



Annual report and consolidated financial statements
For the year ended 28 February 2026

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

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Management and Administration

Directors	Ian Stalker Denham Eke James Mellon Euan Jenkins Alex Borrelli	Executive Chair Finance Director and Company Secretary Non-Executive Deputy Chair Independent Non-Executive Director Independent Non-Executive Director
Secretary	Denham Eke 4 th Floor Viking House Nelson Street, Douglas Isle of Man IM1 2AH	
Registered Office	Craigmuir Chambers, Road Town Tortola, British Virgin Islands	
Nominated Advisor	Beaumont Cornish Limited 5-10 Bolton Street London W1J 8BA	
UK Broker	Shard Capital Partners LLP 23rd Floor 20 Fenchurch St London EC3M 3BY	
Registrar	Computershare Investor Services (BVI) Limited Woodbourne Hall PO Box 3162 Road Town, Tortola British Virgin Islands	
Auditors	PKF Littlejohn LLP 30 Churchill Place London E14 5RE United Kingdom	
Legal Advisors	As to UK law Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW	As to USA law Dorsey Whitney LLP 2325 East Camelback Road Suite 900 Phoenix, AZ 85016
Depository	Computershare Investor Services PLC The Pavilions Bridgewater Road Bristol BS13 8AE	
Company Website	www.braddaheadltd.com	

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Chair's Statement and Operational Review

It is my pleasure to present the Annual Report and the Audited Financial Statements for Bradda Head Lithium Limited (the "Company" or "Bradda Head") for the year ended 28 February 2026. Lithium market sentiment has shown a marked improvement since the beginning of the year, momentum which has continued to carry past the period under review. Signs of stabilization and improving long-term supply and demand forecasts have increasingly emerged across the industry, supported by continued growth in electric vehicle ("EV") adoption, energy storage demand, and renewed focus on securing domestic critical mineral supply chains, particularly in North America.

With the rapid expansion of AI and data centres, battery energy storage has overtaken the EV market as the largest source of lithium demand growth. Although short-term market volatility persists, a growing number of industry participants, including Morgan Stanley and Benchmark, expect lithium supply fundamentals to tighten gradually as new project development slows and demand continues to expand over the medium to long term.

Throughout the year, the Company continued to focus on technical advancement, resource growth, metallurgical optimisation and strategic partnerships while preserving its treasury through a difficult market cycle. Bradda Head remained active across its diversified US-focused lithium portfolio, advancing its lithium clay, pegmatite and oilfield brine projects. The principal highlight of the year was the earn-in joint venture agreement with Rio Tinto's Kennecott Exploration for the Whistlejacket Project, which complements Bradda Head's existing San Domingo hard-rock spodumene project. The two projects are located close to one another in Arizona, a well-established mining jurisdiction.

Despite difficult market conditions, Bradda Head has maintained disciplined financial management in support of the Company's long-term objective of minimising shareholder dilution. The Company intends to continue this approach as it seeks to maximise long-term value for shareholders.

Bradda Head's exposure to multiple lithium deposit types in established US mining jurisdictions positions the Company to benefit from improving long-term lithium market fundamentals and increasing demand for domestically sourced critical minerals. In particular, the joint venture agreement with Rio Tinto represents a significant opportunity for the Company, and provides a strong platform from which to advance the development of the asset.

Operational Review

Arizona Sedimentary Hosted Lithium Projects Basin Project

No significant work has been undertaken on this project during the current year.

Geology, Geochemistry, and Potential Origins of the Basin Volcano-Sedimentary Lithium Deposit

The Society of Economic Geologists ("SEG") published a technical article prepared by members of the Arizona Geological Survey in collaboration with Bradda Head titled *"Geology, Geochemistry, and Potential Origins of the Basin Volcano-Sedimentary Lithium Deposit, Kaiser Spring Volcanic Field, Northwestern Arizona, U.S.A."* The publication forms part of a broader SEG initiative focused on global lithium deposits and will be included within one of two forthcoming lithium compendiums to be released by the SEG.

The study significantly advances the geological understanding of the Basin lithium project in Arizona. Prior to recent exploration work, limited information existed regarding the Basin Project geometry and the origin of lithium-bearing sedimentary rocks within the project area. New geological mapping and drilling completed by Bradda Head identified sedimentological and stratigraphic evidence supporting the presence of a buried Miocene-aged maar crater filled with lithium-rich clay, pyroclastic material, and basalt flows.

The publication integrates geological mapping, drill core geochemistry, surface geochemical sampling, and borehole sedimentological logging to characterize the Basin stratigraphic architecture and the distribution of lithium-rich clay mineralization. The research provides an important geological framework for understanding the formation and evolution of the deposit and further supports the prospectivity and scale potential of the Basin lithium project.

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Chair's Statement and Operational Review (continued)

Wikieup Project

Following a review of the property, the Company relinquished claims at the southern end of the block where no clay deposits had been identified. It also relinquished all placer claims, which were considered duplicative of the lode claims, as part of a Company-wide focus on capital efficiency.

Arizona Pegmatite Hosted Lithium Project San Domingo Project

Positive Mineralogical Ore Sorting Study

Preliminary ore-sorting studies completed on high-grade spodumene composite material from the Jumbo target at the San Domingo Project in Arizona demonstrated strong potential for the application of XRF and XRT mineral sorting technologies to upgrade run-of-mine material and reduce future processing costs. The study, supervised by ABH Engineering Inc., indicates that San Domingo spodumene mineralization is highly amenable to ore sorting enhancement, with the potential to significantly reduce capital and operating costs through waste rejection, reduced crushing requirements, and lower water consumption during mining operations.

The program evaluated approximately 15 kg of 15–30 mm crushed spodumene-bearing material sourced from historical Jumbo drill core used in previous metallurgical studies. Analytical results returned an average grade of 1.57% Li₂O across all samples, increasing to 1.84% Li₂O when excluding deliberately selected wall-rock material. Preliminary XRF and XRT testing demonstrated excellent discrimination between ore and waste material, supporting the potential to upgrade hypothetical run-of-mine feed grades from 0.80% Li₂O to greater than 2.0% Li₂O while generating low-grade or waste stockpiles suitable for aggregate use.

The study also highlighted potential by-product opportunities through the recovery of anomalous cesium, rubidium, and beryllium mineralization identified within several samples. XRF-based sorting technology may allow these elements to be separated alongside lithium mineralization within a single three-way sorting process, potentially adding further economic value to the project.

Overall, the results support continued evaluation of ore sorting technologies as part of future resource definition, development studies, and potential PEA-level investigations at San Domingo. The work demonstrates the potential for improved project economics through enhanced feed grades, reduced processing intensity, lower water requirements, and the possibility of producing direct shipping ore material from selected high-grade zones.

San Domingo NOI's

The BLM approved the bonding arrangements required for two Notices of Intent at San Domingo: Dragon and San Domingo North. The Company has identified high-priority drill targets at Dragon, Ruby Soho and Midnight Owl. As reported in the press release dated 3 September 2024, channel sampling at the undrilled Dragon targets returned 8.80 meters at 0.97% Li₂O and 174 ppm cesium, and 10.40 meters at 0.68% Li₂O and 341 ppm cesium. Dragon also returned the highest-grade Li₂O sample recorded by the Company to date, at 7.99%, demonstrating the high-grade nature of lithium mineralisation across the targets. At the newly discovered Ruby Soho target, rock-chip samples returned grades of up to 3.57% Li₂O over a 250-metre strike length, with eight samples ranging from 0.255% to 3.57% Li₂O, as reported in the press release dated 1 October 2024. Proposed drill sites at both targets are designed to test the spodumene-bearing pegmatites close to, and perpendicular to, their interpreted strike.

The San Domingo North Notice of Intent includes several closely spaced holes at Midnight Owl. Recent mapping and three-dimensional geological modelling identified a largely untested, sub-horizontal pegmatite target that can be evaluated using shallow holes of approximately 30 to 50 meters. Additional shallow holes will test an untested spodumene-bearing pegmatite in the upper plate above a low-angle fault. The lower plate, below the fault and offset by approximately 20 meters, hosts high-grade spodumene mineralisation intersected in drill hole SD22-024, which returned 1.60% Li₂O over 31.85 meters, as reported in the press release dated 6 February 2023. The upper plate contains outcropping spodumene-bearing pegmatite where channel sampling returned 8.40 meters at 1.17% Li₂O and 625 ppm cesium.

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Chair's Statement and Operational Review (continued)

This part of the pegmatite remains undrilled because previous core holes did not test it. Detailed surface mapping, lithium-rich channel samples and three-dimensional geological modelling together define a viable shallow target with the potential to extend the high-grade Midnight Owl intercepts identified during the 2023 drilling programme.

Whistlejacket Project

The Company announced the execution of a binding and definitive Option to Joint Venture Agreement with Kennecott Exploration Inc. ("KEX"), part of the Rio Tinto Mining Group, relating to the Whistlejacket lithium project in Arizona, USA. Under the terms of the agreement, Bradda Head has the right to earn up to a 60% legal and beneficial interest in the project through phased exploration expenditures and development commitments.

The Whistlejacket Project represents a significant expansion of Bradda Head's hard-rock lithium portfolio in Arizona and complements the Company's nearby San Domingo lithium project. Management believes the project provides strong exploration upside, with the potential to define an economic spodumene-bearing lithium resource within one of the world's leading mining jurisdictions.

Highlights

- Option in Phase 1 to earn-in and acquire 51% followed by an Option in Phase 2, at the discretion of BHL, to earn-in and acquire an additional 9% for a total of 60% of the Whistlejacket Project
- Clearly defined phases, project milestones and expenditure requirements incentivizing development of the asset
- At the end of each phase of the earn-in, KEX will have an option to reacquire the interests in the Project earned by the Company at a multiple of the expenditures made by the Company, and if such option is not exercised, the Company shall have the option to acquire all remaining interests in the Project held by KEX
- Whistlejacket Project consists of nine state MEP's (Arizona State Lands Department Mineral Exploration Permits) for a total size of 4,486.07 acres, complementary to Bradda's existing portfolio
- KEX completed 19 core holes totalling 4,188 meters in spodumene-bearing pegmatites. Assay results confirmed lithium mineralisation in all holes, including 41.0 meters at 1.22% Li₂O in hole WSTL0009 and 19.47 meters at 1.65% Li₂O in hole WSTL0008.
- KEX has also conducted surface mapping, sampling, airborne geophysics, and collected high resolution air photos over much of the property, greatly enhancing its value
- No mineral resource on the Whistlejacket property has been calculated by KEX
- Results from the core drilling, surface geochemistry and geological mapping show potential to expand the pegmatite mineralization laterally and at depth, whilst many pegmatites have not been drill tested and contain several rock chip samples at >2.0% Li₂O
- The Company completed due diligence on the exploration dataset and land tenure and identified no material technical issues.
- The property has year-round access to road infrastructure throughout, technical personnel/services and accommodation in the nearby towns of Wickenburg or Prescott, Arizona
- The Project is 140 km northwest of the state capital, Phoenix, 11 km from the Company's existing Basin asset, 80 km from San Domingo, and is 3 km away from the operational Bagdad porphyry copper-molybdenum mine operated by Freeport McMoRan.

Nevada Brine Hosted Lithium Projects

The Company trimmed back claims across property. The Company also dropped all placer claims (considered duplicate of the lode claims) as part of a Company-wide focus on capital efficiency.

Eureka and Wilson Salt Flat

The Company trimmed back claims across property. The Company also dropped all placer claims (considered duplicate of the lode claims) as part of a Company-wide focus on capital efficiency.

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Chair's Statement and Operational Review (continued)

Environment, Social and Governance ("ESG")

The Company is committed to operating to high environmental, social, and governance ("ESG") standards while following Best Management Practices across its exploration activities. Bradda Head maintains a strong focus on sustainability, transparency, accountability, and responsible resource development.

Bradda Head works closely with State and Federal regulators throughout permitting, exploration, and reclamation activities and has maintained a strong compliance record with environmental regulations. The Company also maintains regular communication with local communities, tribal representatives, landowners, and government agencies to ensure responsible and transparent project development.

The Company continues to reduce its environmental footprint through practical operational measures, including sourcing water from nearby wells to minimize haul distances and fuel consumption, recycling drilling fluids through lined sumps, and utilizing modern fuel-efficient drilling equipment to reduce emissions and surface disturbance.

Bradda Head also prioritizes the use of local contractors and service providers, supporting regional economies while advancing domestic U.S. lithium projects critical to the future battery supply chain. Overall, the Company remains focused on minimizing environmental impact while creating long-term value for stakeholders and local communities.

Financial Review

For the year ended 28 February 2026, the Company recorded a net loss of US\$ 2,917,215 (28 February 2025: profit of US\$ 1,100,162).

As at year end, cash and cash deposit balances stood at US\$ 870,221 (28 February 2025: US\$ 1,086,596), capitalised deferred mining, exploration, licence, and permit costs stood at US\$ 14,591,479 (28 February 2025: US\$ 15,421,152), and total assets were US\$ 15,735,993 (28 February 2025: US\$ 16,779,135). The Company is in a net asset position of US\$ 13,741,112 (28 February 2025: US\$ 16,658,327).

In response to challenging market conditions and suppressed lithium prices, the Company streamlined its corporate overheads and removed non-essential expenditure. This disciplined approach supports the planned next steps at the Basin and San Domingo projects while preserving the Company's financial resources.

Post yearend on 28 July 2026, the Company completed a fundraise, raising total gross proceeds of £2.28 million, with subscribing shareholders also received 1 warrant for every 2 shares acquired, with an exercise price of £0.05 each and a term of two years from warrant issue date.

As part of the fundraise, certain directors exercised their options, raising additional gross proceeds of US\$ 113,250.

The outstanding Convertible Loan Agreements were also converted into ordinary shares of no-par value, with the carrying amount plus accrued interest of US\$ 1,873,547.05 converting into 68,488,299 shares.

The funds raised will enable the Company to further accelerate programmes at both our Whistlejacket and San Domingo pegmatite projects, that are designed to support initial NI 43-101 technical reports and maiden Mineral Resource Estimates.

Approach to Risk and Corporate Governance

The Company maintains a balanced risk appetite that supports appropriate growth, profitability and scalability while ensuring full compliance with its corporate and regulatory obligations.

The Group's principal risk categories are strategic, reputational, credit, operational, market, liquidity, foreign exchange, capital and funding, compliance and conduct risk.

Strategic, Reputational, Credit, Operational, Market, Liquidity, Foreign Exchange, Capital and Funding, Compliance and Conduct.

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Chair's Statement and Operational Review (continued)

Under the Company's impact matrix, which uses the classifications Zero, Low, Medium and High, the overall risk impact is assessed as High. The Company has implemented controls, committee oversight and reporting structures to monitor and manage the principal risks it faces.

Our Corporate Governance Report outlining our adherence to the Quoted Companies Alliance Code is detailed on page 11.

Strategy and Outlook

The Company believes its diversified portfolio of US lithium assets is aligned with the current US administration's objective of securing domestic supplies of critical minerals. Over the past twelve months, the lithium market has begun to shift from oversupply and depressed pricing towards a potentially tighter medium-term supply environment. Industry forecasts indicate that deficits may emerge across the lithium supply chain as demand from EVs, battery energy storage systems and AI-related data-centre infrastructure grows faster than new supply can be developed.

Domestic mining and sourcing of critical minerals remain priorities for the current US administration. Recent Department of Energy announcements relating to equity interests in critical-minerals companies, including Lithium Americas and MP Materials, illustrate this policy focus. Federal initiatives have also sought to streamline permitting and accelerate approvals for qualifying projects.

While lithium markets are expected to remain volatile in the near term, the Company believes the long-term outlook for lithium remains highly constructive. Supply growth is expected to become progressively more challenging over the coming decade, while structural demand growth tied to electrification, energy storage, and digital infrastructure expansion continues to strengthen.

Executive orders issued by the US President have reinforced the importance of securing domestic supplies of critical minerals as a matter of national security. This policy direction is reflected in recent permitting decisions affecting projects including Standard Lithium and Equinor's Southwest Arkansas Lithium brine extraction project, Albemarle's Silver Peak lithium mine in Nevada and Lithium Americas' McDermitt lithium exploration project in Nevada.

The Company remains positive about its prospects over the coming years. Continued US policy support for domestically sourced critical minerals, together with growing lithium demand, reinforces Bradda Head's strategy of developing its portfolio with the objective of becoming a future domestic supplier of battery-grade lithium.

Ian John Stalker

Executive Chair

26 August 2026

Bradda Head Lithium Limited

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Directors' Report

The Directors present their annual report and the consolidated financial statements for Bradda Head Lithium Limited (the "Company") for the year ended 28 February 2026.

Principal activity

Bradda Head Lithium Limited is a lithium exploration Group focused on developing its high-quality projects in the USA.

Results and transfers to reserves

The results and transfers to reserves for the year are set out on pages 25 to 27 of the consolidated financial statements.

The Company made a total comprehensive loss attributable to equity shareholders for the year after taxation of US\$ 2,917,215 (28 February 2025: profit of US\$ 1,100,162).

Dividend

The Directors do not propose the payment of a dividend for the year (2025: US\$ Nil).

Policy and practice on payment of creditors

It is the policy of the Company to agree appropriate terms and conditions for its transactions with suppliers by means of standard written terms to individually negotiated contracts. The Company seeks to ensure that payments are always made in accordance with these terms and conditions.

Financial risks

Details relating to the financial risk management are set out in note 17 to the financial statements.

Directors

The Directors who served during the period and to date are:

Denham Eke
James Mellon
Ian Stalker
Euan Jenkins
Alex Borrelli

Bradda Head Lithium Limited

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Directors' Report (continued)

Directors' interests

As at 28 February 2026, the interests of the Directors and their families (as such term is defined in the AIM Rules for Companies) in the share capital of the Company are as follows:

	28 February 2026		28 February 2025	
	Number	% of issued share capital	Number	% of issued share capital
James Mellon ¹	73,097,004	18.72%	73,097,004	18.72%
Denham Eke	124,307	0.03%	124,307	0.03%
Ian Stalker ²	3,870,140	0.99%	3,870,140	0.99%
Euan Jenkins	2,198,934	0.56%	2,198,934	0.56%
Alex Borrelli	343,329	0.09%	343,329	0.09%
	79,633,714	20.39%	79,633,714	20.39%

¹ James Mellon's interest comprises of 71,879,831 (2025: 71,879,831) shares directly held by Galloway Limited, which is indirectly wholly owned by James Mellon. Denham Eke is a director of Galloway Limited. Burnbrae Limited holds 200,000 (2025: 200,000) shares, which is indirectly wholly owned by James Mellon. Denham Eke is a director of Burnbrae Limited. A total of 1,017,173 (2025: 1,017,173) shares are held directly by James Mellon.

² Ian Stalker's interest comprises of 3,699,690 (2025: 3,699,690) shares directly held by Promaco Limited, which is wholly owned by Ian Stalker. The balance of 170,450 shares is held directly in his name.

Significant shareholdings

Except for the interests disclosed in this note, the Directors are not aware of any holding of ordinary shares as at 28 February 2026 representing 3% or more of the issued share capital of the Company:

	Number of ordinary shares	Percentage of total issued capital
James Mellon ¹	73,097,004	18.72%
Zenith Minerals Limited	43,959,305	11.25%
Hargreaves Lansdown private clients	34,796,300	8.91%
Nigel Wray	20,375,000	5.22%
Electrification and Decarbonization AIE	17,767,315	4.55%
Anthony Baillieu	14,400,000	3.69%
Jason Macdonald ²	14,095,706	3.61%
Barclays Smart Investor private clients	13,811,222	3.54%
Interactive Investor clients	12,091,996	3.10%

¹ James Mellon's interest comprises of 71,879,831 (2025: 71,879,831) shares directly held by Galloway Limited, which is indirectly wholly owned by James Mellon. Denham Eke is a director of Galloway Limited. Burnbrae Limited holds 200,000 (2025: 200,000) shares, which is indirectly wholly owned by James Mellon. Denham Eke is a director of Burnbrae Limited. A total of 1,017,173 (2025: 1,017,173) shares are held directly by James Mellon.

² Jason Macdonald's interest comprises of 12,307,004 (2025: 12,307,004) shares directly held by the J&E Macdonald Trust, in which Jason Macdonald has a vested interest. The balance of 1,788,702 (2025: 1,788,702) shares is held directly in his name.

Auditors

PKF Littlejohn LLP, being eligible, have expressed their willingness to continue in office.

By order of the Board

Denham Eke

Director

26 August 2026

Bradda Head Lithium Limited

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Corporate Governance Statement

The Board of Bradda Head Lithium Limited (the “Board”) is committed to best practice in corporate governance throughout the Company. The Directors have agreed to comply with the provisions of the Quoted Companies Alliance (“QCA”) Corporate Governance Code to the extent which is appropriate to its nature and scale of operations, and we are reporting against the 2023 version of the Code for the first time this year. This report illustrates how the Company complies with those principles.

QCA Principle 1: Establish a purpose, strategy and business model which promotes long-term value for shareholders

The purpose, strategy and business operations of the Company are set out in the Chair’s Statement on pages 4 to 8.

The Company’s purpose, strategy, business model and amendments thereto are developed by the Chair and their senior management team and approved by the Board. The management team is responsible for implementing the strategy and managing the business at an operational level.

The Company’s overall strategic objective is to develop its USA based lithium projects, transforming them from the exploration stage through to production, creating value for Company shareholders.

In executing the Company’s strategy and operational plans, management will typically confront a range of day-to-day challenges associated with these key risks and uncertainties and will seek to deploy the identified mitigation steps to manage these risks as they manifest themselves.

QCA Principle 2: Promote a corporate culture that is based on ethical values and behaviours

The Chair is responsible for leading the Board, ensuring its effectiveness in all aspects of its role, promoting a culture of openness of debate, and communicating with the Company’s members on behalf of the Board. The Chair sets the direction of the Board and promotes a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations between Executive and Non-Executive Directors. The Chair also ensures that Directors receive accurate, timely and clear information. In doing so, this fosters a positive corporate governance culture throughout the Company.

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Company’s operations.

The Board has a zero-tolerance approach to breaches of these laws and regulations. The Board promotes ethical behaviour throughout the portfolio, through directions to the Company’s investment advisors in relation to the ethical management of the portfolio.

QCA Principle 3: Seek to understand and meet shareholder needs and expectations

The Company via the Chair seeks to maintain a regular dialogue with both existing and potential new shareholders in order to communicate the Company’s strategy and progress and to understand the needs and expectations of shareholders.

Beyond the Annual General Meeting, the Chair and, where appropriate, other members of the senior management team or Board will meet with investors and analysts to provide them with updates on the Company’s business and to obtain feedback regarding the market’s expectations of the Company.

The Company’s investor relations activities encompass dialogue with both institutional and private investors. From time to time, the Company attends private investor events, providing an opportunity for those investors to meet with representatives from the Company in a more informal setting.

The Company has duly considered investor feedback and has undertaken a number of enhancements to its website throughout 2026. It is committed to continually soliciting and responding to feedback in order to improve shareholder engagement across all communication channels.

Corporate Governance Statement (continued)

QCA Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Company is aware of its social and environmental responsibilities and the need to maintain effective working relationships across a range of stakeholders. These include the Company's advisors, suppliers, and government agencies the Company interacts with. The Company's operations and working methodologies take account of the need to balance the needs of all these stakeholders while maintaining focus on the Board's primary responsibility to promote the success of the Company for the benefit of its members as a whole. The Company endeavours to take account of feedback received from stakeholders, and where appropriate, ensures any amendments are consistent with the Company's longer-term strategy.

The Company takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible.

The Company will continue to monitor governance developments and will consider introducing KPI's where they become relevant, meaningful, and contribute to effective performance monitoring and decision-making.

QCA Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board is responsible for the systems of risk management (including climate-related risk) and internal control and for reviewing their effectiveness. Internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. Through the activities of the Company Audit, Risk and Compliance Committee, the effectiveness of these internal controls is reviewed annually.

The Audit, Risk and Compliance Committee has actively monitored auditor independence throughout the year. This included reviewing the auditor's engagement terms, audit and non-audit fees and the safeguards in place to prevent conflicts of interest. The committee is satisfied that its auditor remains objective, independent and professionally sceptical. A comprehensive budgeting process is completed once a year and is reviewed and approved by the Board. The Company's results, compared with the budget, are reported to the Board on a monthly basis.

The Company maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Company. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The senior management team meets at least monthly to consider new risks and opportunities presented to the Company, making recommendations to the Board and/or Company Audit, Risk and Compliance Committee as appropriate.

QCA Principle 6: Establish and maintain the board as a well-functioning, balanced team led by the chair

The Company's Board currently comprises three Non-executive Directors and two Executive Directors.

The Board is responsible to the shareholders for the proper management of the Company and intends to meet at least four times a year to set the overall direction and strategy of the Company, to review operational and financial performance and to advise on management appointments. All key operational decisions are subject to Board approval.

Alex Borrelli and Euan Jenkins, both Non-executive Directors, are considered to be independent. The QCA Code suggests that a board should have at least two independent Non-executive Directors. The Board considers that the current composition and structure of the Board of Directors is appropriate to maintain effective oversight of the Company's activities for the time being.

Non-executive Directors receive their fees in the form of a basic cash emolument. The current remuneration structure for the Board's Executive and Non-executive Directors is deemed to be proportionate.

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Corporate Governance Statement (continued)

The Role of the Board

The Board is collectively responsible for the long-term success of the organisation. Its principal function is to determine the strategy and policies of the Company within an effective control framework which enables risk to be assessed and managed.

The Board ensures that the necessary financial and human resources are in place for the Company to meet its objectives and that business and management performance is reviewed. Furthermore, the Board ensures that the Company operates within its constitution, relevant legislation and regulation and that proper accounting records and effective systems of business control are established, maintained, documented, and audited.

There are at least four formal Board meetings each year. All Board members have the benefit, at the Company's expense, of liability insurance in respect of their responsibilities as Directors and have access to independent legal or other professional advice if required. The Board has a formal schedule of matters which are reserved for its consideration, and it has established two committees to consider specific issues in greater detail, being the Company Audit, Risk and Compliance, and Remuneration Committees. The Terms of Reference for each of these Committees are published on the Company's website.

The Chair

The Chair is responsible for leading the Board, ensuring its effectiveness in all aspects of its role, promoting a culture of openness of debate, and communicating with the Company's members on behalf of the Board. The Chair sets the direction of the Board and promotes a culture of openness and debate by facilitating the effective contribution of Non-executive Directors and ensuring constructive relations between Executive and Non-executive Directors. The Chair also ensures that Directors receive accurate, timely and clear information. In doing so, this fosters a positive corporate governance culture throughout the Company.

The Chief Executive Officer

At present, the Company does not have a Chief Executive Officer. Instead, the responsibility for managing the Company's business and operations within the parameters set by the Board is held by the Executive Chair.

Non-executive Directors

The Non-executive Directors are responsible for bringing independent judgement to the discussions held by the Board, using their breadth of experience and understanding of the business. Their key responsibilities are to constructively challenge and contribute to strategic proposals, and to monitor performance, resources, and standards of conduct, compliance and control, whilst providing support to executive management in developing the Company.

The Board has established a Company Audit, Risk and Compliance Committee ("ARCC"), and a Remuneration Committee with formally delegated duties and responsibilities. Alex Borrelli chairs the ARCC, and Euan Jenkins chairs the Remuneration Committee.

Company Audit, Risk and Compliance Committee

The Company Audit, Risk and Compliance Committee meets at least two times each year is chaired by Alex Borrelli. The external auditors attend by invitation. Its role is to be responsible for reviewing the integrity of the financial statements and the balance of information disclosed in the accompanying Directors' Report, to review the effectiveness of internal controls and risk management systems and recommend to the Board (for approval by the members) the appointment or re-appointment of the external auditor. The ARCC reviews and monitors the external auditor's objectivity, competence, effectiveness and independence, ensuring that if it or its associates are invited to undertake non-audit work it will not compromise auditor objectivity and independence.

Further information can be found within the Company Audit, Risk and Compliance Report contained within this Annual Report.

Remuneration Committee

The Remuneration Committee intends to meet at least once a year and comprises of two Non-executive Directors. It is chaired by Euan Jenkins and is responsible for determining the remuneration of the Executive Director, and other members of the management. Committee members do not take part in discussions concerning their own remuneration.

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Corporate Governance Statement (continued)

Further information can be found within the Remuneration Report contained within this Annual Report.

Nomination Committee

The Nomination Committee is comprised of the whole Board. It is chaired by the Chair of the Board and is responsible for making recommendations to the Board on matters relating to the composition of the Board, including Executive and Non-executive Director succession planning, the appointment of new Directors and the election and re-election of Directors. The Nomination Committee only meets as matters arise.

Appointments to the Board

The principal purpose of the Nomination Committee is to undertake the assessment of the balance of skills, experience, independence and knowledge on the Board against the requirements of the business, with a view to determining whether any shortages exist. Having completed the assessment, the Committee makes recommendations to the Board accordingly. Appointments to the Board are made on merit, with due regard to the benefits of diversity. Within this context, the paramount objective is the selection of the best candidate, irrespective of background, and it is the view of the Board that establishing quotas or targets for the diversity of the Board is not appropriate.

All Director appointments must be approved by the Company's Nominated Adviser, as required under the AIM Rules, before they are appointed to the Board.

Prior to appointment, Non-executive Directors are required to demonstrate that they are able to allocate sufficient time to undertake their duties.

Re-election

All of the Directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board. Directors are submitted for re-election at each Annual General Meeting.

Board and committee attendance

The number of formal scheduled Board and committee meetings held and attended by Directors during the year was as follows: -

<i>Name</i>	<i>Board</i>	<i>ARCC</i>	<i>Remuneration</i>
James Mellon	13/14	-	-
Denham Eke	14/14	-	-
Ian Stalker	14/14	1/2	-
Euan Jenkins	14/14	2/2	3/3
Alex Borrelli	14/14	2/2	3/3

QCA Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills, and capabilities

The Board considers that the Executive Directors and Non-executive Directors are of sufficient competence and calibre to add strength and objectivity to its activities and bring considerable experience in the operational and financial development of the Company.

The Directors' biographies are detailed on the Company's website – www.braddaheadltd.com.

The Board regularly reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the ongoing development of the Company.

The Chair, in conjunction with the Finance Director, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Company, its operational environment and to the Directors' responsibilities as members of the Board. During the course of the year, Directors received updates from the Finance Director and various external advisers on a number of corporate governance matters.

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Corporate Governance Statement (continued)

The Nominated Adviser for the Company is invited to attend a board meeting each year to provide the Board with updates regarding AIM regulatory requirements, disclosure obligations and any developments that may affect the Company's ongoing compliance.

Directors' service contracts or appointment letters make provision for a Director to seek professional advice in furtherance of his or her duties and responsibilities, normally via the Company Secretary.

QCA Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis in the form of peer appraisal and discussions to determine their effectiveness and performance as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals for the Directors shall identify the key corporate and financial targets that are relevant to each Director and their personal targets in terms of career development and training. Progress against previous targets is also assessed where relevant.

The Board will assess the need for an externally facilitated evaluation, as required by the new QCA Code.

The Board recognises the importance of effective succession planning to maintain strong leadership and good governance. While there are currently no planned changes to the Board's composition, future needs are kept under continual review. As the Company evolves, the Board will ensure that future appointments support the Company's long-term strategy, provide the necessary skills and experience, and uphold high standards of independence and diversity of perspective.

QCA Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture

The Remuneration Committee intends to meet at least once a year and comprises of two Non-executive Directors and one Executive Director. It is chaired by Euan Jenkins and is responsible for determining the remuneration of the Executive Director, and other members of the management. Committee members do not take part in discussions concerning their own remuneration.

The Board, with the assistance of the Company's Remuneration Committee and external advisors, ensures that the remuneration policy is structured to promote long-term value creation and align with the Company's purpose, strategy, and culture. In accordance with the new QCA Code, we will present the Directors' Remuneration Policy and Directors' Remuneration Report for an advisory shareholder vote at the 2027 Annual General Meeting.

QCA Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company places a high priority on regular communications with its various stakeholders and aims to ensure that all communications concerning the Company's activities are clear, fair, and accurate. The Company's website is regularly updated, and users can register to be alerted when announcements or details of presentations and events are posted onto the website.

Notices of General Meetings of the Company can be found here: www.braddaheadltd.com/investors#ShareholderDocuments

Approval

This report was approved by the Board of Directors on 26 August 2026 and signed on its behalf by:

Denham Eke
Finance Director

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Audit, Risk and Compliance Committee Report

The Directors ensure the Company complies with the provisions of the Quoted Companies Alliance (“QCA”) Corporate Governance Code for Small and Mid-Size Quoted Companies (2023) to the extent which is appropriate to its nature and scale of operations.

This report illustrates how the Company complies with those principles in relation to its Audit, Risk and Compliance Committee (the “ARCC”).

Membership

The members of the ARCC are Ian Stalker (“IS”), Alex Borrelli (“AB”) and Euan Jenkins (“EJ”), with AB and EJ being the independent Non-Executive directors, with AB being the Chair. The composition of the Committee has been reviewed during the year, and the Board is satisfied that the Committee members have the relevant financial experience and the expertise to resource and fulfil its responsibilities effectively, including those relating to risk and controls.

Meetings

The Committee meets at least two times a year, including the review of the interim and full year results. Other Directors and representatives from the external auditors attend by invitation.

Duties

The Committee carries out the duties below for the Company, as appropriate:

- Monitors the integrity of the financial statements of the Company, including annual and half-yearly reports, interim management statements, and any other formal announcement relating to financial performance, reviewing significant financial reporting issues and judgements which they contain.
- Reviews and challenges the consistency of the information presented within the financial statements, compliance with stock exchange or other legal requirements, accounting policies and the methods used to account for significant or unusual transactions.
- Keeps under review the effectiveness of the Company’s internal controls and risk management systems.
- Oversee the relationship with the external auditors, PKF Littlejohn LLP, including meetings when considered appropriate to discuss their remit and review the findings and any issues with the annual audit. It will also review their terms of appointment, and plans to meet them once a year independent of management and will consider and make recommendations to the Board, to be put to the Company for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of the Company’s external auditor. There are no contractual restrictions in place in respect of the auditor choice.
- The Committee is governed by a Terms of Reference and a copy of this is available on the Company’s website.

2026 Annual Report

During the year, ARCC confirms that it has received sufficient, reliable and timely information from management and the external auditors to enable it to fulfil its responsibilities.

The Committee has satisfied itself that there are no relationships between the auditor and the Company which could adversely affect the auditor’s independence and objectivity.

All internal control and risk issues that have been brought to the attention of the ARCC by the external auditors have been considered and the Committee confirms that it is satisfied that management has addressed the issues or has plans to do so.

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Audit, Risk and Compliance Committee Report (continued)

The Company has a number of policies and procedures in place as part of its internal controls, and these are subject to continuous review and as a minimum are reviewed by ARCC on an annual basis.

- ARCC has reviewed and discussed together with management and the external auditor the Company's financial statements for the year ended 28 February 2026 and reports from the external auditor on the planning for and outcome of their reviews and audit. The key accounting issues and judgements considered relating to the Company's financial statements and disclosures were as follows:
 - Carrying amount of capitalised deferred mining and exploration costs, and capitalised licences and permits – US\$ 14,591,479;
 - Going concern – ARCC reviewed the going concern position of the Company, taking into account the 12-month cash flow forecasts, which are prepared to December 2027. ARCC is satisfied that preparing the financial statements on a going concern basis is appropriate. Disclosures are included in note 2; and
 - Classification and conversion option of an embedded derivative financial liability included within convertible loan agreements issued during the year, with a carrying amount of US\$810,960 at year end.

Alex Borrelli

Chair of Audit, Risk and Compliance Committee

26 August 2026

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Report of the Remuneration Committee

As a BVI registered company there is no requirement to produce a Directors' Remuneration Report. However, the Board follows best practice and therefore has prepared such a report.

The Directors have agreed to comply with the provisions of the Quoted Companies Alliance ("QCA") Corporate Governance Code (2023) to the extent which is appropriate to its nature and scale of operations.

This report illustrates how the Company complies with those principles in relation to Directors' remuneration.

The level and components of employee remuneration

The Remuneration Policy reflects the Company's business strategy and objectives as well as sustained and long-term value creation for shareholders. In addition, the policy aims to be fair and provide equality of opportunity, ensuring that:

- the Company is able to attract, develop and retain high-performing and motivated employees in the competitive local and wider markets;
- employees are offered a competitive remuneration package to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contribution to the success of the Company;
- it reflects the Company's culture and values; and
- there is full transparency of the Remuneration Policy.

In line with the Board's approach, which reflects that adopted within other comparable organisations, the Remuneration Policy provides for the reward of the employees through salary and other benefits.

Executive Director's Emoluments

The remuneration for the Executive Directors reflects their responsibilities. It comprises basic salary, eligibility to participate in an annual bonus scheme when this is considered appropriate, and share option incentives.

Annual bonus scheme payments are not pensionable and are not contracted.

As with staff generally, whose salaries are subject to annual reviews, the basic salary payable to the Executive Directors are reviewed each year with reference to jobs carrying similar responsibilities in comparable organisations, market conditions generally and local employment competition in view of the Group's geographical position.

The Committee believes that share ownership by executives strengthens the link between their personal interests and those of shareholders. Options are granted to executives periodically at the discretion of the Remuneration Committee. The grant of share options is not subject to fixed performance criteria. This is deemed to be appropriate as it allows the Committee to consider the performance of the Group and the contribution of the individual executives and, as with annual bonus payments, illustrates the relative importance placed on performance-related remuneration.

The Group does not intend to contribute to the personal pension plans of Directors in the forthcoming year.

Executive Directors' Contractual Terms

The service contract of the Executive Directors provides for a notice period of six months.

Non-Executive Directors' Remuneration

Non-Executive Directors do not receive any benefits other than their fees and travelling expenses for which they are reimbursed. The level of fees payable to Non-Executive Directors is assessed using benchmarks from a group of comparable organisations. In addition, share options may, where considered appropriate, be awarded to Non-Executive Directors.

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Report of the Remuneration Committee (continued)

The Procedure for Determining Remuneration

The Remuneration Committee, comprising two Non-Executive Directors, is responsible for setting the remuneration of the Executive Directors. Committee members do not take part in discussions concerning their own remuneration. The basic Non-Executive Director fee is set by the Chair. The Chair of the Committee reports at the Board meeting following a Committee meeting.

It is the view of the Committee that Directors' remuneration awarded across the Company for the year has been in accordance with the Company's stated Remuneration Policy and, on behalf of the Committee I recommend that you endorse this report. An analysis of Directors' emoluments is as follows:

Directors' Emoluments

	Fees US\$	Share based payment remuneration US\$	2026 Total US\$	2025 Total US\$
Executive - salary				
Denham Eke	63,506	-	63,506	68,320
Non-Executive - fees				
Jim Mellon	45,360	-	45,360	51,840
Ian Stalker	147,668	-	147,668	165,411
Alex Borrelli	45,360	-	45,360	51,840
Euan Jenkins	45,360	-	45,360	51,840
Aggregate emoluments	347,254	-	347,254	389,251

Approval

The report was approved by the Board of directors and signed on behalf of the Board.

Euan Jenkins

Chair of Remuneration Committee

26 August 2026

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law.

The Directors are required to prepare financial statements for each financial year. They have elected to prepare the financial statements in accordance with International Financial Reporting Standards, and applicable law.

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of its profit or loss for that period. In preparing the consolidated financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADDA HEAD LITHIUM LIMITED

Opinion

We have audited the group financial statements of Bradda Head Lithium Limited (the 'group') for the year ended 28 February 2026 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

In our opinion, the group financial statements:

- give a true and fair view of the state of the group's affairs as at 28 February 2026 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the cash flow forecasts prepared by management on a contracted or committed basis for the period up to 31 December 2027 for reasonableness and agreeing to corroborating evidence;
- Providing challenge on key assumptions and inputs to the forecasts, including an assessment of the commitment received from a major shareholder to cover all liabilities as and when they fall due during the going concern period;
- Testing the latest available cash position;
- Identifying and corroborating subsequent events impacting the going concern assessment;
- Sensitising the cash flow forecasts for plausible downward scenarios; and
- Assessing the adequacy of going concern disclosures within the Annual Report and Consolidated Financial Statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

We apply the concept of materiality in both planning and performing the audit and evaluating the effect of misstatements. For the purposes of determining whether the group financial statements are free from material misstatements, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the group financial statements, would be changed or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriate level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the group financial statements as a whole. When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the group financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADDA HEAD LITHIUM LIMITED (CONTINUED)

The materiality applied to the Group consolidated financial statements was \$157,000 (2025: \$170,000), based on 1% of gross assets, as we consider gross assets to be the most relevant performance indicator for the exploration Group and their development is the principal activity.

A benchmark of 65% for performance materiality during our audit of the Group was applied, being \$102,000 (2025: \$110,000), as we believe that this would provide sufficient coverage of significant and residual risks.

We agreed with the audit committee that we would report to them all audit differences identified during the course of our audit in excess of \$7,000 (2025: \$8,500). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

In designing our audit, we determined materiality and assessed the risk of material misstatement in the consolidated financial statements. In particular, we looked at areas involving significant accounting estimates and judgements by management, such as the recoverability of exploration and evaluation assets which is inherently uncertain.

We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The audit of the parent company and components was performed in London by PKF Littlejohn LLP, using a team with specific experience in auditing publicly listed resource exploration entities.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements 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 scope addressed this matter
Capitalisation and assessment of impairment of deferred mining and exploration costs and exploration permits and licenses (refer note 2 'Critical accounting estimates and judgements', note 8 'Deferred mining and exploration costs' and note 9 'Exploration permits and licenses').	
The group has reported deferred mining and exploration costs and exploration permits and licenses of \$12.3m and \$2.2m respectively. There is a risk that the carrying values of these non-current assets are not fully recoverable and should be impaired in line with IFRS 6. This risk also relates to the appropriate capitalisation of exploration costs in accordance with IFRS 6. The group capitalises all expenditure incurred directly relating to exploratory activities as deferred mining or exploration costs once a licence or permit has been obtained for exploratory activities. The estimated recoverable amount of these assets requires judgement in determining whether future economic benefits will arise either from future exploitation or sale. The costs are capitalized to the extent that they do not exceed the estimated economically recoverable amount from mineral interests.	Our audit work in this area included: • Substantive testing of a sample of additions to assess their accuracy and eligibility for capitalisation under IFRS 6; • Confirming the group has good title to the permits and claims; • Ensuring, where applicable, that any specific requirements contained within the permits and claims have been met, to include minimum expenditure clauses; • Making enquiries of management regarding future plans for each project

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADDA HEAD LITHIUM LIMITED (CONTINUED)

The costs relate to projects which are at an early stage of exploration and there is no certainty as to whether commercially viable quantities of mineral resources will be discovered, whether the group will continue its exploration activities in each of its licence areas or whether the group will have sufficient funding to undertake the required exploration activities. Based upon the significant carrying value and the level of management judgement required in the assessment of impairment, the risk is considered to be a key audit matter.	including obtaining cashflow projections; • Considering whether there are indications of impairment on a project-by-project basis in accordance with IFRS 6 criteria; • Reviewing management's impairment paper in respect of the carrying value of assets and providing challenge, corroborating any key assumptions used; • Evaluating the independence and competence of the experts engaged by management to calculate the mineral resource estimates; and • Ensuring appropriate disclosures are included within the financial statements.
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Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements, 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 statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADDA HEAD LITHIUM LIMITED (CONTINUED)

- We obtained an understanding of the group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, as well as the application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from AIM rules, the QCA Corporate Governance Code, the operating terms set out in the exploration licenses, as well as local laws and regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group with those laws and regulations. These procedures included, but were not limited to:
 - enquiries of management;
 - review of minutes of board meetings;
 - review of stock exchange announcements; and
 - review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations.
- We also identified the risks of material misstatement of the group financial statements due to fraud at the group level. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the impairment assessment of non-current exploration and evaluation assets. We addressed this by challenging the assumptions and judgements made by management when evaluating any indicators of impairment, as outlined in the Key audit matters section.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Engagement Partner)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

30 Churchill Place
Canary Wharf
London E14 5RE

26 August 2026

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Consolidated Statement of Comprehensive Income

for the year ended 28 February 2026

	Notes	Year ended 28 February 2026 US\$	Year ended 28 February 2025 US\$
Expenses			
General and administrative	4	(1,809,618)	(2,146,648)
Foreign exchange losses		(11,433)	(6,891)
Share based payments	16	-	103,539
Impairment of licences	9	(1,029,875)	-
Operating loss		(2,850,926)	(2,050,000)
Other income			
Gain on sale	5	-	2,943,992
Unrealised gain/(loss) on investment	14	9,988	(44,719)
Other income	6	-	230,000
(Loss)/profit before finance costs		(2,840,938)	1,079,273
Finance income		7,413	20,889
Finance expenses	18	(32,303)	-
(Loss)/profit before income tax		(2,865,828)	1,100,162
Income tax expense	7	(51,387)	-
Total (loss)/profit and total comprehensive (loss)/profit for the year		(2,917,215)	1,100,162
Basic (loss)/profit per share (cents)	20	(0.747)	0.282
Diluted (loss)/profit per share (cents)	20	(0.747)	0.257

The notes on pages 30 to 52 form an integral part of these consolidated financial statements.

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Consolidated Statement of Financial Position

as at 28 February 2026

	Notes	28 February 2026 US\$	28 February 2025 US\$
Non-Current assets			
Deferred mining and exploration costs	8	12,331,686	12,331,526
Exploration permits and licences	9	2,259,793	3,089,626
Plant and equipment	13	4,167	24,175
Advances and deposits	11	109,813	109,813
Investment at fair value through profit or loss	14	32,460	22,472
Total non-current assets		14,737,919	15,577,612
Current assets			
Cash and cash equivalents		870,221	1,086,596
Trade and other receivables	11	127,853	114,927
Total current assets		998,074	1,201,523
Total assets		15,735,993	16,779,135
Equity			
Share premium	15	30,616,373	30,616,373
Retained deficit		(16,875,261)	(13,958,046)
Total equity		13,741,112	16,658,327
Current liabilities			
Trade and other payables	12	187,578	120,808
Total current liabilities		187,578	120,808
Non-current liabilities			
Loans payable	18	996,343	-
Derivative liability	18	810,960	-
Total non-current liabilities		1,807,303	-
Total liabilities		1,994,881	120,808
Total equity and liabilities		15,735,993	16,779,135

The notes on pages 30 to 52 form an integral part of these consolidated financial statements.

These financial statements were approved by the Board of Directors and were signed on their behalf by:

Denham Eke

Director

26 August 2026

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Consolidated Statement of Changes in Equity

for the year ended 28 February 2026

	Share premium US\$	Retained deficit US\$	Total equity US\$
Balance at 1 March 2025	30,616,373	(13,958,046)	16,658,327
Total comprehensive loss for the year			
Loss for the year	-	(2,917,215)	(2,917,215)
Total comprehensive income for the year	-	(2,917,215)	(2,917,215)
Transactions with owners of the Company			
Equity settled share-based payments (note 16)	-	-	-
Total transactions with owners of the Company	-	-	-
Balance at 28 February 2026	30,616,373	(16,875,261)	13,741,112

The notes on pages 30 to 52 form an integral part of these consolidated financial statements.

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Consolidated Statement of Changes in Equity (continued)

for the year ended 28 February 2026

	Share premium US\$	Retained deficit US\$	Total equity US\$
Balance at 1 March 2024	30,616,373	(14,954,669)	15,661,704
Total comprehensive loss for the year			
Profit for the year	-	1,100,162	1,100,162
Total comprehensive income for the year	-	1,100,162	1,100,162
Transactions with owners of the Company			
Equity settled share-based payments (note 16)	-	(103,539)	(103,539)
Total transactions with owners of the Company	-	(103,539)	(103,539)
Balance at 28 February 2025	30,616,373	(13,958,046)	16,658,327

The notes on pages 30 to 52 form an integral part of these consolidated financial statements.

Bradda Head Lithium Limited

Annual report and consolidated financial statements for the year ended 28 February 2026

Consolidated Statement of Cash Flows

for the year ended 28 February 2026

	Notes	Year ended 28 February 2026 US\$	Year ended 28 February 2025 US\$
Cash flows from operating activities			
(Loss)/profit before income tax		(2,917,215)	1,100,162
<i>Adjusted for non-cash and non-operating items:</i>			
Depreciation	13	20,008	54,797
Unrealised (gain)/loss on investment	14	(9,988)	44,719
Impairment of licences	9	1,029,875	-
Finance income		(7,413)	(20,889)
Finance charges	18	32,303	-
Equity settled share-based payments expense	16	-	(103,539)
		(1,852,430)	1,075,250
Change in trade and other receivables		(12,924)	8,339
Change in trade and other payables		66,768	(65,550)
Net cash flows from operating activities		(1,798,586)	1,018,039
Cash flows from investing activities			
Amounts paid for deferred mining and exploration costs	8	(160)	(1,306,103)
Amounts paid for licences and permits	9	(200,042)	(307,891)
Interest received		7,413	20,889
(Payment)/return of project bonds		-	(3,000)
Net cash flows from investing activities		(192,789)	(1,596,105)
Cash flows from financing activities			
Convertible loans received	18	1,775,000	-
Net cash flows from financing activities		1,775,000	-
Decrease in cash and cash equivalents		(216,375)	(578,066)
Cash and cash equivalents at beginning of year		1,086,596	1,664,662
Cash balances at end of year		870,221	1,086,596

The notes on pages 30 to 52 form an integral part of these consolidated financial statements.

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026

1 Reporting Entity

Bradda Head Lithium Limited (the “Company”) is a company domiciled in the British Virgin Islands. The address of the Company’s registered office is Craigmuir Chambers, Road Town, Tortola, British Virgin Islands. The Company and its subsidiaries together are referred to as the “Group”.

Bradda Head Lithium Limited is a lithium exploration Group focused on developing its projects in the USA.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). These financial statements have been prepared under the historical cost convention, except for Investments at Fair Value Through Profit and Loss and Derivative Financial Liabilities, which are measured at fair value.

(b) Basis of measurement

Functional and Presentation Currency

The consolidated financial statements of the Group are presented in US Dollars (US\$), which is also the functional currency of all entities in the Group. All financial information presented in US Dollars has been rounded to the nearest dollar.

Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Significant estimates and assumptions include those related to recoverability of mineral properties and determination as to whether costs are expensed or deferred.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain economically recoverable mineral reserves. Including whether a commercially feasible means of extraction from clay deposits is established. The recoverability of carrying amounts for mineral properties is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the financing necessary to complete exploration and development, and the success of future development of the properties. It is also dependent on all claims being properly legally established.

Judgement is required in applying the Company’s accounting policy for exploration and evaluation assets in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review when assessing impairment. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalised is written off to profit and loss in the period when the new information becomes available. In situations where indicators of impairment are present for the Company’s exploration and evaluation assets, estimates of recoverable amount must be determined as the higher of the estimated value in use or the estimated fair value less costs to sell. Refer to notes 3, 8 and 9.

Impact of Ukraine and Middle East conflicts on the financial statements

The Directors have considered the ongoing conflicts in Ukraine and the Middle East, and its impact on the Group’s operations and information included in these financial statements. The Group’s operations are largely based in the USA, which currently has seen no direct impact due to the conflict. The Directors are aware of increases in global oil and gas prices, which could have an impact on fuel and electricity prices in the USA, and knock-on price impacts on the Group’s USA based suppliers and contractors. Management is in regular communication with suppliers and contractors, and no significant impact has been seen relating to this.

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

2 Basis of preparation (continued)

Judgement applied in classification of derivative as equity or liability

The Company issues convertible loans ("CLNs") with embedded derivative features, which necessitates significant judgement in determining the classification of the derivative as either equity or a financial liability. This judgement considers the contractual terms of the conversion option, assessing whether the derivative meets the criteria for classification as equity. Where classified as a derivative financial liability ("DFL"), it is held at fair value through profit or loss ("FVTPL"), whereas derivatives classified as equity are not remeasured after initial recognition.

Judgement applied in selection of valuation method

For convertible loans where the embedded derivative is classified as equity, the Group applies a net present value ("NPV") approach to the valuation of the CLNs. Conversely, for CLNs where the embedded derivative is classified as a financial liability, an option-pricing model is applied to determine fair value, considering the complex terms and variability of the conversion feature.

Estimation applied in valuation of derivative financial liability

For CLNs classified as containing a DFL held at FVTPL, the Company uses a Black Scholes valuation model to estimate the fair value of the DFL on initial recognition, at each reporting date, and upon conversion events. This approach is deemed appropriate due to its ability to capture the inherent share price volatility, timing of expiry and the underlying share price. Key inputs in the Black Scholes model include the Company's share price, share price volatility, the risk-free interest rate, and assumptions regarding the timing of conversion.

Changes in any of these assumptions may significantly impact the fair value of the derivative liability, potentially resulting in profit or loss variations. Management regularly reassesses these inputs, utilising historical data and market-based assumptions to ensure that the fair value estimation reflects the economic substance of the convertible instrument.

Going concern

The Group is in a net asset position of US\$ 13,741,112 as at 28 February 2026 (28 February 2025: US\$ 16,658,327). Given the early exploration stage of the Group's projects, the Group is not yet generating any revenue and is incurring expenditure in progressing its exploration work. The Group reported a loss attributable to equity shareholders of US\$ 2,917,215 for the year ended 28 February 2026 (28 February 2025: profit of US\$ 1,100,162). As at 28 February 2026, the Group had cash and deposit balances of US\$ 870,221 (28 February 2025: US\$ 1,086,596).

Further expenditure will be necessary in order for the Group to progress the projects to a stage where their feasibility can be assessed and where they may potentially be able to ultimately generate revenue, if economically viable. Continued operations of the Group and further progressing its exploration and evaluation activities is dependent on the Company's ability to obtain additional financing and generate profitable operations in the future.

The directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, it is probable that the Group will have sufficient funds, through funding from its major shareholder and further equity fund raises, to meet its liabilities as they fall due for a period of twelve months from the date of signing i.e. going concern assessment period. If necessary, adjustments can be made to defer the Group's discretionary exploration expenditure, based on results of its exploration activities and cash resource levels whilst maintaining good title to its licenses and permits, with the level of exploration activities and related expenditure being full controllable by the Company.

Based on forecasts prepared by Directors, they believe it remains appropriate to prepare the financial statements on a going concern basis, taking into consideration the level of cash held by the Group. The Directors are confident that further funds can be raised and have a reasonable expectation that the Group will have adequate resources for its continuing existence and projected activities for the foreseeable future, and for these reasons, continue to adopt the going concern basis in preparing the financial statements for the year ended 28 February 2026.

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by Group entities for the year ended 28 February 2026.

Basis of consolidation

The consolidated financial statements for the year ended 28 February 2026 incorporate the financial information of the Company and entities controlled by the Company (its “subsidiaries”). The results of subsidiaries are included in the consolidated statement of comprehensive income from the date on which control is obtained, and up to the date control is lost.

Business combination

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus any costs directly attributable to the business combination.

The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 ‘Non-Current Assets Held for Sale and Discontinued Operations’, which are recognised and measured at fair value less costs to sell.

Non-controlling interest

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group’s equity therein. The interests of non-controlling shareholders may be initially measured at fair value or at the non-controlling interests’ proportionate share of the acquiree’s identifiable net assets which are generally at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is adjusted for the non-controlling interests’ share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency transactions

Transactions in foreign currencies are translated into functional currency based on the exchange rates prevailing at the transaction dates. Foreign currency denominated monetary assets and liabilities are translated into functional currency at the exchange rate prevailing at the reporting date. Gains or losses arising from foreign currency transactions are recognised in the consolidated statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined or if measured at historical cost are translated using the exchange rate at the date of transaction.

Consolidation of foreign operations

The assets and liabilities of foreign operations are translated to US Dollars at exchange rates at the reporting date while income and expenses are translated at exchange rates at date of transactions although if not practically available, the average rate for the period is used.

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

3 Significant accounting policies (continued)

Deferred mine exploration costs

The Group deems that all expenditure incurred in the country of the project, directly relating to exploratory activities, in addition to the acquisition costs of an existing, granted exploration permit or license, is capitalisable as deferred mine costs once a license or permit has been obtained for exploratory activities. Pre-license costs are expensed in the period in which they are incurred. License costs paid in connection with a right to explore in an existing exploration area are capitalised.

Exploration expenditures relate to the initial search for mineral deposits with economic potential as well as expenditures incurred for the purposes of obtaining more information about existing mineral deposits. Exploration expenditures typically comprise costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies;
- exploratory drilling and sampling for the purposes of obtaining core samples and the related metallurgical assay of these cores; and
- drilling to determine the volume and grade of deposits in an area known to contain mineral resources or for the purposes of converting mineral resources into proven and probable reserves.

The assessment of probability is based on the following factors: results from previous drill programmes; results from a geological study; results from a mine scoping study confirming economic viability of the resource; and preliminary estimates of the volume and grade of the deposit, and the net cash flows expected to be generated from its development. The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether future economic benefits will arise either from future exploitation, or sale, or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Deferred mine exploration cost are capitalised to the extent that they do not exceed the estimated economically recoverable amount from mineral interests. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established.

Estimates and assumptions made may change if new information becomes available. If after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the consolidated statement of comprehensive income in the period when the new information becomes available. Management reviews the carrying values of its deferred mine exploration costs at least annually and whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. An impairment loss is recognised when the carrying value of those assets is not recoverable and exceeds their fair value.

These costs are carried forward provided that at least one of the following conditions is met:

- the period for which the entity has the right to explore in the specific area has not expired during the period or will expire in the near future, and is expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is either budgeted or planned;
- such costs are expected to be recouped in full 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 yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing or planned for the future.

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

3 Significant accounting policies (continued)

Deferred mine exploration costs (continued)

Upon reaching commercial production, these capitalised costs will be transferred from development properties to producing properties on the Consolidated Statement of Financial Position and will be amortised using the unit-of-production method over the estimated period of economically recoverable reserves.

Exploration permits

Exploration permits acquired by way of an asset acquisition or business combination are recognised if the asset is separable or arises from contractual or legal rights. On acquisition of a mineral property in the exploration stage, an estimate is prepared of the fair value attributable to the exploration potential, including mineral resources, if any, of that property. The fair value of the exploration permits is recorded as an intangible asset (acquired exploration permits) as at the date of acquisition. When an exploration stage property moves into development, any acquired exploration intangible asset balance attributable to that property is transferred to non-depreciable mining interests within property, plant and equipment. Impairment testing and the reversal of impairments are conducted in accordance with the accounting policy adopted for deferred mine exploration costs.

Mineral property expenses

Mineral property expenses are costs incurred that do not qualify for capitalisation and are therefore expensed to the profit or loss as incurred. These include payments for costs incurred prior to obtaining licenses.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount but so 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 (CGU) in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Measurement

Financial instruments are initially measured at fair value, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Trade and other receivables

Trade and other receivables are stated at amortised costs using the effective interest method less impairment losses.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised costs and are due on demand.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised costs using the effective interest method.

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

3 Significant accounting policies (continued)

Financial instruments (continued)

Fair value of financial instruments

The Company determines fair values using other valuation techniques in compliance with IFRS9: Financial Instruments, IFRS13: Fair Value Measurement, and based on the International Private Equity and Venture Capital Valuation Guidelines ("IPEV").

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; or
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Various valuation techniques may be applied in determining the fair value of investments held as Level 3 in the fair value hierarchy. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Share premium

Ordinary shares are classified as equity. The ordinary shares of the Company have a nil par value. As such all proceeds received for the issue of shares has been credited to share premium. Proceeds from the exercise of stock options or conversion of share purchase warrants are recorded in share premium at the amount received on exercise or conversion. Commissions paid to underwriters or agents and other related share issue costs, such as legal, accounting and printing, are charged to share premium.

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

3 Significant accounting policies (continued)

Financial instruments (continued)

Borrowings with embedded derivative liability held at fair value through profit and loss ("FVTPL")

Convertible debt with an embedded derivative liability pertains to borrowing where the holder has the right to convert the debt into a variable number of shares of the Company or a variable cash amount, such that the conversion feature does not meet the definition of equity under IAS 32 'Financial Instruments: Presentation'.

Initial recognition

The convertible debt is initially recognised by separating it into the host contract and the embedded derivative. The embedded derivative is measured at its fair value at initial recognition. The value of the host contract is determined as the difference between the proceeds received (net of transaction costs directly attributable to the issuance of the instrument) and the fair value of the embedded derivative.

Subsequent measurement

Liability Component (Host Contract):

After initial recognition, the liability component of the convertible debt (excluding the embedded derivative) is measured at amortised cost using the effective interest method. Interest expense, as calculated using the effective interest rate, is recognised in profit or loss.

Embedded Derivative Liability:

The embedded derivative is measured at fair value using a Black Scholes based option pricing model for the convertible loans issued, with changes in fair value recognised immediately in profit or loss. The derivative is revalued at each reporting date.

Conversion

If the conversion option is exercised, the carrying amount of the liability component and the fair value of the embedded derivative at the date of conversion are transferred to equity, assuming the shares are issued. Any difference between the combined carrying amount and the number of shares issued multiplied by the share price at the conversion date is recognised in profit and loss.

If the bondholders choose not to convert and the debt matures, the embedded derivative is derecognised and settled together with the host contract.

Initial Recognition and Measurement

At initial recognition, the borrowing is separated into two components: (i) the host financial liability measured at amortised cost, and (ii) an embedded derivative representing the conversion feature, measured as a financial liability at fair value through profit or loss.

Subsequent Measurement

Subsequent to initial recognition, the host financial liability is measured at amortised cost using the effective interest method. The embedded derivative, representing the conversion feature, is subsequently measured at fair value through profit or loss, with changes in fair value recognised in profit or loss, in accordance with IFRS 9.

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

3 Significant accounting policies (continued)

Share based payments

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is calculated using the Black-Scholes option pricing model (where no fair value of the service or assets provided is evident). The fair value determined at the grant date of the equity settled share-based payment is expensed based on the vesting period and based on the Company's estimate of the number of shares that will eventually vest.

On determining fair values, terms and conditions attaching to the instruments are taken into account. Management is also required to make certain assumptions and estimates regarding such items as the life of instruments, volatility and forfeiture rates. Changes in the assumptions used to estimate fair value could result in materially different results.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being exploration for lithium in the USA. Information presented to the Board of Directors for the purpose of decision making is based on this single segment.

Property and equipment

Property and equipment assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of fixed assets commences when the asset is available for use. The Company assesses at each reporting date whether tangible fixed assets are impaired. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Owned vehicles and other equipment– 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Gain on sale of mining interest

The Group may monetise its future revenue streams by entering into royalty agreements with investment companies for a given percentage royalty. This transaction represents a disposal of a portion of the relevant mineral interest, which is subject to the royalty, which is represented by deferred mine exploration costs and exploration permits and licences in the financial statements.

Where the consideration in exchange for the sale of the interest is variable, the IFRS 15 variable consideration guidance is applied, and the consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal of revenue will not occur ('the constraint').

A gain/loss on the sale is recognised in profit or loss.

Royalty payments due, under the royalty agreements, are recognised as a reduction of revenue as amounts become due and payable.

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

3 Significant accounting policies (continued)

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the current period ended, and have not been applied in preparing these consolidated historical financial statements:

<i>New/revised International Accounting Standards / International Financial Reporting Standards ("IAS/IFRS")</i>	<i>IFRS Effective date (accounting periods commencing on or after)</i>
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 Jan 2026
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards	1 Jan 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 Jan 2027
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 Jan 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 Jan 2027
IFRS 20 Regulatory Assets and Regulatory Liabilities	1 Jan 2027

The Directors do not expect the adoption of the standards and interpretations to have a material impact on the Company's financial statements in the period of initial application.

4 General and administrative expenses

The Group's general and administrative expenses include the following:

	Year ended 28 February 2026	Year ended 28 February 2025
	US\$	US\$
Auditors' fees	90,233	78,400
Directors and management fees and salaries	381,533	443,468
Legal and accounting	134,991	50,711
Contractor costs	157,274	379,606
Professional and marketing costs	324,514	302,587
Other administrative costs	721,073	891,876
Total	1,809,618	2,146,648

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

5 Gain on sale

On 21 December 2021, the Company completed a royalty agreement with the Lithium Royalty Corporation ("LRC"). Key terms of the royalty agreement are:

- LRC has been granted a 2% gross overriding royalty (GOR) over Bradda Head's sedimentary lithium claims in Arizona (Wikieup project and Basin project) leaving the Company's pegmatite and brine projects unencumbered;
- LRC has paid to the Company upon closing the sum of US\$2.5 million for granting of the Royalty;
- LRC has paid to the Company an additional US\$2.5 million upon the Company publicly reporting a 1 million tonne lithium carbonate equivalent (LCE) Mineral Resource with a minimum lithium grade of 800 parts per million (ppm);
- LRC has paid to the Company an additional US\$3 million upon the Company publicly reporting a 2.5 million tonne LCE Mineral Resource with a minimum lithium grade of 800ppm.

In addition, LRC has also subscribed for US\$2 million of new ordinary shares (along with US\$0.5 million via a further subscription from a LRC director) alongside the royalty closing.

During the prior year, the Company hit the final milestone of over 2.5 million tonne lithium carbonate equivalent (LCE) Mineral Resource with a minimum lithium grade of 800 parts per million (ppm), thereby triggering the final royalty payment from LRC. This has been recognised as a gain on sale in the consolidated statement of comprehensive income.

Reconciliation of gain on sale

	Year ended 28 February 2026 US\$	Year ended 28 February 2025 US\$
Proceeds received from royalty receipt	-	3,000,000
Less: Deferred mine exploration costs disposal (note 8)	-	(55,758)
Less: Exploration permits and licences disposal (note 9)	-	(250)
	-	2,943,992

6 Receipt of settlement funds

On 20 May 2024, the Company reached a settlement regarding the fraudulent payment first notified on 29 March 2022 and subsequently disclosed in the audited financial statements. Bradda Head signed a settlement agreement pursuant to which it was partially reimbursed for the fraudulent funds transfer. The partial settlement was consistent with Company's expectations at the time of initiating enforcement proceedings with gross recovery of approximately 40% of total misappropriated funds. The settlement agreement provides for no admission of liability by either party involved and the full commercial terms of the settlement are subject to strict confidentiality obligations on both parties.

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

7 Taxation

Income tax

The British Virgin Islands under the International Business Companies Act 2004 imposes no corporate taxes or capital gains taxes.

Zenolith USA LLC, Gray Wash LLC and Verde Grande LLC are Delaware (USA) limited liability companies that have elected to be taxed as standard corporations. During the current year, an income tax charge of US\$ 51,387 has been recognised following the recognition of taxable income by Zenolith USA LLC.

The maximum deferred tax asset that could be recognised at year end is approximately US\$ 484,486 (2025: US\$ 136,768). The Group has not recognised any asset as it is not reasonably known whether the Group will recover such deferred tax assets.

8 Deferred mine exploration costs

The schedule below details the current projects of the Group and the related exploration costs capitalised:

	Total US\$
Cost and net book value	
At 29 February 2024	11,025,423
Capitalised during the year	1,361,861
Disposal under royalty agreement *	(55,758)
At 28 February 2025	12,331,526
Capitalised during the year	160
At 28 February 2026	12,331,686
Cost and net book value	
At 28 February 2026	12,331,686
At 28 February 2025	12,331,526

* In terms of the LRC royalty agreement, the Company has sold a 2% royalty on future sales from its lithium clay assets. The Company has effectively sold 2% of its capitalised deferred mine exploration costs to date, with this adjustment being recorded to reflect this. See note 5.

All the deferred mining and exploration expenditure has been incurred by Zenolith USA LLC and San Domingo LLC, both subsidiaries of the Group. See note 9.

Deferred mine exploration costs ("DMEC") represent intangible assets. Refer to note 8 for details on exploration permits and licences held.

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest, as well as maintaining the assets in good standing. The Group assessed the DMEC relating to areas for which licenses and permits are held for impairment as at 28 February 2026.

The Board reviewed the projects held and concluded that no facts and circumstances have been identified which suggest the recoverable amount of these assets would not exceed the carrying amount and, as such, no impairment was recognised.

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

9 Exploration permits and licences

The schedule below details the current projects of the Group and the related exploration permit and licence costs capitalised:

	Total US\$
Cost and net book value	
At 29 February 2024	2,781,735
Capitalised during the year	308,141
Disposal under royalty agreement *	(250)
At 28 February 2025	3,089,626
Capitalised during the year	200,042
Licences impaired during the year	(1,029,875)
At 28 February 2026	2,259,793
Cost and net book value	
At 28 February 2026	2,259,793
At 28 February 2025	3,089,626

* In terms of the LRC royalty agreement, the Company has sold a 2% royalty on future sales from its lithium clay assets. The Company has effectively sold 2% of its capitalised deferred mine exploration costs to date, with this adjustment being recorded to reflect this. See note 5.

The licences and permits are held through indirect subsidiaries of the Company. See note 10.

The Group assessed the carrying amount of the licences and permits held for impairment as at 28 February 2026. During the year, upon a detailed review certain project licences and permits that were no longer considered core, were not renewed, and thus an impairment charge of US\$ 1,029,875 was recognised during the year ended 28 February 2026 (28 February 2025: US\$ Nil). This doesn't impact on the MRE defined over the Basin project, dated August 2024, and the Company remains positive about the prospects of the remaining licence and permit areas.

A breakdown of the licences and permits disposed of is noted below:

<i>Project</i>	<i>Licences and permits not renewed</i>	<i>Remaining licences and permits held</i>
San Domingo	47	209
Basin	-	222
Wikieup	93	201
Wilson Salt Flats	168	187
Eureka	167	131
Total	475	950

USA

The USA exploration permits and licences are held by Zenolith (USA) LLC ("Zenolith"), San Domingo LLC ("San Domingo"), Gray Wash LLC and Verde Grande LLC, subsidiaries of Bradda Head (see note 10). Zenolith holds licences and permits over land in the states of Nevada and Arizona, USA, which provide Zenolith with exclusive rights to explore for lithium. San Domingo, Gray Wash and Verde Grande hold licences over land in the state of Arizona.

Bradda Head Lithium Limited

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forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

10 Investment in subsidiary undertakings

As at 28 February 2026 and 28 February 2025, the Group had the following subsidiaries:

Name of company	Place of incorporation	Ownership interest	Principal activity
Bradda Head Limited*	BVI	100%	Holding company of entities below
Zenolith (USA) LLC	USA	100%	Holds USA lithium licences and permits
Verde Grande LLC	USA	100%	Holds USA lithium licences and permits
Gray Wash LLC	USA	100%	Holds USA lithium licences and permits
San Domingo LLC **	USA	100%	Holds USA lithium licences and permits
Minera Salmuera, S.A. de C.V.	Mexico	100%	In process of being liquidated

* Held directly by the Company. All other holdings are indirectly held through Bradda Head Limited

** Held directly by Zenolith USA LLC

The consolidated financial statements include the results of the subsidiaries from the date that control is obtained to 28 February 2026, and up to the date that control ceases.

11 Prepayments and advances and deposits

Non-current

	28 February 2026	28 February 2025
	US\$	US\$
Advances and deposits	109,813	109,813

Current

	28 February 2026	28 February 2025
	US\$	US\$
Prepayments	127,853	114,927

12 Trade and other payables

	28 February 2026	28 February 2025
	US\$	US\$
Accounts payable	139,961	75,042
Accrued expenses and other payables	47,617	45,766
	187,578	120,808

13 Plant and equipment

	Motor vehicle	Other equipment	Total
	US\$	US\$	US\$
Cost			
As at 1 March 2025	114,390	50,000	164,390
As at 28 February 2026	114,390	50,000	164,390
Accumulated depreciation			
As at 1 March 2025	(111,048)	(29,167)	(140,215)
Depreciation charge for the year	(3,342)	(16,666)	(20,008)
As at 28 February 2026	(114,390)	(45,833)	(160,223)

Bradda Head Lithium Limited

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13 Plant and equipment (continued)

Carrying amount	Motor vehicle US\$	Other equipment US\$	Total US\$
As at 28 February 2026	-	4,167	4,167
As at 28 February 2025	3,342	20,833	24,175

14 Investment at fair value through profit or loss

On 1 July 2011, the Company acquired, by way of private placement, a strategic investment in Crazy Horse Resources Inc. (which changed its name to Rockwealth Resources Inc ("RWR"), a copper and gold company traded on the TSX Venture Exchange, which owns the Taysan Project, an advanced copper gold porphyry deposit located 100 km south of Manila in the Philippines. On 6 December 2021, RWR changed its name to Strathmore Plus Energy Corp. On 22 September 2022, Strathmore Plus Energy Corp changed its name to Strathmore Plus Uranium Corp and its TSX-V ticker to SUU.

As at 28 February 2026, the Company holds 249,688 shares in SUU (28 February 2025: 249,688 shares).

This investment is classified as a financial asset at fair value through profit or loss. For valuation purposes, it was valued using the closing bid price as at the reporting period.

	28 February 2026	28 February 2025
Total number of shares held	249,688	249,688
	US\$	US\$
Market value of investment at closing bid price	32,460	22,472
Total cost	(5,861,409)	(5,861,409)
Unrealised loss on investment	(5,828,949)	(5,838,937)

In line with IFRS13: Fair Value Measurement, and based on the International Private Equity and Venture Capital Valuation Guidelines ("IPEV"), the investment held is considered to be level 2 in the fair value hierarchy, due to there being a lack of an active market for the traded shares.

The unrealised loss on the investment in SUU charged to the Consolidated Statement of Comprehensive Income and movement in investment fair value is as follows:

	US\$
Balance at 28 February 2025	22,472
Change in fair value	9,988
Balance at 28 February 2026	32,460

15 Share premium

Authorised

The Company is authorised to issue an unlimited number of nil par value shares of a single class.

	Shares	Share capital US\$	Share premium US\$
Issued ordinary shares of US\$0.00 each			
At 28 February 2026 and 28 February 2025	390,609,439	-	30,616,373

Bradda Head Lithium Limited

Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

16 Equity settled share based payments

The cost of equity settled transactions with certain Directors of the Company and other participants ("Participants") is measured by reference to the fair value at the date on which they are granted. The fair value is determined based on the Black-Scholes option pricing model.

Options and warrants

The total number of share options and warrants in issue as at the period end is set out below.

<i>Recipient</i>	<i>Grant Date</i>	<i>Term in years</i>	<i>Exercise Price</i>	<i>28 February 2025</i>	<i>Number Issued</i>	<i>Number Lapsed/ cancelled/expired</i>	<i>Number Exercised</i>	<i>28 February 2026</i>	<i>Fair value</i>
									US\$
<i>Options</i>									
Directors and Participants	April 2018	5 from listing date	US\$ 0.15668	146,052	-	-	-	146,052	24,028
Directors and Participants	June 2021	7	US\$ 0.048	18,000,000	-	-	-	18,000,000	1,110,556
Directors and Participants ^{1, 2}	September 2021	7	£0.015	3,000,000	-	-	-	3,000,000	119,080
Directors and Participants ¹	April 2022	5	£0.015	7,000,000	-	-	-	7,000,000	490,750
Directors and Participants ¹	December 2022	5	£0.015	1,000,000	-	-	-	1,000,000	59,150
Directors and Participants ¹	April 2023	5	£0.015	3,850,000	-	-	-	3,850,000	39,921
Directors and Participants ¹	February 2024	5	£0.020	2,850,000	-	-	-	2,850,000	-
<i>Warrants</i>									
Supplier warrants ³	July 2021	7	£0.0550	1,818,182	-	-	-	1,818,182	124,482
				37,664,234	-	-	-	37,664,234	1,967,967

Note

1 – The exercise price of these share options has been adjusted to be exercisable at £0.015 each.

2 - The exercise periods of certain share options awarded during June 2021 and September 2021 have been extended for an additional period of 2 years, with the exercise period now being 7 years from grant date.

3 - The Company extended the exercise period of share warrants awarded to Beaumont Cornish Limited, nominated advisor to the Company, for an additional period of 2 years. The exercise period of these Share Warrants has been extended to 19 July 2028.

Bradda Head Lithium Limited

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forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

16 Equity settled share based payments (continued)

<i>Recipient</i>	<i>Grant Date</i>	<i>Term in years</i>	<i>Exercise Price</i>	<i>29 February 2024</i>	<i>Number Issued</i>	<i>Number Lapsed/ cancelled/expired</i>	<i>Number Exercised</i>	<i>28 February 2025</i>	<i>Fair value</i>
<i>Options</i>									US\$
Directors and Participants	April 2018	5 from listing date	US\$ 0.15668	146,052	-	-	-	146,052	24,028
Directors and Participants	June 2021	5	US\$ 0.048	18,000,000	-	-	-	18,000,000	1,110,556
Directors and Participants	September 2021	5	£0.09	3,000,000	-	-	-	3,000,000	119,080
Directors and Participants	April 2022	5	£0.18	8,375,000	-	(1,375,000)	-	7,000,000	490,750
Directors and Participants	December 2022	5	£0.105	1,000,000	-	-	-	1,000,000	59,150
Directors and Participants	April 2023	5	£0.06	4,500,000	-	(650,000)	-	3,850,000	39,921
Directors and Participants	February 2024	5	£0.02	2,850,000	-	-	-	2,850,000	-
<i>Warrants</i>									
Supplier warrants	July 2021	5	£0.0550	1,818,182	-	-	-	1,818,182	124,482
Supplier warrants	July 2021	3	£0.0825	2,254,545	-	(2,254,545)	-	-	-
Supplier warrants	April 2022	2	£0.1350	3,244,331	-	(3,244,331)	-	-	-
				<u>45,188,110</u>	<u>-</u>	<u>(7,523,876)</u>	<u>-</u>	<u>37,664,234</u>	<u>1,967,967</u>

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Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

16 Equity settled share based payments (continued)

The amount expensed in the income statement has been calculated by reference to the fair value at the grant date of the equity instrument and the estimated number of equity instruments to vest after the vesting period.

	28 February 2026	28 February 2025
	US\$	US\$
Share based payments charge	-	103,539

No new options were issued during the current year.

17 Financial instruments

Financial risk management

The Company has risk management policies that systematically review the risks that could prevent the Company from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Company's objectives are achieved. The Company's risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Company's established business objectives.

The Company's principal financial instruments consist of cash, receivables and payables arising from its operations and activities. The main risks arising from the Company's financial instruments and the policies for managing each of these risks are summarised below.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by the Company by means of cash flow planning to ensure that future cash requirements are anticipated. All liabilities are due within one month and all cash maintained in call accounts. To date the Company has relied upon equity funding to finance operations. The carrying amount of financial assets and liabilities reported in the consolidated statement of financial position represents the maximum exposure to liquidity risk. Management is confident that adequate resources are available to meet current obligations. See note 2(b) in respect of the Board's going concern assessment, and note 20 regarding exploration commitments.

The residual undiscounted contractual maturities of financial liabilities are as follows:

28 February 2026

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
	US\$	US\$	US\$	US\$	US\$
Trade and other payables	187,578	-	-	-	-
Convertible loan note	-	-	-	996,343	-
Embedded derivative liability	-	-	-	810,960	-

28 February 2025

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
	US\$	US\$	US\$	US\$	US\$
Trade and other payables	120,808	-	-	-	-

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forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

17 Financial instruments (continued)

Financial risk management (continued)

Credit risk

Credit risk is the risk of loss associated with the counter-party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to receivables and cash balances with the maximum exposure being the reported balance in the statement of financial position. The Company holds available cash with licensed banks which have strong history. The Company considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. All funds are available on demand.

The receivables are actively monitored to avoid significant concentration of credit risk, and the Directors consider there to be no significant concentration of credit risk.

Interest rate exposure

Interest rate risk is the risk that the Company will sustain losses through adverse movements in interest bearing assets or liabilities; however, it is the Directors' opinion that the Company is not significantly exposed to interest rate risk. Any interest-bearing liabilities carry fixed interest rates and are not exposed to interest rate fluctuations.

Market price risk

Equity price risk arises from financial assets at fair value through profit or loss due to uncertainties about future values of the instrument. The investment at year end represents an interest held in the share capital of Strathmore Plus Uranium Corp, a company traded on the TSX Venture Exchange. The performance of this investment is monitored and reviewed by management on a regular basis. As at 28 February 2026, the fair value of equity security exposed to price risk was US\$ 32,460 (28 February 2025: US\$ 22,472). A 5% increase or decrease in the fair value of this listed investment, with all other variables constant, would have increased/decreased consolidated profit or loss and equity by US\$ 1,623 (28 February 2025: US\$ 1,124).

Foreign exchange risk

The Group was exposed to foreign currency risk on fluctuations related to financial assets and liabilities that are denominated in Pounds (GBP). The amounts exposed to foreign currency risk are as follows (in currency balance):

		GBP
28 February 2026	Cash	16,272
		GBP
28 February 2025	Cash	16,911

The impact of 10% strengthening of the GBP against the US Dollar to total comprehensive income/loss is set out below. A 10% weakening in these currencies would have had the equal but opposite effect, on the basis that all other variables remain constant.

	28 February 2026	28 February 2025
US Dollars against:	US\$	US\$
GBP	2,206	1,691

There is no other impact on the Company's equity other than those already affecting the consolidated statement of comprehensive income/(loss).

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Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

17 Financial instruments (continued)

Financial risk management (continued)

Political risks

The Company's operations are subject to laws and regulations governing exploration activities. While the Company believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in laws and regulations, following any changes in standing governments, could result in changes in legal requirements, relevant policies or in the terms of existing agreements applicable to the Company which could have a material adverse impact on the Company's current operations or planned implementation of its strategy.

Accounting classifications and fair value

Financial instruments comprise cash and trade and other receivables accounts payable and accrued expenses (classified as trade and other payables), investments and convertible loan notes and working capital loan advances (classified as related party balances). The carrying amounts of loans and receivables and trade and other payables, reported in the consolidated statement of financial position, approximate their fair values due to the short-term nature of these accounts.

Financial liabilities not measured at fair value

	<i>Carrying amount, measured at amortised cost</i>	
	28 February 2026	28 February 2025
	US\$	US\$
Trade and other payables	187,578	120,808
Convertible loan note	996,343	-

The fair value of investments is based on available market price data, taking into account the liquidity of the listed securities.

Capital Management

The Company manages its capital to maximise the return to the shareholders through the optimisation of equity. The capital structure of the Company at 28 February 2026 consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed.

The Company manages its capital structure and makes adjustments to it, in light of economic conditions and the strategy approved by shareholders. To maintain or adjust the capital structure, the Company may adjust any dividend payment to shareholders, return capital to shareholders or issue new shares and release the Company's share premium account. No changes were made in the objectives, policies or processes during the years ended 28 February 2026.

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18 Borrowings and derivative financial instruments

On 23 January 2026, the Company entered into convertible loan agreements ("CLA") with Galloway Limited ("Galloway") and Promaco Limited ("Promaco"). Galloway is wholly beneficially owned by Jim Mellon, and Promaco is wholly beneficially owned by John Ian Stalker, both being directors of the Company. Each of these have been accounted for as a financial liability. The loan element has been carried at amortised cost using the effective interest rate method, and the conversion feature has been classified as an embedded derivative liability, being the fair value of the conversion feature.

The table below presents the original principal amount of the CLAs issued during the year. These amounts represent the initial recognition of each instrument at the issue date, and have been subsequently allocated into their respective components in the financial statements, in accordance with applicable accounting standards.

Issue date	CLA holder	Repayment date	Original amount borrowed US\$	Annual interest rate	Debt at amortised cost US\$	Embedded derivative classified as a financial liability US\$
23/01/2026	Galloway	23/01/2028	1,525,000	10%	828,259	696,741
23/01/2026	Promaco	23/01/2028	250,000	10%	135,781	114,219
Total			1,775,000		964,040	810,960

On 23 January 2026, the Company raised a total of US\$ 1,775,000 from the issue of CLAs.

The terms of the CLAs are set out below:

- Unsecured 24-month facility (expiry being the "Maturity Date");
- Repaid amounts may not be redrawn;
- The outstanding balance of the CLAs (including interest) may be converted into new ordinary shares in the capital of the Company ("Ordinary Shares") at any time at the option of the lender;
- The amounts outstanding pursuant to the CLAs (including interest) will automatically convert into new Ordinary Shares concurrent with an equity financing by the Company to raise not less than £2 million (gross) prior to the Maturity Date (a "Qualifying Fundraise");
- Conversion Price equal to 90% of the 30-day volume weighted average price at close of trading on the last trading day prior to the date notice to convert the CLAs is proposed, if converted at the election of the lender, or a price equal to 90% of the price paid by investors participating in the Qualifying Fundraise;
- Amounts outstanding under the CLAs carry a 10% annual coupon, accruing monthly.

Term loan facility

On 25 September 2025, the Company entered into a short-term loan ("STL") facility agreement with Galloway Limited, a related party. A summary of the terms of the are set out below:

- US\$ 500,000 facility made available (no fees or set-off or contribution to costs);
- Drawn down at the request of the Company (subject to agreed use of proceeds with Galloway Limited);
- One year availability and repayment term;
- Unsecured;
- Interest at 12% per annum;
- Accelerated repayment if Company completes an equity fundraising during the term of the loan; and
- Standard events of default and warranties from both parties.

The total amount advanced under the STL plus accrued interest to 23 January 2026, was rolled into the CLA noted above.

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Notes

forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

18 Borrowings and derivative financial instruments (continued)

Embedded derivative liability

The CLAs issued during the year contain an embedded derivative financial liability (“DFL”). The DFLs arise from the conversion feature that allows the holder to convert the loan into a variable number of the Company’s equity instruments based on the Conversion Price, noted above. Due to the variability in the number of shares issued on conversion, the embedded derivative is classified as a financial liability, with the DFL initially measured at fair value through profit and loss. The fair value on the date of issue was determined using the Black Scholes valuation model, which considered the following variables:

- Expected share price volatility
- Risk-free interest rate
- Expected life of the instrument
- Potential share price on conversion

As at 28 February 2026, the carrying amount of the CLAs is as follows:

	US\$
1 March 2025	-
CLA issued	1,775,000
Accrued interest	32,303
28 February 2026	1,807,303

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forming part of the annual report consolidated financial statements for the year ended 28 February 2026 (continued)

19 Related party transactions and balances

Key management personnel

The Directors of the Company received the following remuneration during the year:

	US\$	28 February 2026	US\$	US\$
	Fees and salary	Share-based payment remuneration	Total	
Ian Stalker	147,668	-	147,668	
Euan Jenkins	45,360	-	45,360	
Denham Eke	63,506	-	63,506	
Jim Mellon	45,360	-	45,360	
Alex Borrelli	45,360	-	45,360	
	<u>347,254</u>	<u>-</u>	<u>347,254</u>	
	US\$	28 February 2025	US\$	US\$
	Fees and salary	Share-based payment remuneration	Total	
Ian Stalker	165,411	-	165,411	
Euan Jenkins	51,840	-	51,840	
Denham Eke	68,320	-	68,320	
Jim Mellon	51,840	-	51,840	
Alex Borrelli	51,840	-	51,840	
	<u>389,251</u>	<u>-</u>	<u>389,251</u>	

The Directors hold the following number of shares in the Company as at 28 February 2026:

	28 February 2026			28 February 2025		
	Number	% of issued share capital	Options held	Number	% of issued share capital	Options held
James Mellon	73,097,004	18.72%	-	73,097,004	18.72%	-
Denham Eke	124,307	0.03%	-	124,307	0.03%	-
Ian Stalker	3,870,140	0.99%	19,250,000	3,870,140	0.99%	19,250,000
Euan Jenkins	2,198,934	0.56%	500,000	2,198,934	0.56%	500,000
Alex Borrelli	343,329	0.09%	500,000	343,329	0.09%	500,000
	<u>79,633,714</u>	<u>20.39%</u>	<u>20,250,000</u>	<u>79,633,714</u>	<u>20.39%</u>	<u>20,250,000</u>

Edgewater Associates Limited ("Edgewater")

During the year, Directors and Officers insurance was obtained through Edgewater, which is a 100% subsidiary of Manx Financial Group ("MFG"). James Mellon and Denham Eke are Directors of both the Company and MFG.

The premium payable on the policy was US\$ 41,576 (28 February 2025: US\$ 42,563), of which US\$ 13,859 was prepaid as at the yearend (28 February 2025: US\$ 10,854).

Burnbrae Limited ("Burnbrae")

Burnbrae Limited, a Company for which Jim Mellon is the ultimate beneficial owner and Denham Eke is a Director, provide certain ad hoc services, to the Company. The charge for services provided is £1,500 per month, when provided, and totalled US\$ 24,012 (28 February 2025: US\$ 22,954) during the year, of which US\$ 5,170 was outstanding as at the year-end (28 February 2025: US\$ 63).

Bradda Head Lithium Limited

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20 Basic and diluted loss per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares, on the assumed conversion of all dilutive share options.

An adjustment for the dilutive effect of share options in the current year has not been reflected in the calculation of the diluted loss per share, as the effect would have been anti-dilutive, due the Company recognising a loss for the year.

	28 February 2026 US\$	28 February 2025 US\$
(Loss)/profit for the year	(2,917,215)	1,100,162
	No.	No.
Weighted average number of ordinary shares in issue	390,609,436	390,609,436
Dilutive element of share options and warrants if exercised (note 16)	-	37,664,234
Diluted number of ordinary shares	390,609,436	428,273,670
Basic (loss)/earnings per share (cents)	(0.747)	0.282
Diluted (loss)/earnings per share (cents)	(0.747)	0.257

21 Exploration commitments

The Group has certain obligations to expend minimum amounts on exploration works on mining tenements in order to retain an interest in them, which would be approximately US\$ 200,042 during the next 12 months. This includes annual fees in respect of licence renewals. These obligations may be varied from time to time, subject to approval and are expected to be filled in the normal course of exploration and development activities of the Company.

22 Subsequent events

On 28 July 2026, the Company completed a fundraise, issuing a total of 101,477,529 new ordinary shares of no-par value for total gross proceeds of £2.28 million. Subscribing shareholders also received 1 warrant for every 2 shares acquired, with an exercise price of £0.05 each and a term of two years from warrant issue date.

As part of the fundraise, certain director options were exercised, with 7,250,000 new ordinary shares of no-par value being issued for total proceeds of US\$ 113,250.

The outstanding CLA's were also converted into ordinary shares of no-par value, with the carrying amount plus accrued interest of US\$ 1,873,547.05 converting into 68,488,299 shares.

23 Ultimate Controlling Party

In the opinion of the Directors, there is no ultimate controlling party.