

23 July 2024

LU7 BÉCANCOUR LITHIUM REFINERY PROJECT UPDATE

Highlights

- Project is advancing well and remains on track
- Engineering milestones include plant layout, equipment packages, datasheets, scopes of work, and specifications
- Procurement priority one packages for quotes about 60% complete
- Early contractor engagement and strategic risk assignment
- Environmental work is progressing with no show-stoppers identified to date
- Strong engagement from Federal, Provincial and Local Government
- Bécancour Lithium Refinery well aligned with Provincial strategy
- Mature local government support and project understanding

Lithium Universe Limited (referred to as "Lithium Universe" or the "Company," ASX: "LU7") is pleased to announce a project update of the Bécancour Lithium Refinery Project. The project is advancing well and remains on track. Key milestones include finalizing the plant layout, issuing technical specifications for capex estimation, and progressing with supplier quotation activities. Environmental site visits and studies are ongoing, with no significant issues identified. Hatch's transition from Brisbane to Montreal offices is smoothly underway, ensuring continuity in project management. Early contractor engagement and strategic risk assignment are mitigating potential delays. Overall, the project is adhering to its timeline, with significant progress in engineering and procurement, ensuring readiness for a capital cost estimate and commitment to ensure environmental compliance with the regulatory framework.

Procurement

Procurement activities include sending technical specifications to suppliers for detailed quotations to build the capex estimation. For priority one mechanical equipment, nine packages have been issued, with seven offers received and evaluations currently underway. Five priority one electrical equipment supply packages will be issued for inquiry within the next week. The goal is to evaluate all priority one packages by the end of September. Due to potential lead times for electrical transformers, the tenderer list will be expanded to reduce these lead times.

Engineering

The major engineering activities include finalizing the plant layout and preparing documentation for equipment packages, such as datasheets, scopes of work, and specifications. Key tasks also involve creating the main power distribution single line diagram and providing clarifications during the tender period. Additionally, proposals received are being thoroughly reviewed to ensure they meet project requirements. Effective handling of process effluent and site runoff is another critical focus area. The development of the package register, material take-offs (MTOs), and comprehensive equipment lists are ongoing, ensuring all necessary components and details are accurately documented and organized for the project's successful execution.

Plant Layout

The first release of the plant layout has been published, with several features still under development. These include new plant areas such as the boiler plant and process effluent treatment. Structural framing of buildings and HVAC systems are in progress, along with civil works encompassing drainage, road pavements, vehicle paths, sedimentation ponds, and car parking. The location and number of plant switch rooms is being optimised. Efforts are being made to enhance spodumene and residue storage, focusing on materials handling and capacity. Additionally, the routing of major pipe and cable racks is being planned. The layout on-site is being designed with consideration of likely environmental constraints to ensure compliance and sustainability. These developments aim to enhance the overall efficiency and effectiveness of the project.

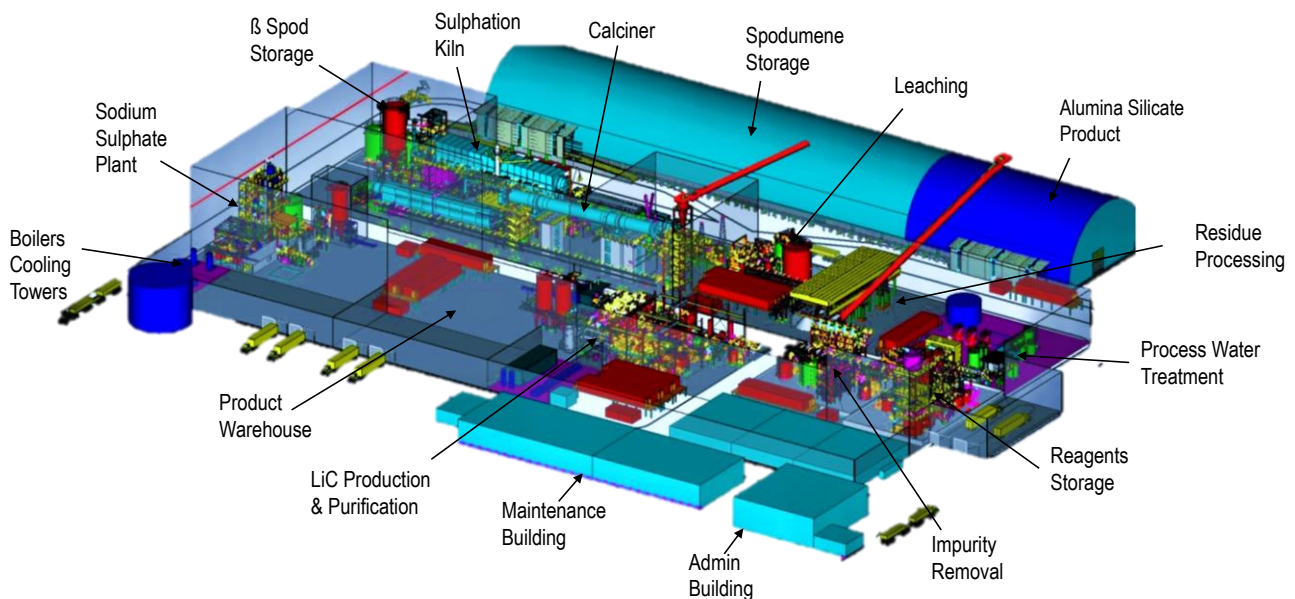


Figure 1 - Lithium Universe Bécancour Lithium Refinery Layout

Environmental Work

The team is actively involved in field inventories to develop knowledge of the biodiversity present on site. Four field campaigns have been carried-out to survey the presence of short-eared owls, breeding birds, fish and fish habitat, and wetlands. Based on preliminary results, no species at risk nor species of concern as listed under the Canadian Species at Risk Act (SARA) have been identified so far. The project team is also engaged in

activities to optimize the site layout and reduce encroachment on wetlands identified on the property. Surveys are expected to be completed during the Canadian Summer. Field inventory results will be used to support environmental permitting activities and discussions with the Regulators to ensure site layout and the design of the industrial facility are developed in full compliance with the environmental regulatory framework.

A Phase I study to understand previous uses of the site is progressing and no potential environmental liability has been identified based on preliminary results. The Phase I Study is expected to be completed by the end of July. Over the coming months, the team is expected to initiate the preparation of permitting documents to ensure the Project follows formal approval lines.

Priorities

The highest priorities for the next few months include finalising the environmental permitting and approvals program, which entails completing the initial field survey, briefing with the Ministry, finalising the Phase 1 Report, and preparing the first application. Engineering work necessary for the environmental permit application is also a top priority, focusing on civil design, updated plant layout, and water management strategy. In parallel, equipment procurement will involve preliminary engineering, securing vendor proposals, and establishing schedules. Confirming the treatment of process effluent and site runoff is crucial for environmental compliance. Additionally, commencing civil and structural engineering work is essential to maintain project momentum. Finalising the plant layout will ensure all components are correctly positioned and integrated. Lastly, execution phase planning will be progressed, contingent on the monthly budget, to ensure that all activities are appropriately funded and scheduled for efficient project advancement.

Government and Community Engagement

A trip by key leadership members to Eastern Canada. The delegation, led by CEO Alex Hanly and including Chairman Iggy Tan, Board Directors Patrick Scallan and Dr. Jingyuan Liu, and Canadian Director, Victoria Vargas, engaged with government stakeholders, community partners, and industry peers. The meetings in Montreal, Bécancour, Québec City, and Ottawa reinforced the Company's strategy to address the Lithium Conversion Gap in North America and provided updates on our engineering progress and commercial discussions.

Ministry of Economics, Innovation, and Energy

A meeting was held in Québec City with the Honourable Minister Pierre Fitzgibbon, Minister of Economics, Innovation, and Energy. This follows the Company's initial presentation of the Company's unique strategy in November 2023 in Dubai. Once again, Minister Fitzgibbon expressed enthusiasm for our engineering progress, the acquisition of the Option agreement within the Bécancour Industrial Park, and the Hydro-Québec application for an estimated 22.5MW energy allocation for our Bécancour Lithium Refinery.

Lithium Universe emphasized Québec's strategic benefits, including hydroelectric power, proximity to the James Bay region, and logistic advantages with port access to the transatlantic region. The Minister reiterated his support for our vision of transforming Québec into the Centre of Lithium Conversion for the transatlantic region. The Company is impressed with the forward-thinking provincial government of Québec and the progress of the Strategic Innovation Zone under the pragmatic guidance of Minister Fitzgibbon.

Bécancour Lithium Refinery Site

In February 2024, the Company successfully executed an option agreement to acquire a refinery site strategically located within the Bécancour Waterfront Industrial Park (**BWIP**). The site in Bécancour, close to Trois-Rivières, lies between Montreal and Québec City and is near major highways and railways. The Port of Bécancour supports year-round operations with deep-water access. The site offers low-cost hydroelectric power, robust infrastructure, and comprehensive water and waste facilities, ideal for the proposed Lithium Refinery.

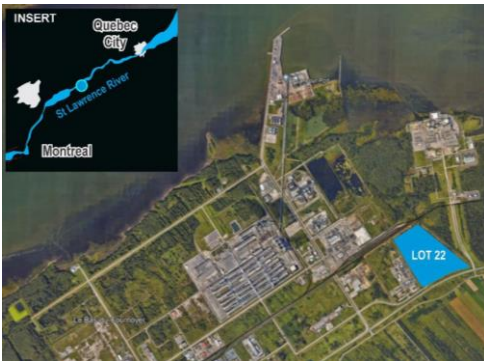


Figure 2 – Lot 22 within the Bécancour Waterfront Industrial Park



Video of Director, Dr Jingyuan Liu, at Bécancour Lithium Refinery site:

<https://youtu.be/dqb4lwp-kH8>

The Company once again met with key executives from the BWIP in Bécancour. The meeting focused on the Company's progress in site evaluation activities and included a presentation on the process design, featuring pictures from a reference lithium carbonate refinery. The port was confirmed to have the capacity to manage 50,000-ton bulk shipments, exceeding the Company's initial requirements. The Company had the opportunity to inspect Lot 22, encompassing an area of 27-hectare, and view the proximity to infrastructure and immediate tie-in to existing BWIP utilities. The SPIPB team provided an overview of planned expansions and facility upgrades to the onsite infrastructure, positioning Bécancour as a leader in offering prime industrial real estate in Québec. The Company will be looking to commence various community initiatives to integrate the industrial site into the wider community.



Figure 3 - LU7 Board of Directors (bottom right) inspecting Bécancour Lithium Refinery Site

Municipality of Bécancour

The Company met with the Mayoress of Bécancour to discuss the Company's objectives to contribute to the local economy by providing hundreds of employment opportunities and helping to realize its economic potential. LU7 reaffirmed its commitment to the Bécancour and wider Trois-Rivières region, pledging to support various social, community, and environmental initiatives in the coming years. The Mayoress expressed enthusiasm for the Company's plans within the SPIPB, recognizing the development of a proven and reliable design with internationally aligned process outputs.



Figure 4 - Meeting at Bécancour Industrial Park with LU7 CEO, Alex Hanly, Bécancour Mayoress, Lucy Allard and LU7 Chairman, Iggy Tan.

Provincial Government - Québec

The Company also met with key delegates in Montreal from Investissement Québec (IQ), the Ministry of Natural Resources and Forests (MRNF), Energy Transition Valley Innovation Zone, and the Ministry of the Environment, the Fight Against Climate Change, Wildlife and Parks. The provincial government has identified a lithium conversion gap within the supply chain, crucial for servicing the expected increase in spodumene supply from the James Bay region in the coming years. Québec is a North American leader in attracting foreign direct investment, sustainable development, and supporting battery metals projects. The province has a strong history of supporting lithium battery supply chain development, with significant provincial and federal government incentives.

Recent government support includes the General Motors (GM) and Korea-based POSCO Chemicals' US\$1 billion cathode active material (CAM) factory, the Ford/EcoPro BM US\$800 million cathode factory, and Northvolt's US\$7 billion EV Battery Facility at Saint-Basile-le-Grand. This creates a favourable regulatory environment for the Company's project, ensuring robust support throughout the cycle.

Canadian Federal Government - Ottawa

The Company met with various federal government stakeholders from Invest in Canada (IIC), Natural Resources Canada (NRCAN), Innovation, Science and Economic Development (ISED), and Export Development Canada (EDC). Given the lack of refining capacity in Canada, LU7's lithium carbonate plant is an innovative project, as there are no current operating or planned facilities of this kind within the country. Building lithium conversion capacity alongside spodumene mines will enable Canada to become wholly self-sufficient in the lithium chemical supply chain.

Hatch - Montreal

The Company and its engineering partner, Hatch, held a productive meeting at the Montreal office to align their shared culture and fast-track development vision. They reinforced the philosophy of "same process, same equipment, same supplier," which minimizes technical risks, ensures quality, and reduces costs. The operational environments in Australia and Canada share many similarities, facilitating the integration of skills into Québec. Hatch's leadership in building lithium conversion facilities and tackling challenging projects validates the decision to partner with them. Through this collaboration, the Company acknowledges Hatch's expertise as the premier lithium refinery engineering expert.

Lithium Universe Chairman, Iggy Tan said, *"The project is on track, finalizing plant layout, issuing capex specs, progressing supplier quotes, with smooth office transition, and no environmental issues, ensuring readiness for capex cost estimate. The reception from federal, provincial and local government delegates has left a very positive impression on the LU7 Board of Directors. The region has made strong commitments since releasing the Critical Minerals Strategies four years ago and we have seen that in the significant investments made within the battery supply chain and pragmatic discussions held with key government executives. We look forward to advancing the Company's Bécancour Lithium Refinery to contribute in making Québec the lithium conversion centre within the Transatlantic region."*

-Ends-

Authorised for release by Iggy Tan, Executive Chairman 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/>

For more information, please contact:

Alex Hanly

Chief Executive Officer
Lithium Universe Limited
Email: info@lithiumuniverse.com

Iggy Tan

Chairman
Lithium Universe Limited
Email: info@lithiumuniverse.com

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.