



ACN 147 413 956

ASX: INF ANNOUNCEMENT

18 September 2019

Infinity Confirms Key European Commission Appointments and Position as Leading European Integrated Lithium Chemicals Project

HIGHLIGHTS

- Infinity and European Commission nominated lithium expert Vincent Ledoux-Pedailles participated in the Critical Raw Materials list Assessment in Brussels.
 - Infinity appointed to the Advisory Board of CERA along with Volkswagen and other strategic partners to assist in the development of a standardised certification for the traceability of materials through the value chain for the lithium-ion batteries to be used in EU electric vehicles.
 - Infinity leads EU lithium representation through these key appointments and involvement in September events including the European Battery Alliance (EBA) 6th Stakeholders Meeting and other industry panels.
-

Infinity Lithium Corporation Limited ('Infinity', or 'the Company') will be representative of the European lithium raw materials and lithium chemicals industry through the engagement of European based Executive Director Vincent Ledoux-Pedailles on two major European Commission ('EC') led assessments, including the recent announcement of a successful representation on the Advisory Board of CERA for the European Union ('EU') certification of raw materials.



Critical Raw Materials ('CRM') List Assessment - Brussels: Vincent Ledoux-Pedailles was appointed as a lithium expert and in the second week of September contributed to this critical assessment and guided the EC determining body to comprehend the critical supply risk involved with lithium and its economic importance in Europe. Lithium could potentially be added to the CRM list in 2020.

During the event, the EC stated that climate neutrality was one of their new and urgent goal and resource security is a key item on their agenda. Additionally, the EC explained that the European industry policy does not have a sector specific approach anymore but a value chain approach considering everything from raw materials, refining to the final end-use such as Electric Vehicles (EV). Battery metals such as lithium were a strong focus of the event and follow up sessions will take place between the EC and Infinity Lithium.



Appointment to the Advisory Board of CERA: Infinity is pleased to announce that it has joined the Advisory Board of CERA. CERA is supported by the EC and is aligned to the European Battery Alliance and EIT Raw Materials, and will develop a standardised certification scheme for raw materials to ensure environmental, social and economic sustainability of all raw



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materials through the value chain. Infinity is joining Volkswagen, Euromines, the United Nations Economic Commission for Europe and others on the CERA Advisory Board.

Furthermore, Infinity will be participating in a number of EU events over the month of September.



European Battery Alliance (EBA) 6th Stakeholders Meeting - Brussels: momentum continues to build for the EC led EBA with official launch of the Business Investment Platform ('BIP') for batteries. EC Vice President and Commissioner Maroš Šefčovič has been accelerating EU collaborations to bridge the gap between financial institutions and businesses willing to invest and develop the lithium-ion battery supply chain in Europe, building on the key address to the European Investment Bank ('EIB') as detailed in the ASX release 14 June 2019. Infinity have been invited to participate, representative of Infinity's lithium expert recognition within the EC and promotion of the integrated San José Lithium Project ('San José, or 'the Project').



European Association for Electric Mobility ('AVERE') Event - Brussels: The panel involves Infinity and other participants including European Commission, Renault-Nissan and Frost & Sullivan leading discussion in consideration and development of the competitive sustainable European battery industry.



Fastmarkets Battery Materials Europe Conference – Amsterdam: Following their successful event in Santiago de Chile, preferred London Metals Exchange price reporting agency Fastmarkets invited the representatives from entire European battery raw material supply chain including Ford, Volvo, LG Chem, ATL, Jaguar Land Rover, Honda to address the future of battery grade lithium and the rapid evolution required for existing EU supply chains. Infinity's Vincent Ledoux-Pedailles will be a key speaker at the event.

The September Investor Presentation has been provided as presented at Cannings Purple Investor Insight event.

For further inquiries please contact;

Ryan Parkin
CEO, Managing Director
T: +61 (8) 6461 6350
E: rparkin@infinitylithium.com



INFINITY LITHIUM

Investor Presentation

September 2019

Disclaimer

For Consideration

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Competent Persons Statement

- ❖ The information in this report that relates to Exploration Targets and Mineral Resources is based on the information compiled by Mr Patrick Adams, of Cube Consulting Pty Ltd (Perth). Mr Adams has sufficient relevant professional experience with open pit and underground mining, exploration and development of mineral deposits similar 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 JORC Code He has visited the project area and observed drilling, logging and sampling techniques used by Infinity Lithium in collection of data used in the preparation of this report. Mr Adams is an employee of Cube Consulting Pty Ltd and consents to be named in this release and the report as it is presented.
- ❖ 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 Lithium. 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. 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

Pre-Feasibility Study – Cautionary Statement

The Study referred to in this announcement is a preliminary technical and economic investigation of the potential viability of the San José Lithium Project. It is based on low accuracy technical and economic assessments, (+/- 25% accuracy) however is sufficient to support estimation of 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. Infinity is in Joint Venture ('JV') with Valoriza Minería SA, a subsidiary of SACYR S.A. Infinity have independently engaged the services of Wave International Pty Ltd ('Wave') to assess the technical and economic viability with regards to producing battery grade lithium hydroxide under the San José Lithium Project. Whilst the Pre-Feasibility Study has yielded robust outcomes and provided independent perspective on the opportunity to produce battery grade lithium hydroxide, there is no guarantee that the JV will choose to adopt the outcomes of the study.

The Production Target referred to in this presentation is based on 100% Probable Reserves for the life of mine life covered under the Study. In accordance with the thirty (30) year mine plan incorporated into the Study, the first three (3) years of production (covering payback period) will come 100% from Probable Reserves.

The Study is based on the material assumptions outlined below and 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 José lithium deposit.

To achieve the outcomes indicated in this Study, initial funding in the order of US\$309m (which includes a 15.3% contingency) will likely be required, and US\$318m (including a 15.3% contingency) over the life of the Project. Investors should note that there is no certainty that Infinity will be able to raise funding when needed. Infinity holds a total of 75% interest in the San Jose Lithium Project, with Valoriza Minería holding the balance of 25% interest. It is also possible that Infinity can pursue a range of funding strategies to provide funding options. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Infinity's existing shares. It is also possible that Infinity could pursue other value realisation strategies such as sale, partial sale, or joint venture of the Project. If it does, this could materially reduce Infinity's proportionate ownership of the Project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of this Pre-Feasibility Study.

INFINITY LITHIUM PROJECT LITHIUM HYDROXIDE PRE-FEASIBILITY STUDY



Europe to be the **2nd largest market** for battery grade lithium after China



Lithium production **supported by the EU** and targeted by the EIB



Infinity is a **fully integrated** project with a **low carbon footprint** and sustainable operation



30-year production, with total revenues expected to reach **US\$6 Billion**



Producing **15Kt¹ of Lithium Hydroxide per year**, able to power >10M Electric Vehicles



Pre-tax **NPV at US\$860M**, a Pre-tax **IRR at 42%** and a payback period of **2.5 years**



OPEX before by-product credit of **\$5,434/t¹ LiOH** at the bottom of the global cost curve

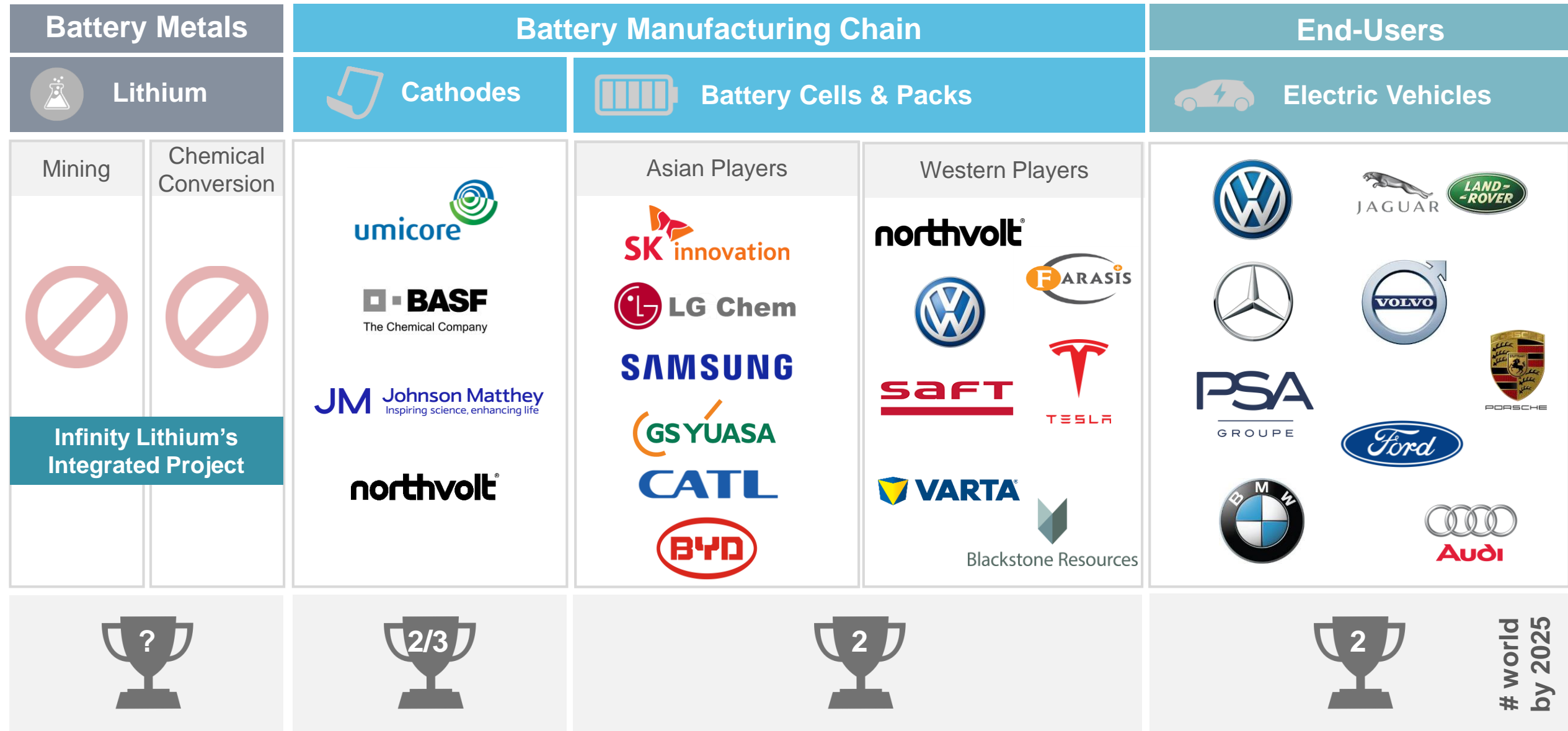


Creating a new industry for Europe, **generating employment** and supporting the community

¹Average C1 cost over 10 years of production including ramp-up

I. How Is Europe Placed In The Global Lithium Race?

The European Lithium-ion Battery Supply Chain



A Multitude Of New Lithium-ion Factories Planned In Europe


And...

SVOLT Energy Technology plans to build 20 GWh factory in Europe

BYD is looking at launching battery production in Europe

金沙江资本
GSR Capital signed a deal to build a factory that would launch production in 2023

Blackstone Resources to invest \$230M in German EV battery factory plan

 to develop a consortium to develop cell production with companies including Saft (Total) and PSA



A Number of New Lithium-ion Factories Planned in Europe



ASX: INF

Infinity Lithium Corporation

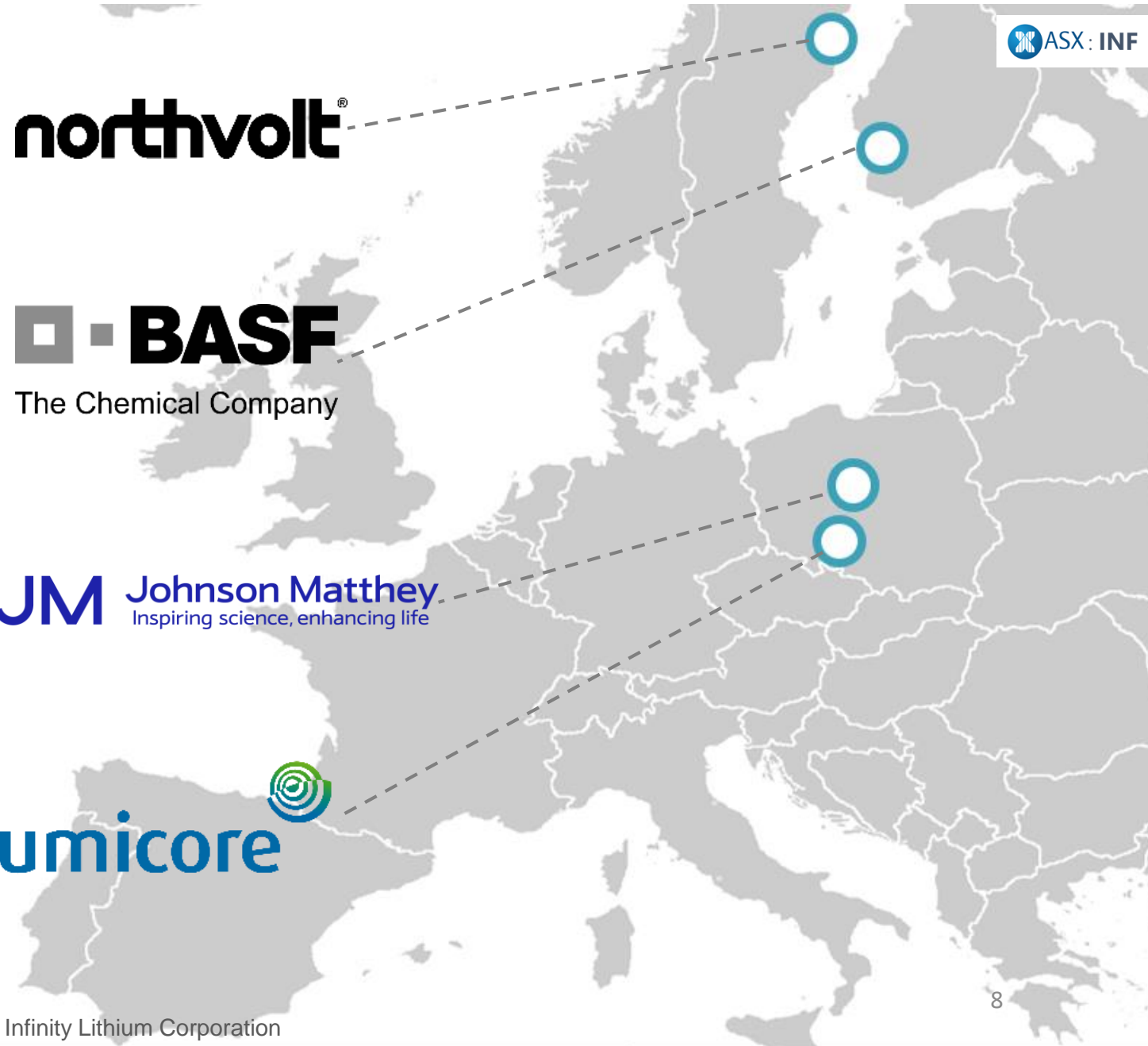
A Number Of Cathode Plants Planned In Europe In The Early 2020s

Northvolt is also planning to build its cathodes in-house after they start their battery factory in Sweden

BASF and Norilsk Nickel to cooperate on raw material supply for battery materials production in Europe. BASF intends to invest up to €400M in a first step to build production plants for cathode materials in Europe

Johnson Matthey expects to start production in 2021-22 in Poland of a battery material it has developed with improved performance and reduced cobalt content to contain costs

Umicore is planning to build a cathode plant in Poland. The first phase of this investment is included in the €660M programme. Umicore is due to start deliveries in late 2020



Europe Lithium Import Dependency: 100%



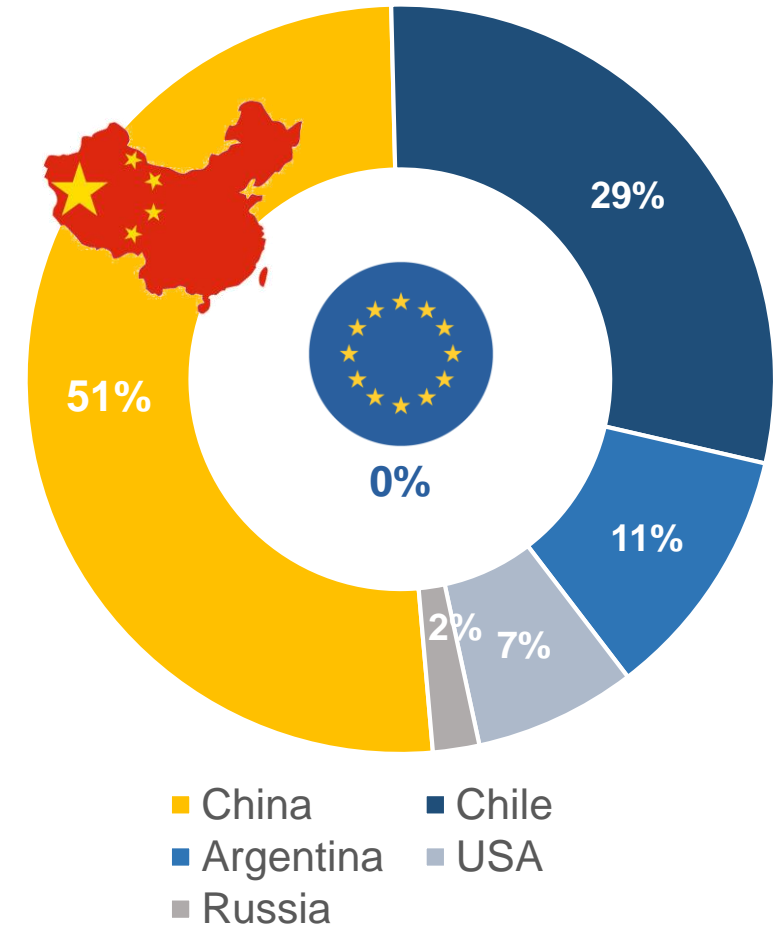
- European Automakers want to **de-risk** their supply chain
- With a looming **trade war** between the US and China, the world is approaching a new era of protectionist trade policies
- Concerns over **limited availability** of critical battery metals and **concentration** in a small number of countries
- Europe will be the **2nd largest lithium chemical consumer** in the world, but **no lithium** plants have been built yet

EU's Critical Raw Materials



- **CRM** – strategic classification of raw materials allows for subsidies and support
- **Lithium** not currently on the CRM, ongoing review, results in 2020
- Infinity invited as **expert** to review the EC's methodology

Lithium Chemical Supply in 2018

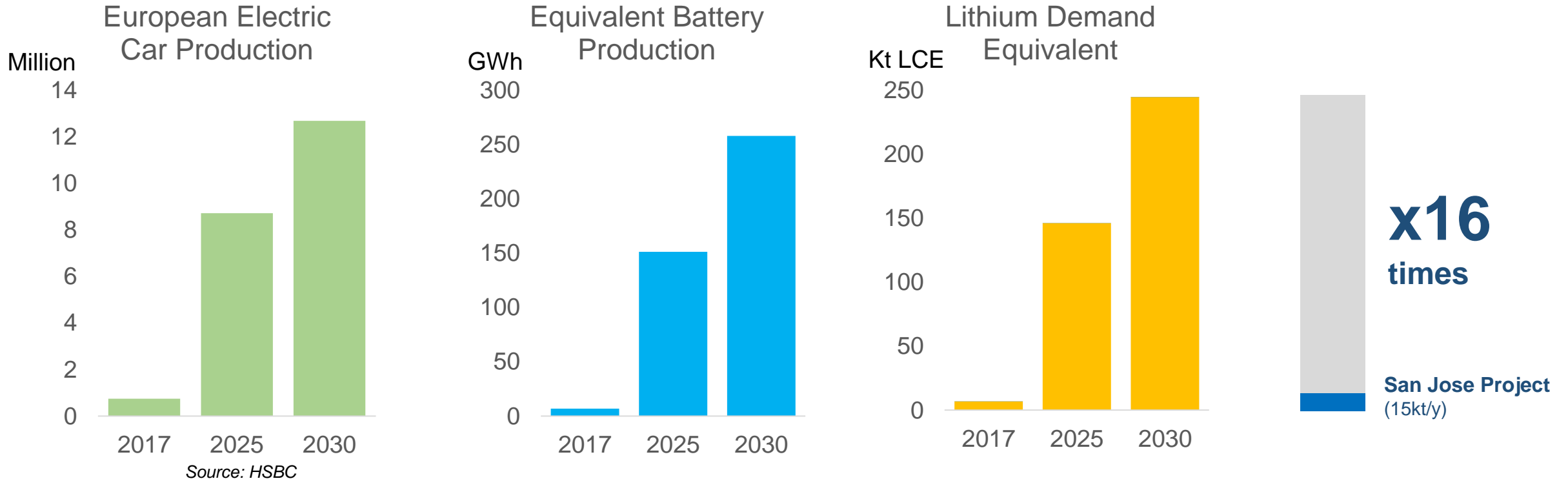


Source: Benchmark Mineral Intelligence

A Fully Integrated European Lithium-ion Battery Supply Chain



The EU is pushing to have a fully integrated domestic supply chain, from producing EVs all the way back to producing raw materials. What would it mean for domestic lithium demand?



Notes: Electric cars include HEV, PHEV and EV. Average battery pack for EV is 33kWh in 2017, 45kWh in 2025 and 52kWh in 2030. PHEV average battery pack around 12kWh, HEV around 1kWh. LCE consumption per kWh averaging 0.9Kg.

EU New Focus On Strategic Battery Raw Materials

The **European Union** and the **European Commission** have publicly stated that they are willing to support and provide capital to develop lithium production in Europe



- Maros Sefcovic - **Vice President of the European Commission**: “The demand for processed refined lithium will be quite big in Europe, so it makes sense to have lithium refining capacities here”

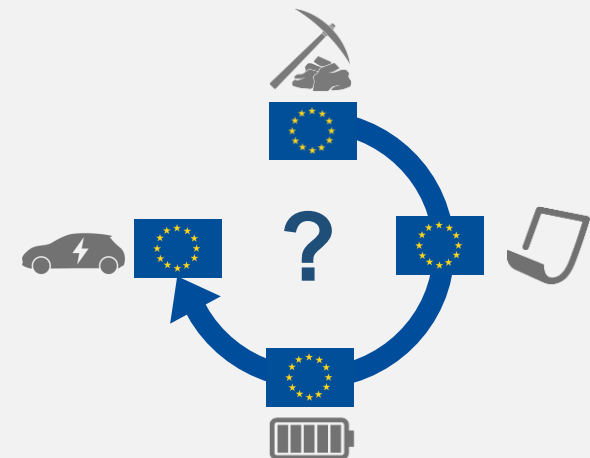
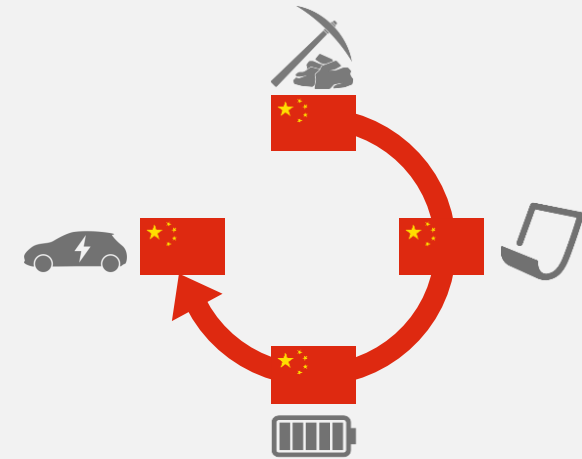


- “Develop a **strategic value chain** for manufacturing EV LIBs inside Europe” - “**Secure access** to raw materials”
- **Horizon Europe** program



- **The European Investment Bank** is committed to provide capital
- The EIB has identified the significant gap in the market for battery chemicals, reinforcing their focus on “**raw materials and refining facilities**”

Replicate the Chinese Model





Maros Šefčovič
Vice-President
European
Commission

June 2019 – Speech to the European Investment Bank:

“Without undertaking its own exploration, the EU will have no mining projects

This, in turn, means no refineries and, without refining capacity, the EU will continue to be in great part dependent on foreign supplies of high quality materials

Unless we develop our own capacity

We have identified with the Member States that there are 10 potential mining projects for lithium that, if developed, could allow the EU to move from 1 to 30% of the world production by 2030

We therefore need our European Investment Bank to become more fully engaged in raw material projects in exploration, mining and refining

The European Bank for Reconstruction and Development (EBRD) is preparing a EUR 60 million Exploration Investment Facility.”



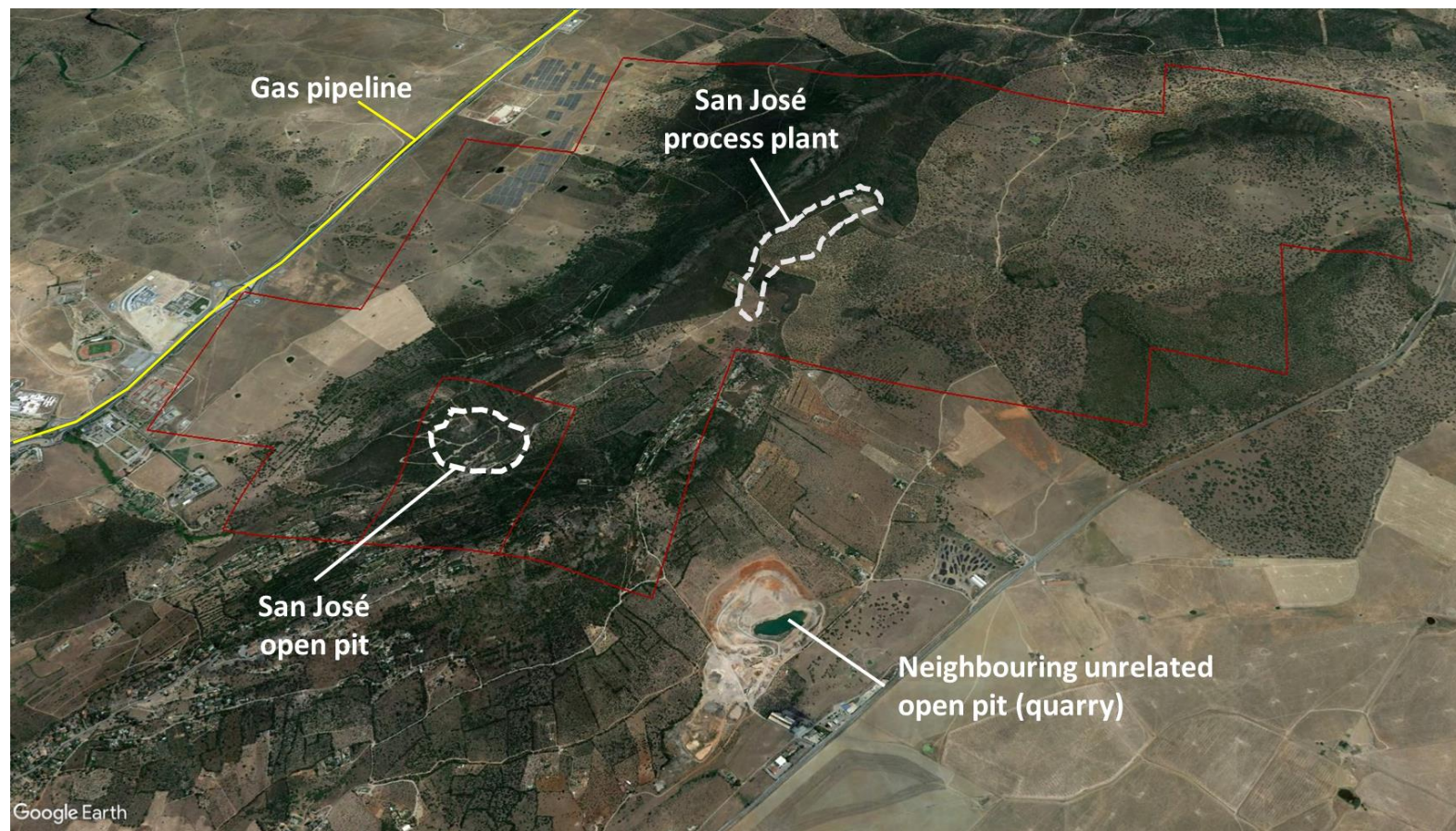
An abstract graphic consisting of two interlocking, glowing blue spheres made of a network of points and lines, resembling a molecular structure or a data network. The spheres are positioned on either side of the central text, with their lines and points extending and overlapping in the center.

II. Developing lithium production in Europe to power a renewable future

1. Strategically Located in Extremadura, Spain



The San Jose Lithium Project is located approximately 280km west-southwest of Madrid in the region of Extremadura. The Project open pit development is in a narrow valley (Valhondo Valley) directly to the east of the town of Caceres.



2. A Large And Long-Term Asset Supporting EV Growth

Second largest lithium resource in the European Union
& Largest open pit based project

JORC Resource 111.2Mt (Ind. 59Mt, Inf. 52.2Mt), Probable Reserves 77.2Mt



LCE: Lithium Carbonate Equivalent

To operate for **30 years**, including 19 years of mining but only depleting **<50%**
of JORC resource



To produce around **15,000t¹** of lithium hydroxide battery
 grade per year

Enough to power
10 Million
Full Electric Vehicles
 over the life of the project



(1) During the first 10 years of operations.

2. A Large And Long-Term Asset Supporting EV Growth

San Jose Mineral Resource, Reported Above 0.1% Li Cut-off

| Parameter | Amount Mt | Li% | Li2O (%) | Sn ppm |
|------------------|--------------|--------------|-------------|------------|
| Resource: | | | | |
| Indicated | 59.0 | 0.29% | 0.63 | 217 |
| Inferred | 52.2 | 0.27% | 0.59 | 193 |
| TOTAL | 111.3 | 0.28% | 0.61 | 206 |



Estimated using Ordinary Kriging methodology. Note: Small discrepancies may occur due to rounding. Further details ASX release 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:

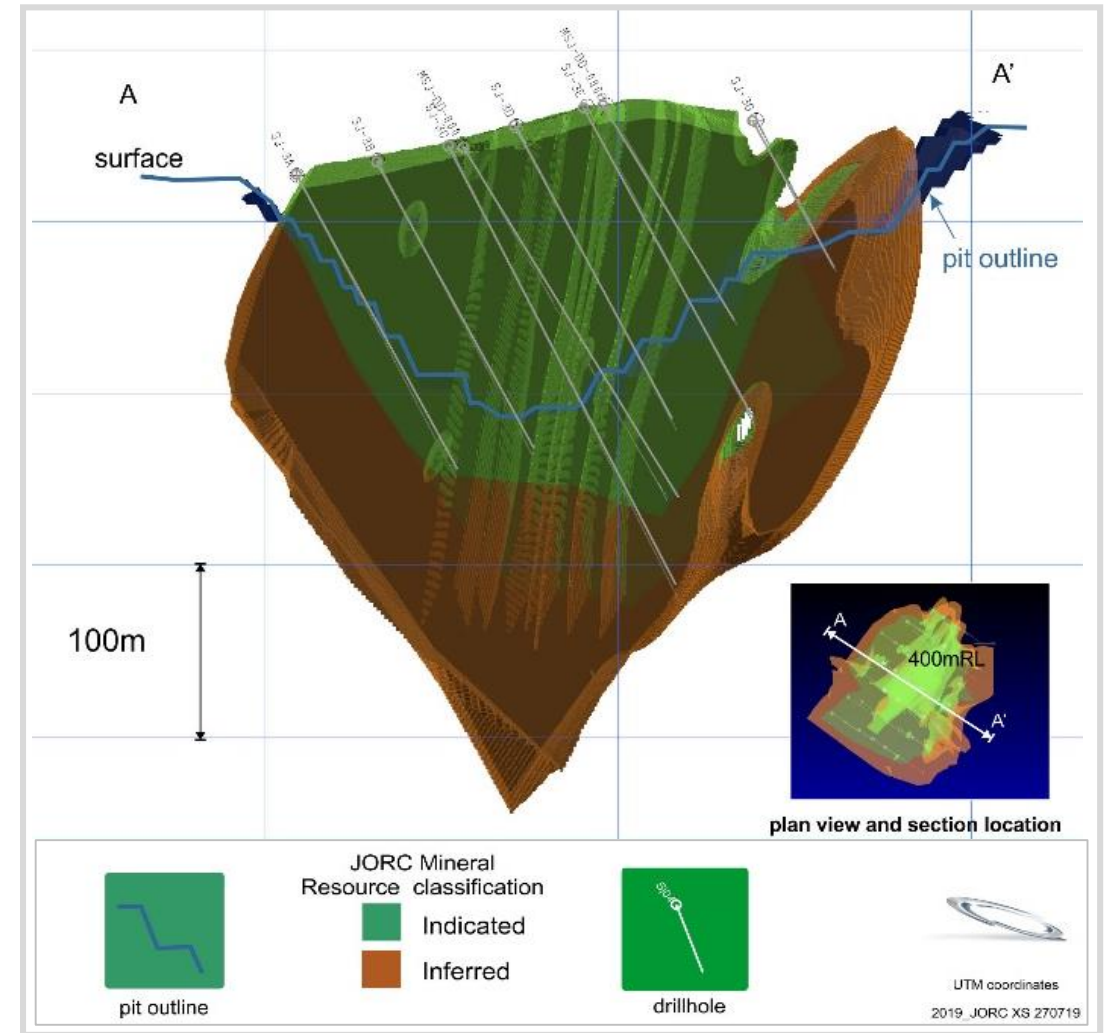
1.0% Li = 2.153% Li2O

1.0%Li = 5.32% Li2CO3

1.0% Li2CO3 = 0.880% LiOH.H2O

x2 – Potential to double

PFS based 100% on Indicated Resources

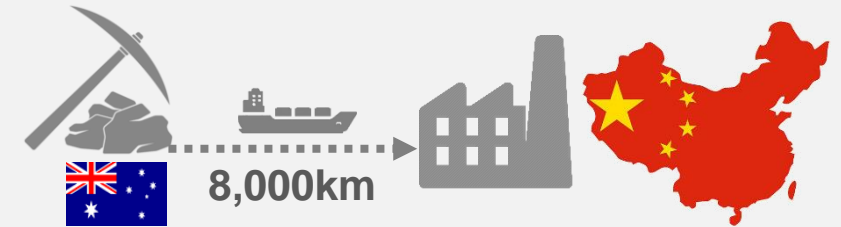


3. A Uniquely Fully Integrated Lithium Project

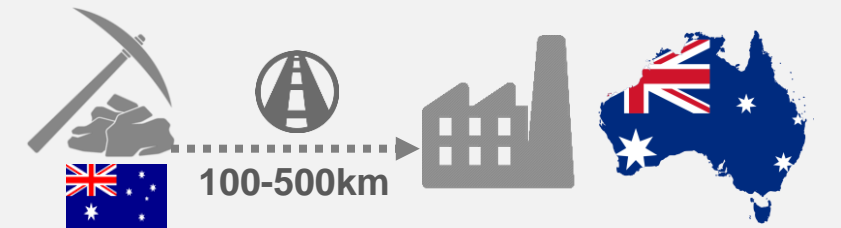
Hard-rock to dominate lithium production in the future: easier to operate, lower risk jurisdiction, cheaper to produce lithium hydroxide



Today, majority of lithium hard rock production is **exported to China** for conversion into lithium chemicals



Integration is the way forward for Australian miners in order to **improve efficiency and margins**

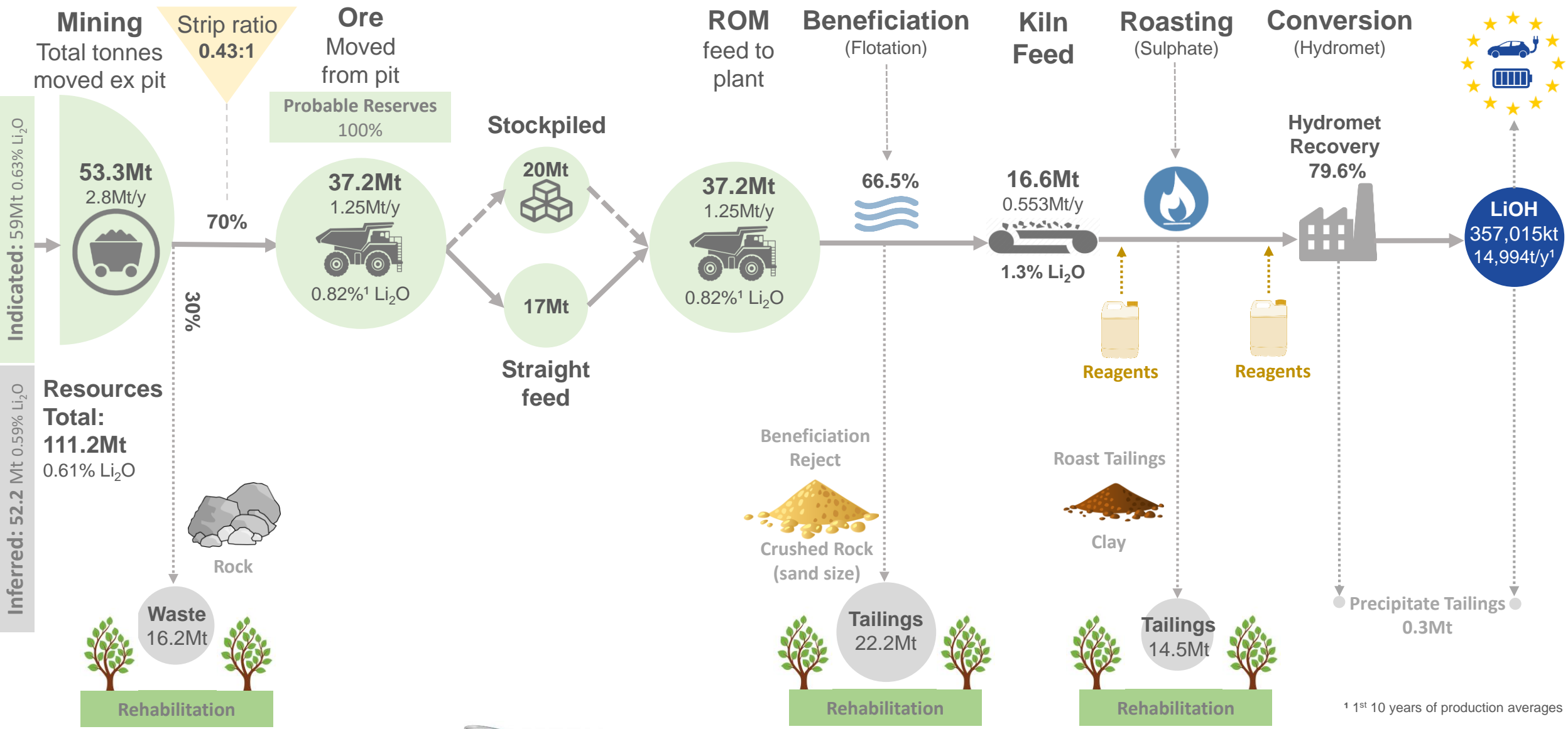


San Jose is an **industrial project** where the mine and the chemical operation are adjacent:

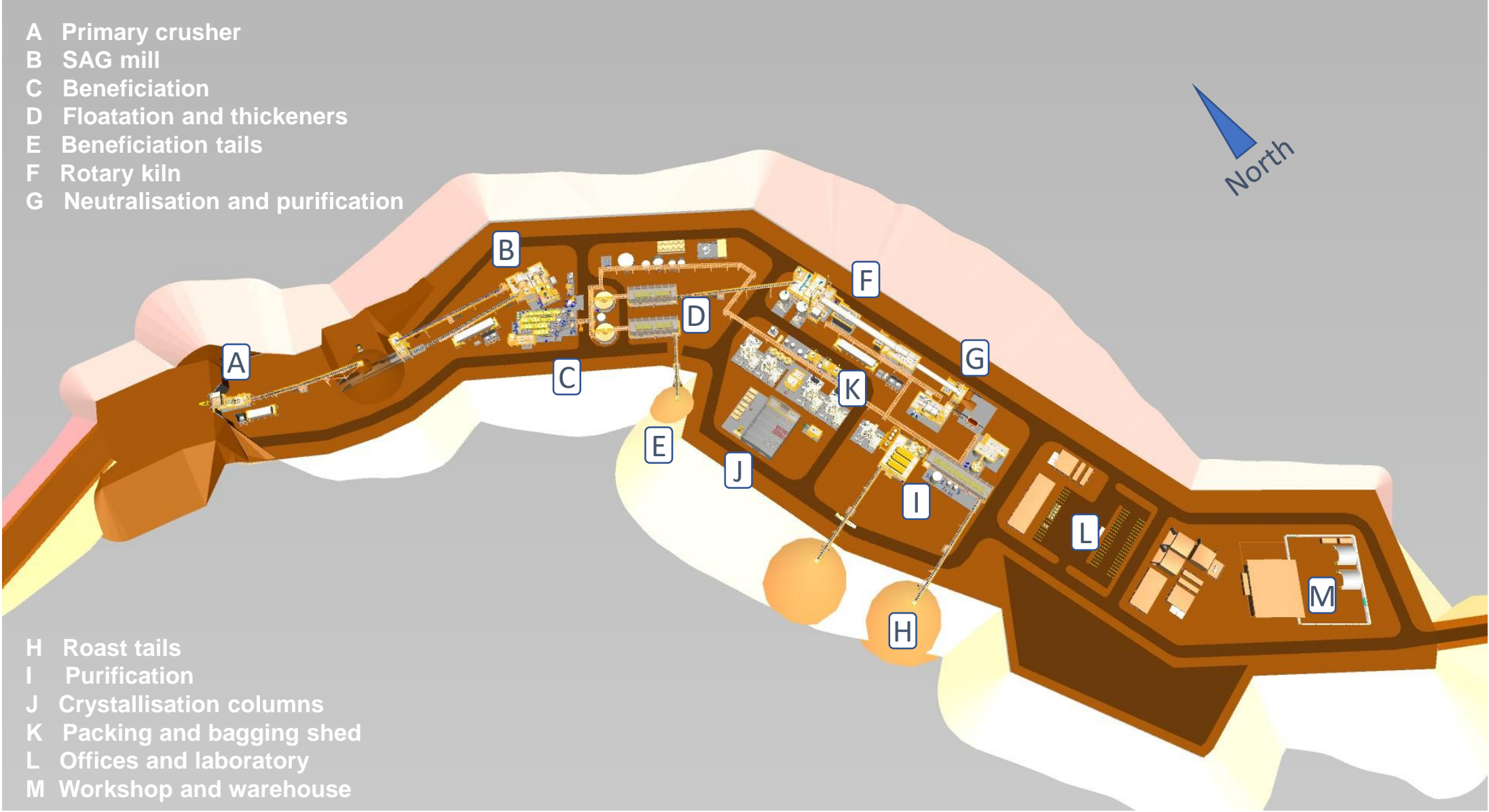
- No shipping
- No import duties on feedstock
- No third-party converters



3. A Uniquely Fully Integrated Lithium Project



3. A Uniquely Fully Integrated Lithium Project

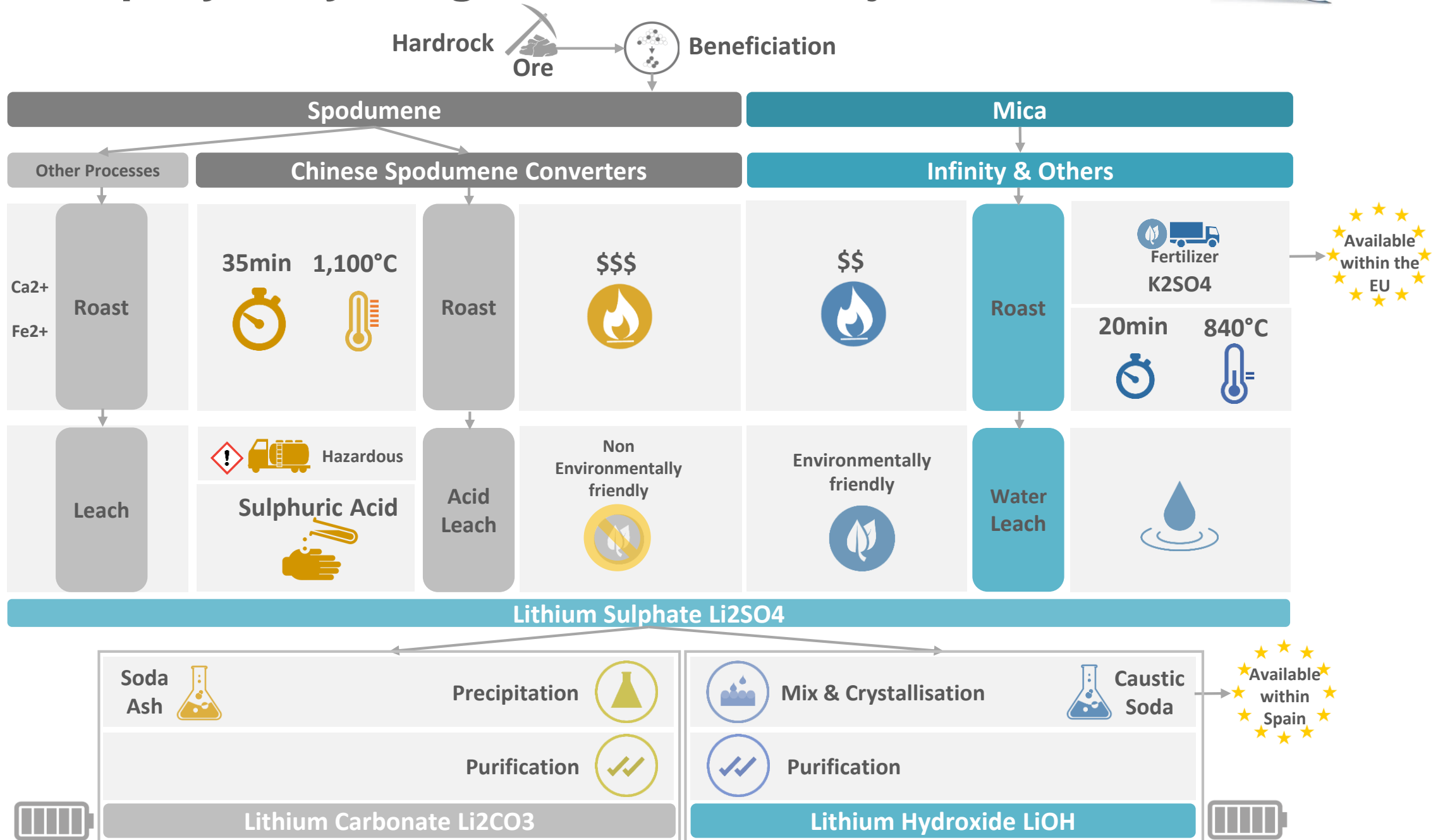


- A Primary crusher
- B SAG mill
- C Beneficiation
- D Flotation and thickeners
- E Beneficiation tails
- F Rotary kiln
- G Neutralisation and purification

- H Roast tails
- I Purification
- J Crystallisation columns
- K Packing and bagging shed
- L Offices and laboratory
- M Workshop and warehouse

Processing Plant

3. A Uniquely Fully Integrated Lithium Project



4. Lithium Project Supported by Strong Economics



NPV ⁽¹⁰⁾
\$860M



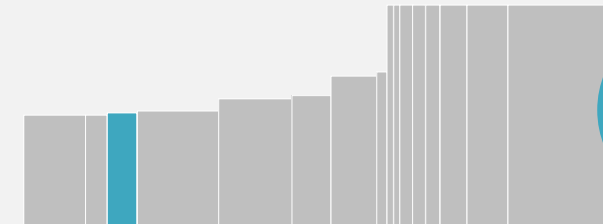
IRR (pre-tax)
42%



Pay back
2.5 years

OPEX at the bottom of the cost curve for lithium hydroxide at around \$5,434/t¹

Lithium Hydroxide
Cost Curve



OPEX
\$5,434

2022
Source: Cannacord

Starting CAPEX at US\$268M² with a low capital intensity of \$16,200/t



PFS Published in August 2019 – Working towards DFS

¹Average C1 cost over 10 years of production including ramp-up

²Excludes contingency

4. Lithium Project Supported by Strong Economics

INFINITY LITHIUM PROJECT LITHIUM HYDROXIDE PRE-FEASIBILITY STUDY

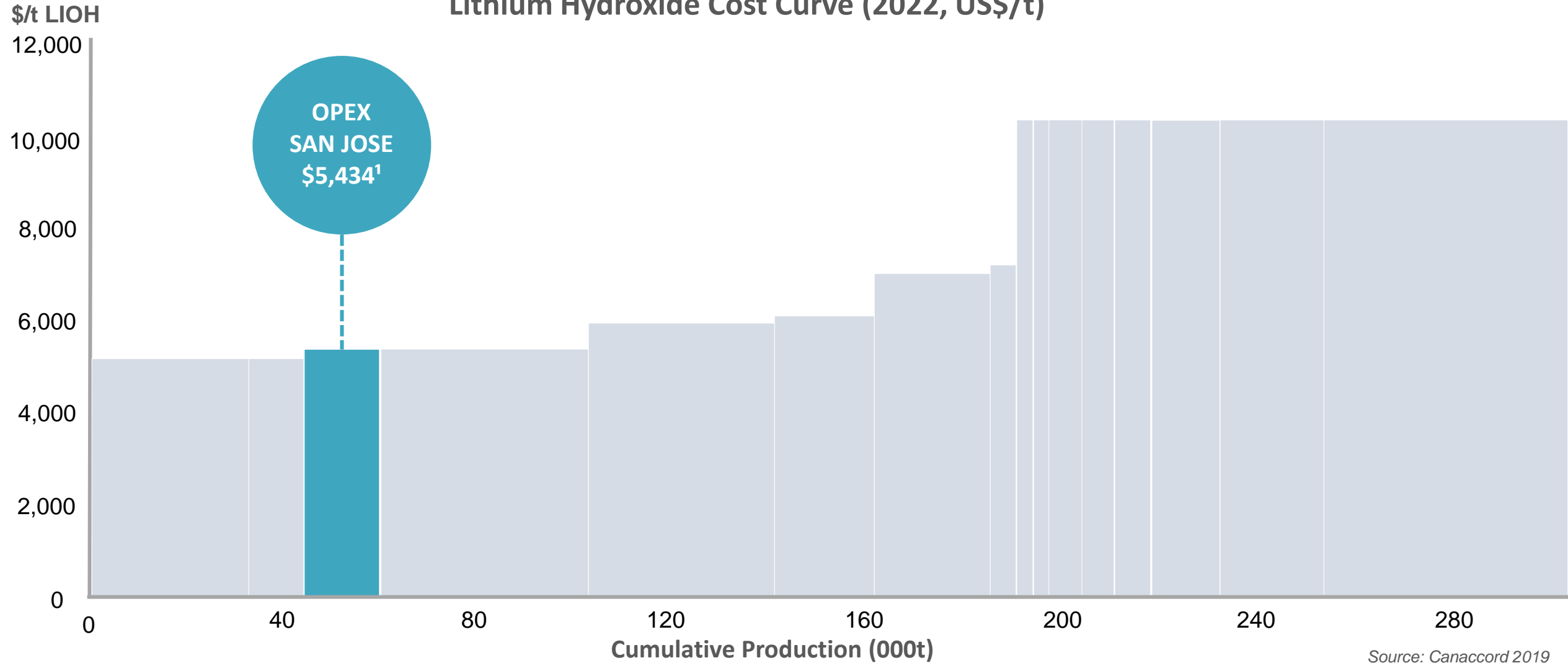
| | | | |
|---|--------------------|---|------------------------------------|
| NPV₁₀ Pre-tax | US\$860M | IRR Pre-tax | 42.3% |
| Total Revenue From Lithium Hydroxide | US\$6Bn | CAPEX² (Pre-production) | US\$268M |
| OPEX^{1,3} | US\$5,434/t | Capital Intensity | \$US16K/t |
| Annual Production³ of lithium hydroxide | 15,000t/y | Project Life Mine Life | 30 years 19 years |
| Resource (2 nd largest in EU, largest open pit based project) | 1.6Mt LCE | Strip Ratio | 0.43:1 |

100% Project Ownership Basis

- (1) Average C1 cost over 10 years of production including ramp-up and C1 cost at nameplate capacity is US\$5,043/t, without by-product credits. Potential tin and boron credits are available and are being assessed in the ongoing optimization studies.
- (2) Excludes contingency. Total pre-production CAPEX including contingencies US\$309m
- (3) First 10 years of production

4. Lithium Project Supported by Strong Economics

Lithium Hydroxide Cost Curve (2022, US\$/t)

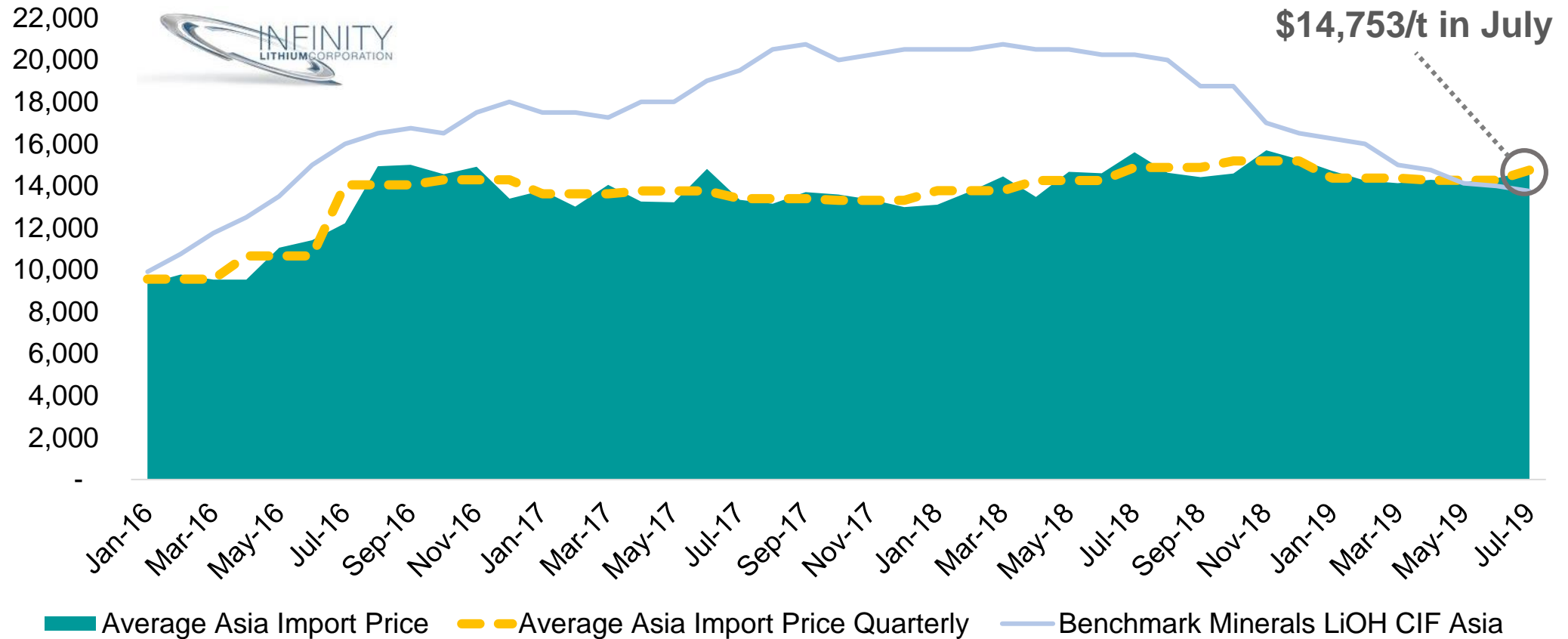


Source: Canaccord 2019

¹Average C1 cost over 10 years of production including ramp-up and C1 cost at nameplate capacity is US\$5,043/t, without by-product credits. Potential tin and boron credits are available and are being assessed in the ongoing optimization studies.

4. Lithium Project Supported by Strong Economics

LiOH Asia Weighted Average Price



Weighed prices average for lithium hydroxide imports into Japan and South Korea from Chile, China, and the US. This represents 75% of the global LiOH trade and is mostly used in cathodes

5. A Sustainable, Low Carbon Footprint Operation

Integrated plant and proximity to end-markets lead to **very low transport footprint**, reducing **CO2 emissions** to a minimum



Using **fertilizer or safe reagents** for processing



Low water consumption, significantly less than in brine production, most of the water is **recycled**

Hard Rock

Spain

Water Consumption

Brine

South America

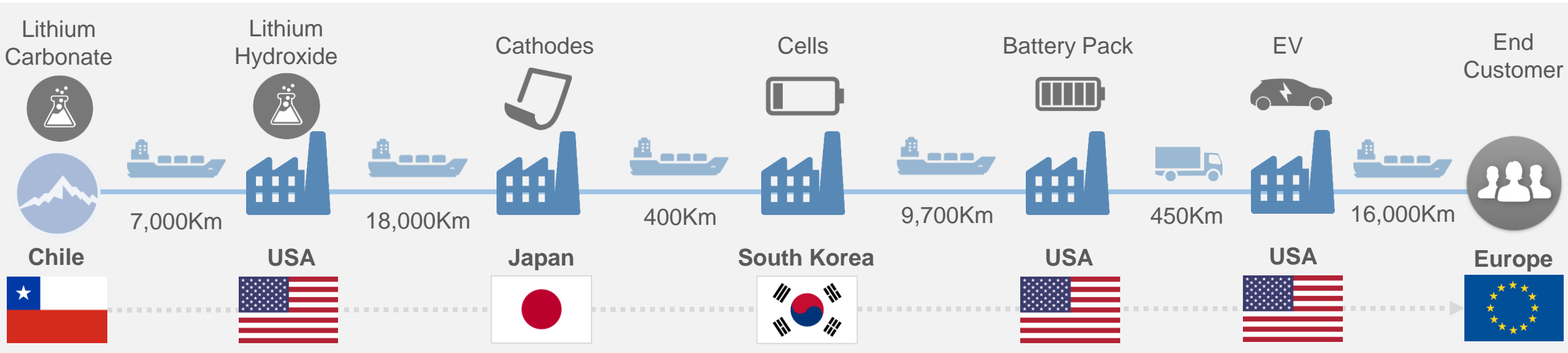
All reagents necessary for lithium processing **available domestically** as opposed to importing them from thousands of kilometers away



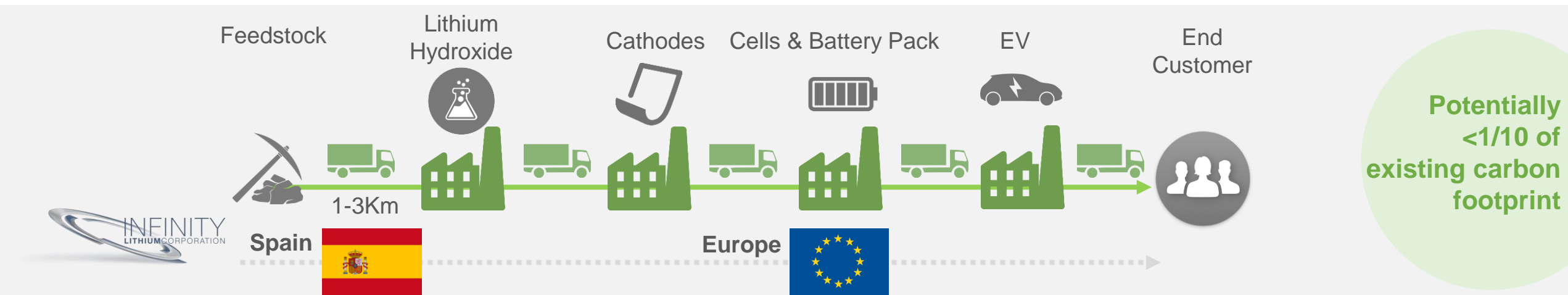
Carbon Footprint - Lithium

What is likely to happen when you buy a luxury EV in Europe

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

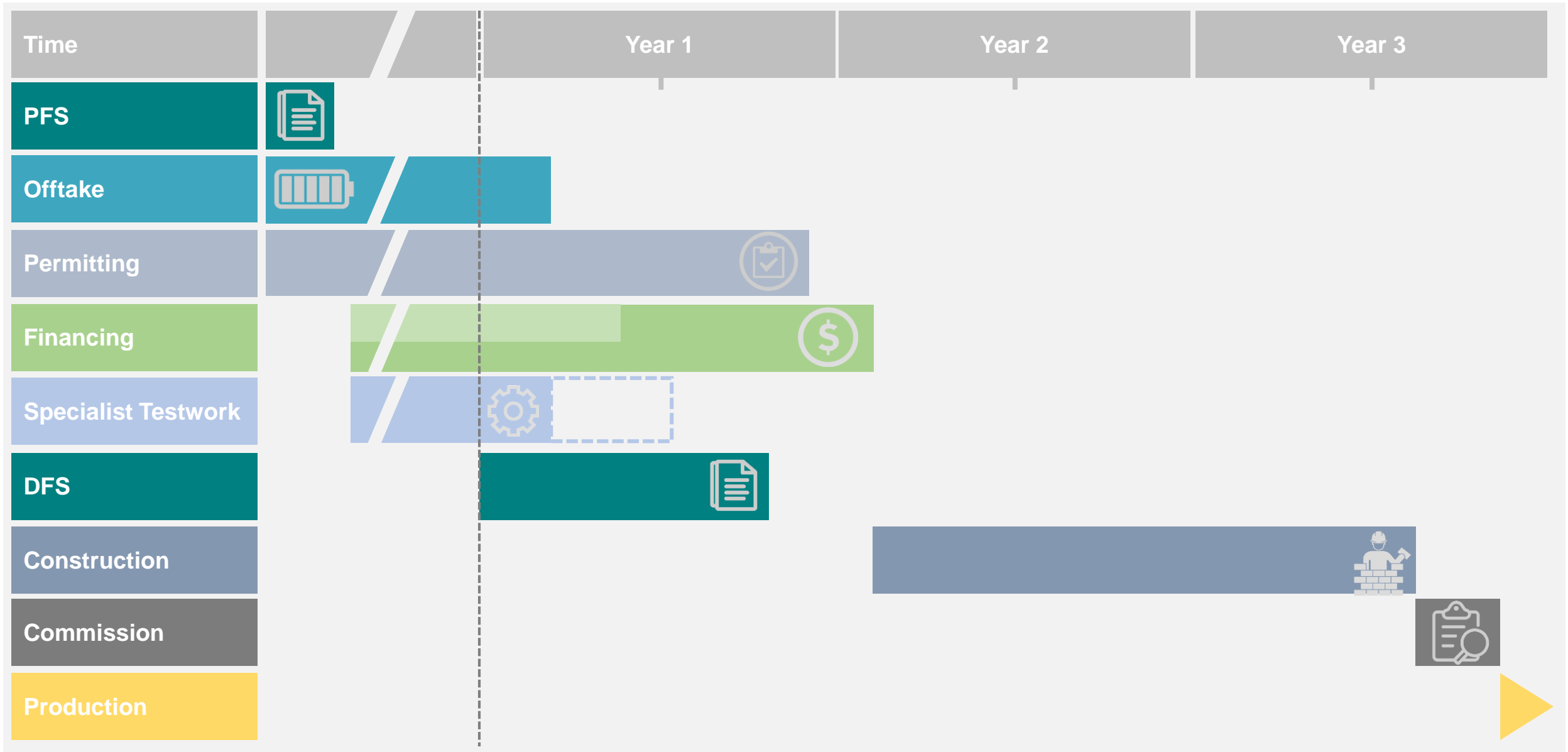


Integration – dramatically reducing the carbon footprint



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

6. San Jose Project Timeline



Year To Date Lithium Stocks Performances

| | |
|--|------------------------|
| ASX Code | INF |
| FRA Code | 3PM |
| Share Price | A\$0.07 |
| Shares on Issue | 210.46m |
| Market Capitalization | A\$14.7m |
| Cash | A\$1.3m ⁽¹⁾ |
| Debt | Nil |
| <small>(1) As at 30th June 2019</small> | |
| Top 20 Shareholders | 37.9% |
| Directors & Mgt | 3.6% |



1st January 2019

10th September 2019

Board of Directors & Management

Kevin Tomlinson Non Executive Chairman



MSc Geol, Grad
Dip Finance &
Investment

- +30 years experience in mining and finance within the Toronto, Australian, and London stock markets
- Background in project finance, development, and mining experience includes previous roles as Managing Director at Westwind Partners/Stifel Nicolaus and as a board member of Medusa Mining
- Currently on Boards of Centamin (LSE.CEY and dual TSX.CEE listed) and Cardinal Resources (ASX.CDV)



Ryan Parkin Managing Director/CEO



CA ANZ
BComm
Accounting &
Finance

- +15 years experience in corporate development, accounting and finance in both listed and unlisted companies
- Currently on Board of non-listed mining industry entity

Robert Orr CFO & Company Secretary



Chartered
Accountant

- Acted as Chief Financial Officer and Company Secretary for a number of ASX listed companies, with over 30 years' experience in public practice and commerce.

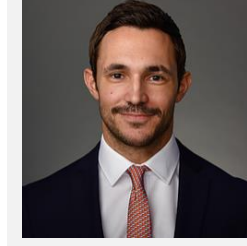
Adrian Byass Executive Director



BSc Geol Hons,
B. Econ

- +20 years in the mining industry both in listed and unlisted entities globally, Non-Executive and Executive Director of various listed and unlisted mining entities, which have successfully transitioned to production in bulk, precious and specialty metals around the world
- Currently on Boards of ASX phosphate, zinc and nickel companies.
- ASX and AIM Board experience

Vincent Ledoux Pedailles Executive Director



MA Business

- Background in consulting and research in the petrochemical industry, specialty chemicals, industrial minerals, base and minor metals
- Led the Lithium & Battery Metals team at IHS Markit and involved in the lithium industry since the early 2010's starting with Talison Lithium

David Valls Technical Manager - Spain

BSc Geology



- +10 years in the mining and exploration industry in Europe and Africa as technical manager in the development of base and energy metals projects

Summary

-  1- Infinity is Strategically Located to Support Strong Demand Outlook For Lithium In Europe
-  2- A Large And Long-Term Asset Supporting EV Growth
-  3- A Uniquely Fully Integrated Lithium Project
-  4- San Jose Lithium Project Supported by Strong Economics
-  5- Sustainable, Low Carbon Footprint Operation
-  6- A Unique But Time Constrained Opportunity For Spain & Extremadura



INFINITY LITHIUM

Developing lithium production in
Europe to power a renewable future