

ASX: INF ANNOUNCEMENT

7 August 2019

San José Pre-Feasibility Testwork Complete: Recirculated Reagents Used to Produce Lithium Hydroxide

HIGHLIGHTS

- Pre-feasibility Study level test work has successfully produced Lithium Hydroxide, proving the flowsheet and achieving all milestones for the PFS test work programme.
 - The test work programme confirmed the assumptions of the positive lithium hydroxide Scoping Study released in Q4 2018 including the confirmation of the recycling and successful reuse of potassium sulphate in the roasting and water leach process.
 - Capital and operating cost optimisation nearing completion as a result of these outcomes.
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Infinity Lithium Corporation Limited (ASX:INF, 'Infinity' or 'the Company') is pleased to advise on the completion of the San José Lithium Project ('San José', or 'the Project') Pre-Feasibility Study ('PFS') test work program, resulting in the production of lithium hydroxide monohydrate from recirculated potassium sulphate.

Test work managed by Wave International ('Wave') has successfully produced lithium hydroxide as shown in Figure 1, proving the flowsheet and achieving all milestones for the PFS test work programme. The completion of this final milestone allows for the final documentation and completion of the PFS, which is expected to be released imminently.

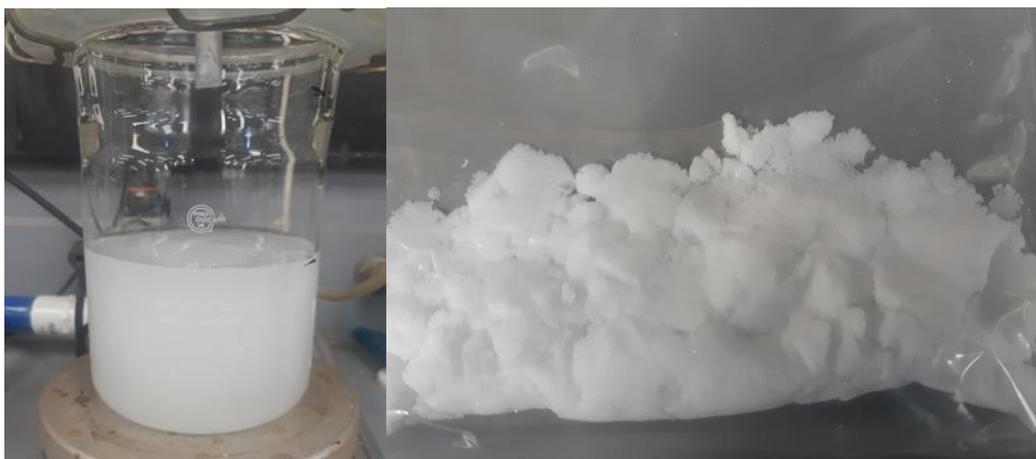


FIGURE 1: LITHIUM HYDROXIDE MONOHYDRATE PRODUCED FROM SAN JOSÉ SAMPLE AUGUST 2019

The test work for the PFS has proved all assumptions from the Scoping Study (ASX announcement 29 November 2018) including the recycling and successful re-use of potassium sulphate in the roasting and water leach process. Furthermore, the test work has identified multiple opportunities for process optimisation post PFS. Other process options that will be potentially evaluated include the use of HPGR and Air Classification.

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The assumptions from the Scoping Study have been met and, in some cases, exceeded. For example, the recycle of potassium sulphate achieved is higher than Scoping Study, thereby reducing reagent costs. The composition and ratio of sulphate mixtures required to optimise cost/recovery balance has been examined as part of the extensive test work program. San José will utilise a mixture of potassium and sodium sulphate with a very high degree of recirculation, enabling the re-utilisation of the more costly potassium sulphate.

The finalisation of capital and operating costs can now occur and is expected within the next week, enabling Infinity to move forward towards completion and release of the Pre-Feasibility Study by Wave.

For further inquiries please contact;

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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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