

ASX Announcement

11 December 2025

OFFTAKE TO LITHIUM REFINERY IN SOUTH KOREA

HIGHLIGHTS

- The Company has signed an offtake heads of agreement to supply to Hydro Lithium 100% of the Lithium-bearing Crystallite produced at the Company's Phase 1 commercial-scale proof-of-concept plant (up to 150 tpa Lithium Carbonate Equivalent (LCE) for 10 years.
- The Company will use best endeavours to seek to increase supply of Lithium-bearing Crystallite to Hydro Lithium to a quantity necessary to produce up to 10,000tpa LCE.
- Hydro Lithium currently operates a lithium refinery in South Korea, where it produces and sells battery grade lithium carbonate and battery grade lithium hydroxide.
- The product will be sold in the form of a lithium-bearing crystallite and will be transported to Hydro Lithium's refinery in South Korea.
- This significantly reduces capital costs and operational complexity associated with the battery grade conversion process, and allows PL9 to enter the market selling an intermediate product.
- Under the agreement, the lithium-bearing crystallite is priced using a formula linked to battery grade lithium carbonate. The formula is based on lithium weight percentage, conversion cost, and conversion efficiency.
- This complements Prairie Lithium's diversified product offtake strategy, supplementing a recently announced offtake in North America.

Prairie Limited (ASX: PL9, OTC: PLIXF) ("**Prairie Lithium**", "**PL9**" or "**the Company**"), a company focused on the sustainable development of the Prairie Lithium Project ("**Prairie**"), is pleased to announce it has signed an offtake heads of agreement with Hydro Lithium ("**Hydro**"). Under the heads of agreement, Hydro Lithium will purchase 100% of the Lithium-bearing Crystallite produced at the Company's Phase 1 commercial-scale proof-of-concept plant (up to 150 tpa Lithium Carbonate Equivalent (LCE) and use best endeavours to seek to increase supply to up to 10,000 Tonne Per Annum (TPA) LCE for 10 years from the Prairie Lithium project in Saskatchewan, Canada. The product will be sold in the form of a lithium-bearing crystallite and will be used as feedstock for Hydro Lithium's battery grade refinery in South Korea. This offtake includes all the lithium that will be produced from Phase 1 – commercial scale proof of concept plant currently in construction (approximately 150 TPA LCE).

Prairie Lithium producing and selling a lithium-bearing crystallite closely mimics that of a Spodumene Concentrate transaction, where junior companies reduce project capex associated with battery grade processing equipment, and sell an intermediate product to establish production and revenue. This strategy enables organic growth, as the company can then leverage its production and revenue to continue to grow the project.

The lithium-bearing crystallite is priced using a formula linked to battery grade lithium carbonate. The formula is based on lithium weight percentage, conversion cost, and conversion efficiency. The formula ensures both parties maintain attractive margins in current price environment while also allowing both parties to partake in the upside of lithium spot price.





Figure 1: Hydro Lithium's refinery in South Korea



Figure 2: Equipment at Hydro Lithium's refinery in South Korea

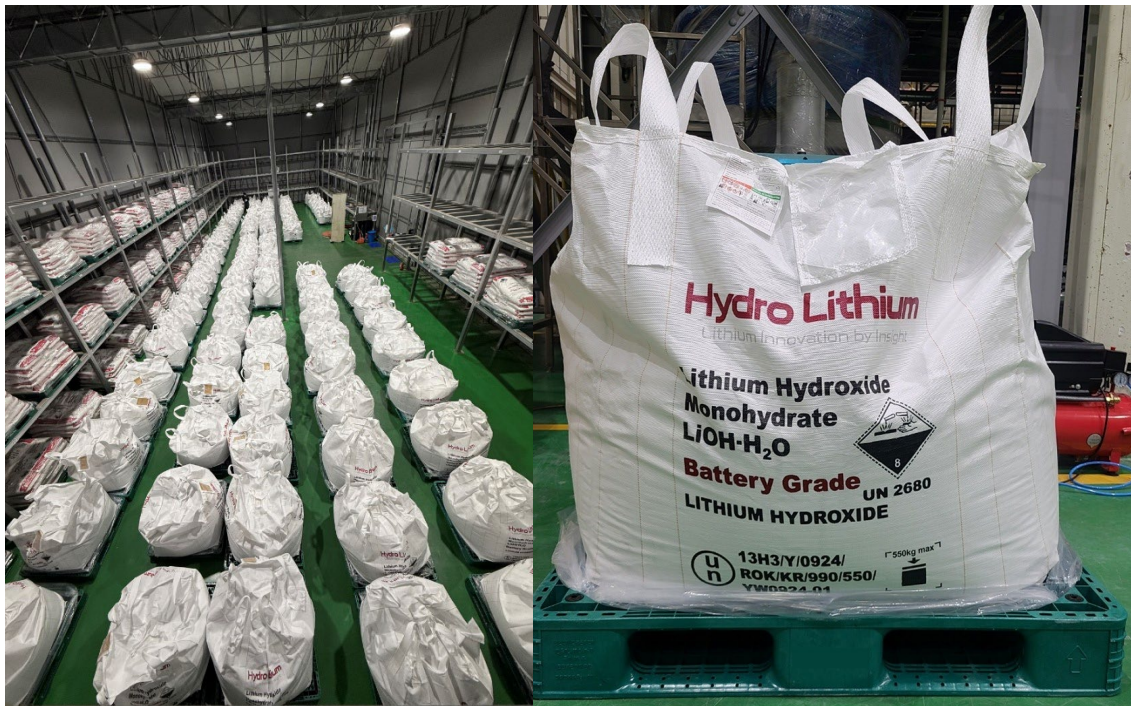


Figure 3: Battery Grade Lithium Produced at Hydro Lithium's Refinery in South Korea

Prairie Lithium Managing Director, Paul Lloyd, commented: *"This binding offtake with Hydro Lithium represents how we will sell our initial production and generate revenue from early operations. This is very similar to a spodumene concentrate transaction, a de-risked supply chain that allows resource companies to simplify operations and reduce capex by focusing on producing an intermediate product that can be brought to market quickly. We look forward to building on this relationship and these supply chains over the coming years."*

Saskatchewan Minister of Trade and Export, Warren Kaeding, commented: *"We are extremely excited to see Prairie Lithium opening new markets, for new Saskatchewan resources. The supply chains and trade partners being established are critical to monetizing our vast resource wealth in the province, and we are committed to helping Prairie Lithium grow relationships in South Korea and around the world. We look forward to supplying the world with Made-In-Saskatchewan lithium that will power the future"*

Hydro Lithium CEO, Dr. Uong Chon, commented: *"We are very happy to be partnering with Prairie Lithium to create this valuable partnership between lithium resources in Canada, and battery grade refining operations in South Korea. Our revolutionary lithium refining technology allows resource companies to keep capex and opex low, while still maintaining exposure to the upside potential of battery grade lithium prices. We look forward to accepting their product as feedstock to make battery grade lithium chemicals at our refinery. We are very excited to work and grow this partnership."*

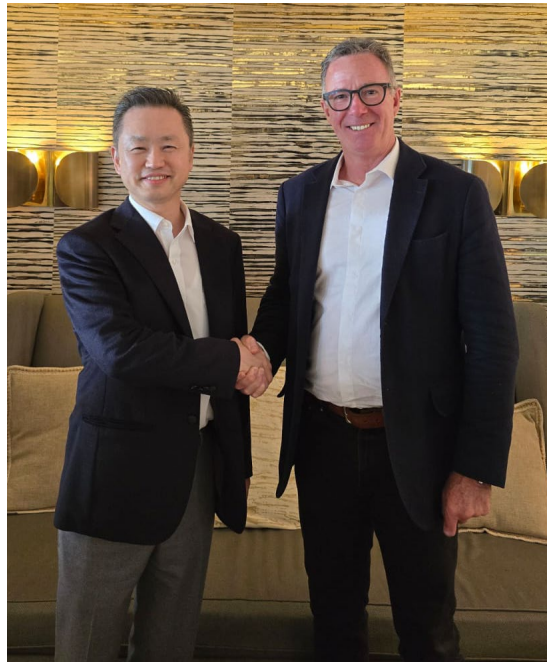


Figure 4: Dr. Uong Chon (Hydro Lithium CEO) (left) and Paul Lloyd (Prairie Lithium Managing Director) (right)

About the Prairie Lithium Project

PL9's Prairie Lithium Project in Saskatchewan, Canada, is in one of the world's top mining friendly jurisdictions. The project has easy access to key infrastructure including electricity, natural gas, fresh water, paved highways and railroads. The project also aims to have strong environmental credentials, with Prairie Lithium targeting to use less freshwater, land and waste, aligning with the Company's sustainable approach to lithium development.

About Hydro Lithium

Hydro Lithium Inc. is an emerging Korean lithium technology company focused on the conversion of lithium intermediates into battery-grade lithium chemicals for the global electric vehicle and energy storage markets. The company operates a commercial processing facility and a dedicated demonstration plant in Korea, where it utilises the proprietary CULX technology of its CEO, Dr. Uong Chon to convert lithium-bearing crystallite and brine feedstocks into high-purity lithium carbonate.

Led by CEO Dr. Uong Chon, Hydro Lithium has developed an integrated processing platform designed to improve recoveries, reduce reagent consumption and deliver consistent, high-specification lithium products. The company continues to expand its technological capabilities and strategic partnerships with upstream lithium developers.

Heads of Agreement

Under the heads of agreement, Prairie Lithium shall commit to the construction, commissioning, and operation of its proof of concept plant in Canada and will use its best endeavours to operate the Prairie plant in a manner that ensures production of Lithium-bearing Crystallite up to the nameplate capacity of 150 tpa LCE.

Prairie Lithium and Hydro Lithium agree to cooperate in good faith to develop and negotiate the final detail and work diligently to arrive at and execute a definitive agreement within the valid term of the heads of agreement.

The heads of agreement will expire or be terminated automatically upon the earliest to occur of: 31 December 2026; a written notice by either Party to terminate the heads of agreement; and the date on which the definitive agreement becomes effective in accordance with its terms.

This ASX announcement is authorised for release by the Board.



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