

ASX: INF ANNOUNCEMENT

31 October 2019

Quarterly Activities Report period ending 30 September 2019

HIGHLIGHTS

- **Infinity Delivered an Exceptional Lithium Hydroxide Pre-Feasibility Study and Declared a Maiden JORC Reserve for San José**
- **Infinity Confirms Key European Commission Appointments and Position as Leading European Integrated Lithium Chemicals Project**
- **European Commission Vice President Recognises San José Lithium Project and Infinity at €20bn EU Battery Investment Platform Launch**
- **Infinity Directors Participate in Capital Raising**
- **Option for the Sale of Equatorial Potash Pty Ltd and Divestment of Banio and Mamana Potash Project Assets**

Subsequent to the Quarter

- **Appointment of Key Spanish Director Mr Felipe Benjumea Llorente to the Board**
 - **Infinity leading EU lithium-ion battery supply chain consortium to apply for European funding for the development of a pilot plant and EU end user product testing program**
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Summary

Infinity Lithium Corporation Limited (ASX:INF, 'Infinity', or 'the Company') was pleased to announce the advancement of the San José Lithium Project ('San José', or 'the Project') through the release of the Pre-Feasibility Study and maiden JORC Reserve.

The Company advanced activities in the European Union which included hosting the European Battery Association ('EBA'), European Investment Bank ('EIB') and senior institutional representatives in Madrid. The European Commission appointed Infinity Director Vincent Ledoux-Pedailles as Lithium Expert for the Critical Raw Materials Assessment, and Infinity presented at the EBA 6th Stakeholders Meeting. Further significant European Union ('EU') funding initiatives were announced at the launch of the Battery Investment Platform (as part of the Stakeholders Meeting) where the Project was recognised by the European Commission Vice President Šefčovič.

The Company continued to align the Project to European stakeholders and announced the commencement of an evaluation of a Bolsa Madrid Exchange ('BME') listing. Subsequent to the period ended 30 September 2019 the Company announced the strengthening of the Board with the appointment of Spain based Director Mr Felipe Benjumea Llorente, and announced the composition of an EU consortium that has applied for EU funding through the InnoEnergy "KIC InnoEnergy SE Innovation Projects Investment Round 2019."

Infinity Delivered Exceptional Lithium Hydroxide Pre-Feasibility Study and Declared a Maiden JORC Reserve for San José

Infinity announced the completion of the Pre-Feasibility Study ('PFS') to produce lithium hydroxide at San José, located in the Spanish region of Extremadura. The PFS outcomes confirmed exceptional Project economics and offered several improvements which included an extended production life and reduced social, environmental and visual impacts. The completion of the PFS provided robust support for ongoing discussions with potential key strategic partners in the delivery of essential battery grade lithium chemicals within Europe.

Pre-Feasibility Study – Cautionary Statement

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

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

The Study is based on the material assumptions outlined below and include assumptions about the availability of funding. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Study will be achieved. To achieve the potential mine development outcomes indicated in the Study, additional funding will be required. Investors should note that there is no certainty that the Company will be able to raise funding when needed however the Company has concluded it has a reasonable basis for providing the forward looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to fund the development of the San José lithium deposit.

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

Highlights of the Project PFS included:

Outstanding project economics (pre-tax) based on 100% project ownership:

- Pre-tax NPV₁₀ of US\$860 million
- Pre-tax IRR of 42.3%
- The Project has the potential to generate US\$6 billion in gross revenue

Extended project life from integrated activities with:

- 30 years lithium hydroxide production from 19 years of mining operations
- Substantially improved employment dynamics for the region of Extremadura with a 25% increase in production life vs Scoping Study

Process flow sheet to produce lithium hydroxide confirmed:

- Wave International completed the PFS which delivers lithium hydroxide at US\$5,434/t
- Average production of 15ktpa in the first 10 years

Significant project improvements over Scoping Study (refer to ASX announcement on 29 November 2018)

- Maiden Ore Reserve
- Exceptionally low average LOM strip ratio of 0.43 : 1 and a reduction in total movement
- Project life extended and total movement minimised through improvements in pit design and process efficiencies
- Optimisation of the process flowsheet through extensive test work results in increased overall plant recovery
- Cost reductions through confirmation of the recycling and successful reuse of key reagent potassium sulphate in the roasting and water leach process
- Improvement in project economics and environmental impact through reduction in tailings, waste footprint and visible impact of processing plant

Infinity maintains the right to move to 100% Project ownership as a result of the renegotiated Joint Venture agreement. For further details on the PFS refer to ASX announcement on 22 August 2019.

The announcement of the finalised PFS followed two prior PFS updates in the quarter. Refer to ASX announcement on 26 July 2019 for the Plant Stage 3 test work that provided confirmation of the recycling and successful reuse of potassium sulphate in the roasting and water leach process. Refer to ASX announcement on 7 August 2019 for the confirmation of PFS level test work that successfully produced lithium hydroxide. The test work proved the flowsheet and achieved all millstones for the PFS test work programme.

European Battery Alliance Met Infinity: San José Described as a Key Component in the “EU’s Single Biggest Opportunity in Decades”

Infinity welcomed senior institutional representatives and delegates from major participants in the European and Spanish lithium-ion battery chain in a series of meetings in Madrid. These invitations included discussions with the European Battery Alliance (‘EBA’) and European Investment Bank (‘EIB’) and presentation of “Spain’s Unique Strategic Position in the EU’s eMobility Supply Chain” including the unique San José Lithium Project (‘San José, or ‘the Project’) opportunity.

The importance of San José and other EU lithium-ion battery supply chain opportunities was reiterated in the meeting. The next steps included the progression of continued dialogue with the EBA and EIB after the completion

of the PFS. The EBA expressed a desire to visit the San José site and assist in the facilitation of commercial discussions with other industry participants as part of their “battery mining belt” initiative. Furthermore, strategic opportunities to work collaboratively with the EBA were discussed in an effort to attract other industry participants to the region of Extremadura. Refer to ASX announcement on 3 July 2019.

European Commission Appointed Infinity Director Vincent Ledoux-Pedailles as Lithium Expert for Critical Raw Materials Assessment

Executive Director Vincent Ledoux-Pedailles was selected as a lithium expert by the European Commission and participated in the Critical Raw Materials (‘CRMs’) list assessment in Brussels. It is expected that the assessment can potentially result in the inclusion of lithium in a list of CRMs for the EU in 2020. The CRM list is an essential component in assessing European supply needs and therefore investments and industrial strategies. Refer to ASX announcements 29 July 2019 and 18 September 2019.

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

Infinity was appointed to the Advisory Board of CERA along with Volkswagen and other strategic partners to assist in the development of a standardised certification for the traceability of materials through the value chain for the lithium-ion batteries to be used in EU electric vehicles. Infinity also led the EU at the European Battery Alliance (EBA) 6th Stakeholders Meeting and other industry panels. Refer to ASX announcement 18 September 2019.

European Commission Vice President Recognises San José Lithium Project and Infinity at €20bn EU Battery Investment Platform Launch

Infinity was invited by the EBA to present San José at the EBA Stakeholders Meeting serving as an example of a project that could be supported by the EBA’s new Battery Investment Platform (BIP). Infinity received support from the European Commission’s Vice President in a public speech given at the EBA 6th Stakeholders Meeting in Brussels, reinforcing management’s strategy of the alignment of San José to the European supply chain.

Vice President Šefčovič stated “*Infinity Lithium is planning on producing 15,000t of lithium hydroxide in Spain and is in negotiations with 4 European industrial players. Automakers should be very interested in this project.*” These comments extended Vice President Šefčovič’s and the European Commission’s statement of support for EU lithium projects and specifically for battery raw materials projects that focus on the process of lithium extraction and conversion to lithium chemicals that are urgently required to support the EU’s automotive industry’s transition into electric mobility (refer to ASX announcement 14 June 2019), and calls for the European Investment Bank (‘EIB’) to become fully engaged in funding raw material projects in exploration, mining and refining.

Refer to ASX announcement 27 September 2019.

Director Participation in Placement

Infinity announced on 27 June 2019 that it had raised approximately \$1.5 million before costs via the issue of approximately 21.43 million shares at an issue price of \$0.07 per share (‘Placement’).

The funds raised under the Placement were to be used primarily to complete the PFS for San José, additional engineering and battery grade product production as part of the Definitive Feasibility Study, and general working capital.

Directors of Infinity Mr Ryan Parkin and Mr Adrian Byass supported the Placement for a total amount of approximately \$80,000 subject to shareholder approval. The Company sought and obtained shareholder approval at a General Meeting of the Company held on 9 September 2019.

Performance Bonus and Opportunity to Increase European Capital Involvement

Infinity announced the implementation of a performance-based incentive scheme for Executive Directors which has been designed to align a proportion of the Executives' remuneration with value creation and shareholder returns. The Company announced the commencement of an evaluation of a Bolsa Madrid Exchange ('BME') or Spanish Stock Exchange listing. Refer to ASX announcement on 13 September 2019.

Divestment of Banio and Mamana Potash Projects

Infinity Lithium 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 granted 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.

Relinquishment of the Morille Tungsten Project

The Company elected to relinquish the 5 Investigation Permits covering the Morille Project. The decision was made after the Company was unable to find parties interested in acquiring or joint venturing the assets. The tungsten price has failed to recover and results from exploration and drilling activities (last conducted in 2014) were insufficient to justify advancement in the tungsten price environment.

Further Events Subsequent to September 2019 Quarter End**Appointment of Mr Felipe Benjumea Llorente to the Board of Infinity**

Infinity was pleased to announce the appointment of Mr Felipe Benjumea Llorente to the Board of Infinity. The appointment continued to reflect the corporate requirements and evolution of the Board of Infinity with regards to advancing the San José Lithium Project in Europe. Mr Benjumea brings extensive business networks and corporate experience through more than 30 years on the Board of listed Spanish Company Abengoa, and he has been instrumental in the development of major projects with a presence in more than 60 countries. San José Lithium will benefit from Mr Benjumea's experience in the industrial field of renewable energy, with an extensive successful track record in bringing large scale and globally focussed projects to fruition in innovative and emerging markets.

The appointment of Mr Benjumea reinforces the Company's evolution in aligning key management and the Board in Europe. The Company continues to align the Project to potential European offtake and technology partners in line with the strategic objectives of the European Commission and the European Battery Alliance. Refer to ASX announcement on 15 October 2019.

Infinity Leads EU Funding Initiative Consortium

Infinity successfully brought together leading EU lithium-ion battery supply chain participants to form and lead an EU consortium in an application for InnoEnergy funding to support the development of a pilot plant for the production of lithium hydroxide to be tested and validated by European end-users. The technical partnership is in line with stated European Commission and European Battery Alliance strategies and objectives to develop a fully integrated lithium-ion battery supply chain including the extraction of lithium and its conversion into lithium chemicals.



ACN 147 413 956

General Meeting

The Company held a General Meeting on 9 September 2019; all resolutions were passed unanimously on a show of hands.

Shares and Options

The Company issued 20,285,714 fully paid ordinary shares on 3 July 2019. The Company issued 1,142,858 fully paid shares and 1,000,000 Options to acquire fully paid shares at an exercise price of 0.088 cents, expiring 16 September 2022, on 17 September 2019.

Cash Balance

The cash balance as at 30 September 2019 was \$1.394 million.

For further inquiries please contact;

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Competent Persons Statement

Lithium

The Mineral Resource for the San José lithium deposit was calculated in May 2018 (Cube Consulting Perth, WA) 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 22 May 2018.

The Resource which supports the Scoping Study was announced to the ASX on the 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.

The resource information in this report that relates to the December 2017 and updates in May 2018, updated Mineral Resources is based on the information compiled by Mr Patrick Adams, FAusIMM CP (Geology) and Mr Adrian Byass B.Sc Hons (Geol), B.Econ, FSEG, MAIG. Mr Adams and Mr Byass have 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 they are undertaking to qualify as Competent Person(s) as defined in the 2012 Edition of JORC Code. Mr Adams has not visited the project area and has relied on the documented (Byass, 2016-2018, Peters, May 2017) drilling, logging and sampling techniques used by Infinity in collection of data used in the preparation of this report. Mr Adams is a Principal Geologist and a Director of Cube Consulting Pty Ltd and consents to be named in this release and the report as it is presented. Mr Byass is employed by Infinity as a geologist and has visited the site during pre- and post- drilling activities and consents to be named in this release and the report as it is presented.

Production Target, Ore Reserve and PFS Study announced to the ASX on 22 August 2019: The information in this report that relates to Exploration Results is based on the information compiled or reviewed by Mr Adrian Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG and an employee of Infinity. Mr Byass has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Byass consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Potash

The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled or reviewed by Mr Adrian Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG and an employee of Infinity Minerals 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 Resource was announced to the ASX on the 5 November 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.

Disclaimer

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s prospects, properties and business strategy.

Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of or non-occurrence of any events.

About Infinity's Lithium Project

Infinity Lithium is an Australian listed minerals company who is seeking to develop its 75% owned San José Lithium Project and produce battery grade lithium hydroxide. Supply response is needed to satisfy Europe's burgeoning energy storage needs through feeding the large-scale battery plants currently under construction.

The San José deposit is a highly advanced, previously mined brownfields development opportunity representing one of Europe's largest lithium deposits. Infinity Lithium will potentially mine the hard rock Mica resource and develop processing facilities to provide what would currently be the sole European mine-to-end-product lithium hydroxide operation.

San José is a highly advanced lithium project which is hosted in lithium-mica that hosts a JORC resource of lithium carbonate equivalent ('LCE'). A feasibility study completed in 1991 defined an open pit mining operation and a process flow sheet which produced lithium carbonate through acid-leach or sulphate calcine processing. This drilling, mining and processing study work highlights the advanced status and inherent advantages enjoyed by San José in relation to many other hard rock deposits. The Resource estimate for San José is shown below in Table 1;

Classification	Tonnes (Mt)	Li (%)	Li ₂ O (%)	Sn ppm
Indicated	59.0	0.29	0.63	217
Inferred	52.2	0.27	0.59	193
TOTAL	111.3	0.28	0.61	206

TABLE 1: SAN JOSÉ MINERAL RESOURCE, REPORTED ABOVE 0.1% LI CUT-OFF

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

Snowden Mining (2017) and Cube Consulting 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 5 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.

Table 2 summarises the San José Maiden Ore Reserve estimate.

Classification	Tonnes (Mt)	Li (%)	Li ₂ O (%)	Sn ppm
Proven	-	-	-	-
Probable	37.2	0.29	0.63	217
TOTAL	37.2	0.29	0.63	217

TABLE 1: SAN JOSÉ JORC ORE RESERVE STATEMENT

100% of the material in the PFS mining schedule is included in the Probable Ore Reserves category. The Ore Reserves were calculated assuming the mining and processing methods determined for the PFS.

The Reserve was announced to the ASX on 22 August 2019. 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 reserve estimates in this release continue to apply and have not materially changed.

Tenement Schedule in accordance with Listing Rule 5.3.3

Lithium Project Spain

Infinity has a 75% beneficial interest in the San José Lithium Tin Project (Application) from Valoriza Minería.

The San José tenements:

- Valdeflórez: 10C 10343-00 Application
- Ampliación a Valdeflórez: 10C 10359-00 Application

Potash Projects, Gabon

Infinity, through its 100% owned subsidiary Mayumba Potasse SARL, owns a 100% interest in two tenements (granted and application).

Infinity Lithium has signed a binding Letter of Intent ('LOI') for the sale of the Company's Gabonese potash assets. The LOI grants an exclusive Option to purchase a 100% interest in the Potash project.

Tenements:

- Banio - Exploration License No 161 (granted)
- Mamana – Application Number DGPEM No 651 (application)