

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 31 DECEMBER 2020

HIGHLIGHTS

San José Lithium Project

- Key Investigation Permit Ampliación a Valdeflórez granted.
- The Extremadura Department of Mines continued to advance Investigation Permit Valdeflórez.
- Test work momentum maintained in the EU despite the impacts of the pandemic.
- Test work undertaken by Dorfner Anzaplan, as funded by EIT InnoEnergy, confirmed the first stages of PFS assumptions for flotation recoveries.

Corporate

- Entitlement Offer successfully completed, raising A\$2.4m before costs.
- Highly credentialled technical expert Jon Starink appointed to the Board and executive management.
- Lithium expert Dr. David Maree appointed to newly established Technical Advisory Committee.
- Cayetano Polo appointed of Head of Institutional Relations in Spain.
- Available cash as at 31 December 2020 of A\$4.77 million.
- EIT InnoEnergy to fund commitments for phase one test work completion under the Project Agreement for up to €400,000 (A\$0.7 million).

ASX Release
25 January 2021
ASX: INF
FRA: 3PM

Project highlights

2nd Largest JORC hard rock lithium deposit in the EU

Strategically located in Spain, Europe to be the 2nd largest market for battery grade lithium after China

1st lithium project to secure EIT InnoEnergy Funding

Uniquely **fully integrated project** with mine and adjacent conversion plant

Low carbon footprint and sustainable operation

Corporate Directory

Ryan Parkin
Managing Director & CEO

Adrian Byass
Non-Executive Chairman

Remy Welschinger
Executive Director

Jon Starink
Executive Director

Jonathan Whyte
Company Secretary

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The Board of Infinity Lithium Corporation Limited (**'Infinity'**, or **'the Company'**) is pleased to present the Company's Quarterly Activities Report and Appendix 5B for the three months ending 31 December 2020.

San José Lithium Project

Key Investigation Permit Granted

The Company announced the granting of the Investigation Permit Ampliación a Valdeflórez (**'PIAV'**) to San José Lithium Project (**'San José'**, or **'the Project'**) Joint Venture entity Tecnología Extremeña del Litio (**'TEL'**) on 23 December 2020.

The Project terrain includes areas PIAV and Investigation Permit Valdeflórez (**'PIV'**). The beneficiation plant and downstream lithium chemical conversion facilities will be located in the PIAV area, utilising feedstock from the lithium mica ore contained within PIV (refer to PFS announcement 22 August 2019).

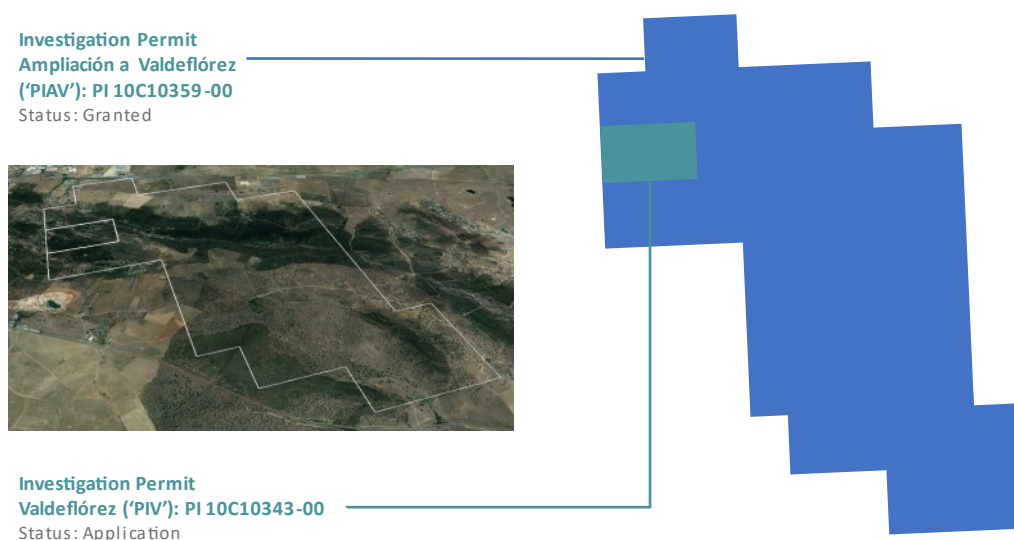


Figure 1: Summary of Investigation Permit Areas

The fully integrated Project can potentially produce battery grade lithium hydroxide, a key component in cathodes required in the production of electric vehicles.

The Junta of Extremadura and the Extremadura Department of Mines is continuing to advance the processing of the PIV administrative file. The Company can request the application for a derived exploitation concession from the Valdeflórez and Ampliación de Valdeflórez Investigation Permits once both are granted. The administrative tenement granting process had been impacted by the pandemic, however technical and administrative processing of both files progressed throughout 2020 in a reduced capacity. The Company acknowledges the increased activity and actions of authorities in the processing of Investigation Permit files and remains satisfied that the Department of Mines and the Junta of Extremadura administration have progressed the status of the Ampliación de Valdeflórez Investigation Permit. The submission of the Exploitation Concession will include the lodgment of the corresponding environmental impact evaluation.

Progression of Test Work

The coronavirus pandemic situation developed rapidly in 2020, with governments and companies globally having remained vigilant in taking measures to contain the spread of the virus. The European Union ('EU') was impacted by travel restrictions throughout Q2 2020 however many borders were reopened over the summer period after months of closure throughout spring.

Despite the ongoing challenges of the coronavirus pandemic, Infinity continued to progress test work with our partners in Germany under phase one of the Project Agreement as executed in June 2020 with KIC InnoEnergy SE ('EIT InnoEnergy'). The test work program progressed with some adjustments in timeline deliverables, due in part to the impact of the pandemic, however Infinity is pleased with the commitment of our partners in their work to continue in trying circumstances throughout Q4 2020. The programme is managed by leading German consultancy and engineering company Dorfner Anzoplan in line with project deliverables under the agreement.

On 17 November 2020 the Company announced that open circuit flotation recoveries results had confirmed and exceed the assumptions used in the Pre-feasibility Study ('PFS') for lithium recovery and concentrate grade in the beneficiation stage of the process flow sheet (Figure 2). Test work has now commenced on the next stage in the process (sulphate roast).

The key findings included:

- an improvement on the PFS open circuit flotation recoveries;
 - 68 wt.-% Li_2O recovery to a concentrate grading 1.30 wt.-% Li_2O .
 - Open circuit test work which formed the basis of estimates in the PFS achieved 58% wt.-% Li_2O recovery to a concentrate grading 1.26 wt.-% Li_2O ;
 - The PFS required detailed closed circuit test work to achieve results that are comparable to the Feasibility Study ('FS') open circuit flotation recoveries (PFS closed circuit: 67% wt % Li_2O recovery to a concentrate grading 1.30 wt.-% Li_2O);
- These results have validated the relevant PFS assumptions and provide greater certainty.



Figure 2: Summary of test work progression

Test work continues to advance in Germany through the next stages that have the potential to optimise roasting, leaching, and locked cycle activities.

Lithium-ion Battery Value Chain Strategy Spain

The Spanish Government, through the Ministry for the Ecological Transition, released the draft of the Energy Storage Strategy (14 October 2020) that highlighted for the first time the Government's commitment to the sustainable exploitation of lithium and rare earth deposits in Spain for the battery industry. The Government publicly recognised and acknowledged the critical importance of critical raw materials for national manufacturers and suppliers that can generate high added value products in the development of an in-country lithium-ion battery supply chain. The Energy Storage Strategy notes one of the measures proposed is the promotion of national self-sufficiency of raw materials or basic components, which is in line with the broader EU strategy under the EBA.

The Minister for the Ecological Transition, Teresa Ribera's, stated *"In this context, Spain has the challenge of researching, developing and favouring the battery industry and that of the mineral raw materials essential for their manufacture, promoting, in particular, its own resources"*.

European Union

The European Commission presented an Action Plan on Critical Raw Materials (announced 3 September 2020) which addressed the current and future challenges and proposed actions to reduce the EU's dependency on non-EU countries. Lithium was added to the List of Critical Raw Materials for the first time. Maroš Šefčovič, Vice-President for Interinstitutional Relations and Foresight noted:

"A secure and sustainable supply of raw materials is a prerequisite for a resilient economy. For e-car batteries and energy storage alone, Europe will for instance need up to 18 times more lithium by 2030 and up to 60 times more by 2050."

The European Raw Materials Alliance ('**ERMA**') was launched by the European Commission on 29 September 2020 using a platform that has been modelled on the success of the European Battery Alliance ('**EBA**'). The establishment of the ERMA focus on the critical raw material requirements in the development a fully integrated and strategic LIB value chain in the EU.

Corporate

Non-Renounceable Entitlement Offer Raised \$A2.4 million

Infinity successfully completed a non-renounceable entitlement offer in October 2020 ('**Entitlement Offer**') and raised approximately A\$2.4 million (before costs). This followed an A\$2.2m placement completed in September 2020 ('**Placement**'). Shares issued under the Entitlement Offer and Placement were issued at A\$0.07 per Share, with one (1) attaching unlisted option for every two (2) shares subscribed at an exercise price of A\$0.12 with a 24-month term. The funds raised under the Placement and Entitlement offer are being used to continue activities on the San José Lithium Project and for general working capital.

Appointment of Executive Director/Chief Technical Officer

In October 2020 Infinity announced the appointment of Mr. Jon Starink as an Executive Director and member of the Board of the Company. Mr. Starink is an experienced leader and accomplished technical expert with significant international lithium project experience. For further details of Mr. Starink's qualifications and experience please refer to the ASX announcement released on 8 October 2020.

Appointment of Lithium Expert to Technical Committee

In November 2020 Infinity appointed highly credentialed lithium processing expert Dr. David Maree to the Company's Technical Advisory Committee ('**Committee**'). The Committee will be led by Executive Director and Chief Technical Officer Mr. Jon Starink and will assist with the optimisation and development of the phase one test work that is currently progressing in Germany with Project technical partners Dorfner Anzaplan.

Dr. Maree is a Process Development Scientist with significant experience in hard rock lithium projects. For further details on Dr Maree's qualifications and experience please refer to the ASX announcement released on 30 November 2020.

Appointment of Head of Institutional Relations in Spain

Infinity announced the appointment of Mr. Cayetano Polo as Head of Institutional Relations in Spain. Mr Cayetano is the former Ciudadanos Extremadura regional party leader and has held significant positions regionally and locally, including Provincial Deputy of Cáceres. For further details refer to ASX announcement 9 November 2020.

ASX Listing Rule 5.4.5 Disclosure

Payments to related parties during the quarter as outlined in sections 6.1 and 6.2 of the Appendix 5B consisted of \$126,156 in directors fees and payments to executive directors under respective service agreements.

Further Events Subsequent to September 2020 Quarter End

Further Corporate Appointments

In January 2021 Infinity advised that Mr. Remy Welschinger had been appointed as Head of Corporate Development of the Company. Mr. Welschinger was appointed to the Board last year (initially as non-executive director) and has now transitioned to the Executive management. In addition to the appointment of Mr. Welschinger, the Company appointed Ms. Nicole Morcombe as Corporate Development Manager. For further details please refer to the ASX announcement released on 18 January 2021.

Cash at Bank

As at 31 December 2020 Infinity had available cash of A\$4.77 million. The cash balance is exclusive of the funding commitments under the Project Agreement with EIT InnoEnergy, who have paid €400,000 (approximately A\$666,000) tranche 1 payments directly allocatable to phase one test work, with another €200,000 (approximately A\$333,000) tranche 2 payments forecast for Q1 2021. The final

tranche 3 payment, totaling up to €200,000 (approximately A\$333,000), will be payable upon completion of phase one test work.

The Quarterly Activities Report was authorised by the Board. For further inquiries please contact:

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Competent Persons Statement

Lithium

The Mineral Resource for the San José Lithium deposit was calculated in May 2018 (Cube Consulting Perth, WA) using Ordinary Kriging interpolation methods and reported above a 0.1% Li cut-off grade. Full details of block modelling and estimation are contained in the ASX announcement dated 5 December 2017 and updated 22 May 2018.

The Resource which supports the Scoping Study was announced to the ASX on the 23 May 2018. Infinity is not aware of any new information or data that materially affects the information included in this ASX release and Infinity confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the resource estimates in this release continue to apply and have not materially changed.

The resource information in this report that relates to the December 2017 and updates in May 2018, updated Mineral Resources is based on the information compiled by Mr Patrick Adams, FAusIMM CP (Geology) and Mr Adrian Byass B.Sc Hons (Geol), B.Econ, FSEG, MAIG. Mr Adams and Mr Byass have sufficient relevant professional experience with open pit and underground mining, exploration and development of mineral deposits similar to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Person(s) as defined in the 2012 Edition of JORC Code. Mr Adams has not visited the project area and has relied on the documented (Byass, 2016-2018, Peters, May 2017) drilling, logging and sampling techniques used by Infinity in collection of data used in the preparation of this report. Mr Adams is a Principal Geologist and a Director of Cube Consulting Pty Ltd and consents to be named in this release and the report as it is presented. Mr Byass is employed by Infinity as a geologist and has visited the site during pre- and post- drilling activities and consents to be named in this release and the report as it is presented.

Production Target, Ore Reserve and PFS Study announced to the ASX on 22 August 2019: The information in this report that relates to Exploration Results is based on the information compiled or reviewed by Mr Adrian Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG and an employee of Infinity. Mr Byass has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Byass consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Disclaimer

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic

evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy.

Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of or non-occurrence of any events.

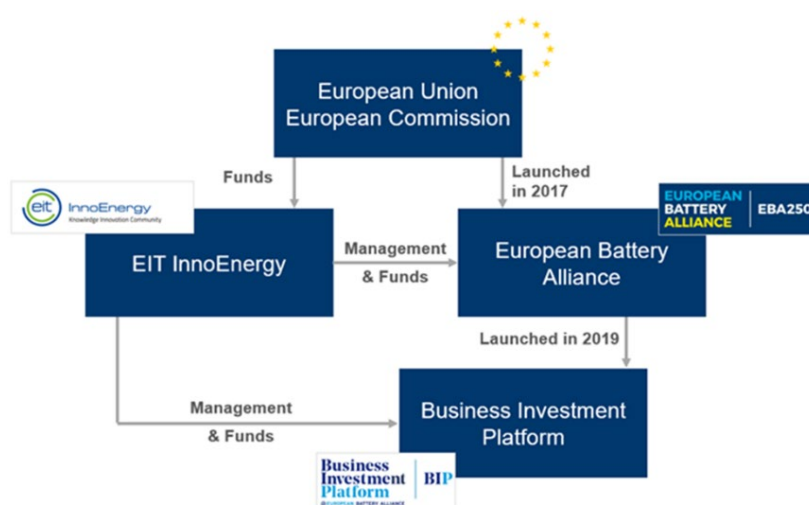
The Participants

The European Battery Alliance (EBA) was created in 2017 and includes the European Commission, the European Investment Bank and key industry stakeholders such as automakers, battery and cathode producers. The EBA's goal is to create a competitive and fully integrated battery manufacturing chain in Europe.

EIT InnoEnergy was mandated then by the Commission to lead the industrial stream of the European Battery Alliance. EIT InnoEnergy is a public private partnership, supported by the European Commission, investing into sustainable energy projects. They have invested so far more than €700M in selected innovations, and facilitated the raise of more than €1.7Bn of funds.

At the end of 2019, EIT InnoEnergy launched the **Business Investment Platform** with a stated goal to accelerate transactions between financial institutions and industrial projects included in the lithium-ion battery value chain. The objective of this platform is to shorten the time to investment, reduce business risk for the investee, and reduce investment risk for the investor.

Infinity was one of only 2 investees selected by the BIP at the end of last year and has now concluded an investment and collaboration deal with EIT InnoEnergy through the BIP.



About the San José Lithium Project

Infinity is an Australian listed minerals company who is seeking to develop its 75% owned San José Lithium Project and produce battery grade lithium hydroxide. Supply response is needed to satisfy Europe's burgeoning energy storage needs through feeding the large-scale battery plants currently under construction.

The San José deposit is a highly advanced, previously mined brownfields development opportunity representing one of Europe's largest lithium deposits. Infinity Lithium will potentially mine the hard rock Mica resource and develop processing facilities to provide what would currently be the sole European mine-to-end-product lithium hydroxide operation.

San José is a highly advanced lithium project which is hosted in lithium-mica that hosts a JORC resource of lithium carbonate equivalent ('LCE'). A feasibility study completed in 1991 defined an open pit mining operation and a process flow sheet which produced lithium carbonate through acid-leach or sulphate calcine processing. This drilling, mining and processing study work highlights the advanced status and inherent advantages enjoyed by San José in relation to many other hard rock deposits. The Resource estimate for San José is shown below in Table 1;

Classification	Tonnes (Mt)	Li (%)	Li ₂ O (%)	Sn ppm
Indicated	59.0	0.29	0.63	217
Inferred	52.2	0.27	0.59	193
TOTAL	111.3	0.28	0.61	206

TABLE 1: SAN JOSÉ MINERAL RESOURCE, REPORTED ABOVE 0.1% LI CUT-OFF

Estimated using Ordinary Kriging methodology. Note: Small discrepancies may occur due to rounding

Snowden Mining (2017) and Cube Consulting estimated the total Mineral Resource for the San José lithium deposit using Ordinary Kriging interpolation methods and reported above a 0.1% Li cut-off grade. Full details of block modelling and estimation are contained in the ASX announcement dated 5 December 2017 and updated 23 May 2018.

Lithium (Li) mineralisation is commonly expressed as either lithium oxide (Li₂O) or lithium carbonate (Li₂CO₃) or Lithium Carbonate Equivalent (LCE). Lithium Conversion:

1.0% Li = 2.153% Li₂O,

1.0%Li = 5.32% Li₂CO₃

The Resource was announced to the ASX on 5 December 2017 and updated 23 May 2018. Infinity is not aware of any new information or data that materially affects the information included in this ASX release and Infinity confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the resource estimates in this release continue to apply and have not materially changed.

Table 2 summarises the San José Maiden Ore Reserve estimate.

Classification	Tonnes (Mt)	Li (%)	Li ₂ O (%)	Sn ppm
Proven	-	-	-	-
Probable	37.2	0.29	0.63	217
TOTAL	37.2	0.29	0.63	217

TABLE 2: SAN JOSÉ JORC ORE RESERVE STATEMENT

100% of the material in the PFS mining schedule is included in the Probable Ore Reserves category. The Ore Reserves were calculated assuming the mining and processing methods determined for the PFS.

The Reserve was announced to the ASX on 22 August 2019. Infinity is not aware of any new information or data that materially affects the information included in this ASX release and Infinity confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the reserve estimates in this release continue to apply and have not materially changed.

Tenement Schedule in accordance with Listing Rule 5.3.3

Lithium Project Spain

Infinity has a 75% beneficial interest in the San José Lithium Project (Applications) from Valoriza Minería and Castilla Mining S.L. All tenure is held under the current Joint Venture.

The San José tenements:

- Valdeflórez: 10C 10343-00 Application
- Ampliación a Valdeflórez: 10C 10359-00 Granted

Other applications;

- Extremadura S.E. 10C10386-00 Castilla Mining S.L. Exploration Permit Application
- San José 10C10368-00 Valoriza Minería S.L.U Investigation Permit Application