

Test Work Milestone Triggers 2nd EIT InnoEnergy Payment

HIGHLIGHTS

- **Successful test work milestones confirmed by Business Investment Platform project partners EIT InnoEnergy and Dorfner Anzaplan.**
- **EIT InnoEnergy finalises €200,000 Project Agreement tranche 2 payment – Infinity to issue warrants.**
- **Test work is ongoing with tranche 3 payments planned for Q1 2022 upon completion of all deliverables under the Project Agreement.**

Infinity Lithium Corporation Limited (**'Infinity'**, or **'the Company'**) is pleased to announce the successful completion of a major milestone under the Project Agreement with EIT InnoEnergy and Dorfner Anzaplan. The tranche 2 payment totalling €200,000 has been finalised as a result of the completion of the test work deliverable relating to San José Lithium Project (**'San José'**, or **'the Project'**), and correspondingly EIT InnoEnergy will increase their equity position in Infinity through the issue by the Company to InnoEnergy of 1,705,672 zero exercise price warrants (**'Warrants'**).

This tranche 2 payment to Dorfer Anzaplan is being made under the terms of the Project Agreement (ASX announcement dated 24 June 2020) as a result of the achievement of predetermined milestones. The Company highlighted the production of both battery grade lithium hydroxide and carbonate under the test work program and the progression of pilot scale stages as per ASX announcement 20 September 2021.

There were 13,182,938 Warrants issued in consideration for the €400,000 tranche 1 payment by EIT InnoEnergy to Dorfner Anzaplan as detailed in the ASX announcement 28 July 2020. The Terms and Conditions of the Warrant Deed and Project Agreement are detailed in the Notice of General Meeting ASX announcement 24 June 2020.

Infinity CEO and Managing Director Ryan Parkin noted *"The ability to collaborate with EIT InnoEnergy and deliver this significant milestone reinforces the commitment of the European Battery Alliance to develop a fully integrated value chain. We are appreciative of the progress despite the challenges of the pandemic, and the support of both project partners in progressing the test work. The outcomes are essential to advancing commercial offtake negotiations and we are enthused with the first samples of battery grade lithium chemicals that have been a direct result of this test work program."*

ASX Release
15 November 2021
ASX: INF
FRA: 3PM

Project highlights

2nd Largest JORC hard rock lithium deposit in the EU

Strategically located in Spain, Europe to be the 2nd 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

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EIT InnoEnergy and Infinity are progressing test work under the Project Agreement. EIT InnoEnergy has already demonstrated support for San José with the initial investment aligned to the generation of common IP in a first of a kind innovative technological refining process. The final and 3rd tranche commitment under the Project Agreement totals a further €200,000 which is payable upon completion of the test work. The Company and Dorfner Anzaplan have planned for the test work to be completed in Q1 2022.

	Funds	Warrants Issued	Average Price
Tranche 1	€400,000	13,182,938	A\$0.050
Tranche 2 ⁽¹⁾	€200,000	1,705,672	A\$0.183
Total	€600,000	14,888,610	

Table 1: Summary of Warrants issued/ to be issued to EIT InnoEnergy

Note (1) Exchange rate AUD:EUR 0.64074211, 30-day VWAP A\$0.183

Bench scale test work relating to the sulphate roast process flow sheet has now progressed to the treatment of recycle solutions and will progress soon to close-circuit test work. Concurrently, pilot-scale test work has successfully progressed beyond impurity removal and evaporation in preparation for lithium, potassium and sodium recovery.

European Battery Alliance ('EBA') central participant Volkswagen Group ('VW') has formalised their commitment to EIT InnoEnergy through a direct investment announced earlier this month. The investment follows the July announcement that confirmed VW's commitment to locate one of their six lithium-ion battery plants in Spain.

Spain has been focusing on the development of the Iberian lithium-ion battery value chain, as recognised by Prime Minister Pedro Sanchez at the XXXII Ibero-American Summit on 28 October 2021 in concert with the Prime Minister of Portugal, Antonio Costa. Sanchez called for a commitment to strengthen collaboration between the two countries, and to benefit from access to European funds.

Both reaffirmed their commitment to electrify mobility, recognising the need for radical transformation of the entire value chain of the automobile sector. Sanchez noted that the electric project is important for both countries as well as the *"management of the entire value chain, starting with lithium until the manufacture of the car."*

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

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production of battery grade lithium chemicals from a mica feedstock that represents the EU's 2nd largest JORC compliant hard rock lithium deposit.

The Company is contesting the cancellation of Investigation Permit Valdeflorez ('PIV') and has lodged a contentious-administrative appeal. The Company strongly disputes the basis of the decision of the cancellation of PIV and retains all legal rights against the Junta of Extremadura. Infinity retains subsequent rights of applications over and including the PIV area through other applications. These are summarised in the ASX announcement 19 July 2021.

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 EU's automotive industry towards electric vehicles.

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