Lithium Universe LIMITED
Building a Lithium Future

ASX ANNOUNCEMENT AND MEDIA RELEASE

21 February 2024

LITHIUM UNIVERSE SECURES QUEBEC PRIME INDUSTRIAL LAND FOR LITHIUM REFINERY

Highlights

- Strategy for closing the North American lithium processing gap
- Secured prime industrial property in the Bécancour Waterfront Industrial Park (BWIP)
- Strategic location, hydroelectricity, gas, road, rail, and spodumene import facilities
- The site has the capability for three 16,000 tpa Lithium Carbonate refineries
- Located within 1km of General Motors/POSCO Cathode factory and Ford/EcoPro BM Cathode factory and 140km from Northvolt's EV battery facility at Saint-Basile-le-Grand
- Integral component of the Québec Lithium Processing Hub (QLPH) Strategy
- Favourable terms including no option fee until July 2024 and option term of 3 years
- Acquisition is subject to regulatory and shareholder approvals
- Land acquisition depends on Li Refinery project finance
- No funds are required to be raised for land acquisition

Lithium Universe Limited (referred to as "Lithium Universe" or the "Company," ASX: "LU7") is pleased to announce that as part of its strategy to address the Lithium conversion capacity gap in the North American market, the company has successfully executed an option agreement (**Option Agreement**) to acquire a commercial property strategically located within the Bécancour Waterfront Industrial Park (**BWIP**). The site is Lot 22 of the Parc industriel et portuaire de Bécancour, Bécancour, Québec, Canada, with an area estimated to be 276,423 square metres (**the Site**).

Video summary of the Company's proposed Bécancour Lithium Refinery location: https://investorhub.lithiumuniverse.com/link/XyMO4r

Video Summary Bécancour Lithium Refinery location

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.

The industry encounters a significant challenge in establishing a reliable supply chain, especially due to limited access to lithium converters in North America. The region seeks to decrease dependence on China and Chinese companies, aligning with both commercial and national security goals. Presently, Chinese companies dominate the global market for lithium converters and refining capacity. 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 issue lies in the scarcity of independent lithium converters planned for construction in North America, potentially stemming from a lack of expertise or a series of recent failures and delayed startups in the sector. A significant gap in lithium conversion and processing looms in North America. 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 to 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.

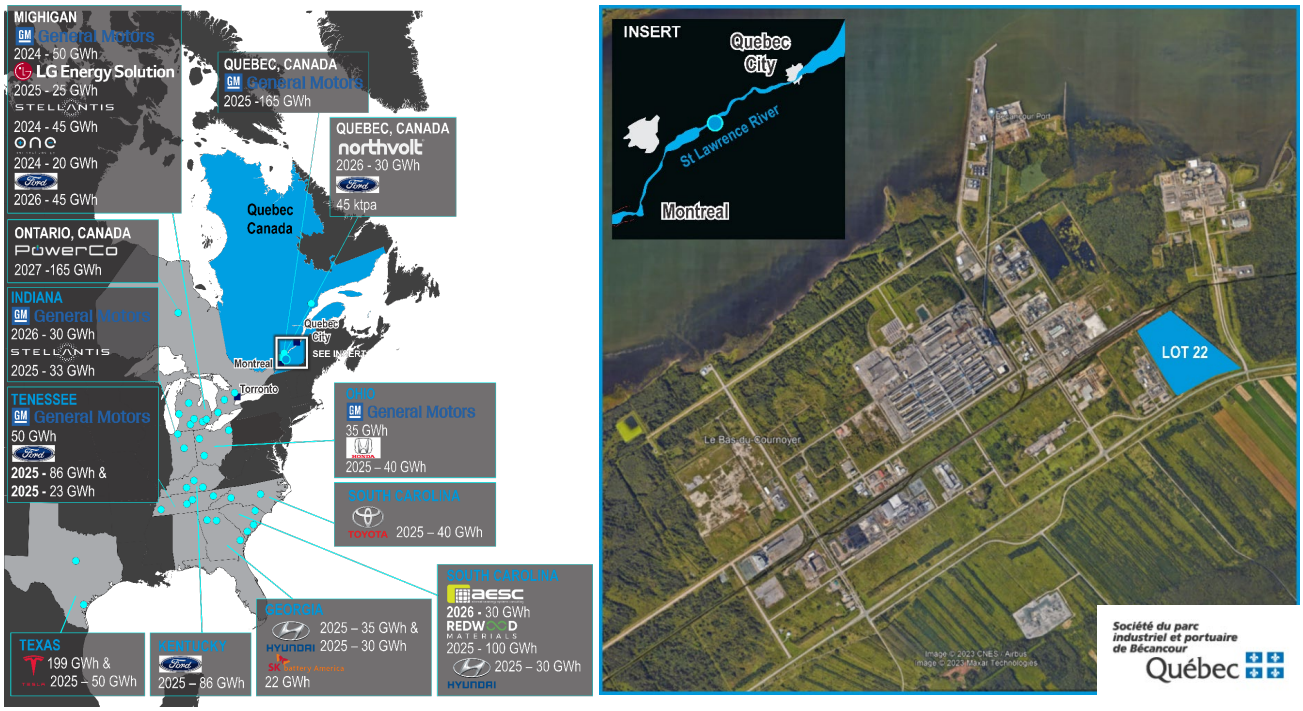

Figure 1: The Bécancour facility is proximal to approximately 25 new battery manufacturing and cathode facilities proposed to be in operation by the end of 2027 on the eastern seaboard of North America.

Option Agreement

The execution of the Option Agreement follows from the Company's announcement that Hatch Ltd (**Hatch**) has been appointed to undertake an engineering study for the design of a multi-purpose battery-grade lithium carbonate refinery, which will form part of the Company Québec Lithium Processing Hub (**QLPH**) strategy. The BWIP is the preferred site for the Company's 16,000 tpa Lithium Carbonate Refinery, validated through a comprehensive location option study conducted by Hatch. Investissement Québec has played an integral role in supporting the Company in its objective to secure this strategic location for the Company's QLPH strategy.

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. The land acquisition hinges on securing project finance for the Lithium Refinery Project. The Company isn't required to raise funds specifically for buying the land. If the project finance for the Lithium Refinery Project falls through, the Company retains the option to withdraw from the agreement.

About the Site

The Company's Site is strategically situated in Bécancour, just south of Trois-Rivières, and is optimally positioned between Montreal and Québec City. Positioned near a major highway, the site seamlessly connects to the extensive North American highway network. Additionally, the facility benefits from daily service by the Canadian National Railway (CN), enabling cross-continental transportation from east to west and north to south, linking key ports on the Atlantic and Pacific coasts. The Port of Bécancour, operational all year-round, boasts a water depth of 10.67 meters, accommodating vessels of varying sizes. It features a pier extending 1,130 meters into the St. Lawrence River, equipped with 5 berths and a roll-on/roll-off ramp, further solidifying its strategic fit as the location for the Company's proposed Lithium Carbonate Refinery due to its ability to easily access international spodumene supply whilst the Canadian internal spodumene supply develops.

The Site stands at the intersection of hydro-electrical distribution networks, making the BWIP a highly reliable centre for low-cost hydroelectric power in Québec. In addition, the park features a co-generation plant generating 550 MW, reinforcing its appeal to the Company. Additionally, the BWIP benefits from a robust infrastructure, including a 2400 kPa high-pressure line and an underground distribution network, ensuring a seamless supply to user companies. Moreover, the park offers access to both potable and industrial water, as well as advanced industrial waste facilities.

Furthermore, the Bécancour Facility hosts the General Motors (GM) and Korea-based POSCO Chemicals' new CAD$500 million cathode active material (CAM) factory forecasted for first production in 2025. In addition, the CAD$1.2 billion Ford/EcoPro BM Cathode factory with a proposed production of 45,000 tonnes of CAM per year and slated to start production in 2026 also is located within the BWIP. Both CAM factories have commenced construction mid-2023 are within 1km of the Company's proposed Lithium Refinery location. Only 140km south-west of Bécancour and more recently, Swedish battery developer and manufacturer Northvolt is set to build a wholly integrated lithium-ion (Li-ion) battery gigafactory in Québec, Canada. This facility will have an annual cell manufacturing capacity of 60 gigawatt hours (GWh).

Proposed Use of the Site

The intended use of the Site will be to host the Company's proposed lithium carbonate refinery. As previously outlined under the Company's QLPH strategy, a lithium carbonate refinery, rather than lithium hydroxide refinery, has been selected due to the widespread use of the concentrate in the fast-growing Lithium Iron Phosphate (LFP) batteries. LFP batteries are increasingly used in EV applications due to their lower costs, longer shelf life and superior stability compared with lithium hydroxide. In addition, having regard to the Lithium Universe Board and management expertise in lithium carbonate processing, the Site is considered to have the necessary attributes to be a success of the Company's proposed facilities. Figure 2 shows the layout of the first 16,000 tpa lithium carbonate refinery. The site is large enough to cater for future expansions, with a further two trains of 16,000 tpa being able to fit on the site, See Figure 5.

Figure 2: The Company's site layout superimposed on Lot 22 at Bécancour, Québec.

Figure 3: South side of Lot 22 at Bécancour, Québec proximal to highway access.

Figure 4: North side of Lot 22 at Bécancour, Québec proximal to rail infrastructure.

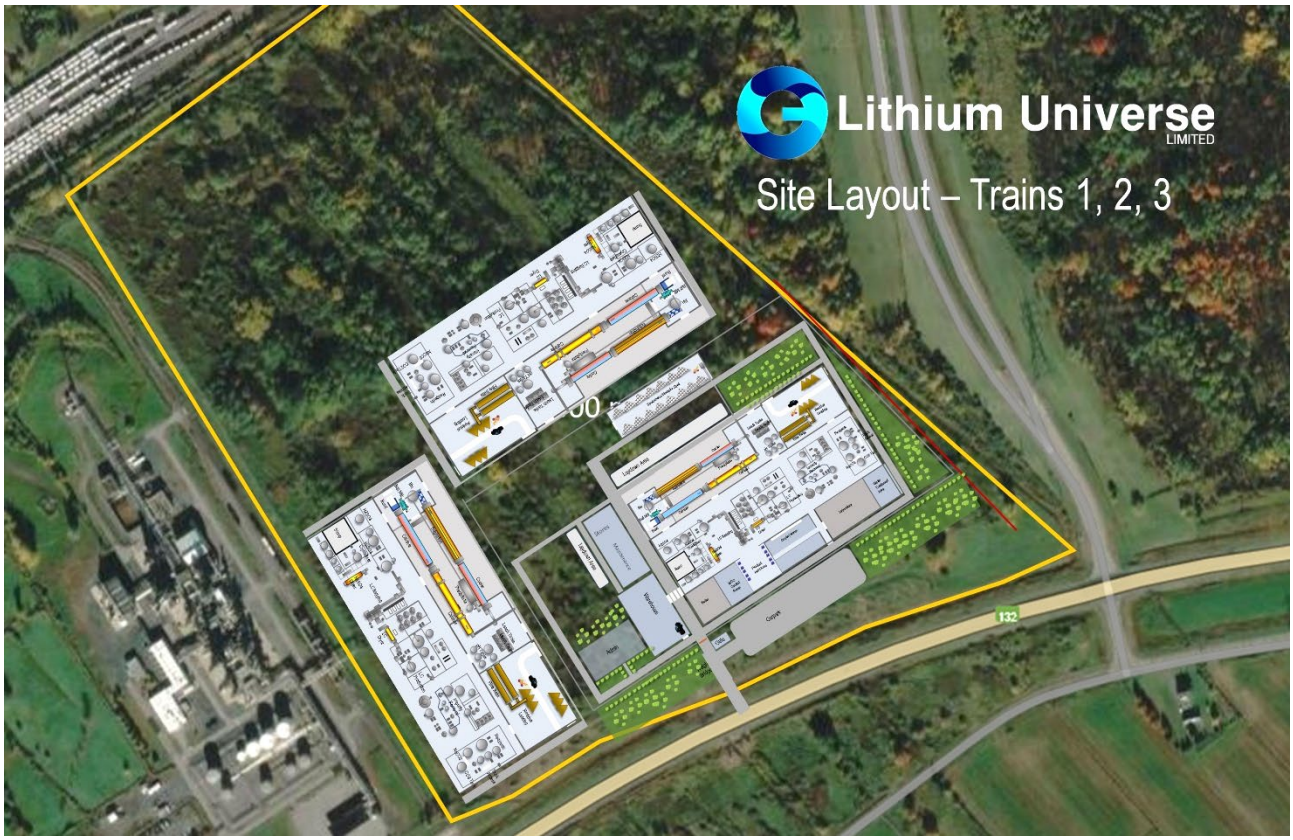

Figure 5: Potential expansion of additional trains at Lot 22 at Bécancour, Québec.

Key Terms of the Option Agreement

The Option Agreement is with the Société du Parc Industriel et Portuaire de Bécancour (**SPIPB**), a company incorporated in Québec, pursuant to which SPIPB has granted the Company an exclusive and irrevocable right under the Option Agreement to acquire the Site.

The key terms and conditions of the Option Agreement are set out below:

- it is subject to regulatory and shareholder approvals;
- the expected purchase price is $CAD 12.6 million (**Purchase Price**). The final price is subject to a survey;
- the Purchase Price is to be increased by the cost of any infrastructure works;
- option term of 36 months from the date of signing of the Option Agreement;
- the first option fee of $CAD 63,135 per month (**Option Fee**) for a period of 30 months from July 2024. The Option Fee reduces the Purchase Price.

Chairman Iggy Tan said "*This is just another positive step forward for the Company as we secure this key landholding in the most attractive emerging battery-focussed jurisdiction. Québec's low-cost hydroelectricity, high environmental standards, and educated workforce, as well as the location's logistical advantages, including a deepwater port and easy rail access to the rest of North America, were key factors in the decision. One of the reasons we like the site is that it gives us the opportunity to expand. We have the ability to do that if necessary.*"

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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/

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

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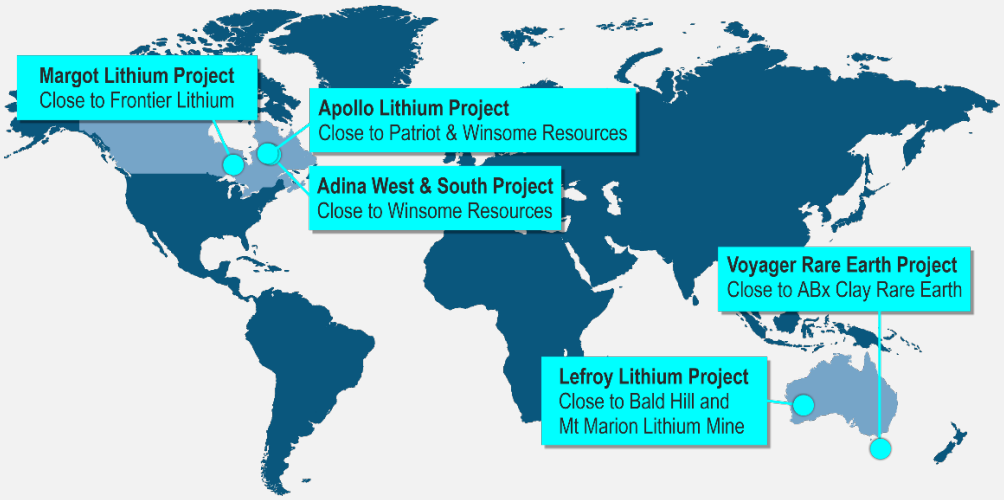
Forward-looking Statements

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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