

8 September 2023

LETTER TO SHAREHOLDERS

Lithium Universe Limited ("Lithium Universe", the "Company" or ASX: "LU7") attaches a copy of a letter to shareholders which has been prepared by the Company's Chairperson, Iggy Tan.

Mr Tan, along with the Company's Board, consider it important to keep shareholders up-to-date on not only the Company's recent significant milestones, but also the Company's vision for the longer term.

This announcement has been authorised for release by the Board of Lithium Universe Limited.

For more information, please contact:

Alex Hanly

Chief Executive Officer
Lithium Universe Limited
Tel: +61 448 418 725
Email: info@lithiumuniverse.com

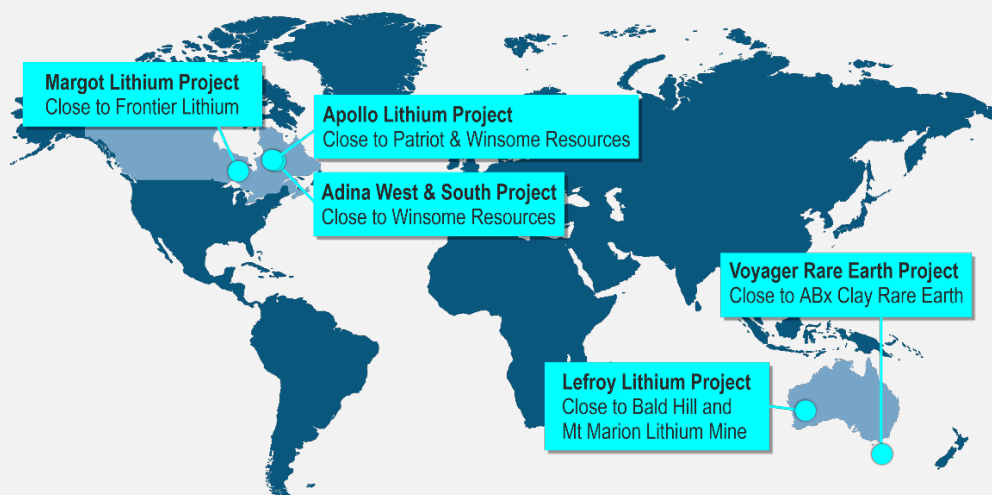
Iggy Tan

Chairman
Lithium Universe Limited
Email: info@lithiumuniverse.com

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 km², 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% Li₂O 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% Li₂O 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% Li₂O. Recently, Winsome Resources reported successful drilling results, with AD-22-005 yielding 107m at 1.34% Li₂O 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% Li₂O, and 18km away from Frontier's Spark Deposit, which contains 32.5Mt at 1.4% Li₂O. 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% Li₂O. 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 21Mt. 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.

September 2023
From: Chairman - Iggy Tan

Dear Lithium Universe Limited Shareholder

I am proud to say that Lithium Universe Limited has successfully re-listed on the Australian Stock Exchange with the ticker code ASX: LU7 and has received a great response from the market. In addition, your Company has also successfully raised a total of \$4.5 million following a highly successful public offer that attracted overwhelming demand from a combination of new and existing shareholders. The media exposure to our re-listing was exceptional with many articles sharing the excitement of the Apollo Lithium Project and the compilation of the Lithium Dream Team.



In my previous letter to shareholders, I introduced myself and shared with you my vision and some of the ideas on how to create a new chapter in the history of lithium exploration and project development in Canada.

I highlighted the recent shift in the Canadian government's stance concerning the export of critical lithium spodumene concentrate to other countries, particularly China, for downstream processing of battery-grade lithium carbonate and lithium hydroxide. In late 2022, the government ordered Sinomine, a Chinese state-owned company, to divest from Canadian company Power Metals Corp and relinquish its spodumene concentrate off-take contract. The government stated that the decision was made following a comprehensive "multi-step security review" conducted under the Investment Canada Act. I believe your company's long-term strategy needs to incorporate these Canadian macro catalysts.



[View Exploration Update](#)

It is not enough for Lithium Universe to simply unearth lithium deposits; we must possess the expertise and resources to build and operate a fully integrated lithium processing and downstream facility. This includes an intricate understanding of each stage, from extraction and purification to the final production of battery-grade lithium products. I promised to canvas this strategy with the board, stakeholders, and shareholders of the Company and there is overwhelming support and motivation for the Company to develop a vertically integrated mine to battery-grade lithium carbonate strategy in Québec, Canada.

As part of this vertically integrated strategy, I have a broader vision to promote collaborative growth among lithium junior exploration companies operating in the James Bay area and position Canada as a major supplier of lithium to the global market. In pursuit of this goal, we will now consider the possibility of establishing the Québec Lithium Processing Hub (QLPH) in James Bay, Québec, Canada. It is envisaged that the QLPH will consist of a multi-purpose independent concentrator (QLPH Concentrator) with a processing capacity of 1 million metric tons per annum (Mtpa), which will supply a battery-grade lithium carbonate refinery (QLPH Lithium Carbonate Refinery) capable of producing 16,000 tons per annum (tpa). The QLPH should be ideally located along the Trans Taiga Highway in the James Bay district. By potentially taking responsibility for the concentration and downstream processing likely required by the Canadian government, this initiative would aim to alleviate the concerns of the junior partners, allowing them to focus on the development of their mines. As mentioned previously, Lithium Universe owns 80% of the highly prospective Apollo Lithium Project in the James Bay district. The Company intends to conduct comprehensive drilling activities for resource development, and if successful develop a mine at Apollo. The potential ROM ore generated from Apollo will be intended to form part of the spodumene ROM ore mix feeding the QLPH Concentrator. In addition, to feed the QLPH Concentrator, Lithium Universe may consider entering into long-term off-take ROM contracts with regional lithium junior partners, who could supply spodumene ROM ore.

The next stage of this vision is to consider some early-stage engineering studies on the feasibility of the proposed QLPH Concentrator that may supply the QLPH Lithium Carbonate Refinery capable of producing 16,000 tpa in James Bay. As part of the preliminary studies, a suitable hub location needs to be identified along the Trans-Taiga Highway to provide access to LG-4 hydropower, water supply, airport, and highway.

To implement this potential vision and as set out in the Company's re-compliance prospectus, I have lined up a pedigree of lithium advisors and experience in one company that is second to none.

The Lithium Dream Team



Huy Nguyen

Roger Pover

Dr. Jingyuan Liu

Iggy Tan

Terry Stark

Patrick Scallan

Among the Lithium Dream Team is Mr. Patrick Scallan, an experienced lithium veteran who successfully managed the world-class Greenbushes Mine for over 25 years. Greenbushes still stands as the largest lithium hard rock mine globally, boasting the highest-grade orebody in the world. Mr Scallan joined the LU7 Board as Non-Executive Director on 30 August 2023. Alongside Mr. Scallan, the Lithium Dream Team boasts strong lithium experience, including 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; and Mr Huy Nguyen, known for his expertise in the design and construction of the Mt Cattlin Mine. On the battery-grade lithium carbonate side, ex-Galaxy, Dr. Jingyuan Liu, an expert who operated the Jiangsu Lithium Carbonate Plant and a prominent figure in the global lithium industry is joined by John Loxton who was involved in the construction of Jiangsu Lithium Carbonate Plant for Hatch Engineering. Both Dr Liu and Mr Loxton were involved in the commissioning of the Tianqi Lithium Hydroxide Plant at Kwinana, Western Australia.

Exploration Commences at Apollo

I am happy to report that exploration work has already commenced at our flagship Apollo Lithium Project. Thanks to early permitting and field preparation, the Company has been able to swiftly launch its on-ground operations during this summer season without any delays. An exploration crew flew in and has commenced fieldwork at Apollo. Considering that the Company re-listed on 14 August 2023, this is a tremendous achievement. For this venture, the Company has partnered with Laurentia Exploration Inc., a highly reputable exploration company based in Québec, Canada. Laurentia is known for its dynamic and flexible approach and has achieved great success across a variety of projects in the James Bay region. The Company is using AI technology as part of its exploration strategy. LU7 is working with KorrAI Technologies to integrate AI and satellite data, optimising exploration. This partnership aims to enhance fieldwork efficiency, cut costs, and improve results by analysing geological features and identifying mineral-rich areas using advanced algorithms and spectral data.

The company recently completed a high-resolution Airborne Magnetic Survey with a specific focus on the Apollo property instead of relying on regional datasets. The survey has obtained detailed signals from the property to better understand its structural framework and rocks that could host LCT pegmatites. Based on this, geophysics was used to facilitate a comprehensive structural analysis of the area. The Company believes the geophysics analysis indicates a major east-west trending fault corridor/shear feature that extends from Winsome Resources Limited's Adina Lithium project to the Apollo Property. In addition, a ground-based Micro-Gravity survey and a soil sampling program were completed in the north-west portion of the Apollo Project. The use of AI technology, airborne magnetic survey and targeted field prospection is likely to provide the company with a number priority targets for future drilling campaigns.

Figure 1: Structural Geophysics analysis showing corridor shear feature from Adina across the Apollo Project.

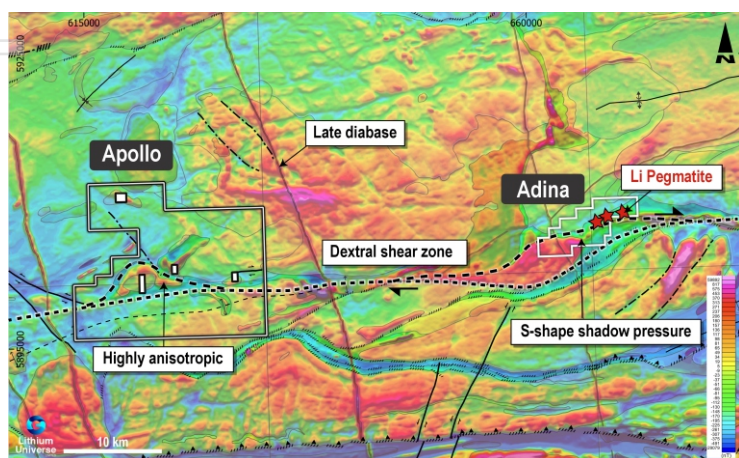
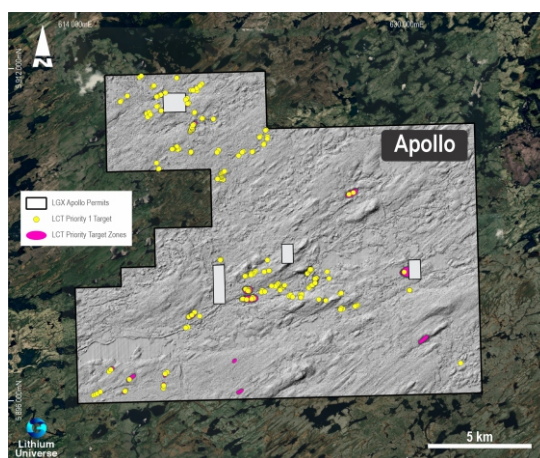


Figure 2: Priority Targets - possible drill targets for future programs



As you can see your Company has hit the ground running. Our Head of Geology, Justin Rivers, and CEO Alex Hanly effectively managed the establishment of partnership connections, including companies like Laurentia during the project's due diligence phase. The initiation of the permitting process, strategically aligned with the relisting timeline, enabled the prompt mobilisation of our exploration crew. Diligent foresight and anticipation played a pivotal role in achieving this rapid on-site exploration. We look forward to reporting our progress in the coming months.

Once again, welcome to this exciting lithium journey.

Yours sincerely,



Iggy Tan
Chairman

Figure 3: Laurentia team prospecting within the Apollo Project



Figure 4: Mobilisation of Laurentia geological team to the Apollo Project



TIER ONE LITHIUM INVENTORY

