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# LU7 ANNOUNCES EXCLUSIVE SUPPLY OF ALUMINOSILICATE TO LAFARGE CANADA INC.

## Highlights

- MOU signed with strategic cement partner, Lafarge Canada Inc.
- Canadian cement producer, part of the Holcim Group
- Exclusive supply of all Aluminosilicate product ("ACSR") from Bécancour
- ACSR is used as an additive to cement products
- Improves cement durability, strength, and production costs
- Significant growth in Canadian cement industry

Lithium Universe Limited (ASX: LU7) ("Lithium Universe" or the "Company") is pleased to announce the signing of a non-binding Memorandum of Understanding (MOU) with Lafarge Canada Inc. ("Lafarge") for the exclusive supply of Aluminosilicate Secondary Product (ASCR) produced from the Bécancour Lithium Refinery. ASCR, commonly used as an additive in the cement industry, significantly enhances compressive strength and reduces production costs. Lafarge, a strategic Canadian cement producer, is part of the Holcim Group. Both parties will now work towards finalizing a definitive supply and purchase agreement.

## About Lafarge Canada Inc.

Lafarge Canada ([www.lafarge.ca](http://www.lafarge.ca)) is the largest provider of innovative and sustainable building solutions in Canada, including aggregates, cement, ready mix and precast concrete, asphalt and paving, road and civil construction. We have over 6,900 employees and 400 sites across the country, and as an affiliate of Holcim, Lafarge Canada is driven by the Group's purpose to build progress for people and the planet.

Holcim's 63,448 employees are on a mission to decarbonize building while improving living standards for all. We empower our customers to build better with less, with a broad range of low-carbon and circular solutions, from ECOPact® to ECOPlanet®. Through innovative systems, from Elevate's roofing to PRB's insulation, Holcim makes buildings more sustainable in use, driving energy efficiency and green retrofitting.

With sustainability at the core of its strategy, Holcim is on its way to becoming a net-zero company with 1.5°C targets validated by SBTi.

### **Benefits of ASCR Product**

The process yields in the region of 130,000 tonnes of alumina silicate by-product annually and will be marketed as a cement additive. This product comprises silica ( $\text{SiO}_2$ ), aluminium oxide ( $\text{Al}_2\text{O}_3$ ), and ferric oxide ( $\text{Fe}_2\text{O}_3$ ). It features a fine particle size and large specific surface area, enhancing its reactivity and utility in cement production. The Jiangsu Lithium Refinery successfully sold this by-product to local cement industries. Alumina silicate can improve cement strength and durability by absorbing  $\text{Ca}(\text{OH})_2$  produced during hydration, filling gaps, and reducing heat generation. It also helps to resist cracking in large-volume concrete by mitigating temperature-induced stress. The effectiveness of alumina silicate in cement is well-established, with cement containing 30% alumina silicate showing a 132% increase in 28-day compressive strength compared to Portland cement. Additionally, using the fly ash activity determination method, cement with 30% alumina silicate demonstrates a 174% increase in 3-month compressive strength compared to cement with 30% finely ground quartz sand. By replacing some cement raw materials, alumina silicate can reduce production costs, improve efficiency, and enhance cement quality and durability. Lithium Universe will focus on establishing sales of the alumina silicate additive to local cement manufacturers, providing significant cost-saving benefits.

### **Canadian Cement Industry**

The cement industry in Canada has shown notable growth and resilience in recent years. In 2021, the cement and concrete product manufacturing industry's revenue reached approximately \$12.3 billion, marking an increase of 14.14% from \$10.8 billion in 2020, indicating robust demand in construction sectors. Cement production volumes in Canada also increased, with the country producing about 13.8 million metric tonnes in 2022, up by 6.2% from 2020's 13 million metric tonnes. This growth aligns with the broader economic recovery post-pandemic, driven by significant investments in infrastructure and residential construction. Moreover, the market size for cement manufacturing in Canada was estimated at \$2.1 billion in 2025, with a compound annual growth rate (CAGR) of 0.5% from 2019 to 2024, though it experienced a decline at a CAGR of 3.8% over that period due to various market dynamics. The industry employs over 166,000 people, contributing significantly to Canada's economy with an annual economic impact of around \$76 billion.

Lithium Universe Chairman, Iggy Tan said, *"This is great news for Lithium Universe as we partner with Lafarge Canada Inc. to enhance the North American battery materials supply chain and promote sustainable innovation in Canada's cement industry. This collaboration will not only advance our focus on building Bécancour Lithium refinery's secondary product supply chain but also strengthening local supply chains, fostering a more circular economy in Québec, and contributing to greener construction materials."*

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Authorised by the Chairman of Lithium Universe Limited



### Lithium Universe Interactive Investor Hub

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 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 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 is on a mission to close the 'Lithium Conversion Gap' in North America by developing a green battery-grade lithium carbonate refinery in Québec, Canada. Our primary focus is on supporting the supply chain needs of original equipment manufacturers (OEMs), particularly in the automotive sector, by converting spodumene supply into essential lithium chemicals for electric vehicle (EV) battery plants.

## **THE LITHIUM CONVERSION GAP**

As North America anticipates a significant increase in battery manufacturing—over 20 major manufacturers planning to deploy an estimated 1,000GW of battery capacity by 2028—the demand for lithium is projected to reach approximately 850,000 tonnes of lithium carbonate equivalent (LCE) per annum. Currently, there are no operational converters in North America, with only 100,000t of LCE hard rock converters slated for construction by 2028. Our strategic approach aligns with national security goals to reduce dependence on Chinese lithium converters and onshore the lithium battery supply chain.



## **PROVEN LITHIUM TECHNOLOGY**

Our Bécancour refinery will utilize the proven technology developed at the Jiangsu Lithium Carbonate Plant, which has set a global benchmark for lithium refineries. By leveraging this established technology, we aim to produce up to 18,270 tonnes/year of green battery-grade lithium carbonate, focusing initially on lithium carbonate production for LFP batteries. Our design employs a smaller, off-the-shelf plant model, ensuring ease of operation and implementation.

## **PROVEN LITHIUM EXPERTISE**

Lithium Universe boasts a team of industry leaders known for expedient and quality lithium project delivery and operation. Chairman, Iggy Tan, a pioneer in the lithium industry, previously led Galaxy Resources to establish the first large-scale vertically integrated mine-to-refinery project. Other key figures include Patrick Scallan, who expanded production at the world-class Greenbushes Mine, and Dr. Jingyuan Liu, a technical expert in downstream lithium processing having worked on over 20 lithium converters worldwide. Their combined experience positions us to execute our strategy effectively.

## **THE LITHIUM UNIVERSE STRATEGY**

Our positive and robust Bécancour Refinery Pre-Feasibility Study (PFS) demonstrates economic viability even in a low pricing environment. We maintain a counter-cyclical strategy, building projects through the cycle. This positions us to effectively close the Lithium Conversion Gap while maintaining exposure to the inevitable lithium price recovery given the strong worldwide lithium demand.

## **PRELIMINARY FEASIBILITY STUDY**

Our financial projections are promising, with an estimated pre-tax NPV (8%) of approximately US\$779 million and an internal rate of return (IRR) of around 23.5%, with a payback period of 3.5 years. This is based on a conservative spodumene concentrate (SC6) price forecast of US\$1,170/t and a battery-grade lithium carbonate price of US\$20,970/t. Operating costs are projected at approximately US\$3,976/tonne, with a capital cost estimate of US\$494 million. We anticipate annual revenue of around US\$383 million and EBITDA of approximately US\$147 million, with break-even points of around US\$780/t (SC6) and US\$14,000/t for Li<sub>2</sub>CO<sub>3</sub>.