

SPAIN APPROVES €4.3 BILLION RECOVERY PLAN TO INTEGRATE NATIONAL EV VALUE CHAIN

HIGHLIGHTS

- The Spanish government commits €4.3 billion in funding by 2023 under the national strategic projects mechanism “PERTE” aligned to the use of EU Next Generation recovery and resilience funds.
- Prime Minister Pedro Sánchez highlights that as part of Spain’s transition to electric mobility, the automotive industry sector share of national GDP will increase by 50% to 15% of total GDP by 2030.
- The investment will include the whole production value chain including the extraction of lithium through to the assembly of battery cells, manufacturing electric vehicles, and development of charging infrastructure.
- San José is ideally positioned to cornerstone Spain’s lithium-ion battery value chain with the country’s largest JORC compliant lithium resource and commercially advanced integrated lithium chemicals project.

The Spanish government’s Council of Ministers have approved a historical funding package with the aim of turning Spain into a European electromobility hub.

The announcement by Prime Minister Pedro Sánchez of an investment of €4.3 billion to kick start the production of electric vehicles and lithium-ion batteries will be achieved through an initiative funded predominantly by EU Next Generation recovery and resilience funding. The government will stimulate private investment aligned to commitments for Strategic Projects for Economic Recovery and Transformation (‘PERTE’) which will include the whole production chain from extracting lithium to assembling battery cells and manufacturing electric vehicles.

The EU Next Generation mechanism will enable the mobilisation of another €19 billion in private investment, bringing the total amount to approximately €24 billion between 2021 and 2023.

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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

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Mr Sánchez stated, *"It will be one of the biggest projects, not in Spain, but in Europe, in recent decades,"* with the government is expecting the automotive sector's contribution to GDP to increase from 10% (see Appendix 1) to 15% by 2030. *"The government firmly believes in the capacity, the industrial potential of our country, to face this challenge, which will affect the entire production chain, from the extraction of raw materials such as lithium... in short, the automotive industry is going to receive public support throughout the manufacturing process".*

PERTE is part of a €13 billion commitment to the sustainable transformation to eMobility. Spain is expected to receive €70 billion in grants from the €140 billion committed in grants and low interest loans under the EU's €750 billion recovery and resilience packages.

Once the PERTE is published in the official state gazette Boletín Oficial del Estado ('BOE'), the different interested companies will be able to register the groupings to participate in it and, already in September, to start the process of the calls to demand resources from the European Union.

In addition to PERTE, the Council of Ministers have approved funding of a further €40 million aligned to Spain's sustainable automotive technology plan. The San José Lithium Project (**'San José', or 'the Project'**) in Spain is a fully integrated industrial project focused on the production of battery grade lithium chemicals from a mica feedstock that represents the EU's 2nd largest JORC compliant hard rock lithium deposit.

The Project has the potential to provide an essential component in the EU's development of a vertically integrated lithium-ion battery supply chain. The availability of critical raw materials and the production of battery grade lithium hydroxide in the EU is essential to ensure the long-term production of lithium-ion batteries for eMobility and the transition of the burgeoning automotive industry to electric vehicles.

Infinity Lithium Corporation Limited (**'Infinity', or 'the Company'**) has recently signed an MoU with global leading lithium-ion battery producer LG Energy Solutions for the potential long-term supply of battery grade lithium hydroxide. Both parties are working towards the completion of a binding offtake agreement within the next 12 months (which will be subject to Infinity resolving the permitting matters set out in the Company's announcement of 17 May 2021). For further details refer to ASX announcement 28 June 2021.

The announcement was authorised by the Board. For further inquiries please contact:

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About Infinity Lithium

Infinity Lithium is an Australian listed minerals company who is seeking to develop its 75% owned San José Lithium Project in Spain. The proposed fully integrated industrial Project is focused on the production of battery grade lithium chemicals from a mica feedstock that represents the EU's 2nd largest JORC compliant hard rock lithium deposit.

The Project would provide an essential component in the EU's development of a vertically integrated lithium-ion battery supply chain. The availability of critical raw materials and the production of battery grade lithium hydroxide in the EU is essential to ensure the long-term production of lithium-ion batteries for electric mobility and the transition of the burgeoning EU's automotive industry to electric vehicle.

Appendix 1: Summary of the Spanish Automotive Industry

