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ASX: INF ANNOUNCEMENT

27 September 2019

European Commission Vice President Recognises San José Lithium Project and Infinity at €20bn EU Battery Investment Platform Launch

HIGHLIGHTS

- Infinity receives support from European Commission's Vice President in a public speech given at the European Battery Alliance (EBA) meeting in Brussels, reinforcing management strategy of the alignment of San José to the European supply chain
 - Infinity invited by the EBA to present San José at the EBA Stakeholders Meeting serving as an example of a project that could be supported by the EBA's new Battery Investment Platform (BIP)
 - The BIP is new addition to group of European bodies already engaging with Infinity that are willing to financially support selected lithium projects
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Infinity Lithium Corporation Limited ('Infinity', or 'the Company') is pleased to announce the continued recognition of the strategic importance of San José Lithium Project ('San José, or 'the Project') as promoted by Maroš Šefčovič, Vice President of the European Commission, in his key note address at the European Battery Alliance ('EBA') Stakeholders Meeting on 25 September 2019.

The Brussels European Battery Alliance Stakeholders Meeting **Vice President Šefčovič** stated "Infinity Lithium is planning on producing 15,000t of lithium hydroxide in Spain and is in **negotiations with 4 European industrial players. Automakers should be very interested in this project.**" These comments have extended Vice President Šefčovič's and the European Commission's statement of support for EU lithium projects and specifically for battery raw materials projects that focus on the process of lithium extraction and conversion to lithium chemicals that are urgently required to support the EU's automotive industry's transition into electric mobility (refer to ASX announcement 14 June 2019), and calls for the European Investment Bank ('EIB') to become fully engaged in funding raw material projects in exploration, mining and refining.

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FIGURE 1: MAROŠ ŠEFČOVIČ AND VINCENT LEDOUX PEDAILLES AT THE EUROPEAN BATTERY ALLIANCE STAKEHOLDERS MEETING



FIGURE 2: INFINITY PRESENTING TO THE EBA ITS PROJECT THAT COULD BE SUPPORTED BY THE EBA'S NEW BIP

Battery Investment Platform Funding Launch

The European Battery Alliance Stakeholders Meeting also saw the launch of the Battery Investment Platform ('BIP') with a stated goal to accelerate transactions between financial institutions (private & public) and industrial projects included in the lithium-ion battery ('LIB') value chain.

Infinity's San José is a resource driven industrial project that was specifically chosen by the EBA, along with the Scandinavian LIB development projects of Northvolt and Freyr, to present at the European Battery Alliance Stakeholders Meeting as examples of partners that could potentially qualify under the BIP.

The EBA has reiterated that the LIB market will represent €250Bn by 2025 and the requirement to position the EU immediately to capture value and security of supply. The EIB have forecast approximately **€20bn will be available through the BIP from 2019 to 2023** for mining, refining and recycling projects.

These developments follow the appointment of Infinity Executive Director Vincent Ledoux-Pedailles as a lithium expert in the EU's Critical Raw Materials ('CRM') List Assessment and appointment to the Advisory Board of CERA.

During the Battery Materials Europe 2019 Conference organised by Fastmarkets in Amsterdam on the 26th of September, James Firth, lithium and battery expert at Bloomberg New Energy Finance, stated "Europe will be the second largest cathode producer in the world by the early 2020's" and addressing the European raw materials sourcing issue "Infinity Lithium is developing a lithium project in Spain".

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About Northvolt

Northvolt is a European supplier of sustainable, high-quality battery cells and systems. Founded in 2016 to enable the European transition to a decarbonized future, the company has made swift progress on its mission to deliver the world's greenest lithium-ion battery with a minimal CO₂ footprint and the highest ambitions for recycling. Among Northvolt industrial partners and customers are ABB, BMW Group, Scania, Siemens, Vattenfall, Vestas and the Volkswagen Group.

About Freyr

Freyr is a green Nordic solution to accelerating demand for batteries. It is a Norwegian incorporated company developing a combined 32+2 GWh lithium ion battery facility and 600 MW onshore wind-park in Rana and Nesna municipalities in Norway. The company's products will target the rapidly expanding EV market in Europe and develop additional markets in the marine, stationary storage, short-haul aviation and offshore segments through cluster-based R&D initiatives with leading Norwegian and European institutions and companies.

Pre-Feasibility Study – Cautionary Statement

The Production target referred to in this announcement is based on a Study which is a preliminary technical and economic investigation of the potential viability of the San José Lithium Project. It is based on low accuracy technical and economic assessments, (+/- 25% accuracy) however is sufficient to support estimation of 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. Infinity is in Joint Venture ('JV') with Valoriza Minería SA, a subsidiary of SACYR S.A. Infinity have independently engaged the services of Wave International Pty Ltd ('Wave') to assess the technical and economic viability with regards to producing battery grade lithium hydroxide under the San José Lithium Project. Whilst the Pre-Feasibility Study has yielded robust outcomes and provided independent perspective on the opportunity to produce battery grade lithium hydroxide, there is no guarantee that the JV will choose to adopt the outcomes of the study.

The Production Target referred to in this presentation is based on 100% Probable Reserves for the life of mine life covered under the Study. In accordance with the thirty (30) year mine plan incorporated into the Study, the first three (3) years of production (covering payback period) will come 100% from Probable Reserves.

The Study is based on the material assumptions outlined below and 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 José lithium deposit.

To achieve the outcomes indicated in this Study, initial funding in the order of US\$309m (which includes a 15.3% contingency) will likely be required, and US\$318m (including a 15.3% contingency) over the life of the Project. Investors should note that there is no certainty that Infinity will be able to raise funding when needed. Infinity holds a total of 75% interest in the San Jose Lithium Project, with Valoriza Minería holding the balance of 25% interest. It is also possible that Infinity can pursue a range of funding strategies to provide funding options. It is also possible 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 the Project. If it does, this could materially reduce Infinity's proportionate ownership of the Project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of this Pre-Feasibility Study.

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