

# POWERING A SUSTAINABLE FUTURE

Lithium: the pillar of European eMobility

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## Competent Persons Statement

The information in this report that relates to Exploration Targets and Mineral Resources is based on the information compiled by Mr Patrick Adams, of Cube Consulting Pty Ltd (Perth). Mr Adams has 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 he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of JORC Code He has visited the project area and observed drilling, logging and sampling techniques used by Infinity Lithium in collection of data used in the preparation of this report. Mr Adams is an employee of Cube Consulting Pty Ltd and consents to be named in this release and the report as it is presented.

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 Lithium. 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. 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.

## Pre-Feasibility Study – Cautionary Statement

The Study referred to in this announcement is a preliminary technical and economic investigation of the potential viability of the San José Lithium Project. It is based on low accuracy technical and economic assessments, (+/- 25% accuracy) however is sufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage; or to provide certainty that the conclusions of the Study will be realised. Infinity is in Joint Venture ('JV') with Valoriza Minería SA, a subsidiary of SACYR S.A. Infinity have independently engaged the services of Wave International Pty Ltd ('Wave') to assess the technical and economic viability with regards to producing battery grade lithium hydroxide under the San José Lithium Project. Whilst the Pre-Feasibility Study has yielded robust outcomes and provided independent perspective on the opportunity to produce battery grade lithium hydroxide, there is no guarantee that the JV will choose to adopt the outcomes of the study.

The Production Target referred to in this presentation is based on 100% Probable Reserves for the life of mine life covered under the Study. In accordance with the thirty (30) year mine plan incorporated into the Study, the first three (3) years of production (covering payback period) will come 100% from Probable Reserves.

The Study is based on the material assumptions outlined below and include assumptions about the availability of funding. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Study will be achieved. To achieve the potential mine development outcomes indicated in the Study, additional funding will be required. Investors should note that there is no certainty that the Company will be able to raise funding when needed however the Company has concluded it has a reasonable basis for providing the forward looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to fund the development of the San José lithium deposit.

To achieve the outcomes indicated in this Study, initial funding in the order of US\$309m (which includes a 15.3% contingency) will likely be required, and US\$318m (including a 15.3% contingency) over the life of the Project. Investors should note that there is no certainty that Infinity will be able to raise funding when needed. Infinity holds a total of 75% interest in the San Jose Lithium Project, with Valoriza Minería holding the balance of 25% interest. It is also possible that Infinity can pursue a range of funding strategies to provide funding options. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Infinity's existing shares. It is also possible that Infinity could pursue other value realisation strategies such as sale, partial sale, or joint venture of the Project. If it does, this could materially reduce Infinity's proportionate ownership of the Project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of this Pre-Feasibility Study.



# SNAPSHOT

Building the capability to supply lithium chemicals that are critically required for the EU's rapid transition to electric mobility



**Fully integrated lithium hydroxide production in the EU**



**Essential component in EU's lithium-ion battery value chain**



**Leveraging the EU's rapid adoption of electric vehicles**



**European financial, technical and commercial endorsement**



**Tier 1 project with compelling financial fundamentals**

## CORPORATE INFORMATION (ASX:INF)

Shares on issue	~ 319.9m
Options, SARS	~ 79.1m
Share price <sup>(1)</sup>	A\$0.23
Market Cap <sup>(2)</sup>	A\$73.5m
Cash <sup>(3)</sup> (Debt: nil)	A\$4.8m

## BOARD OF DIRECTORS

Adrian Byass	Non Executive Chairman
Ryan Parkin	CEO & Managing Director
Jon Starink	Chief Technical Officer
Remy Welschinger	Head of Corporate Development

## MANAGEMENT

Jonathan Whyte	CFO & Company Secretary
David Valls	General Manager: Extremadura Mining
Cayetano Polo	Head of Institutional Relations
Lucas Robinson	Investor Relations Manager
Nicole Morcombe	Corporate Development Manager

(1) Closing share price as at 15 February 2021

(2) Undiluted market capitalisation as 15 February 2021

(3) Cash as at 31 December 2020. Refer to Quarterly Cashflow Report 25 January 2021

# WHY INFINITY LITHIUM?

## POLICY DRIVEN

**EU Net Zero Carbon 2050**

EV uptake critical

**EU Penalties**

Auto fleet CO<sub>2</sub> profile

Battery imports CO<sub>2</sub> profile

## EV UPTAKE

**EU Rapid Adoption of EVs**

Registration EVs > Diesel

**EU Incentives**

Promote EV registrations

Phase out ICE

## EU VALUE CHAIN

**Large Scale Investment in Value Chain**

Auto & battery production

**Upstream Focus Critical**

Battery materials

Cathode production

## LITHIUM HYDROXIDE

**EU Supply Critically Exposed**

>80% Chinese convertors

**EU Limited Supply**

Limited resources

Sustainability criteria

## INFINITY LITHIUM

**Battery Grade Lithium Hydroxide**

Fully integrated

**Sustainability & Funding**

Aligned to EU policy

EU Green Deal & European Investment Bank potential

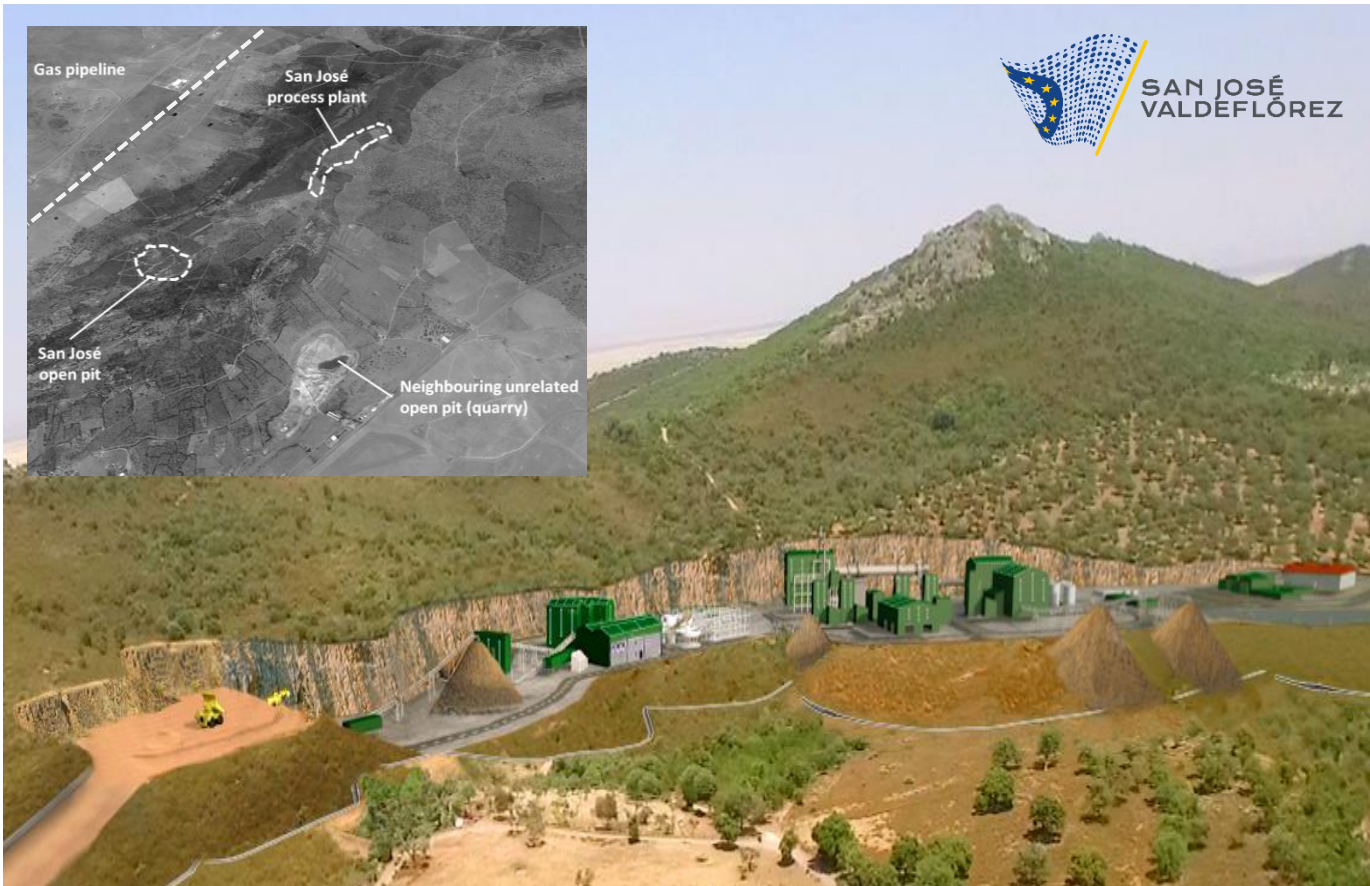


InnoEnergy is supported by the EIT, a body of the European Union



# SAN JOSÉ LITHIUM PROJECT: HIGHLIGHTS

## FULLY INTEGRATED PRODUCTION OF BATTERY GRADE LITHIUM HYDROXIDE



**INF: 75% project ownership; option to acquire 25%**



**EU's 2nd largest hard-rock lithium resource**



**Planned production ~ 15kt pa<sup>(1)</sup> lithium hydroxide**



**Project life 30yrs**



**Pre-production Capex US \$309m<sup>(2)</sup>**



**NPV<sub>(10)</sub>: US\$860m      IRR: 42.3%**

As announced on 22 August 2019. The Company confirms that it is not aware of any new information or data which affects the information disclosed and that all material assumptions underpinning the production target and project economics continue to apply and have not materially changed.

(1) Average 1st 10 years of production; (2) Includes contingencies, total US\$268m excluding contingencies

# VALIDATING STRONG ECONOMICS

Infinity lithium project lithium hydroxide pre-feasibility study

NPV <sub>10</sub>	Pre-tax		US\$860M	IRR	Pre-tax		42.3%
Total Revenue From Lithium Hydroxide			US\$6Bn	CAPEX <sup>2</sup> (Pre-production)			US\$268M
OPEX <sup>1,3</sup>			US\$5,434/t	Capital Intensity			\$US16K/t
Annual Production <sup>3</sup> of lithium hydroxide			15,000t/y	Project Life			30 years
				Mine Life			19 years
2 <sup>nd</sup> Largest Lithium Resource in the EU			1.6Mt LCE	Strip Ratio			0.43:1



InnoEnergy is supported by the EIT, a body of the European Union

100% Project Ownership Basis

- (1) Average C1 cost over 10 years of production including ramp-up and C1 cost at nameplate capacity is US\$5,043/t, without by-product credits. Potential tin and boron credits are available and are being assessed in the ongoing optimization studies.
- (2) Excludes contingency. Total pre-production CAPEX including contingencies US\$309m
- (3) First 10 years of production



# RESOURCE & PIT OUTLINE

## SAN JOSE MINERAL RESOURCE, REPORTED ABOVE 0.1% Li CUT-OFF

Parameter	Amount Mt	Li%	Li <sub>2</sub> O (%)	Sn ppm
<b>Resource:</b>				
Indicated	59.0	0.29%	0.63	217
Inferred	52.2	0.27%	0.59	193
<b>TOTAL</b>	<b>111.3</b>	<b>0.28%</b>	<b>0.61</b>	<b>206</b>



Estimated using Ordinary Kriging methodology.

Note:

Small discrepancies may occur due to rounding.

JORC Table 1 included in an announcement to the ASX released on 23 May 2018: “Lithium Resource and Open Pit Upgrade”. Infinity confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Lithium (Li) mineralisation is commonly expressed as either lithium oxide (Li<sub>2</sub>O) or lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>) or Lithium Carbonate Equivalent (LCE). Lithium Conversion:

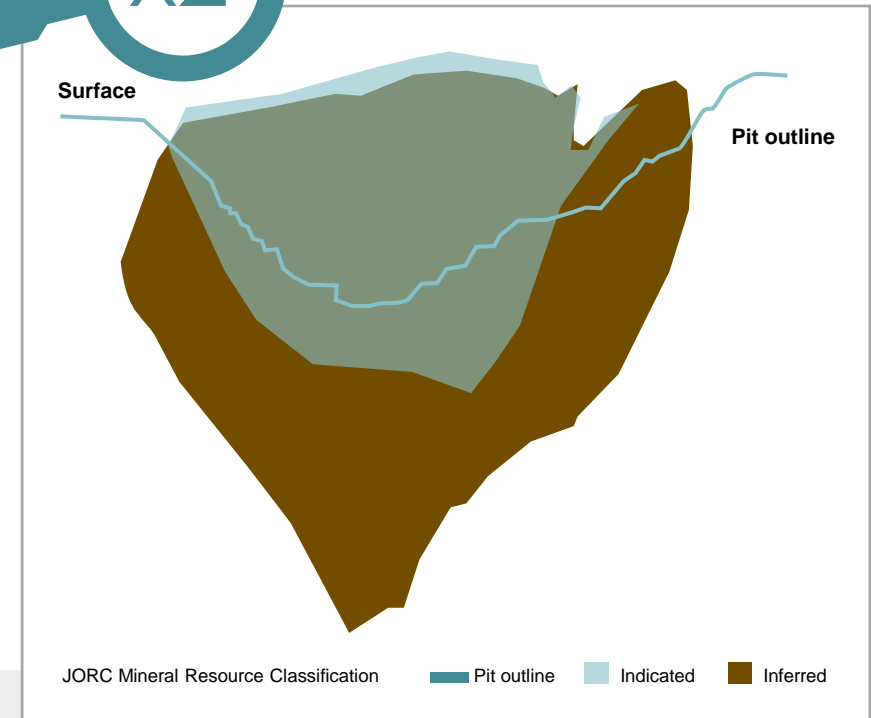
1.0% Li = 2.153% Li<sub>2</sub>O

1.0% Li = 5.32% Li<sub>2</sub>CO<sub>3</sub>

1.0% Li<sub>2</sub>CO<sub>3</sub> = 0.880% LiOH.H<sub>2</sub>O



Potential to double



Simple beneficiation

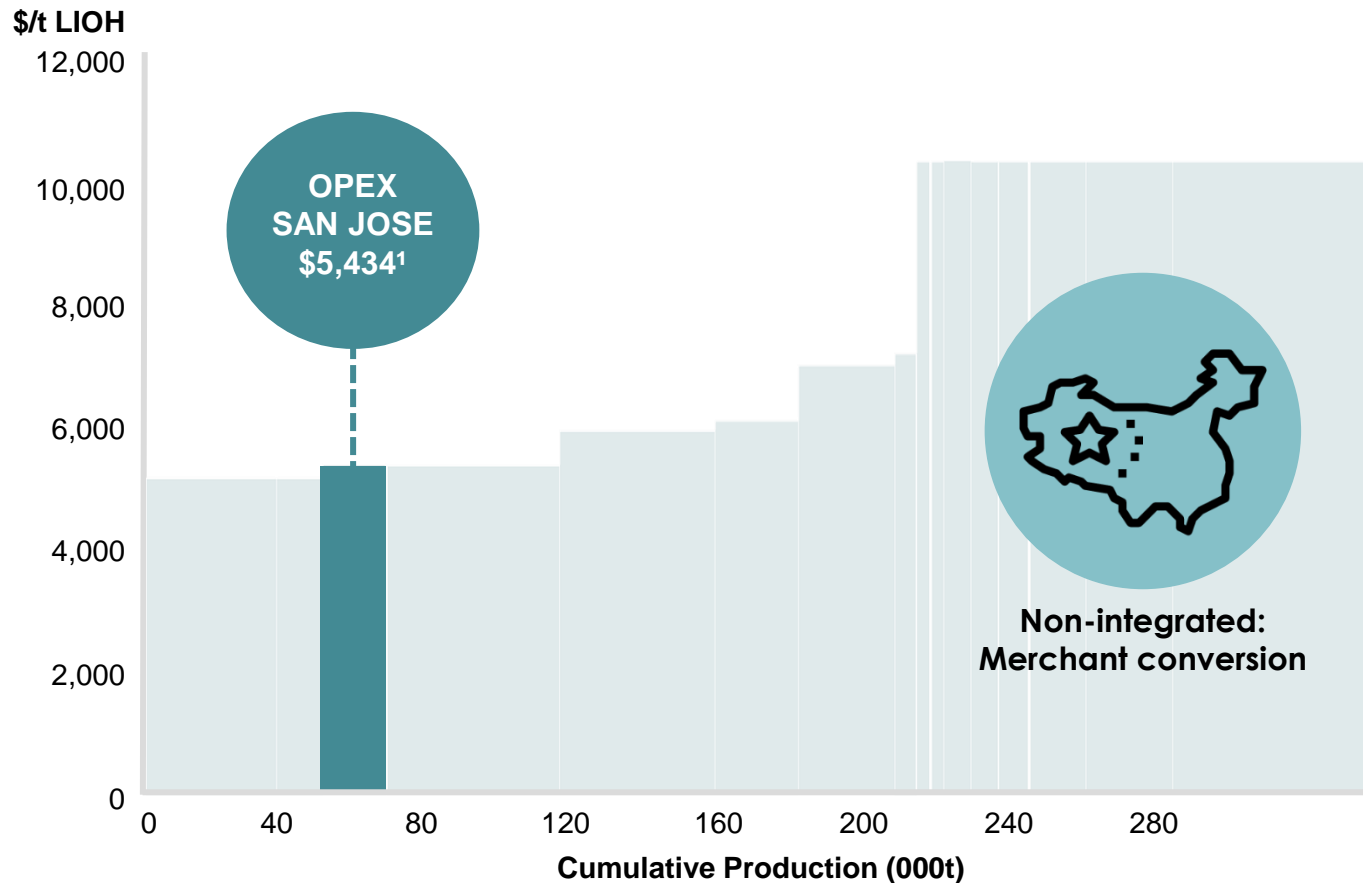
Homogenous ore body with great open pit metrics

Adjacent gas pipeline facilitates low OPEX



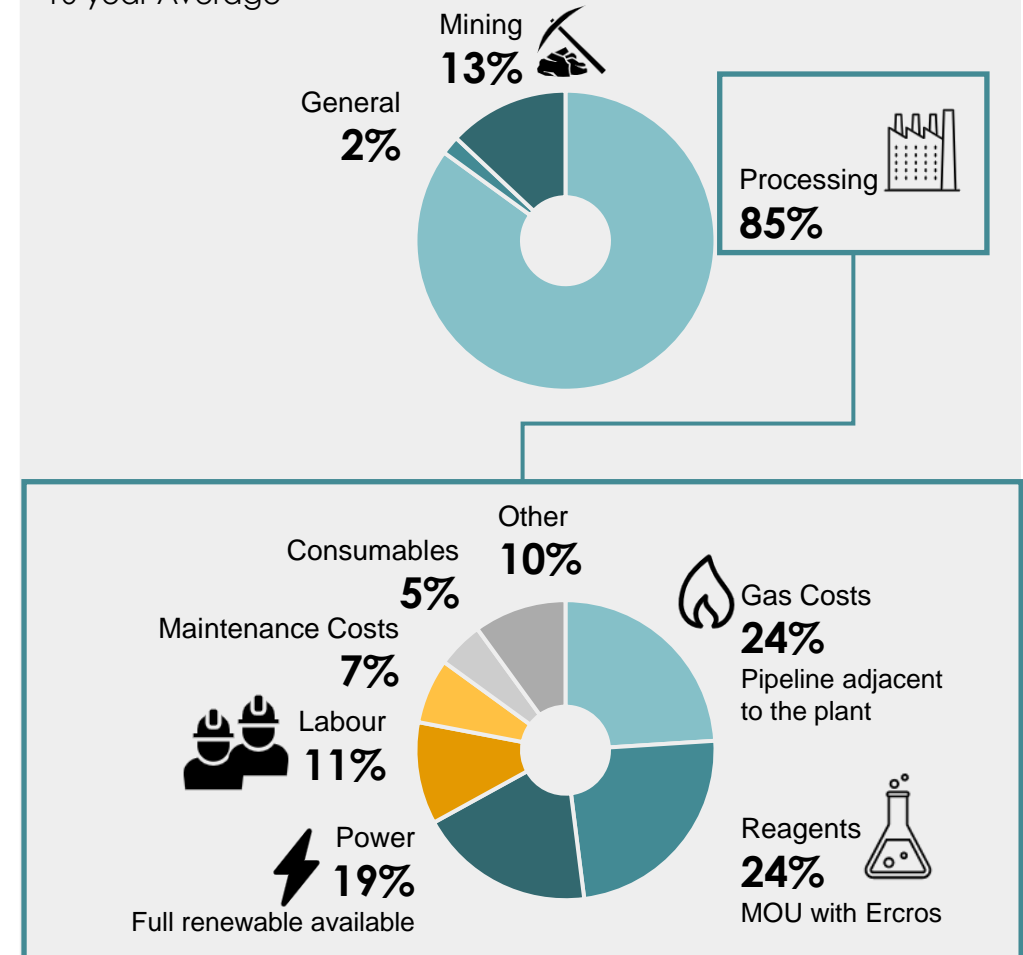
# LOW COST ON A GLOBAL SCALE, EU ADVANTAGE

Lithium Hydroxide Cost Curve (2022, US\$/t)



Source: Canaccord 2019

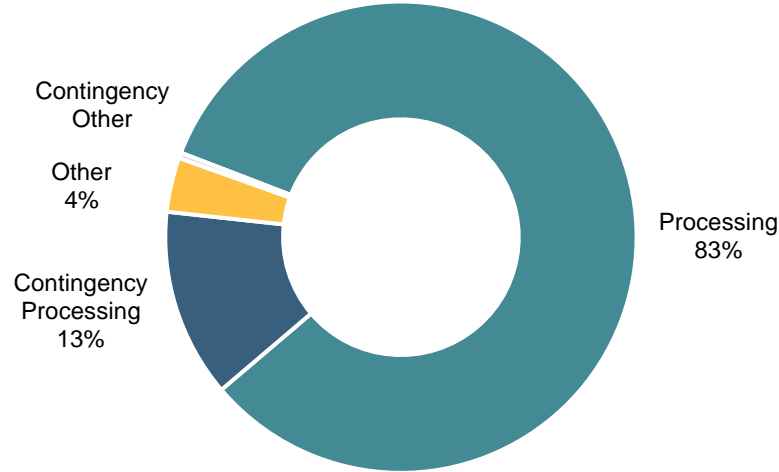
Opex \$5,434/t LiOH  
10 year Average



(1) Average C1 cost over 10 years of production including ramp-up and C1 cost at nameplate capacity is US\$5,043/t, without by-product credits. Potential tin and boron credits are available and are being assessed in the ongoing optimization studies.

# A UNIQUELY FULLY INTEGRATED INDUSTRIAL LITHIUM PROJECT

**Pre-Production  
Capital Expenditure  
Including Contingency  
\$309M**

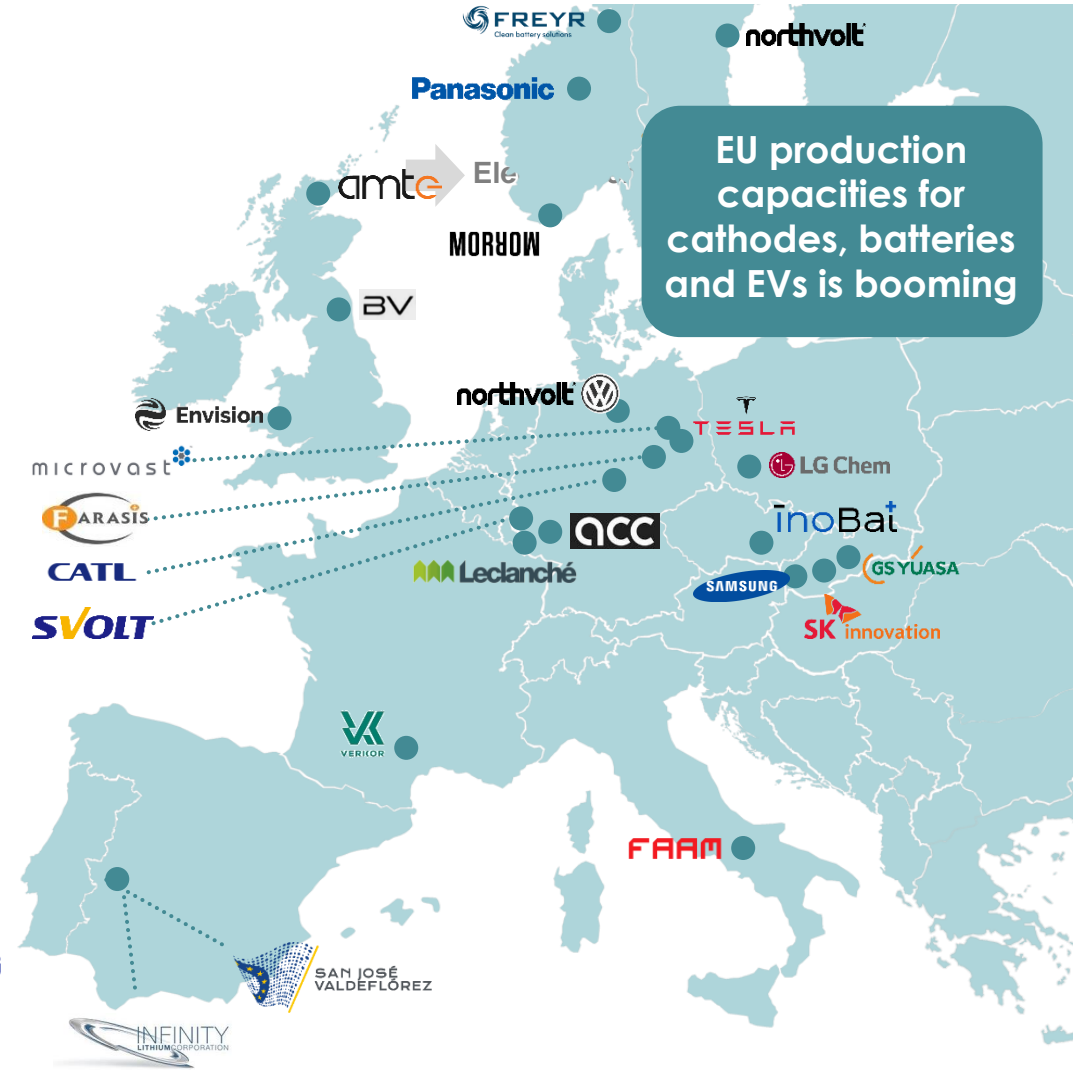
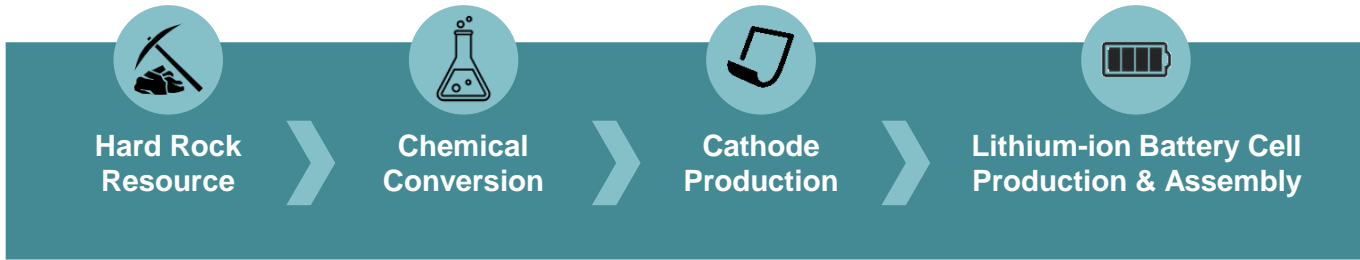


## CONVERSION PLANT (PROCESSING):

- >83% of the total investment
- Majority of jobs
- No visibility from Caceres
- Using common fertilizer and recycling it as opposed to sulphuric acid usage like in China
- Dry stack tailings & continuous rehabilitation



# EU LITHIUM-ION BATTERY VALUE CHAIN



# EU POLICY: DRIVING THE EV MEGA TREND

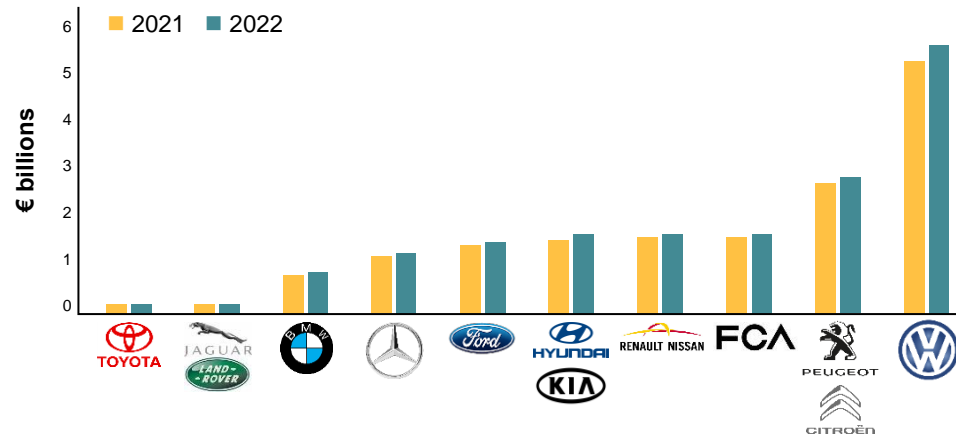
The EU is committed to a Net Zero Carbon 2050 target

## Strict regulations on emissions



are driving EU companies to be at the **forefront of lithium-ion battery value chain investments**

Indicative Fines for Exceeding Emissions Targets: Major Carmakers<sup>(1)</sup>



## Fines for emissions in the € billions

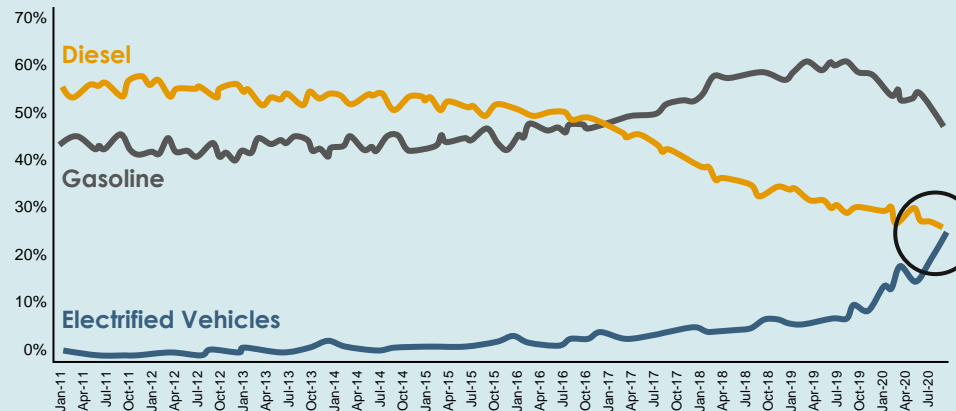
EU auto manufacturers are not expected to meet the new 95g/km CO<sub>2</sub> target and could face fines amounting to more than **€20 billion in both 2021 and 2022<sup>(1)</sup>**.

## EU Mass Adoption of EVs

Driven by policy, EV registrations in the EU pass diesel ICEs for the 1<sup>st</sup> time in Q3 2020<sup>(2)</sup>

## Incentives

Substantial subsidies and tax incentives for consumers and businesses to switch to EV's.



EU automakers need to transition to EV production rapidly as consumer preferences and government policies drive development away from internal combustion engines.

(1) Source: Autovista Group based on ICCT and ACEA data; (2) Source: JATO 29 October 2020



# AUTOMOTIVE INDUSTRY IN SPAIN: THE PIVOT TO EV



**2nd** largest auto manufacturer in EU & 9th worldwide



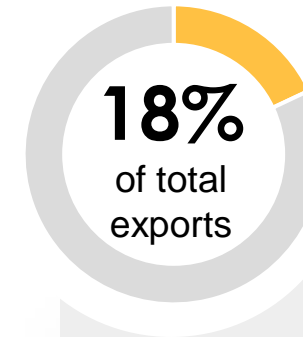
**2.8m** vehicles produced 2019



**2m** total jobs:  
Direct ~ 365k



**9** multinational brand with **17 manufacturing plants**



Assembly industry generated trade surplus of **€10.6bn**



**4th** ranked in turnover for auto-parts in EU



**83%** vehicles exported to over 100 countries

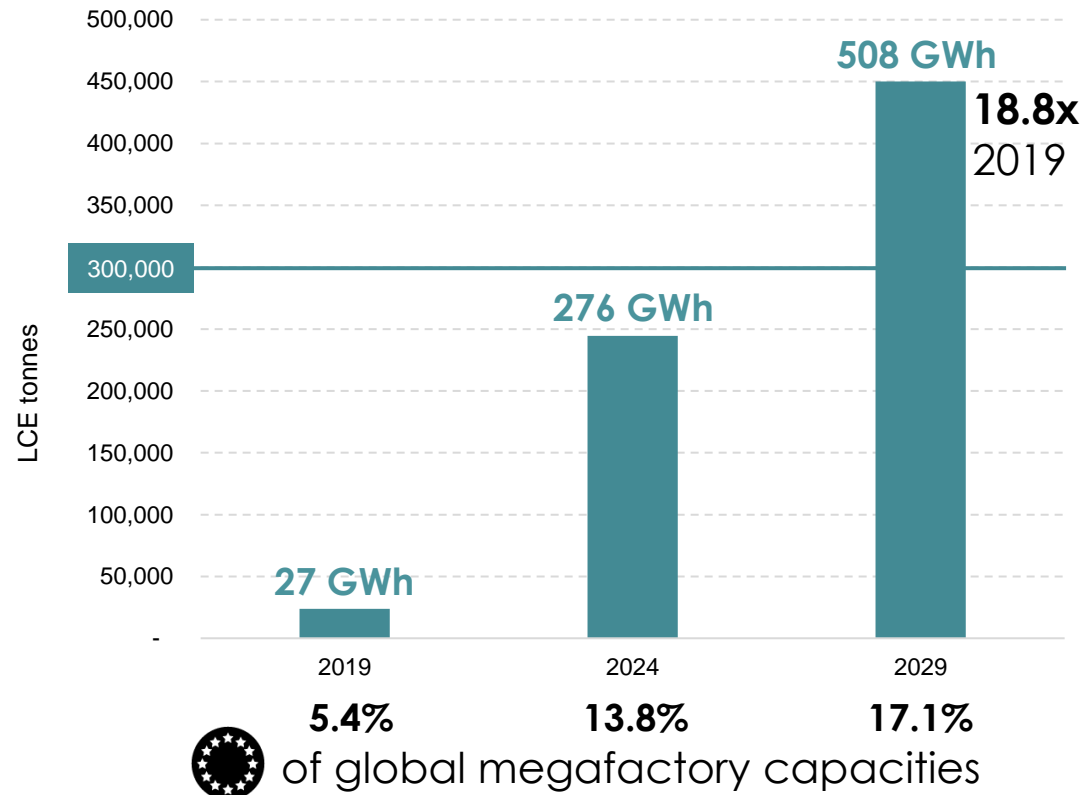
# INFINITY LITHIUM: LITHIUM MARKET & EU FOCUS

The availability of battery grade lithium hydroxide remains key... as competition heats up between China and the EU

## EU MEGAFACTORY PRODUCTION<sup>(1)</sup> CAPACITY



CURRENT GLOBAL DEMAND  
~ **300KT LCE**



CURRENT GLOBAL CONVERSION  
~ **83% LiOH**

(1) Source: Benchmark Mineral Intelligence

# LITHIUM MARKET & EU FOCUS



Europe is forecast to be the **2<sup>nd</sup> largest producer** of:



Electric vehicles



Lithium-ion batteries



Cathodes

## BATTERY GRADE LITHIUM HYDROXIDE

Urgent response is required in the EU



European Commission drive to develop an EU lithium-ion value chain

Validation of the critical importance of lithium chemical conversion

Lithium included in the EU List of Critical Raw Materials in September 2020

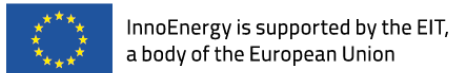
*“ What we need is access to the raw materials, but also need to build refining capacity.”*



**Maros Šefčovič**  
Vice President of the European Commission  
Leader of EBA & ERMA

(1) Source: Euractiv 20 October 2020 “EU’s Šefčovič: Europe must be ‘much more strategic’ on raw materials.”

# SAN JOSÉ ESSENTIAL FOR THE EU



## CRUCIAL PROJECT FOR THE EU

*“ San José is of very relevant strategic importance because raw materials are one of the weakest links in the value chain and there are not many deposits in Europe.”<sup>(1)</sup>*

## EU GREEN BATTERY STANDARDS

*“ A footprint of CO2 emissions from the transport of lithium which in a few years will not be acceptable by European industrial customers.”<sup>(1)</sup>*

## GREEN & INNOVATIVE PROCESS FOR THE EU

*“ The San José de Valdeflórez project can be a pioneering initiative, because it combines extraction and refining and for the latter proposes an innovative environmentally sustainable proc.”<sup>(1)</sup>*

*“ Extremadura can count on the support and collaboration of the European Battery Alliance and EIT InnoEnergy” <sup>(1)</sup>*



**Diego Pavía**  
CEO: EIT InnoEnergy

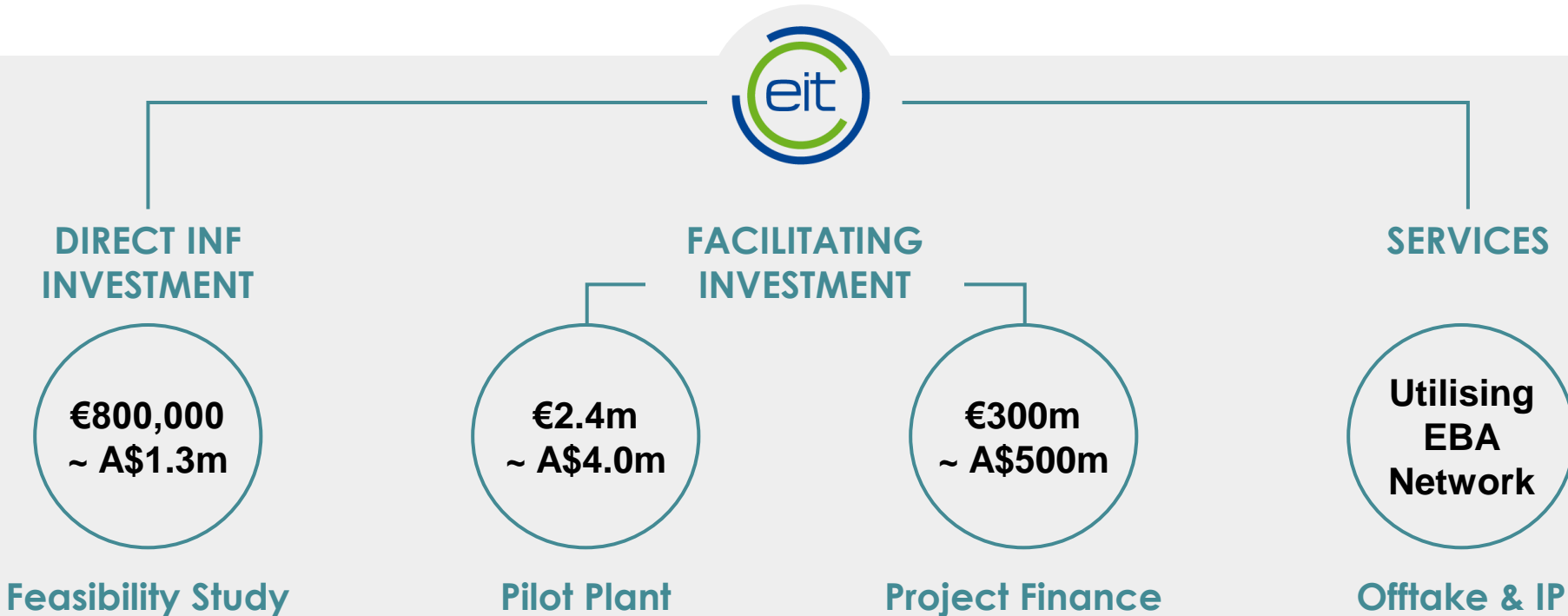


# SAN JOSÉ ESSENTIAL FOR SPAIN & EXTREMADURA



**Diego Pavía**  
CEO: EIT InnoEnergy

*“ If Extremadura wants to become a relevant player, it will have to facilitate and accelerate mining projects such as San José de Valdeflórez”<sup>(1)</sup>*



(1) Source: HOY.ES. Interview with Diego Pavía, CEO of the European platform EIT InnoEnergy. 29 December 2020

# SAN JOSÉ ESSENTIAL FOR SPAIN & EXTREMADURA: PERMITTING ROADMAP

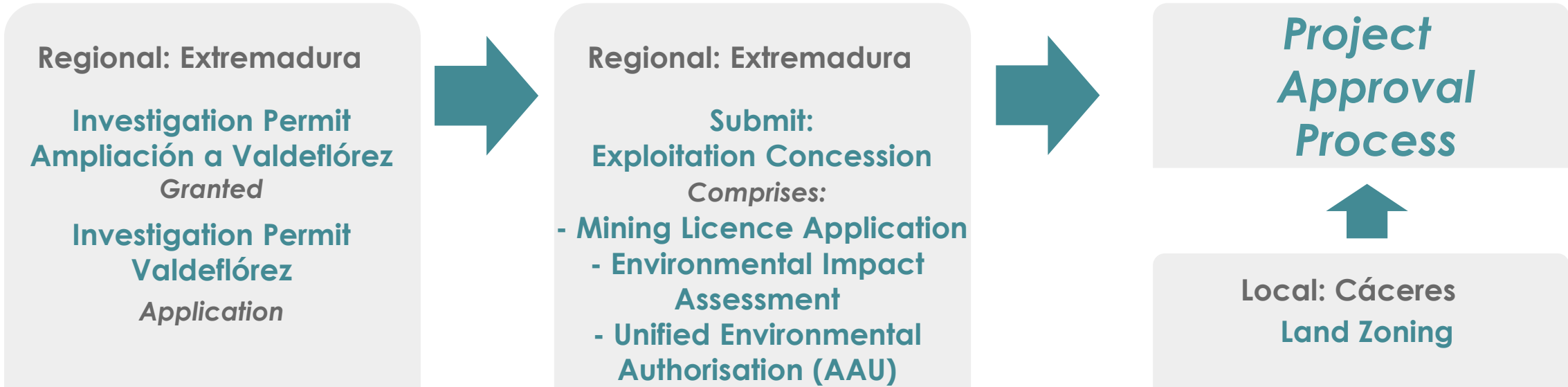


**Julián Mora Aliseda**

Professor of Land Management:  
University of Extremadura

Doctor in Land Management and  
Doctor in Sociology

*“ Complying with environmental regulations as demanding as the European ones, and passing the administrative processing phase, this project is an opportunity to place Cáceres on the map of the Green Economy”<sup>(1)</sup>*



*Infinity and Extremadura Mining SA acknowledges and respects that there are different levels of support for the Project at different levels of government from local, regional, federal and EU scale. The Company will continue to work with all stakeholders.*

(1) Source: elperiodicoextremadura. 31 January 2021

# INFINITY LITHIUM TECHNICAL PROGRAM

## 2020: COMMENCE FEASIBILITY STUDY

Bench scale optimisation and production of **battery grade samples**



### Funded by EIT InnoEnergy:

- Total funding commitment €800,000
- Tranche 1 payment received



### Test work underway at Dorfner Anzoplan facilities in Germany:

- Infinity on site in July 2020: optimisation and production of samples underway
- Initial flotation optimisation results have verified and exceeded PFS open circuit recoveries



### Next Steps:

- Engagement with EU technology & off-takers to verify battery grade LiOH

## TECHNICAL ADVISORY COMMITTEE

Leading lithium processing experts leading the test work program



**Jon Starink**  
Chief Technical Officer

- Highly credentialed lithium expert
- Significant experience in hard-rock lithium projects & development of downstream lithium chemical conversion facilities



**David Maree**  
Technical Advisor

- Process Development Scientist with significant experience in world class hard rock lithium projects
- Principal Research Scientist with Talison Lithium (Greenbushes) from 2011 – 2015

# NET CARBON NEUTRAL 2050: EU FUNDING

EU'S ECONOMIC RECOVERY ALIGNED TO TRANSFORMING THE EU'S ECONOMY FOR A SUSTAINABLE FUTURE THROUGH INVESTMENT IN DIGITAL, RENEWABLE ENERGY AND ENVIRONMENTALLY SUSTAINABLE PROJECTS.



Coronavirus  
Recovery Fund

**€750 billion**

Ready-made tool to boost domestic supplies of the raw materials needed to make lithium-ion batteries

Spain's Share

**€140 billion**

“ Last year, the **EIB** changed their energy lending mandate and started working with potential **European suppliers of lithium**, to invest in extraction and processing, which is very important for investors.”



Maros Šefčovič

Infinity part of EIT InnoEnergy led

**Battchain**

consortium submission



for

**€1.2b**

of Coronavirus Recovery  
Funds

Feb 2021



# PRIORITISING SUSTAINABLE & ETHICAL SOURCING



European Commission will impose new **legally binding environmental standards for batteries**: an effort to **outgreen China** & offer local producers a way to differentiate their production from Asian competitors



Europe plans **'battery passport'** to ensure responsible sourcing of materials



## SUPPLY CHAIN WATCHDOG RCS GLOBAL APPOINTED

- Raw materials extraction & processed focus
- ID.3 & ID.4 models produced with carbon neutral footprint

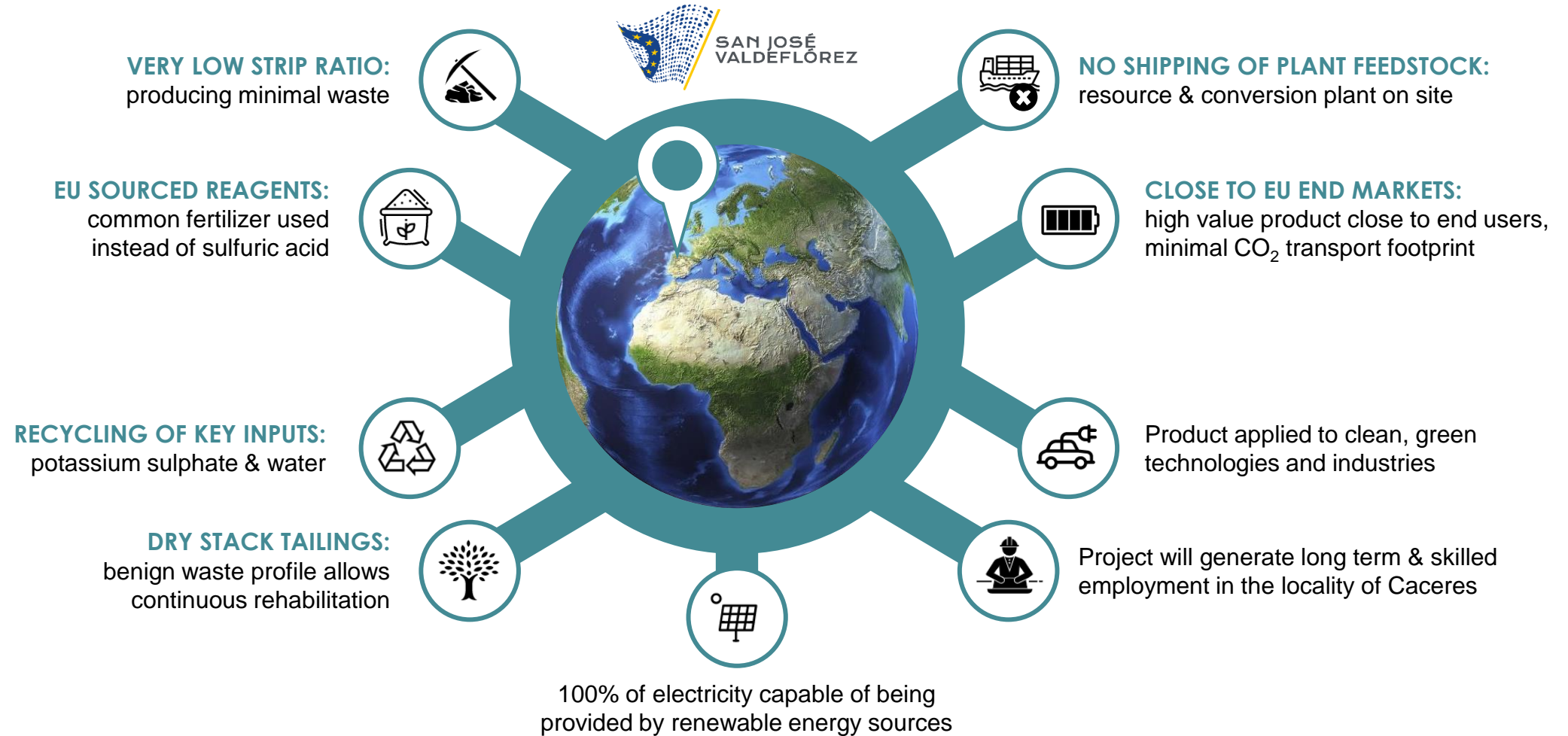


## CONSIDERS THE TOTAL VALUE CHAIN OF A BATTERY CELL

- From cradle to grave<sup>(1)</sup>

# GOOD CITIZENS: ESG PROFILE

San José is a sustainable and fully integrated project aligned to the EU's green strategic targets



# INFINITY LITHIUM: MILESTONES

- ✓ Increase San José project ownership
- ✓ Renegotiate JV agreement
- ✓ Complete test work: produce LiOH
- ✓ Delivery of PFS
- ✓ Strategic investment: EIT InnoEnergy
- ✓ Appoint key technical executive
- ✓ Divestment of non-core assets
- ✓ Expand in-country management team
- ✓ Complete phase one test work
- ✓ Produce 1<sup>st</sup> samples of battery grade LiOH
- ✓ Complete class 3 feasibility study
- ✓ **Finalise granting of investigation permits**
- ✓ Submit mining licence application
- ✓ MoU offtake agreement / technical partner
- ✓ Commence phase two pilot plant
- ✓ Appoint advisor to assess EU listing

## Cayetano Polo

Head of Institutional Relations



- Prior Leader of Ciudadanos (regional), and Provincial Deputy of Cáceres.
- Environmental Engineer
- Institutional Relations

# SUMMARY



Fully integrated lithium hydroxide production in the EU



European Deal with InnoEnergy: Funding Feasibility Test Work



Leveraging the EU's rapid adoption of electric vehicles



Building technical and in-country teams of experts



EU political and financial support for lithium value chain



Tier 1 project with compelling financial fundamentals

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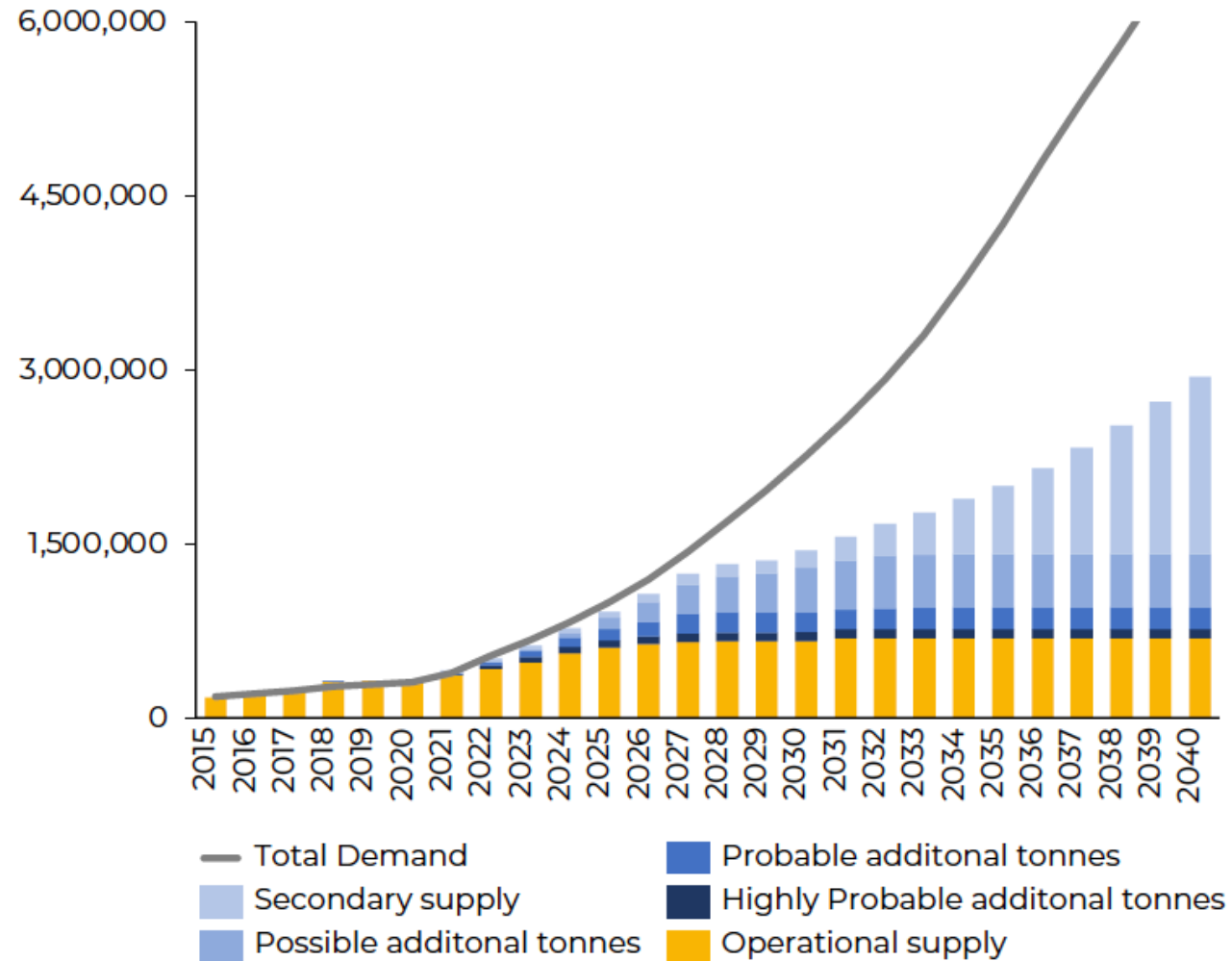
InnoEnergy

Knowledge Innovation Community



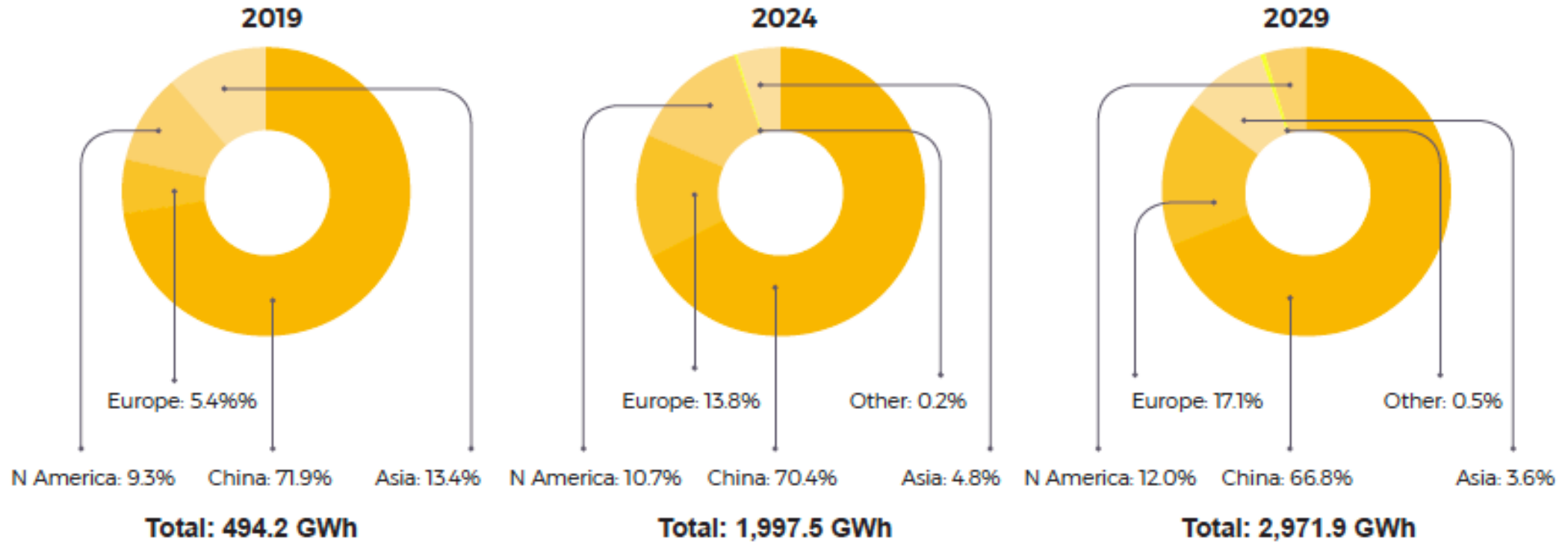
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# APPENDIX 1: LITHIUM FORECAST





# APPENDIX 2: LITHIUM ION BATTERY MEGAFACTORY



# APPENDIX 3: EIT INNOENERGY & INFINITY LITHIUM

## INFINITY: THE 1ST LITHIUM PROJECT TO SECURE EU FUNDING THROUGH EIT INNOENERGY

Under the Business Investment Platform

### EIT InnoEnergy

Manages EBA industrial development programme EBA250



### European Battery Alliance

- **Launched in Oct 2017**
- **Aim:** create competitive and fully integrated battery manufacturing chain in the EU
- **EBA250:** Annual market value is estimated at €250 billion from 2025 onwards



### Business Investment Platform

- **EBA launched BIP in Sept 2019**
- €70bn investment in batteries is required in the EU by 2023



#### Direct Investment

€800,000  
(~ A\$1.3m)

- Payable in 3 tranches for phase one
- Funding aligned to test work for feasibility study
- Test work currently underway

#### Fundraising

€2.4m<sup>(1)</sup>  
(~ A\$4.0m)

- Support and facilitate investment for phase two
- Funding aligned to pilot plant

#### Project Finance

€300m<sup>(2)</sup>  
(~ A\$500m)

- Assist in securing full project financing
- Debt & equity

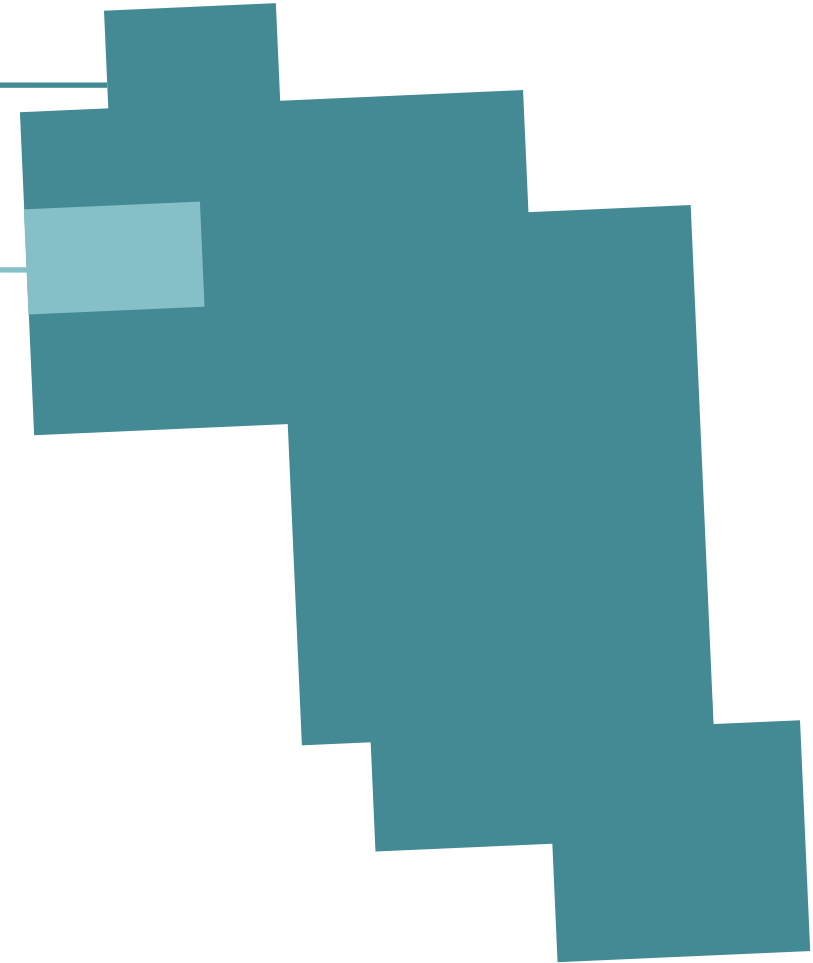
#### Services

- Assist in securing offtake
- IP licensing agreement
- Advisory & support personnel

# Appendix 4: Project Tenure & Aerial Layout

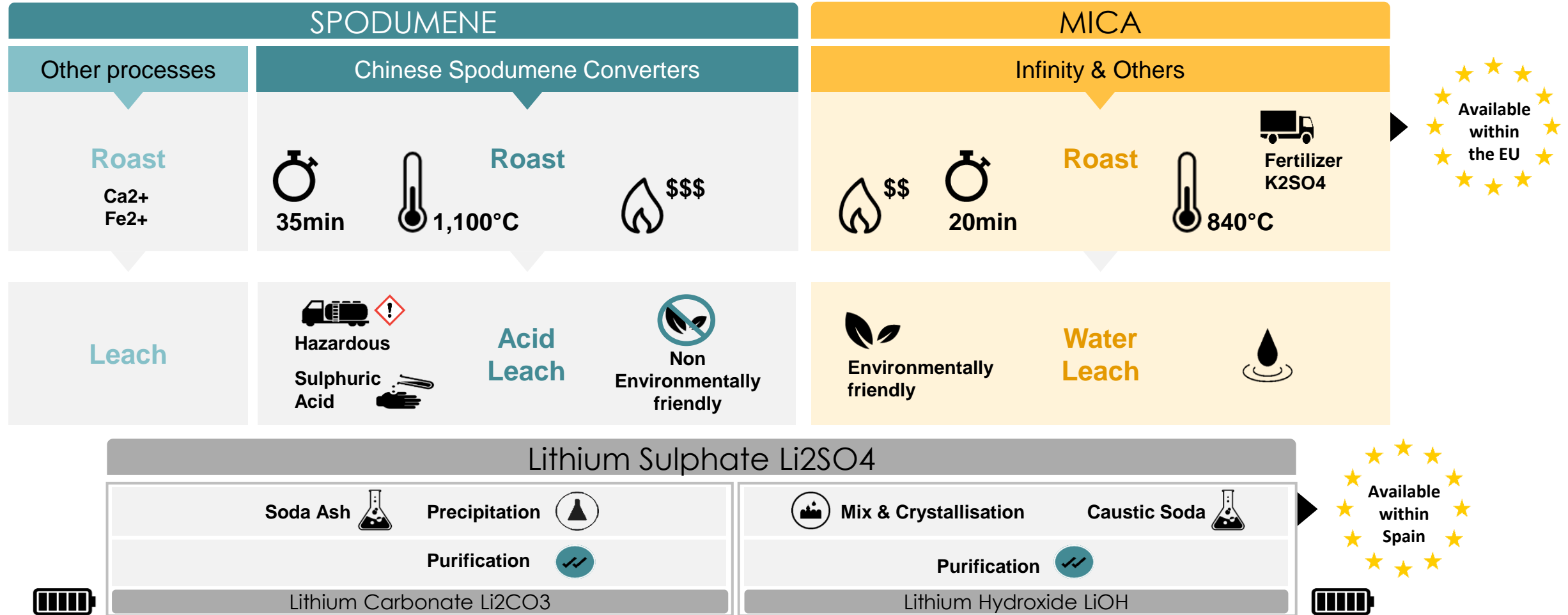
**Investigation Permit  
Ampliación a Valdeflópez  
(‘PIAV’):  
PI 10C10359-00  
Status: Granted**

**Investigation Permit  
Valdeflópez (‘PIV’):  
PI 10C10343-00  
Status: Application**

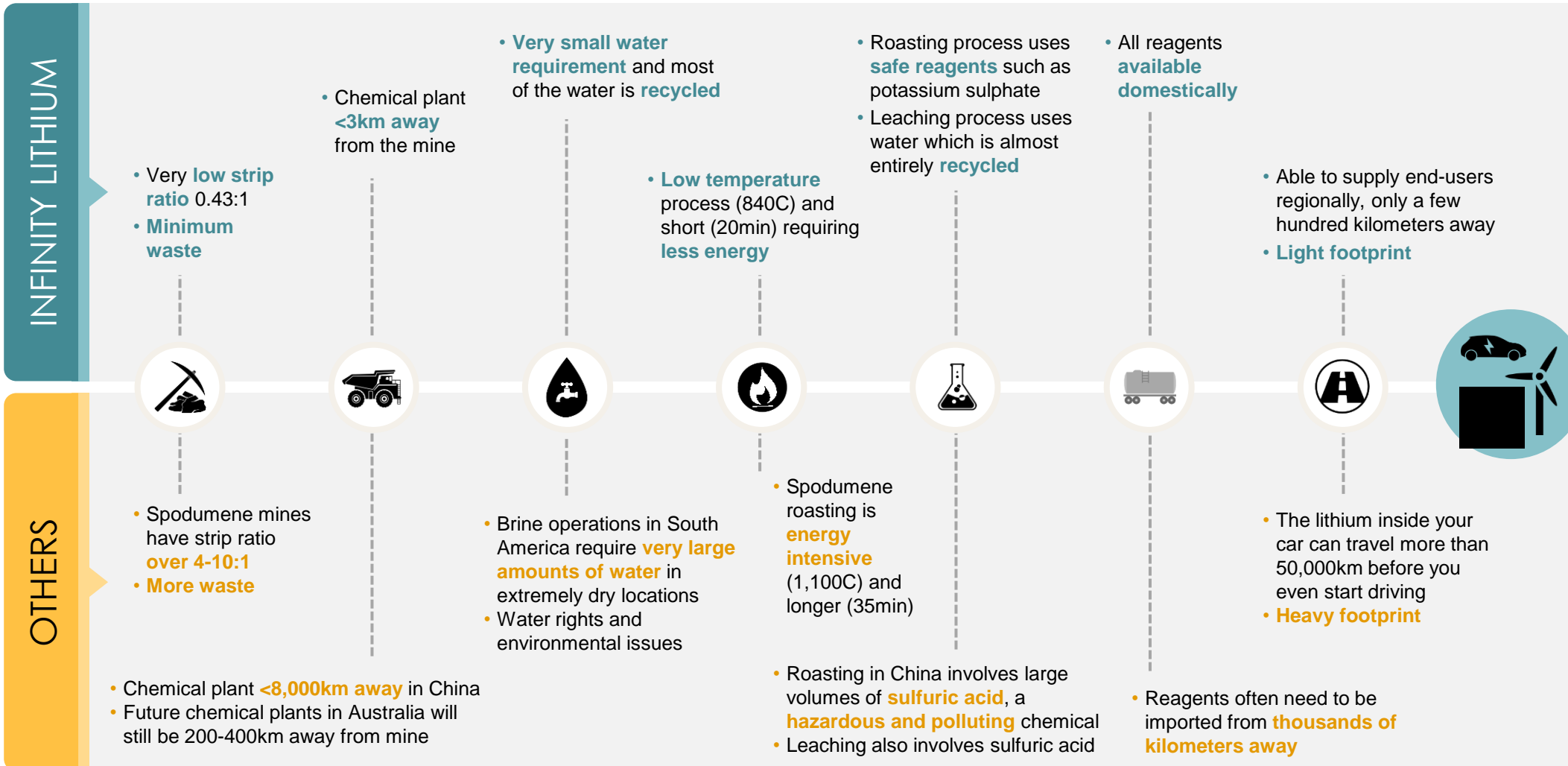


# APPENDIX 5: SUSTAINABLE, LOW CARBON FOOTPRINT

Hardrock Beneficiation



# APPENDIX 6: SUSTAINABLE LOW CARBON FOOTPRINT



San Jose is a unique fully integrated lithium project, offering the European lithium-ion battery industry in Europe a long term, large, and sustainable source of supply.



# APPENDIX 7: TIMELINE



Test Work & Pilot Plant



Feasibility Study



FID



Permitting & Approvals



Construction & Commissioning



Production

