ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Infinity Lithium Corporation Limited and controlled entities ABN 52 147 413 956

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CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
Kevin Tomlinson

MANAGING DIRECTOR
Ryan Parkin

EXECUTIVE DIRECTORS
Adrian Byass
Vincent Ledoux-Pedailles

COMPANY SECRETARY
Robert Orr

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WEBSITE
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CHAIRMAN'S LETTER

Dear Fellow Shareholder

The year ended 30 June 2019 has seen exceptional advancements in the San José Lithium Project. These were highlighted by the delivery of a lithium hydroxide Scoping Study and subsequent Pre-Feasibility Study with even greater project metrics and inherent value, and a reduced environmental and social profile. Furthermore, Infinity has increased its project ownership to 75% through a renegotiated position with the Company's Joint Venture partners resulting from continued and diligent work.

The Project has broadened, and the Company is now working on the wider social and political aspects equally as the technical viability is well advanced through the delivery of the technical studies over the course of the year. This next-stage work requires patience and an evolution of the team. To facilitate this there has been change at the Board level with the retirement of accomplished technical specialists and the appointment of strong industry and commercial leaders. Key changes have included the appointment Ryan Parkin as CEO and Managing Director of the Company, and the appointment of London based lithium expert Vincent Ledoux-Pedailles as an Executive Director.

The substantial technical, project and corporate progression has occurred against a backdrop of a weakened lithium sector, one that is experiencing a resetting of demand and supply after the impetus and investment of 2016-2018 with the movement towards integrated lithium chemicals project models. San José is extremely well placed moving forward as it is an integrated lithium chemicals project which is ideally situated in the heart of the European Union. Other notable developments have included strong support at a European Commission level through the recognition of critical impending lithium chemicals supply shortfall as the EU moves forward to significant electric vehicle production.

I have high confidence that the Company and the project will continue to grow and evolve ultimately leading Infinity to reap the rewards of the shareholder investment to date.

Yours sincerely,

K.M.

Kevin Tomlinson
Non-Executive Chairman
26 September 2019

DIRECTORS' REPORT

Your Directors present their report on Infinity Lithium Corporation Limited (the "Company" and "Infinity") and its controlled entities (together the "Consolidated Entity") for the financial year ended 30 June 2019.

Directors

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

Mr Kevin Tomlinson	Non-Executive Chairman
Mr Ryan Parkin	Managing Director (appointed 4 August 2018)
Mr Adrian Byass	Executive Director
Mr Vincent Ledoux-Pedailles	Executive Director (appointed 16 January 2019)
Mr Humphrey Hale	Non-Executive Director (resigned 4 August 2018)
Dr Eric Lilford	Non-Executive Director (resigned 4 August 2018)

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

Company Secretary

Mr Robert Orr holds the position of Company Secretary. Mr Orr is a Chartered Accountant (CA) and has acted as Chief Financial Officer and Company Secretary for a number of ASX listed companies, with over 20 years' experience in public practice and commerce. He has worked extensively in the resources industry with experience in capital markets, project development, contract negotiation and mining operations.

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the Consolidated Entity during the financial year was primarily the exploration and evaluation of the Consolidated Entity's lithium assets, with a reduced focus on Company's potash and tungsten holdings. There were no significant changes in the nature of the Consolidated Entity's principal activities during the financial year.

Operating Results

The consolidated loss of the Consolidated Entity after providing for income tax amounted to $2,719,392 (2018: $9,040,990).

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.

Likely Developments and Expected Results of Operations

The Consolidated Entity intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

Review of Operations

Infinity is pleased to report on the activities undertaken during the year.

San José Lithium Project:
Technical work during the year cemented the outstanding opportunity at the company's flagship project – the San José lithium-tin deposit. This was enhanced with the increase from 50% (2018) to 75% ownership of the project Joint Venture ("JV"). In order to best position the Company and the asset in the evolving battery industry and maintain its relevance, the project transitioned from a lithium carbonate to lithium hydroxide focus. This was illustrated through initially the delivery of a Scoping Study, then subsequently in the period, the delivery of a Pre-Feasibility Study for the production of battery grade lithium hydroxide at an integrated mining and processing facility at San José.

The importance of ensuring a high level of interaction with regulatory and all local stakeholder and taking on board their feedback has resulted in modifications to the Project to ensure cleaner processing, reduced surface area impact and a long life with the resultant employment benefits and wealth generation.

Other Projects:
Potash and tungsten markets have remained in lackluster status for an extended period. Work completed on the Company's potash projects confirmed the significant scale and potential opportunity of the Banio asset (JORC resource), and a decision was made post the end of the year to divest the asset in order to align cash expenditure with the San José Lithium Project. Infinity has entered into a divestment agreement in which a third party can purchase the asset for US$3 million in a combination of cash or shares, and this third party is covering holding costs in the interim. This option has a 12-month period and expires at the end of Q2 2020. The Company is confident that this is a positive scenario for deriving shareholder value. The tungsten market has continued to subside after a brief respite in 2018. As such the Morille Tungsten Project was relinquished in Q3 2019.

Competent Person Statement: *The information in this report related to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr A Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG an employee of Infinity Lithium Corporation Limited. 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 Australasian 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.*

Corporate Activities

On 4 August 2018 Humphrey Hale and Eric Lilford resigned from the Board of Directors.

On the same date Ryan Parkin was appointed to the Board of Directors in the position of Managing Director, promoted from his role as General Manager Corporate Development. Mr Ryan Parkin took the reins from Mr Adrian Byass whom assumed the role of Executive Director.

On 30 September 2018 11,732,961 listed share options with an exercise price of $0.29 expired.

On 28 November 2018 the Company held its Annual General Meeting of Shareholders and subsequently announced that all resolutions put to the meeting were passed unanimously by a show of hands.

On 2 December 2018 3,400,000 unlisted share options with an exercise price of $0.35 expired.

On 19 December 2018 the Company announced the issue of 282,000 fully paid ordinary shares and 500,000 shares options to Vincent Ledoux-Pedailles. The shares have a value of $0.062 per share, and the share options have an exercise price of $0.12 and an expiry date of 14 December 2021.

On 16 January 2019 Vincent Ledoux-Pedailles was appointed to the Board of Directors in the position of Executive Director.

DIRECTOR'S REPORT (cont.)

On 13 March 2019 the Company acquired a further 25% interest in Tecnolgia Extremena Del Lito S.L. ("TEL"), increasing the Company's interest in the Special Purpose Vehicle to 75%. TEL is the holding entity of the Consolidated Entity's San José Lithium Project. The acquisition consideration for the 25% interest was €1,000,000 of which €250,000 was paid immediately. The remaining deferred consideration €750,000 is to be paid in instalments (conditional on Investigation Permits reverting back to a granted status).

On 12 April 2019 the Company announced that it had joined forces with AEDIVE which supports development of Electric Mobility in Spain. Created in April 2010, AEDIVE is the Spanish business association for the development and promotion of electric vehicles whose goal is to support and accelerate the development of the Electric Mobility Market. The group gathers industrial, technological and service companies across the value chain of the Electric Mobility sector.

On 1 May 2019 the Company announced the execution of a Memorandum Of Understanding with Spanish industrial group Ercros SA for the supply of reagents that will be used in the production of lithium chemicals proposed at the San José Lithium Project.

On 5 May 2019 1,000,000 options share with an exercise price of $0.30 expired unexercised.

On 23 May 2019 the Company announced its change of registered office and principle place of business to Level 2, 38 Richardson Street, West Perth WA 6005.

On 29 May 2019 the Junta notified TEL's Joint Venture partners that the granted Investigation Permit PI 10343-00 was required to revert to application status due an internal administrative error that occurred in 2016. TEL retains tenure in application and has lost no preferential rights or priority to explore and develop Valdeflórez to any other potential parties. Infinity has been advised that under the provisions of Spanish Mining Law, TEL now has the option to move ahead to a direct Exploitation Concession Application (equivalent to a Mining Licence Application) after the completion of the Pre-Feasibility Study into the production of lithium hydroxide with or without the underlying application being granted. Furthermore TEL retains the option to move ahead with an indirect Exploitation Concession Application in the event that the Investigation Permits are granted from the application status

After Reporting Date Events

On 3 July 2019 the Company announced a placement of 20,285,714 fully paid ordinary shares with sophisticated investors at an issue price of $0.07 per share to raise $1,420,000 to fund the Company's continued exploration activities at the San José Lithium Project.

On 9 July 2019 the Company announced that it had signed a binding Letter of Intent ("LOI") for the sale of the Company's wholly owned subsidiary Equatorial Potash Pty Ltd ("EPPL") and its Gabonese potash assets. The LOI grants an exclusive Option to purchase a 100% interest in EPPL for consideration of up to US$3 million in cash or shares. The holding costs that are attributable to the Banio and Mamana Potash Projects in Gabon will be met in consideration by the holder of the exclusive Option over the term of the Option period.

On 6 September 2019 the Company made payment of €150,000 to Valoriza Mineria towards the remaining deferred consideration.

On 9 September 2019 the Company held a General Meeting of Shareholders and subsequently announced that all resolutions put to the meeting were passed unanimously by a show of hands.

No matters or circumstances have arisen since the end of the financial year 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.

DIRECTOR'S REPORT (cont.)

Environmental Issues

The Consolidated Entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

Information on Directors

Mr Kevin Tomlinson	— **Non-Executive Chairman**
Qualifications	— MSc Geology, Grad Dip. Finance and Investment, Banking, Corporate, Finance, and Securities Law
Experience	— Mr Tomlinson possesses over 30 years' experience in Mining and Finance within the Toronto, Australian and London stock markets. Mr Tomlinson brings extensive project finance, development and mining experience with previous roles including that of Managing Director at Westwind Partners/Stifel Nicolaus (investment banking) and the Boards of Centamin Plc and Medusa Mining (mining companies). He is also currently the Non-Executive Chairman of ASX-listed Cardinal Resources Limited which is developing a large gold project in Africa.
Interest in Shares and Options	— 276,667 fully paid ordinary shares 2,000,000 share options exercisable at $0.32 expiring 5 December 2020
Length of service:	— 8 June 2017 to present
Directorships held in other listed entities	— Cardinal Resources Limited from 7 November 2016 to present Bellevue Gold Limited from 9 September 2019 to present Xanadu Mines Limited from 25 May 2017 to 30 April 2019

Mr Ryan Parkin	— **Managing Director (appointed 4 August 2018)**
Qualifications	— B.Com (Acc.Fin), CA ANZ
Experience	— Mr Parkin is a Chartered Accountant with over 15 years' experience, with a background in auditing and assurance services, risk management, mergers and acquisitions, financing and corporate development, in both the public and private corporate sectors. Having become a Member of Chartered Accountants Australia and New Zealand whilst at Ernst & Young in 2004, a move to corporate development and finance roles included 4 years with an ASX 200 company. Ryan has extensive experience in working closely with public and private company boards with participation in transactions across a range of industry sectors including infrastructure, technology, resources, agribusiness and property.
Interest in Shares and Options	— 794,611 Fully paid ordinary shares 1,000,000 shares options exercisable at $0.15 expiring on or before 11 June 2021 1,000,000 shares options exercisable at $0.088 expiring on or before 16 September 2022
Length of service:	— 4 August 2018 to present
Directorships held in other listed entities	— None

DIRECTOR'S REPORT (cont.)

Mr Adrian Byass	— **Executive Director**
Qualifications	— BSc Hons (Geol), B Econ, FSEG and MAIG
Experience	— Mr Byass has over 20 years' experience in the mining and minerals industry. This experience has principally been gained through mining, resource estimation, and mine development roles for several gold and nickel mining and exploration companies. Due to his experience in resource estimation and professional association membership, Mr Byass is a competent person for reporting to the ASX for certain minerals. Mr Byass has also gained experience in corporate finance and financial modelling during his employment with publicly listed mining companies. Mr Byass is a Non-Executive Director of Fertoz Limited and Chairman of Galena Mining Limited.
Interest in Shares and Options	— 7,153,818 fully paid ordinary shares 1,500,000 Options exercisable at $0.35 on or before 30 October 2019
Length of service:	— 17 June 2011 to present
Directorships held in other listed entities	— Galena Mining Limited from 7 September 2017 to present Corazon Mining Limited from 3 September 2009 to 23 November 2017 Fertoz Limited from 4 September 2013 to present Orinoco Gold Limited from 13 February 2019 to 6 April 2019 Ironbark Zinc Ltd from 18 April 2006 to 10 November 2016

Mr Vincent Ledoux-Pedailles	— **Executive Director (appointed 16 January 2019)**
Qualifications	— Business Masters in Risk Management and International Purchasing from ESDES Business School in France
Experience	— Mr Ledoux-Pedailles has been involved in the lithium industry since 2011, initially with Talison Lithium Limited in Australia. He has held roles monitoring various metals and industrial minerals markets at international metals and minerals research and consulting company Roskill. Mr Ledoux-Pedailles is a regular speaker at various industry events across the world presenting at chemical, mining, and energy related conferences
Interest in Shares and Options	— 282,000 fully paid ordinary shares 500,000 Options exercisable at $0.12 on or before 14 December 2021
Length of service:	— 16 January 2019 to present
Directorships held in other listed entities	— None

DIRECTOR'S REPORT (cont.)

Dr Eric Lilford		**Non-Executive Director (resigned 4 August 2018)**
Qualifications	—	PhD (Mineral Economics), NHD (Coal Mining), BSc and MSc Eng (Mining), GDE (Mineral Economics)
Experience	—	Dr Lilford, a mining engineer and a minerals economist, has acted in the capacity of Managing Director of three ASX listed mining and exploration companies. Prior to this, Dr Lilford held the positions of National Head of Mining for Deloitte Touche Tohmatsu, Australia, and was a partner of Deloitte in the corporate finance division. He has over 25 years' operational and investment banking experience across the global resources sector, notably throughout Africa. During this period, he has gained experience in the completion of both pre-feasibility and feasibility studies in numerous jurisdictions, mine production experience in numerous commodities as well as corporate advisory and debt arranging for mining companies and projects.
Interest in Shares and Options	—	3,307,250 fully paid ordinary shares 1,290,000 Performance Milestone shares – Class B 750,000 Options exercisable at $0.35 on or before 30 October 2019
Length of service:	—	28 April 2016 to 4 August 2018
Directorships held in other listed entities	—	None

Mr Humphrey Hale		**Non-Executive Director (resigned 4 August 2018)**
Qualifications	—	BSc (Hons) Exploration and Mining Geology, MAIG
Experience	—	Mr Hale was the founding Managing Director of leading, emerging tungsten production company Wolf Minerals Limited. During his time at Wolf Minerals Limited, Mr Hale oversaw its IPO and acquisition of the world class Hemerdon tungsten-tin project in the UK and managed the subsequent delivery of a Definitive Feasibility Study for the project. Mr Hale was involved in the company's subsequent listing on the AIM market of the London Stock Exchange and arranged a complex funding package (~A$200m) to advance the Hemerdon project into production. Hemerdon is now progressing towards production and is forecast to become one of the western world's largest tungsten mines. Mr Hale has prior experience across a number of commodities including tungsten, tin, iron-ore, nickel and gold. He previously worked for AngloGold Ashanti as an exploration geologist on the Sunrise Dam project in Western Australia's goldfields, and has also worked in the oil industry in the Gulf of Mexico, Singapore and in the Mediterranean.
Interest in Shares and Options	—	165,556 fully paid ordinary shares 750,000 $0.35 Options exercisable on or before 30 October 2019 18,519 Options exercisable at $0.29 on or before 29 September 2018
Length of service:	—	16 January 2014 to 4 August 2018
Directorships held in other listed entities	—	None

DIRECTOR'S REPORT (cont.)

Remuneration Report – Audited

This report details the nature and amount of remuneration for each key management person of Infinity, and for the executives receiving the highest remuneration.

Remuneration policy

The Company's remuneration policy has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Entity's financial results. The Board of Infinity believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Consolidated Entity, as well as create goal congruence between Directors, Executives and Shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Consolidated Entity is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits.
- The Board reviews key management personnel packages annually by reference to the Consolidated Entity's performance, executive performance and comparable information from industry sectors.

The Company is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, Directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

Options have previously been issued to Directors to provide a mechanism to participate in the future development of the Company and an incentive for their future involvement with and commitment to the Company.

Further options and performance incentives may be issued in the event that the entity moves from an exploration entity to a producing entity, and key performance indicators such as profits and growth can be used as measurements for assessing Board performance.

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Consolidated Entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

The employment conditions of the Managing Director, Mr Ryan Parkin, and other key management personnel are formalised in contracts of employment.

DIRECTOR'S REPORT (cont.)

The employment contract states a six-month resignation period. The Company may terminate an employment contract without cause by providing one to six months written notice or making payment in lieu of notice, based on the individual's salary component.

Names and positions held of Consolidated Entity key management personnel in office at any time during the financial year are:

2019

Key Management Personnel	Position held as at 30 June 2019 and any change during the year	Contract details (duration and termination)	Proportion of elements of remuneration related to performance			Proportion of elements of remuneration not related to performance		
			Non-Salary cash-based incentives %	Shares / Units %	Options /Rights %	Cash based %	Equity based %	Total %
Kevin Tomlinson	Non-Executive Chairman	No fixed term.	-	-	-	100	-	100
Ryan Parkin	Managing Director	No fixed term. 1 mth notice required to terminate.	-	-	-	100	-	100
Adrian Byass	Executive Director	No fixed term. 1 mth notice required to terminate.	-	-	-	100	-	100
Vincent Ledoux-Pedailles	Executive Director	No fixed term. 1 mth notice required to terminate.	-	-	-	71	29	100
Eric Lilford	Non-Executive Director	No fixed term.	-	-	-	100	-	100
Humphrey Hale	Non-Executive Director	No fixed term.	-	-	-	100	-	100
Robert Orr	Chief Financial Officer and Company Secretary	No fixed term. 1 mth notice required to terminate.	-	-	-	100	-	100

DIRECTOR'S REPORT (cont.)

2018

Key Management Personnel	Position held as at 30 June 2019 and any change during the year	Contract details (duration and termination)	Proportion of elements of remuneration related to performance			Proportion of elements of remuneration not related to performance		
			Non-Salary cash-based incentives %	Shares / Units %	Options /Rights %	Cash based %	Equity based %	Total %
Kevin Tomlinson	Non-Executive Chairman	No fixed term.	-	-	54	46	-	100
Adrian Byass	Executive Director	No fixed term. 1 mth notice required to terminate.	-	-	-	100	-	100
Eric Lilford	Non-Executive Director	No fixed term.	-	-	-	100	-	100
Humphrey Hale	Non-Executive Director	No fixed term. .	-	-	-	100	-	100
Christian Cordier	Non-Executive Director	No fixed term.	-	-	-	100	-	100
Robert Orr	Chief Financial Officer and Company Secretary	No fixed term. 1 mth notice required to terminate.	-	-	-	100	-	100

Key Management Personnel Remuneration

	Short Term Benefits		**Share Based Payments**	**Post Employment Benefits**	**Total**
	Salary and fees	**Others**	**Options & Shares**	**Superannuat-ion**	
2019	**$**	**$**	**$**	**$**	**$**
Kevin Tomlinson	120,000	-	-	-	120,000
Ryan Parkin	186,667	-	-	17,733	204,400
Adrian Byass	188,392	-	-	17,897	206,289
Vincent Ledoux-Pedailles	65,141	-	26,670	-	91,811
Eric Lilford (a)	13,500	-	-	-	13,500
Humphrey Hale (a)	59,970	-	-	5,697	65,667
Robert Orr	86,592	-	-	-	86,592
	720,262	-	26,670	41,327	788,259

(a) Resigned 4 August 2018

DIRECTOR'S REPORT (cont.)

	Short Term Benefits		Share Based Payments	Post Employment Benefits	Total
	Salary and fees	Others	Options & Shares	Superannuat-ion	
	$	$	$	$	$
2018	**$**	**$**	**$**	**$**	**$**
Kevin Tomlinson	120,000	-	138,960	-	258,960
Adrian Byass	228,500	-	-	21,708	250,208
Eric Lilford	36,000	-	-	-	36,000
Humphrey Hale	179,909	-	-	17,091	197,000
Christian Cordier (a)	28,208	-	-	-	28,208
Robert Orr	86,592	-	-	-	86,592
	679,209	-	138,960	38,799	856,968

(a) Resigned 6 February 2018

Performance income as a proportion of total income
No bonuses were paid to Executive or Non-Executive Directors during the period.

DIRECTOR'S REPORT (cont.)

(a) Options holdings

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including the personally related parties, is set out below:

	Balance 1.7.2018	Granted as Compensation	Balance on appointment /resignation	Options Exercised	Option Expired (b)	Net Change Other	Balance 30.6.2019	Total Vested and Exercisable 30.6.2019	Total Un-exercisable 30.6.2019
Number of options held by key management personnel:	**No.**	**No.**		**No.**	**No.**	**No.**	**No.**	**No.**	**No.**
Kevin Tomlinson	2,055,556	-	-	-	(55,556)	-	2,000,000	2,000,000	-
Ryan Parkin (a)	-	-	1,000,000	-	-	-	1,000,000	1,000,000	-
Adrian Byass	1,629,630	-	-	-	(129,630)	-	1,500,000	1,500,000	-
Vincent Ledoux-Pedailles (a)	-	-	500,000	-	-	-	500,000	500,000	-
Eric Lilford (a)	750,000	-	(750,000)	-	-	-	-	-	-
Humphrey Hale (a)	768,518	-	(768,518)	-	-	-	-	-	-
Robert Orr	750,000	-	-	-	-	-	750,000	750,000	-
Total	5,953,704	-	(18,518)	-	(185,186)	-	5,750,000	5,750,000	-

a) Mr Ryan Parkin and Mr Vincent Ledoux-Pedailles were appointed to the board on 4 August 2018 and 16 January 2019 respectively. Mr Humphrey Hale and Mr Eric Lilford resigned on 4 August 2018.
b) On 30 September listed share options with an exercise price of $0.29 expired.

DIRECTOR'S REPORT (cont.)

(b) Share holdings

Ordinary Fully Paid Shares (ORD)

The number of fully paid ordinary shares in the Company held during the financial year by each Director and other member of key management personnel of the consolidated entities including their personally related parties, is set out below:

	Opening Balance 01.07.18	Share based payment	Options exercised	Net change other(a)	Balance on appointment /resignation (b)	Closing Balance 30.6.2019
Number of shares held by key management personnel:	**No.**	**No.**	**No.**	**No.**		**No.**
Kevin Tomlinson	166,667	-	-	110,000	-	276,667
Ryan Parkin	-	-	-	134,000	89,182	223,182
Adrian Byass	6,582,389	-	-	-	-	6,582,389
Vincent Ledoux-Pedailles	-	-	-	-	282,000	282,000
Eric Lilford	3,307,250	-	-	-	(3,307,250)	-
Humphrey Hale	165,556	-	-	-	(165,556)	-
Robert Orr	250,000	-	-	-	-	250,000
Total	10,471,862	-	-	244,000	(3,101,624)	7,614,238

* On-market purchases unless otherwise stated.

(a) On market acquisitions.
(b) Mr Ryan Parkin and Mr Vincent Ledoux-Pedailles were appointed to the board on 4 August 2018 and 16 January 2019 respectively. Mr Humphrey Hale and Mr Eric Lilford resigned on 4 August 2018.

Performance Milestone Shares

On 28 April 2016 the Company issued two new classes of share being the "Performance Milestone Shares – Class A" and "Performance Milestone Shares – Class B". Class "A" have lapsed. The number of Class "B" performance shares in each class issued to and held during the financial year by each Director and other member of key management personnel of the consolidated entities including their personally related parties, is set out below:

DIRECTOR'S REPORT (cont.)

Performance Milestone Shares – Class B

Number of shares held by key management personnel:	Opening Balance 01.07.18 No.	Balance on Resignation	Conversion on milestone achievement No.	Expiry of shares No.	Closing Balance 30.6.2019 No.
Kevin Tomlinson	-	-	-	-	-
Adrian Byass	-	-	-	-	-
Ryan Parkin	-	-	-	-	-
Vincent Ledoux-Pedailles	-	-	-	-	-
Eric Lilford (a)	1,290,000	(1,290,000)	-	-	-
Humphrey Hale	-	-	-	-	-
Robert Orr	-	-	-	-	-
Total	(1,290,000)	(1,290,000)	-	-	-

(a) Mr Eric Lilford resigned on 4 August 2018

End of the Remuneration Report

Meetings of Directors

During the financial year, nine meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
Director	Number eligible to attend	Number attended
Kevin Tomlinson	9	9
Ryan Parkin	5	5
Adrian Byass	9	9
Vincent Ledoux-Pedailles	5	5
Eric Lilford	1	1
Humphrey Hale	1	1

Indemnifying Officers or Auditor

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the following Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director and Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was $2,500 for the financial year per Director and Officer pro-rated based on proportion of service provided to the Company during the financial period.

- Kevin Tomlinson
- Ryan Parkin
- Adrian Byass
- Robert Orr
- Eric Lilford
- Humphrey Hale
- Vincent Ledoux-Pedailles
-

DIRECTOR'S REPORT (cont.)

Options

At the date of this report, the unissued ordinary shares of Infinity under option are as follows:

Date of Expiry	Exercise Price $	Number under Option
30 October 2019	$0.35	6,875,000
5 December 2020	$0.32	2,000,000
19 March 2020	$0.23	8,000,000
11 June 2020	$0.15	6,000,000
11 June 2021	$0.15	1,000,000
14 December 2021	$0.12	500,000
		24,375,000

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and the objectivity of the auditor; and
- the nature of the services provided to not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid out to PKF Perth Chartered Accountants for non-audit services provided during the year ended 30 June 2019:

Taxation compliance service $3,900 (2018: $3,350)

Officers of the Company who are Former Partners of PKF Perth

There are no officers of the company who are former partners of PKF Perth.

DIRECTOR'S REPORT (cont.)

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 18 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Ryan Parkin
Managing Director
Date: 26 September 2019

PKF
Advisory • Audit
Business Solutions

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF INFINITY LITHIUM CORPORATION LIMITED

In relation to our audit of the financial report of Infinity Lithium Corporation Limited for the year ended 30 June 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SHANE CROSS
PARTNER

26 SEPTEMBER 2019
WEST PERTH,
WESTERN AUSTRALIA

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 $	2018 $
Other revenue	2	413,530	1,446,802
Administration expenses		(240,456)	(221,079)
Compliance and regulatory expenses		(274,366)	(323,616)
Consultancy expenses		(220,055)	(235,662)
Depreciation expense		(118)	(389)
Director's fees		(198,816)	(225,048)
Employee benefits expense		(99,398)	(64,053)
Equity compensation benefits		(26,670)	(167,046)
Impairment of capitalised exploration expenditure		(1,220,061)	(7,206,843)
Impairment of joint venture exploration expenditure	3	(652,516)	(1,699,151)
Insurance expense		(23,319)	(22,889)
Occupancy expense		(140,616)	(153,387)
Travel and accommodation expenses		(32,079)	(118,140)
Realised foreign exchange movements		(3,983)	(50,489)
Realised loss on disposal of fixed assets		(469)	-
Loss before income tax expense	4	(2,719,392)	(9,040,990)
Income tax benefit	4	-	-
Loss for the year		(2,719,392)	(9,040,990)
Other comprehensive income/(loss)			
Items that maybe reclassified subsequently to profit and loss			
Exchange differences arising on translation of foreign operations		(7,019)	114,422
Total comprehensive loss for the period		(2,726,411)	(8,926,568)
Loss attributable to:			
Owners of the Parent Entity		(2,592,479)	(9,037,873)
Non-controlling interests		(126,913)	(3,117)
		(2,719,392)	(9,040,990)
Other comprehensive loss attributable to:			
Owners of the Parent Entity		3,260	131,317
Non-controlling interests		(10,279)	(16,895)
		(7,019)	114,422
Total comprehensive loss attributable to:			
Owners of the Parent Entity		(2,589,219)	(8,906,556)
Non-controlling interests		(137,192)	(20,012)
		(2,726,411)	(8,926,568)
LOSS PER SHARE			
Basic loss per share (cents)	7	(1.36)	(5.32)
Diluted loss per share (cents)	7	(1.36)	(5.31)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	NOTE	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	8	1,266,770	3,905,102
Trade and other receivables	9	186,185	463,869
Other current assets	12	10,520	16,874
TOTAL CURRENT ASSETS		1,463,475	4,385,845
NON CURRENT ASSETS			
Exploration and evaluation expenditure	14	1,620,483	-
Plant and equipment	13	-	587
Other assets	12	47,107	47,049
TOTAL NON CURRENT ASSETS		1,667,590	47,636
TOTAL ASSETS		3,131,065	4,433,481
CURRENT LIABILITIES			
Trade and other payables	16	1,330,353	261,199
Provisions	17	64,003	58,878
TOTAL CURRENT LIABILITIES		1,394,356	320,077
NON-CURRENT LIABILITIES			
Trade and other payables	16	324,097	-
TOTAL NON-CURRENT LIABILITIES		324,097	-
TOTAL LIABILITIES		1,718,453	320,077
NET ASSETS		1,412,612	4,113,404
EQUITY			
Issued capital	18	24,250,588	24,234,719
Reserves	19	1,420,473	1,705,192
Accumulated losses		(23,824,905)	(21,530,155)
Equity attributable to owners of the Parent Entity		1,846,156	4,409,756
Non-controlling interest	20	(433,544)	(296,352)
TOTAL EQUITY		1,412,612	4,113,404

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital $	Share Based Payment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Attributable to Owners of Parent $	Non-Controlling Interest $	Total $
Balance at 1 July 2018	24,234,719	1,532,225	172,967	(21,530,155)	4,409,756	(296,352)	4,113,404
Loss for the period	-	-	-	(2,592,479)	(2,592,479)	(126,913)	(2,719,392)
Other Comprehensive Income							
Exchange differences arising on translation of foreign operations	-	-	3,260	-	3,260	(10,279)	(7,019)
Total comprehensive income for the period	-	-	3,260	(2,592,479)	(2,589,219)	(137,192)	(2,726,411)
Transactions with owners, recorded directly in equity							
Costs of share issue	(1,051)	-	-	-	(1,051)	-	(1,051)
Share-based payment	16,920	9,750	-	-	26,670	-	26,670
Lapse of options on expiry	-	(297,729)	-	297,729	-	-	-
Total transactions with owners	15,869	(287,979)	-	297,729	25,619	-	25,619
Balance at 30 June 2019	24,250,588	1,244,246	176,227	(23,824,905)	1,846,156	(433,544)	1,412,612

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Attributable to Owners of Parent	Non-Controlling Interest	Total
	$	$	$	$	$	$	$
Balance at 1 July 2017	16,130,624	1,381,527	42,481	(12,233,175)	5,321,457	(333,763)	4,987,694
Loss for the period	-	-	-	(9,037,873)	(9,037,873)	(3,117)	(9,040,990)
Other Comprehensive Income							
Exchange differences arising on translation of foreign operations	-	-	131,317	-	131,317	(16,895)	114,422
Total comprehensive income for the period	-	-	131,317	(9,037,873)	(8,906,556)	(20,012)	(8,926,568)
Transactions with owners, recorded directly in equity							
Issue of shares	8,526,679	-	-	-	8,526,679	-	8,526,679
Issue of shares on exercise of options	556,807	(101,807)	-	-	455,000	-	455,000
Costs of share issue	(856,299)	-	-	-	(856,299)	-	(856,299)
Share-based payment	101,908	549,990	-	-	651,898	-	651,898
Lapse of options on expiry	-	(297,485)	-	297,485	-	-	-
Lapse of performance shares	(225,000)	-	-	-	(225,000)	-	(225,000)
Initial recognition of non-controlling interest in Tonsley Mining Pty Ltd	-	-	(831)	(556,592)	(557,423)	57,423	(500,000)
Total transactions with owners	8,104,095	150,698	(831)	(259,107)	7,994,855	57,423	8,052,278
Balance at 30 June 2018	24,234,719	1,532,225	172,967	(21,530,155)	4,409,756	(296,352)	4,113,404

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

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 $	2018 $
Cash Flows from Operating Activities			
Payments for administration and corporate costs		(586,073)	(1,585,344)
Payments for exploration and evaluation expenses		(1,754,609)	(4,851,700)
Payments for staff costs		(306,679)	(317,662)
Interest received		43,013	42,852
Proceeds from research and development grant		370,011	-
Net cash flows used in operating activities	24	2,234,337	(6,711,854)
Cash Flows from Investing Activities			
Payments for acquisition of interest in subsidiary	10	(403,812)	(500,000)
Net cash flows used in investing activities		(403,812)	(500,000)
Cash Flows from Financing Activities			
Proceeds from issue of shares		-	8,981,679
Payments for share issue cost		(1,051)	(639,819)
Net cash flows generated from financing activities		(1,051)	8,341,860
Net increase in cash and cash equivalents		(2,639,200)	1,130,006
Effect of exchange rates on cash		868	(42,568)
Cash and cash equivalents at beginning of financial year		3,905,102	2,817,664
Cash and cash equivalents at end of financial year	8	1,266,770	3,905,102

The above consolidated statement of cashflows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Infinity for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of Directors on 26 September 2019. The Directors have the power to amend and reissue the financial statements.

This financial report includes the consolidated financial statements and notes of Infinity and controlled entities ('Consolidated Entity' or 'Group').

Infinity is a listed public company, trading on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB No.	Title	Application date of standard *	Issue date
AASB 2017-4	Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments	1 January 2019	July 2017
AASB 2017-6	Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation	1 January 2019	December 2017
AASB 2017-7	Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures	1 January 2019	December 2017
AASB 2018-1	Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle	1 January 2019	February 2018
AASB 2018-2	Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement	1 January 2019	March 2018
AASB 2018-6	Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	December 2018
AASB 2018-7	Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	December 2018
AASB 2019-1	Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020	May 2019
AASB 16	Leases	1 January 2019	February 2016
AASB Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019	June 2017

The adoption of the Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the Consolidated Entity:

AASB 9 Financial Instruments
The Consolidated Entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The Consolidated Entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Basis of Preparation
The accounting policies set out below have been consistently applied to all years presented.

Statement of Compliance
The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* as appropriate for for-profit oriented entities. The consolidated financial report of the Group comply with International Financial Reporting Standards (IFRSs) and Interpretations as issued by the International Accounting Standards Board (IASB).

Basis of Measurement
The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Significant accounting estimates, judgments and assumptions

The preparation of financial statements requires management to make judgments 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 key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) *Share based payment transactions*

The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model. Refer to note 25 for further details.

(ii) *Impairment of exploration and evaluation assets and investments in and loans to subsidiaries*

The ultimate recoupment of the value of exploration and evaluation assets, the Group'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.

Impairment tests are carried out if a trigger is evident to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

– Publically available comparable transaction values;
– Recent exploration and evaluation results and resource estimates;
– Fundamental economic factors that have an impact on the carrying values of assets and liabilities including current commodity prices and industry conditions.

In addition the Group may decide to impair due to uncertainty over the eventual recoupment of the asset.

Refer to note 14 for further details.

(iii) *Income tax expenses*

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised. Refer to note 4 for further details.

(iv) *Fair value measurement hierarchy*

The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability requires judgement.

b. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Infinity as at 30 June 2019 and the results of all controlled entities for the year then ended. Infinity and its controlled entities together are referred to in this financial report as the Group.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. All controlled entities have a June financial year with exception being the Company's Spanish subsidiaries Castilla Mining S.L. and Morille Mining S.L., which have a 31 March year end for local statutory purposes, however the results of these subsidiaries that are consolidated are for the year ended 30 June 2019.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance. Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity.

A list of controlled entities is contained in note 11 to the Financial Statements.

c. Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Consolidated Entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Consolidated Entity re-measures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

d. Exploration and Evaluation Assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

Exploration and evaluation assets are only recognised if the rights of interest are current and either:

- There is reasonable expectations that capitalised costs can be recouped through successful development and exploitation of the area of interest; or
- Activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs will be written off if there is uncertainty over the eventual recoupment of costs, or if activities are not yet at a stage where it is reasonable to assume that capitalised costs can be recouped.

An impairment exists when the carrying amount of capitalised exploration and evaluation expenditure relating to an area of interest exceeds its recoverable amount. The asset is then written down to its recoverable amount. Any impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment and depreciated over the life of the mine.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Where applicable, such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

e. Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operation recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of the other parties' interest in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

f. Impairment

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate. An impairment loss in respect of an financial asset is calculated by reference to its fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised either in the statement of profit or loss and other comprehensive income or revaluation reserves in the period in which the impairment arises.

(ii) *Exploration and Evaluation Assets*

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount at the reporting date.

Exploration and evaluation assets are tested for impairment in respect of cash generating units, which are no larger than the area of interest to which the assets relate.

(iii) *Non-financial Assets other than Exploration and Evaluation Assets*

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exits. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

g. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on either accounting profit or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax Consolidation

The Company and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under tax consolidation legislation.

h. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

i. Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10–40%
Exploration site equipment	10-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

j. Financial Instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

k. Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

l. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

m. Employee Benefits

(i) *Wages, salaries and annual leave*

Liabilities for wages, salaries and annual leave expected to be settled within one year of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Employee benefits payable later than one year

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(iii) Superannuation

Contributions are made by the Group to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

(iv) Employee benefit on costs

Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(v) Equity-settled compensation

Equity-settled and cash-settled share-based compensation benefits are at times provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

n. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

o. Revenue and Other Income

Revenue is recognised when it is probable that the economic benefit will flow to the Consolidated Entity and the revenue can be reliably measured.

Interest revenue is recognised as it accrues. Dividend revenue is recognised when the right to receive a dividend has been established.

p. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST receivable from, or payable to, the tax authority.

q. Receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is raised when some doubt as to collection exists.

r. Earnings Per Share (EPS)

Basic earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

s. Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

t. Investments

Interests in listed and unlisted securities are initially brought to account at cost.

Controlled entities are accounted for in the consolidated financial statements as set out in Note 1(b).

Other securities are included at fair value at reporting date. Unrealised gains/losses on securities held for short term and long term investment are accounted for as set out in Note 1 (j).

u. Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

v. Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

w. Parent Entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the Parent entity is disclosed in note 29.

x. Going Concern

These financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a loss of $2,719,392 for the year ended 30 June 2019 (2018: $9,040,990). The cash reserves and net assets of the Group at 30 June 2019 were $1,266,770 and $1,412,612 respectively (2018: $3,905,102 and $4,113,404).

The ability of the Company and Group to continue to pay its debts as and when they fall due is dependent on the Company and Group successfully raising additional share capital and ultimately developing its mineral properties.

The Directors believe it is appropriate to prepare these financial statements on a going concern basis because:

- The Directors have appropriate plans to raise additional funds as and when required. In light of the Group's current exploration projects, the Directors believe that the additional capital can be raised in the market; and
- The Directors have an appropriate plan to contain certain operating and exploration expenditure if required funding is not available.

These financial statements have been prepared on the basis that the Company and Group can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of its assets and settlement of its liabilities can occur in the ordinary course of business.

In the event that the Group is unable to satisfy future funding requirements, a material uncertainty would arise that may cast significant doubt on the Group's ability to continue as a going concern with the result that the Group may be required to realise its assets at amounts different from those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for costs which may arise as a result of cessation or curtailment of normal business operations.

y. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

z. Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

2. OTHER REVENUE

	2019 $	2018 $
Operating activities		
Interest received	43,519	42,545
Joint venture expenditure reimbursement	-	1,404,257
Research and development grant	370,011	-
Total Other Revenue	413,530	1,446,802

3. LOSS BEFORE INCOME TAX EXPENSES

	2019 $	2018 $
Directors fees	198,816	225,048
Impairment of exploration expense	1,220,061	7,206,843
Foreign exchange loss/(gain)	3,983	50,489
Superannuation expenses	20,170	3,880
Impairment of joint venture asset	652,516	1,669,151
Share based payment expense	26,670	50,750

4. INCOME TAX BENEFIT

a. Reconciliation of income tax expense to prima facie tax payable:

	2019 $	2018 $
Loss from ordinary activities before income tax expense	(2,719,392)	(9,040,990)
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5% (2018: 27.5%)	(747,833)	(2,486,272)
Increase in income tax due to:		
-Non-deductible expenses	421,536	1,672,608
- Current year tax losses not recognised	327,007	343,719
Decrease in income tax due to:		
- Movement in unrecognised temporary differences	(710)	469,945
Income tax attributable to the Company	-	-

b. Unused tax losses and temporary differences for which no deferred tax asset has been recognised at 27.5% (2018: 27.5%)

	2019 $	2018 $
Deferred tax assets have not been recognised in respect of the following:		
Deductible temporary differences	22,137	19,815
Tax revenue losses	1,314,631	1,127,989
	1,336,768	1,147,804

c. The reconciliation of deferred taxes is below.

The following deferred tax balances have not been recognised:

	2019 $	2018 $
Deferred Tax Assets at 27.5% (2017:27.5%):		
Accrued interest	247	108
Prepayments	2,893	-
	3,140	108

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2019 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time.

These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and exploration expenditure.

5. KEY MANAGEMENT PERSONNEL COMPENSATION

a. Names and positions held of Consolidated Entity key management personnel in office at any time during the financial year are:

Kevin Tomlinson	Non-Executive Chairman
Ryan Parkin	Managing Director (appointed 4 August 2018)
Adrian Byass	Executive Director
Vincent Ledoux-Pedailles	Executive Director (appointed 16 January 2019)
Eric Lilford	Non-Executive Director (resigned 4 August 2018)
Humphrey Hale	Non-Executive Director (resigned 4 August 2018)
Robert Orr	Company Secretary

b. Key management personnel compensation

	2019	**2018**
	$	**$**
The key management personnel compensation comprised:		
Short term employment benefits	682,870	641,817
Post-employment benefits	41,327	138,960
Share based payments	26,670	38,799
	750,867	819,576

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

6. AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by PKF Perth, the auditor of the Group:

Audit or review of financial statements	44,717	37,378
Preparation of tax return	3,900	3,350
	48,617	40,728

7. LOSS PER SHARE

Earnings per share for profit		
Loss after income tax attributable to owners of Parent	(2,592,479)	(9,037,873)
	No.	**No.**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	190,038,626	169,983,567
Adjustment to calculation of diluted earnings per share options over ordinary shares	132,478	285,698
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	190,038,626	170,269,535

There are 10,000,000 milestone performance shares that have also been excluded from the calculation due to the shares unvested conditions.

Loss per share:		
Basic loss per share (cents)	(1.36)	(5.32)
Diluted loss per share (cents)	(1.36)	(5.31)

8. CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank and in hand	1,266,770	205,102
Short term bank deposits	-	3,700,000
	1,266,770	3,905,102

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	1,266,770	3,905,102

9. TRADE AND OTHER RECEIVABLES

Current		
GST/VAT Receivable	151,586	440,920
Other receivables (after provision for impairment)	34,599	22,949
	186,185	463,869
Provision for Impairment		
Opening balance	100,000	100,000
Additional provisions recognised	-	-
Closing balance	100,000	100,000

Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

There are no balances within trade and other receivables that contain assets that are impaired and are past due. Impaired assets are provided for in full.

Refer to note 28 Financial Risk Management for further details.

10. ACQUISITION OF TECNOLGIA EXTREMENA DEL LITO S.L.

On 13 March 2019 the Company's wholly owned subsidiary Extremadura Mining S.L. acquired an additional 25% interest in a Spanish Special Purpose Vehicle (SPV), Tecnolgia Extremena Del Litio S.L. (TEL), increasing the Consolidated Entity's interest in the SPV to 75% and realising a subsidiary interest. The SPV holds the Consolidated Entity's San José Lithium Project asset. The SPV was acquired from Valoriza Mineria SLU ("Valoriza") who retain a 25% interest in the SPV, and continue to have free-carry with regards to exploration expenditure at the San José Lithium Project.

The acquisition consideration for the latest interest acquisition in the TEL was €1,000,000 (AUD$1,620,483) which composed of a:

- Cash payment of €250,000 (paid on 12 March 2019); and
- Deferred payment of €750,000 payable in six monthly installments (conditional on tenement application reverting back to a granted status).

Impact of the acquisition on the results of the Consolidated Entity

The Consolidated Entity's loss for the full year included an amount of $512,266 which is attributable to Tecnolgia Extremena Del Lito S.L.

This further interest acquired in TEL converts the Consolidated Entities interest from that of a Joint Venture interest recognised under *AASB 128 Joint Ventures*, to that of a subsidiary interest recognised under *AASB 10 Consolidated Entities*. Information about the Consolidated Entity's interest in TEL is now included in note 10 to the financial statements.

11. CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Parent Entity		Non-controlling interest	
	Country of incorporation	**2019**	**2018**	**2019**	**2018**
		%	**%**	**%**	**%**
Subsidiaries of Company:					
Tonsley Mining Pty Ltd (the Consolidated Entity of "Tonsley") (a)	Australia	100	100	-	-
Castilla Mining S.L. (subsidiary of Tonsley)	Spain	100	100	-	-
Morille Mining S.L. (subsidiary of Tonsley)	Spain	80	80	20	20
Extremadura Mining S.L.(subsidiary of Tonsley)	Spain	100	100	-	-
Tecnolgia Extremena Del Lito S.L. (subsidiary of Extremadura Mining)	Spain	75	50(a)	25	50(a)
Equatorial Potash Pty Ltd	Australia	100	100	-	-
Mayumba Potasse SARL	Gabon, West Africa	100	100	-	-

(a) Tecnolgia Extremena Del Lito S.L was not included in the 2018 consolidated statements as the entity was not controlled by Extremadura Mining until its most recent interest acquisition on the 13 March 2019.

Non-controlling interests

Morille Mining S.L

Aurum Mining P.L.C has a 20% non-controlling interest in the Company's subsidiary Morille Mining S.L.

Summarised financial information of Morille Mining S.L that are material to the Consolidated Entity is set out below. This information is based on amounts before intercompany eliminations.

Summarised statement of financial position	**2019**	**2018**
	$	**$**
Assets		
Current assets	7,840	17,855
Non-current assets	-	-
Total assets	7,840	17,855
Liabilities		
Current liabilities	47,654	37,899
Non-current liabilities	1,477,626	1,461,745
Total liabilities	1,525,280	1,499,644
Net liabilities	(1,517,440)	(1,481,789)
Loss attributable to owners of Company	(4,615)	(12,467)
Loss attributable to non-controlling interests	(1,154)	(3,117)
Loss for the year	(5,769)	(15,583)
Other comprehensive income/(loss) attributable to owners of Company	(33,160)	(55,057)
Other comprehensive income/(loss) attributable to non-controlling interests	(8,290)	(13,764)
Other comprehensive income/(loss)	(41,450)	(68,821)
Summarised cash flow information		
Net cash from/(used in) operating activities	(31,131)	(63,614)
Net cash from investing activities	-	-
Net cash from/(used in) financing activities	15,881	36,990
Net increase/(decrease) in cash and cash equivalents	(17,250)	(26,624)
Effect of foreign exchange rates on cash	424	2,290
Net increase/(decrease) in cash and cash equivalents	16,827	(24,334)
Other financial information		
Accumulated non-controlling interests at the end of reporting period	(303,488)	(296,312)

Tecnolgia Extremena Del Lito S.L.

Valoriza Mineria SLU has a non-controlling 25% interest in a Spanish Special Purpose Vehicle (SPV), Tecnolgia Extremena Del Lito S.L.

Summarised financial information of Tecnolgia Extremena Del Lito S.L that are material to the Consolidated Entity is set out below. This information is based on amounts before intercompany eliminations.

Summarised statement of financial position	2019 $
Assets	
Current assets	-
Non-current assets	-
Total assets	-
Liabilities	
Current liabilities	-
Non-current liabilities	520,223
Total liabilities	520,223
Net liabilities	520,223
Loss attributable to owners of Company	(384,200)
Loss attributable to non-controlling interests	(128,067)
Loss for the year	(512,266)
Other comprehensive income/(loss) attributable to owners of Company	(5,968)
Other comprehensive income/(loss) attributable to non-controlling interests	(1,989)
Other comprehensive income/(loss)	(7,957)

Summarised cash flow information	2019 $
Net cash from/(used in) operating activities	-
Net cash from investing activities	-
Net cash from/(used in) financing activities	-
Net increase/(decrease) in cash and cash equivalents	-
Effect of foreign exchange rates on cash	-
Net increase/(decrease) in cash and cash equivalents	-
Other financial information	
Accumulated non-controlling interests at the end of reporting period	(130,056)

12. OTHER ASSETS

	2019 $	2018 $
Current		
Prepayments	10,520	16,874
	10,520	16,874
Non-current		
Bank security deposits	47,107	47,049
	47,107	47,049
TOTAL OTHER ASSETS	57,627	63,923

Refer to note 28 Financial Risk Management for further details.

13. PLANT AND EQUIPMENT

Plant and equipment:		
At cost	41,939	42,475
Accumulated depreciation	(41,939)	(41,888)
	-	587

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Reconciliation – Plant and equipment

Balance at 1 July	587	976
Realised loss on disposal of fixed assets	(469)	-
Depreciation expense	(118)	(389)
Balance at 30 June	-	587

14. EXPLORATION AND EVALUATION EXPENDITURE

	2019 $	2018 $
Exploration expenditure capitalised - exploration and evaluation phases	-	-
A reconciliation of the carrying amount of exploration and evaluation expenditure is set out below:		
Carrying amount at beginning of the period	-	2,783,603
Additional costs capitalised during period	1,220,061	4,322,785
Foreign exchange movements	-	100,455
Acquisition of San José Lithium Project (a)	1,620,483	-
Impairment on exploration expenditure	(1,220,061)	(7,206,843)
Carrying amount at end of the period	1,620,483	-

(a) On 13 March 2019 the Consolidated Entity acquired a further 25% interest in the San José Lithium Project via the acquisition of Tecnolgia Extremena Del Litio, S.L the special purpose vehicle holding company of the Project. Further information relating to the project is available on Note 10 to the financial statements.

The 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.

The Consolidated Entity has assessed the carrying amount of the exploration and evaluation expenditure in accordance with AASB 6 Exploration and Evaluation of Mineral Resources and has recognised an impairment expense of $1,220,061 (2018: $7,206,843) which is included under "exploration expenditure" in the statement of profit or loss and other comprehensive income. The majority of this impairment expense recognised is attributable to the Consolidated Entity's San José Project, Banio Potash Project and Morille Tungsten Project which were both conservatively written down. The Morille Project impairment was mainly due to the Company ceasing operations at the tenement.

Refer to note 1a (ii) for further details of the key judgements and estimates used in determining the fair value.

15. INTERESTS IN JOINT VENTURE

The Company had an interest in a joint venture held through a 50% interest in Tecnolgia Extremena Del Litio, S.L ("TEL") which is a special purpose vehicle established for the purpose of holding the San José tenement in Spain about 200 km from the Company's other Spanish project the Morille Project. On 13 March 2019 the Consolidated Entity acquired a further 25% interest in TEL, increasing the Consolidated Entity's aggregate interest to 75%.

Prior to the acquisition of the further interest the Consolidated Entity recognised an impairment loss of $652,516 (2018: $1,699,151) for the financial year relating to the Joint Venture.

This further interest acquired in TEL converts the Consolidated Entities interest from that of a Joint Venture interest recognised under *AASB 128 Joint Ventures*, to that of a subsidiary interest recognised under *AASB 10 Consolidated Entities*. Information about the Consolidated Entity's interest in TEL is now included in note 10 to the financial statements.

16. TRADE AND OTHER PAYABLES

	2019 $	2018 $
CURRENT		
Trade payables	278,884	118,895
Sundry payables and accrued expenses	160,204	142,304
Deferred acquisition Tecnolgia Extremena Del Litio, S.L (a)	891,265	-
	1,330,353	261,199
NON-CURRENT		
Deferred acquisition Tecnolgia Extremena Del Litio, S.L (a)	324,097	-
	324,097	-
TOTAL TRADE AND OTHER PAYABLE	1,654,450	261,199

Refer to note 28 Financial Risk Management for further details.
(a) Refer to note 10 for further details.

17. PROVISIONS

Analysis of total provisions		
Current (annual leave)	64,003	58,878
Non current	-	-
	64,003	58,878

	Employee benefits $
Opening balance at 1 July 2018	58,878
Addition to provision (annual leave)	5,125
Balance at 30 June 2019	64,003

	2019 $	2018 $
18. ISSUED CAPITAL		
190,171,104 (2018: 189,889,104) fully paid ordinary shares	26,248,073	26,231,153
10,000,000 (2018: 10,000,000) milestone performance shares (class B)	50,000	50,000
Less: capital raising costs	(2,047,485)	(2,046,434)
	24,250,588	24,234,719

a. Ordinary shares

	2019 No.	2018 No.
At the beginning of reporting period	189,889,104	137,992,092
Shares issued during the year (i)	282,000	51,897,012
At reporting date	190,171,104	189,889,104

On 19 December 2018 the Company announced the issue of 282,000 fully paid ordinary shares to Vincent Ledoux-Pedailles. The shares have a value of $0.062 per share.

On 3 July 2019 the Company announced a placement of 20,285,714 fully paid ordinary shares with sophisticated investors at an issue price of $0.07 per share to raise $1,420,000 to fund the Company's continued exploration activities at the San José Lithium Project.

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, otherwise each shareholder has one vote on a show of hands.

b. Milestone performance shares

The milestone performance shares were issued to the Vendors of Equatorial Pty Ltd as consideration for the acquisition of their Company.

B class milestone performance shares: These shares have been placed in escrow subject to the successful conversion of the A class milestone shares, and an independent expert producing a pre-feasibility study evidencing a viable project at the Mamana/Banio tenement within four years from acquisition. Once escrow conditions are achieved the shares will be released from escrow and will have all the same participation rights as a normal fully paid ordinary share of the Company. The A class milestone performance shares have lapsed with the milestone not achieved, it is likely the B class will lapse on the four year anniversary date April 2020.

	2019 No.	2018 No.
At the beginning of reporting period	10,000,000	10,000,000
Shares issued during the year	-	-
At reporting date	10,000,000	10,000,000

c. Options

At the date of this report, the unissued ordinary shares of the Company under option are as follows:

Date of Expiry	Exercise Price $	Number under Option
30 October 2019	$0.35	6,875,000
5 December 2020	$0.32	2,000,000
19 March 2020	$0.23	8,000,000
11 June 2020	$0.15	6,000,000
11 June 2021	$0.15	1,000,000
14 December 2021	$0.12	500,000
		24,375,000

On 19 December 2018 the Company announced the issue of 500,000 shares options to Vincent Ledoux-Pedailles an Executive Director of the Company. The share options had an exercise price of $0.12 and an expiry date of 14 December 2021.

d. Capital Management

The Directors' primary objective is to maintain a capital structure that ensures the lowest cost of capital to the Company. At reporting date the Company has no external borrowings.

19. RESERVES

	2019 $	2018 $
Share based payments reserve	1,244,246	1,532,225
Foreign exchange translation reserve	176,227	172,967
	1,420,473	1,705,192

	2019 $	2018 $
a) <u>Share-based payment reserve</u>		
Reserve at beginning of financial period	1,532,225	1,381,527
Consultant options issued	-	383,630
Key personnel options issued	9,750	138,960
Employee options issued	-	27,400
Exercise of options	-	(101,807)
Lapse of options	(297,729)	(297,485)
Reserve at end of financial period	1,244,246	1,532,225

	2019 $	2018 $
b) <u>Foreign exchange translation reserve</u>		
Reserve at beginning of financial period	172,967	42,481
Exchange differences arising on translating the foreign operations	3,260	131,317
Exchange difference arising from non-controlling interest in Tonsley Mining Pty Ltd	-	(831)
Reserve at end of financial period	176,227	172,967

The foreign exchange translation reserve records the exchange differences relating to the translation of results and net asset of the Company's foreign operation from their functional currencies to the Company's presentation currency (Australian dollars).

20. NON-CONTROLLING INTERESTS

	2019 $	2018 $
Balance at the beginning of the period	(296,352)	(333,763)
Share of loss for the year	(126,913)	(3,117)
Share of other comprehensive income	(10,279)	(16,895)
Initial recognition/derecognition of Reabold NCI in the Consolidated Entity of Tonsley Mining	-	57,423
Balance at the end of period	(433,544)	(296,352)

The Consolidated Entity has two non-controlling minority interests:

Aurum Mining P.L.C has a non-controlling interest 20% in the Company's subsidiary Morille Mining S.L.

Valoriza Mineria SLU has a non-controlling 25% interest in the Company's subsidiary, Tecnolgia Extremena Del Litio S.L.

21. CAPITAL COMMITMENTS

In order to maintain current rights of tenure to exploration tenements the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments and overseas government bodies. These obligations can be reduced by selective relinquishment of exploration tenure or renegotiation.

Capital expenditure commitments contracted for exploration and evaluation expenditure payable for each of the Company's tenements are listed below:

	2019		2018	
Project	Within one year $	Later than one year but no later than five years $	Within one year $	Later than one year but no later than five years $
Spanish Projects				
Morille Project	-	-	-	-
San José	-	-	1,571,167	556,021
Gabonese Projects				
Banio	-	-	-	-
Mamana	-	-	-	-
Total commitments	-	-	1,571,167	556,021

MORILLE PROJECT

The Consolidated Entity does not have any material financial commitments and has met its minimum exploration expenditure in order to maintain rights of tenure of its Morille Project. The project is currently being relinquished.

SAN JOSÉ PROJECT

Following the 13 March 2019 acquisition of a further 25% interest (total interest now 75%) the Consolidated Entity does not have any further material financial commitments and has met its minimum exploration expenditure in order to maintain rights of tenure of its San José Lithium Project.

BANIO PROJECT

In order to maintain current rights of tenure to Banio Project the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the Gabonese government. The Company is expected to spend on exploration XAF575 million over a three year period. The Company has already met this target expending approximately XAF 3,386 million by reporting date. The Company has entered into a divestment agreement in which a third party can purchase the asset for US$3 million in a combination of cash or shares, and this third party is covering holding costs in the interim. This option has a 12-month period and expires at the end of Q2 2020

22. COMMITMENTS FOR EXPENDITURE

Operating leases

The current office sub-lease on the premises at 448 Roberts Road, Subiaco WA is renewed monthly.

23. OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker 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.

The Group has three reportable segments based on the geographical areas of the mineral resource and exploration activities in Australia, Gabon and Spain. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

2019		**Australia**	**Gabon**	**Spain**	**Total**
		$	**$**	**$**	**$**
(i)	**Segment performance**				
	Revenue				
	Reconciliation of segment revenue to group revenue				
	Unallocated items:				
	Research and Development grant	-	-	370,011	370,011
	Interest revenue				43,519
	Other revenue				-
	Total segment revenue				413,530
	- Exploration expense	-	(681,015)	(1,191,744)	(1,872,759)
	Unallocated items				

2019		**Australia**	**Gabon**	**Spain**	**Total**
		$	**$**	**$**	**$**
	Amounts not included in segment result but reviewed by the Board:				
	- Other expenses				(1,260,163)
	Net loss before tax				(2,719,392)
(ii)	**Segment assets**				
	Segment assets at 1 July 2018	-	-	-	-
	Segment asset increase for the period:				
	Exploration expenditure	-	681,015	2,833,404	3,514,419
	Acquisition of further 25% interest in San José Lithium Project	-	-	1,620,483	1,620,483
	Exploration expenditure impairment	-	(681,015)	(1,191,562)	(1,872,577)
		-	-	1,620,483	1,620,483
	Reconciliation of segment assets to group assets				
	Unallocated assets				
	Other assets				1,510,582
	Total group assets				3,131,065

		Australia	**Gabon**	**Spain**	**Total**
		$	**$**	**$**	**$**
(iii)	**Segment liabilities**				
	Reconciliation of segment liabilities to group liabilities				
	Segment liabilities at 1 July 2018	-	-	95,059	95,059
	Segment liability decrease for the period:	-	21,346	1,348,160	1,369,506
		-	21,346	1,443,219	1,464,565
	Reconciliation of segment liabilities to group assets				
	Unallocated liabilities				
	Other liabilities				253,888
	Total group liabilities				1,718,453

2018		**Australia**	**Gabon**	**Spain**	**Total**
		$	**$**	**$**	**$**
(iv)	**Segment performance**				
	Revenue				
	Reconciliation of segment revenue to group revenue				
	Other revenue	-	-	1,404,257	1,404,257
	Unallocated items:				
	Interest revenue				42,545
	Other revenue				-
	Total segment revenue				1,446,802
	Reconciliation of segment result to group net profit/(loss) before tax				
	- Exploration expense	-	4,808,697	2,398,146	7,206,843
	- Depreciation and amortisation	-	-	-	-
		-	4,808,697	2,398,146	7,206,843
	Unallocated items				
	Amounts not included in segment result but reviewed by the Board:				
	- Other expenses				(3,280,949)
	Net loss before tax				(9,040,990)

2018		**Australia**	**Gabon**	**Spain**	**Total**
		$	**$**	**$**	**$**
(v)	**Segment assets**				
	Segment assets at 1 July 2017	-	2,783,603	-	2,783,603
	Segment asset increase for the period:				
	Exploration expenditure	-	1,924,639	2,398,146	4,322,785
	Foreign exchange movement	-	100,455	-	100,455
	Exploration expenditure impairment	-	(4,808,697)	(2,398,146)	(7,206,843)
		-	-	-	-
	Reconciliation of segment assets to group assets				
	Unallocated assets				
	Other assets				4,433,481
	Total group assets				4,433,481

2018		**Australia**	**Gabon**	**Spain**	**Total**
		$	**$**	**$**	**$**
(vi)	**Segment liabilities**				
	Reconciliation of segment liabilities to group liabilities				
	Segment liabilities at 1 July 2017	-	286,980	411,726	698,706
	Segment liability decrease for the period:	-	(286,980)	(316,667)	(603,647)
		-	-	95,059	95,059
	Reconciliation of segment liabilities to group assets				
	Unallocated liabilities				
	Other liabilities				225,018
	Total group liabilities				320,077

Segment analysis by geographical region	**Non-current assets**	
	2019	**2018**
Australia	45,000	45,587
Gabon	-	2,049
Spain	1,622,590	-
	1,667,590	47,636

24. CASH FLOW INFORMATION

	2019 $	2018 $
Reconciliation of cash flow from operations with loss after income tax		
Net loss for the year	(2,719,392)	(9,040,990)
Non cash flows in loss		
Depreciation	118	389
Realised loss on disposal of assets	469	-
Equity compensation benefits	26,670	167,046
Unrealised foreign exchange movements	(7,886)	149,611
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	277,989	(132,011)
(Increase)/decrease in prepayments	6,354	(406)
(Increase)/decrease in exploration and evaluation	(1,309)	2,834,353
Increase/(decrease) in trade payables and accruals	177,525	(711,625)
Increase/(decrease) in provisions	5,125	21,779
Cash flow from operations	(2,234,337)	(6,711,854)

25. SHARE BASED PAYMENTS

The following share-based payment arrangements and payments existed at 30 June 2019:

SHARE OPTIONS

All options granted to key management personnel are options over ordinary shares in the Company, which confer a right of one ordinary share for every option held.

	2019		2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Issue to Directors, staff and key personnel	**No**	**$**	**No**	**$**
Outstanding at the beginning of the year	9,875,000	0.32	10,125,000	0.28
Granted (i)	500,000	0.12	3,000,000	0.26
Forfeited	-	-	-	-
Exercised	-	-	(3,250,000)	0.14
Expired	-	-	-	-
Outstanding at year end	10,375,000	0.31	9,875,000	0.32
Exercisable at year end	10,375,000	0.31	9,875,000	0.32
Issue to Consultants				
Outstanding at the beginning of the year	18,400,000	0.23	9,400,000	0.22
Granted			15,000,000	0.20
Forfeited			-	-
Exercised			-	-
Expired (ii)	(4,400,000)	0.34	(6,000,000)	0.15
Outstanding at year end			18,400,000	0.23
Exercisable at year end	14,000,000	0.20	18,400,000	0.23

(i) On 19 December 2018 the Company announced the issue of 500,000 shares options to Vincent Ledoux-Pedailles an Executive Director of the Company. The share options have an exercise price of $0.12 and an expiry date of 14 December 2021.

(ii) On 2 December 2018 3,400,000 unlisted share options with an exercise price of $0.35 expired.

On 5 May 2019 1,000,000 options share with an exercise price of $0.30 expired unexercised.

The options outstanding at 30 June 2019 had a weighted average exercise price of $0.247 (2018: $0.264) and a weighted average remaining contractual life of 0.81years (2018: 1.58 years).

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

The share-based payments made during the current and prior reporting periods are detailed below:

Series	Number Granted No.	Number Vested No.	Grant Date	Expiry Date	Exercise Price $	Fair Value at Grant Date $
Directors, staff and key personnel (a)	2,625,000	2,625,000	15/08/2016	30/10/2019	0.35	0.1283
Directors, staff and key personnel (b)	4,250,000	4,250,000	02/12/2016	30/10/2019	0.35	0.0937
Directors, staff and key personnel (c)	2,000,000	2,000,000	05/12/2017	5/12/2020	0.32	0.0695
Consultants (d)	8,000,000	8,000,000	19/3/2018	19/03/2020	0.23	0.0271
Consultants (e)	6,000,000	6,000,000	08/06/2018	11/06/2020	0.15	0.194
Directors, staff and key personnel (f)	1,000,000	1,000,000	08/06/2018	11/06/2021	0.15	0.0274
Directors, staff and key personnel (g)	500,000	500,000	19/12/2018	14/12/2021	0.12	0.0195
	24,375,000	24,375,000				

Details of factors used in the Black Scholes option valuation calculation for the options granted:

Inputs into the Model	**Series (a)**	**Series (b)**	**Series (c)**	**Series (d)**
Grant date share price	$0.23	$0.19	$0.19	$0.125
Exercise price	$0.35	$0.35	$0.32	$0.234
Expected volatility	100%	100%	75%	70.72%
Option life	3 years	3 years	3 years	2 years
Risk-free interest rate	1.3%	1.96%	1.97%	2.103%

Inputs into the Model	**Series (e)**	**Series (f)**	**Series (g)**
Grant date share price	$0.085	$0.085	$0.061
Exercise price	$0.15	$0.15	$0.12
Expected volatility	70%	70%	74%
Option life	2 years	3 years	3 years
Risk-free interest rate	2.07%	2.18%	1.96%

26. RELATED PARTY DISCLOSURES

i. The ultimate parent entity in the Group is Infinity Lithium Corporation Limited.
ii. No amounts in addition to those disclosed in the Remuneration Report in the Directors' Report were paid or payable to Directors of the Company at the end of the year.
iii. There were no loans to key management personnel at the end of the year.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Wholly owned group transactions/balances

Intercompany loans

The following intercompany loan balances were in existence at reporting date:

Loans provided from Parent entity

Tonsley Mining Pty Ltd	$17,353 CR (2018: $17,353 CR)
Morille Mining S.L.	$1,482,088 (2018: $1,479,811)
Extremadura Mining S.L.	$6,683,239 (2018: $5,095,644)
Mayumba Mining S.L	$7,310,844 (2018: $6,626,177)
Castilla Mining S.L.	$NIL (2018: $NIL)

Loan provided from Tonsley Mining Pty Ltd.

Infinity Lithium Corporation Limited	$17,353 (2018: $17,353)

Loan provided from Castilla Mining S.L.

Morille Mining S.L.	$14,961 (2018: $18,066)

Loan provided from Extremadura Mining S.L

Morille Mining S.L.	$10,499 (2018: $NIL)
Castilla Minng S.L	$7,096 (2018: NIL)
Tecnolgia Extremena Del Litio, S.L	$520,223 (2018: NIL)

27. EVENTS AFTER THE REPORTING DATE

On 3 July 2019 the Company announced a placement of 20,285,714 fully paid ordinary shares with sophisticated investors at an issue price of $0.07 per share to raise $1,420,000 to fund the Company's continued exploration activities at the San José Lithium Project.

On 9 July 2019 the Company announced that it had signed a binding Letter of Intent (LOI) for the sale of the Company's wholly owned subsidiary Equatorial Potash Pty Ltd ('EPPL') and its Gabonese potash assets. The LOI grants an exclusive Option to purchase a 100% interest in EPPL for consideration of up to US$3 million in cash or shares. The holding costs that are attributable to the Banio and Mamana Potash Projects in Gabon will be met in consideration by the holder of the exclusive Option over the term of the Option period.

On 6 September 2019 the Company made payment of €150,000 to Valoriza Mineria towards the remaining deferred consideration.

On 9 September 2019 the Company held a General Meeting of Shareholders and subsequently announced that all resolutions put to the meeting were passed unanimously by a show of hands.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

28. FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

i. Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

ii. Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are foreign currency risk, liquidity risk, credit risk and price risk.

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency. The currencies in which these transactions primarily are denominated are AUD, XAF, USD and EURO.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group does not have any material credit risk exposure to any single receivable or Group of receivables under financial instruments entered into by the Group.

Price risk

i Commodity price risk

The Group is not directly exposed to commodity price risk as the operations of the Company are not yet at the production stage.

ii Equity price risk

Equity price risk arises from equity securities held. However at balance date no equity securities were held by the Company

The Group holds the following financial instruments:

	2019 $	2018 $
Financial assets:		
Cash and cash equivalents	1,266,770	3,905,102
Receivables	186,185	463,869
Other assets	47,107	47,049
Total financial assets	1,500,062	4,416,020
Financial liabilities:		
Trade and other payables	1,654,450	261,199
Total financial liabilities	1,654,450	261,199
	(154,388)	4,154,815

Trade and other payables are expected to be paid as follows:	2019 $	2018 $
Less than 1 month	278,884	261,199
More than 1 month but less than a year	1,051,496	-
Between 1 and 2 years	324,097	-
	1,654,450	1,6541,450

iii. Sensitivity analysis

Interest Rate Risk, Foreign Currency Risk and Price Risk

The Group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. Tax of 27.5% is factored into these sensitivity calculations.

Interest Rate Sensitivity Analysis

Monetary items exposed to interest rate fluctuations at reporting date		
Cash and cash equivalents	1,246,056	3,856,569
Other assets	30,000	30,000
	1,276,056	3,886,569

The effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

Change in loss		
Increase in interest rate by 2% (200 basis points)	18,503	56,355
Decrease in interest rate by 2% (200 basis points)	(18,503)	(56,355)
Change in equity		

Increase in interest rate by 2% (200 basis points)	18,503	56,355
Decrease in interest rate by 2% (200 basis points)	(18,503)	(56,355)

Foreign Currency Risk Sensitivity Analysis

The carrying amount of the Consolidated Entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2019	**2018**	**2019**	**2018**
Consolidated				
European Euros	9,686	27,299	-	-
Central African Franc	1,076,090	2,201,568	-	-

EUROPEAN EUROS (EUR)

At 30 June 2019, the effect on profit and equity as a result of changes in the value of the Australian Dollar (AUD) to the European Euro (EUR) with all other variables remaining constant is as follows:

	2019	**2018**
	$	**$**
Change in profit		
Improvement in AUD to EUR by 10%	(1,035)	(2,836)
Decline in AUD to EUR by 10%	1,264	3,466
Change in equity		
Improvement in AUD to EUR by 10%	(1,035)	(2,836)
Decline in AUD to EUR by 10%	1,264	3,466

CENTRAL AFRICAN FRANCS (XAF)

At 30 June 2019, the effect on profit and equity as a result of changes in the value of the Australian Dollar (AUD) to the Central African Franc (XAF) with all other variables remaining constant is as follows:

Change in profit		
Improvement in AUD to XAF by 10%	(175)	(349)
Decline in AUD to XAF by 10%	214	426
Change in equity		
Improvement in AUD to XAF by 10%	(175)	(349)
Decline in AUD to XAF by 10%	214	426

iv. Fair value

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

29. PARENT ENTITY DISCLOSURES

Financial position	2019 $	2018 $
Assets		
Current assets	1,333,486	3,923,873
Non-current assets	45,000	412,916
Total assets	1,378,486	4,336,789
Liabilities		
Current liabilities	387,777	223,385
Total liabilities	387,777	223,385
Net assets	990,709	4,113,404
Equity		
Issued capital	24,250,588	24,234,718
Reserves	1,244,246	1,532,225
Accumulated losses	(24,504,125)	(21,653,539)
Total equity	990,709	4,113,404

Financial performance	2019 $	2018 $
Loss for the year	3,148,315	12,201,568
Other comprehensive income/(loss)	-	-
Total comprehensive loss	3,148,315	12,201,568

Commitments
The commitments of the Parent Entity are consistent with that of the Consolidated Entity (refer to note 21).

Contingent assets, contingent liabilities and guarantees
The contingent assets, contingent liabilities and guarantees of the Parent Entity are consistent with that of the Consolidated Entity (refer to note 31).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following: Investment in subsidiaries are accounted for at cost, less any impairment in the parent entity

30. DIVIDENDS

The Board of Directors have recommended that no dividend be paid.

31. CONTINGENT ASSETS AND LIABILITIES

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

32. COMPANY DETAILS

The registered office and principal place of business is:

Infinity Lithium Corporation Limited
Level 2
38 Richardson Street
WEST PERTH WA 6005

DIRECTOR'S DECLARATION

The Directors of the Company declare that:

The financial statements, notes and additional disclosures included in the Directors' report and designated as audited, are in accordance with the Corporations Act 2001 and:

a) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Consolidated Entity and Company; and

c) the financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statement.

The Managing Director and Chief Financial Officer have each declared that:

a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

b) the financial statements and notes for the financial year comply with the Australian Accounting Standards and Interpretations; and

c) the financial statements and notes for the financial year give a true and fair view.

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 Board of Directors.

Ryan Parkin
Managing Director

Dated this day 26 September 2019

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFINITY LITHIUM CORPORATION LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Infinity Lithium Corporation Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the financial report of Infinity Lithium Corporation Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(x) in the financial report which indicated that the consolidated entity incurred a loss of $2,719,392 (2018: $9,040,990). The cash reserves and net assets of the Group at 30 June 2019 were $1,266,770 and $1,412,612 (2018: $3,905,102 and $4,113,404). These conditions, along with other matters set forth in Note 1(x), indicate the existence of a material uncertainty that may cast significant doubt about the company's and consolidated entity's ability to continue as a going concern and therefore, the company and consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the company and consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company and consolidated entity not continue as a going concern.

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Independence

We are independent of the consolidated entity in accordance with 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 (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our description of how our audit addressed these matters is provided in that context below.

1. Carrying value of capitalised exploration expenditure

Why significant

As at 30 June 2019 the carrying value of exploration and evaluation assets was $1,620,483, as disclosed in Note 14. This represents 52% of the total assets of the consolidated entity.

In addition, an amount of $1,872,577 was recognised in profit or loss for the year ended 30 June 2019 with regards to impairment of capitalised and joint venture exploration expenditure.

The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1a(ii) and d. Significant judgement is required:

- in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
- in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
  - whether the particular areas of interest meet the recognition conditions for an asset; and
  - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
  - assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
  - holding discussions with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
  - obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
- considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and
- the consolidated entity's accounting policy; and assessing the appropriateness of the related disclosures in Notes 1a (ii), 1d and 14

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2. Acquisition of additional interest in Tecnolgia Extremena Del Litio S.L.

Why significant	How our audit addressed the key audit matter
As set out in note 10 and 15 to the financial report, the consolidated entity acquired an additional 25% interest in Tecnolgia Extremena Del Litio S.L (TEL) on 13 March 2019. This resulted in the change in accounting treatment from the previous joint control to control with the increase in total equity interest from 50% to 75%. The consolidated entity's accounting policy in respect of consolidation is outlined in Note 1 (b). Significant work and judgement is required in determining the appropriate treatment and recognition of the transaction and overall interest held in accordance with the requirements of AASB 10 Consolidated Financial Statements.	Our work included, but was not limited to, the following procedures: • Review of the signed agreements between the various parties, including various supporting transfer documents; • Review of the recognition and classification of the consideration payable, including the appropriate classification between current and non-current liabilities for the deferred component; • ensuring that the transaction had been appropriately recognised in accordance with the requirements of AASB 10 "Consolidated Financial Statements" within the financial report; • reviewing and checking the calculation and recognition of the non controlling interest from the consolidation of TEL; and • assessing the appropriateness of the related disclosures on Notes 1(b), 10, 11, and 15.

Other Information

Other information is financial and non-financial information in the annual report of the consolidated entity which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Chairman's Letter, Director's Report, Additional Information for Listed Public Companies, Schedule of Interests in Mining Tenements and the Corporate Governance Statement. The remaining Other Information, if any, is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

Opinion

In our opinion, the Remuneration Report of Infinity Lithium Corporation Limited for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth

PKF PERTH

SHANE CROSS
PARTNER

26 SEPTEMBER 2019
WEST PERTH,
WESTERN AUSTRALIA

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Ordinary share capital
210,456,818 fully paid shares are held by 950 individual shareholders as at 17 September 2019.
There were no shareholdings held in less than marketable parcels.
Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options
24,375,000 options are held by 15 individual option holders.
Options do not carrying a right to vote.

Distribution of holders of equity securities

Category (size of holding)	Number – Fully paid ordinary shares	Number – Options
1 – 1,000	29	0
1,001 – 5,000	51	0
5,001 – 10,000	165	0
10,001 – 100,000	398	0
100,001 – and over	307	15
	950	15

	A record of the 20 largest shareholders is as follows:-	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	WOMBAT SUPER INVESTMENTS PTY LTD <WOMBAT SUPER A/C>	6,944,021	3.3
2	MR BRIAN HENRY MCCUBBING + MRS ADRIANA MARIA MCCUBBING <B MCCUBBING SUPER FUND A/C>	6,200,000	2.95
3	DENKEY PTY LTD	6,000,000	2.85
4	ADMAN LANES PTY LTD	3,850,000	1.83
5	MR NICHOLAS SIMON DRAPER + MRS MELINDA JANE DRAPER <DRAPER SUPER FUND A/C>	3,700,000	1.76
6	MR MALIK MOHAMMED EASAH	3,357,143	1.6
7	PEKING PTY LTD <DIAL A DUMP STF S/F NO 2 A/C>	3,249,000	1.54
8	COREKS SUPER PTY LTD <COREKS SUPER FUND A/C>	3,225,000	1.53
9	DR ERIC VERNON LILFORD	3,225,000	1.53
10	MRS ELEANOR JEAN REEVES <ELANWI A/C>	3,222,805	1.53
11	TEEPEE INVESTMENTS PTY LTD	3,000,000	1.43
12	AURORA VENTURES PTY LTD	3,000,000	1.43
13	WIGWAM SUPER PTY LTD <TEE PEE SUPER FUND A/C>	3,000,000	1.43
14	RLS SUPER INVESTMENTS PTY LTD <THE R L SHIRLEY SUPER A/C>	3,000,000	1.43

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (Cont.)

15	INVICTUS CAPITAL PTY LTD <MAIN FAMILY A/C>	2,900,339	1.38
16	KM PILGRIM FAMILY PTY LTD <K&M PILGRIM FAMILY A/C>	2,812,924	1.34
17	EVALON INVESTMENTS PTY LTD	2,606,000	1.24
18	MR MICHAEL CHARLES MANN + MRS NADA MANN <MCM SUPER FUND A/C>	2,550,000	1.21
19	STARLET COURT PTY LTD <MUSGRAVE SUPER FUND A/C>	2,500,000	1.19
20	VALIANT EQUITY MANAGEMENT PTY LTD <THE BYASS FAMILY A/C>	2,423,889	1.15
		70,766,121	33.63

Unquoted equity security holdings greater than 20%

		Number of Options Held	% Held of Options in an unquoted class
Option exercise price $0.35, expire at 30/10/2019			
1.	VALIANT EQUITY MANAGEMENT PTY LTD <THE BYASS FAMILY A/C>	1,500,000	22%
2.	J SANDERS	1,500,000	22%
Option exercise price $0.32, expire at 05/12/2020			
1	Kevin Tomlinson	2,000,000	100%
Option exercise price $0.234, expire at 19/03/2020			
1	Zenix Nominees Pty Ltd	4,000,000	50%
1	CG Nominees (Aust) Pty Ltd	4,000,000	50%
Option exercise price $0.15, expire at 11/06/2021			
1	Ryan Parkin	1,000,000	100%
Option exercise price $0.15, expire at 11/06/2020			
1	Zenix Nominees Pty Ltd	6,000,000	100%
Option exercise price $0.12, expire at 14/12/2021			
1	Vincent Ledoux-Pedailles	500,000	100%

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (Cont.)

Company Secretary
Mr Robert Orr

Principal registered office
Level 2, 38 Richardson Street,
West Perth WA 6005.
Telephone +61 (0) 8 6461 6350

Share Registry
Advanced Share Registry Services
110 Stirling Hwy
NEDLANDS WA 6009
Telephone +61 (08) 9389 8033

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (Cont.)

SCHEDULE OF INTERESTS IN MINING TENEMENTS

	Project	Tenement Number	Location of tenements	% of interest
1.	Valdeflórez:	10343-00 (application)	Spain	50%
2.	Ampliación a Valdeflórez:	10359-00 (application)	Spain	50%
3.	P.I. Morille	6.634-20	Spain	80%
4.	P.I. Estano Salamanca Fr 2.	6.250-30	Spain	80%
5.	P.I. Tin Nueve	6.250-21	Spain	80%
6	P.I. Areasrozardos	6.634-40	Spain	80%
7	P.I. Rozados	6.634-30	Spain	80%
8	Banio	Arrete No 161	Gabon	100%
9	Mamana	DGPEM No:651 (application)	Gabon	100%

Resources Statement

The MROR was updated in the year ended 30 June 2019. Infinity announced to the ASX on 23 May 2018 information pertaining to the exploration and mineral resource estimates of the San José Project in accordance with ASX Listing Rule 5.8 and compliance with the 2012 JORC Code.

The resource estimate for San José is shown below in Table 1;

Table 1 San José Mineral Resource, reported above 0.1% Li cut-off

Classification	Tonnes (Mt)	Li (%)	Li_2O (%)	Sn ppm
Indicated	59.0	0.29	0.63	217
Inferred	52.2	0.27	0.59	193
TOTAL	**111.2**	**0.28**	**0.61**	**206**

Estimated using Ordinary Kriging methodology. Note: Small discrepancies may occur due to rounding

Snowden Mining estimated the total Mineral Resource for the San José lithium deposit using Ordinary Kriging interpolation methods and reported above a 0.1% Li cut-off grade. Full details of block modelling and estimation are contained in the ASX announcement dated 5 December 2017 and updated 23 May 2018.

Lithium (Li) mineralisation is commonly expressed as either lithium oxide (Li2O) or lithium carbonate (Li2CO3) or Lithium Carbonate Equivalent (LCE).

Lithium Conversion: 1.0% Li = 2.153% Li2O, 1.0%Li = 5.32% Li2CO3

The Resource was announced to the ASX on 5th December 2017 and updated 23 May 2018. Infinity is not aware of any new information or data that materially affects the information included in this ASX release, and Infinity confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the resource estimates in this release continue to apply and have not materially changed.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (Cont.)

Summary of governance and controls: The mineral resource for the San José Project is reported in accordance with the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". This resource was published by Infinity in an announcement to the Australian Securities Exchange dated 23 May 2018. In accordance with requirements determined by the Australian Securities Exchange and the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", a checklist for Assessment and Reporting Criteria is presented in that announcement.

A review of factors was conducted which may affect the MROR. These examined included;

- Sovereign risk
- Commodity prices
- Processing or metallurgical understanding
- Environmental or mineability setting
- Standing of consultants/contractors/technology used in estimation process.

Infinity is not aware of any new information or data that materially affects the information included in this report, 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

The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources or Ore Reserves 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 Corporation Limited. 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 Australasian 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.

The information in this report that relates to Exploration Targets and Mineral Resources for the San José project is based on the information compiled by Mr Jeremy Peters, FAusIMM CP (Mining, Geology). Mr Peters 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 in collection of data used in the preparation of this report. Mr Peters is an employee of Snowden Mining industry Consultants and consents to be named in this release and the report as it is presented.

CORPORATE GOVERNANCE

Infinity Lithium Corporation Limited and its controlled entities ("the Consolidated Entity") are committed to high standards of corporate governance. Policies and procedures which follow the "Principles of Good Corporate Governance and Best Practice Recommendations" 3rd Edition issued by the Australian Securities Exchange ("ASX") Corporate Governance Council, to the extent they are applicable to the Consolidated Entity, have been adopted. The Companies corporate governance policies and procedures are disclosed on the Company web site http://www.infinitylithium.com.