

ASX ANNOUNCEMENT

31 JANUARY 2024

ASX: INF | FRA: 3PM



QUARTERLY ACTIVITIES REPORT PERIOD ENDING 31 DECEMBER 2023

HIGHLIGHTS

- **€18.8M (~A\$31 million) in grant funding for San José awarded by the Spanish Government's Ministry of Industry, Trade and Tourism.**
- **Government endorsement represents a major milestone for San José as demonstrated through receipt of the largest grant to a lithium mining / processing asset in Spain.**
- **Updated Scoping Study completed for San José resulting in the potential for significant volume increases through improved processing recoveries and energy efficiencies.**
- **Favourable urban compatibility ruling received from Cáceres Local Government to be included in Exploitation Concession Application.**
- **The EU Critical Raw Materials Act was approved by the European Parliament.**
- **Cash at 31 December 2023 of A\$9.6 million.**

CORPORATE DIRECTORY

RYAN PARKIN Managing Director & CEO
ADRIAN BYASS Non-Executive Chairman
REMY WELSCHINGER Non-Executive Director
JON STARINK Executive Director
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Overview

Infinity Lithium Corporation Limited (**'Infinity'**, or **'the Company'**) is pleased to note the progress below in relation to the San José Lithium Project (**'San José'**, or **'the Project'**) for the quarter ended 31 December 2023.

The period saw significant momentum for the Project with increased levels of support through the award of an €18.8 million grant under PERTE VEC IIa from the Spanish Government's Ministry of Industry, Trade and Tourism. The grant was the sixth largest amount awarded under this round of the program and the first allocated to the processing of critical raw materials.

The support is a major endorsement for the Project and demonstrates Spain's commitment to building its own lithium-ion battery value chain, beginning with the development of its own natural resources. The Spanish government transferred the funds granted to the Project subsequent to the end of the quarter ended 31 December 2023.

In November, the Company announced the completion of the Updated Scoping Study (**'Updated Scoping Study'**, or **'the Study'** - see ASX Announcement 9 November 2023) which demonstrated enhanced economics for the Project, improved processing recoveries and process efficiencies delivered by the Li-Stream RPK™ process at San José

Following the completion of the Study and the award of an €18.8 million grant under PERTE VEC IIa, the Company received a favourable ruling regarding urban compatibility of San José with respect to local legislative requirements from the Cáceres Local Government. The report provided confirmation the proposed activities to be undertaken at San José were not incompatible with urban planning regulations.

The Regional Government of Extremadura reinforced its commitment to lithium projects in Extremadura and announced future stimulus measures and provision of legal guarantees for companies to facilitate lithium mineral processing in the region. The Constitutional Court (**'the Court'**) determined amendments be made to Lithium Decree Law to annul the requirement for all lithium exploited within the region be further processed to battery grade lithium chemicals in Extremadura. The Regional Government of Extremadura announced the stimulus measures in response to the modifications of the Court.

Furthermore, the Court declared the exploitation of lithium resources in Extremadura may be recognised and therefore processed as projects of general and regional interest (**'PREMIA'**). San José remains eligible for PREMIA project classification as a project of general and regional interest, and thereafter qualification for accelerated permitting consideration with a positive determination.

During and subsequent to the end of the quarter, ongoing site work was undertaken to provide the data required for integration into the Project's Environmental Impact Assessment (**'EIA'**) as a component of the Exploitation Concession Application (**'ECA'**) (refer to ASX announcement 29 January

2024). The work programs included geophysical surveys and sampling campaigns over areas identified for tailings storage facilities ('TSF'). Furthermore, the Company acquired data relating to water bore drilling undertaken by the private landowners, allowing water depth measurements and sampling to update hydrogeological modelling. The holes selected for refurbishment were drilled by existing landowners.

The Company continued to collaborate with the Regional Government of Extremadura and the relevant departments to finalise the administrative requirements to lodge the ECA notification with the Dirección General de Industria, Energía y Minas ('the Department'). Whilst the Company anticipated the submission of the ECA notification in Q4 2023, the Company is awaiting the Regional Government of Extremadura to finalise other internal administrative processes relating to the Project areas previously considered under investigation permits. The Company acknowledges the unforeseen delay in the administrative process has been actively advanced towards resolution by the Regional Government of Extremadura, and whilst the administrative delay is not a result of any action or inaction on behalf of the Company, the Company is continuing to work closely with local and regional stakeholders whilst finalising the delivery of the technical submission of the ECA.

Government Awarded EUR18.8M in Grant Funding to San José

In November the Company announced that grant funding of €18.8 million (~A\$31m) had been awarded to Tecnología Extremeña del Litio ('TEL') for the advancement of San José. The Company, through wholly owned Spanish subsidiary Extremadura New Energies, retains administrative control of the Project through its ownership interest of 75% in TEL.

The Spanish Government's Ministry of Industry, Trade and Tourism finalised the allocation of funds under PERTE VEC IIa in a new batch of definitive aid for industrial projects for the production of electric vehicles, their essential components and the production or recovery of the essential raw materials required. The commitment to provide grant funding for San José was allocated under the PERTE VEC IIa regulations aligned to critical raw materials submissions.

The final assessment of projects under PERTE VEC IIa authorised the definitive commitment totalling €190.4 million in addition to other grant funding previously announced, bringing a total of €528.7 million across 26 projects for the advancement of a national lithium-ion battery value chain. The funds committed to San José under PERTE VEC IIa were the 6th largest under the programme and are the first PERTE funds allocated to the processing of critical raw materials.

PERTE VEC IIa has successfully awarded funds to projects representing multiple segments of the lithium-ion battery value chain, and it has reinforced the country's ambitions to maintain a leading position in the EU for the development of a supply chain from locally available critical raw materials through to the manufacture of electric vehicles. Other successful applicants in the final assessment included Ford España, Renault España, Stellantis España, Seat S.A. and Envision AESC Spain. The

recalibration of the automotive sector as supply chains move to the mass adoption of electric vehicles is critical to Spain. The automotive sector represents approximately 10% of GDP and 18% of exports in Spain.

The Ministry of Industry, Trade and Tourism further noted that it was working on a third call for PERTE VEC (III) which will commence the process for submissions at beginning of 2024 with more than €1.2 billion proposed under the initiative.

Updated Scoping Study

In November 2023 the Company announced the completion of an Updated Scoping Study for San José. The Study assessed the potential for a significant increase in production of battery grade, lithium hydroxide monohydrate ('LHM') from the Company's proposed integrated lithium chemical conversion facility utilising a lithium bearing hard rock mica as feedstock from an underground mineral extraction operation.

The Project's positive financial outcomes and environmental characteristics were complemented by increased production profiles resulting from improved lithium recoveries and energy efficiencies.

The key outcomes from the Study included:

- **NPV₈ pre-tax US\$4,116m, IRR pre-tax 25.8% / NPV₈ post tax US\$2,870m, IRR post tax 21.3%.**
- **Steady state C1 Costs (post ramp up) of US\$5,723/t LHM after by-product credits.**
- **Long-term LHM price forecast US\$27,000 over the life of the Project.**
- **LHM annual production 33kt pa (post ramp up).**

Cautionary Statement

The Updated Scoping Study referred to in this announcement has been undertaken to assess the viability of an underground-only mining operation and integrated lithium chemical production facility at San José. It is a preliminary technical and economic study of the potential viability of the Project. It is based on low-level (accuracy) technical and economic assessments, (+40%/- 35% accuracy) and is insufficient to support estimation of Ore Reserves. Further exploration and evaluation work and appropriate studies are required before Infinity will be in a position to estimate any 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.

The Production Target and forecast financial information referred to in this announcement is based on 76% Indicated Resources and 24% Inferred Resources for the life-of-mine covered under the Study. In accordance with the twenty-six (26) year mine plan incorporated into the Study, the 4.2 years of production (covering payback period) will be derived from 92% Indicated material with 8% from the Inferred category. The Inferred material does not have a material impact on the technical and economic viability of the Project. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

Infinity has independently engaged the services of Mining Sense Global S.L. to complete a desktop review for the development of an underground mine. Infinity has previously engaged Wave International Pty Ltd ('Wave') to assess the technical and economic viability to a Pre-Feasibility Study level with regards to producing battery grade

lithium hydroxide under the Project. Whilst the Updated Scoping Study has yielded robust outcomes and provided independent perspective on the opportunity to produce battery grade lithium hydroxide, there is no guarantee that the Joint Venture will choose to adopt the outcomes of the study.

This Updated Scoping Study is based on the material assumptions outlined below. These 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.

Infinity is in Joint Venture with Valoriza Minería S.A., a subsidiary of SACYR S.A. over the Project. Infinity currently holds a 75% interest and has an Option to proceed to 100% interest at its election. This Updated Scoping Study (on a 100% ownership basis), pre-production capital of and US\$1,544 million including a weighted average 20% contingency) will likely be required to fund Project. Investors should note that there is no certainty that the Company will be able to raise that amount of 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 San José.

It is possible that Infinity can pursue a range of funding strategies to provide funding options, and 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 San José. If it does, this could materially reduce Infinity’s proportionate ownership of San José. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of this Updated Scoping Study.

The Updated Scoping Study highlighted outcomes derived from improved processing recoveries, energy efficiencies and security, and improved environmental and social measures in the production of battery grade LHM, as summarised below. For full details of the Study please refer to the ASX announcement dated 9 November 2023.

Increased production strategically important for Europe

- 33kt pa LHM production (average steady state) / and 26-year production life (including ramp up).
- Significant volume upside and long-life supply of battery grade LHM.

Energy efficiency & security

- Co-generation of energy from Li-Stream RPK™.
- Mitigation of geopolitical risk through eliminating annual natural gas consumption.
- Balance of energy available from locally produced green electricity and the acquisition of green grid certificates.

Improved environmental performance in a European market focused on emission reduction

- Lowest quartile Scope 3 CO₂ footprint for the production of battery grade LHM.
- ISO compliant scope 1-3 CO₂ footprint: 8.3kg CO₂ per tonne LHM.

Intellectual property through in-house expertise for processing of on-site Project feedstock

- Li-Stream RPK™ & bleed stream treatment to maximise lithium recoveries from run of mine to product.
- Industry standard process to convert lithium liquor to battery grade LHM minimises process risk.

Scoping Study Outcomes

NPV _{8%} pre-tax	€m	3,811	US\$m	4,116
IRR pre-tax	%	25.8%	%	25.8%
NPV _{8%} post-tax	€m	2,657	US\$m	2,870
IRR post-tax	%	21.3%	%	21.3%
Payback Period (post-tax)	years	4.2	years	4.2
Average LHM Production (steady state)	tpa	33,274	tpa	33,274
LOM Average LHM Production (including ramp up)	tpa	30,495	tpa	30,495
Scope 3 emission intensity ⁽¹⁾	kg CO ₂ e /t	8.3	kg CO ₂ e /t	8.3
LOM Average LHM Price	US\$/t	27,000	US\$/t	27,000
OPEX (steady state - including by-products)	€/t LHM	5,299	US\$/t LHM	5,723
Pre-Production CAPEX (before contingencies)	€m	1,192	US\$m	1,287
Pre-Production Capital Intensity (before contingencies)	€/t LHM	35,821	US\$/t LHM	38,690

(1) Minviro: "Forward Looking Carbon Footprint of Lithium Hydroxide Monohydrate Production 11th October 2023": Scope 1,2 & 3 emissions summary: ISO-14040:2006, ISO-14044:2006, ISO-14067:2006 standards
8.3kg CO₂ equivalent per kg LHM measure based on photovoltaic/ green energy certificate per Class 4 Feasibility Study. 10.2kg CO₂ equivalent per kg LHM based on Spanish grid electricity standard.

(2) The Study financial outcomes modelled in €. Foreign exchange rate applied to metrics at EUR:US\$ 1.08.

San José Receives Favourable Urban Compatibility Ruling

In November the Company, through wholly owned subsidiary Extremadura New Energies, announced the Cáceres Local Government had considered and given a positive final assessment for the urban compatibility of San José with respect to local legislative requirements.

The Company's application under the Informe acreditativo de la compatibilidad del Proyecto Minero Valdeflór (‘Informe de Compatibilidad’, or ‘Urban Compatibility Classification’) was assessed and it was determined that the Project is not incompatible with local urban legislative requirements. This determination on the Urban Compatibility Classification formalised the permitting process, with the Urban Compatibility Classification forming a component of the submissions for the PREMIA application

and ECA. The Project remains eligible for PREMIA project classification as a project of general and regional interest, and therefore qualification for accelerated permitting consideration.

The PREMIA application will be assessed by the Consejería de Economía, Empleo y Transformación Digital of the Regional Government of Extremadura.

Regional Government Increases Commitment for Lithium Projects

In October the Regional Government of Extremadura responded to modifications applied to the Extremadura Lithium Decree Law 5/2022 (**'Lithium Decree Law'**) (ASX announcement 3 October 2022), reinforcing its commitment to the development of lithium projects in the region through *"promoting stimulus measures that provide competitive advantages for companies that want to process lithium mineral resources in the region, and for this all the legal guarantees that provide greater security to companies are also necessary"*.

The Constitutional Court (**'the Court'**) required amendments be made to Lithium Decree Law to remove Articles 2 to 4 annulling expropriation provisions and the requirement for all lithium exploited within the region to be further processed to battery grade lithium chemicals in Extremadura. The Regional Government of Extremadura provided its comments in response to the modifications of the Court.

Under the modification of the Lithium Decree Law, San José retains benefits of the prior legislation. The Project also remains eligible for PREMIA project classification as a project of general and regional interest and qualification for accelerated permitting consideration. San José continues to qualify as a PREMIA project under both the Lithium Decree Law and regional Premia Decree Law. The Company, through its wholly owned subsidiary Extremadura New Energies, will now advance the application for PREMIA application following the clarification of the provisions of the Lithium Decree Law.

European Parliament Approves Critical Raw Materials Act

On 12 December 2023, the European Parliament met a major milestone towards the finalisation of the Critical Raw Materials Act (**'CRM Act'**), overwhelmingly approving the adoption of the legislation with 549 votes in favour, 43 against and 24 abstentions.

Lithium is already recognised as a strategic raw material on the EU's established critical raw materials list. The approved legislation establishes targets aimed at increasing the EU's competitiveness and sovereignty through the identification and qualification of strategic projects which would benefit from a proposed streamlining of permitting and potential allocation of capital to support critical raw materials projects.

The CRM Act will establish the criteria for the qualification of strategic projects, accelerated permitting and access to funding. San José has the potential to be recognised as a project of strategic and regional significance in the region of Extremadura and benefit from an accelerated permitting assessment. The Company continues to collaborate with local and regional stakeholders to accelerate the assessment of the Project and has recently secured grant funding through PERTE VEC IIa in Spain in advance of the initiatives proposed under the CRM Act.

Corporate Activities

The Project's positive technical and economic developments and increased governmental support has resulted in significant inbound interest from interested parties to the Project. During the period the Company appointed Macquarie Capital as corporate advisor to assist in engaging with strategic partners and investors in relation to the financing of the Project.

Infinity GreenTech

The Company, through wholly owned subsidiary Infinity GreenTech, continued the development of its Li-Stream RPK™ process for San José. The Technical Advisory Committee undertook a locked cycle test work programme during the period at Simulus Laboratories to support the Updated Scoping Study and to assess further process optimisation potential. The Company is pleased with the results based on current information received. Results are being tabulated and further updates on this work released shortly.

Company Presentations and Conferences

The Company was pleased to attend and present at the Noosa Mining Investor Conference in November 2023.

Corporate

Related Party Disclosure

Payments to related parties during the quarter as outlined in sections 6.1 and 6.2 of the Appendix 5B consisted of A\$370,259 in directors' fees and payments to executive directors under respective service agreements.

Cash at Bank

As at 31 December 2023 Infinity had available cash of A\$9.6 million.

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

Infinity Lithium

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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 2nd 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 EU's automotive industry towards electric vehicles.

Competent Persons Statement

The Mineral Resource estimates for the San José Lithium Project referred to in this announcement were reported by Infinity Lithium Corporation Limited in accordance with ASX Listing Rule 5.8 in its announcement of 23 May 2018. Infinity Lithium Corporation Limited is not aware of any new information or data that materially affects the information included in the ASX announcement of 23 May 2018 and confirms that all material assumptions and technical parameters underpinning the resource estimates in the announcement of 23 May 2018 continue to apply and have not materially changed.

The Mineral Resource estimates underpinning the production targets disclosed in this announcement have been prepared by a competent person in accordance with the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), 2012 Edition. Snowden Mining (2017) and Cube Consulting (2018) 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. The information in this announcement that relates to the Mineral Resource Estimate and Metallurgical Sample Selection and representation was reviewed by Adrian Byass, an employee of Infinity Lithium Corporation Limited. Adrian Byass is a Member of Australian Institute of Geoscientists. Adrian Byass has provided written consent supporting information presented in this announcement.

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.

Metallurgical test work results for the San José Lithium Project referred to in this announcement have been obtained through test work conducted by The Stimulus Group Pty Ltd under the direction of Infinity Lithium Corporation (and its subsidiaries). The information in this announcement that relates to the Metallurgical test work results was reviewed by Jon Starink, an employee of Infinity Lithium Corporation Limited. Jon Starink is a Fellow of Australian Institute of Mining and Metallurgy, Fellow of the Institute of Engineers and a Fellow of the Institute of Chemical Engineers. Jon Starink has provided written consent supporting information presented in this announcement. Refer to announcement on ASX 7 September 2023. The Company confirms that all material assumptions included in that announcement continue to apply and have not materially changed.

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.

Table 1: SAN JOSÉ MINERAL RESOURCE, REPORTED ABOVE 0.1% LI CUT-OFF

Classification	Tonnes (Mt)	Li (%)	Li ₂ O (%)	Sn ppm
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 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 (Li₂O) or lithium carbonate (Li₂CO₃) or Lithium Carbonate Equivalent (LCE).

Lithium Conversion:
 1.0% Li = 2.153% Li₂O,
 1.0%Li = 5.32% Li₂CO₃

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: SAN JOSÉ JORC ORE RESERVE STATEMENT

Classification	Tonnes (Mt)	Li (%)	Li ₂ O (%)	Sn ppm
Proven	-	-	-	-
Probable	37.2	0.29	0.63	217
TOTAL	37.2	0.29	0.63	217

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

San José Lithium Project Spain

Infinity has a 75% beneficial interest in the San José Lithium Project (Applications) from Valoriza Mineria and 100 % in Castilla Mining S.L. All tenure is held under the current Joint Venture.

The San José tenements:

- Extremadura S.E. 10C10386-00: Castilla Mining S.L. Exploration Permit Application – Granted

Other applications:

- San José: 10C10368-00 Valoriza Mineria S.L.U Investigation Permit Application.