Lithium Universe LIMITED

JUNE 2025

QUARTERLY REPORT HIGHLIGHTS

LU7 Acquired Rights To Transformative Solar Cell Recycling Technology

- LU7 acquired global rights to cutting-edge photovoltaic (PV) solar panel recycling technology
- "Microwave Joule Heating Technology" (MJHT) developed by Macquarie University, utilises microwave technology to selectively heat and delaminate PV cells, allowing for higher recoveries of critical minerals
- Only 15% of waste solar cells are recycled worldwide – the rest ends up in landfill
- 60-78 mt of waste photovoltaic (PV) modules are expected to accumulate by 2050
- The value of critical minerals in end-of-life solar panels is projected to reach $80 billion by 2050

Phase One of Development: Silver

- An average solar panel contains around 20 grams of silver (approximately AU$36 per panel)
- Price of silver increased from US$15/oz in 2018 to US$34/oz in 2025, a 126% increase
- Equivalent of A$154 billion of silver value in waste
- A new silver extraction technology developed by the Macquarie University team and distinct from MJHT will be presented to LU7 once the patent is finalised

Advancing The Bécancour Lithium Refinery

The Lithium Refinery Strategy

- Positive Bécancour Refinery DFS even in a low pricing environment
- The LU7 Board has made a Financial Investment Decision (FID) and is proceeding to funding
- LU7 employs a counter-cyclical strategy – develop the project and prepare for Lithium price recovery
- Close the Lithium Conversion Gap in North America

Spodumene Supply Discussions

- Discussions underway with multiple spodumene concentrate producers—both operational and near-term developers
- Supply estimated to commence around 2028

The Financial Modelling

- Economically viable with excellent pre-tax $NPV_{8\%}$ of approximately US$718M
- IRR (pre-tax) of approximately 21.0% and payback of 3.9 years based on price forecast of US$1,170/t SC6 and US$20,970/t for battery grade Li_2CO_3
- Operating costs competitive with China at around US$3,931/tonne
- Capital cost estimate of US$549 million
- Expected annual revenue of approximately US$383 million and EBITDA of around US$148 million
- Project break even at around US$740 /t (SC6) and around US$14,000 per tonne Li_2CO_3

The Design

- Leveraging proven Jiangsu Refinery operating technology and lithium industry experience
- Producing up to 18,270 tonnes/year of green battery-grade lithium carbonate

The Location

- Québec ideal trans-Atlantic lithium conversion centre, comparable to China
- Feedstock from North Atlantic region – end market North America
- Critical cost benefits – cheap green power, transport mine/end market savings, US/Canada tariffs

Corporate

Successful Capital Raise

- LU7 successfully raised $1.7 million via placement to existing and new sophisticated and professional investors

Change of Management Role

- Mr. Alex Hanly transitioned from his role as Chief Executive Officer to Chief Development Officer

“

The Lithium Universe team has had a very productive start to the year.

On the lithium front, we completed the positive lithium refinery DFS, and over the past quarter have leveraged that into a wide range of ongoing conversations with producers, offtake partners, and funding partners. Based on those discussions, I remain very confident in our counter-cyclical strategy and firmly believe that LU7 is well-positioned to benefit significantly when the lithium market rebounds.

While awaiting this recovery, we were also excited to seize the opportunity to acquire a cutting-edge solar panel recycling technology developed by Macquarie University. With a growing focus on the supply of critical minerals, the potential to unlock a new source of silver, silicon, gallium, and indium to feed the high-tech industry has a lot of value and aligns well with Lithium Universe’s strategy of developing mineral processing technology and infrastructure for the circular economy.

Waste management is also a growing concern globally. And with only 15% of panels currently being recycled, the need for effective PV recycling has never been greater. Microwave technology offers a promising solution to these challenges, enabling higher recovery rates and more sustainable recycling processes.

We are looking forward to adding our chemical and industry experience to the mix and working with the Macquarie University team to commercialise this exciting technology.

- Executive Chairman Iggy Tan

Lot 22, Bécancour Industrial Park, Quebec

RECYCLING

Overview

During the June quarter, Lithium Universe announced the acquisition of the global rights to commercially exploit a patented photovoltaic solar panel recycling technology known as "Microwave Joule Heating Technology" (MJHT) developed by Macquarie University and held by an Australian-incorporated holding company, New Age Minerals Pty Ltd. The transaction was finalised in July, when LU7 completed its due diligence and acquired 100% of the issued share capital of New Age Minerals Pty Ltd.

The basis of Microwave Joule Heating Technology utilises microwave technology to selectively heat silicon, thereby softening the EVA encapsulant in solar panels, enabling easy delamination and potential recovery of valuable materials at room temperature. This approach avoids the need for extreme heat (1,400°C) typically required for separating materials like glass and silicon, as well as the use of costly, hazardous chemicals in traditional processes. Delamination also enables selective separation of materials, whereas traditional crushing methods often result in cross-contaminated material and lower recovery rates.

The breakthrough technology offers a promising new approach for the enhanced recovery of valuable metals, including silver, silicon, gallium, and indium. The Company plans to initiate further research and development in this area.

WATCH *Executive Chairman Iggy Tan announce the new technology*

The Scale Of The Problem

The world's renewable energy transition is moving fast, with large-scale PV solar panels playing a central role in national energy strategies. The global solar cell market is projected to hit US$39.81 billion by 2037, growing at a compound annual growth rate (CAGR) of around 8.2%.[1]

Approximately 37% of Australian households have now installed solar panels. This represents over 4 million homes and small businesses with solar power systems. The Clean Energy Council reports that 12.4% of Australia's electricity generation in 2024 came from rooftop solar.[2] However, as these panels approach the end of their 25–30-year lifespan, the industry faces a growing challenge: managing solar panel waste and recovering valuable materials.

Currently, only 15% of used PV cells are recycled.[4]

When waste PV cells aren't recycled, they end up in landfill, causing numerous environmental problems. Panels can contain harmful materials like cadmium and lead, which may leak into the ground and water, posing risks to both ecosystems and human health. Valuable metals like silver, silicon, gallium, and indium are lost, adding to the strain on natural resources.

A report published by the International Energy Agency Photovoltaic Power Systems Programme[3] projected that global waste PV modules will amount to 1.7–8.0 million tonnes cumulatively by 2030 and 60–78 million tonnes cumulatively by 2050.

By 2035, Australia is expected to accumulate 1 million tonnes of solar panel waste worth over A$1 billion.

By 2045, Australia could be looking at 34.6 GW of serviceable panels that will need to be recycled or repurposed, equivalent to the total installed solar capacity in the country as of August 2024.

1. Sircel Pty Ltd. 2025. https://sircel.com/services/solar-panel-recycling/
2. Clean Energy Australia Report 2025, Clean Energy Council
3. TASK12, End of Life Management of Photovoltaic Panels Trends in PV Module Recycling Technologies, International Energy Agency
4. National Renewable Energy Laboratory. (2021). To Toss, Repair, or Recycle? How Human Behavior Affects the Fate of Aging Solar Panels

Breaking Down a Solar Panel

A typical solar panel is made up of solar PV cells, which are made from silicon wafers. These silicon wafers are the core component that absorbs sunlight and converts it into energy. Around these wafers, there are other critical materials, such as silver, copper, and semiconductors, that help improve efficiency. These materials are all encapsulated in a layer of ethylene vinyl acetate (EVA), which acts as an adhesive to hold everything together and protect the components. The whole assembly is sandwiched between two glass sheets: the front glass sheet protects the solar cells from the elements, while the back sheet is at the rear of the panel, providing insulation and extra durability.

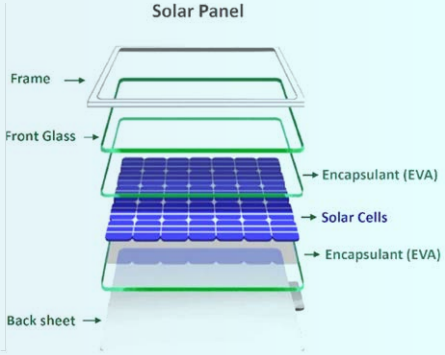

Figure 1: Solar Panel Components

New Technology Will Solve The Problem

The current low rate of recycling for PV solar panels globally is driven by several challenges. The recycling process is complex, and to recover many of the minerals, it requires high temperatures and toxic chemicals, making the whole process costly and energy intensive.

The biggest challenge is extracting the silicon wafers from the EVA. This process requires pyrolysis in high-temperature furnaces and energy-intensive chemical treatments such as Nitric Acid (HNO_3), Sulfuric Acid (H_2SO_4), and Hydrogen Fluoride (HF). During this process, many of the high-value materials become embedded in mixed, contaminated waste streams, making recovery difficult or uneconomical. A 2024 life-cycle analysis by MINES Paris and ROSI Solar highlighted that traditional shredding processes recover only the bulk materials (glass, aluminium, copper), leaving silver, silicon, gallium, and indium unrecovered—ultimately lost to landfills.

As a result, economic incentives and investment in recycling solar panel infrastructure is limited. However, if recycling technologies can effectively recover the critical materials like silver, silicon, gallium, and indium, the financial viability of recycling end-of-life (EoL) solar panels changes completely.

Solar Panel Recycling In The Spotlight

The solar panel recycling industry is getting more attention due to the increasing value and demand for critical metals such as silicon, silver, and indium. The market for the materials that could be recovered from end-of-life solar panels is projected to reach over $2.7 billion by 2030 and could approach $80 billion by 2050, according to Rystad Energy.[5]

This interest is further fuelled by the fact that recovering materials from used panels can offset the need for costly and environmentally damaging virgin material extraction and helps secure a domestic supply of critical metals, reducing reliance on volatile foreign sources. A significant factor in the current global climate.

Advancements in recycling technology, particularly in recovering high-value materials like silicon and silver, are making these processes more economically viable and environmentally necessary. Research has demonstrated that up to 98% of silver and nearly all of copper, lead, and other valuable metals can be recovered efficiently, enhancing the profitability of the recycling industry[5]. As new technologies, like MJHT, are developed, the recycling of PV panels will play a crucial role in supporting the transition to a circular economy and sustainable energy future.

5. Rystad Energy - Reduce, reuse: Solar PV recycling market to be worth $2.7 billion by 2030

The Cutting-Edge MJHT Technology

The team from the School of Engineering at MQU, led by Dr. Binesh Puthen Veettil, has developed a new microwave technology (MJHT) aimed at addressing the challenge of electronic waste from end-of-life solar panels. Dr. Puthen Veettil's research, in collaboration with the School of Photovoltaics at UNSW and the Australian Centre for Advanced Photovoltaics, is further supported by the Australian Government through the Australian Renewable Energy Agency. This collaboration highlights the significant need and potential impact of the technology.

In this new method, microwave energy is used to selectively heat the materials within a solar panel. The silicon cells and other components that absorb microwaves heat up quickly, while the surrounding materials stay relatively cool. This targeted heating causes the plastic encapsulant, EVA, which binds the layers of the panel together, to soften and break down. As the EVA loses its adhesion, the glass, silicon, and metal components can be easily separated through mechanical peeling, rather than through extensive processing. This enables the full recovery of previously unrecovered elements, particularly silver and silicon, pushing total material recovery to over 95% by value.

Importantly, the recovered material value using delamination has been shown to be 3–4 times higher than that of traditional shredding. Unlike other delamination methods, MJHT removes the need for traditional high-temperature baking or energy-intensive chemical treatments like Nitric Acid (HNO_3), Sulfuric Acid (H_2SO_4), and Hydrogen Fluoride (HF). As a result, the delamination process can be carried out at room temperature, providing significant energy savings. Additionally, since no chemical effluent is created, the process completely eliminates the risk of toxic chemical waste streams.

Photo 1. Dr Binesh Puthen Veettil, MQU with MJHT prototype

Photo 2. MJHT Team: From Left, Prof. Darren Bagnall, Prof. Shujuan Huang, Dr. Binesh Puthen Veettil and Dr. David Payne

Method	Crushing	MJHT Delamination
Process	Mechanical shredding & crushing of full panel	Layer-by-later separation (thermal, chemical or mechanical)
Material Integrity	High contamination mixed fragments	Preserves materials in cleaner separable form
Silver Recovery	<5% (often lost in residue)	Up to 95-100% recovery possible
Economic Value	Approx 35% of panel value recovered	Potential for 3-4x higher value recovery compared to crushing
Environmental Impact	Higher waste, more landfill	Enables circular economy, reduces environmental burden

Table 1. Comparison between Crushing vs MJHT Delamination PV Solar Cell Recycling

This innovation offers several key advantages:

- Instantly heats silicon through targeted energy transfer, dramatically reducing energy consumption compared to conventional thermal annealing while maintaining material integrity.
- Enables the exploration and potential of extraction and purification of high-grade silicon, a key material in semiconductors and microelectronics, supporting supply chains for chips, solar panels, and advanced technologies.
- Preservation of valuable materials, including glass, silicon and other critical materials such as, copper, indium, and gallium, enabling the possibility of higher recovery rates and reduced contamination.
- Softens the EVA encapsulant, enabling easy mechanical separation without the need for aggressive chemical treatments.
- Unlike acid or solvent-based recycling, this process produces no toxic byproducts, reducing the need for complex waste management.
- Operates at room temperatures as opposed to conventional high-heat (1,400°C) and chemical-based recycling methods, making it a more cost-effective and sustainable alternative.
- The MQU team believes that the Technology can be easily integrated into existing solar panel recycling facilities and scaled for mass production without requiring expensive infrastructure changes.

The Value Contained in an End-Of-Life Solar Panel

As the demand for critical minerals continues to rise with the global shift to clean energy, the need to recover valuable materials from these panels becomes increasingly urgent. Solar panels are made up of 95% recyclable materials, including silver, aluminium, silicon, copper, indium, and gallium—all of which are vital to global clean energy supply chains. Rare metals like gallium are essential for solar fuel cells, semiconductor chips, and other high-tech applications, making their recovery from e-waste a key priority.

Silicon (Used as a Semiconductor)

Silicon is the primary material used in solar panels, making up about 95% of the market. It acts as the semiconductor that converts sunlight into electricity. While silicon is abundant in the Earth's crust, refining it to the high purity needed for solar cells is energy intensive. The extraction process requires mining quartz and refining it through high-temperature methods. Despite its abundance, the refining process contributes to a significant carbon footprint, and as demand for silicon grows across industries, the competition for this material increases, leading to potential supply bottlenecks.

Current Price: As of May 2025, silicon metal prices range from $1.79 to $2.05 per kilogram, depending on purity and region.

Silver (Provides Electrical Conductivity)

Silver is essential in solar panels for its excellent electrical conductivity. It is used in conductive pastes that connect individual solar cells. However, silver is expensive and relatively scarce. The extraction of silver mainly involves mining ores like argentite, which are then processed through smelting or chemical methods. As demand for solar energy and electronics increases, the supply of silver may struggle to keep pace, driving up prices and potentially hindering the growth of the solar industry.

Current Price: As of May 2025, silver is priced at approximately $1,099.77 per kilogram.

Gallium (Enhances Energy Efficiency)

Gallium enhances the energy efficiency of solar panels and is key in producing high-efficiency PV cells like gallium arsenide (GaAs). It is mostly extracted as a byproduct of aluminum refining. Gallium is rare, and its growing demand in solar technology and high-tech industries raises concerns about supply shortages. The limited availability and complex extraction processes make gallium increasingly expensive.

Current Price: As of May 2025, gallium prices range from $208.76 to $405 per kilogram, depending on purity and region.

Indium (Aids in Energy Absorption)

Indium is critical in thin-film solar technologies like CIGS (copper indium gallium selenide) and CdTe (cadmium telluride). It improves energy absorption, boosting solar cell efficiency. Indium is typically extracted as a byproduct of zinc mining but is limited in supply. Its scarcity, combined with growing demand, could result in future supply constraints.

Current Price: As of May 2025, indium is priced at approximately $743.70 per kilogram.

A Focus On Silver

Lithium Universe has announced that the first phase of critical metals extraction will focus on silver. Silver is primarily used in photovoltaic (PV) solar cells as a key material for the electrical contacts that allow the flow of electricity generated by the solar panel. The average solar panel contains around 20 grams (0.7 oz) of silver, worth about A$36 per panel at today's silver prices.

Delamination-based processes have proven particularly effective for silver recovery. By cleanly separating the cell layers, these methods preserve the silver contacts embedded within, enabling nearly complete extraction. In comparison, traditional crushing methods tend to scatter or destroy the fine silver content, making recovery economically unviable.

The demand for silver is growing, with photovoltaics and AI emerging as the fastest-growing drivers of consumption. In 2025, silver demand is set to reach a record 680 million ounces, driven by a 7% increase in industrial demand. This is leading to an imbalance between supply and demand and is expected to result in a market deficit of around 117.6 million ounces in 2025[6]. Such deficits have been a recurring trend in recent years, contributing to upward pressure on silver prices. This trend has already been reflected in the price of silver, which has risen from US$15/oz in 2018 to US$34/oz in 2025[7], marking a 126% increase over that period. The continued expansion of industries reliant on silver, coupled with supply constraints, suggests that silver's value will likely remain high in the coming years.

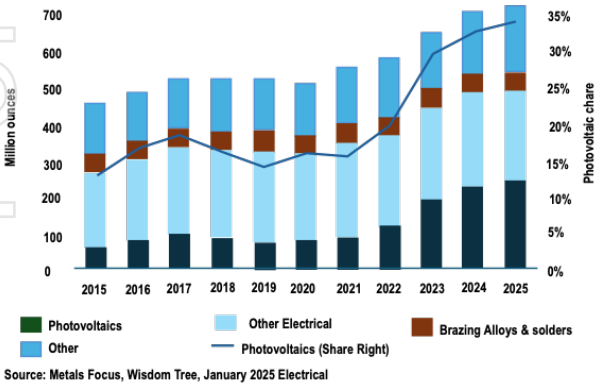

Figure 2 – Silver Demand Driven by PV Cells

Figure 3 – Silver 10-Year Price Trend

6. World Silver Survey 2025, published by the Silver Institute on April 16, 2025
7. https://tradingeconomics.com/commodity/silver

Following discussions with the Macquarie University team about focussing on silver extraction, Dr. Binesh and his team have informed Lithium Universe that they have developed a complementary silver extraction technology for delaminated silicon wafers. The technology is currently in the patent submission stage, and the license will be made available to Lithium Universe once it is ready. The Company has not yet evaluated the proposed technology. Lithium Universe has also begun independent research and patent searches to identify other effective methods for extracting silver from discarded PV solar panels.

Extraction Of Other Valuable Metals

As part of the second phase, the Company will refine processes targeting the recovery of other valuable metals in solar panels, such as silicon, gallium, and indium.

China is the dominant global supplier of both gallium and indium, producing around 80% of gallium and over 60% of indium. Gallium is primarily a by-product of aluminium production, while indium is extracted during zinc mining. These metals are crucial for high-tech applications like semiconductors, solar panels, and electronics. However, with their supply chains dominated by a few countries securing a local supply of these metals is becoming an increasing focus for many governments.

Leveraging the Experience of the LU7 Team

The Lithium Universe Team comprises specialists with extensive experience in the chemical extraction of critical materials, as well as in developing commercial pathways for new chemical processes. This includes building pilot plants and conducting feasibility studies. By combining its chemical expertise in mineral processing and industry knowledge with these advanced recycling technologies, LU7 aims to play a pivotal role in unlocking a new source of critical minerals.

LU7 also sees further applications for MJHT in improving the calcination and sulphation of spodumene at its Bécancour Lithium Refinery in Québec. Currently, calcination occurs at 1,080°C and sulphation at 280°C. The use of microwave conversion could reduce heating costs and lower the cost of materials used in construction.

REFINING

Overview

North America's battery manufacturing industry will increase ten-fold in the next decade. At the same time, new government regulations mean that these battery manufacturers are facing a significant shortage of locally produced Lithium chemicals because of limited refining facilities available to turn raw lithium into battery-grade material. This has created a problem we refer to as the Lithium Conversion Gap. As a result, Lithium Universe has identified a significant opportunity to develop a vertically integrated mine-to-battery-grade lithium strategy in Canada.

The Bécancour Lithium Carbonate Refinery

Early in 2025 Lithium Universe Limited announced the results of its Definitive Feasibility Study (DFS) for the Bécancour Lithium Carbonate Refinery in Québec, Canada. The DFS confirmed the viability of a strong lithium conversion project, even within a below-average pricing environment.

The Company plans to build a reliable, low-risk lithium conversion refinery with an annual capacity of up to 18,270 tonnes, utilizing proven expertise from the Jiangsu processing model. The facility will produce environmentally friendly, battery-grade lithium carbonate. This aligns with the opportunity that Lithium Universe sees in contributing to the North Atlantic lithium supply chain and closing the Lithium Conversion Gap.

With the DFS complete, the LU7 team has spent the quarter in deep discussions with multiple offtake partners and spodumene concentrate producers.

Securing long-term feedstock supply agreements for the Bécancour Lithium Refinery is key to unlocking the next stage of funding and has been a strong focus for the Company throughout the last quarter. In discussions with spodumene concentrate producers, they have all acknowledged the benefit of supplying their spodumene product to a local lithium converter as opposed to shipping to Chinese operations for conversion.

***WATCH** the video explainer to understand the key numbers contained in the DFS.*

The spodumene transport costs to China could be as high as US$100 per dmt which represents US$800-900 per tonne of additional cost to the finished lithium carbonate product. If the final lithium carbonate must be shipped back to North America, that adds another approximately US$200 per tonne of final product. Additionally, Canada has an import tariff of 25% on all Chinese lithium chemicals. All of these factors give local conversion an overriding price advantage.

In these discussions, Lithium Universe is targeting a non-binding MoU for the full supply of 140,000 tonnes per annum for SC6 grade spodumene material. The target tonnes will proportionally increase if the grade is less than 6% LiO_2.

The supply agreement could be converted to a definitive agreement when the refinery becomes funded, and construction commences. Ideally, LU7 is targeting a spodumene feed supply to be at least 10 years and rolling 5 years, to give security of supply for project financing.

In these discussions, the Company is targeting supply commencing around 2028 at approximately 56,000 tonnes per year. The required supply tonnage will increase to 98,000 tonnes in 2029 and reach full capacity at 140,000 tonnes per annum from 2030 onward.

LU7 intends to purchase spodumene ore at benchmark prices from the market, and LU7 will retain full ownership of the resulting lithium carbonate, with the right to sell it either to the open market at benchmark prices or directly to an OEM offtaker.

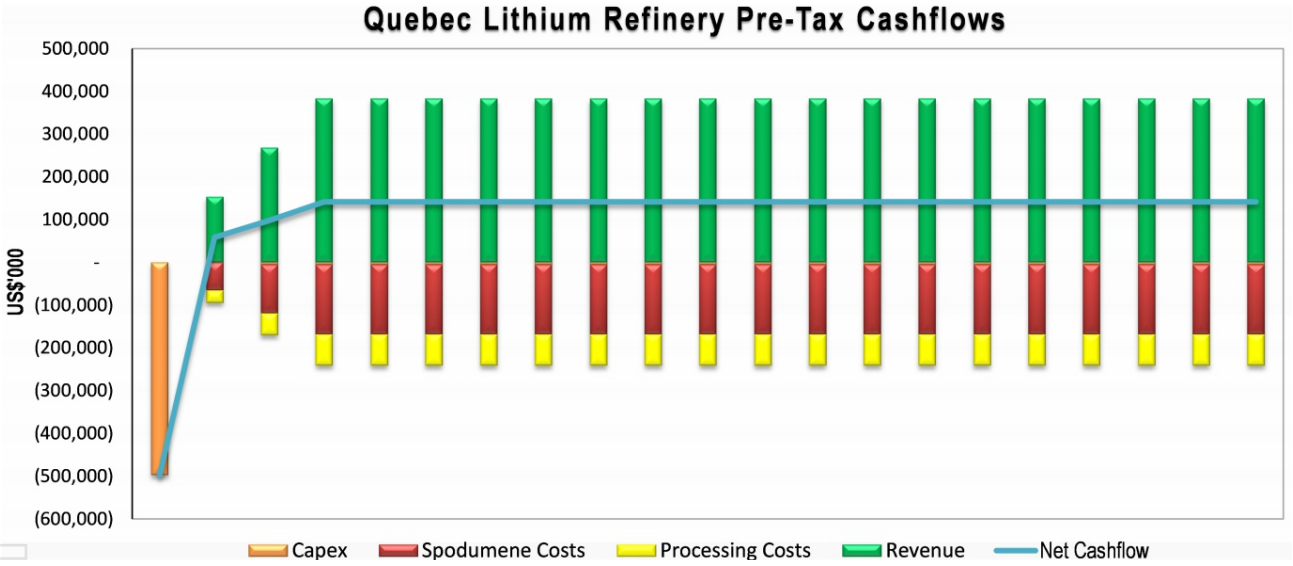

Figure 4: Estimated Pre-tax Cashflows

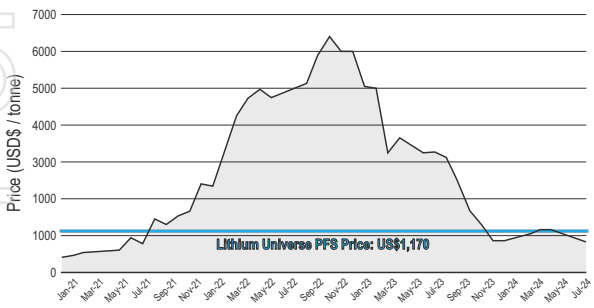

Figure 5: Spodumene SC6 historical prices vs LU7 Forecast

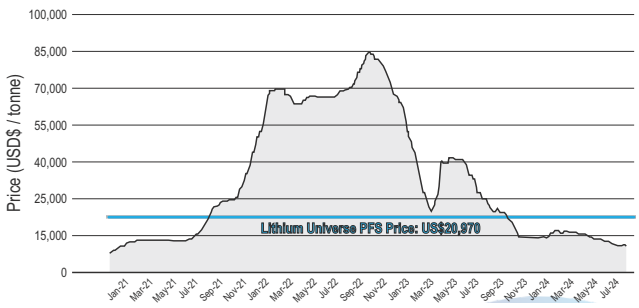

Figure 6: BG Lithium Carbonate historical prices vs LU7 Forecast

Inputs	Approximate value (t/year)
Estimated Production Battery Grade Lithium Carbonate	16,748 (5.5% Feed) - 18,270 (6% Feed)
Assumed Spodumene Feedstock at 5.5% to 6% Li_2O	140,000
Steady State Recovery	88%
Steady State Availability (inc annual shutdowns)	86%
Ramp up to full rate	3 years

Table 2. Bécancour Lithium Refinery Key Criteria

The project's economics are highly favourable, even with conservative price assumptions. The refinery is economically viable with a pre-tax Net Present Value (NPV) of approximately US$718 million, using an 8% discount rate, and a pre-tax Internal Rate of Return (IRR) of around 21.0%. The payback period is estimated at 3.9 years. The financial model is built on cautious price forecasts of US$1,170 per tonne for spodumene concentrate (SC6) and US$20,970 per tonne for battery-grade lithium carbonate equivalent (LCE).

At full production capacity, the project is expected to generate approximately US$383 million in annual revenue, with costs totalling around US$236 million, leading to an annual EBITDA of approximately US$148 million and a gross margin of in the region of 38%. Post-tax, the NPV at an 8% discount rate is estimated at approximately US$449 million. The capital cost for the project is estimated at US$549 million, which includes a contingency of US$51 million. The capital cost estimate is based on advanced design specifications from the Jiangsu Lithium Refinery model, ensuring robust financial planning and projection.

The Bécancour Lithium Refinery Design

The design of the Bécancour Lithium Carbonate Plant will be modelled after the proven Jiangsu Lithium Carbonate Plant, with targeted operational enhancements.

Figure 7: 3D Model of the Lithium Universe Bécancour Lithium Refinery

Figure 8: Galaxy Jiangsu Lithium Carbonate Plant

Replicating Jiangsu Success

In 2012, the 17,000 tpa Jiangsu Lithium Carbonate Plant, engineered by Hatch Ltd. under Iggy Tan and Dr. Jingyuan Liu, became the world's largest lithium refinery, exceeding design capacity. The Company's strategy to mitigate technology risks involves using the same flow sheet, equipment, and suppliers that were successfully implemented at the Jiangsu Lithium Carbonate Plant.

By replicating this proven approach, the Company minimises operational uncertainties and ensures reliable performance, leveraging established processes and trusted suppliers to deliver consistent results in new projects.

The Lithium Dream Team

The Company is comprised of lithium industry leaders known for rapidly developing and operating Australian hard rock lithium extraction and downstream operations in China. In an emerging industry like lithium, where retaining experienced personnel is increasingly challenging, Lithium Universe has assembled a proven expertise team, including Mr. Iggy Tan (Executive Chairman), Mr. Patrick Scallan (Non-Executive Director), Dr. Jingyuan Liu (Non-Executive Director), Mr. John Loxton (Head of Lithium Refinery), Mr. Terry Stark (Head of Mining), and Mr. Roger Pover (Head of Processing), all of whom bring extensive lithium industry expertise and experience.

China Technology Ban

In July 2025, China's Ministry of Commerce and Ministry of Science and Technology formally updated its "Catalogue of Technologies Prohibited or Restricted from Export," adding a sweeping ban on lithium conversion technologies. These include critical processes for producing lithium carbonate and hydroxide from spodumene, such as carbonation-pyrolysis purification, automatic control for continuous production, and sodium removal by freeze crystallization. Unauthorized export of these technologies may now trigger administrative penalties and criminal prosecution. This policy shift significantly impacts global lithium supply chains.

Lithium Universe is uniquely positioned amid this development. Its planned lithium carbonate refinery will deploy the same proven process technology that the founders of Galaxy Resources first introduced to China over 20 years ago—technology that has become the industry benchmark. With China now restricting access to these critical processes, LU7 stands out as one of the few companies in North America with this capability already in hand.

This technological independence is crucial for Canada's onshoring ambitions, particularly in the midst of the U.S.-Canada tariff tensions. LU7's refinery not only supports domestic battery material supply chains but also directly aligns with Western efforts to reduce reliance on Chinese lithium converters. In a world moving toward resource nationalism and secure supply chains, LU7 offers a rare, geopolitically aligned lithium solution.

Quebec: The New Lithium Conversion Centre

Québec is emerging as a strategic trans-Atlantic hub for lithium conversion, benefiting from local feedstock, low-cost green energy (US$0.04/kWh), and proximity to key lithium regions. The US Inflation Reduction Act, European Battery Passport, and significant tariffs placed on raw material imports create opportunities for Québec to supply the growing North American market.

The Bécancour Industrial Park

Lithium Universe has identified the Bécancour Waterfront Industrial Park situated on the St Lawrence River between Montreal and Québec City as the ideal site for the proposed Lithium Carbonate Refinery. It is located near a major highway and served by Canadian National Railway, offers year-round access to the Port of Bécancour, featuring a deep-water pier and multiple berths.

However, due to the current challenging conditions in the lithium market, Lithium Universe has paused its option land payments for Lot 22 at Bécancour. The company is experiencing limited cash flow and is actively working with the Société de la Place Industrielle de Bécancour (SPIPB) to resolve its longer-term position regarding the suspended land option. LU7 remains highly interested in the Bécancour land and is committed to resuming activity and further work as soon as the lithium market recovers. SPIPB has been very supportive and understanding of the current market situation.

Funding Strategy

Funding plans for the capital costs involve inviting one or two strategic partners to join as 49% equity partners at the project level. The Company is also in the process of appointing a debt advisor and has already initiated discussions with financial institutions. The Company will actively engage with financial institutions and government agencies to secure project financing by presenting the findings from the Definitive Feasibility Study (DFS).

A Counter-Cyclical Strategy

Lithium Universe is employing a counter-cyclical strategy, developing projects during market downturns to position for recovery. Despite recent price declines due to oversupply, the company remains confident in strong long-term lithium demand driven by electric vehicles and energy storage growth. Although the Bécancour Lithium Carbonate Refinery demonstrates viability even in low-price environments, LU7 aims to capitalise on future price recovery and market opportunities.

Key Partnerships

Lafarge Canada Inc

Lithium Universe has signed a non-binding Memorandum of Understanding (MOU) with Lafarge Canada Inc. for the exclusive supply of Aluminosilicate Product produced from the Bécancour Lithium Refinery. ASP, commonly used as an additive in the cement industry, significantly enhances compressive strength and reduces production costs.

Polytechnique Montréal

Lithium Universe Limited has signed a Memorandum of Understanding (MOU) with La Corporation de l'École Polytechnique de Montreal (Polytechnique Montréal). This strategic partnership is aimed at advancing lithium processing technologies and strengthening the local supply chain for critical battery materials in Canada.

Offtake Discussions

Lithium Universe has commenced discussions with OEMs, focused on establishing strategic partnerships with customers for battery-grade lithium carbonate with an emphasis on a customer base which is focused on EV demand growth in North America and Europe. Lithium Universe will concentrate this effort on these growing EV supply chains, particularly considering the growing commitments of battery manufacturing by groups such as Ford, General Motors, Stellantis, Toyota, LGES, SK Innovation, Samsung SDI, and others.

As the North American region aims to reduce reliance on Chinese suppliers, aligning with both commercial and national security objectives. The business model of Lithium Universe is straightforward: the company will seek to convert essential spodumene supply for these OEMs in Québec and ensure the availability of critical units for the North American supply chain. Pricing is likely to be based on "take or pay" agreements with the OEMs, incorporating certain risk-reducing mechanisms such as floor and ceiling prices to protect Lithium Universe.

Assuming there is an established margin to guarantee Lithium Universe refinery's payback, the OEMs gain assurance and sustainability in conversion supply without Lithium Universe being exposed to price and market volatility risks.

Next Steps

The Company is actively engaging with financial institutions and government agencies to secure project financing by presenting the findings from the Definitive Feasibility Study (DFS). Concurrently, LU7 is also advancing environmental assessments and the permitting process, ensuring regulatory compliance and addressing potential issues proactively. Additionally, LU7 will conduct a comprehensive impact analysis in consultation with the local First Nation group to incorporate community feedback and promote sustainable development. The due diligence process will be coordinated with federal and provincial authorities to obtain necessary approvals.

Discussions with strategic partners regarding offtake agreements and feedstock supply are ongoing and Lithium Universe will update the market in due course. These steps are essential to progressing the Bécancour project with thorough planning, strong financial backing, and robust stakeholder engagement.

Lithium Universe LIMITED

QUARTERLY REPORT

JUNE 2025

Lithium Universe Limited
ASX: LU7
FRA: KU00
OTC: LUVSF
ABN: 22 148 878 782

Financial Information

(as at 30 June 2025)

Share Price	$0.005
Shares (ASX: LU7)	1,161M
Options (Listed ASX: LU7O)	291M
Options (Unlisted)	120M
Performance Rights	129M
Market Cap	$5.8M
Cash	$0.5M

Contact

Suite 9, 295 Rokeby Road
SUBIACO, WA 6008
AUSTRALIA
e: info@lithiumuniverse.com
www.lithiumuniverse.com

Directors

Iggy Tan	*Chairman*
Pat Scallan	*Non-Executive Director*
Dr. Jingyuan Liu	*Non-Executive Director*

Engage with Lithium Universe directly by asking questions, watch video summaries and see what other shareholders have to say, as well as past announcements.
https://investorhub.lithiumuniverse.com/

Cautionary Statements

Information Required by Listing Rules

The Bécancour Lithium Refinery Definitive Feasibility Study (DFS) does not rely upon estimated ore reserves / and or mineral resources. The spodumene concentrate feedstock for the proposed refinery has been assumed to have been purchased directly from spodumene miners currently producing spodumene concentrates or marketing agents or traders currently purchasing spodumene concentrate and selling to the downstream processors. Accordingly, the JORC Code is not relevant to this study nor are Listing Rules 5.16 and 5.17 to the extent to which they relate to matters concerning JORC.

Forward Looking Statements

This release contains "forward-looking information" that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to studies, the Company's business strategy, plan, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations. Generally, this forward looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely',' believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this news release are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to general business, economic, competitive, political and social uncertainties; the actual results of current development activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; failure of plant, equipment or processes to operate as anticipated; accident, labour disputes and other risks of the chemical industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. Except as required by law, and only to the extent so required, none of the Company, its subsidiaries or its or their directors, officers, employees, advisors or agents or any other person shall in any way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatever nature arising in any way out of, or in connection with, the information contained in this document. The Company disclaims any intent or obligations to or revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law.

The DFS is based on the material assumptions outlined including that it has been completed in accordance with AACE Principles to a Class 5 level with a nominal level of accuracy of ± 35%, that the financial forecasts rely upon the purchase of third party spodumene concentrate as the feedstock for the plant. The DFS referred to in this announcement has been undertaken to assess the potential technical feasibility and economic viability of constructing and operating facilities capable of producing battery grade lithium carbonate for use in lithium-ion batteries from those units of operations and provide baseline financial metrics to consider future investment decisions.

The Definitive Feasibility Study (DFS) is based on the material assumptions outlined below. These include assumptions about the availability of funding. While Lithium Universe considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the DFS will be achieved. To achieve the range of outcomes indicated in the DFS, funding of in the order of US$500 million will likely be required. Investors should note that there is no certainty that Lithium Universe will be able to raise that amount of funding when needed. It is also likely that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Lithium Universe's existing shares. It is also possible that Lithium Universe could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce the Company's proportionate ownership of the project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the DFS.

ASX Additional Information

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

ASX Listing Rule 5.3.1

Exploration and Evaluation Expenditure spend during the quarter was ($899). Full details of the exploration activity that had been conducted by the Company during the quarter has been set out within this report.

ASX Listing Rule 5.3.2

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

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 (and inclusive of superannuation entitlements) of $99,235.

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 ($)[3,4]
Exploration and Development	4,842,092	2,319,943	2,522,149
Lead Manager Fees	270,000	275,683	(5,683)
Transaction costs	311,482	330,317	(18,835)
Working capital[2]	1,490,000	3,987,631	(2,497,631)
Total	**6,913,574**	**6,913,574**	**-**

Notes to ASX Listing Rule 5.4.4 table

[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.

[3] The difference between the Company's bank balance at 30 June 2024 and the closing balance per the table above is represented by expenditures that were incurred prior to the Company's compliance listing (June 2023).

[4] The Company's funds raised from its IPO were depleted during the June 2024 quarter.

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.

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

Tenements acquired during the quarter and their location

Nil.

Tenements disposed during the quarter and their location

The following exploration licences were relinquished during the quarter:

Project	Exploration Licence	Location	Status	Ownership
Apollo[1]		Quebec, Canada	Surrendered	80%
Adina South[2]		Quebec, Canada	Surrendered	80%
Adina West[3]		Quebec, Canada	Surrendered	80%

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 Adina 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.

The beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

Nil.

The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Nil.

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	**30 June 2025**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 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 (including directors)	(257)	(597)
	(e) administration and corporate costs	(84)	(478)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	8
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**	**(340)**	**(1,067)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements (including transaction costs)		
	(c) property, plant and equipment	-	(4)
	(d) exploration & evaluation	1	(3)
	(e) investments		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(f) other non-current assets (engineering study and development)	-	(10)
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**	**1**	**(17)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	642	658
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	(3)	(15)
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**	**639**	**643**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	165	906
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(340)	(1,067)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1	(17)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	639	643
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**465**	**465**

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	465	165
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)**	**465 ***	**165**

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	99
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *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)	(340)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	1
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(339)
8.4	Cash and cash equivalents at quarter end (item 4.6)	465
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	465 *
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.37 *

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:	* Yes. The Company announced on 18 June 2025 the following capital raising initiatives were being undertaken: $1.70 million share placement to sophisticated investors, which is to be completed in two stages. The first stage (Tranche 1) was completed on 26 June 2025 and raised $0.6 million (before costs). The second stage (Tranche 2) will be completed on or around 11 August 2025 (subject to shareholder approval) and will raise $1.1 million (before costs). Tranche 2 is not included in current quarter.
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: **31 July 2025**

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.