# ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

# Contents

## Corporate Directory

| | |
|---|---|
| **Non-Executive Chairman** | Adrian Byass |
| **CEO and Managing Director** | Ryan Parkin |
| **Executive Directors** | Remy Welschinger<br>Jon Starink |
| **Company Secretary** | Jonathan Whyte |
| **Principal & Registered Office** | Units 32/33, Level 3, 22 Railway Road<br>Subiaco WA 6008<br><br>Telephone: +61 8 6146 5325<br>Email: admin@infinitylithium.com |
| **Auditors** | Pitcher Partners BA&A Pty Ltd<br>Level 11, 12-14 The Esplanade<br>Perth WA 6000 |
| **Share Registry** | Advanced Share Registry Services<br>110 Stirling Highway<br>Nedlands WA 6009<br><br>Telephone: +61 8 9389 8033<br>Facsimile: +61 8 6370 4203 |
| **Stock Exchange** | Australian Securities Exchange (ASX)<br>Code: INF<br>Frankfurt Stock Exchange (FRA)<br>Code: 3PM |
| **Website** | www.infinitylithium.com |

## Chairman's Letter

Dear Fellow Shareholder

The reporting period ended 30 June 2021 has seen another year against the backdrop of global uncertainty of the pandemic and the reinforcement of deglobalisation as a major driving force in the European Union (EU). The economic recovery of the EU's 27 member states is now unequivocally aligned to a greener future that will be underpinned by the rapid adoption of electric vehicles.

The uptake of electric vehicles in Europe has outpaced all prior projections and automakers have moved aggressively to electrification and to develop their own European lithium-ion battery supply chains. This has focused the attention of the EU and federal governments on the need to ensure supply certainty of the critical ingredient for lithium-ion batteries – lithium chemicals, for battery production capacity that will underpin the ability to move to electrification.

Both Spain and Europe are moving forward to secure supply chains that are essential to a greener future. Unprecedented funding initiatives have been announced including the €4.3 billion PERTE application of COVID recovery and resilience funding by Prime Minister Sanchez to kick start investment in the entire lithium-ion battery value chain.

There have already been significant investment commitments from both automakers and battery makers alike in the EU for battery plants, the next phase of investment in the supply chain of which Infinity is ready to be part of. To be in the best position to do so we have made sure the Company is well capitalised and has attracted high calibre technical and corporate people.

Since becoming involved in the project and earning our current 75% we have had to adapt to several adverse changes in the permitting situation at San José. Infinity remains focused on the development of the strategically essential and world class San José Lithium Project in Spain. In order to ensure San José has the best chance and the benefits flow to the region of Extremadura and the town of Caceres accordingly, Infinity and our Spanish partners are ensuring we work closely with all stakeholders and adjust our proposals as required. We are confident that we present a project which meets the requirements of stakeholders and secures a strong future for the town of Caceres, the region, Spain and the EU as a whole.

Yours faithfully

Adrian Byass
Non-Executive Chairman
30 September 2021

# Directors' Report

Your Directors present their report on Infinity Lithium Corporation Limited ('**Infinity**', or '**the Company**') and its controlled entities (together the '**Consolidated Entity**') for the financial year ended 30 June 2021.

## Directors

The names of Directors in office at any time during or since the end of the year are:

- Mr Adrian Byass — Non-Executive Chairman
- Mr Ryan Parkin — CEO and Managing Director
- Mr Remy Welschinger — Executive Director (Appointed 22 July 2020, transitioned to Executive Director on 18 January 2021)
- Mr Jon Starink — Executive Director (Appointed 8 October 2020)
- Mr Vincent Ledoux-Pedailles — Executive Director (Resigned 26 August 2020)
- Mr Felipe Benjumea Llorente — Non-Executive Director (Resigned 31 July 2020)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## Principal Activities and Significant Changes in Nature of Activities

The principal activities of the Consolidated Entity during the financial year was the exploration and evaluation of the Consolidated Entity's lithium assets and progression of the integrated lithium chemicals conversion plant. There were no significant changes in the nature of the Consolidated Entity's principal activities during the financial year.

## Operating Results

The consolidated profit of the Consolidated Entity after providing for income tax amounted to $2,457,082 (2020: loss of $1,890,149).

## Review of Operations

**Business Activities**

**San José Lithium Project**

*Investigation Permit Valdeflórez Cancellation and Appeal*

The Company announced a trading halt on 9 April 2021 and was subsequently suspended from official quotation on 13 April 2021. Infinity provided an update on 23 April 2021 which advised that it had received notification from the Junta de Extremadura (the regional government of Extremadura) ('**Junta**') which informed the Company of the cancellation of Investigation Permit Valdeflórez ('**PIV**') research permit at the San José Lithium Project ('**San José**', or '**the Project**'). The decision was unexpected and followed the resolution of the Junta which granted the Investigation Permit Ampliación Valdeflórez ('**PIAV**'), as announced on 23 December 2020.

The Company resumed trading on 17 May 2021 following the release of a detailed ASX announcement on the decision, the Company's legal position and avenues of recourse. The Company strongly disputes the validity of the decision to cancel the PIV application and following legal advice the Company lodged an administrative appeal of this resolution as filed by the Project Joint Venture ('**JV**') entity Tecnología Extremeña Del Lito S.L. ('**TEL**'), which was subsequently rejected, as announced on 19 July 2021.

# Directors' Report (continued)

The Company considered the Junta's resolution to cancel the PIV in direct breach of the law and in contradiction of previous rulings by the Junta on the environmental and urban legality and viability of the PIV. Furthermore, Infinity reserved all rights relating to the multiple administrative decisions and errors of the Junta including the legal status of the mining area under the Junta's original call for tender, and the actions that facilitated the PIV reverting to application status (ASX announcement 5 June 2019). This reversion from granted status to application (which was subsequently rejected by the Junta) resulted directly from the administrative failures by the Junta. The administrative faults saw the omission by the Junta to lodge the Project restoration plan in the public exposure period, and the Junta's fault in not providing adequate notice in the public exposure period.

The Company has assembled a high calibre and experienced legal team, led by Madrid founded and national leading legal firm Pérez-Llorca, to advise and represent TEL throughout the administrative contentious appeal process which is ongoing.

The Company's Managing Director, Ryan Parkin, and Executive Director, Remy Welschinger, spent considerable time in-country after the original notification from the Junta, assisting with the Company's action plan to see the PIV resolved, and to meet with key stakeholders in Spain, and to facilitate the appointment of in-country consultants to assist in these matters. For further details please refer to the ASX announcements on 17 May 2021 and 19 July 2021.

The Project area comprises the PIV and PIAV (refer to Figure 1). The Company announced the granting of the PIAV to TEL on 23 December 2020. The location of the beneficiation plant and downstream lithium chemical conversion facilities have been identified in the PIAV area, utilising feedstock from the lithium mica ore contained within PIV (refer to PFS announcement 22 August 2019). The Company received notice that the PIAV remained granted and in good standing with an appeal by an NGO rejected after the 30 June 2021 year end.

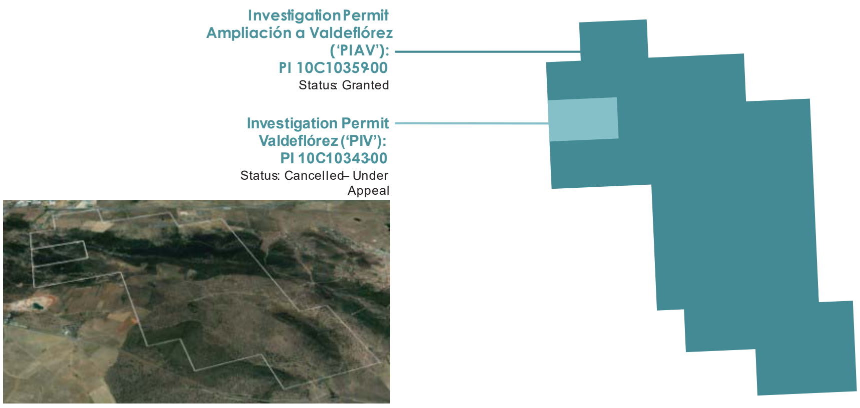


**Figure 1: Summary of Investigation Permit Areas**

*Progression of Test Work*

Test work continued during the financial year with the Company's technical partners Dorfner Anzaplan in Germany under phase one of the Project Agreement. The laboratory-scale ('**Lab-Scale**') feasibility level test work progressed to the crystallisation stage after successfully progressing through roast, leach and solution purification stages. Lab-Scale test work was at the kilogram scale, with major process steps highlighted per Figure 2.

Larger-scale feasibility level test work began in the Q1 2021 and progressed to provide sufficient flotation concentrate to undertake upscaled roasting test work. This program of work followed the advancement and successful Lab-Scale work.

## Directors' Report (continued)


**Figure 2: Summary of process flow sheet stages and current feasibility test work progress.**

Test work remained on schedule and consistent with the schedules previously advised, with first Lab-Scale production of lithium hydroxide forecast no later than the beginning of Q4 2021. The programme continued to be managed by leading German consultancy and engineering company Dorfner Anzaplan in line with project deliverables under the agreement. The Company announced the progression of test work and production of battery grade lithium hydroxide and lithium carbonate subsequent to year end.

*Offtake MoU signed with LG Energy Solution*

In June 2021 the Company announced that it had entered into a non-binding Memorandum of Understanding ('**MoU**') for the long-term supply of battery grade lithium hydroxide ('**LiOH**', or '**Product**') from the Project with major South Korean lithium-ion battery producer LG Energy Solution ('**LGES**').

The key terms of the MOU are as follows:

- The MoU referred to the potential supply of LiOH for an initial 5-year period with the potential to continue for a further 5 years;
- First right to 10,000tpa of Product with additional volumes under the MoU subject to negotiations and agreement between Infinity and LGES; and
- The purchase price for the Product will be based on the market prices for lithium hydroxide, subject to agreement by the parties and to be finalised under the terms of a binding offtake agreement.

The Company and LGES have agreed to consult in good faith towards finalising the binding offtake agreement within 12 months of signing the MoU. Any formal agreement is likely to be subject to standard conditions precedent for an offtake agreement of this nature, including Infinity successfully entering commercial production and producing a product that meets the product specification requirements of LGES. Any formal agreement with LGES will be subject to Infinity resolving the permitting matters outlined above.

*Competent Person's Statement*

*The information in this report related to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr A Byass, B.Sc. Hons (Geol), B.Econ, FSEG, MAIG, the Non-Executive Chairman of Infinity Lithium Corporation Limited. 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 Australasian 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.*

**Corporate Activities**

*$4.5 million Placement and Entitlement Offer (September/October 2020)*

In September 2020, Infinity successfully completed a A$2.2 million (before costs) placement ('**September 2020 Placement**') followed by a A$2.4 million (before costs) Entitlement Offer in October 2020 ('**Entitlement Offer**'). Shares issued under both the September 2020 Placement and the Entitlement Offer were issued at A$0.07 per Share, with one (1) attaching unlisted option for every two (2) shares subscribed at an exercise price of A$0.12 with a 24-month term. The funds raised under the September 2020 Placement and Entitlement Offer are being used to continue activities at San José and for general working capital.

*$15 million Placement (February 2021)*

In February 2021, the Company announced the successful completion of a A$15.1 million (before costs) placement at $0.19 per share to raise $15.1 million (before costs) ('**February 2021 Placement**').

Funds from the February 2021 Placement are being used to advance the San José Feasibility Study which will incorporate the outcomes from the test work program and facilitate the future submission of mining licence applications and environmental impact assessments. The timing and quantum of funds to be deployed will be subject to developments on the status of the PIV as outlined earlier in this report.

Canaccord Genuity (Australia) Limited ('**Canaccord Genuity**') acted as the Lead Manager to the February 2021 Placement, September 2020 Placement and the Entitlement Offer.

*Board Changes*

On 22 July 2020, the Company appointed experienced finance and European commodities executive Mr Remy Welschinger as Non-Executive Director, replacing Mr Felipe Benjumea Llorente who resigned from the Board effective 31 July 2020. On 18 January 2021, Mr Welschinger transitioned to an Executive Director role as Head of Corporate Development.

On 26 August 2020, Mr Vincent Ledoux-Pedailles resigned from his position as Executive Director.

On 8 October 2020, highly credentialled technical expert, Jon Starink, joined the Board as an Executive Director.

## Discussion and Analysis of Operations and the Financial Position

The Consolidated Entity's cash position as at 30 June 2021 was $19,134,704 (2020: $627,953). The net assets of the Consolidated Entity have increased from $2,436,329 in 2020 to $27,220,500 in 2021, largely due to the successful capital raising activities during the year. The Consolidated Entity's net working capital, being current assets less current liabilities, has increased from a deficit of $533,826 in 2020 to a surplus of $18,025,832 in 2021. Accordingly, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

## Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Consolidated Entity other than those disclosed in the Review of Operations.

# Directors' Report (continued)

## Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

## Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus ('**COVID-19**') pandemic has had, or may have, on the Consolidated Entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific Notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus pandemic.

## Events After Reporting Date

On 19 July 2021 the Company announced a further deferral of current payment obligations by the Consolidated Entity to Valoriza Mineria aligned to the resolution of the PIV cancellation (detailed further in Note 14 and the Directors' Report). The deferred consideration of €600,000 is now payable within thirty (30) calendar days following notification of the resolution that favourably resolves the PIV appeal or, if applicable, from the agreement to restart the processing of the PIV, provided that the PIAV remains granted in its status. However, the Consolidated Entity may make the pending payment at any time prior to the granting of the PIV or the resumption of its processing. Extremadura Mining S.L. ('**Extremadura Mining**') maintains 75% project ownership interest in JV entity TEL, the project vehicle that contains the rights to San José. Further details are available in the ASX announcement on 19 July 2021.

In July 2021, the Company announced that the Spanish Government had approved a historical €4.3 billion funding package with the aim of turning Spain into a European electromobility hub and to kick start the production of electric vehicles and lithium-ion batteries through an initiative funded predominantly by EU Next Generation recovery and resilience funding. The government will stimulate private investment aligned to commitments for Strategic Projects for Economic Recovery and Transformation ('**PERTE**') which will include the whole production chain from extracting lithium to assembling battery cells and manufacturing electric vehicles. The EU Next Generation mechanism has been earmarked to enable the mobilisation of another €19 billion in private investment, bringing the total amount to approximately €24 billion between 2021 and 2023. Further details are available in the ASX announcement on 14 July 2021.

On 10 August 2021, the Company issued 8,000,000 unlisted options in two equal tranches to Canaccord Genuity in consideration for capital raising services in the February 2021 Placement, which were subject to shareholder approval at the General Meeting held on 5 August 2021. Both tranches consist of 4,000,000 options with an expiry date of 31 December 2024, with exercise prices of $0.266 and $0.304 per tranche, based on a 40% and 60% premium to the February 2021 Placement Offer Price respectively.

On 10 August 2021, the company issued 40,000,0000 unlisted options in two equal tranches to Promotora de Minas de Carbon, S.A. ('**PMC**') in lieu of cash for success-based consultancy services provided after receiving approval from shareholders at the General Meeting held on 5 August 2021. The options have an exercise price of $0.11 and an expiry date of 10 August 2022, with vesting conditions for each tranche based on successful resolution of the PIV permitting situation. Full vesting conditions are detailed in the Notice of Meeting lodged on the ASX on 5 July 2021.

# Directors' Report (continued)

On 20 September 2021, the Company announced that metallurgical test work had produced battery grade lithium hydroxide monohydrate and lithium carbonate at bench-scale from the San José Lithium Project. The Company noted advancements to pilot scale test work and the progression of alternative processing test work. Refer to the ASX announcement released on 20 September 2021 for further details.

Since the end of the financial year, the Company issued 250,000 ordinary shares as a result of the exercise of options exercisable at $0.07 each to raise $17,500. There were no amounts unpaid on these shares issued.

No further matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

## Likely Developments and Expected Results of the Operations

The Consolidated Entity intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

## Environmental Regulations

The Consolidated Entity carries out mineral exploration activities at its various projects which are subject to environmental regulations under Spanish legislation. During the financial year, there has been no breach of these regulations.

## Information on Directors

The names and details of the Directors of Infinity Lithium in office as at the date of this report and anytime during the financial year are:

**Mr Adrian Byass**
***Non-Executive Chairman | Appointed 27 November 2019 (Previously Non-Executive Director Appointed 17 June 2011)***

Mr Byass has over 20 years' experience in the mining and minerals industry. This experience has principally been gained through mining, resource estimation, and mine development roles for several gold and nickel mining and exploration companies. Due to his experience in resource estimation and professional association membership, Mr Byass is a competent person for reporting to the ASX for certain minerals. Mr Byass has also gained experience in corporate finance and financial modelling during his employment with publicly listed mining companies. Mr Byass is a Non-Executive Director of Kingwest Resource Limited, Non-Executive Chairman of Kaiser Reef Limited and Galena Mining Limited on the ASX and am a Non-Executive Director of TSX-V Sarama Resources Limited. Mr Byass ceased to be a Non-Executive Director of Fertoz Limited in June of 2019. Mr Byass has the following interest in shares, options and rights in the Company as at the date of this report – 9,568,805 ordinary shares, 715,000 options exercisable at $0.07 on or before 24 October 2021, 182,744 options exercisable at $0.12 on or before 30 November 2022 and 1,000,000 Share Appreciation Rights exercisable at $0.082 expiring on 5 October 2025.

## Directors' Report (continued)

**Mr Ryan Parkin**
***CEO and Managing Director | Appointed 4 August 2018***

Mr Parkin is a Chartered Accountant with over 15 years' experience, with a background in auditing and assurance services, risk management, mergers and acquisitions, financing and corporate development, in both the public and private corporate sectors. Having become a Member of Chartered Accountants Australia and New Zealand whilst at Ernst & Young in 2004, a move to corporate development and finance roles included 4 years with an ASX 200 company. Mr Parkin has extensive experience in working closely with public and private company boards with participation in transactions across a range of industry sectors including infrastructure, technology, resources, agribusiness and property. Mr Parkin has the following interest in shares, options and rights in the Company as at the date of this report – 2,791,219 ordinary shares, 1,000,000 options exercisable at $0.088 on or before 16 September 2022, 71,430 options exercisable at $0.12 on or before 30 November 2022, 5,000,000 Share Appreciation Rights exercisable at $0.072 expiring on 13 September 2024 and 2,400,000 Share Appreciation Rights exercisable at $0.082 expiring on 5 October 2025.

**Mr Remy Welschinger**
***Executive Director | Appointed 22 July 2020 (Transitioned to Executive Director on 18 January 2021)***

Mr Welschinger has over 13 years' experience with major London based institutions, including the position of Head of Commodities Sales in Europe for Deutsche Bank and Executive Director in the Fixed Income and Commodities division of Morgan Stanley. Mr Welschinger is the Founder and Managing Director of Limehouse Capital, an investment holding company specialising in natural resources projects and also currently serves as the Finance Director and Board member on AIM-listed Arc Minerals Limited as well as Director of Scandinavian platinum group metals company Element-46 Limited. Mr Welschinger has the following interest in shares, options and rights in the Company as at the date of this report – 668,425 ordinary shares, nil options and 2,400,000 Share Appreciation Rights exercisable at $0.082 expiring on 5 October 2025.

**Mr Jon Starink**
***Executive Director | Appointed 8 October 2020***

Mr Starink has extensive credentials in providing engineering, process design and process audit consultancy services in the delivery of leading hard-rock lithium mining and downstream integration of lithium chemicals projects. Mr Starink is currently serving as the CEO and Managing Director of project financier Oryx Management Ltd, and as Managing Director of engineering consultancy Mining Management Services Pty Ltd. Mr Starink has the following interest in shares, options and rights in the Company as at the date of this report – nil ordinary shares, nil options and 2,400,000 Share Appreciation Rights exercisable at $0.082 expiring on 5 October 2025.

**Mr Vincent Ledoux-Pedailles**
***Executive Director | Resigned 26 August 2020***

Mr Ledoux-Pedailles has been involved in the lithium industry since 2011, initially with Talison Lithium Limited in Australia. He has held roles monitoring various metals and industrial minerals markets at international metals and minerals research and consulting company Roskill.

**Mr Felipe Benjumea Llorente**
***Non-Executive Director | Resigned 31 July 2020***

Mr Llorente has extensive corporate experience through more than 30 years on the Board of listed Spanish Company Abengoa, and he has been instrumental in the development of major projects with a presence in more than 60 countries.

# Directors' Report (continued)

## Company Secretary

The following person held the position of Company Secretary during the financial year:

**Jonathan Whyte | *Appointed 28 April 2020***

Mr Whyte is a Chartered Accountant with extensive corporate, company secretarial and financial accounting experience, predominantly for listed resource sector companies. Mr Whyte is currently Company Secretary of AIM-listed Empyrean Energy Plc as well as ASX-listed companies Ironbark Zinc Ltd, Charger Metals NL and Peninsula Energy Ltd. Mr Whyte has the following interest in shares, options and rights in the Company as at the date of this report – 308,214 ordinary shares, 149,107 options exercisable at $0.12 on or before 30 November 2022 and 166,667 Share Appreciation Rights exercisable at $0.082 expiring on 5 October 2025.

## Meetings of Directors

At this time the Board does not consider it appropriate to establish any Committees. The Board considers that due to the relative small size of the Company that the interests of the Company are best served by the full Board completing the functions normally delegated to Committees. This will be reviewed as the Company grows in size.

During the financial year, 10 meetings of Directors were held. Attendances by each Director during the year were as follows:

| | Directors' Meetings | |
|---|---|---|
| **Directors** | **Number Eligible to Attend** | **Number Attended** |
| Adrian Byass | 10 | 10 |
| Ryan Parkin | 10 | 10 |
| Remy Welschinger | 8 | 8 |
| Jon Starink | 6 | 6 |
| Vincent Ledoux-Pedailles | 2 | 2 |
| Felipe Benjumea Llorente | 2 | 1 |

## Options and Rights

As at the date of this report, the unissued ordinary shares of Infinity Lithium under option are as follows:

| Details | Grant Date | Number | Exercise Price ($) | Date of Expiry |
|---|---|---|---|---|
| Unlisted Options | Various | 9,919,643 | $0.07 | 24/10/2021 |
| Unlisted Options | 17/09/2019 | 1,000,000 | $0.09 | 16/09/2022 |
| Unlisted Options | Various | 22,762,137 | $0.12 | 30/11/2022 |
| Unlisted Options | 27/11/2020 | 10,000,000 | $0.09 | 30/11/2022 |
| Unlisted Options | 04/12/2020 | 500,000 | $0.20 | 30/11/2022 |
| Unlisted Options | 10/08/2021 | 4,000,000 | $0.27 | 31/12/2024 |
| Unlisted Options | 10/08/2021 | 4,000,000 | $0.30 | 31/12/2024 |
| Unlisted Options | 10/08/2021 | 40,000,000 | $0.11 | 10/08/2022 |
| **Total Unlisted Options** | | **92,181,780** | | |

## Directors' Report (continued)

As at the date of this report, the warrants and Share Appreciation Rights of Infinity on issue are as follows:

| Details | Grant Date | Number | Exercise Price ($) | Date of Expiry |
|---|---|---|---|---|
| Zero Exercise Price Warrants | 28/07/2020 | 13,182,938 | Nil | 28/07/2025 |
| Share Appreciation Rights | 27/11/2019 | 5,000,000 | $0.072 | 13/09/2024 |
| Share Appreciation Rights | 04/12/2020 | 9,700,000 | $0.082 | 05/10/2025 |
| Share Appreciation Rights | 04/12/2020 | 500,000 | $0.144 | 02/12/2025 |
| Share Appreciation Rights | 03/02/2021 | 2,000,000 | $0.170 | 05/01/2026 |

Option-holders do not have any rights to participate in any issue of shares or other interest in the Company or any other entity.

For details of options and rights issued to Directors and Executives as remuneration, refer to the Remuneration Report.

**Shares Issued on Exercise of Options**

Since the end of the financial year, the Company issued 250,000 ordinary shares as a result of the exercise of options exercisable at $0.07 each to raise $17,500. There were no amounts unpaid on these shares issued.

## Indemnifying Directors and Officers

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the following Directors and key personnel against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director and Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was $20,369 to insure Directors and Officers of the Company.

## Corporate Governance Statement

The Company's 2021 Corporate Governance Statement has been released as a separate document and is located on the Company's website at: *https://www.infinitylithium.com/company-overview*

## Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

## Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001 for* the year ended 30 June 2021 has been received and can be found on page 22 of the Financial Report.

# Directors' Report (continued)

## Rounding of Amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest dollar.

## Remuneration Report – Audited

This report details the nature and amount of remuneration for each key management person of Infinity, and for the executives receiving the highest remuneration.

**Remuneration Policy**

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Consolidated Entity is as follows:

- The Company's remuneration policy has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Entity's financial results. The Board of Infinity believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Consolidated Entity, as well as create goal congruence between Directors, Executives and Shareholders.
- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits.
- The Board reviews key management personnel packages annually by reference to the Consolidated Entity's performance, executive performance and comparable information from industry sectors.

The Company is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, Directors and Senior Executives are paid market rates associated with individuals in similar positions, within the same industry.

Options, Performance Rights and Share Appreciation Rights ('**SARS**') have previously been issued to Directors to provide a mechanism to participate in the future development of the Company and an incentive for their future involvement with and commitment to the Company.

Further options and performance incentives may be issued, with key performance indicators such as project milestones, profits, share price appreciation and growth used as measurements for assessing Board performance and in determining the award of further performance incentives.

Mr Ryan Parkin, Mr Adrian Byass and Mr Jon Starink receive a superannuation guarantee contribution required by the government, which is currently 10%. All key management personnel do not receive any other retirement benefits.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options, Performance Rights and SARS are valued using the Black-Scholes methodology.

# Directors' Report (continued)

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors was approved by shareholders at the 2019 Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Consolidated Entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Non-Executive Director fees are set based on fees paid to other Non-Executive Directors of comparable companies. The aggregate cash remuneration for Non-Executive Directors has been set by the Board and approved by Shareholders at an amount not to exceed $400,000 per annum.

**Relationship Between Remuneration and Company Performance**

The Directors assess performance of the Group with regards to the achievement of both operational and financial targets with a current focus on subscriber numbers, sales revenues and share price. Directors and Executives are issued Options and, in some cases, SARS or Performance Rights, to encourage the alignment of personal and shareholder interests.

Options, Performance Rights and SARS issued to Directors and Executives may be subject to market-based price hurdles and vesting conditions and the exercise price of options is set at a level that encourages the Directors to focus on share price appreciation. The Board believes this policy will be effective in increasing shareholder wealth. Key management personnel are also entitled to participate in the employee share and option arrangements.
On the resignation of Directors and Executives, any vested options, SARS issued as remuneration are retained by the relevant party.

SARS vest on the achievement of operational and financial milestones, providing those Directors and Executives holding SARS an incentive to meet the operational and financial milestones prior to the expiry date of the SARS.

The Board may exercise discretion in relation to approving incentives such as Options. The policy is designed to reward key management personnel for performance that results in long-term growth in shareholder value.

The following table shows the Group's net profit/(loss) for the last five financial years, as well as the Company's share prices at the end of the respective financial years.

| | 2021<br>$ | 2020<br>$ | 2019<br>$ | 2018<br>$ | 2017<br>$ |
|---|---|---|---|---|---|
| Net profit/(loss) | 2,457,082 | (1,890,149) | (2,727,681) | (9,040,990) | (7,951,532) |
| Share price at year-end | 0.089 | 0.079 | 0.076 | 0.078 | 0.209 |

**Employment Details of Directors and Members of Key Management Personnel**

The employment terms and conditions of Key Management Personnel are formalised in contracts of employment.

**Mr Adrian Byass**
*Chairman (Non-Executive)*
- Terms of agreement – no fixed term;
- Base Chairman fee of $75,000 per annum, exclusive of superannuation; and
- No termination benefit is specified in the agreement.

**Mr Ryan Parkin**
*CEO and Managing Director*
- Terms of agreement – no fixed term;
- Base salary of $260,000 per annum, exclusive of superannuation;
- Notice period – 6 months; and
- 6-month termination payment under certain circumstances.

**Mr Remy Welschinger**
*Director (Non-Executive) – Appointed 22 July 2020, transitioned to Executive Director on 18 January 2021*
- Terms of agreement – no fixed term;
- Director's fee of £3,000 per month; and
- No termination benefit is specified in the agreement.

*Director (Executive) – Appointed 18 January 2021*
- Terms of agreement – no fixed term;
- Director's fee of £5,000 per month;
- Notice period – 3 months; and
- 3-month termination payment under certain circumstances.

**Mr Jon Starink**
*Director (Executive) – Appointed 8 October 2020*
- Terms of agreement – no fixed term;
- Director's fee of $6,000 per month;
- Notice period – 3 months; and
- 3-month termination payment under certain circumstances.

**Mr Jonathan Whyte**
*Company Secretary/CFO – Appointed 28 April 2020*
- Consultancy services agreement – no fixed term;
- Consultancy fee of $5,750 per month, exclusive of GST;
- Notice period – 1 month; and
- No termination benefit is specified in the agreement.

## Directors' Report (continued)

**Table of Benefits and Payments for the Year Ended 30 June 2021**

The following table provides employment details of persons who were, during the financial year, members of Key Management Personnel of the Consolidated Entity. The table also illustrates the proportion of remuneration that was performance based and the proportion of remuneration received in the form of ordinary shares, options or SARS for the year ended 30 June 2021.

| | | Short-Term | | | Post-Employment | | | |
|---|---|---|---|---|---|---|---|---|
| Key Management Personnel | Year | Salary $ | Other Fees $ | Cash-Based Incentives[1] $ | Super-annuation $ | Share-Based Payments[6,7,8] $ | Total $ | Proportion of Remuneration Related to Performance % |
| Adrian Byass | 2021 | 68,750 | - | - | 6,531 | 49,608 | 124,889 | 39.72% |
| | 2020 | 93,333 | - | - | 8,867 | - | 102,200 | - |
| Ryan Parkin | 2021 | 242,500 | - | 50,000 | 23,037 | 60,504 | 376,041 | 29.39% |
| | 2020 | 190,000 | - | 15,000 | 18,050 | 322,831 | 545,881 | 61.89% |
| Remy Welschinger[2] | 2021 | 77,340 | - | - | - | 119,060 | 196,400 | 60.62% |
| | 2020 | - | - | - | - | - | - | - |
| Jon Starink[3] | 2021 | 52,645 | - | - | 5,001 | 119,060 | 176,706 | 67.38% |
| | 2020 | - | - | - | - | - | - | - |
| Jonathan Whyte[4,9] | 2021 | 65,250 | - | - | - | 9,851 | 75,101 | 13.12% |
| | 2020 | 9,000 | - | - | - | - | 9,000 | - |
| Vincent Ledoux-Pedailles[5] | 2021 | 2,036 | 35,777 | - | - | (214,849) | (177,036) | - |
| | 2020 | 10,000 | 136,415 | - | - | 305,349 | 451,764 | 67.59% |
| Felipe Benjumea Llorente[10] | 2021 | 5,162 | - | - | - | - | 5,162 | - |
| | 2020 | 44,897 | - | - | - | - | 44,897 | - |
| Kevin Tomlinson[11] | 2021 | - | - | - | - | - | - | - |
| | 2020 | 50,000 | - | - | - | - | 50,000 | - |
| Robert Orr[12] | 2021 | - | - | - | - | - | - | - |
| | 2020 | 87,680 | | - | 3,412 | - | 91,092 | - |
| **Total** | **2021** | **513,683** | **35,777** | **50,000** | **34,569** | **143,234** | **777,263** | **-** |
| | **2020** | **484,910** | **136,415** | **15,000** | **30,329** | **628,180** | **1,294,834** | **-** |

Notes:

1) Mr Parkin received a cash bonus of $50,000 upon satisfaction of the 2021 Performance Bonus stipulated within Mr Parkin's executive agreement. This has been accrued for as at 30 June 2021 and was paid subsequent to year end.
2) Mr Welschinger was appointed as Non-Executive Director effective 22 July 2020 and transitioned to Executive Director effective 18 January 2021.
3) Mr Starink was appointed as Executive Director effective 8 October 2020.
4) Services provided by Keyport Investments Pty Ltd, of which Mr Whyte is a Director.
5) Services provided by Brooklys, of which Mr Ledoux-Pedailles is a Director. Mr Ledoux-Pedailles' remuneration includes Director fees of $2,036 and consulting fees of $35,777. Mr Ledoux-Pedailles resigned as Executive Director effective 26 August 2020; his Performance Rights and SARS lapsed upon his resignation.
6) On 28 July 2020, 3,700,000 fully paid ordinary shares were each issued to Mr Parkin and Mr Ledoux-Pedailles as approved by shareholders at the General Meeting held on 27 July 2020. The 2019 Performance Bonus Shares were issued at a deemed price of $0.05 per share. The 2020 Performance Bonus Shares were issued at a deemed price of $0.0405 per share, being the price equal to the 15-day VWAP at the close of business on 27 May 2020. The 2019 and 2020 Performance Bonus Shares related to prior year performance. The expense associated with these shares was accrued for as at 30 June 2020, ahead of their issue on 28 July 2020.
7) All Performance Rights on issue lapsed during the reporting period. As a result, a reversal of $356,515 was recognised within the Statement of Profit or Loss, reflecting that no Performance Rights on issue have vested as the relevant milestones associated with their vesting were not met.

## Directors' Report (continued)

8) On 4 December 2020, the Company issued 8,200,000 SARS to the Directors of the Company subsequent to shareholder approval being obtained at the Annual General Meeting of the Company held on 25 November 2020. The SARS will vest in equal tranches over a 3-year period with an expiry date of 5 October 2025 and an exercise price of $0.082. Each SAR entitles the holder to one Company share. The SARS were valued using a Black Scholes option pricing model and are being expensed over the vesting period of the SARS.
9) On 4 December 2020 166,667 SARS were issued to Mr Whyte, as approved by the Board on 3 December 2020. The SARS will vest in equal tranches over a 2-year period, exercisable at $0.144 on or before 2 December 2025. Each SAR entitles the holder to one Company share. The SARS were valued using a Black Scholes option pricing model and are being expensed over the vesting period of the SARS.
10) Mr Llorente resigned as Non-Executive Director effective 31 July 2020.
11) Mr Tomlinson resigned as Non-Executive Chairman effective 27 November 2019.
12) Mr Orr resigned as Company Secretary effective 28 April 2020.

**Number of Shares Held by Key Management Personnel for the Year Ended 30 June 2021**

The number of shares in the Company held during the financial year by each Director and other member of Key Management Personnel of the Consolidated Entity including their personally related parties is set out below:

| Key Management Personnel | Held at 1 July 2020 | Granted as remuneration[2] | On-market trades | Shares issued for cash subscription[3] | Other[6] | Held at 30 June 2021 |
|---|---|---|---|---|---|---|
| Adrian Byass | 7,223,318 | - | 550,000 | 1,795,487 | - | 9,568,805 |
| Ryan Parkin | 794,611 | 1,700,000 | 153,750 | 42,858 | - | 2,791,219 |
| Remy Welschinger[1] | 18,425 | - | 650,000 | - | - | 668,425 |
| Jon Starink | - | - | - | - | - | - |
| Jonathan Whyte | - | - | 10,000 | 298,214 | - | 308,214 |
| Vincent Ledoux-Pedailles[4] | 282,000 | 2,000,000 | - | - | (2,282,000) | - |
| Felipe Benjumea Llorente[5] | - | - | - | - | - | - |
| **Total** | **8,318,354** | **3,700,000** | **1,363,750** | **2,236,559** | **(2,282,000)** | **13,336,663** |

Notes:

1) Mr Welschinger was appointed as Non-Executive Director effective 22 July 2020 and transitioned to Executive Director effective 18 January 2021. Mr Welschinger held 18,425 fully paid ordinary shares as at the date of appointment.
2) On 28 July 2020, 3,700,000 fully paid ordinary shares were issued to Mr Parkin and Mr Ledoux-Pedailles as approved by shareholders at the General Meeting held on 27 July 2020. The 2019 Performance Bonus Shares were issued at a deemed price of $0.05 per share. The 2020 Performance Bonus Shares were issued at a deemed price of $0.0405 per share, being the price equal to the 15-day VWAP at the close of business on 27 May 2020. The 2019 and 2020 Performance Bonus Shares related to prior year performance. The expense associated with these shares was accrued for as at 30 June 2020, ahead of their issue on 28 July 2020.
3) On 28 July 2020, 1,430,000 fully paid ordinary shares were issued to Mr Byass relating to Mr Byass' participation in the April 2020 Placement, once shareholder approval was obtained at a General Meeting of the Company held on 27 July 2020. On 14 September 2020 the Company issued shares to Mr Whyte in relation to his participation in the September 2020 Placement. On 19 October 2020, the Company issued shares to Mr Byass, Mr Parkin and Mr Whyte relating to their participation in the Company's October 2020 Entitlement Offer.
4) Mr Ledoux-Pedailles resigned as Executive Director effective 26 August 2020.
5) Mr Llorente resigned as Non-Executive Director effective 31 July 2020.
6) Number of shares held on resignation.

# Directors' Report (continued)

**Number of Options Held by Key Management Personnel for the Year Ended 30 June 2021**

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of Key Management Personnel of the Consolidated Entity, including the personally related parties, is set out below:

| Key Management Personnel | Held at 1 July 2020 | Granted as remuneration | Expired | Net Change Other[1] | Held at 30 June 2021 | Total Vested |
|---|---|---|---|---|---|---|
| Adrian Byass | - | - | - | 897,744 | 897,744 | 897,744 |
| Ryan Parkin | 2,000,000 | - | (1,000,000) | 71,430 | 1,071,430 | 1,071,430 |
| Remy Welschinger | - | - | - | - | - | - |
| Jon Starink | - | - | - | - | - | - |
| Jonathan Whyte | - | - | - | 149,107 | 149,107 | 149,107 |
| Vincent Ledoux-Pedailles[2] | 500,000 | - | - | (500,000) | - | - |
| Felipe Benjumea Llorente[3] | - | - | - | - | - | - |
| **Total** | **2,500,000** | **-** | **(1,000,000)** | **618,281** | **2,118,281** | **2,118,281** |

Notes:

1) On 28 July 2020, 715,000 free-attaching unlisted options exercisable at $0.07 on or before 24 October 2021 were issued to Mr Byass relating to Mr Byass' participation in the April 2020 Placement, once shareholder approval was obtained at a General Meeting of the Company held on 27 July 2020. On 19 October 2020, free-attaching unlisted options exercisable at $0.12 on or before 30 November 2022 were issued to Mr Byass, Mr Parkin and Mr Whyte relating to their participation in the Company's October 2020 Entitlement Offer. On 27 November 2020, free-attaching unlisted options exercisable at $0.12 on or before 30 November 2022 were issued to Mr Whyte relating to his participation in the September 2020 Placement.
2) Mr Ledoux-Pedailles resigned as Executive Director effective 26 August 2020.
3) Mr Llorente resigned as Non-Executive Director effective 31 July 2020.

**Number of Rights Held by Key Management Personnel for the Year Ended 30 June 2021**

**(a) Performance Rights**

| Key Management Personnel | Held at 1 July 2020 | Granted as remuneration | Expired/ Lapsed[1] | Held at 30 June 2021 | Total Vested |
|---|---|---|---|---|---|
| Adrian Byass | - | - | - | - | - |
| Ryan Parkin | 3,140,312 | - | (3,140,312) | - | - |
| Remy Welschinger | - | - | - | - | - |
| Jon Starink | - | - | - | - | - |
| Jonathan Whyte | - | - | - | - | - |
| Vincent Ledoux-Pedailles | 3,140,312 | - | (3,140,312) | - | - |
| Felipe Benjumea Llorente | - | - | - | - | - |
| **Total** | **6,280,624** | **-** | **(6,280,624)** | **-** | **-** |

Notes:

1) Performance Rights expiring on 31 December 2020

On 11 December 2019, the Group issued two tranches of Performance Rights (tranche A and tranche B). Both tranches consist of 3,140,312 rights with an expiry date of 31 December 2020. The Performance Rights were issued to Directors, Mr Ryan Parkin and Mr Vincent Ledoux-Pedailles, with each receiving 1,570,156 tranche A and tranche B Performance Rights.

The Performance Rights had the following milestones attached to them:

- *Tranche A* rights vest based on the Group executing a non-binding offtake agreement with a third party for the purchase of a minimum 5,000 tonnes of lithium chemicals including lithium hydroxide or lithium carbonate produced from the San José Lithium Project; and

- *Tranche B* rights vest upon the Group completing a capital raising for a minimum of $1,000,000 from a recognised lithium industry participant or investor.

The Performance Rights were valued using a Black Scholes option pricing model and were expensed over the vesting period of the Performance Rights.

| Valuation and Assumptions of Performance Rights: | Tranche A | Tranche B |
|---|---|---|
| Grant date | 27 November 2019 | 27 November 2019 |
| Number | 3,140,312 | 3,140,312 |
| Share price | $0.066 | $0.066 |
| Exercise price | $0.00 | $0.00 |
| Expiry date | 31 December 2020 | 31 December 2020 |
| Volatility | 70.51% | 70.51% |
| Risk-free interest rate | 0.77% | 0.77% |
| Value per right | $0.066 | $0.066 |
| Total fair value | $207,261 | $207,261 |
| **Expensed during the year (net of reversal for lapsed performance rights)** | **($123,211)** | **($123,211)** |

Mr Ledoux-Pedailles' Performance Rights, representing 50% of Performance Rights included in tranche A and tranche B, lapsed 3 months after his resignation on 26 August 2020. All remaining Performance Rights on issue expired on 31 December 2020 and did not vest. As a result, a reversal of $356,515 was recognised within the Statement of Profit or Loss, reflecting that no Performance Rights on issue have vested as the relevant milestones associated with their vesting were not met.

### (b) Share Appreciation Rights

| Key Management Personnel | Held at 1 July 2020 | Granted as remuneration[2] | Expired/ Lapsed | Held at 30 June 2021 | Total Vested |
|---|---|---|---|---|---|
| Adrian Byass | - | 1,000,000 | - | 1,000,000 | - |
| Ryan Parkin[1] | 5,000,000 | 2,400,000 | - | 7,400,000 | 3,750,000 |
| Remy Welschinger | - | 2,400,000 | - | 2,400,000 | - |
| Jon Starink | - | 2,400,000 | - | 2,400,000 | - |
| Jonathan Whyte[3] | - | 166,667 | - | 166,667 | - |
| Vincent Ledoux-Pedailles[1] | 5,000,000 | - | (5,000,000) | - | - |
| Felipe Benjumea Llorente | - | - | - | - | - |
| **Total** | **10,000,000** | **8,366,667** | **(5,000,000)** | **13,366,667** | **3,750,000** |

Notes:

1) Share Appreciation Rights expiring on 13 September 2024

On 11 December 2019, the Company issued 10,000,000 Share Appreciation Rights ('**SARS**') to Mr Ryan Parkin and Mr Vincent Ledoux-Pedailles (5,000,000 each respectively). The SARS have an expiry date of 13 September 2024 and an exercise price of $0.072. Each SAR entitles the holder to one Company share.

Mr Ledoux-Pedailles' SARS lapsed upon his resignation on 26 August 2020, as a result $47,466 of the previously recognised expense was reversed in the current period.

The SARS vesting profile is as follows:

- Tranche 1 - 50% (2,500,000 total remaining) vested on 13 September 2020
- Tranche 2 - 25% (1,250,000 total remaining) vested on 13 September 2021
- Tranche 3 - 25% (1,250,000 total remaining) will vest on 13 September 2022

## Directors' Report (continued)

The SARS were valued using a Black Scholes option pricing model and are being expensed over the vesting period of the SARS.

| Valuation and Assumptions of Share Appreciation Rights: | Tranche 1 | Tranche 2 | Tranche 3 |
|---|---|---|---|
| Grant date | 27 November 2019 | 27 November 2019 | 27 November 2019 |
| Number issued | 5,000,000 | 2,500,000 | 2,500,000 |
| Number lapsed on resignation | (2,500,000) | (1,250,000) | (1,250,000) |
| Share price | $0.066 | $0.066 | $0.066 |
| Exercise price | $0.072 | $0.072 | $0.072 |
| Vesting date | 13 September 2020 | 13 September 2021 | 13 September 2022 |
| Expiry date | 13 September 2024 | 13 September 2024 | 13 September 2024 |
| Volatility | 70.51% | 70.51% | 70.51% |
| Risk-free interest rate | 0.73% | 0.73% | 0.73% |
| Value per right | $0.036 | $0.036 | $0.036 |
| Total fair value | $90,481 | $45,241 | $45,241 |
| **Expensed during the year (net of reversal of lapsed rights)** | **($9,724)** | **($10,496)** | **($6,744)** |

2) Share Appreciation Rights expiring on 5 October 2025

On 4 December 2020, 8,200,000 SARS were issued to Directors of the Company under the Incentive Performance and Share Appreciation Rights Plan. Approval was received at the Annual General Meeting of shareholders on 25 November 2020 to issue 8,200,000 SARS to Mr Ryan Parkin, Mr Adrian Byass, Mr Remy Welschinger and Mr Jon Starink. The SARS will vest in equal tranches over a 3-year period, exercisable at $0.082 on or before 5 October 2025. Each SAR entitles the holder to one Company share.

| Key Management Personnel | Number of SARS |
|---|---|
| Adrian Byass | 1,000,000 |
| Ryan Parkin | 2,400,000 |
| Remy Welschinger | 2,400,000 |
| Jon Starink | 2,400,000 |
| **Total** | **8,200,000** |

The SARS vesting profile is as follows:

- Tranche 1 - 33.33% (2,733,333) will vest on 5 October 2021
- Tranche 2 - 33.33% (2,733,333) will vest on 5 October 2022
- Tranche 3 - 33.33% (2,733,333) will vest on 5 October 2023

The SARS were valued using a Black Scholes option pricing model and are being expensed over the vesting period of the SARS.

| Valuation and Assumptions of Share Appreciation Rights: | Tranche 1 | Tranche 2 | Tranche 3 |
|---|---|---|---|
| Grant date | 25 November 2020 | 25 November 2020 | 25 November 2020 |
| Number | 2,733,333 | 2,733,333 | 2,733,333 |
| Share price | $0.135 | $0.135 | $0.135 |
| Exercise price | $0.082 | $0.082 | $0.082 |
| Vesting date | 5 October 2021 | 5 October 2022 | 5 October 2023 |
| Expiry date | 5 October 2025 | 5 October 2025 | 5 October 2025 |
| Volatility | 139.43% | 139.43% | 139.43% |
| Risk-free interest rate | 0.29% | 0.29% | 0.29% |
| Value per right | $0.122 | $0.122 | $0.122 |

## Directors' Report (continued)

| Valuation and Assumptions of Share Appreciation Rights: | Tranche 1 | Tranche 2 | Tranche 3 |
|---|---|---|---|
| Total fair value | $333,837 | $333,837 | $333,837 |
| **Expense vested during the year** | **$230,709** | **$106,690** | **$69,389** |

3) Share Appreciation Rights expiring on 2 December 2025

On 4 December 2020 166,667 SARS were issued to Mr Whyte, as approved by the Board on 3 December 2020. The SARS will vest in equal tranches over a 2-year period, exercisable at $0.144 on or before 2 December 2025. Each SAR entitles the holder to one Company share. The SARS were valued using a Black Scholes option pricing model and are being expensed over the vesting period of the SARS.

The SARS vesting profile is as follows:

- Tranche 1 - 50% (83,333) will vest on 2 December 2021
- Tranche 2 - 50% (83,334) will vest on 2 December 2022

| Valuation and Assumptions of Share Appreciation Rights: | Tranche 1 | Tranche 2 |
|---|---|---|
| Grant date | 3 December 2020 | 3 December 2020 |
| Number | 83,333 | 83,334 |
| Share price | $0.155 | $0.155 |
| Exercise price | $0.144 | $0.144 |
| Vesting date | 2 December 2021 | 2 December 2022 |
| Expiry date | 2 December 2025 | 2 December 2025 |
| Volatility | 139.39% | 139.39% |
| Risk-free interest rate | 0.29% | 0.29% |
| Value per right | $0.137 | $0.137 |
| Total fair value | $11,443 | $11,443 |
| **Expense vested during the period** | **$6,571** | **$3,280** |

**Key Management Personnel Loans**

No loans were provided to, made, guaranteed or secured directly or indirectly to any key management personnel or their related entities during the financial year (2020: Nil). No other related party transactions occurred during the financial year or existed at year end (2020: Nil).

**End of Audited Remuneration Report**

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Ryan Parkin
CEO and Managing Director
30 September 2021

PITCHER PARTNERS

**AUDITOR'S INDEPENDENCE DECLARATION**
**TO THE DIRECTORS OF INFINITY LITHIUM CORPORATION LIMITED**

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Infinity Lithium Corporation Limited and the entities it controlled during the year.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

JOANNE PALMER
Executive Director
Perth, 30 September 2021

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

| | Notes | 2021 $ | 2020 $ |
|---|---|---|---|
| **Continuing Operations** | | | |
| Other revenue | *3* | 266,173 | 154,569 |
| | | | |
| Corporate and compliance expenses | | (626,711) | (492,250) |
| Consulting expenses | | (68,368) | (50,655) |
| Employee and director benefits expenses | | (581,444) | (542,131) |
| Share-based payments | *22* | (1,419,540) | (628,180) |
| Impairment reversal of equity accounted investment | *14* | 4,887,998 | - |
| Depreciation expense | *13* | (263) | - |
| Finance expense | | (505) | - |
| Foreign exchange loss | | (258) | - |
| Expected credit loss | | - | (95,430) |
| **Profit/(loss) before income tax from continuing operations** | | **2,457,082** | **(1,654,077)** |
| Income tax expense | *5* | - | - |
| **Profit/(loss) for the year from continuing operations** | | **2,457,082** | **(1,654,077)** |
| Loss for the year from discontinued operations | *2* | - | (236,072) |
| **Profit/(loss) for the year** | | **2,457,082** | **(1,890,149)** |
| | | | |
| **Other comprehensive income/(loss):** | | | |
| *Items that may be subsequently reclassified to profit or loss in subsequent periods* | | | |
| Exchange differences arising on translation of foreign operations | | (148,346) | 89,603 |
| **Total comprehensive income/(loss) for the year** | | **2,308,736** | **(1,800,546)** |
| | | | |
| **Profit/(loss) for the year attributable to:** | | | |
| Equity holders of the Parent | | 2,457,082 | (2,199,108) |
| Non-controlling interests | | - | 308,959 |
| | | **2,457,082** | **(1,890,149)** |
| **Total comprehensive income/(loss) for the year attributable to:** | | | |
| Equity holders of the Parent | | 2,308,736 | (2,104,034) |
| Non-controlling interests | | - | 303,488 |
| | | **2,308,736** | **(1,800,546)** |
| **Profit/(loss) per share attributable to the ordinary shareholders of the Parent for the year:** | | | |
| Basic and diluted (cents per share) | *8* | 0.75 | (1.01) |
| Basic and diluted (cents per share) from continuing operations | *8* | 0.63 | (0.76) |
| Basic and diluted (cents per share) from discontinued operations | | - | (0.25) |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

# Consolidated Statement of Financial Position

As at 30 June 2021

| | Notes | 2021 $ | 2020 $ |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | *9* | 19,134,704 | 627,953 |
| Trade and other receivables | *10* | 101,620 | 180,370 |
| **Total Current Assets** | | **19,236,324** | **808,323** |
| | | | |
| **Non-Current Assets** | | | |
| Other assets | *12* | 40,734 | 41,120 |
| Property, plant and equipment | *13* | 7,063 | - |
| Equity accounted investments | *14* | 9,146,871 | 2,929,035 |
| **Total Non-Current Assets** | | **9,194,668** | **2,970,155** |
| | | | |
| **Total Assets** | | **28,430,992** | **3,778,478** |
| | | | |
| **Current Liabilities** | | | |
| Trade and other payables | *15* | 201,295 | 332,799 |
| Deferred consideration payable | *16* | 948,372 | 982,500 |
| Provisions | *17* | 60,825 | 26,850 |
| **Total Current Liabilities** | | **1,210,492** | **1,342,149** |
| | | | |
| **Total Liabilities** | | **1,210,492** | **1,342,149** |
| | | | |
| **Net Assets** | | **27,220,500** | **2,436,329** |
| | | | |
| **Equity** | | | |
| Issued capital | *18* | 46,259,358 | 26,562,671 |
| Reserves | *19* | 3,361,892 | 907,600 |
| Accumulated losses | | (22,400,750) | (25,033,942) |
| Equity attributable to equity holders of the Parent | | 27,220,500 | 2,436,329 |
| Non-controlling interest | | - | - |
| | | | |
| **Total Equity** | | **27,220,500** | **2,436,329** |

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

# Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021



| | Notes | Issued Capital $ | Share-Based Payment Reserve $ | Foreign Translation Reserve $ | Accumulated Losses $ | Non-Controlling Interest $ | Total $ |
|---|---|---|---|---|---|---|---|
| | | Attributable to equity holders of the Parent | | | | | |
| **Balance as at 30 June 2019** | | **24,250,588** | **1,244,246** | **174,237** | **(23,952,971)** | **(303,488)** | **1,412,612** |
| Loss for the year | | - | - | - | (2,199,108) | 308,959 | (1,890,149) |
| ***Other comprehensive income*** | | | | | | | |
| Exchange differences arising on translation of foreign operations | | - | - | 95,074 | - | (5,471) | 89,603 |
| Total comprehensive income for the year | | - | - | 95,074 | (2,199,108) | 303,488 | (1,800,546) |
| ***Transactions with owners, recorded directly in equity*** | | | | | | | |
| Issue of share capital | *18* | 2,384,950 | - | - | - | - | 2,384,950 |
| Share-based payments | *18,22* | 129,008 | 462,180 | - | - | - | 591,188 |
| Costs of raising capital | *18* | (151,875) | - | - | - | - | (151,875) |
| Lapse of options and Performance Milestone Shares on expiry | *18,19* | (50,000) | (1,068,137) | - | 1,118,137 | - | - |
| Total transactions with owners | | **2,312,083** | **(605,957)** | **-** | **1,118,137** | **-** | **2,824,263** |
| **Balance as at 30 June 2020** | | **26,562,671** | **638,289** | **269,311** | **(25,033,942)** | **-** | **2,436,329** |
| Loss for the year | | - | - | - | 2,457,082 | - | 2,457,082 |
| ***Other comprehensive income*** | | | | | | | |
| Exchange differences arising on translation of foreign operations | | - | - | (148,346) | - | - | (148,346) |
| Total comprehensive income for the year | | - | - | (148,346) | 2,457,082 | - | 2,308,736 |
| ***Transactions with owners, recorded directly in equity*** | | | | | | | |
| Issue of share capital | *18* | 19,763,096 | - | - | - | - | 19,763,096 |
| Share-based payments | *22* | 166,000 | 2,778,748 | - | - | - | 2,944,748 |
| Costs of raising capital | *18* | (1,678,505) | - | - | - | - | (1,678,505) |
| Exercise of options | *18* | 1,446,096 | - | - | - | - | 1,446,096 |
| Lapse of options on expiry | *18,19* | - | (176,110) | - | 176,110 | - | - |
| Total transactions with owners | | **19,696,687** | **2,602,638** | **-** | **176,110** | **-** | **22,475,435** |
| **Balance as at 30 June 2021** | | **46,259,358** | **3,240,927** | **120,965** | **(22,400,750)** | **-** | **27,220,500** |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Cashflows

For the Year Ended 30 June 2021

| | Notes | 2021 $ | 2020 $ |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Payments to suppliers and employees | | (1,218,123) | (1,629,385) |
| Interest received | | 240 | 906 |
| Interest paid | | (505) | - |
| Government grants received | | 278,527 | - |
| **Net cash flows used in operating activities** | *21* | **(939,861)** | **(1,628,479)** |
| | | | |
| **Cash Flows from Investing Activities** | | | |
| Payments for equity accounted investments | | (781,850) | (1,307,634) |
| Refund of security deposit | | - | 5,988 |
| Proceeds from disposal of tenements | | - | 58,233 |
| Payments for property, plant and equipment | | (7,326) | - |
| **Net cash flows used in investing activities** | | **(789,176)** | **(1,243,413)** |
| | | | |
| **Cash Flows from Financing Activities** | | | |
| Proceeds from issue of shares | | 19,763,095 | 2,384,950 |
| Payments for share issue costs | | (978,443) | (151,875) |
| Proceeds from exercise of options | | 1,451,136 | - |
| **Net cash flows provided by financing activities** | | **20,235,788** | **2,233,075** |
| | | | |
| Net increase/(decrease) in cash and cash equivalents | | 18,506,751 | (638,817) |
| Effect of exchange rates on cash | | - | - |
| Cash and cash equivalents at beginning of financial year | | 627,953 | 1,266,770 |
| **Cash and cash equivalents at the end of the financial year** | *9* | **19,134,704** | **627,953** |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## Note 1. Statement of Significant Accounting Policies

The financial report of Infinity for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of Directors on 30 September 2021. The Directors have the power to amend and reissue the financial statements.

This financial report includes the consolidated financial statements and notes of Infinity and controlled entities ('**Consolidated Entity**' or '**Group**').

Infinity is a listed public company, trading on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

**Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

***Statement of Compliance***

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) issued by the Australian Accounting Standards Board ('**AASB**') and the Corporations Act 2001 as appropriate for profit oriented entities. The consolidated financial report of the Group complies with International Financial Reporting Standards ('**IFRS**') and Interpretations as issued by the International Accounting Standards Board ('**IASB**').

***Basis of Measurement***

The financial report has been prepared on an accruals basis and going concern basis, and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

**Going Concern**

As at 30 June 2020, the directors assessed that there was a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. This related to the Group's ability to raise capital as and when required, to continue the exploitation of the Group's areas of interest.

During the year the Group successfully raised sufficient capital to continue the exploitation of the areas of interest.

These financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group made a profit of $2,457,082 for the year ended 30 June 2021 (2020: loss of $1,890,149). As at 30 June 2021 the Group had net current assets of $18,025,832 (2020: net current liabilities of $533,826) and continues to incur expenditure on its equity accounted investment comprising of the San José Project, drawing on its cash balances. As at 30 June 2021, the Group had $19,134,704 (2020: $627,953) in cash and cash equivalents.

These financial statements have been prepared on the basis that the Consolidated Entity can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of its assets and settlement of its liabilities can occur in the ordinary course of business.

## Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

**New, Revised or Amending Accounting Standards and Interpretations Adopted**

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Consolidated Entity.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. These Standards are not expected to significantly impact the Consolidated Entity's financial statements.

*AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

AASB 2020-1 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023.

*AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments*

AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture as a consequence of the recent issuance by IASB of the following IFRS: Annual Improvements to IFRS Standards 2018-2020, Reference to the Conceptual Framework, Property, Plant and Equipment: Proceeds before Intended Use and Onerous Contracts – Cost of Fulfilling a Contract.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

**Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Infinity as at 30 June 2021 and the results of all controlled entities for the year then ended. Infinity and its controlled entities together are referred to in this financial report as the Consolidated Entity.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Consolidated Entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity. All controlled entities have a June financial year with exception being the Company's Spanish subsidiaries Extremadura Mining S.L., Castilla Mining S.L. and Morille Mining S.L., which have a 31 March year end for local statutory purposes, however the results of these subsidiaries that are consolidated are for the year ended 30 June 2021.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance. Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity.

*Discontinued operations*
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

**Rounding of Amounts**
The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the dollar.

**Comparative Figures**
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**Key Estimates, Judgments and Assumptions**
The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are disclosed in the relevant notes.

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

## Note 2. Discontinued Operations

On 25 February 2020, the Consolidated Entity announced that it entered into a binding sale agreement to sell 100% of the issued capital of the Company's wholly owned subsidiary, Equatorial Potash Pty Ltd. The holder of its Gabonese potash assets (Mayumba Potasse) to Meridian Drilling Inc. for a nominal amount of $1, in order to streamline the Consolidated Entity's activities and focus on the Spanish San José Lithium Project. The sale was completed on 12 March 2020.

The Consolidated Entity's Morille Tungsten Project is currently in the process of being relinquished, given the decision to focus resources on the San José Lithium Project.

| | 2020 $ |
|---|---|
| **a) Results of discontinued operations** | |
| **Expenses** | |
| Expenses incurred in relation to the disposal of Mayumba | (82,937) |
| Expenses incurred to date of disposal for Mayumba | (209,180) |
| Gain associated with Morille liabilities written back | 56,045 |
| **Loss from operating activities** | **(236,072)** |
| Income tax | - |
| **(Loss)/Profit for the year attributable to:** | |
| Equity holders of the Parent | (545,031) |
| Non-controlling interests | 308,959 |
| **Loss from discontinued operations** | **(236,072)** |
| **b) Cash flows from (used in) discontinued operations** | |
| Net cash used in operating activities - Mayumba | (188,834) |
| Net cash used in operating activities - Morille | - |
| **Net cash flows for the year** | **(188,834)** |

| | 2020 $ |
|---|---|
| **c) Effect of disposal on the financial position of the Group** | |
| Cash and cash equivalents - Mayumba | 4,587 |
| Cash and cash equivalents - Morille | - |
| Trade and other receivables - Mayumba | 27,549 |
| Trade and other receivables - Morille | - |
| Trade and other payables - Mayumba | - |
| Trade and other payables - Morille | - |
| **Net assets** | **32,136** |
| Consideration received, satisfied in cash | - |
| Cash and cash equivalents disposed of | 4,587 |
| **Net cash outflows** | **4,587** |

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

## Note 3. Other Revenue

| | 2021 $ | 2020 $ |
|---|---|---|
| **Operating Activities** | | |
| Interest received | 240 | 906 |
| Other income | - | 153,663 |
| Tax grants (Research and Development & Cash Flow Boost) | 265,933 | - |
| **Total Other Revenue** | **266,173** | **154,569** |

**Accounting Policy**

Revenue and other revenue is recognised when it is probable that the economic benefit will flow to the Consolidated Entity and the revenue can be reliably measured.

Interest revenue is recognised as it accrues. Dividend revenue is recognised when the right to receive a dividend has been established.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

## Note 4. Profit/(Loss) Before Income Tax

| | 2021 $ | 2020 $ |
|---|---|---|
| **Profit/(loss) before income tax includes the following specific expenses:** | | |
| *Employee and Director benefits expense:* | | |
| Employee benefits expense | 409,836 | 202,024 |
| Director fees | 101,261 | 170,230 |
| Other employee and director benefits (consulting fees paid) | 35,777 | 136,415 |
| Superannuation expenses | 34,570 | 33,462 |
| | **581,444** | **542,131** |

## Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

### Note 5. Income Tax Benefit/(Expense)

| | 2021 $ | 2020 $ |
|---|---|---|
| **a) Reconciliation of income tax to prima facie tax payable** | | |
| Accounting profit/(loss) before tax | 2,457,082 | (1,890,149) |
| Income tax (benefit)/expense @ 26% (2020: 27.5%) | 638,841 | (519,791) |
| Add tax effect of: | | |
| • Non-deductible expenses | 323,356 | 287,418 |
| • Current year tax losses not recognised | 318,912 | 217,906 |
| • Impact of reduction in future corporate tax rate | - | 121,239 |
| Less: | | |
| • Movement in unrecognised temporary differences | (1,281,109) | (106,772) |
| Income tax attributable to the Company | - | - |
| **b) Unused tax losses and temporary differences for which no deferred tax asset has been recognised at 25% (2020: 25%)** | | |
| Deferred tax assets have not been recognised in respect of the following: | | |
| • Deductible temporary differences | 53,928 | 35,070 |
| • Carried forward losses | 4,477,490 | 1,706,617 |
| • Business Related Costs | 108,648 | - |
| | **4,640,067** | **1,741,687** |
| **c) Reconciliation of deferred taxes** | | |
| The following deferred tax balances have not been recognised: | | |
| Deferred Tax Liabilities @ 25% (2020: 25%) | | |
| Unrealised foreign exchange gain | 201 | - |
| Prepayments | 5,162 | 4,781 |
| | **5,363** | **4,781** |

As at 30 June 2021, the Consolidated Entity had carry forward revenue and capital losses of $17,909,960 (2020: $6,826,468). These losses remain available indefinitely for offset against future taxable profits of the Consolidated Entity provided certain test criteria for their deductibility are met.

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2021 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time.

These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and exploration expenditure.

**Accounting Policy**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on either accounting profit or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**Tax Consolidation**

The Company and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under tax consolidation legislation.

**Change in Future Corporate Tax Rate**

There has been a legislated change in the corporate tax rate that will apply to future income years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima face income tax reconciliation above.

**Key Estimates, Judgments and Assumptions**

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position and the deductibility of expenditure incurred within relevant tax jurisdictions. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

## Note 6. Key Management Personnel Compensation

Names and positions held of Consolidated Entity key management personnel in office at any time during the financial year are:

| Key Management Personnel | Position |
|---|---|
| Adrian Byass | Non-Executive Chairman |
| Ryan Parkin | CEO and Managing Director |
| Remy Welschinger | Executive Director (Appointed 22 July 2020, transitioned to Executive Director on 18 January 2021) |
| Jon Starink | Executive Director (Appointed 8 October 2020) |
| Jonathan Whyte | Company Secretary |
| Vincent Ledoux-Pedailles | Executive Director (Resigned 26 August 2020) |
| Felipe Benjumea Llorente | Non-Executive Director (Resigned 31 July 2020) |

The totals of remuneration paid to key management personnel of the Company and the consolidated group during the year are as follows:

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **Key Management Personnel Compensation** | | |
| Short term employment benefits | 549,460 | 621,325 |
| Post-employment benefits | 34,569 | 30,329 |
| Cash-based incentives | 50,000 | 15,000 |
| Share-based payments | 143,234 | 628,180 |
| **Total Key Management Personnel Compensation** | **777,263** | **1,294,834** |

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated:

- No amounts in addition to those disclosed in the Remuneration Report in the Directors' Report were paid or payable to Directors of the Company at the end of the year; and
- There were no loans to key management personnel at the end of the year.

## Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

### Note 7. Auditor's Remuneration

| Amounts paid or due and payable to: | 2021 $ | 2020 $ |
|---|---|---|
| Pitcher Partners BA&A Pty Ltd | | |
| - Audit or review of financial statements | 44,472 | 44,579 |
| | **44,472** | **44,579** |

### Note 8. Profit/(Loss) Per Share

The following reflects the income and share data used in the calculations of basic and diluted earnings per share (EPS) attributable to the ordinary shareholders of the Parent:

| | 2021 $ | 2020 $ |
|---|---|---|
| **a) Reconciliation of earnings to profit/(loss)** | | |
| **Profit/(loss) for the year** | | |
| Profit/(loss) used to calculate basic and diluted EPS | 2,457,082 | (2,199,108) |
| **Profit/(loss) for the year from continuing operations** | | |
| Profit/(loss) used to calculate basic and diluted EPS | 2,457,082 | (1,654,077) |
| **Profit/(loss) for the year from discontinued operations** | | |
| Profit/(loss) used to calculate basic and diluted EPS | - | (545,031) |

| | 2021 No. | 2020 No. |
|---|---|---|
| **b) Weighted average number of shares outstanding during the year** | | |
| Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | 326,139,376 | 216,905,140 |
| Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS | 391,408,359 | 216,905,140 |

**Accounting Policy**

***Basic earnings per share***

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

## Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

***Diluted earnings per share***

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## Note 9. Cash and Cash Equivalents

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Cash at bank and in hand | 19,134,704 | 627,953 |
| **Total Cash and Cash Equivalents** | **19,134,704** | **627,953** |

**Accounting Policy**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Note 10. Trade and Other Receivables

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **Current** | | |
| GST/VAT receivable | 80,970 | 149,039 |
| Prepayments | 20,650 | 19,123 |
| Other receivables | - | 12,208 |
| **Total Trade and Other Receivables** | **101,620** | **180,370** |

**Accounting Policy**

Other receivables are recognised at amortised cost, less any provision for impairment.

The Consolidated Entity applies a simplified approach in calculating expected credit losses. Therefore, the Consolidated Entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. In determining the provision required, the Consolidated Entity utilises its historical credit loss experience, adjusted only where appropriate for forward-looking factors specific to the debtors and economic environment.

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract.

There are no balances within trade and other receivables that contain assets that are past due as at 30 June 2021. It is expected these balances will be received when due. In the prior year, the Consolidated Entity recognised an expected credit loss of $95,430 in relation to the costs incurred which were not reimbursed by the purchaser during the Option term for the sale of its Gabonese Potash Project.

Refer to Note 25 Financial Risk Management for further details regarding the Consolidated Entity's policies for impairment of financial assets and expected credit losses.

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

## Note 11. Controlled Entities

### a) Controlled Entities Consolidated

| | Country of Incorporation | Percentage Owned (%) 2021 | 2020 |
|---|---|---|---|
| **Parent Entity** | | | |
| Infinity Lithium Corporation Limited | Australia | 100% | 100% |
| | | | |
| **Subsidiaries of Infinity Lithium:** | | | |
| Tonsley Mining Pty Ltd[1] | Australia | 100% | 100% |
| Castilla Mining S.L. | Spain | 100% | 100% |
| Morille Mining S.L. | Spain | 80% | 80% |
| Extremadura Mining S.L. | Spain | 100% | 100% |

### b) Other Entities – Jointly Controlled

| | Country of Incorporation | Percentage Owned (%) 2021 | 2020 |
|---|---|---|---|
| **Other jointly controlled entities:** | | | |
| Tecnología Extremeña Del Lito S.L. (Note 14) | Spain | 75% | 75% |

### c) Non-Controlling Interests

**Morille Mining S.L.**

Aurum Mining P.L.C has a 20% non-controlling interest in the Company's subsidiary Morille Mining S.L.

Summarised financial information of Morille Mining S.L that is material to the Consolidated Entity is set out below. This information is based on amounts before intercompany eliminations.

| | 2021 $ | 2020 $ |
|---|---|---|
| **Summarised Statement of Financial Position** | | |
| **Assets** | | |
| Current assets | - | - |
| Non-current assets | - | - |
| **Total Assets** | **-** | **-** |
| | | |
| **Liabilities** | | |
| Current liabilities | - | - |
| Non-current liabilities | - | - |
| **Total Liabilities** | **-** | **-** |
| | | |
| **Net Liabilities** | **-** | **-** |
| | | |
| **Summarised Statement of Comprehensive Income** | | |
| Profit/(loss) attributable to equity holders of the Parent | - | 1,235,836 |
| Profit/(loss) attributable to non-controlling interests | - | 308,959 |
| **Profit/(loss) for the year** | **-** | **1,544,795** |

## Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **Other comprehensive income/(loss) attributable to:** | | |
| Equity holders of the Parent | - | (25,544) |
| Non-controlling interests | - | (7,136) |
| **Total other comprehensive income/(loss)** | **-** | **(35,680)** |
| | | |
| **Summarised Statement of Cash Flows** | | |
| Net cash from/(used in) operating activities | - | - |
| Net cash from investing activities | - | - |
| Net cash from/(used in) financing activities | - | - |
| Effect of foreign exchange rates on cash | - | - |
| **Net increase/(decrease) in cash and cash equivalents** | **-** | **-** |
| | | |
| **Other Financial Information** | | |
| Accumulated non-controlling interests at the end of reporting period | - | - |

During the 2020 financial year, the Company forgave a loan of $1,482,088 owing from Morille Mining S.L. which comprises the majority of the profit for the prior year outlined above.

**Key Estimates, Judgments and Assumptions**

In determining whether the consolidated group has control over subsidiaries that are not wholly owned, judgement is applied to assess the ability of the consolidated group to control the day to day activities of the partly owned subsidiary and its economic outcomes. In exercising this judgement, the commercial and legal relationships that the consolidated group has with other owners of partly owned subsidiaries are taken into consideration. Whilst the consolidated group is not able to control all activities of a partly owned subsidiary, the partly owned subsidiary is consolidated within the consolidated group where it is determined that the consolidated group controls the day to day activities and economic outcomes of a partly owned subsidiary. Changes in agreements with other owners of partly owned subsidiaries could result in a loss of control and subsequently de-consolidation.

### Note 12. Other Assets

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **Non-Current** | | |
| Security deposits | 40,734 | 41,120 |
| **Total Non-Current Other Assets** | **40,734** | **41,120** |

## Notes to the Financial Statements (continued)
For the Year Ended 30 June 2021

### Note 13. Property, Plant and Equipment

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **Property, Plant and Equipment** | | |
| At cost | 7,326 | - |
| Accumulated depreciation | (263) | - |
| **Total Property, Plant and Equipment** | **7,063** | **-** |

**Accounting Policy**
Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

*Plant and Equipment*
Plant and equipment are measured on a cost basis.

The carrying amount of plant and equipment is reviewed to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

*Depreciation*
The carrying amounts of mineral interests, property, plant and equipment are depreciated to their estimated residual value over the estimated economic life of the specific assets to which they relate, or using the straight-line method over their estimated useful lives indicated below.

Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining depreciation charges. Depreciation commences on the date when the asset is available for use.

- Property, plant and equipment – 5 years straight-line

## Note 14. Equity Accounted Investments

| | 2021 $ | 2020 $ |
|---|---|---|
| At cost | | |
| Equity contributions in TEL | 3,051,565 | 3,161,678 |
| Premium Paid for Equity Accounted Investment | 6,094,306 | 4,748,415 |
| | 9,146,871 | 7,910,093 |
| *Less:* Provision for impairment | - | (4,981,058) |
| **Total Equity Accounted Investments** | **9,146,871** | **2,929,035** |

Interest in joint ventures are accounted for using the equity method of accounting recognised at cost (2020: fair value less cost to sell).

**a) Reconciliation of the Consolidated Entity's carrying amount for Equity Accounted Investments:**

| | 2021 $ | 2020 $ |
|---|---|---|
| Opening balance | 2,929,035 | 1,620,483 |
| Additions | 1,527,484 | 1,402,320 |
| Reversal of impairment | 4,887,998 | - |
| Foreign exchange impact | (197,646) | (93,768) |
| **Closing balance** | **9,146,871** | **2,929,035** |

The Company had an interest in a joint venture held through a 50% interest in TEL which is a special purpose vehicle established for the purpose of holding the San José tenements in Spain. On 13 March 2019 the Consolidated Entity acquired, by way of a Novation to the terms of the JV Agreement, a further 25% interest in TEL, increasing the Consolidated Entity's aggregate interest to 75%.

During the financial year, the Board considered that the prior factors relating to the impairment recognised no longer existed, following promising test work, funding options and an improving horizon for the Lithium Market and COVID-19 conditions. The Board considered that the fair value of the San José Lithium Project was at least equal to, or above, cost. Accordingly, the Board resolved to reverse the previous impairment amounts recognised.

In April 2021 the Company received notification from the Junta which informed the Company of the cancellation of PIV research permit application at San José. The decision was unexpected and followed the resolution of the Junta which granted the PIAV, as announced on 23 December 2020. The Company strongly disputes the validity of the decision to cancel the PIV application and following legal advice the Company lodged an administrative appeal of this resolution as filed by TEL which was subsequently rejected in July 2021.

## Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

The Company considered the Junta's resolution to cancel the PIV in direct breach of the law and in contradiction of previous rulings by the Junta on the environmental and urban legality and viability of the PIV. Furthermore, Infinity reserved all rights relating to the multiple administrative decisions and errors of the Junta including the legal status of the mining area under the Junta's original call for tender, and the actions that facilitated the PIV reverting to application status. This reversion from granted status to application (which was subsequently rejected by the Junta) resulted directly from the administrative failures by the Junta. The administrative faults saw the omission by the Junta to lodge the Project restoration plan in the public exposure period, and the Junta's fault in not providing adequate notice in the public exposure period.

The Company has assembled a high calibre and experienced legal team led by Madrid founded and national leading legal firm Pérez-Llorca to advise and represent TEL throughout the administrative contentious appeal process.

In the event that the above matters are not resolved, there is a material uncertainty that the carrying value of the Consolidated Entity's interest in the TEL may not be recoverable at the amount stated in the Consolidated Statement of Financial Position.

The Project comprises the PIV and PIAV. The Company announced the granting of the PIAV to TEL on 23 December 2020. The location of the beneficiation plant and downstream lithium chemical conversion facilities have been identified in the PIAV area, utilising feedstock from the lithium mica ore contained within PIV. The Company received notice that the PIAV remained granted and in good standing with an appeal by an NGO rejected after the 30 June 2021 year end. Accordingly, the Board considers that the fair value of the San José Lithium Project remains at least equal to, or above, cost.

Summarised financial information of TEL that is material to the Consolidated Entity is set out below. This information is based on amounts before intercompany eliminations and Consolidated Entity level impairment recognised.

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **Summarised Statement of Financial Position** | | |
| **Assets** | | |
| Current assets | 4,994 | 24,911 |
| Non-current assets | 3,070,503 | 3,161,678 |
| **Total Assets** | **3,075,497** | **3,186,589** |
| **Liabilities** | | |
| Current liabilities | - | - |
| Non-current liabilities – payable to Extremadura Mining S.L. | 779,432 | 832,392 |
| **Total Liabilities** | **779,432** | **832,392** |
| **Net Assets** | **2,296,065** | **2,354,197** |
| **Summarised Statement of Comprehensive Income** | | |
| Profit attributable to equity holders of the Parent | 58,133 | - |
| Profit attributable to non-controlling interests | - | - |
| **Profit for the Year** | **58,133** | **-** |

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **Other comprehensive income/(loss) attributable to:** | | |
| Equity holders of the Parent | - | - |
| Non-controlling interests | - | - |
| **Total other comprehensive income/(loss)** | **-** | **-** |
| | | |
| **Summarised Statement of Cash Flows** | | |
| Net cash from/(used in) operating activities | (19,917) | 24,911 |
| Net cash from investing activities | - | - |
| Net cash from/(used in) financing activities | - | - |
| Effect of foreign exchange rates on cash | - | - |
| **Net increase/(decrease) in cash and cash equivalents** | **(19,917)** | **24,911** |
| | | |
| **Other Financial Information** | | |
| Accumulated non-controlling interests at the end of reporting period | **-** | **-** |

**Accounting Policy**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

**Key Estimates, Judgments and Assumptions**

*AASB 11 Joint Arrangements* requires an investor to have contractually agreed the sharing of control when making decisions about the relevant activities (in other words requiring the unanimous consent of the parties sharing control). However, what these activities are is a matter of judgement.

Joint control exists for all joint arrangements where the Consolidated Entity has purchased its rights, or met its earn-in requirements, with each being classified as joint operations under AASB 11 Joint Arrangements on the basis that the binding arrangements signed between the participants establish a contractually agreed sharing of control with decisions about the relevant activities require the unanimous consent of the parties sharing control.

It is the Company’s view that it jointly controls TEL with Valoriza Mineria as at 30 June 2020 and 30 June 2021 until such time that the Consolidated Entity make the outstanding deferred consideration payment of €600,000. This is primarily as a result of an 80% (and therefore unanimous) majority required for all company and management body decisions until such time that the €600,000 is paid. This includes decisions over the relevant activities that affect the returns of the joint arrangement.

**Commitments**

TEL does not have any material financial commitments in relation to the Project.

## Note 15. Trade and Other Payables

| | 2021 $ | 2020 $ |
|---|---|---|
| **Current** | | |
| Trade payables | 65,814 | 90,877 |
| Accrued expenses | 77,624 | 199,084 |
| Sundry payables | 57,857 | 42,838 |
| **Total Trade and Other Payables** | **201,295** | **332,799** |

**Accounting Policy**

Trade and other payables represent the liability outstanding at the end of the reporting period for good and services received by the consolidated group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

## Note 16. Deferred Consideration

| | 2021 $ | 2020 $ |
|---|---|---|
| Current | 948,372 | 982,500 |
| **Total Deferred Consideration** | **948,372** | **982,500** |

On 13 March 2019, the Consolidated Entity, through its 100% owned subsidiary, Extremadura Mining, S.L.U, sought to amend the terms of the Joint Venture Agreement and signed the "Novacion Al Contrato De Participacion en lan Investigacion Minera Y Ocuerdo De Valuntad Asociativa Entre Valoriza Mineria, S.L.U., Y Extremadura Mining, S.L.U ('Novation'), with the following impact:

i. The removal of the prior obligation by the Consolidated Entity to spend €2.5 million in TEL;
ii. The requirement to pay VM €1 million, with €250,000 upfront, a further €150,000 within three months (paid September 2019) and the remaining €600,000 payable in six equal payments made each month (conditional on the tenement application reverting back to granted status); and
iii. Consequently, as a result of i) and ii) above, the immediate transfer of a further 25% of the shares in TEL to give INF a 75% equity interest.

The first instalment of €150,000 was paid on 6 September 2019 following the upfront amount, with €600,000 remaining due and payable as at 30 June 2021. On 28 July 2020 the Consolidated Entity and Valoriza Mineria executed an agreement to extend the payment term of the deferred consideration outstanding. It was agreed that the Consolidated Entity would pay €100,000 on or before 29 July 2021, with a further 5 equal successive and monthly instalments of €100,000 to then be made.

On 19 July 2021 the Company announced a further deferral of current payment obligations by the Consolidated Entity to Valoriza Mineria aligned to the resolution of the PIV cancellation. Refer to Note 27 for further information on the revised terms for payment of the deferred consideration amount.

The Consolidated Entity's accounting policy for deferred consideration is set out in Note 25 Financial Risk Management.

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

## Note 17. Provisions

| | 2021 $ | 2020 $ |
|---|---|---|
| **Current** | | |
| Employee Entitlements: | | |
| Annual leave | 60,825 | 26,850 |
| **Total Current Provisions** | **60,825** | **26,850** |

**Accounting Policy**

***Wages, salaries and annual leave***

Liabilities for wages, salaries and annual leave expected to be settled within one year of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

***Employee benefits payable later than one year***

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

***Superannuation***

Contributions are made by the Consolidated Entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

## Note 18. Issued Capital

| | 2021 $ | 2020 $ |
|---|---|---|
| A reconciliation of the movement in capital and reserves for the consolidated group can be found in the Statement of Changes in Equity. | | |
| 402,654,556 fully paid ordinary shares (2020: 238,767,292) | 50,137,223 | 28,762,031 |
| Less: capital raising costs | (3,177,803) | (2,199,360) |
| | **46,259,358** | **26,562,671** |

| | 2021 No. | 2020 No. |
|---|---|---|
| **a) Fully Paid Ordinary Shares – Number of Shares** | | |
| At the beginning of the reporting year | 238,767,292 | 190,171,104 |
| Shares issued during the year: | | |
| • Placements[1,2,3] | 145,378,338 | 45,570,000 |
| • Shares issued to Directors[4,5] | 5,130,000 | 1,142,858 |
| • Exercise of options[6] | 13,378,926 | - |
| • Shares issued under service agreement | - | 1,883,330 |
| **Total at the end of the reporting year** | **402,654,556** | **238,767,292** |

| | 2021 $ | 2020 $ |
|---|---|---|
| **b) Fully Paid Ordinary Shares – Value of Shares** | | |
| At the beginning of the reporting year | 26,562,671 | 24,250,588 |
| Shares issued during the year: | | |
| • Placements[1,2,3] | 19,713,046 | 2,304,950 |
| • Shares issued to Directors[4,5] | 216,050 | 80,000 |
| • Exercise of options[6] | 1,446,096 | - |
| • Shares issued under service agreement | - | 129,008 |
| Less: | | |
| • Lapsed milestone performance shares | - | (50,000) |
| • Capital raising costs | (1,678,505) | (151,875) |
| **Total at the end of the reporting year** | **46,259,358** | **26,562,671** |

Notes:

1) On 11 September 2020, the Group placed 31,428,571 fully paid ordinary shares with an issue price of $0.07 per share with sophisticated investors raising $2,200,000 before costs.
2) On 19 October 2020, the Group placed 34,478,412 fully paid ordinary shares with an issue price of $0.07 per share with sophisticated investors raising $2,413,488 before costs.
3) On 22 February 2021, the Group placed 79,471,355 fully paid ordinary shares with an issue price of $0.19 per share with international and domestic institutions and sophisticated investors raising $15,099,557 before costs.
4) On 28 July 2020, 1,430,000 fully paid ordinary shares with an issue price of $0.035 to raise $50,050. These were issued to Key Management Personnel as part of the April 2020 Placement, following the required shareholder approval at the General Meeting held on 27 July 2020.
5) On 28 July 2020, 3,700,000 fully paid ordinary shares were issued to Key Management Personnel as approved by shareholders at the General Meeting held on 27 July 2020. The 2019 Performance Bonus Shares were issued at a deemed price of $0.05 per share. The 2020 Performance Bonus Shares were issued at a deemed price of $0.0405 per share, being the price equal to the 15-day VWAP at the close of business on 27 May 2020. The 2019 and 2020 Performance Bonus Shares related to prior year performance. The expense associated with these shares was accrued for as at 30 June 2020, ahead of their issue on 28 July 2020. Refer to Note 22 Share-Based Payments for further information.
6) 3,187,500 fully paid ordinary shares issued on exercise of options at an exercise price of $0.07 per option, and 10,191,426 fully paid ordinary shares issued on the exercise of options at an exercise price of $0.12 per option.

**Fully Paid Ordinary Shares**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**c) Options**

The total number of options on issue at 30 June 2021 was 44,431,780. The weighted average exercise price of options on issue at year end was $0.102 per option and the weighted average remaining contractual life of options on issue at year end was 1.16 years.

The unissued ordinary shares of Infinity under option at 30 June 2021 are as follows:

| Date of Expiry | Exercise Price ($) | Number under Option |
|---|---|---|
| 24 October 2021 | $0.07 | 10,169,643 |
| 16 September 2022 | $0.088 | 1,000,000 |
| 30 November 2022 | $0.12 | 22,762,137 |
| 30 November 2022 | $0.09 | 10,000,000 |
| 30 November 2022 | $0.20 | 500,000 |
| **Total** | | **44,431,780** |

A reconciliation of the total options on issue as at 30 June 2021 is as follows:

| | 2021 No. | 2020 No. |
|---|---|---|
| At the beginning of the reporting year | 17,142,143 | 24,375,000 |
| Issued during the year[1] | 44,168,563 | 13,642,143 |
| Expired during the year[2] | (3,500,000) | (20,875,000) |
| Exercised during the year[3] | (13,378,926) | - |
| **Total at the end of the reporting year** | **44,431,780** | **17,142,143** |

Notes:

1) On 28 July 2020, 715,000 attaching unlisted options were issued to Key Management Personnel as part of their participation in the April 2020 Placement, following the required shareholder approval at the General Meeting held on 27 July 2020. The options are exercisable at $0.07 on or before 24 October 2021.

   On 19 October 2020, the Company issued 17,239,268 attaching unlisted options as part of the October 2020 Entitlement Offer. The options are exercisable at $0.12 on or before 30 November 2022.

   On 30 November 2020, the Company issued 15,714,295 attaching unlisted options as part of the September 2020 Placement, following the required shareholder approval at the Annual General Meeting held on 25 November 2020. The options are exercisable at $0.12 on or before 30 November 2022.

   On 27 November 2020, the Company issued 10,000,000 unlisted options in lieu of cash to Zenix Nominees Pty Ltd for corporate advisory services, following the required shareholder approval at the Annual General Meeting held on 25 November 2020. The options are exercisable at $0.09 on or before 30 November 2022. Refer to Note 22 Share-Based Payments for further details.

   On 7 December 2020, the Company issued 500,000 unlisted options to a corporate advisor for services provided relating to the September 2020 Placement and Entitlement issue, these options were approved by the Board on 3 December 2020. The options are exercisable at $0.20 on or before 30 November 2022. Refer to Note 22 Share-Based Payments for further details.

2) During the year, 3,500,000 options (2,000,000 exercisable at $0.32 each, 1,000,000 exercisable at $0.15 each and 500,000 exercisable at $0.12 each) lapsed unvested. The corresponding amount recognised within the share-based payment reserve in relation to these options ($176,110) was transferred to accumulated losses.

3) 3,187,500 fully paid ordinary shares issued on exercise of options at an exercise price of $0.07 per option, and 10,191,426 fully paid ordinary shares issued on the exercise of options at an exercise price of $0.12 per option.

### d) Warrants

On 28 July 2020, 13,182,938 zero exercise price warrants were issued to EIT InnoEnergy, following the required shareholder approval at the General Meeting held on 27 July 2020. The warrants are exercisable at $0.00 on or before 28 July 2025. Refer to Note 22 Share-Based Payments for further details.

**e) Performance Rights**

The unissued ordinary shares of Infinity under Performance Rights at 30 June 2021 are as follows:

| | 2021 No. | 2020 No. |
|---|---|---|
| At the beginning of the reporting year | 6,280,624 | - |
| Issued during the year | - | 6,280,624 |
| Expired during the year[1] | (6,280,624) | - |
| Exercised during the year | - | - |
| **Total at the end of the reporting year** | **-** | **6,280,624** |

Notes:

1) Performance rights issued in the prior year to Key Management Personnel lapsed during the period and did not vest. Refer to Note 22 Share-Based Payments for further details.

**f) Share Appreciation Rights ('SARS')**

The unissued ordinary shares of Infinity under SARS at 30 June 2021 are as follows:

| | 2021 No. | 2020 No. |
|---|---|---|
| At the beginning of the reporting year | 10,000,000 | - |
| Issued during the year[1] | 12,200,000 | 10,000,000 |
| Lapsed/expired during the year[1] | (5,000,000) | - |
| Exercised during the year | - | - |
| **Total at the end of the reporting year** | **17,200,000** | **10,000,000** |

Notes:

1) On 7 December 2020, 8,200,000 Share Appreciation Rights were issued to Directors and 1,500,000 were issued to employees of the Company under the Incentive Performance and Share Appreciation Rights Plan. Approval was received at the Annual General Meeting of shareholders on 25 November 2020 to issue 8,200,000 Share Appreciation Rights to Mr Ryan Parkin, Mr Adrian Byass, Mr Remy Welschinger and Mr Jon Starink. The 9,700,000 SARS will vest in equal tranches over a 3-year period, exercisable at $0.082 on or before 5 October 2025. Each Share Appreciation Right entitles the holder to one Company share.

   500,000 Share Appreciation Rights were also issued to Consultants of the Company, as approved by the Board on 3 December 2020. The SARS will vest in equal tranches over a 2-year period, exercisable at $0.144 on or before 2 December 2025. Each SAR entitles the holder to one Company share.

   On 3 February 2021 2,000,000 Share Appreciation Rights were issued to an employee of the Company under the Incentive Performance and Share Appreciation Rights Plan. The SARS will vest in equal tranches over a 2-year period, exercisable at $0.17 on or before 5 January 2026. Each SAR entitles the holder to one Company share.

   SARS issued to Mr Vincent Ledoux-Pedailles lapsed upon his resignation on 26 August 2020 and were subsequently cancelled. Refer to Note 22 Share-Based Payments for further details.

**g) Capital Management**

The Directors' primary objective is to maintain a capital structure that ensures the lowest cost of capital to the Company. At reporting date the Company has no external borrowings.

**Accounting Policy**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

**Key Estimates, Judgments and Assumptions**

The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model.

## Note 19. Reserves

| | 2021 $ | 2020 $ |
|---|---|---|
| Share-Based Payment Reserve **a)** | 3,240,927 | 638,289 |
| Foreign Currency Translation Reserve **b)** | 120,965 | 269,311 |
| | **3,361,892** | **907,600** |

**a) Share-Based Payments Reserve**

The share-based payments reserve records items recognised as expenses on valuation of employee share and consultants' options.

A reconciliation of the movement in the share-based payments reserve as at 30 June 2021 is as follows:

| | 2021 $ | 2020 $ |
|---|---|---|
| At the beginning of the reporting year | 638,289 | 1,244,246 |
| Share-based payments (Note 22) | 2,778,748 | 462,180 |
| Lapse of options | (176,110) | (1,068,137) |
| **Total at the end of the reporting year** | **3,240,927** | **638,289** |

**b) Foreign Currency Reserve**

The foreign currency translation reserve records exchange differences arising on translation of foreign operations.

| | 2021 $ | 2020 $ |
|---|---|---|
| At the beginning of the reporting year | 269,311 | 174,237 |
| Exchange differences arising on translation of foreign operations | (148,346) | 95,074 |
| **Total at the end of the reporting year** | **120,965** | **269,311** |

**Accounting Policy – Share-Based Payments**

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity received the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option valuation model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period;
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transaction is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

**Accounting Policy - Foreign Currency Transactions and Balances**

***Functional and presentation currency***
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

***Transactions and balances***
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

***Group companies***
The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the Board makes a decision that such amounts are no longer recoverable.

## Note 20. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors and Managing Director (chief operating decision makers) to make decisions about resources to be allocated to the segments and assess their performance. Operating segments are identified by Management based on the mineral resource and exploration activities in Australia and Spain. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate. The Consolidated Entity has two reportable segments based on the geographical areas of the mineral resource and exploration activities, Gabon and Spain. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

**Basis of accounting for purposes of reporting by operating segments**

**(a) Accounting policies adopted**

Unless otherwise stated, all amounts reported to the Board of Directors and Managing Director, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated group.

**(b) Segment assets**

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority asset economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

**(c) Segment liabilities**

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the consolidated group as a whole and are not allocated. Segment liabilities include trade and other payables.

**(d) Unallocated items**

Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

| 30 June 2021 | Spain $ | Unallocated $ | Total $ |
|---|---|---|---|
| **Revenue** | | | |
| Other revenue | - | 265,933 | 265,933 |
| Interest revenue | - | 240 | 240 |
| **Total Gross Revenue** | **-** | **266,173** | **266,173** |
| **Expenses** | | | |
| Corporate and compliance expenses | (65,285) | (561,426) | (626,711) |
| Consulting expenses | - | (68,368) | (68,368) |
| Employee and director benefits expense | (35,091) | (546,353) | (581,444) |
| Share-based payments | - | (1,419,540) | (1,419,540) |
| Impairment reversal of equity accounted investment | 4,887,998 | - | 4,887,998 |
| Depreciation expense | - | (263) | (263) |
| Finance expense | - | (505) | (505) |
| Foreign exchange loss | - | (258) | (258) |
| Income tax expense | - | - | - |
| **Profit/(loss) for the year from continuing operations** | **4,787,622** | **(2,330,539)** | **2,457,082** |
| **Segment Assets** | | | |
| Cash and cash equivalents | 43,872 | 19,090,832 | 19,134,704 |
| Trade and other receivables | 79,948 | 21,672 | 101,620 |
| Equity accounted investments | 9,146,871 | - | 9,146,871 |
| Other assets | 10,734 | 30,000 | 40,734 |
| Property, plant and equipment | - | 7,063 | 7,063 |
| **Total Assets** | **9,281,425** | **19,149,567** | **28,430,992** |

## Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

| 30 June 2021 | Spain $ | Unallocated $ | Total $ |
|---|---|---|---|
| **Segment Liabilities** | | | |
| Trade and other payables | 71,118 | 130,177 | 201,295 |
| Provisions | - | 60,825 | 60,825 |
| Deferred consideration payable | 948,372 | - | 948,372 |
| **Total Liabilities** | **1,019,490** | **191,002** | **1,210,492** |

| 30 June 2020 | Spain $ | Gabon $ | Unallocated $ | Total $ |
|---|---|---|---|---|
| **Revenue** | | | | |
| Other revenue | - | 153,663 | - | 153,663 |
| Interest revenue | - | - | 906 | 906 |
| **Total Gross Revenue** | **-** | **153,663** | **906** | **154,569** |
| **Expenses** | | | | |
| Corporate and compliance expenses | - | - | (492,250) | (492,250) |
| Consulting expenses | - | - | (50,655) | (50,655) |
| Employee and director benefits expense | - | - | (542,131) | (542,131) |
| Share-based payments | - | - | (628,180) | (628,180) |
| Expected credit loss | - | (95,430) | - | (95,430) |
| Income tax expense | - | - | - | - |
| **Profit/(loss) for the year from continuing operations** | **-** | **58,233** | **(1,712,310)** | **(1,654,077)** |
| Profit/(loss) for the year from discontinued operations | 56,045 | (292,117) | - | (236,072) |
| **Profit/(loss) for the year** | **56,045** | **(233,884)** | **(1,712,310)** | **(1,890,149)** |
| **Segment Assets** | | | | |
| Cash and cash equivalents | 35,726 | - | 592,227 | 627,953 |
| Trade and other receivables | 134,171 | - | 46,198 | 180,369 |
| Equity accounted investments | 2,929,035 | - | - | 2,929,035 |
| Other assets | 11,120 | - | 30,000 | 41,120 |
| **Total Assets** | **3,110,052** | **-** | **668,425** | **3,778,477** |
| **Segment Liabilities** | | | | |
| Trade and other payables | 32,521 | - | 300,278 | 332,799 |
| Provisions | - | - | 26,850 | 26,850 |
| Deferred consideration payable | 982,500 | - | - | 982,500 |
| **Total Liabilities** | **1,015,021** | **-** | **327,128** | **1,342,149** |

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

## Note 21. Cash Flow Information

Reconciliation of cash flow from operations with profit/(loss) after income tax:

| | 2021 $ | 2020 $ |
|---|---|---|
| Net profit/(loss) for the year | 2,457,082 | (1,890,149) |
| **Non-cash flows in loss** | | |
| Share-based payments | 1,419,540 | 628,180 |
| Impairment reversal of equity accounted investment | (4,887,998) | - |
| Unrealised foreign exchange movements | 258 | - |
| Depreciation | 263 | - |
| Expected credit loss | - | 95,430 |
| Gain recognised by non-controlling interest on discontinued operations | - | (308,959) |
| **Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries** | | |
| Decrease in trade and other receivables | 78,750 | 16,335 |
| Decrease in trade payables relating to operating activities | (41,730) | (132,163) |
| Increase/(decrease) in provisions | 33,974 | (37,153) |
| **Net cash outflows from operating activities** | **(939,861)** | **(1,628,479)** |

**Non-cash financing and investing activities**

During the year the Consolidated Entity issued equity securities as payment for services to the value of nil (2020: $129,008). These issue costs are not reflected in the Statement of Cashflows.

## Note 22. Share-Based Payments

| | 2021 $ | 2020 $ |
|---|---|---|
| **(a) Reserves (Note 19)** | | |
| Options issued to Corporate Advisors[1] | 1,074,385 | - |
| Options issued to Director | - | 32,482 |
| Performance Rights expired[2] | (246,441) | - |
| Performance and Share Appreciation Rights issued[3,4,5,6] | 591,596 | 429,698 |
| Accrual of Performance bonus | - | 166,000 |
| **Total Share-Based Payments – P&L** | **1,419,540** | **628,180** |
| Accrual of Lead Manager options[7] | 700,062 | - |
| Warrants issued[8] | 659,146 | - |
| **Total Share-Based Payments – Reserves** | **2,778,748** | **628,180** |
| **(b) Issued Capital (Note 18)** | | |
| Shares issued under service agreement | - | 129,008 |
| Shares issued to Directors[9] | 166,000 | - |
| **Total Share-Based Payments – Equity** | **166,000** | **129,008** |

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

Notes:

1) On 27 November 2020, the Company issued 10,000,000 unlisted options in lieu of cash to Zenix Nominees Pty Ltd for corporate advisory services received. The options are exercisable at $0.09 on or before 30 November 2022.

These options were valued using a Black-Scholes option pricing model, utilising the following inputs:

| Measurement of Fair Value | |
|---|---|
| Fair value at grant date | $0.102 |
| Grant date share price | $0.135 |
| Exercise price | $0.09 |
| Expected volatility | 146.17% |
| Option life | 2 years |
| Risk-free interest rate | 0.09% |
| Fair value per option granted | $0.1023 |
| **Expensed during the year** | **$1,023,369** |

On 7 December 2020, the Company issued 500,000 unlisted options to a corporate advisor for services provided relating to the September 2020 Placement and Entitlement issue. The options are exercisable at $0.20 on or before 30 November 2022.

These options were valued using a Black-Scholes option pricing model, utilising the following inputs:

| Measurement of Fair Value | |
|---|---|
| Fair value at grant date | $0.102 |
| Grant date share price | $0.155 |
| Exercise price | $0.200 |
| Expected volatility | 146.17% |
| Option life | 2 years |
| Risk-free interest rate | 0.09% |
| Fair value per option granted | $0.1020 |
| **Expensed during the year** | **$51,016** |

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

2) Performance Rights expiring on 31 December 2020

On 11 December 2019, the Group issued two tranches of Performance Rights (tranche A and tranche B). Both tranches consist of 3,140,312 rights with an expiry date of 31 December 2020. The Performance Rights were issued to Directors, Mr Ryan Parkin and Mr Vincent Ledoux-Pedailles, with each receiving 1,570,156 tranche A and tranche B Performance Rights.

The Performance Rights had the following milestones attached to them:

- *Tranche A* rights vest based on the Group executing a non-binding offtake agreement with a third party for the purchase of a minimum 5,000 tonnes of lithium chemicals including lithium hydroxide or lithium carbonate produced from the San José Lithium Project; and
- *Tranche B* rights vest upon the Group completing a capital raising for a minimum of $1,000,000 from a recognised lithium industry participant or investor.

The Performance Rights were valued using a Black-Scholes option pricing model and were expensed over the vesting period of the Performance Rights.

| Valuation and Assumptions of Performance Rights: | Tranche A | Tranche B |
|---|---|---|
| Grant date | 27 November 2019 | 27 November 2019 |
| Number | 3,140,312 | 3,140,312 |
| Share price | $0.066 | $0.066 |
| Exercise price | $0.00 | $0.00 |
| Expiry date | 31 December 2020 | 31 December 2020 |
| Volatility | 70.51% | 70.51% |
| Risk-free interest rate | 0.77% | 0.77% |
| Value per right | $0.066 | $0.066 |
| Total fair value | $207,261 | $207,261 |
| **Expensed during the year (net of reversal of lapsed Performance Rights)** | **($123,221)** | **($123,221)** |

Mr Ledoux-Pedailles' Performance Rights, representing 50% of Performance Rights included in tranche A and tranche B, lapsed 3 months after his resignation on 26 August 2020. All remaining Performance Rights on issue expired on 31 December 2020 and did not vest. As a result, a reversal of $356,615 was recognised within the Statement of Profit or Loss, reflecting that no Performance Rights on issue have vested as the relevant milestones associated with their vesting were not met.

3) Share Appreciation Rights expiring on 13 September 2024

On 11 December 2019, the Company issued 10,000,000 Share Appreciation Rights ('SARS') to Mr Ryan Parkin and Mr Vincent Ledoux-Pedailles (5,000,000 each respectively). The SARS have an expiry date of 13 September 2024 and an exercise price of $0.072. Each SAR entitles the holder to one Company share.

Mr Ledoux-Pedailles' SARS lapsed upon his resignation on 26 August 2020, as a result $47,466 of the previously recognised expense was reversed in the current period.

The SARS vesting profile is as follows:

- Tranche 1 - 50% (2,500,000 total remaining) vested on 13 September 2020
- Tranche 2 - 25% (1,250,000 total remaining) will vest on 13 September 2021
- Tranche 3 - 25% (1,250,000 total remaining) will vest on 13 September 2022

The SARS were valued using a Black-Scholes option pricing model and are being expensed over the vesting period of the SARS.

| Valuation and Assumptions of Share Appreciation Rights: | Tranche 1 | Tranche 2 | Tranche 3 |
|---|---|---|---|
| Grant date | 27 November 2019 | 27 November 2019 | 27 November 2019 |
| Number issued | 5,000,000 | 2,500,000 | 2,500,000 |
| Number lapsed on resignation | (2,500,000) | (1,250,000) | (1,250,000) |
| Share price | $0.066 | $0.066 | $0.066 |
| Exercise price | $0.072 | $0.072 | $0.072 |
| Vesting date | 13 September 2020 | 13 September 2021 | 13 September 2022 |
| Expiry date | 13 September 2024 | 13 September 2024 | 13 September 2024 |
| Volatility | 70.51% | 70.51% | 70.51% |
| Risk-free interest rate | 0.73% | 0.73% | 0.73% |
| Value per right | $0.036 | $0.036 | $0.036 |

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

| Valuation and Assumptions of Share Appreciation Rights: | Tranche 1 | Tranche 2 | Tranche 3 |
|---|---|---|---|
| Total fair value | $90,481 | $45,241 | $45,241 |
| **Expensed during the year (net of reversal of lapsed rights)** | **($9,724)** | **($10,496)** | **($6,744)** |

4) Share Appreciation Rights expiring on 5 October 2025

On 4 December 2020, 9,700,000 SARS were issued to Directors and employees of the Company under the Incentive Performance and Share Appreciation Rights Plan. Approval was received at the Annual General Meeting of shareholders on 25 November 2020 to issue 8,200,000 SARS to Mr Ryan Parkin, Mr Adrian Byass, Mr Remy Welschinger and Mr Jon Starink. The SARS will vest in equal tranches over a 3-year period, exercisable at $0.082 on or before 5 October 2025. Each SAR entitles the holder to one Company share.

The SARS vesting profile is as follows:

- Tranche 1 - 33.33% (3,233,333) will vest on 5 October 2021
- Tranche 2 - 33.33% (3,233,333) will vest on 5 October 2022
- Tranche 3 - 33.33% (3,233,333) will vest on 5 October 2023

The SARS were valued using a Black-Scholes option pricing model and are being expensed over the vesting period of the SARS.

| Valuation and Assumptions of Share Appreciation Rights: | Tranche 1 | Tranche 2 | Tranche 3 |
|---|---|---|---|
| Grant date | 25 November 2020 | 25 November 2020 | 25 November 2020 |
| Number | 3,233,333 | 3,233,333 | 3,233,333 |
| Share price | $0.135 | $0.135 | $0.135 |
| Exercise price | $0.082 | $0.082 | $0.082 |
| Vesting date | 5 October 2021 | 5 October 2022 | 5 October 2023 |
| Expiry date | 5 October 2025 | 5 October 2025 | 5 October 2025 |
| Volatility | 139.43% | 139.43% | 139.43% |
| Risk-free interest rate | 0.29% | 0.29% | 0.29% |
| Value per right | $0.122 | $0.122 | $0.122 |
| Total fair value | $394,905 | $394,905 | $394,905 |
| **Expense vested during the year** | **$272,912** | **$126,207** | **$82,083** |

5) Share Appreciation Rights expiring on 2 December 2025

On 4 December 2020 500,000 SARS were issued to Consultants of the Company, as approved by the Board on 3 December 2020. The SARS will vest in equal tranches over a 2-year period, exercisable at $0.144 on or before 2 December 2025. Each SAR entitles the holder to one Company share.

The SARS vesting profile is as follows:

- Tranche 1 - 50% (250,000) will vest on 2 December 2021
- Tranche 2 - 50% (250,000) will vest on 2 December 2022

The SARS were valued using a Black-Scholes option pricing model and are being expensed over the vesting period of the SARS.

| Valuation and Assumptions of Share Appreciation Rights: | Tranche 1 | Tranche 2 |
|---|---|---|
| Grant date | 3 December 2020 | 3 December 2020 |
| Number | 250,000 | 250,000 |
| Share price | $0.155 | $0.155 |
| Exercise price | $0.144 | $0.144 |
| Vesting date | 2 December 2021 | 2 December 2022 |
| Expiry date | 2 December 2025 | 2 December 2025 |
| Volatility | 139.39% | 139.39% |
| Risk-free interest rate | 0.29% | 0.29% |
| Value per right | $0.137 | $0.137 |
| Total fair value | $34,330 | $34,330 |
| **Expense vested during the year** | **$19,712** | **$9,842** |

6) Share Appreciation Rights expiring on 5 January 2026

On 3 February 2021 2,000,000 SARS were issued to an employee of the Company under the Incentive Performance and Share Appreciation Rights Plan. The SARS will vest in equal tranches over a 2-year period, exercisable at $0.17 on or before 5 January 2026. Each SAR entitles the holder to one Company share.

The SARS vesting profile is as follows:

- Tranche 1 - 50% (1,000,000) will vest on 5 January 2022
- Tranche 2 - 50% (1,000,000) will vest on 5 January 2023

The SARS were valued using a Black-Scholes option pricing model and are being expensed over the vesting period of the SARS.

| Valuation and Assumptions of Share Appreciation Rights: | Tranche 1 | Tranche 2 |
|---|---|---|
| Grant date | 5 January 2021 | 5 January 2021 |
| Number | 1,000,000 | 1,000,000 |
| Share price | $0.175 | $0.175 |
| Exercise price | $0.17 | $0.17 |
| Vesting date | 5 January 2022 | 5 January 2023 |
| Expiry date | 5 January 2026 | 5 January 2026 |
| Volatility | 128.16% | 128.16% |
| Risk-free interest rate | 0.37% | 0.37% |
| Value per right | $0.149 | $0.149 |
| Total fair value | $149,046 | $149,046 |
| **Expense vested during the year** | **$71,869** | **$35,934** |

7) On 10 August 2021 the Company issued 8,000,000 unlisted options in two equal tranches to Canaccord Genuity in consideration for capital raising services in the February 2021 Placement, which were subject to shareholder approval at the General Meeting held on 5 August 2021. Both tranches consist of 4,000,000 options with an expiry date of 31 December 2024, with exercise prices of $0.266 and $0.304 per tranche, based on a 40% and 60% premium to the February 2021 Placement Offer Price respectively. The options have been accrued for at 30 June 2021.

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

These options were valued using a Black-Scholes option pricing model, utilising the following inputs:

| Measurement of Fair Value | |
|---|---|
| Valuation date share price | $0.089 |
| Exercise price | $0.266 |
| Expected volatility | 191.87% |
| Option life | 3.41 years |
| Risk-free interest rate | 0.15% |
| Fair value per option granted | $0.088 |
| **Expensed during the year** | **$351,503** |

| Measurement of Fair Value | |
|---|---|
| Valuation date share price | $0.089 |
| Exercise price | $0.304 |
| Expected volatility | 191.87% |
| Option life | 3.41 years |
| Risk-free interest rate | 0.15% |
| Fair value per option granted | $0.087 |
| **Expensed during the year** | **$348,559** |

8) On 28 July 2020, 13,182,938 zero exercise price warrants were issued to EIT InnoEnergy, following the required shareholder approval at the General Meeting held on 27 July 2020. The zero price exercise warrants were in relation to Tranche 1 (refer below) and are exercisable at $0.00 on or before 28 July 2025.

*Direct Financial Investment: €800,000 Phase One Investment*

The first phase of feasibility study test work at San José will be funded by EIT InnoEnergy with an amount of up to €800,000 (approximately A$1.35 million) committed to Infinity through the issue of unlisted warrants priced at the higher of the 30-day VWAP or A$0.05 per share. The funding comprises of 3 tranches as follows:

- Tranche 1: €400,000 in zero exercise price warrants calculated at the higher of A$0.05 per share, or the 30-day VWAP prior to their issue date. Payable after the execution of Project Agreement and subject to shareholder approval. On 27 July 2020 the Company received shareholder approval to issue 13,182,938 warrants to EIT InnoEnergy, which were duly issued on 28 July 2020 and these tranche 1 funds are being directly used for the current test work;
- Tranche 2: €200,000 in zero exercise price warrants calculated at the higher of the 30-day VWAP or A$0.05 per share payable upon completion of test work milestone; and
- Tranche 3: Up to €200,000 in zero exercise price warrants calculated at the higher of the 30-day VWAP or A$0.05 per share payable upon completion of phase one.

The zero exercise price warrants were issued to EIT InnoEnergy for Tranche 1 and remain payable for each of the subsequent tranches. This is structured to meet EIT InnoEnergy requirements. Funds are allocated directly to test work activities that have commenced at laboratories in the EU.

9) On 28 July 2020, 3,700,000 fully paid ordinary shares were issued to Key Management Personnel as approved by shareholders at the General Meeting held on 27 July 2020. The 2019 Performance Bonus Shares were issued at a deemed price of $0.05 per share. The 2020 Performance Bonus Shares were issued at a deemed price of $0.0405 per share, being the price equal to the 15-day VWAP at the close of business on 27 May 2020. The 2019 and 2020 Performance Bonus Shares related to prior year performance. The expense associated with these shares was accrued for as at 30 June 2020, ahead of their issue on 28 July 2020.

## Note 23. Parent Entity Disclosures

| | 2021 $ | 2020 $ |
|---|---|---|
| Current assets | 19,112,504 | 638,425 |
| Non-current assets | 37,063 | 30,000 |
| **Total assets** | **19,149,567** | **668,425** |
| | | |
| Current liabilities | 191,002 | 327,128 |
| **Total liabilities** | **191,002** | **327,128** |
| | | |
| **Net assets** | **18,958,565** | **341,297** |
| | | |
| Issued capital | 46,259,358 | 26,562,671 |
| Reserves | 3,240,928 | 638,290 |
| Accumulated losses | (30,541,721) | (26,859,664) |
| **Total equity** | **18,958,565** | **341,297** |
| | | |
| **Loss of parent entity** | (2,330,540) | (1,324,736) |
| **Total comprehensive loss of the parent entity** | **(2,330,540)** | **(1,324,736)** |

**Commitments**

The commitments of the Parent Entity are consistent with that of the Consolidated Entity (refer to Note 26).

## Note 24. Non-Controlling Interests

| | 2021 $ | 2020 $ |
|---|---|---|
| Balance at the beginning of the period | - | (303,488) |
| Share of loss for the year | - | 308,959 |
| Share of other comprehensive income | - | (5,471) |
| **Balance at the end of period** | **-** | **-** |

The Consolidated Entity has one non-controlling minority interest:

- Aurum Mining P.L.C has a 20% non-controlling interest in the Company's subsidiary Morille Mining S.L.

# Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

## Note 25. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

**Financial Risk Management Policies**

a) Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

b) Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are foreign currency risk, liquidity risk, credit risk and price risk.

i. Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency. The currencies in which these transactions primarily are denominated are AUD and EURO.

The carrying amount of the Consolidated Entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

| | Assets | | Liabilities | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | € | € | € | € |
| **Consolidated** | | | | |
| EUR | 5,878,806 | 1,884,056 | 644,994 | 619,860 |

The effect of a 10% strengthening of EUR against the AUD at the reporting date on the EUR-denominated assets and liabilities carried within the AUD functional currency entity would, all other variables held constant, have resulted in a decrease in post-tax profit for the year and decrease of net assets of A$827,267 (2020: increase in post-tax loss for the year and decrease of net assets of A$209,503).

ii. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

| | Financial Asset & Financial Liability Maturity Analysis | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Within 1 Year | | 1-5 Years | | Over 5 Years | | Totals | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | $ | $ | $ | $ | $ | $ | $ | $ |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents | 19,134,704 | 627,953 | - | - | - | - | 19,134,704 | 627,953 |
| Trade and other receivables | 80,970 | 149,039 | - | - | - | - | 80,970 | 149,039 |
| Other financial assets | - | - | 40,734 | 41,120 | - | - | 40,734 | 41,120 |
| **Total Financial Assets** | **19,215,674** | **776,992** | **40,734** | **41,120** | **-** | **-** | **19,256,408** | **818,112** |
| **Financial Liabilities** | | | | | | | | |
| Trade and other payables | 123,671 | 133,715 | - | - | - | - | 123,671 | 133,715 |
| Deferred consideration | 948,372 | 982,500 | - | - | - | - | 948,372 | 982,500 |
| **Total Financial Liabilities** | **1,072,043** | **1,116,215** | **-** | **-** | **-** | **-** | **1,072,043** | **1,116,215** |
| **Net inflows/outflows on Financial Instruments** | **18,143,631** | **(339,223)** | **-** | **-** | **-** | **-** | **18,184,365** | **(298,103)** |

iii. Credit risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Consolidated Entity's receivables from customers and investment securities. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Consolidated Entity does not have any material credit risk exposure to any single receivable or Consolidated Entity of receivables under financial instruments entered into by the Consolidated Entity.

Credit risk related to balances with banks and other financial institutions are managed in accordance with approved Board policy. The Consolidated Entity's current investment policy is aimed at maximising the return on surplus cash, with the aim of outperforming the benchmark within acceptable levels of risk return exposure and to mitigate the credit and liquidity risks that the consolidated group is exposed to through investment activities.

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

## Notes to the Financial Statements (continued)

For the Year Ended 30 June 2021

| | 2021 $ | 2020 $ |
|---|---|---|
| **Cash and cash equivalents** | | |
| A-Rated | 19,134,704 | 627,953 |

iv. Commodity price risk

The Consolidated Entity is not directly exposed to commodity price risk. However, there is a risk that the changes in prevailing market conditions and commodity prices could affect the viability of the project.

v. Interest rate risk exposure analysis

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Consolidated Entity does not use derivatives to mitigate these exposures.

| | Weighted Average Effective Interest Rate | | Floating Interest Rate | | Non-Interest Bearing | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | % | % | $ | $ | $ | $ |
| **Financial Assets** | | | | | | |
| Cash at bank & on hand | - | - | - | - | 19,134,704 | 627,953 |
| Receivables | - | - | - | - | 80,970 | 149,039 |
| Other assets | 0.62% | 1.00% | 30,000 | 30,000 | 10,734 | 11,120 |
| **Total financial assets** | | | **30,000** | **30,000** | **19,226,408** | **788,112** |
| **Financial Liabilities** | | | | | | |
| Trade and other payables | - | - | - | - | 123,671 | 133,715 |
| Deferred consideration | - | - | - | - | 948,372 | 982,500 |
| **Total financial liabilities** | | | **-** | **-** | **1,072,043** | **1,116,215** |

**Fair Value**

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

a) Cash and short-term investments – the carrying amount approximates fair value because of their short term to maturity;
b) Trade receivables and trade creditors – the carrying amount approximates fair value; and
c) Other assets and liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

**Financial Instruments**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

*Impairment of financial assets*

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

*Financial liabilities*

Financial liabilities of the group consist of namely of Trade and other payables and are classified and subsequently measured at fair value and deferred consideration which is initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

## Note 26. Capital Commitments

In order to maintain current rights of tenure to exploration tenements the Consolidated Entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments and overseas government bodies.

The Consolidated Entity ceased exploration activities for the Morille, Banio and Mamana projects in the prior year order to focus on the San José Lithium Project (accounted for as part of equity holding in TEL). As such, the Consolidated Entity does not have any further material financial commitments in relation to these projects.

## Note 27. Events After Reporting Date

On 19 July 2021 the Company announced a further deferral of current payment obligations by the Consolidated Entity to Valoriza Mineria aligned to the resolution of the PIV cancellation (detailed further in Note 14 and the Directors' Report). The deferred consideration of €600,000 is now payable within thirty (30) calendar days following notification of the resolution that favourably resolves the PIV appeal or, if applicable, from the agreement to restart the processing of the PIV, provided that the PIAV remains granted in its status. However, the Consolidated Entity may make the pending payment at any time prior to the granting of the PIV or the resumption of its processing. Extremadura Mining maintains 75% project ownership interest in JV entity TEL, the project vehicle that contains the rights to San José. Further details are available in the ASX announcement on 19 July 2021.

In July 2021 the Company announced that the Spanish Government had approved a historical €4.3 billion funding package with the aim of turning Spain into a European electromobility hub and to kick start the production of electric vehicles and lithium-ion batteries through an initiative funded predominantly by EU Next Generation recovery and resilience funding. The government will stimulate private investment aligned to commitments for Strategic Projects for Economic Recovery and Transformation ('**PERTE**') which will include the whole production chain from extracting lithium to assembling battery cells and manufacturing electric vehicles. The EU Next Generation mechanism has been earmarked to enable the mobilisation of another €19 billion in private investment, bringing the total amount to approximately €24 billion between 2021 and 2023. Further details are available in the ASX announcement on 14 July 2021.

On 10 August 2021 the Company issued 8,000,000 unlisted options in two equal tranches to Canaccord Genuity in consideration for capital raising services in the February 2021 Placement, which were subject to shareholder approval at the General Meeting held on 5 August 2021. Both tranches consist of 4,000,000 options with an expiry date of 31 December 2024, with exercise prices of $0.266 and $0.304 per tranche, based on a 40% and 60% premium to the February 2021 Placement Offer Price respectively.

On 10 August 2021 the Company issued 40,000,0000 unlisted options in two equal tranches to Promotora de Minas de Carbon, S.A. (‘**PMC’**) in lieu of cash for success-based consultancy services provided after receiving approval from shareholders at the General Meeting held on 5 August 2021. The options have an exercise price of $0.11 and an expiry date of 10 August 2022, with vesting conditions for each tranche based on successful resolution of the PIV permitting situation. Full vesting conditions are detailed in the Notice of Meeting lodged on the ASX on 5 July 2021.

On 20 September 2021, the Company announced that metallurgical test work had produced battery grade lithium hydroxide monohydrate and lithium carbonate at bench-scale from San José. The Company noted advancements to pilot scale test work and the progression of alternative processing test work. Refer to the ASX announcement released on 20 September 2021 for further details.

Since the end of the financial year, the Company issued 250,000 ordinary shares as a result of the exercise of options exercisable at $0.07 each to raise $17,500. There were no amounts unpaid on these shares issued.

No further matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

## Note 28. Contingent Assets and Liabilities

The Company is unaware of any contingent assets or liabilities that may have a material impact on the Company’s financial position.

# Directors' Declaration

For the Year Ended 30 June 2021

The Directors of the Company declare that:

The financial statements, notes and additional disclosures included in the Directors' report and designated as audited, are in accordance with the Corporations Act 2001 and:

a) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Consolidated Entity and Company; and

c) the financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements.

The Managing Director and Chief Financial Officer have each declared that:

a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

b) the financial statements and notes for the financial year comply with the Australian Accounting Standards and Interpretations; and

c) the financial statements and notes for the financial year give a true and fair view.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Ryan Parkin
CEO and Managing Director
30 September 2021

PITCHER PARTNERS

**INFINITY LITHIUM CORPORATION LIMITED**
**ABN 52 147 413 956**

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF**
**INFINITY LITHIUM CORPORATION LIMITED**

## Report on the Audit of the Financial Report

*Opinion*

We have audited the financial report of Infinity Lithium Corporation Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Emphasis of matter – material uncertainty related to the carrying value of Equity Accounted Investment*

We draw attention to Note 14 to the financial report, which indicates a material uncertainty in relation to the status of the Investigation Permit Valdeflórez ("PIV") research permit at the San José Lithium Project, held by the Equity Accounting Investment at 30 June 2021. Our opinion is not modified in respect of this matter.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INFINITY LITHIUM CORPORATION LIMITED**
**ABN 52 147 413 956**

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF**
**INFINITY LITHIUM CORPORATION LIMITED**

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Carrying value of Equity Accounted Investment**<br>Refer to Note 14 to the financial report. | |
| As at 30 June 2021, the carrying value of the Consolidated Entity's Equity Accounted Investment (Tecnolgia Extremena Del Litio S.L. or 'TEL'), representing the Consolidated Entity's investment in the San José Lithium Project in Spain, was $9,146,871.<br>Previously the Consolidated Entity had assessed that impairment indicators existed within TEL and carried the Equity Accounted Investment at its recoverable amount, based on fair value less costs to sell.<br>During the year ended 30 June 2021, it was determined that internal and external factors surrounding the previous impairment recognised for the carrying amount of the Equity Accounted Investment had decreased or no longer exist. As a result, the Consolidated Entity recognised a reversal of impairment $4,887,998 within the statement of profit or loss at 31 December 2020.<br>At 30 June 2021, the Consolidated Entity is required to assess whether:<br>• there is any indication that an impairment loss recognised in period periods may no longer exist or may have decreased; and<br>• there is any indication that the Equity Accounted Investment may be further impaired.<br>If any such indicators exist, then the Consolidated Entity is required to estimate the recoverable amount of its Equity Accounted Investment.<br>The determination as to whether there exist any indicators requiring the Consolidated Entity to re-assess the Equity Accounted Investment's recoverable amount involves a number of judgments including, but not limited to, whether:<br>• there has been any adverse changes in the relevant activities, market conditions or technical viability for the San José Lithium Project;<br>• the Consolidated Entity has sufficient funds to meet operational and contractual requirements associated with its investment in the San José Lithium Project; and<br>• there is sufficient information for a decision to be made that the net investment is not commercially feasible. | Our procedures included, amongst others:<br>Understanding and evaluating the design and implementation of the Consolidated Entity's controls over its assessment of impairment trigger events prepared in accordance with AASB 136 including:<br>• Understanding the events that led to the cancellation of the PIV, including an examination of the detailed announcements made to the ASX and supporting legal correspondence;<br>• Reviewing management's assessment of potential indicators of impairment and the contentious administrative appeals process including it's impact on the carrying amount of the Consolidated Entity's Equity Accounted Investment;<br>• Obtaining independent legal confirmation of regarding the current status of the legal position in respect of the PIV and the legal strategy and timeline;<br>• Critically examining whether there have been any other changes to tenure or the Consolidated Entity's contractual ownership rights in TEL, as at reporting date.<br>Testing, on a sample basis, capitalised costs incurred during the year in relation to the Consolidated Entity's Equity Accounted Investment.<br>Assessing the adequacy of the disclosures included in the financial report, including those required by AASB 12 *Disclosure of Interests in Other Entities*. |

Additionally, in April 2021 the Consolidated Entity received notification that its application for the PIV had been cancelled.

The Consolidated Entity has lodged an appeal to this resolution and strongly disputes the validity of the decision to cancel its PIV application.

Subsequent to year end, the Consolidated Entity is in the process of resolving the matter further through the administrative contentious appeals process within Spain.

Given the size of the balance and the judgemental nature of the impairment indicator assessments associated with the net investment, we consider this is a key audit matter.

**Share-based payments**

Refer to Note 19 and Note 22 to the financial report.

Share-based payments represent $2,778,748 of the Consolidated Entity's expenditure, split as follows;

- $1,419,540 in the Consolidated Statement of Profit and Loss;
- $700,062 recognised as a cost of capital (capital raising cost) directly against Issued Capital; and
- $659,146 recognised in the cost of the Consolidated Entity's Equity Accounted Investment.

This amount comprises the issue of:

- 10,500,000 unlisted options issued to corporate advisors; 12,200,000 Share Appreciation rights; and 3,700,000 Bonus Shares issued to key management personnel accrued for in the prior year;
- 8,000,000 unlisted options to be issued to Canaccord Genuity in consideration for capital raising services; and
- 13,182,938 zero exercise price warrants to EIT InnoEnergy in consideration of services on the pre-feasibility study on the San José Lithium Project.

Under Australian Accounting Standards, equity settled awards for employees are measured at fair value on the measurement (grant) date. For transactions with parties other than employees, the measurement date is the date the Consolidated Entity obtains the goods or the counterparty renders the service. Under both, the Consolidated Entity takes into consideration the probability of the vesting conditions (if any) attached.

Our procedures included, amongst others:

Obtaining an understanding and evaluating the design and effectiveness of the relevant controls associated with the preparation of the valuation model used to assess the fair value of share-based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation.

Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation model, including management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information as appropriate, which includes below but not limited to:

- Estimating the likelihood that the equity instruments will vest;
- Estimating expected future share price volatility;
- Expected dividend yield; and
- Risk-free rate of interest.

| | |
|---|---|
| An amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.<br>In calculating the fair value there are a number of judgements management must make, including but not limited to:<br>• estimating the likelihood that the equity instruments will vest;<br>• estimating expected future share price volatility;<br>• expected dividend yield; and<br>• risk-free rate of interest.<br>Due to the significance to the Consolidated Entity's financial report and the level of judgment involved in determining the valuation of the share-based payments, we consider the Consolidated Entity's calculation of<br>the share-based payment expense to be a key audit matter. | Assessing the Consolidated Entity's accounting policy as set out within Note 22 for compliance with the requirements of AASB 2 *Share-based Payment*.<br>Assessing the adequacy of the disclosures included in the financial report. |

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PITCHER PARTNERS

**INFINITY LITHIUM CORPORATION LIMITED**
**ABN 52 147 413 956**

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF**
**INFINITY LITHIUM CORPORATION LIMITED**

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

**INFINITY LITHIUM CORPORATION LIMITED**
**ABN 52 147 413 956**

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF**
**INFINITY LITHIUM CORPORATION LIMITED**

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 13 to 19 of the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Infinity Lithium Corporation Limited, for the year ended 30 June 2021, complies *with* section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

J C PALMER
Executive Director
Perth, 30 September 2021

# ASX Additional Information

**a) Distribution of Shareholders as at 29 September 2021**

| Spread of Holdings | Number of Ordinary Shareholders | Number of Shares |
|---|---|---|
| 1 – 1,000 | 64 | 8,910 |
| 1,001 – 5,000 | 464 | 1,749,056 |
| 5,001 – 10,000 | 722 | 5,868,215 |
| 10,001 – 100,000 | 1636 | 62,268,389 |
| 100,001 – and over | 493 | 333,019,986 |
| **Total** | **3,379** | **402,914,556** |

**b) Top 20 Shareholders as at 29 September 2021**

| Rank | Name | Number of Ordinary Shares Held | % |
|---|---|---|---|
| 1 | BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM | 14,466,335 | 3.59 |
| 2 | WOMBAT SUPER INVESTMENTS PTY LTD <WOMBAT SUPER A/C> | 11,950,000 | 2.97 |
| 3 | MR DOUGLAS MCDONALD BENNETT | 10,025,000 | 2.49 |
| 4 | ADRIAN BYASS | 9,568,805 | 2.37 |
| | • *VALIANT EQUITY MANAGEMENT PTY LTD <THE BYASS FAMILY A/C>* | *75,000* | *0.02* |
| | • *TEUTONIC INVESTMENTS PTY LTD* | *562,500* | *0.14* |
| | • *VALIANT EQUITY MANAGEMENT PTY LTD <BYASS FAMILY A/C>* | *2,000,000* | *0.50* |
| | • *VALIANT EQUITY MANAGEMENT PTY LTD <THE BYASS FAMILY A/C>* | *3,026,876* | *0.75* |
| | • *MR ADRIAN BYASS + MRS MEGAN RUTH BYASS <OAKWOOD SUPER FUND A/C>* | *3,904,429* | *0.97* |
| 5 | CITICORP NOMINEES PTY LIMITED | 9,535,230 | 2.37 |
| 6 | TWYNAM INVESTMENTS PTY LTD | 8,306,316 | 2.06 |
| 7 | MR BRIAN HENRY MCCUBBING + MRS ADRIANA MARIA MCCUBBING <B MCCUBBING SUPER FUND A/C> | 7,256,250 | 1.80 |
| 8 | INVICTUS CAPITAL PTY LTD <MAIN FAMILY A/C> | 7,250,000 | 1.80 |
| 9 | DENKEY PTY LTD | 6,750,000 | 1.68 |
| 10 | LARARNAS RIKSFORBUND | 5,789,473 | 1.44 |
| 11 | UBS NOMINEES PTY LTD | 5,292,159 | 1.31 |
| 12 | AURORA VENTURES PTY LTD | 5,250,000 | 1.30 |
| 13 | MRS ALISON CLAIRE GALLAGHER | 5,250,000 | 1.30 |
| 14 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 5,128,333 | 1.27 |
| | • *HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2* | *2,024,771* | *0.50* |
| | • *HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED* | *3,103,562* | *0.77* |
| 15 | NOTRE DAME INVESTMENT LIMITED | 5,000,000 | 1.24 |
| 16 | MR NICHOLAS SIMON DRAPER + MRS MELINDA JANE DRAPER <DRAPER SUPER FUND A/C> | 4,500,000 | 1.12 |
| 17 | MR MARCIN JACEK MATUSIAK | 4,160,000 | 1.03 |
| 18 | MR CRAIG MICHAEL LAKE + MRS JUDITH MAY LAKE | 4,125,000 | 1.02 |
| 19 | WIGWAM SUPER PTY LTD <TEE PEE SUPER FUND A/C> | 4,000,000 | 0.99 |
| 20 | MS STACEY THOMAS | 3,770,000 | 0.94 |
| | **Total Top 20** | **137,372,901** | **34.09** |
| | Balance of Register | 265,541,655 | 65.91 |
| | **Total Ordinary Shares on Issue** | **402,914,556** | **100.0** |

## ASX Additional Information (continued)

**c) Ordinary Share Capital as at 29 September 2021**

- The number of shareholders holding less than a marketable parcel of shares is 333, totalling 829,848 shares; and
- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

**d) Options and Rights as at 29 September 2021**

As at 29 September 2021, the unissued ordinary shares of Infinity Lithium under option are as follows:

| Details | Grant Date | Number | Exercise Price ($) | Date of Expiry |
|---|---|---|---|---|
| Unlisted Options | Various | 9,919,643 | $0.07 | 24/10/2021 |
| Unlisted Options | 17/09/2019 | 1,000,000 | $0.09 | 16/09/2022 |
| Unlisted Options | Various | 22,762,137 | $0.12 | 30/11/2022 |
| Unlisted Options | 27/11/2020 | 10,000,000 | $0.09 | 30/11/2022 |
| Unlisted Options | 04/12/2020 | 500,000 | $0.20 | 30/11/2022 |
| Unlisted Options | 10/08/2021 | 4,000,000 | $0.27 | 31/12/2024 |
| Unlisted Options | 10/08/2021 | 4,000,000 | $0.30 | 31/12/2024 |
| Unlisted Options | 10/08/2021 | 40,000,000 | $0.11 | 10/08/2022 |
| **Total Unlisted Options** | | **92,181,780** | | |

As at 29 September 2021, the warrants and rights of Infinity Lithium on issue are as follows:

| Details | Grant Date | Number | Exercise Price ($) | Date of Expiry |
|---|---|---|---|---|
| Zero Exercise Price Warrants | 28/07/2020 | 13,182,938 | Nil | 28/07/2025 |
| Share Appreciation Rights | 27/11/2019 | 5,000,000 | $0.072 | 13/09/2024 |
| Share Appreciation Rights | 04/12/2020 | 9,700,000 | $0.082 | 05/10/2025 |
| Share Appreciation Rights | 04/12/2020 | 500,000 | $0.144 | 02/12/2025 |
| Share Appreciation Rights | 03/02/2021 | 2,000,000 | $0.170 | 05/01/2026 |

Option-holders do not have any rights to participate in any issue of shares or other interest in the Company or any other entity.

## Schedule of Interests in Mining Tenements

**Lithium Project Spain**

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

The San José tenements:

- Valdeflórez: 10C 10343-00 Cancelled – subject to administrative contentious appeal
- Ampliación a Valdeflórez: 10C 10359-00 Granted

Other applications:

- Extremadura S.E. 10C10386-00 Castilla Mining S.L. Exploration Permit Application
- San José 10C10368-00 Valoriza Mineria S.L.U Investigation Permit Application

## Mineral Resources and Reserves (MROR) Statement

Infinity announced to the ASX on 23 May 2018 information pertaining to the exploration and mineral resource estimates of the San José Project in accordance with ASX Listing Rule 5.8 and compliance with the 2012 JORC Code.

The resource estimate for San José is shown below in Table 1 below:

| Classification | Tonnes (Mt) | Li (%) | $Li_2O$ (%) | Sn ppm |
|---|---|---|---|---|
| Indicated | 59.0 | 0.29 | 0.63 | 217 |
| Inferred | 52.2 | 0.27 | 0.59 | 193 |
| **TOTAL** | **111.2** | **0.28** | **0.61** | **206** |

**Table 1: San José Mineral Resource, reported above 0.1% Li cut-off**
**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 ($Li_2O$) or lithium carbonate ($Li_2CO_3$) or Lithium Carbonate Equivalent (LCE).

Lithium Conversion: 1.0% Li = 2.153% $Li_2O$, 1.0%Li = 5.32% $Li_2CO_3$

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 summarises the San José Maiden Ore Reserve estimate:

| Classification | Tonnes (Mt) | Li (%) | $Li_2O$ (%) | Sn ppm |
|---|---|---|---|---|
| Proven | - | - | - | - |
| Probable | 37.2 | 0.29 | 0.63 | 217.0 |
| **TOTAL** | **37.2** | **0.29** | **0.63** | **217.0** |

**Competent Persons Statement**

The information in this report related to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr A Byass, B.Sc. Hons (Geol), B.Econ, FSEG, MAIG, the Non-Executive Chairman of Infinity Lithium Corporation Limited. 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 Australasian 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.

**Summary of Governance and Controls**

The mineral resource for the San José Project is reported in accordance with the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". This resource was published by Infinity in an announcement to the Australian Securities Exchange dated 23 May 2018. In accordance with requirements determined by the Australian Securities Exchange and the "Australasian Code for

Reporting of Exploration Results, Mineral Resources and Ore Reserves", a checklist for Assessment and Reporting Criteria is presented in that announcement.

A review of factors was conducted which may affect the MROR. These examined included:

- Sovereign risk
- Commodity prices
- Processing or metallurgical understanding
- Environmental or mineability setting
- Standing of consultants/contractors/technology used in estimation process.

Infinity is not aware of any new information or data that materially affects the information included in this report, 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.