

12 July 2024

LISTED OPTIONS – TERMS AND CONDITIONS

Lithium Universe Limited (referred to as "Lithium Universe" or the "Company," ASX: "LU7") wishes to advise that the terms and conditions concerning its non-renounceable entitlement issue for listed options - as announced on 24 June 2024, are included within Appendix 1 of the attached.

-Ends-

Authorised for release by Kurt Laney, Joint Company Secretary of Lithium Universe Limited.

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/>

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Forward-looking Statements

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 of 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 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)

Lithium Universe is dedicated to closing the 'Lithium Conversion Gap' in North America by developing a mine-to-battery-grade lithium carbonate strategy in Québec, Canada. Our mission is to support the supply chain needs of original equipment manufacturers (OEMs), particularly in the automotive sector, by converting spodumene supply into lithium chemicals for EV battery plants North America.

Our business model focuses on converting spodumene supplies under "take or pay" agreements with OEMs. These agreements include protective pricing mechanisms, such as floor and ceiling prices, to ensure stable margins and mitigate market volatility. This approach guarantees our LU7 refinery's payback while providing OEMs with a reliable and sustainable supply of lithium chemicals.

THE LITHIUM CONVERSION GAP

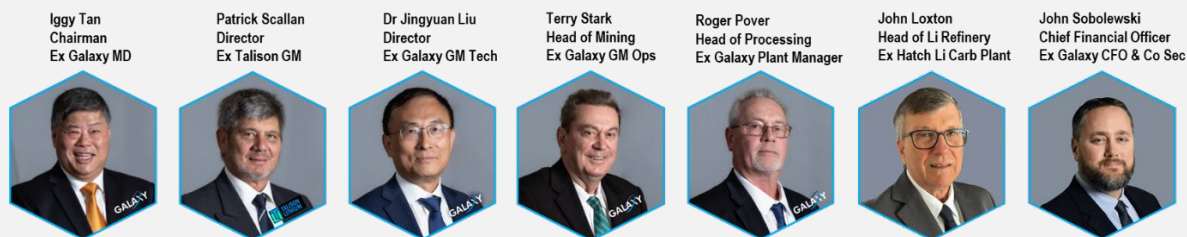
North America anticipates a surge in battery manufacturing, with over 20 major manufacturers planning to deploy an estimated 1,000GW of battery capacity. The Company estimates that 850,000t of LCE per annum will be required to satisfy demand in North America by 2028.

Spodumene concentrate needs to be converted to battery-grade lithium carbonate or hydroxide to be used in the production of cathode materials for lithium batteries. Currently, there are no operational converters in North America and the Company estimates only 100,000t of LCE hard rock converters are slated for construction in the region by 2028. The region seeks to decrease dependence on Chinese lithium converters, aligning with both commercial and national security goals to onshore the lithium battery supply chain in North America.



PROVEN LITHIUM EXPERTISE

The Company is comprised of lithium industry leaders known as the 'Lithium Dream Team', who are known for rapidly developing and operating hard rock lithium extraction and downstream operations across Australia and China. The Company's Chairman, Iggy Tan, is considered a pioneer in the modern lithium industry; spearheading Galaxy Resources, Iggy Tan built the first large-scale vertically integrated mine-to-refinery project including the 1 million tpa Mt Cattlin Spodumene Project and the downstream 17,000 tpa Jiangsu Lithium Carbonate Refinery. Patrick Scallan, Director, is a seasoned veteran of the lithium industry with over 25 years of managing the world-class Greenbushes Mine including production expansion from 200ktpa to 1.4mtpa during his tenure. Dr Jingyuan Liu is a world-leading technical expert in downstream lithium processing having consulted for over 25 different refinery operations over the world having previously managed the construction and commissioning of the Jiangsu Lithium Refinery for Galaxy.



Mr Terry Stark, who previously served as the General Manager of Operations for both Mt Cattlin and James Bay projects; Mr Roger Pover, with extensive experience as Plant Manager at Greenbushes and Mt Cattlin. John Loxton, who was involved in the construction of Jiangsu Lithium Carbonate Plant for Hatch Engineering and John Sobolewski, former CFO and Co Sec of Galaxy Resources, assumes the role of Chief Financial Officer at Lithium Universe.

PROVEN LITHIUM TECHNOLOGY

The Jiangsu Lithium Carbonate Plant, initially designed to produce 17,000 tpa of battery-grade lithium carbonate, has set a global benchmark for lithium refineries by incorporating advanced Western continuous process control techniques. The plant has surpassed its design capacity, now producing 20,000 tpa of high-quality battery-grade lithium carbonate. Remarkably, it achieved steady-state quality within two years of groundbreaking. Building on this success, Lithium Universe plans to replicate the Jiangsu plant's design, utilizing the same suppliers, equipment, and engineering firm to mitigate risks. Hatch Limited, the engineering company behind the original Jiangsu plant, has been contracted to conduct the Definitive Feasibility Study (DFS) for the Company's Bécancour Lithium Refinery.

Terms and conditions of New Options

The terms and conditions of the New Options are set out below:

(a) Entitlement

Each New Option entitles the holder to subscribe for one (1) Share upon exercise of the New Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.03 (**Exercise Price**).

(c) Expiry Date

Each New Option will expire at 5:00pm (WST) on the date that is 18 months from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with

ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- iii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- iv. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under paragraph (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) Change in exercise price

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) Transferability

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.