

# Lithium Universe Limited: East Coast Research Report

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Perth, Australia - Led by lithium pioneer, Iggy Tan, [Lithium Universe Ltd.](#) (ASX:LU7) has gathered a big team of lithium industry experts with proven experience and a track record of successfully constructing and commissioning lithium projects on time and budget. The team consists of mainly former Galaxy Resources executives who successfully built and commissioned the world-class Mt Cattlin Spodumene Concentrator in Western Australia and the Jiangsu Lithium Carbonate Refinery in China.

Drawing on its expertise, LU7's Dream Team is working on closing the massive gap in downstream lithium processing in North America by building a 16,000 tpa Lithium Carbonate Refinery in Quebec, Canada, in the first stage and then building a spodumene concentrator in the same region in the second stage. The company has also acquired multiple highly prospective lithium and REE exploration assets in tier 1 mining jurisdictions of Canada and Australia in proximity to existing significant discoveries. The company is rapidly progressing with completing a DFS for its Quebec Lithium Carbonate Refinery Project.

We initiate coverage on Lithium Universe (ASX:LU7) with a 12-month target price of \$0.053 - representing a 151.7% upside from the current share price of \$0.021. Led by lithium pioneer, Iggy Tan, Lithium Universe has gathered a big team of lithium industry experts with proven experience and a track record of successfully constructing and commissioning lithium projects on time and on budget. Drawing on its expertise, LU7's Dream Team is working on closing the massive gap in downstream lithium processing in North America by building a 16,000 tpa Lithium Carbonate Refinery in Quebec, for which the company is rapidly completing a DFS.

China's dominance over the lithium supply chain is a threat to the West

China has been securing its supply of raw lithium materials by acquiring numerous lithium mines around the globe as well as developing its domestic lithium resources.

China also hosts nearly 60% of the world's lithium refining capacity for batteries, underscoring its predominant position in the lithium supply chain. The United States and its allies are worried China could exploit its control over lithium processing when Western automakers need refined lithium to power the switch to EVs. In response, the Western governments have come up with policies and strategic plans to support the expansion of their lithium refining capacities. However, the biggest challenge here is a lack of expertise that has led to a series of recent failures and delayed startups in the sector. This is where LU7's Dream Team shines with its proven track record of successfully constructing and commissioning such projects.

LU7 to build a Lithium Carbonate Refinery in Quebec, Canada

LU7 is planning to replicate the Jiangsu Lithium Carbonate Refinery, using the same engineering manager (Hatch) and the key executives who built the world-class Jiangsu Refinery, therefore minimising the execution risks associated with the project. The company is completing a DFS for the project and has already finalised the Refinery's flow sheet design. It has also secured prime industrial land with existing infrastructure in Quebec for its Refinery. Canadian federal and provincial governments have assigned a substantial budget to assist with the expansion of the country's EV industry. With a significant downstream lithium processing gap in North America and given Canada's rapidly expanding EV industry and the current reliance on Chinese lithium processing capacity, we anticipate substantial support from Canadian governments as well as large industry players in the region for LU7's Lithium Carbonate Refinery Project.

Valuation range of A\$0.047-0.058 per share

We have valued LU7 at A\$0.047 per share in a base-case scenario and A\$0.058 per share in a bull-case scenario using an NPV-based valuation approach. Our target price range is solely based on the Quebec Lithium Carbonate Refinery Project. It does not include the value of LU7's multiple prospective exploration assets or its Spodumene Concentrator Project in Quebec. Our mid-point target price of A\$0.053 represents a significant valuation headroom to the current price. The key risks to our investment thesis include commodity price, market, exchange rate, execution, and funding risks.

Behzad Golmohammadi, the lead analyst on this report, is an equity research analyst at Shares in Value

(East Coast Research).

- Behzad has a bachelor's degree in Engineering (Industrial) and a master's degree in Applied Finance (Investing) from Sydney Business School, where he was the top performer in his cohort. He has also passed the first two levels of the CFA Program.

- Behzad has several years of experience working as an Equity Research Analyst and Technical Analyst in Australia and overseas and has a broad knowledge of ASX-listed companies. Combining his technical background in engineering with his financial analysis skills has allowed him to establish himself as a resources analyst, also capable of analysing companies in a variety of other industries.

\*To view the full East Coast Research Report, please visit:  
<https://abnnewswire.net/Ink/312SDD28>

About Lithium Universe Ltd:

[Lithium Universe Ltd.](#) (ASX:LU7) (OTCMKTS:ESMAF), headed by industry trail blazer, Iggy Tan, and the Lithium Universe team has a proven track record of fast-tracking lithium projects, demonstrated by the successful development of the Mt Cattlin spodumene project for [Galaxy Resources Ltd.](#)

Instead of exploring for the sake of exploration, Lithium Universe's mission is to quickly obtain a resource and construct a spodumene-producing mine in Quebec, Canada. Unlike many other Lithium exploration companies, Lithium Universe possesses the essential expertise and skills to develop and construct profitable projects.

Source:

[Lithium Universe Ltd.](#)

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