

Lithium Universe Ltd: Board Visits Operating Refineries in China

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Melbourne, Australia - [Lithium Universe Ltd.](#) (ASX:LU7) (OTCMKTS:ESMAF) is pleased to provide insights from a recent trip conducted by key members of the Board and the CEO, to various Chinese lithium producers. The trip, led by Executive Chairman, Iggy Tan, along with Board directors Patrick Scallan and Dr. Jingyuan Liu, alongside CEO Alex Hanly, aimed to gather direct feedback from industry executives, validate LU7 process design, reaffirm construction philosophy, and assess market-induced strategic expansions. Inspections were undertaken at various lithium refinery facilities in the provinces of Shandong, Hubei and Sichuan.

Discussions with lithium conversion executives highlighted the current market conditions and sustainability concerns. The consensus among industry players suggests that current market pricing represents the likely breakeven point for the production of battery-grade lithium hydroxide and carbonate. This reaffirms Lithium Universe's commitment to navigating through lithium market dynamics and solidifying our pivotal role within the growing lithium supply chain in North America.

In anticipation of a strengthening lithium market, each of the Chinese lithium producers presented various strategic expansion plans within China and Asia. Most notably, the lithium producers that the Company met with, were expanding or modifying existing plants to have the ability to produce battery-grade lithium carbonate as opposed to expansion into lithium hydroxide. The significant increase in demand for lithium carbonate in China is due to the popularity of Lithium Iron Phosphate (LFP) batteries. Lithium carbonate is the feedstock for LFP batteries, whilst lithium hydroxide is used in the higher nickel, cobalt (NMC, LCO) type of batteries.

Renowned for their stability, safety, and cost-effectiveness despite relatively lower energy density compared to Nickel Cobalt Manganese (NCM) batteries, LFP batteries currently reign supreme in China's domestic EV market, accounting for over 67% of installations in 2023. With its cathode material reliant on lithium carbonate and iron phosphate, LFP is also well suited to large-scale energy storage applications. As more Chinese consumers choose LFP batteries, this may be a key indicator of consumer demand preference shift. These insights further reinforce the Company's strategy to focus on delivering a 16,000 tpa battery-grade lithium carbonate refinery at Becancour, Quebec.

The Company discussed plant improvements and modifications that were incorporated into various existing designs to improve operational efficiency and increase chemical recovery. The Jiangsu Lithium Carbonate Refinery that was built by Iggy Tan, Dr Jingyuan Liu, and John Loxton for Galaxy Resources was the first fully continuous and semi-autonomous western-style lithium conversion plant in China. The Jiangsu Refinery remains a benchmark for process control, process design, and quality product output. The Company noted that most of the innovations made by the team when constructing the Jiangsu plant have now been recreated across the majority of Chinese converters. Even after more than 10 years, the Jiangsu refinery design continues to lead the way in refinery design. Lithium Universe plans to replicate the entire Jiangsu lithium carbonate plant refinery at its proposed location at Becancour, Quebec.

The Company estimates that 850,000t of LCE per annum will be required to satisfy demand in North America.

Currently, there are no operational converters in North America and the Company estimates approximately only 100,000t of planned hard rock converters are slated for construction in the region. LU7 estimates that over 95% of the world's spodumene conversion capacity is located in China. Similarly, Canada, acknowledging the significance of energy security, has intensified efforts to reduce Chinese involvement in the sector as part of a "decoupling" or "de-risking" strategy, mirroring the actions taken by the United States. The prevailing trend towards supply chain localization presents a significant opportunity for Lithium Universe to leverage.

Lithium Universe Chairman, Iggy Tan said "The discussions had with various Chinese converters were essential and extremely valuable to the Company's understanding of the existing global conversion environment. The Company has multiple points of difference that were validated on this excursion, including proven technology, demonstrated development experience, focus on lithium carbonate, and access to convert within the North American battery supply chain."

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:

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