30 January 2026

December Quarterly Activities Report

SUMMARY OPERATIONAL AND FINANCIAL METRICS[1]

	Units	Dec Q	Sep Q	%	H1 FY26	H1 FY25	%
Production	kt	208.0	224.8	(7)	432.8	408.3	6
Sales	kt	232.0	214.0	8	446.0	418.6	7
Realised price	US$/t	1,161[2]	742[3]	57	965[2]	688[4]	40
	US$/t SC6	1,336	841	59	1,105	780	42
Revenue	A$M	373	251	49	624	426	47
Unit operating cost (FOB)[5]	A$/t	585	540	8	563	614	(8)
	US$/t	384	353	9	369	406	(9)
Unit operating cost (CIF)[6]	A$/t	717	645	11	682	724	(6)
	US$/t	470	422	11	447	479	(7)
Cash Margin from Operations	A$M	166	8	1,904	174	41	323
Cash balance	A$M	954	852	12	954	1,171	(18)

KEY OUTCOMES

- Solid operational Quarter with production of 208.0 thousand tonnes (kt) for the three-month period ended 31 December 2025 (December Quarter or Quarter).
- Lithium recoveries remained strong at 76%, despite the intentional increase of contact ore processed during the quarter to maximise the sorter performance.
- December Quarter sales increased 8% to 232.0kt compared to the September 2025 Quarter (prior Quarter), with an average estimated realised price of US$1,161/t[2] (CIF China) on a ~SC5.2 basis. On a SC6 equivalent basis average estimated realised prices increased by 59% to US$1,336/t.
- Revenue increased 49% to $373M, reflecting higher realised pricing and sales volume.
- Unit operating cost (FOB) increased 8% to $585/t (US$384/t) compared to the prior Quarter, primarily due to lower production volumes and inventory drawdown.
- December Quarter cash margin from operations of $166M was underpinned by the increase in pricing and ongoing cost optimisation.
- Robust balance sheet with ~$1.6B liquidity. Cash increased 12% during the Quarter to $954M.
- Positive provisional pricing adjustments of ~$85M from the December Quarter are expected to be received in the March Quarter 2026.
- Strong inbound interest for offtake volumes. Additional production capacity from the restart of the ~200ktpa Ngungaju plant is being assessed, with early plant operational readiness works completed to position for a potential restart within four months. The Board is expected to consider a decision in the March Quarter.
- P2000 and Colina Project studies continue to progress – PLS plans to provide an update on scope and timing of both studies in the March Quarter 2026.
- FY26 guidance reaffirmed for all metrics[7].

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1 SUSTAINABILITY

1.1 Health and safety

PLS Group Limited (ASX: PLS) (PLS or the Company) reported two recordable injuries at Pilgangoora Operations during the December Quarter with the rolling 12-month total recordable injury frequency rate increasing to 3.79[8] from 3.08 in the prior Quarter. In response to these injuries, targeted campaigns have been initiated in addition to current safety programs.

Quality safety interactions[9] achieved for the December Quarter equated to 3.80 completed per 1,000 hours worked, an increase from 2.95 in the prior Quarter. This improvement is attributed to the commencement of scheduled in-field leadership programs in the Quarter, which are designed to strengthen PLS' frontline engagement of the critical risk management framework.

2 OPERATIONS AND SALES

2.1 Pilgangoora Operation

Operating performance for the December Quarter was in line with expectations, reflecting continued mining efficiencies and the deliberate strategy to increase contact ore feed, maximising utilisation of the ore sorting processing capability.

Mining activity increased during the Quarter, with total material mined (TMM) rising to 8.1 million tonnes (Mt) from 7.7Mt in the prior Quarter. This uplift reflects the ongoing delivery of targeted operational initiatives, including further progress in the transition to owner-operator mining. Additional haul trucks were delivered during the Quarter, supporting higher mining volumes and improving operational resilience and ore supply security through the wet season. Total ore mined decreased to 1.5Mt from 1.7Mt, consistent with the mine plan, as mining activities were deliberately directed towards planned waste stripping to support future production.

Processing performance aligned with the operating plan with lithium recovery for the Quarter at 75.8%. Despite the higher contact ore throughput, ore sorters continued to perform strongly. The increased crushing throughput resulted in elevated wear rates in the front end of the crushing circuit, impacting average runtime. To mitigate this, additional crushing capacity was mobilised to provide operational contingency and maintain adequate crushed ore buffers, supporting plant utilisation through periods of elevated wear.

2.2 Sales and pricing

Sales volume totalled 232.0kt of spodumene concentrate in the December Quarter, with an average shipped grade of ~SC5.2 Li_2O.

The average estimated realised sales price for spodumene concentrate in the December Quarter was US$1,161/t[2] (CIF China and based on ~SC5.2 product grade). On a SC6 equivalent basis, the average estimated sales price equated to US$1,336/t (CIF China).

Sales of tantalite concentrate in the December Quarter totalled 73,987 lbs[10].

Following the agreed reduction to calendar year 2026 (CY26) POSCO Pilbara Lithium Solution (P-PLS) spodumene offtake volumes, PLS executed two offtake agreements during the December Quarter. These agreements provide volume and term flexibility at PLS' election, along with price premiums relative to the prevailing market price. Additional volumes remain available from the Pilgan plant for spot sales, or more offtake agreements, and PLS continues to receive strong inbound interest for supply from a wide range of industry stakeholders.

2.3 Unit operating cost

Unit operating cost on a FOB basis (excluding freight and royalties) increased by 8% to $585/t (US$384/t) compared to the prior Quarter, primarily due to lower production volumes and spodumene inventory drawdown as sales exceeded production. On a CIF basis, unit operating costs increased by 11% to $717/t (US$470/t), reflecting the higher FOB unit cost and increased royalty charges associated with higher realised sales prices.

While cost pressures are anticipated to continue through the remainder of the financial year due to seasonal impacts typically experienced during the wet season, FY26 FOB unit operating cost remains on track to achieve full-year guidance, with H1 FY26 average FOB at $563/t.

3 UPSTREAM GROWTH – PORTFOLIO EVALUATION AND READINESS

PLS' positioning through the lithium market downcycle has been deliberate and strategic, ensuring the Company preserved operating capability, delivery against guidance, balance sheet strength and operational flexibility through a period of heightened volatility. Actions taken during challenging market conditions - including implementation of the P850 operating model (placing the Ngungaju plant into care and maintenance) and a continued focus on cost efficiency were designed to protect long-term value and maintain optionality for future growth.

As a result, PLS enters a period of improving market fundamentals with a strengthened competitive position. The Company's low-cost operating base, established operating capability and financial resilience are direct outcomes of disciplined decisions made across 2024 and early 2025. These decisions position PLS with a robust platform from which to reassess its upstream growth portfolio in response to the recent appreciation in spodumene pricing and evolving market conditions.

Improving market conditions have created the opportunity to reassess the timing and sequencing of growth options earlier than previously anticipated. PLS is now re-evaluating its upstream growth portfolio, with any progression contingent on confidence in sustained market conditions, disciplined capital allocation and balance sheet resilience.

The same disciplined investment framework that protected value through the downcycle continues to guide the Company's growth decisions. The Company will continue to sequence growth selectively and only progress initiatives that meet capital allocation thresholds whilst preserving balance sheet strength, with the objective of delivering long-term shareholder value.

3.1 Ngungaju processing plant

During the December Quarter, PLS progressed readiness and evaluation activities in relation to the potential restart of the ~200ktpa[11] Ngungaju processing plant, including a crusher upgrade, with associated capital expenditure incorporated into FY26 guidance.

In light of the strong appreciation in spodumene pricing and improving market conditions, PLS has also undertaken a deeper level of commercial and operational evaluation of a potential Ngungaju plant restart. This work includes engagement with customers and a review of a number of market offers, alongside assessment of operational readiness, capital requirements and broader market conditions.

Subject to the outcomes of this evaluation, the Board expects to consider whether to proceed with a restart decision during the March Quarter. Any decision will be informed by confidence in the sustainability of market conditions, capital allocation considerations and the Company's ability to maintain balance sheet resilience.

If approved, the Ngungaju plant is expected to be capable of resuming production within approximately four months of a restart decision. A further update will be provided as appropriate.

3.2 P2000 feasibility study

The P2000 feasibility study, which is assessing the potential expansion of the Pilgangoora Operation's production capacity to approximately 2.0Mtpa, continues to progress. In light of recent improvements in market conditions and increased confidence in the market's capacity to support additional supply, the timeline for P2000 study outcomes is under review, with an update on timing expected to be provided in the March Quarter 2026.

Any future decision to progress development will be subject to successful study outcomes, capital allocation considerations, funding capacity and confidence in a sustained higher lithium pricing environment, reflecting the scale and capital intensity of the project.

3.3 Colina Project – Brazil

Exploration activities at the Colina Project continued during the December Quarter, focusing on infill drilling, expansion of the existing Mineral Resource and testing of new targets.

The timeline for Colina Project study outcomes is under review, with an update on timing expected to be provided in the March Quarter 2026. The Colina Project provides longer-term growth optionality and geographic diversification, with progression subject to successful studies, capital allocation and funding considerations, execution risk mitigation and confidence in sustained lithium market conditions.

4 CHEMICALS – STRATEGIC OPTIONALITY AND DIVERSIFICATION

PLS' chemicals strategy is focused on preserving long-term growth optionality and strategic positioning across the lithium value chain, including exposure to alternative downstream markets and supply chains. These initiatives are being progressed on a staged and incremental basis. During the quarter, progress was made across PLS' chemicals initiatives in line with this approach.

4.1 Mid-Stream Demonstration Plant – Australia

Construction of the Mid-Stream Demonstration Plant Project was completed in the December Quarter with an update regarding commissioning expected in the coming months.

Figure 1: Mid-Stream Demonstration plant as at 27 January 2026.

4.2 Downstream Joint Venture with POSCO – South Korea

The P-PLS joint venture provides PLS with downstream exposure to lithium hydroxide production within an established battery manufacturing market outside of China. The investment supports PLS' long-term strategy to diversify revenue streams and provide spodumene supply into alternative battery supply chains servicing North America and Europe. The facility is located in South Korea, a key global hub for battery and cathode manufacturing.

Recent market developments – Korean battery industry

During the December Quarter, the Korean battery supply chain experienced material disruption following changes to US EV subsidy frameworks and OEM purchasing policies. These changes resulted in widespread order deferrals and cancellations across the battery and cathode materials sector, with impacts cascading through the supply chain[12]. Several certified P-PLS customers deferred or cancelled near-term lithium hydroxide orders despite successful product qualification.

In response to the deterioration in short-term demand visibility, P-PLS initially transitioned to batch operations to align production with sales requirements and preserve working capital then subsequently made the decision to idle the facility.

December Quarter progress and operating status

Notwithstanding the market disruption, P-PLS has demonstrated its technical capability. During CY25, each processing train at the Gwangyang facility successfully produced sustained commercial quantities of certified battery-grade lithium hydroxide, achieving multiple customer certifications.

December Quarter production totalled 366t reflecting the decision to idle operations, while sales were 884t, including 600t to export markets outside Korea. For CY25, total lithium hydroxide production was 12,860t with sales of 12,969t.

The facility is expected to remain idled during the first half of CY26, pending improved order visibility. P-PLS with support from PLS, is continuing customer engagement across existing and new markets, including Europe, to support potential sales in H2 CY26 and beyond. Expected regulatory clarification around mid-CY26 regarding US battery content requirements under Section 45X Advanced Manufacturing Production Credits represents a potential demand catalyst, although timing and impact remain uncertain.

PLS ownership optionality and funding

During the Quarter, PLS contributed approximately $38M as its pro-rata share of P-PLS' second tranche equity raising, maintaining its 18% ownership interest. PLS does not expect to make any further equity contributions in FY26.

PLS retains flexibility over its investment in P-PLS. The Company holds a call option to increase its ownership interest from 18% to 30% at cost, exercisable until 31 July 2026, allowing time to assess market conditions, customer contracting outcomes and the outlook for ex-China lithium chemicals demand. Beyond this date, PLS retains the ability to increase its interest to 30% at fair market value for a further period and also holds a put option to sell its interest at cost exercisable under certain circumstances[13].

Consistent with PLS' capital allocation framework, any future change in P-PLS ownership will be assessed against PLS' capital allocation framework, balance sheet resilience and strategic value.

4.3 Joint Downstream Partnering Study

The joint PLS and Ganfeng feasibility study for a potential downstream conversion facility to produce lithium chemicals[14] continued to progress during the December Quarter with agreement reached to extend the sunset date to September Quarter 2027. This extension provides further time to progress site selection and initial pre-FID activities while monitoring market conditions, supply chain developments and customer requirements.

5 EXPLORATION AND GEOLOGY

5.1 Pilgangoora

Exploration activities at the Pilgangoora Operation during the December Quarter were focused on geological mapping and surface geochemical sampling programs across a number of regional exploration licences.

In addition, the Company secured State Government co-funding during the Quarter for a deep diamond drilling program targeting the Bridge Zone, situated between the East Pit and Monster Pit. The Bridge Zone remains largely untested below approximately 200m depth. The proposed drilling is designed to assess down-plunge continuity and depth extensions of mineralised pegmatites and has the potential to materially increase the mineral resource inventory. The drilling program is scheduled to commence in the March Quarter 2026.

Hydrogeological activities, including water exploration drilling, production bore installation, and pump testing, continued during the December Quarter to support projected water supply requirements for future operational expansions.

6 CORPORATE

6.1 Cash

PLS maintains a strong balance sheet with closing cash of $954M and undrawn credit facility of $625M at 31 December 2025. Cash increased by $102M during the December Quarter, driven by higher revenue from improved pricing and sales volumes compared to the prior Quarter, ongoing cost control, and a prior year income tax refund of $74M. An additional $85M in positive provisional pricing adjustments on December Quarter shipments are expected to be received in the March Quarter 2026.

Cash margin from operations (defined as receipts from customers less payments for operating costs) was $166M, underpinned by improved pricing and ongoing cost optimisation. Cash margin from operations less capitalised mine development costs and sustaining capex was $130M.

Capital expenditure of $45M on a cash basis, and $54M on an accrual basis, comprised mine development of $22M, infrastructure and projects of $17M, and sustaining capital of $15M. FY26 capital expenditure is expected to be second half weighted due to timing of mine development and progress on the crushed ore stockpile dome. Financing activities, leasing and foreign exchange movements resulted in cash outflows of $20M during the December Quarter.

7 QUARTERLY INVESTOR WEBCAST

Access the Quarterly investor webcast today at 7.00am (AWST) / 10.00am (AEDT):

- Retail shareholders and investors webcast **link**.
- Professional investors conference call **link**.

Release authorised by Dale Henderson, PLS Managing Director and CEO.

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About PLS

PLS is a leading global producer of lithium materials, with a diversified portfolio of assets and strategic partnerships in the rapidly growing battery materials sector. The Group owns 100% of the world's largest, independent hard-rock lithium operation, the Pilgangoora Operation in Australia, and the Colina Lithium Project in Brazil. PLS is also integrated into the lithium value chain through its joint venture with POSCO in South Korea, which manufactures battery-grade lithium hydroxide. With significant scale, high-quality assets, and a strong commitment to advancing the global energy transition, PLS has established enduring partnerships with leading international companies in the sector such as POSCO, Ganfeng, Chengxin, Yahua, and General Lithium.

Important Information

In this announcement, except as stated otherwise, PLS means the Group or the Company.

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the Group believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein.

Guidance as to production, unit costs and capital expenditure is based on assumptions, budgets and estimates existing at the time of assessment which may change over time impacting the accuracy of those estimates. These estimates are developed in the context of an uncertain operating environment, including in respect of inflationary macroeconomic conditions, and uncertainties surrounding the risks associated with mining and further optimisation of the Pilgangoora Operation which may impact production and have a flow on effect on sales. Actual results may therefore vary significantly depending on these risks and the timing required to address them. All information is provided as an indicative guide to assist sophisticated investors with modelling of the Group. It should not be relied upon as a predictor of future performance.

Information in this announcement regarding production targets and the nameplate capacity of the Pilgangoora Operation in respect of the P850 operating model and the P2000 expansion project are underpinned by the Group's existing Ore Reserves that have been prepared by a Competent Person (Mr Ross Jaine) in accordance with the JORC Code (2012 Edition) and were released by the Group to ASX on 24 August 2023 in its release entitled "55Mt increase in Ore Reserves to 214Mt" (August 2023 Release) and the 2025 Annual Report, dated 25 August 2025, which sets out the adjustment for depletion. The relevant proportions of proved Ore Reserves and probable Ore Reserves underpinning the production targets are 6% proved Ore Reserves and 94% probable Ore Reserves.

The Group confirms that it is not aware of any new information or data that materially affects the information included in these announcements and that all material assumptions and technical parameters underpinning the Ore Reserve estimates continue to apply and have not materially changed. The Group confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

All references to dollars ($) and cents in this announcement are to Australian dollars, unless otherwise stated.

Appendix

Physicals summary

Total Ore Mined and Processed	Units	Dec Q FY25	Mar Q FY25	Jun Q FY25	Sep Q FY26	Dec Q FY26	H1 FY25	H1 FY26
Ore mined	wmt	1,191,453	1,137,437	1,500,849	1,725,478	**1,514,444**	2,580,151	**3,239,922**
Waste material	wmt	5,728,569	4,503,580	4,890,456	5,978,805	**6,627,413**	13,807,137	**12,606,218**
Total material mined	wmt	6,920,022	5,641,017	6,391,305	7,704,283	**8,141,857**	16,387,288	**15,846,140**
Average Li_2O grade mined	%	1.5	1.4	1.4	1.2	**1.3**	1.5	**1.2**
Ore processed	dmt	915,367	697,708	1,120,361	1,050,348	**1,018,155**	1,961,695	**2,068,503**

Total Production and Shipments	Units	Dec Q FY25	Mar Q FY25	Jun Q FY25	Sep Q FY26	Dec Q FY26	H1 FY25	H1 FY26
Spodumene concentrate produced	dmt	188,214	124,978	221,272	224,757	**208,022**	408,334	**432,779**
Spodumene concentrate shipped	dmt	204,125	125,468	215,982	214,025	**231,971**	418,637	**445,996**
Tantalite concentrate produced	lb	30,938	20,744	59,622	74,267	**58,171**	64,051	**132,439**
Tantalite concentrate shipped	lb	15,787	50,166	60,908	66,161	**73,987**	67,057	**140,148**
Spodumene concentrate grade produced	%	5.2	5.1	5.1	5.3	**5.2**	5.2	**5.2**
Lithia recovery	%	72.1	67.2	71.6	78.2	**75.8**	73.8	**77.0**

End notes

[1] Throughout this document, amounts may not add due to rounding.
[2] Average estimated realised price for ~5.2 Li_2O grade (SC5.2 CIF China) as at 26 January 2026. The final adjusted price may be higher or lower than the estimated realised price.
[3] Average estimated realised price for ~5.3 Li_2O grade (SC5.3 CIF China) as reported in the September Quarter Activities Report released 24 October 2025.
[4] Estimated realised price for ~5.3 Li2O grade as reported in the FY25 Interim Results Report dated 20 February 2025.
[5] Unit operating cost (FOB Port Hedland excluding freight and royalties) includes mining, processing, transport, port charges, and site based general and administration costs and is net of any tantalite by-product credits. It is calculated on an incurred basis (including accruals) and includes inventory movements and credits for capitalised deferred mine waste development costs, and it excludes depreciation of fixed assets and right of use leases, and amortisation of deferred stripping.
[6] Unit operating cost (CIF China) includes the unit operating costs (FOB Port Hedland excluding freight and royalties) plus freight and royalty costs. Royalty costs include a 5% state government royalty on the FOB selling price, a 1% native title royalty on the FOB selling price, and a 5% private royalty on the FOB selling price which is only applied to the part of the resource/reserve acquired following the Altura Lithium Operation acquisition.
[7] For more information, refer to ASX release "June Quarterly Activities Report" dated 30 July 2025.
[8] Recordable injury numbers and Total Recordable Injury Frequency Rate include Australian sites for the whole period and Brazilian sites only from the date of acquisition in February 2025. TRIFR is measured on 12-month moving average as at 31 December 2025.
[9] Quality safety interactions at Australian sites are a measure of leadership safety conversations measured for the Quarter and provide a lead indicator for the promotion of a strong safety culture.
[10] Tantalite sales volume are subject to final adjustment and includes adjustments relating to the September Quarter.
[11] Based on the current mine plan and SC5.2% grade. Ultimate production achieved in any year will depend on the concentrate grade and ore grade and is variable over the mine plan.
[12] In December 2025, multiple Korean battery supply chain participants announced material contract reductions or terminations following changes to US EV subsidies and OEM procurement strategies. LG Energy Solution disclosed the termination of major contracts with Ford and Freudenberg totalling ~US$10.3B (17 and 25 December 2025). L&F announced that its cathode supply contract with Tesla was reduced from ~US$2.9B to de minimis levels (29 December 2025), and POSCO Future M announced that its GM cathode supply contract concluded with actual deliveries of ~US$2.1B versus an original contract value of ~US$10.2B (31 December 2025).
[13] PLS retains the call option to increase its ownership interest in P-PLS from 18% to 30%, exercisable at any time up until 20 months following successful ramp-up to 90% of nameplate capacity. The call option exercisable 'at cost' (calculated as 12% of aggregate equity funding contributed by shareholders plus 3.58% interest per annum) expires 31 July 2026. Thereafter, the call option remains exercisable at fair value through to the option expiry date, currently expected in H2 CY28. PLS also retains a put option that allows PLS to exit the JV by selling all of its shares in P-PLS to POSCO at the 'original cost' (equity injected) where the JV is delayed in achieving successful ramp-up including achievement of certain milestones related to nameplate capacity parameters, product quality specifications or unit operating costs.
[14] For more information, refer to ASX release "Downstream Partnering Outcome – Study Commences with Ganfeng" dated 25 March 2024.