

23 September 2024

## MARKET UPDATE

Lithium Universe Limited ("Lithium Universe" or the "Company," ASX: "LU7") outlines the following update in respect to the activities of the Company.

### Performance Rights

The Company refers to the allotment of performance rights to Mr Fadi Diab on 12 July 2024 (**Performance Rights**). It is noted that despite Mr Diab's resignation as a director of the Company, Mr Diab is entitled retain his performance rights for the following reasons:

1. the Company's shareholders had approved the issuance of the Performance Rights to Mr Diab at the Company's Annual General Meeting, which was held on 14 June 2024 (Resolution 10); and
2. Clause 9.4(a) of the Company's Employee Securities Incentive Plan (**Plan**) would at face value require that Mr Diab's Performance Rights are forfeited, given that Mr Diab voluntarily resigned from the Company, which would make him a "Bad Leaver". However, Clause 9.9 of the Plan provides that the Board can exercise its right under Clause 9.9 and permit Mr Fadi to retain his Performance Rights.

The Company has taken the position that Mr Diab is a "good leaver" and someone who will continue to contribute to the success of the Company going forward.

In addition to the above, it was noted that Mr Diab undertook considerable work for no remuneration and as such, the retention of the Performance Rights was treated as compensation for past services performed.

### Canada Investment Act

Lithium Universe is pleased to share that it has proactively initiated the voluntary notification process under the recently amended National Security Review of Investments Regulations. This step demonstrates the Company's commitment to regulatory clarity and aligns with the updated Investment Canada Act requirements.

The purpose of this review process is to ensure that investments in Canada align with Canadian values and do not pose risks to national security. Recent media coverage has highlighted that this process is particularly relevant for investments from Chinese companies and Chinese state-owned enterprises.

The Company provides assurance to its stakeholders that, based on the Company's thorough preparation and compliance efforts, there are no issues anticipated in advancing this application. The Company's proactive approach enables us to move forward with confidence while aligning with Canadian regulatory standards.

### **Educational Institution Partnership**

Lithium Universe is actively seeking a partnership with a prominent educational institution in the Montreal Metropolitan area. This collaboration aims to support integration studies for our Bécancour lithium refinery and adapt the Jiangsu design to the Québec operational environment.

Given that the lithium industry in Canada is still emerging compared to established regions like Western Australia, the Company is taking proactive steps to address the educational and skill gaps in this sector. Lithium Universe's objective is to advance lithium expertise in Montreal and broader Quebec by partnering with a university that is committed to developing knowledge in lithium processing and mining.

The selected partner will play a key role in project-specific tasks, including the operational integration of the Jiangsu lithium carbonate refinery design, collaboration on enhancing supply chain management and exploring environmental innovations.

### **Exploration Projects Update**

Further to an extensive review of its project portfolio, the Company's Board has decided the following in relation to its exploration assets:

1. Adina West and South (Québec) and Lefroy Lithium Project (Western Australia): indicated low chance of prospectivity. Accordingly, these project should be relinquished.
2. Margot Lake (Ontario): following review of its Traditional Owner obligations, the cost of meeting these obligations are likely to exceed the potential benefits. Accordingly, this tenement should be relinquished.
3. Voyager REE Project (Tasmania): Rare Earth projects are not the focus for the Company. Accordingly, the Voyager REE tenements will be relinquished.

As a result, of the above, Apollo Lithium Project will remain the only exploration asset for the Company. The Company's Board is looking to undertake a further review of the project during the 2024 calendar year following receipt of the laboratory assay results sourced from the Company's extensive field work program that was completed in August 2023.

Based from the August 2023 work program, it appeared that an east-west trending fault shear corridor feature extended from the east of the project (refer to ASX announcement dated 29 December 2023<sup>1</sup>). However, prior to committing to the proposed drilling program, the Company's in-house geologist has advised that the results obtained from the December 2023 assays will require further assessment via an on-ground exploration program to accurately target the correct drilling area.

<sup>1</sup> Lithium Universe Limited (ASX:LU7) announcement dated 29 December 2023 *Completion of Field Program at Apollo*

The Company has commenced the process of relinquishment of the projects, which will be completed upon the lodgement of the required documentation to the relevant government agencies. Additionally, the Company is in the process of fulfilling its requirements under terms of the joint venture arrangements that govern the Adina, Margot Lake and Voyager Projects.

**-ENDS-**

Authorised 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/>

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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.