



ASX : INF
FRA : 3PM

Corporate Presentation

September 2020



InnoEnergy is supported by the EIT,
a body of the European Union

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Competent Persons Statement

The information in this report that relates to Exploration Targets and Mineral Resources is based on the information compiled by Mr Patrick Adams, of Cube Consulting Pty Ltd (Perth). Mr Adams has sufficient relevant professional experience with open pit and underground mining, exploration and development of mineral deposits similar to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of JORC Code. He has visited the project area and observed drilling, logging and sampling techniques used by Infinity Lithium in collection of data used in the preparation of this report. Mr Adams is an employee of Cube Consulting Pty Ltd and consents to be named in this release and the report as it is presented.

The information in this report that relates to Exploration Results is based on the information compiled or reviewed by Mr Adrian Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG and an employee of Infinity Lithium. Mr Byass has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Byass consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Pre-Feasibility Study – Cautionary Statement

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

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

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

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



Infinity Signs First Binding European Funding Deal

Direct investment of up to **€800K**

Support fundraising activities:

Phase II: Pilot plant up to **€2.4m**

Project financing up to **€300m**

1

Direct European financial endorsement

The European Commission led European Battery Alliance is developing an **EU strategic lithium-ion battery value chain** & is focused on the **critical deficiency in lithium chemicals supply**

2

Fully integrated & sustainable EU project

3

Strategic development aligned to EU policy

Direct European **financial endorsement** for the development of the fully integrated and sustainable San Jose Lithium Hydroxide Project highlights **urgent EU response** to imminent burgeoning demand for lithium chemicals

4

Long life and low cost lithium chemical production



San Jose Lithium Hydroxide Project



San Jose is a **fully integrated** and **sustainable** project in **Spain**



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



30-year production: total revenues **US\$6 Billion**

Pre-tax NPV at **US\$860M**

Pre-tax IRR at **42%**



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



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

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

Infinity: The 1st Project To Secure EU Funding Through EIT InnoEnergy



Direct Investment

InnoEnergy to fund up to **€800,000** (A\$1.3m)

- InnoEnergy direct investment in Infinity Lithium under Project Agreement
- Funds used for **phase one pilot plant test work** with Project Partner Dorfner Anzaplan
- The test work forms essential component for class 3 Feasibility Study
- **Production of battery grade lithium hydroxide samples** for offtake verification



Fundraising Support

InnoEnergy to support and facilitate investment for up to **€2.4m** (A\$4.0m)

- Funds used for **phase two pilot plant test work** with Project Partner Dorfner Anzaplan
- Production of battery grade lithium hydroxide samples for offtake verification



Project Financing

InnoEnergy to assist Infinity in securing full project financing for up to **€300m** (A\$500m)

- Final investment decision: assist securing **full project financing** including both **debt & equity**
- Track record of facilitating and participation in funding other major EU lithium-ion battery projects

EIT InnoEnergy Services & Support



Offtake

- Through the European Battery Alliance network, InnoEnergy will support and facilitate negotiations with European off-takers



Licensing & IP

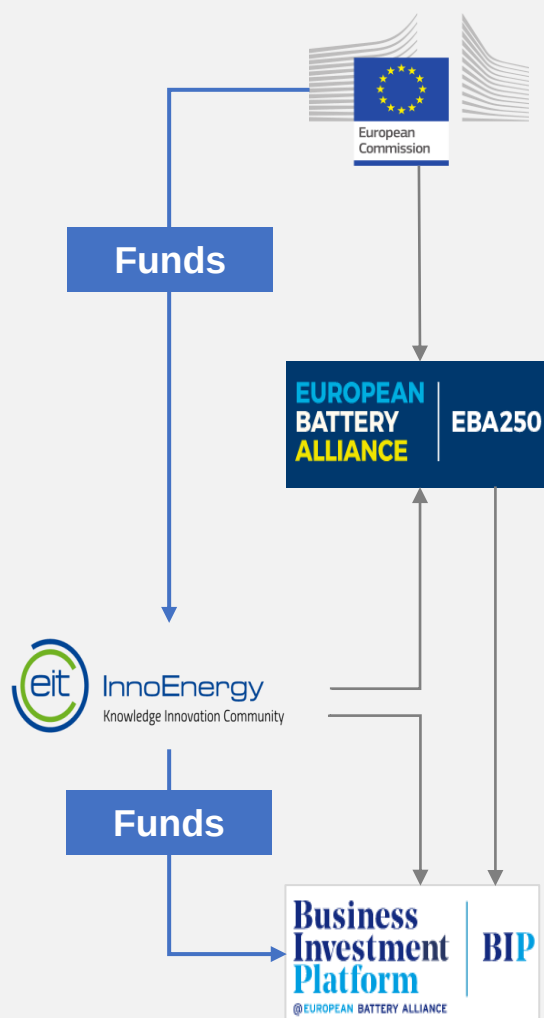
- Participate in license scheme for technology developed and applicable to other EU mica lithium deposits



Advisory & Support

- Advisor appointed to utilise EBA network and provide services in project advancement

Who Is EIT InnoEnergy?



European Commission launched EBA in Oct 2017 to create competitive and fully integrated battery manufacturing chain in Europe

EBA250: Annual market value is estimated at **€250 billion** from 2025 onwards

EIT InnoEnergy manages EBA industrial development programme **EBA250**

EBA launched **BIP** in Sept 2019: **€70bn** investment in batteries is required in the EU by **2023**

Maros Šefčovič

VP European Commission & EBA



*“Unless we **develop our own mining & refining capacity**, the EU will continue to be in great part dependent on foreign supplies”*

The EU is focused on requirement to extract raw materials, process and retain critical battery materials that are urgently required for the European lithium-ion battery supply chain

*“**Infinity Lithium** is planning on producing lithium hydroxide in Spain [...] **Automakers should be very interested in this project**”*

Šefčovič said new **EU rules** will include **sustainability guidelines**, regarding the **responsible sourcing of raw materials, a low carbon footprint and reduced waste** during production. It will also apply to Chinese suppliers to EU automakers.

Šefčovič notes the critical need to *“**Develop a strategic value chain for manufacturing EV lithium-ion batteries inside Europe**”* - *“**Secure access to raw materials such as lithium**”*

European Commission will propose new **environmental standards for batteries**: an effort to **outgreen China** & offer local producers a way to differentiate their production from Asian competitors.

EIB Vice President McDowell expects to **set aside at least €1 billion a year** in loans for battery projects within the 27-country bloc **over the next four years**.

The EIB has **changed their energy lending policy** in November and **included mining operation for critical raw materials** such as **lithium**

Andrew McDowell

VP European Investment Bank



The EIB identified the significant **gap in the market**, reinforcing their focus on *“**raw materials and refining facilities**”*

COVID-19 has highlighted 'deglobalization' trend in the lithium supply chain



EU's Green Deal was announced in the midst of this COVID crisis:

- EU's economic recovery aligned to transforming the EU's economy for a **sustainable future** through investment in **digital, renewable energy and environmentally sustainable projects**.
- The mass adoption of **electric vehicles** is essential as part of their strategy



The EU is committed to a target Net Zero Carbon 2050 target

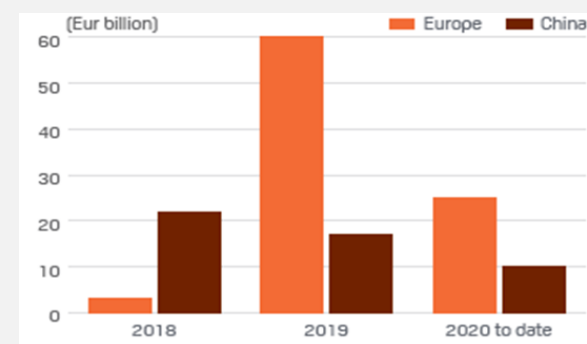


Strict **regulations on emissions** are driving EU companies to be at the **forefront of lithium-ion battery value chain investments**



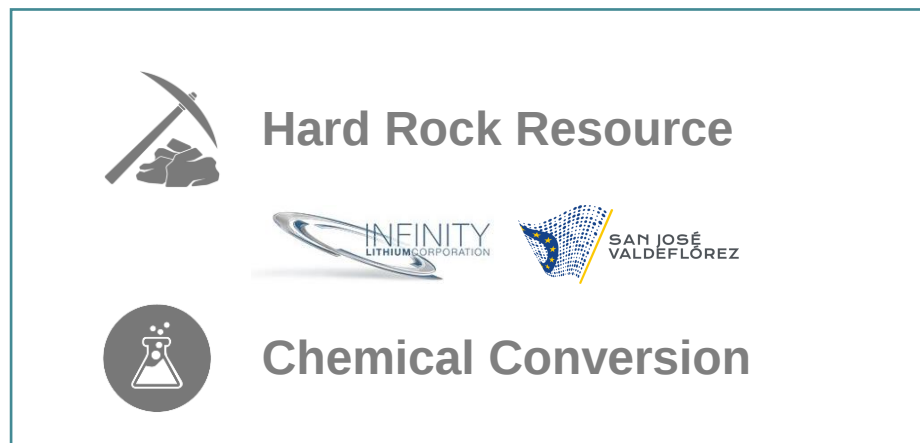
Auto manufacturers in the EU are not expected to meet the new 95g/km CO₂ target and could face fines amounting to more than **€20 billion⁽¹⁾ in both 2021* and 2022**.

EU Investment Dwarfs China



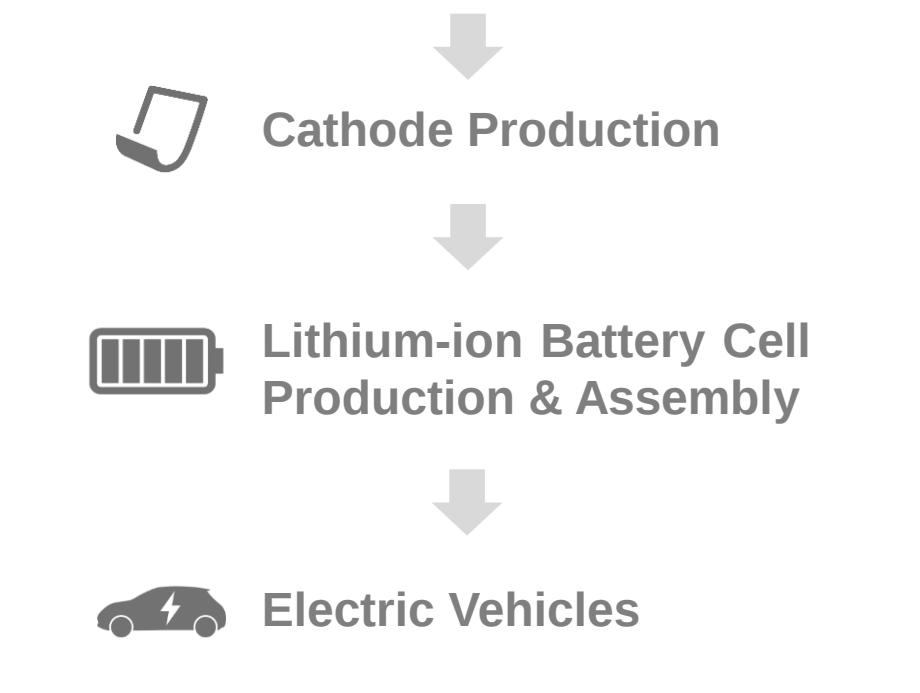
Source: S&P Global

*Highest-polluting 5% of new cars registered in 2020 are excluded from the 2021 fines calculations

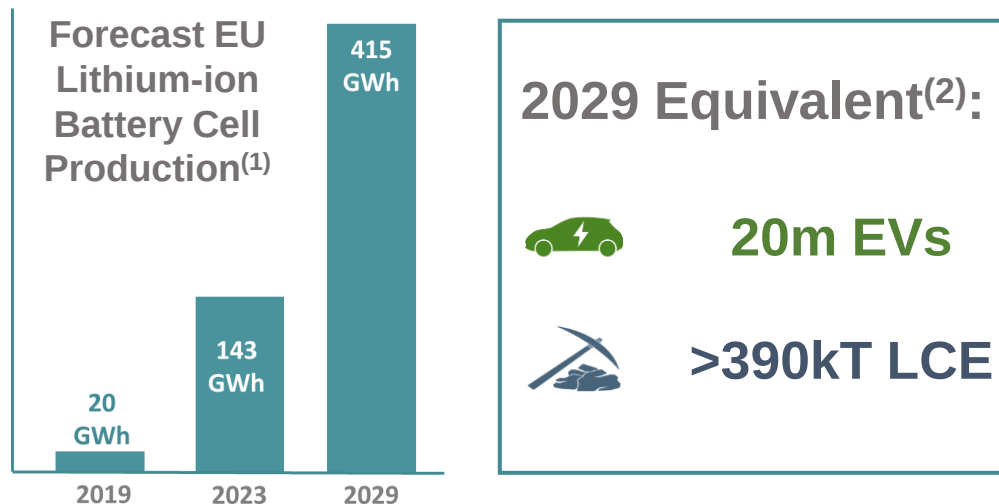


European Automakers want to de-risk their supply chain

- Concerns over **limited availability** of critical battery metals and **concentration** in a small number of countries such as China
- Europe will be the **2nd largest lithium chemical consumer** in the world, but **no lithium** plants have been built yet



Forecast EU Lithium-ion Battery Cell Production: 2nd Largest Global Market



EU policy is accelerating demand for EVs

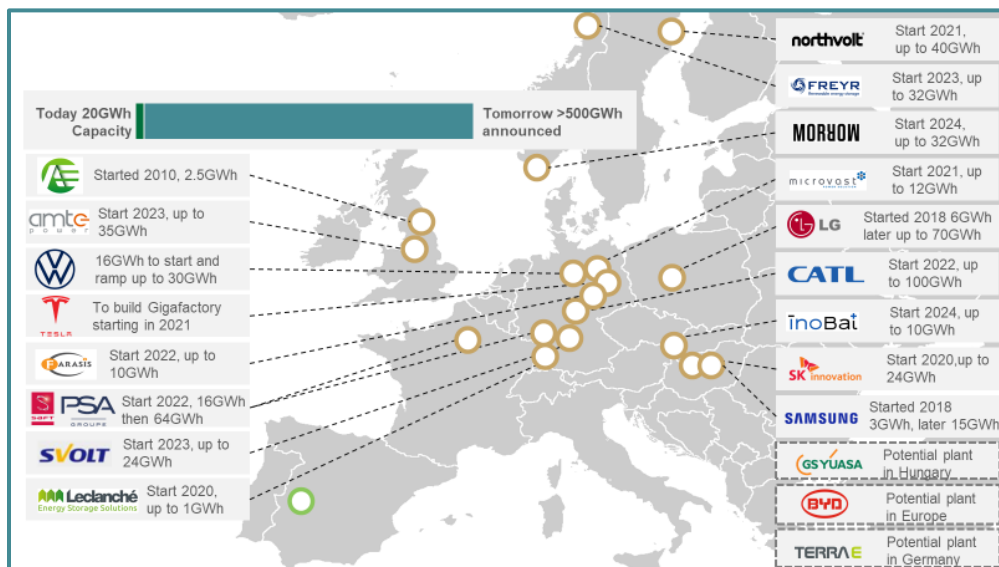
A **fully integrated** European Lithium-ion battery supply chain will require **more than the global production** of lithium today

Lithium hydroxide is required in high nickel content cathodes used in EVs

Europe is forecast be the **2nd largest producer** of

- **Electric vehicles**
- **Lithium-ion batteries**
- **Cathodes**

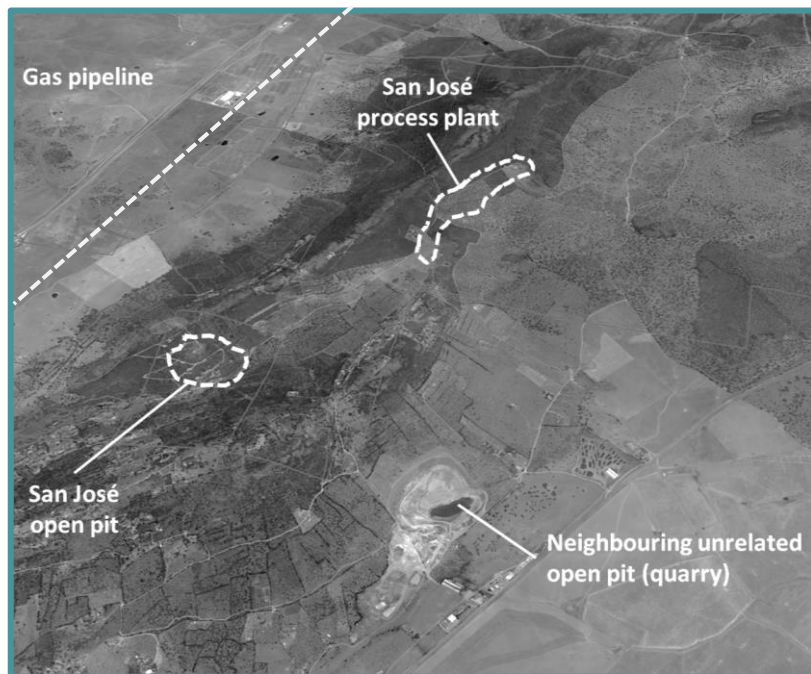
Europe currently produces no lithium hydroxide – the EV industry remains at risk with China producing more than 80% of lithium hydroxide globally in 2019



(1) Source: Benchmark Mineral Intelligence



Infinity's Fully Integrated & Sustainable Lithium Project



Lithium hydroxide chemicals production in the EU

Fully integrated and sustainable project in Spain

Second largest hard rock lithium resource in the EU

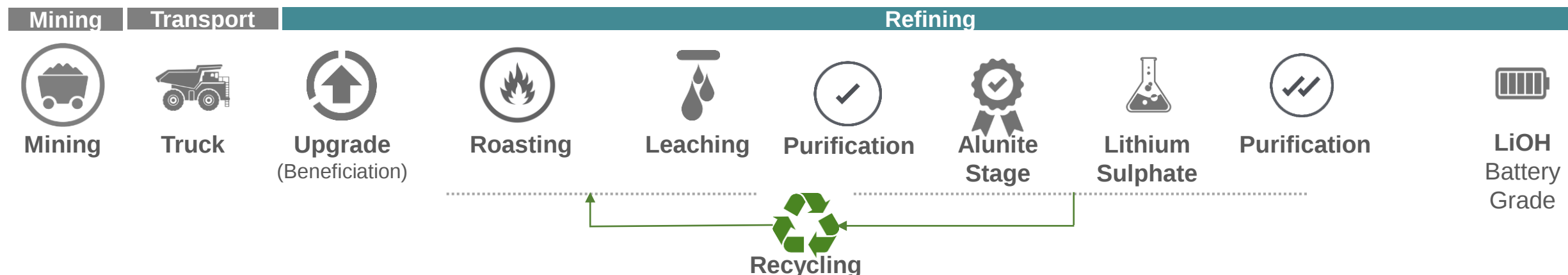
JORC Resource 111.2Mt (Ind. 59Mt, Inf. 52.2Mt), Probable Reserves 37.2Mt

Strategically important long life and low cost project

30 years production of battery grade lithium hydroxide – 15ktpa⁽¹⁾
19 year mine and stockpile activity – depleting <50% JORC Resource

Sustainable project focus aligned to EU policy and funding

European Battery Alliance developing an EU strategic lithium-ion battery value chain and unlocking financial support



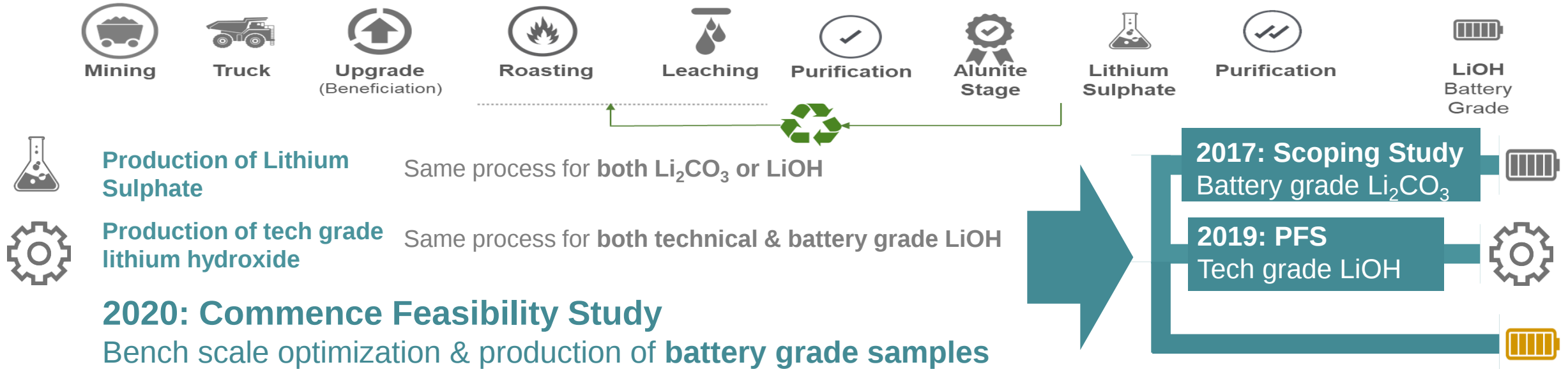
INFINITY LITHIUM PROJECT LITHIUM HYDROXIDE PRE-FEASIBILITY STUDY



NPV ₁₀	Pre-tax		US\$860M	IRR	Pre-tax		42.3%
Total Revenue From Lithium Hydroxide			US\$6Bn	CAPEX ² (Pre-production)			US\$268M
OPEX ^{1,3}			US\$5,434/t	Capital Intensity			\$US16K/t
Annual Production ³ of lithium hydroxide			15,000t/y	Project Life Mine Life			30 years 19 years
2 nd Largest Lithium Resource in the EU			1.6Mt LCE	Strip Ratio			0.43:1

100% Project Ownership Basis

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

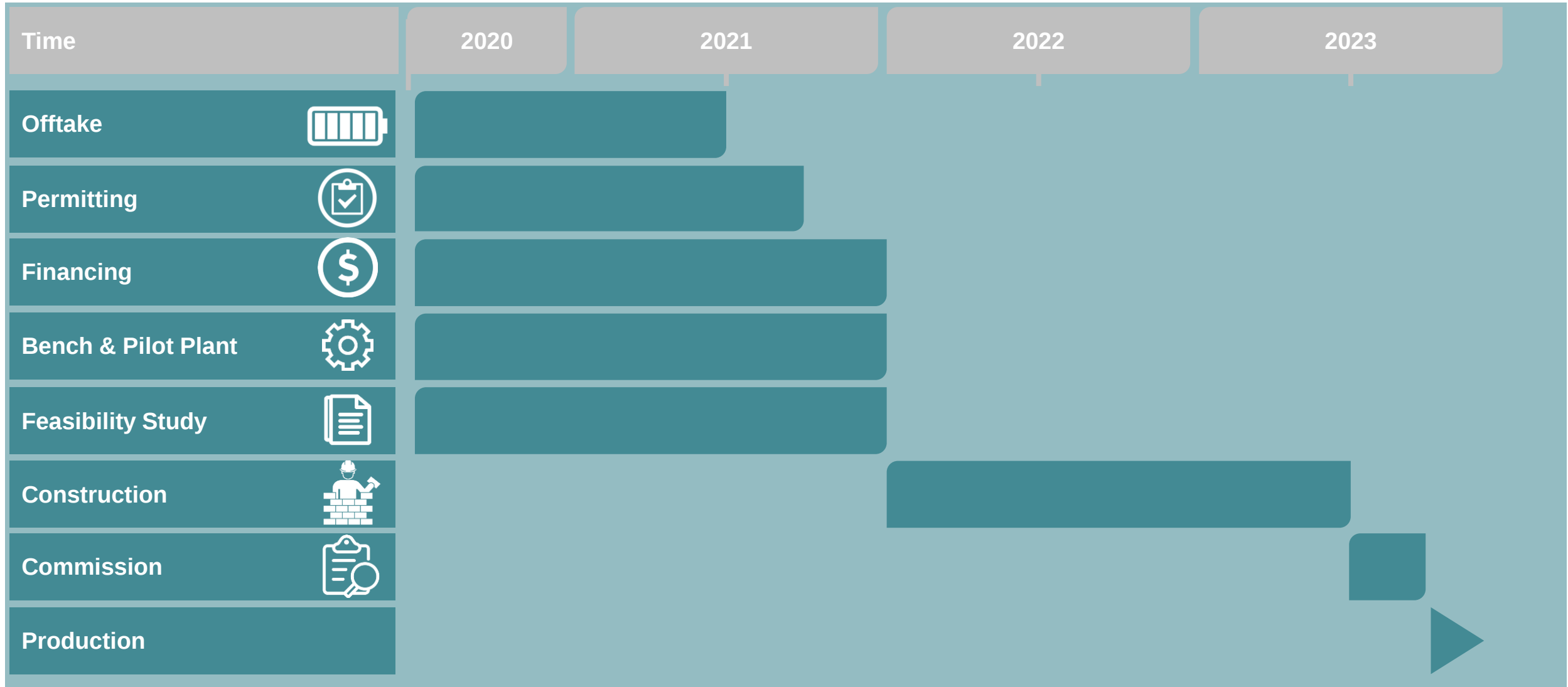


Funded by EIT InnoEnergy:
Total funding commitment €800,000; tranche 1 payment received

Test work underway at Dorfner Anzaplan facilities in Germany:
Infinity on site in July 2020: optimisation and production of samples underway

Next Steps:
Engagement with EU technology & off-takers to verify battery grade LiOH

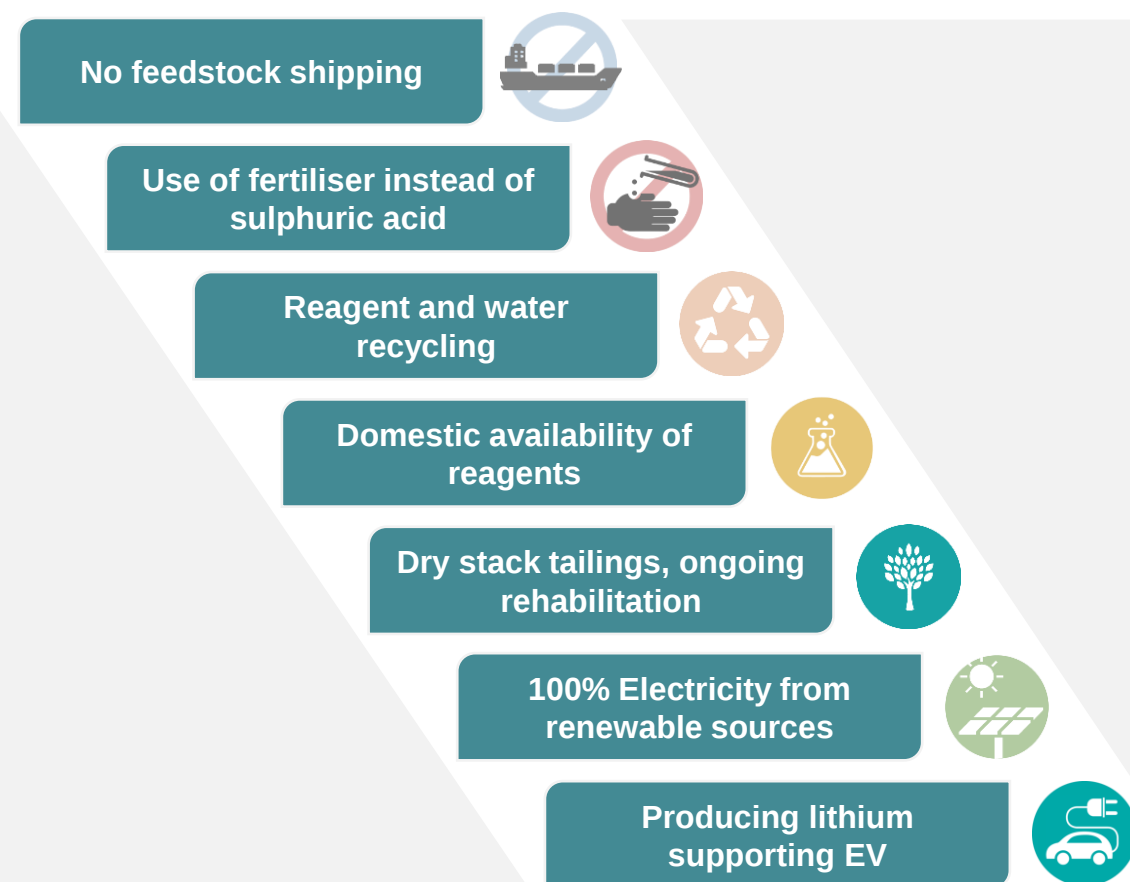




Ticking Many Boxes - The European Green Deal



Linking To The Green Deal Across The Entire Process





First Project To Sign Binding European Funding Deal with InnoEnergy



Infinity is Strategically Located to Support Strong Demand Outlook For Lithium In Europe



A Large And Long-Term Asset Supporting EV Growth



A Uniquely Fully Integrated Lithium Project



San Jose Lithium Project Supported by Strong Economics



Sustainable, Low Carbon Footprint Operation Project Aligned to EU Strategic Objectives

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www.infinitylithium.com

Share Price⁽¹⁾ **A\$0.09**

Shares on Issue⁽²⁾ **244.4m**

Options ⁽³⁾ **30.5m**

Performance Rights⁽⁴⁾ **3.1m**

SARS⁽⁵⁾ **5.0m**

Market Capitalization⁽⁶⁾ **A\$22.0m**

Cash⁽⁷⁾ **A\$0.6m**

Debt **Nil**

Top 20 Shareholders **43%**

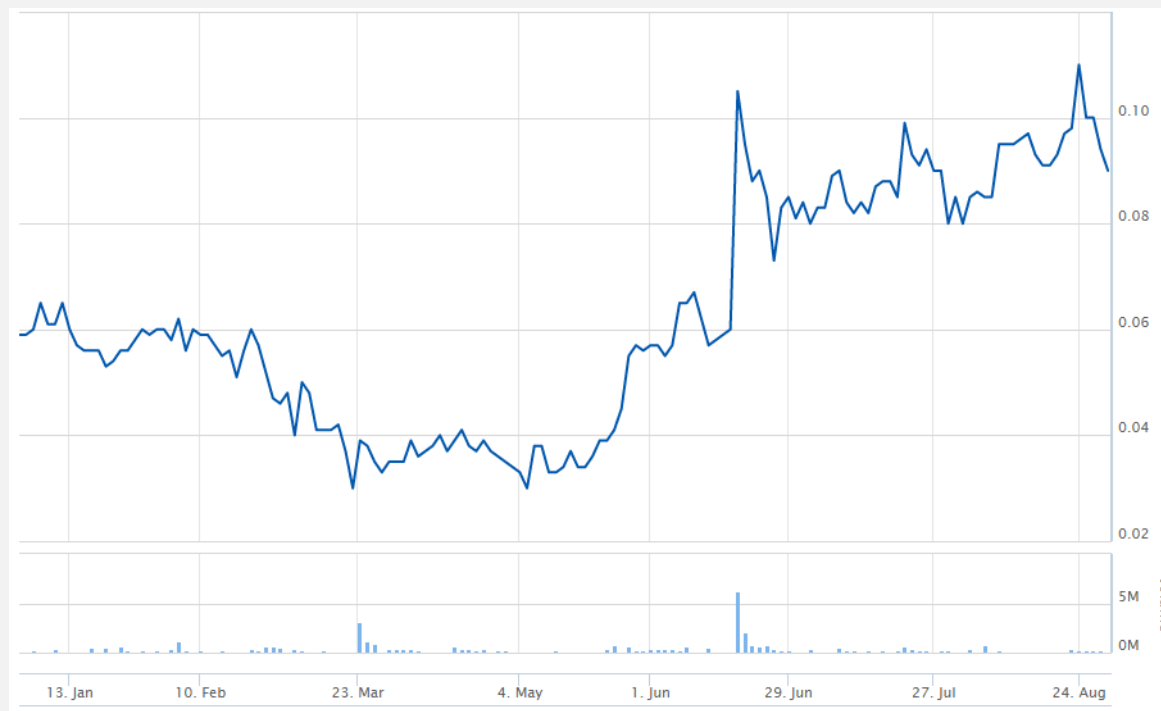
Directors & Mgt **4.6%**

ASX Code

INF

FRA Code

3PM



(1) INF closing share price 28th August 2020

(2) Appendix 2A 3rd August 2020

(3) Includes ~ 12.6m options from last placement (refer to www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&id=02226262) and 715k related party options to be issued subject to shareholder approval (refer to <https://www.asx.com.au/asxpdf/20200424/pdf/44h79sg5hk0kfb.pdf>)

(4) Performance Rights expiry 31 December 2020 (refer to Notice of Meeting dated 25 October 2019)

(5) Share Appreciation Rights (refer Notice of Meeting dated 25 October 2019)

(6) Undiluted

(7) Cash balance 30 June 2020: Appendix 5B <https://www.asx.com.au/asxpdf/20200731/pdf/4411qt3krqdwk.pdf>

Adrian Byass
Non-Executive Chairman



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

Ryan Parkin
Managing Director/CEO



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

Remy Welschinger
Non-Executive Director



- Cass Business school
- Experienced finance and European commodities executive with more than 13 years experience in leading major global bank European office commodities and fixed income
- Currently on Board of AIM company and unlisted companies

Jonathan Whyte
Company Secretary



- Chartered Accountant
- Extensive corporate, company secretarial and financial accounting experience, predominantly for listed resource companies. Previously worked in the investment banking

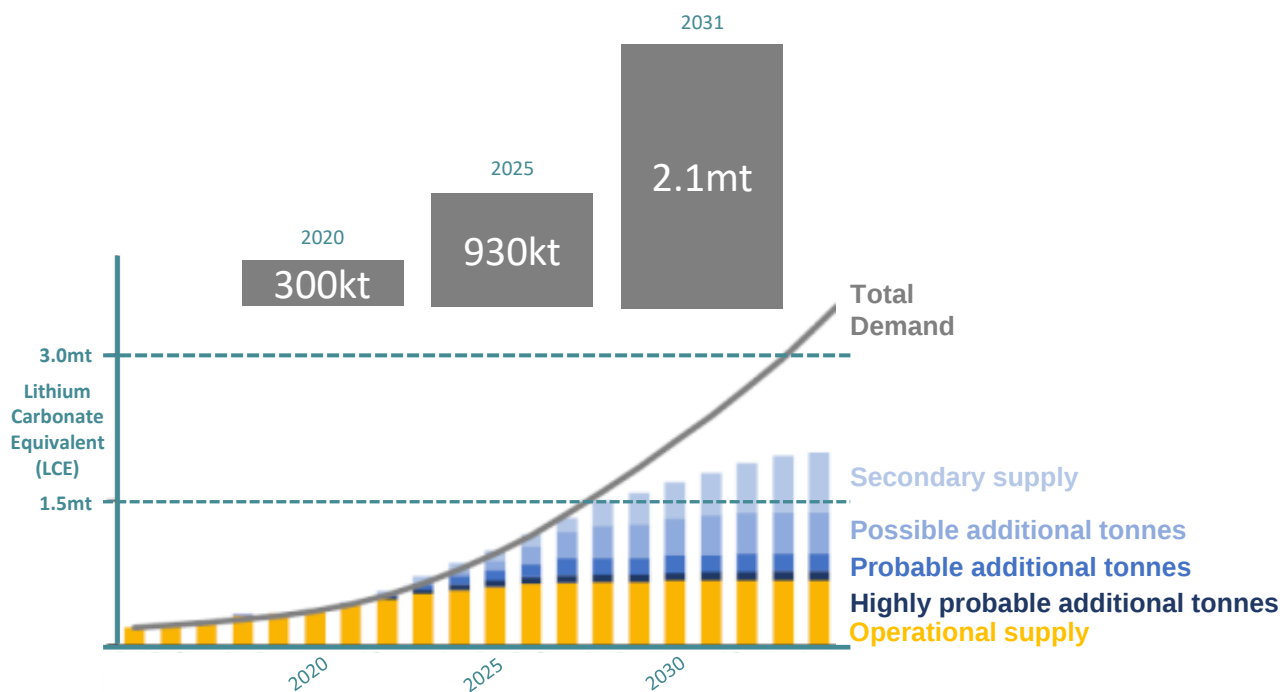
David Valls
Technical Manager - Spain



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

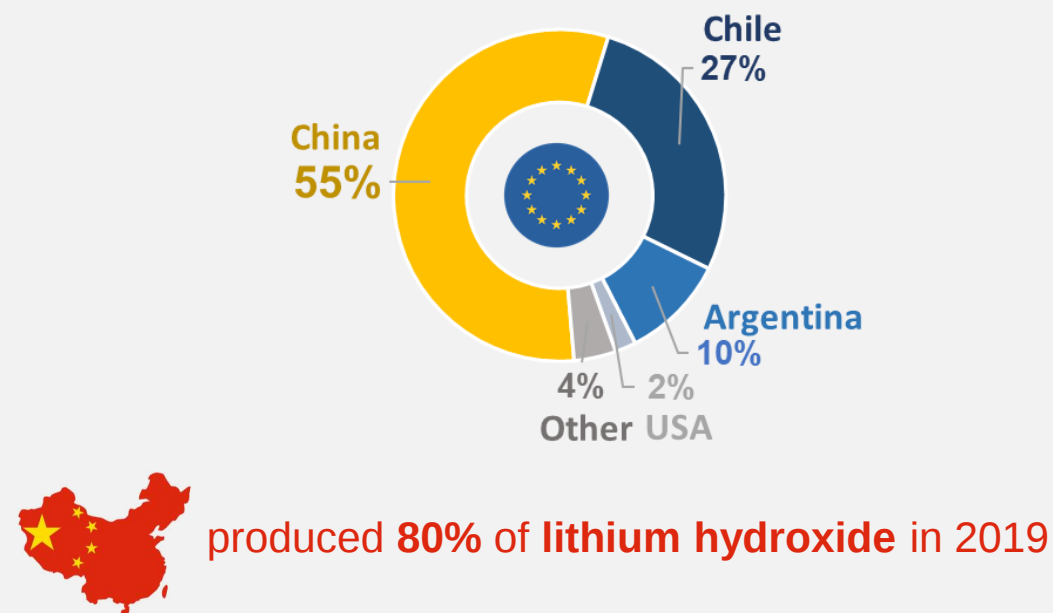
- Global lithium supply imbalance forecast by 2025 – sooner for the EU
- Europe currently produces no lithium hydroxide – the EV industry remains at risk with China producing more than 80% of lithium hydroxide globally in 2019

Lithium Raw Materials Supply & Demand (1)



(1) Source: Benchmark Mineral Intelligence

Lithium Chemical Supply 2019⁽¹⁾



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

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



Estimated using Ordinary Kriging methodology.

Note:

Small discrepancies may occur due to rounding.

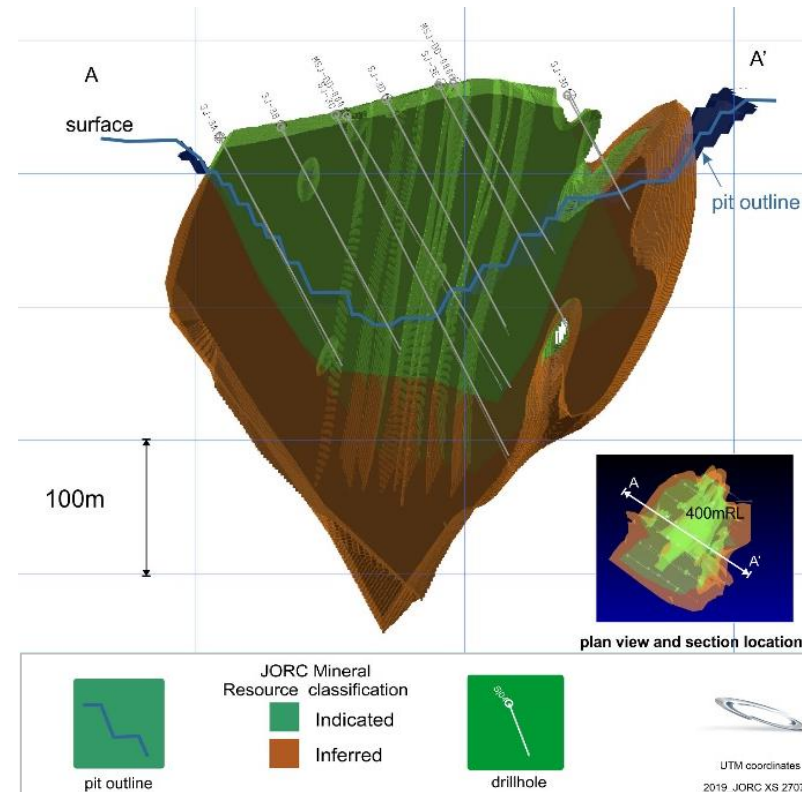
JORC Table 1 included in an announcement to the ASX released on 23 May 2018: “Lithium Resource and Open Pit Upgrade”. Infinity confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

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

1.0% Li = 2.153% Li₂O

1.0% Li = 5.32% Li₂CO₃

1.0% Li₂CO₃ = 0.880% LiOH.H₂O



x2 – Potential to double

PFS based 100% on Indicated Resources



Germany was the first country to convert mica into lithium chemicals back in the 50's



Today, there are at least 4 conversion sites in **China** converting mica into lithium chemicals, and they all have plans to increase capacity.
In 2018, production was 9,000t of LCE and grew to 25,000t of LCE in 2019 **(+166%yoy)**



BASF, the largest chemical producer in the world, has concluded an MOU for an offtake of lithium hydroxide with **Desert Lion** who will be processing Mica into lithium chemicals



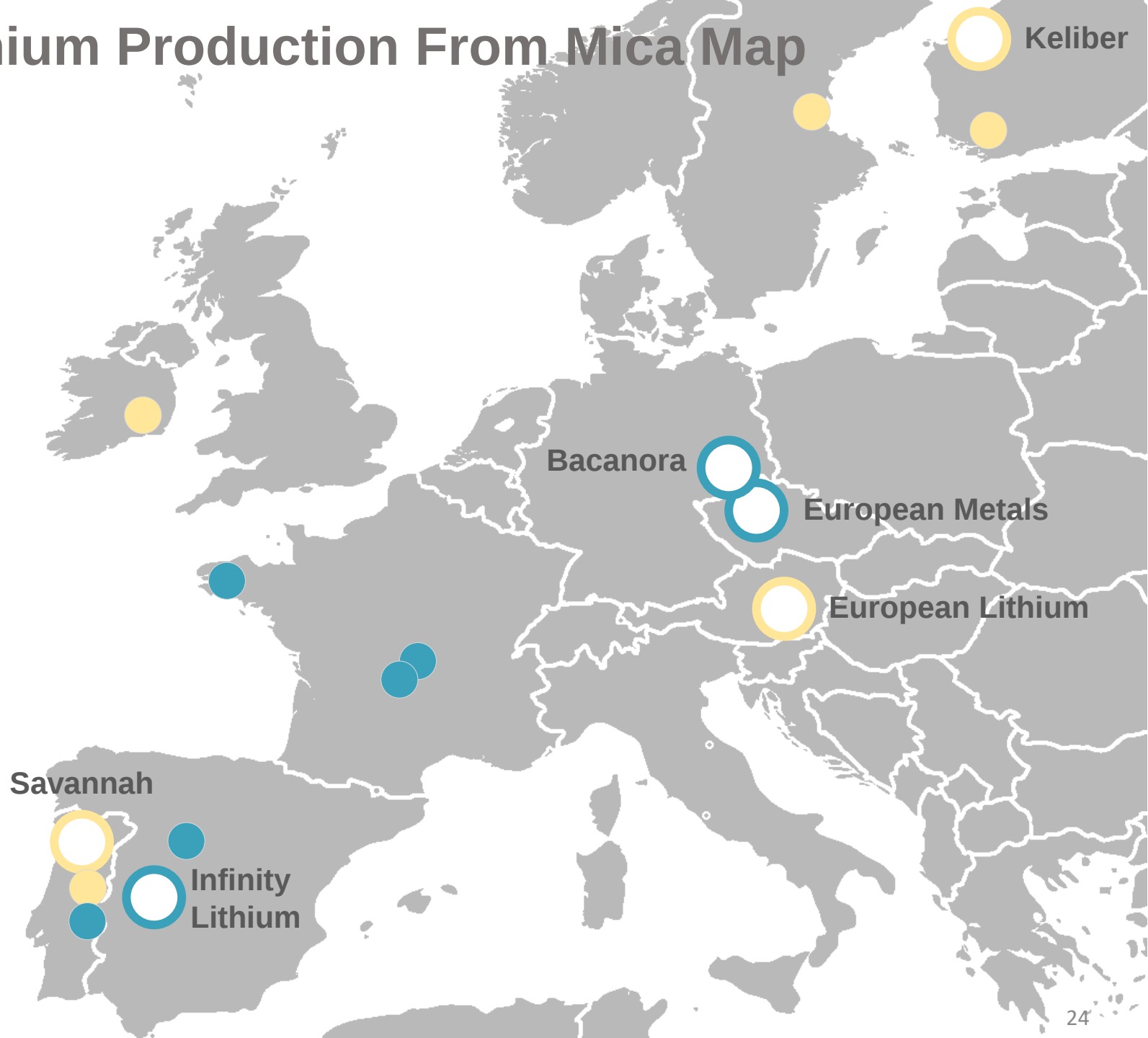
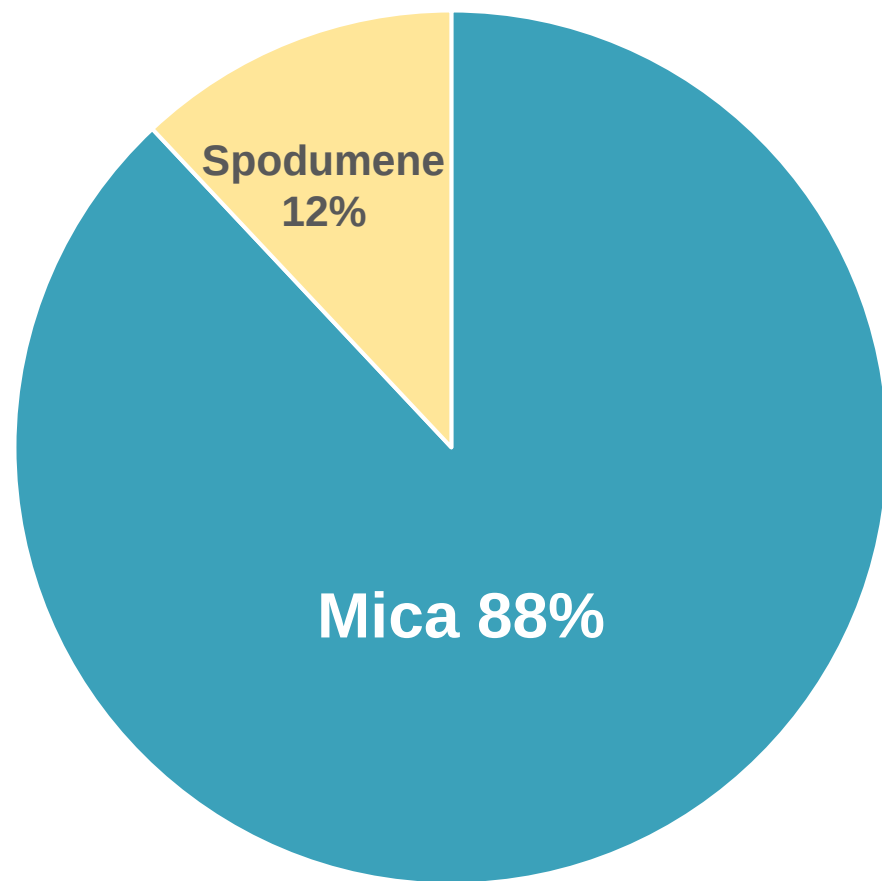
Fortescue Metals Group, the fourth largest iron ore producer in the world with AUD9Bn revenues in 2018, has applied for tenements in Portugal for potential lithium extraction, most likely from Mica

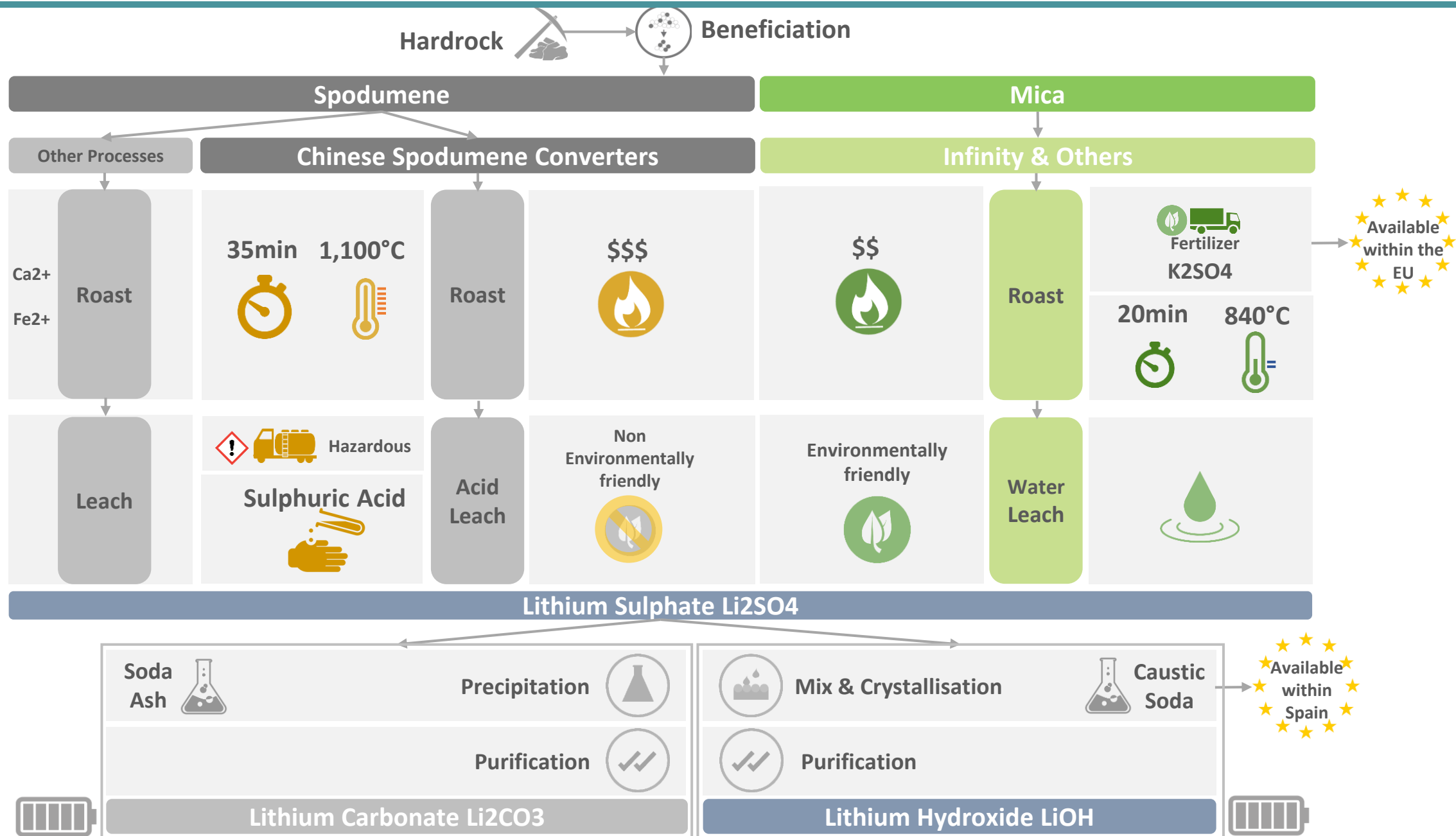


A large majority of **EU's** lithium resource are mica based.

Appendix 6: Lithium Production From Mica Map

Identified Lithium Resource in the EU





Infinity Lithium

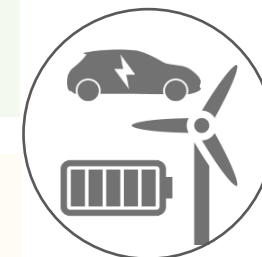
- Very **low strip ratio** 0.43:1
- **Minimum waste**
- Chemical plant **<3km away** from the mine
- **Very small water requirement** and most of the water is **recycled**
- **Low temperature** process (840C) and short (20min) requiring **less energy**
- Roasting process uses **safe reagents** such as potassium sulphate
- Leaching process uses water which is almost entirely **recycled**
- All reagents **available domestically**
- Able to supply end-users regionally, only a few hundred kilometers away
- **Light footprint**



Others

- Spodumene mines have strip ratio **over 4-10:1**
- **More waste**
- Chemical plant **<8,000km away** in China
- Future chemical plants in Australia will still be 200-400km away from mine
- Brine operations in South America require **very large amounts of water** in extremely dry locations
- Water rights and environmental issues
- Spodumene roasting is **energy intensive** (1,100C) and longer (35min)
- Roasting in China involves large volumes of **sulfuric acid**, a **hazardous and polluting** chemical
- Leaching also involves sulfuric acid
- Reagents often need to be imported from **thousands of kilometers away**
- The lithium inside your car can travel more than 50,000km before you even start driving
- **Heavy footprint**

San Jose is a unique fully integrated lithium project, offering the



European lithium-ion battery industry in Europe a long term, large, and sustainable source of supply.