

ASX: INF ANNOUNCEMENT

26 July 2019

## San José Lithium Hydroxide Pre-Feasibility Study Update

### HIGHLIGHTS

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- **Pre-Feasibility Study level test work continues to confirm assumptions of the positive lithium hydroxide Scoping Study released in Q4 2018**
  - **Plant Stage 3 testwork has provided confirmation of the recycling and successful reuse of potassium sulphate in the roasting and water leach process**
  - **Finalisation of laboratory work extended to utilise recirculated potassium sulphate with capital and operating cost optimisation nearing completion as a result of these outcomes**
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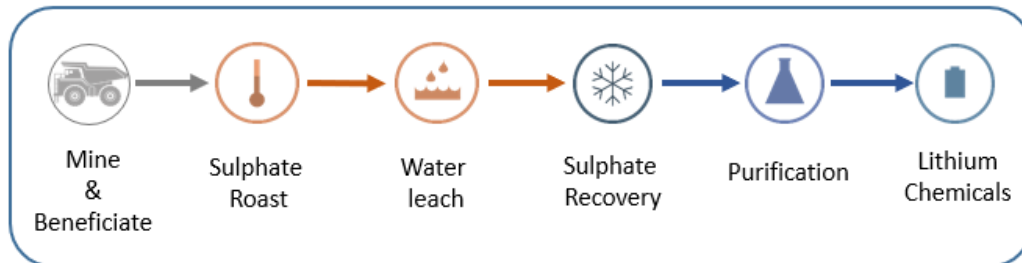
Infinity Lithium Corporation Limited (ASX:INF, 'Infinity' or 'the Company') is pleased to advise on the progression of the Pre-Feasibility Study ('PFS') to produce lithium hydroxide from the San José Lithium Project ('San José', or 'the Project').

San José is planning to use the existing sulphate roasting and water leach process flowsheet. Plant Stage 1 testwork confirmed the capability to successfully produce concentrate through froth floatation testing (refer ASX announcement 17 April 2019), and the progression of Plant 2 Stage testwork exhibited good leachability (refer to ASX announcement 12 June 2019) noting positive confirmation of the sulphate roasting and water leach process assumptions.

In the sulphate roast process, a sulphate is added to ore prior to roasting. The sulphate used varies between operations and examples of potassium, sodium, calcium and iron sulphate reagents are used or have been proposed around the world. Sulphate roasting allows lithium to be leached into fresh water, removing the requirement to use large volumes of sulphuric acid. This is an important consideration for Infinity and San José, as the removal of sulphuric acid from the post-roast leaching process enhances the Project's environmental standing when compared to other hard rock operations, and specifically many lithium mica treatment facilities in countries such as China. The composition and ratio of mixtures of the sulphate requirement is typically deposit specific to achieve maximum results. San José will use a mixture of potassium and sodium sulphate.

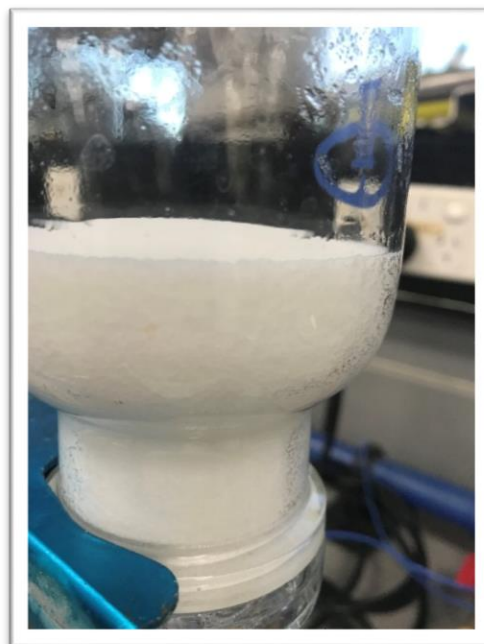
Approximately 50% by weight of sulphate is required per unit of ore prior to roasting to achieve 85% or greater recovery of lithium into solution. The San José Scoping Study (ASX release 29 November 2018) is based on a throughput of 525ktpa of feed to the roasting kiln and therefore a considerable amount of potassium/sodium sulphate would be used. Both potassium and sodium sulphate are readily available in Spain, further enhancing the Project's sustainability and carbon footprint profile in line with the recently announced supply opportunity for other key reagents between the Company and Spanish group Ercros (see ASX announcement 1 May 2019).

Prior to the confirmation of the ability to recirculate potassium sulphate and achieve the required levels of lithium leaching (after sulphate roast process), purification work had been completed and results confirming assumptions in the lithium hydroxide Scoping Study. A simplified flowsheet is shown in Figure 1. Lithium hydroxide will now be produced and the outcomes are expected in the following week.



**FIGURE 1: SUMMARY PROCESS FLOW SHEET**

Testwork supervised by Wave International ('Wave') on behalf of Infinity at ALS Laboratories in Perth successfully showed the ability to recycle potassium and sodium sulphate from leach liquor (Figure 2).



**FIGURE 2: POTASSIUM AND SODIUM SULPHATE CRYSTALLISATION AFTER LITHIUM EXTRACTION.**

Scoping study assumptions are supported by this test work. Infinity expects ultimately a 90-100% recycling rate to be achieved, requiring minimal 'fresh' potassium or sodium sulphate 'top up' through the production cycle. The finalisation of capital and operating costs can now occur, enabling Infinity to move forward towards completion and release of the Pre-Feasibility Study.

For further inquiries please contact;

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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.

#### **Competent Persons Statement**

**Production Target and Scoping Study:** 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.