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ASX: INF ANNOUNCEMENT

12 June 2019

San José Lithium Hydroxide Pre-Feasibility Study Update

HIGHLIGHTS

- San José is proposed as an integrated industrial processing facility to produce lithium chemicals for lithium-ion batteries which are essential to support the EU's burgeoning electric vehicle industry. Pre-Feasibility Study level test work continues to confirm assumptions of the positive lithium hydroxide Scoping Study released in Q4 2018.
 - The positive confirmation of the sulphate roasting and water leach process assumptions and preliminary test work from the lithium hydroxide Scoping Study has been received. Work now continues on the precipitation and production stages.
 - Mine planning and production scheduling is underway integrating favourable geotechnical data that has been obtained but not utilised in prior optimisations.
 - The environmental credentials of San José show the potential for improvements with dry stack tailings and water recycling work providing for potential reductions in tailings profiles.
 - The Pre-Feasibility Study is on track for completion in July 2019.
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Infinity Lithium Corporation Limited (ASX:INF, 'Infinity' or 'the Company') is pleased to advise on the progression of the Pre-Feasibility Study ('PFS') to produce lithium hydroxide from the San José Lithium Project ('San José', or 'the Project').

Test work underpinning the Pre-feasibility Study ('PFS') has continued, building on previously announced work (ASX announcement 17 April 2019) and is now nearing completion. This previous PFS update confirmed the beneficiation process from mined material to upgraded process plant feed material (Plant Stage 1). The upgrade was obtained using froth flotation which reduces the requirements of reagents and energy in the next stage – sulphate roast and water leach (Plant Stage 2).

Work undertaken at ALS laboratories (Figure 1) and managed by Wave International has provided support for the previous roast recovery, retention time and sulphate addition estimates used in the San José lithium hydroxide Scoping Study ('Scoping Study'). Test work exhibited good lithium leachability, and the lithium-bearing solution is now undergoing precipitation, recirculation/sulphate recovery and production testing (Plant Stage 3).

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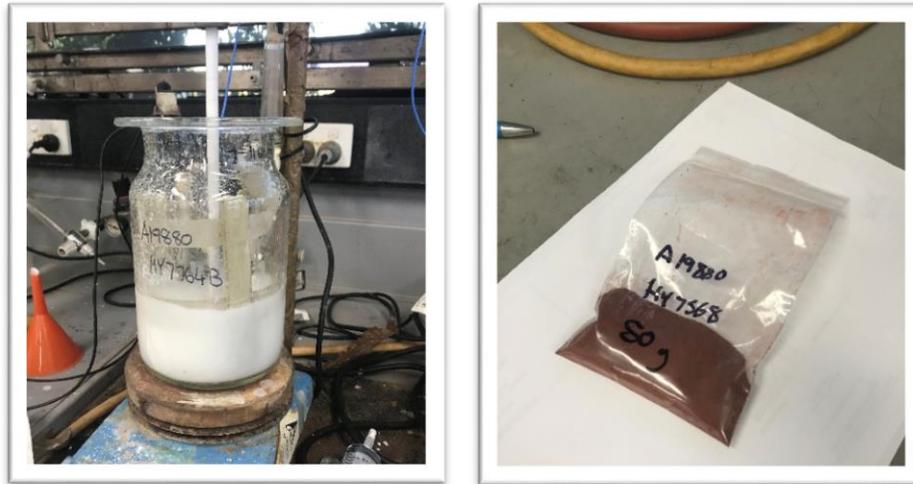


FIGURE 1: ALS Laboratory testing with purification (left) and roast sample before leaching test work (right).

The San José flowsheet to produce lithium hydroxide is shown below in Figure 2.

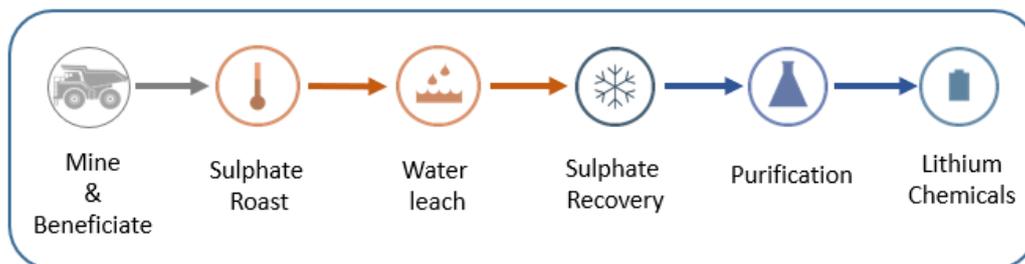


FIGURE 2: Summary Process Flow Sheet

In parallel, Snowden Mining Consultants ('SMC') are working on the revised mining schedule which is anticipated to benefit from the improvements previously announced in pit slope geotechnical angles (ASX announcement 23 May 2018), whereby the open pit disturbance can be reduced through the design of steeper pit walls. The resulting lower strip ratio provides for more efficient mining for the same mineralised mining amount, whilst further reducing the surface impact.

San José's plant and site layout, coupled with civil engineering and logistical work, has been modified from the original Scoping Study. Further work on the dry stack tailings (Figure 3) and water recycling has shown possible improvements in the volume and surface area of total land allocated to the storage of tailings from beneficiation and roast leach material.

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FIGURE 3: Shear Stress testing to allow optimal 'Dry Stack Tailings' design and improved water recovery.

The improvements in dry stack tailings and water recycling profiles could potentially result in a smaller surface area of disturbance and significant recapture of water contained in tails for processing, further reducing the already low annual water balance for the integrated industrial project at San José. It is important for Infinity and the Joint Venture ('JV') to examine the potential to optimise the reduction in visual and noise impacts from adjoining roads and to reduce the overall impact to stakeholders, whilst retaining the strong local and regional economic benefits that the Project provides to the region. Infinity and the JV wish to continue engaging with stakeholders to ensure the best possible plant layout and land use decisions are made for the Project's development.

For further inquiries please contact;

Ryan Parkin
 CEO, Managing Director
 T: +61 (0) 429 228 857
 E: rparkin@infinitylithium.com

Nick Morrison
 Namcomm Consulting - Principal
 T: +61 (0) 424 823 100
 E: nick@namcomm.com.au

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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 Production Target referred to in this announcement is based on 91% Indicated Resources and 9% Inferred Resources for the life of mine life covered under the Study. In accordance with the twenty four (24) year mine plan incorporated into the Study, the first three (3) years of production (covering payback period) will come 96% from Indicated Resources.

The Study is based on the material assumptions outlined in the ASX announcement 29 November 2018. 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. 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 Jose lithium deposit.

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.

Competent Persons Statement

Production Target and Scoping Study: 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.

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