ACN 147 413 956

ASX: INF ANNOUNCEMENT

12 March 2019

Sustainability & Carbon Footprint: Infinity's Strategically Positioned Project Focuses on European Values

Infinity Lithium Corporation Limited ('Infinity', or 'the Company') is pleased to provide an update on sustainability and carbon footprint requirements in Europe, and the strategic importance of the San Jose Lithium Project. The company noted in the European Conferences and 9th International Advanced Automotive Battery Conference Presentation (ASX announcement 1 February 2019) the support of European raw materials and refining projects to strengthen the strategic position of the European Union ('EU') lithium-ion battery ('LIB') and electric vehicle sectors. Limiting CO_2 emissions remains a priority for Europe and increasingly a consideration for electric vehicle ('EV') OEMs throughout their entire supply chain.

The increasing focus of EV industry participants in Europe is changing the landscape of investment in the EU and availability of key components in lithium-ion battery ('LIB') production and assembly. The ability to source raw materials and consideration of CO_2 emissions remains a priority for the European market, and ultimately the requirements of EV manufacturers to address the carbon footprint of their end products is increasingly important as the integration of the LIB industry in Europe gains momentum.

With the European Commission ('EC') promoting lithium refining as part of a broader strategy to develop and entire LIB value chain in Europe. Key industry EV producers and cathode manufacturers are working with suppliers to reduce carbon emissions and the promotion of an inevitable European supply chain.

Infinity's CEO and Managing Director, Ryan Parkin stated *"It is encouraging to see the increasing focus of the European LIB and EV community respond to not only the highly concentrated geographical constraints seen in today's lithium chemicals market, but also seek to secure the future of the 2nd largest EV market globally through sustainability and carbon emission considerations. The proximity of San Jose to European markets remains a significant asset for potential strategic partners and offtake consumers, essentially enabling a multi decade surety of supply within increasing stringent environmental considerations."*

Please refer to the attached corporate presentation, both this and the Spanish version is available at www.infinitylithium.com

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Disclaimer

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

The Production Target referred to in this announcement is based on 91% Indicated Resources and 9% Inferred Resources for the life of mine life covered under the Study. In accordance with the twenty four (24) year mine plan incorporated into the Study, the first three (3) years of production (covering payback period) will come 96% from Indicated Resources.

The Study is based on the material assumptions outlined in the ASX announcement 29 November 2018. 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. 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 Jose lithium deposit.

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.

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Sustainability & Carbon Footprint

Sustainability & Carbon Footprint: Europe’s Values

Limit CO2 Emissions From The EV Supply Chain – A Priority For Europe

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European Investment Bank

- The ability to ethically source raw materials and consideration of **CO_2 emissions** remains a priority for the European market.

European Commission

- European Commission: Lithium refining is being promoted as part of a broader strategic **push to develop an entire battery value-chain inside Europe**

- Volkswagen gives suppliers an ultimatum on emissions, ask them to work with VW to **cut carbon emissions**

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- "Europe needs its own battery supply chain", "Given the sheer size of the requirements to the European industry similar to what's happening in Asia it makes most sense in my opinion to have a **regional supply chain**"

Carbon Footprint - Lithium

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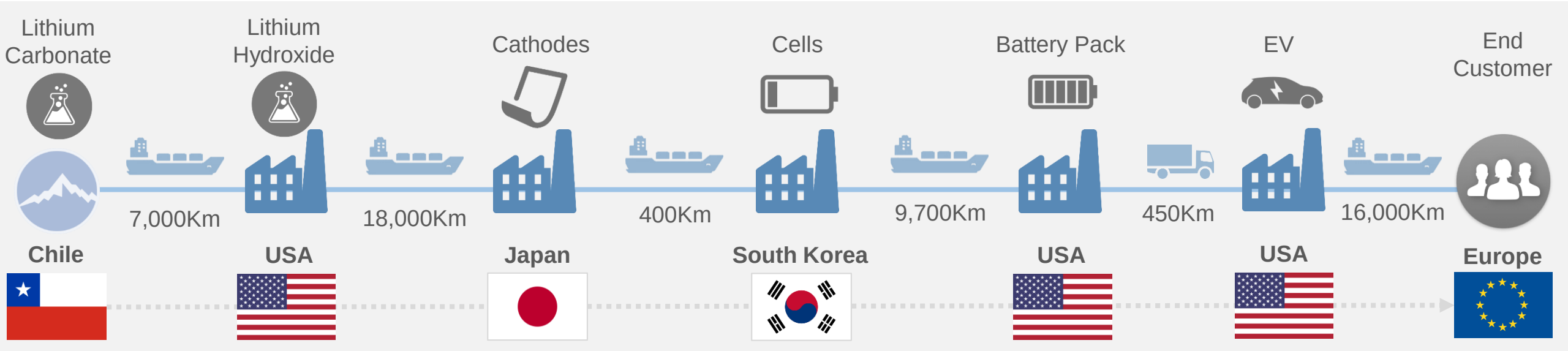
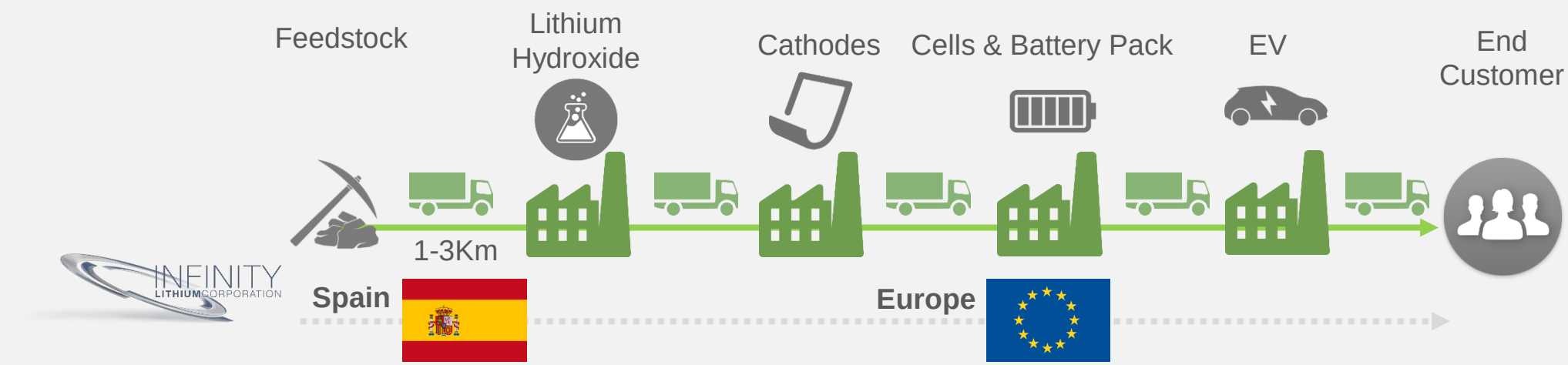
What is a potential current pathway for lithium when you buy a luxury EV in Europe

The lithium inside you car travels more than **50,000km** before you even start driving*



Integration – dramatically reducing the carbon footprint



Potentially <1/10 of existing carbon footprint

*Note: This is only one example of many supply paths possible across the supply chain.

Lithium Processing Itself Should Improve Its Carbon Footprint

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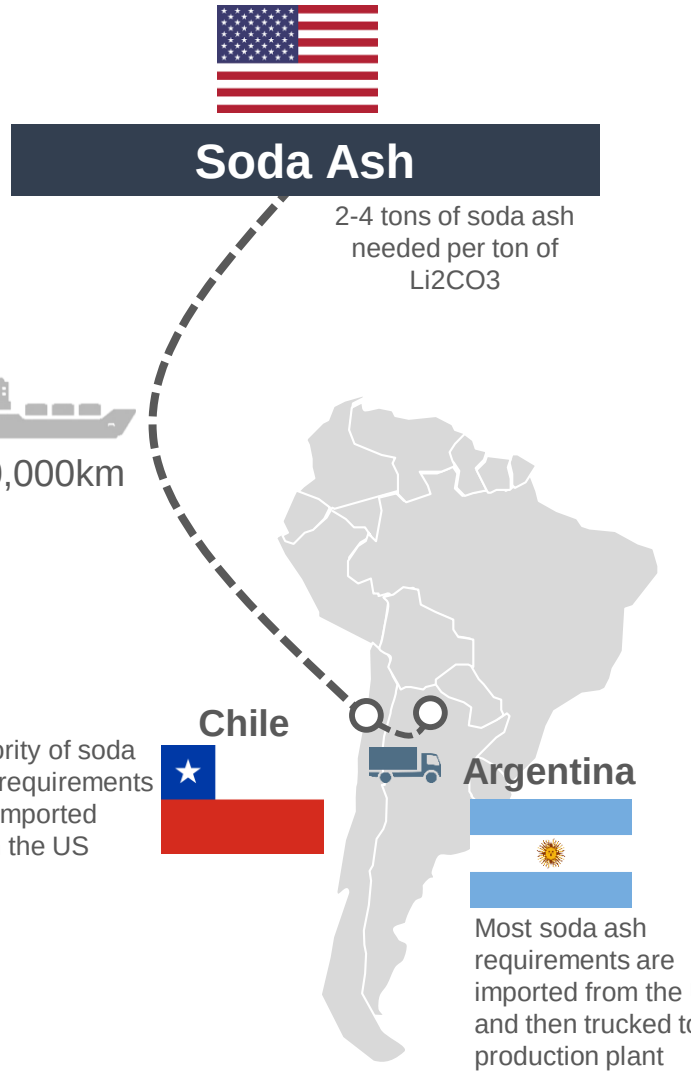
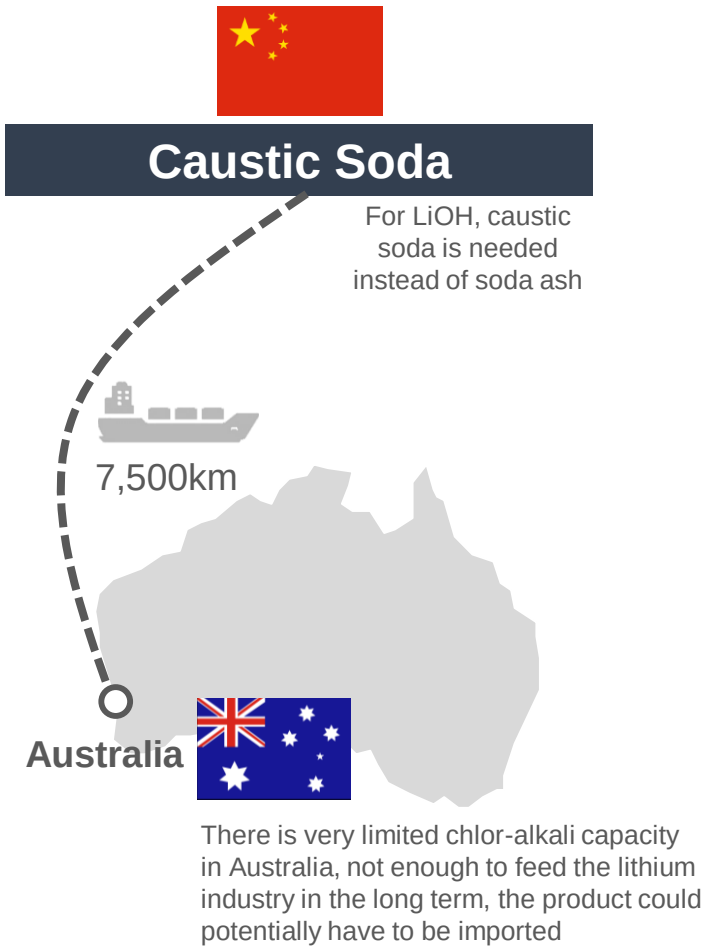
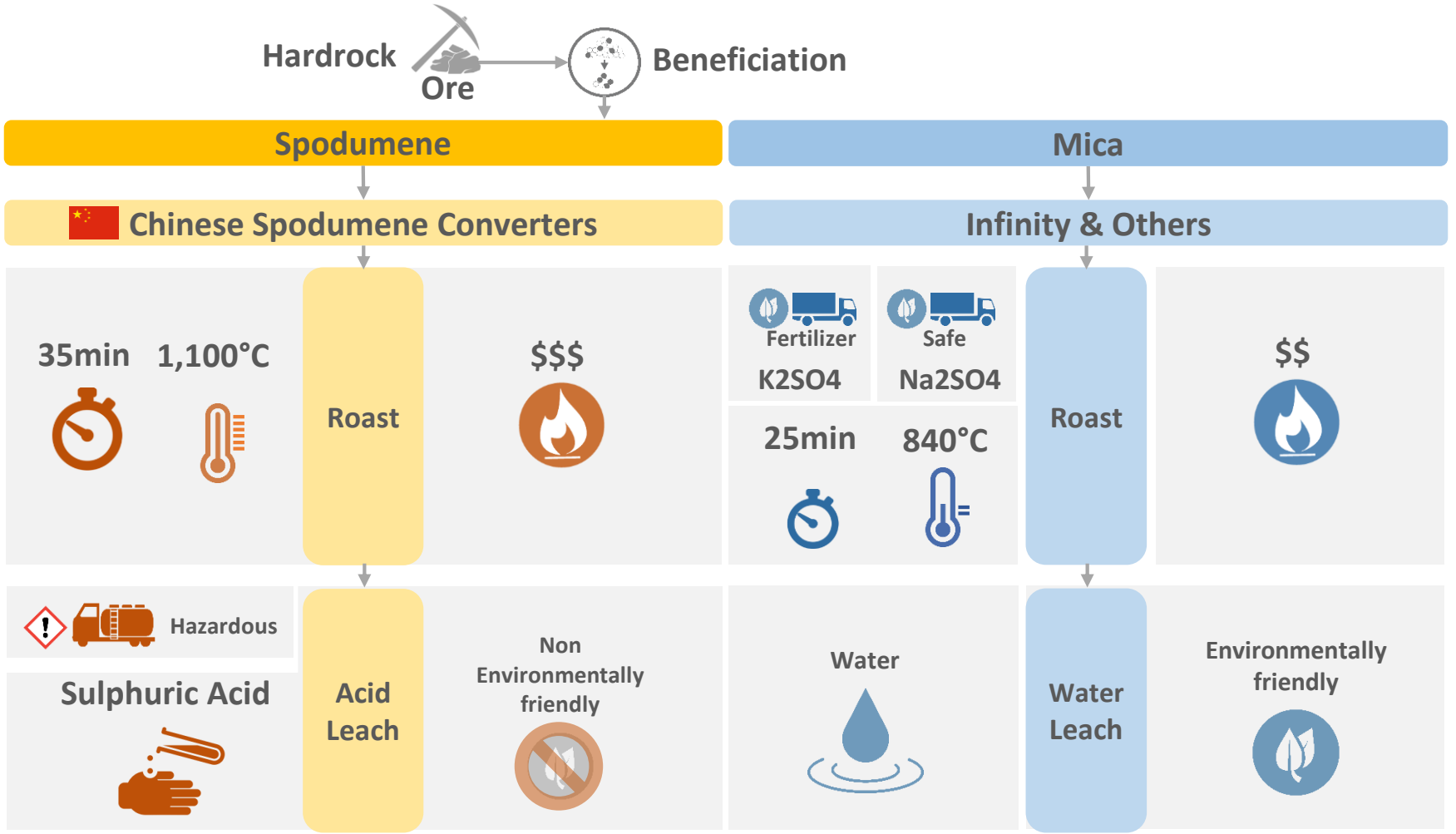
Lithium Chemical production requires important volumes of re-agents. Most existing and future lithium chemical/conversion plants are very remote and have to import those re-agents from very far away





Processing Hard Rock – Different Energy and Reagents Needs



- Infinity's **energy requirements are lowered** by its shorter and lower temperature roasting process
- Infinity doesn't use sulphuric acid but rather **safe and readily available reagents**
- Infinity uses **recycled water** as opposed to acid during its leaching process

Water Consumption in Lithium Production – An Environmental Concern

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Hard Rock
Spain

~12 cubic meters of water per ton of LCE

Water is **recycled**

x40 water consumption

Brine
South America

~500 cubic meters of water per ton of LCE*

*Solvay – Argus Metals Conference February 2019

The San Jose Project – A limited Impact On Landscape

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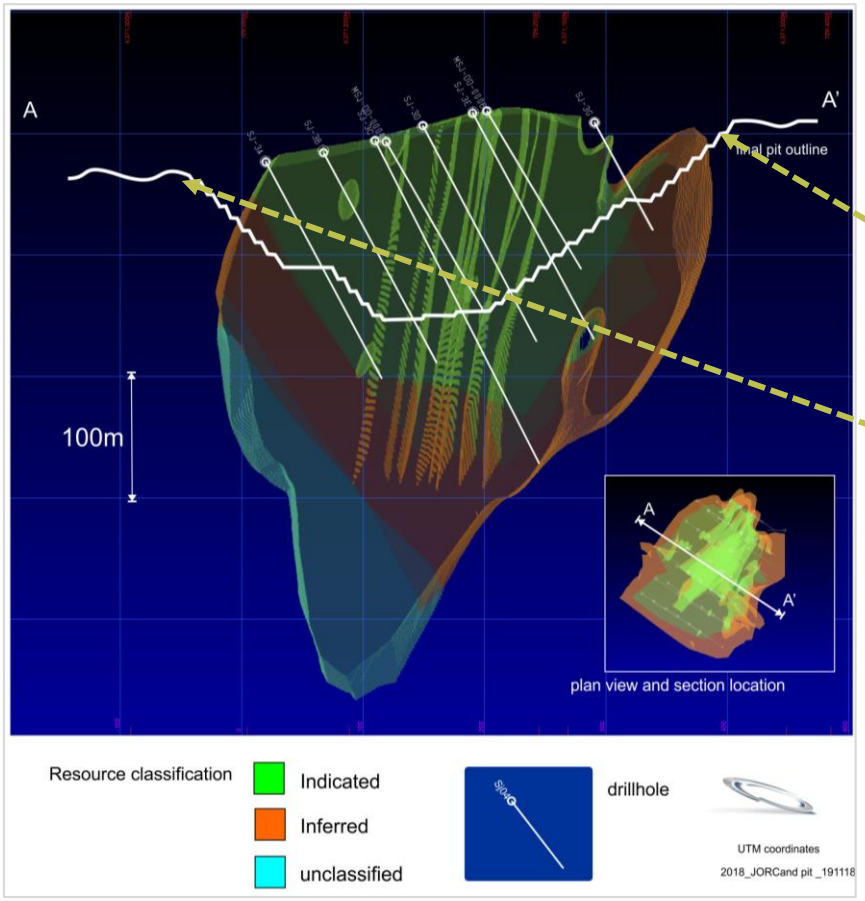

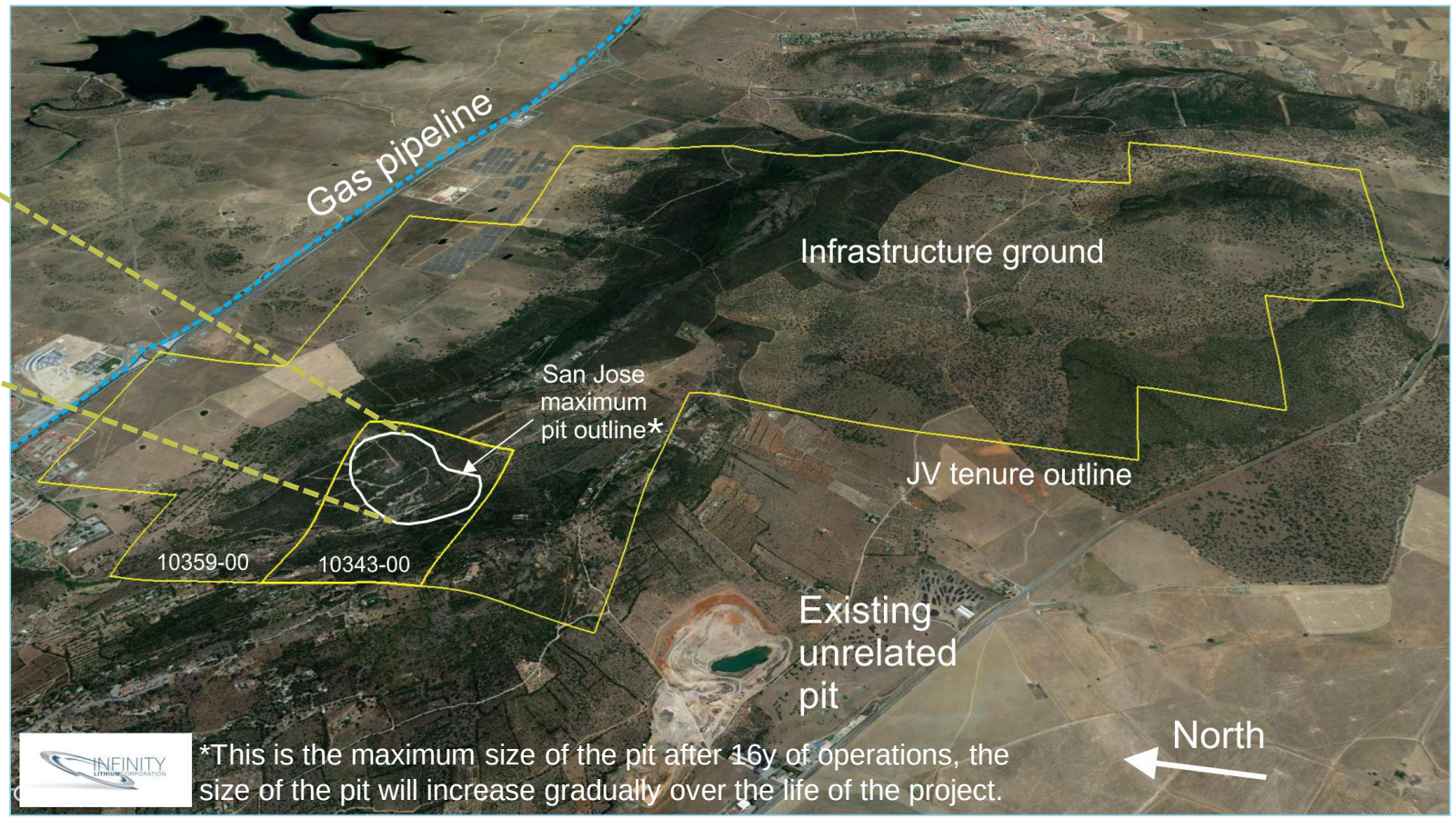

- The maximum **size of the pit** is approximately 710m x 450m
- **Waste**: a large majority is dry stacked tailingswhich comprises primarily of ground rock not treated by chemicals – not hazardous
- **Lack of slurry**: very low water consumption and the majority of the water is recycled
- **Mine is rehabilitated** after 16 years of operation

San Jose: A low Carbon Footprint & Sustainable Project

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Infinity Lithium

- Very **low strip ratio** <1.2:1
- **Minimum waste**

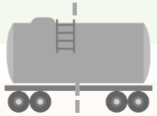
- Chemical plant **<3km away** from the mine

- **Very small water requirement** and most of the water is **recycled**

- **Low temperature** process (840C) and short (25min) requiring **less energy**

- Roasting process uses **safe reagents** such as sodium sulphate
- Leaching process uses water which is almost entirely **recycled**

- All reagents **available domestically**



- Able to supply end-users regionally, only a few hundred kilometers away
- **Light footprint**

Others

- Spodumene mines have strip ratio **over 4-6:1**
- **More waste**

- Chemical plant **<8,000km away** in China
- Future chemical plants in Australia will still be 200-400km away from mine

- Brine operations in South America require **very large amounts of water** in extremely dry locations
- Water rights and environmental issues

- Spodumene roasting is **energy intensive** (1,100C) and longer (35min)

- Roasting in China involves large volumes of **sulfuric acid**, a **hazardous and polluting** chemical
- Leaching also involves sulfuric acid

- Reagents often need to be imported from **thousands of kilometers away**

- The lithium inside your car can travel more than 50,000km before you even start driving
- **Heavy 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.

Infinity Lithium's Project In Spain To Power Millions Of Cars

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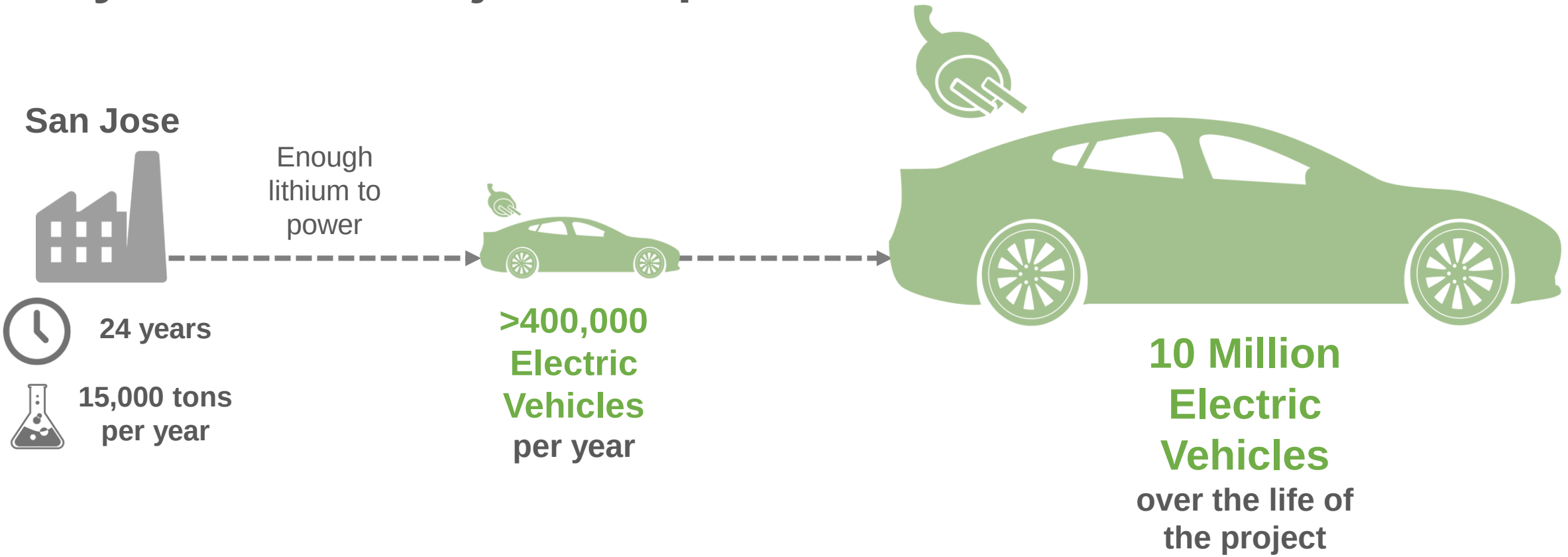

- San Jose could also power **1.3 Million Plug-in** Cars per year or **>30 Million** over the life of the project
- San Jose could also power **16 Million Hybrid** Cars per year or **>400 Million** over the life of the project

Assumptions: 0.9kg Lithium Carbonate Equivalent per kWh, EV=40kWh, PHEV=13kWh, HEV=1kWh

Social Sustainability – A Huge Opportunity For Caceres

Potentially > US$1 Billion in tax for the region - VAT derived from the San Jose Project retained within Extremadura

>200 jobs created and another 1,000 supporting roles

Support local businesses and attract new companies to the region, generating further growth and opportunities

Lithium to support the community and generate growth

Support from the EU/EC/EIB for training initiatives and funding assistance to retain expertise in the region

Extremadura Can Power The E-mobility Revolution In Europe

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To Become #2 Largest EV Maker In The World

Voted Strict Targets To Ban ICE Cars

To Support The Development Of A Fully Integrated Lithium-ion Battery Supply Chain

To Become The #2 Largest Producers Of EV Batteries In The World

No Existing Lithium Production

#2 Largest Car Manufacturer In Europe

Proposes To Veto The Sales Of ICE Cars In 2040

To Promote The Manufacture Of Batteries For Electric Cars In Spain

INFINITY LITHIUM CORPORATION

Cluster in Electric Mobility of Extremadura

#2 Largest Lithium Resources in Europe

Only Viable Long Term Lithium Chemical Project In Europe

> US$1 Billion in tax for the region

>200 jobs created and another 1,000 supporting roles

Infinity Lithium Corporation

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Developing lithium production in Europe to power a renewable future

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Sostenibilidad y Huella de Carbono

Sostenibilidad y huella de carbono: Valores Europeos

Limitar las emisiones de CO2 de la cadena de suministro de VE - una prioridad para Europa

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European Investment Bank

- La capacidad de obtener éticamente materias primas y la consideración de las emisiones de CO2 sigue siendo una prioridad para el mercado europeo.

European Commission

- Comisión Europea: Se está promoviendo el refinado de litio como parte de un impulso estratégico más amplio para desarrollar una cadena de valor de batería completa dentro de Europa

- Volkswagen les da a los proveedores un ultimátum sobre las emisiones, pidiéndoles que trabajen con VW para reducir las emisiones de carbono.

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- "Europa necesita su propia cadena de suministro de baterías", "Dada la magnitud de los requisitos para la industria europea, similar a lo que está sucediendo en Asia, en mi opinión tiene más sentido tener una **cadena de suministro regional**"

Huella de Carbono - Litio

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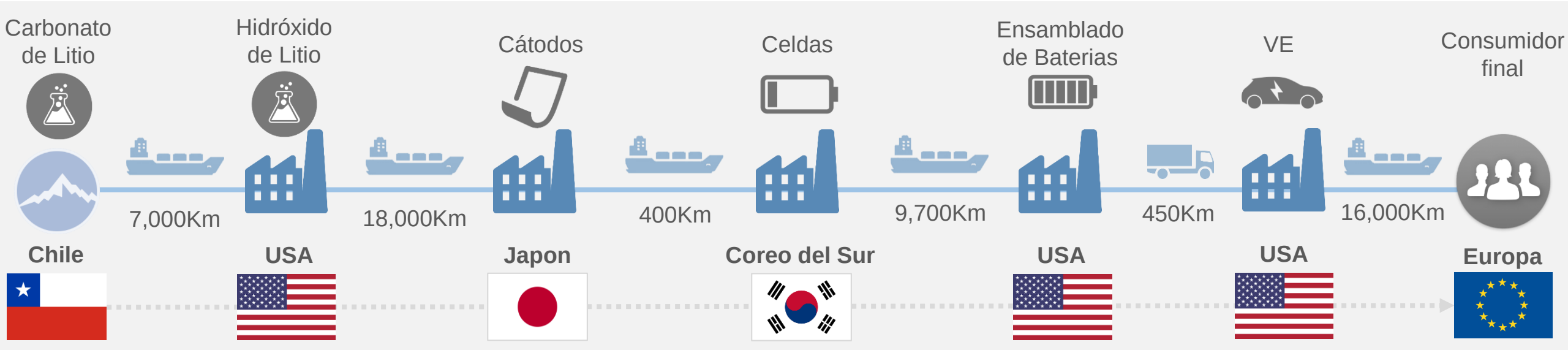
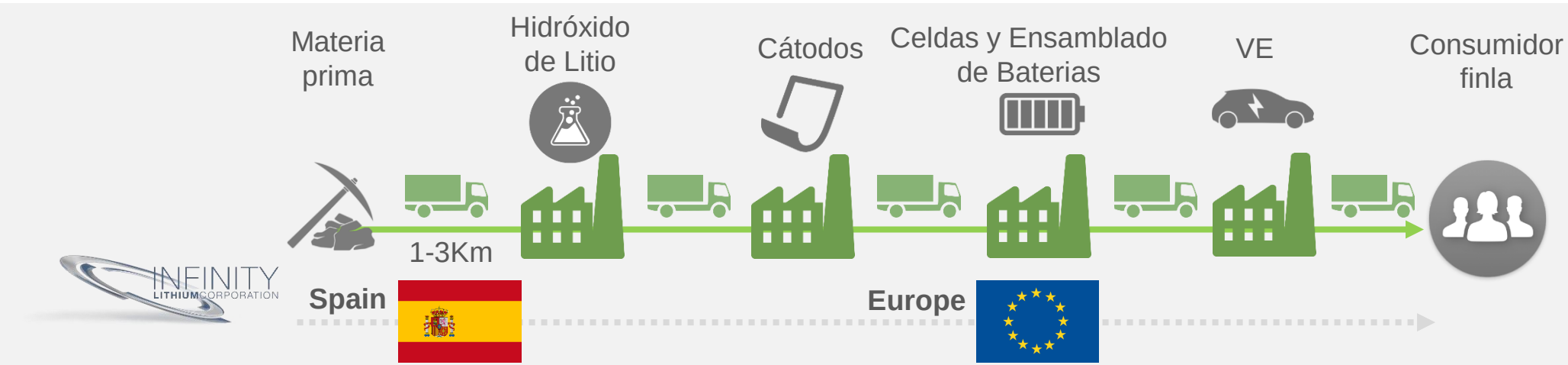
¿Cuál es una cadena potencial actual para el litio cuando compra un VE de lujo en Europa?

El litio dentro de su automóvil viaja más de 50,000 km antes de que incluso comience a conducir *



Integración – reducción drástica de la huella de carbono



Potencialmente <1/10 de la actual huella

** Nota: Este es solo un ejemplo de muchas rutas de suministro posibles en toda la cadena de suministro.*

El procesamiento de litio en sí mismo debería mejorar su huella de carbono

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La producción química de litio requiere importantes volúmenes de reactivos. La mayoría de las plantas de conversión / químicas de litio existentes y futuras son muy remotas y tienen que importar esos reactivos desde muy lejos.

Carbonato Sódico

2-4 toneladas de carbonato sódico necesarias por cada tonelada de Li2CO3

10,000km

Chile

La mayor parte del carbonato sódico requerido se importa de USA

Argentina

La mayor parte del carbonato sódico requerido se importa de USA y se transporta en camión hasta las plantas

Sosa Cáustica

Para LiOH, se necesita sosa cáustica en lugar de carbonato sódico ash

7,500km

Australia

Existe una capacidad de cloro-álcali muy limitada en Australia, que no es suficiente para alimentar a la industria del litio a largo plazo, así que el producto potencialmente deberá importarse.

Infinity Lithium

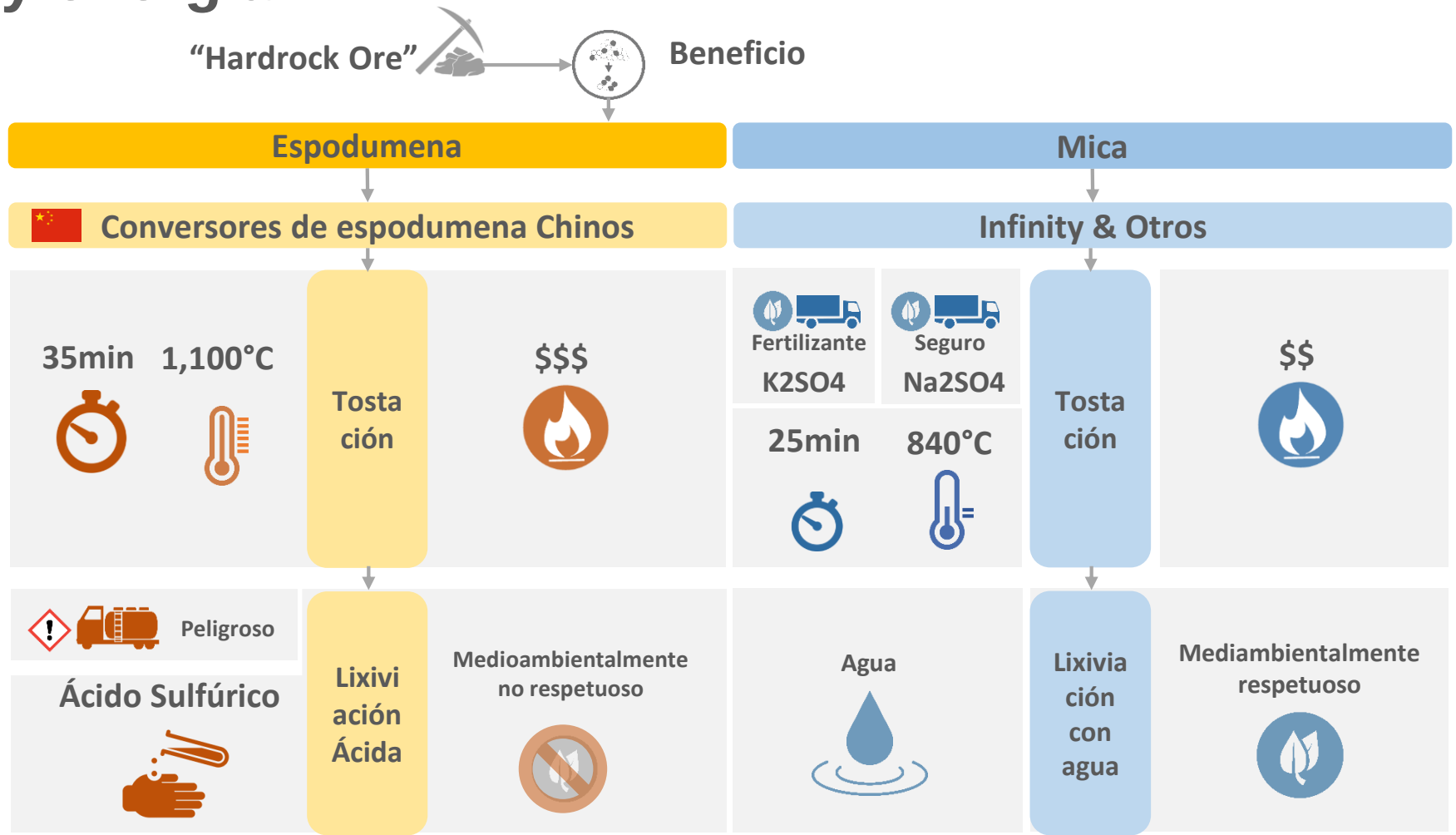
Disponible a nivel nacional

Sosa Cáustica
Sulfato Sódico

Huella de Carbono minima para los reactivos

Spain

Procesando “Hard Rock” – Diferentes necesidades en reactivos y energía



- Los **requisitos energéticos de Infinity son inferiores** debido al corto proceso de tostación a baja temperatura
- Infinity no usa ácido sulfúrico, en su lugar usa **reactivos seguros y fácilmente disponibles.**
- Infinity usa **agua reciclada** a diferencia del ácido durante su proceso de lixiviación.

Consumo de agua en la producción de litio – una preocupación ambiental

“Hard Rock”
España

~12 metros cúbicos de agua por tonelada de LCE

El agua es **reciclada**

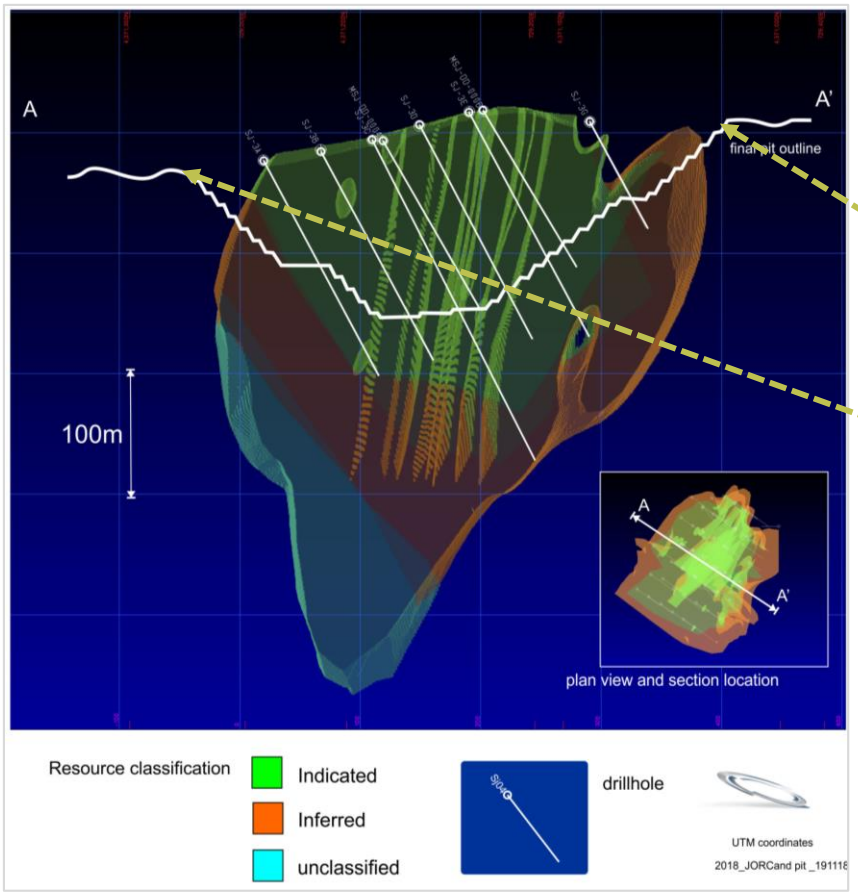
x40 el consumo de agua

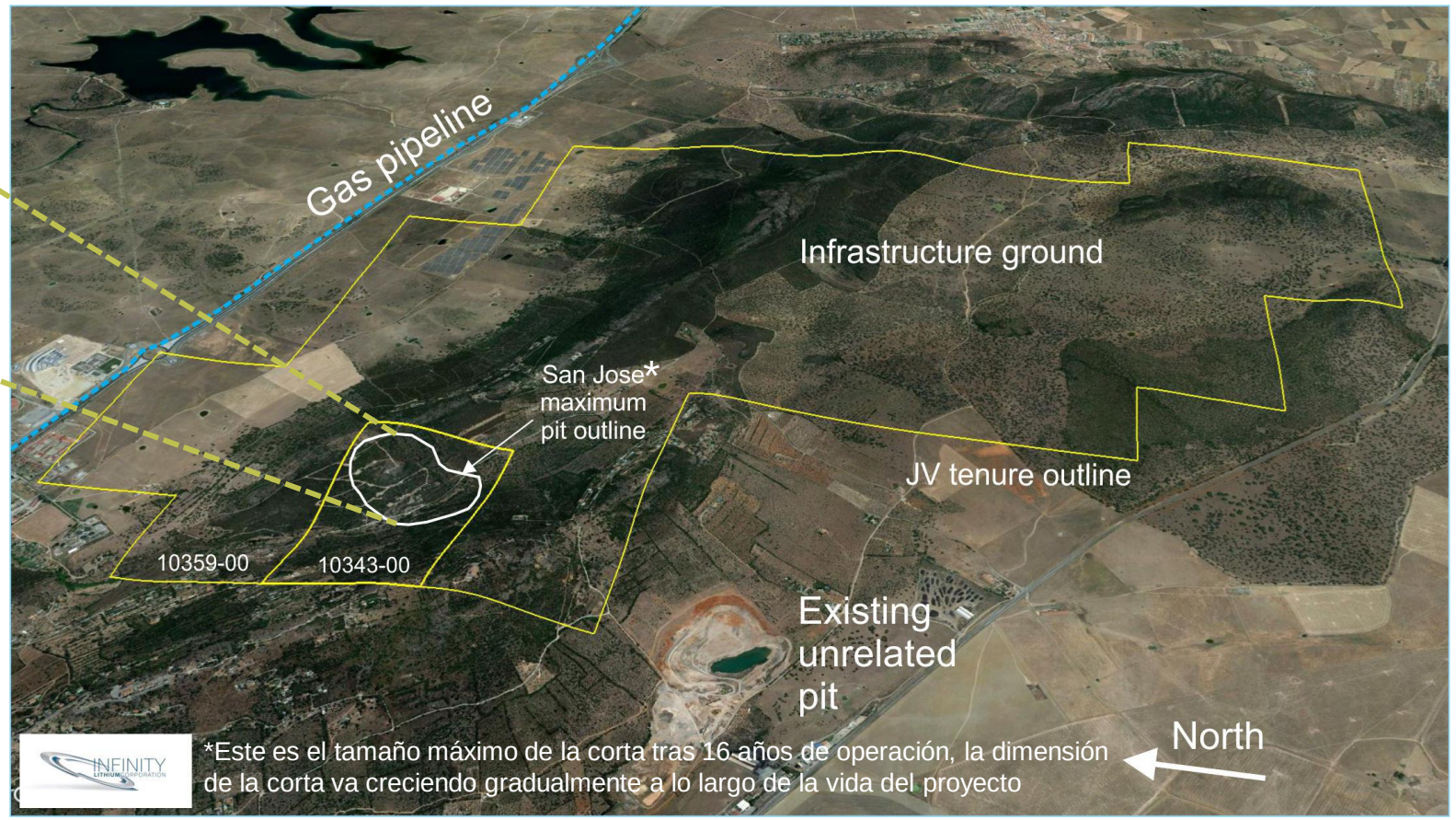
Salmueras
America del Sur

~500 metros cúbicos de agua por tonelada de LCE *

*Solvay – Argus Metals Conference Febrero 2019

El Proyecto de San José – un impacto limitado en el paisaje





- **Las dimensiones máximas de la corta** son aproximadamente de 710m x 450m
- **Residuos**: una gran mayoría son relaves apilados secos que se componen principalmente de roca molida no tratada con productos químicos, no peligrosos
- **No existencia de lodos**: muy bajo consumo de agua y la mayor parte del agua es reciclada.
- **La Mina estará rehabilitará** tras los 16 años de operación

San José: Una huella de carbono baja y un proyecto sostenible

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Infinity Lithium

- **Ratio de estériles** muy bajo <1.2:1
- **Residuos mínimos**

- Planta Química a **<3km de distancia** desde la mina

- **Pequeños requisitos de agua** y la mayor parte del agua es **reciclada**

- **Baja temperatura** de proceso (840C) y corto (25min) requiriendo **menos energía**

- El proceso de tostación usa **reactivos seguros** como el sulfato de sodio
- El proceso de lixiviación utiliza agua que es casi en su totalidad **reciclada**

- Todos los reactivos **disponibles en el país.**

- Capaz de abastecer a los usuarios finales a nivel regional, a solo unos cientos de kilómetros de distancia.
- **Huella mínima**

Otros

- Las minas de espodumena tienen un **ratio de esteril por encima de 4-6:1**
- **Más residuos**

- Planta química **>8,000km de distancia** en China
- Las futuras plantas químicas en Australia todavía estarán a 200-400 km de distancia de la mina

- Las operaciones de salmuera en América del Sur **requieren grandes cantidades de agua** en lugares extremadamente secos
- Derechos de agua y temas ambientales.

- La totación de espodumena **es energeticamente intensa** (1,100C) y larga (35min)

- La tostación en China require grandes volumenes de **acido sulfúrico**, un **peligroso y contaminante** quimico
- La lixiviación tambien necesita ácido sulfúrico

- Los reactivos usualmente necesitan importarse desde **miles de kilómetros de distancia**

- El litio de dentro de tú coche puede viajar más de 50.000km antes de ser conducido
- **Huella alta**

San José es un proyecto único de litio totalmente integrado que ofrece a la industria

europea de baterías de iones de litio en una fuente de suministro a largo plazo, grande y sostenible.

Sostenibilidad social - una gran oportunidad para Cáceres

Potencialmente > 1.000 millones US$ en impuestos para la región - IVA derivado del Proyecto San José retenido dentro de Extremadura.

>200 puestos de trabajo directos y otros 1.000 en roles de apoyo.

Apoyar a las empresas locales y atraer nuevas empresas a la región, generando un mayor crecimiento y oportunidades.

Litio para apoyar a la comunidad y generar crecimiento.

Apoyo de la UE / CE / BEI para iniciativas de capacitación y asistencia financiera para retener la experiencia en la región.

Extremadura puede impulsar la revolución de la movilidad eléctrica en Europa

Para convertirse en el segundo fabricante de EV más grande del mundo
Estrictos objetivos para prohibir los coches ICE

Para apoyar el desarrollo de una cadena de suministro de baterías de iones de litio totalmente integrada

Para convertirse en el segundo mayor productor de baterías EV en el mundo

No hay producción de litio existente

2º fabricante de automóviles más grande de Europa

Propone Vetar Las Ventas De Autos ICE En 2040

Promover la fabricación de baterías para automóviles eléctricos en España.

Cluster en la Movilidad Eléctrica de Extremadura.

El segundo mayor recurso de litio en Europa

Único proyecto químico de litio a largo plazo viable en Europa

- US $ 1 mil millones en impuestos para la región.
- > 200 puestos de trabajo creados y otros 1,000 roles de apoyo.

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Impulsando un futuro renovable con el Desarrollo de la producción de litio en Extremadura