Lithium Universe LIMITED
Building a Lithium Future

ASX ANNOUNCEMENT AND MEDIA RELEASE

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LITHIUM UNIVERSE BOARD VISITS OPERATING REFINERIES IN CHINA

Highlights

- LU7 Board and CEO travel to China to meet with existing lithium refineries
- Lithium market poised to recover from current low market pricing
- Lithium Universe to build through the lithium cycle
- Team validates existing design process improvements with existing operators
- Jiangsu Li Carb Refinery built by Galaxy maintains benchmark in China
- LU7 construction philosophy of Jiangsu-style refinery reinforced
- Chinese converter expansions focussed on lithium carbonate
- Lithium carbonate demand is increasing due to the shift towards LFP batteries

Lithium Universe Limited (referred to as "Lithium Universe" or the "Company," ASX: "LU7") is pleased to provide insights from a recent trip conducted by key members of the Board and the CEO, to various Chinese lithium producers. The trip, led by Executive Chairman, Iggy Tan, along with Board directors Patrick Scallan and Dr. Jingyuan Liu, alongside CEO Alex Hanly, aimed to gather direct feedback from industry executives, validate LU7 process design, reaffirm construction philosophy, and assess market-induced strategic expansions. Inspections were undertaken at various lithium refinery facilities in the provinces of Shangdong, Hubei and Sichuan.

Discussions with lithium conversion executives highlighted the current market conditions and sustainability concerns. The consensus among industry players suggests that current market pricing represents the likely breakeven point for the production of battery-grade lithium hydroxide and carbonate. This reaffirms Lithium Universe's commitment to navigating through lithium market dynamics and solidifying our pivotal role within the growing lithium supply chain in North America.

In anticipation of a strengthening lithium market, each of the Chinese lithium producers presented various strategic expansion plans within China and Asia. Most notably, the lithium producers that the Company met with, were expanding or modifying existing plants to have the ability to produce battery-grade lithium carbonate as opposed to expansion into lithium hydroxide. The significant increase in demand for lithium carbonate in China is due to the popularity of Lithium Iron Phosphate (LFP) batteries. Lithium carbonate is the feedstock for LFP batteries, whilst lithium hydroxide is used in the higher nickel, cobalt (NMC, LCO) type of batteries.

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Renowned for their stability, safety, and cost-effectiveness despite relatively lower energy density compared to Nickel Cobalt Manganese (NCM) batteries, LFP batteries currently reign supreme in China's domestic EV market, accounting for over 67% of installations in 2023. With its cathode material reliant on lithium carbonate and iron phosphate, LFP is also well suited to large-scale energy storage applications. As more Chinese consumers choose LFP batteries, this may be a key indicator of consumer demand preference shift. These insights further reinforce the Company's strategy to focus on delivering a 16,000 tpa battery-grade lithium carbonate refinery at Bécancour, Québec.

Figure 1: The Company inspects an operational lithium refinery within the Sichuan province, China.

The Company discussed plant improvements and modifications that were incorporated into various existing designs to improve operational efficiency and increase chemical recovery. The Jiangsu Lithium Carbonate Refinery that was built by Iggy Tan, Dr Jingyuan Liu, and John Loxton for Galaxy Resources was the first fully continuous and semi-autonomous western-style lithium conversion plant in China. The Jiangsu Refinery remains a benchmark for process control, process design, and quality product output. The Company noted that most of the innovations made by the team when constructing the Jiangsu plant have now been recreated across the majority of Chinese converters. Even after more than 10 years, the Jiangsu refinery design continues to lead the way in refinery design. Lithium Universe plans to replicate the entire Jiangsu lithium carbonate plant refinery at its proposed location at Bécancour, Québec.

The Company estimates that 850,000t of LCE per annum will be required to satisfy demand in North America. Currently, there are no operational converters in North America and the Company estimates approximately only 100,000t of planned hard rock converters are slated for construction in the region. LU7 estimates that over 95% of the world's spodumene conversion capacity is located in China. Similarly, Canada, acknowledging the significance of energy security, has intensified efforts to reduce Chinese involvement in the sector as part of a "decoupling" or "de-risking" strategy, mirroring the actions taken by the United States. The prevailing trend towards supply chain localization presents a significant opportunity for Lithium Universe to leverage.

Figure 2: The LU7 Board and CEO inspecting the calciner kiln and impurity removal circuit at various conversion facilities.

Lithium Universe Chairman, Iggy Tan said "*The discussions had with various Chinese converters were essential and extremely valuable to the Company's understanding of the existing global conversion environment. The Company has multiple points of difference that were validated on this excursion, including proven technology, demonstrated development experience, focus on lithium carbonate, and access to convert within the North American battery supply chain.*"

- End -

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/

Authorisation

Authorised for release by Iggy Tan, Executive Chairman of Lithium Universe Limited.

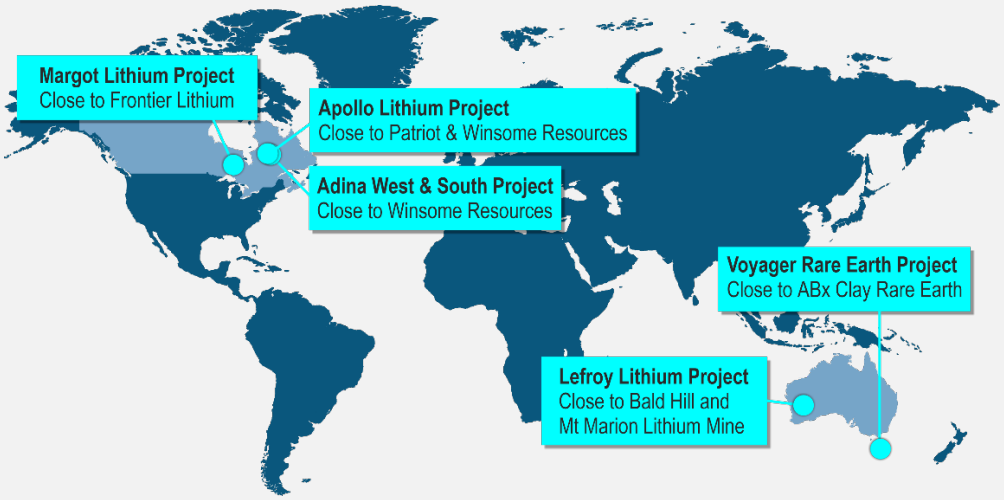
Forward-looking Statements

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.

About Lithium Universe Limited (ASX:LU7)

LU7's main objective is to establish itself as a prominent Lithium project builder by prioritizing swift and successful development of Lithium projects. Instead of exploring for the sake of exploration, LU7's mission is to quickly obtain a resource and construct a spodumene-producing mine in Québec, Canada. Unlike many other Lithium exploration companies, LU7 possesses the essential expertise and skill to develop and construct profitable projects. Additionally, Lithium Universe Limited has access to significant Lithium opportunities in Tier 1 mining jurisdictions in Canada and Australia.

Tier 1 Lithium Inventory



Apollo Lithium Project (80%)

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 (market cap of over A$1.4 billion). Patriot's most successful drill result was a remarkable 156 meters at 2.12% Li_2O at CV5. Similarly, 28 kilometres to the east, Winsome Resources Limited (market capitalization of over A$300 million) recently announced drilling hits of 107 meters at 1.34% Li_2O from 2.3 meters (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%)

The project is situated in close proximity to the Adina discovery, which is owned by Winsome Resources, a Company with a Market Capitalisation of over A$300m in the market. 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 & 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%)

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. Frontier Lithium, with a market capitalization more than CAD$450 million, is a significant player in the region.

Lefroy Lithium Project (100%)

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, which has a top-quality spodumene concentrate with low levels of mica and iron, as well as significant tantalum by-product production. The Bald Hill mine has a resource of 26.5 million tonnes at 1.00% Li_2O. The Lefroy project is also located near the Mt. Marion Lithium Mine, which is owned by Mineral Resources and has a market capitalization of A$17B. Mt. Marion produces 900,000 tonnes of mixed-grade spodumene concentrate annually and is approximately 60 kilometres from the Lefroy project.

Voyager Rare Earth Project (80%)

The Voyager project is 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. ABx stated that early testwork indications show their rare earth elements are easily leached and could be concentrated at low cost, with no deleterious elements. Geological mapping of Voyager's tenures indicates the presence of various areas of clay and bauxite, which is the ideal geological environment for the occurrence of rare earth elements.

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