Prairie Lithium Limited
Annual Report

For the year ended 30 June 2026

ABN 15 008 720 223

Contents

Corporate Directory

Directors	Mr Paul Lloyd - Executive Chairman Mr Matthew Blumberg - Executive Director Mr Zachary Maurer - Executive Director Mr Barnaby Egerton-Warburton - Non-Executive Director Mr LaVern Lund - Non-executive Director
Company Secretary	Mr Shaun Menezes
Registered Office	Level 2, 10 Outram Street West Perth WA 6005
Share Registry	Automic Registry Services Level 5, 191 St Georges Terrace Perth WA 6000 Tel: 02 8072 1400
Auditor	Grant Thornton Audit Pty Ltd Level 43 152-158 St Georges Terrace Perth WA 6000
Securities Exchange Listing	Australian Securities Exchange Level 40, Central Park 152 – 158 St Georges Terrace Perth WA 6000 Code: PL9

Review of Operations

The following is a Review of Operations for the year ended 30 June 2026 ("**2026 Financial Year**").

The year ended 30 June 2026 marked a significant period of advancement for Prairie Lithium Limited, with the Company continuing to focus its strategy, capital and development activities on progressing the 100%-owned Prairie Lithium Project in Saskatchewan, Canada towards commercial production.

During the year, construction of the Phase 1 facility at Pad #1 advanced through key civil, foundation and structural milestones, while the Company progressed commercial-scale Direct Lithium Extraction (DLE) technology towards deployment at site.

The company also strengthened the commercial pathway for Phase 1 through a binding offtake and strategic collaboration with Hydro Lithium Inc., covering 100% of Phase 1 commercial production (150 tpa LCE[1]) and incorporating ~A$10 million of proprietary refining technology and equipment.

In parallel, Prairie Lithium continued to advance potential logistics and downstream pathways for future production, while simplifying its corporate structure through the divestment of non-core assets and completing its transition from Arizona Lithium Limited to Prairie Lithium Limited.

PRAIRIE LITHIUM PROJECT (100% OWNED)

Phase 1 Development and Construction at Pad #1

During the financial year, the Company made significant progress on the development of its Phase 1 commercial extraction facility at Pad #1, with construction advancing from initial site preparation through foundation works and development of the facility structure.

On 12 November 2025, the Company announced the commencement of civil groundwork and site preparation for the commercial extraction facility at Pad #1.

Construction continued during the second half of the financial year, with the Company announcing on 17 February 2026 the completion of commercial piling and reinforced concrete foundation works at Pad #1.

On 24 April 2026, the Company announced the completion of the structural steel framework and exterior building envelope at Pad #1.

Together, these milestones progressively advanced the physical development of the Phase 1 facility and prepared the site for the integration of commercial-scale processing equipment.

Binding Offtake and Strategic Collaboration with Hydro Lithium

On 2 April 2026, the Company announced the execution of a binding definitive offtake agreement and commercial collaboration with South Korea's Hydro Lithium Inc., establishing a downstream pathway for Phase 1 production.

Under the agreement:

- Hydro Lithium agreed to purchase 100% of Phase 1 commercial production (150 tpa LCE)

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[1] ASX Announcement – "North America's First Lithium Brine Facility" – 17 February 2025. The Company confirms that it is not aware of any new information that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning estimates in the relevant market announcement continue to apply and have not changed.

Review of Operations

- Hydro Lithium agreed to supply and install ~A$10 million of proprietary refining technology and equipment at the facility

The agreement represented an important commercial milestone for the Prairie Lithium Project by securing an offtake pathway for Phase 1 production while establishing a strategic collaboration around the refining stage of the production process.

Commercial-Scale DLE Unit

During FY26, the Company continued progressing the commercial-scale DLE system required for Phase 1 operations at Pad #1.

On 27 May 2026, the Company announced the commencement of Factory Acceptance Testing (FAT) for the four-column commercial-scale DLE unit manufactured under Aquatech's PEARL DLE platform.

Factory Acceptance Testing represented an important pre-deployment stage for the DLE unit ahead of transportation to Saskatchewan, installation and integration with the Phase 1 facility.

The progression of the commercial-scale DLE unit during the year represented another step in the Company's transition from project development and construction towards commissioning and commercial operations.

Logistics and Commercial Infrastructure

Alongside construction and processing development, the Company continued to progress potential logistics and downstream infrastructure arrangements to support future production from the Prairie Lithium Project.

On 4 August 2025, the Company announced the signing of a non-binding Memorandum of Understanding (MOU) with Long Creek Rail (LCR) to develop a dedicated transload facility along LCR's 41-mile rail corridor connecting to the Canadian Pacific Railway network.

The proposed arrangement is intended to provide a potential logistics pathway connecting future Prairie production with the broader North American rail network.

On 21 October 2025, the Company announced the execution of a non-binding Letter of Intent (LOI) with Stardust Power Inc. to explore supplying lithium chloride feedstock to Stardust's central refinery in Oklahoma.

Long Creek Rail MOU and Stardust Power LOI formed part of the Company's broader work during the year to develop potential logistics and downstream pathways alongside the physical development of the Prairie Lithium Project.

CORPORATE

Strategic Focus and Company Name Change

On 11 September 2025, the Company formally completed its corporate name, and ASX ticker change from Arizona Lithium Limited (ASX: AZL) to Prairie Lithium Limited (ASX: PL9).

The change reflected the Company's strategic focus on commercialising its flagship Prairie Lithium Project in Saskatchewan, Canada and aligned the Company's corporate identity with its principal development asset.

Divestment of Non-Core Assets for US$5 million

As a part of its increased focus on the Prairie Lithium Project, the Company progressed the divestment of its non-core US assets during the year.

Review of Operations

On 9 July 2025, the Company executed definitive agreements to sell the Big Sandy Lithium Project and the Lithium Research Centre for total cash proceeds of US$5 million.

The transaction formally closed on 3 August 2025, providing non-dilutive capital solely dedicated to advancing Phase 1 construction at the Prairie Project.

The divestment simplified the Company's asset portfolio and enabled management and capital to be increasingly focused on progressing the Prairie Lithium Project towards commercial production.

At-the-Market (ATM) Capital Raises

During the financial year, the Company utilised its At-the-Market Subscription Agreement with Acuity Capital to fund ongoing facility construction and detailed engineering activities at the Prairie Lithium Project.:

- On 18 July 2025, the Company raised $900,000 (inclusive of costs) via the issue of 110,000,000 fully paid ordinary shares at $0.0082 per share.
- On 28 November 2025, the Company raised $1,450,000 (inclusive of costs) by the issue of 110,000,000 fully paid ordinary shares at 0.725 cents per share.
- On 20 May 2026, the Company completed a premium-priced ATM raise, raising $1,420,000 through the set-off of 200,000,000 shares previously issued to Acuity Capital at a deemed issue price representing a premium to the 15-day VWAP.

The capital raised during the period supported the Company as it continued to advance construction and development activities with the Phase 1 facility.

Board Restructuring to Support Commercial Production

On 30 June 2026, the Company announced a leadership reorganisation to optimise management for the Company's transition towards commercial production:

As part of the restructure:

- Paul Lloyd transitioned from Managing Director to Executive Chairman, focusing on capital markets, project financing, and governance.

- Barnaby Egerton-Warburton transitioned from Non-Executive Chairman to Non-Executive Director to provide independent risk and audit oversight alongside Non-Executive Director Vern Lund.

The restructure was designed to align the Company's leadership responsibilities with the next stage of development as Prairie Lithium progresses from construction towards commissioning and commercial operations.

Mineral Resources Statement

The following information is provided in accordance with Listing Rule 5.21 as at 30 June 2026.

Mineral Resource Estimation Governance Statement

Prairie Lithium Limited ensures that the Mineral Resource estimates are subject to appropriate levels of governance and internal controls. The Mineral Resources have been generated by independent external consultants and internal employees who are experienced in best practices in modelling and estimation methods. Where applicable, the consultants have also undertaken review of the quality and suitability of the underlying information used to generate the resource estimations. The Mineral Resource estimates follow standard industry methodology using geological interpretation and assay results from samples won through drilling.

Prairie Lithium Limited reports its Mineral Resources in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code) (2012 Edition). Competent Persons named by the Company qualify as Competent Persons as defined in the JORC Code.

Prairie Lithium Project Resources as at 19 May 2025

The table below sets out the Mineral Resources at 19 May 2025 for the Prairie Lithium Project in Saskatchewan, Canada.

	Li Mass (tonnes)	LCE Mass (tonnes)
Producing Formations	Indicated	Indicated
Seward	62,459	332,469
Flat Lake	4,076	21,697
Upper Wymark	110,674	589,118
Middle Wymark	449,381	2,392,055
Lower Wymark	97,223	517,518
Saskatoon	131,565	700,320
Total	860,000	4,600,000

Figure 1: Prairie Project Resource Summary. Representative lithium concentrations within the Resource area based on the mass volume and brine volume estimates. The average lithium concentration across all zones over the Prairie Project land permits is 98 mg/L.

The Mineral Resource estimates are reported in accordance with the guidelines of the 2012 Australasian Code for Reporting Exploration Results, Mineral Resource and Ore Reserves ("JORC 2012").

Competent Persons statement for Prairie and Registered Overseas Professional Organisation (ROPO) and JORC Tables

Gordon MacMillan P.Geo., Principal Hydrogeologist of Fluid Domains, who is an independent consulting geologist of a number of brine mineral exploration companies and oil and gas development companies, reviewed and approves the technical information pertaining to the resource within the release and in the attached JORC Table 1. Mr. MacMillan is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA), which is ROPO accepted for the purpose of reporting in accordance with the ASX listing rules. Mr. MacMillan has been practising as a professional in hydrogeology since 2000 and has 24 years of experience in mining, water supply, water injection, and the construction and calibration of numerical models of subsurface flow and solute migration. Mr. MacMillan is also a Qualified Person as defined by NI 43-101 rules for mineral deposit disclosure. He has sufficient experience relevant to qualify as a Competent Person as defined by the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012). Mr MacMillan consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Information in this announcement that relates to Mineral Resources have been extracted from the Company's announcement released to ASX on 19 May 2025.

The announcement is available to view on the Company's website: www.prairielithium.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of these Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Directors' Report

The Directors present their report on the consolidated group consisting of Prairie Lithium Limited and the entities it controlled (referred to hereafter as "the Group" or "Prairie") for the year ended 30 June 2026, as well as the consolidated financial report and the Auditor's Report thereon.

PRINCIPAL ACTIVITIES OF THE GROUP

Prairie Lithium Limited ("the Company" or "parent entity") is a mineral exploration company focusing on the Prairie Lithium Project in North America exploring for lithium.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 9 July 2025, the Company executed definitive agreements to sell the Big Sandy Lithium Project and the Lithium Research Centre for total cash proceeds of US$5 million.

On 18 July 2025, the Company raised $900,000 (inclusive of costs) by the issue of 110,000,000 fully paid ordinary shares at 0.82 cents per share.

On 18 September 2025, shareholders at a general meeting approved the change of the Company's name to Prairie Lithium Limited.

On 28 November 2025, the Company raised $1,450,000 (inclusive of costs) by the issue of 110,000,000 fully paid ordinary shares at 0.725 cents per share.

On 20 May 2026, the Company raised $1,420,000 (inclusive of costs) through the set-off of 200,000,000 fully paid ordinary shares previously issued to Acuity Capital under the ATM at 0.71 cents per share.

OPERATING AND FINANCIAL REVIEW

The Group's loss attributable to members of the Company for the financial year ended 30 June 2026 was $3,460,835 (2025: profit of $10,586,394). The movement primarily reflects the absence of a number of non-recurring gains and credits recognised during the prior year, including gains on disposal transactions, share-based payment credits and income recognised in relation to flow-through share arrangements.

At 30 June 2026, the Group had net assets of $88,202,781 (2025: $94,826,889) and the Company had 5,580,314,445 (2025: 5,270,314,445) fully paid shares on issue.

DIRECTORS

The Directors of Prairie Lithium Limited in office at any time during, or since the end of, the year are set out below. Directors were in office for the entire period unless otherwise stated.

- Paul Lloyd (Managing Director) (Executive Chairman from 30 June 2026)
- Matthew Blumberg (Executive Director)
- Zachary Maurer (Executive Director)
- Barnaby Egerton-Warburton (Non-Executive Chairman) (Non-Executive Director from 30 June 2026)
- LaVern Lund (Non-Executive Director)

Directors' Report

INFORMATION ON CURRENT DIRECTORS (including interests in securities at the date of this report)

Mr Paul Lloyd – Managing Director (appointed as Executive Chairman on 30 June 2026)

Paul Lloyd is a Chartered Accountant with over thirty years' commercial experience. Mr Lloyd operates his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. Mr Lloyd has been responsible for a number of IPOs, RTOs, project acquisitions and capital raisings for ASX listed public companies.

Other Current Listed Directorships:	BPM Minerals Limited (since October 2020) Diablo Resources Limited (since April 2021) Lord Resources Limited (since February 2021)
Former Directorships in Last Three Years:	None
Interests in Shares:	99,349,355
Interests in Options:	3,333,333
Interests in Performance Rights	50,000,000

Mr Matthew Blumberg – Executive Director

Matthew Blumberg holds a Master of Business Administration (MBA) from Yale University and a double degree in Engineering (First Class Honours) and Commerce from University of Western Australia. Mr Blumberg is currently a director of a US based private equity firm, ALJ, focussing on Mergers & Acquisitions. He has previously worked in investment-based roles in New York and Sydney.

Other Current Listed Directorships:	Diablo Resources Limited (since November 2025)
Former Directorships in Last Three Years:	None
Interests in Shares:	41,966,666
Interests in Options:	3,333,333
Interests in Performance Rights	30,000,000

Mr Zachary Maurer – Executive Director

Zach Maurer has 15 years of experience in North America's energy sector. In 2019, he founded and incorporated Prairie Lithium. As President & CEO of Prairie Lithium, he led multiple rounds of private equity funding while advancing lithium extraction technology and brine resource exploration in Saskatchewan, Canada. In 2023, Prairie Lithium was acquired by Arizona Lithium. In recognition for his contributions to Canada, he was awarded the Queen Elizabeth II Platinum Jubilee Medal. He holds a B.Sc. in Geology from the University of Regina and a Diploma in Exploration Information Technology from the South Alberta Institute of Technology (SAIT).

Other Current Listed Directorships:	None
Former Directorships in Last Three Years:	None
Interests in Shares:	56,099,591
Interests in Options:	14,333,333

Directors' Report

Mr Barnaby Egerton-Warburton – Non-Executive Chairman (transitioned to Non-Executive Director from 30 June 2026)

Mr. Egerton-Warburton has over 30 years of investment banking, international investment and market experience with positions at JP Morgan (New York, Sydney, Hong Kong) BNP Equities (New York) and Prudential Securities (New York). An experienced investment banker and corporate advisor, having held managing director and non-executive director positions in the investment banking, technology, energy and resource sectors. He holds a degree in economics and is a graduate of the Australian Institute of Company Directors.

Other Current Listed Directorships:	Lord Resources Limited (since March 2015) NSX Limited (since April 2022) Pantera Minerals Limited (since December 2020)
Former Directorships in Last Three Years:	Locality Planning Energy Holdings Ltd (March 2020 – February 2024) Diablo Resources Limited (April 2021 – November 2025)
Interests in Shares:	57,736,666
Interests in Options:	3,333,333
Interests in Performance Rights:	40,000,000

Mr LaVern Lund – Non-Executive Director (appointed 5 June 2024)

Mr Vern Lund is the CEO of Navajo Transitional Energy Company, a tribally owned entity and the 3rd largest coal mining company in the U.S with operations in the Navajo Nation, Wyoming, and Montana. Mr. Lund is a seasoned mining executive with 30 years of experience in operational management, business development, and new project development with extensive field experience at multiple mining operations, including two large greenfield mining projects. He holds a B.S. in Civil Engineering from North Dakota State University, a MBA from Auburn University, a graduate of Wharton's Advanced Management Program and a retired professional engineer.

Other Current Listed Directorships:	None
Former Directorships in Last Three Years:	Texas Minerals Resource Corp (OTCQB: TMRC) (May 2022 – January 2025)

COMPANY SECRETARY

Mr Shaun Menezes – Company Secretary

Mr Menezes is an accounting and finance professional with over 20 years experience. He has worked in the capacity of Company Secretary and Chief Financial Officer of a number of ASX and SGX listed companies, held a senior management role within an ASX 200 listed company and was an executive director at a leading international accounting firm. He is a member of the Governance Institute of Australia and Chartered Accountants Australia and New Zealand.

DIVIDENDS

No dividends were paid or are proposed to be paid during the financial year (2025: Nil).

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Future developments for the Group depend on activity regarding the Company's exploration projects.

Directors' Report

EVENTS OCCURRING AFTER THE REPORTING PERIOD

No events that would have a significant effect on the financial report have occurred since the end of the reporting period.

OPTIONS

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Expiry date	Exercise price	Number under option 2025
27 March 2027	$0.12	20,750,000
19 May 2027	$0.12	7,312,500
1 March 2027	$0.04	60,750,000
19 May 2028	$0.012	472,333,190
Total		**561,145,690**

DIRECTORS' MEETINGS

During the financial year, nine meetings of Directors were held and fourteen circular resolutions approved. Attendances by each Director during the year were as follows:

	Directors' meetings	
Name	**No. of meetings eligible to attend**	**No. of meetings attended**
Paul Lloyd	5	5
Matthew Blumberg	5	5
Zachary Maurer	5	5
Barnaby Egerton-Warburton	5	5
LaVern Lund	5	4

AUDIT COMMITTEE

The Company does not have a formally constituted audit committee. The Board considers that the Company's current position in respect of the composition of the Board, the size of the Company and the minimal complexities involved in its financial activities at present, the Company is not in a position to justify the establishment of an audit committee. The full Board performs the duties of this committee.

Directors' Report

REMUNERATION REPORT (AUDITED)

The remuneration report outlines the remuneration arrangements for the Key Management Personnel ("KMP") of the Group and has been prepared and audited in accordance with section 300A of the Corporations Act 2001.

The KMP of the Group during the financial year were:

Executive Directors

- Paul Lloyd, Managing Director (Executive Chairman from 30 June 2026)
- Matthew Blumberg, Executive Director
- Zachary Maurer, Executive Director

Non-Executive Directors

- Barnaby Egerton-Warburton, Non-Executive Chairman (Non-Executive Director from 30 June 2026)
- LaVern Lund, Non-Executive Director

The remuneration report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Remuneration committee and board charter
3. Details of remuneration

Principles Used to Determine the Nature and Amount of Remuneration

The Board recognises that the Company operates in a global environment. To prosper in this environment it must attract, motivate and retain key executive staff.

The principles supporting the remuneration policy are as follows:

- reward reflects the competitive global market in which the Company operates;
- rewards to executives are linked to creating value for shareholders;
- remuneration arrangements are equitable and facilitate the development of senior management across the Company;
- where appropriate, senior managers receive a component of their remuneration in equity to align their interests with those of the shareholders; and
- long term incentives are used to ensure that remuneration of KMP reflects the Group's financial performance, with particular emphasis on the Group's earnings and the consequence of the Group's performance on shareholder wealth.

Fees and payments to directors reflect the demands which are made on, and the responsibilities of, the directors. Directors' fees and payments are reviewed annually by the Board. The Board also ensures that directors' fees and payments are appropriate and in line with the market.

There are no retirement allowances or other benefits paid to directors. The Board did not seek independent advice on executive remuneration during the period.

Remuneration Committee and Board Charter

The Charter of the Remuneration Committee extends the duties to that of a Nominations Committee. The Board considers that given the Company's current position in respect of the composition of the Board and the size of

Directors' Report

the Company, the Company is not in a position to justify the establishment of a Remuneration Committee and the full Board performs the duties of this committee, with members abstaining from discussions and decisions as appropriate.

The Remuneration Committee is responsible for making recommendations on remuneration policies and packages applicable to Board members and for approval of remuneration for executive officers of the Company taking into account the financial position of the Company. The broad remuneration policy per the formal Charter is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

It is the Remuneration Committee's policy to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities though taking into account the financial position of the Company and the Company's shareholder-approved limits. The Constitution of the Company specifies that the aggregate remuneration of directors, other than salaries paid to executive directors, shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is divided between those directors as they agree. The latest determination was at the Annual General Meeting held on 30 November 2022 when shareholders approved an aggregate remuneration of $500,000 per year.

The Board as a whole determines the amount of the fees paid to each non-executive director. All Directors may be allocated options and performance rights to acquire shares in the Company under the Director and Employee Share Option Plan approved by shareholders from time to time.

The Board approves remuneration packages for executive officers based on performance criteria and the Group's financial performance. Other employee remuneration packages are determined and approved by the Board based on salary market rate indicators, press advertisements, performance criteria and against the Group's financial state of affairs.

Employee Share Option Plan

The Group has an established Employee Share Scheme Plan (ESS) that entitles eligible employees, including directors, to purchase shares in the Company. Under the plan, the Board may issue convertible securities to acquire shares in the future at an exercise price fixed by the Board on grant of options. The vesting of all convertible securities is subject to service conditions being met whereby the recipient must meet the eligible employee criteria as defined in the plan, unless determined otherwise by the Board. The vesting of convertible securities may be subject to achievement of performance hurdles, as determined by the Board.

Additional information for consideration of shareholder wealth

This table summarises the earnings of the Group and other factors that are considered to affect shareholder wealth for the 5 years to 30 June 2026.

	2026	2025	2024	2023	2022
Profit/(Loss) after income tax attributable to shareholders ($)	(3,460,835)	10,586,394	(22,817,088)	(14,361,706)	(4,228,628)
Share price at year end ($)	0.006	0.006	0.019	0.032	0.082
Total dividends declared (cents per share)	-	-	-	-	-
Returns of capital (cents per share)	-	-	-	-	-
Basic profit/(loss) per share (cents)	(0.06)	0.23	(0.65)	(0.58)	(0.19)

Directors' Report

Details of Remuneration – Service Agreements

Director	Position held as at 30 June 2026	Contract details (duration & termination)
Paul Lloyd	Executive Chairman Managing Director (up to 30 June 2026)	Service agreement Remuneration of $400,000pa inclusive of statutory superannuation; Termination without cause requires 6 months' notice or payment
Matthew Blumberg	Executive Director	Letter of appointment / In accordance with Constitution Remuneration of US$90,000pa inclusive of benefits No termination benefits payable
Zachary Maurer	Executive Director	Employment agreement Remuneration of C$300,000 Termination without cause requires 2 weeks notice for each year of service up to a maximum of 36 weeks; plus a payment equal to 10% of the notice payment for lost benefits; plus unused annual leave and any other minimum entitlements required by legislation.
Barnaby Egerton-Warburton	Non-Executive Director (Non-Executive Chairman up to 30 June 2026)	Letter of appointment / In accordance with Constitution No notice period No termination benefits payable
LaVern Lund	Non-Executive Director	Letter of appointment / In accordance with Constitution No notice period No termination benefits payable

Remuneration Details for the Year Ended 30 June 2026

The following table sets out remuneration details in respect to the financial year, and the components of remuneration for each member of the KMP of the Group. The aggregate remuneration of non-executive directors was less than the approved aggregate remuneration of $500,000 per year.

		Short-term Benefits Cash salary and fees	Post Employment Benefits Super-annuation	Bonus	Sub-Total Cash Portion	Share based payments Options/ Rights	Total	Proportion of remuneration performance related[1]
		$	$	$	$	$	$	%
P Lloyd	**2026**	**400,000**	**-**	**150,000**	**550,000**	**497,916**	**1,047,916**	**48**
	2025	400,000	-	225,000	625,000	(1,878,155)	(1,253,155)	N/A
M Blumberg	**2026**	**132,749**	**-**	**85,000**	**217,749**	**298,749**	**516,498**	**58**
	2025	138,994	-	100,000	238,994	(651,679)	(412,685)	N/A
Z Maurer	**2026**	**329,177**	**33,404**	**100,000**	**462,581**	**-**	**462,581**	**22**
	2025	340,216	30,403	125,000	495,619	10,610	506,229	2
B Egerton-Warburton	**2026**	**84,000**	**-**	**-**	**84,000**	**400,223**	**484,223**	**83**
	2025	84,000	-	-	84,000	(621,215)	(537,215)	N/A
V Lund	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2025	-	-	-	-	-	-	-
Total	**2026**	**945,926**	**33,404**	**335,000**	**1,314,330**	**1,196,888**	**2,511,218**	**48**
	2025	963,210	30,403	450,000	1,443,613	(3,140,439)	(1,696,826)	N/A

[1] The balance of remuneration not classified as performance-related is considered fixed remuneration.

Directors' Report

KMP Shareholdings

The number of ordinary shares in Prairie Lithium Limited held by each KMP of the Company, as disclosed to the ASX, during the financial year is as follows:

30 June 2026	Balance at beginning of year or appointment	Granted as remuneration during the year	Acquisition for cash	Other changes during the year	Balance at end of year
P Lloyd	99,349,355	-	-	-	99,349,355
M Blumberg	41,966,666	-	-	-	41,966,666
Z Maurer	56,099,591	-	-	-	56,099,591
B Egerton-Warburton	57,736,666	-	-	-	57,736,666

KMP Option Holding

The number of share options in Prairie Lithium Limited held by each KMP of the Company, as disclosed to the ASX, during the financial year is as follows:

30 June 2026	Balance at beginning of year or appointment	Granted as remuneration during the year	Expired during the year	Other changes during the year	Balance at end of year
P Lloyd	3,333,333	-	-	-	3,333,333
M Blumberg	3,333,333	-	-	-	3,333,333
Z Maurer	14,333,333	-	-	-	14,333,333
B Egerton-Warburton	3,333,333	-	-	-	3,333,333

Details of all options held by KMP, at the date of this report, are shown below.

KMP	Grant date	Number granted	Value of options granted ($)	Issue date	Expiry date	Vested (%)[2]
P Lloyd	19/05/2025	3,333,333[1]	-	19/05/2025	19/05/2028	100
M Blumberg	19/05/2025	3,333,333[1]	-	19/05/2025	19/05/2028	100
Z Maurer	24/03/2023	11,000,000	269,940	27/03/2023	27/03/2027	100
Z Maurer	19/05/2025	3,333,333[1]	-	19/05/2025	19/05/2028	100
B Egerton-Warburton	19/05/2025	3,3333331	-	19/05/2025	19/05/2028	100

1. Free attaching options acquired as part of the directors' participation in the Company' Share Purchase Plan which closed on 16 May 2025.
2. A vesting percentage of 100% indicates that the options were fully vested and exercisable as at 30 June 2026.

KMP Performance Rights Holdings

The number of performance rights in Prairie Lithium Limited held by each KMP of the Company, as disclosed to the ASX, during the financial year is as follows:

30 June 2026	Balance at beginning of year or appointment	Granted as remuneration during the year	Exercised during the year	Other changes during the year[1.]	Balance at end of year
P Lloyd	95,000,000	-	-	(45,000,000)	50,000,000
M Blumberg	48,000,000	-	-	(18,000,000)	30,000,000
B Egerton-Warburton	60,000,000	-	-	(20,000,000)	40,000,000

[1.] Cancellation by mutual agreement between the Company and the holder.

Directors' Report

Details of all performance rights held by KMP, at the date of this report, are shown below.

KMP	Class	Grant date	Number granted	Expiry date	Vested (%)
P Lloyd	C	14/03/2023	25,000,000	27/03/2027	-
P Lloyd	D	14/03/2023	25,000,000	27/03/2028	-
M Blumberg	C	14/03/2023	15,000,000	27/03/2027	-
M Blumberg	D	14/03/2023	15,000,000	27/03/2028	-
B Egerton-Warburton	C	14/03/2023	20,000,000	27/03/2027	-
B Egerton-Warburton	D	14/03/2023	20,000,000	27/03/2028	-

240,000,000 performance rights were issued to directors on 27/03/2023 following shareholder approval at a general meeting held on 14/03/2023 as follows:

Tranche	# Performance Rights	Vesting Condition	Expiry Date
Class A	84,000,000	Announcement to the ASX of the completion of a profitable Preliminary Feasibility Study (PFS) for the Prairie Lithium project.	3 years from the date of issue
Class B	36,000,000	Announcement of an upgraded resource of at least 1 million tonnes of Lithium Carbonate Equivalent (LCE) over the Prairie Lithium project from an inferred to an indicated resource.	3 years from the date of issue
Class C	60,000,000	Market capitalisation of the Company to exceed 500 million AUD based on a 20 day VWAP.	4 years from the date of issue
Class D	60,000,000	Announcement to the ASX of the production of a minimum of 1,000kgs of LCE from the Prairie Lithium project.	5 years from the date of issue

120,000,000 Class A & Class B performance rights have vested during FY2024, leaving 120,000,000 outstanding as at 30 June 2026.

Cash Bonuses, Performance-Related Bonuses and Share-Based Payments

During the year, the Company paid a cash bonus to KMP's of $335,000 (2025: $450,000). The discretionary cash bonus was determined by the non-executive directors to reward the executive directors for the additional time and effort spent to accomplish the key achievements by the Company set out in the Review of Operations. There were no options or performance rights issues, or other short term performance related bonuses, made to any KMP in the financial years ended 30 June 2026.

Payments before taking office

There were no payments made to directors prior to appointment made during the year.

Loans to Directors and other KMP

There were no loan balances with directors or other KMP during the financial year ended 30 June 2026.

[END OF AUDITED REMUNERATION REPORT]

Directors' Report

ENVIRONMENTAL REGULATION

The Group's exploration, evaluation and development activities are subject to environmental laws and regulations in the jurisdictions in which it operates, including requirements relating to permitting, environmental monitoring, water management and the operation of exploration and evaluation activities. The Directors believe that the Group has appropriate systems and processes in place to monitor compliance with these requirements and are not aware of any material breaches of environmental laws or regulations during the financial year.

INDEMNIFYING OFFICERS OR AUDITORS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by them in their capacity as Officer, or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The Company has agreed to pay a premium for Directors and Officers Insurance.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. The Company has not paid a premium in respect of a contract to insure the auditor of the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

The previous proceedings relating to the Big Sandy Project are no longer being pursued following the sale of the project on 3 August 2025.

NON-AUDIT SERVICES

No fees were paid or payable to Grant Thornton during the year ended 30 June 2026 in relation to non-audit services.

AUDITORS' INDEPENDENCE DECLARATION

The auditors' independence declaration for the year ended 30 June 2026 has been received and is included on page 17.

Signed in accordance with a resolution of the Directors:

P Lloyd

Mr Paul Lloyd
Executive Chairman
Dated at Perth this 25th day of September 2026

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000

Auditor's Independence Declaration

To the Directors of Prairie Lithium Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Prairie Lithium Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

B E Burgess
Partner – Audit & Assurance

Perth, 25 September 2026

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2026

	Note	30 June 2026 $	30 June 2025 $
Other income	3	799,974	14,688,037
Share based payment (expense)/income	24	(1,199,335)	3,463,505
Corporate and regulatory expenses		(1,314,328)	(1,847,645)
Exploration and evaluation		(65,068)	(135,730)
Foreign exchange (loss)/gain		(463,884)	6,221
Administrative expenses	4(a)	(1,088,908)	(664,103)
Loss on financial asset	11	-	(343,555)
Profit/(Loss) before income tax from continuing operations		**(3,331,549)**	**15,166,730**
Discontinued operations	25(a)	(129,286)	(4,580,336)
Profit/(Loss) before income tax		**(3,460,835)**	**10,586,394**
Income tax	6	**-**	**-**
Profit/(Loss) attributable to members of the Company		**(3,460,835)**	**10,586,394**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign controlled entities		(8,118,310)	(841,229)
Other comprehensive income/(loss) for the year		**(8,118,310)**	**(841,229)**
Total comprehensive profit/(loss) for the year		**(11,579,145)**	**9,745,165**
Total comprehensive profit/(loss) for the year is attributable to:			
Continuing operations		(11,449,859)	14,325,501
Discontinued operations		(129,286)	(4,580,336)
		(11,579,145)	**9,745,165**
Earnings per share attributable to the ordinary equity holders of the company			
Basic and Diluted profit/(loss) per share in cents	19	**(0.06)**	**0.23**
Basic and Diluted profit/(loss) per share in cents from continuing operations	19	**(0.06)**	**0.33**
Basic and Diluted profit/(loss) per share in cents from discontinued operations	19	**(0.002)**	**(0.10)**

The accompanying notes form part of these financial statements.

Consolidated statement of financial position as at 30 June 2026

	Note	30 June 2026 $	30 June 2025 $
CURRENT ASSETS			
Cash and cash equivalents	7	5,848,071	3,147,945
Trade and other receivables		107,606	12,872
Prepayments		113,644	162,752
Assets held for sale	25(b)	-	8,281,489
TOTAL CURRENT ASSETS		**6,069,321**	**11,605,058**
NON-CURRENT ASSETS			
Exploration and evaluation assets	8	80,360,355	86,594,746
Plant and equipment	9	2,011,992	405,835
Right of use assets		10,940	25,527
Other financial assets	10	237,551	221,971
TOTAL NON-CURRENT ASSETS		**82,620,838**	**87,248,079**
TOTAL ASSETS		**88,690,159**	**98,853,137**
CURRENT LIABILITIES			
Trade and other payables	11	406,468	2,227,428
Lease liability		11,680	15,656
Provisions		69,230	50,554
Liabilities held for sale	25(c)	-	1,720,773
TOTAL CURRENT LIABILITIES		**487,378**	**4,014,411**
NON-CURRENT LIABILITIES			
Lease liability		-	11,837
TOTAL NON-CURRENT LIABILITIES		**-**	**11,837**
TOTAL LIABILITIES		**487,378**	**4,026,248**
NET ASSETS		**88,202,781**	**94,826,889**
EQUITY			
Contributed equity	12	182,801,658	179,045,955
Reserves	13	19,772,803	26,691,779
Accumulated losses		(114,371,680)	(110,910,845)
TOTAL EQUITY		**88,202,781**	**94,826,889**

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity for the year ended 30 June 2026

	Issued Capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
Balance at 1 July 2025	**179,045,955**	**29,569,142**	**(2,877,363)**	**(110,910,845)**	**94,826,889**
Comprehensive Income					
Loss for the year	-	-	-	(3,460,835)	(3,460,835)
Other comprehensive loss for the year Exchange differences on translation of controlled entities	-	-	(8,118,310)	-	(8,118,310)
Total comprehensive income/(loss) for the year	**-**	**-**	**(8,118,310)**	**(3,460,835)**	**(11,579,145)**
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year	3,770,000	-	-	-	3,770,000
Share issue costs	(14,297)	-	-	-	(14,297)
Share-based payments	-	1,199,334	-	-	1,199,334
At 30 June 2026	**182,801,658**	**30,768,476**	**(10,995,673)**	**(114,371,680)**	**88,202,781**

Consolidated statement of changes in equity for the year ended 30 June 2026 (continued)

	Issued Capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
Balance at 1 July 2024	**173,583,426**	**33,032,647**	**(2,036,134)**	**(121,497,239)**	**83,082,700**
Comprehensive Income					
Profit for the year	-	-	-	10,586,394	10,586,394
Other comprehensive loss for the year Exchange differences on translation of controlled entities	-	-	(841,229)	-	(841,229)
Total comprehensive income/(loss) for the year	**-**	**-**	**(841,229)**	**10,586,394**	**9,745,165**
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year	5,551,000	-	-	-	5,551,000
Share issue costs	(88,471)	-	-	-	(88,471)
Share-based payments	-	(3,463,505)	-	-	(3,463,505)
At 30 June 2025	**179,045,955**	**29,569,142**	**(2,877,363)**	**(110,910,845)**	**94,826,889**

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows for the year ended 30 June 2026

	Note	30 June 2026 $	30 June 2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(3,710,711)	(7,641,135)
Grant income		-	287,132
Interest received		115,791	94,979
Security bond refund		179,948	-
Net cash used in operating activities	21(b)	**(3,414,972)**	**(7,259,024)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of plant and equipment		(1,458,783)	(2,058,213)
Proceeds on disposal of plant and equipment		-	-
Proceeds on disposal of non-current assets		7,729,103	10,955,900
Payments for exploration and evaluation		(3,397,523)	(15,805,509)
Net cash used in investing activities		**2,872,797**	**(6,907,822)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of share issues		3,770,000	5,550,987
Share issue costs		(14,297)	(35,825)
Repayment of borrowings		-	(116,757)
Net cash generated by financing activities		**3,755,703**	**5,398,405**
Net increase/(decrease) in cash and cash equivalents		**3,213,528**	**(8,768,441)**
Cash and cash equivalents at the beginning of the year		3,147,945	11,952,889
Effects of exchange rate changes on cash and cash equivalents		(513,402)	(36,503)
Cash and cash equivalents at the end of the year	7	**5,848,071**	**3,147,945**
Cash and cash equivalents included in the discontinued operations		**-**	**13,856**
Cash and cash equivalents for continuing operations		**5,848,071**	**3,134,089**

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 STATEMENT OF MATERIAL ACCOUNTING POLICIES

The financial statements include the consolidated financial statements and notes of Prairie Lithium Limited ("the Company") and controlled entities ("the Group").

The material accounting policies which have been adopted in the preparation of the financial statements are set out below.

(a) Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements of the Group comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs. The financial statements are presented in Australian dollars.

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

The consolidated financial statements are presented in AUD, which is also the functional currency of the parent company. The financial statements were authorised for issue by the Directors on the 25th of September 2026.

Prairie Lithium Limited is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

(b) New Accounting Standards for application in future periods

The Directors have reviewed all of the new and revised Standards and interpretations in issue that are relevant to the Group and effective for future reporting periods. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on issue and not yet adopted by the Group and therefore no material change is necessary to Group accounting policies.

(c) New and Amended Accounting Policies adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

Notes to the financial statements (continued)

1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Prairie Lithium Limited and entities (including special purpose entities) controlled by Prairie Lithium Limited (its subsidiaries).

Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the Group. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:
- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

(e) Foreign currency transactions

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting dates. The revenues and expenses of foreign operations are translated into Australian dollars using average exchange rates, which approximate exchange rates at the dates of transactions, for the period. All resulting exchange rate differences are recognised in other comprehensive income through the foreign translation reserve in equity.

Notes to the financial statements (continued)

1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(f) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- The rights to tenure of the area of interest are current
- At least one of the following conditions is also met:
    - The exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale, or
    - Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include costs directly attributable to the exploration and evaluation of mineral resources, including exploration activities, drilling and testing programs, engineering and technical studies, pilot plant and proof-of-concept activities, feasibility assessments and the acquisition of exploration rights. General and administrative costs are included only where they are directly attributable to a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

(g) Impairment of assets

At the end of the reporting period, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the financial statements (continued)

1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

(h) Property, Plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Building improvements - lease term
Right of use assets - lease term
Plant and equipment - 5 to 7 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial period end.

Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

(i) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Government grants and assistance

The Group makes periodic applications for financial assistance under available Canadian government incentive programs and Scientific Research & Experimental Development (“SR&ED”) grant. The funding is provided for non-capital expenditures relating to research and development projects. This assistance is recognized as income when there is reasonable assurance that the Company has complied and will continue to comply with all of the conditions and is recognized in the period incurred.

(k) Share based payment transactions

The Group recognises the fair value of options and performance rights granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity. The amount recognised is based on the Group's estimate of the number of awards expected to vest and is reassessed at each reporting date.
The Group provides benefits to directors, employees and consultants of the Group in the form of share based payment transactions, whereby directors, employees and consultants render services in exchange for shares or rights over shares (“equity-settled transactions”). The cost of these equity-settled transactions with directors, employees and consultants is measured by reference to fair value at the date they are granted. The fair value is determined using the Black-Scholes or Monte Carlo option pricing model and excludes the impact of non-market vesting conditions.

(l) Classification of comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the financial statements (continued)

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these Financial Statements the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

Significant accounting estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within this financial report are:

Recoverability of Exploration and Evaluation Assets
The Group's exploration and evaluation assets relate principally to the Prairie Lithium Project and had a carrying value of $80.4 million at 30 June 2026. Determining whether these assets continue to be recoverable requires significant judgement and is dependent on the future success of the project.

In assessing recoverability, management considered a number of factors including the existence of a defined lithium resource, completion of technical studies supporting the project economics, continuing expenditure programs and development activities, progress of the Company's proof-of-concept DLE facility, and the Group's ongoing intention to advance the project towards commercial development.

Management also considered the existence of commercial discussions with strategic partners and offtake counterparties, expected future funding pathways including government support initiatives and planned capital raisings, and prevailing lithium market conditions which continue to support management's assessment that the carrying value of the project can be recovered through future development or sale.

The recoverability assessment is sensitive to changes in project economics, funding availability, commodity prices, technical outcomes and development assumptions. Should these assumptions change adversely in future periods, the carrying value of the exploration and evaluation assets may be impacted.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Fair values of share options are determined using the Black-Scholes and Monte Carlo model.

Notes to the financial statements (continued)

3 INCOME

	Note	2026 $	2025 $
Interest received		**115,794**	447,053
Sale of rights to tax deductions	(i)	**-**	3,138,883
Government grants		**-**	276,176
Profit on sale of tenements (ii)	(ii)	**-**	10,825,925
Profit on sale of project (note 25)		**672,129**	-
Other		**12,051**	-
Total revenue		**799,974**	14,688,037

(i) Sale of rights to tax deductions generated in connection with flow-through share issuances
On 18 December 2023 the Company entered into a flow through share arrangement with sophisticated and institutional investors. $14,800,001 (CAD) was received and refundable to the investor except to the extent that eligible expenses are incurred. Upon expenses being incurred, the Company derecognises the liability and the premium is recognised in other income.

(ii) Sale of tenements
During the prior period, the Company divested approximately 40,000 acres of Crown Mineral Title and approximately 11,600 net acres of Freehold Mineral Title, alongside data from the Prairie Project.

4 LOSS BEFORE INCOME TAX

(a) Individually significant items in administrative expenses include:

	2026	2025
Accounting and administration fees	**127,692**	123,721
Audit fees	**88,068**	85,432
Business development	**156,360**	137,599
Investor relations and marketing	**150,486**	90,478
Depreciation	**30,256**	67,138
Other	**536,046**	159,735
Total	**1,088,908**	664,103

5 AUDITORS' REMUNERATION

	2026	2025
Remuneration of auditor for audit or review of the consolidated financial report of the Company:		
- Grant Thornton Australia Pty Ltd	**127,076**	88,432

Notes to the financial statements (continued)

6 TAXATION

(a) Income tax expense/(benefit)

	2026 $	2025 $
Current tax	**-**	-
Deferred tax	**-**	-
	-	-

(b) Reconciliation of income tax expense to prima facie tax payable:

	2026 $	2025 $
Loss before income tax expense	**(3,460,836)**	10,586,395
Tax at the Australian tax rate of 30% (2025: 30%)	**(1,038,251)**	3,175,919
Movement in unrecognised temporary differences	**(751,223)**	(4,321,148)
Tax effect of current year tax losses for which no deferred tax asset has been recognised/(utilisation of losses)	**1,789,474**	1,145,229
Total income tax (benefit)	**-**	-

(c) Unrecognised deferred tax assets:

	2026 $	2025 $
Timing differences	**7,865,647**	7,308,611
Tax losses – revenue (Australia)	**13,810,922**	13,550,382
Tax losses – revenue (USA)	**4,664,123**	4,828,208
Tax losses – revenue (Canada)	**5,365,295**	4,251,023
Tax losses - capital	**-**	-
Deferred tax assets not brought to account	**31,705,987**	29,938,224

An Australian income tax rate of 30% has been used because the Company is not expected to be a base rate entity when it has future taxable profits. The Group has not recognised any deferred tax assets except to the extent that they offset deferred tax liabilities.

The ability of the Group to utilise the tax losses is subject to the Company satisfying either the continuity of ownership test or the same business test. The unused tax losses have no expiry date.

(d) Franking credits

The Company has no franking credits available.

7 CASH AND CASH EQUIVALENTS

	2026 $	2025 $
Cash at bank	**3,248,071**	847,945
Term deposits	**2,600,000**	2,300,000
	5,848,071	3,147,945

Term deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8 EXPLORATION AND EVALUATION ASSETS

	2026 $	2025 $
Balance at the beginning of the period	**86,594,746**	68,346,093
Capitalised	**1,390,482**	20,242,541
Disposals	**-**	(722,174)
Foreign exchange translation movement	**(7,624,873)**	(1,271,714)
	80,360,355	86,594,746

Notes to the financial statements (continued)

Effective 1 January 2024 Management determined that the Prairie Lithium project has commercially viable mineral deposits that will provide future economic benefits to the Group. From this date all exploration costs associated with project have been capitalised to exploration and evaluation.

The value of the exploration tenements carried forward is dependent upon:
(a) The continuance of the Group's rights to tenure of the area of interest;
(b) The results of future exploration; and
(c) The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.
All of these criteria have been met.

9 PLANT AND EQUIPMENT	2026 $	2025 $
Building improvements		
Cost	**1,371,319**	49,749
Accumulated depreciation	**(41,894)**	(31,421)
	1,329,425	18,328
Plant and equipment		
Cost	**148,681**	257,892
Accumulated depreciation	**(69,278)**	(154,572)
	79,403	103,320
Capital work-in-progress		
Cost	**603,164**	284,187
Total Plant and Equipment	**2,011,992**	405,834
Movement in:		
Building improvements		
Balance at the beginning of the period	**18,328**	501,834
Additions	**1,385,646**	-
Transfer to Assets Held for Sale	**-**	(348,784)
Depreciation expense	**(10,473)**	(143,734)
Foreign exchange movement	**(64,076)**	9,012
Balance at the end of the period	**1,329,425**	18,328
Plant and equipment		
Balance at the beginning of the period	**103,320**	2,089,728
Additions	**-**	1,106,501
Disposals	**(10,692)**	(438,758)
Transfer from Capital work-in-progress	**-**	1,940,943
Transfer to Assets Held for Sale	**-**	(3,652,422)
Depreciation expense	**(5,279)**	(1,035,566)
Foreign exchange movement	**(7,946)**	92,894
Balance at the end of the period	**79,403**	103,320
Capital work-in-progress		
Balance at the beginning of the period	**284,187**	4,977,496
Additions	**318,977**	-
Transfers to Plant and Equipment	**-**	(1,940,943)
Transfers to Assets Held for Sale	**-**	(2,752,366)
Balance at the end of the period	**603,164**	284,187

Notes to the financial statements (continued)

10 OTHER FINANCIAL ASSETS

	2026 $	2025 $
NON CURRENT		
Security bond	**166,656**	151,076
Listed investment at fair value (i)	**50,895**	50,895
Other financial assets	**20,000**	20,000
	237,551	221,971

(i) Listed investment
As at 30 June 2026, the Group holds 1,696,512 shares in Rapid Critical Metals Limited ("Rapid"). The carrying value of the investment represents its fair value using Level 1 inputs as defined by *AASB 13 Fair Value Measurement*. There has been no change in the fair value of the listed investment within the year (2025: decline $343,555)

11 TRADE AND OTHER PAYABLES

CURRENT	2026	2025
Unsecured liabilities:	$	$
Trade payables	**347,448**	1,782,956
Other payables	**59,020**	444,472
	406,468	2,227,428

12 CONTRIBUTED EQUITY

Contributed equity consists of the following:

	2026 $	2025 $
Issued capital	**182,801,658**	179,045,955

Ordinary shares	Number of shares 2026	Number of shares 2025	2026 $	2025 $
Opening balance	5,270,314,445	4,473,814,528	179,045,955	173,583,426
At-the-market share issue	310,000,000	88,000,000	3,770,000	1,300,000
Share Purchase Plan	-	708,499,917	-	4,251,000
Transaction cost of share issues	-	-	(14,297)	(88,471)
Closing balance	**5,580,314,445**	**5,270,314,445**	**182,801,658**	**179,045,955**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of the winding up of the Company ordinary shareholders rank after creditors and are fully entitled to any net proceeds on liquidation. Ordinary shares have no par value, and the Company does not have a limited amount of authorised capital. At 30 June 2026 there were 558,145,692 options to acquire fully paid ordinary shares in the Company (2025: 1,151,323,925).

Options
There were no options issued during the year.

Notes to the financial statements (continued)

13 RESERVES

	2026 $	2025 $
Share-based payment reserve		
Opening balance	29,569,142	33,032,647
Movement for the year	1,199,334	(3,463,505)
Closing balance	**30,768,476**	**29,569,142**
Foreign currency translation reserve		
Opening balance	(2,877,363)	(2,036,134)
Foreign translation difference on translation of controlled entities	(8,118,310)	(841,229)
Closing balance	**(10,995,673)**	**(2,877,363)**
	19,772,803	**26,691,779**

Share-based payment reserve:
The share-based payment reserve relates to shares and share options and performance rights granted by the Company to its employees under its employee share plan and other suppliers in consideration for services rendered.

Foreign currency translation reserve:
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign translation reserve. Exchange differences previously accumulated in the foreign translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

14 CONTROLLED ENTITIES

	Percentage Interest		Country of incorporation
Parent entity	**2026**	**2025**	
Prairie Lithium Limited			Australia
Particulars in relation to controlled entities			
USA Lithium Limited	100%	100%	Australia
US Lithium Pty Ltd	100%	100%	Australia
New Mexico Lithium Pty Ltd	100%	100%	Australia
Big Sandy Inc	100%	100%	United States
Lordsburg Resource Inc	100%	100%	United States
Trout Creek Ranch Pty Ltd	-[1.]	100%	Australia
Trout Creek Ranch LLC	-[1.]	100%	United States
Broadford Stables Pty Ltd	-[1.]	100%	Australia
Prairie Lithium Corporation	100%	100%	Canada
2477827 Alberta Corporation	100%	100%	Canada
2477955 Alberta Corporation	100%	100%	Canada
ZYL Mining (SA) Proprietary Limited	100%	100%	South Africa
Oakleaf Investment Holdings (Proprietary) Limited	100%	100%	South Africa
Altius Trading 404 (Proprietary) Limited	70%	70%	South Africa

[1.] These entities were deregistered during the year.

Notes to the financial statements (continued)

15 PARENT ENTITY DISCLOSURES

The following details information related to the parent entity, Prairie Lithium Limited. The information presented has been prepared using consistent accounting policies as stated in note 1.

(a) Summary financial information

	2026 $	2025 $
Current assets	43,084,192	41,645,271
Total assets	114,546,103	119,263,051
Current liabilities	241,976	340,557
Total liabilities	241,976	352,394
Contributed equity	182,801,658	179,045,955
Reserves	30,768,476	29,569,142
Accumulated losses	(126,584,577)	(118,281,204)
Total equity	**86,985,557**	**90,333,893**
Loss for the year	8,303,373	5,252,169
Other comprehensive income/ (loss) for the year	-	-
Total comprehensive loss for the year	**8,303,373**	**5,252,169**

(b) The parent entity had not provided any material guarantees as at 30 June 2026.

(c) The parent entity did not have any material contingent liabilities as at 30 June 2026.

(d) The parent entity did not have any material contractual commitments as at 30 June 2026.

16 SEGMENT INFORMATION

The Board of Directors has been identified as the Chief Operating Decision Maker ("CODM"). The CODM reviews the Group's operations, financial performance and allocation of resources on a consolidated basis.

The Group's principal activity is the exploration and evaluation of lithium projects. While the Group operates across multiple jurisdictions, including Canada, the United States and Australia, the CODM does not separately assess performance or allocate resources by geographical location. The Group's activities are managed as a single exploration and evaluation business and accordingly management has determined that the Group has one operating and reportable segment for the purposes of AASB 8- *Operating Segments*.

Revenue by geographical region
The Group did not generate revenue from external customers during the years ended 30 June 2026 and 30 June 2025.

Non-current assets by geographical region

Non-current assets*	**2026**	**2025**
Australia	**89,690**	114,750
North America	**82,531,148**	87,133,327
Total non-current assets	**82,620,838**	87,248,077

** Non-current assets exclude financial instruments and deferred tax assets.*

Notes to the financial statements (continued)

17 KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation of key management personnel

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2026.

	2026 $	2025 $
Short term employment benefit	**945,926**	963,210
Post-employment benefits	**33,404**	30,403
Bonus	**335,000**	450,000
Share based payments	**1,196,888**	(3,140,439)
	2,511,218	(1,696,826)

18 RELATED PARTY TRANSACTIONS AND BALANCES

The Group's main related parties are as follows:

a. *Subsidiaries*
Interest in subsidiaries are set out in Note 14.

b. *Key management personnel*
Disclosures relating to key management personnel are set out in note 17.

c. *Transactions with related parties:*
During the year, no options or performance rights were issued to directors. Disclosures relating to share based payments are set out in note 24.

Other than as set out above, there were no other transactions with KMP's during the year.

19 EARNINGS PER SHARE

Profit/(Loss) per share attributable to the ordinary equity holders of the company	**2026**	**2025**
Basic/diluted profit/(loss) per share in cents	**(0.06)**	**0.23**
Basic/diluted profit/(loss) per share in cents from continuing operations	**(0.06)**	**0.33**
Basic/diluted loss per share in cents from discontinued operations	**(0.002)**	**(0.10)**
Weighted average number of ordinary shares used in the calculation of basic/diluted profit/(loss) per share	**5,492,999,377**	**4,597,062,463**
Basic/diluted profit/(loss)	**(3,331,549)**	**10,586,394**
Basic/diluted profit/(loss) from continuing operations	**(3,460,835)**	**15,166,730**
Basic/diluted profit/(loss) from discontinued operations	**(129,286)**	**(4,580,336)**

The options on issue at 30 June 2026 were anti-dilutive, and therefore diluted loss per share was the same as basic loss per share.

Notes to the financial statements (continued)

20 FINANCIAL INSTRUMENTS

The Group has exposure to various risks from the use of financial instruments. The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Group operations.

(a) Financial risk exposure and management

Financial risks including credit risk, liquidity risk, and market risk (interest rate risk, and foreign currency risk) are managed such to maintain on optimal capital structure. The Group does not enter into derivative transactions to manage financial risks. In the current period, the Group's financial risk arises principally from cash financial assets, trade receivables and investments in unlisted entities. The Group invests its cash in term deposits and other appropriate bank accounts to obtain market interest rates.

(b) Capital risk management

The Group consistently monitors expenditure and adjusts expenditure and raises capital as required. The capital of the Group now consists of equity of the Group (comprising issued capital and reserves as detailed in notes 14 and 15, and accumulated losses).

(c) Market rate risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk in relation to the acquisition of goods and services in United States Dollars (USD) and Canadian Dollars (CAD). The Group does not hedge this exposure by using financial instruments. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2026 $	2025 $
Financial Assets		
Cash and cash equivalents (USD)	**29,763**	9,076
Cash and cash equivalents (CAD)	**99,415**	442,821
Trade and other receivables (USD)	**-**	-
Trade and other receivables (CAD)	**-**	-
Other financial assets (USD)	**25,781**	145,500
Other financial assets (CAD)	**129,249**	151,076
Financial Liabilities		
Trade payables (USD)	**22,833**	110,789
Trade payables (CAD)	**142,226**	1,853,332
Financial liabilities (USD)	**-**	114,327

Notes to the financial statements (continued)

20 FINANCIAL INSTRUMENTS (continued)

The following tables show the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the presentation currency.

	Net Financial Assets/(Liabilities) in $AUD		
	USD	**CAD**	**Total**
2026	32,712	86,438	119,150
2025	(70,541)	(1,259,435)	(1,329,976)

In respect of the above USD and CAD foreign currency risk exposure in existence at the reporting date a sensitivity of 10% lower (or a relative strengthening of the Australian dollar) and 10% higher (or a relative weakening of the Australian dollar) has been applied. With all other variables held constant, post tax loss and equity would have been affected as follows:

USD: AUD $3,271 gain; AUD $3,271 loss (2025: AUD $7,054 gain; AUD $7,054 loss)
CAD: AUD $8,644 gain; AUD $8,644 loss; (2025: AUD $125,943 gain; AUD $125,943 loss)

(ii) Interest rate risk

The following table details the Group's exposure to interest rate risk at the end of the reporting period.

	Average Interest Rate %	Floating Interest Rate $	Fixed Interest Rate $	Non-Bearing Interest $	Total $
			Maturing within 12 months		
2026					
Financial assets					
Cash at bank	0.64	5,848,071	-	-	**5,848,071**
Trade and other receivables		-	-	17,993	**17,993**
Other financial assets		-	20,000	217,551	**237,551**
		5,848,071	**20,000**	**235,544**	**6,103,615**
Financial liabilities		-	-	406,468	**406,468**
Trade and other payables		-	11,680	-	**11,680**
Lease liability					
		-	**11,680**	**406,468**	**418,148**
2025					
Financial assets					
Cash at bank	1.48	847,945	2,300,000	-	**3,147,945**
Trade and other receivables		-	-	12,872	**12,872**
Other financial assets		-	20,000	201,971	**221,971**
		847,945	**2,320,000**	**214,843**	**3,382,788**
Financial liabilities					
Trade and other payables		-	-	2,227,428	**2,227,428**
Lease liability	6.00	-	27,493	-	**27,493**
		-	**27,493**	**2,227,428**	**2,254,921**

Notes to the financial statements (continued)

20 FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis
At 30 June 2026, the effect on the Group's loss and equity as a result of changes in the interest rates, with all other variables remaining constant, would be as follows:

	2026 Interest rate risk		2025 Interest rate risk	
	+ 1.0%	-1.0%	+ 1.0%	-1.0%
Financial assets				
Cash at bank	**58,481**	**(58,481)**	8,479	(8,479)
Other financial assets	**200**	**(200)**	200	(200)
	58,681	**(58,681)**	8,679	(8,679)

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure that it will have sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities or other fund raising initiatives.

Maturities of financial liabilities
The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities:

Contractual maturities of financial liabilities	Less than 6 months $	6-12 months $	Over 12 months $
2026			
Non-derivatives			
Trade and other payables	406,468	-	-
Lease liability	-	-	-
Total non-derivatives	**406,468**	**-**	**-**
2025			
Non-derivatives			
Trade and other payables	2,227,482	-	-
Lease liability	-	-	-
Total non-derivatives	2,227,482	-	-

Notes to the financial statements (continued)

20 FINANCIAL INSTRUMENTS (continued)

(e) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, trade and other receivables, and other financial assets. The maximum exposure to credit risk, excluding the value of any collateral or other security, at the end of the reporting period to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Any term deposits are to be held by at least AA rated banks thereby mitigating the risk of default on these deposits. The Group's policy is to review all outstanding debtors at the end of the reporting period and an expected credit losses provision is raised. At the end of the reporting period, no expected credit losses provision was raised.

The Group does not have any material credit risk exposure to any single receivable or Company or any receivables under financial instruments entered into by the Group.

(f) Net fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements is considered a reasonable approximation of their respective net fair values.

21 NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Profit/(Loss) After Income Tax to Net Cash (Used In) Operating Activities

Profit/(Loss) after income tax	**(3,460,835)**	**10,586,394**
Add/(less) non-cash items:		
Net exchange differences	(513,402)	(36,503)
Impairment of financial asset	-	343,555
Share based payment expense	1,199,335	(3,463,505)
Depreciation	30,256	67,138
Flow-through share premium	-	(3,138,883)
Profit on sale of tenements	-	(10,825,925)
Profit on sale of project (discontinued operation)	(672,129)	-
Finance expense	987	1,979
Net cash used in operating activities before change in assets and liabilities	**(3,415,788)**	**(6,465,750)**
Change in assets and liabilities:		
(Increase)/Decrease in receivables	(94,734)	48,725
(Increase)/Decrease in prepayments	49,108	98,507
Increase/(Decrease) in payables	27,766	(956,762)
Increase in provisions	18,676	16,256
Net cash used in operating activities	**(3,414,972)**	**(7,259,024)**

(b) Financing Facilities

There were no financing facilities in place at the end of the period (2025: Nil) other than a credit card facility with a $20,000 limit that is repaid in full monthly and secured by a $20,000 deposit.

Notes to the financial statements (continued)

22 EVENTS OCCURRING AFTER THE REPORTING PERIOD

No events that would have a significant effect on the financial report have occurred since the end of the reporting period.

23 CONTINGENT LIABILITIES AND COMMITMENTS

There are no annual exploration expenditure commitments on the Group's exploration tenements however the Group is required to pay an annual renewal fees of $619,985 (2025: $530,344). At 30 June 2026, the Company has a commitment under a services agreement of $1,478,928 (2025: $1,698,359).

Except for the above, as at the end of the reporting period, the Directors were not aware of any other contingent liabilities or contingent assets.

24 SHARE BASED PAYMENTS

	2026 $	2025 $
Share based payments in the Statement of Profit or Loss and Other Comprehensive Income		
Share based payments for directors	**1,196,888**	3,140,439
Share based payments for other employees and advisors	**2,447**	323,066
Total	**1,199,335**	3,463,505

Notes to the financial statements (continued)

24 SHARE BASED PAYMENTS (continued)

Set out below are the summaries of Options issued as share based payments.

Issue Date	Expiry Date	Exercise Price ($)	Balance 01/07/2025	Granted during the year	Expired or change due to resigning	Balance 30/06/26	Number vested & exercisable
27/3/2023	27/3/2027	0.12	11,000,000	-	-	11,000,000	11,000,000
28/4/2023	27/3/2027	0.12	9,750,000	-	-	9,750,000	9,750,000
19/5/2023	19/5/2027	0.12	7,312,500	-	-	7,312,500	7,312,500
4/08/2023	10/08/2025	0.05	16,000,000	-	(16,000,000)	-	-
21/12/2023	10/08/2025	0.05	10,000,000	-	(10,000,000)	-	-
1/03/2024	1/03/2027	0.04	60,750,000	-	(3,000,000)	57,750,000	57,750,000
			114,812,500	-	(29,000,000)	85,812,500	85,812,500
Weighted average exercise price ($)			0.0725	-	0.0490	0.0662	0.0662

The weighted average remaining contractual life of share-based payment options outstanding as at 30 June 2026 was 0.7 years (2025: 1.34 years).

The weighted average fair value of options outstanding as at 30 June 2026 was $0.0193 (2025: $0.0168).

Notes to the financial statements (continued)

24 SHARE BASED PAYMENTS (continued)

Fair values of share options issued are determined using the Black-Scholes model based on information available as at the measurement date, considering the exercise price, term of option, the share price at grant date, expected price volatility of the underlying share, expected yield and the risk-free interest rate for the term of the option. Parameters for valuations of all share options issued during the year or prior year that affects the current year expense were as below, with nil dividend yield expected:

	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Total
Measurement date	27/3/2023	26/4/2023	15/5/2023	4/8/2023	21/12/2023	1/3/24	
Issue date	27/3/2023	28/4/2023	19/5/2023	10/8/2023	21/12/2023	1/3/24	
Expiry date	27/3/2027	27/3/2027	19/5/2027	10/8/2025	10/8/2025	1/3/27	
Expected volatility (%)	100%	100%	100%	100%	100%	100%	
Risk-free interest rate (%)	2.21%	2.77%	3.09%	4.07%	3.90%	3.71%	
Expected life of options (years)	4.00	4.00	4.00	2.02	1.64	3.00	
Underlying share price	$0.046	$0.044	$0.05	$0.019	$0.034	$0.029	
Option exercise price	$0.12	$0.12	$0.12	$0.05	$0.05	$0.04	
Value of option	$0.02297	$0.02297	$0.02779	$0.0596	$0.0134	$0.0166	
Number of options issued or expected to be issued	11,000,000	9,750,000	9,750,000	16,000,000	10,000,000	125,750,000	
Value of options	$269,940	$223,957	$270,952	$95,350	$134,000	$2,086,192	
Amount expensed during 2026	-	-	-	-	-	($2,447)	($2,447)

Notes to the financial statements (continued)

24 SHARE BASED PAYMENTS (continued)

The following performance rights were issued and recognised during FY2023:

- 111,500,000 performance rights were issued to directors on 15/08/2022 following shareholder approval at a general meeting held on 14/07/2022 as follows:

Tranche	# Performance Rights	Vesting Condition	Expiry Date
Class A	26,000,000	Successful commercial operation of the research facility in Phoenix, Arizona to process ore from the Big Sandy Lithium Project and produce lithium to a market acceptable standard with a minimum production of 20kgs of LCE per month for two consecutive months.	3 years from the date of issue
Class B	28,500,000	Completion of a successful Scoping Study for the Big Sandy Lithium Project	3 years from the date of issue
Class C	28,500,000	Announcement to the ASX of the completion of a profitable Preliminary Feasibility Study for the Big Sandy Lithium Project	4 years from the date of issue
Class D	28,500,000	Announcement to the ASX of the completion of a profitable Bankable Feasibility Study for the Big Sandy Lithium Project	5 years from the date of issue

  During the year, the Company entered into agreements to sell the Big Sandy Lithium Project and the Lithium Research Centre. As a consequence, the performance conditions attached to the outstanding performance rights could no longer be achieved. Management therefore reassessed the number of performance rights expected to vest and concluded that no further awards were expected to vest. This reassessment resulted in a reduction of the cumulative share-based payment expense previously recognised in respect of these performance rights of $4,346,047 at 30 June 2025. The outstanding performance rights subsequently lapsed following agreement between the Company and the holders..

- 240,000,000 performance rights were issued to directors on 27/03/2023 following shareholder approval at a general meeting held on 14/03/2023 as follows:

Tranche	# Performance Rights	Vesting Condition	Expiry Date
Class A	84,000,000	Announcement to the ASX of the completion of a profitable Preliminary Feasibility Study (PFS) for the Prairie Lithium project.	3 years from the date of issue
Class B	36,000,000	Announcement of an upgraded resource of at least 1 million tonnes of Lithium Carbonate Equivalent (LCE) over the Prairie Lithium project from an inferred to an indicated resource.	3 years from the date of issue
Class C	60,000,000	Market capitalisation of the Company to exceed 500 million AUD based on a 20 day VWAP.	4 years from the date of issue
Class D	60,000,000	Announcement to the ASX of the production of a minimum of 1,000kgs of LCE from the Prairie Lithium project.	5 years from the date of issue

These performance rights were valued at $11,346,000 of which $1,196,888 was expensed for directors in 2026 in accordance with the vesting periods.

120,000,000 Class A & Class B performance rights have vested in a prior year, leaving 120,000,000 outstanding as at 30 June 2026.

Notes to the financial statements (continued)

24 SHARE BASED PAYMENTS (continued)

Set out below are the summaries of performance rights issued as share based payments.

Tranche	Issue Date	Expiry Date	Balance 01/07/2025	Granted during the year	Cancelled	Balance 30/06/26	Number vested & exercisable	Fair value
A	15/08/2022	15/08/2025	26,000,000	-	(26,000,000)	-	-	$0.085
C	15/08/2022	15/08/2026	28,500,000	-	(28,500,000)	-	-	$0.085
D	15/08/2022	15/08/2027	28,500,000	-	(28,500,000)	-	-	$0.085
C	27/03/2023	14/03/2027	60,000,000	-	-	60,000,000	-	$0.0391
D	27/03/2023	14/03/2028	60,000,000	-	-	60,000,000	-	$0.05
			203,000,000	-	(83,000,000)	120,000,000	-	

The weighted average remaining contractual life of share-based payment performance rights outstanding as at 30 June 2026 was 1.2 years (2025: 1.78 years).

The weighted average fair value of performance rights outstanding as at 30 June 2026 was $0.045 (2025: $0.061).

The fair values of the performance rights issued is the underlying share price on the date of approval with the exception of Tranche C (expiring 14/03/2027) which was valued using the binomial model to take into account the market-based vesting condition.

Notes to the financial statements (continued)

NOTE 25 DISCONTINUED OPERATIONS

On 9 July 2025, the Company entered into agreements to sell the Big Sandy Lithium Project and the Lithium Research Centre for total consideration of USD 5 million. The transaction was completed on 3 August 2025, and the Company received the proceeds in full. Accordingly, the assets and liabilities associated with these operations were classified as held for sale as at 30 June 2025.

These operations have been classified as discontinued operations, as the Company has ceased all activities in the United States.

(a) Financial performance information

	30 June 2026 $	30 June 2025 $
Other Income	-	60
Exploration and evaluation	-	(1,686,426)
Administrative expenses	(129,286)	(2,893,970)
Loss before income tax	**(129,286)**	**(4,580,336)**
Income tax	**-**	**-**
Loss after income tax from discontinued operations	**(129,286)**	**(4,580,336)**

(b) Assets held for sale

	30 June 2025
Cash and cash equivalents	13,856
Prepayments	77,982
Plant and equipment	6,753,572
Right of use assets	1,213,943
Other financial assets	222,136
	8,281,489

The assets identified above represents the assets of Big Sandy Lithium Project and the Lithium Research Centre which was sold on 9 July 2025.

(c) Liabilities held for sale

	30 June 2025
Trade and other payables	169,143
Lease liability	1,551,630
	1,720,773

The liabilities identified above represents the assets of Big Sandy Lithium Project and the Lithium Research Centre which was sold on 9 July 2025.

(d) Cash flows used in discontinued operations

	30 June 2025 $
Net cash used in operating activities	(3,368,440)
Net cash used in investing activities	(38,141)
	(3,406,581)

The cash flows identified above represents the assets of Big Sandy Lithium Project and the Lithium Research Centre which was sold on 9 July 2025.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Basis of preparation
The consolidated entity disclosure statement (CEDS) has been prepared in accordance with subsection 295(3A)(a) of the Corporations Act 2001. The entities listed in the statement are Prairie Lithium Ltd and all the entities it controls in accordance with *AASB 10 Consolidated Financial Statements*

Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.

- Foreign tax residency
  Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Name of entity	Type of entity	Trustee, partnership or participant in joint venture	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Prairie Lithium Limited	Body corporate	n/a	n/a	Australia	Australia and Foreign	Australia and Canada
USA Lithium Limited	Body corporate	n/a	100%	Australia	Australia	Australia
US Lithium Pty Ltd	Body corporate	n/a	100%	Australia	Australia	Australia
New Mexico Lithium Pty Ltd	Body corporate	n/a	100%	Australia	Australia	Australia
Big Sandy Inc	Body corporate	n/a	100%	United States	Foreign	United States
Lordsburg Resource Inc	Body corporate	n/a	100%	United States	Foreign	United States
Prairie Lithium Corporation	Body corporate	n/a	100%	Canada	Foreign	Canada
2477827 Alberta Corporation	Body corporate	n/a	100%	Canada	Foreign	Canada
2477955 Alberta Corporation	Body corporate	n/a	100%	Canada	Foreign	Canada
ZYL Mining (SA) Proprietary Limited	Body corporate	n/a	100%	South Africa	Foreign	South Africa
Oakleaf Investment Holdings (Proprietary) Limited	Body corporate	n/a	100%	South Africa	Foreign	South Africa
Altius Trading 404 (Proprietary) Limited	Body corporate	n/a	70%	South Africa	Foreign	South Africa

Directors' Declaration

In accordance with a resolution of the directors of Prairie Lithium Limited, I state that:

1. In the opinion of the directors:

    (a) the financial statements and notes of the Group for the financial year ended 30 June 2026 are in accordance with the Corporations Act 2001, including:

        (i) giving a true and fair view of the Group's financial positions as at 30 June 2026 and of its performance for the year ended on that date; and

        (ii) complying with Australian Accounting Standards and Corporations Regulations 2001;

    (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a);

    (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

    (d) the consolidated entity disclosure statement is true and correct.

2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and the chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2026.

On behalf of the Board

Mr Paul Lloyd
Executive Chairman
Dated at Perth this 25th day of September 2026

Grant Thornton

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Independent Auditor's Report

To the Members of Prairie Lithium Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Prairie Lithium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Exploration and Evaluation Assets – Notes 2 and 8	

At 30 June 2026, the Group held exploration and evaluation assets of $80.4 million, principally relating to the Prairie Lithium Project in Saskatchewan, Canada.
 	
Under AASB 6 *Exploration for and Evaluation of Mineral Resources* ('AASB 6'), the Group is required to assess if facts and circumstances exist that indicate the carrying amount of the exploration and evaluation assets may exceed their recoverable amount.
 	
Management applied judgement in assessing whether indicators of impairment existed and concluded there were none.
 	
This is a key audit matter due to the auditor judgement involved in assessing management's determination of the existence of impairment indicators across the areas of interest.
	Our procedures included:
	
	• evaluating management's assessment of indicators of impairment, by;
	    • tracing projects to statutory registers and exploration licenses to determine whether a right of tenure has expired or is expiring soon;
	    • assessing management's intention and ability to continue exploration and evaluation activities through review of approved budgets, planned expenditure and publicly communicated project plans;
	    • evaluating funding pathways identified by management to support ongoing exploration and evaluation activities;
	    • evaluating management's assessment of prevailing and forecast lithium market conditions to publicly available market information;
	    • reviewing executed commercial arrangements, including offtake agreements and other evidence of third-party interest in the Prairie Lithium Project; and
	• evaluating the related disclosures against the requirements of Australian Accounting Standards.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and

b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 13 to 18 of the Directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Prairie Lithium Limited, for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

B E Burgess
Partner – Audit & Assurance

Perth, 25 September 2026

Corporate Governance

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

The 2025 corporate governance statement was approved by the Board on 25th September 2026 and is current as at 25th September 2026. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.prairielithium.com/corporate-governance/.

ASX Additional Information

The following information is based on share registry information processed up to 15 September 2026.

Ordinary Share Capital

5,780,314,445 shares are held by 14,691 individual holders.

Voting Rights

The voting rights attaching to ordinary shares are that on a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote. Options do not carry any voting rights.

Distribution of Holders of Equity Securities – Fully Paid Ordinary Shares

Holdings Range	Holders	Number of Shares	Percentage of Issue Capital %
1 – 1,000	273	52,707	0.00%
1,001 – 5,000	1,414	5,236,759	0.09%
5,001 – 10,000	2,015	15,694,999	0.27%
10,001 – 100,000	6,972	280,472,872	4.85%
100,001 and over	4,017	5,478,857,108	94.78%
Total	14,691	5,780,314,445	100.00%

Unmarketable Parcels

Holders: 9,909
Units: 227,620,612

On-market Buy Back

There is no current on-market buy-back.

Substantial Shareholders

	Ordinary Shares	
	No.	**%**
Citicorp Nominees Pty Ltd	457,541,654	7.92
Navajo Transitional Energy Co LLC	437,242,424	7.56

ASX Additional Information

Twenty Largest Holders of Quoted Fully Paid Ordinary Shares (Grouped)

	Holder Name	Holding	% Issued Capital
1	CITICORP NOMINEES PTY LIMITED	457,541,654	7.92%
2	NAVAJO TRANSITIONAL ENERGY CO LLC	437,242,424	7.56%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	233,138,166	4.03%
4	ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD <ACUITY CAPITAL HOLDINGS A/C>	199,764,624	3.46%
5	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	171,326,006	2.96%
6	CORAL BROOK PTY LTD <LLOYD SUPER FUND A/C>	99,349,356	1.72%
7	INVIA CUSTODIAN PTY LIMITED <PAVLOVICH FAMILY SPEC 2 A/C>	90,368,211	1.56%
8	BNP PARIBAS NOMS PTY LTD	64,655,791	1.12%
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	62,251,387	1.08%
10	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	45,060,875	0.78%
11	WHISTLER STREET PTY LTD <WARBURTON DISCRETIONARY A/C>	41,690,000	0.72%
12	MATTHEW BLUMBERG	36,000,000	0.62%
13	MR CORNELIS JOHANNUS VERDOUW	35,000,000	0.61%
14	MR LEIGH CHARLES MARTIN	32,000,000	0.55%
15	PARANOID ENTERPRISES PTY LTD	29,000,000	0.50%
16	MAVERICK AG LTD	26,326,843	0.46%
17	MR RAYMOND SAMUEL MOIO	26,000,000	0.45%
18	MR VENKATA RAJESH BELLAM	25,000,000	0.43%
20	MR LAURIE DE MARCO & MISS SYLVIA LUFT	24,040,000	0.42%
	Total	**2,160,625,002**	**37.38%**

Unquoted Securities

Class	Number	No. of Holders
Options exercisable at $0.12 each on or before 27 March 2027	20,750,000	2
Options exercisable at $0.12 each on or before 19 May 2027	7,312,500	1
Options exercisable at $0.04 each on or before 1 March 2027	57,750,002	10
Options exercisable at $0.012 each on or before 19 May 2028	472,333,190	293
Directors Performance Rights – Class C expiring 27 March 2027	60,000,000	3
Directors Performance Rights – Class D expiring 27 March 2028	60,000,000	3

ASX Additional Information

Schedule of Mining Tenements at 30 June 2026

Project	Claim Number	Location	Interest
Lordsburg	LLP-211 to LLP-274	New Mexico, USA	100%
Lordsburg	LLP-283 to LLP-298	New Mexico, USA	100%
Lordsburg	LLP-307 to LLP-322	New Mexico, USA	100%
Lordsburg	LLP2-1 to LLP2-96	New Mexico, USA	100%
Prairie Lithium	S002/1	Saskatchewan, Canada	100%
Prairie Lithium	S004/5	Saskatchewan, Canada	100%
Prairie Lithium	S005/46-48, S005/58, S005/60	Saskatchewan, Canada	100%
Prairie Lithium	S008/31-35, S008/41, S008/49-54, S008/56, S008/69-74, S008/77, S008/86-99, S008/102-109	Saskatchewan, Canada	100%
Prairie Lithium	S009/19, S009/24, S009/35, S009/39, S009/41-44, S009/50-53	Saskatchewan, Canada	100%
Prairie Lithium	Canpar Holdings Ltd. File No. M043397, M043398, M043399, M043400 Freehold Royalties Ltd. File No. M043402, M043403	Saskatchewan, Canada	100%