

26 March 2025

ARENA Grant Sparks New Interest in VSPC

HIGHLIGHTS

- Following the A\$30m ARENA grant, VSPC is pleased to announce that it has increased engagement with a wide range of investors to **close the LFP Demonstration Plant funding gap**
- In the past several weeks, VSPC has also increased its potential customer base, including large EV OEMs, with a **total combined potential product demand in excess of 300ktpa**, 12x the capacity of a 25ktpa LFP Manufacturing Facility
- Global leader in chemical distribution, **UMC, is acting as USA sales agent to VSPC to further penetrate the USA market**
- VSPC has **commenced discussions with potential licensors of VSPC's proprietary process** in non-core jurisdictions to enhance returns whilst optimising capital expenditure
- VSPC aims to play a **key role to build LFP supply chains** outside of China through an initial 25ktpa commercial scale development, with **annual revenues estimated at ~US\$319m¹**
- LFP Demonstration Plant plans have been developed, and the **Company is ready to commence the FEED study** once full funding has been achieved

Livium Ltd (ASX: LIT) ("**Livium**" or the "**Company**") is pleased to provide an update in relation to its battery materials division, delivered through wholly owned subsidiary VSPC Pty Limited ("**VSPC**"). This follows execution of a binding agreement for a grant of up to A\$30m with the Australian Renewable Energy Agency ("**ARENA Grant**")² for a VSPC's LFP³ Demonstration Plant. Following this announcement, focus has been placed on securing the A\$30m balance of funding for the LFP Demonstration Plant along with commercial development opportunities.

FUNDING DEVELOPMENT

Livium is actively engaging multiple target groups to close the A\$30m funding gap for the LFP Demonstration Plant. Investment is being sought at the VSPC (project) level with equity investment likely to dilute Livium's ownership of VSPC. Investor engagement since securing the ARENA Grant Depending include financial investors, upstream and downstream strategic partners, structured debt providers, and state government investment organisations.

The Company's appointed advisors are working with the management team to coordinate discussions around partnership and growth funding options, which includes both strategic partners and other financiers. Whilst there is no guarantee that the LFP Demonstration Plant will be fully funded, the Company believes the ARENA Grant the foundation to achieve this crucial step.

CUSTOMER DEVELOPMENT

The Company used the ARENA Grant as a mechanism to access new potential customers. Since the announcement four new potential customers have been engaged with including large EV OEM's manufacturers. VSPC now has a portfolio in excess of 20 potential customers, with a total combined potential demand of >300ktpa⁴ (>12 times the capacity of the first planned VSPC LFP Manufacturing Facility, 25ktpa).

¹ Potential annual revenues are estimated at US\$319m assuming a 25,000 tpa commercial plant (Company estimate) and an LFP price of ~US\$12.75/kg (Source: Avenira Limited (ASX: AEV) Announcement (Scoping Study, 2 March 2023), Ave. LFP Basket Price)

² Refer ASX Announcement "Livium secures up to A\$30 million grant from ARENA for Australian LFP demonstration plant", dated 20 February 2025.

³ LFP = Lithium ferro phosphate or lithium iron phosphate. LMFP = Lithium manganese ferro phosphate or lithium manganese iron phosphate.

⁴ Ktpa = thousand tonnes per annual.

North America is considered a key market for VSPC and to penetrate this jurisdiction. VSPC have engaged United Mineral & Chemical Corporation ("**UMC**") to function as sales agent of VSPC's LFP and LMFP² for the USA market. UMC is part of the ICD Group, a global bulk chemical trading company, and is a leading importer/exporter and distributor of high purity metals, pigments/colorants, and chemicals.

As sales agent to VSPC, UMC provide services including marketing and promotion of VSPC products direct with identified targets, and at trade shows and scientific conferences. UMC take a lead role in the coordination of potential customer product testing, using samples provided by VSPC.

COMMERCIAL DEVELOPMENT

The commercial pathway for VSPC can be via development and operation of commercial facilities or via licencing of the technology. The Company is targeting to own and operate LFP manufacturing facilities, it acknowledges that it cannot develop in all jurisdictions concurrently. Licencing allows for market penetration without the capital required. Following the ARENA Grant, discussions have commenced with potential licensors of VSPC's proprietary process in non-core jurisdictions.

DEMONSTRATION PLANT DEVELOPMENT

The LFP Demonstration Plant ("Project") includes the detailed design, construction, commissioning, and operation of a 250 tonne per annum facility over approximately 46 months (21 months construction and commissioning plus 24 months for operation and customer testing). Following the initial two-year operation and customer testing period, the Demonstration Plant will be continually used to support scale up of new products and supply samples for new customer qualification.

Whilst, closing of the funding is required to commence Project development, the first stage of development will be to complete a front-end engineering and design ("**FEED**") study. The FEED study will confirm cost estimate and identify long lead items to allow project procurement to commence and planning to progress the FEED study is in progress.

The Project will provide VSPC's potential offtake partners (customers) and investors with samples and evidence that it can manufacture high-performance LFP and LMFP continuously at scale. This will provide these key stakeholders with the confidence that VSPC's proprietary process is viable and can be scaled up to commercial production.

The total estimated cost to deliver the detailed design, construction, commissioning, and operation for two years is A\$60m, with plant and equipment comprising approximately 63% of the total spend and the remainder working capital to support operations.

Comment regarding the strategic update from Livium CEO and Managing Director, Simon Linge

"This is a key period for our VSPC LFP technology as we push towards financial close for the LFP Demonstration Plant. We have seen increased interest in our product offering since the announcement of the A\$30m ARENA Grant and are looking to use this momentum to move this business forward.

"VSPC has the potential to be developed globally. To manage the risk of developing in multiple locations, we are pursuing licencing arrangements to penetrate some markets.

"We are ready to move this project forward and look forward to keeping the market informed of developments over the coming months."

Authorised for release by the Managing Director and CEO.

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Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties that it is beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

About Livium

Livium (previously Lithium Australia) is aiming to lead and enable the global transition to sustainable lithium production. The Company operates Australia's market leading battery recycler, produces critical battery material lithium ferro phosphate (LFP), and has developed a patented lithium extraction technology (LieNA®). Livium's revenue-generating recycling business and technologies are well-placed to capitalise on growing global lithium-ion battery demand and provides diversification benefits to global supply chains.

About United Mineral & Chemical Corporation ("UMC")

UMC is a leading importer/exporter and distributor of High Purity Metals, Pigments/Colorants, and Chemicals. They have been providing manufacturers in North America, Europe, and Asia with high quality products for over 65 years. UMC is part of the ICD Group, a global bulk chemical trading company with a presence in over 50 countries worldwide. The ICD Group serves the following markets: Aerospace, Defence, Cosmetics & Personal Care, Medical, Water Treatment, Hi-Tech Electronic, Energy Storage, and Research.