

## QUARTERLY ACTIVITIES REPORT PERIOD ENDING 31 MARCH 2021

### *San José Lithium Project*

- Investigation Permit Valdeflorez Application ('PIV') research permit was cancelled on 6 April 2021.
  - Legal advice is being sought on the validity of the decision, the process and the Company's rights of appeal, and the Company's potential recourse based on the decisions and action of the Junta.
  - Assembly of a highly experienced and dedicated in-country team underway to pursue all avenues to see the expedited re-instatement of the PIV.
  - Discussions with its joint venture partner on the path forward continuing.
- Investigation Permit Ampliacion Valdeflorez ('PIAV') remains granted and in good standing with Infinity holding a 75% interest in the Joint Venture Tecnología Extremeña Del Lito S.L. ('TEL'). The PIV and PIAV permits comprise the San Jose Lithium Project.
- Test work continued to progress with our partners in Germany under phase one of the Project Agreement
- Battchain Consortium Submitted €1.2B Application for Virus Recovery Funds

### *Corporate*

- A\$15 million Placement completed
- Head of Corporate Development Appointed
- 5<sup>th</sup> Ministerial Meeting of the European Battery Alliance prioritised sustainable local sourcing and processing of raw materials used in batteries – funds available through Coronavirus Recovery & resilience plans and the European Investment Bank.
- Available cash as at 31 March 2021 of A\$19.52 million.

ASX Release  
30 April 2021  
ASX: INF  
FRA: 3PM

### Project highlights

**2<sup>nd</sup> Largest JORC hard rock lithium deposit** in the EU

**Strategically located** in Spain, Europe to be the 2<sup>nd</sup> largest market for battery grade lithium after China

**1st lithium project to secure EIT InnoEnergy Funding**

Uniquely **fully integrated project** with mine and adjacent conversion plant

**Low carbon footprint** and sustainable operation

### Corporate Directory

**Ryan Parkin**  
Managing Director & CEO

**Adrian Byass**  
Non-Executive Chairman

**Remy Welschinger**  
Executive Director

**Jon Starink**  
Executive Director

**Jonathan Whyte**  
Company Secretary

### Contact

Level 3, 22 Railway Road  
Subiaco WA 6008

T: +61 (8) 6146 5325  
E: [admin@infinitylithium.com](mailto:admin@infinitylithium.com)  
W: [www.infinitylithium.com](http://www.infinitylithium.com)  
W: [www.sanjosevaldeflorez.es](http://www.sanjosevaldeflorez.es)



The Board of Infinity Lithium Corporation Limited (**'Infinity'**, or **'the Company'**) presents the Company's Quarterly Activities Report and Appendix 5B for the three months ending 31 March 2021.

## San José Lithium Project

### Event Subsequent to 31 March 2021: Investigation Permit Valdeflorez Cancellation

The Company announced a trading halt on 9 April 2021 and subsequently suspension from official quotation on 13 April 2021. Infinity provided an update on 23 April 2021 which advised that it had received notification from the Junta de Extremadura (the regional government of Extremadura) (**'Junta'**) which informed the Company of the cancellation of Investigation Permit Valdeflorez ('PIV') research permit at the San José Lithium Project (**'San José'**). The decision was unexpected and followed the resolution of the Junta which granted the Investigation Permit Ampliacion Valdeflorez (**'PIAV'**), as announced on 23 December 2020. At the time of this report the Company remains in voluntary suspension.

The Company first became aware of the cancellation of the PIV via media speculation and the subsequent announcement at the Extremadura Assembly on 8 April 2021 and immediately called a trading halt. Since that time the Company had sought formal confirmation from the Junta of the cancellation, as well as engaging legal counsel to understand the cancellation with sufficient certainty to provide an update to the market.

The San José Lithium Project comprises the PIV and PIAV (refer to Figure 1). The location of the beneficiation plant and downstream lithium chemical conversion facilities have been identified in the PIAV area, utilising feedstock from the lithium mica ore contained within PIV (refer to PFS announcement 22 August 2019). The Company confirms that the PIAV remains in force.

The Company has been seeking legal advice on the validity of the decision, the process and the Company's rights of appeal, and the Company's potential recourse based on the decisions and action of the Junta. The Company is also in the process of assembling a highly experienced and dedicated in-country team to pursue all avenues to see the expedited re-instatement of the PIV. The Company intends to provide an update to the market in this regard in due course.

The Company has separately engaged in discussions with its joint venture partner. Discussions remain incomplete and confidential at this stage.

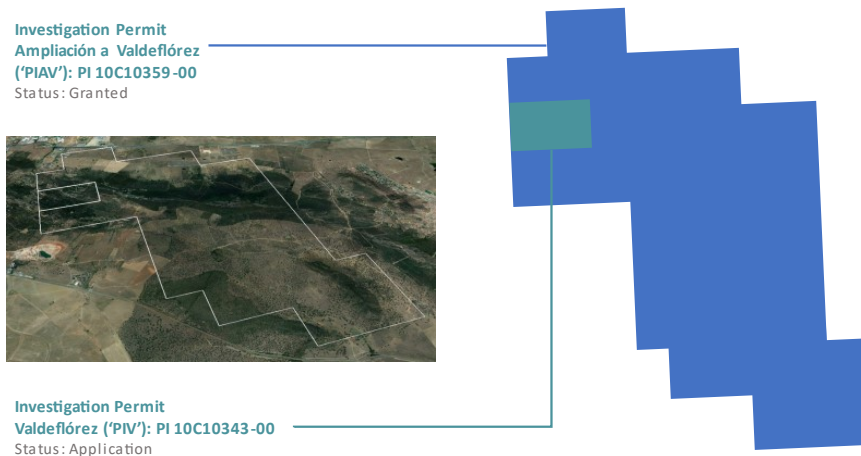


Figure 1: Summary of Investigation Permit Areas

### Progression of Test Work

The EU has continued to be impacted by the coronavirus pandemic, however test work continued with our partners in Germany under phase one of the Project Agreement as executed in June 2020 with KIC InnoEnergy SE ('EIT InnoEnergy'). The test work program progressed with some adjustments in timeline deliverables, due in part to the impact of the pandemic, however Infinity is pleased with the commitment of our partners in their work to continue in trying circumstances throughout Q1 2021. Test work continues to advance in Germany through the next stages that have the potential to optimise roasting, leaching, and locked cycle activities

The programme is managed by leading German consultancy and engineering company Dorfner Anzplan in line with project deliverables under the agreement.

### Battchain Consortium Submits €1.2B Application for Virus Recovery Funds

Infinity announced the Company's participation in the EIT InnoEnergy led Battchain consortium submission for the consortium's application for up to €1.2b of Coronavirus Recovery Funds. The EU Coronavirus Recovery & Resilience funds, which total €750b, includes €140bn earmarked for Spain in the form of grants and low-interest loans. Battchain is focused on the development of industrial projects in the Spanish automotive sector. Refer to ASX announcement 11 February 2021

## Corporate

### \$15.1 million Placement Completed

In February the Company announced the successful completion of a placement of 79,471,355 shares at \$0.19 per share to raise \$15.1 million (before costs) (Placement). The Placement fell within the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A.

Funds from the Placement were identified to be used to advance the San José Feasibility Study which will incorporate the outcomes from the test work program and facilitate the future submission of mining licence applications and environmental impact assessments. The timing and quantum of funds

to be deployed will be subject to developments on the status of the PIV as outlined earlier in this report.

Canaccord Genuity (Australia) Limited acted a Sole Lead Manager to the Placement.

For further details refer to the ASX announcement released on 18 February 2021.

#### **Appointment of Head of Corporate Development**

In January 2021 Infinity announced the appointment of existing director Mr. Remy Welschinger as Head of Corporate Development.

For further details refer to the ASX announcement released on 18 January 2021.

#### **5th Ministerial Meeting of the European Battery Alliance**

The European Commission, Ministers from leading Member States and European Investment Bank ('EIB') met on 12 March 2021 and noted major items of priority for Member States with significant investments in the battery value chain. European Commission Vice-President Maroš Šefčovič called for Member States to strengthen the sustainable local sourcing and processing of raw materials used in batteries, and for greater mobilisation of public funding under COVID national recovery and resilience plans for raw and advanced materials. Mr Šefčovič also highlighted the involvement of the EIB's involvement to de-risk raw materials projects and to leverage additional private funds.

Refer to ASX announcement 17 March 2021.

#### **ASX Listing Rule 5.4.5 Disclosure**

Payments to related parties during the quarter as outlined in sections 6.1 and 6.2 of the Appendix 5B consisted of \$134,599 in directors fees and payments to executive directors under respective service agreements.

#### **Cash at Bank**

As at 31 March 2021 Infinity had available cash of A\$19.5 million. The cash balance is exclusive of the funding commitments under the Project Agreement with EIT InnoEnergy, who have paid €400,000 (approximately A\$666,000) tranche 1 payments directly allocatable to phase one test work, with another €200,000 (approximately A\$333,000) tranche 2 payments forecast in Q3. The final tranche 3 payment, totaling up to €200,000 (approximately A\$333,000), will be payable upon completion of phase one test work.

The Quarterly Activities Report was authorised by the Board. For further inquiries please contact:

Ryan Parkin  
CEO, Managing Director  
T: +61 (8) 6146 5325  
E: [rparkin@infinitylithium.com](mailto:rparkin@infinitylithium.com)

Lucas Robinson  
Corporate Storytime Investor Relations  
T: +61 (0)408 228 889  
E: [lucas@corporatestorytime.com](mailto:lucas@corporatestorytime.com)

## 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.

### 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.

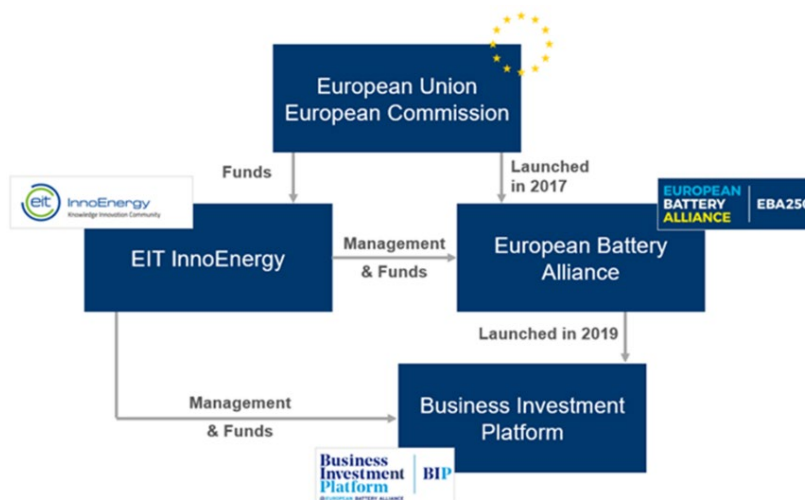
### The Participants

**The European Battery Alliance (EBA)** was created in 2017 and includes the European Commission, the European Investment Bank and key industry stakeholders such as automakers, battery and cathode producers. The EBA's goal is to create a competitive and fully integrated battery manufacturing chain in Europe.

**EIT InnoEnergy** was mandated then by the Commission to lead the industrial stream of the European Battery Alliance. EIT InnoEnergy is a public private partnership, supported by the European Commission, investing into sustainable energy projects. They have invested so far more than €700M in selected innovations, and facilitated the raise of more than €1.7Bn of funds.

At the end of 2019, EIT InnoEnergy launched the **Business Investment Platform** with a stated goal to accelerate transactions between financial institutions and industrial projects included in the lithium-ion battery value chain. The objective of this platform is to shorten the time to investment, reduce business risk for the investee, and reduce investment risk for the investor.

**Infinity** was one of only 2 investees selected by the BIP at the end of last year and has now concluded an investment and collaboration deal with EIT InnoEnergy through the BIP.



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## About the San José Lithium Project

Infinity 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 <sub>2</sub> O (%)	Sn ppm
Indicated	59.0	0.29	0.63	217
Inferred	52.2	0.27	0.59	193
<b>TOTAL</b>	<b>111.3</b>	<b>0.28</b>	<b>0.61</b>	<b>206</b>

**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 (Li<sub>2</sub>O) or lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>) or Lithium Carbonate Equivalent (LCE). Lithium Conversion:

1.0% Li = 2.153% Li<sub>2</sub>O,

1.0%Li = 5.32% Li<sub>2</sub>CO<sub>3</sub>

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 <sub>2</sub> O (%)	Sn ppm
Proven	-	-	-	-
Probable	37.2	0.29	0.63	217
<b>TOTAL</b>	<b>37.2</b>	<b>0.29</b>	<b>0.63</b>	<b>217</b>

**TABLE 2: 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 Project (Applications) from Valoriza Minería and Castilla Mining S.L. All tenure is held under the current Joint Venture.

The San José tenements:

- Valdeflórez: 10C 10343-00 Cancelled – subject to appeal
- Ampliación a Valdeflórez: 10C 10359-00 Granted

Other applications;

- Extremadura S.E. 10C10386-00 Castilla Mining S.L. Exploration Permit Application
- San José 10C10368-00 Valoriza Minería S.L.U Investigation Permit Application

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