

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 SEPTEMBER 2021

San José Lithium Project

- San José Integrated Underground Scoping Study delivered post quarter end with positive project economics and increased annual production.
- Integrated Underground Scoping Study provides environmental and societal improvements from previously published PFS including a reduction in surface tailings and visual impact, and significantly increased numbers of direct and indirect employment.
- First production of battery-grade lithium hydroxide monohydrate and lithium carbonate delivered under the phase one test work program with our partners in Germany.
- Test work continued to progress with the successful progression of pilot-scale test work.
- Parallel test work program successfully advanced alternative process of lithium-bearing minerals and mineral concentrates with patent applications pending.
- Positive court decision in the Contentious-Administrative Court in Cáceres in relation to rehabilitation and restoration plans at San José.
- Legal advice supports the Company position that the cancellation of the Investigation Permit Valdeflorez was in direct breach of the law and in contradiction of previous rulings by the Junta. The Company is pursuing legal avenues in the Contentious-Administrative Court in Cáceres to seek restitution and compensation.

Commercial

- Federal government commits COVID recovery funds totalling €4.3 Billion to integrate the national EV value chain including lithium extraction and processing.

Corporate

- Available cash as at 30 September 2021 of A\$18.62 million.

ASX Release
29 October 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

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The Board of Infinity Lithium Corporation Limited (**'Infinity'**, or **'the Company'**) presents the Company's Quarterly Activities Report and Appendix 5B for the three months ending 30 September 2021.

San José Lithium Project

Integrated Underground Scoping Study Completed

Post quarter end the Company announced the results of a Scoping Study which demonstrated underground development upside for the San José Lithium Project (**'San José'** or **'the Project'**) and the increased production of battery grade lithium hydroxide from an integrated facility.

The Underground Scoping Study (**'Scoping Study'**, or **'the Study'**) was completed in direct response to societal and local considerations, and stakeholder interaction. Infinity has delivered the Study, leveraging off previously completed pre-feasibility level studies and subsequent test work in relation to the mineral processing and production of lithium chemicals from San José and integrated a wholly-underground mining operation to minimise impact on the environment and community stakeholders.

The Scoping Study forecasts average steady-state production of 19.5ktpa LCE of battery grade lithium hydroxide over 26 years.

Scoping Study Outcomes

NPV _{10%} (pre-tax)	US\$	811.7m
IRR	%	25.7
LOM Gross Revenues	US\$	7,938m
Average Net Annual Cash Flow (From Production): 26 years	US\$	190.6m
Payback Period	yrs	3.2 ⁽¹⁾
LOM Average ROM	tpa	1.9m
Average Steady-State Production Lithium Hydroxide	tpa	19.5k
Pre-Production CAPEX	US\$	532.2m
Direct Employment – Steady State Production	#	400 ⁽²⁾

(1) Payback period after commercial production of lithium hydroxide

(2) 400 ongoing direct project employment positions when in steady-state production, 710 including construction.

Average price assumption for battery grade lithium hydroxide monohydrate US\$17,000/t.

Fastmarkets Battery Raw Material Price Update (24 September 2021) battery grade lithium hydroxide monohydrate (56.5% LiOH.H₂O) spot prices on CIF basis for China, Japan and Korea at a mid-point of US\$21,500 per tonne.

Cautionary Statement

The Scoping Study referred to in this announcement has been undertaken to assess the viability of an underground-only mining operation and integrated lithium chemical production facility at the San José Lithium Project. It is a preliminary technical and economic study of the potential viability of the San José Lithium Project. It is based on low-level (accuracy) technical and economic assessments, (+/- 35% accuracy) and is insufficient to support estimation of Ore Reserves. Further exploration and evaluation work and appropriate studies are required before Infinity will be in a position to estimate any 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.

The Production Target and forecast financial information referred to in this announcement is based on 76% Indicated Resources and 24% Inferred Resources for the life of mine life covered under the Study. In accordance with the twenty-six (26) year mine plan incorporated into the Study, the first 3.2 years of production (covering payback period) will be derived from 92% Indicated material with 8% from the Inferred category. The Inferred material does not have a material impact on the technical and economic viability of the project. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

Infinity have independently engaged the services of Mining Sense Global S.L. to complete a desktop review for the development of an underground mine. Infinity has previously engaged Wave International Pty Ltd ('Wave') to assess the technical and economic viability to a Pre-Feasibility Study level with regards to producing battery grade lithium hydroxide under the San José Lithium Project. Whilst the Scoping Study has yielded robust outcomes and provided independent perspective on the opportunity to produce battery grade lithium hydroxide, there is no guarantee that the Joint Venture will choose to adopt the outcomes of the study.

This Scoping Study is based on the material assumptions outlined below. These 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.

Infinity Lithium Corporation Limited is in Joint Venture with Valoriza Minería S.A., a subsidiary of SACYR S.A. over the San José Lithium Project. Infinity currently holds a 75% interest and has an Option to proceed to 100% interest at its election. This Scoping Study (on a 100% ownership basis), pre-production capital of US\$459m excluding contingencies, and US\$532.2m including a weighted average 16% contingency) will likely be required to fund the San José Lithium Project. Investors should note that there is no certainty that the Company will be able to raise that amount of 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.

It is possible that Infinity can pursue a range of funding strategies to provide funding options, and that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Infinity Lithium Corporation Limited's existing shares. It is also possible that Infinity Lithium Corporation Limited could pursue other value realisation strategies such as sale, partial sale, or joint venture of the San José Lithium Project. If it does, this could materially reduce Infinity's proportionate ownership of the San José Lithium Project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of this Scoping Study.

The proposed underground solution removes the requirement for any open pit mining, replacing it with underground-only operations and preserves the landform at San José. An increase in scale of proposed production and change in mining method delivers an increase in direct employment over a

comparable duration to the previously released Pre-feasibility Study ('PFS') (refer to ASX announcement 22 August 2019).

The Company has now delivered a Scoping Study involving only underground mining and processing on site to produce battery grade lithium hydroxide. The European development of a sustainable lithium-ion battery value chain could be positively affected by the availability of locally sourced and clearly traceable battery materials.

The Company believes this Scoping Study highlights the potential for San José to potentially produce increased quantities of battery grade lithium chemicals and deliver improvements in social, environmental and visual impacts through the move to consider underground mining activities.

For full details of the Scoping Study please refer to the ASX announcement and presentation released on 14 October 2021.

Sulphate Roast Test Work Delivered Battery Grade Lithium Hydroxide & Lithium Carbonate

During the quarter the Company announced that metallurgical test work had produced battery grade lithium chemicals from San José.

Ongoing discussions with OEMs and strategic partners in Europe have highlighted the strategic benefits of optionality for battery grade lithium chemicals in response to evolving cathode technologies and market segment applications for both battery grade lithium hydroxide and carbonate.

The ongoing Feasibility Study flow sheet development test work program update was based on sulphation roasting of mineral concentrates being conducted by Dorfner Anzaplan. The test work program has seen:

- Bench-scale production of battery-grade lithium hydroxide monohydrate;
- Bench-scale production of battery-grade lithium carbonate;
- Completion of pilot-scale (circa 400 kilograms) ore beneficiation program; and
- Commencement of pilot-scale sulphation roasting.

The test work program under the Project Agreement with EIT InnoEnergy has progressed on time and on schedule with the successful production of battery-grade lithium hydroxide monohydrate in open circuit with only a single stage of crystallisation as part of its on-going process flowsheet development test work.

Bench Scale



Figure 1: Summary of process flow sheet stages and current feasibility test work progress.

The product specifications are now available to facilitate the advancement of offtake discussions with automakers and lithium-ion battery producers including offtake partner LG Energy Solutions ('LGES') of South Korea (refer to ASX announcement 28 June 2021: Offtake MoU).

The progression of the parallel test work program resulted in the production of battery grade lithium carbonate at Dorfner Anzaplan's facilities in Germany. The successful production of battery-grade lithium carbonate in open circuit complements the on-going process flowsheet development test work. The capability to produce either battery-grade lithium hydroxide monohydrate or battery-grade lithium carbonate or both is regarded as a significant feature of the process, preserving optionality and providing the opportunity to respond to market demand for these respective products.

The pilot-scale program progressed and was conducted in parallel with the bench-scale program. The pilot-scale production of mineral concentrate was successfully completed with no material deviation of performance from bench-scale test work.

Pilot Scale

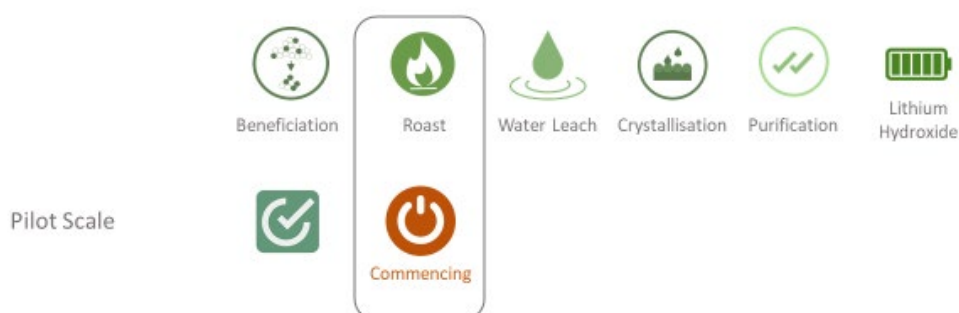


Figure 2: Summary of process flow sheet stages and current pilot scale progress

The Pilot Scale test work is an integral part in the Feasibility Study for San José.

Alternative Process Flowsheet Development

The Company's Technical Advisory Committee undertook a comprehensive review of all technically feasible alternative extractive technologies, including inter alia evaluation of comparative operating costs and process complexity, with a view to ensuring that the optimum process flowsheet is ultimately adopted for commercial development. Two novel and potentially technically feasible processes were identified which have the potential to provide opportunities for significant improvement in process performance, operating costs, environmental and social requirement, complexity, and therefore capital costs. These processes represent a radical departure from the presently preferred sulphation roast process (and traditional spodumene concentrate roast and sulphuric acid leach process) and therefore there is the potential for application for the conversion of hard rock lithium resources.

The Company commenced preliminary laboratory-scale test work program to test the technical feasibility of these processes with encouraging results and a basis to continue to progress test work.

These processes may represent an attractive alternative for the processing of lithium-bearing minerals and mineral concentrates generally and the Company is presently preparing provisional patent applications seeking to secure intellectual property rights over these processes.

For further details on the sulphate roast test work and alternative processing test work refer to ASX announcement 20 September 2021.

San José Legal Proceedings

Post quarter end the Company announced that it had received a positive ruling by the Contentious-Administrative Court ('CAC') in Cáceres in favour of the Project Joint Venture ('JV') entity Tecnología Extremeña Del Lito S.L. ('TEL') where the CAC upheld the appeal of TEL relating rehabilitation and restoration plan of the Project.

In September 2019, the City Council proposed a modified restoration plan and placed a halt on field work at San José. The City Council claimed the Company (through TEL) had acted outside the restoration plan which had been provided by TEL prior to works and was approved under the relevant authority at the Regional Government.

The CAC concluded that the City Council resolution was "contrary to law" and declared it null and void. TEL operated under the law, regulations and permits in submitting the restoration plan to the required authority.

The Company welcomed the independent ruling from the CAC to enforce the application of law to address administrative decisions, and the Company will continue to prioritise community engagement and collaboration with local stakeholders to progress a critically important project through to development for the benefit of the local community, Spain and the EU.

In addition to the decision by the CAC in Cáceres relating to restoration works, the Company is continuing to contest the cancellation of Investigation Permit Valdeflorez ('PIV') through a contentious-administrative appeal. The Company strongly disputes the basis of the decision of the cancellation of PIV and retains all legal rights against the Junta of Extremadura. The submission of documentation relating to the appeal has been received by CAC in Cáceres. Further details are summarised in the ASX announcement 11 October 2021.

Infinity retains subsequent rights of applications over and including the PIV area through other applications.

Furthermore, the Company received notice that the Investigation Permit Ampliación Valdeflorez ('PIAV') remained granted and in good standing with an appeal by an NGO rejected during the current quarter. Further details are summarised in the ASX announcement 19 July 2021.

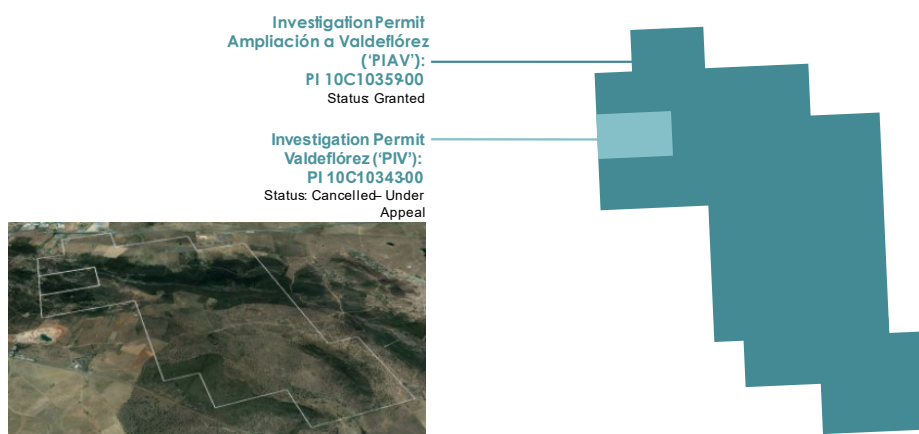


Figure 3: Summary of Investigation Permit Areas

Commercial

Spain Approved €4.3 Billion Recovery Plan to Integrate National EV Value Chain

In July 2021 the Company announced that the Spanish government's Council of Ministers had 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 would 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.

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.

In addition to PERTE, the Council of Ministers approved funding of a further €40 million aligned to Spain's sustainable automotive technology plan. San José 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.

Corporate

Related Party Disclosure

Payments to related parties during the quarter as outlined in sections 6.1 and 6.2 of the Appendix 5B consisted of \$190,020 in directors' fees and payments to executive directors under respective service agreements.

Cash at Bank

As at 30 September 2021 Infinity had available cash of A\$18.62 million. The Company also received approximately \$700,000 during October from receipts for the exercise of options. 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 in the current quarter. 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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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 Company is contesting the cancellation of Investigation Permit Valdeflorez ('PIV') and has lodged a contentious-administrative appeal. The Company strongly disputes the basis of the decision of the cancellation of PIV and retains all legal rights against the Junta of Extremadura. Infinity retains subsequent rights of applications over and including the PIV area through other applications. These are summarised in the ASX announcement 19 July 2021.

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 EU's automotive industry towards electric vehicles.

Competent Persons Statement

Lithium

The Mineral Resource estimates for the San José Lithium Project referred to in this announcement were reported by Infinity Lithium Corporation Limited in accordance with ASX Listing Rule 5.8 in its announcement of 23 May 2018. Infinity Lithium Corporation Limited is not aware of any new information or data that materially affects the information included in the ASX announcement of 23 May 2018 and confirms that all material assumptions and technical parameters underpinning the resource estimates in the announcement of 23 May 2018 continue to apply and have not materially changed.

The Mineral Resource estimates underpinning the production targets disclosed in this announcement have been prepared by a competent person in accordance with the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), 2012 Edition.

The information in this announcement that relates to the Scoping Study was reviewed by Adrian Byass, an employee of Infinity Lithium Corporation Limited. Adrian Byass is a member of Australian Institute of Geoscientists. Adrian Byass has provided written consent to the form and context in which the outcomes of the Scoping Study and the supporting information are presented in this announcement.

Infinity Lithium Corporation Limited has also engaged Mining Sense S.L. to complete an Underground Option Desktop Review in August of 2021 which informs this Scoping Study. Jesús Montero is a Mining Engineer at Mining Sense Global S.L.

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.

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

San José Lithium Project Spain

Infinity has a 75% beneficial interest in the San José 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 Cancelled – subject to contentious-administrative appeal
- 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