



ACN 147 413 956

ASX: INF ANNOUNCEMENT

25 February 2020

Potash Divestment Allows Increased Focus on Spanish Lithium Project

HIGHLIGHTS

- **Infinity streamlines activities and focus on the San José Lithium Project with a sale agreement for the company's potash assets.**
 - **This sale (pending completion of due diligence) compliments the relinquishment of tungsten assets in 2019, leaving Infinity with a sole focus on the San Jose lithium project in Spain.**
 - **Infinity reinforces its commitment to the European based lithium project and the EU lithium-ion battery supply chain.**
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Infinity Lithium Corporation Limited (ASX:INF, 'Infinity', or 'the Company') has entered into binding sale agreement to sell the Gabonese potash assets as the Company streamlines its activities and focus on the Spanish based San José Lithium Project ('San José or 'the Project').

As previously advised, based on the projected global demand and reduced opportunity for bulk fertiliser project development, Infinity considers the Gabonese potash assets to be non-core to the strategically significant San José. Raw materials and battery grade lithium chemicals acknowledged as essential components in the European Union's ambition to develop an integrated lithium-ion battery supply chain. It is considered that maintaining a structure with the sole focus being the Company's lithium project will assist greatly with attracting potential European funding.

The Company had previously signed a Letter of Intent ('LOI') for the sale of the Company's wholly owned subsidiary Equatorial Potash Pty Ltd ('EPPL') and its Gabonese potash assets (refer to ASX announcement 9 July 2019). The Option agreement was terminated prior to the new agreement as the Option holder was in breach of terms and conditions. Infinity then entered into a binding Sale Agreement of the Gabonese potash assets to Meridian Drilling Inc. The Sale Agreement will remove costs associated with the potash assets and is subject to due diligence period of 14 days, the terms of the sale agreement are outlined in Appendix 1.

Infinity Lithium Managing Director Ryan Parkin commented, *"Infinity has previously announced its intention to divest the Gabon assets and is focussed solely on the lithium industry and the San José lithium deposit in Spain. This warrants our absolute focus and attention. Having a deal structure which can deliver real value through removing costs for Gabon allows us to add value in Spain."*

This announcement was authorised by the Board of Directors.

For further inquiries please contact;
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About Equatorial Potash

Infinity acquired the potash assets in Gabon prior to becoming involved in the San José Lithium Project in Spain.

Infinity owns 100% of the Banio Project and the application for the Mamana Potash Project (Figure 1).



FIGURE 1: POTASH PROJECT LOCATION PLAN



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Appendix 1

Key terms and conditions of Sale agreement

In exchange for 100% interest in EPPL and the Gabonese potash assets Meridian will provide the following;

- Waiver of any outstanding fees related to drilling
- Waiver of any costs and obligations related to the demobilisation of drilling equipment

Mayumba Potasse SARL, 100% owned subsidiary of EPPL.

Mayumba Potasse SARL holds 100% interest in tenements;

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