Lithium Universe LIMITED

ASX: LU7

29 January 2024

# QUARTERLY REPORT
December 2023

## HIGHLIGHTS

### Appointment of Hatch for Lithium Carbonate Plant Engineering Study
- Hatch Ltd appointed Lithium Carbonate Engineering Study Manager
- Study focus is 16,000 tpa battery grade lithium carbonate plant
- Multi disciplinary engineering group with extensive lithium experience
- Hatch designed and built the 17,000 tpa Jiangsu Lithium Carbonate Plant for Galaxy
- Under the leadership of Dr Jingyuan Liu and John Loxton
- Part of the Quebec Lithium Processing Hub (QLPH) Strategy

### Hatch Completion of Location Study for Lithium Carbonate Refinery
- Completed a location study for the optimal Lithium Carbonate Refinery site
- 16,000 tonne per annum battery-grade lithium carbonate refinery
- Bécancour Industrial Park most favoured between Québec City and Montreal
- Commenced discussions with the industrial park

### LU7 Bolsters North American Operational Experience
- Appointment of Ms Victoria Vargas, as Director to its subsidiary, Lithium Universe (Holdings) Ltd (Canada)
- 25 years of experience within North American capital markets
- Extensive experience across the mining and minerals industry

### LU7 Expands Presence with New Office in Montreal
- Strategically expanding presence in Québec
- Centrally Located near engineering partners HATCH and Primero Group

### Outstanding Progress on QLPH Concentrator Engineering Study
- Primero's outstanding progress in QLPH concentrator engineering study
- Impressive pace and quality surpasses industry norms
- Based on Mt Cattlin design and supervised by Lithium Dream Team
- Key deliverables: Block Flow and Process Flow Diagrams, Mass Balance, Process Design Criteria

### Lithium Universe Meeting with Quebec Government to Share Strategy
- LU7 meets with Québec Government
- Minister of Economics, Innovation and Energy, Pierre Fitzgibbon
- Hubert Bolduc, President, Investissement Québec International

### Excellent Progress of Lithium Carbonate Refinery Engineering Study
- Hatch's outstanding progress in QLPH Li Carb Refinery engineering study
- Finalisation of design flow sheet and draft site layout
- Completion of Block Flow Diagram (BFD) and Process Flow Diagrams (PFD) and Mass Balance along with Process Design Criteria (PDC)

### Apollo Lithium Project Summer/Fall Exploration Completed
- Completion of summer/fall exploration campaign
- Final soil laboratory analysis received
- Drilling strategy for 2024 along a major east-west trending fault shear corridor feature
- Feature extends from Apollo project to Winsome Resources Limited's Adina Lithium project to the east
- Priority drill targets generated for 2024 drilling campaign

## Appointment of Hatch for Lithium Carbonate Plant Engineering Study

Lithium Universe Limited announced the appointment of Hatch Ltd (Hatch) 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 (Engineering Study). Consistent with the proposed business model outlined in the Prospectus (ASX release 10 August 2023) of the Company aiming to establish a major lithium mining and processing hub in Québec and recently reinforced by the Company, the creation of a vertically integrated mine to battery grade lithium carbonate processing hub in Québec, the QLPH is a key element to creating value for its shareholders.

Hatch is a renowned global engineering company, boasting a vast network of over 15,000 professionals and operating in more than 150 countries worldwide. With its origins in Canada, Hatch has extensive experience in successfully delivering lithium-based projects in Québec and globally. Hatch has more than 70 years of project delivery experience in Quebec and has pioneered the use of modular construction in the region. Furthermore, Hatch was the engineering company responsible for the design and delivery of the 17,000 tpa Jiangsu Lithium Carbonate Plant, operated by Galaxy Resources Limited. Upon completion and commissioning, the plant became the world's largest lithium refinery of its kind.

The Engineering Study aims to define the process and non-process infrastructure requirements for a 16,000 tpa lithium carbonate refinery, as well as the definitive estimated capital and operating costs. The design will include the use of conventional kiln conversion of spodumene, sulphuric acid sulphation and leaching, impurity removal and final purification to battery-grade quality lithium carbonate, similar to that of the Jiangsu Lithium Carbonate Plant. Lithium Universe has brought together a strong team of lithium experts to assist in the execution of this strategy, noting that Mr Iggy Tan and Dr Jingyuan Liu previously worked with Hatch on the design, construction and commissioning of the Jiangsu Lithium Carbonate Plant.

The first part of the Engineering Study is to determine the ideal location of the lithium refinery. Hatch has assigned a study team of industry-recognized experts, from its Brisbane, Perth, and Montreal offices to undertake this task, who will report to Dr. Jingyuan Liu, a recognised lithium expert in the global lithium industry, and Mr. John Loxton, Head of Lithium Refinery.

Lithium Universe has made the deliberate choice to focus on lithium carbonate rather than lithium hydroxide due to its widespread use 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, the team at Lithium Universe possesses a wealth of knowledge and expertise in lithium carbonate processing, making it a preferred and well-known process for their operations.

Video of Iggy Tan commenting on Hatch appointment:
**https://youtu.be/PKxgMG4HI4I**

## Hatch Completion Of Location Study for Lithium Carbonate Refinery

Lithium Universe Limited announced that Hatch Ltd (Hatch) has successfully completed a location study for the optimal site selection for the Company's proposed 16,000 ton per annum battery-grade lithium carbonate refinery, which is an integral part of the Company's Québec Lithium Processing Hub (QLPH). Hatch was appointed as the engineering firm responsible for conducting a comprehensive engineering study for the design of a versatile lithium refinery in Canada.

The location study involved an evaluation of various potential locations, with more than 20 municipalities contacted, and relied on recent site location benchmarks from both 2021 and 2023. The final assessment considered four potential locations in the Québec region (refer to Figure 1):

1. The area around the Mirage Outfitter, located on Trans Taiga Highway in James Bay.
2. Areas outside Montreal, including Bécancour, Beauharnois, Sorel-Tracy, Deschambault, and more.
3. Established mining communities such as Rouyn-Noranda and Amos.
4. The industrial area in Saguenay/Alma.

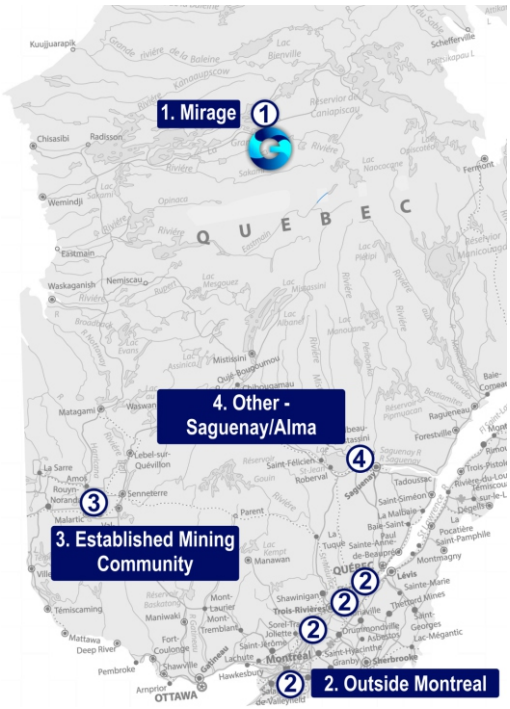



Figure 1: The Four Main Areas of Assessment

The selection criteria for the site were based on the following key factors:

- Availability of flat land.
- Logistics capabilities, including access to rail, road, and port facilities.
- Labor availability for construction, operation, and maintenance.
- Consideration of First Nations' interests.
- Availability of essential services such as natural gas, high-voltage electricity, and water.
- Constructability, considering factors like wetlands and soil capacity.
- Cost considerations for construction, operation, and maintenance.
- Waste management, including handling of solid and liquid waste.

According to the location study, natural gas supply is accessible in Areas 2, 3, and 4, but not in Area 1. Railway access is available in Areas 2, 3, and 4, but not in Area 1. High-voltage electricity is accessible in all four areas.

Owing to its remote location, construction and operation costs are notably higher in Mirage (Area 1) compared to the other three areas. Additionally, the services and logistics in the Mirage area pose challenges for establishing a downstream chemical conversion facility.

Due to the logistical advantage of having access to port infrastructure, Areas 2 and Area 4 were then shortlisted. Based on the location study, Lithium Universe has opted to concentrate on the four potential sites in Area 2, situated along the river between Québec City and Montreal. The company has initiated discussions with the Société du parc industriel et portuaire de Bécancour (SPIPB) concerning the Bécancour Industrial Park.

The summarized location analysis is provided in the Table 1 below.

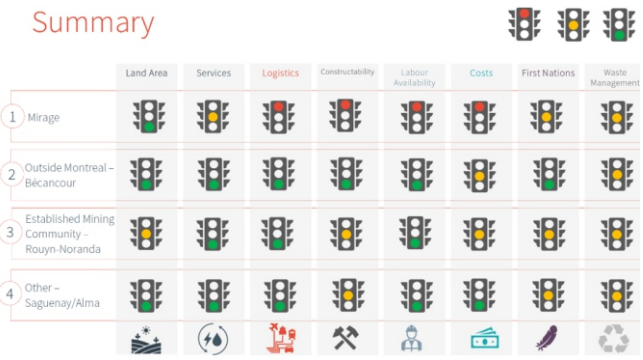



Table 1: Summary of Location Analysis conducted by HATCH

## LU7 BOLSTERS NORTH AMERICAN OPERATIONAL EXPERIENCE

Lithium Universe Limited announced the appointment of Ms. Victoria Vargas as Director of the Company's Canadian subsidiary, Lithium Universe (Holdings) Ltd. The Board approved her appointment to strengthen its exposure to the international capital markets, and corporate development opportunities. Ms. Vargas' experience in ESG will also be beneficial to move the Company's Quebec Processing Hub Strategy forward.

Ms. Vargas brings to Lithium Universe Ltd over 25 years of experience in the North American capital markets, with a significant focus on the Canadian mineral sector. She began her career at Kinross Gold Corporation and joined Alamos Gold Inc. in 2004. During her tenure, she played a pivotal role in enhancing investor exposure and facilitating the Company's transition from the TSX Venture to the TSX. Prior to joining Alamos Gold, Ms Vargas worked for $H_2O$ Innovation, a Quebec-based company focused on providing best-in-class technologies and services for the water and wastewater treatment industry.

Ms. Vargas is highly skilled in sustainability and community engagement from both and operational and governance standpoint and has served on the health, safety, and corporate social responsibility committees at both the Chamber of Mines of Mexico and the Canadian Mining Task Force. Her extensive expertise extends across international projects in multiple jurisdictions, with a focus on mineral projects in Québec and Ontario.

Ms. Vargas is currently the President and founder of Strat-Advice Inc. and acts as the CFO of VMS Mining, a privately held company; VP of Investor Relations of Minera Alamos and a Capital Markets advisor to Wallbridge Mining. Victoria Vargas earned an MBA in Finance and a B.Sc. in Economics with Honors.

A trusted advisor to senior executives and boards, Ms. Vargas has exceptional relationships globally. In addition to a broad and diverse range of capital market expertise, Ms. Vargas also has sector expertise in clean technology and the EV sector.

Watch an interview with Ms Vargas at **https://youtu.be/Q6_ndyielvc**

## Outstanding Progress On QLPH Concentrator Engineering Study

Lithium Universe Limited reported outstanding progress of the Engineering Study by Primero Group Limited (Primero) on the Company's Québec Lithium Processing Hub (QLPH) stand-alone multi-purpose concentrator. The Concentrator is rated at 1 Mtpa processing rate with an assumed feed grade of 1.1% $Li_2O$. The output is expected to be around 140,000 tpa of spodumene concentrate at a grade of around 5.5% $Li_2O$ to maximise recoveries.

The finalized design flow sheet outlines a four-stage crushing process to generate crushed ore ranging from 0.85mm to 6mm in size. Any crusher fines smaller than 0.85mm identified by the screens will undergo processing in a dedicated flotation unit. The spodumene recovered from this process will undergo drying and then be blended with the final spodumene concentrate. Additionally, any mica present in the crushed ore will undergo removal using a reflux classifier. Subsequently, the material will be split into two streams: one less than 3mm and the other greater than 3mm. Both streams will be directed through two-stage dense media separation units. The less than 3mm stream will undergo mica removal via a reflux classifier at the initial stage. The recovered spodumene from both streams will be combined through blending and stored in a dedicated storage shed. To ensure functionality in the Québec climate, the entire plant will be winterized. See Figure 2 for final flow sheet.

The design closely resembles that of the Mt Cattlin plant, except for the inclusion of the flotation unit. This addition aims to create a more resilient plant capable of processing various types of ore from the James Bay, Québec region, enhancing its capacity to handle a broader range of ore types and ensuring robustness in operations.

So far, the Primero Study team has provided a Block Flow Diagram (BFD) and Process Flow Diagrams (PFD). They've also delivered a Mass Balance along with Process Design Criteria (PDC), which showcase mass flows, splits, and anticipated tonnages concerning significant equipment. The team has initiated work on the Piping and Instrumentation Diagrams (P&IDs) to present a more intricate layout of equipment, process streams, instrumentation, and control logic. Leveraging the information derived from the Mass Balance and PDC, Primero has begun generating datasheets. These datasheets will serve to gather pricing details from vendors, facilitating the procurement process. The progress made thus far has been excellent, and the current status includes:

| Deliverables | Percent Complete |
|---|---|
| Block Flow Diagrams | 95% |
| Process Flow Diagrams | 85% |
| Process Design Criteria | 80% |
| Mass Balance | 80% |

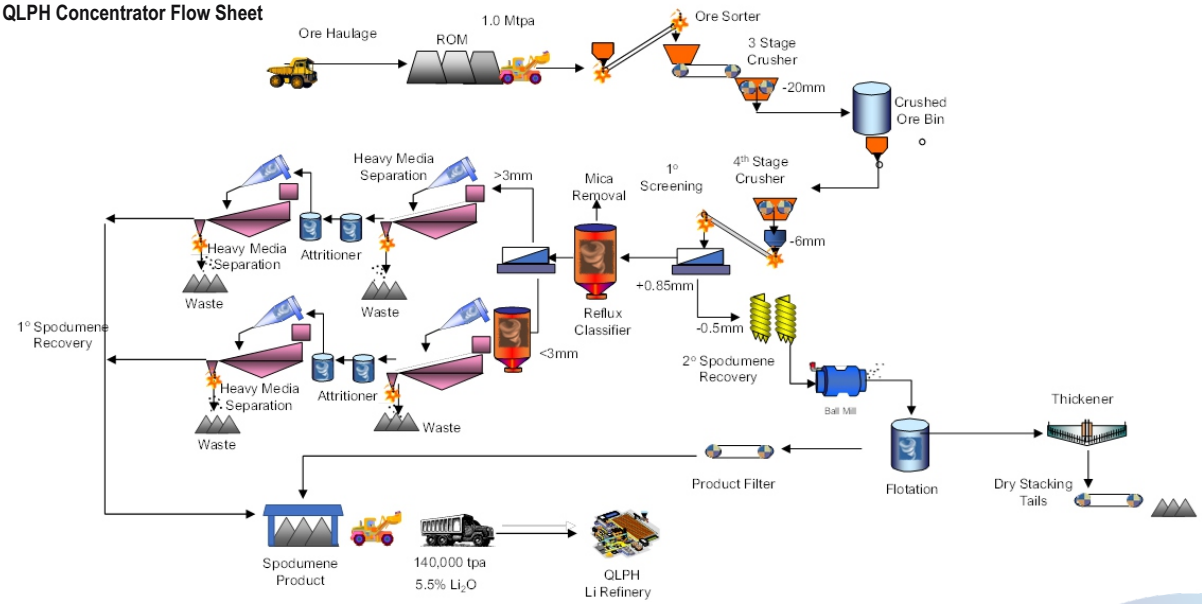
**Table 2: Deliverables status from Primero**

Mr Iggy Tan, the Chairman of LU7 said *"The engineering study's progress for the QLPH stand-alone concentrator by Primero has been exceptional, setting the stage for the Definitive Feasibility Study (DFS). Considering our listing in early August this year, the pace and quality of work demonstrated by Primero, guided by the Company's Lithium Dream Team, has been truly remarkable. Most companies conducting a study of this calibre typically take at least six to nine months to reach this point. Looking ahead, finalizing equipment specifications and data sheets represents the next step, enabling us to approach suppliers for concrete pricing. The ongoing progress and achievements continue to impress us".*

| Deliverables | Percent Complete |
|---|---|
| Mechanical Equipment List | 50% |
| Datasheets | 30% |
| Shope Detailing Specification | |
| Packaging and Shipping Specification | 70% |
| Surface Protection Specification | 70% |
| Rubber Lining Specification | 70% |
| General Mechanical Specification | 60% |
| Platework Specification | 70% |
| Piping Fabrication Specification | 70% |
| Piping Material and Valves Specification | 70% |
| Plant Numbering | 85% |
| Line List | 30% |
| Valve List | 30% |
| Special Items List | 30% |
| Platework MTO | 25% |

**Table 3: Detailed deliverables status from Primero**

**Figure 2: QLPH Concentrator Flow Sheet**



## LU7 Expands Presence with New Office in Montreal

Lithium Universe Limited announced the opening of its new office located at 500 Place d'Armes, Suite 1800, Montreal, Québec H2Y 2W2.

Lithium Universe is strategically growing its presence in Québec to become a major lithium company in the emerging lithium district. More importantly, the decision to establish an administrative presence in Montreal is driven by our commitment to the province of Québec and the dedication to the Company's Québec Processing-Hub Strategy. The Company's central location in Montreal's business district will serve to streamline our operations with our engineering partners, HATCH and Primero Group, who both have offices within the area. In addition, this office will be key to facilitating collaboration with other partners and key stakeholders who operate independently within the province

.

The Company previously appointed Ms. Victoria Vargas as Director of the Company's Canadian subsidiary, Lithium Universe (Holdings) Ltd. The Board approved her appointment to strengthen its exposure to the international capital markets, and corporate development opportunities. Ms. Vargas' experience in ESG will also be beneficial to move the Company's Quebec Processing Hub Strategy forward. Ms Vargas will be based in the Company's new Montreal office.

Chairman, Mr Iggy Tan said,

***"the meeting proved immensely fruitful, showcasing Minister Fitzgibbon's profound grasp of the lithium sector and his remarkable vision for Québec. His emphasis on innovating battery materials left us thoroughly impressed."***

**Lithium Universe Interactive Investor Hub**

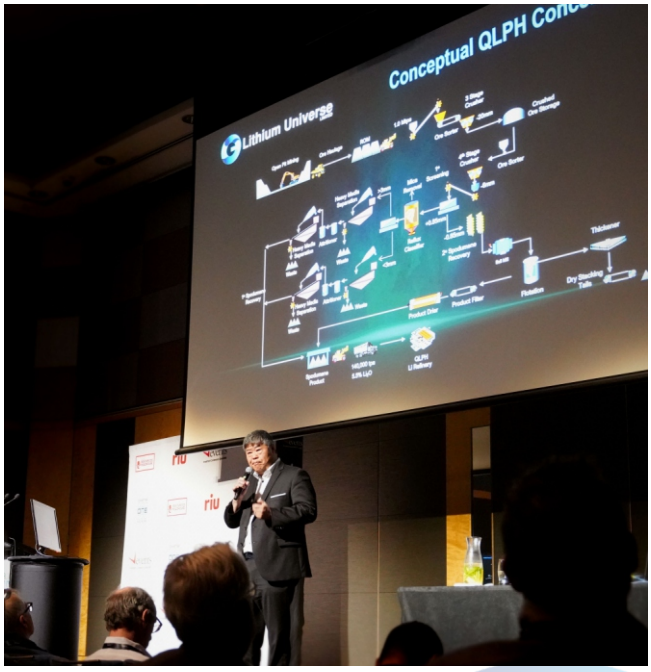
Engage with Lithium Universe directly. Ask questions, watch video summaries, see what other shareholders have to say, as well as past announcements, at our Investor Hub **https://investorhub.lithiumuniverse.com/**

## Lithium Universe Meeting with Quebec Government to Share Strategy

Lithium Universe Limited reported that the Company held a meeting with the Québec government and Investment Québec to outline the Company's strategy to help Canada's lithium downstream challenge. The meeting was held with Minister Pierre Fitzgibbon, Québec Minister of Economics, Innovation and Energy, and Mr Hubert Bolduc, President, Investissement Québec International and LU7 Board Members during the COP 28 Climate Conference in Dubai, UAE. Chairman, Iggy Tan; directors, Dr Jingyuan Liu, Patrick Scallan, Fadi Diab; and CEO, Alex Hanly represented LU7.

The Company presented the Company's Lithium Dream Team, it's proven track record of building successful lithium projects around the world, and the Company's objective to address the significant challenge facing the Canadian lithium industry by establishing local, smaller-scale, downstream-focused refineries. The Company's strategic approach is to begin with refining operations while securing raw materials and move upstream to take advantage of the highly prospective James Bay region.

The discussions were highly productive, and the Québec Government understood the strategic objective of Lithium Universe. The minister appreciated the unique strategic objective of Lithium Universe and stressed the importance for the Quebec government to integrate its critical minerals supply chain in Quebec.



## Excellent Progress of Lithium Carbonate Refinery Engineering Study

Lithium Universe Limited reported the excellent progress of the Engineering Study by Hatch Ltd (Hatch) on the Company's Québec Lithium Processing Hub (QLPH) multi-purpose battery-grade lithium carbonate refinery. The Refinery is rated at 16,000 tpa with an assumed feed grade of spodumene at or around 5.5% Li2O. The final lithium carbonate product should be at least 99.5% and 99.9% grade. Target plant availability is 84% and target overall recovery rate for lithium is 85%. Anhydrous sodium sulphate will be produced as a co-product from the process and will be sold in bulk to commodity agents. The alumina-silicate residue from the leached spodumene will be sold to the cement industry.

The finalized design flow sheet (See Figure 3) illustrates how the front-end loader operation and belt conveyors feed spodumene concentrate from the stockpile area to the calciner. The concentrate is calcined at 1080°C in a direct fired rotary kiln to convert the alpha spodumene to the leachable beta spodumene. The calcining kiln off-gases will pass through a cyclone and an electrostatic precipitator to comply with environmental emissions limits. The hot calcine is indirectly cooled and dry-milled to less than 300 µm. After storage in a surge bin, the beta spodumene is mixed with concentrated sulphuric acid and roasted at 250°C in an indirectly heated kiln. The sulphating kiln off-gases will be cleaned in a wet scrubber to meet site environmental emissions limits. The sulphated spodumene is cooled and fed to the leach circuit. The combined leached solids and precipitated impurities are thickened prior to being filtered in a belt filter. The filtrate is combined with the thickener overflow and passed through a polishing sand filter and an ion exchange column to remove residual calcium, magnesium and other multivalent cations before the lithium carbonate area.

Chairman, Mr Iggy Tan said,

**"The progress of the engineering study for the QLPH Lithium Refinery by Hatch has been excellent, setting the stage for the Definitive Feasibility Study (DFS). Considering our listing in early August this year, the pace and quality of work demonstrated by Hatch, guided by the Company's Lithium Dream Team, has been pleasing".**

The solution entering the lithium carbonate production area is heated and then reacted with a hot sodium carbonate solution in a single crystalliser operating at 95°C. The coarse crystals from the crystalliser are thickened before passing to the centrifuge circuit. Raw lithium carbonate is further purified to battery grade using the carbonation process. After slurried in demin water, soluble lithium bi-carbonate is formed from the bubbling of carbon dioxide gas. The solution is filtered, and lithium carbonate is re-crystalised when the solution is heated using injected steam. Carbon dioxide gas is re-generated which is recycled to the front end of the purification process. Battery-grade lithium carbonate is centrifuged and dried in an indirect-fired kiln at 120°C. The dry coarse lithium carbonate is air milled to less than 6 µm in a microniser and then pneumatically conveyed to the storage bins and bagging stations. Sodium sulphate is produced as a by-product from the vacuum evaporative crystallisation of the morther liquor. A bi-product, sodium sulphate, is used in the textile industry. The design closely resembles that of the Jiangsu Lithium Carbonate Plant but is more robust and capable of processing various types of concentrate from Canada and around the world.

So far, the Hatch Study team has provided a Block Flow Diagram (BFD) and Process Flow Diagrams (PFD). They've also delivered a Mass Balance along with Process Design Criteria (PDC), which showcase mass flows, splits, and anticipated tonnages concerning significant equipment. The progress made thus far has been excellent. Hatch has also completed a location study for the optimal site selection for the Company's proposed 16,000 ton per annum battery-grade lithium carbonate refinery, which is an integral part of the Company's Québec Lithium Processing Hub (QLPH). The location study involved an evaluation of various potential locations, with more than 20 municipalities contacted, and relied on recent site location benchmarks from both 2021 and 2023. Based on the location study, Lithium Universe has opted to concentrate on the Bécancour Industrial Park located between Québec City and Montreal. The company has initiated discussions with the Société du parc industriel et portuaire de Bécancour (SPIPB) concerning the Bécancour Industrial Park.

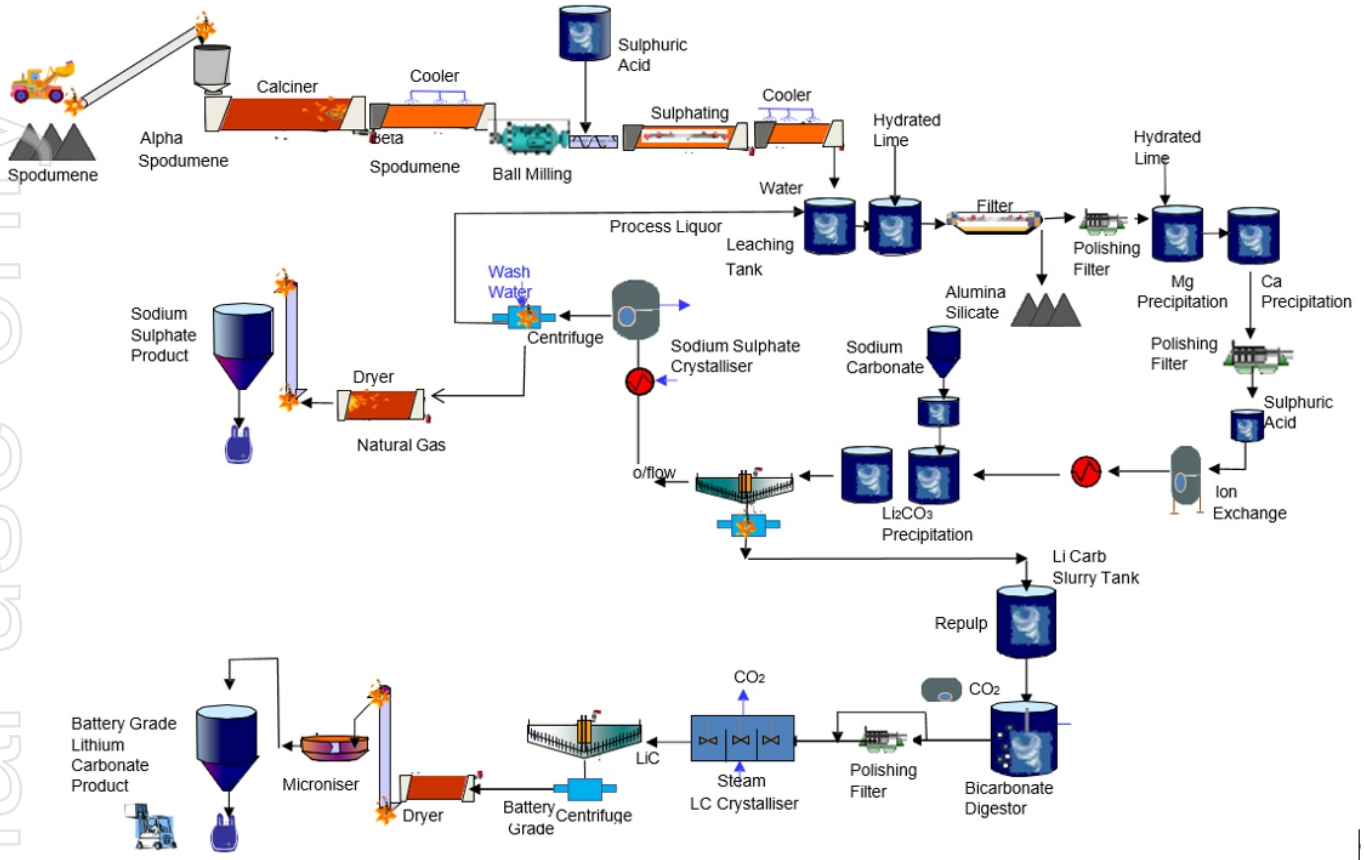



Figure 3: Process Flow Diagram, QLPH Lithium Refinery

The company has developed a draft overall site layout to account for Canadian climate conditions, and defines roads required for delivery of raw materials and shipment of products and co-products. See Figure 4.

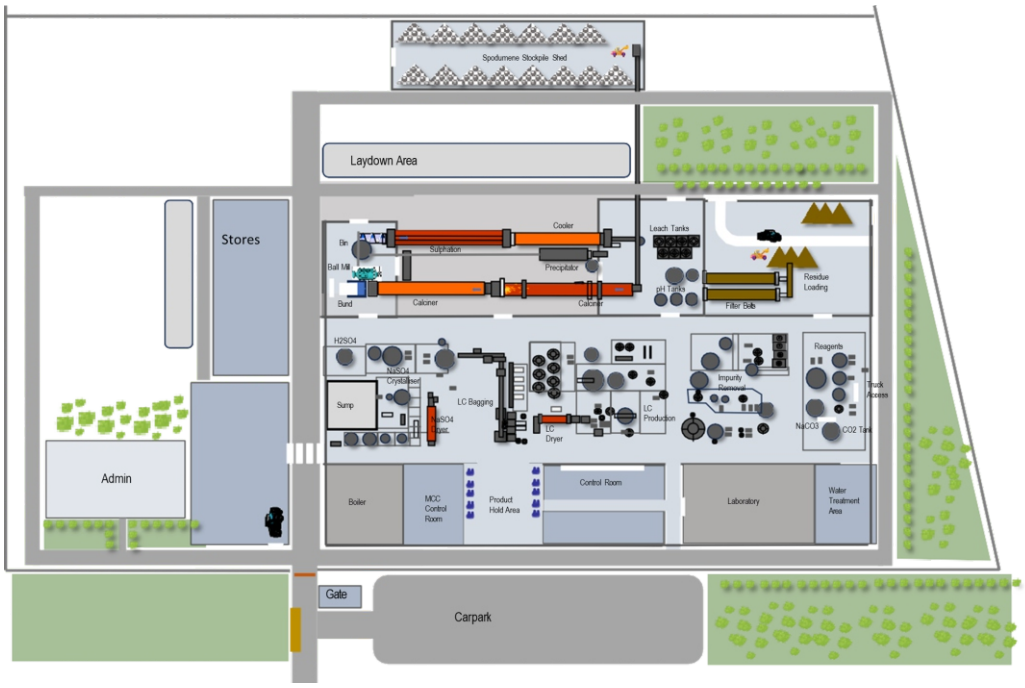



Figure 4: Draft layout of QLPH Lithium Refinery

## Apollo Lithium Project Summer/fall Exploration Completed

Lithium Universe Limited ("Lithium Universe", the "Company" or ASX: "LU7") is pleased to announce the completion of its 2023 summer/fall exploration work programme at the Apollo Lithium Project. The Company was able to expediently complete its on-ground operations during the summer/fall season maximizing productivity. An exploration crew flew in to commence fieldwork campaign at Apollo in August and September 2023. The Company has now received all the final soil laboratory analysis and has devised a drilling strategy for 2024 along a major east-west trending fault shear corridor feature that extends from the Apollo project to Winsome Resources Limited's Adina Lithium project to the east. Some potential targets have been generated that may be incorporated into a future maiden drilling program in 2024 (see Figure 10).

As previously referenced, the Company partnered with Laurentia Exploration Inc, (Laurentia) a highly reputable exploration company based in Québec, Canada encompassing all aspects of the exploration work, including site geological assessments, drilling operations, permitting, helicopter access, and overall logistics management. Laurentia mobilised and commenced field work on the Apollo project in August and September 2023 with personnel accommodation, lodging, and logistics seamlessly managed from Otish Camp located approximately 73 km to the southeast of the Apollo project (see Figure 1). The work program was successfully completed on the 9th of September, with demobilisation occurring shortly thereafter.

### Prospection, Mapping and Sampling Campaign

A highly focussed summer/fall field mapping and sampling campaign was completed concentrating on high-potential areas highlighted by previous KorrAI satellite and airborne magnetic litho-structural interpretations (Figures 8). A total of 666 km of traverses and 209 rock chip samples were collected covering a majority of the 240 km$^2$ Apollo permit to evaluate the potential for rare element LCT pegmatite, spodumene mineralisation, and geochemical pathfinders, attempting to identify as follows:

- Late-stage, large granite intrusions;
- Greenstone metamorphic rocks;
- Extensional fault structures and host rock porosity to accommodate the emplacement of late stage, LCT pegmatite dykes.

### Soil Sampling

A 300 x 150m soil sampling program was conducted on the north-west and central parts of the Apollo Lithium Project collecting a total of 2,220 samples (see Figure 10). Soil sampling allows the Company geologists to analyse the concentration of lithium and other elements in the soil, which can provide an indication of the underlying geology and potential lithium-bearing minerals. Lithium, if present in rocks and minerals that weather over time, releases lithium ions into the soil. The completion of the soil sampling programme focussed on those areas in close spatial proximity to Greenstone (Lac Rouget Formation), Vieux Comptoir intrusive, and major identified structures.

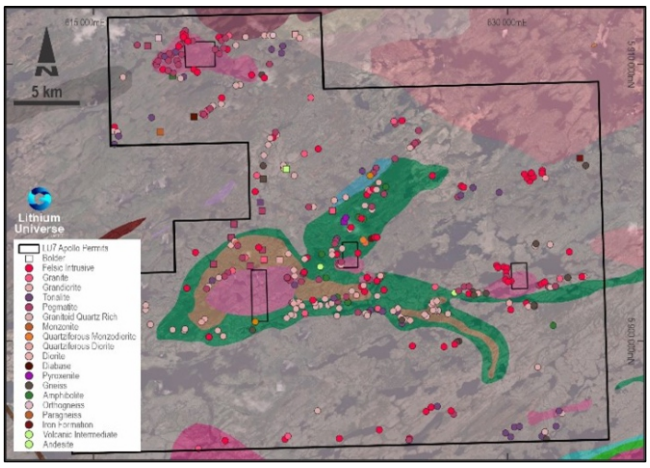



Figure 8: Identified rock types and samples collected (dots) superimposed on government regional geology across Apollo Property

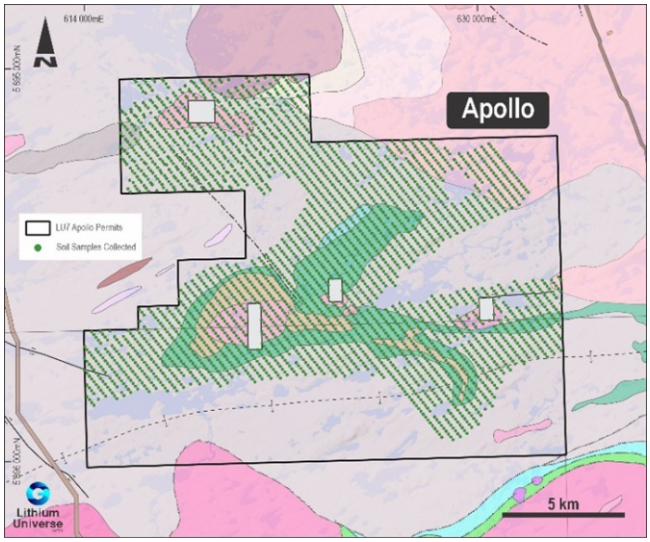



Figure 11: Soil sampling program completed in the NW section of Apollo.

## Revised Geological Interpretation

The receipt of the laboratory analysis from ALS Laboratories has allowed for an updated geological interpretation for the Apollo project resulting in a greater understanding of key rock types and their extent across the 240 km$^2$ permit (Figure 11). This included a greater understanding of magnetic features identified throughout the airborne magnetic survey previously undertaken.

## Potential Drilling Targets for 2024

Based on the results of the fieldwork, there appears to be a major east-west trending fault shear corridor feature that extends from the Apollo project to Winsome Resources Limited's Adina Lithium project to the east. This shear corridor feature could control any potential spodumene mineralisation (See Figure 12). Winsome Resources' Adina Lithium project is 29 km to the east of Apollo. Winsome Resources' Adina project has a total strike length of lithium mineralised trend of over 3 km, with mineralisation remaining open to the east and west of reported intercepts. Drilling at Winsome Resources' Adina has delivered some impressive results, including 1.34% $Li_2O$ over 107.6m from 2.3m to 109.9m and maiden resource of 59Mt at 1.12% $Li_2O$. The first drilling targets for the company has been designed specifically along shear corridor features (Figure 13) and defined by anomalous Lithium, Caesium, Tantalum, Beryllium, Tin, Niobium and Tungsten anomalies and trends.

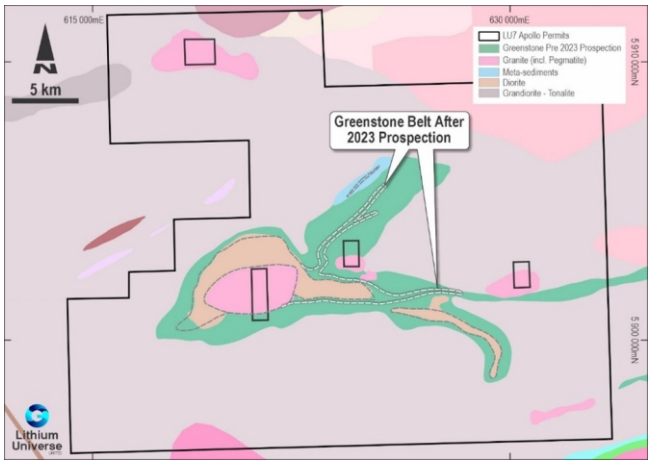



Figure 11: Revised Geological Interpretation resulting from prospection and mapping campaign at Apollo.

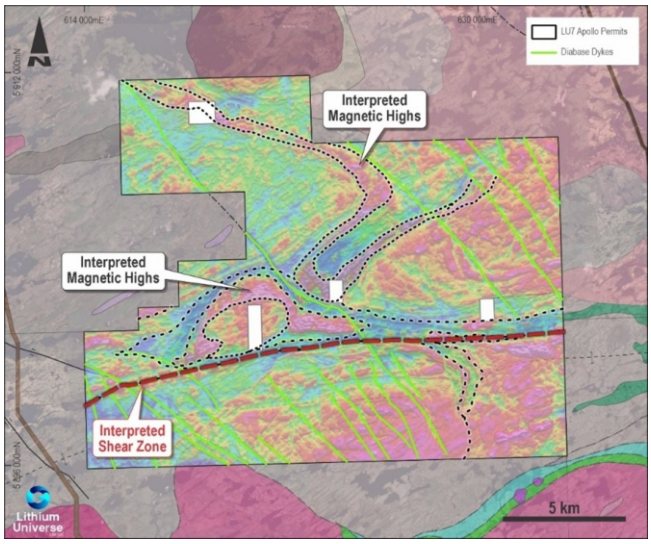



Figure 13: Structural geophysics analysis showing shear corridor and fold features at Apollo.

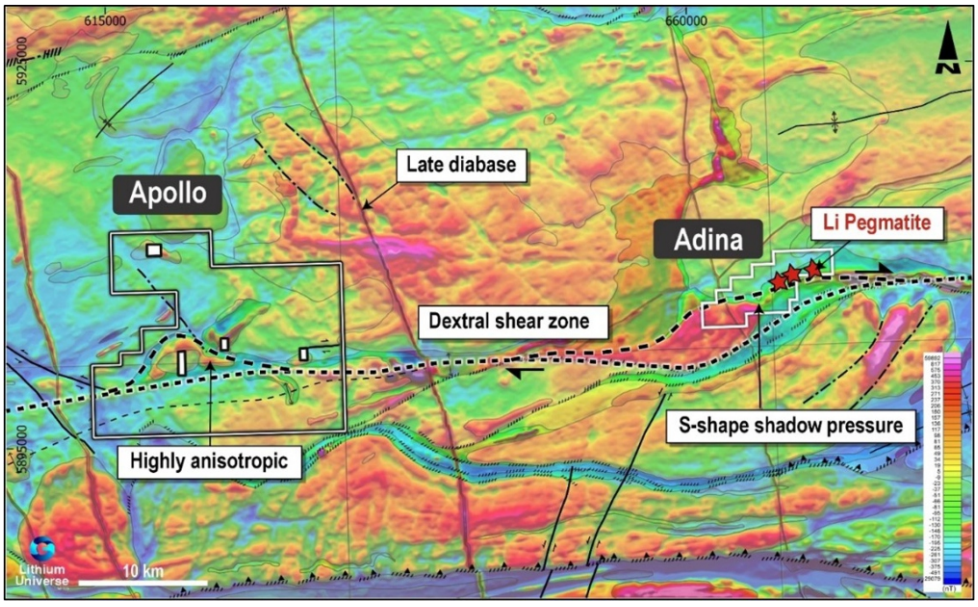



Figure 12: Structural geophysics analysis showing shear corridor feature from Adina across Apollo.

## COMPANY SNAPSHOT

### 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.

### 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 $CV_5$. 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 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.

## TIER ONE LITHIUM INVENTORY


# QUARTERLY REPORT
## December 2023

**Lithium Universe Limited**
**ASX: LU7**

ABN: 22 148 878 782

### Financial Information
(as at 31 December 2023)

| | |
|---|---|
| Share Price: | $0.034 |
| Shares: | 613M |
| Options: | 119M |
| Performance Rights: | 61M |
| Market Cap: | $20.86M |
| Cash: | $1.36M |

Suite 9, 295 Rokeby Road
SUBIACO, WA 6008
AUSTRALIA

t: +61 2 8046 2799
e: info@lithiumuniverse.com
www.lithiumuniverse.com

### Directors

| | |
|---|---|
| Iggy Tan | Chairman |
| Gernot Abl | Executive Director |
| Pat Scallan | Non-Executive Director |
| Dr. Jingyuan Liu | Non-Executive Director |
| Fadi Diab | Non-Executive Director |

## FORWARD-LOOKING

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.

## COMPETENT PERSON

The information in this announcement which relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr. Hugues Guérin Tremblay, Exploration Manager – Canada and President of Laurentia Exploration Inc and Mr. Justin Rivers, Head of Geology – Lithium Universe Ltd. Mr Tremblay (P.Geo) is duly registered with the Ordres des Géologues du Québec (OGQ) as a geologist, member #1584, and a member of the Quebec Mineral Exploration Association (AEMO) and the Prospectors and Developers Association of Canada (PDAC). Mr. Tremblay has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person (CP) as defined in the JORC, 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and has read the definition of "qualified person" (QP) set out in National instrument 43-101 ("NI 43-101') and certify that by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfills the requirements to be a "qualified person" for the purposes of NI 43-101'. Mr. Rivers is a member of and Chartered Professional with the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Rivers has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person (CP) as defined in the JORC, 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.” Both Mr Tremblay and Mr. Rivers consent to the inclusion in this release of the matters based on the information in the form and context in which they appear.

## AUTHORISATION

This announcement and the accompanying Appendix 5B have been approved by the Board of Lithium Universe Limited for release.

Lithium Universe
LIMITED

## ASX Additional Information

The Company provides the following information pursuant to ASX listing Rule requirements:

1. **ASX Listing Rule 5.3.1**

   Exploration and Evaluation Expenditure spend during the quarter was $138,564. Full details of the exploration activity that had been conducted by the Company during the quarter has been set out within this report.

2. **ASX Listing Rule 5.3.2:**

   The Company confirms that there was no mine production and development activities for the quarter.

3. **ASX Listing Rule 5.3.5:**

   Payments to related parties of the entity and their associates outlined in the Company's Appendix 5B for the quarter related to directors' fees of $106,977.

4. **ASX Listing Rule 5.4.4**

   The Company provides the following comparison of its actual expenditure on the individual items in the "use of funds" statement in its IPO Prospectus since the date of its admission to the ASX against the estimate expenditure on those items in the "use of funds" statement in the IPO Prospectus and an explanation of any material variances.

   The material variances are due to the Company only recently being admitted to the Official List of the ASX on 14 August 2023. Additionally, the Company has incurred expenditures in respect to its "Lithium Processing Hub "strategy.

| Use of Funds | Estimate of the first 2 years after ASX admission [1] ($) | Actual Use since admission to the ASX ($) | Balance Remaining ($) |
|---|---|---|---|
| Exploration and Development | 4,842,092 | 2,148,628 | **2,693,464** |
| Lead Manager Fees | 270,000 | 275,683 | **(5,683)** |
| Transaction costs | 311,482 | 330,317 | **(18,835)** |
| Working capital[2] | 1,490,000 | 2,408,712 | **(918,712)** |
| **Total** | **6,913,574** | **5,163,340** | **1,750,234** |

[1] Lithium Universe Limited's (ASX:LU7) Use of Funds – ASX Prospectus 21 June 2023 Item 2.3 *'Proposed use of funds'*

[2] Includes expenditures incurred in respect to the Company's "Lithium Processing Hub" strategy.

## 5. ASX Listing Rule 5.3.3

In accordance with Listing Rule 5.3.3, LU7 provides the following information concerning its exploration licences. No applications were made during the quarter by the Company to acquire further licences or surrender its existing licences.

The following table lists the Company's exploration licences held at the end of the quarter, and their location:

| Project | Exploration Licence | Location | Status | Ownership |
|---|---|---|---|---|
| Apollo[1] | | Quebec, Canada | Granted | 80% |
| Adina South[2] | | Quebec, Canada | Granted | 80% |
| Adina West[3] | | Quebec, Canada | Granted | 80% |
| Margot Lake[4] | | Quebec, Canada | Granted | 80% |
| Voyager | EL32/2022 | Tasmania, Australia | Granted | 80% |
| Voyager | EL40/2022 | Tasmania, Australia | Granted | 80% |
| Lefroy | E15/1876 | Western Australia, Australia | Granted | 100% |
| Lefroy | E15/1877 | Western Australia, Australia | Granted | 100% |

**Notes**

[1] The Apollo Project comprises of 464 claims/licences, all of which are held 80% by Lithium Universe Limited. A detailed list of the claims can be found within the Company's Prospectus dated 21 June 2023.

[2] The Adina South Project comprises of 40 claims/licences, all of which are held 80% by Lithium Universe Limited. A detailed list of the claims can be found within the Company's Prospectus dated 21 June 2023.

[3] The Admina West Project comprises of 49 claims/licences, all of which are held 80% by Lithium Universe Limited. A detailed list of the claims can be found within the Company's Prospectus dated 21 June 2023.

[4] The Margot Lake Project comprises of 32 claims/licences, all of which are held 80% by Lithium Universe Limited. A detailed list of the claims can be found within the Company's Prospectus dated 21 June 2023.

# Appendix 5B

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Name of entity | |
|---|---|
| **LITHIUM UNIVERSE LIMITED** | |
| ABN | Quarter ended ("current quarter") |
| **22 148 878 782** | **31 December 2023** |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (12 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | | |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | | |
| | (b) development | | |
| | (c) production | | |
| | (d) staff costs | (96) | (629) |
| | (e) administration and corporate costs | (824) | (2,837) |
| 1.3 | Dividends received (see note 3) | | |
| 1.4 | Interest received | 27 | 77 |
| 1.5 | Interest and other costs of finance paid | | |
| 1.6 | Income taxes paid | | |
| 1.7 | Government grants and tax incentives | | |
| 1.8 | Other (provide details if material) | | |
| **1.9** | **Net cash from / (used in) operating activities** | **(893)** | **(3,389)** |
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | | |
| | (b) tenements (including transaction costs) | - | (330) |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (138) | (2,148) |
| | (e) investments | | |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| | (f) other non-current assets | (618) | (693) |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | | |
| | (b) tenements | | |
| | (c) property, plant and equipment | | |
| | (d) investments | | |
| | (e) other non-current assets | | |
| 2.3 | Cash flows from loans to other entities | | |
| 2.4 | Dividends received (see note 3) | | |
| 2.5 | Other | | |
| **2.6** | **Net cash from / (used in) investing activities** | **(756)** | **(3,171)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 4,500 |
| 3.2 | Proceeds from issue of convertible debt securities | | |
| 3.3 | Proceeds from exercise of options | | |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (275) |
| 3.5 | Proceeds from borrowings | | |
| 3.6 | Repayment of borrowings | | |
| 3.7 | Transaction costs related to loans and borrowings | | |
| 3.8 | Dividends paid | | |
| 3.9 | Other | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **-** | **4,225** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,010 | 3,699 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (893) | (3,389) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (756) | (3,171) |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 4,225 |
| 4.5 | Effect of movement in exchange rates on cash held | - | (3) |
| **4.6** | **Cash and cash equivalents at end of period** | **1,361** | **1,361** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 1,361 | 3,010 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **1,361** | **3,010** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 56 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 50 |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

More information concerning the breakdown of the above payments to directors and their related parties can be found within the accompanying Quarterly Activities Report.

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | - | - |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | - |

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (893) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (138) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (1,031) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 1,361 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 1,361 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 1.32 |

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Yes.

| | |
|---|---|
| 8.8.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? |
| Answer: | The Company continues to monitor its cash position and will take the necessary steps to raise cash as and when required. |
| 8.8.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? |
| Answer: | Yes, refer to the Company's response provided under item 8.8.2 above. |

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **29 January 2024**

Authorised by: **The Board of Lithium Universe Limited**

(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.