

## San José Project Joint Venture & Permitting Update

ASX Release  
19 July 2021  
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FRA: 3PM

Infinity Lithium Corporation Limited ('Infinity', or 'the Company') advises that Tecnología Extremena Del Lito S.L. ('TEL'), the project Joint Venture ('JV') entity that contains the rights to the San José Lithium Project ('San José', or 'the Project'), has received notification from The General Directorate of Industry, Energy and Mines of the Regional Government of Extremadura ('Junta') that it has decided to reject the administrative appeal filed by Tecnología Extremena del Lito (TEL) against the resolution that denied the research permit Investigation Permit Valdeflórez ('PIV'). TEL received notification that an appeal lodged by a Non-Government Organisation ('NGO') against the Project's Investigation Permit Ampliación Valdeflores ('PIAV') was dismissed and the extension area remains granted and in good standing.

The Company and TEL reserves all legal rights and will progress to an administrative-contentious appeal. The Company has received advice supporting our position that the Junta's resolution to cancel the PIV is in direct breach of the law and in contradiction of previous rulings by the Junta on the environmental and urban legality and viability of the PIV. Further details of the multiple inconsistencies and administrative errors made by the Junta de Extremadura due to its incompetence in the management of the processing are detailed in the ASX announcement 17 May 2021. The Company has assembled a high calibre and experienced legal team lead by Madrid founded and national leading legal firm Pérez-Llorca to advise and represent TEL throughout the administrative contentious appeal process.

San José comprises the PIV and PIAV (refer to Appendix 1). The PIAV remains in force and the Company retains priority for rights relating to the tenure for areas capturing PIV through the San José Investigation Permit application and Extremadura S.E. exploration permit application (refer to Appendix 2).

The Company furthermore announces a favourable revision in terms relating to the JV agreement between the Company's wholly owned subsidiary, Extremadura Mining S.L. ('Extremadura Mining'), and joint venture partner Valoriza Minera S.A. ('Valoriza Minería'). The revised agreement provides for the deferral of current payment obligations by Extremadura Mining to Valoriza Minería and provisions to accelerate the acquisition of the balance of shares in TEL aligned to the resolution of PIV.

Extremadura Mining maintains 75% project ownership interest in JV entity TEL, the project vehicle that contains the rights to the San José. Further details are available in Schedule 1.

### 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

### Contact

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Infinity CEO and Managing Director Ryan Parkin commented. *"We reiterate our commitment to absolute legality in the process of resolving the multiple administrative inconsistencies and applications of judgements by the Junta. The Junta, for its part, has shown arbitrary discretion and contradictions between the original grant of the Investigation Permit and its recent change of position. The administrative and legal resolution in the face of the same facts cannot change its criteria to suit political endeavours and the Company is confident of a positive resolution under the rule of Spanish law."*

The announcement was authorised by the Board. For further inquiries please contact:

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### About Infinity Lithium

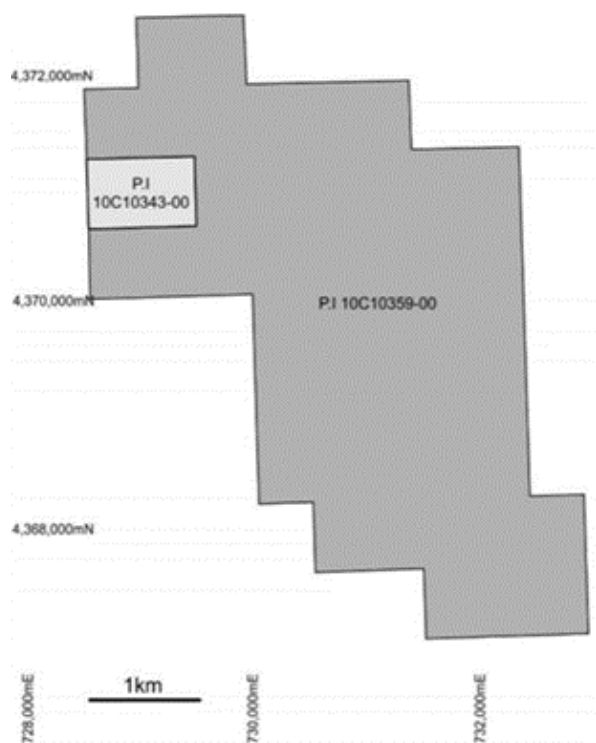
Infinity Lithium is an Australian listed minerals company who is seeking to develop its 75% owned San José Lithium Project in Spain. The proposed fully integrated industrial Project is focused on the production of battery grade lithium chemicals from a mica feedstock that represents the EU's 2<sup>nd</sup> largest JORC compliant hard rock lithium deposit.

The Project would provide an essential component in the EU's development of a vertically integrated lithium-ion battery supply chain. The availability of critical raw materials and the production of battery grade lithium hydroxide in the EU is essential to ensure the long-term production of lithium-ion batteries for electric mobility and the transition of the burgeoning EU's automotive industry to electric vehicle.

# **Schedule 1:**

|   | <b>Updated Terms</b>   | <b>Prior Terms</b>   |
|---|--|--|
| TEL Ownership   | 75%  | 75%  |
| Pending Payment   | €600,000   | €600,000   |
| Extremadura Mining Payment Terms  | Total amount of €600,000 payable within thirty (30) calendar days by Extremadura Mining following notification of the resolution that favourably resolves the Investigation Permit Valdeflorez ('PIV') appeal or, if applicable, from the agreement to restart the processing of the PIV, provided that the Investigation Permit Ampliacion Valdeflorez ('PIAV') remains granted in its status. However, Extremadura Mining may make the Pending Payment at any time prior to the granting of the PIV or the resumption of its processing.   | 6 monthly payments of €100,000 commencing 29 July 2021.  |
| TEL Ownership – Acquisition of balance of 25% - total 100% (Remanent Participation) | <p>€10,000,000 call option (Extremadura Mining) at any time prior to the Final Investment Decision ('FID').</p> <p>In the event that a favourable resolution of the PIV appeal is notified, Valoriza Minería may sell to Extremadura Mining all of the shares representing the capital of TEL owned by Valoriza Minería, i.e. the remaining twenty-five per cent (25%) and Extremadura Mining shall be obliged to acquire them for a price of €2,000,000. Valoriza Minería shall notify Extremadura Mining of its decision within thirty (30) calendar days following the notification of the aforementioned favourable resolution.</p> <p>However, Extremadura Mining will be able to buy all the shares representing the capital of TEL, of by paying the Pending Price plus the amount of €2,000,000 within thirty (30) days following the date of notification by Extremadura Mining to Valoriza Minería of its purchase decision.</p> | €10,000,000 call option (Extremadura Mining) at any time prior to the Final Investment Decision ('FID'). |
| Other   | The content of the Novatory Contract signed between Extremadura Mining and Valoriza Minería will remain in full force and effect as far as is not modified by the present.   |  |

## Appendix 1:



**Image 1: Tenure and Layout Extract**  
**Investigation Permit Ampliación a Valdeflópez ('PIAV'): PI 10C10359-00**  
**Investigation Permit Valdeflópez ('PIV'): PI 10C10343-00**



**Image 2: Tenure and Layout Aerial Representation**

## Appendix 2:

The San José Lithium Project tenements:

| Registration Number | Registered Name          | Type                 | Entity                              |
|---------------------|--------------------------|----------------------|-------------------------------------|
| 10C10343-00         | Valdeflópez              | Investigation Permit | Tecnología Extremeña Del Litio S.L. |
| 10C10359-00         | Ampliación A Valdeflópez | Investigation Permit | Tecnología Extremeña Del Litio S.L. |
| 10C10368-00         | San José                 | Investigation Permit | Valoriza Minería S.L.U              |
| 10C10386-00         | Extremadura S.E.         | Exploration Permit   | Castilla Mining S.L.                |