UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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, 2026

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	**87-3426517**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
9329 Mariposa Road, Suite 210	
Hesperia, CA	**92344**
(Address of principal executive offices)	**(Zip Code)**

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

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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

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 11, 2026, the registrant had 41,515,223 shares of 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 quarterly period ended March 31, 2026, and any documents incorporated by reference herein (this “Quarterly Report on 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, advancement of our supply chain initiatives, products and product development initiatives, intented customer qualification and project financing readiness, the expected benefits from our delisting from the Australian Stock Exchange (“ASX”) 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 on Form 10-Q, including without limitation, statements regarding our results of operations and financial position, our purchase order commitments, business strategy, plans and prospects, our ability to secure additional financing and continue as a going concern, our Preliminary Feasibility Study (as defined herein) and recently updated mineral resource estimate, statements regarding the success and enforceability of the Company's patent applications and other intellectual property protections, development plans, production capabilities including the development of advanced boron derivatives, commercialization strategy, offtake discussions, customer qualification processes and success thereof, market demand for boron and lithium, the potential applications of the Company’s products across energy, defense, and industrial markets, ability to access and secure any government-based financing, our vision of becoming a leading global supplier of borates and advanced boron materials and our ability to continue to operate the small-scale facility (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 Quarterly Report on 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 I. Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2025, 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, 2025, 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, 2026	June 30, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 25,388	$ 3,836
Prepaid expenses and other current assets	364	777
Total current assets	25,752	4,613
Mineral rights and properties, net	7,633	7,735
Construction in progress	3,229	3,050
Properties, plant and equipment, net	39,779	53,658
Reclamation bond deposits	1,583	1,532
Right of use asset	84	141
Other assets	58	—
Total assets	$ 78,118	$ 70,729
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 3,873	$ 6,352
Lease liabilities, current	90	81
Total current liabilities	3,963	6,433
Long-term debt, net	—	22
Lease liabilities	—	68
Asset retirement obligations	1,114	1,016
Total liabilities	5,077	7,539
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, $0.01 par value; 360,000 shares authorized; 41,512 and 20,018 shares outstanding March 31, 2026 and June 30, 2025, respectively	415	200
Additional paid-in capital	337,899	294,546
Retained earnings (accumulated deficit)	(265,273)	(231,556)
Total stockholders' equity	73,041	63,190
Total liabilities and stockholders' equity	$ 78,118	$ 70,729

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

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

	Three months ended March 31,		Nine months ended March 31,	
	2026	2025	2026	2025
Operating expenses:				
Project expenses	$ 1,443	$ 1,050	$ 4,400	$ 4,283
Small-scale facility operating costs	781	897	2,396	3,564
General and administrative	3,162	3,265	9,539	11,342
Impairment expense	1,608	—	1,608	—
Depreciation and amortization expense	5,300	4,992	15,991	14,955
Total operating expenses	12,294	10,204	33,934	34,144
Income (loss) from operations	(12,294)	(10,204)	(33,934)	(34,144)
Non-operating income (expense):				
Interest income	166	21	247	68
Other income	—	—	—	4
Gain (loss) on extinguishment of debt	—	17,333	—	17,333
Derivative gain (loss)	—	—	—	1,357
Interest expense	(4)	(1,869)	(15)	(6,454)
Other expense	—	(1)	(15)	(5)
Total non-operating income (expense)	162	15,484	217	12,303
Income (loss) before income taxes	(12,132)	5,280	(33,717)	(21,841)
Income tax expense (benefit)	—	—	—	—
Net income (loss)	$ (12,132)	$ 5,280	$ (33,717)	$ (21,841)
Net income (loss) per common share:				
Basic	$ (0.35)	$ 0.73	$ (1.29)	$ (5.05)
Diluted	$ (0.35)	$ (0.97)	$ (1.29)	$ (5.05)
Weighted average common shares outstanding — basic	34,912	7,207	26,142	4,329
Weighted average common shares outstanding — diluted	34,912	10,452	26,142	4,329

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

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

	Nine months ended March 31, 2026	2025
Cash Flows From Operating Activities:		
Net income (loss)	$ (33,717)	$ (21,841)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	15,991	14,955
Share-based compensation	937	1,841
Loss on extinguishment of debt	—	(17,333)
Common stock issued for services	71	—
Gain on convertible note derivatives	—	(1,357)
Impairment expense	1,608	—
Transaction costs incurred in troubled debt restructuring	—	(837)
Accretion of asset retirement obligations	98	59
Amortization of debt issuance costs and discount — convertible notes	—	1,095
Amortization of right of use asset	57	110
Interest earned on reclamation bond	(51)	(8)
Change in:		
Prepaid expenses and other current assets	413	1,366
Accounts payable and accrued liabilities	801	4,543
Net cash used in operating activities	(13,792)	(17,407)
Cash Flows From Investing Activities:		
Construction in progress	(902)	(1,377)
Properties, plant and equipment additions	(6,558)	(104)
Properties, plant and equipment disposals	200	—
Refund on previously acquired equipment	—	86
Other assets	(58)	—
Net cash used in investing activities	(7,318)	(1,395)
Cash Flows From Financing Activities:		
Proceeds from issuance of common stock and warrants, net of issuance costs	40,762	3,018
Proceeds from warrant exercises	2,000	—
Proceeds from debt exchange transaction, net of issuance costs	—	4,891
Proceeds from issuance of convertible notes	—	11,000
Debt issuance costs	—	(764)
Proceeds from note payable	60	—
Payments on note payable	(92)	(31)
Taxes paid for equity award vesting	(68)	(176)
Net cash provided by financing activities	42,662	17,938
Net increase (decrease) in cash and cash equivalents	21,552	(864)
Cash and cash equivalents at beginning of period	3,836	4,896
Cash and cash equivalents at end of period	$ 25,388	$ 4,032
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 15	$ 3
Noncash Investing and Financing Activities:		
Construction in progress transferred to properties, plant and equipment (Note 4)	$ 2,119	$ —
Accounts payable and accrued liabilities change related to capital additions	(3,463)	(220)
Accounts payable and accrued liabilities change related to debt issuance costs	—	(271)
Accounts payable and accrued liabilities change related to equity issuance costs	134	—
Interest paid through issuance of additional convertible notes (Note 7)	—	7,441
Convertible note derivatives liability reclassification to equity (Note 10)	—	3,601
Net fair value of equity interest exchanged for convertible notes (Note 7)	$ —	$ 65,059

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

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

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance at June 30, 2024	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)
Balance at September 30, 2024	2,995	$ 30	$ 214,924	$ (212,860)	$ 2,094
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)
Balance at December 31, 2024	2,996	$ 30	$ 218,695	$ (227,122)	$ (8,397)
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
Balance at March 31, 2025	17,996	$ 180	$ 287,924	$ (221,842)	$ 66,262

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance at June 30, 2025	20,018	$ 200	$ 294,546	$ (231,556)	$ 63,190
Issuance of common stock, net of offering costs	2,374	24	7,368	—	7,392
Vesting of restricted share units	33	—	(68)	—	(68)
Common stock issued for services	20	—	71	—	71
Share based compensation expense	—	—	302	—	302
Net income (loss)	—	—	—	(10,690)	(10,690)
Balance at September 30, 2025	22,445	$ 224	$ 302,219	$ (242,246)	$ 60,197
Issuance of common stock, warrant exercise	1,067	11	1,989	—	2,000
Share based compensation expense	—	—	318	—	318
Net income (loss)	—	—	—	(10,895)	(10,895)
Balance at December 31, 2025	23,512	$ 235	$ 304,526	$ (253,141)	$ 51,620
Issuance of common stock, net of offering costs	18,000	180	33,056	—	33,236
Share based compensation expense	—	—	317	—	317
Net income (loss)	—	—	—	(12,132)	(12,132)
Balance at March 31, 2026	41,512	$ 415	$ 337,899	$ (265,273)	$ 73,041

The accompanying notes are an integral part of these 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, 2025, filed with the U.S. Securities and Exchange Commission on September 29, 2025. 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, 2026, results of operations for the three and nine months ended March 31, 2026 and 2025 and cash flows for the nine months ended March 31, 2026 and 2025 have been included. Operating results for the three and nine months ended March 31, 2026 are not necessarily indicative of the results that may be expected for the full fiscal year ending June 30, 2026.

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 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 February 14, 2025 (the "Effective Time"), the Company completed a 1-for-23 reverse stock split (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, par value $0.01 ("Common Stock") immediately prior to the Effective Time, were automatically converted into one validly issued, fully-paid and non-assessable share of Common Stock. 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

During March 2025, the Company completed a debt restructuring transaction with BEP Special Situations IV LLC ("Bluescape"), Meridian Investments Corporation ("Meridian") and Ascend Global Investment Fund SPC ("Ascend"), 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*). The Exchange Transaction resulted in:

- the issuance of an aggregate of 13,586,524 shares of the Company's common stock, par value $0.01 per share ("Common Stock") on March 5, 2025, to Ascend and Bluescape upon exchange of all of the outstanding Convertible Notes (as defined in Note 7-*Debt*) and the extinguishment of all indebtedness owed by the Company under the Amended and Restated Note Purchase Agreement (as defined in Note 7-*Debt*) (the "Exchange");
- the issuance and sale by the Company of 1,408,173 shares of Common Stock to Ascend and Bluescape on March 14, 2025, at a price per share of $3.5507 (the "Subscription Price") for aggregate net proceeds of approximately $4.9 million;
- the issuance by the Company to Ascend and Bluescape of warrants on March 13, 2025 that expire March 13, 2026 to purchase up to 5,632,692 shares of Common Stock, at a price per share equal to the Subscription Price (the "Restructuring Warrants"); and
- the right of each of Ascend and Bluescape to designate two directors to serve on the Company's Board of Directors ("Board") 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.

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.

As a pre-revenue development stage company, the Company is dependent on debt and equity financing transactions to fund its continued development and operational activities. While the Company has continued to execute a number of financing transactions, as described in this footnote and Note 10-*Equity*, each of which have 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 to maintain its operations and carry out its business objectives. 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 its operations and business objectives, the Company will need to curtail planned activities, discontinue certain operations, or sell certain assets, which could materially and adversely affect its 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, reclamation bond deposits, vehicle notes, 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, 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.

Segment Information

The Company has evaluated how it is organized and managed and has identified only one reportable business segment, which is the development of the Project. There has been no change in the determination of the Company's segment information in the current reporting period. All of the Company's operations and assets are located in the United States. The operating results of the Company's single reportable segment are evaluated by the Company's Chief Executive Officer, who has been determined to be the Company's Chief Operating Decision Maker ("CODM"), to make key operating decisions, such as the allocation of resources and the evaluation of operating segment performance. The primary measure of profit and loss evaluated by the Company's CODM for its single reportable segment is consolidated net income. Consolidated net income, total assets, cash flows and all significant segment expense items are presented in the Company's unaudited condensed consolidated financial statements and notes to the unaudited condensed consolidated financial statements.

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 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 plans to adopt ASU 2023-09 effective for its fiscal year ending June 30, 2026.

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 financial statements, 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, 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, 2026	June 30, 2025
	(in thousands)	
Mineral properties	$ 6,733	$ 6,733
Hydrology wells	547	547
Asset retirement cost, net of accumulated amortization of $168 and $66 as of March 31, 2026 and June 30, 2025, respectively[(1)]	353	455
Mineral rights and properties, net	$ 7,633	$ 7,735

(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

During the nine months ended March 31, 2026, the Company drilled horizontal sidetracks from two of its existing injection and recovery wells and therefore transferred approximately $2.1 million of costs incurred that were previously recorded as construction in

progress to property, plant and equipment, inclusive of amounts capitalized as construction in progress related to injection and recovery wells as of June 30, 2025. The horizontal sidetrack wells were subsequently impaired. Refer to Note 4-*Properties, Plant and Equipment, Net* for additional details. Construction in progress consisted of the following at the end of each period presented.

	March 31, 2026	June 30, 2025
	(in thousands)	
Engineering services and vendor testing	$ 3,143	$ 2,525
Injection and recovery wells	—	374
Buildings	1	66
Capitalized interest	85	85
Total construction in progress	$ 3,229	$ 3,050

4. Properties, Plant and Equipment, Net

During the nine months ended March 31, 2026, the Company drilled horizontal sidetracks from two of its existing injection and recovery wells to evaluate the technical feasibility of deploying horizontal wells within the ore body, and also to perform further testing to validate that increased downhole heat improved solubility of the ore. Upon placing the horizontal sidetrack wells into service, the Company transferred approximately $2.1 million of costs incurred that were previously recorded as construction in progress to property, plant and equipment. During the three months ended March 31, 2026, after the initial validation of the horizontal sidetrack wells, the Company encountered difficulty with our downhole fiberglass reinforced production tubing as we applied increasing temperature to our mining operations. In addition, downhole tubing and fiber optic equipment became lodged within one of the horizontal sidetrack wells, and the loss of wellbore continuity in the second sidetrack well led to the inability to access the horizontal portion of the well. The difficulties encountered with the horizontal sidetrack wells did not impact the previously existing vertical sections of the related wells. The Company determined that both horizontal sidetracks were fully impaired as a result of these difficulties and had no remaining fair value. Therefore, the remaining net book value of approximately $1.6 million associated with the horizontal sidetrack wells was written off to impairment expense during the three and nine months ended March 31, 2026.

As discussed within Note 13-*Commitments and Contingencies*, during the three months ended March 31, 2026, the Company and a former construction contractor that constructed the Company's Small-Scale Facility (the "SSF") entered into a settlement agreement to fully resolve the disputes among the parties. The Company had previously accrued $2.8 million for probable amounts owed under the construction contract, and upon settlement, recorded an additional $1.5 million to property, plant and equipment, which will be depreciated prospectively over the remaining useful life of the SSF.

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, 2026	June 30, 2025
			(in thousands)	
Land	N/A	—	$ 1,533	$ 1,533
Small-scale facility — plant	Straight-line	3.75	70,300	69,313
Injection and recovery wells	Straight-line	3.75[(1)]	6,134	6,134
Buildings	Straight-line	7-15	1,050	979
Vehicles	Straight-line	3-5	305	305
Other plant and equipment	Straight-line	5-10	817	754
			80,139	79,018
Less accumulated depreciation			(40,360)	(25,360)
Properties, plant and equipment, net			$ 39,779	$ 53,658

(1)Effective July 1, 2025, the estimated useful life of the injection and recovery wells were revised downward from 5 years to 3.75 years to align with the Company's revised operational and development plans.

The Company recognized depreciation expense of approximately $5.3 million and $5.0 million for the three months ended March 31, 2026 and 2025, respectively.

The Company recognized depreciation expense of approximately $15.9 million and $14.9 million for the nine months ended March 31, 2026 and 2025, 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, 2026 (in thousands)
Asset retirement obligation — beginning of period	$ 1,016
Accretion	98
Asset retirement obligation — end of period	$ 1,114

6. Accounts Payable and Accrued Liabilities

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

	March 31, 2026	June 30, 2025
	(in thousands)	
Accounts payable - trade[(1)]	$ 1,956	$ 893
Accrued expenses	901	841
Accrued capital expenditures	124	3,529
Accrued payroll	859	866
Income taxes payable - federal	—	179
Current portion of debt	33	44
Accounts payable and accrued liabilities	$ 3,873	$ 6,352

(1)Includes $51 thousand and $110 thousand related to capital expenditures as of March 31, 2026, and June 30, 2025, respectively.

7. Debt

Long Term Debt

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

	March 31, 2026	June 30, 2025
	(in thousands)	
Vehicle notes payable	$ 33	$ 66
Total debt	33	66
Current portion of debt	33	44
Long-term debt	$ —	$ 22

Interest expense consisted of the following for each period presented.

	Three months ended March 31,		Nine months ended March 31,	
	2026	2025	2026	2025
	(in thousands)			
Convertible notes interest	$ —	$ 1,555	$ —	$ 5,441
Vehicle notes interest	—	1	2	3
Amortization of debt issuance costs and discount — convertible notes	—	337	—	1,095
Other interest	4	—	13	—
Gross interest expense	4	1,893	15	6,539
Less: amount capitalized to construction in progress	—	24	—	85
Interest expense, net of amounts capitalized	$ 4	$ 1,869	$ 15	$ 6,454
Effective interest rate — convertible notes[(1)]	N/A	13.9%	N/A	13.2%

(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

In August 2022, the Company entered into 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. The August 2022 Notes were subsequently amended and restated several times to transfer certain ownership of the debt to Ascend, to modify conversion terms, extend maturities, adjust interest provisions and issue additional tranches of notes to Bluescape and Ascend (together, the "Convertible Notes"). Interest on the Convertible Notes was payable semi-annually on February 15 and August 15 of each year, either in cash or through the issuance of additional notes. The agreement that governed the Convertible Notes, including the various amended and restated forms of such agreement (collectively, the "Amended and Restated Note Purchase Agreement") also included various minimum cash covenants that were periodically waived and extended.

Convertible Notes - Activity

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

On September 16, 2024, the Company entered into a third amendment to the Amended and Restated Note Purchase Agreement and agreed, among other things, to issue and sell $6.0 million aggregate principal amount of new senior secured convertible notes in substantially the same form and under the same terms as the then outstanding Convertible Notes (the "September 2024 Notes") to Bluescape and Ascend.

On January 14, 2025, the Company entered into a fourth amendment ("Amendment No. 4") to the Amended and Restated Note Purchase Agreement and agreed, among other things, to issue and sell $5.0 million aggregate principal amount of new senior secured convertible notes in substantially the same form and under the same terms as the then outstanding Convertible Notes (the "January 2025 Notes") to Bluescape and Ascend. Concurrently with the execution of Amendment No. 4, the Company entered into various agreements in contemplation of the Exchange Transaction, as discussed in Note 1-*Basis of Financial Statement Presentation*.

On February 17, 2025, the Company elected to issue additional notes as payment for approximately $4.0 million of interest accrued on the Convertible Notes during the period from August 15, 2024 through February 15, 2025.

In connection with its entry into the September 2024 Notes and January 2025 Notes, the Company incurred approximately $454 thousand and approximately $283 thousand of debt issuance costs, respectively.

Convertible Notes - Conversion Terms

The Amended and Restated Note Purchase Agreement contained provisions that allowed for the conversion of the Convertible Notes, including interest paid-in-kind, into shares of the Company's Common Stock in various circumstances at both the Company

and holder's election at various conversion rates. However, during the period over which the Convertible Notes were outstanding, and prior to the Exchange, no such conversion occurred.

The conversion rate applicable to the Convertible Notes issued in June 2024 (the "June 2024 Notes") and the September 2024 Notes was subject to adjustment if, after the issuance date of such 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 "Degressive Issuance"). In the event of a Degressive 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 Degressive 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 Degressive Issuance provision applicable to the June 2024 Notes resulted in an adjustment to the conversion rate applicable to the June 2024 Notes. A Degressive Issuance did not occur with respect to the September 2024 Notes prior to the expiration of such feature on December 31, 2024.

Convertible Notes - Derivatives

The Degressive Issuance feature associated with the June 2024 Notes and September 2024 Notes 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. Refer to Note 8-*Convertible Note Derivatives* for additional details regarding the accounting for the Convertible Note Derivatives.

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. Refer to Note 8-*Convertible Note Derivatives* for additional details.

Convertible Notes – Gain On Extinguishment

On March 5, 2025, the Company completed the Exchange, as described in Note 1-*Basis of Financial Statement Presentation*, pursuant to which all outstanding Convertible Notes were exchanged for an aggregate 13,586,524 shares of the Company's Common Stock (as described in more detail in Note 1-*Basis of Financial Statement Presentation*). The Exchange resulted in the termination of the Amended and Restated Note Purchase Agreement, the extinguishment of all related indebtedness, and the elimination of the associated minimum cash covenant.

The Exchange Transaction was evaluated and constitutes a single transaction that was accounted for as a 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, 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 Transaction 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.

	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
Gain (loss) on extinguishment of debt	**$ 17,333**

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 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 required 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 could have materially affected the fair value estimates.

Changes in the fair value between periods 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 on such date. Refer to Note 10-*Equity* for additional information. There were no other derivative instruments outstanding for any period after December 31, 2024.

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

	Derivative (Asset)/Liability (in thousands)
Convertible note derivatives (asset) liability — June 30, 2024	**$ 3,315**
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, December 31, 2024	(3,601)
Convertible note derivatives (asset) liability — March 31, 2025	**$ —**

9. Financial Instruments and Fair Value Measurements

At March 31, 2026, cash equivalents, trade and other payables, as well as vehicle notes 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. The Convertible Notes and Convertible Note Derivatives were classified as Level 2 and Level 3, respectively, while outstanding. The reconciliation of changes in the fair value of the Convertible Note Derivatives for the period outstanding 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.

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 placement agent 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, which resulted in approximately $1.5 million allocated to the Shares and $1.5 million allocated to the 2024 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 2024 Warrants contain standard adjustments to the exercise price including for stock splits, stock dividends, rights offerings and pro rata distributions. The 2024 Warrants also include certain rights upon the occurrence of a "fundamental transaction," as described in the respective warrant agreement, 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 agreement, of the unexercised portion of the 2024 Warrant on the date of the consummation of such fundamental transaction. The 2024 Warrants include cashless exercise rights to the extent the resale of the shares of Common Stock underlying the 2024 Warrants is not registered under the Securities Act.

Convertible Note Derivative Reclassification

On December 31, 2024, the provision that resulted in separate accounting for the Convertible Note Derivatives expired. Accordingly, the remaining $3.6 million fair value associated with the Convertible Note Derivatives was derecognized as a liability and transferred to additional paid-in capital on such date. Refer to Note 7-*Debt* and Note 8-*Convertible Note Derivatives* for additional information.

Debt Exchange Transaction

As further described in Note 1-*Basis of Financial Statement Presentation* and Note7-*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
Total				**$ 70,059**	**$ (946)**	**$ 69,113**

Shares Issued for Services

On July 15, 2025, the Company issued a total of 20,000 shares of Common Stock with a fair value on the issuance date of $3.55 per share to an investor in exchange for a market awareness campaign and various public and investor relations services. The shares were sold in a private offering to an investor that was acquiring the shares for its own account.

August 2025 Equity Offering

On August 21, 2025, the Company entered into an underwriting agreement to issue and sell an aggregate of 2,374,481 shares of its Common Stock at a price of $3.50 per share (the "August 2025 Equity Offering"). The August 2025 Equity Offering closed on August 25, 2025, and resulted in net proceeds of approximately $7.4 million after the recognition of underwriting discounts and commissions, and other offering expenses paid or payable by the Company.

December 2025 Warrant Exercise

In connection with the Exchange Transaction, on March 13, 2025, and as further described in Note 1-*Basis of Financial Statement Presentation*, the Company issued Restructuring Warrants to purchase up to an aggregate of 5,632,692 shares of Common Stock, comprised of warrants to purchase up to 2,816,346 shares to Bluescape and warrants to purchase up to 1,408,173 shares to each of Meridian and Ascend. The Restructuring Warrants were immediately exercisable, had an exercise price of $3.5507 per share, and would expire on the first anniversary of the issuance.

On December 4, 2025, the Company entered into amendments to the Restructuring Warrants with each of Bluescape, Ascend and Meridian (the "Warrant Amendments"). The Warrant Amendments permitted each holder to exercise its Restructuring Warrants on a cashless basis after the holder exercised at least 10% of the shares underlying its Restructuring Warrants for cash.

On December 4, 2025, each of Bluescape, Ascend and Meridian exercised their respective Restructuring Warrants in full (10% cash exercise and 90% cashless exercise). Under the cashless exercise feature, the number of shares issued upon net exercise was determined using a formula that compared the five-day volume weighted price on the date the Company received notice from the warrant holder of its intent to exercise the warrants to the existing warrant exercise price. In connection with the exercise, the Company issued 1,067,296 shares of its Common Stock and received approximately $2.0 million in cash proceeds. The cash proceeds received from the cash exercises were recorded as an increase to stockholders' equity. The shares issued in connection with the cashless exercises resulted in a reclassification within stockholders' equity associated with the net share settlement of the Restructuring Warrants. Following the exercises, Bluescape, Ascend and Meridian held no additional warrants.

EXIM Warrant Issuance

During November 2025, the Company formally submitted an application to the Export-Import Bank of the United States ("EXIM") for a $10.0 million funding package (the "EXIM Loan") through EXIM's Engineering Multiplier Program ("EMP"). The EMP is a program designed to finance feasibility studies, pre-construction design, engineering, architectural and environmental services undertaken prior to the commencement of the implementation phase of a physical project, for projects that are anticipated to generate additional exports of U.S. goods and services. The Company believes the Project and the remaining costs associated with the engineering work needed qualifies for a loan pursuant to the EMP program.

On December 8, 2025, at the Company's 2025 annual meeting of stockholders, the Company's stockholders approved the Company's entry into an agreement (the "Letter Agreement") to issue up to 2,816,346 warrants with an exercise price of $3.5507 to purchase up to $10.0 million shares of the Company's Common Stock (the "EXIM Warrants"), to Bluescape and Ascend, or their respective affiliates (the "Guarantors") in connection with each party providing a guarantee or collateral package (the "Guarantee") to EXIM as a condition of awarding the EXIM Loan. However, the Company is under no obligation to secure any potential EXIM Loan with the Guarantee and may pursue other options for security or collateral with EXIM.

On January 7, 2026, the Company and the Guarantors entered into the Letter Agreement, pursuant to which the Company issued the EXIM Warrants. The terms of the EXIM Warrants are substantially identical to the terms of the 2024 Warrants, except:

- vest and become exercisable only after the date that the Guarantors provide the Guarantee to EXIM, and in an amount equal to the amount guaranteed by such Guarantor;
- expire upon the earlier of (a) the second anniversary of the date that the EXIM Loan is repaid or (b) the release of the Guarantee; and
- do not include an option for the holder to require the Company to repurchase the EXIM Warrants for the Black-Scholes value of the EXIM Warrants in connection with the consummation of a fundamental transaction.

As of the date these financial statements have been issued, the EXIM Loan has not been awarded to the Company, and therefore the EXIM Warrants have not vested and are not available for exercise.

February 2026 Equity Offering

On February 2, 2026, the Company completed the issuance and sale of an aggregate of 18,000,000 shares of its Common Stock at a price of $2.00 per share (the "February 2026 Equity Offering"). The February 2026 Equity Offering resulted in aggregate net proceeds of approximately $33.2 million after deducting placement agent fees, and other offering expenses paid and payable by the Company.

Vesting of Equity Awards

During the three months ended March 31, 2026 and 2025, the Company issued zero and approximately five thousand shares of its Common Stock upon the vesting of equity awards, respectively. During the nine months ended March 31, 2026 and 2025, the Company issued approximately 33 thousand shares and approximately 16 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").

As a result of the August 2024 Equity Offering, the Company was precluded from utilizing the ATM Program for one year following the closing of the offering, and as a result approximately $410,000 of costs previously capitalized for the ATM Program were written-off to general and administrative expense during the three and nine months ended March 31, 2025. On August 14, 2025, the Equity Distribution Agreement was terminated pursuant to the terms therein. The Company is not subject to any termination penalties related to the termination of the Equity Distribution Agreement. The Company did not sell any shares of Common Stock under the Equity Distribution Agreement.

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.

	Three months ended March 31,		Nine Months Ended March 31,	
	2026	2025	2026	2025
	(in thousands)			
Share-based compensation expense — service based				
ABR Employee share option plan	$ —	$ —	$ —	$ 167
2022 Equity Compensation Plan — Options	172	33	524	88
2022 Equity Compensation Plan — PSUs	31	35	53	60
2022 Equity Compensation Plan — RSUs	114	244	360	1,526
Total share-based compensation expense	$ 317	$ 312	$ 937	$ 1,841

As of March 31, 2026, the Company had approximately $1.9 million 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 1.0 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. No stock option awards were granted during the nine months ended March 31, 2026. The significant assumptions used to estimate the fair value of stock option awards granted during the nine months ended March 31, 2025, using a Black-Scholes option valuation model are as follows.

	Nine months ended March 31, 2025
Exercise price	$23.69 - $29.21
Share price	$10.61 - $14.25
Volatility	99.2% - 99.9%
Expected term in years	2.8 - 2.9
Risk-free interest rate	3.4% - 4.1%
Dividend rate	Nil

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

	Nine months ended March 31,			
	2026		2025	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	(In thousands, except per share data)			
Outstanding at beginning of the period	647	$ 18.31	174	$ 214.51
Granted	—	—	24	26.70
Expired/forfeited	(11)	378.35	(72)	120.98
Outstanding at end of the period	636	12.57	126	232.53
Vested at the end of the period	17	177.68	90	314.37
Unvested at the end of the period	619	$ 7.93	36	$ 27.54

The weighted average remaining life of vested options as of March 31, 2026 and 2025, was approximately 7.1 years and 1.7 years, respectively. As of March 31, 2026 and 2025, the maximum expiration date for vested options was approximately 7.1 and 8.1 years, respectively.

As of March 31, 2026, there was approximately $1.3 million of unrecognized compensation cost related to 619 thousand unvested stock options. This cost is expected to be recognized over a weighted-average remaining period of approximately 1.0 years. As of March 31, 2026 and 2025, the maximum expiration date for unvested options was approximately 3.1 and 2.3 years, respectively.

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

	Nine months ended March 31,			
	2026		2025	
	Number of Options	Weighted Average Grant Date Fair Value per share	Number of Options	Weighted Average Grant Date Fair Value per share
	(In thousands, except per share data)			
Unvested at beginning of the period	619	$ 3.25	15	$ 41.12
Granted	—	—	24	5.46
Vested	—	—	(3)	141.22
Unvested at end of the period	619	$ 3.25	36	$ 9.26

As of March 31, 2026 and 2025, 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, 2026 and 2025.

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, 2025	55.6	11.36	22.8	$ 30.11	78.4
Granted	196.3	2.47	216.0 (1)	1.55	412.3
Vested	(50.8)	8.02	(0.4)	266.30	(51.2)
Forfeited	(3.0)	3.86	—	—	(3.0)
Non-vested shares/units outstanding at March 31, 2026	198.1	$ 3.52	238.4	$ 3.80	436.5

	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, 2024	16.0	$ 58.95	4.1	$ 131.68	20.1
Granted	40.6	9.54	19.8 (2)	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

(1) During the three and nine months ended March 31, 2026, approximately 216.0 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 June 30, 2027; 2) an approved final investment decision in the large-scale commercial facility at a modeled internal rate of return of 18%, and 3) the Company's share price exceeding $8.80 per share. The determination of the percentage of shares that ultimately vest will be made on the three-year anniversary of the grant date based upon achievement of the performance targets over the period.

(2) During the three and 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 on the three-year anniversary of the grant date based upon achievement of the performance targets over the period.

12. Earnings (Loss) Per Common Share

Basic earnings (loss) per share is computed by dividing the net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the respective period. Diluted loss per share includes certain adjustments to basic earnings per share for income and to common shares outstanding that could occur if RSUs, PSUs, stock options and convertible securities such as the Convertible Notes and warrants were exercised or converted into common stock. Diluted loss per share equals basic loss per share for the three months ended March 31, 2026 and the nine months ended March 31, 2026 and 2025, as the effect of including dilutive securities and adjustments to income in the calculation would be antidilutive, 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 earnings 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 Convertible Notes, warrants and outstanding equity awards, refer to Note 7-*Debt*, Note 10-*Equity* and Note 11-*Share Based Compensation*, respectively.

The following table includes a reconciliation of basic and dilutive earnings (loss) 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 antidilutive effect.

	Three months ended March 31,		Nine Months Ended March 31,	
	2026	2025	2026	2025
	(in thousands, except per share data)			
Basic earnings (loss) per share:				
Net income (loss) - numerator	$ (12,132)	$ 5,280	$ (33,717)	$ (21,841)
Weighted-average shares — denominator	34,912	7,207	26,142	4,329
Basic earnings (loss) per share	$ (0.35)	$ 0.73	$ (1.29)	$ (5.05)
Diluted earnings (loss) per share:				
Net income (loss)	$ (12,132)	$ 5,280	$ (33,717)	$ (21,841)
Interest expense on convertible notes, net of amounts capitalized	—	1,868	—	—
Gain on extinguishment of debt	—	(17,333)	—	—
Net income (loss) - numerator	$ (12,132)	$ (10,185)	$ (33,717)	$ (21,841)
Weighted-average shares (denominator):	34,912	7,207	26,142	4,329
Additional shares assuming conversion of convertible note[(1)]	—	3,245	—	—
Weighted-average shares — diluted	34,912	10,452	26,142	4,329
Diluted earnings (loss) per share	$ (0.35)	$ (0.97)	$ (1.29)	$ (5.05)
Items excluded due to anti-dilutive effect:				
Interest expense on convertible notes, net of amounts capitalized	$ —	$ —	$ —	$ 6,451
Derivative gain (loss) — convertible note derivatives	$ —	$ —	$ —	$ 1,357
Additional shares assuming conversion of convertible notes[(1)]	—	—	—	2,376
Additional shares assuming exercise of warrants	3,280	6,096	3,280	6,096
Stock options, unvested restricted stock units and performance share units excluded due to anti-dilutive effect	1,073	180	1,073	180

(1)Represents the shares that would have been issued if noteholders had elected to convert the Convertible Notes into shares of Common Stock based upon the principal and accrued interest balance and Conversion Rate applicable at the beginning of the respective period, or at the issuance date of such Convertible Notes, if later.

13. Commitments and Contingencies

Purchase Obligations

As of March 31, 2026, the Company had purchase order commitments of approximately $2.0 million primarily for raw materials for the operation of the SSF; wellfield materials; engineering services and vendor testing related to the design of the proposed commercial-scale facility; consulting and services; environmental testing and other corporate services.

Litigation

Construction Services

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, breaches by the contractor of its contractual obligations to 5EBA under the Procurement and Construction Contract, effective April 26, 2022, relating to the construction of the SSF. On August 10, 2023, the contractor filed an answer to the Complaint and asserted counterclaims against 5EBA seeking relief of approximately $5.5 million.

On March 17, 2026, the parties executed a settlement agreement resolving all claims and counterclaims related to the matter, and the Company paid a settlement amount of approximately $4.3 million. The Company had previously accrued $2.8 million related to probable amounts owed under the construction contract and, upon approval of the settlement, recorded an additional $1.5 million to property, plant and equipment, which will be depreciated prospectively over the remaining useful life of the SSF. Refer to Note 4-*Property, Plant and Equipment*, for additional details.

Mining Claims

On May 11, 2026, Elementis Specialties Inc. ("Elementis") filed a complaint in the United States District Court for the Central District of California, Eastern Division, captioned *Elementis Specialties Inc. v. 5E Advanced Materials, Inc. et al*., Case No. 5:26-cv-02488, against the Company and its wholly owned subsidiary, 5EBA. The complaint alleges, among other things, claims for quiet title, trespass, declaratory relief, slander of title, and violation of California's unfair competition law relating to certain federal unpatented mining claims in San Bernardino County, California. Elementis seeks declaratory and injunctive relief, quiet title, compensatory and consequential damages in an amount to be proven at trial, punitive damages, statutory penalties, attorneys' fees, costs, and interest. The Company believes it has defensible claims, disputes the allegations, and intends to vigorously defend the matter. Based on information currently available and management's current assessment, the Company is unable to reasonably estimate possible damages or a range of possible damages and has not recorded an accrual related to this matter in the accompanying unaudited condensed consolidated financial statements.

14. Related Party Transactions

As of March 31, 2026, Ascend and Bluescape beneficially owned approximately 29.2% and 20.1%, respectively of the Company's outstanding Common Stock and are therefore considered related parties. Additionally, pursuant to the Fourth Amended and Restated Investor and Registration Rights Agreement dated January 14, 2025, Bluescape and Ascend each have the right to designate two individuals to our Board, and we are required to appoint or nominate such persons to our Board. Such party's respective designation right will continue for so long as each 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 each such party beneficially owns 10% of the Company's Common Stock.

As described in Note 10-*Equity*, on December 4, 2025, the Company entered into the Warrant Amendments with Bluescape, Ascend and Meridian, and each exercised all of their outstanding Restructuring Warrants.

As described in Note 10-*Equity*, on January 7, 2026, the Company issued warrants to purchase up to $10.0 million of shares of the Company's Common Stock to Bluescape and Ascend.

As described in Note 10-*Equity*, on February 2, 2026, the Company completed the February 2026 Equity Offering. As part of the February 2026 Equity Offering, Bluescape purchased 4,000,000 shares of our Common Stock at $2.00 per share, a price per share equal to other investors who purchased shares of the Company's Common Stock in the transaction.

15. Subsequent Events

On May 11, 2026, Elementis Specialties Inc. filed a complaint against the Company and its wholly owned subsidiary, 5E Boron Americas, LLC, in the United States District Court for the Central District of California. Refer to Note 13-*Commitments and Contingencies*, for additional information.

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, 2026 and 2025. 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 29, 2025 (the "Annual Report"). Except for historical information, this discussion and analysis contains various forward looking statements that involve risks, uncertainties and assumptions and other important factors, which include, but are not limited to, the risks described 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

5E Advanced Materials, Inc. is a development stage company focused on becoming a vertically integrated global leader and supplier of refined borates and advanced boron derivative materials whose mission is to enable decarbonization, increase food security, and ensure domestic supply of critical materials. Our business strategy and objectives are to develop capabilities ranging from upstream extraction and product sales of borates, calcium-based co-products, and potentially other byproducts such as lithium carbonate, to downstream advanced boron material processing and development. Our vision is to safely process borates and other industrial minerals through sustainable best practices and a continuous improvement mindset. We hold 100% of the rights through ownership and lode claims filed with the United States Bureau of Land Management (the "BLM") in the 5E Boron Americas (Fort Cady) Complex (the "Project") located in southern California through our wholly owned subsidiary 5E Boron Americas LLC (formerly Fort Cady (California) Corporation ("5EBA")). Our Project is underpinned by boron reserves and a lithium resource, with the borates being contained in a conventional boron mineral known as colemanite. Our facility was designated as Critical Infrastructure by the U.S. Department of Homeland Security's Cybersecurity and Infrastructure Security Agency in 2022, and boron was added to the U.S. Department of the Interior's 2025 Critical Minerals List on November 7, 2025. We currently operate our small-scale facility (the "SSF") at the Project, which provides data and information necessary for us to ultimately establish a commercial-scale facility (the "Commercial Scale Facility") at the Project.

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

Appointment of Jonathan Siegler to Board of Directors

On April 13, 2026, we appointed Jonathan Siegler to our Board of Directors as one of Bluescape's designees, replacing Graham van't Hoff in that designee capacity. Mr. van't Hoff continues to serve as Chairman and a director. Mr. Siegler brings significant experience in project finance, capital structuring, infrastructure development and transaction execution, which we believe will support the next phase of development and prospective debt and equity financing for Fort Cady. His appointment follows recent commercial progress, including customer request for proposals and early-stage offtake discussions arising from our March 2026 customer roadshow.

Voluntary ASX Delisting

On April 16, 2026, we announced our intention to voluntarily delist from the ASX while maintaining our listing on the Nasdaq Global Select Market ("Nasdaq"), which we believe will simplify our public company and security-holder structure and better align our listing profile with our U.S.-based management team, assets and investor base. We expect the delisting to reduce ongoing legal, compliance, administrative and other listing-related costs, with no material impact on our financial position or operating results other

than compliance-cost savings and certain ancillary cost savings, net of one-time delisting fees. Following the delisting, our common stock will continue to trade on Nasdaq and we will remain subject to Nasdaq listing standards and SEC reporting obligations.

First Offtake Heads of Agreement

We continued to advance our commercial strategy for the Fort Cady Project, and in May 2026, we announced that we had entered into a non-binding offtake heads of agreement with a domestic industrial customer for boric acid, which we believe represents an important step in our customer qualification and project financing readiness efforts. We also continued to engage with prospective customers and received additional commercial interest, including requests for proposals and indicative terms, although there can be no assurance that these discussions will result in definitive agreements or on terms acceptable to us. In addition, we advanced product development initiatives for higher-value boron-derived materials, including stable meta boric acid, for which we have filed a provisional patent application, and initial testing related to potential ferroboron production, as we evaluate opportunities to potentially expand our product offerings beyond conventional boric acid.

Highlights for the Three Months Ended March 31, 2026

Operational Highlights

Ferroboron Supply Chain Initiative

We are advancing research and development to produce ferroboron, an iron-boron alloy used in specialty steel and as a boron source in neodymium-iron-boron permanent magnet manufacturing. During the quarter, we engaged Dr. William M. Carty, Ph.D. to lead the research and development and trial programs, and identified two redox-based process routes for laboratory evaluation. We are targeting delivery of initial samples to prospective end users for evaluation and initial qualification in the first half of calendar year 2026, with expected trial deliverables including product chemistry, impurity profiling, particle size distribution, and preliminary mass and energy balances to support early-stage process design and initial economic assessment. We have not executed any definitive commercial agreements relating to ferroboron, and there can be no assurance that the current trial program will result in a commercial product, customer qualification, or a decision to proceed.

Meta Boric Acid Product Development

We began evaluating meta boric acid, a boron derivative material produced from our boron resource that has achieved approximately 80% B_2O_3 equivalent content in research and development activities. Meta boric acid is being evaluated as a higher-concentration boron product for potential use in specialty glass, ceramics and other industrial applications. During the period, we produced a stable meta boric acid product and filed a provisional patent application with the U.S. Patent and Trademark Office relating to the production process and we are assessing using meta boric acid in our commercial product portfolio. We are continuing larger-scale trials and customer sampling efforts to support testing and qualification with prospective customers. We have not entered into any definitive commercial agreements for this product, and any future commercialization remains subject to successful technical validation, customer qualification, intellectual property development, financing and other factors.

Customer Roadshow and Pursuit of Offtake

During the period, senior management completed a customer roadshow involving 12 prospective customers across multiple end markets, including ceramics, insulation, ferroboron, biocidal and pesticidal applications as well as distribution. These engagements included on-site facility tours and technical discussions regarding product specifications, logistics, qualification pathways, project timing and potential commercial structures. As a result of these discussions, multiple prospective customers requested proposals and indicative commercial terms, which we believe may support ongoing customer diligence, potential qualification processes, and negotiations toward possible long-term offtake arrangements. We have not entered into any definitive offtake or other commercial agreements as a result of these activities, and there can be no assurance that any proposals, discussions or diligence efforts will result in executed agreements, customer qualification, project financing or future sales.

Financing Highlights

August 2024 Equity Offering

On August 27, 2024, we completed an offering (the "August 2024 Equity Offering") of (i) 231,884 shares (the "Shares") of our common stock, par value $0.01 per share ("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. The exercise price for each of the 2024 Warrants is $18.3563 per share. The net proceeds to us for the August 2024 Equity Offering were approximately $3.0 million after deducting placement agent fees and other offering expenses.

September 2024 Notes Offering

On September 16, 2024, we entered into a third amendment ("Amendment No. 3") to a January 2024 amended and restated note purchase agreement (as described in Note 7-*Debt*, of Part I, Item 1 of this Quarterly Report, 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 convertible notes issued in June of 2024 (as described in Note 7–*Debt* of Part I, Item 1 of this Quarterly Report, the "June 2024 Notes"), in an aggregate principal amount of $6.0 million (the "September 2024 Notes") to Bluescape 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. 3 (the "September 2024 Amended and Restated Note Purchase Agreement"). The net proceeds to us for the September 2024 Notes were approximately $5.5 million after deducting issuance costs and fees.

January 2025 Notes Offering

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 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 and 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 a financial covenant to maintain a cash balance of at least $7.5 million from December 31, 2024, to March 31, 2025. The net proceeds to us for the January 2025 Notes were approximately $4.7 million after deducting issuance costs and fees.

Debt Exchange and Related Agreements

During March 2025, we completed a debt restructuring transaction with Bluescape, Meridian 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. The Exchange Transaction resulted in:

- the issuance of an aggregate of 13,586,524 shares of our Common Stock on March 5, 2025, to Ascend and Bluescape upon exchange of all of the outstanding Convertible Notes and the extinguishment of all indebtedness owed by us under the Amended and Restated Note Purchase Agreement (the "Exchange");
- the issuance and sale by us of 1,408,173 shares of Common Stock to Ascend and Bluescape on March 14, 2025, at a price per share of $3.5507 (the "Subscription Price") for aggregate net proceeds of approximately $4.9 million;
- the issuance by us to Ascend and Bluescape of warrants on March 13, 2025, that expire March 13, 2026 to purchase up to 5,632,692 shares of Common Stock, at a price per share equal to the Subscription Price (the "Restructuring Warrants"); and
- the right of each of Ascend and Bluescape to designate two directors to serve on our Board of Directors ("Board") 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.

May 2025 Equity Offering

On May 12, 2025 and May 13, 2025, we entered into 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 37,042 shares of our Common Stock as an advisory fee. The May 2025 Subscription closed on May 15, 2025 and resulted in aggregate net proceeds to us of approximately $6.4 million after deducting fees and other offering expenses.

August 2025 Equity Offering

On August 21, 2025, we entered into an underwriting agreement to issue and sell an aggregate of 2,374,481 shares of our Common Stock at a price of $3.50 per share (the "August 2025 Equity Offering"). The August 2025 Equity Offering closed on August 25, 2025, and resulted in aggregate net proceeds of approximately $7.4 million after deducting underwriting discounts and commissions, and other offering expenses.

December 2025 Warrant Amendments and Exercises

On December 4, 2025, we entered into amendments to the Restructuring Warrants with each of Bluescape, Ascend and Meridian (the "Warrant Amendments"). The Warrant Amendments permitted each holder to exercise its Restructuring Warrants on a cashless basis after the holder exercised at least 10% of the shares underlying its Restructuring Warrants for cash. Also on December 4, 2025, each of Bluescape, Ascend and Meridian exercised their respective Restructuring Warrants in full (10% cash exercise and 90% cashless exercise). In connection with the exercise, we issued 1,067,296 shares of our Common Stock and received approximately $2.0 million in cash proceeds (the "2025 Warrant Exercise").

EXIM Engineering Multiplier Program Application and Warrant Issuance

During November of 2025, we formally submitted an application to EXIM for a $10.0 million funding package (the "EXIM Loan") through EXIM's Engineering Multiplier Program ("EMP"). The EMP is a program designed to finance feasibility studies, pre-construction design, engineering, architectural and environmental services undertaken prior to the commencement of the implementation phase of a physical project, for projects that are anticipated to generate additional exports of U.S. goods and services. The Company believes the Project and the remaining costs associated with the engineering work needed prior to a final investment decision qualifies for a loan pursuant to the EMP program. We continue to hold a $285 million letter of interest through EXIM's MMIA program that has the potential to fund a portion of the anticipated costs for the proposed commercial-scale facility, the EMP application complements this letter of interest by targeting earlier-stage engineering needs. There can be no assurance that the EMP application will be approved or that any financing will be completed on the terms sought or at all.

On December 8, 2025, at our 2025 annual meeting of stockholders, our stockholders approved our entry into an agreement (the "Letter Agreement") to issue up to 2,816,346 warrants with an exercise price of $3.5507 to purchase up to $10.0 million shares of our Common Stock (the "EXIM Warrants"), to Bluescape and Ascend, or their respective affiliates (the "Guarantors") in connection with each party providing a guarantee or collateral package (the "Guarantee") to EXIM as a condition of awarding the EXIM Loan. However, we are under no obligation to secure any potential EXIM Loan with the Guarantee and may pursue other options for security or collateral with EXIM.

On January 7, 2026, we and the Guarantors entered into the Letter Agreement, pursuant to which we issued the EXIM Warrants. The terms of the EXIM Warrants are substantially identical to the terms of the 2024 Warrants, except:

- vest and become exercisable only after the date that the Guarantors provide the Guarantee to EXIM, and in an amount equal to the amount guaranteed by such Guarantor;
- expire upon the earlier of (a) the second anniversary of the date that the EXIM Loan is repaid or (b) the release of the Guarantee; and
- do not include an option for the holder to require us to repurchase the EXIM Warrants for the Black-Scholes value of the EXIM Warrants in connection with the consummation of a fundamental transaction.

Consistent with the terms of the 2024 Warrants, the EXIM Warrants contain customary adjustments in the event of any stock split, stock dividend, stock combination, recapitalization, or similar transaction occurring after the issuance date. As of the date of this Form 10-Q, we have not yet been awarded the EXIM Loan, and therefore the EXIM Warrants have not vested and are not available for exercise.

February 2026 Equity Offering

On February 2, 2026, we completed the issuance and sale of an aggregate of 18,000,000 shares of our Common Stock at a price of $2.00 per share (the "February 2026 Equity Offering"). The February 2026 Equity Offering resulted in aggregate net proceeds of approximately $33.2 million after deducting placement agent fees, and other offering expenses paid or payable by us.

Financing Transactions — Liquidity Considerations and Going Concern

As a pre-revenue development stage company, we are dependent on debt and equity financing transactions to fund our continued development and operational activities. While we have continued to execute a number of financing transactions, as described under the heading *Financing Highlights* above, each of which improved our cash position, we continue to operate under a business plan that includes reductions in certain spending, and we will need additional financing to maintain our operations and carry out our planned business objectives. 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 this Quarterly Report. 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 included in Item 1 of this Quarterly Report and "Liquidity and Capital Resources" below for more information.

Reverse Stock Split

On February 14, 2025, we effected a 1-for-23 reverse stock split (the "Reverse Stock Split") of our Common Stock. As such, 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.

Results of Operations

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

	Three Months Ended March 31,		Variance		Nine Months Ended March 31,		Variance	
	2026	2025	$	%	2026	2025	$	%
	(in thousands)				(in thousands)			
COSTS AND EXPENSES								
Project expenses	$ 1,443	$ 1,050	$ 393	37%	$ 4,400	$ 4,283	$ 117	3%
Small-scale facility operating costs	781	897	(116)	(13%)	2,396	3,564	(1,168)	(33%)
General and administrative	3,162	3,265	(103)	(3%)	9,539	11,342	(1,803)	(16%)
Impairment expense	1,608	—	1,608	N/A	1,608	—	1,608	N/A
Depreciation and amortization expense	5,300	4,992	308	6%	15,991	14,955	1,036	7%
Total costs and expenses	12,294	10,204	2,090	20%	33,934	34,144	(210)	(1%)
LOSS FROM OPERATIONS	(12,294)	(10,204)	(2,090)	20%	(33,934)	(34,144)	210	(1%)
NON-OPERATING INCOME (EXPENSE)								
Interest income	166	21	145	*	247	68	179	263%
Other income	—	—	—	N/A	—	4	(4)	(100%)
Gain (loss) on extinguishment of debt	—	17,333	(17,333)	(100%)	—	17,333	(17,333)	(100%)
Derivative gain (loss)	—	—	—	N/A	—	1,357	(1,357)	(100%)
Interest expense	(4)	(1,869)	1,865	(100%)	(15)	(6,454)	6,439	(100%)
Other expense	—	(1)	1	(100%)	(15)	(5)	(10)	200%
Total non-operating income (expense)	162	15,484	(15,322)	(99%)	217	12,303	(12,086)	(98%)
Income tax expense (benefit)	—	—	—	N/A	—	—	—	N/A
NET INCOME (LOSS)	$ (12,132)	$ 5,280	$ (17,412)	*	$ (33,717)	$ (21,841)	$ (11,876)	54%

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

Comparison of the three and nine months ended March 31, 2026 and 2025

Project expenses

Project expenses include drilling, site preparation, engineering (excluding amounts eligible to be capitalized), testing and sampling, development and testing of our wellfield, hydrology, permits, property taxes, surveys, certain consultants, certain insurance costs, and other expenses associated with further progressing our Project. For the three months ended March 31, 2026, Project expenses increased $393 thousand, or 37%, versus the comparable period in the prior fiscal year. The increase was primarily the result of an increase in development costs associated with our commercial wellfield design and testing program, including deployment of horizontal wells ($0.5 million), which was offset to a lesser extent by a decrease in site-related costs ($0.1 million).

For the nine months ended March 31, 2026, project expenses increased $117 thousand, or 3%, versus the comparable period in the prior fiscal year. The increase was primarily the result of an increase in development costs associated with our commercial wellfield design and testing ($0.8 million). This increase was offset, to a lesser extent, by decreases in (i) site-related costs ($0.6 million), and (ii) insurance costs ($0.1 million).

Small-scale facility operating costs

Small-scale facility operating costs consist of raw materials, salaries and benefits for employees that are directly responsible for the operation of the SSF and wellfield, and maintenance and upkeep related to the SSF. For the three months ended March 31, 2026, Small-scale facility operating costs decreased $116 thousand, or 13%, versus the comparable period in the prior fiscal year. The decrease was primarily the result of a decrease in raw materials necessary to operate the SSF and produce boric acid and other byproducts ($0.1 million).

For the nine months ended March 31, 2026, Small-scale facility operating costs decreased $1.2 million, or 33%, versus the comparable period in the prior fiscal year. The decrease was primarily the result of decreases in: (i) salaries and benefits for our employees directly responsible for operating the SSF due to a reduction in headcount between periods ($0.8 million), (ii) raw materials necessary to operate the SSF and produce boric acid ($0.3 million), and (iii) maintenance, upkeep and other costs incurred for the operation of the SSF ($0.1 million).

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, share based compensation, corporate insurance, certain consultants, investor relations and other expenses. For the three months ended March 31, 2026, general and administrative expenses decreased $103 thousand, or 3%, versus the comparable period in the prior fiscal year. The decrease was primarily the result of a decrease in insurance related costs ($0.2 million), offset, to a lesser extent, by an increase in investor relations and marketing costs ($0.1 million).

For the nine months ended March 31, 2026, general and administrative expenses decreased $1.8 million, or 16%, versus the comparable period in the prior fiscal year. The decrease was primarily due to decreases in: (i) share based compensation ($0.9 million) which is primarily the result of prior fiscal year including approximately $1.1 million of share based compensation expense associated with the acceleration of expense pursuant to an employee severance agreement, (ii) corporate insurance costs ($0.6 million), (iii) professional fees, primarily as a result of incurring incremental legal fees in the prior fiscal year leading up to the Exchange Transaction ($0.4 million), (iv) other miscellaneous cost-cutting measures across the organization ($0.3 million), (v) severance related costs ($0.2 million), and (vi) decrease in base employee compensation and benefits ($0.1 million). These decreases were offset by an increase in investor relations and marketing costs ($0.7 million).

Impairment expense

During the quarter ended March 31, 2026, we encountered difficulty with our fiberglass reinforced production tubing in our horizontal sidetracks that we drilled from our existing injection and recovery wells as we applied increasing temperature to our mining operations. In addition, downhole tubing and fiber optic equipment became lodged within one of our horizontal sidetrack wells, and the loss of wellbore continuity in the second sidetrack well led to the inability to access the horizontal portion of the well. Despite losing access to the horizontal portions of the well, we validated technical and operating feasibility of horizontal wells before failure, injection rates, geologic continuity of the main mineralized horizon, a more consistent head grade relative to vertical wells, and validated materials of construction and future completion designs. We determined that both horizontal sidetracks were fully impaired

as a result of these difficulties and had no remaining fair value. Therefore, the remaining net book value of $1.6 million associated with the horizontal sidetrack wells was written off to impairment expense during the three and nine months ended March 31, 2026. There was no comparable activity in the comparable periods in the prior fiscal year.

Depreciation and amortization expense

Depreciation and amortization relate 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, 2026, depreciation and amortization expense increased $308 thousand, or 6%, versus the comparable period in the prior fiscal year. For the nine months ended March 31, 2026, depreciation and amortization expense increased $1.0 million, or 7%, versus the comparable period in the prior fiscal year. These increases were primarily due to the combined effect of (i) our beginning to depreciate $2.1 million of costs incurred for the horizontal sidetracks we drilled from our existing injection and recovery wells during the quarter ended September 30, 2025, and (ii) the reduction in useful life of the injection and recovery wells from 5.0 years to 3.75 years to more closely align with our operational and development plans.

Interest income

Interest income is derived from the investment of our excess cash and cash equivalents and reclamation bond deposits in short-term (original maturities of three months or less) investments of highly liquid treasury bills, certificates of deposit and money market mutual funds. For the three months ended March 31, 2026, interest income increased $145 thousand versus the comparable period in the prior fiscal year. For the nine months ended March 31, 2026, interest income increased $179 thousand, or 263%, versus the comparable period in the prior fiscal year. These increases were primarily due to interest income earned on the remaining cash generated by the February 2026 Equity Offering, and to a lesser extent, interest earned on the reclamation bond deposit account that was established during April 2025.

Other income

Other income is primarily derived from the sale of scrap and other materials. For the three and nine months ended March 31, 2026, we did not recognize other income from the sale of scrap materials, versus $4 thousand recognized during the three and nine months ended March 31, 2025.

Gain 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. There was no comparable activity for the three and nine months ended March 31, 2026.

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 an amended and restated note purchase agreement entered into during May of 2024 and subsequently incorporated into and continued under the September 2024 Amended and Restated Note Purchase Agreement. 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"), each as discussed within Note 7-*Debt* and Note 8-*Convertible Note Derivatives* to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report.

There was no unrealized derivative gain (loss) during the three and nine months ended March 31, 2026, as the June 2024 Convertible Note Derivative and September 2024 Convertible Note Derivative each expired on December 31, 2024, prior to the beginning of such period.

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 the June 2024 Convertible Note Derivative was outstanding, 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 embedded conversion feature 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, to a lesser extent, by a loss with respect to the September 2024 Convertible Note Derivative during the same period. The unrealized derivative loss 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 embedded conversion feature expired), resulting in an increase in the value of the embedded conversion feature liability during such period and a resulting derivative loss of $0.9 million. On December 31, 2024, the conversion features associated with the June 2024 Notes and September 2024 Notes that resulted in separate accounting expired and the remaining aggregate fair value of such derivatives of $3.6 million was transferred to additional paid-in capital.

Interest expense

Interest expense primarily related to interest expense incurred on the Convertible Notes while such notes were outstanding and was net of amounts capitalized to construction-in-progress. Prior to the January 2024 Amended and Restated Note Purchase Agreement, the Convertible Notes accrued interest at a rate of 6.0% when interest was paid-in-kind through the issuance of additional notes. Subsequent to the January 2024 Amended and Restated Note Purchase Agreement, the Convertible Notes accrued interest at a rate of 10.0% when interest was 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 recognized 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, 2026, interest expense decreased $1.9 million, versus the comparable period in the prior fiscal year. For the nine months ended March 31, 2026, interest expense decreased $6.4 million, versus the comparable period in the prior fiscal year. These decreases were due to the extinguishment of the Convertible Notes and recognition of interest expenses thereon.

Other expense

Other expense relates to losses on foreign currency transactions, certain non-income related taxes, and penalties. For the three months ended March 31, 2026, other expense decreased $1 thousand or 100%, versus the comparable period in the prior fiscal year. For the nine months ended March 31, 2026, other expense increased $10 thousand or 200%, versus the comparable period in the prior fiscal year. Such increases were primarily due to increases in fines and penalties.

Liquidity and Capital Resources

Overview

As of March 31, 2026, we had cash and cash equivalents of $25.4 million and working capital of $21.8 million compared to $3.8 million of cash and cash equivalents and a working capital deficit of $1.8 million as of June 30, 2025. 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 previously outstanding 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.

To date, during fiscal year 2026, we have completed the August 2025 Equity Offering, the 2025 Warrant Exercise and February 2026 Equity Offering, each aimed at strengthening our balance sheet, to help fund mining and SSF operations, wellfield development and analysis, and engineering for our proposed commercial scale facility.

A summary of our cash flows for the nine months ended March 31, 2026 and 2025 follows.

	For the nine months ended March 31,		Variance	
	2026	2025	$	%
	($ in thousands)			
Net cash used in operating activities	$ (13,792)	$ (17,407)	$ 3,615	(21%)
Net cash used in investing activities	(7,318)	(1,395)	(5,923)	*
Net cash provided by financing activities	42,662	17,938	24,724	138%
Net increase (decrease) in cash and cash equivalents	$ 21,552	$ (864)	$ 22,416	(2594%)

** 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, and operating costs of the SSF. During the nine months ended March 31, 2026, we used $13.8 million of cash for operating activities, a decrease of approximately $3.6 million or 21% compared to the comparable period in the prior fiscal year. The decrease in cash used in operations during the current period primarily results from decreases in Small-scale facility operating costs, General and administrative expenses, net of non-cash share-based compensation expense, and Project expenses (refer to the discussion of period-over-period changes in Small-scale facility operating costs, General and administrative expenses and Project expenses within *Results of Operations* above for additional details).

Cash Flows Used For Investing Activities

Our cash flows used for investing activities primarily relate to wellfield development activities, equipment purchases, stage 2 of our front-end loading ("FEL-2") engineering and related vendor testing related to our commercial-scale facility, advanced planning for stage 3 of our front-end loading ("FEL-3") engineering program, and the payment of a settlement to a former construction contractor related to the construction of our SSF. During the nine months ended March 31, 2026, we used $7.3 million of cash for investing activities, an increase of approximately $5.9 million compared to the comparable period in the prior fiscal year. The increase in cash used in investing activities primarily results from the payment of an approximate $4.3 million settlement payment to a former construction contractor related to the construction of our SSF (as described further in Note 4-*Property Plant and Equipment, Net* and Note 13-*Commitments and Contingencies* included in Part I, Item 1 of this Quarterly Report on Form 10-Q*)*, and wellfield development activities, including the horizontal sidetracks we drilled from two of our existing injection and recovery wells.

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, 2026 were the result of (i) approximately $7.4 million of net proceeds received from the August 2025 Equity Offering, (ii) approximately $2.0 million of net proceeds received from the 2025 Warrant Exercise, and (iii) approximately $33.6 million of net proceeds received from the February 2026 Equity Offering (which excludes related expenses payable of approximately $0.4 million as of March 31, 2026). These net cash inflows were offset by (i) approximately $0.2 million of costs paid in connection with the May 2025 Subscription, and (ii) approximately $0.1 million of taxes paid upon the vesting and release of shares for equity awards.

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 the January 2025 Notes, and (iv) approximately $4.9 million of net 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. These net cash inflows were offset by approximately $0.2 million of taxes withheld and paid upon the vesting and release of shares for equity awards.

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 facility, 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, and $2.0 million primarily for raw materials for the operation of the SSF; wellfield materials; engineering services and vendor testing related to the design of the proposed commercial-scale facility; consulting and services; environmental testing and other corporate services. 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 included in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on certain of these expenditures and obligations.

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, progress our customer qualification program and validate our wellfield design and operational plans;

•Progress FEL-3, and the related detailed engineering and vendor testing;

•Optimize well-field design and operating plan in an effort to optimize future mining capital, construction capital and operational expenditures;

•Pursue and optimize infrastructure capital expenditures for our proposed commercial-scale facility which could include expansion of non-potable water resources, upgrading shore power, connection to a natural gas network, preparing certain lands for the construction of the proposed commercial-scale facility, and constructing new access roads into and out of the location for our proposed commercial-scale facility; and

•Further define our advanced boron materials strategy, including our ferroboron supply chain initiative, meta boric acid product development, 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 2025 Equity Offering, 2025 Warrant Exercise and February 2026 Equity Offering, each improved our cash position, and we continue to operate under a business plan that includes reductions in certain spending, we will need additional financing to maintain our operations and carry out our business objectives. 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, 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 this Quarterly Report on Form 10-Q. Therefore, there exists substantial doubt regarding our ability to continue as a going concern for a period of one year after the date of this Quarterly Report on Form 10-Q. 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 included in Part I, Item 1 of this Quarterly Report 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, 2025. There have been no significant changes in our critical accounting policies during the nine months ended March 31, 2026. 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 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 plan to adopt ASU 2023-09 effective for our fiscal year ending June 30, 2026.

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 financial statements, 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, 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 Exchange Act, the Company's 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, 2026. 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, 2026 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 the Company's 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, 2026, 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.

From time to time, we and our subsidiaries may become subject to various claims, legal proceedings, governmental inspections, audits, or investigations arising in the course of our business. The outcome of any such claims or proceedings, regardless of the merits, is inherently uncertain and we cannot assure you that their ultimate disposition will not have a material adverse effect on our business, financial condition, cash flows, or results of operations. For additional information regarding pending legal proceedings, refer to Note 13-*Commitments and Contingencies* in the unaudited consolidated financial statements included in Part I, Item 1 of this Quarterly Report, which is incorporated herein by reference.

Item 1A. Risk Factors.

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, 2025. 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, 2025, 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.

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

Unregistered Sale of Equity Securities

There were no unregistered sales of equity securities during the three months ended March 31, 2026.

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.

None.

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, 2026, none of the Company's directors or "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.

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Title
3.1	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).
3.2	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).
3.3	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).
4.1	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).
4.2	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).
4.3	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).
4.4*	Form of Amendment and Notice to Exercise of Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.4 to the Company's Current Report on From 10-Q filed with the SEC on February 17, 2026).
10.1*	Non-Executive Director Appointment Letter, Jonathan Siegler, dated April 13, 2026.
31.1*	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	Interactive data files (formatted as Inline XBRL).
104*	Cover page interactive data file (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, 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 12, 2026

By: /s/ Paul Weibel
Paul Weibel
Chief Executive Officer
(Principal Executive Officer)

Date: May 12, 2026

By: /s/ Joshua Malm
Joshua Malm
Chief Financial Officer
(Principal Financial Officer)