



INFINITY
LITHIUM

**CONDENSED CONSOLIDATED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



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Corporate Directory

Non-Executive Chairman

Adrian Byass

Managing Director/CEO

Ryan Parkin

Executive DirectorsJon Starink
Ramón Jiménez Serrano**Non-Executive Director**

Remy Welschinger

Company Secretary/CFO

Jonathan Whyte

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Email: admin@infinitylithium.com**Auditors**Pitcher Partners BA&A Pty Ltd
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Perth WA 6000 Australia**Share Registry**Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2001Telephone: 1300 288 664 (within Australia)
Telephone: +61 2 9698 5414 (outside Australia)**Stock Exchange**Australian Securities Exchange (ASX)
Code: INF
Frankfurt Stock Exchange (FRA)
Code: 3PM**Website**www.infinitylithium.com



Directors' Report

Your Directors present their report on Infinity Lithium Corporation Limited (the '**Company**' or '**Infinity**') and its controlled entities (together the '**Consolidated Entity**') in conjunction with the Financial Report for the half-year ended 31 December 2023 (the '**reporting period**').

Directors

The names of Directors in office at any time during or since the end of the period are:

- Mr Adrian Byass Non-Executive Chairman
- Mr Ryan Parkin Managing Director/CEO
- Mr Remy Welschinger Non-Executive Director
- Mr Jon Starink Executive Director
- Mr Ramón Jiménez Serrano Executive Director

Directors have been in office since the start of the reporting period to the date of this report unless otherwise stated.

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the Consolidated Entity during the reporting period was exploration and evaluation of the Consolidated Entity's lithium assets and progression of the integrated lithium chemicals conversion plant. There were no significant changes in the nature of the Consolidated Entity's principal activities during the reporting period.

Operating Results

The consolidated loss of the Consolidated Entity after providing for income tax amounted to \$2,473,000 (31 December 2022: \$2,385,000).

Review of Operations

Business Activities

San José Lithium Project:

Infinity is pleased to note the progress below in relation to the San José Lithium Project ('**San José**', or '**the Project**') for the 6-month reporting period ended 31 December 2023.

Following clarification of the administrative lodgement process during 2023, Infinity delivered an all-encompassing tenure (Exploration Permit Extremadura S.E. ('**PESE**')) for the future lodgement of the Exploitation Concession Application ('**ECA**'), which was duly lodged subsequent to period end, incorporating the responses from the Regional Government of Extremadura relating to the Environmental Impact Assessment Scoping Document ('**EIA Scoping Document**') and future project development. The advancement of the Project's administrative and permitting progress facilitated the successful execution of an agreement to secure industrial land (see ASX announcement 19 July 2023).

The positive developments in the administrative and permitting pathway resulted in significant inbound interest from interested parties to the Project and facilitated land access as noted above. The Company welcomed the finalisation of regional and local governments in July 2023 and with greater administrative, political and commercial advancements, the Company undertook preliminary assessments of a potential alignment of institutional support through a dual listing on the Bolsa de Madrid.



Directors' Report (continued)

The Company continued to advance San José to present a socially, environmentally and economically improved Project in collaboration with potential offtake and corporate partners and alignment with local and regional stakeholders.

The reporting period saw significant momentum for the Project with increased levels of support through the award of an €18.8 million grant under PERTE VEC IIa from the Spanish Government's Ministry of Industry, Trade and Tourism. The grant was the sixth largest amount awarded under this round of the program and the first allocated to the mineral extraction and processing of critical raw materials.

The support is a major endorsement for the Project and demonstrates Spain's commitment to building its own localised lithium-ion battery value chain, beginning with the development of its own natural resources. The Spanish government transferred the funds granted to the Project subsequent to the end of the period ended 31 December 2023.

In November 2023, the Company announced the completion of the Updated Scoping Study ('**Updated Scoping Study**', or '**the Study**' - see ASX Announcement 9 November 2023) which demonstrated enhanced economics for the Project, improved processing recoveries and process efficiencies delivered by the Li-Stream RPK™ process at San José.

Following the completion of the Study and the award of an €18.8 million grant under PERTE VEC IIa, the Company received a favourable ruling regarding urban compatibility of San José with respect to local legislative requirements from the Cáceres Local Government. The report provided confirmation the proposed activities to be undertaken at San José were not incompatible with urban planning regulations, and the favourable report will be included in the ECA submission.

The Regional Government of Extremadura reinforced its commitment to lithium projects in Extremadura and announced future stimulus measures and provision of legal guarantees for companies to facilitate lithium mineral processing in the region. The national Constitutional Court ('**the Court**') determined amendments be made to Lithium Decree Law to annul the requirement for all lithium exploited within the region be further processed to battery grade lithium chemicals in Extremadura. The Regional Government of Extremadura announced the stimulus measures in response to the modifications of the Court and the Company remains committed to advancing lithium chemical processing in Extremadura through a fully integrated project.

Furthermore, the Court declared the exploitation of lithium resources in Extremadura may be recognised and therefore processed as projects of general and regional interest ('**PREMIA**'). San José remains eligible for PREMIA project classification as a project of general and regional interest, and thereafter qualification for accelerated permitting consideration with a positive determination.

During and subsequent to the end of the reporting period, ongoing site work was undertaken to provide the data required for integration into the Project's Environmental Impact Assessment ('**EIA**') as a component of the ECA (refer to ASX announcement 29 January 2024). The work programs included geophysical surveys and sampling campaigns over areas identified for tailings storage facilities. Furthermore, the Company acquired data relating to water bore drilling undertaken by the private landowners, allowing water depth measurements and sampling to update hydrogeological modelling. The holes selected for refurbishment were drilled by existing landowners.

The Company continued to collaborate with the Regional Government of Extremadura and the relevant departments to finalise the administrative requirements to lodge the ECA notification with the Dirección General de Industria, Energía y Minas ('**the Department**'). Whilst the Company anticipated the submission of the ECA notification in Q4 2023, the Company delayed the submission in response to the Regional Government of Extremadura's requirements to finalise other internal administrative processes relating to the Project areas previously considered under non-Company investigation permits. The Company acknowledges the unforeseen delay in the administrative process was actively advanced towards resolution by the Regional Government of Extremadura, and whilst the administrative delay was not a result of any action



Directors' Report (continued)

or inaction on behalf of the Company, the Company continued to work closely with local and regional stakeholders whilst finalising the delivery of the technical submission of the ECA subsequent to the half-year period.

The Company, through wholly owned subsidiary Infinity GreenTech's ('INFGT') Technical Advisory Committee ('TAC'), announced material improvements in processing recoveries at San José. This work, in parallel with the administrative efforts, have provided significant potential improvements in lithium production, environmental profile, and economic outcomes.

Discussion and Analysis of Operations and the Financial Position

The Consolidated Entity's cash position as at 31 December 2023 was \$9,616,000 (30 June 2023: \$12,306,000). The net assets of the Consolidated Entity have decreased from \$27,482,000 on 30 June 2023 to \$25,872,000 on 31 December 2023. The Consolidated Entity's net working capital, being current assets less current liabilities, has increased from \$12,742,000 on 30 June 2023 to \$39,935,000 on 31 December 2023 due to the PERTE VEC grant receivable at period end. Accordingly, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Consolidated Entity other than those disclosed in the Review of Operations.

Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Events After Reporting Date

In February 2024 the Company announced that it had lodged the ECA for San José with the Department. The ECA submission for the fully integrated project includes the rights to mine lithium at San José and accompanying on-site lithium chemical conversion.

In February 2024 the Company announced that the comprehensive Locked Cycle Test Work ('LCT') program completed at Simulus Group Laboratories resulted in confirmation of exceptional recoveries at San José.

No further matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2023 has been received and can be found on page 7 of the Financial Report.



Directors' Report (continued)

Rounding of Amounts

In accordance with *ASIC Corporations Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar.

A handwritten signature in black ink, appearing to be 'R. Parkin', with a long horizontal line extending to the right.

Ryan Parkin
Managing Director/CEO
11 March 2024

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF INFINITY LITHIUM CORPORATION LIMITED AND ITS
CONTROLLED ENTITIES**

In relation to the independent auditor's review for the half-year ended 31 December 2023, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Infinity Lithium Corporation Limited and the entities it controlled during the period.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO
Executive Director
Perth WA, 11 March 2024

INFINITY LITHIUM CORPORATION LIMITED
ABN 52 147 413 956

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF INFINITY LITHIUM CORPORATION LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Infinity Lithium Corporation Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Infinity Lithium Corporation Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our review of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

INFINITY LITHIUM CORPORATION LIMITED
ABN 52 147 413 956

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF INFINITY LITHIUM CORPORATION LIMITED

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO
Executive Director
Perth WA, 11 March 2024



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2023

	31 Dec 2023	31 Dec 2022
Notes	\$'000	\$'000
Continuing Operations		
Other income	180	58
Corporate and compliance expenses	(657)	(514)
Consulting expenses	(356)	(634)
Employee and director benefits expenses	(615)	(729)
Share-based payments	2 (1,012)	(557)
Depreciation expense	(3)	(2)
Foreign exchange loss	(10)	(7)
Loss before income tax from continuing operations	(2,473)	(2,385)
Income tax expense	-	-
Loss for the half-year from continuing operations	(2,473)	(2,385)
Other comprehensive loss:		
<i>Items that may be subsequently reclassified to profit or loss in subsequent periods</i>		
Exchange differences arising on translation of foreign operations	(149)	157
Total comprehensive loss for the half-year	(2,622)	(2,228)
Loss for the half-year attributable to:		
Equity holders of the Parent	(2,473)	(2,353)
Non-controlling interests	-	(32)
	(2,473)	(2,385)
Total comprehensive loss for the half-year attributable to:		
Equity holders of the Parent	(2,622)	(2,196)
Non-controlling interests	-	(32)
	(2,622)	(2,228)
Loss per share attributable to the ordinary shareholders of the Parent for the half-year:		
Basic and diluted (cents per share)	(0.53)	(0.56)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



Condensed Consolidated Statement of Financial Position

As at 31 December 2023

		31 Dec 2023	30 Jun 2023
	Notes	\$'000	\$'000
Current Assets			
Cash and cash equivalents		9,616	12,306
Trade and other receivables	3	31,113	935
Total Current Assets		40,729	13,241
Non-Current Assets			
Other assets		136	118
Property, plant and equipment		139	133
Deferred exploration and evaluation expenditure	4	16,143	14,489
Total Non-Current Assets		16,418	14,740
Total Assets		57,147	27,981
Current Liabilities			
Trade and other payables		668	395
Provisions		125	104
Total Current Liabilities		793	499
Non-Current Liabilities			
Contract liabilities	5	30,481	-
Total Non-Current Liabilities		30,481	-
Total Liabilities		31,275	499
Net Assets		25,872	27,482
Equity			
Issued capital	6	50,569	50,569
Reserves		4,518	7,915
Accumulated losses		(29,775)	(31,562)
Equity attributable to equity holders of the Parent		25,312	26,922
Non-controlling interest		560	560
Total Equity		25,872	27,482

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.



Condensed Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2023

Notes	Attributable to equity holders of the Parent				Non-Controlling Interest \$'000	Total \$'000
	Issued Capital \$'000	Share Based Payment Reserve \$'000	Foreign Translation Reserve \$'000	Accumulated Losses \$'000		
Balance as at 1 July 2022	47,228	7,229	(453)	(28,683)	(39)	25,282
Loss for the period	-	-	-	(2,353)	(32)	(2,385)
Other comprehensive income/(loss)						
Exchange differences arising on translation of foreign operations	-	-	157	-	-	157
Total comprehensive income/(loss) for the period	-	-	157	(2,353)	(32)	(2,228)
Transactions with owners, recorded directly in equity						
Share-based payments	-	772	-	-	-	772
NCI recognised on acquisition	-	-	-	-	560	560
Exercise of options	3,341	(1,074)	-	1,074	-	3,341
Total transactions with owners	3,341	(302)	-	1,074	560	4,673
Balance as at 31 December 2022	50,569	6,927	(296)	(29,962)	489	27,727
Balance as at 1 July 2023	50,569	7,085	830	(31,562)	560	27,482
Loss for the period	-	-	-	(2,473)	-	(2,473)
Other comprehensive loss						
Exchange differences arising on translation of foreign operations	-	-	(149)	-	-	(149)
Total comprehensive loss for the period	-	-	(149)	(2,473)	-	(2,622)
Transactions with owners, recorded directly in equity						
Share-based payments	2	1,012	-	-	-	1,012
Expiry of options	6	(4,260)	-	4,260	-	-
Total transactions with owners	-	(3,248)	-	4,260	-	1,012
Balance as at 31 December 2023	50,569	3,837	681	(29,775)	560	25,872

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



Condensed Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2023

	31 Dec 2023 Notes \$'000	31 Dec 2022 \$'000
Cash Flows from Operating Activities		
Payments to suppliers and employees	(1,512)	(1,547)
Interest received	293	-
Government grants received	105	58
Net cash flows used in operating activities	(1,114)	(1,489)
Cash Flows from Investing Activities		
Payments for deferred exploration and evaluation	(1,537)	(1,114)
Payments for deferred consideration	-	(891)
Receipts from security deposits	-	8
Payments for other assets	(19)	(20)
Payments for property, plant and equipment	(9)	(4)
Net cash flows used in investing activities	(1,565)	(2,021)
Cash Flows from Financing Activities		
Proceeds from exercise of options	-	3,341
Net cash flows provided by financing activities	-	3,341
Net decrease in cash and cash equivalents	(2,679)	(169)
Effect of exchange rates on cash	(11)	-
Cash and cash equivalents at the beginning of the financial period	12,306	16,288
Cash and cash equivalents at the end of the half-year	9,616	16,119

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.



Notes to the Interim Financial Statements

For the Half-Year Ended 31 December 2023

Note 1. Corporate Information and Basis of Preparation

Infinity Lithium Corporation Limited (the '**Company**') is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. The condensed consolidated financial report of the Company for the six months ended 31 December 2023, comprise the Company and its subsidiaries (the '**Consolidated Entity**' or '**Group**').

The condensed consolidated financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Infinity Lithium Corporation Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

This condensed consolidated financial report was authorised for issue in accordance with a resolution of the directors on 11 March 2024.

Statement of Compliance

The condensed consolidated financial report is a general-purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* as appropriate for for-profit orientated entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

Basis of Preparation

The condensed consolidated financial report has been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated. The presentation and functional currency is Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the condensed consolidated financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2023 except as disclosed at Note 5.

Rounding of Amounts

In accordance with *ASIC Corporations Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar.

Impact of New Standards and Interpretations Issued but Not Yet Adopted

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2023.

The adoption of the new and revised Standards and Interpretations issued by the AASB has no material impact on the accounts reported in the current and prior periods.



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

New Accounting Standards issued not yet effective

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group.

The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements is that they are not expected to have a material impact on the Group.

Significant Accounting Estimates, Judgements and Assumptions

The preparation of financial statements requires management to make judgements and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The Consolidated Entity's significant accounting judgements, estimates and assumptions are consistent with those disclosed in the financial year ended 30 June 2023 annual report except as disclosed at Note 5.

Note 2. Share-Based Payments

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
(a) Reserves		
Options issued to Directors & Employees ¹	884	321
Performance Rights issued ²	91	61
Share Appreciation Rights issued ³	37	175
Total Share-Based Payments – P&L	1,012	557
Warrants issued	-	215
Total Share-Based Payments – Reserves	1,012	772

Notes:

1) Options

In December 2023, 19,950,000 unlisted options were issued to Directors and employees of the Company Consolidated Entity. 17,000,000 Director options were approved at the Annual General Meeting of shareholders on 23 November 2023, with the grant of the 2,950,000 employee options contingent upon the Director options receiving shareholder approval. The options were issued in two tranches exercisable on or before 4 December 2026, with Tranche A exercisable at \$0.15 and Tranche B at \$0.25, with no vesting conditions specified.

The options were valued using a Hoadley ESO2 valuation model, utilising the following inputs:

Measurement of Fair Value	Tranche A	Tranche B
Grant date	23 Nov 2023	23 Nov 2023
Number issued	6,983,000	12,967,000
Grant date share price	\$0.115	\$0.115
Exercise price	\$0.15	\$0.25
Expiry date	4 Dec 2026	4 Dec 2026
Expected volatility	85%	85%
Option life	3 years	3 years
Risk-free interest rate	3.14%	3.11%
Fair value per option granted	\$0.0513	\$0.0406
Expense vested during 2023 half-year period	\$358,228	\$526,460



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

On 15 December 2022, 3,000,000 unlisted options were issued to Ramón Jiménez Serrano, a Director of the Company, as approved at the Annual General Meeting of shareholders on 30 November 2022.

The options were valued using a Black-Scholes option pricing model, utilising the following inputs:

Measurement of Fair Value	
Grant date share price	\$0.185
Exercise price	\$0.25
Expected volatility	100%
Option life	3 years
Risk-free interest rate	3.17%
Fair value per option granted	\$0.107
Total fair value	\$320,297
Expense vested during 2022 half-year period	\$320,297

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

2) Performance Rights

In August 2022, 3,500,000 Performance Rights were issued under the Incentive Performance and Share Appreciation Rights Plan. The rights expire on 29 August 2025 and vest subject to milestones outlined below:

- 1,250,000 Performance Rights ('Class A') vest upon the reinstatement of the PIV, and the PIAV remaining in good standing, in relation to the San José Lithium Project, expiring 29 August 2025.
- 750,000 Performance Rights ('Class B') vest upon the Company obtaining all relevant approvals and permits required to commence land modification and construction in relation to the San José Lithium Project. These approvals are as required from Local Caceres Council for development on the land on which the San José Lithium Project is located, expiring 29 August 2025.
- 750,000 Performance Rights ('Class C') vest upon the Company obtaining all Environmental Permits required for the approval and development of the San José Lithium Project under an Exploitation Concession (Mining), expiring 29 August 2025.
- 750,000 Performance Rights ('Class D') vest upon the Company obtaining required financing and reaching a 'decision to mine' stage in which the project development for the San José Lithium Project is initiated, expiring 29 August 2025.

The rights have been valued at share price at date of issue and are being expensed over the vesting period of the rights.

Measurement of Fair Value	
Grant date share price	\$0.155
Number	3,500,000
Expiry date	29 August 2025
Total fair value	\$542,500
Expense vested during 2023 half-year period	\$91,044
Expense vested during 2022 half-year period	\$61,378



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

3) Share Appreciation Rights

At half-year ended 31 December 2023, the Company had 16,700,000 Share Appreciation Rights ('SARS') over ordinary shares under issue (30 June 2023: 17,200,000). On 1 September 2023, 500,000 SARS lapsed unexercised upon the holder ceasing to be employed by the Company. The SARS are exercisable as follows:

Grant Date	Expiry Date	Exercise Price \$	No. of Rights	Expense vested 31 Dec 2023	Expense vested 31 Dec 2022
27/11/2019	13/09/2024	0.072	5,000,000	-	\$3,323
25/11/2020	05/10/2025	0.082	9,700,000	\$36,691	\$126,015
03/12/2020	02/12/2025	0.144	500,000	-	\$7,299
05/01/2021	05/01/2026	0.170	1,500,000	-	\$38,589
			16,700,000	\$36,691	\$175,226

Share Appreciation Rights expiring on 5 October 2025

On 7 December 2020, 9,700,000 SARS were issued to Directors and employees of the Consolidated Entity under the Incentive Performance and Share Appreciation Rights Plan. Approval was received at the Annual General Meeting of shareholders on 25 November 2020 to issue 8,200,000 Share Appreciation Rights to Mr Ryan Parkin, Mr Adrian Byass, Mr Remy Welschinger and Mr Jon Starink. The SARS will vest in equal tranches over a 3-year period, exercisable at \$0.082 on or before 5 October 2025. Each SAR entitles the holder to one Company share.

The SARS were valued using a Black Scholes option pricing model and are being expensed over the vesting period of the SARS. Expected volatility is based on historical volatility of the Company's shares over recent trading periods, aligned to the expected life of the rights.

Valuation and Assumptions of Share Appreciation Rights:	Tranche 1	Tranche 2	Tranche 3
Grant date	25 November 2020	25 November 2020	25 November 2020
Number	3,233,333	3,233,333	3,233,333
Share price	\$0.135	\$0.135	\$0.135
Exercise price	\$0.082	\$0.082	\$0.082
Vesting date	5 October 2021	5 October 2022	5 October 2023
Expiry date	5 October 2025	5 October 2025	5 October 2025
Volatility	139.43%	139.43%	139.43%
Risk-free interest rate	0.29%	0.29%	0.29%
Value per right	\$0.122	\$0.122	\$0.122
Total fair value	\$394,905	\$394,905	\$394,905
Expensed during 2023 half-year period	-	-	\$36,691
Expensed during 2022 half-year period	-	\$56,415	\$69,600



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

Note 3. Trade and Other Receivables

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current		
PERTE VEC Grant receivable – Note 5	30,481	-
GST/VAT receivable	464	528
Prepayments	50	71
Accrued other income (interest/research and development grant)	58	284
Other Receivables	60	52
Total Trade and Other Receivables	31,113	935

Note 4. Deferred Exploration and Evaluation Expenditure

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Opening balance	14,489	-
Additions	1,216	2,109
Foreign exchange impact	438	555
Acquired – TEL acquisition	-	11,825
Total Deferred Exploration and Evaluation Expenditure	16,143	14,489

Key Estimates, Judgments and Assumptions

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation asset.

Carrying Value of Exploration and Evaluation Assets

The carrying value of the exploration expenditure is dependent upon:

- The continuance of the rights to tenure of the areas of interest;
- The results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

Impairment Assessment

The Consolidated Entity assessed the carrying value of its exploration expenditure for indicators of impairment and concluded that impairment testing of the project was not triggered, noting the permitting update detailed in Review of Operations.



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

Note 5. Contract Liabilities

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Non-Current		
Opening balance	-	-
Contract liabilities – PERTE VEC Grant ¹	30,481	-
Total Contract Liabilities	30,481	-

Notes:

- 1) In November 2023 the Company announced its subsidiary Tecnología Extremeña Del Lito S.L. had been awarded a capital funding grant under PERTE VEC IIa totalling €18.8 million (A\$30.5 million) from the Spanish Government's Ministry of Industry, Trade and Tourism. The grant was the sixth largest amount awarded under this round of the program and the first allocated to the processing of critical raw minerals. Funds allocated under the PERTE VEC II program are held for equipment and installations to San José. The Spanish Government transferred the funds granted to the Project subsequent to period end, clearing in early January 2024. Refer to Note 3 Trade and Other Receivables for the associated receivable balance at 31 December 2023.

Accounting Policy

The Consolidated Entity initially recognises government grants related to assets as contract liabilities at fair value if there is reasonable assurance that they will be received and the Consolidated Entity will comply with the conditions associated with the grant; they are then recognised in the comprehensive statement of profit or loss as other income on a systematic basis over the useful life of the asset.

Key Estimates, Judgments and Assumptions

The PERTE VEC IIa Grant required submission of an application prior to the end of the reporting period. The Spanish Government's Ministry of Industry, Trade and Tourism (the '**Ministry**') advised the Consolidated Entity that its submission was successful in November 2023, confirming the grant of €18.8 million in funding for capital expenditure associated with San José. The Consolidated Entity has recognised the PERTE VEC Grant as a contract liability as at 31 December 2023, until such time as it incurs the relevant capital expenditure for San José as specified within the conditions of award from the Ministry.



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

Note 6. Issued Capital

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
A reconciliation of the movement in capital and reserves for the consolidated group can be found in the Statement of Changes in Equity.		
462,592,093 fully paid ordinary shares (June 2023: 462,592,093)	54,453	54,453
Less: capital raising costs	(3,884)	(3,884)
	50,569	50,569
	31 Dec 2023 No.	30 Jun 2023 No.
a) Fully Paid Ordinary Shares – Number of Shares		
At the beginning of the reporting period/year	462,592,093	415,013,066
Shares issued during the period/year:		
• Exercise of options – prior year	-	47,579,027
Total at the end of the reporting period/year	462,592,093	462,592,093
	31 Dec 2023 \$'000	30 Jun 2023 \$'000
b) Fully Paid Ordinary Shares – Value of Shares		
At the beginning of the reporting period/year	50,569	47,228
Shares issued during the period/year:		
• Exercise of options – prior year	-	3,341
Total at the end of the reporting period/year	50,569	50,569

Fully Paid Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called.

c) Options

The unissued ordinary shares of Infinity Lithium under option at 31 December 2023 are as follows:

Date of Expiry	Exercise Price (\$)	Number under Option
31 December 2024	\$0.27	4,000,000
31 December 2024	\$0.30	4,000,000
15 December 2025	\$0.25	3,000,000
4 December 2026	\$0.15	6,983,000
4 December 2026	\$0.25	12,967,000
Total		30,950,000



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

A reconciliation of the total options on issue is as follows:

	31 Dec 2023 Weighted Average Exercise Price \$	31 Dec 2023 No.	30 Jun 2023 Weighted Average Exercise Price \$	30 Jun 2023 No.
At the beginning of the reporting period/year	\$0.259	32,000,000	\$0.181	61,113,270
Issued during the period/year ¹	\$0.215	19,950,000	\$0.250	3,000,000
Exercised during the period/year	-	-	\$0.113	(30,610,680)
Expired during the period/year	\$0.250	(21,000,000)	\$0.147	(1,502,590)
Total at the end of the reporting period/year	\$0.236	30,950,000	\$0.259	32,000,000

Notes:

- 1) In December 2023, 19,950,000 unlisted options were issued to Directors and employees of the Consolidated Entity. Refer to Note 2 Share-Based Payments for further information.

d) Share Appreciation Rights

A reconciliation of the total SARS on issue as at 31 December 2023 is as follows:

	31 Dec 2023 No.	30 Jun 2023 No.
At the beginning of the reporting period/year	17,200,000	17,200,000
Issued during the period/year	-	-
Exercised during the period/year	-	-
Lapsed/expired during the period/year	(500,000)	-
Total at the end of the reporting period/year	16,700,000	17,200,000

e) Performance Rights

A reconciliation of the total Performance Rights on issue as at 31 December 2023 is as follows:

	31 Dec 2023 No.	30 Jun 2023 No.
At the beginning of the reporting period/year	3,500,000	-
Issued during the period/year	-	3,500,000
Exercised during the period/year	-	-
Lapsed/expired during the period/year	-	-
Total at the end of the reporting period/year	3,500,000	3,500,000



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

Note 7. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors and Managing Director (chief operating decision makers) to make decisions about resources to be allocated to the segments and assess their performance. Operating segments are identified by Management based on the mineral resource and exploration activities in Australia and Spain. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate. As at 31 December 2023 management has assessed that the Consolidated Entity only has one reportable segment based on the geographical areas of the mineral resource and exploration activities, being Spain. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors and Managing Director, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated group.

(b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority asset economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the consolidated group as a whole and are not allocated. Segment liabilities include trade and other payables.

(d) Unallocated items

Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

31 December 2023	Spain \$'000	Unallocated \$'000	Total \$'000
Revenue			
Other income	-	180	180
Total Gross Revenue	-	180	180
Expenses			
Corporate and compliance expenses	(234)	(423)	(657)
Consulting expenses	(158)	(198)	(356)
Employee and director benefits expense	-	(615)	(615)
Share-based payments	-	(1,012)	(1,012)
Depreciation expense	(1)	(2)	(3)
Foreign exchange loss	-	(10)	(10)
Loss for the Period	(393)	(2,080)	(2,473)
Segment Assets			
Cash and cash equivalents	500	9,116	9,616
Trade and other receivables	30,947	166	31,113
Deferred exploration and evaluation expenditure	16,143	-	16,143
Property, plant and equipment	4	135	139
Other assets	11	125	136
Total Assets	47,605	9,542	57,147
Segment Liabilities			
Trade and other payables	480	189	669
Contract liabilities	30,481	-	30,481
Provisions	-	125	125
Total Liabilities	30,961	314	31,275



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

	Spain \$'000	Unallocated \$'000	Total \$'000
31 December 2022			
Revenue			
Other income	-	58	58
Total Gross Revenue	-	58	58
Expenses			
Corporate and compliance expenses	(174)	(340)	(514)
Consulting expenses	-	(634)	(634)
Employee and director benefits expense	-	(729)	(729)
Share-based payments	-	(557)	(557)
Depreciation expense	(1)	(1)	(2)
Foreign exchange loss	-	(7)	(7)
Loss for the Period	(175)	(2,210)	(2,385)
30 June 2023			
Segment Assets			
Cash and cash equivalents	402	11,904	12,306
Trade and other receivables	519	416	935
Deferred exploration and evaluation expenditure	14,489	-	14,489
Other assets	35	83	118
Property, plant and equipment	4	129	133
Total Assets	15,449	12,532	27,981
Segment Liabilities			
Trade and other payables	268	127	395
Provisions	-	104	104
Total Liabilities	268	231	499

Note 8. Related Party Transactions

Ryan Parkin – Managing Director/CEO

Effective 1 December 2023, Mr Parkin receives a base salary of \$362,250 per annum (exclusive of superannuation). Mr Parkin received a base salary of \$345,000 (exclusive of superannuation) in the period to 30 November 2023. All other terms of Mr Parkin's employment contract with the Company remain the same.



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

Director Options

In December 2023, 17,000,000 unlisted options were issued to Directors of the Company following approval at the Annual General Meeting of shareholders on 23 November 2023. The options were issued in two tranches exercisable on or before 4 December 2026, with Tranche A exercisable at \$0.15 and Tranche B at \$0.25. Refer to Note 2 Share-Based Payments for further details on the valuation of the options.

Related Party	Number of Options
Ryan Parkin	4,500,000
Remy Welschinger	3,000,000
Adrian Byass	3,000,000
Jon Starink	3,000,000
Ramón Jiménez Serrano	3,500,000
Total	17,000,000

Note 9. Capital Commitments

In order to maintain current rights of tenure to exploration tenements the Consolidated Entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments and overseas government bodies.

The Consolidated Entity ceased exploration activities for the Morille, Banio and Mamana projects in prior years in order to focus on San José. As such, the Consolidated Entity does not have any further material financial commitments in relation to these projects. The Consolidated Entity does not have any minimum exploration work or minimum expenditure requirements for San José.

Note 10. Events After Reporting Date

In February 2024 the Company announced that it had lodged the ECA for San José with the Department. The ECA submission for the fully integrated project includes the rights to mine lithium at San José and accompanying on-site lithium chemical conversion.

In February 2024 the Company announced that the comprehensive LCT program completed at Simulus Group Laboratories resulted in confirmation of exceptional recoveries at San José.

No further matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

Note 11. Contingent Assets and Liabilities

The Group is unaware of any contingent assets or liabilities that may have a material impact on the Group's financial position.



Notes to the Interim Financial Statements (continued)

For the Half-Year Ended 31 December 2023

Note 12. Fair Values of Financial Instruments

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amount of current trade and other receivables and current trade and other payables is assumed to approximate their fair value.



Directors' Declaration

For the Half-Year Ended 31 December 2023

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 26 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting, and Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

Ryan Parkin
Managing Director/CEO
11 March 2024