Lithium Universe LIMITED
Building a Lithium Future

ASX ANNOUNCEMENT AND MEDIA RELEASE

27 January 2026

LU7'S BÉCANCOUR PROJECT POSITIONED TO BENEFIT FROM CURRENT LITHIUM PRICE RECOVERY

Highlights

- LU7's Bécancour Project strengthened by current lithium price recovery
- DFS completed during lithium price trough below US$10,000/tonne (BG Li Carb)
- Counter-cyclical strategy advanced project through severe market downturn
- Company forecasted faster lithium price recovery in early 2025 than industry consensus
- Battery-grade lithium carbonate prices have now doubled in last 3-4 months
- Spot price currently at around US$24,000/tonne (BG Li Carb)
- Spot lithium carbonate prices now materially above Bécancour DFS forecast of US$20,970/t
- Original DFS economics robust: NPV US$718m, IRR 21%, payback 3.9 years
- Faster-than-expected lithium price recovery validates counter-cyclical approach
- Stakeholder re-engagement underway amid renewed market confidence
- Project now advanced and better positioned as market confidence returns

Lithium Universe Limited (ASX: LU7) ("Lithium Universe" or "the Company") is pleased to provide a follow-up update to its February 2025 Definitive Feasibility Study ("DFS") for the Bécancour Lithium Refinery in Québec, Canada, following the sharp recovery in lithium carbonate battery grade prices and improving global lithium market conditions. For further information on the DFS, see the announcement released on 17th February 2025.

During the Bécancour DFS work undertaken in late 2024 and early 2025, the lithium industry was at the trough of a pronounced cyclical downturn. Battery-grade lithium carbonate prices had fallen to around, and at times below, US$10,000 per tonne, reflecting a period of global oversupply, aggressive inventory destocking, deferred purchasing decisions, and widespread production curtailments across both mining and lithium conversion operations.

Despite these conditions, Lithium Universe intentionally advanced the Bécancour project through a **counter-cyclical strategy**. Rather than pausing development, the Company continued to invest in detailed engineering, site selection, environmental planning, and stakeholder engagement. This approach was based on the **Board's extensive experience across previous lithium cycles**, recognising that high-quality projects developed during downturns are best positioned to capture value during recoveries.

In February 2025, the Company completed and released the Definitive Feasibility Study (DFS) for the Bécancour Lithium Refinery. In announcing the DFS, the Company made the following statement: *"The Company believes that in the next 12 to 18 months, the lithium supply-demand balance is poised for significant re balancing.* ***LU7 believes that lithium prices will correct faster than expected*** *due to supply-side pressures."* At the time, prevailing industry analyst forecasts were generally predicting a far slower and more gradual recovery in lithium prices.

Over the past three to four months, battery-grade lithium carbonate prices have **recovered strongly, more than doubling** from approximately US$11,000 per tonne (BG Li Carb) to a recent closing spot price of around US$24,000 per tonne (see Figure 1). This rapid rebound represents the faster-than-expected price recovery anticipated by the Company in February 2025. As previously outlined, the strengthening price environment reflects tightening supply dynamics, renewed restocking activity by lithium converters, improving demand from electric vehicle and battery energy storage sectors, and broader market recognition that the bearish phase of the lithium cycle has passed. The magnitude and pace of this recovery have contributed to renewed confidence in lithium project economics following an extended period of depressed pricing.

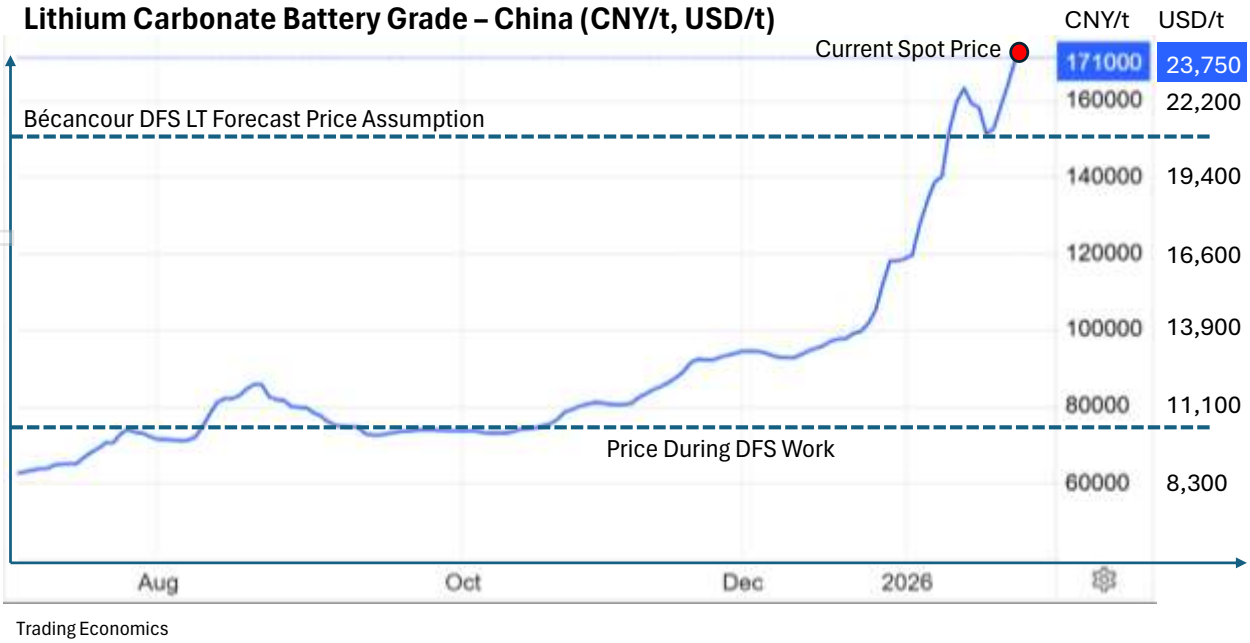


Figure 1 – Price of Lithium Carbonate Battery Grade ex China

FORECAST PRICE OF LITHIUM CARBONATE USED IN BÉCANCOUR DFS

The Bécancour Lithium Refinery is designed to produce up to approximately 18,270 tonnes per annum of battery-grade lithium carbonate. The flowsheet is based on proven continuous processing technology derived directly from the Jiangsu Lithium Carbonate refinery, one of the world's most successful hard-rock lithium conversion facilities. This design philosophy directly addresses the technical and execution risks that have historically challenged western lithium conversion projects. The DFS was deliberately structured using conservative **long-term pricing assumptions**. The financial model adopted a lithium carbonate forecast price of approximately **US$20,970 per tonne** (see Figure 1) for battery grade lithium carbonate. These assumptions were set approximating consensus long-term forecasts at the time and well below historical peak pricing, providing a robust stress-tested foundation for investment decisions.

The DFS confirmed that the Bécancour Lithium Refinery is economically viable based on a long-term lithium carbonate price assumption of US$20,970 per tonne and SC6 spodumene price assumption of US$1,170 per tonne. Under these pricing assumptions, the project delivered a pre-tax Net Present Value (NPV8%) of approximately **US$718 million**, a pre-tax Internal Rate of Return (IRR) of approximately **21%**, and a payback period of approximately **3.9 years**. At these prices, the project is forecast to generate annual **EBITDA of approximately US$148 million**. These outcomes were achieved using conservative operating assumptions, appropriate escalation allowances, and a capital cost estimate of approximately US$549 million, inclusive of contingency.

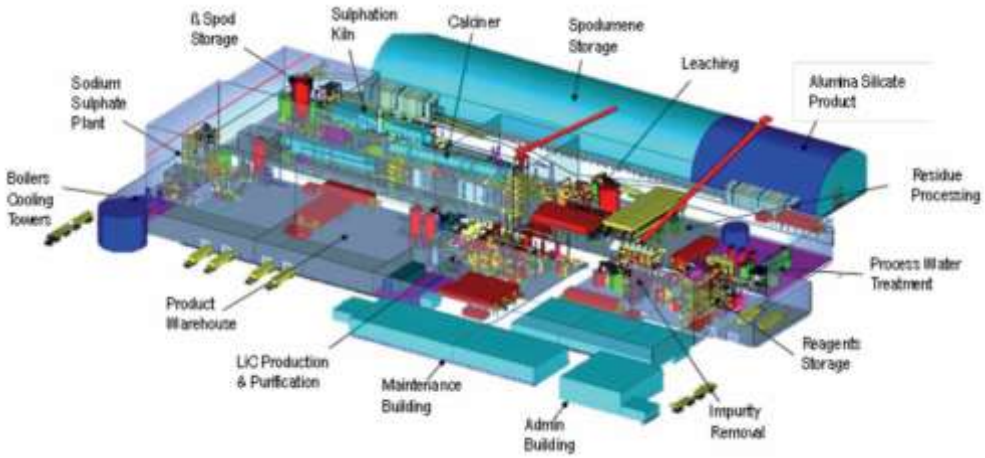
With current **spot battery-grade lithium carbonate prices at approximately US$24,000** per tonne, and assuming pricing is sustained at these levels, materially above the DFS **long-term assumption of US$20,970 per tonne**, the Company believes the economic fundamentals of the Bécancour project have been significantly strengthened and that its counter-cyclical strategy is beginning to come to fruition. Higher realised lithium carbonate prices have the potential to materially enhance operating margins, cash generation, and overall project returns, subject to final commercial arrangements and financing structures.

RECOMMENCEMENT OF BECANCOUR LITHIUM REFINERY ACTIVITIES

Lithium Universe's strategy remains firmly centred on "**Closing the Lithium Conversion Gap**" in North America. While lithium resources continue to be developed across Canada, the United States, Brazil, and Africa,

conversion capacity outside China remains constrained. Bécancour is strategically positioned within Québec's emerging battery materials ecosystem, benefiting from low-cost green hydroelectric power, excellent logistics, and proximity to North American end markets.

In response to the **improving lithium price environment** and **strengthening sector sentiment**, Lithium Universe has **commenced re-engagement with key project stakeholders**. This includes continued and renewed discussions with spodumene concentrate suppliers, downstream lithium carbonate customers, relevant state and government authorities, and potential strategic and financial partners. The Company continues to pursue long-term spodumene offtake arrangements to underpin feedstock security for the Bécancour refinery, alongside downstream partnerships with parties seeking reliable, western lithium conversion capacity. These discussions are progressing against a materially improved market backdrop compared with conditions at the time the DFS was completed.



Lithium Universe believes its counter-cyclical strategy has delivered a tangible competitive advantage, with the Company now positioned ahead of many peers after advancing engineering, permitting, and commercial groundwork during the market downturn.

Executive Chairman, Iggy Tan, Comment

"The recovery in lithium prices clearly validates the Company's counter-cyclical strategy. We deliberately progressed the Bécancour Lithium Refinery through one of the most severe lithium downturns on record. Our DFS was completed when battery-grade lithium carbonate prices had fallen to below US$10,000 per tonne, based on our conviction that prices would recover strongly. We believed that by doing the work during the downturn, Lithium Universe would be among the first developers ready to move as the market recovered. The rapid escalation in lithium carbonate prices, which have more than doubled in less than four months, confirms that the lithium recovery is well underway. With current spot prices now trading well above our long-term DFS price assumptions, the Company is well positioned to commence the next phase of project advancement. Lithium Universe is now exceptionally well placed as the market recovers, and we are re-engaging with spodumene suppliers, downstream customers, and strategic partners with renewed momentum and confidence."

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Authorised by the Chairman of Lithium Universe Limited

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Engage with Lithium Universe directly by asking questions, watching video summaries and seeing what other shareholders have to say about this, as well as past announcements, at our Investor Hub https://investorhub.lithiumuniverse.com/

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Forward-looking Statements

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as of the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors, and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed, or anticipated in these statements.

ABOUT LITHIUM UNIVERSE LIMITED

Lithium Universe Limited (ASX: LU7) ("Lithium Universe" or "the Company") is a forward-thinking company on a mission to close the "Lithium Conversion Gap" in North America and revolutionize the photovoltaic (PV) solar panel recycling sector.

SILVER EXTRACTION - PV SOLAR PANEL RECYCLING STRATEGY

As the global demand for solar energy expands, solar panel waste is projected to reach 60–78 million tonnes by 2050, making efficient recycling solutions critical. Silver is essential for solar panels, electronics, and electric vehicles due to its unmatched electrical conductivity. Industrial demand has surged, especially from photovoltaics and AI technologies, creating a global supply deficit. With production lagging, silver prices have soared to record highs, reinforcing the economic importance of efficient recycling.

Lithium Universe has responded by acquiring Macquarie University's Microwave Joule Heating Technology (MJHT) and Jet Electrochemical Silver Extraction (JESE) method, a breakthrough in recovering valuable metals from end-of-life PV panels. The first stage, developed by Macquarie University, is Microwave Joule Heating Technology (MJHT), a process that uses microwave energy to selectively heat silicon cells softening the ethylene vinyl acetate (EVA) encapsulant that binds a solar panel's layers. This enables room-temperature delamination of glass, silicon, and metal layers without crushing, furnaces, or toxic chemicals. The result is a clean separation of materials, drastically reducing energy use, emissions, and chemical waste while preserving the integrity of high-value silicon and silver components. Following delamination, Lithium Universe applies its Jet Electrochemical Silver Extraction (JESE) process, a micro-jet electrochemical system that directs a fine stream of dilute nitric electrolyte onto the silver pads of solar cells. This method achieves over 95% silver recovery at 96% purity, while using 83% less acid and no chemical additives. The process operates at just 5 volts, recycles its electrolyte, and produces zero heavy-metal waste, establishing a true closed-loop recycling system. Together, MJHT and JESE form a sustainable, scalable recycling platform that converts discarded solar panels into a renewable source of silver, silicon, and other critical materials, a vital step toward circularity in the global clean-energy supply chain.

LITHIUM DIVISION

Lithium Strategy: Closing the Lithium Conversion Gap

Lithium Universe is at the forefront of efforts to meet the growing demand for lithium in North America. As electric vehicle (EV) battery manufacturers prepare to deploy an estimated 1,000 GW of battery capacity by 2028, the need for lithium is expected to rise dramatically. However, with only a fraction of the required lithium conversion capacity in North America, LU7 is determined to play a pivotal role in reducing dependence on foreign supply chains. The company is building a green, battery-grade lithium carbonate refinery in Bécancour, Québec, leveraging the proven technology developed at the Jiangsu Lithium Carbonate Plant. This refinery will produce up to 18,270 tonnes per year of lithium carbonate, focusing initially on the production of lithium carbonate for lithium iron phosphate (LFP) batteries. The refinery's smaller, off-the-shelf plant model ensures efficient operations and timely implementation, positioning LU7 as a key player in the emerging North American lithium market. With a strong leadership team, including industry pioneers like Chairman Iggy Tan, LU7 is well-positioned to deliver this transformative project. The company's strategy is counter-cyclical, designed to build through the market downturn and benefit from the inevitable recovery, ensuring sustained exposure to the growing lithium demand.

Second Refinery Strategy

Lithium Universe Limited has launched a second lithium refinery strategy in Brownsville, Texas, complementing its flagship Bécancour project in Québec. The initiative creates a binational refining platform to address North America's lithium conversion shortage and strengthen supply chain resilience. Strategically located near the Port of Brownsville, the potential site offers deep-water access, low labour costs, and streamlined permitting within one of the U.S.'s most business-friendly regions. Leveraging a "copy and paste" design from the proven Bécancour refinery, the Texas project can be rapidly deployed to serve nearby gigafactories, aligning with U.S. policy incentives under the Inflation Reduction Act.