees. The net proceeds from our private placement were offset, to a lesser extent, by \$2.6 million of cash used to pay legal and accounting fees associated with the January 2024 Amended and Restated Note Purchase Agreement.

## ***Summary of Financing Transactions for the nine months ended March 31, 2025***

### ***March 2025 Debt Exchange***

Refer to the discussion above under the caption *Recent Developments – Debt Exchange and Related Agreements* for a description of the Exchange Transaction during March 2025.

### ***January 2025 Notes Offering***

Refer to the discussion above under the caption *Recent Developments – January 2025 Notes* for a description of the notes offering completed during January 2025.

### ***September 2024 Notes Offering***

On September 16, 2024, pursuant to an amended and restated note purchase agreement (the “September 2024 Amended and Restated Note Purchase Agreement”), we issued and sold the September 2024 Notes in an aggregate principal amount of \$6.0 million, to Bluescape and Ascend. The net proceeds to us for the September 2024 Notes offering were approximately \$5.5 million after deducting issuance costs and fees payable by us.

### ***August 2024 Equity Offering***

On August 27, 2024, we completed the August 2024 Equity Offering of (i) 231,884 Shares of Common Stock, (ii) Series A Warrants to purchase up to an aggregate of up to 231,885 shares of Common Stock, and (iii) Series B Warrants to purchase an aggregate of 231,885 shares of Common Stock. The Common Stock, Series A Warrants and Series B Warrants were offered and sold on a combined basis for consideration equating to \$17.25 for one share of Common Stock, one Series A Warrant and one Series B Warrant.

The Series A Warrants and the Series B Warrants became exercisable on February 27, 2025. The Series A Warrants will expire on February 27, 2030 and the Series B Warrants will expire on February 27, 2027. The exercise price for each of the Series A Warrants and Series B Warrants is \$18.3563 per share. Refer to Note 10-*Equity* to the unaudited condensed consolidated financial statements included elsewhere in the Quarterly Report on Form 10-Q for a complete description of the warrants.

## **Material Cash Requirements**

Our material short-term cash requirements include general and administrative expenses including recurring payroll and benefit obligations for our employees, costs necessary to further the engineering of our proposed commercial-scale complex, professional fees, operating costs for the SSF, Project related costs, payments under certain lease agreements and working capital needs. Our long-term material cash requirements from currently known obligations include future obligations to reclaim, remediate, or otherwise restore properties to a condition that existed prior to our operations. Refer to the “Construction in Progress,” “Asset Retirement Obligations,” “Accounts Payable and Accrued Liabilities,” and “Commitments and Contingencies” footnotes in the unaudited condensed consolidated financial statements for more information on certain of these expenditures and obligations.

## **Contractual Commitments and Contingencies**

### ***Purchase Obligations***

As of March 31, 2025, we had purchase order commitments of approximately \$2.7 million primarily for raw materials for the operation of the SSF, engineering services and vendor testing for the Company’s proposed commercial-scale facility, and drilling services related to wellfield development.

### ***Future Capital Requirements and Going Concern***

Over the next 12 months we have the following plans that will require additional capital:

- Operate the SSF to provide the necessary data for our commercial-scale facility and progress our customer qualification program;
- Progress FEL-2, FEL-3, and the related detailed engineering and vendor testing;
- Optimize well-field design in an effort to reduce future mining capital and operational expenditure through various drilling techniques such as directional, horizontal, and radial drilling;
- Pursue and optimize infrastructure capital expenditures for our larger-scale facility which could include expansion of non-potable water resources, upgrading shore power, connection to a natural gas network, and constructing new access roads into and out of the location for our larger-scale facility; and

- Further define our advanced materials strategy with consideration to engineering and repurposing our SSF once sufficient data has been obtained for flow sheet optimization and the production of product for customer qualification.

Although the August 2024 Equity Offering, issuance of the September 2024 Notes, issuance of the January 2025 Notes, proceeds received in the March 2025 Subscription and May 2025 Subscription improved our cash position, and we continue to operate under a business plan that includes reductions in certain spending, we will need additional financing within the next twelve months. Absent additional financing, we may no longer be able to meet our ongoing obligations, continue operations or achieve the milestones outlined above.

We intend to explore different potential financing strategies to help support the growth of our business and execution of our business plan, including equity or debt financing, government funding or grants, private capital, royalty agreements or customer prepayments, the exercise of a significant portion of the warrants outstanding to acquire our Common Stock, or other strategic alliances with third parties. However, there is no assurance that we will be able to secure additional financing on adequate terms, in a timely manner, or at all.

The receipt of any potential funding cannot be considered probable at this time because these plans are not entirely within our control as of the date of the unaudited condensed consolidated financial statements. Therefore, there exists substantial doubt regarding our ability to continue as a going concern for a period of one year after the date that the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q are issued. Even if additional financing is successfully consummated, available liquidity may still not be sufficient to eliminate the aforementioned substantial doubt regarding our ability to continue as a going concern. If the Company is unable to raise additional capital or generate cash flows necessary to fund our operations, we will need to curtail planned activities, discontinue certain operations, or sell certain assets, which could materially and adversely affect our business, financial condition, results of operations, and prospects. Refer to the “Going Concern” discussion within Note 1-Basis of Financial Statement Presentation of the unaudited condensed consolidated financial statements for more information.

### **Critical Accounting Policies**

A complete discussion of our critical accounting policies is included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024. There have been no significant changes in our critical accounting policies during the nine months ended March 31, 2025. Unless otherwise discussed, we believe that the impact of recently issued standards did not or will not have a material impact on our consolidated financial statements upon adoption.

In November 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-07, Segment Reporting (Topic 280) (“ASU 2023-07”). ASU 2023-07 is intended to enhance reportable segment disclosure requirements, including significant segment expenses and interim disclosures. The guidance allows for disclosure of multiple measures of a segment’s profit or loss, and it requires that public entities with a single reportable segment provide all disclosures required by ASU 2023-07 and all existing disclosures required by the existing segment disclosure guidance. ASU 2023-07 is effective for annual reporting periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The amendments are to be applied retrospectively, and early adoption is permitted. We are evaluating the impact that ASU 2023-07 will have on our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures (“ASU 2023-09”). ASU 2023-09 is intended to improve income tax disclosures primarily through enhanced disclosure of income tax rate reconciliation items, and disaggregation of income (loss) from continuing operations, income tax expense (benefit) and income taxes paid, net disclosures by federal, state, and foreign jurisdictions, among others. ASU 2023-09 is effective for annual reporting periods beginning after December 15, 2024, and early adoption is permitted. We are evaluating the impact that ASU 2023-09 will have on our consolidated financial statements and our plan for adoption, including the adoption date and transition method.

In November 2024, the FASB issued ASU 2024-03, Income Statement–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”), which requires the disaggregation of certain expenses in the notes of the financials, to provide enhanced transparency into the expense captions presented on the face of the income statement. In January 2025, the FASB issued Income Statement–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date (“ASU 2025-01”), which clarified the effective dates of ASU 2024-03. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027 and may be applied either prospectively or retrospectively. We are evaluating the impact that ASU 2024-03 will have on our related disclosures, including the adoption date and transition method.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

We are a smaller reporting company as defined in Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this Item 3.

#### **Item 4. Controls and Procedures.**

##### **Limitations on Effectiveness of Controls and Procedures**

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

##### **Evaluation of Disclosure Controls and Procedures**

In accordance with Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), our management evaluated, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) as of March 31, 2025. Based on the evaluation of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of March 31, 2025 to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

##### **Changes in Internal Control over Financial Reporting**

There were no changes in internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in the evaluation for the quarter ended March 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings.

Except as disclosed in Note 13—*Commitments and Contingencies* in the unaudited condensed consolidated financial statements contained elsewhere in this Quarterly Report on Form 10-Q, as of the date of this filing, we are not a party to any material pending legal proceedings, nor are we aware of any material civil proceeding or government authority contemplating any legal proceeding, and to our knowledge, no such proceedings by or against us have been threatened. We anticipate that we and our subsidiaries may from time to time become subject to various claims, legal proceedings, governmental inspections, audits, or investigations arising in the ordinary course of business. It is not feasible to predict the outcome of any such proceedings, and we cannot assure that their ultimate disposition will not have a material adverse effect on our business, financial condition, cash flows or results of operations.

### Item 1A. Risk Factors.

Except as described below, there have been no material changes to the risk factors previously disclosed in Part I, Item 1A., “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended June 30, 2024. You should carefully consider the factors discussed in Part 1, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024, which could materially affect our business, financial condition, and future results. Additional risk and uncertainties not currently known to us may also materially adversely affect our business, financial condition, cash flows or results of operations.

***The consummation of the transactions contemplated by the Restructuring Support Agreement resulted in substantial dilution to our existing stockholders and in a significant amount of our Common Stock being held by Ascend and Bluescape.***

As previously disclosed, on January 14, 2025, we entered into a restructuring support agreement (the “Restructuring Support Agreement”) with BEP Special Situations IV LLC (“Bluescape”), Meridian Investments Corporation (“Meridian”) and Ascend Global Investment Fund SPC, for and on behalf of Strategic SP (together with Meridian, “Ascend”) relating to certain restructuring and recapitalization transactions with respect to our capital structure (collectively the “Transaction”), including our outstanding Convertible Notes.

On March 5, 2025, pursuant to the Restructuring Support Agreement, the parties implemented the Exchange Transaction as an Out-of-Court Restructuring, which resulted in 13,586,524 shares of the Company’s Common Stock being issued to Bluescape and Ascend, the termination of the Amended and Restated Note Purchase Agreement, and the extinguishment of all indebtedness owed by the Company under the Amended and Restated Note Purchase Agreement. On March 13, 2025, pursuant to the January 2025 Subscription Agreement, we issued and sold an aggregate of 1,408,173 shares of common stock to Bluescape and Ascend, at a Subscription Price of \$3.5507 per share for aggregate gross proceeds of \$5.0 million. Also pursuant to the January 2025 Subscription Agreement, we issued Restructuring Warrants to purchase up to an aggregate of 5,632,692 shares of common stock to Bluescape and Ascend.

Following the consummation of the Out-of-Court Restructuring, our stockholders experienced substantial dilution. Our stockholders held less than 20% of our Common Stock immediately prior to the Transaction. If Ascend and Bluescape were to choose to act together, they would be able to control all matters submitted to our stockholders for approval, as well as our management and affairs. For example, these parties, if they choose to act together, could control the election of directors and approval of any merger, consolidation or sale of all or substantially all of our assets. This concentration of ownership control may delay, defer or prevent a change in control, entrench our management or the board of directors, or impede a merger, consolidation, takeover or other business combination involving us that other stockholders may desire. These parties may have interests that are different than those of other stockholders.

***Exercise of our outstanding Warrants will dilute the ownership interest of our existing stockholders or may otherwise depress the price of our Common Stock.***

On March 13, 2025, we issued and sold warrants to purchase an aggregate of 1,408,173 shares of our common stock at an exercise price of \$3.5507 per share, which were immediately exercisable (the “Restructuring Warrants”). The Restructuring Warrants expire on the first anniversary of their issuance.

Additionally, in August 2024, we issued and sold warrants to purchase an aggregate of 460,870 shares of our common stock at an exercise price of \$18.3563 per share, including 230,435 Series A Warrants and 230,435 Series B Warrants, which became initially exercisable on February 27, 2025. The Series A Warrants will expire on February 27, 2030 and the Series B Warrants will expire on February 27, 2027.

The exercise of some or all of the warrants will dilute the ownership interests of existing stockholders and increase the number of shares of common stock eligible for resale in the public market. Any sales in the public market of the shares of common stock issuable upon such exercise of the warrants, or the anticipation of such exercises and sales, could adversely affect the prevailing market prices of our common stock. Additionally, the existence of the warrants may encourage short selling by market participants because the

exercise of the warrants could be used to satisfy short positions, or the anticipated exercise of the warrants for shares of common stock could depress the price of our common stock.

***Changes in U.S. trade policies, including the imposition of tariffs, could materially increase the cost of constructing our proposed commercial-scale facility and materially adversely impact the economic viability of our project.***

Our planned commercial-scale facility for in-situ mining of boron will require significant capital investment, currently estimated to be between approximately \$390 and \$430 million. The construction of this facility will involve sourcing equipment from within the United States, but also from various European countries and other international sources. Recent and potential future changes in U.S. trade policies, including tariffs implemented or proposed by the U.S. government and any retaliatory actions taken in response by foreign governments, could significantly increase the cost of imported equipment and materials required for the construction of our facility.

Our economic feasibility studies that we are currently undertaking and our preliminary cost analyses have not accounted for the impact of existing or future tariffs. The ultimate impact of currently announced tariffs and any future tariffs or trade policies will depend on various factors, including the timing of implementation and the amount, scope and nature of such tariffs or policies. Given the uncertainty and volatility surrounding trade and tariff policies, particularly in light of historical shifts in tariff approaches, including those imposed under the current Trump administration, we may experience materially increased costs that are difficult to predict accurately at this time. Such cost increases could negatively affect the projected economics of our facility and our ability to access financing, potentially causing the economic feasibility of the project to deteriorate substantially, or render the project economically unviable, thereby causing us to delay, significantly modify, or cancel the project entirely, which would have a material adverse effect on our business, financial condition, results of operations, and prospects.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

*Unregistered Sale of Equity Securities*

Except as previously disclosed in Current Reports on Form 8-K, there were no unregistered sales of equity securities during the three months ended March 31, 2025.

*Purchases of Equity Securities by the Issuer and Affiliated Purchasers*

None.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable as we do not currently operate any mines subject to the U.S. Federal Mine Safety and Health Act of 1977.

**Item 5. Other Information.**

*(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.*

*CFO Employment Agreement*

On May 15, 2025, we entered into an employment agreement with our Chief Financial Officer and principal accounting officer, Joshua Malm (the “Employment Agreement”). The Employment Agreement entitles Mr. Malm to cash compensation of \$300,000 per year for his service as our Chief Financial Officer. Pursuant to the Employment Agreement, Mr. Malm is eligible to earn an annual bonus of up to 80% of his then-in-effect base salary (on target performance would result in a bonus payment equal to 40% of Mr. Malm’s then-in-effect base salary), subject to the achievement of performance objectives as determined by the Board.

Regardless of the manner in which Mr. Malm’s employment terminates, he is entitled to receive certain accrued amounts previously earned during his employment, including unpaid salary, reimbursement of expenses owed, and accrued but unpaid paid time off and any continuation of benefits required by applicable law.

In addition, Mr. Malm is entitled to certain severance benefits under his employment agreement, subject to his execution of a release of claims and compliance with post-termination obligations. Pursuant to Mr. Malm’s employment agreement, upon a termination of his employment by the Company for reasons other than for “cause” or by Mr. Malm for “good reason” (each term as defined in the

employment agreement), Mr. Malm is entitled to (i) an amount in cash equal to six months of annual base salary, payable in a lump sum, (ii) a pro-rated bonus based on target performance for the portion of the year he was employed, (iii) payment of the COBRA premiums for Mr. Malm and his eligible dependents for a maximum period of up to 6 months from the date of his termination of employment, and (iv) accelerated vesting of all unvested Company equity awards, provided that any Company equity awards that vest based on the attainment of performance goals will remain outstanding and will be eligible to vest in accordance with the terms of the applicable award agreements, provided, further, that in the event such termination occurs during the period commencing on the date that is three (3) months prior to a change in control and ending on the date that is eighteen (18) months following a change in control, any performance stock units (“PSUs”) outstanding where the termination date is within twelve (12) months of the end of their respective performance period(s), and there is a reasonable probability that the respective performance goal(s) for such PSUs would have been achieved at target (or above) absent the change in control, then such PSUs that would have vested within such twelve (12) month period following the change in control shall also vest.

The foregoing summary of the Employment Agreement is not complete and is qualified in its entirety by reference to the full text of the Consulting Agreement, a copy of which is attached as Exhibit 10.11.

#### *May 2025 Private Placement*

On May 12, 2025 and May 13, 2025, we entered into subscription agreements (the “May 2025 Subscription Agreements”) with certain third-party investors (the “Subscribers”). Pursuant to the May 2025 Subscription Agreements, we issued and sold an aggregate of 1,984,709 shares of Common Stock at a purchase price of \$3.55 per share (the “Subscription Shares”). We also issued a total of 37,042 shares of Common Stock to 5E Capital II, LLC as partial payment for advisory services in connection with the transactions contemplated by the Subscription Agreements (together with the Subscription Shares, the “Private Placement Shares”). The transactions contemplated by the May 2025 Subscription Agreements closed on May 15, 2025.

Under the terms of the May 2025 Subscription Agreements, we have agreed to register the resale of the Private Placement Shares, subject to the terms and limitations set forth in the May 2025 Subscription Agreements.

Additionally, subject to the terms and conditions set forth in the May 2025 Subscription Agreements, in the event we sell equity or equity-related securities for cash to Bluescape, Meridian and Ascend Global Investment Fund SPC, for and on behalf of Strategic SP (“New Securities”), and their respective affiliates at any time prior to our Phase 1 plant facility being fully commissioned, we will provide the Subscribers the opportunity to also purchase such New Securities in an amount up to each Subscriber’s Pro Rata Share (as defined in the applicable May 2025 Subscription Agreement).

The May 2025 Subscription Agreements contain customary representations, warranties and covenants of ours and the Subscribers, and other obligations of the parties. Such representations, warranties and covenants were made only for purposes of the May 2025 Subscription Agreements and as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed upon by the contracting parties. The foregoing summary is qualified in its entirety by reference to the text of each May 2025 Subscription Agreement, copies of which are attached hereto as Exhibits 10.9 and 10.10 and incorporated by reference herein.

The securities were offered in a private placement exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended or Regulation S under the Securities Act.

(b) *Material changes to the procedures by which security holders may recommend nominees to the board of directors.*

None.

(c) *Insider Trading Arrangements and Policies.*

During the three months ended March 31, 2025, none of the Company’s directors or executive officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any “Rule 10b5-1 trading arrangements” or “non-Rule 10b5-1 trading arrangements,” as each term is defined in Item 408(a) of Regulation S-K.

## Item 6. Exhibits.

### Exhibit Index

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Title
3.1	<a href="#"><u>Amended and Restated Certificate of Incorporation of 5E Advanced Materials, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on January 19, 2024).</u></a>
3.2	<a href="#"><u>Certificate of Amendment to Amended and Restated Certificate of Incorporation of 5E Advanced Materials, Inc., dated February 14, 2025 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on February 18, 2025).</u></a>
3.3	<a href="#"><u>Second Amended and Restated Bylaws of 5E Advanced Materials, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on form 8-K filed with the SEC on November 1, 2024).</u></a>
4.1	<a href="#"><u>Form of Series A Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on August 28, 2024).</u></a>
4.2	<a href="#"><u>Form of Series B Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on August 28, 2024).</u></a>
4.3	<a href="#"><u>Form of Restructuring Common Stock Purchase Warrant (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on January 14, 2025).</u></a>
10.1	<a href="#"><u>Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 28, 2024).</u></a>
10.2	<a href="#"><u>Restructuring Support Agreement, dated January 14, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 14, 2025).</u></a>
10.3	<a href="#"><u>Exchange Agreement, dated January 14, 2025 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on January 14, 2025).</u></a>
10.4	<a href="#"><u>Securities Subscription Agreement, dated January 14, 2025 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on January 14, 2025).</u></a>
10.5	<a href="#"><u>Fourth Amended and Restated Investor and Registration Rights Agreement, dated January 14, 2025 (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the SEC on January 14, 2025).</u></a>
10.6(a)	<a href="#"><u>Amended and Restated Note Purchase Agreement, dated January 18, 2024 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 19, 2024).</u></a>
10.6(b)	<a href="#"><u>Amendment No. 4 to the Amended and Restated Note Purchase Agreement, dated January 14, 2025 (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the SEC on January 14, 2025).</u></a>
10.7	<a href="#"><u>Amended and Restated 5E Advanced Materials, Inc. 2022 Equity Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 4, 2025).</u></a>
10.8*	<a href="#"><u>Non-Executive Director Appointment Letter, Curtis L. Hebert, Jr., dated March 6, 2025.</u></a>
10.9†*	<a href="#"><u>Subscription Agreement with 5E Capital II, LLC, dated May 12, 2025.</u></a>
10.10*	<a href="#"><u>Subscription Agreement with Lazarus Securities Pty Ltd, dated May 13, 2025.</u></a>
10.11*	<a href="#"><u>Malm Employment Agreement, dated May 15, 2025.</u></a>
31.1*	<a href="#"><u>Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2*	<a href="#"><u>Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1**	<a href="#"><u>Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2**	<a href="#"><u>Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS*	Inline XBRL Instance Document-the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104*	Cover page formatted as Inline XBRL and contained in Exhibit 101.

\* Filed herewith.

\*\* Furnished herewith.

† Certain portions of this exhibit (indicated by "[\*\*\*]") have been redacted pursuant to Regulation S-K Item 601(b)(10)(iv) because such information is (i) not material and (ii) is the type that the registrant treats as private or confidential.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

5E ADVANCED MATERIALS, INC.

Date: May 15, 2025

By: /s/ Paul Weibel

Paul Weibel  
Chief Executive Officer  
(Principal Executive Officer)

Date: May 15, 2025

By: /s/ Joshua Malm

Joshua Malm  
Chief Financial Officer  
(Principal Financial Officer)

March 5, 2025

Curt Hébert, Jr.

Dear Mr. Hébert,

**DIRECTOR SERVICES APPOINTMENT AS A NON-EXECUTIVE DIRECTOR OF 5E ADVANCED MATERIALS, INC.**

We are pleased and welcome your acceptance to be appointed as a Non-Executive Director (“**NED**”) of 5E Advanced Materials, Inc. (the “**Company**”), a company incorporated under the laws of the State of Delaware.

The following letter seeks to illustrate the context of your appointment by the Company, and the terms and conditions of such appointment, as set out herewith. It is agreed that on acceptance of this offer, this letter will constitute a contract for services and not a contract of employment.

For purposes of independence, this letter will supersede all previous or contemporaneous oral or written appointments, contracts or agreements, if applicable, entered into between yourself and the Company (or its affiliated subsidiaries). By signing this letter and therefore accepting the appointment as stated, you agree to terminate all other previous appointments with the Company, its subsidiaries and affiliates thereof commencing effective March 5, 2025 (“**Effective Date**”), on the following terms and conditions:

**1. Appointment**

- (a) You shall agree to be appointed by the Nominating and Corporate Governance Committee of the Board of Directors of the Company (the “**Board**”) to act as a NED of the Company.
- (b) You shall agree to be appointed by the Board as a member and/or chair of sub-committees as may be determined by the Board:  
Whereby all committees shall collectively be depicted as the “Committee”; and “Appointment” shall refer to your appointment as a member of the Board and/or the Committee.
- (c) The Appointment is subject to the Company’s certificate of incorporation (“**Certificate of Incorporation**”) and bylaws (“**Bylaws**”), each as may be amended or replaced from time to time (the Certificate of Incorporation and the Bylaws together, the “**Governing Documents**”) and nothing in this letter shall be taken to exclude or vary the terms of the Governing Documents as they apply to your Appointment.
- (d) Continuation of your Appointment is contingent upon satisfactory performance and your successful election and re-election by stockholders of the Company as and when required by the Bylaws and, as applicable, the listing standards of Nasdaq, including the Nasdaq Listing Rule 5600 Series (“**Nasdaq Listing Rules**”), the rules and requirements of the Securities and Exchange Commission (“**SEC rules**”), the Delaware General Corporation Law (“**DGCL**”), and the Australian Stock Exchange (“**ASX Listing Rules**”) at the forthcoming annual general meeting of stockholders of the Company.

**2. Date of Commencement and Term**

The official commencement date of your Appointment shall be the Effective Date. The term of this Appointment shall be **1 year** from the Effective Date and subject to Termination and the re-election by the Company’s shareholders at the annual general meeting of stockholders of the Company.

**3. Duties and Responsibilities**

You will apply yourself and discharge your duties as a NED in accordance with the Bylaws, Nasdaq Listing Rules, the DGCL, the SEC rules, the ASX Listing Rules and any other applicable laws or regulatory requirements. Without limitation, you will be required to:

- (a) attend regular Board meetings and to ensure you have read all papers and information provided to you in relation to each Board meeting and undertake such additional enquiries as you deem necessary and appropriate to be informed of the Company's financial and operational performance;
- (b) if required by the Board, sit on one or more of the Company's Board committees, as may be established by the Board from time to time;
- (c) to review management's business plan and companywide strategy focused on the delivery of value for all stockholders of the Company;
- (d) keep the Board informed of all material activities being undertaken;
- (e) attend the annual general meeting of stockholders of the Company and any other general meetings of the Company;
- (f) act with the utmost good faith towards the Company, its stockholders and its related corporate bodies both in carrying out your duties under this Appointment and in all your dealings with the Company, its stockholders and its affiliates;
- (g) discharge your duties and responsibilities under this Appointment in accordance with your fiduciary duty to the Company and all of its stockholders;
- (h) remain mindful and ensure your status of independence remains compliant as stipulated by requirements of Nasdaq Listing Rule 5605(a)(2) and Rule 10A-3 of the Securities Exchange Act of 1934, as amended. Should your independent status cease to remain compliant, you must notify the Board of the Company of such change as soon as practical. You shall further facilitate any director independence disclosures in annual meeting proxy statements or annual report on Form 10-K, including transactions and arrangements considered by the Board in assessing director independence;
- (i) timely report ownership or changes in ownership in equity securities of the Company to facilitate compliant SEC Form 3, 4 and 5 filings in addition to ASX and other applicable filings and;
- (j) You shall not directly be responsible for the management of the Company. Your role is neither operational nor managerial in nature; however, members of the Board may draw upon your professional insight and business expertise where suitable.

As the Chair and/or member of the Committees described in Section 1(b):

- (k) You shall review the functions of your relevant committee(s) as pursuant to individually adopted Audit, Compensation and Nominating and Corporate Governance Committee Charters ("**Charters**") that shall be made available to you upon a practical date subsequent to your Appointment.
- (l) You must, along with other Committee members, monitor compliance with SEC rules, Nasdaq Listing Rules, and ASX Listing Rules at all times with respect to Committee composition requirements, and assist the Company in seeking compliance, if required, by curing the event that caused failure to comply within the time frame provided by the SEC, ASX, and/or the Nasdaq Regulatory Authority.
- (m) You must refrain from accepting any direct or indirect consulting, advisory, or other compensatory fee from the Company, other than fees for directors' service as described more fully in Section 5.

#### **4. Additional Duties and Confirmations**

- (a) By accepting this Appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role. You should advise the Board before you accept any additional commitments that may affect the time you are able to allocate to your role as a NED.
  - (b) The Board may, at any time during the term of your Appointment, review your performance as a NED in accordance with processes agreed by the Board from time to time. You agree to participate in any such reviews.
  - (c) The office you hold as a director of the Company becomes vacant in the following circumstances (altogether described herein as "Termination"):
    - i. you cease to be a director under any provision of the DGCL or other applicable laws;
    - ii. you become bankrupt or make any arrangement or composition with your creditors generally;
    - iii. you become prohibited from being a director by reason of any order made under the DGCL or any other applicable laws;
    - iv. you become of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
    - v. you resign your office by notice in writing to the Company;
    - vi. you are removed from office by resolution of the Company;
    - vii. at the close of any general meeting of the shareholders of the Company at which a resolution for your election or re-election is voted on but is not approved; or
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viii. any other circumstances as specified in the Governing Documents.

- (d) You must comply with the Company's 'Insider Trading and Securities Dealings Policy' (including as amended or replaced from time to time) when dealing in Company securities (and any other relevant securities) and adhere to the designated prohibited periods for dealing in such securities.
- (e) You must comply with the Company's Corporate Governance Guidelines (including as amended or replaced from time to time) at all times as may be applicable to your role as a NED.
- (f) You must comply with the Company's Code of Business Conduct (including as amended or replaced from time to time) in carrying out your duties and responsibilities for the business and affairs of the Company.
- (g) You acknowledge that the Company and its directors and officers are governed by the DGCL, the SEC, the ASX Listing Rules and the Nasdaq Listing Rules which impose strict obligations (and severe penalties) on the Company and its directors and officers concerning the disclosure and use of market sensitive information and inside information. You undertake to comply with all such obligations pursuant to the DGCL, the SEC, the Nasdaq Listing Rules, the ASX Listing Rules and all other applicable laws and regulatory requirements.
- (h) You will not, except with the prior written consent of the Company, be in any way connected with or interested in any business in competition with that of the Company or its subsidiaries for the duration of your Appointment and for a period of 12 months after your Appointment ceases. You acknowledge that this restriction and time limitation is reasonable and properly required for the adequate protection of the business of the Company.

## 5. Fees and Expenses

You will receive compensation for your service on the Board in accordance with the following:

- (a) Annual Fee. During the term of your appointment, you will be compensated in accordance with the Company's Non-Employee Director Compensation Policy, which may be amended from time to time. In accordance with the Non-Employee Director Compensation Policy, the combined fee for your Appointment as a NED of the Company and your role as a board member is USD \$100,000 per annum, which shall be divided in equal parts between cash and Long-Term Incentive ("LTI") equivalents, as further detailed in the below chart. Cash will be paid to you by the Company in arrears in four equal instalments on or about the last business day of each fiscal quarter.

	Cash	LTI cash value equivalent	Total
Board member	\$50,000	\$50,000	\$100,000

\*Grants shall vest in accordance with the terms and conditions of the Company's Amended and Restated Equity Compensation Plan and the Restricted Share Unit Agreement as may be amended from time to time. As of the date of this letter, Restricted Share Units are granted on a quarterly basis aligned with the Company's fiscal year running from July 1 to June 30.

Any change (increase or decrease) in your Annual Fee may be determined by the Board (without obligation to do so), subject to obtaining any shareholder approvals required under the Governing Documents, the DGCL, the SEC rules, the Nasdaq Listing Rules, the ASX Listing Rules or any other applicable laws or regulatory requirements.

- (b) Reimbursement of Expenses. During your Appointment, the Company shall reimburse you for all reasonable out-of-pocket expenses incurred by you in attending any in-person meetings or while handling other Board-related business, provided that you comply with the generally applicable policies, practices and procedures of the Company for submission of expense reports, receipts or similar documentation of such expenses.

## 6. Privacy of Information

- (a) You agree that you will take all reasonable precautions as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company and its affiliates, except as you are required by law to disclose. In the event that you become legally required to disclose any confidential information, prompt notice shall be given by you (in advance) to the Company. You will fully cooperate with the Company in the event that the Company elects to challenge the validity of such requirements.
  - (b) You acknowledge that all materials that are or which may come into your possession during your Appointment relating to the nature, operation or activities of the Company remain the Company's property. You shall not either during the period of your Appointment or afterwards use or permit to be used any books, documents, moneys, assets, records or other property belonging to or relating to any dealings, affair or business of the
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Company or its affiliates other than for the benefit of the Company. You shall immediately deliver and return to the Company all such books, documents, moneys, securities, records or other property which you then have or should have in your possession upon termination of your Appointment hereunder.

#### **7. Data Protection**

- (a) By executing this letter, you consent to the Company holding and processing information about you for legal, personnel, administrative, and management purposes and in particular to the processing of any sensitive personal data as and when appropriate.
- (b) You consent to the transfer of such personal information to other offices the Company may have or to other third parties for administrative purposes and other purposes in connection with your Appointment, where it is necessary or desirable to do so including for the purpose of the Company conducting any background or other checks the Company would ordinarily conduct when considering the appointment of a director of the Company.

#### **8. Insurance and Indemnity**

The Company shall establish directors' and officers' liability coverage and it is intended to maintain such coverage for the full term of your Appointment.

This agreement is governed in all respects by the laws of the State of Delaware, without regard to conflicts of law principles thereof.

{Signature page follows}

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Please acknowledge your acceptance by signing where indicated below.

Yours sincerely,

/s/ Graham van't Hoff

Graham van't Hoff

**Director**

**For and on behalf of 5E Advanced Materials, Inc.**

I have read this letter and accept the appointment on the terms detailed above.

/s/ Curtis Hébert, Jr.

March 6, 2025

Curtis Hébert, Jr

Date

## **SUBSCRIPTION AGREEMENT**

**THIS SUBSCRIPTION AGREEMENT** (this “Agreement”) dated as of May 12, 2025, is made by and among 5E Advanced Materials, Inc., a company incorporated under the laws of the State of Delaware (the “Company”) and 5E Capital II, LLC, an Ohio limited liability company (“Subscriber”).

**WHEREAS**, Subscriber desires to invest in Common Stock of the Company through this Agreement.

**WHEREAS**, Subscriber shall subscribe to purchase its Subscription Shares at the Per Share Purchase Price, and the Company shall issue and sell the Subscription Shares to Subscriber in consideration of the payment of the Purchase Price therefor by or on behalf of Subscriber to the Company, all, on the terms and conditions set forth herein; and

**WHEREAS**, the issue and sale of the Subscription Shares hereunder shall be made in reliance upon Section 4(a)(2) under the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the “Securities Act”), or upon such other exemption from the registration requirements of the Securities Act as may be available with respect to any or all of the transactions to be made hereunder.

**NOW, THEREFORE**, in consideration of the foregoing and the mutual representations, warranties and covenants, and subject to the conditions, herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Definitions. Capitalized terms in this Agreement shall have the meanings given below:

“Affiliates” means any person or entity that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a person or entity, as such terms are used in and construed under Rule 144 under the Securities Act. As used in this definition of “Affiliate,” the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities or partnership or other ownership interest, by contract, or otherwise.

“Anti-Corruption Laws” are any laws, rules, or regulations relating to bribery or corruption, including without limitation the Foreign Corrupt Practices Act and UK Bribery Act.

“Anti-Terrorism Laws” are any laws, rules, regulations or orders relating to terrorism, sanctions or money laundering, including without limitation Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, the laws, regulations, and orders administered by OFAC and the U.S. State Department, and similar applicable laws, regulations and directives imposed or enforced by the United Nations Security Council, European Union, United Kingdom and Australia.

“Blocked Person” is any Person: (a) listed in the annex to, or is otherwise the subject of Executive Order No. 13224; (b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive

Order No. 13224; (c) a Person with which any party is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (d) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in Executive Order No. 13224; or (e) a Person that is named on any OFAC List or other similar list.

“Business Day” means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York.

“Code” means the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern.

“Common Stock” means the common stock, par value \$0.01 per share, of the Company.

“Copyrights” means any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“Equipment” is all “equipment” as defined in the Code with such additions to such term as may hereafter be made under the Code, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Fort Cady Borate Project” means the Company’s mining project in San Bernardino County, California, as described in the Company SEC Documents (as defined below).

“Governmental Authority” is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank), any securities exchange and any self-regulatory organization.

“Intellectual Property” means all the right, title and interest of the Company or any of its Subsidiaries in and to the following: (a) its Copyrights, Trademarks and Patents; (b) any and all trade secrets, trade secret rights and corresponding rights in confidential information and other non-public or proprietary information (whether or not patentable), including, without limitation, any rights to unpatented inventions, know-how, operating manuals; ideas, formulas, compositions,

inventor's notes, discoveries and improvements, manufacturing and production processes and techniques, testing information, research and development information, invention disclosures, unpatented blueprints, drawings, specifications, designs, plans, proposals and technical data, business and marketing plans, market surveys, market know-how and customer lists and information; (c) any and all Technology, including Software; (d) any and all design rights which may be available to the Company or any of its Subsidiaries; (e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and (f) any and all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"Inventory" is all "inventory" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made under the Code, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of any Person's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"Knowledge" means to the "best of" the Company's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of the Responsible Officers.

"Law" means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority of competent jurisdiction (including the United States Bankruptcy Court).

"Letter Agreement" means that certain letter consulting agreement between the Company and Subscriber dated March 4, 2025.

"Major Holders" means BEP Special Situations IV LLC, Meridian Investments Corporation and Ascend Global Investment Fund SPC, for and on behalf of Strategic SP, and their respective Affiliates.

"Material Adverse Effect" means, with respect to any event, occurrence or condition, (a) a material adverse effect on the legality, validity or enforceability of this Agreement or the transactions contemplated by this Agreement, (b) a material adverse effect on the results of operations, assets, business or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, or (c) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under this Agreement (other than as arising from, or relating to, the failure by Subscriber or its respective Affiliates to perform their obligations under this Agreement); provided, however, that the determination of whether, there has been or will be a Material Adverse Effect shall not include any event, circumstance, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) any change, or proposed change in, or change in the interpretation of, any Law or accounting rules, including GAAP; (ii) events or conditions generally affecting the industries or geographic areas in which the Company operates; (iii) general economic, financial, credit, or political conditions, including

changes in the credit, debt, securities, financial markets in general; (iv) any geopolitical conditions, outbreak of hostilities, civil unrest or similar disorder, acts of war (whether or not declared), sabotage, cyberterrorism, terrorism, military actions, earthquakes, volcanic activity, hurricanes, tsunamis, tornadoes, floods, mudslides, wild fires, any other natural or man-made disaster or acts of God, weather conditions, epidemics, pandemics and other force majeure events (including any escalation or general worsening thereof); (v) general changes in the price of the Company's Common Stock or other securities; (vi) delay or failure in obtaining, or revocation of, franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Authority (including without limitation any delay or failure with respect to any authorization or modification to any permit with the US Environmental Protection Agency); (vii) any failure by the Company to meet any internal or published projections, forecasts, guidance, estimates, milestones, budgets or financial or operating predictions of revenue, earnings, cash flow or cash position; or (viii) any matters, facts, or disclosures set forth in the Company SEC Documents.

"Material Agreement" is any license, agreement or other contractual arrangement required to be disclosed (including amendments thereto) under regulations promulgated under the Securities Act or the Exchange Act, as may be amended; provided, however, that "Material Agreements" shall exclude all real estate leases and all employee or director compensation agreements, arrangements or plans, or any amendments thereto.

"Patents" means all patents, patent applications and like protections including improvements, divisions, continuations, continuations-in-part, renewals, reissues, re-examination certificates, utility models, extensions and continuations-in-part of the same.

"Per Share Purchase Price" means USD \$3.55 per Subscription Share.

"Person" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"Principal Market" means the Nasdaq Stock Market (including the Capital Market, Global Market and/or the Global Select Market).

"Purchase Price" means the product of (x) the Per Share Purchase Price and (y) the number of Subscription Shares.

"Registrable Securities" means all Subscription Shares purchased by Subscriber hereunder, other than Subscription Shares that Subscriber confirms in writing it does not want to be included for registration on the Registration Statement (as defined in Section 8 of this Agreement). "Registrable Securities" also includes any shares of capital stock issued or issuable with respect to the foregoing as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities upon the earliest to occur of the following: (i) such securities have been disposed of or otherwise transferred (other than by Subscriber to its Affiliate); (ii) such securities are eligible for sale under Rule 144 under the Securities Act (but without volume

or other restrictions or limitations as to manner or timing of sale imposed on the holder of such securities pursuant to Rule 144(b)(2)); or (iii) such securities are no longer outstanding.

“Regulation D” means the provisions of Regulation D promulgated under the Securities Act.

“Requirement of Law” means as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” means any of the President, Chief Executive Officer, Treasurer or Chief Financial Officer of the Company acting alone.

“SEC” means the U.S. Securities and Exchange Commission.

“Software” means any and all (a) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source or object code; (b) databases and compilations in any form, including any and all data and collections of data, whether machine readable or otherwise; (c) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, including Internet web sites, web content and links, source code, object code, operating systems and specifications, data, databases, database management code, utilities, graphical user interfaces, menus, images, icons, forms, methods of processing, software engines, platforms, development tools, library functions, compilers, and data formats, all versions, updates, corrections, enhancements and modifications thereof, and (d) all related documentation, user manuals, training materials, developer notes, comments and annotations related to any of the foregoing.

“Solvent” means, with respect to any Person, that (a) the fair salable value of such Person’s consolidated assets exceeds the fair value of such Person’s liabilities, (b) the fair salable value of such Person’s consolidated property exceeds the fair value of such Person’s liabilities, (c) such Person is not left with unreasonably small capital giving effect to the transactions contemplated by this Agreement, and (d) such Person is able to pay its debts (including trade debts) as they become due (whether at maturity or otherwise) (without taking into account any forbearance and extensions related thereto).

“Subscriber Equity Placement Fee Cash” means such amounts of cash consideration or fees costs and expenses elected to be delivered to Subscriber or the manager of Subscriber, at Subscriber’s direction, under the Letter Agreement at Closing.

“Subscriber Equity Placement Fee Shares” means such number of shares of Common Stock elected to be delivered to Subscriber or the manager of Subscriber, at Subscriber’s direction, under the Letter Agreement at Closing.

“Subscription Shares” means 1,789,779 shares of Common Stock.

“Subsidiary” is, with respect to any Person, any Person of which more than 50% of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or through one or more intermediaries.

“Taxes” means all present or future taxes, VAT, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Technology” means, collectively, all Software, information, designs, formulae, algorithms, procedures, methods, techniques, ideas, know-how, research and development, technical data, programs, subroutines, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship and other similar materials, and all recordings, graphs, drawings, reports, analyses, and other writings, and other tangible embodiments of the foregoing, in any form whether or not specifically listed herein, and all related technology, that are used in, incorporated in, embodied in, displayed by or relate to, or are used in connection with the foregoing.

“Trademarks” means any trademarks, service mark rights, trade names and other identifiers indicating the business or source of goods or services, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of the Company and each of its Subsidiaries connected with and symbolized by such trademarks.

“VAT” means: (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere, including, for the avoidance of doubt, the goods and services tax under the Australian A New Tax System (Goods and Services Tax) Act 1999.

2. Subscription. Upon the terms, and subject to the conditions, of this Agreement, the Company shall issue and sell to Subscriber, and Subscriber shall purchase, the Subscription Shares from the Company for the Purchase Price. Subject to Subscriber’s purchase of Subscription Shares in accordance with the terms and conditions of this Agreement, the Company shall at the Closing pay and/or issue to Subscriber or the manager of Subscriber, as directed by Subscriber, the Subscriber Equity Placement Fee Shares and/or payment of the Subscriber Equity Placement Fee Cash at the Closing Date (as defined below).

3. Closing; Delivery of Shares.

(a) The closing of the sale and purchase of the Subscription Shares, the issuance of any Subscriber Equity Placement Fee Shares and payment of any Subscriber Equity Placement Fee Cash (the “Closing”) shall occur on the third Business Day after the date of this Agreement (such date the Closing actually occurs being the “Closing Date”). No later than 5:00 p.m. (Eastern time) on the Closing Date, Subscriber shall pay (or cause the payment) to the Company the Purchase Price in cash in immediately available funds to the bank account notified by the Company

to Subscriber in writing at least two Business Days prior to the Closing Date and transmit notification to the Company that such irrevocable funds transfer has been initiated. Substantially concurrently with the Closing, the Company will, or will cause its transfer agent to, issue and electronically deliver the applicable Subscription Shares and any Subscriber Equity Placement Fee Shares in book entry form, free and clear of any liens or other restrictions (other than those arising under state or federal securities laws), in the name of Subscriber (or its respective nominees in accordance with instructions Subscriber delivers regarding the Subscription Shares) or to a custodian designated by Subscriber, as applicable, or by such other means of delivery as may be mutually agreed upon by the parties hereto. The Company shall deliver evidence from the Company's transfer agent of the issuance to Subscriber of Subscriber's Subscription Shares and any Subscriber Equity Placement Fee Shares (in book entry form) on and as of the Closing Date, as promptly as practicable after the Closing Date (and in any case, no later than the Business Day after the Closing Date).

(b) Each of the Company and Subscriber shall deliver to the other all documents, instruments and writings expressly required to be delivered by either of them pursuant to this Agreement in order to implement and effect the transactions contemplated by this Agreement.

4. Conditions to Closing of the Company. The Company's obligations to sell and issue Subscription Shares to Subscriber at the Closing are subject to the fulfilment or (to the extent permitted by any Requirement of Law) written waiver by the Company, on or prior to the Closing, of each of the following conditions:

(a) There shall not be in force any order, judgment, injunction, decree, writ, stipulation, determination or award, in each case, entered by or with any Governmental Authority, Law, statute, rule or regulation enjoining or prohibiting the consummation of the transactions contemplated by this Agreement.

(b) Payment of the Purchase Price to the Company in cash in immediately available funds to the bank account notified by the Company or notification to the Company that such irrevocable funds transfer has been initiated.

5. Conditions to Closing of Subscriber. Subscriber's obligation to subscribe for and purchase Subscription Shares is subject to the fulfilment or (to the extent permitted by any Requirement of Law) written waiver by Subscriber of each of the following conditions:

(a) The Subscription Shares to be sold by the Company pursuant to this Agreement shall have been approved for listing on the Principal Market, subject to official notice of issuance. Further, there shall be no suspension of the qualification of the Common Stock for offering or sale or trading on the Principal Market and no initiation of any proceedings for any of such purposes or delisting shall have occurred.

(b) The representations, warranties, and requirements in Sections 6(a), 6(b)(i), and 6(d) shall be true, accurate and complete in all respects on the Closing Date. The representations and warranties in Sections 6(b)(ii) and 6(b)(iii) shall be true, accurate and complete in all respects on the Closing Date, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) There shall not be in force any order, judgment, injunction, decree, writ, stipulation, determination or award, in each case, entered by or with any Governmental Authority, Law, statute, rule or regulation enjoining or prohibiting the consummation of the transactions contemplated by this Agreement.

(d) The Letter Agreement shall be, and hereby is, extended through the Closing

Date.

6. Company Representations and Warranties. The Company represents and warrants to Subscriber, as of the date hereof and as of the Closing Date, that:

(a) Due Organization. The Company and each of its Subsidiaries is duly existing and in good standing in its jurisdictions of organization or formation. The Company and each of its Subsidiaries is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its businesses or its ownership of property requires that it be so qualified except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Authorization; Power and Authority. The execution, delivery and performance by the Company of this Agreement has been duly authorized, and does not (i) conflict with the organizational documents of the Company or its Subsidiaries, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law applicable thereto, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which the Company and its Subsidiaries, or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or governmental approval from, any Governmental Authority (except such governmental approvals which have already been obtained and are in full force and effect), or (v) constitute an event of default or material breach under any Material Agreement to which the Company or any of its Subsidiaries, or any of their respective properties, is bound.

(c) No Default. Neither the Company nor any of its Subsidiaries is in default or material breach under any Material Agreement to which it is a party or by which it or any of its assets is bound in which such default could reasonably be expected to have a Material Adverse Effect.

(d) Authorization. The Subscription Shares under this Agreement will be, when issued and delivered against payment therefor as provided herein, duly and validly authorized and issued and fully paid and non-assessable, free and clear of any pledge, lien, encumbrance, security interest or other claim, including any statutory or contractual preemptive rights, resale rights, rights of first refusal or other similar rights.

(e) Subsidiaries' Equity Interests. All of the issued ownership interests of each of the Subsidiaries of the Company are duly authorized and validly issued, fully paid, nonassessable, and directly owned by the Company or its applicable Subsidiary and are free and clear of all liens that could reasonably be expected to have a Material Adverse Effect and not subject to any preemptive rights, rights of first refusal, option, warrant, call, subscription, and similar rights, other than as required by law.

(f) No Australia Operations. Each of the Company and its Subsidiaries are not an Australian land corporation and does not carry on a national security business, as defined in the Foreign Acquisitions and Takeovers Act 1975 (Cth) and Foreign Acquisition and Takeovers Regulation 2015 (Cth), and does not hold any mining tenements (including exploration tenements) or mining project in Australia.

(g) Litigation. Except as otherwise set forth in the Company SEC Documents, there are no actions, suits, investigations, or proceedings pending or, to the Knowledge of the

Responsible Officers, threatened in writing by or against the Company or any of its Subsidiaries involving more than \$1,000,000.

(h) No Broker's Fees. None of the Company nor any of its Subsidiaries are party to any contract, agreement or understanding with any Person that would give rise to a valid claim against Subscriber for a brokerage commission, finder's fee or like payment in connection with this Agreement and the transactions contemplated by this Agreement (other than as disclosed in this Agreement and the Letter Agreement).

(i) Financial Statements; No Material Adverse Effect. All consolidated financial statements for the Company and its consolidated Subsidiaries, filed by it with the SEC fairly present, in conformity with GAAP, and in all material respects the consolidated financial condition of the Company and its consolidated Subsidiaries, and the consolidated results of operations of the Company and its consolidated Subsidiaries as of and for the dates presented. Except as otherwise set forth in the Company SEC Documents, since June 30, 2024, there has not been any Material Adverse Effect.

(j) No General Solicitation. Neither the Company nor any of its Subsidiaries or any of their Affiliates (as defined in Rule 501(b) of Regulation D) or any person or entity acting on its or their behalf has, directly or indirectly, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Subscription Shares in a manner that would require registration of the Subscription Shares under the Securities Act.

(k) Accredited Investors. Neither the Company nor any of its Subsidiaries has offered or sold any of the Subscription Shares to any person or entity whom it does not reasonably believe is an "accredited investor" (as defined in Rule 501(a) of Regulation D).

(l) Solvency. The Company and each of its Subsidiaries, when taken as a whole, upon consummation of the transactions contemplated by this Agreement will be Solvent.

(m) No Registration Required. Assuming the accuracy of the representations and warranties of Subscriber contained in Section 7(b), the issuance and sale of the Subscription Shares pursuant to this Agreement is exempt from the registration requirements of the Securities Act, and neither the Company nor, to the Knowledge of the Company, any authorized representative or other agent acting on its behalf has taken or will take any action hereafter that would cause the loss of such exemption.

(n) SEC Reports. Except for the Company's Form 10-K/A filed with the SEC on October 31, 2022, all forms, registration statements, reports, schedules and statements filed or required to be filed by the Company under the Exchange Act or the Securities Act (all such documents, including the exhibits thereto, collectively the "Company SEC Documents") have been filed with the SEC on a timely basis. The Company SEC Documents, including, without limitation, any audited or unaudited financial statements and any notes thereto or schedules included therein (the "Company Financial Statements"), at the time filed (or in the case of registration statements, solely on the dates of effectiveness) (i) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) complied as to form in all material respects with the applicable requirements of the Exchange Act and/or the Securities Act, as the case may be, (iii) complied as to form in all material respects with

applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, (iv) with respect to the Company Financial Statements, were prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of unaudited statements, as permitted by Regulation S-X), and (v) with respect to the Company Financial Statements, fairly present (subject in the case of unaudited statements to normal and recurring audit adjustments) in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended. PricewaterhouseCoopers LLP is an independent registered public accounting firm with respect to the Company and has not resigned or been dismissed as independent registered public accountants of the Company as a result of or in connection with any disagreement with the Company on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures.

(o) Internal Controls. The Company has disclosed, based on its most recent evaluation prior to the date hereof, to the Company's outside auditors and the audit committee of the board of directors of the Company (i) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

(p) Disclosure Controls and Procedures. The Company has established and maintains, and at all times since March 15, 2022, except as disclosed in the Company SEC Documents as of the date hereof, has maintained, disclosure controls and procedures and a system of internal controls over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the Exchange Act) that are (i) designed to provide reasonable assurance that material information relating to the Company, including its Subsidiaries, that is required to be disclosed by the Company in the reports that it furnishes or files under the Exchange Act is reported within the time periods specified in the rules and forms of the SEC and that such material information is communicated to the Company's management to allow timely decisions regarding required disclosure and (ii) sufficient to provide reasonable assurance that (A) transactions are executed in accordance with the Company management's general or specific authorization, (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, consistently applied, and to maintain accountability for assets, (C) access to assets is permitted only in accordance with the Company management's general or specific authorization and (D) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences. There are no "significant deficiencies" or "material weaknesses" (as defined by the Public Company Accounting Oversight Board) in the design or operation of the Company's internal controls over, and procedures relating to, financial reporting which would reasonably be expected to adversely affect in any material respect the Company's ability to record, process, summarize and report financial data, in each case which has not been subsequently remediated. Since March 15, 2022, except as disclosed in the Company SEC Documents as of the date hereof, there has not been any fraud, whether or not material, that involves management or other employees of the Company or any of its Subsidiaries who have a significant role in the Company's internal controls over financial reporting. As of the date of this Agreement, to the Knowledge of the Company, there is no reason that its outside auditors and its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the

rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, without qualification, when next due.

(q) Regulatory Compliance. Neither the Company nor any of its Subsidiaries is an “investment company” or a company “controlled” by an “investment company” under the Investment Company Act of 1940, as amended. Neither the Company nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). The Company and each of its Subsidiaries has complied in all material respects with the Federal Fair Labor Standards Act. Neither the Company nor any of its Subsidiaries is a “holding company” or an “affiliate” of a “holding company” or a “subsidiary company” of a “holding company” as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither the Company nor any of its Subsidiaries has violated any laws, order, ordinances or rules, the violation of which could reasonably be expected to have a Material Adverse Effect. Neither the Company’s nor any of its Subsidiaries’ properties or assets has been used by the Company or such Subsidiary or, to the Company’s Knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with material applicable laws. The Company and each of its Subsidiaries has obtained all material consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

None of the Company, any of its Subsidiaries, or any of the Company’s or its Subsidiaries’ Affiliates or any of their respective directors, officers, employees, or agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti-Terrorism Law or Anti-Corruption Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law or Anti-Corruption Law, or (iii) is a Blocked Person. None of the Company, any of its Subsidiaries, or to the Knowledge of the Company and any of their Affiliates, any of their respective directors, officers, employees, or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (y) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law. The Company, its Subsidiaries and Affiliates, and to the Knowledge of the Company each of their respective directors, officers, employees, or agents are and have been in compliance with all applicable Anti-Terrorism Laws and Anti-Corruption Laws.

(r) Investments. Except as disclosed in the Company SEC Documents, neither the Company nor any of its Subsidiaries owns any stock, shares, partnership interests or other equity securities.

(s) Tax Returns and Payments. The Company and each of its Subsidiaries have timely filed all required material tax returns and reports (or extensions thereof), and the Company and each of its Subsidiaries, have timely paid all material foreign, federal, state, and local Taxes, assessments, deposits and contributions owed by the Company and such Subsidiaries in an amount greater than \$200,000, in all jurisdictions in which the Company or any such Subsidiary is subject to Taxes, including the United States and Australia, unless such Taxes are being contested in accordance with the next sentence. The Company and each of its Subsidiaries, may defer payment of any contested Taxes; provided, that the Company or such Subsidiary (i) in good faith contests

its obligation to pay the Taxes by appropriate proceedings promptly and diligently instituted and conducted; (ii) maintains adequate reserves or other appropriate provisions on its books in accordance with GAAP. Neither the Company nor any of its Subsidiaries is aware of any claims or adjustments proposed for any of the Company's or such Subsidiary's, prior Tax years which could result in additional Taxes in an amount greater than \$200,000 becoming due and payable by the Company or its Subsidiaries.

(t) Pension Contributions. The Company and each of its Subsidiaries have paid all material amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and neither the Company nor any of its Subsidiaries has, withdrawn from participation in, has permitted partial or complete termination of, or has permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of the Company or its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

(u) Full Disclosure. No written representation, warranty or other statement of the Company or any of its Subsidiaries in any certificate or written statement, when taken as a whole, given to Subscriber, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Subscriber, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized that projections and forecasts provided by the Company in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

(v) Title Ownership. Each of the Company and its Subsidiaries has good and marketable title to, or valid leasehold interest in, all of its real and personal property material to the operation of its business (including for the avoidance of doubt, all surface properties and associated mineral rights for the Fort Cady Borate Project), free and clear of liens except as described in the Company SEC Documents. All Inventory and Equipment is in all material respects of good and marketable quality, free from material defects.

(w) Intellectual Property. The Company and its Subsidiaries are the sole owner of the Intellectual Property each respectively purports to own, free and clear of all liens and non-exclusive licenses for off-the-shelf software that are commercially available to the public. Each employee and contractor of the Company and its Subsidiaries involved in development or creation of any material Intellectual Property has assigned any and all inventions and ideas of such Person in and to such Intellectual Property to the Company or such Subsidiary, except where failure to do so could not reasonably be expected to have a Material Adverse Effect, in each case individually or in the aggregate. No settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by the Company or any of its Subsidiaries or exist to which the Company or any of its Subsidiaries is bound that adversely affect its rights to own or use any Intellectual Property except as could not be reasonably expected to result in a Material Adverse Effect, in each case individually or in the aggregate.

(x) Enforceability. This Agreement has been duly authorized by the Company and, upon the consummation of the transactions contemplated by this Agreement, shall constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with the terms of this Agreement, except as such enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, transfer, moratorium, and other

laws relating to or affecting creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(y) Environmental Matters. The Company and its Subsidiaries are and have been in compliance with all laws (including common law), statutes, rules, regulations, ordinances, judgements, orders, or decrees relating to public or worker health and safety (to the extent relating to exposure to any toxic or hazardous substances, materials, or wastes), pollution or protection of the environment or natural resources ("Environmental Laws") and all permits, licenses, certificates, authorizations, and other approvals required under Environmental Laws, unless the failure to do so has not resulted or would not result in a Material Adverse Effect. Neither the Company nor any of its Subsidiaries have received any written notice of any violation of, or liability under, any Environmental Law, the subject of which is unresolved, and there are no pending, or to the Company's Knowledge, threatened actions suits, investigations, or proceedings relating to a violation of, or liability under, Environmental Laws that has resulted or, if adversely determined, would, individually or in the aggregate, result in a Material Adverse Effect. There has been no release, treatment, storage, disposal of, exposure of any Person to, or ownership or operation of any contaminated by, any toxic or hazardous materials, substances, or wastes, in each case as has given or would give rise to liability of the Company or its Subsidiaries under Environmental Law, in each case that has resulted or would, individually or in the aggregate, result in a Material Adverse Effect.

(z) No Suspension of Trading in or Delisting of Common Stock. The Common Stock is quoted for trading on the Principal Market. Except as disclosed in any Company SEC Document, the Company is not aware of any circumstances affecting the continued quotation of the Common Stock on the Principal Market and, has not received any written notice threatening the continued quotation of the Common Stock on the Principal Market.

7. Subscriber Representations and Warranties. Each Subscriber, severally and not jointly, represents and warrants to the Company, as of the date hereof and as of the Closing Date, that:

(a) Status. It is an entity duly organized, validly existing and in good standing under the laws of its state of formation or incorporation, as applicable, and has all requisite power and authority to execute, deliver and perform its obligations under this Agreement. The execution and delivery of this Agreement, the performance by it of its obligations hereunder and the consummation by it of the transactions contemplated by this Agreement and thereby have been duly authorized and require no other proceedings on its part. The undersigned has the right, power and authority to execute and deliver this Agreement and all other instruments on behalf of Subscriber. This Agreement has been duly executed and delivered by Subscriber and, assuming the execution and delivery hereof and acceptance thereof by other parties, will constitute the legal, valid and binding obligations of Subscriber, enforceable against it in accordance with its terms.

(b) Nature of Investor.

(i) Subscriber is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D. Subscriber agrees to furnish any additional information requested by the Company or any of its Affiliates to assure compliance with applicable U.S. federal and state securities laws in connection with the purchase and sale of the Subscription Shares.

(ii) Subscriber (A) is a sophisticated investor with the knowledge and experience in business and financial matters to enable Subscriber to independently evaluate the merits and risks, both in general and with regard to all transactions and investment strategies involving a security or securities and (B) has exercised independent judgment in evaluating its participation in the purchase of the Subscription Shares. Further, Subscriber is able to bear the

economic risk and lack of liquidity of an investment in the Company and the risk of loss of its entire investment in the Company.

(iii) Subscriber has been furnished with materials relating to the business, finances and operations of the Company and relating to the offer and sale of the Subscription Shares, as applicable, that have been requested by Subscriber. Subscriber or its representatives has been afforded the opportunity to ask questions of the Company or its representatives. Neither such inquiries nor any other due diligence investigations conducted at any time by Subscriber or its representatives shall modify, amend or affect Subscriber's right (A) to rely on the Company's representations and warranties contained in Section 6 above or (B) to indemnification or any other remedy based on, or with respect to the accuracy or inaccuracy of, or compliance with, the representations, warranties, covenants and agreements in this Agreement. Subscriber understands and acknowledges that its purchase of the Subscription Shares involves a high degree of risk and uncertainty. Subscriber has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its investment in the Subscription Shares. Subscriber acknowledges that this Agreement is the result of arm's-length negotiations between the Company and Subscriber.

(c) No Public Offering. Subscriber understands that the Subscription Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act. Subject to the Company's obligations following the Closing Date, as of the date of this Agreement, the Subscription Shares have not been registered under the Securities Act. Subscriber understands that the Subscription Shares may not be resold, transferred, pledged or otherwise disposed of by Subscriber absent an effective registration statement under the Securities Act, except (i) to the Company or a Subsidiary thereof, (ii) to non-U.S. persons pursuant to offers and sales that occur solely outside the United States within the meaning of Regulation S under the Securities Act or (iii) pursuant to another applicable exemption from the registration requirements of the Securities Act, and in each of cases (i) and (iii), in accordance with any applicable securities laws of the states and other jurisdictions of the United States, and that any book entries representing such Subscription Shares shall contain a legend to such effect. Subscriber understands and agrees that the Subscription Shares will be subject to the foregoing transfer restrictions until the Company completes the registration and other obligations under this Agreement to register Subscriber's Subscription Shares, and, as a result, Subscriber may not be able to readily resell its Subscription Shares and may be required to bear the financial risk of an investment in such Subscription Shares for a period of time, subject to Subscriber's rescission and specific performance rights, if the Company fails to complete its obligations under this Agreement. Subscriber understands that it has been advised to consult legal counsel prior to making any offer, resale, pledge or transfer of any of its Subscription Shares.

(d) Reliance Upon such Purchaser's Representations and Warranties. Subscriber understands and acknowledges that the Subscription Shares are being offered and sold in reliance on a transactional exemption from the registration requirements of federal and state securities laws, and that the Company is relying in part upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of Subscriber set forth in this Agreement in (i) concluding that the issuance and sale of the Subscription Shares is a "private offering" and, as such, is exempt from the registration requirements of the Securities Act, and (ii) determining the applicability of such exemptions and the suitability of Subscriber to purchase the Subscription Shares.

(e) Sanctions. Subscriber is not: (i) a person or entity named on the List of Specially Designated Nationals and Blocked Persons, the Executive Order 13599 List, the Foreign

Sanctions Evaders List, or the Sectoral Sanctions Identification List, each of which is administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") (collectively, "OFAC Lists"), (ii) owned, directly or indirectly, or controlled by, or acting on behalf of, one or more persons that are named on the OFAC Lists; (iii) organized, incorporated, established, located, resident or born in, or a citizen, national or the government, including any political subdivision, agency or instrumentality thereof, of, Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine or any other country or territory embargoed or subject to substantial trade restrictions by the United States, (iv) a Designated National as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (v) a non-U.S. shell bank or providing banking services indirectly to a non-U.S. shell bank (each, a "Prohibited Investor"). Subscriber agrees to provide law enforcement agencies, if requested thereby, such records as required by applicable law; provided, that Subscriber is permitted to do so under applicable law. Subscriber represents that if it is a financial institution subject to the Bank Secrecy Act (31 U.S.C. Section 5311 et seq.) (the "BSA"), as amended by the USA PATRIOT Act of 2001 (the "PATRIOT Act"), and its implementing regulations (collectively, the "BSA/PATRIOT Act"), Subscriber maintains policies and procedures reasonably designed to comply with applicable obligations under the BSA/PATRIOT Act. Subscriber also represents that, to the extent required, it maintains policies and procedures reasonably designed to ensure compliance with OFAC-administered sanctions programs, including for the screening of its investors against the OFAC sanctions programs, including the OFAC Lists. Subscriber further represents and warrants that, to the extent required by applicable law, Subscriber maintains policies and procedures reasonably designed to ensure that the funds held by Subscriber and used to purchase the Subscription Shares, as applicable, were legally derived and were not obtained, directly or indirectly, from a Prohibited Investor.

(f) Non-Foreign Person. Subscriber is not a "foreign person" as defined under Section 721 of the Defense Production Act of 1950, as amended, and the regulations promulgated thereunder by CFIUS (31 C.F.R. Part 800), and Subscriber is not owned or controlled, directly or indirectly, by any person or entity that would cause Subscriber to be considered a "foreign person" under such section.

## 8. Registration Rights.

(a) The Company shall, within ten (10) Business Days after the Registration Start Date (as defined below) (the "Filing Deadline"), file with the SEC (at the Company's sole cost and expense) a registration statement registering the resale of the Subscription Shares (the "Registration Statement"), and use its commercially reasonable efforts to have the Registration Statement declared effective as soon as practicable after the filing thereof, but no later than the earlier of (i) the 40th day (or 70th day if the SEC notifies the Company that it will "review" the Registration Statement) following the earlier of (A) the filing of the Registration Statement and (B) the Filing Deadline and (ii) the 5th Business Day after the Company is notified (orally or in writing, whichever is earlier) by the SEC that the Registration Statement will not be "reviewed" or will not be subject to further review (such date, the "Effectiveness Deadline"); provided, that (i) if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the SEC is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the SEC is open for business and (ii) if the SEC is closed for operations due to a government shutdown, the Effectiveness Deadline shall be extended by the same number of Business Days as the SEC remains closed. Notwithstanding the foregoing, if the SEC prevents the Company from including any or all of the shares proposed to be registered under the Registration Statement due to limitations on the use of Rule 415 of the Securities Act by the applicable stockholders or otherwise, such Registration Statement shall register for resale such number of shares of Common Stock

which is equal to the maximum number of shares as is permitted by the SEC. In such event, the number of Subscription Shares and any other shares to be registered for each selling stockholder named in the Registration Statement shall be reduced pro rata among all such selling stockholders, and as promptly as practicable after being permitted to register additional shares under Rule 415 under the Securities Act, the Company shall file one or more new Registration Statement(s) (such new Registration Statement shall also be deemed to be a “Registration Statement” hereunder) to register such additional Subscription Shares and cause such Registration Statement(s) to become effective as promptly as practicable after the filing thereof, but in any event no later than fifteen (15) days after the filing of such Registration Statement (the “Additional Effectiveness Deadline”); provided, that the Additional Effectiveness Deadline shall be extended to seventy (70) days after the filing of such Registration Statement if such Registration Statement is reviewed by, and comments thereto are provided from, the SEC; provided, further that the Company shall have such Registration Statement declared effective within ten (10) Business Days after the date the Company is notified (orally or in writing, whichever is earlier) by the staff of the SEC that such Registration Statement will not be “reviewed” or will not be subject to further review; provided, further that (i) if such day falls on a Saturday, Sunday or other day that the SEC is closed for business, the Additional Effectiveness Deadline shall be extended to the next Business Day on which the SEC is open for business and (ii) if the SEC is closed for operations due to a government shutdown, the Effectiveness Deadline shall be extended by the same number of Business Days as the SEC remains closed. Any failure by the Company to file a Registration Statement by the Filing Deadline or to effect the Registration Statement by the Effectiveness Deadline or Additional Effectiveness Deadline shall not otherwise relieve the Company of its obligations to file or effect a Registration Statement as set forth in this Section 8.

(b) Subscriber shall furnish to the Company at or as soon as practical following the Closing Date a completed questionnaire in customary form reasonably required by the Company (the “Selling Stockholder Questionnaire”), the securities of the Company held by Subscriber and the intended method of disposition of the Subscription Shares as shall be reasonably requested by the Company to effect the registration of the Subscription Shares. The later of the Closing Date and the date of receipt of the Selling Stockholder Questionnaire shall be the “Registration Start Date.” The Company will provide a draft of the Registration Statement to Subscriber for review at least five (5) days in advance of filing the Registration Statement and shall in good faith consider Subscriber’s reasonable comments thereto, if any. Unless required under applicable laws and SEC rules, in no event shall Subscriber be identified as a statutory underwriter in the Registration Statement; provided, that if Subscriber is required to be so identified as a statutory underwriter in the Registration Statement, Subscriber will have an opportunity to withdraw its Subscription Shares from the Registration Statement. The Company agrees that, except for such times as the Company is permitted hereunder to suspend the use of the prospectus forming part of a Registration Statement, the Company will use its commercially reasonable efforts to, at its expense, cause such Registration Statement to remain effective with respect to Subscriber with Subscription Shares registered on the Registration Statement, keep any qualification, exemption or compliance under state securities laws which the Company determines to obtain continuously effective with respect to Subscriber, and to keep the applicable Registration Statement or any subsequent shelf registration statement free of any material misstatements or omissions, until the earlier of, with respect to Subscriber, (i) the date on which all of Subscriber’s Subscription Shares shall have been sold, or (ii) on the first date on which Subscriber can sell all of its Subscription Shares under Rule 144 of the Securities Act without limitation as to volume or manner of sale. If the filing, initial effectiveness or continued use of a Registration Statement at any time would (a) require the Company to make an adverse disclosure, (b) require the inclusion in such Registration Statement of financial statements that are unavailable to the Company for

reasons beyond the Company's control or (c) in the good faith judgment of the board of directors of the Company, be seriously detrimental to the Company and its holders of capital stock, (such circumstance, a "Suspension Event") and it would therefore be essential to defer such filing, initial effectiveness or continued use at such time, the Company shall have the right, upon delivering prompt written notice to Subscriber of such action (which notice shall not specify the nature of the event giving rise to such delay or suspension), to delay the filing or initial effectiveness of, or suspend use of, such Registration Statement for the shortest period of time determined in good faith by the Company to be necessary for such purpose. In the event the Company exercises its rights under this Section 8(b), Subscriber agrees to suspend, immediately upon its receipt of the notice referred to above, its use of the prospectus relating to any Registration Statement in connection with any sale or offer to sell Subscription Shares until Subscriber receives written notice from the Company that such sales or offers of Subscription Shares may be resumed, and in each case maintain the confidentiality of such notice and its contents, subject to (A) disclosure to Subscriber's employees, agents and professional advisers who need to know such information and are obligated to keep it confidential, and (B) disclosures to the extent required in order to comply with reporting obligations to its limited partners who have agreed to keep such information confidential, and unless (x) such information is already known by Subscriber or publicly available or (y) Subscriber is otherwise required by law or subpoena to disclose such information.

(c) Subscriber may deliver written notice (an "Opt-Out Notice") to the Company requesting that Subscriber not receive notices from the Company otherwise required by Section 8(b); provided, that Subscriber may later revoke any such Opt-Out Notice in writing. Following receipt of an Opt-Out Notice from Subscriber (unless subsequently revoked), (i) the Company shall not deliver any such notices to Subscriber, and Subscriber shall no longer be entitled to the rights associated with any such notice and (ii) each time prior to Subscriber's intended use of an effective Registration Statement, Subscriber will notify the Company in writing at least two (2) Business Days in advance of such intended use, and if a notice of a Suspension Event was previously delivered (or would have been delivered but for the provisions of this Section 8(c)) and the related suspension period remains in effect, the Company will so notify Subscriber within one (1) Business Day of Subscriber's notification to the Company by delivering to Subscriber a copy of such previous notice of Suspension Event, and thereafter will provide Subscriber with the related notice of the conclusion of such Suspension Event promptly following its availability.

(d) In the case of the registration effected by the Company pursuant to this Agreement, the Company shall, upon reasonable request, inform Subscriber as to the status of such registration. The Company shall advise Subscriber within five (5) Business Days:

(i) when a Registration Statement or any amendment thereto has been filed with the SEC and when such Registration Statement or any post-effective amendment thereto has become effective;

(ii) of the issuance by the SEC of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for such purpose;

(iii) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Subscription Shares included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(iv) subject to the provisions in this Agreement, of the occurrence of any

event that requires the making of any changes in any Registration Statement or prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading.

Notwithstanding anything to the contrary set forth herein, the Company shall not, when so advising Subscriber of such events, provide Subscriber with any material, nonpublic information regarding the Company other than to the extent that providing notice to Subscriber of the occurrence of the events listed in (i) through (iv) above may constitute material, nonpublic information regarding the Company.

(e) To the extent permitted by applicable law, in connection with any sale, assignment, distribution, transfer or other disposition of the Subscription Shares, the Company shall reasonably cooperate as needed to facilitate such sale, assignment, distribution, transfer or other disposition, including, if applicable and permitted (and subject to Subscriber and any assignee, distribute or transferee providing such representations or documentation as reasonably requested and required by the Company and its counsel), taking action to remove restrictive legends relating to the book entry position reflecting such Subscription Shares. The Company and Subscriber shall each be responsible for their own fees in connection with the foregoing.

(f) The Company shall use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement as soon as reasonably practicable.

(g) The parties hereto agree that if Subscriber does not deliver an Opt-Out Notice it will suffer damages if the Company fails to fulfill its obligations under this Section 8. The parties hereto further agree that this Section 8(g) shall only apply with regard to Registrable Securities held by Subscriber if Subscriber has not delivered an Opt-Out Notice. Accordingly, if:

(i) the Company does not file a Registration Statement on or before the Filing Deadline;

(ii) a Registration Statement is not declared effective by the SEC on or before the applicable Effectiveness Deadline or Additional Effectiveness Deadline;

(iii) the Company extends any Suspension Event beyond a timeframe permitted by this Agreement; or

(iv) a Registration Statement is filed and declared effective but fails to be usable in violation of this Agreement (each such event referred to in foregoing clauses (i) through (iii) and this clause (iv), a “Registration Default”),

then in such event, and subject to the limitations and exceptions set forth herein, including with respect to the occurrence of any Suspension Event, the Company hereby agrees to pay as a non-exclusive remedy to Subscriber who has not delivered an Opt-Out Notice prior to the occurrence of a Registration Default, interest on its Purchase Price equal to 0.50% per annum during the 90-day period immediately following the occurrence of any Registration Default and shall increase by 0.50% per annum during each subsequent 90-day period; provided that in no event shall the such interest exceed 2.00% per annum; provided that no such interest will be payable to Subscriber on account of any Registration Default that is the fault of Subscriber; provided further that any such interest will cease to accrue for Subscriber hereunder when any such Registration Default

will cease, be remedied or be cured. Notwithstanding anything herein and for the avoidance of doubt, there shall not be a Registration Default if and to the extent that such Registration Statement is not permitted under applicable law or by the SEC.

(h) Indemnity.

(i) The Company agrees to indemnify and hold harmless, to the extent permitted by law, Subscriber, its officers, directors, employees, advisers and agents and each person or entity who controls (within the meaning of the Securities Act or the Exchange Act) Subscriber and each affiliate (within the meaning of Rule 405 under the Securities Act) of Subscriber, from and against all losses, claims, damages, liabilities and reasonable and documented out-of-pocket expenses (including, without limitation, any reasonable and documented outside attorneys' fees) resulting from, based upon or arising out of any untrue or alleged untrue statement of material fact contained in or incorporated by reference in any Registration Statement, prospectus included in any Registration Statement or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances in which they were made) not misleading, except insofar as the same are caused by or contained in any information or affidavit so furnished in writing to the Company by or on behalf of Subscriber expressly for use therein.

(ii) Subscriber agrees, severally and not jointly, to indemnify the Company, its directors, officers and agents and each person or entity who controls (within the meaning of the Securities Act or the Exchange Act) the Company and each affiliate (within the meaning of Rule 405 under the Securities Act) of the Company against all losses, claims, damages, liabilities and reasonable and documented out-of-pocket expenses (including, without limitation, reasonable and documented outside attorneys' fees) resulting from any untrue or alleged untrue statement of material fact contained in or incorporated by reference in any Registration Statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein in the case of the prospectus or preliminary prospectus in the light of the circumstances under which they were made, or necessary to make the statements therein not misleading, but only to the extent that such untrue statement is contained in (or not contained in, in the case of an omission) any information or affidavit so furnished in writing by or on behalf of Subscriber expressly for use therein (including any information furnished to the Company in Subscriber's Selling Stockholder Questionnaire).

(iii) Any person or entity entitled to indemnification herein shall (1) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any person's or entity's right to indemnification hereunder to the extent such failure has not materially prejudiced the indemnifying party) and (2) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of legal

counsel to any indemnified party a conflict of interest exists between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement includes a statement or admission of fault and culpability on the part of such indemnified party or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(iv) The indemnification provided for under this Section 8 shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, employee, agent, Affiliate or controlling person or entity of such indemnified party and shall survive the transfer of the Subscription Shares purchased pursuant to this Agreement.

(v) If the indemnification provided under this Section 8 from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and out-of-pocket expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and out-of-pocket expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by (or not made by, in the case of an omission), or relates to information supplied by (or not supplied by in the case of an omission), such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the limitations set forth in Sections 8(g)(i), 8(g)(ii) and 8(g)(iii) above, any legal or other fees, charges or out-of-pocket expenses reasonably incurred by such party in connection with any investigation or proceeding. No person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this Section 8(g)(v) from any person or entity who was not guilty of such fraudulent misrepresentation. Any contribution pursuant to this Section 8(g)(v) by any seller of Subscription Shares, together with any amounts under Section 8(g)(ii), shall be limited in amount to the amount of net proceeds received by such seller from the sale of such Subscription Shares pursuant to the Registration Statement. Notwithstanding anything to the contrary herein, in no event will any party be liable for consequential, special, exemplary or punitive damages in connection with this Section 8.

## 9. Company Covenants.

(a) Participation Right. In the event that the Company sells any New Securities (as defined below) for cash at any time prior to its Phase 1 plant facility being fully commissioned after the date of this Agreement to any Major Holders, the Company shall also offer Subscriber the opportunity to purchase New Securities, in accordance with the terms and conditions set forth in this Section 9(a).

(i) Right to Participate. Subject to applicable Law and the listing

standards of the Principal Market, Subscriber shall have the right to purchase up to its Pro Rata Share (as defined below) of New Securities, at the same price and on the same material terms and conditions as those offered to any of the Major Holders in such financing.

(ii) Notice. The Company shall give written notice (the “Participation Notice”) to Subscriber as to the specifics of the New Securities sold to the Major Holders, and the deadline by which Subscriber must notify the Company in writing of its intent to purchase up to its Pro Rata Share, which shall be no less than ten (10) Business Days after the date of the Participation Notice. Any closing on the purchase of Subscriber’s Pro Rata Share following delivery of Participation Notice shall occur at a date specified by the Company but no earlier than sixty (60) days following delivery of the Participation Notice by the Company, other than with the written consent of Subscriber; provided, however, that nothing in this Section 9(a) shall be construed to restrict or limit the Company’s ability to sell New Securities to the Major Holders prior to such purchase by Subscriber.

(iii) Pro Rata Share. For purposes of this Section, Subscriber’s “Pro Rata Share” means the ratio of (i) Subscriber’s Measurement Shares to (ii)(1) the total number of shares of outstanding Common Stock held by the Major Holders as of the date of this Agreement plus (2) Subscriber’s Measurement Shares. “Subscriber’s Measurement Shares” means the sum of the total number of Subscription Shares purchased by Subscriber pursuant to this Agreement and the number of shares of Common Stock purchased by 5ECAP, LLC pursuant to that certain Amended and Restated Subscription Agreement dated January 18, 2024 (as adjusted for the reverse stock split of the Common Stock effected in February 2025).

(iv) New Securities. “New Securities” means any equity securities of the Company, including Common Stock, preferred stock, or any securities convertible into or exercisable for such equity securities, other than:

- (1) securities issued to employees, consultants, or directors pursuant to an equity incentive plan approved by the board of directors of the Company,
- (2) securities issued upon conversion or exercise of currently outstanding convertible securities or options,
- (3) securities issued in connection with a strategic partnership, merger or acquisition, and
- (4) securities offered pursuant to a registration statement under the Securities Act.

(b) Investor Relations. [\*\*\*].

10. Termination. This Agreement shall terminate and be void and of no further force and effect, and all rights and obligations of the parties hereunder shall terminate without any further liability on the part of any party in respect thereof, (a) upon the mutual written agreement of each of the parties hereto to terminate this Agreement, (b) by Subscriber if any of the conditions set forth in Section 5 of this Agreement are not satisfied or waived, and as a result thereof the transactions contemplated by this Agreement are not consummated or (c) by the Company if any of the conditions set forth in Section 4 of this Agreement are not satisfied or waived, and as a result thereof the transactions contemplated by this Agreement are not consummated; provided, that nothing herein shall be deemed to release any party from any liability for any breach or failure to perform under this Agreement.

For the avoidance of doubt, if any valid termination of this Agreement occurs or if the Company fails to perform its obligations in Section 3 after the payment by Subscriber of the Purchase Price for its Subscription Shares, the Company shall promptly (but not later than one (1) Business Day thereafter) return such Purchase Price to Subscriber without any deduction for or on account of any tax, withholding, charges or set-off.

11. Transferability. Except as expressly provided in this Agreement, with respect to a transfer to Affiliates, the rights and obligations of Subscriber under this Agreement shall not be transferable or assignable to any Person that is not Subscriber without the written consent of the Company (other than the Subscription Shares acquired after Closing to an Affiliate or member of Subscriber, subject to applicable securities laws). The rights and obligations of the Company under this Agreement shall not be transferable or assignable by the Company to any other Person.

12. Further Assurance. Subject to the other terms of this Agreement, the parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, in order to consummate the transactions contemplated by this Agreement, as applicable.

13. Complete Agreement. Except as otherwise explicitly provided herein, this Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, among the parties with respect thereto.

14. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. The parties agree that any action between them shall be heard in New York County, New York, and expressly consent to the jurisdiction and venue of the Supreme Court of New York, sitting in New York County, New York and the United States District Court of the Southern District of New York, sitting in New York, New York, for the adjudication of any civil action asserted pursuant to this Agreement.

15. TRIAL BY JURY WAIVER. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

16. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com) or [www.echosign.com](http://www.echosign.com)), each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said party.

17. Rules of Construction. This Agreement is the product of negotiations among the parties, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner,

and any presumption with regard to interpretation for or against any party by reason of that party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof. Each party was represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel. Furthermore, this Agreement supersedes all prior understandings, whether written or oral, among the parties hereto with respect to the transactions and sets forth the entire understanding of the parties hereto with respect thereto. All references in this Agreement to numbers of shares, per share amounts and purchase prices shall be appropriately adjusted to reflect any stock split, stock dividend, stock combination, recapitalization or the like occurring after the date hereof.

18. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the parties and their successors and permitted assigns, as applicable. There are no third party beneficiaries under this Agreement, and the rights or obligations of any party under this Agreement may not be assigned, delegated, or transferred to any other person or entity.

19. Notices. All notices, consents, waivers and other communications hereunder shall be deemed given if in writing and delivered, by electronic mail, courier, or registered or certified mail (return receipt requested), to the following addresses (or at such other addresses as shall be specified by like notice). Any notice given by delivery, mail, or courier shall be effective when received.

**If to the Company:**

5E Advanced Materials, Inc.  
9329 Mariposa Road, Suite 210  
Hesperia, California 92344  
Attention: Paul Weibel  
E-mail: pweibel@5eadvancedmaterials.com

With a copy (which shall not constitute notice or delivery of process) to:

Latham & Watkins LLP  
650 Town Center Drive, 20<sup>th</sup> Floor  
Costa Mesa, California 92626  
Attention: Drew Capurro  
E-mail: drew.capurro@lw.com

**If to a Subscriber:** As indicated on Subscriber's signature page to this Agreement.

20. Fees and Expenses. The Company shall, and shall procure that the Company shall, pay and reimburse all reasonable fees and expenses when due incident to the performance of its obligations hereunder, including, but not limited to (i) the issuance and delivery of the Subscription Shares, (ii) all fees and disbursements of the Company's counsel, (iii) all reasonable and documented fees and disbursements of Subscriber's counsel, not to exceed Fifty Thousand Dollars 00/100 (\$50,000), which may be deducted from the Purchase Price payable at the Closing and paid directly by Subscriber; (iv) any opinions from the Company's counsel required to effect the resale of the Subscription Shares by Subscriber under applicable securities laws, and (v) the fees and expenses incurred by the Company in connection with the listing or qualification of the Subscription Shares for trading on the Principal Market.

21. Amendments and Waivers. This Agreement may not be amended, modified or waived except by an instrument in writing, signed by each of the parties hereto.

22. Specific Performance. It is understood and agreed by the parties that money damages would be an insufficient remedy for any breach of this Agreement by any party, and each non-breaching party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach. Except as expressly set forth in this Agreement, each party hereby agrees that its right to specific performance as set forth in this Section of this Agreement shall be its sole and exclusive remedy with respect to any breach by any other party of this Agreement and that it may not seek or accept any other form of relief that may be available for any such breach of this Agreement (including monetary, punitive, indirect, special, consequential and/or any other damages or remedies).

23. Indemnification. The Company shall defend, protect, indemnify and hold harmless Subscriber and each of its respective directors, officers, employees, consultants, agents, attorneys, or any other person affiliated with or representing Subscriber and such person (each, an “Indemnified Person”) from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and reasonable and documented expenses in connection therewith (irrespective of whether any such Indemnified Person is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys’ fees and disbursements, incurred by any Indemnified Person as a result of, or arising out of, or relating to any material misrepresentation or breach of any representation or warranty made by the Company in this Agreement, except for actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages and expenses directly caused by such Indemnified Person’s gross negligence or willful misconduct, in each case, as determined by a court of competent jurisdiction by final and non-appealable judgment.

24. Several, Not Joint, Claims. Except where otherwise specified, the agreements, representations, warranties, and obligations of the parties under this Agreement are, in all respects, several and not joint.

25. Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect if essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.

26. Remedies Cumulative. Subject to the “Specific Performance” Section, all rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such party.

27. Survival. Notwithstanding anything in this Agreement to the contrary, the provisions that are required to be performed following the Closing shall survive in accordance with their respective terms, and if no term is specified, then for sixty (60) days following the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof).

28. Email Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, such written consent, acceptance,

approval, or waiver shall be deemed to have occurred if, by agreement between counsel to the parties submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF**, the Company has caused this Agreement to be validly and properly executed by the undersigned, thereunto duly authorized, as of the date set forth above.

**5E ADVANCED MATERIALS, INC.**

By: /s/ Paul Weibel

Name: Paul Weibel

Title: Chief Executive Officer

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**[SUBSCRIBER SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, the undersigned Subscriber has caused this Agreement to be validly and properly executed by the undersigned, a duly authorized representative of Subscriber, as of the date set forth above.

**5E CAPITAL II, LLC**, an Ohio limited liability company

By: /s/ David J. Richards

Name: David J. Richards  
Title: Sole Manager of Empire Capital  
Management, the sole Manager of 5E Capital II,  
LLC

All notices to Subscriber shall be delivered to:

5E Capital II, LLC  
Attn: Ken Leachman  
David J. Richards  
6724 Perimeter Loop Drive  
PMB 145  
Dublin, Ohio 43017  
Email: [djr@empirecapmgt.com](mailto:djr@empirecapmgt.com)  
[kleachman@empirecapmgt.com](mailto:kleachman@empirecapmgt.com)

With a copy (which shall not constitute notice or delivery of process) to:

Richards Law, LLC  
Attn: David Richards  
Email: [dave@richardslaw.llc](mailto:dave@richardslaw.llc)

**SUBSCRIPTION AGREEMENT**

**THIS SUBSCRIPTION AGREEMENT** (this “Agreement”) dated as of May 13, 2025, is made by and among 5E Advanced Materials, Inc., a company incorporated under the laws of the State of Delaware (the “Company”) and LAZARUS SECURITIES PTY LTD, an Australian Company (“Subscriber”).

**WHEREAS**, Subscriber desires to invest in Common Stock of the Company through this Agreement.

**WHEREAS**, Subscriber shall subscribe to purchase its Subscription Shares at the Per Share Purchase Price, and the Company shall issue and sell the Subscription Shares to Subscriber in consideration of the payment of the Purchase Price therefor by or on behalf of Subscriber to the Company, all, on the terms and conditions set forth herein; and

**WHEREAS**, the issue and sale of the Subscription Shares hereunder shall be made in reliance upon Section 4(a)(2) under the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the “Securities Act”), Regulation S under the Securities Act, or upon such other exemption from the registration requirements of the Securities Act as may be available with respect to any or all of the transactions to be made hereunder.

**NOW, THEREFORE**, in consideration of the foregoing and the mutual representations, warranties and covenants, and subject to the conditions, herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Definitions. Capitalized terms in this Agreement shall have the meanings given below:

“Affiliates” means any person or entity that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a person or entity, as such terms are used in and construed under Rule 144 under the Securities Act. As used in this definition of “Affiliate,” the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities or partnership or other ownership interest, by contract, or otherwise.

“Anti-Corruption Laws” are any laws, rules, or regulations relating to bribery or corruption, including without limitation the Foreign Corrupt Practices Act and UK Bribery Act.

“Anti-Terrorism Laws” are any laws, rules, regulations or orders relating to terrorism, sanctions or money laundering, including without limitation Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, the laws, regulations, and orders administered by OFAC and the U.S. State Department, and similar applicable laws, regulations and directives imposed or enforced by the United Nations Security Council, European Union, United Kingdom and Australia.

“Blocked Person” is any Person: (a) listed in the annex to, or is otherwise the subject of Executive Order No. 13224; (b) a Person owned or controlled by, or acting for or on behalf of,

any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224; (c) a Person with which any party is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (d) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in Executive Order No. 13224; or (e) a Person that is named on any OFAC List or other similar list.

“Business Day” means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York.

“Code” means the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern.

“Common Stock” means the common stock, par value \$0.01 per share, of the Company.

“Copyrights” means any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“Equipment” is all “equipment” as defined in the Code with such additions to such term as may hereafter be made under the Code, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Fort Cady Borate Project” means the Company’s mining project in San Bernardino County, California, as described in the Company SEC Documents (as defined below).

“Governmental Authority” is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank), any securities exchange and any self-regulatory organization.

“Intellectual Property” means all the right, title and interest of the Company or any of its Subsidiaries in and to the following: (a) its Copyrights, Trademarks and Patents; (b) any and all trade secrets, trade secret rights and corresponding rights in confidential information and other non-public or proprietary information (whether or not patentable), including, without limitation, any rights to unpatented inventions, know-how, operating manuals; ideas, formulas, compositions, inventor’s notes, discoveries and improvements, manufacturing and production processes and techniques, testing information, research and development information, invention disclosures,

unpatented blueprints, drawings, specifications, designs, plans, proposals and technical data, business and marketing plans, market surveys, market know-how and customer lists and information; (c) any and all Technology, including Software; (d) any and all design rights which may be available to the Company or any of its Subsidiaries; (e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and (f) any and all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“Inventory” is all “inventory” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made under the Code, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of any Person’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“Knowledge” means to the “best of” the Company’s knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of the Responsible Officers.

“Law” means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority of competent jurisdiction (including the United States Bankruptcy Court).

“Major Holders” means BEP Special Situations IV LLC, Meridian Investments Corporation and Ascend Global Investment Fund SPC, for and on behalf of Strategic SP, and their respective Affiliates.

“Material Adverse Effect” means, with respect to any event, occurrence or condition, (a) a material adverse effect on the legality, validity or enforceability of this Agreement or the transactions contemplated by this Agreement, (b) a material adverse effect on the results of operations, assets, business or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, or (c) a material adverse effect on the Company’s ability to perform in any material respect on a timely basis its obligations under this Agreement (other than as arising from, or relating to, the failure by Subscriber or its respective Affiliates to perform their obligations under this Agreement); provided, however, that the determination of whether, there has been or will be a Material Adverse Effect shall not include any event, circumstance, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) any change, or proposed change in, or change in the interpretation of, any Law or accounting rules, including GAAP; (ii) events or conditions generally affecting the industries or geographic areas in which the Company operates; (iii) general economic, financial, credit, or political conditions, including changes in the credit, debt, securities, financial markets in general; (iv) any geopolitical conditions, outbreak of hostilities, civil unrest or similar disorder, acts of war (whether or not declared), sabotage, cyberterrorism, terrorism, military actions, earthquakes, volcanic activity, hurricanes, tsunamis, tornadoes, floods, mudslides, wild fires, any other natural or man-made disaster or acts of God, weather conditions, epidemics, pandemics and other force majeure events (including any

escalation or general worsening thereof); (v) general changes in the price of the Company's Common Stock or other securities; (vi) delay or failure in obtaining, or revocation of, franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Authority (including without limitation any delay or failure with respect to any authorization or modification to any permit with the US Environmental Protection Agency); (vii) any failure by the Company to meet any internal or published projections, forecasts, guidance, estimates, milestones, budgets or financial or operating predictions of revenue, earnings, cash flow or cash position; or (viii) any matters, facts, or disclosures set forth in the Company SEC Documents.

"Material Agreement" is any license, agreement or other contractual arrangement required to be disclosed (including amendments thereto) under regulations promulgated under the Securities Act or the Exchange Act, as may be amended; provided, however, that "Material Agreements" shall exclude all real estate leases and all employee or director compensation agreements, arrangements or plans, or any amendments thereto.

"Patents" means all patents, patent applications and like protections including improvements, divisions, continuations, continuations-in-part, renewals, reissues, re-examination certificates, utility models, extensions and continuations-in-part of the same.

"Per Share Purchase Price" means USD \$3.55 per Subscription Share.

"Person" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"Principal Market" means the Nasdaq Stock Market (including the Capital Market, Global Market and/or the Global Select Market).

"Purchase Price" means the product of (x) the Per Share Purchase Price and (y) the number of Subscription Shares.

"Registrable Securities" means all Subscription Shares purchased by Subscriber hereunder, other than Subscription Shares that Subscriber confirms in writing it does not want to be included for registration on the Registration Statement (as defined in Section 8 of this Agreement). "Registrable Securities" also includes any shares of capital stock issued or issuable with respect to the foregoing as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities upon the earliest to occur of the following: (i) such securities have been disposed of or otherwise transferred (other than by Subscriber to its Affiliate); (ii) such securities are eligible for sale under Rule 144 under the Securities Act (but without volume or other restrictions or limitations as to manner or timing of sale imposed on the holder of such securities pursuant to Rule 144(b)(2)); or (iii) such securities are no longer outstanding.

"Regulation D" means the provisions of Regulation D promulgated under the Securities Act.

“Requirement of Law” means as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” means any of the President, Chief Executive Officer, Treasurer or Chief Financial Officer of the Company acting alone.

“SEC” means the U.S. Securities and Exchange Commission.

“Software” means any and all (a) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source or object code; (b) databases and compilations in any form, including any and all data and collections of data, whether machine readable or otherwise; (c) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, including Internet web sites, web content and links, source code, object code, operating systems and specifications, data, databases, database management code, utilities, graphical user interfaces, menus, images, icons, forms, methods of processing, software engines, platforms, development tools, library functions, compilers, and data formats, all versions, updates, corrections, enhancements and modifications thereof, and (d) all related documentation, user manuals, training materials, developer notes, comments and annotations related to any of the foregoing.

“Solvent” means, with respect to any Person, that (a) the fair salable value of such Person’s consolidated assets exceeds the fair value of such Person’s liabilities, (b) the fair salable value of such Person’s consolidated property exceeds the fair value of such Person’s liabilities, (c) such Person is not left with unreasonably small capital giving effect to the transactions contemplated by this Agreement, and (d) such Person is able to pay its debts (including trade debts) as they become due (whether at maturity or otherwise) (without taking into account any forbearance and extensions related thereto).

“Subscription Shares” means 194,930 shares of Common Stock.

“Subsidiary” is, with respect to any Person, any Person of which more than 50% of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or through one or more intermediaries.

“Taxes” means all present or future taxes, VAT, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Technology” means, collectively, all Software, information, designs, formulae, algorithms, procedures, methods, techniques, ideas, know-how, research and development, technical data, programs, subroutines, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship and other similar materials, and all recordings, graphs,

drawings, reports, analyses, and other writings, and other tangible embodiments of the foregoing, in any form whether or not specifically listed herein, and all related technology, that are used in, incorporated in, embodied in, displayed by or relate to, or are used in connection with the foregoing.

“Trademarks” means any trademarks, service mark rights, trade names and other identifiers indicating the business or source of goods or services, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of the Company and each of its Subsidiaries connected with and symbolized by such trademarks.

“VAT” means: (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere, including, for the avoidance of doubt, the goods and services tax under the Australian A New Tax System (Goods and Services Tax) Act 1999.

2. Subscription. Upon the terms, and subject to the conditions, of this Agreement, the Company shall issue and sell to Subscriber, and Subscriber shall purchase, the Subscription Shares from the Company for the Purchase Price.

3. Closing; Delivery of Shares.

(a) The closing of the sale and purchase of the Subscription Shares (the “Closing”) shall occur on the third Business Day after the date of this Agreement (such date the Closing actually occurs being the “Closing Date”). No later than 5:00 p.m. (Eastern time) on the Closing Date, Subscriber shall pay (or cause the payment) to the Company the Purchase Price in cash in immediately available funds to the bank account notified by the Company to Subscriber in writing at least two Business Days prior to the Closing Date and transmit notification to the Company that such irrevocable funds transfer has been initiated. Substantially concurrently with the Closing, the Company will, or will cause its transfer agent to, issue and electronically deliver the Subscription Shares in book entry form, free and clear of any liens or other restrictions (other than those arising under state or federal securities laws), in the name of Subscriber (or its respective nominees in accordance with instructions Subscriber delivers regarding the Subscription Shares) or to a custodian designated by Subscriber, as applicable, or by such other means of delivery as may be mutually agreed upon by the parties hereto. The Company shall deliver evidence from the Company’s transfer agent of the issuance to Subscriber of Subscriber’s Subscription Shares (in book entry form) on and as of the Closing Date, as promptly as practicable after the Closing Date (and in any case, no later than the Business Day after the Closing Date).

(b) Each of the Company and Subscriber shall deliver to the other all documents, instruments and writings expressly required to be delivered by either of them pursuant to this Agreement in order to implement and effect the transactions contemplated by this Agreement.

4. Conditions to Closing of the Company. The Company’s obligations to sell and issue Subscription Shares to Subscriber at the Closing are subject to the fulfilment or (to the extent

permitted by any Requirement of Law) written waiver by the Company, on or prior to the Closing, of each of the following conditions:

(a) There shall not be in force any order, judgment, injunction, decree, writ, stipulation, determination or award, in each case, entered by or with any Governmental Authority, Law, statute, rule or regulation enjoining or prohibiting the consummation of the transactions contemplated by this Agreement.

(b) Payment of the Purchase Price to the Company in cash in immediately available funds to the bank account notified by the Company or notification to the Company that such irrevocable funds transfer has been initiated.

5. Conditions to Closing of Subscriber. Subscriber's obligation to subscribe for and purchase Subscription Shares is subject to the fulfilment or (to the extent permitted by any Requirement of Law) written waiver by Subscriber of each of the following conditions:

(a) The Subscription Shares to be sold by the Company pursuant to this Agreement shall have been approved for listing on the Principal Market, subject to official notice of issuance. Further, there shall be no suspension of the qualification of the Common Stock for offering or sale or trading on the Principal Market and no initiation of any proceedings for any of such purposes or delisting shall have occurred.

(b) The representations, warranties, and requirements in Sections 6(a), 6(b)(i), and 6(d) shall be true, accurate and complete in all respects on the Closing Date. The representations and warranties in Sections 6(b)(ii) and 6(b)(iii) shall be true, accurate and complete in all respects on the Closing Date, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) There shall not be in force any order, judgment, injunction, decree, writ, stipulation, determination or award, in each case, entered by or with any Governmental Authority, Law, statute, rule or regulation enjoining or prohibiting the consummation of the transactions contemplated by this Agreement.

6. Company Representations and Warranties. The Company represents and warrants to Subscriber, as of the date hereof and as of the Closing Date, that:

(a) Due Organization. The Company and each of its Subsidiaries is duly existing and in good standing in its jurisdictions of organization or formation. The Company and each of its Subsidiaries is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its businesses or its ownership of property requires that it be so qualified except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Authorization; Power and Authority. The execution, delivery and performance by the Company of this Agreement has been duly authorized, and does not (i) conflict with the organizational documents of the Company or its Subsidiaries, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law applicable thereto, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree,

determination or award of any Governmental Authority by which the Company and its Subsidiaries, or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or governmental approval from, any Governmental Authority (except such governmental approvals which have already been obtained and are in full force and effect), or (v) constitute an event of default or material breach under any Material Agreement to which the Company or any of its Subsidiaries, or any of their respective properties, is bound.

(c) No Default. Neither the Company nor any of its Subsidiaries is in default or material breach under any Material Agreement to which it is a party or by which it or any of its assets is bound in which such default could reasonably be expected to have a Material Adverse Effect.

(d) Authorization. The Subscription Shares under this Agreement will be, when issued and delivered against payment therefor as provided herein, duly and validly authorized and issued and fully paid and non-assessable, free and clear of any pledge, lien, encumbrance, security interest or other claim, including any statutory or contractual preemptive rights, resale rights, rights of first refusal or other similar rights.

(e) Subsidiaries' Equity Interests. All of the issued ownership interests of each of the Subsidiaries of the Company are duly authorized and validly issued, fully paid, nonassessable, and directly owned by the Company or its applicable Subsidiary and are free and clear of all liens that could reasonably be expected to have a Material Adverse Effect and not subject to any preemptive rights, rights of first refusal, option, warrant, call, subscription, and similar rights, other than as required by law.

(f) No Australia Operations. Each of the Company and its Subsidiaries are not an Australian land corporation and does not carry on a national security business, as defined in the Foreign Acquisitions and Takeovers Act 1975 (Cth) and Foreign Acquisition and Takeovers Regulation 2015 (Cth), and does not hold any mining tenements (including exploration tenements) or mining project in Australia.

(g) Litigation. Except as otherwise set forth in the Company SEC Documents, there are no actions, suits, investigations, or proceedings pending or, to the Knowledge of the Responsible Officers, threatened in writing by or against the Company or any of its Subsidiaries involving more than \$1,000,000.

(h) No Broker's Fees. None of the Company nor any of its Subsidiaries are party to any contract, agreement or understanding with any Person that would give rise to a valid claim against Subscriber for a brokerage commission, finder's fee or like payment in connection with this Agreement and the transactions contemplated by this Agreement (other than as disclosed in this Agreement).

(i) Financial Statements; No Material Adverse Effect. All consolidated financial statements for the Company and its consolidated Subsidiaries, filed by it with the SEC fairly present, in conformity with GAAP, and in all material respects the consolidated financial condition of the Company and its consolidated Subsidiaries, and the consolidated results of operations of the Company and its consolidated Subsidiaries as of and for the dates presented.

Except as otherwise set forth in the Company SEC Documents, since June 30, 2024, there has not been any Material Adverse Effect.

(j) No General Solicitation. Neither the Company nor any of its Subsidiaries or any of their Affiliates (as defined in Rule 501(b) of Regulation D) or any person or entity acting on its or their behalf has, directly or indirectly, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Subscription Shares in a manner that would require registration of the Subscription Shares under the Securities Act.

(k) Solvency. The Company and each of its Subsidiaries, when taken as a whole, upon consummation of the transactions contemplated by this Agreement will be Solvent.

(l) No Registration Required. Assuming the accuracy of the representations and warranties of Subscriber contained in Section 7(b), the issuance and sale of the Subscription Shares pursuant to this Agreement is exempt from the registration requirements of the Securities Act, and neither the Company nor, to the Knowledge of the Company, any authorized representative or other agent acting on its behalf has taken or will take any action hereafter that would cause the loss of such exemption.

(m) SEC Reports. Except for the Company's Form 10-K/A filed with the SEC on October 31, 2022, all forms, registration statements, reports, schedules and statements filed or required to be filed by the Company under the Exchange Act or the Securities Act (all such documents, including the exhibits thereto, collectively the "Company SEC Documents") have been filed with the SEC on a timely basis. The Company SEC Documents, including, without limitation, any audited or unaudited financial statements and any notes thereto or schedules included therein (the "Company Financial Statements"), at the time filed (or in the case of registration statements, solely on the dates of effectiveness) (i) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) complied as to form in all material respects with the applicable requirements of the Exchange Act and/or the Securities Act, as the case may be, (iii) complied as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, (iv) with respect to the Company Financial Statements, were prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of unaudited statements, as permitted by Regulation S-X), and (v) with respect to the Company Financial Statements, fairly present (subject in the case of unaudited statements to normal and recurring audit adjustments) in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended. PricewaterhouseCoopers LLP is an independent registered public accounting firm with respect to the Company and has not resigned or been dismissed as independent registered public accountants of the Company as a result of or in connection with any disagreement with the Company on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures.

(n) Internal Controls. The Company has disclosed, based on its most recent evaluation prior to the date hereof, to the Company's outside auditors and the audit committee of

the board of directors of the Company (i) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

(o) Disclosure Controls and Procedures. The Company has established and maintains, and at all times since March 15, 2022, except as disclosed in the Company SEC Documents as of the date hereof, has maintained, disclosure controls and procedures and a system of internal controls over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the Exchange Act) that are (i) designed to provide reasonable assurance that material information relating to the Company, including its Subsidiaries, that is required to be disclosed by the Company in the reports that it furnishes or files under the Exchange Act is reported within the time periods specified in the rules and forms of the SEC and that such material information is communicated to the Company's management to allow timely decisions regarding required disclosure and (ii) sufficient to provide reasonable assurance that (A) transactions are executed in accordance with the Company management's general or specific authorization, (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, consistently applied, and to maintain accountability for assets, (C) access to assets is permitted only in accordance with the Company management's general or specific authorization and (D) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences. There are no "significant deficiencies" or "material weaknesses" (as defined by the Public Company Accounting Oversight Board) in the design or operation of the Company's internal controls over, and procedures relating to, financial reporting which would reasonably be expected to adversely affect in any material respect the Company's ability to record, process, summarize and report financial data, in each case which has not been subsequently remediated. Since March 15, 2022, except as disclosed in the Company SEC Documents as of the date hereof, there has not been any fraud, whether or not material, that involves management or other employees of the Company or any of its Subsidiaries who have a significant role in the Company's internal controls over financial reporting. As of the date of this Agreement, to the Knowledge of the Company, there is no reason that its outside auditors and its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, without qualification, when next due.

(p) Regulatory Compliance. Neither the Company nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Neither the Company nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). The Company and each of its Subsidiaries has complied in all material respects with the Federal Fair Labor Standards Act. Neither the Company nor any of its Subsidiaries is a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither the Company nor any of its Subsidiaries has violated any laws, order, ordinances or rules, the violation of which could reasonably be

expected to have a Material Adverse Effect. Neither the Company's nor any of its Subsidiaries' properties or assets has been used by the Company or such Subsidiary or, to the Company's Knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with material applicable laws. The Company and each of its Subsidiaries has obtained all material consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

None of the Company, any of its Subsidiaries, or any of the Company's or its Subsidiaries' Affiliates or any of their respective directors, officers, employees, or agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti-Terrorism Law or Anti-Corruption Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law or Anti-Corruption Law, or (iii) is a Blocked Person. None of the Company, any of its Subsidiaries, or to the Knowledge of the Company and any of their Affiliates, any of their respective directors, officers, employees, or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (y) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law. The Company, its Subsidiaries and Affiliates, and to the Knowledge of the Company each of their respective directors, officers, employees, or agents are and have been in compliance with all applicable Anti-Terrorism Laws and Anti-Corruption Laws.

(q) Investments. Except as disclosed in the Company SEC Documents, neither the Company nor any of its Subsidiaries owns any stock, shares, partnership interests or other equity securities.

(r) Tax Returns and Payments. The Company and each of its Subsidiaries have timely filed all required material tax returns and reports (or extensions thereof), and the Company and each of its Subsidiaries, have timely paid all material foreign, federal, state, and local Taxes, assessments, deposits and contributions owed by the Company and such Subsidiaries in an amount greater than \$200,000, in all jurisdictions in which the Company or any such Subsidiary is subject to Taxes, including the United States and Australia, unless such Taxes are being contested in accordance with the next sentence. The Company and each of its Subsidiaries, may defer payment of any contested Taxes; provided, that the Company or such Subsidiary (i) in good faith contests its obligation to pay the Taxes by appropriate proceedings promptly and diligently instituted and conducted; (ii) maintains adequate reserves or other appropriate provisions on its books in accordance with GAAP. Neither the Company nor any of its Subsidiaries is aware of any claims or adjustments proposed for any of the Company's or such Subsidiary's, prior Tax years which could result in additional Taxes in an amount greater than \$200,000 becoming due and payable by the Company or its Subsidiaries.

(s) Pension Contributions. The Company and each of its Subsidiaries have paid all material amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and neither the Company nor any of its Subsidiaries has, withdrawn from participation in, has permitted partial or complete termination

of, or has permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of the Company or its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

(t) Full Disclosure. No written representation, warranty or other statement of the Company or any of its Subsidiaries in any certificate or written statement, when taken as a whole, given to Subscriber, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Subscriber, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized that projections and forecasts provided by the Company in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

(u) Title Ownership. Each of the Company and its Subsidiaries has good and marketable title to, or valid leasehold interest in, all of its real and personal property material to the operation of its business (including for the avoidance of doubt, all surface properties and associated mineral rights for the Fort Cady Borate Project), free and clear of liens except as described in the Company SEC Documents. All Inventory and Equipment is in all material respects of good and marketable quality, free from material defects.

(v) Intellectual Property. The Company and its Subsidiaries are the sole owner of the Intellectual Property each respectively purports to own, free and clear of all liens and non-exclusive licenses for off-the-shelf software that are commercially available to the public. Each employee and contractor of the Company and its Subsidiaries involved in development or creation of any material Intellectual Property has assigned any and all inventions and ideas of such Person in and to such Intellectual Property to the Company or such Subsidiary, except where failure to do so could not reasonably be expected to have a Material Adverse Effect, in each case individually or in the aggregate. No settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by the Company or any of its Subsidiaries or exist to which the Company or any of its Subsidiaries is bound that adversely affect its rights to own or use any Intellectual Property except as could not be reasonably expected to result in a Material Adverse Effect, in each case individually or in the aggregate.

(w) Enforceability. This Agreement has been duly authorized by the Company and, upon the consummation of the transactions contemplated by this Agreement, shall constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with the terms of this Agreement, except as such enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, transfer, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(x) Environmental Matters. The Company and its Subsidiaries are and have been in compliance with all laws (including common law), statutes, rules, regulations, ordinances, judgements, orders, or decrees relating to public or worker health and safety (to the extent relating to exposure to any toxic or hazardous substances, materials, or wastes), pollution or protection of the environment or natural resources ("Environmental Laws") and all permits, licenses,

certificates, authorizations, and other approvals required under Environmental Laws, unless the failure to do so has not resulted or would not result in a Material Adverse Effect. Neither the Company nor any of its Subsidiaries have received any written notice of any violation of, or liability under, any Environmental Law, the subject of which is unresolved, and there are no pending, or to the Company's Knowledge, threatened actions suits, investigations, or proceedings relating to a violation of, or liability under, Environmental Laws that has resulted or, if adversely determined, would, individually or in the aggregate, result in a Material Adverse Effect. There has been no release, treatment, storage, disposal of, exposure of any Person to, or ownership or operation of any contaminated by, any toxic or hazardous materials, substances, or wastes, in each case as has given or would give rise to liability of the Company or its Subsidiaries under Environmental Law, in each case that has resulted or would, individually or in the aggregate, result in a Material Adverse Effect.

(y) No Suspension of Trading in or Delisting of Common Stock. The Common Stock is quoted for trading on the Principal Market. Except as disclosed in any Company SEC Document, the Company is not aware of any circumstances affecting the continued quotation of the Common Stock on the Principal Market and, has not received any written notice threatening the continued quotation of the Common Stock on the Principal Market.

7. Subscriber Representations and Warranties. Each Subscriber, severally and not jointly, represents and warrants to the Company, as of the date hereof and as of the Closing Date, that:

(a) Status. It is an entity duly organized, validly existing and in good standing under the laws of its state of formation or incorporation, as applicable, and has all requisite power and authority to execute, deliver and perform its obligations under this Agreement. The execution and delivery of this Agreement, the performance by it of its obligations hereunder and the consummation by it of the transactions contemplated by this Agreement and thereby have been duly authorized and require no other proceedings on its part. The undersigned has the right, power and authority to execute and deliver this Agreement and all other instruments on behalf of Subscriber. This Agreement has been duly executed and delivered by Subscriber and, assuming the execution and delivery hereof and acceptance thereof by other parties, will constitute the legal, valid and binding obligations of Subscriber, enforceable against it in accordance with its terms.

(b) Nature of Investor.

(i) Subscriber is either (A) an "accredited investor" as that term is defined in Rule 501(a) of Regulation D or (B) not a "U.S. person" as defined in Regulation S under the Securities Act. Subscriber agrees to furnish any additional information requested by the Company or any of its Affiliates to assure compliance with applicable U.S. federal and state securities laws in connection with the purchase and sale of the Subscription Shares.

(ii) Subscriber (A) is a sophisticated investor with the knowledge and experience in business and financial matters to enable Subscriber to independently evaluate the merits and risks, both in general and with regard to all transactions and investment strategies involving a security or securities and (B) has exercised independent judgment in evaluating its participation in the purchase of the Subscription Shares. Further, Subscriber is able to bear the economic risk and lack of liquidity of an investment in the Company and the risk of loss of its

entire investment in the Company. Subscriber is acquiring the securities for its own account and not for the account of or benefit of any other person.

(iii) Subscriber has been furnished with materials relating to the business, finances and operations of the Company and relating to the offer and sale of the Subscription Shares, as applicable, that have been requested by Subscriber. Subscriber or its representatives has been afforded the opportunity to ask questions of the Company or its representatives. Neither such inquiries nor any other due diligence investigations conducted at any time by Subscriber or its representatives shall modify, amend or affect Subscriber's right (A) to rely on the Company's representations and warranties contained in Section 6 above or (B) to indemnification or any other remedy based on, or with respect to the accuracy or inaccuracy of, or compliance with, the representations, warranties, covenants and agreements in this Agreement. Subscriber understands and acknowledges that its purchase of the Subscription Shares involves a high degree of risk and uncertainty. Subscriber has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its investment in the Subscription Shares. Subscriber acknowledges that this Agreement is the result of arm's-length negotiations between the Company and Subscriber.

(c) No Public Offering. Subscriber understands that the Subscription Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act. Subject to the Company's obligations following the Closing Date, as of the date of this Agreement, the Subscription Shares have not been registered under the Securities Act. Subscriber understands that the Subscription Shares may not be resold, transferred, pledged or otherwise disposed of by Subscriber absent an effective registration statement under the Securities Act, except (i) to the Company or a Subsidiary thereof, (ii) to non-U.S. persons pursuant to offers and sales that occur solely outside the United States within the meaning of Regulation S under the Securities Act or (iii) pursuant to another applicable exemption from the registration requirements of the Securities Act, and in each of cases (i) and (iii), in accordance with any applicable securities laws of the states and other jurisdictions of the United States, and that any book entries representing such Subscription Shares shall contain a legend to such effect. Subscriber understands and agrees that the Subscription Shares will be subject to the foregoing transfer restrictions until the Company completes the registration and other obligations under this Agreement to register Subscriber's Subscription Shares, and, as a result, Subscriber may not be able to readily resell its Subscription Shares and may be required to bear the financial risk of an investment in such Subscription Shares for a period of time, subject to Subscriber's rescission and specific performance rights, if the Company fails to complete its obligations under this Agreement. Subscriber understands that it has been advised to consult legal counsel prior to making any offer, resale, pledge or transfer of any of its Subscription Shares.

(d) Reliance Upon such Purchaser's Representations and Warranties. Subscriber understands and acknowledges that the Subscription Shares are being offered and sold in reliance on a transactional exemption from the registration requirements of federal and state securities laws, and that the Company is relying in part upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of Subscriber set forth in this Agreement in (i) concluding that the issuance and sale of the Subscription Shares is a "private offering" and, as such, is exempt from the registration requirements of the Securities Act,

and (ii) determining the applicability of such exemptions and the suitability of Subscriber to purchase the Subscription Shares.

(e) Sanctions. Subscriber is not: (i) a person or entity named on the List of Specially Designated Nationals and Blocked Persons, the Executive Order 13599 List, the Foreign Sanctions Evaders List, or the Sectoral Sanctions Identification List, each of which is administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") (collectively, "OFAC Lists"), (ii) owned, directly or indirectly, or controlled by, or acting on behalf of, one or more persons that are named on the OFAC Lists; (iii) organized, incorporated, established, located, resident or born in, or a citizen, national or the government, including any political subdivision, agency or instrumentality thereof, of, Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine or any other country or territory embargoed or subject to substantial trade restrictions by the United States, (iv) a Designated National as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (v) a non-U.S. shell bank or providing banking services indirectly to a non-U.S. shell bank (each, a "Prohibited Investor"). Subscriber agrees to provide law enforcement agencies, if requested thereby, such records as required by applicable law; provided, that Subscriber is permitted to do so under applicable law. Subscriber represents that if it is a financial institution subject to the Bank Secrecy Act (31 U.S.C. Section 5311 et seq.) (the "BSA"), as amended by the USA PATRIOT Act of 2001 (the "PATRIOT Act"), and its implementing regulations (collectively, the "BSA/PATRIOT Act"), Subscriber maintains policies and procedures reasonably designed to comply with applicable obligations under the BSA/PATRIOT Act. Subscriber also represents that, to the extent required, it maintains policies and procedures reasonably designed to ensure compliance with OFAC-administered sanctions programs, including for the screening of its investors against the OFAC sanctions programs, including the OFAC Lists. Subscriber further represents and warrants that, to the extent required by applicable law, Subscriber maintains policies and procedures reasonably designed to ensure that the funds held by Subscriber and used to purchase the Subscription Shares, as applicable, were legally derived and were not obtained, directly or indirectly, from a Prohibited Investor.

## 8. Registration Rights.

(a) The Company shall, within fifteen (15) Business Days after the Closing Date (the "Filing Deadline"), file with the SEC (at the Company's sole cost and expense) a registration statement registering the resale of the Subscription Shares (the "Registration Statement"), and use its commercially reasonable efforts to have the Registration Statement declared effective as soon as practicable after the filing thereof, but no later than the earlier of (i) the 40th day (or 70th day if the SEC notifies the Company that it will "review" the Registration Statement) following the earlier of (A) the filing of the Registration Statement and (B) the Filing Deadline and (ii) the 5th Business Day after the Company is notified (orally or in writing, whichever is earlier) by the SEC that the Registration Statement will not be "reviewed" or will not be subject to further review (such date, the "Effectiveness Deadline"); provided, that (i) if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the SEC is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the SEC is open for business and (ii) if the SEC is closed for operations due to a government shutdown, the Effectiveness Deadline shall be extended by the same number of Business Days as the SEC remains closed. Notwithstanding the foregoing, if the SEC prevents the Company from including any or all of the shares proposed to be registered under the Registration Statement due to

limitations on the use of Rule 415 of the Securities Act by the applicable stockholders or otherwise, such Registration Statement shall register for resale such number of shares of Common Stock which is equal to the maximum number of shares as is permitted by the SEC. In such event, the number of Subscription Shares and any other shares to be registered for each selling stockholder named in the Registration Statement shall be reduced pro rata among all such selling stockholders, and as promptly as practicable after being permitted to register additional shares under Rule 415 under the Securities Act, the Company shall file one or more new Registration Statement(s) (such new Registration Statement shall also be deemed to be a “Registration Statement” hereunder) to register such additional Subscription Shares and cause such Registration Statement(s) to become effective as promptly as practicable after the filing thereof, but in any event no later than fifteen (15) days after the filing of such Registration Statement (the “Additional Effectiveness Deadline”); provided, that the Additional Effectiveness Deadline shall be extended to seventy (70) days after the filing of such Registration Statement if such Registration Statement is reviewed by, and comments thereto are provided from, the SEC; provided, further that the Company shall have such Registration Statement declared effective within ten (10) Business Days after the date the Company is notified (orally or in writing, whichever is earlier) by the staff of the SEC that such Registration Statement will not be “reviewed” or will not be subject to further review; provided, further that (i) if such day falls on a Saturday, Sunday or other day that the SEC is closed for business, the Additional Effectiveness Deadline shall be extended to the next Business Day on which the SEC is open for business and (ii) if the SEC is closed for operations due to a government shutdown, the Effectiveness Deadline shall be extended by the same number of Business Days as the SEC remains closed. Any failure by the Company to file a Registration Statement by the Filing Deadline or to effect the Registration Statement by the Effectiveness Deadline or Additional Effectiveness Deadline shall not otherwise relieve the Company of its obligations to file or effect a Registration Statement as set forth in this Section 8.

(b) The Company’s obligation to register the resale of the Subscription Shares is subject to Subscriber furnishing to the Company at or substantially concurrently with the Closing Date a completed questionnaire in customary form reasonably required by the Company (the “Selling Stockholder Questionnaire”), the securities of the Company held by Subscriber and the intended method of disposition of the Subscription Shares as shall be reasonably requested by the Company to effect the registration of the Subscription Shares. The Company will provide a draft of the Registration Statement to Subscriber for review at least five (5) days in advance of filing the Registration Statement and shall in good faith consider Subscriber’s reasonable comments thereto, if any. Unless required under applicable laws and SEC rules, in no event shall Subscriber be identified as a statutory underwriter in the Registration Statement; provided, that if Subscriber is required to be so identified as a statutory underwriter in the Registration Statement, Subscriber will have an opportunity to withdraw its Subscription Shares from the Registration Statement. The Company agrees that, except for such times as the Company is permitted hereunder to suspend the use of the prospectus forming part of a Registration Statement, the Company will use its commercially reasonable efforts to, at its expense, cause such Registration Statement to remain effective with respect to Subscriber with Subscription Shares registered on the Registration Statement, keep any qualification, exemption or compliance under state securities laws which the Company determines to obtain continuously effective with respect to Subscriber, and to keep the applicable Registration Statement or any subsequent shelf registration statement free of any material misstatements or omissions, until the earlier of, with respect to Subscriber, (i) the date on which all of Subscriber’s Subscription Shares shall have been sold, or (ii) on the first date on which

Subscriber can sell all of its Subscription Shares under Rule 144 of the Securities Act without limitation as to volume or manner of sale. If the filing, initial effectiveness or continued use of a Registration Statement at any time would (a) require the Company to make an adverse disclosure, (b) require the inclusion in such Registration Statement of financial statements that are unavailable to the Company for reasons beyond the Company's control or (c) in the good faith judgment of the board of directors of the Company, be seriously detrimental to the Company and its holders of capital stock, (such circumstance, a "Suspension Event") and it would therefore be essential to defer such filing, initial effectiveness or continued use at such time, the Company shall have the right, upon delivering prompt written notice to Subscriber of such action (which notice shall not specify the nature of the event giving rise to such delay or suspension), to delay the filing or initial effectiveness of, or suspend use of, such Registration Statement for the shortest period of time determined in good faith by the Company to be necessary for such purpose. In the event the Company exercises its rights under this Section 8(b), Subscriber agrees to suspend, immediately upon its receipt of the notice referred to above, its use of the prospectus relating to any Registration Statement in connection with any sale or offer to sell Subscription Shares until Subscriber receives written notice from the Company that such sales or offers of Subscription Shares may be resumed, and in each case maintain the confidentiality of such notice and its contents, subject to (A) disclosure to Subscriber's employees, agents and professional advisers who need to know such information and are obligated to keep it confidential, and (B) disclosures to the extent required in order to comply with reporting obligations to its limited partners who have agreed to keep such information confidential, and unless (x) such information is already known by Subscriber or publicly available or (y) Subscriber is otherwise required by law or subpoena to disclose such information.

(c) Subscriber may deliver written notice (an "Opt-Out Notice") to the Company requesting that Subscriber not receive notices from the Company otherwise required by Section 8(b); provided, that Subscriber may later revoke any such Opt-Out Notice in writing. Following receipt of an Opt-Out Notice from Subscriber (unless subsequently revoked), (i) the Company shall not deliver any such notices to Subscriber, and Subscriber shall no longer be entitled to the rights associated with any such notice and (ii) each time prior to Subscriber's intended use of an effective Registration Statement, Subscriber will notify the Company in writing at least two (2) Business Days in advance of such intended use, and if a notice of a Suspension Event was previously delivered (or would have been delivered but for the provisions of this Section 8(c)) and the related suspension period remains in effect, the Company will so notify Subscriber within one (1) Business Day of Subscriber's notification to the Company by delivering to Subscriber a copy of such previous notice of Suspension Event, and thereafter will provide Subscriber with the related notice of the conclusion of such Suspension Event promptly following its availability.

(d) In the case of the registration effected by the Company pursuant to this Agreement, the Company shall, upon reasonable request, inform Subscriber as to the status of such registration. The Company shall advise Subscriber within five (5) Business Days:

(i) when a Registration Statement or any amendment thereto has been filed with the SEC and when such Registration Statement or any post-effective amendment thereto has become effective;

(ii) of the issuance by the SEC of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for such purpose;

(iii) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Subscription Shares included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(iv) subject to the provisions in this Agreement, of the occurrence of any event that requires the making of any changes in any Registration Statement or prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading.

Notwithstanding anything to the contrary set forth herein, the Company shall not, when so advising Subscriber of such events, provide Subscriber with any material, nonpublic information regarding the Company other than to the extent that providing notice to Subscriber of the occurrence of the events listed in (i) through (iv) above may constitute material, nonpublic information regarding the Company.

(e) To the extent permitted by applicable law, in connection with any sale, assignment, distribution, transfer or other disposition of the Subscription Shares, the Company shall reasonably cooperate as needed to facilitate such sale, assignment, distribution, transfer or other disposition, including, if applicable and permitted (and subject to Subscriber and any assignee, distribute or transferee providing such representations or documentation as reasonably requested and required by the Company and its counsel), taking action to remove restrictive legends relating to the book entry position reflecting such Subscription Shares. The Company and Subscriber shall each be responsible for their own fees in connection with the foregoing.

(f) The Company shall use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement as soon as reasonably practicable.

(g) The parties hereto agree that if Subscriber does not deliver an Opt-Out Notice it will suffer damages if the Company fails to fulfill its obligations under this Section 8. The parties hereto further agree that this Section 8(g) shall only apply with regard to Registrable Securities held by Subscriber if Subscriber has not delivered an Opt-Out Notice. Accordingly, if:

(i) the Company does not file a Registration Statement on or before the Filing Deadline;

(ii) a Registration Statement is not declared effective by the SEC on or before the applicable Effectiveness Deadline or Additional Effectiveness Deadline;

(iii) the Company extends any Suspension Event beyond a timeframe permitted by this Agreement; or

(iv) a Registration Statement is filed and declared effective but fails to be usable in violation of this Agreement (each such event referred to in foregoing clauses (i) through (iii) and this clause (iv), a “Registration Default”),

then in such event, and subject to the limitations and exceptions set forth herein, including with respect to the occurrence of any Suspension Event, the Company hereby agrees to pay as a non-exclusive remedy to Subscriber who has not delivered an Opt-Out Notice prior to the occurrence of a Registration Default, interest on its Purchase Price equal to 0.50% per annum during the 90-day period immediately following the occurrence of any Registration Default and shall increase by 0.50% per annum during each subsequent 90-day period; provided that in no event shall the such interest exceed 2.00% per annum; provided that no such interest will be payable to Subscriber on account of any Registration Default that is the fault of Subscriber; provided further that any such interest will cease to accrue for Subscriber hereunder when any such Registration Default will cease, be remedied or be cured. Notwithstanding anything herein and for the avoidance of doubt, there shall not be a Registration Default if and to the extent that such Registration Statement is not permitted under applicable law or by the SEC.

(h) Indemnity.

(i) The Company agrees to indemnify and hold harmless, to the extent permitted by law, Subscriber, its officers, directors, employees, advisers and agents and each person or entity who controls (within the meaning of the Securities Act or the Exchange Act) Subscriber and each affiliate (within the meaning of Rule 405 under the Securities Act) of Subscriber, from and against all losses, claims, damages, liabilities and reasonable and documented out-of-pocket expenses (including, without limitation, any reasonable and documented outside attorneys’ fees) resulting from, based upon or arising out of any untrue or alleged untrue statement of material fact contained in or incorporated by reference in any Registration Statement, prospectus included in any Registration Statement or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances in which they were made) not misleading, except insofar as the same are caused by or contained in any information or affidavit so furnished in writing to the Company by or on behalf of Subscriber expressly for use therein.

(ii) Subscriber agrees, severally and not jointly, to indemnify the Company, its directors, officers and agents and each person or entity who controls (within the meaning of the Securities Act or the Exchange Act) the Company and each affiliate (within the meaning of Rule 405 under the Securities Act) of the Company against all losses, claims, damages, liabilities and reasonable and documented out-of-pocket expenses (including, without limitation, reasonable and documented outside attorneys’ fees) resulting from any untrue or alleged untrue statement of material fact contained in or incorporated by reference in any Registration Statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein in the case of the prospectus or preliminary prospectus in the light of the circumstances under which they were made, or necessary to make the statements therein not misleading, but only to the extent that such untrue statement is contained in (or not contained in, in the case of an omission) any information or affidavit so furnished in writing by or on behalf of Subscriber expressly for use therein

(including any information furnished to the Company in Subscriber's Selling Stockholder Questionnaire).

(iii) Any person or entity entitled to indemnification herein shall (1) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any person's or entity's right to indemnification hereunder to the extent such failure has not materially prejudiced the indemnifying party) and (2) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of legal counsel to any indemnified party a conflict of interest exists between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement includes a statement or admission of fault and culpability on the part of such indemnified party or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(iv) The indemnification provided for under this Section 8 shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, employee, agent, Affiliate or controlling person or entity of such indemnified party and shall survive the transfer of the Subscription Shares purchased pursuant to this Agreement.

(v) If the indemnification provided under this Section 8 from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and out-of-pocket expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and out-of-pocket expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by (or not made by, in the case of an omission), or relates to information supplied by (or not supplied by in the case of an omission), such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include,

subject to the limitations set forth in Sections 8(g)(i), 8(g)(ii) and 8(g)(iii) above, any legal or other fees, charges or out-of-pocket expenses reasonably incurred by such party in connection with any investigation or proceeding. No person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this Section 8(g)(v) from any person or entity who was not guilty of such fraudulent misrepresentation. Any contribution pursuant to this Section 8(g)(v) by any seller of Subscription Shares, together with any amounts under Section 8(g)(ii), shall be limited in amount to the amount of net proceeds received by such seller from the sale of such Subscription Shares pursuant to the Registration Statement. Notwithstanding anything to the contrary herein, in no event will any party be liable for consequential, special, exemplary or punitive damages in connection with this Section 8.

9. Company Covenants.

(a) Participation Right. In the event that the Company sells any New Securities (as defined below) for cash at any time prior to its Phase 1 plant facility being fully commissioned after the date of this Agreement to any Major Holders, the Company shall also offer Subscriber the opportunity to purchase New Securities, in accordance with the terms and conditions set forth in this Section 9(a).

(i) Right to Participate. Subject to applicable Law and the listing standards of the Principal Market, Subscriber shall have the right to purchase up to its Pro Rata Share (as defined below) of New Securities, at the same price and on the same material terms and conditions as those offered to any of the Major Holders in such financing.

(ii) Notice. The Company shall give written notice (the “Participation Notice”) to Subscriber as to the specifics of the New Securities sold to the Major Holders, and the deadline by which Subscriber must notify the Company in writing of its intent to purchase up to its Pro Rata Share, which shall be no less than ten (10) Business Days after the date of the Participation Notice. Any closing on the purchase of Subscriber’s Pro Rata Share following delivery of Participation Notice shall occur at a date specified by the Company but no earlier than sixty (60) days following delivery of the Participation Notice by the Company, other than with the written consent of Subscriber; provided, however, that nothing in this Section 9(a) shall be construed to restrict or limit the Company’s ability to sell New Securities to the Major Holders prior to such purchase by Subscriber.

(iii) Pro Rata Share. For purposes of this Section, Subscriber’s “Pro Rata Share” means the ratio of (i) the total number of Subscription Shares purchased by Subscriber pursuant to this Agreement to (ii)(1) the total number of shares of outstanding Common Stock held by the Major Holders as of the date of this Agreement plus (2) the total number of Subscription Shares purchased by Subscriber pursuant to this Agreement.

(iv) New Securities. “New Securities” means any equity securities of the Company, including Common Stock, preferred stock, or any securities convertible into or exercisable for such equity securities, other than:

(1) securities issued to employees, consultants, or directors pursuant to an equity incentive plan approved by the board of directors of the Company,

(2) securities issued upon conversion or exercise of currently outstanding convertible securities or options,

(3) securities issued in connection with a strategic partnership, merger or acquisition, and

(4) securities offered pursuant to a registration statement under the Securities Act.

(b) [Reserved.]

10. Termination. This Agreement shall terminate and be void and of no further force and effect, and all rights and obligations of the parties hereunder shall terminate without any further liability on the part of any party in respect thereof, (a) upon the mutual written agreement of each of the parties hereto to terminate this Agreement, (b) by Subscriber if any of the conditions set forth in Section 5 of this Agreement are not satisfied or waived, and as a result thereof the transactions contemplated by this Agreement are not consummated or (c) by the Company if any of the conditions set forth in Section 4 of this Agreement are not satisfied or waived, and as a result thereof the transactions contemplated by this Agreement are not consummated; provided, that nothing herein shall be deemed to release any party from any liability for any breach or failure to perform under this Agreement. For the avoidance of doubt, if any valid termination of this Agreement occurs or if the Company fails to perform its obligations in Section 3 after the payment by Subscriber of the Purchase Price for its Subscription Shares, the Company shall promptly (but not later than one (1) Business Day thereafter) return such Purchase Price to Subscriber without any deduction for or on account of any tax, withholding, charges or set-off.

11. Transferability. Except as expressly provided in this Agreement, with respect to a transfer to Affiliates, the rights and obligations of Subscriber under this Agreement shall not be transferable or assignable to any Person that is not Subscriber without the written consent of the Company (other than the Subscription Shares acquired after Closing to an Affiliate or member of Subscriber, subject to applicable securities laws). The rights and obligations of the Company under this Agreement shall not be transferable or assignable by the Company to any other Person.

12. Further Assurance. Subject to the other terms of this Agreement, the parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, in order to consummate the transactions contemplated by this Agreement, as applicable.

13. Complete Agreement. Except as otherwise explicitly provided herein, this Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, among the parties with respect thereto.

14. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. The parties agree that any action between them shall be heard in New York County, New York, and expressly consent to the

jurisdiction and venue of the Supreme Court of New York, sitting in New York County, New York and the United States District Court of the Southern District of New York, sitting in New York, New York, for the adjudication of any civil action asserted pursuant to this Agreement.

15. TRIAL BY JURY WAIVER. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

16. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com) or [www.echosign.com](http://www.echosign.com)), each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said party.

17. Rules of Construction. This Agreement is the product of negotiations among the parties, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any party by reason of that party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof. Each party was represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel. Furthermore, this Agreement supersedes all prior understandings, whether written or oral, among the parties hereto with respect to the transactions and sets forth the entire understanding of the parties hereto with respect thereto. All references in this Agreement to numbers of shares, per share amounts and purchase prices shall be appropriately adjusted to reflect any stock split, stock dividend, stock combination, recapitalization or the like occurring after the date hereof.

18. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the parties and their successors and permitted assigns, as applicable. There are no third party beneficiaries under this Agreement, and the rights or obligations of any party under this Agreement may not be assigned, delegated, or transferred to any other person or entity.

19. Notices. All notices, consents, waivers and other communications hereunder shall be deemed given if in writing and delivered, by electronic mail, courier, or registered or certified mail (return receipt requested), to the following addresses (or at such other addresses as shall be specified by like notice). Any notice given by delivery, mail, or courier shall be effective when received.

**If to the Company:**

5E Advanced Materials, Inc.  
9329 Mariposa Road, Suite 210  
Hesperia, California 92344  
Attention: Paul Weibel  
E-mail: [pweibel@5eadvancedmaterials.com](mailto:pweibel@5eadvancedmaterials.com)

With a copy (which shall not constitute notice or delivery of process) to:  
Latham & Watkins LLP  
650 Town Center Drive, 20<sup>th</sup> Floor  
Costa Mesa, California 92626  
Attention: Drew Capurro  
E-mail: drew.capurro@lw.com

**If to a Subscriber:** As indicated on Subscriber's signature page to this Agreement.

20. Fees and Expenses. The Company shall, and shall procure that the Company shall, pay and reimburse all reasonable fees and expenses when due incident to the performance of its obligations hereunder, including, but not limited to (i) the issuance and delivery of the Subscription Shares, (ii) all fees and disbursements of the Company's counsel, (iii) any opinions from the Company's counsel required to effect the resale of the Subscription Shares by Subscriber under applicable securities laws, and (iv) the fees and expenses incurred by the Company in connection with the listing or qualification of the Subscription Shares for trading on the Principal Market.

21. Amendments and Waivers. This Agreement may not be amended, modified or waived except by an instrument in writing, signed by each of the parties hereto.

22. Specific Performance. It is understood and agreed by the parties that money damages would be an insufficient remedy for any breach of this Agreement by any party, and each non-breaching party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach. Except as expressly set forth in this Agreement, each party hereby agrees that its right to specific performance as set forth in this Section of this Agreement shall be its sole and exclusive remedy with respect to any breach by any other party of this Agreement and that it may not seek or accept any other form of relief that may be available for any such breach of this Agreement (including monetary, punitive, indirect, special, consequential and/or any other damages or remedies).

23. Indemnification. The Company shall defend, protect, indemnify and hold harmless Subscriber and each of its respective directors, officers, employees, consultants, agents, attorneys, or any other person affiliated with or representing Subscriber and such person (each, an "Indemnified Person") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and reasonable and documented expenses in connection therewith (irrespective of whether any such Indemnified Person is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements, incurred by any Indemnified Person as a result of, or arising out of, or relating to any material misrepresentation or breach of any representation or warranty made by the Company in this Agreement, except for actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages and expenses directly caused by such Indemnified Person's gross negligence or willful misconduct, in each case, as determined by a court of competent jurisdiction by final and non-appealable judgment.

24. Several, Not Joint, Claims. Except where otherwise specified, the agreements, representations, warranties, and obligations of the parties under this Agreement are, in all respects, several and not joint.

25. Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect if essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.

26. Remedies Cumulative. Subject to the “Specific Performance” Section, all rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such party.

27. Survival. Notwithstanding anything in this Agreement to the contrary, the provisions that are required to be performed following the Closing shall survive in accordance with their respective terms, and if no term is specified, then for sixty (60) days following the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof).

28. Email Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, such written consent, acceptance, approval, or waiver shall be deemed to have occurred if, by agreement between counsel to the parties submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF**, the Company has caused this Agreement to be validly and properly executed by the undersigned, thereunto duly authorized, as of the date set forth above.

**5E ADVANCED MATERIALS, INC.**

By: /s/ Paul Weibel

Name: Paul Weibel

Title: Chief Executive Officer

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**[SUBSCRIBER SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, the undersigned Subscriber has caused this Agreement to be validly and properly executed by the undersigned, a duly authorized representative of Subscriber, as of the date set forth above.

**LAZARUS SECURITIES PTY LTD**, an  
Australian Company

By: /s/ Dale Klynhout

Name: Dale Klynhout  
Title: Director

All notices to Subscriber shall be delivered to:

LAZARUS SECURITIES PTY LTD  
Attn: Yash Bhoola  
GPO BOX 3187  
Sydney  
NSW 2001 Australia  
Email: yash@lazaruscapitalpartners.com

With a copy (which shall not constitute notice or delivery of process) to:

Shannon Burman  
Attn: Shannon Burman  
Email: Shannon.Burman@pelotoncapital.com.au

## Employment Agreement

This Employment Agreement (the “**Agreement**”) is made and entered into as of May 15, 2025, by and between Joshua Kiel Malm (the “**Executive**”) and 5E Advanced Materials, Inc., a Delaware corporation (the “**Company**”).

WHEREAS, the Company desires to employ the Executive on the terms and conditions set forth herein; and

WHEREAS, the Executive desires to be employed by the Company on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and obligations set forth herein, the parties agree as follows:

1. Term. The Executive’s employment hereunder shall be effective as of May 19, 2025 (the “**Effective Date**”). The period during which the Executive is employed by the Company hereunder is hereinafter referred to as the “**Employment Term**.”

2. Position and Duties.

2.1. Position. During the Employment Term, the Executive shall serve as the Chief Financial Officer of the Company, reporting to the Chief Executive Officer of the Company (the “**CEO**”). In such position, the Executive shall have such duties, authority, and responsibilities as shall be determined from time to time by the CEO, which duties, authority, and responsibilities are consistent with the Executive’s position.

2.2. Duties. The Executive shall take guidance from the CEO regarding specific duties and priorities. During the Employment Term, the Executive shall devote substantially all of the Executive’s business time and attention to the performance of the Executive’s duties hereunder and will not engage in any other business, profession, or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the CEO. Notwithstanding the foregoing, the Executive will be permitted to (a) with the prior written consent of the CEO (which consent can be withheld by the CEO in his reasonable discretion), act or serve as a director, trustee, committee member, or principal of any type of business, civic, or charitable organization as long as such activities are disclosed in writing to the CEO in accordance with the Company’s Code of Business Conduct, and that such consent is hereby granted in respect of the Executive’s service as the Managing Member of Malm Consulting LLC and as a director of Erie Highlands Metropolitan District No. 1, and (b) purchase or own less than five percent (5%) of the publicly traded securities of any corporation; provided that, such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation; provided further that, the activities described in clauses (a) and (b) do not interfere with the performance of the Executive’s duties and responsibilities to the Company as provided hereunder, and do not represent a conflict of interest with the Company, including, but not limited to, the obligations set forth in Section 2 hereof.

3. Place of Performance. Unless the parties hereto otherwise agree in writing, during the Employment Term, the Executive shall be permitted to work from his home office (currently located in Erie, Colorado), to the extent that the Executive is able to fully perform his duties and responsibilities hereunder using such work arrangement (it being understood that, notwithstanding the foregoing, the Executive shall (a) generally report to the Company’s offices located in Hesperia, California as needed to attend meetings and for the proper performance of his duties generally, and (b) travel to other locations as may be reasonably necessary to fulfill the Executive’s duties and responsibilities hereunder, and, in the case of clauses (a) and (b), as reasonably directed by the CEO).

4. Compensation.

4.1. Base Salary. The Company shall pay the Executive an annual base salary of three hundred thousand dollars (\$300,000) in periodic installments in accordance with the Company’s customary payroll practices and applicable wage payment laws, but no less frequently than monthly. The Executive’s base salary shall, after the first complete fiscal year of the Employment Term, be reviewed at least annually by the Board of Directors (the “**Board**”), the Compensation Committee of the Board (the “**Compensation Committee**”), and the CEO, Board, or

Compensation Committee may, but shall not be required to, increase the base salary during the Employment Term. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as "**Base Salary**".

4.2. Annual Bonus. For each complete fiscal year of the Employment Term, the Executive shall be eligible to receive an annual bonus (the "**Annual Bonus**"). As of the Effective Date, the Executive's annual target bonus opportunity shall be equal to forty percent (40%) of Base Salary (the "**Target Bonus**"), based on the achievement of Company target performance goals established by the Board or the Compensation Committee; provided that, depending on results, the Executive's actual Annual Bonus, if any, may be higher or lower than the Target Bonus, as determined by the Board or Compensation Committee. If the Company achieves superior performance goals established by the Board or Compensation Committee, then the Executive shall be eligible to receive an Annual Bonus up to eighty percent (80%) of Base Salary. For the period beginning on the Effective Date and ending on the last day of the applicable fiscal year, the Executive shall be eligible to receive a prorated Annual Bonus (calculated as the Annual Bonus that would have been paid for the entire fiscal year multiplied by a fraction, the numerator of which is equal to the number of days the Executive worked in the applicable fiscal year, and the denominator of which is equal to the total number of days in such year). The Annual Bonus, if any, will be paid within two and a half (2.5) months after the end of the applicable fiscal year. Except as otherwise provided in this Section 4.2, (a) the Annual Bonus will be subject to the terms of the Company annual bonus plan under which it is granted and (b) in order to be eligible to receive an Annual Bonus, the Executive must be employed by the Company on the last day of the applicable fiscal year.

4.3. Stock Options. Within seven (7) days of the Effective Date (the "**Grant Date**"), the Company shall grant the Executive ninety-three thousand (93,000) stock options (the "**Stock Options**") pursuant to the Company's Amended and Restated 2022 Equity Compensation Plan (as may be amended from time to time, the "**Plan**") having a per-share exercise price equal to the greater of (a) \$8.74 and (b) the closing price of the Company's common stock on the applicable Grant Date (or if there is no closing price on the Grant Date, the closing price on the last trading day immediately preceding the Grant Date). Such Stock Options shall cliff vest and become exercisable on the third (3rd) anniversary of the Effective Date, subject to the Executive's continued employment with the Company through such vesting date; provided, however, that if the Executive's employment is terminated by the Company without Cause, due to death or Disability, or by the Executive with Good Reason (each as defined below and each a "**Qualifying Termination**"), then subject to the Executive's timely execution and non-revocation of a release of claims in favor of the Company, its affiliates and their respective officers and directors in a form provided by the Company, a pro-rated portion of the Stock Options shall vest and become exercisable in an amount equal to (i) the total number of Stock Options, multiplied by (ii) a fraction, the numerator of which is the number of days elapsed from the Grant Date through and including the date of the Qualifying Termination, and the denominator of which is 1,096; provided, however, that if the Executive experiences a Qualifying Termination on or within eighteen (18) months after the occurrence of a Change in Control (as defined in the Plan), the Stock Options shall vest and become exercisable in full immediately prior to the occurrence of the Change in Control. All other terms for such Stock Options shall be set forth in a stock option award agreement approved by the Board or Compensation Committee and shall be no less favorable than those that apply to similarly situated executive officers of the Company.

4.4. Equity Awards. With respect to each fiscal year of the Company ending during the Employment Term, the Executive shall be eligible to receive an annual long-term equity incentive award (the "**Equity Awards**"). The amount, types of awards and other terms of the Equity Awards shall be at the discretion of the Board or Compensation Committee.

4.5. Fringe Benefits and Perquisites. During the Employment Term, the Executive shall be entitled to fringe benefits and perquisites consistent with the practices of the Company and governing benefit plan requirements (including plan eligibility provisions), and to the extent the Company provides similar benefits or perquisites (or both) to similarly situated executives of the Company.

4.6. Employee Benefits. During the Employment Term, the Executive shall be entitled to participate in all employee benefit plans, practices, and programs maintained by the Company, as in effect from time to time (collectively, "**Employee Benefit Plans**"), on a basis which is no less favorable than is provided to other similarly situated executives of the Company, to the extent consistent with applicable law and the terms of the applicable

Employee Benefit Plans. The Company reserves the right to amend or terminate any of the Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and applicable law.

4.7. Vacation; Paid Time Off. During the Employment Term, the Executive shall be entitled to twenty-five (25) working days paid vacation days per calendar year (prorated for partial years) in accordance with the Company's vacation policies, as in effect from time to time. The Executive shall receive other paid time off in accordance with the Company's policies for executive officers as such policies may exist from time to time.

4.8. Business Expenses. The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Company's travel and expense reimbursement policies and procedures.

4.9. Indemnification. In the event that the Executive is made a party or threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative (a "**Proceeding**"), other than any Proceeding initiated by the Executive or the Company related to any contest or dispute between the Executive and the Company or any of its affiliates with respect to this Agreement or the Executive's employment hereunder, by reason of the fact that the Executive is or was a director or officer of the Company, or any affiliate of the Company, or is or was serving at the request of the Company as a director, officer, member, employee, or agent of another corporation or a partnership, joint venture, trust, or other enterprise, the Executive shall be indemnified and held harmless by the Company to the extent allowable pursuant to applicable law and the Company's charter and bylaws or any individual indemnification agreement entered into between the Executive and the Company.

4.10. Clawback Provisions. Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based or other compensation paid to the Executive under this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any law, government regulation, or stock exchange listing requirement will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation, or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement, including, but not limited to, the Company's Incentive Based Compensation Recoupment Policy).

4.11. Legal Fees. Not later than ten (10) business days following the Effective Date, the Company shall reimburse the Executive for any and all reasonable attorneys' fees and related costs paid in connection with his negotiation and execution of this Agreement, up to a maximum of \$10,000.

5. Termination of Employment. The Employment Term and the Executive's employment hereunder may be terminated by either the Company or the Executive at any time and for any reason; provided that, unless otherwise provided herein, the Executive shall be required to give the Company at least thirty (30) days advance written notice of any termination of the Executive's employment. Upon termination of the Executive's employment during the Employment Term, the Executive shall be entitled to the compensation and benefits described in this Section 5 and shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

5.1. For Cause or Without Good Reason.

(a) The Executive's employment hereunder may be terminated by the Company for Cause (as defined below) or by the Executive without Good Reason. If the Executive's employment is terminated by the Company for Cause or by the Executive without Good Reason, the Executive shall be entitled to receive:

(i) any accrued but unpaid Base Salary and accrued but unused vacation which shall be paid on the pay date immediately following the Termination Date (as defined below) in accordance with the Company's customary payroll procedures but in any event no later than required by applicable law;

(i) any earned but unpaid Annual Bonus with respect to any completed fiscal year immediately preceding the Termination Date, which shall be paid on the otherwise applicable payment date

except to the extent payment is otherwise deferred pursuant to any applicable deferred compensation arrangement;

(i) reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Company's expense reimbursement policy; and

(i) such employee benefits (including equity compensation), if any, to which the Executive may be entitled under the Company's employee benefit plans as of the Termination Date; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

Items 5.1(a)(i) through 5.1(a)(iv) are referred to herein collectively as the "**Accrued Amounts**".

(a) For purposes of this Agreement, "**Cause**" shall mean:

(i) the Executive's willful failure to perform Executive's duties (other than any such failure resulting from incapacity due to physical or mental illness);

(i) the Executive's willful failure to comply with any valid and legal directive of the CEO or Board;

(i) the Executive's willful engagement in dishonesty, illegal conduct, or gross misconduct, which is, in each case, materially injurious to the Company or its affiliates;

(i) the Executive's embezzlement, misappropriation, or fraud, whether or not related to the Executive's employment with the Company;

(i) the Executive's conviction or commission of, or entry of a plea of guilty or *nolo contendere* to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

(i) the Executive's material violation of the Company's written policies or codes of conduct, including but not limited to written policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct, violation of securities laws, or violation of any law regarding employment discrimination or sexual harassment;

(i) the Executive's willful unauthorized disclosure of Confidential Information (as defined below);

(i) the Executive's willful material breach of any material obligation under this Agreement or any other written agreement between the Executive and the Company; or

(i) the Executive's engagement in conduct that brings or is reasonably likely to bring the Company materially negative publicity or into material public disgrace, embarrassment, or disrepute.

For purposes of this provision, no act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based on authority given by the CEO, pursuant to a resolution duly adopted by the Board or on the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

Except for a failure, breach, or refusal which, by its nature, cannot reasonably be expected to be cured, the Executive shall have fifteen (15) business days from the delivery of written notice by the

Company within which to cure any acts constituting Cause; provided however, that, if the Company reasonably expects irreparable injury from a delay of fifteen (15) business days, the Company may give the Executive notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of the Executive's employment without notice and with immediate effect. The Company may place the Executive on paid leave for up to sixty (60) days while it is determining whether there is a basis to terminate the Executive's employment for Cause. Any such action by the Company will not constitute Good Reason.

(a) For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the following, in each case during the Employment Term without the Executive's written consent:

(i) a material reduction in the Executive's Base Salary and Target Bonus opportunity, other than as part of an across-the-board reduction applicable to the Company's senior executives, and further excluding any voluntary reductions in Base Salary and/or Target Bonus;

(i) a relocation of the Executive's principal place of employment by more than fifty (50) miles at the Company's expense; provided, that, it shall not constitute Good Reason if such relocation occurs when the Company's large scale boron facility is mechanically complete;

(i) any material breach by the Company of any material provision of this Agreement;

(i) the Company's failure to obtain an agreement from any successor to the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place, except where such assumption occurs by operation of law;

(i) a material, adverse change in the Executive's title, authority, duties, or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by applicable law) taking into account the Company's size, status as a public company, and capitalization as of the date of this Agreement; or

(i) a material adverse change in the reporting structure applicable to the Executive.

The Executive cannot terminate employment for Good Reason unless (x) the Executive has provided written notice to the Company of the existence of the circumstances providing grounds for termination for Good Reason within thirty (30) days after the date of the occurrence of any event that the Executive knows or should reasonably have known to constitute Good Reason, (y) the Company has had at least thirty (30) days from the date on which such notice is provided to cure such circumstances, and (z) the Company does not cure such circumstances. If the Company does not cure the circumstances providing grounds for Good Reason and the Executive does not terminate the Executive's employment for Good Reason within thirty (30) days after the expiration of the Company's cure period, then the Executive will be deemed to have waived the right to terminate for Good Reason with respect to such grounds.

5.2. Without Cause or for Good Reason, Not in Connection with a Change in Control. The Employment Term and the Executive's employment hereunder may be terminated by the Executive for Good Reason or by the Company without Cause. In the event of such termination that occurs outside the CIC Period (as defined below), the Executive shall be entitled to receive the Accrued Amounts and subject to the Executive's compliance with Section 6, Section 7, Section 8, and Section 9 of this Agreement and the Executive's execution and non-revocation of a release of claims in favor of the Company, its affiliates and their respective officers and directors in a form provided by the Company (the "**Release**") and such Release becoming effective within forty-five (45) days following the Termination Date (such forty-five (45)-day period, the "**Release Execution Period**"), the Executive shall be entitled to receive the following:

(a) a lump sum payment equal to six (6) months of the Executive's Base Salary for the year in which the Termination Date occurs, which shall be paid within fifteen (15) days following the Release Execution Period;

(a) a payment equal to the product of (i) the Target Bonus and (ii) a fraction, the numerator of which is the number of days the Executive was employed by the Company during the year of termination and the denominator of which is the number of days in such year (the "**Pro-Rata Bonus**"). This amount shall be paid on the date that annual bonuses are paid to similarly situated executives, but in no event later than two-and-a-half (2.5) months following the end of the fiscal year in which the Termination Date occurs;

(a) if the Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"), the Company shall reimburse the Executive for the difference between the monthly COBRA premium paid by the Executive for the Executive and the Executive's dependents and the monthly premium amount paid by similarly situated active executives. Such reimbursement shall be paid to the Executive on the fifth (5th) day of the month immediately following the month in which the Executive timely remits the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the six (6)-month anniversary of the Termination Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive receives substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's making payments under this Section 5.2(c) would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "**ACA**"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder, the parties agree to reform this Section 5.2(c) in a manner as is necessary to comply with the ACA; and

(a) notwithstanding the terms of the Plan or any applicable award agreements: all outstanding unvested Stock Awards (as defined below) granted to the Executive during the Employment Term that are subject to time-based vesting conditions shall become fully vested on the effective date of the Release. Executive's outstanding Stock Awards granted under the Plan that are subject solely to performance-based vesting conditions will be governed by the terms of the applicable Stock Award agreement and the Plan. The foregoing provisions are hereby deemed to be a part of each Stock Award and to supersede any less favorable provision in any Stock Award agreement or the Plan regarding such Stock Award. Notwithstanding the foregoing, in the event the Stock Award agreement or the Plan provides for more favorable treatment of Stock Awards upon a Change in Control or a Qualifying Termination, nothing in this Agreement is intended to limit Executive's right to such more favorable treatment as provided in such Stock Award agreement or the Plan. For purposes of this Agreement, "**Stock Awards**" means all stock options (other than the Stock Options), restricted stock units, performance stock units and such other awards granted pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof.

5.3. Without Cause or for Good Reason upon a Change in Control. The Employment Term and the Executive's employment hereunder may be terminated by the Executive for Good Reason or by the Company without Cause. In the event of such termination that occurs during the period commencing on the date that is three (3) months prior to a Change in Control (as such term is defined in the Company Equity Compensation Plan) and ending on the date that is eighteen (18) months following a Change in Control (the "**CIC Period**"), the Executive shall be entitled to receive the Accrued Amounts and subject to the Executive's compliance with Section 6, Section 7, Section 8, and Section 9 of this Agreement and the Executive's execution and non-revocation of a Release and such Release becoming effective within the Release Execution Period, the Executive shall be entitled to receive all of the following:

(a) a lump sum payment equal to six (6) months of the Executive's Base Salary for the year in which the Termination Date occurs, which shall be paid within fifteen (15) days following the Release Execution Period;

(a) an amount equal to the Pro-Rata Bonus for the year in which the termination occurs;

(a) if the Executive timely and properly elects health continuation coverage under COBRA, the Company shall reimburse the Executive for the difference between the monthly COBRA premium paid by the

Executive for the Executive and the Executive's dependents and the monthly premium amount paid by similarly situated active executives. Such reimbursement shall be paid to the Executive on the fifth (5th) day of the month immediately following the month in which the Executive timely remits the premium payment. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the six (6)-month anniversary of the Termination Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive receives substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's making payments under this Section 5.3(c) would violate the nondiscrimination rules applicable to non-grandfathered plans under the ACA, or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder, the parties agree to reform this Section 5.3(c) in a manner as is necessary to comply with the ACA; and

(a) notwithstanding the terms of the Plan or any applicable award agreements: all outstanding unvested Stock Awards (as defined below) granted to the Executive during the Employment Term that are subject to time-based vesting conditions shall become fully vested on the effective date of the Release. In the event that (i) there are performance stock units ("PSUs") outstanding and the Termination Date is within twelve (12) months of the end of their respective performance period(s), and (ii) there is a reasonable probability that the respective performance goal(s) for such PSUs would have been achieved at target (or above) absent the Change in Control, as assessed by the Board or Compensation Committee in their sole discretion, then such PSUs that would have vested within such twelve (12) month period following the Change in Control shall also vest on the effective date of the Release based on target performance. The foregoing provisions are hereby deemed to be a part of each Stock Award and to supersede any less favorable provision in any Stock Award agreement or the Plan regarding such Stock Award. Notwithstanding the foregoing, in the event the Stock Award agreement or the Plan provides for more favorable treatment of Stock Awards upon a Change in Control or a Qualifying Termination, nothing in this Agreement is intended to limit Executive's right to such more favorable treatment as provided in such Stock Award agreement or the Plan.

#### 5.4. Death or Disability.

(a) The Executive's employment hereunder shall terminate automatically on the Executive's death during the Employment Term, and the Company may terminate the Executive's employment on account of the Executive's Disability.

(a) If the Executive's employment is terminated during the Employment Term on account of the Executive's death or Disability, the Executive (or the Executive's estate and/or beneficiaries, as the case may be) shall be entitled to receive the following:

(i) the Accrued Amounts;

(i) an amount equal to the Pro Rata Bonus for the year in which the termination occurs, which shall be paid within fourteen (14) days following the Termination Date; and

(i) vesting of such Stock Awards as the Executive is entitled to at the Termination Date in accordance with the terms and conditions of the applicable Stock Award agreements.

Notwithstanding any other provision contained herein, all payments made in connection with the Executive's Disability shall be provided in a manner which is consistent with federal and state law.

(a) For purposes of this Agreement, "**Disability**" shall mean the Executive's inability, due to physical or mental incapacity, to perform the essential functions of the Executive's job, with or without reasonable accommodation, for one hundred eighty (180) days out of any three hundred sixty-five (365) day period or one hundred twenty (120) consecutive days. Any question as to the existence of the Executive's Disability as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third

who shall make such determination in writing. The determination of Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement.

5.5. Notice of Termination. Any termination of the Executive's employment hereunder by the Company or by the Executive during the Employment Term (other than termination pursuant to Section 5.4(a) on account of the Executive's death) shall be communicated by written notice of termination ("**Notice of Termination**") to the other party hereto in accordance with Section 28. The Notice of Termination shall specify:

- (a) The termination provision of this Agreement relied upon;
- (a) To the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated; and
- (a) The applicable Termination Date.

5.6. Termination Date. The Executive's "**Termination Date**" shall be:

- (a) If the Executive's employment hereunder terminates on account of the Executive's death, the date of the Executive's death;
- (a) If the Executive's employment hereunder is terminated on account of the Executive's Disability, the date that it is determined that the Executive has a Disability;
- (a) If the Company terminates the Executive's employment hereunder for Cause, the date the Notice of Termination is delivered to the Executive;
- (a) If the Company terminates the Executive's employment hereunder without Cause, the date specified in the Notice of Termination, which shall be no less than ninety (90) days following the date on which the Notice of Termination is delivered; provided that, the Company shall have the option to provide the Executive with a lump sum payment equal to ninety (90) days' Base Salary in lieu of such notice or require the Executive to work a certain number of days established by the Board within the notice period including for the full ninety (90) days or a shorter period of time in which any Base Salary in lieu of such notice shall be prorated (multiplied by a fraction, the numerator of which is equal to the number of days the Executive worked in the notice period, and the denominator of which is equal to ninety (90) days), which shall be paid in a lump sum on the Executive's Termination Date and for all purposes of this Agreement, the Executive's Termination Date shall be the date on which such Notice of Termination is delivered, or any subsequent date as determined by the Company between the Notice of Termination and ninety (90) days following;
- (a) If the Executive terminates the Executive's employment hereunder with or without Good Reason, the date specified in the Executive's Notice of Termination, which shall be no less than ninety (90) days following the date on which the Notice of Termination is delivered; and
- (a) Notwithstanding anything contained herein, the Termination Date shall not occur until the date on which the Executive incurs a "separation from service" within the meaning of Section 409A ("**Section 409A**") of the U.S. Internal Revenue Code of 1986, as amended from time to time, and the regulations thereunder (the "**Code**").

5.7. Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and except as provided in Sections 5.2(c) and 5.3(c), any amounts payable pursuant to this Section shall not be reduced by compensation or benefits the Executive earns on account of employment with another employer.

5.8. Resignation of All Other Positions. On termination of the Executive's employment hereunder for any reason, the Executive shall be deemed to have resigned from all positions that the Executive holds as an officer of the Company or any of its affiliates.

6. Cooperation. The parties agree that certain matters in which the Executive will be involved during the Employment Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the CEO, the Executive shall cooperate with the Company in connection with matters arising out of the Executive's service to the Company; provided that, the Company shall make reasonable efforts to minimize disruption of the Executive's other activities. The Company shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation and, to the extent that the Executive is required to spend substantial time on such matters, the Company shall compensate the Executive at an hourly rate based on the Executive's Base Salary on the Termination Date.

7. Confidential Information. The Executive understands and acknowledges that during the Employment Term, the Executive will have access to and learn about Confidential Information, as defined below. The Executive understands and acknowledges that the Executive's obligations under this Agreement with regard to any particular Confidential Information shall commence immediately upon the Executive first having access to such Confidential Information (whether before or after the Executive begins employment by the Company) and shall continue during and after the Executive's employment by the Company until such time as such Confidential Information has become public knowledge other than as a result of the Executive's breach of this Agreement or breach by those acting in concert with the Executive or on the Executive's behalf.

7.1. Confidential Information Defined. For purposes of this Agreement, "**Confidential Information**" includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic, or any other form or medium, relating directly or indirectly to: business processes, practices, methods, policies, plans, publications, documents, research, operations, services, strategies, techniques, agreements, contracts, terms of agreements, transactions, potential transactions, negotiations, pending negotiations, know-how, trade secrets, computer programs, computer software, applications, operating systems, software design, web design, work-in-process, databases, device configurations, embedded data, compilations, metadata, technologies, manuals, records, articles, systems, material, sources of material, supplier information, vendor information, financial information, results, accounting information, accounting records, legal information, marketing information, advertising information, pricing information, credit information, design information, payroll information, staffing information, personnel information, employee lists, supplier lists, vendor lists, developments, reports, internal controls, security procedures, graphics, drawings, sketches, market studies, sales information, revenue, costs, formulae, notes, communications, algorithms, product plans, designs, styles, models, ideas, audiovisual programs, inventions, unpublished patent applications, original works of authorship, discoveries, experimental processes, experimental results, specifications, customer information, customer lists, client information, client lists, manufacturing information, factory lists, distributor lists, and buyer lists of the Company or any of its subsidiaries or affiliates (the "**Company Group**") or its businesses or any existing or prospective customer, supplier, investor or other associated third party, or of any other person or entity that has entrusted information to the Company Group in confidence.

The Executive understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

The Executive understands and agrees that Confidential Information includes information developed by the Executive in the course of employment by the Company as if the Company furnished the same Confidential Information to the Executive in the first instance. Confidential Information shall not include information that is generally available to and known by the public at the time of disclosure to the Executive. Additionally, Confidential Information shall not include information that arises from the Executive's general training, knowledge, skill, or experience, whether gained on the job or otherwise.

7.2. Company Creation and Use of Confidential Information. The Executive understands and acknowledges that the Company Group has invested, and continues to invest, substantial time, money, and specialized knowledge into developing its resources, creating a customer base, generating customer and potential customer lists, training its employees, and improving its offerings in the field of boron and lithium mining and specialty chemicals and downstream derivatives related to same. The Executive understands and acknowledges that as a result of these efforts, the Company Group has created, and continues to use and create Confidential

Information. This Confidential Information provides the Company Group with a competitive advantage over others in the marketplace.

7.3. Disclosure and Use Restrictions. The Executive agrees and covenants: (a) to treat all Confidential Information as strictly confidential; (b) not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever (including other employees of the Company Group) not having a need to know and authority to know and use the Confidential Information in connection with the business of the Company Group and, in any event, not to anyone outside of the direct employ of the Company Group except as required in the performance of the Executive's authorized employment duties to the Company or with the prior consent of the CEO acting on behalf of the Company Group in each instance (and then, such disclosure shall be made only within the limits and to the extent of such duties or consent); and (c) not to access or use any Confidential Information, and not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Company Group, except as required in the performance of the Executive's authorized employment duties to the Company.

7.4. Exceptions. Notwithstanding anything in this Agreement to the contrary, nothing contained in this Agreement shall prohibit either party (or either party's attorney(s)) from (a) communicating directly with, filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Equal Employment Opportunity Commission, the National Labor Relations Board (the "NLRB"), the Occupational Safety and Health Administration, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or any other securities regulatory agency, self-regulatory authority or federal, state or local regulatory authority (collectively, "**Government Agencies**"), or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation, (b) communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to any Government Agencies for the purpose of reporting or investigating a suspected violation of law, or from providing such information to such party's attorney(s) or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding, and/or (c) receiving an award for information provided to any Government Agency. Further, nothing herein will prevent Executive from participating in activity permitted by Section 7 of the National Labor Relations Act or from filing an unfair labor practice charge with the NLRB. Pursuant to 18 USC Section 1833(b), Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (y) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, nothing in this Agreement is intended to or shall preclude either party from providing truthful testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative, or legal process or otherwise as required by law. If Executive is required to provide testimony, then unless otherwise directed or requested by a Government Agency or law enforcement, Executive shall notify the Company as soon as reasonably practicable after receiving any such request of the anticipated testimony. Further, nothing in this Agreement prevents Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive has reason to believe is unlawful.

## 8. Duty of Loyalty/Prohibited Activity.

8.1. Acknowledgement. The Executive understands that the nature of the Executive's position gives the Executive access to and knowledge of Confidential Information, including the Company's trade secrets, and places the Executive in a position of trust and confidence with the Company Group. The Executive understands and acknowledges that the intellectual or artistic services the Executive provides to the Company Group are unique, special, or extraordinary.

The Executive further understands and acknowledges that the Company Group's ability to reserve these for the exclusive knowledge and use of the Company Group is of great competitive importance and commercial value to the Company Group, and that improper use or disclosure of the Company's trade secrets by the Executive is likely to harm the Company Group's legitimate business interests.

8.2. Prohibited Activity. Because of the Company Group's legitimate business interests as described herein and the good and valuable consideration offered to the Executive, during the Employment Term, the Executive will act solely for the benefit of the Company Group and agrees not to engage in activities that (a) conflict or interfere with the Executive's performance of the Executive's job duties and responsibilities to the Company Group, or (b) may result in the disclosure of trade secrets, proprietary information, or Confidential Information in violation of this Agreement and/or the Company Group's policies (collectively, "**Prohibited Activity**"). However, nothing herein shall prohibit the Executive from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation. Further, this Section 8 does not, in any way, restrict or impede the Executive from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. The Executive shall promptly provide written notice of any such order to the Company's Corporate Secretary.

9. Non-Disparagement. Subject to Section 7.4, the Executive agrees and covenants that the Executive will not at any time make, publish or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning the Company Group or its businesses, or any of its employees, officers, and existing and prospective customers, suppliers, investors, and other associated third parties.

This Section 9 does not, in any way, restrict or impede the Executive from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. The Executive shall promptly provide written notice of any such order to the Company's Corporate Secretary.

The Company agrees and covenants that it shall direct its officers and directors to refrain from making any defamatory or disparaging remarks, comments, or statements concerning the Executive to any third parties.

10. Acknowledgement. The Executive acknowledges and agrees that the services to be rendered by the Executive to the Company are of a special and unique character; that the Executive will obtain knowledge and skill relevant to the Company's industry, methods of doing business and marketing strategies by virtue of the Executive's employment; and that the Executive's covenants in Section 7, Section 8, and Section 9 of this Agreement and the other terms and conditions of this Agreement are reasonable and reasonably necessary to protect the trade secrets and other legitimate business interests of the Company Group.

The Executive further acknowledges that the benefits provided to the Executive under this Agreement, including the amount of the Executive's compensation reflects, in part, the Executive's obligations and the Company's rights under Section 7, Section 8, and Section 9 of this Agreement; that the Executive has no expectation of any additional compensation, royalties or other payment of any kind not otherwise referenced herein in connection herewith; and that the Executive will not suffer undue hardship by reason of full compliance with the terms and conditions of Section 7, Section 8, and Section 9 of this Agreement or the Company's enforcement thereof.

11. Remedies. In the event of a breach or threatened breach by the Executive of Section 7, Section 8, or Section 9 of this Agreement, the Executive hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief.

12. Proprietary Rights.

12.1. Work Product. The Executive acknowledges and agrees that all right, title, and interest in and to all writings, works of authorship, technology, inventions, discoveries, processes, techniques, methods, ideas,

concepts, research, proposals, materials, and all other work product of any nature whatsoever, that are created, prepared, produced, authored, edited, amended, conceived, or reduced to practice by the Executive individually or jointly with others during the Employment Term and relate in any way to the business or contemplated business, products, activities, research, or development of the Company or result from any work performed by the Executive for the Company (in each case, regardless of when or where prepared or whose equipment or other resources is used in preparing the same), all rights and claims related to the foregoing, and all printed, physical and electronic copies, and other tangible embodiments thereof (collectively, “**Work Product**”), as well as any and all rights in and to US and foreign (a) patents, patent disclosures and inventions (whether patentable or not), (b) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, and other similar designations of source or origin, together with the goodwill symbolized by any of the foregoing, (c) copyrights and copyrightable works (including computer programs), mask works, and rights in data and databases, (d) trade secrets, know-how, and other Confidential Information, and (e) all other intellectual property rights, in each case whether registered or unregistered and including all registrations and applications for, and renewals and extensions of, such rights, all improvements thereto and all similar or equivalent rights or forms of protection in any part of the world (collectively, “**Intellectual Property Rights**”), shall be the sole and exclusive property of the Company.

For purposes of this Agreement, Work Product includes, but is not limited to, Company Group information.

Notwithstanding the foregoing, Work Product and Intellectual Property Rights will not include, and the provisions of this Agreement requiring assignment of any Work Product or Intellectual Property Rights do not apply to, any work or right which qualifies for exclusion under California Labor Code Section 2870 which states:

“(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer’s equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer’s business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.”

12.2. Work Made for Hire; Assignment. The Executive acknowledges that, by reason of being employed by the Company at the relevant times, to the extent permitted by law, all of the Work Product consisting of copyrightable subject matter is “work made for hire” as defined in 17 U.S.C. § 101 and such copyrights are therefore owned by the Company. To the extent that the foregoing does not apply, the Executive hereby irrevocably assigns to the Company, for no additional consideration, the Executive’s entire right, title, and interest in and to all Work Product and Intellectual Property Rights therein, including the right to sue, counterclaim, and recover for all past, present, and future infringement, misappropriation, or dilution thereof, and all rights corresponding thereto throughout the world. Nothing contained in this Agreement shall be construed to reduce or limit the Company’s rights, title, or interest in any Work Product or Intellectual Property Rights so as to be less in any respect than that the Company would have had in the absence of this Agreement.

12.3. Further Assurances; Power of Attorney. During and after the Employment Term, the Executive agrees to reasonably cooperate with the Company to (a) apply for, obtain, perfect, and transfer to the Company the Work Product as well as any and all Intellectual Property Rights in the Work Product in any jurisdiction in the world; and (b) maintain, protect and enforce the same, including, without limitation, giving testimony and executing and delivering to the Company any and all applications, oaths, declarations, affidavits, waivers, assignments, and other documents and instruments as shall be requested by the Company. The Executive hereby irrevocably grants the Company power of attorney to execute and deliver any such documents on the

Executive's behalf in the Executive's name and to do all other lawfully permitted acts to transfer the Work Product to the Company and further the transfer, prosecution, issuance, and maintenance of all Intellectual Property Rights therein, to the full extent permitted by law, if the Executive does not promptly cooperate with the Company's request (without limiting the rights the Company shall have in such circumstances by operation of law). The power of attorney is coupled with an interest and shall not be affected by the Executive's subsequent incapacity.

12.4. No License. The Executive understands that this Agreement does not, and shall not be construed to, grant the Executive any license or right of any nature with respect to any Work Product or Intellectual Property Rights or any Confidential Information, materials, software, or other tools made available to the Executive by the Company.

13. Security.

13.1. Security and Access. The Executive agrees and covenants (a) to comply with all Company Group security policies and procedures as in force from time to time ("**Facilities and Information Technology Resources**"); (b) not to access or use any Facilities and Information Technology Resources except as authorized by the Company; and (c) not to access or use any Facilities and Information Technology Resources in any manner after the termination of the Executive's employment by the Company, whether termination is voluntary or involuntary. The Executive agrees to notify the Company promptly in the event the Executive learns of any violation of the foregoing by others, or of any other misappropriation or unauthorized access, use, reproduction, or reverse engineering of, or tampering with any Facilities and Information Technology Resources or other Company Group property or materials by others.

13.2. Exit Obligations. Upon (a) voluntary or involuntary termination of the Executive's employment or (b) the Company's request at any time during the Executive's employment, the Executive shall (i) provide or return to the Company any and all Company Group property and all Company Group documents and materials belonging to the Company and stored in any fashion, including but not limited to those that constitute or contain any Confidential Information or Work Product, that are in the possession or control of the Executive, whether they were provided to the Executive by the Company Group or any of its business associates or created by the Executive in connection with the Executive's employment by the Company; and (ii) delete or destroy all copies of any such documents and materials not returned to the Company that remain in the Executive's possession or control, including those stored on any non-Company Group devices, networks, storage locations, and media in the Executive's possession or control.

14. Publicity. The Executive hereby irrevocably consents to any and all uses and displays, by the Company Group and its agents, representatives and licensees, of the Executive's name, voice, likeness, image, appearance, and biographical information in, on or in connection with any pictures, photographs, audio and video recordings, digital images, websites, television programs and advertising, other advertising and publicity, sales and marketing brochures, books, magazines, other publications, CDs, DVDs, tapes, and all other printed and electronic forms and media throughout the world, at any time during or after the Employment Term, for all legitimate commercial and business purposes of the Company Group ("**Permitted Uses**") without further consent from or royalty, payment, or other compensation to the Executive. The Executive hereby forever waives and releases the Company Group and its directors, officers, employees, and agents from any and all claims, actions, damages, losses, costs, expenses, and liability of any kind, arising under any legal or equitable theory whatsoever at any time during or after the Employment Term, arising directly or indirectly from the Company Group's and its agents', representatives', and licensees' exercise of their rights in connection with any Permitted Uses.

15. Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of the state of Colorado without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in the state of Colorado, county of Boulder. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

16. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Executive and the Company pertaining to the subject matter hereof

and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter, including that certain Consulting Agreement, by and between the Executive and the Company, dated September 9, 2024. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

17. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and by the CEO. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

18. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement.

The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

19. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

20. Counterparts; Electronic Signatures. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. The parties further agree that facsimile, photocopy, PDF, PDF copy, DocuSign, or other electronic signatures shall be just as valid and enforceable as original signatures and shall have the same effect as original signatures.

21. Excise Tax.

21.1. Best Pay Provision. In the event that any payment or benefit received or to be received by Executive pursuant to the terms of any plan, arrangement or agreement (including any payment or benefit received in connection with a change in ownership or control or the termination of Executive's employment) (all such payments and benefits being hereinafter referred to as the "**Total Payments**") would be subject (in whole or part) to the excise tax (the "**Excise Tax**") imposed under Section 4999 of the Code, then the Total Payments shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (a) the net amount of such Total Payments, as so reduced (after subtracting the amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (b) the net amount of such Total Payments without such reduction (after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). Except to the extent that an alternative reduction order

would result in a greater economic benefit to Executive on an after-tax basis, the parties intend that the Total Payments shall be reduced in the following order: (w) reduction of any cash severance payments otherwise payable to Executive that are exempt from Section 409A of the Code, (x) reduction of any other cash payments or benefits otherwise payable to Executive that are exempt from Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code, (y) reduction of any other payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting and payment with respect to any equity award that is exempt from Section 409A of the Code, and (z) reduction of any payments attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code; *provided*, in case of clauses (x), (y) and (z), that reduction of any payments or benefits attributable to the acceleration of vesting of Company equity awards shall be first applied to equity awards with later vesting dates; *provided, further*, that, notwithstanding the foregoing, any such reduction shall be undertaken in a manner that complies with and does not result in the imposition of additional taxes on Executive under Section 409A of the Code. The foregoing reductions shall be made in a manner that results in the maximum economic benefit to Executive on an after-tax basis and, to the extent economically equivalent payments or benefits are subject to reduction, in a pro rata manner.

21.2. Determinations. All determinations regarding the application of this Section 8 shall be made by an independent accounting firm or consulting group with nationally recognized standing and substantial expertise and experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax retained by the Company prior to the date of the applicable change in ownership or control (the “**280G Firm**”). For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (a) no portion of the Total Payments shall be taken into account which (x) does not constitute a “parachute payment” within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, or (y) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the “base amount” (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, (b) no portion of the Total Payments the receipt or enjoyment of which Executive shall have waived at such time and in such manner as not to constitute a “payment” within the meaning of Section 280G(b) of the Code shall be taken into account, and (c) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the 280G Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. All determinations related to the calculations to be performed pursuant to this “Excise Tax” section shall be done by the 280G Firm. The 280G Firm will be directed to submit its determination and detailed supporting calculations to both Executive and the Company within fifteen (15) days after notification from either the Company or Executive that Executive may receive payments which may be “parachute payments.” Executive and the Company will each provide the 280G Firm access to and copies of any books, records, and documents as may be reasonably requested by the 280G Firm, and otherwise cooperate with the 280G Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Agreement. The fees and expenses of the 280G Firm for its services in connection with the determinations and calculations contemplated by this Agreement will be borne solely by the Company.

## 22. Section 409A.

22.1. General. The intent of the parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If the Company and Executive agree in good faith that the payments and benefits under this Agreement would not comply with Section 409A, the parties hereto shall reasonably and in good faith attempt to modify this Agreement to comply with Section 409A while endeavoring to maintain the intended economic benefits hereunder.

22.2. Separation from Service. Notwithstanding anything in this Agreement to the contrary, (a) any compensation or benefits payable under this Agreement that is designated under this Agreement as payable upon Executive’s termination of employment shall be payable only upon Executive’s “separation from service” with the Company within the meaning of Section 409A (a “**Separation from Service**”) and (b) in the event that, with respect to the amounts payable under Sections 5.2 or 5.3, the timing of the delivery of Executive’s Release could cause such amounts to begin in one or another taxable year, to the extent such amounts are subject to Section 409A,

then notwithstanding the payment timing set forth in such Sections, such amounts shall not be payable until the later of (i) the payment date specified in such Section or (ii) the first business day of the taxable year following Executive's Separation from Service.

22.3. Specified Employee. Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (a) the expiration of the six-month period measured from the date of Executive's Separation from Service with the Company or (b) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

22.4. Expense Reimbursements. To the extent that any reimbursements under this Agreement are subject to Section 409A, (a) any such reimbursements payable to Executive shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, (b) Executive shall submit Executive's reimbursement request promptly following the date the expense is incurred, (c) the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and (d) Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

22.5. Installments. Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A.

23. Notification to Subsequent Employer. When the Executive's employment with the Company terminates, the Executive agrees to notify any subsequent employer of the covenants sections contained in Section 7, Section 8, and Section 9 of this Agreement. The Executive will also deliver a copy of such notice to the Company before the Executive commences employment with any subsequent employer. In addition, the Executive authorizes the Company to provide a copy of the covenants sections of this Agreement to third parties, including but not limited to, the Executive's subsequent, anticipated, or possible future employer.

24. Successors and Assigns. This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment. The Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns.

25. Notice. Notices and all other communications provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Company:

5E Advanced Materials, Inc.  
9329 Mariposa Road, Suite 210  
Hesperia, California 92344 Attn: Chief Executive Officer

If to the Executive:

To the Executive's most recent address on the Company's payroll records.

26. Representations of the Executive. The Executive represents and warrants to the Company that:

(a) The Executive's acceptance of employment with the Company and the performance of duties hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement, or understanding to which the Executive is a party or is otherwise bound.

(a) The Executive's acceptance of employment with the Company and the performance of duties hereunder will not violate any non-solicitation, non-competition, or other similar covenant or agreement of a prior employer.

27. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state, and local taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.

28. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

29. Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT, BEFORE SIGNING THIS AGREEMENT, (I) THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS OF THE COMPANY REGARDING ITS TERMS, (II) THE EXECUTIVE HAS CONSULTED WITH AN ATTORNEY AND HAS BEEN INDIVIDUALLY REPRESENTED BY LEGAL COUNSEL IN NEGOTIATING THE TERMS OF THIS AGREEMENT, INCLUDING WITH RESPECT TO THE CHOICE OF COLORADO LAW AS THE GOVERNING LAW OF THIS AGREEMENT AND THE COURTS OF COLORADO, COUNTY OF BOULDER, AS VENUE FOR ANY JUDICIAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND (III) THE EXECUTIVE CONSENTS TO SUCH GOVERNING LAW AND VENUE.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

5E ADVANCED MATERIALS, INC.

By: /s/ Paul Weibel

Name: Paul Weibel

Title: Chief Executive Officer

EXECUTIVE

Signature: /s/ Joshua Kiel Malm

Print Joshua Kiel Malm

Name:

## CERTIFICATION

I, Paul Weibel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of 5E Advanced Materials, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2025

/s/ Paul Weibel

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Paul Weibel  
Chief Executive Officer  
(Principal Executive Officer)

## CERTIFICATION

I, Joshua Malm, certify that:

1. I have reviewed this quarterly report on Form 10-Q of 5E Advanced Materials, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2025

/s/ Joshua Malm

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Joshua Malm  
Chief Financial Officer  
(Principal Financial Officer)

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of 5E Advanced Materials, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Report”), I, Paul Weibel, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2025

/s/ Paul Weibel  
\_\_\_\_\_  
Paul Weibel  
Chief Executive Officer  
(Principal Executive Officer)

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of 5E Advanced Materials, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Report”), I, Joshua Malm, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2025

/s/ Joshua Malm

Joshua Malm

Chief Financial Officer

(Principal Financial Officer)