# Lithium Universe
LIMITED

# 2023
ANNUAL REPORT

# COMPANY PROFILE

## ABOUT LITHIUM UNIVERSE LIMITED

Led by Iggy Tan, a pioneer in the lithium industry, Lithium Universe (ASX: LU7) has assembled a formidable team of experts boasting extensive experience in lithium project development, construction, and commissioning. This accomplished team primarily comprises former executives from Galaxy Resources, renowned for their successful execution of projects such as the Mt Cattlin Spodumene Concentrator in Western Australia and the Jiangsu Lithium Carbonate Refinery in China.

Leveraging this wealth of expertise, LU7's esteemed team, often referred to as the "Dream Team," is dedicated to bridging the significant gap in downstream lithium processing within North America.

The company's strategic vision involves the construction of a 16,000 tpa Lithium Carbonate Refinery in Quebec, Canada, as the key phase of its ambitious plan. In addition, the company is making rapid strides towards completing a Definitive Feasibility Study (DFS) for the standalone and centralized spodumene concentrator, further solidifying its presence in the emerging lithium district of Quebec.
In addition to its groundbreaking refinery project, Lithium Universe has strategically acquired multiple promising lithium and Rare Earth Elements (REE) exploration assets. These assets are strategically located in tier 1 mining jurisdictions across Canada and Australia, for its Quebec Lithium Carbonate Refinery Project, underscoring its commitment to delivering exceptional results with precision and efficiency.

## OUR VISION

To develop a comprehensive mine-to-battery-grade lithium carbonate strategy within Québec, positioning not only LU7 but also Canada as a pivotal supplier of lithium to the global market.

# CHAIRMAN'S REPORT

Dear Fellow Shareholders,

I am pleased to present the annual report for the 2023 financial year and provide a summary of the excellent progress in 2023 and the exciting opportunities that are ahead of the Company in 2024.

The construction of lithium projects globally is encountering significant delays. This is exacerbated by a scarcity of experienced explorers, posing a formidable challenge to the industry's capacity to satisfy the escalating demand for lithium, a critical component in the renewable energy and electric vehicle markets. At Lithium Universe, our strategy extends beyond mere exploration. Our focus is on rapidly establishing a vertically integrated lithium project in Canada, specifically through the development of the Apollo Lithium Project in James Bay, Québec. Our vision is ambitious: to develop a comprehensive mine-to-battery-grade lithium carbonate strategy within Québec, positioning not only LU7 but also Canada as a pivotal supplier of lithium to the global market.

This strategy is underpinned by the establishment of the Québec Lithium Processing Hub (QLPH) in Québec, Canada. The QLPH is envisioned to feature a multi-purpose independent concentrator with a processing capacity of 1 million metric tonnes per annum, feeding into a lithium carbonate refinery capable of producing 16,000 tonnes per annum of battery-grade lithium carbonate.

This integrated approach is designed to emulate the proven success of benchmark operations such as the Mt Cattlin Spodumene Operation and the Jiangsu Lithium Carbonate Plant, thereby minimising startup and operational risks. A critical component of our strategy involves the assembly of the 'Lithium Dream Team' - a group of seasoned lithium industry experts with unparalleled expertise in both extraction and downstream operations.

The North American continent is on the cusp of a significant expansion in cathode and battery project capacity, with approximately 900 gigawatts of projects under consideration. This translates to a projected demand for 800,000 tonnes per annum of lithium chemicals - a demand that currently outstrips the planned capacity for lithium refining in North America. LU7's strategy to establish the QLPH not only aims to bridge this gap but also to reposition the conversion process closer to the supply chains of major North American players, moving away from the current reliance on Chinese refineries.

In 2024, the Company announced that it had successfully executed an option agreement (Option Agreement) to acquire a commercial property strategically located within the Bécancour Waterfront Industrial Park (BWIP), hosting Nemaska Lithium's Hydroxide facility, General Motors (GM) and Korea-based POSCO Chemicals' cathode active material (CAM) factory and the Ford/EcoPro BM cathode factory. The execution of the Option Agreement for the Site is another important step in the Company's fast-tracking strategy to become a producer of lithium in Quebec, Canada.

In conclusion, despite the challenges presented by construction delays and a shortage of experienced personnel in the lithium exploration sector, LU7 is poised to lead the way in establishing a resilient, vertically integrated lithium supply chain in Canada. Our initiatives, are set to redefine the lithium industry landscape in North America.

I wish to extend my sincere gratitude for your continued support and belief in our vision. We are on the brink of a transformative era for Lithium Universe, and I look forward to sharing our progress and successes with you in the months ahead.

Iggy Tan

# BOARD OF DIRECTORS


### Mr Ignatius (Iggy) Kim-Seng Tan - Non-Executive Chairman

Mr. Iggy Tan, a trailblazer in the modern Lithium industry, spearheaded Galaxy Resources Limited (Galaxy), leading strategic projects like the Mt Catlin Spodumene Project and the Jiangsu Lithium Carbonate project, which contributed to the company's remarkable growth from less than A$10 million to A$2.5 billion by its merger with Orocobre Limited in August 2021. With over 30 years of chemical and mining experience and holding executive roles in various ASX-listed companies, Mr Tan currently leads as CEO and Managing Director of Altech Batteries Limited.

### Mr Patrick Scallan - Non-Executive Director

Mr. Patrick Scallan brings extensive expertise to the LU7 Board, with over 25 years of management experience at the world-renowned Greenbushes Mine, the largest lithium hard rock mine globally. He oversaw significant expansions, increasing annual output from 200,000 to 1,400,000 tonnes per annum, and holds specialized knowledge in hard rock mining and spodumene concentrating, along with strong community relationship management skills, evidenced by his tenure as a shire councillor for nearly 20 years and receiving the Order of Australia Medal for his contributions.


### Dr Jingyuan Liu - Non-Executive Director

Dr. Jingyuan Liu is a distinguished figure in the lithium industry, renowned for his expertise and leadership. With over 30 years of experience spanning various sectors, including minerals processing and chemicals, he has held key positions in notable projects globally, such as overseeing construction at Galaxy Resources Limited and advising on lithium projects like the Tianqi Lithium Hydroxide Plant. Currently serving as the Chief Technology Officer for Altech Batteries Limited, he focuses on advancing high-capacity silicon anode lithium-ion battery technology.

### Mr Gernot Abl - Executive Director

Mr. Gernot Abl, a seasoned Managing Director with extensive experience in business management, operations, and investment across rapidly growing industries, led Esports Mogul Limited, following over 15 years of corporate experience and roles. With a background in Law and Commerce, including Honors in Finance and Accounting from the University of Western Australia, Mr. Abl currently holds directorships for various startup companies, providing corporate advisory, project management, and commercial negotiation services.

### Mr Fadi Diab - Non-Executive Director

Mr. Fadi Diab was the former Head of Global Payroll at Commonwealth Bank of Australia where he managed the global payroll team who are responsible for 55,000 employees across 15 countries. Mr Diab is an accomplished Senior Executive recognised for leveraging strong team leadership and development to drive forward progress. Mr Diab has a Bachelor of Business, Human Resource Management, Industrial Relations from the University of Western Sydney and a Masters of Business Management from University of Technology Sydney.

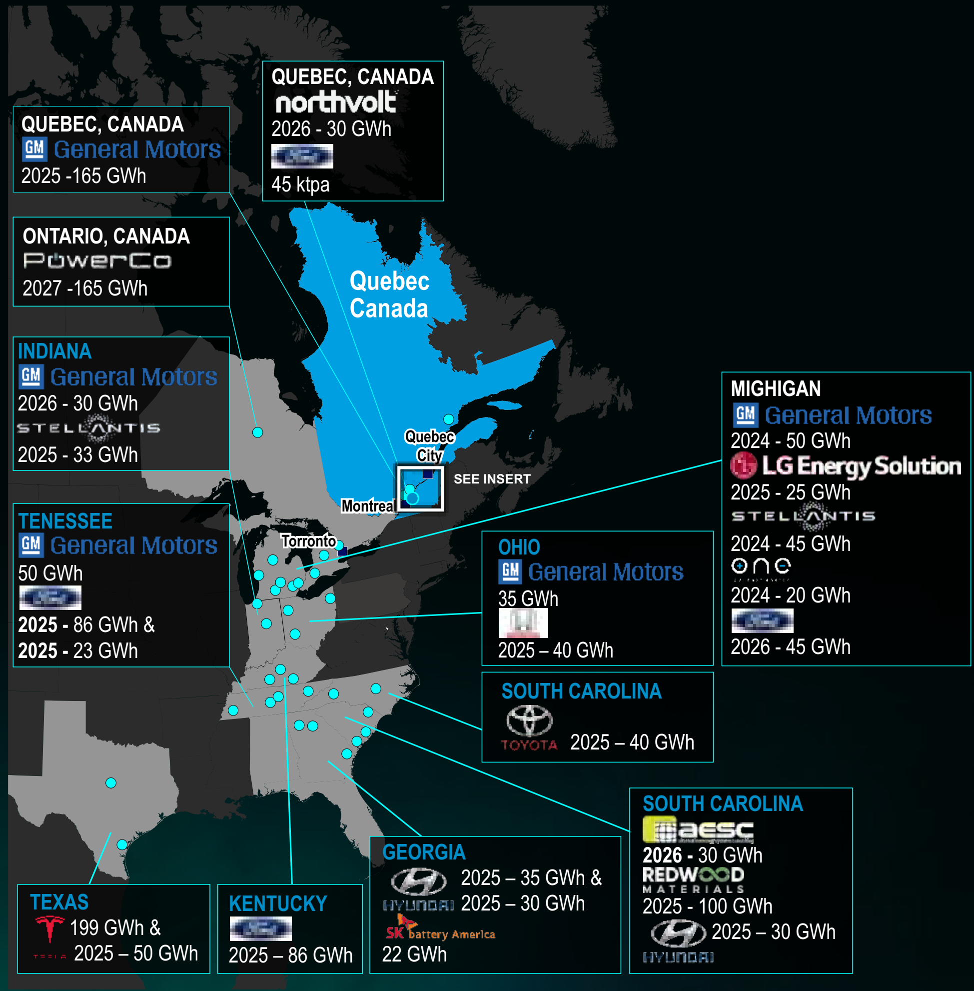
# LITHIUM CONVERSION GAP

The East Coast of North America is primed for a surge in battery manufacturing, with over 20 major manufacturers gearing up to deploy an estimated 900GW of battery capacity by 2028. By 2030, Georgia, Kentucky, and Michigan are expected to lead electric vehicle (EV) battery production in the United States, supported by states such as Kansas, North Carolina, Ohio, and Tennessee, collectively aiming to manufacture between 97 and 136 gigawatt hours of EV batteries annually.

This expansion, projected to require an investment exceeding $40 billion, is forecasted to propel North America's EV battery manufacturing capacity from 55 gigawatt-hours in 2021 to nearly 1,000 gigawatt-hours by 2030, positioning the U.S. as a significant global competitor in the EV market. Concurrently, Canada's strategic investments in battery plants, in collaboration with key industry players, seek to fortify the country's auto sector, potentially generating 250,000 jobs and contributing $48 billion annually to the economy by 2030.

However, the industry faces a critical challenge in establishing a reliable supply chain, particularly regarding access to lithium converters in North America, aiming to reduce dependence on Chinese companies for both commercial and national security reasons. Presently, Chinese dominance in the global market for lithium converters presents a hurdle, prompting efforts in both Canada and the United States to mitigate Chinese involvement.

The scarcity of independent lithium converters planned for construction in North America underscores a significant gap in lithium conversion and processing capacity, despite the strategic plans for battery manufacturing expansion. To address this gap, the Lithium Universe strategy proposes leveraging expertise in constructing such converters utilizing the expertise of the Lithium Dream team.

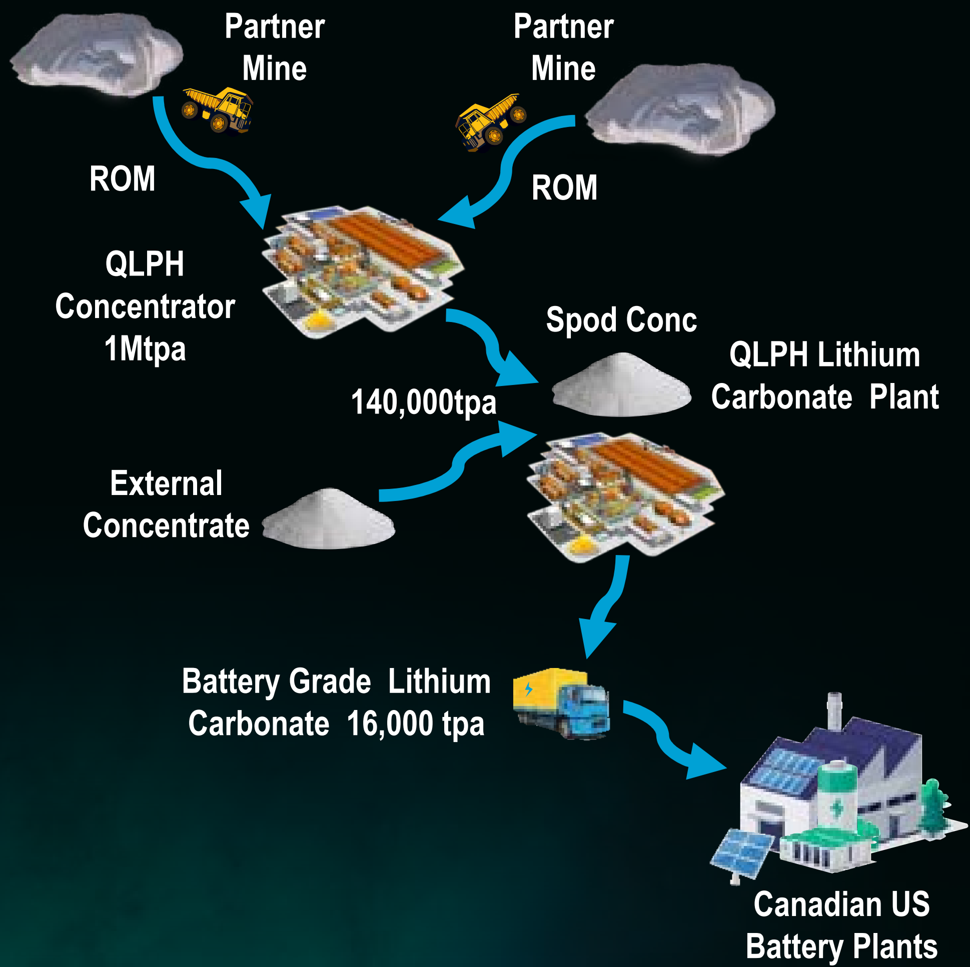


# QUEBEC LITHIUM PROCESSING HUB (QLPH)

## MINE TO BATTERY GRADE LITHIUM CARBONATE STRATEGY

The delay in lithium project construction, coupled with a scarcity of experienced explorers, hampered the industry's ability to meet rising demand; our focus wasn't solely on exploration but on expediently establishing a vertically integrated lithium project in Canada. Lithium Universe owned the Apollo Lithium Project in James Bay, Québec. The Company had a vision to develop a mine-to-battery-grade lithium carbonate strategy in Québec, Canada.

As part of this vertically integrated strategy, we had a broader vision to promote collaborative growth among lithium junior exploration companies operating in the James Bay area and position Canada as a major supplier of lithium to the global market. In pursuit of this goal, we were establishing the Québec Lithium Processing Hub (QLPH) in Québec, Canada. It was envisaged that the QLPH would consist of a multi-purpose independent concentrator (QLPH Concentrator) with a processing capacity of 1 million metric tonnes per annum (Mtpa), which would supply a battery-grade lithium carbonate refinery (QLPH Lithium Carbonate Refinery) capable of producing 16,000 tonnes per annum (tpa). The QLPH concentrator and Li Carbonate plant aimed to replicate the proven success of the Mt Cattlin Spodumene Operation and Jiangsu Lithium Carbonate plant to minimize startup and operational risks.
The Company's strategy involved assembling a seasoned team of lithium experts renowned for rapidly delivering successful projects—the 'Lithium Dream Team' - boasting extensive expertise in both hard rock lithium extraction and downstream operations, all within a single company.



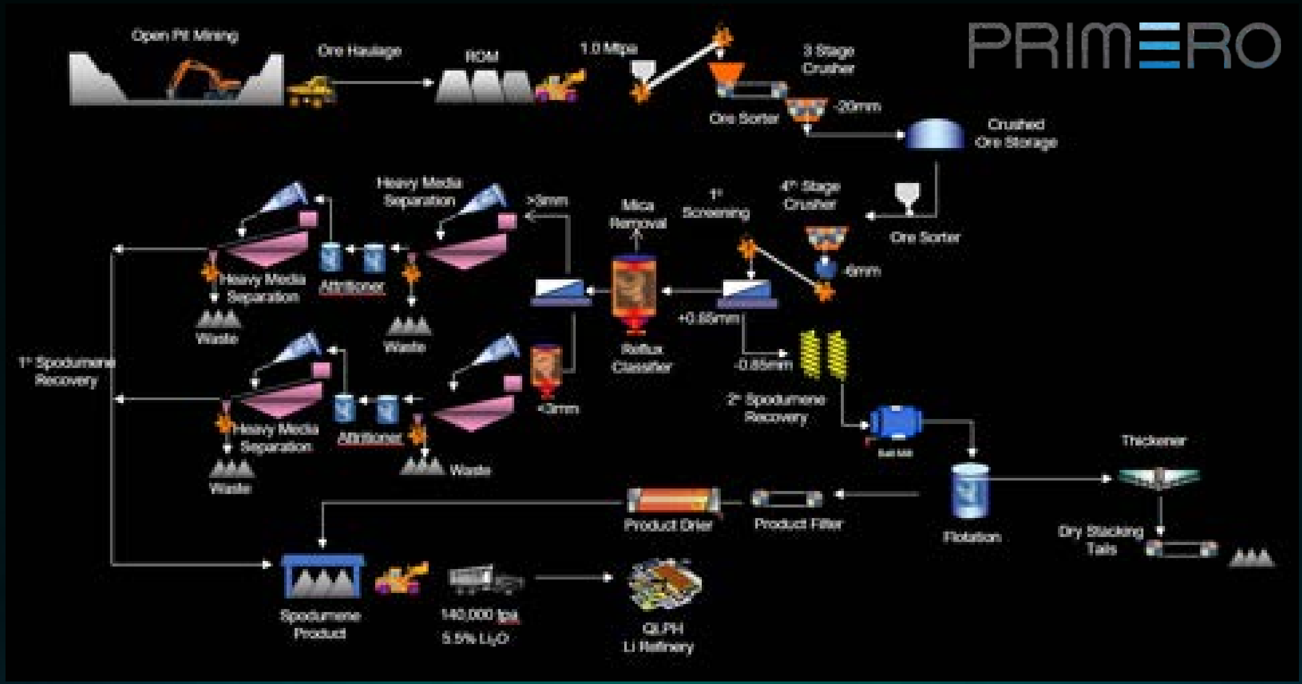
# QLPH CONCENTRATOR ENGINEERING STUDY

Lithium Universe Limited is pleased to report the outstanding progress of the Engineering Study by Primero Group Limited (Primero) on the Company's Québec Lithium Processing Hub (QLPH) stand-alone multi-purpose concentrator.
The Concentrator is rated at 1 Mtpa processing rate with an assumed feed grade of 1.1% $Li_2O$. The output is expected to be around 140,000 tpa of spodumene concentrate at a grade of around 5.5% $Li_2O$ to maximise recoveries.

The finalized design flow sheet outlines a four-stage crushing process to generate crushed ore ranging from 0.85mm to 6mm in size. Any crusher fines smaller than 0.85mm identified by the screens will undergo processing in a dedicated flotation unit. The spodumene recovered from this process will undergo drying and then be blended with the final spodumene concentrate. Additionally, any mica present in the crushed ore will undergo removal using a reflux classifier.

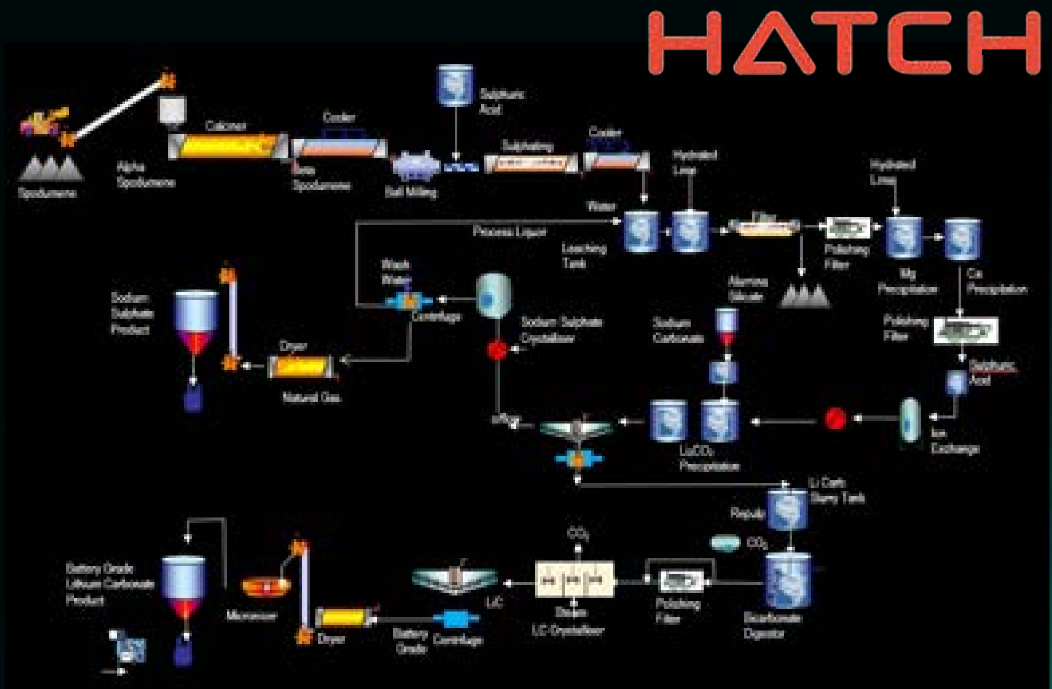
Subsequently, the material will be split into two streams: one less than 3mm and the other greater than 3mm. Both streams will be directed through two-stage dense media separation units. The less than 3mm stream will undergo mica removal via a reflux classifier at the initial stage. The recovered spodumene from both streams will be combined through blending and stored in a dedicated storage shed. To ensure functionality in the Québec climate, the entire plant will be winterized. See below for final flow sheet.

The design closely resembles that of the Mt Cattlin plant, except for the inclusion of the flotation unit. This addition aims to create a more resilient plant capable of processing various types of ore from the James Bay, Québec region, enhancing its capacity to handle a broader range of ore types and ensuring robustness in operations.



# QLPH REFINERY ENGINEERING STUDY

Lithium Universe Limited reported the excellent progress of the Engineering Study by Hatch Ltd (Hatch) on the Company's Québec Lithium Processing Hub (QLPH) multi-purpose battery-grade lithium carbonate refinery. The Refinery is rated at 16,000 tpa with an assumed feed grade of spodumene at or around 5.5% $Li_2O$. The final lithium carbonate product should be at least 99.5% and 99.9% grade. Target plant availability is 84% and target overall recovery rate for lithium is 85%. Anhydrous sodium sulphate will be produced as a co-product from the process and will be sold in bulk to commodity agents. The alumina-silicate residue from the leached spodumene will be sold to the cement industry.




The finalised design flow sheet illustrates how the front end loader operation and belt conveyors feed spodumene concentrate from the stockpile area to the calciner. The concentrate is calcined at 1080°C in a direct fired rotary kiln to convert the alpha spodumene to the leachable beta spodumene. The calcining kiln off-gases will pass through a cyclone and an electrostatic precipitator to comply with environmental emissions limits. The hot calcine is indirectly cooled and dry-milled to less than 300 µm. After storage in a surge bin, the beta spodumene is mixed with concentrated sulphuric acid and roasted at 250°C in an indirectly heated kiln. The sulphating kiln off-gases will be cleaned in a wet scrubber to meet site environmental emissions limits. The sulphated spodumene is cooled and fed to the leach circuit. The combined leached solids and precipitated impurities are thickened prior to being filtered in a belt filter. The filtrate is combined with the thickener overflow and passed through a polishing sand filter and an ion exchange column to remove residual calcium, magnesium and other multivalent cations before the lithium carbonate area.

The solution entering the lithium carbonate production area is heated and then reacted with a hot sodium carbonate solution in a single crystalliser operating at 95°C. The coarse crystals from the crystalliser are thickened before passing to the centrifuge circuit. Raw lithium carbonate is further purified to battery grade using  the carbonation process. After slurried in demin water, soluble lithium bi-carbonate is formed from the bubbling of carbon dioxide gas. The solution is filtered, and lithium carbonate is re-crystalised when the solution is heated using injected steam. Carbon dioxide gas is re-generated which is recycled to the front end of the purification process. Battery-grade lithium carbonate is centrifuged and dried in an indirect-fired kiln at 120°C. The dry coarse lithium carbonate is air milled to less than 6 µm in a microniser and then pneumatically conveyed to the storage bins and bagging stations. Sodium sulphate is produced as a by-product from the vacuum evaporative crystallisation of the morther liquor. A bi-product, sodium sulphate, is used in the textile industry. The design closely resembles that of the Jiangsu Lithium Carbonate Plant but is more robust and capable of processing various types of concentrate from Canada and around the world.

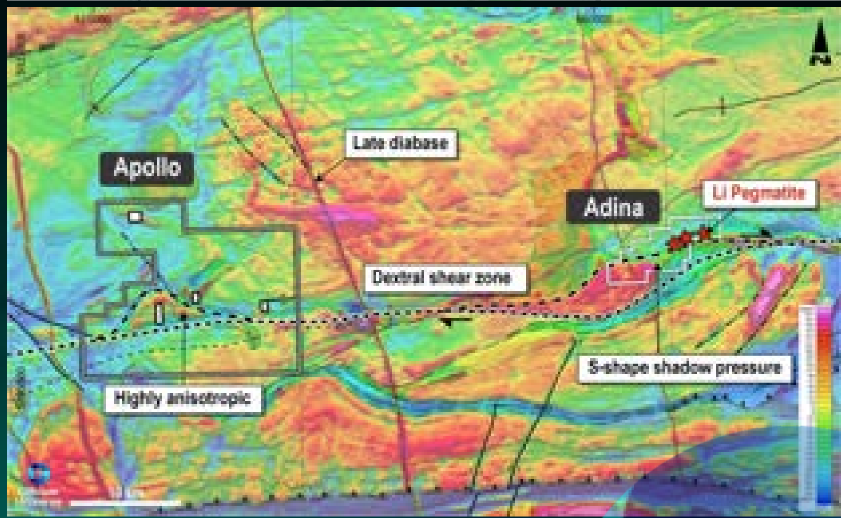
# APOLLO LITHIUM PROJECT EXPLORATION

Lithium Universe's integration of Artificial Intelligence (AI) into its exploration strategy at the Apollo Lithium Project, through collaboration with Canada's KorrAI Technologies, has significantly improved field exploration efficiency.

Leveraging AI has resulted in the identification of 448 priority targets primarily comprising Lithium-Caesium-Tantalum minerals on the Apollo property. Subsequently, these targets were refined to 28 specific areas for field mapping and sampling, demonstrating the effectiveness of predictive AI in expediting exploration processes. This innovative approach, tested in James Bay, has facilitated a three-phase expedited exploration strategy, promising to streamline discovery and evaluation processes in this eagerly anticipated project.

The commencement of exploration activities at the flagship Apollo Lithium Project saw immediate collaboration with Laurentia Exploration Inc., encompassing an extensive pre-work program including permitting and high-resolution airborne magnetic surveys. A 14-day, 5596 line Km Hi-Resolution Airborne Magnetic (AMAG) Survey conducted by Geo Data Solutions (GDS) revealed structural geophysics analyses indicating the potential for LCT pegmatitic dykes along distinct regional and local scale structural corridors.

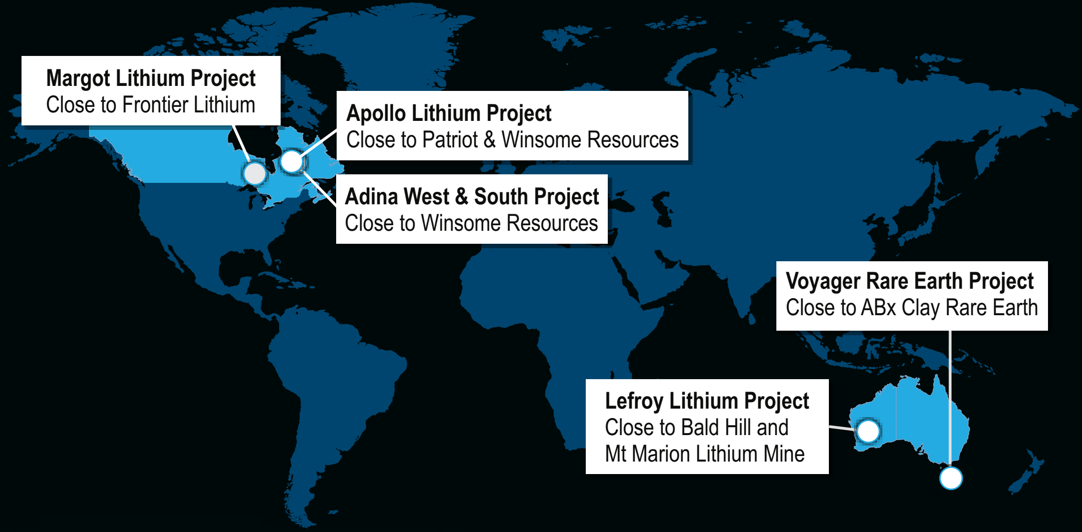
Furthermore, a focused summer/fall field mapping and sampling campaign, guided by KorrAI interpretations, covered significant portions of the 240 km$^2$ Apollo permit. Soil sampling programs were also conducted to analyze lithium concentrations, providing insights into underlying geology. These efforts have identified high-priority targets, such as the major east-west trending fault shear corridor feature, with the potential to host spodumene mineralization.

# LITHIUM INVENTORY & OPPORTUNITIES

## Apollo Lithium Project (80%) - CANADA

Commanding a land position spanning over 240 km$^2$, Apollo is located in the same greenstone belt and only 29km south-east of the Corvette Lithium Project owned by Patriot Battery Metals. Patriot's most successful drill result was a remarkable 156m at 2.12% $Li_2O$ at $CV_5$. Similarly, 28km to the east, Winsome Resources Limited recently announced drilling hits of 107m at 1.34% $Li_2O$ from 2.3 m (AD-22-005) at their Adina Project. Apollo has 17 pegmatite outcrops reported on the tenement package. Given the exceptional results from these neighbouring projects, the Apollo Lithium Project has the potential to be equally successful.




## Adina South & Adina West Lithium Project (80%) - CANADA

The project is situated in close proximity to the Adina discovery, which is owned by Winsome Resources. The Adina Project has produced a visual pegmatite intersection of over 160m in drills, lying beneath outcropping 4.89% $Li_2O$. Recently, Winsome Resources reported successful drilling results, with AD-22-005 yielding 107m at 1.34% $Li_2O$ from 2.3m at their Adina Project. The Adina South and Adina West Lithium Project boasts one of the largest prospective land holdings near Winsome Resources Limited. Aerial satellite images have revealed similar pegmatite occurrences at the surface.

## Margot Lake Lithium Project (80%) - CANADA

The Margot Lake project is located in north-western Ontario, in the premium lithium mineral district of Ontario's Great Lakes region. The project is situated 16km southeast of Frontier Lithium's (TSX-V: FL) PAK Deposit, which contains 9.3Mt at 2.0% $Li_2O$, and 18km away from Frontier's Spark Deposit, which contains 32.5Mt at 1.4% $Li_2O$. The tenement contains nine confirmed and mapped pegmatites and is located in a highly competitive district due to recent major discoveries of lithium.

## Lefroy Lithium Project (100%) - AUSTRALIA

Lefroy is in the mineral-rich Goldfields region of Western Australia. This strategically located project is in close proximity to the Bald Hill Lithium Mine. The Bald Hill mine has a resource of 26.5Mt at 1% $Li_2O$. The Lefroy project is also located near the Mt. Marion Lithium Mine, which is owned by Mineral Resources. Mt. Marion produces 900,000 tonnes of mixed-grade spodumene concentrate annually and is approximately 60km from the Lefroy project.

## Voyager Rare Earth Project (80%) - AUSTRALIA

The Voyager project north tenements are positioned between ABx Group tenures, where clay-hosted rare earth elements (REE) and niobium have been discovered and hold resources of 27Mt. These areas are analogous with Ionic Adsorption Clay (IAC) deposits that have produced REE in southern China using simple leaching.

# CORPORATE INFORMATION

**Lithium Universe Limited**
ABN: 22 148 878 782

**Registered Head Office (Australia)**
Suite 9, 295 Rokeby Road
Subiaco, Western Australia 6008

**Registered Office (Canada)**
500 Place d'Armes, Suite 1800
MONTREAL, QUEBEC, H2Y 2W2

**Share Registry (Australia)**
Automic Pty Ltd
Level 2, 191 St Georges Terrace
PERTH WA 6000

**Home Exchange**
Australian Securities Exchange Limited
Exchange Plaza, 2 The Esplanade
PERTH WA 6000
ASX Code: LU7

**Auditor**
Moore Australia Audit (VIC)
Level 44, 600 Burke Street
MELBOURNE VIC 3000

**Directors**

Mr Ignatius (Iggy) Kim-Seng Tan
(Non-Executive Chairman)

Mr Gernot Abl
(Executive Director)

Mr Fadi Diab
(Non-Executive Director)

Mr Jingyuan Liu
(Non-Executive Director)

Mr Patrick Scallan
(Non-Executive Director)

**Joint Company Secretaries**
Mr Vincent Fayad
Mr Kurt Laney

**Chief Executive Officer**
Alexander Hanly

**Chief Financial Officer**
John Sobolewski

**Lithium Universe Interactive Investor Hub**
Engage with Lithium Universe directly by asking questions, watching video summaries and seeing what other shareholders have to say about this, as well as past announcements, at our Investor Hub https://investorhub.lithiumuniverse.com/

**FORWARD-LOOKING**

The Company wishes to remind investors that the presence of pegmatite does not necessarily equate to spodumene mineralization. Also that the presence of pegmatite and spodumene mineralization on nearby tenements does not necessarily equate to the occurrence on Lithium Universe Limited's tenements. This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

**COMPETENT PERSON**

The information in this announcement which relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr. Hugues Guérin Tremblay, Exploration Manager – Canada and President of Laurentia Exploration Inc and Mr. Justin Rivers, Head of Geology – Lithium Universe Ltd. Mr Tremblay (P.Geo) is duly registered with the Ordres des Géologues du Québec (OGQ) as a geologist, member #1584, and a member of the Quebec Mineral Exploration Association (AEMO) and the Prospectors and Developers Association of Canada (PDAC). Mr. Tremblay has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person (CP) as defined in the JORC, 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and has read the definition of "qualified person" (QP) set out in National instrument 43-101 ("NI 43-101') and certify that by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfills the requirements to be a "qualified person" for the purposes of NI 43-101'. Mr. Rivers is a member of and Chartered Professional with the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Rivers has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person (CP) as defined in the JORC, 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Both Mr Tremblay and Mr. Rivers consent to the inclusion in this release of the matters based on the information in the form and context in which they appear.

Lithium Universe
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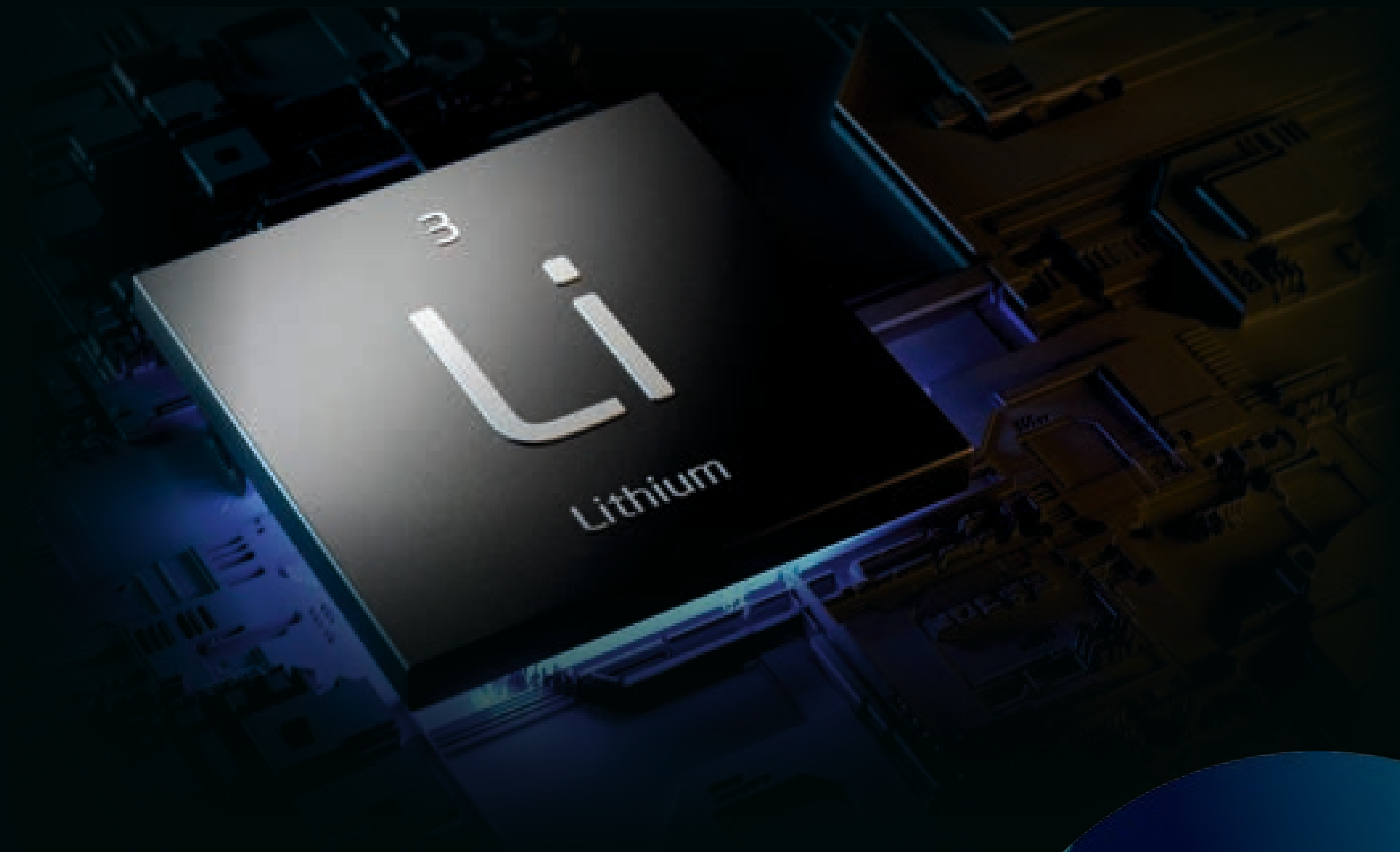

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# 2023
# ANNUAL REPORT

**LITHIUM UNIVERSE LIMITED**
**(FORMERLY MOGUL GAMES GROUP LTD) AND CONTROLLED ENTITIES**
**ABN: 22 148 878 782**

# Contents

# Corporate Directory

## Directors

Mr Ignatius (Iggy) Kim-Seng Tan
(Non-Executive Chairman)

Mr Gernot Abl
(Executive Director)

Mr Fadi Diab
(Non-Executive Director)

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(Non-Executive Director)

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## Auditor

Moore Australia Audit (VIC)
Level 44
600 Burke Street
MELBOURNE VIC 3000

## Registered Office (Australia)

Suite 9, 295 Rokeby Road
SUBIACO WA 6008

## Registered Office (Canada)

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## Principal Place of Business

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SUBIACO WA 6008
P +61 2 8046 2799
W https://www.lithiumuniverse.com/

## Share Registry (Australia)

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191 St Georges Terrace
PERTH WA 6000

## Home Exchange

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

## ASX Code

LU7

# Chairman's Letter to Shareholders

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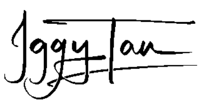
In conclusion, despite the challenges presented by construction delays and a shortage of experienced personnel in the lithium exploration sector, LU7 is poised to lead the way in establishing a resilient, vertically integrated lithium supply chain in Canada. Our initiatives, particularly the establishment of the QLPH, are set to redefine the lithium industry landscape in North America.

I wish to extend my sincere gratitude for your continued support and belief in our vision. We are on the brink of a transformative era for Lithium Universe, and I look forward to sharing our progress and successes with you in the months ahead.

Warm regards,



**Iggy Tan**
Non-Executive Chairman

Dated this 27th day of March 2024

## PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were:

- Lithium Universe Limited successfully lists on the ASX with an oversubscribed Public Offer of A$4.5m completed;
- Exploration strategy developed for the Apollo Lithium Project, James Bay, Québec, using AI Technology;
- Commencement of exploration at Apollo Lithium Project consisting of micro-gravity, airborne magnetic survey and soil sampling program;
- Appointment of the Lithium Dream Team consisting of lithium veterans: Terry Stark, Roger Pover, Huy Nguyen and John Loxton;
- Appointment of leading engineering specialist, Primero Group, to undertake the Engineering Study for the multi-purpose and stand-alone concentrator;
- Appointment of Hatch Ltd to undertake the Engineering Study for the design of multi-purpose lithium carbonate plant;
- Completion of location study for the optimal site selection for the Company's proposed 16,000 tonne lithium carbonate plant resulting in selection of Bécancour Industrial Park;
- Update on the outstanding progress for the Company's concentrator engineer study completed by Primero Group, including finalisation of design flow sheet and number of key deliverables;
- Presentation and meeting with Québec Minister of Economics, Innovation and Energy, Minister Pierre Fitzgibbon and President of Investessement Québec, Mr Hubert Bolduc;
- Update on excellent progress by Hatch Ltd on the Company's lithium carbonate refinery study having completed the design flow sheet, block flow diagrams and process flow diagrams;
- Completion of exploration programme at the Company's Apollo Lithium Project with the identification of potential targets for future maiden drilling programs.

## REVIEW OF OPERATIONS AND ACTIVITIES

The year ended 31 December 2023 was a successful year for Lithium Universe after completing the listing on the ASX, making significant progress within the Company's Quebec Lithium Processing Hub Strategy and completing the first exploration programme at the Apollo Lithium Project.

### Québec Lithium Processing Hub Strategy

During the period, Lithium Universe Limited had made significant progress in the development of the Company's Quebec Lithium Processing Hub (QLPH) Strategy.

The delay in lithium project construction, coupled with a scarcity of experienced explorers, hampered the industry's ability to meet rising demand; our focus wasn't solely on exploration but on expediently establishing a vertically integrated lithium project in Canada. Lithium Universe owned the Apollo Lithium Project in James Bay, Québec. The Company had a vision to develop a mine-to-battery-grade lithium carbonate strategy in Québec, Canada.

As part of this vertically integrated strategy, we had a broader vision to promote collaborative growth among lithium junior exploration companies operating in the James Bay area and position Canada as a major supplier of lithium to the global market. In pursuit of this goal, we were establishing the Québec Lithium Processing Hub (QLPH) in Québec, Canada. It was envisaged that the QLPH would consist of a multi-purpose independent concentrator (QLPH Concentrator) with a processing capacity of 1 million metric tons per annum (Mtpa), which would supply a battery-grade lithium carbonate refinery (QLPH Lithium Carbonate Refinery) capable of producing 16,000 tons per annum (tpa). The QLPH concentrator and Li Carbonate plant aimed to replicate the proven success of the Mt Cattlin Spodumene Operation and Jiangsu Lithium Carbonate plant to minimize startup and operational risks. The Company's strategy involved assembling a seasoned team of lithium experts renowned for rapidly delivering successful projects—the 'Lithium Dream Team' - boasting extensive expertise in both hard rock lithium extraction and downstream operations, all within a single company.

The Company's engagement of Primero Group for the Concentrator Engineering Study indicated a strategic move towards establishing a multi-purpose standalone concentrator. Primero's appointment, underpinned by its vast lithium experience and a focus on a 1 Mtpa Dense Media Separation (DMS) design, was a pivotal step in LU7's Quebec Lithium Processing Hub strategy, aiming to enhance the company's processing capabilities significantly.

Primero made significant progress in the engineering study for the QLPH concentrator, setting a new standard in both pace and quality. The study's focus on a 4-stage crushing, dense media separation (DMS), and flotation unit with mica removal, mirrored the design used at Mt Cattlin, overseen by the esteemed Lithium Dream Team. With key deliverables like Block Flow & Process Flow Diagrams and Mass Balance well underway, this initiative promised to significantly advance the QLPH strategy.

The Company appointed Hatch Ltd for an engineering study focused on establishing a 16,000-ton-per-annum (tpa) battery-grade lithium carbonate plant. Hatch was recognized for its multidisciplinary engineering prowess and significant experience in lithium projects, notably the 17,000 tpa Jiangsu Lithium Carbonate Plant for Galaxy. Under the guidance of Dr. Jingyuan Liu and John Loxton, this initiative was a strategic element of the Quebec Lithium Processing Hub (QLPH) strategy, aiming to bolster the company's position in the lithium processing sector.

Hatch successfully completed a study to identify the optimal location for a new lithium carbonate refinery as part of the company's QLPH strategy, aiming for a capacity of 16,000 tpa. The Bécancour Industrial Park, situated between Québec City and Montreal, emerged as the top choice for its strategic location. This selection marked a significant step forward, and discussions with the industrial park had commenced, aligning with the company's strategic expansion goals.

Hatch had made excellent progress in the engineering study for the lithium carbonate refinery, part of the QLPH initiative. The completion of critical components such as the design flow sheet, draft site layout, Block Flow Diagram (BFD), Process Flow Diagrams (PFD), and Mass Balance underscored the momentum towards finalizing the refinery's design and operational framework, aligning with the company's strategic objectives in lithium processing.

LU7's engagement with the Québec Government, involving key figures such as the Minister of Economics, Innovation, and Energy, Pierre Fitzgibbon, and Hubert Bolduc from Investissement Québec International, underscored its proactive approach in aligning its operations with regional priorities. This meeting highlighted LU7's team, expertise, and the QLPH strategy, reinforcing its vision to be at the forefront of the region's critical minerals strategy.

**Closing the Lithium Conversion Gap**

The East Coast of North America is set to witness a substantial surge in battery manufacturing, with over 20 major battery manufacturers planning to deploy an estimated 900GW of battery capacity by 2028. By 2030, Georgia, Kentucky, and Michigan are poised to dominate electric vehicle (EV) battery production in the United States, joined by key players such as Kansas, North Carolina, Ohio, and Tennessee. These states aim to

collectively manufacture between 97 and 136 gigawatt hours of EV batteries annually. To meet the escalating demand for EVs, North America's EV battery manufacturing capacity will skyrocket from 55 gigawatt-hours in 2021 to nearly 1,000 gigawatt-hours by 2030, requiring an investment exceeding $40 billion. This strategic expansion is expected to support the production of 10 to 13 million all-electric vehicles annually by 2030, positioning the U.S. as a formidable global EV competitor. Additionally, Canada's recent focus on investing in battery plants, backed by collaborations with Volkswagen, Stellantis, LG Energy Solution, and Northvolt, aims to safeguard its auto sector, potentially creating 250,000 jobs and contributing $48 billion annually to the economy by 2030. Assuming the planned battery manufacturing capacity of 900 GW by 2028, using a ratio of 850g lithium carbonate equivalent (LCE) per KWh, the Company estimates that 800,000t of LCE per annum will be required satisfy demand in North America. The Lithium Universe strategy is to bridge this gap by leveraging a proven track record in constructing such converters, with the Lithium Dream team being crucial to the success of this strategy.

**Lithium Inventory & Opportunities in Canada and Australia**

Lithium Universe was strategically positioned with significant lithium opportunities in Tier 1 mining jurisdictions within Canada and Australia. The company's projects were located in Canada's promising James Bay and Red Lake districts and in close proximity to operating projects and new discoveries in Australia. With exploration plans primed for execution, Lithium Universe was set to capitalize on these opportunities, leveraging the favorable geological settings and industry momentum.

The Company's exploration is largely focussed on the flagship exploration asset, the Apollo Lithium Project. Commanding a land position spanning over 240 $km^2$, Apollo is located in the same greenstone belt and only 29 kilometres south-east of the Corvette Lithium Project owned by Patriot Battery Metals and hosting a 109Mt resource at 1.42%. Winsome Resources Limited, situated 30km to the east of Apollo hosts a maiden resource of 59Mt at 1.12%. Apollo has 17 pegmatite outcrops reported on the tenement package identified by the Government geological department.

Lithium Universe had adopted Artificial Intelligence (AI) to refine its exploration strategy at the Apollo Lithium Project. This collaboration with Canada's KorrAI Technologies leveraged AI to enhance field exploration efficiency, reducing both time and costs. As a result, 448 priority targets were found on the Apollo property. These targets mainly consist of mainly Lithium-Caesium-Tantalum minerals. The targets were further narrowed down to 28 specific areas for field mapping and sampling. The predictive AI, tested in James Bay, supported a three-phase expedited exploration strategy, promising to streamline the discovery and evaluation process in this highly anticipated project.

Exploration activities had kicked off at the flagship Apollo Lithium Project, with immediate work undertaken in partnership with Laurentia Exploration Inc. An extensive pre-work program, including permitting and high-resolution airborne magnetic surveys, laid the groundwork. LU7 completed a 14-day, 5596 line Km Hi-Resolution Airborne Magnetic (AMAG) Survey conducted at a 50m line spacing by Geo Data Solutions (GDS), a Canadian based Airborne and Helicopter Geophysicist specialist. Following the Airborne Magnetic Survey, the company utilised property scale geophysics to facilitate a comprehensive structural analysis of the area. The Company believes that these structural geophysics analysis indicates the potential for LCT pegmatitic dykes following distinct regional and local scale structural corridors. It appears that a major east-west trending fault corridor/shear feature is evident that extends from the Apollo project to Winsome Resources Limited's Adina Lithium project to the east.

The completion of the summer/fall exploration campaign at the Apollo Lithium Project marked a significant milestone in the company's exploration efforts. A highly focussed summer/fall field mapping and sampling campaign was completed concentrating on high-potential areas highlighted by previous KorrAI satellite and airborne magnetic litho-structural interpretations. A total of 666 km of traverses and 209 rock chip samples were collected covering a majority of the 240 $km^2$ Apollo permit to evaluate the potential for rare element LCT pegmatite, spodumene mineralisation, and geochemical pathfinders, attempting to identify as follows:

- Late-stage, large granite intrusions;
- Greenstone metamorphic rocks;
- Extensional fault structures and host rock porosity to accommodate the emplacement of late stage, LCT pegmatite dykes.

A 300 x 150m soil sampling program was conducted on the north-west and central parts of the Apollo Lithium Project collecting a total of 2,220 samples. Soil sampling allows the Company geologists to analyse the concentration of lithium and other elements in the soil, which can provide an indication of the underlying geology and potential lithium-bearing minerals. The receipt of the laboratory analysis from ALS Laboratories has allowed for an updated geological interpretation for the Apollo project resulting in a greater understanding of key rock types and their extent across the 240 $km^2$ permit.

Based on the results of the fieldwork, there appears to be a major east-west trending fault shear corridor feature that extends from the Apollo project to Winsome Resources Limited's Adina Lithium project to the east. This shear corridor feature could control any potential spodumene mineralisation and is a high priority target in addition to the ten (10) targets that may be incorporated into a future maiden drilling program.

**Discontinued Operations – eSports Media and Software Business**

During the 2023 financial year, the Company discontinued its activities in the esports and video games sectors (**Gaming Operations**). The Company's decision to discontinue its Gaming Operations followed its request to the ASX on 29 March 2023 to be placed into a voluntary suspension – as well the Company's subsequent acquisition of a portfolio of lithium and rare earth exploration projects located within Canada and Australia.

The Company undertook the following activities during the 2023 financial year in respect to the discontinuation of its Gaming Operations:

- applications were filed to de-register several of the Company's wholly owned subsidiaries - being Game Geek Pte Ltd, SEA Esports Pte Ltd and Esports Mogul LLC. The Company's former Gaming Operations were undertaken by such subsidiaries; and

- Mogul Games Group (UK) Limited was sold to the Company's former director - Mr Christopher Bergstresser, for nil consideration.

## ANNUAL REPORT OF MINERAL RESOURCES AND EXPLORATION RESULTS

The Statement of Mineral Resources and Exploration Results presented in this Report has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition (the JORC Code 2012). Lithium Universe is not aware of any new information or data that materially affects the information included in this Report and confirms that all of the material assumptions and technical parameters underpinning the Mineral Resource estimates and Exploration Results in the relevant market announcement(s) continue to apply and have not materially changed.

**MINERAL RESOURCES AND ORE RESERVES ESTIMATES – CORPORATE GOVERNANCE STATEMENT**

Set out below is the following in relation to the Company's Mineral Resources and Ore Reserves:

**Summary of the results of the annual review of Mineral Resource and Ore Reserves**

The Company has no Ore Reserves or Mineral Resources within any of its tenements.

**Comparison of Mineral Resources and Ore Reserves holdings against that from the previous year**

The Company has no Ore Reserves or Mineral Resources within any of its tenements.

**Basis of mineral resources and exploration results and competent person sign-off**

All information contained in this report are based on work exploration and results that have been appropriately reviewed by the Competent persons listed and based on work programs approved and paid for by the Company. The Company has provided an advanced copy of the draft annual report to each Competent Person to review and make any comment necessary and adjustments that they feel necessary in relation to the Company's tenements.

**COMPETENT PERSONS**

**Canadian Lithium Projects**

The information in this report that relates to Exploration Results related to the Canadian Lithium Projects (Apollo, Adina and Margot Lake) are based on, and fairly represents, information and supporting documentation prepared by Mr. Hugues Guérin Tremblay, Exploration Manager – Canada and President of Laurentia Exploration Inc and Mr. Justin Rivers, Head of Geology – Lithium Universe Ltd. Mr Tremblay (P.Geo) is duly registered with the Ordres des Géologues du Québec (OGQ) as a geologist, member #1584, and a member of the Quebec Mineral Exploration Association (AEMO) and the Prospectors and Developers Association of Canada (PDAC). Mr. Tremblay has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a

Competent Person (CP) as defined in the JORC, 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and has read the definition of "qualified person" (QP) set out in National instrument 43-101 ("NI 43-101') and certify that by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfills the requirements to be a "qualified person" for the purposes of NI 43-101'.

Mr. Rivers is a member of and Chartered Professional with the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Rivers has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person (CP) as defined in the JORC, 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"

Both Mr Tremblay and Mr. Rivers consent to the inclusion in this release of the matters based on the information in the form and context in which they appear.

**<u>Voyager Rare Earths Project</u>**

The information in this report that relates to Exploration Results associated with the Voyager Rare Earths Project is based on information compiled by Mr Justin Rivers, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM Member). Mr Rivers is a full-time employee of Lithium Universe Limited and is eligible to participate under the Employee Securities Incentive Plan (ESOP) of the Company. Mr Rivers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rivers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**<u>Lefroy Lithium Project</u>**

The information in this report that relates to Exploration Results associated with the Lefroy Lithium Project is based on information compiled by Mr Justin Rivers, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM Member). Mr Rivers is a full-time employee of Lithium Universe Limited and is eligible to participate under the Employee Securities Incentive Plan (ESOP) of the Company. Mr Rivers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rivers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## CORPORATE ACTIVITIES

### Board Changes

The following board changes were announced by the Company during the reporting period (31 December 2023).

**a) Appointments**

<u>Ignatius (Iggy) Tan – Non-Executive Chairman</u>

Highly experienced lithium industry executive Ignatius (Iggy) Tan was appointed to the role of Non-Executive Chairman of the Company on 10 August 2023. Mr Tan holds a Master of Business Administration from the University of Southern Cross, a Bachelor of Science from the University of Western Australia and is a Graduate of the Australian Institute of Company Directors. Amongst other positions, Mr Tan spearheaded Galaxy Resources Limited's Mt Catlin Spodumene Project (137,000 tpa of spodumene product) and the downstream Jiangsu Lithium Carbonate project (capacity of 17,000 tpa).

Given Mr Tan's extensive background and experience, he was appointed to manage the Company's transition into becoming a diversified lithium explorer within Australia and Canada, as well as to develop a pathway for the Company to provide the critical materials for batteries in the North American market (namely, the Quebec Lithium Processing Hub (QLPH) strategy).

Fadi Diab – Non-Executive Director

Mr Diab was appointed as a non-executive director of the Company in March 2023. Mr Diab is a seasoned corporate executive with over 10 years' experience in large financial institutions. He has worked on several large-scale technology transformation programs which have received industry recognition and awards at a national level.

Mr Diab was the former Head of Global Payroll at Commonwealth Bank of Australia where he managed the global payroll team that was responsible for 55,000 employees across 15 countries.

Dr Jingyuan Liu – Non-Executive Director

Dr Liu was appointed as a non-executive director of the Company in September 2023 and is widely regarded as a leading technical expert in the lithium industry. Dr Liu previously held the position of General Manager of Development and Technologies at Galaxy Resources Limited, where he was responsible for overseeing the construction and commissioning of the Mt Cattlin Spodumene Project and the world-renowned Jiangsu Lithium Carbonate plant. Following his work with Galaxy, he has acted as a special adviser to various lithium carbonate and lithium hydroxide projects globally, including the Lithium Hydroxide Plant operated by Tianqi in Kwinana, Western Australia.

With Dr Liu's experience and background, his appointment to the Company's board was considered crucial for the purposes of delivering the Quebec Lithium Processing Hub (QLPH) strategy.

Patrick Scallan – Non-Executive Director

Mr Scallan was appointed as a non-executive director of the Company in August 2023 and is a specialist in hard rock mining and spodumene concentrating, with over 25 years of management experience at the world-class Greenbushes Mine. The Greenbushes Mine is the largest lithium hard rock mine and hosts the highest-grade orebody in the world - making it a unique lithium deposit.

Through Mr Scallan's previous experience, he established downstream lithium processing relationships with major spodumene converters worldwide, which will be critical in enabling the Company to realise its QLPH strategy.

Ross Cotton – Non-Executive Director

Mr Cotton was appointed as a non-executive director of the Company in August 2023 has over 17 years of experience in the investment banking and natural resource sectors. He has spent 6 years in stockbroking and a further 8 years in corporate advisory roles, focusing on the junior to mid-cap markets in Australia, the UK and Canada.

**b) Resignations**

During the 31 December 2023 financial year, the following director resignations occurred:

(a) George Lazarou;

(b) Christoper Bergstresser; and

(c) Ross Cotton.

More information concerning the directors can be found under the Directors' Report below. With the exception of the above, there were no other changes made to the Board's composition during the year.

**Management Changes**

Appointment of Alex Hanly – Chief Executive Officer

Mr Hanly has a Bachelor of Mechanical Engineering and Masters of Business Administration specialising in Global Project Management.

Mr Hanly is experienced in capital delivery and operational management for publicly listed companies within the mining, oil, gas and manufacturing industries within Australia and Africa.

Over the last 3 years, Mr Hanly held the role of Chief Executive Officer of ASX-listed gold company Polymetals Resources Ltd (ASX:POL). Mr Hanly was responsible for the successful IPO of the Company, the operational management, and the efficient execution of the fast-track exploration strategy.

Appointment of Messrs Kurt Laney and Vincent Fayad – Joint Company Secretaries and Chief Financial Officers

In August 2023, the Company announced the appointments of Messer Kurt Laney and Vincent Fayad as Joint Company Secretary's and Chief Financial Officers. Details concerning Messer Kurt Laney and Vincet Fayad background and experience can be found within the Company's announcement released to the ASX on 16 August 2023.

In conjunction with the appointment of Messers Kurt Laney and Vincent Fayad, Mr George Lazarou resigned as the Company Secretary on 16 August 2023.

Victoria Vargas – Director Lithium Universe (Holdings) Limited

In November 2023, Ms Vargas was appointed as a director of Lithium Universe (Holdings) Limited, a wholly owned subsidiary of the Company.

Ms Vargas brings to the company over 25 years of experience in the North American capital markets, with a focus on the Canadian mineral sector. Ms Vargas is currently president and founder of Strat-Advice Inc and acts as the Chief Financial Officer of private company VMS Mining.

Gernot Abl – Executive Director

Mr Gernot Abl was appointed as Non-Executive Chairman of the Company on 1 January 2023.

In conjunction with the Company's re-listing on the Australian Securities Exchange (ASX) and Mr Tan's appointment as Non-Executive Chair on 10 August 2023, Mr Gernot Abl transitioned to the role of Executive Director at this time.

**Capital raising initiatives**

During the 2023 financial year, the Company undertook the following capital raising initiatives:

- **Public Offer**

In August 2023, the Company conducted a public offer under a full form prospectus and raised $4.50 million (before costs) through an offer of 225,000,000 ordinary shares at an issue price of $0.02 per share.

The purpose of the public offer was to enable the Company to re-comply with its listing requirements under Chapters 1 and 2 of the ASX Listing Rules, and also to support the Company's proposed exploration programs for its lithium and rare earths portfolio.

The public offer was successfully subscribed for in full, with the following directors of the Company having participated:

- 2.500.000 Ordinary Shares to Mr Gernot Abl;
- 2,500,000 Ordinary Shares to Mr Fadi Diab; and
- 4,000,000 Ordinary Shares to Mr Iggy Tan.

- **Consideration of project acquisition**

  The Company announced on 18 July 2023 that shareholders had approved the allotment of the following ordinary shares as consideration for the acquisition of various lithium and rare earth exploration licences held in Canada and Australia:

  - 67,500,000 ordinary shares to Kanata Minerals Pty Ltd for the 80% acquisition of exploration licenses E32/2022 and E40/2022, located in northern Tasmania (**Voyager Acquisition**);
  - 112,500,000 ordinary shares to 1361707 B.C. Ltd for the 80% acquisition of the:
    - Apollo Lithium Project in James Bay, Canada;
    - Adina West and Adina South Projects, located in north-western Quebec, Canada; and
    - Margot Lake Project, located in north west Ontario, Canada;

    (collectively, the **Canadian Acquisition**);
  - 45,000,000 ordinary shares to 6 Corners Lithium Pty Ltd for the 100% acquisition of exploration licenses E15/1877 and E15/1876 located in Eastern Goldfields region of Western Australia (**Lefroy Acquisition**).

  The consideration paid in ordinary shares for the acquisition of the abovementioned exploration licenses is collectively referred to as "Acquisition Shares".

  In addition to the Acquisition Shares, 60,738,623 performance rights were issued to 1361707 B.C. Ltd as consideration for the Canadian Acquisition. The performance rights will vest should the Company announce a JORC compliance Mineral Resource equal to, or greater than, 4 million tonnes and containing no less than 1% lithium spodumene at any of the Canadian projects.

  The Acquisition Shares are subject to an escrow period of 24 months from the Company's reinstatement date, meaning that such shares will be unable to be traded until after 16 August 2025.

- **Consideration for directors' fees**

  The Company announced on 24 March 2023 that 6,987,607 fully paid ordinary shares were issued to Kate Vale, in satisfaction for outstanding directors fees owed for previous financial periods.

**Share Consolidation**

As part of the Company's public offer, a share consolidation took place in July 2023. The share consolidation was completed on a 20 for 1 (20:1) basis.

Post share consolidation, the Company had 163,521,897 fully paid ordinary shares on issue and unquoted options of 8,000,000.

**Restatement to the ASX**

The Company was placed into a voluntary suspension with the ASX on 29 March 2023. The voluntary suspension was requested by the Company to provide it with a sufficient time to re-comply with Chapters 1 and 2 of the ASX Listing Rules, which included:

- undertaking sufficient due diligence on the Canadian and Australian exploration projects;
- convening a general meeting of shareholders for the purposes of ratifying the acquisition of the Canadian and Australian exploration projects; and
- completing the public offer of $4.50 million.

The Company was reinstated on the 10th of August and commenced trading on the ASX on 14 August 2023 under the ASX code "LU7".

**Change of Name**

The Company announced on 29 May 2023 that it intended to change its name from "Mogul Games Group Ltd" to "Lithium Universe Limited". Shareholder approval confirming the change of the Company's name was received at the general meeting held on 18 July 2023.

The decision to change the Company's name followed several important corporate and strategic developments made by the Company, including the introduction of several highly prospective Canadian and Australian lithium exploration licences, along with the appointment of highly respected lithium industry executive Iggy Tan as the Company's Non-Executive Chairman.

The Company's new name reflects its core focus for lithium exploration and production, with an emphasis on filling the gap for lithium conversion in the North American market.

**Performance Plan**

Employee Securities Incentive Plan (ESOP)

At the Company's General Meeting held on 18 July 2023, shareholders approved an Employee Securities Incentive Plan (ESOP). Under the terms of the ESOP, up to 60,000,00 equity securities can be issued over a three-year period to directors, key management personnel, contractors (**Eligible Persons**) or their nominees, which was equivalent to approximately 5.00% of the issued share capital in the Company at the date of the general meeting.

Under the terms of the ESOP, the Company has the discretion to provide an Eligible Person with the opportunity to subscribe for equity securities in the Company, on the terms, defined under the ESOP.

On 16 August 2023, the Company resolved to issue 10,000,000 unlisted options to directors and key management personnel, under its ESOP. The terms and conditions of the unlisted options issued on 16 August 2023 that affect the remuneration of directors and key management personnel for the 2023 financial year were as follows:

| Grant date | Expiry date | Name | Position | Number of Options Issued | Exercise price |
|---|---|---|---|---|---|
| 22 August 2023 | 22 August 2026 | Alexander Hanly | Chief Executive Officer | 1,000,000 | $0.03 |
| 22 August 2023 | 22 August 2026 | Patrick Scallan | Non-Executive Director | 1,000,000 | $0.03 |
| 22 August 2023 | 22 August 2026 | Jingyuan Liu | Non-Executive Director | 1,000,000 | $0.03 |
| 22 August 2023 | 22 August 2026 | Vincent Fayad | Company Secretary | 1,000,000 | $0.03 |

| | | | | | |
|---|---|---|---|---|---|
| 22 August 2023 | 22 August 2026 | Kurt Laney | Company Secretary | 1,000,000 | $0.03 |

**Risks**

The Company is subject to a number of risks, including but not limited to the following:

| Risk | Description |
|---|---|
| **Access to future funding** | There is no assurance that the funding required by the Company from time to time to meet its business requirements and objectives will be available to it on favourable terms, or at all. |
| **Changes in resource prices** | There is no guarantee that the resource prices will remain at the current levels and as a result, a decline in prices, could affect the economic value of the projects. |
| **Exploration and development risk** | Exploration programmes may or may not be successful, could cause harm to employees or contractors, and may incur cost overruns if not carefully managed. The Company is exposed to a significant risk that the proposed exploration activity will be unsuccessful and will not result in the discovery of a viable mineral resource. |
| **Future capital requirements** | The Company is unlikely to generate any operating revenue unless and until the mining and exploration projects held by the Company are successfully developed and production commences, or when the Quebec Lithium Processing Hub Strategy (QLPH) lithium concentrator or lithium refinery are operational. As such, the Company will require additional financing to continue its operations and fund exploration, design and construction activities. The future capital requirements of the Company will depend on many factors including the strength of the economy, general economic factors and its business development activities. |
| **Joint venture risk** | The Company's interests in a number of the Projects are subject to joint venture arrangements. As with any joint venture, it is subject to various counterparty risks including failure by the joint venture counterparty, to act in the best interests of the joint venture. |
| **Regulation changes** | Unforeseen changes to the mining laws, regulations, standards and practices applicable may significantly affect the Exploration Licences and ability of the Company to operate. |
| **Sufficient volume for commercialisation** | There is no guarantee that an economic level of resource will be found. |
| **Technological risk** | Even if resource is found, there is no guarantee that the processing of the resource will be able to occur. |

Signed for and on behalf of the Directors.

Iggy Tan

**Iggy Tan**
Non-Executive Chairman
Dated this 27th day of March 2024

## Corporate Governance Statement

Lithium Universe Limited is committed to implementing the highest standards of Corporate Governance, in a manner in which is practical and efficient given the Company's size and operations.

This Corporate Governance Statement of the Company has been prepared in accordance with the 4th Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations').

This statement has been approved by the Company's Board of Directors and is current as at 27 March 2024. Where the Company's Corporate Governance practices do not correlate with the practices recommended by the Council, the Company has provided an explanation as to why it does not consider that the practices are appropriate for the Company.

The Company's Corporate Governance statement for the reporting period ended 31 December 2023 is available for shareholders to download and access from https://investorhub.lithiumuniverse.com/announcements#annual-reports

The directors present their report, together with the financial statements of Lithium Universe Limited (**the Company**) and its controlled entities (**the Group**), for the financial year ended 31 December 2023.

## DIRECTORS

The names and details of the Company's directors in office during and since the financial year end until the date of this Directors Report are as follows.

Mr Ignatius (Iggy) Kim-Seng Tan (Non-Executive Chairman) (appointed 10 August 2023)

Mr Gernot Abl (Executive Director)

Mr Fadi Diab (Non-Executive Director) (appointed 31 March 2023)

Mr Jingyuan Liu (Non-Executive Director) (appointed 11 September 2023)

Mr Patrick Scallan (Non–Executive Director) (appointed 30 August 2023)

Mr Ross Cotton (Non-Executive Director) (appointed 10 August 2023, resigned 1 September 2023)

Mr George Lazarou (Non-Executive Director) (resigned 16 August 2023)

Mr Christopher Bergstresser (Executive Director) (resigned 31 March 2023)

## JOINT COMPANY SECRETARIES

The names of the company secretaries in office at any time during, or since the end of the period 31 December 2023 were as follows:

Mr Vincent Fayad (appointed 16 August 2023)

Mr Kurt Laney (appointed 16 August 2023)

Mr George Lazarou (resigned 16 August 2023)

## CHIEF EXECUTIVE OFFICER

The Company announced that as part of its public offer which was completed on 14 August 2023, Mr Alexander Hanly would be joining the Company as its Chief Executive Officer (CEO).

Full details of Mr Hanly's qualifications and experience can be found within this report.

## CHIEF FINANCIAL OFFICER

On 1 February 2024, Mr John Sobolewski was appointed as the Company's Chief Financial Officer (CFO). With Mr Sobolewski's appointment, Messrs Vincent Fayad and Kurt Laney resigned as the Company's CFO's, however remained as the Company's Joint Company Secretaries.

Full details of Mr Sobolewski's qualifications and experience can be found within this report.

## PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Company up until 14 August 2023 were:

- to develop software within the video games sector through the acquisition of profitable small to mid-sized gaming companies (Buy and Build Strategy); and
- the hosting of esports tournaments through the use of the Company's esports tournament platform technology.

Following from the Company's request on 29 March 2023 to be placed into a voluntary suspension on the ASX, on 29 May 2023 the Company entered into several agreements concerning the acquisition of a suite of lithium and rare earth exploration projects located within Canada and Australia (**Tenement Projects**).

The Tenement Projects comprised of the following exploration licences:

- 587 claims in Canada, with 555 claims located in the province of Quebec, with the remaining 32 claims located in Ontario;
- 2 granted exploration licences in Australia; and
- 2 licences "under application" in Australia.

The Company's acquisition of the Tenement Projects was conditional upon the receipt of shareholder approval, as well as ASX approval that the Company had sufficiently complied with its relisting requirements under Chapters 1 and 2 of the ASX Listing Rules. Shareholder approval for the Tenement Projects was received at the Company's General Meeting held on 18 July 2023 and ASX approval was obtained 11 August 2023.

Following on from the Company's successful acquisition of the Tenement Projects, its proposed business undertaking changed to becoming a mineral exploration business. Specifically, the Company's main objectives upon its re-listing to the ASX on 14 August 2023 was to:

- focus on the discovery of a lithium and/or rare earths deposit within its highly prospective suite of Canadian and Australian projects - with its flagship "Apollo Project" being a priority for accelerated exploration;
- to pursue other potential acquisitions to complement the Company's exiting exploration project portfolio; and
- over a longer term, to build a lithium concentrator and lithium refinery facility in Canada, with the goal of providing critical materials for batteries in the North American market (the Québec Lithium Processing Hub (**QLPH**) strategy).

**RESULTS AND REVIEW OF OPERATIONS**

The consolidated loss from continuing operations of the Group for the financial year after providing for income tax amounted to $5,454,643 (2022: loss from continuing operations of $2,321,613).

The consolidated loss for the year has been impacted by the following:

- due diligence costs paid in respect to the Company's acquisition of the lithium and rare earths portfolio and its subsequent re-listing on the ASX, of $1,294,966;
- share based payments to directors, key management personnel and other personnel of $1,069,456;
- costs incurred for the engineering studies for the Quebec Lithium Processing Hub (QLPH) strategy of $677,460; and
- listing and regulatory costs of $174,827.

The residual of the operating loss of $2,237,935 is made of general overheads in relation to the day to day running of the Company, including directors and key management personnel costs.

The net assets of the Group have increased by $5,571,813 from $3,147,397 as at 31 December 2022 to $8,719,210 as at 31 December 2023. This increase was primarily due to proceeds received from the Company's public offer of securities made in August 2023, which raised $4.50 million before costs.

A full report in relation to the review of the operations has been set out on pages 5 to 14.

## DIVIDENDS PAID OR RECOMMENDED

The Directors' recommend that no dividend be paid for the year ended 31 December 2023 (2022: nil).

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

With the exception of those matters noted within the "Principal Activities and Significant Changes in Nature of Activities" section of this report, there have been no other significant changes in the state of affairs of entities in the Group during the year.

## FUTURE DEVELOPMENTS AND RESULTS

The Group intends to further explore and develop the Group's mineral projects and to actively seek new exploration and mining opportunities.

The Group also intends to continue to advance its Québec Lithium Processing Hub strategy, which is designed to construct a concentrator and lithium refinery facility in Canada for the purposes of filling the gap for lithium conversion in the North American market.

## ENVIRONMENTAL ISSUES

The exploration activities of the Group are conducted in accordance with and controlled principally by Australian state and territory government legislation and Canadian regulatory requirements. The Group has exploration land holdings in Western Australia, Tasmania, Quebec, Canada and Ontario, Canada.

The Group employs a system for reporting environmental incidents, establishing and communicating accountability, and rating environmental performance. As required under various state and territory legislation, procedures are in place to ensure that the relevant authorities are notified prior to the commencement of ground disturbing exploration activities.

The Group is committed to minimising the impact of its activities on the surrounding environment at the same time aiming to maximise the social, environmental and economic returns for the local community. To this end, the environment is a key consideration in the Company's exploration activities, particularly during the rehabilitation of any disturbed areas where the Company has undertaken exploration activity. Generally, rehabilitation occurs immediately following the completion of a particular phase of exploration. In addition, the Group continued to develop and maintain mutually beneficial relationships with the local communities affected by its activities. Rehabilitation initiatives include the extraction of all pegs and restoration of peg lines, plugging of all drill holes and the removal of plastic geological sample bags.

## EVENTS AFTER THE END OF THE REPORTING PERIOD

Since the end of the financial year, the following matter have arisen which have significantly affected, or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years:

1. on 25 January 2024, the Company announced the appointment of Mr John Sobolewski as its Chief Financial Officer, effective 1 February 2024.

   Mr Sobolewski is a Chartered Accountant and a graduate of the Australian Institute of Company Directors. His previous roles include Managing Director and CEO with Mintrex, CFO and Company Secretary with Mintrex, Galaxy Resources Limited and Vital Metals Limited, Financial Controller and Company Secretary with Croesus Mining NL and Group Accountant and Company Secretary with Titan Resources NL. During his time at Galaxy Resources Limited, Mr Sobolewski played a pivotal role during the feasibility, funding, construction, and operation phases of the Mt Cattlin Spodumene mine and Jiangsu Lithium Carbonate refinery.

   More information concerning Mr Sobolewski's appointment can be found within the Company's announcement lodged with the ASX on 25 January 2024.

2. in response to the lithium conversion gap in the North American market, on 13 February 2024 the Company commissioned metallurgical test work program on various samples of spodumene which had been sourced from South America and Australia. The samples, which contained various lithium grades, particle sizes and impurities, were selected for the purposes of enabling the Company to design its lithium refinery in Canada so that it would have the capability to efficiently process spodumene feedstock from diverse sources worldwide.

3. on 24 February 2024, the Company announced that it had executed an option agreement to acquire a commercial property located within the Bécancour Waterfront Industrial Park (**BWIP**), located between Montreal and Quebec City.

   The BWIP was the Company's preferred site for its 16,000 tpa lithium carbonate refinery, with Hatch Ltd having been tasked with undertaking an engineering study for the project that included analysis for potential sites to host the refinery plant.

   The key terms of the option agreement, which was entered into with the Société du parc industriel et portuaire de Bécancour (**SPIPB**), was as follows:

   - subject to the Company's shareholder approval;
   - expected purchase price of $CAD 12.6 million;
   - option term of 36 months from the date of entering into the option agreement; and
   - option fees of $CAD 63,135 per month, for a period of 30 months will be payable and commencing from July 2023.

4. on 13 March 2024, the Company launched a share purchase plan (**SPP**), targeting to raise up to $3.0 million (**SPP Proceeds**). Proceeds from the SPP are intended to be used to advance the Company's QLPH strategy, which includes continuing the engineering studies that are currently being undertaken by Hatch Ltd and Primero Group Limited.

   Under the terms of the SPP, existing eligible shareholders have been offered the opportunity to subscribe for up to $30,000 worth of ordinary shares in the Company at a price of $0.02 per shares, representing approximately a 9% discount to the traded share price prior to the launch of the SPP.

   The SPP also has provisions for:

   - over-subscriptions – up to a maximum amount of $675,000 beyond the SPP Proceeds.

Other than the above, there has not been any other matter or circumstance occurring subsequent to the end of the financial year, that has significantly affected or may significantly affected or may significantly affect the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

## INFORMATION ON DIRECTORS & COMPANY SECRETARIES

**Mr Ignatius (Iggy) Kim-Seng Tan** Non-Executive Chairman

(appointed 10 August 2023)

Mr Tan is a highly experienced mining and chemical executive with a number of significant achievements in commercial mining projects such as capital raisings, funding, construction, start-ups and operations. Mr Tan has over 30 years' chemical and mining experience and been an executive director of a number of ASX-listed companies.

Mr Tan holds a Master of Business Administration from the University of Southern Cross, a Bachelor of Science from the University of Western Australia and is a Graduate of the Australian Institute of Company Directors. Having been involved in the commissioning and start-up of seven resource projects in Australia and overseas, including high purity technology projects, Mr Tan is an accomplished project builder and developer.

Mr Tan is currently the CEO and Managing Director of Altech Chemicals Limited (ASX:ATC) and a Non-Executive Director of Altech Advanced Materials GmbH.

**Mr Gernot Abl** Executive Director

Mr Abl was previously a strategic Managing Director with a vast experience in business management, operations and investment for some of the fastest growing industries in the world. After gaining over 15 years of corporate experience,

Mr Abl led the only pure esports play listed on the ASX, Esports Mogul Limited. Mr Abl has a proven background in business management and commercial intuition, initially from working as a management consultant for both Deloitte Consulting and Deloitte Corporate Finance in Perth and Melbourne.

Mr Abl is currently the CEO and Managing Director of Live Verdure Limited.

**Mr Fadi Diab** Non-Executive Director

(appointed 31 March 2023)

Mr Diab was the former Head of Global Payroll at Commonwealth bank of Australia where he managed the global payroll team who are responsible for 55,000 employees across 15 countries.

Mr Diab has a background in Human Resources having held the role of Executive Human Resource Manager at the Commonwealth Bank.

Mr Diab was a former director of Carbonxt Group Limited.

**Dr Jingyuan Liu** Non-Executive Director

(appointed 11 September 2023)

Dr Liu has over 30 years' experience in project management, process and equipment design for minerals processing and in the chemicals, non-ferrous metals, iron, steel and energy industries, both in Australian and internationally.

Dr Liu is widely regarded as a leading technical expert in the lithium industry. He previously held the position of General Manager of Development and Technologies at Galaxy Resources Limited, where he was responsible for overseeing the construction and commissioning of the Mt Cattlin Spodumene Project and the world-renowned Jiangsu Lithium Carbonate plant.

Dr Liu is currently Chief Technology Officer (CTO) for Altech Batteries Limited (ASX:ATC)

**Mr Patrick Scallan** Non-Executive Director

(appointed 30 August 2023)

Mr Scallan has over 40 years of management experience in the lithium industry, with 25 years at the world class Greenbushes Mine, in Western Australia.

During his time at the Greenbushes Mine, Mr Scallan oversaw the mine's many expansions, increasing annual output from 200,000 in 1997 to 1,400,000 tpa today, and navigated numerous ownership changes during his tenure.

Mr Scallan previously acted as the General Manager for Talison Lithium Pty Ltd's lithium operations.

**Mr Ross Cotton** Non-Executive Director

(appointed 10 August 2023), (resigned 1 September 2023)

Mr Cotton has over 17 years of experience in the investment banking and natural resource sectors. He has significant experience in both the financing and management of resource companies globally having worked across a wide range of commodities in Canada, Latin America, Europe and Australia.

Mr Cotton spent 6 years in stockbroking and a further 8 years in corporate advisory, where he focused on the junior to mid-cap markets in Australia, the UK and Canada.

Mr Cotton serves as a Non-Executive Director of White Cliff Minerals Limited (ASX: WCN) and Managing Director of Balkan Mining and Minerals Limited (ASX: BLK).

**Mr George Lazarou** Non-Executive Director and Company Secretary

(resigned 16 August 2023)

Mr Lazarou is a qualified Chartered Accountant with over 20 years' experience, including five years as a partner of a mid-tier accounting firm, specialising in the areas of audit, advisory and corporate services. Mr Lazarou has extensive skills in the areas of corporate services, due diligence, independent expert reports, mergers & acquisitions and valuations.

Mr Lazarou currently acts as the Company Secretary for Abra Mining Ltd and a director of Rubber Industries Ltd.

Mr Lazarou has previously served a director of Ultima United Ltd and DXN Ltd.

**Mr Christopher Bergstresser** Executive Director

(resigned 31 March 2023)

Mr Bergstresser is a senior entertainment executive with 20 years of experience founding, buying and building companies in the gaming and mobile sectors.

Mr Bergstresser was Group Chief Operating Officer of Enad Global 7, a Nasdaq First North listed, Swedish based, games company with games holdings in Germany, Russia, Sweden, UK and the US. During his time at Enad Global 7, Mr Bergstresser was responsible for expansion of the company through a buy and build strategy (M&A investments) in games.

Mr Bergstresser currently acts as a director of Flexion Mobile PLC.

**Mr Vince Fayad** Joint Company Secretary

(appointed 16 August 2023)

Mr Fayad is currently a currently a Director of Vince Fayad and Associates Pty Ltd and has had approximately 40 years of experience in Corporate Finance, Accounting and other advisory related services. He is a registered company auditor and tax agent.

Mr Fayad currently serves as a Joint Company Secretary of Astute Metals NL (ASX:ASE) and Greenvale Energy Ltd (ASX: GRV). Mr Fayad also served as the Company Secretary of Polymetals Resources Ltd (ASX: POL), where he resigned on 31 January 2023.

**Mr Kurt Laney** Joint Company Secretary

(appointed 16 August 2023)

Mr Laney is an experienced Chartered Accountant specialising in the provision of accounting, taxation, and corporate secretarial services. Mr Laney is an Associate Director of Vince Fayad and Associates Pty Ltd, based in Sydney.

Mr Laney currently serves as a Joint Company Secretary of Astute Metals NL (ASX:ASE) and Greenvale Energy Ltd (ASX: GRV). Mr Laney also served as the Company Secretary of Polymetals Resources Ltd (ASX: POL), where he resigned on 31 January 2023.

## MEETINGS OF DIRECTORS

During the financial year, four meetings of directors (including committees of directors) were held. Attendances by each director of the Company during the year were as follows:

| | Directors' Meetings | | Audit Committee[1] | |
|---|---|---|---|---|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Mr Ignatius (Iggy) Kim-Seng Tan (appointed 10 August 2023) | 2 | 2 | - | - |
| Mr Gernot Abl | 4 | 4 | - | - |
| Mr Fadi Diab (appointed 31 March 2023) | 4 | 2 | - | - |
| Mr Jingyuan Liu (appointed 11 September 2023) | 1 | 1 | - | - |
| Mr Patrick Scallan (appointed 30 August 2023) | 1 | 1 | - | - |
| Mr Ross Cotton (appointed 10 August 2023, resigned 1 September 2023) | 1 | - | - | - |
| Mr George Lazarou (resigned 16 August 2023) | 2 | 2 | - | - |
| Mr Christopher Bergstresser (resigned 31 March 2023) | - | - | - | - |

[1]Refer to Principle 4.1 of the Governance Statement which explains why the Company has not established an Audit Committee.

## CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Group support and have adhered to the principles of Corporate Governance. The Group's corporate governance statement is contained in the Corporate Governance section of the financial report.

## DIRECTORS' INTERESTS

The relevant interest of each director in the shares of the Company as notified by the Directors to the Australian Securities Exchange in accordance with s.205G(1) of the *Corporations Act 2001* at the date of this report is as follows:

| | Ordinary Shares – Fully Paid | |
|---|---|---|
| | 2023 | 2022 [4] |
| Mr Ignatius (Iggy) Kim-Seng Tan (appointed 10 August 2023)[1] | 4,000,000 | - |
| Mr Gernot Abl[2] | 4,414,063 | 1,914,063 |
| Mr Fadi Diab (appointed 31 March 2023) | 2,500,000 | - |
| Mr Jingyuan Liu (appointed 11 September 2023)[3] | 100,000 | - |
| Mr Patrick Scallan (appointed 30 August 2023) | - | - |
| Mr Ross Cotton (appointed 10 August 2023, resigned 1 September 2023) | - | - |
| Mr George Lazarou (resigned 16 August 2023) | - | - |
| Mr Christopher Bergstresser (resigned 31 March 2023) | - | - |

[1] Mr Tan's shareholding is held indirectly by Mrs Judith Melissa Tan <Tan Family A/C>.

[2] Mr Abl's shareholding is held indirectly through:

(a) 750,000 Shares held indirectly through CSNA Pty Ltd <ATF CGL Trust> (an entity which Mr Abl is a director and beneficiary);
(b) 250,000 Shares held indirectly through CSNA Pty Ltd <Abl Family Super Fund> (an entity which Mr Abl is a director and beneficiary); and
(c) 3,414,063 Shares held indirectly through KG Venture Holdings Pty Ltd <KG Venture Holdings A/C> (an entity which Mr Abl is a director and beneficiary).

[3] Dr Liu's shareholding is held indirectly by Mr Jingyuan Liu and Mrs Cheng Huang <J Liu and C Huang Family Trust>.

[4] Shares have been adjusted to reflect the Company's share consolidation completed on 19 July 2023.

## INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the financial year, the Group paid a premium in respect of a contract insuring the directors of the Group, the Company Secretary, all executive officers of the Group and of any related body corporate against a liability incurred as a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnity an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of the premium.

## PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company or the Group was not a party to any such proceedings during the year.

## NON-AUDIT SERVICES

The following non-audit services were provided by an affiliate of the entity's auditor, Moore Australia Audit (VIC), during the 31 December 2023 financial year.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

| | Non Audit Services (Excl GST) | |
|---|---|---|
| | **2023** | **2022** |
| Investigating Accountants Report (IAR) | 18,000 | - |

## AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2023 has been received and can be found on page 74 of the financial report.

## REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each key management personnel (**KMP**) of Lithium Universe Limited (**LU7** or **the Company**).

## 1. Remuneration policy

The remuneration policy of Lithium Universe Limited and its Controlled Entities (**the Group**) has been designed to align KMP objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of the Group believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- the remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board;
- non-executive directors received fees for their services as approved by shareholders; and
- executive directors can be employed by the Group on a consultancy basis, on board approval, with remuneration and terms stipulated in individual consultancy agreements.

The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. In addition, external consultants may be used to provide analysis and advice to ensure the directors and senior executives' remuneration is competitive in the marketplace.

The board exercises its discretion in determining remuneration performance of executives. Given the size and nature of the entity the board does not deem it to be realistic to measure performance against defined criteria. As such remuneration and performance are not linked.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment, and responsibilities. The board determines payments to the non-executive directors and reviewed their remuneration annually, based on market practice, duties, and accountability. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the Group. The directors are not required to hold any shares in the company under the Constitution of the Company; however to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group.

The board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

*i. Remuneration Committee*

During the year ended 31 December 2023, the Company did not have a separately established nomination or remuneration committee. Due to the size of the Group and the Group's early stages of its development, the directors are of the view that these functions could be efficiently performed with full board participation.

*ii. Group Performance, Shareholder Wealth and Directors and Executives Remuneration*

Other than for the unlisted options issued to various board members during the 31 December 2023 financial year, no relationship exists between shareholder wealth, director and executive remuneration and Group performance.

## 2. Key Management Personnel

| Name | Position Held |
|---|---|
| Mr Ignatius (Iggy) Kim-Seng Tan (appointed 10 August 2023) | Non-Executive Chairman |
| Mr Gernot Abl | Executive Director |
| Mr Fadi Diab (appointed 31 March 2023) | Non-Executive Director |
| Mr Jingyuan Liu (appointed 11 September 2023) | Non-Executive Director |
| Mr Patrick Scallan (appointed 30 August 2023) | Non-Executive Director |
| Mr Ross Cotton (appointed 10 August 2023, resigned 1 September 2023) | Non-Executive Director |
| Mr George Lazarou (resigned 16 August 2023) | Non-Executive Director |
| Mr Christopher Bergstresser (resigned 31 March 2023) | Executive Director |
| Mr Vincent Fayad (appointed 16 August 2023) | Joint Company Secretary |
| Mr Kurt Laney (appointed 16 August 2023) | Joint Company Secretary |
| Mr Alexander Hanly (appointed 16 August 2023) | CEO |
| Mr John Sobolewski (appointed 1 February 2024) | CFO |

## 3. Key person remuneration entitlement

At the Company's 2022 Annual General Meeting (**AGM**), 86.38% of the eligible votes received supported the adoption of the remuneration report for the year ended 31 December 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

| Key Management Personnel | Position Held as at 31 December 2023 | Contract Details[1] | Remuneration | Incentives |
|---|---|---|---|---|
| Mr Ignatius (Iggy) Kim-Seng Tan | Non-Executive Chairman | (a) –<br>(b) Contract may be terminated with one months' notice. | (a) $96,000 per annum, plus GST; and<br>(b) $2,500 per day, plus GST; | n/a |
| Mr Gernot Abl | Executive Director | Contract may be terminated with three months' notice. | $160,000 per annum, plus superannuation entitlements. | n/a |
| Mr Fadi Diab | Non-Executive Director | - | $70,000 per annum, plus superannuation entitlements. | |
| Mr Jingyuan Liu | Non-Executive Director | - | $70,000 per annum, plus superannuation entitlements. | n/a |
| Mr Patrick Scallan | Non-Executive Director | - | $70,000 per annum, plus superannuation entitlements. | n/a |
| Mr Ross Cotton | Non-Executive Director | - | $48,000 per annum, plus superannuation entitlements. | n/a |
| Mr George Lazarou | (a) Non-Executive Director;<br>(b) Company Secretary | (a) -<br>(b) Contract may be terminated with two months' notice. | (a) $90,000 per annum, plus GST;<br>(b) $66,300 per annum, plus GST. | n/a |
| Mr Christopher Bergstresser | Executive Director | Contract may be terminated with two months' notice. | $72,000 per annum, plus superannuation entitlements. | n/a |
| Mr Vincent Fayad and Mr Kurt Laney | Joint Company Secretaries | Contract may be terminated with three months' notice. | $192,000 per annum, plus GST, for accounting and company secretary services, excluding one off matters. | n/a |
| Mr Alexander Hanly | Chief Executive Officer | Contract may be terminated with three months' notice. | $280,000 per annum, plus superannuation entitlements. | n/a |
| Mr John Sobolewski | Chief Financial Officer | Contract may be terminated with three months' notice. | $280,000 per annum, plus superannuation entitlements. | n/a |

[1]Non-executive directors were appointed by a letter of appointment. Directors can retire in writing as set out in the Constitution.

## 4. Remuneration details for the year ended 31 December 2023

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the KMP of the Group:

| 31 December 2023 | Cash salary/fees $ | Termination Payments $ | Share based payments[1] $ | Total $ |
|---|---|---|---|---|
| **Executive Directors** | | | | |
| Mr Gernot Abl | 156,528 | - | 95,000 | 251,528 |
| Mr Christopher Bergstresser (resigned 31 March 2023) | 18,000 | - | - | 18,000 |
| | | | | |
| **Non-Executive Directors** | | | | |
| Mr Ignatius (Iggy) Kim-Seng Tan (appointed 10 August 2023) | 121,113 | - | 190,000 | 311,113 |
| Mr Fadi Diab (appointed 31 March 2023) | 43,333 | - | 9,500 | 52,833 |
| Mr Jingyuan Liu (appointed 11 September 2023) | 21,666 | - | 4,603 | 26,269 |
| Mr Patrick Scallan (appointed 30 August 2023) | 23,333 | - | 4,603 | 27,936 |
| Mr Ross Cotton (appointed 10 August 2023, resigned 1 September 2023) | 8,900 | - | - | 8,900 |
| Mr George Lazarou (resigned 16 August 2023) | 92,525 | 60,000 | - | 152,525 |
| | | | | |
| **KMP** | | | | |
| Messer Vincent John Paul Fayad and Kurt Laney | 96,000 | - | 9,206 | 105,206 |
| Mr George Lazarou (resigned 16 August 2023) | 43,150 | - | - | 43,150 |
| Mr Alexander Hanly | 103,695 | - | 4,603 | 108,298 |
| Mr John Sobolewski[2] | - | - | - | - |
| | **728,243** | **60,000** | **317,515** | **1,105,758** |

[1] Share based payments are recorded at their fair value on grant date and amortised as an expense to the profit or loss over the vesting period.
[2] Mr Sobolewski's employment with the Company did not commence until after 31 December 2023.

| 31 December 2022 | Cash salary/fees $ | Termination Payments $ | Share based payments[1] $ | Total $ |
|---|---|---|---|---|
| **Executive Directors** | | | | |
| Mr Gernot Abl | 152,710 | - | 60,000 | 212,710 |
| Mr Christopher Bergstresser | 140,705 | - | 78,000 | 218,705 |
| | | | | |
| **Non-Executive Directors** | | | | |
| Mr George Lazarou | 66,180 | - | - | 66,180 |
| Ms Kate Vale (resigned 19 August 2022) | - | - | 45,677 | 45,677 |
| | | | | |
| **KMP** | | | | |
| James Clyne | 105,472 | - | - | 105,472 |
| | **465,067** | **-** | **183,677** | **648,744** |

[1] Share based payments are recorded at their fair value on grant date and amortised as an expense to the profit or loss over the vesting period.

*Short-term non-monetary benefits:*

During the financial year, the Group paid a premium of $32,504 (2022: $75,488), being $6,501 per person in respect of a contract ensuring the directors, company secretary and all executive officers of the Group and of any related body corporate against liabilities incurred as a director, secretary or executive officer.

*ii. Share based payments:*

Employee Securities Incentive Plan (ESOP)

Share-based payments relate to the Company's Employee Securities Incentive Plan (ESOP), whereby equity securities (options) have been issued to the Company's directors and key management personnel. Options to be issued under the ESOP are recorded at their fair value on grant date and amortised as an expense to the profit or loss over the vesting period.

A total of 5,000,000 options under the Company's ESOP were issued during the 2023 financial year to directors and key management. Further information concerning the terms of this arrangement can be found within the page 13 of the Review of Operations.

Directors Options

Options were issued to directors Gernot Abl, Ignatius (Iggy) Kim-Seng Tan and Fadi Diab upon the Company's relisting to the ASX on 14 August 2023. Such options were approved by the Company's shareholders to be issued to the respective directors at the Company's General Meeting held on 18 July 2023.

Options issued to directors were recorded at their fair value on grant date and amortised in full as an expense to the profit or loss, as such options did not contain a vesting period.

*iii. Options issued as part of remuneration for the year:*

There were no options issued as part of remuneration package for the year ended 31 December 2023 (2022: Nil).

No options have been granted since the end of the financial year.

## 5. Description of options granted as remuneration

There were no options granted as remuneration to Directors and those key management personnel and executives during the year.

## 6. Share Holdings of Key Management Personnel

| 2023[1] | Balance at start of year | Granted as compensation | Shares held on Appointment/ (Resignation) | Purchased/ (Sold) during the year | Balance at end of year |
|---|---|---|---|---|---|
| **Executive Directors** | | | | | |
| Mr Gernot Abl[3] | 1,914,063 | - | - | 2,500,000 | 4,414,063 |
| Mr Christopher Bergstresser | 666,790 | - | (666,790) | - | - |
| **Non-Executive Directors** | | | | | |
| Mr Ignatius (Iggy) Kim-Seng Tan[2] | - | - | - | 4,000,000 | 4,000,000 |
| Mr Fadi Diab | - | - | - | 2,500,000 | 2,500,000 |
| Mr Jingyuan Liu[4] | - | - | 100,000 | - | 100,000 |
| Mr Patrick Scallan | - | - | - | - | - |
| Mr Ross Cotton | - | - | - | - | - |
| Mr George Lazarou | - | - | - | - | - |
| **KMP** | | | | | |
| Vincent Fayad | - | - | 500,000 | - | 500,000 |
| Mr Kurt Laney | - | - | 500,000 | - | 500,000 |
| Mr Alexander Hanly | - | - | 2,500,000 | - | 2,500,000 |
| Mr John Sobolewski | - | - | - | - | - |
| | **2,580,853** | **-** | **2,933,210** | **9,000,000** | **14,514,063** |

| 2022 | Balance at start of year | Granted as compensation | Shares held on Appointment/( Resignation) | Purchased/ (Sold) during the year | Balance at end of year |
|---|---|---|---|---|---|
| **Executive Directors** | | | | | |
| Mr Gernot Abl | 26,875,000 | - | - | 11,406,250 | 38,281,250 |
| Mr Christopher Bergstresser | - | - | - | 13,335,814 | 13,335,814 |
| **Non-Executive Directors** | | | | | |
| Ms Kate Vale | 1,946,938 | - | (9,014,271) | 7,067,333 | - |
| Mr George Lazarou | - | - | - | - | - |
| **KMP** | | | | | |
| Mr James Clyne | - | - | - | - | - |
| | **28,821,938** | **-** | **(9,014,271)** | **31,809,397** | **51,617,064** |

[1] Shares have been adjusted to reflect the Company's share consolidation (20:1) completed on 19 July 2023.

[2] Mr Tan's shareholding is held indirectly by Mrs Judith Melissa Tan <Tan Family A/C>.

[3] Mr Abl's shareholding is held indirectly through:

(a) 750,000 Shares held indirectly through CSNA Pty Ltd <ATF CGL Trust> (an entity which Mr Abl is a director and beneficiary);
(b) 250,000 Shares held indirectly through CSNA Pty Ltd <Abl Family Super Fund> (an entity which Mr Abl is a director and beneficiary); and
(c) 3,414,063 Shares held indirectly through KG Venture Holdings Pty Ltd <KG Venture Holdings A/C> (an entity which Mr Abl is a director and beneficiary).

[4] Dr Liu's shareholding is held indirectly by Mr Jingyuan Liu and Mrs Cheng Huang <J Liu and C Huang Family Trust>.

## 7. Option Holdings of Key Management Personnel

| 2023 | Balance at start of year | Expired/ Forfeited | Issued | Balance at 31 December 2022 | Vested at 31 December 2022 |
|---|---|---|---|---|---|
| **Executive Directors** | | | | | |
| Mr Gernot Abl | - | - | 10,000,000 | 10,000,000 | - |
| Mr Christopher Bergstresser | - | - | - | - | - |
| | | | | | |
| **Non-Executive Directors** | | | | | |
| Mr Ignatius (Iggy) Kim-Seng Tan | - | - | 17,000,000 | 17,000,000 | - |
| Mr Fadi Diab | - | - | 1,000,000 | 1,000,000 | - |
| Mr Jingyuan Liu | - | - | 1,000,000 | 1,000,000 | - |
| Mr Patrick Scallan | - | - | 1,000,000 | 1,000,000 | - |
| Mr Ross Cotton | - | - | 1,000,000 | 1,000,000 | - |
| Mr George Lazarou | - | - | - | - | - |
| | | | | | |
| **KMP** | | | | | |
| Vincent Fayad | - | - | 1,000,000 | 1,000,000 | - |
| Mr Kurt Laney | - | - | 1,000,000 | 1,000,000 | - |
| Mr Alexander Hanly | - | - | 1,000,000 | 1,000,000 | - |
| Mr John Sobolewski | - | - | - | - | - |
| | **-** | **-** | **34,000,000** | **34,000,000** | **-** |

| 2022 | Balance at start of year | Expired | Issued | Balance at 31 December 2022 | Vested at 31 December 2022 |
|---|---|---|---|---|---|
| **Executive Directors** | | | | | |
| Mr Gernot Abl | 2,500,000 | (2,500,000) | - | - | - |
| Mr Christopher Bergstresser | - | - | - | - | - |
| | | | | | |
| **Non-Executive Directors** | | | | | |
| Ms Kate Vale | - | - | - | - | - |
| Mr George Lazarou | - | - | - | - | - |
| | | | | | |
| **KMP** | | | | | |
| Mr James Clyne | - | - | - | - | - |
| | **2,500,000** | **(2,500,000)** | **-** | **-** | **-** |

## 8. Service Agreements

Renumeration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

| Name | **Alexander Hanly** |
|---|---|
| Title | Chief Executive Officer. |
| Duration of agreement | Employment agreement operative until terminated by either party. |
| Termination payment | Maximum payment to be made to Chief Executive Officer on termination is 3 months'. Total Renumeration (being Total Fixed Renumeration plus Short-Term Incentives, Long Term Incentives and benefits). To be paid in the following circumstances:<br>(1) Redundancy<br>(2) Fundamental Change |
| Notice of termination | On termination by either the Company or the CEO – 3 months' notice. Payment in lieu of notice can be made at the election of the Company. |
| Restraint conditions | Restraint period of 6 months . |

| Name | **Gernot Abl** |
|---|---|
| Title | Executive Director |
| Duration of agreement | Employment agreement operative until terminated by either party |
| Termination payment | Maximum payment to be made to Executive Director on termination is 3 months'. Total Renumeration (being Total Fixed Renumeration plus Short-Term Incentives, Long Term Incentives and benefits). To be paid in the following circumstances:<br>(1) Redundancy<br>(2) Fundamental Change |
| Notice of termination | On termination by either the Company or the Executive Director – 3 months' notice. Payment in lieu of notice can be made at the election of the Company. |
| Restraint conditions | Restraint period of 6 months . |

| Name | **Vince Fayad and Kurt Laney** |
|---|---|
| Title | Joint Company Secretaries |
| Duration of agreement | Consultancy agreement for Company Secretary role is operative until terminated by either party |
| Termination payment | Maximum payment to be made to the Company Secretary on termination is 3 months'. Total Renumeration (being Total Fixed Renumeration and is to be paid upon termination by either party. |
| Notice of termination | On termination by either the Company or the Company Secretary – 3 months' notice. Payment in lieu of notice can be made at the election of the Company. |
| Restraint conditions | None. |

## 9. Additional Information

The earnings of the consolidated entity from continuing operations for the five years to 31 December 2023 are summarised below:

| | 2023 000's | 2022 000's | 2021 000's | 2020 000's | 2019 000's |
|---|---|---|---|---|---|
| Sales revenue (including grants) | 77 | 99 | 367 | 558 | 87 |
| EBITDA | (5,530) | (2,317) | (6,524) | (5,065) | (5,682) |
| EBIT | (5,528) | (2,328) | (7,128) | (5,486) | (5,925) |
| Loss from continuing operations after income tax | (5,454) | (2,321) | (7,126) | (5,483) | (5,920) |

The factors that are considered to affect total shareholder return ('TSR') are summarised below[1]:

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Share price at financial year end ($) | 0.03 | 0.03 | 0.13 | 0.32 | 0.18 |
| Total dividends declared (cents per share) | - | - | - | - | - |
| Basic earnings per share from continued operations (cents per share) | (1.60) | (1.42) | (4.42) | (3.81) | (5.83) |

[1] Adjusted for the Company's share consolidation completed in July 2023.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

**Ignatius (Iggy) Kim-Seng Tan**
Non Executive Chairman

Dated 27th day of March 2024

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**AUDITOR'S INDEPENDENCE DECLARATION**
**UNDER S 307C OF THE CORPORATIONS ACT 2001**
**TO THE DIRECTORS OF LITHIUM UNIVERSE LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

**MOORE AUSTRALIA AUDIT (VIC)**
**ABN 16 847 721 257**

**GEORGE S DAKIS**
**Partner**
**Audit and Assurance**

Melbourne, Victoria

27 March 2024

## Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2023

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| **Continuing Operations** | | | |
| Income | 3 | **77,343** | 99,640 |
| Administration expenses | | **(700,463)** | (161,836) |
| Compliance and professional expenses | | **(174,827)** | (1,670,107) |
| Depreciation | | **-** | (10,932) |
| Development expenses | | **(677,460)** | - |
| Due diligence expense | 4 | **(1,294,966)** | - |
| Employee benefits | 4 | **(1,918,971)** | (435,966) |
| Finance expenses | | **-** | (1,096) |
| Foreign exchange loss | 4 | **(15,721)** | 9,151 |
| Loss on sale of assets | | **-** | (175) |
| Impairment on intangibles | | **(86)** | - |
| Marketing and promotional | | **(533,598)** | (51,257) |
| Occupancy | | **(9,565)** | (34,496) |
| Tournament operations | | **-** | (63,438) |
| Travel expenses | | **(204,462)** | (1,101) |
| **Loss from continuing operations before income tax** | | **(5,452,776)** | (2,321,613) |
| Income tax expense | 5 | **1,867** | - |
| **Loss from continuing operations** | | **(5,454,643)** | (2,321,613) |
| Profit/(Loss) from discontinued operations | 4 | **1,216** | (1,299,880) |
| **Loss after income tax expense for the year** | | **(5,453,427)** | (3,621,493) |
| | | | |
| **Loss for the year attributable to** | | | |
| Members of Lithium Universe Limited | | **(5,453,427)** | (3,621,493) |
| Non-controlling interest | | **-** | - |
| | | **(5,453,427)** | (3,621,493) |
| **Other comprehensive income** | | | |
| Items that may be reclassified subsequently to the profit or loss: | | | |
| **Other comprehensive (loss)/income for the year** | | **-** | - |
| **Total comprehensive loss for the year** | | **(5,453,427)** | (3,621,493) |
| Total comprehensive loss attributable to: | | | |
| Members of Lithium Universe Limited | | **(5,453,427)** | (3,621,493) |
| Non-controlling interest | | **-** | - |
| | | **(5,453,427)** | (3,621,493) |

## Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2023

| | | | |
|---|---|---|---|
| **Loss per share** | | | |
| **From continuing operations:** | | | |
| Basic loss per share (cents) | 6 | **(1.60)** | (1.42) |
| Diluted loss per share (cents) | 6 | **(1.60)** | (1.42) |
| **From discontinued operations:** | | | |
| Basic loss per share (cents) | 6 | **(0.00)** | (0.80) |
| Diluted loss per share (cents) | 6 | **(0.00)** | (0.80) |
| **Loss per share attributable to the owners of Lithium Universe Limited:** | | | |
| Basic loss per share (cents) | 6 | **(1.60)** | (2.22) |
| Diluted loss per share (cents) | 6 | **(1.60)** | (2.22) |

*The accompanying notes form part of these financial statements.*

# Consolidated Statement of Financial Position
## As at 31 December 2023

| | Note | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 7 | **1,361,589** | 3,699,438 |
| Trade and other receivables | 8 | **205,110** | 17,560 |
| Other assets | 9 | **274,293** | 4,486 |
| TOTAL CURRENT ASSETS | | **1,840,992** | 3,721,484 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | **-** | - |
| Intangibles | 11 | **-** | - |
| Exploration, evaluation and development assets | 12 | **7,481,680** | - |
| Right of use assets | 13 | **23,380** | - |
| TOTAL NON-CURRENT ASSETS | | **7,505,060** | - |
| TOTAL ASSETS | | **9,346,052** | 3,721,484 |
| **LIABILITIES** | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 14 | **113,241** | 574,087 |
| Other liabilities | 15 | **490,222** | - |
| Borrowings | 16 | **11,689** | - |
| TOTAL CURRENT LIABILITIES | | **615,152** | 574,087 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 16 | **11,690** | - |
| TOTAL NON-CURRENT LAIBILITIES | | **11,690** | - |
| TOTAL LIABILITIES | | **626,842** | 574,087 |
| NET ASSETS | | **8,719,210** | 3,147,397 |
| | | | |
| **EQUITY** | | | |
| Issued capital | 17 | **55,971,490** | 47,228,310 |
| Reserves | 18 | **14,445,769** | 12,163,709 |
| Accumulated losses | | **(61,402,128)** | (55,948,701) |
| Non-controlling interest | | **(295,921)** | (295,921) |
| TOTAL EQUITY | | **8,719,210** | 3,147,397 |

*The accompanying notes form part of these financial statements.*

## Consolidated Statement of Cashflows
## For the year ended 31 December 2023

| | Note | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Proceeds from interest income | | **77,472** | 6.532 |
| Receipts from customers | | **-** | 23,448 |
| Receipt of government grant and tax incentives | | **-** | 93,108 |
| Payments to suppliers and employees | | **(3,463,081)** | (1,435,660) |
| Net cash used in operating activities | 20 | **(3,385,609)** | (1,435,660) |
| | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Payments for plant and equipment | | **(694,177)** | (6,268) |
| Payments for due diligence | | **(330,317)** | - |
| Payments for exploration expenditure | | **(2,148,628)** | - |
| Net cash used in investing activities | | **(3,173,122)** | (6,268) |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | |
| Payments for share issue costs | | **(275,683)** | - |
| Proceeds from share/options issue (before transaction costs) | | **4,500,000** | - |
| Net cash provided by financing activities | | **4,224,317** | - |
| | | | |
| Net (decrease)/increase in cash and cash equivalents held | | **(2,334,414)** | (1,441,928) |
| Cash and cash equivalents at beginning of year | | **3,699,438** | 5,132,442 |
| Effect of moving exchange rates on cash held | | **(3,435)** | 8,924 |
| Cash and cash equivalents at end of financial year | 7 | **1,361,589** | 3,699,438 |

*The accompanying notes form part of these financial statements.*

## Consolidated Statement of Changes in Equity
## For the year ended 31 December 2023

| | Issued Capital $ | Accumulated Losses $ | Reserves $ | Sub Total $ | Non-controlling Interests $ | Total $ |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2023** | 47,228,310 | (55,948,701) | 12,163,709 | 3,443,318 | (295,921) | 3,147,397 |
| Loss attributable to members of the parent entity | - | (5,453,427) | - | (5,453,427) | - | (5,453,427) |
| Other comprehensive loss (net of tax) | - | - | - | - | - | - |
| Total comprehensive income for the year | - | (5,453,427) | - | (5,453,427) | - | (5,453,427) |
| *Transactions with owners in their capacity as owners:* | | | | | | |
| Shares issued in satisfaction of directors fees | 18,862 | - | - | 18,862 | - | 18,862 |
| Shares issued in satisfaction of Voyager Project acquisition | 1,350,000 | - | - | 1,350,000 | - | 1,350,000 |
| Shares issued in satisfaction of Canadian Project acquisition | 2,250,000 | - | - | 2,250,000 | - | 2,250,000 |
| Shares issued in satisfaction of Lefroy Project acquisition | 900,000 | - | - | 900,000 | - | 900,000 |
| Performance rights issued in satisfaction of Canadian Project acquisition | - | - | 1,214,772 | 1,214,772 | - | 1,214,772 |
| Share placement (August 2023 re-listing) | 4,500,000 | - | - | 4,500,000 | - | 4,500,000 |
| Costs incurred in relation to raising capital | (275,682) | - | - | (275,682) | | (275,682) |
| Share based payments reserve – Broker Options | - | - | 726,750 | 726,750 | - | 726,750 |
| Share based payments reserve – Director Options | - | - | 294,500 | 294,500 | - | 294,500 |
| Share based payments reserve – KMP Options | - | - | 46,038 | 46,038 | - | 46,038 |
| **Balance at 31 December 2023** | **55,971,490** | **(61,402,128)** | **14,445,769** | **9,015,131** | **(295,921)** | **8,719,210** |
| | | | | | | |
| **Balance at 1 January 2022** | 46,992,642 | (52,327,208) | 11,989,536 | 6,654,970 | (295,921) | 6,359,049 |
| Loss attributable to members of the parent entity | - | (3,621,493) | - | (3,621,493) | - | (3,621,493) |
| Other comprehensive loss (net of tax) | - | - | - | - | - | - |
| Total comprehensive income for the year | - | (3,621,493) | - | (3,621,493) | - | (3,621,493) |
| *Transactions with owners in their capacity as owners:* | | | | | | |
| Share based payments reserve | 235,668 | - | 174,173 | 409,841 | - | 409,841 |
| **Balance at 31 December 2022** | **47,228,310** | **(55,948,701)** | **12,163,709** | **3,443,318** | **(295,921)** | **3,147,397** |

*The accompanying notes form part of these financial statements.*

This financial report includes the consolidated financial statements and notes of Lithium Universe Limited and its Controlled Entities (the 'Group'). The financial statements were authorised for issue by the Board of Directors on 27 March 2024.

Lithium Universe Limited and its Controlled Entities is a group for the purposes of making a profit, domiciled in Australia.

The separate financial statements and notes of the parent entity, Lithium Universe Limited, have not been presented within this financial report as permitted by amendments made to the *Corporations Act 2001*. Parent entity summary is included in note 28.

## 1 Summary of Material Accounting Policies

### (a) Basis of preparation

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

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### (b) Going concern

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

As disclosed in the financial statements, the consolidated entity incurred a loss of $5,453,427 and had net cash outflows from operating and investing activities of $6,558,731 for the year ended 31 December 2023.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- as at 31 December 2023 the consolidated entity had net current assets of $1,225,840, which comprised of cash at bank of $1,361,589;
- subsequent to year-end, the Company launched a Share Purchase Plan (SPP), targeting to raise $3.0 million (before costs), as disclosed in Note 26;
- the Company has the ability to reduce exploration activities and other discretionary spending (including the Quebec Lithium Processing Hub associated costs), subject to meeting the expenditure commitments disclosed in Note 21; and
- the Company has the ability to raise capital through the issuance of ordinary shares and has done so successfully in the past.

However, should the Group not achieve the above, there is significant uncertainty whether the Group would continue as a going concern and realise its assets or extinguish its debts in the normal course of business and at amounts stated in the financial report

**(c) Comparative figures**

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

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a consolidated statement of financial position as at the beginning of the earliest comparative period will be presented.

**(d) Principles of consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Lithium Universe Limited at the end of the reporting period.

A controlled entity is any entity over which Lithium Universe Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period that they were controlled. A list of controlled entities is contained in Note 22 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

**(e) Intangibles**

*Licences*

Licences that the Company acquires are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the term of the licence. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

*Software under development and acquired*

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and services and employee costs.

Assets in the course of construction include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Company has an intention and ability to use the asset.

Other licences that the Company acquires are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

The Razer license fee is amortised over a useful life of 2 years and has been fully amortised. The Mogul Platform is amortised over a useful life of 5 years.

**(f) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Other Property, plant and equipment**

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

**Depreciation**

The depreciable amount of property, plant and equipment, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The depreciation rates used by the Group are as follows:

| | Depreciation Rate |
|---|---|
| Property plant and equipment | 10.00% |

**Depreciation - Improvements**

Improvements carried out on the plant and equipment are measured at cost. Improvements are deemed to extend the future economic benefits embodied in an asset and therefore its useful life. The useful life of an asset is defined in terms of an assets expected utility to the Group.

The depreciation of an asset begins when it is available for use, that is when it is in the location and necessary condition for it to be capable of operating in the manner intended by management. The depreciation rate used by the Group for improvements for plant and equipment was 0% as the asset was not available for use during the refurbishment period.

**(g) Financial instruments**

**Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

**(g) Financial instruments (continued)**

**Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

**Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Impairment**

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(h) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options for immediate are recognised as a deduction from equity, net of any tax effects.

**(i) Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. When financial assets at fair value through other comprehensive income are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

**(j) Impairment of non-financial assets (excluding capitalised exploration costs)**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information and dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU.

Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets (excluding exploration assets) with indefinite lives.

**(k) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

**(l) Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(m) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(n) Farm-in and joint venture arrangement**

Farm-ins generally occur in the exploration or development phase and are characterised by the transferor giving up future economic benefits, in the form of reserves, in exchange for reduced future funding obligations. In the exploration phase the Group accounts for farm-ins on a historical cost basis. As such no gain or loss is recognised. In the development phase, the Group accounts for farm-ins as an acquisition at fair value when the Group is the transferee and a disposal at fair value when the Group is the transferor of a part of an oil and gas property. The fair value is determined by the costs that have been agreed as being borne by the transferee.

**(o) Earnings per share**

The Group presents basic and diluted earnings per share information for its ordinary shares. Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**(p) Income tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(q) Revenue and other income**

Financial income comprises interest income. Interest income is recognised in profit or loss as it accrues, using the effective interest rate method.

All revenue is stated net of the amount of goods and services tax (GST).

**(r) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**(s) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**(t) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(u) Exploration and development expenditure**

Exploration and evaluation costs are capitalised as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as both tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a licence is relinquished or a project abandoned, the related costs are recognised in the profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and/or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units consistent with the determination of reportable segments.

Upon determination of proven reserves, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within tangible assets.

Amortisation is not charged on exploration and evaluation assets until they are available for use.

Pre-licence costs are recognised in profit or loss as incurred. Expenditure deemed unsuccessful is recognised in profit or loss immediately.

**(v) Critical accounting estimates and judgements**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

*Key judgement - exploration and evaluation expenditure*
The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

**(v) Critical accounting estimates and judgements (continued)**

The recoverability of the carrying amount of the exploration and evaluation asset is dependent on successful development and commercial exploitation, or alternatively sale of the respective area of interest.

*Share-based payment transactions*
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*Estimation of useful lives of assets*
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**(w) New or amended Accounting Standards and Interpretations adopted**

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the group:

*Conceptual Framework for Financial Reporting (Conceptual Framework)*

The group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the group's financial statements.

**(x) New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 31 December 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**(y) Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

**(z) Foreign currency translation**

The financial statements are presented in Australian dollars, which is Lithium Universe Limited's functional and presentation currency.

**(aa) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**(ab) Leases**

*The Group as lessee*

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**(ab) Leases (continued)**

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the

Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

**(ac) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outlay of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**(ad) Discontinued operations**

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

**(ae) Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**(ae) Employee benefits (continued)**

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

*Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether that market condition has been met, provided all other conditions are satisfied.

**(ae) Employee benefits (continued)**

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

## 2 Operating Segments

### Segment information

### Identification of reportable segments

Operating segments are reporting in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

An operating segment is a component of the Group that engage in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment results are regularly reviewed by the Group's Board of Directors to make decisions about resources allocated to the segment and assess its performance and for which discrete financial information is available.

The operating segments are identified by the Board of Directors based on the type of exploration being conducted by the Group. Detailed financial information about each of these operating businesses is reported to the Board of Directors on at least a quarterly basis.

The Group operated in three operating segments being rare earth and lithium exploration industry in the geographical locations of Australia and Canada.

### Types of products and services by reportable segment

*(i) Rare Earth exploration*

The Group is currently conducting exploration upon tenements considered prospective for rare earth minerals. No income has been derived from the recovery of rare earth minerals during the year ended 31 December 2023 (2022: nil).

*(ii) Lithium exploration*

The Group is currently conducting exploration upon tenements considered prospective for lithium. No income has been derived from the recovery of lithium during the year ended 31 December 2023 (2022: nil).

*(ii) Unallocated*

Corporate, including treasury, discontinued operations (from the former gaming operations of the Company) corporate and regularly expenses arising from operating the Company. Corporate assets, including cash and cash equivalents are reported in this segment.

**Accounting policies adopted**

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

*Assets*

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

*Liabilities*

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

*Unallocated items*

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- interest revenue;
- income tax benefit;
- cash and cash equivalents; and
- trade debtors and creditors.

## 2 Operating Segments (continued)

### (a) Segment performance

| | Rare Earth | | Lithium | | Unallocated | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2023<br>$ | 2022<br>$ | 2023<br>$ | 2022<br>$ | 2023<br>$ | 2022<br>$ | 2023<br>$ | 2022<br>$ |
| **REVENUE** | | | | | | | | |
| Other revenue | - | - | - | - | - | 93,108 | | 93,108 |
| Interest revenue | - | - | - | - | 77,343 | 6,532 | | 6,532 |
| **Total segmented revenue** | - | - | | - | 77,343 | 99,640 | | 99,640 |
| Segment result | - | - | (49,817) | - | (5,402,959) | (2,321,613) | (5,452,776) | (2,321,613) |
| Income tax | - | - | - | - | (1,867) | - | (1,867) | - |
| **Loss for the year from continuing operations** | - | - | (49,817) | - | (5,404,826) | (2,321,613) | (5,454,643) | (2,321,613) |
| **Discontinued operations** | | | | | | | | |
| Profit/(Loss) for the period from discontinued operations | - | - | - | - | 1,216 | (1,299,880) | 1,216 | (1,299,880) |
| **Profit/(Loss) after tax** | - | - | (49,817) | - | (5,403,610) | (3,621,493) | (5,453,247) | (3,621,493) |
| **Other segment information** | | | | | | | | |
| Depreciation and amortisation | - | - | - | - | - | (264,608) | - | (264,608) |
| **Segment assets and liabilities** | | | | | | | | |
| **Segment assets** | | | | | | | | |
| Exploration expenditure | 1,405,828 | - | 6,072,852 | - | - | - | 7,481,680 | - |
| Right of use assets | - | - | - | - | 23,380 | - | 23,380 | - |
| Other assets | - | - | - | - | 1,840,992 | 3,721,484 | 1,840,992 | 3,721,484 |
| | 1,405,828 | - | 6,072,852 | - | 1,864,372 | 3,721,484 | 9,346,052 | 3,721,484 |
| **Segment liabilities** | - | - | - | - | 626,842 | 574,087 | 626,842 | 574,087 |
| *Other assets are made up of:* | | | | | | | | |
| Trade and other receivables | - | - | - | - | 205,110 | - | 205,110 | - |
| Cash and cash equivalents | - | - | - | - | 1,361,589 | 3,699,438 | 1,361,589 | 3,699,438 |
| Other assets (Prepayments) | - | - | - | - | 274,293 | 22,046 | 274,293 | 22,046 |
| | - | - | - | - | 1,840,992 | 3,721,484 | 1,840,992 | 3,721,484 |

## 3 Income

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Interest income | **77,343** | 6,532 |
| Grants income | **-** | 93,108 |
| | **77,343** | 99,640 |

## 4 Result for the Year

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| **The result for the year includes the following specific expenses** | | |
| **Interest expense and foreign exchange** | | |
| Realised foreign exchange losses/(gain) | **15,721** | (9,151) |
| | **15,721** | (9,151) |

**Discontinued operations:**

As announced by the Company on 29 May 2023, it had entered into several binding sale and purchase agreements for the acquisition of lithium and rare earth exploration licences located within Canada and Australia. Acquisition of the exploration licences was completed in August 2023, after shareholders had resolved to approve this transaction during the Company's General Meeting.

As a consequence of the above acquisitions, the Company discontinued its activities in the esports and video games sectors.

<u>Financial performance information from discontinued operations</u>

| | | |
|---|---|---|
| - Income | **56,628** | - |
| - Administration expenses | **(55,412)** | - |
| - Amortisation, depreciation and impairment | **-** | (1,268,378) |
| - Compliance and professional expenses | **-** | (28,549) |
| - Finance costs | **-** | (74) |
| - Foreign exchange loss | **-** | (226) |
| - Marketing and promotional | **-** | (821) |
| - Tournament operations | **-** | (1,832) |
| **Profit/(Loss) from discontinued operations** | **1,216** | (1,299,880) |

**Due diligence expense:**

| | | |
|---|---|---|
| - Consultancy fees (ASX re-compliance) | **658,050** | - |
| - Legal fees (ASX re-compliance) | **274,605** | - |
| - Exploration costs – due diligence | **362,311** | - |
| | **1,294,966** | - |

| | | 2023 | 2022 |
|---|---|---|---|
| 4 | **Result for the Year (continued)** | **$** | $ |
| | **Employee benefits expense:** | | |
| | - Annual leave | **160,088** | (9,231) |
| | - Director's fees and wages | **624,181** | 293,852 |
| | - Share based payments | **1,069,456** | 135,940 |
| | - Superannuation | **55,076** | 15,405 |
| | - Other employee costs (insurances and sustenance) | **10,170** | - |
| | | **1,918,971** | 435,966 |

## 5 Income Tax

| | 2023 | 2022 |
|---|---|---|
| | **$** | $ |

(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

| | 2023 $ | 2022 $ |
|---|---|---|
| Prima facie tax benefit on loss from continuing activities before income tax at 25.0% (2022: 25.0%) | **(1,363,661)** | (580,403) |
| Prima facie tax benefit on loss from discontinued activities before income tax at 25.0% (2022: 25.0%) | **304** | (324,970) |
| Aggregate income tax benefit | **(1,363,357)** | (905,373) |
| Add tax effect of: | | |
| - other non-allocable items | **321,981** | 39,006 |
| - deferred tax assets and liabilities not recognised | **1,039,509** | 866,367 |
| Income tax | **1,867** | - |

(b) Net deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility occur:

| | 2023 $ | 2022 $ |
|---|---|---|
| Tax losses | **3,104,387** | 8,229,606 |
| Capital losses | **-** | 3,225,306 |
| Capital raising costs | **52,898** | 82,900 |
| Provisions and accruals | **84,220** | 22,540 |
| Impairment of assets | **-** | 647,762 |
| Capitalised exploration expenditure | **(1,870,420)** | - |
| | **1,371,085** | 12,208,114 |

The above deferred tax assets will only be obtained if:

i. future assessable income is derived of a nature and an amount sufficient to enable utilize the benefit; and

ii. the conditions for deductibility imposed by tax legislation continue to be complied with and no changes in the tax legislation adversely affect the Group in realising the benefit.

Apart from the exploration development costs which has been netted off against the carried losses, there are no deferred tax liabilities at 31 December 2023 (2022: nil).

## 6 Earnings Per Share

**Basic earnings per share**

| | 2023 | 2022 |
|---|---|---|
| (a) Reconciliation of earnings to loss from operations | **$** | **$** |
| Loss from continuing operations | **(5,454,643)** | (2,321,613) |
| Proft/(Loss) from discontinued operations | **1,216** | (1,299,880) |
| | | |
| (b) Earnings used to calculate overall earnings per share | | |
| Earnings used to calculate overall earnings per share | **(5,453,427)** | (3,621,493) |

(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS (for continuing and discontinued operations)

| | 2023 | 2022 |
|---|---|---|
| | **No.** | No.[1] |
| Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | **340,533,347** | 190,459,079 |

[1] Number of ordinary shares outstanding at the year ended 31 December 2022 was 3,809,181,593. However, this amount been adjusted to reflect the "post consolidated" share amount considering the Company's consolidation exercise completed in July 2023 (20:1).

## 6 Earnings Per Share (continued)

(d) Basic and diluted earnings per share

| | 2023 | 2022 |
|---|---|---|
| | **Cents** | Cents |
| Continued operations | | |
| - Basic loss per share | **1.60** | 1.42 |
| - Diluted loss per share | **1.60** | 1.42 |
| | | |
| Discontinued operations | | |
| - Basic loss per share | **0.00** | 0.80 |
| - Diluted loss per share | **0.00** | 0.80 |
| | | |
| Loss from operations | | |
| - Basic loss per share | **1.60** | 2.22 |
| - Diluted loss per share | **1.60** | 2.22 |

**Diluted earnings per share**

Share options are not considered dilutive as the conversion of options to ordinary shares will result in a decrease in the net loss per share.

## 7 Cash and Cash Equivalents

| | 2023 $ | 2022 $ |
|---|---|---|
| **CURRENT** | | |
| Cash at bank and in hand | **1,361,589** | 3,699,438 |
| | **1,361,589** | 3,699,438 |

## 8 Trade and Other Receivables

| | 2023 $ | 2022 $ |
|---|---|---|
| **CURRENT** | | |
| GST recoverable | **205,110** | 17,560 |
| | **205,110** | 17,560 |

## 9 Other Assets

| | 2023 $ | 2022 $ |
|---|---|---|
| **CURRENT** | | |
| Prepayments | **274,293** | 4,486 |
| | **274,293** | 4,486 |

## 10 Property, Plant and Equipment

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| **CURRENT** | | | |
| Plant and Equipment | (i),(ii) | | |
| At cost | | **42,012** | 42,012 |
| Accumulated depreciation | | **(42,012)** | (42,012) |
| **Total Property, Plant and Equipment** | | **-** | - |

### (i) Property, plant and equipment - depreciation

Property, plant and equipment was continued to be used in the activities in the year ended 31 December 2023.

## 10 Property, Plant and Equipment (continued)

### (ii) Movement in Property, Plant and Equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| | **2023** **$** | 2022 $ |
|---|---|---|
| Balance at the beginning of year | **-** | 4,663 |
| Additions | **-** | 6,269 |
| Disposals | **-** | - |
| Depreciation expense | **-** | (10,932) |
| **Balance at end of the year** | - | - |

## 11 Intangibles

| | **2023** **$** | 2022 $ |
|---|---|---|
| **NON-CURRENT** | | |
| *Razer Licence Fee* | | |
| At cost | **271,712** | 271,712 |
| Accumulated amortisation | **(271,712)** | (271,712) |
| **Carrying Value – Razer Licence Fee** | **-** | - |
| | | |
| *Mogul Platform Fee* | | |
| At cost | **4,151,166** | 4,151,166 |
| Impairment | **(2,447,742)** | (2,447,742) |
| Accumulated amortisation | **(1,703,424)** | (1,703,424) |
| **Carrying Value – Mogul Platform Fee** | **-** | - |
| | | |
| *Intangibles* | | |
| Total cost | **4,151,166** | 4,151,166 |
| Total impairment | **(2,447,742)** | (2,447,742) |
| Total accumulated amortisation | **(1,703,424)** | (1,703,424) |
| **Carrying Value – Intangibles** | **-** | - |

## 12 Exploration, Evaluation and Development Assets

| | Note | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| **NON-CURRENT** | | | |
| **in exploration phase:** | | | |
| At cost and net of impairment | | **7,481,680** | - |
| **(a) Composition of exploration assets** | | | |
| Capitalised exploration – wholly owned | | **1,025,049** | - |
| Capitalised exploration – partly owned | (i), (ii) | **6,456,631** | - |
| Impairment | | **-** | - |
| Balance at end of the year | | **7,481,680** | - |

### (i) Capitalised exploration – partly owned

In May 2023, the Group entered into a Farm-In and joint venture arrangement ("**Arrangement**") for the Apollo Project, Adina Project, Margot Lake Project and Voyager Project ("**JV Projects**"). Under the terms of the Arrangement, the Company has the sole right in determining the conduct of the joint venture activities and/or under a management committee, LU7 will act as the operator with a casting vote over the decisions on how to proceed with the JV Projects.

The terms of the Arrangement is as follows:

| Input | Terms |
|---|---|
| Formation of Joint Venture | An unincorporated joint venture will be deemed to have been formed between the parties (a "Joint Venture"), with the Purchaser holding an 80% participating interest and the Vendor holding a 20% carried interest in the Project(s) until the Free Carry End Date. |
| Joint Venture Terms | • On the date that the Joint Venture is formed the Purchaser's interest shall be 80% and the Vendor's interest shall be 20%.<br>• The Vendor shall not be liable to contribute to any Expenditures incurred pursuant to Programs until after the Free Carry End Date in order to maintain its 20% interest. |
| Powers and Obligations | The Parties shall establish a management committee (the "Management Committee") determine and set overall policies, objectives, procedures and actions under this Agreement. The Management Committee shall consist of one Representative appoint in writing by each Party, as may be re-appointed from time to time. |

## 12 Exploration, Evaluation and Development Assets (continued)

### (ii) Movements

| | 2023 $ | 2022 $ |
|---|---|---|
| *(i) Exploration assets at cost* | | |
| Opening Balance (wholly and partially owned) | - | - |
| Add: | | |
| - Expenditure capitalised | 1,891,908 | - |
| - Acquisitions made during the year (including related costs) | 5,589,772 | - |
| Less: | | |
| - Expenditure impaired to the profit and loss | - | - |
| Closing balance | 7,481,680 | - |
| *(ii) Impairment* | | |
| Opening Balance | - | - |
| *Add/(Less):* | | |
| - Current year impairment adjustment | - | - |
| Closing Balance | - | - |

### (iii) Discussion on impairment

The Company has assessed whether there were any impairment indications present (in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources) in respect to its exploration projects at 31 December 2023.

The Company has formed the view that there were no impairment indicators that were present at 31 December 2023.

### (iv) Information on Acquisition Exploration Expenditure

In May 2023, the Company acquired an 80% interest in the Apollo Project, Adina Project, Margot Lake Project and Voyager Project ("**JV Projects**").

The consideration paid as acquisition for the JV Projects – being in the form of ordinary shares and performance shares in LU7, was valued at market value on the date of issuance to the vendor. Such an amount has been included within the total exploration expenditures (at cost) amount.

## 13 Right of Use Assets

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| **CURRENT** | | | |
| Building – right-of-use assets | | 23,380 | - |
| Less: Accumulated depreciation | | - | - |
| **Total Right of Use Assets** | (i) | 23,380 | - |

## 13 Right of Use Assets (continued)

(i) Leasing Activities

The Company held the following leases during the reporting period:

1. an office lease for the premises at Suite 9, 295 Rokeby Road, Subiaco, WA. The lease commenced on 19 July 2023 and the term expires on 19 July 2024; and
2. an office lease for the premises at 500 Place dÁrmes, Suite 1800, Montreal, Quebec. The lease commenced on 13 November 2023 and the term expires on 30 November 2024.

The leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

## 14 Trade and Other Payables

| | 2023 $ | 2022 $ |
|---|---|---|
| **CURRENT** | | |
| Trade payables | **113,241** | 446,262 |
| Other creditors and accruals | **-** | 127,825 |
| **Total Trade and Other Payables** | **113,241** | 574,087 |

## 15 Other Liabilities

| | 2023 $ | 2022 $ |
|---|---|---|
| **CURRENT** | | |
| Accruals | **145,000** | - |
| Employee liabilities | **185,135** | - |
| Provision for Employee Benefits | **160,087** | - |
| **Total Other Liabilities** | **490,222** | - |

## 16 Borrowings

| | 2023 $ | 2022 $ |
|---|---|---|
| **CURRENT** | | |
| Unexpired lease | **11,689** | - |
| **Total Current Borrowings** | **11,689** | - |
| **NON-CURRENT** | | |
| Unexpired lease | **11,690** | - |
| **Total Non-Current Borrowings** | **11,690** | - |

## 17 Issued capital

| | 2023 $ | 2022 $ |
|---|---|---|
| 613,521,897 (2022: 3,263,441,204) Ordinary shares | **55,971,490** | 47,228,310 |
| Total | **55,971,490** | 47,228,310 |

### (a) Ordinary shares - movement reconciliation

| | 2023 No | 2022 No |
|---|---|---|
| At the beginning of the reporting period 1 January | **3,263,441,204** | 3,221,993,962 |
| *Shares issued during the period:* | | |
| Shares issued on exercise of performance rights | **-** | 2,531,250 |
| Shares issued to employees under employment agreement | **-** | 2,341,918 |
| Shares issued in lieu of directors renumeration | **-** | 13,062,169 |
| Shares issued in lieu of consultancy fees | **-** | 23,511,905 |
| Shares issued in satisfaction of directors fees | **6,987,607** | - |
| Share consolidation (20:1) | **(3,106,906,914)** | |
| Shares issued in satisfaction of Voyager Project acquisition | **67,500,000** | - |
| Shares issued in satisfaction of Canadian Project acquisition | **112,500,000** | - |
| Shares issued in satisfaction of Lefroy Project acquisition | **45,000,000** | - |
| Share placement (August 2023 re-listing) | **225,000,000** | - |
| **At the end of the reporting period 31 December** | **613,521,897** | 3,263,441,204 |

### (b) Ordinary capital (excluding share issue costs)

| | | 2023 $ | 2022 $ |
|---|---|---|---|
| At the beginning of the reporting period 1 January | | **47,228,310** | 46,992,642 |
| *Shares issued during the period:* | | | |
| Shares issued to employees under employment agreement | | **-** | 7,026 |
| Shares issued in lieu of directors renumeration | | **-** | 88,625 |
| Shares issued in lieu of consultancy fees | | **-** | 140,017 |
| Shares issued in satisfaction of directors fees | | **18,862** | |
| Shares issued in satisfaction of Voyager Project acquisition | | **1,350,000** | |
| Shares issued in satisfaction of Canadian Project acquisition | | **2,250,000** | |
| Shares issued in satisfaction of Lefroy Project acquisition | | **900,000** | |
| Share placement (August 2023 re-listing) | | **4,500,000** | |
| Costs incurred in relation to raising capital | | **(275,682)** | - |
| **At the end of the reporting period 31 December** | (i) | **55,971,490** | 47,228,310 |

## 17 Issued capital (continued)

### (c) Ordinary shares – voting rights

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Group. On a show of hands at meetings of the Group, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. In the event of winding up of the Group ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

## 18 Reserves

| | **2023** **$** | 2022 $ |
|---|---|---|
| Share based payments reserve | **5,650,468** | 4,095,158 |
| Options reserve | **8,795,301** | 8,068,551 |
| | **14,445,769** | 12,163,709 |

### (a) Movement in reserves

| | **Note** | **2023** **$** | 2022 $ |
|---|---|---|---|
| Opening balance | | **12,163,709** | 11,989,536 |
| Current year share-based payment expense | (b) | **1,555,310** | 174,173 |
| Current year options | (c) | **726,750** | - |
| | | **14,445,769** | 12,163,709 |

### (b) Share based payments reserve

| | **Note** | **2023** **$** | 2022 $ |
|---|---|---|---|
| *Expense recognised during the year:* | | | |
| Share-based compensation granted to directors | (ii) | **303,707** | - |
| Share-based compensation granted to the Apollo Project vendor | (iii) | **1,214,773** | - |
| Share-based compensation granted to consultants and key management | (i) | **36,830** | - |
| | | **1,555,310** | - |

## 18 Reserves (continued)

### (i) Factor/assumptions pertaining to share based payments to consultants and key management

At the Company's General Meeting held on 18 July 2023, shareholders approved an Employee Securities Incentive Plan (ESOP). On 16 August 2023, the Company resolved to issue 10,000,000 unlisted options to directors and key management personnel under the ESOP. The following factors and assumptions were used in determining the fair value of the options under the Monte Carlo option valuation model ("**MC model**").

| | Value |
|---|---|
| Grant date | 17/08/2023 |
| Option life | 36 months |
| Fair value per option (MC model) | $0.037 |
| Exercise price | $0.03 |
| Price of shares on grant date | $0.05 |
| Expected volatility | 80.00% |
| Risk-free interest rate | 3.91% |

### (ii) Factor/assumptions pertaining to share based payments to directors

At the Company's General Meeting held on 18 July 2023, shareholders approved the issuance of 32,000,000 options to certain directors. The following factors and assumptions were used in determining the fair value of the options under the Monte Carlo option valuation model ("**MC model**").

| | Value |
|---|---|
| Grant date | 18/07/2023 |
| Option life | 36 months |
| Fair value per option (MC model) | $0.01 |
| Exercise price | $0.03 |
| Price of shares on grant date | $0.03 |
| Expected volatility | 85.00% |
| Risk-free interest rate | 3.83% |

### (iii) Factor/assumptions pertaining to share based payments to the Apollo Project vendor

At the Company's General Meeting held on 18 July 2023, shareholders approved the issuance of 60,738,623 performance rights as part of the consideration paid to acquire the Company's 80% interest in the Apollo Lithium Project. The following factors and assumptions were used in determining the fair value of the options under the Monte Carlo option valuation model ("**MC model**").

| | Value |
|---|---|
| Grant date | 18/07/2023 |
| Option life | 60 months |
| Fair value per option (MC model) | $0.02 |
| Exercise price | - |
| Price of shares on grant date | $0.03 |
| Expected volatility | - |
| Risk-free interest rate | 4.00% |

## 18 Reserves (continued)

The vesting conditions for the performance rights issued to the Apollo Lithium Project vendor are as follows:

| Class of Performance Rights | Applicable Milestones | Lapse Date | Number of Rights Issued |
|---|---|---|---|
| LU7AK Performance Rights | The performance rights vest upon the Company announcing a JORC Code 2012 compliant Mineral Resource equal to or greater than 4Mt containing not less than 1% Li2O at any of the Canadian Lithium Projects. | 08/08/2028 | 60,738,623 |

### (iv) Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to directors and consultants. Equity-settled transactions are awards of shares, or options over shares, that are provided to directors and consultants in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

### (c) Options reserve

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| *Expense recognised during the year:* | | | |
| Options granted to broker | (i), (ii) | **726,750** | - |
| | | **726,750** | - |

### (i) Factor/assumptions pertaining to options granted to broker

For the options granted during the 31 December 2023 financial year, the valuation model inputs used to determine the fair value at the grant date are as follows:

| | Value |
|---|---|
| Grant date | 18/07/2023 |
| Option life | 36 months |
| Fair value per option (MC model) | $0.01 |
| Exercise price | $0.03 |
| Price of shares on grant date | $0.03 |
| Expected volatility | 85.00% |
| Risk-free interest rate | 3.83% |

### (ii) Option movement 31 December 2023

Set out below are the movements in options on issue over ordinary shares in Lithium Universe Limited during the 31 December 2023 financial year

| Exercise Period | Exercise Price | Beginning Balance | Issued | Exercised | Lapsed | Ending Balance |
|---|---|---|---|---|---|---|
| Before 8 August 2026 | $0.03 | - | 76,500,000 | - | - | 76,500,000 |

## 19 Financial Risk Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk. This note presents information about the Group's exposure to each of the above risks, their objective, policies and processes for measuring and managing risk, and the management of capital and quantitative disclosures.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limited. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group through their training and management standards and procedures, aim to develop a disciplined and constructive control environment. The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

### (a) Categories of financial instruments

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| **Financial assets** | | |
| Cash and cash equivalents | **1,361,589** | 3,699,438 |
| Trade and other receivables | **205,110** | 17,560 |
| | **1,566,699** | 3,716,998 |
| **Financial liabilities** | | |
| Trade and other payables | **113,241** | 574,087 |
| Other liabilities | **490,222** | - |
| Borrowings | **11,689** | - |
| | **615,152** | 574,087 |

### (b) Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits of other stockholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of cash and cash equivalents, deposits in respect of bank guarantee and equity attributable to equity holders of the Group, comprising issued capital, reserves and accumulated losses.

There are no externally imposed capital requirements. None of the Group's entities are subject to externally imposed capital requirements. The Group monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is defined as equity per the statement of financial position plus net debt.

The Board reviews the capital structure on an annual basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital. High gearing ratio will be expected as the Group enters into its development stage and more debts are required to fund the operation and development activities.

## 19 Financial Risk Management (continued)

There have been no changes in the strategy adopted by management during the year.

### (c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group and arises principally from the Group's receivables and investments.

*Other receivables*

Receivables consist of GST recoverable. No credit terms apply to these debtors. No receivables are in a foreign currency receivables during the year (2022: nil). The ageing of the Group other receivables was not past due (2022: nil).

### (d) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages liquidity risk by monitoring forecast cash flows for the possible need to obtain debt or equity finance.

Cash flows required to settle the Group's financial liabilities consist of:

- trade and other payables; and
- employee and director related liabilities, such as superannuation and PAYG Withholding.

Excluding a portion for lease liabilities, all liabilities are due within 12 months. The total value of cash flows required to settle the Group's financial liabilities as at 31 December 2023 is $615,152 (2022: $574,087).

### (e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

*i. Interest rate risk*

The Group is exposed to interest rate risk in Australia. To minimise the effects of reducing interest income that the Group may receive, the Board plans to invest the excess cash position in the near future to avoid any adverse effects of future interest rates. There is no written internal policy on interest rate management. Changes in market interest rates affect the interest income of non-derivative variable interest financial instruments and are based on both historical trends and the perceived market interest to 31 December 2023. The Group have determined that the effects of changes in these interest rates based upon forward looking rates would not have a material effect on the Group for 2023 or 2022. Therefore, no Group interest rate sensitivity analysis is disclosed as interest rate risk is not considered to have a material impact on the result or equity of the Group for 2023 and 2022.

*ii. Foreign exchange risk*

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. Apart from the Company's Canadian based lithium projects, the Group has no significant exposure to foreign exchange risk as there are effectively no foreign currency deals outstanding (2022: nil). However, the likely impact of this risk is at this stage considered to be minimal due to the exploration nature of this asset.

## 19 Financial Risk Management (continued)

*iii. Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss. Management of the Group monitors the mix of debt and equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. The primary goal of the Group's investment strategy is to maximise investment returns. The Group does not enter into commodity contracts.

**Net fair values**

The Group's financial assets and liabilities that are recorded on the balance sheet are carried at amounts that approximate net fair values.

**Fair value estimation**

Net fair values of financial assets and liabilities are determined by the Group on the following basis:

*i. Cash and cash equivalents*

The carrying amount approximates fair value because of their short-term to maturity.

*ii. Receivables and payables*

The carrying amount approximates fair value because of their short-term to maturity.

## 20 Reconciliation to operating cashflows

Reconciliation of net income to net cash provided by operating activities:

| | **2023** **$** | 2022 $ |
|---|---|---|
| Loss for the year before income tax | **(5,451,560)** | (3,621,493) |
| Adjustment for: | | |
| - annual leave accrual | **160,088** | (9,231) |
| - depreciation/amortisation | **-** | 264,608 |
| - project and exploration expenses | **1,239,359** | - |
| - impairment | **86** | 1,014,703 |
| - share based payment expense | **1,069,456** | 277,768 |
| - unrealised foreign exchange | **1,565** | 12.458 |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | **(187,550)** | 177,559 |
| - (increase)/decrease in other assets | **(269,807)** | 31,753 |
| - increase in trade and other payables | **52,755** | 437,598 |
| Cash flow used in operating activities | **(3,385,609)** | (1,435,660) |

## 21 Capital and Leasing Commitments

### Exploration expenditure commitments

The Group is required to perform minimum exploration work and expend minimum amount of money on its tenements. The overall expenditure requirement tends to be limited in the normal course of the Group's tenement portfolio management through expenditure exemption approvals, and expenditure reductions through relinquishment of part or the while of tenements deemed not prospective. Should the Group wish to preserve interest in its current tenements the amount which may be required to be expended is as follows:

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Payable: | | |
| - no later than 1 year | **252,285** | - |
| - between 1 year and 5 years | **416,790** | - |
| | **669,074** | - |

## 22 Controlled Entities

| | **Country of Incorporation** | **Percentage Owned (%)* 2023** | **Percentage Owned (%)* 2022** |
|---|---|---|---|
| **Parent Entity:** | | | |
| Lithium Universe Limited | | | |
| **Subsidiaries:** | | | |
| Lefroy Lithium Pty Ltd (formerly eSports Nominees Pty Ltd) | Australia | 100 | 100 |
| SEA Esports Pte Ltd[3] | Singapore | 100* | 100 |
| GameGeek Pte Ltd[2] | Singapore | - | 100 |
| eSports Mogul LLC | United States | 100 | 100 |
| Tasmanian REE Pty Ltd[1] | Australia | 100 | - |
| Lithium Universe (Holdings) Limited[4] | Canada | 100 | - |
| Lithium Universe Refinery Limited[5] | Canada | 100 | - |

Notes

[1] Tasmanian REE Pty Ltd was incorporated on 19 May 2023.
[2] GameGeek Pte Ltd was struck off from the Accounting and Corporate Regulatory Authority (ACRA) register on 4 September 2023.
[3] A strike off application for SEA Esports Pte Ltd was approved by ACRA on 2 October 2023, with formal strike off to take effect from 2 February 2024.
[4] Lithium Universe (Holdings) Limited was incorporated on 7 March 2023.
[5] Lithium Universe Refinery Limited was incorporated on 3 November 2023.

## 23 Contingent Liabilities and Contingent Assets

The Directors are not aware of any contingent liabilities or assets as at the date of these financial statements.

## 24 Related Party Transactions

### Related Parties

#### (a) Parent company

There is no parent company applicable to the Group.

#### (b) Transactions with the related parties

The Group's main related parties are as follows:

(i) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered KMP.

For details of remuneration disclosures relating to KMP, refer to the remuneration report in the Directors' Report.

Other transactions with KMP and their related entities are shown below.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(ii) Director related entities

No amounts were outstanding for fees owed to Directors and their related entities at 31 December 2023.

(iii) Subsidiaries

Refer to Note 22 for the subsidiaries included in the financial statements.

(iv) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

## 25 Interests of Key Management Personnel

The totals of remuneration paid to key management personnel of the Company and the Group during the year are as follows:

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Short-term employee benefits | **1,105,758** | 648,744 |
| | **1,105,758** | 648.744 |

## 26 Events after the end of the Reporting Period

Since the end of the financial year, the following matter have arisen which have significantly affected, or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years:

1. on 25 January 2024, the Company announced the appointment of Mr John Sobolewski as its Chief Financial Officer, effective 1 February 2024.

   Mr Sobolewski is a Chartered Accountant and a graduate of the Australian Institute of Company Directors. His previous roles include Managing Director and CEO with Mintrex, CFO and Company Secretary with Mintrex, Galaxy Resources Limited and Vital Metals Limited, Financial Controller and Company Secretary with Croesus Mining NL and Group Accountant and Company Secretary with Titan Resources NL.

   During his time at Galaxy Resources Limited, Mr Sobolewski played a pivotal role during the feasibility, funding, construction, and operation phases of the Mt Cattlin Spodumene mine and Jiangsu Lithium Carbonate refinery.

   More information concerning Mr Sobolewski's appointment can be found within the Company's announcement lodged with the ASX on 25 January 2024.

2. in response to the lithium conversion gap in the North American market, on 13 February 2024 the Company commissioned metallurgical test work program on various samples of spodumene which had been sourced from South America and Australia. The samples, which contained various lithium grades, particle sizes and impurities, were selected for the purposes of enabling the Company to design its lithium refinery in Canada so that it would have the capability to efficiently process spodumene feedstock from diverse sources worldwide.

3. on 24 February 2024, the Company announced that it had executed an option agreement to acquire a commercial property located within the Bécancour Waterfront Industrial Park (**BWIP**), located between Montreal and Quebec City.

   The BWIP was the Company's preferred site for its 16,000 tpa lithium carbonate refinery, with Hatch Ltd having been tasked with undertaking an engineering study for the project that included analysis for potential sites to host the refinery plant.

   The key terms of the option agreement, which was entered into with the Société du parc industriel et portuaire de Bécancour (**SPIPB**), was as follows:

   - subject to the Company's shareholder approval;
   - expected purchase price of $CAD 12.6 million;
   - option term of 36 months from the date of entering into the option agreement; and
   - option fees of $CAD 63,135 per month, for a period of 30 months will be payable and commencing from July 2023.

4. on 13 March 2024, the Company launched a share purchase plan (**SPP**), targeting to raise up to $3.0 million (**SPP Proceeds**). Proceeds from the SPP are intended to be used to advance the Company's QLPH strategy, which includes continuing the engineering studies that are currently being undertaken by Hatch Ltd and Primero Group Limited.

**26 Events after the end of the Reporting Period (continued)**

Under the terms of the SPP, existing eligible shareholders have been offered the opportunity to subscribe for up to $30,000 worth of ordinary shares in the Company at a price of $0.02 per shares, representing approximately a 9% discount to the traded share price prior to the launch of the SPP.

The SPP also has provisions for over-subscriptions - up to a maximum amount of $675,000 beyond the SPP Proceeds.

Other than the above, there has not been any other matter or circumstance occurring subsequent to the end of the financial year, that has significantly affected or may significantly affected or may significantly affect the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

**27 Auditor's Remuneration**

| | **2023** | 2022 |
|---|---|---|
| Remuneration of the auditor of the parent entity, Moore Australia Audit (VIC) for: | **$** | $ |
| - auditing or reviewing the financial statements | **42,942** | 60,294 |

**28 Parent entity**

The following information has been extracted from the books and records of the parent, Lithium Universe Limited and has been prepared in accordance with Accounting Standards. The financial information for the parent entity, Lithium Universe Limited has been prepared on the same basis as the consolidated financial statements:

| | **2023** | 2022 |
|---|---|---|
| **Statement of Financial Position** | **$** | $ |
| Assets | | |
| Current assets | **1,840,993** | 3,721,484 |
| Non-current assets | **7,554,972** | 3,721,579 |
| Total Assets | **9,395,965** | 7,443,063 |
| Liabilities | | |
| Current liabilities | **615,153** | 565,534 |
| Non-current liabilities | **11,690** | - |
| Total Liabilities | **626,843** | 565,534 |
| Net Assets | **8,769,122** | 11,119,125 |
| Equity | | |
| Issued capital | **55,971,491** | 51,475,122 |
| Accumulated losses | **(61,648,139)** | (56,235,975) |
| Reserves | **14,445,769** | 7,916,898 |
| Total Equity | **8,769,121** | 3,156,045 |
| **Consolidated Statement of Profit or Loss and Other Comprehensive Income** | | |
| Total loss for the year | **(5,412,164)** | (2,349,137) |
| Other comprehensive income | **-** | - |
| Total comprehensive income | **(5,412,164)** | (2,349,137) |

## 28 Parent entity (continued)

### Contingent liabilities

Apart from the minimum expenditure requirements, as set out in Note 21 and the contingent liability set out in note 23, there are no other contingent liabilities.

### Contractual commitments

The parent entity did not have any commitments as at 31 December 2023 or 31 December 2022.

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

## 29 Company Details

The registered office of and principal place of business of the company is:
Suite 9, 295 Rokeby Road
SUBIACO WA 6008

# Directors' Declaration

The directors of the Group declare that:

1. the financial statements and notes, as set out on pages 34 to 72, are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standards, which, as stated in material accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position as at 31 December 2023 and of the performance for the year ended on that date of the Company and consolidated group;

2. the Company Secretary has declared that:

    a. the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

    b. the financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the financial statements and notes for the financial year give a true and fair view.

3. based on the comments outlined in Note 1(b) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

This declaration is made in accordance with a resolution of the Board of Directors.

Iggy Tan

**Iggy Tan**
Non-Executive Chairman
Dated this 27th day of March 2024.

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**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF LITHIUM UNIVERSE LIMITED AND CONTROLLED ENTITIES**

**Report on the Audit of the Financial Report**

## Opinion

We have audited the financial report of Lithium Universe Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, and the directors' declaration.

In our opinion:

a) the accompanying financial report of the Group is in accordance with the *Corporations Act 2001,* including:

   i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and

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

## Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

## Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial statements, which identifies that during the year ended 31 December 2023 the Group incurred a consolidated net loss from continuing operations of $5,453,427 and had net cash outflows from operating and investing activities of $6,558,731. These events and conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

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

### KEY AUDIT MATTER 1 – EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS

### Refer to Note 12 "Exploration, evaluation and Development Assets"

| | |
|---|---|
| As of 31 December 2023, the Group is carrying $7.4m of exploration assets (mining rights) acquired during the year. The acquisitions were completed by the issuance of share-based payments including shares and performance rights with additional costs added to the asset post acquisition. The acquisition accounting and carrying value of the exploration, evaluation and development assets were a key audit matter due to the size of the balance and the subjectivity involved in determining the carrying value. | Our procedures included, amongst others:<br>• obtaining acquisition agreements and understanding the key terms and conditions.<br>• evaluating the Groups accounting for the acquisitions against the requirements of Australian Accounting Standards.<br>• assessing the appropriateness of the fair values of the price of shares issues and performance rights issued.<br>• obtaining tenement transfer rights to verify ownership.<br>• obtaining management prepared schedule of exploration, evaluation and development assets and agreeing to the general ledger.<br>• testing a sample of expenditure in the current period to source documentation.<br>• reviewing management's intentions for each tenement and forecasted expenditure to identify impairment indicators, if any.<br>• reviewing ASX announcements and minutes of director meetings to verify management's intentions: and<br>• considering the adequacy of disclosures included in the financial report. |

MOORE

### KEY AUDIT MATTER 2 – SHARE BASED PAYMENTS

**Refer to Note 18 "Reserves"**

| | |
|---|---|
| The group has incurred share-based payments to directors, key management personnel and other personnel via the issuance of unlisted options, the options may carry various vesting conditions.<br><br>The matter was identified as a key audit matter due to the size of the transactions and subjectivity involved in determining the fair value. | Our procedures included, amongst others:<br>• Obtained and reviewed share-based payment agreements to understand the key terms and conditions.<br>• Obtained and reviewed the calculation of the fair value of options issued including review of the completeness and accuracy of key inputs and methodology applied: and<br>• Considered the adequacy of disclosures included in the financial report. |

### KEY AUDIT MATTER 3 – GOING CONCERN

**Refer to Note 1(b) "Going Concern"**

| | |
|---|---|
| During the year ended 31 December 2023 the Group incurred a consolidated net loss from continuing operations of $5,453,427 and had net cash outflows from operating and investing activities of $6,558,731.<br><br>We focused on this area due to significance of the impact of operating cashflows and the uncertainty of future economic conditions and the possible impact on the Groups ability to continue as a going concern. | Our procedures included, amongst others:<br>• Obtained and reviewed management forecasts to assess whether forecast cash levels and current asset levels are sufficient to sustain the operations of the Group for at least the next 12 months.<br>• We challenged and tested the assumptions used by management in the preparation of the forecasts: and<br>• Reviewed alternative sources of funding, including the likelihood of raising future capital. |

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

## Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 31 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Lithium Universe Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

## Responsibilities

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

**MOORE AUSTRALIA AUDIT (VIC)**
**ABN 16 847 721 257**

**GEORGE S DAKIS**
**Partner**
**Audit and Assurance**

Melbourne, Victoria

27 March 2024

| Holder | Project | Tenement | Location | Lease Status |
|---|---|---|---|---|
| Lefroy Lithium Pty Ltd | Lefroy | E15/1876 | Western Australia, Australia | Granted |
| Lefroy Lithium Pty Ltd | Lefroy | E15/1877 | Western Australia, Australia | Granted |
| Tasmanian REE Pty Ltd | Voyager | EL32/2022 | Tasmania, Australia | Granted |
| Tasmanian REE Pty Ltd | Voyager | EL40/2022 | Tasmania, Australia | Granted |
| Lithium Universe (Holdings) Limited | Apollo[1] | | Quebec, Canada | Granted |
| Lithium Universe (Holdings) Limited | Adina South[2] | | Quebec, Canada | Granted |
| Lithium Universe (Holdings) Limited | Adina West[3] | | Quebec, Canada | Granted |
| Lithium Universe (Holdings) Limited | Margot Lake[4] | | Quebec, Canada | Granted |

**Notes**

[1] The Apollo Project comprises of 464 claims/licences, all of which are held 80% by Lithium Universe Limited. A detailed list of the claims can be found within the Company's Prospectus dated 21 June 2023.

[2] The Adina South Project comprises of 40 claims/licences, all of which are held 80% by Lithium Universe Limited. A detailed list of the claims can be found within the Company's Prospectus dated 21 June 2023.

[3] The Admina West Project comprises of 49 claims/licences, all of which are held 80% by Lithium Universe Limited. A detailed list of the claims can be found within the Company's Prospectus dated 21 June 2023.

[4] The Margot Lake Project comprises of 32 claims/licences, all of which are held 80% by Lithium Universe Limited. A detailed list of the claims can be found within the Company's Prospectus dated 21 June 2023.

As at 27 March 2024 the following information applied:

## 1 Substantial Shareholders

Substantial shareholders disclosed in substantial shareholder notices to the Company:

| | No. of Shares Held | % Held |
|---|---|---|
| David Pevcic | 183,670,250 | 29.90% |
| Bilal Ahmad | 51,000,000 | 8.31% |
| Agha Shahzad Pervez | 50,772,819 | 8.30% |

## 2 Securities

### (a) Fully paid ordinary shares

The number of holders of fully paid shares in the Company is 613,521,897. On a show of hands every holder of fully paid ordinary shares present or by proxy, shall have one vote. Upon a poll, each fully paid ordinary share shall have one vote. The distribution of holders of fully paid ordinary shares is as follows:

| | No. of Shares Held | % Held |
|---|---|---|
| 1 – 1,000 | 7,851 | 0.01 |
| 1,001 – 5,000 | 555,999 | 0.09 |
| 5,001 – 10,000 | 5,900,319 | 0.96 |
| 10,001 – 100,000 | 64,581,371 | 10.50 |
| 100,001 and over | 542,476,357 | 88.44 |
| | **613,521,897** | **100.00** |
| Number holder less than a marketable parcel | 22,393,811 | 3.53 |

***Top 20 Shareholders***

| | No. of Shares Held | % Held |
|---|---|---|
| MR DAVID DOMINIC PEVCIC | 180,000,000 | 29.34% |
| MR BILAL AHMAD | 51,000,000 | 8.31% |
| MR AGHA SHAHZAD PERVEZ | 45,000,000 | 7.33% |
| EMERY NUMBER 2 PTY LTD <SCOTT EMERY FAMILY NO 2 A/C> | 23,168,962 | 3.78% |
| KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C> | 12,269,696 | 2.00% |
| MR SUFIAN AHMAD <SIXTY TWO CAPITAL A/C> | 10,598,500 | 1.73% |
| MR MOBEEN IQBAL | 9,300,000 | 1.52% |
| CLAYTON CAPITAL PTY LTD | 5,722,819 | 0.93% |
| CITICORP NOMINEES PTY LIMITED | 4,779,413 | 0.78% |
| DALLHOLD INVESTMENTS PTY LTD | 4,500,000 | 0.73% |
| MRS JUDITH MELISSA TAN <TAN FAMILY A/C> | 4,000,000 | 0.65% |
| MR MATTHEW WILLIAM FISHBURN | 3,800,000 | 0.62% |
| KG VENTURE HOLDINGS PTY LTD <KG VENTURE HOLDINGS A/C> | 3,414,063 | 0.56% |
| QUARK NOMINEES PTY LTD | 3,171,464 | 0.52% |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAIL CLIENT> | 3,076,640 | 0.50% |
| DDPEVCIC (WA) PTY LTD <DOMINIC FAMILY A/C> | 3,040,250 | 0.50% |
| MR ARAVIND RAMANATHAN | 2,762,008 | 0.45% |

| | | |
|---|---|---|
| MR FADI DIAB | 2,500,000 | 0.41% |
| MR ALEXANDER DECLAN HANLY <A DECLAN HANLY FAMILY A/C> | 2,500,000 | 0.41% |
| FIVE GEM INVESTMENTS PTY LTD | 2,500,000 | 0.41% |
| MR YEHIA SABOUH | 2,300,000 | 0.37% |
| MR JOSEPH PATRICK MCTIGUE | 2,200,305 | 0.36% |
| | **381,604,120** | **62.20** |

**(b) Unquoted equity securities**

There are:

- 11,000,000 unlisted options held by directors and key management personnel of Lithium Universe Limited at 31 December 2023 (issued between 16 August 2023 and 15 March 2024);
- 32,000,000 unlisted options held by directors of Lithium Universe Limited at 31 December 2023 (issued on 18 July 2023); and
- 60,738,623 unlisted performance rights held by 1361707 B.C. Ltd as part of the consideration paid to acquire the Company's 80% interest in the Apollo Lithium Project (issued on 18 July 2023).

Further information concerning the terms of the above unlisted equity securities can be found within the 'Directors Report' section of these financial statements.