



# INFINITY LITHIUM

## Presentation

July 2019

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## Competent Persons Statement

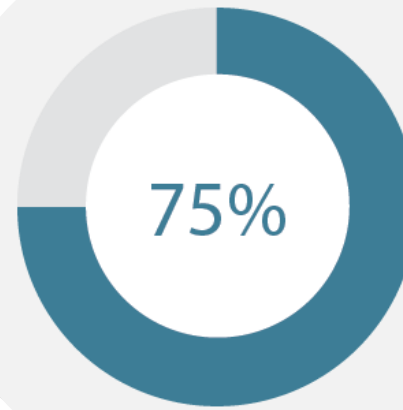
- ❖ The information in this report that relates to Exploration Targets and Mineral Resources is based on the information compiled by Mr Patrick Adams, of Cube Consulting Pty Ltd (Perth). Mr Adams has sufficient relevant professional experience with open pit and underground mining, exploration and development of mineral deposits similar 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 JORC Code. He has visited the project area and observed drilling, logging and sampling techniques used by Infinity Lithium in collection of data used in the preparation of this report. Mr Adams is an employee of Cube Consulting Pty Ltd and consents to be named in this release and the report as it is presented.
- ❖ The information in this report that relates to Exploration Results is based on the information compiled or reviewed by Mr Adrian Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG and an employee of Infinity Lithium. Mr Byass has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. 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.

# San Jose Lithium Project

Europe #2 Largest  
Market For EVs,  
Batteries & Lithium

Fully Integrated Lithium  
Project, From Mining To  
Chemicals

PFS  
Due In  
June/July



EU To Support  
Development Of  
Lithium Production

Moved To 75%  
Ownership Of  
The Project



NPV <sup>(10)</sup> **\$717M**  
IRR (pre-tax) **51%**  
Pay back **2.3y**

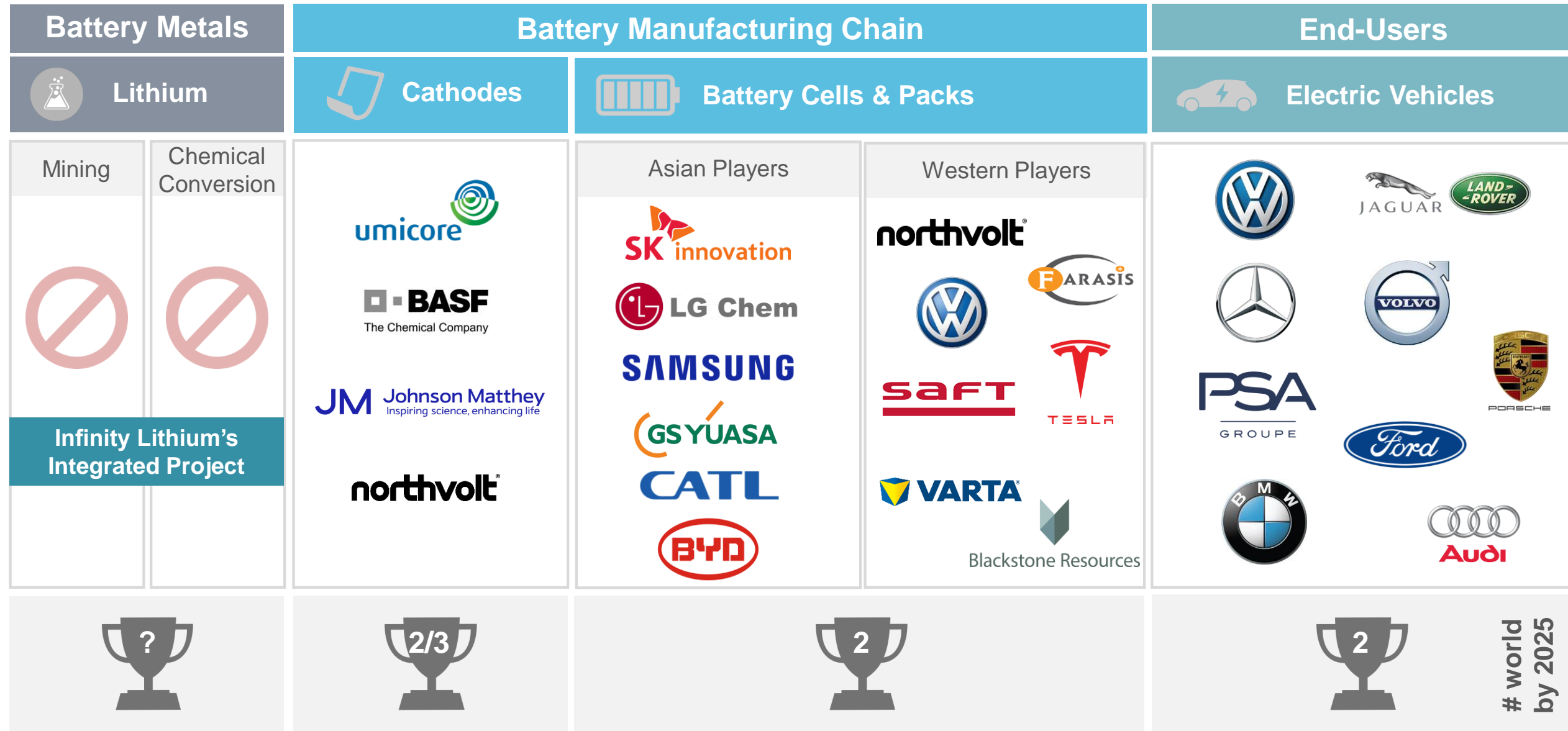


# How Is Europe Placed In The Global Lithium Race?



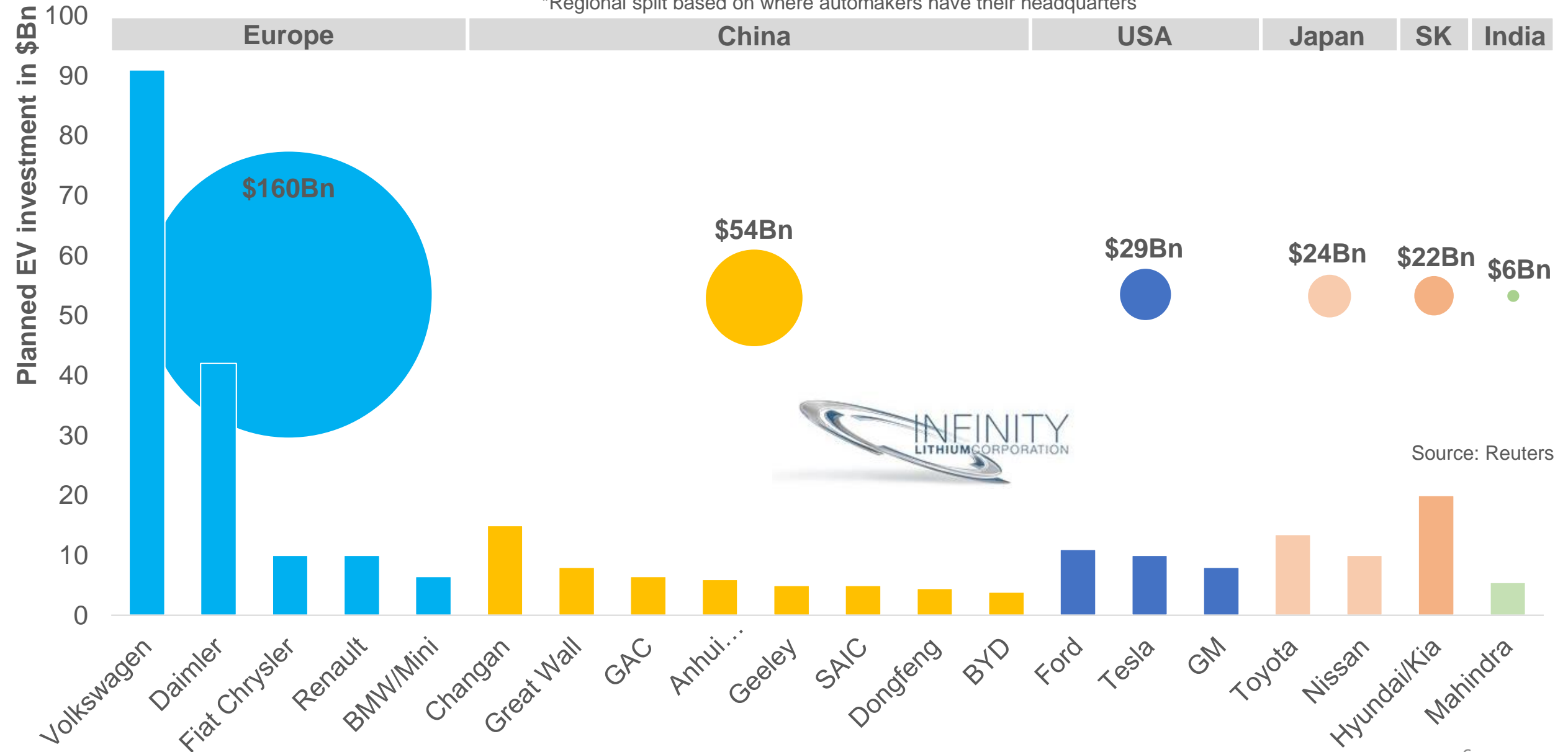


# The European Lithium-ion Battery Supply Chain




# European Automakers Lead The Spend On EV Technology

\*Regional split based on where automakers have their headquarters



# A Number Of New Lithium-ion Factories Planned In Europe



And...

 **BYD** is looking at launching battery production in Europe

 **金沙江资本 GSR Capital** signed a deal to build a factory that would launch production in 2023



Blackstone Resources to invest \$230M in German EV battery factory plan

  to develop a consortium to develop cell production with companies including Saft (Total) and PSA



# A Number Of Cathode Plants Planned In Europe In The Early 2020s

**Northvolt** is also planning to build its cathodes in-house after they start their battery factory in Sweden

**BASF** and Norilsk Nickel to cooperate on raw material supply for battery materials production in Europe. BASF intends to invest up to €400M in a first step to build production plants for cathode materials in Europe

**Johnson Matthey** expects to start production in 2021-22 in Poland of a battery material it has developed with improved performance and reduced cobalt content to contain costs

**Umicore** is planning to build a cathode plant in Poland. The first phase of this investment is included in the €660M programme. Umicore is due to start deliveries in late 2020



**northvolt**

**BASF**

The Chemical Company

**JM Johnson Matthey**  
Inspiring science, enhancing life

**umicore**

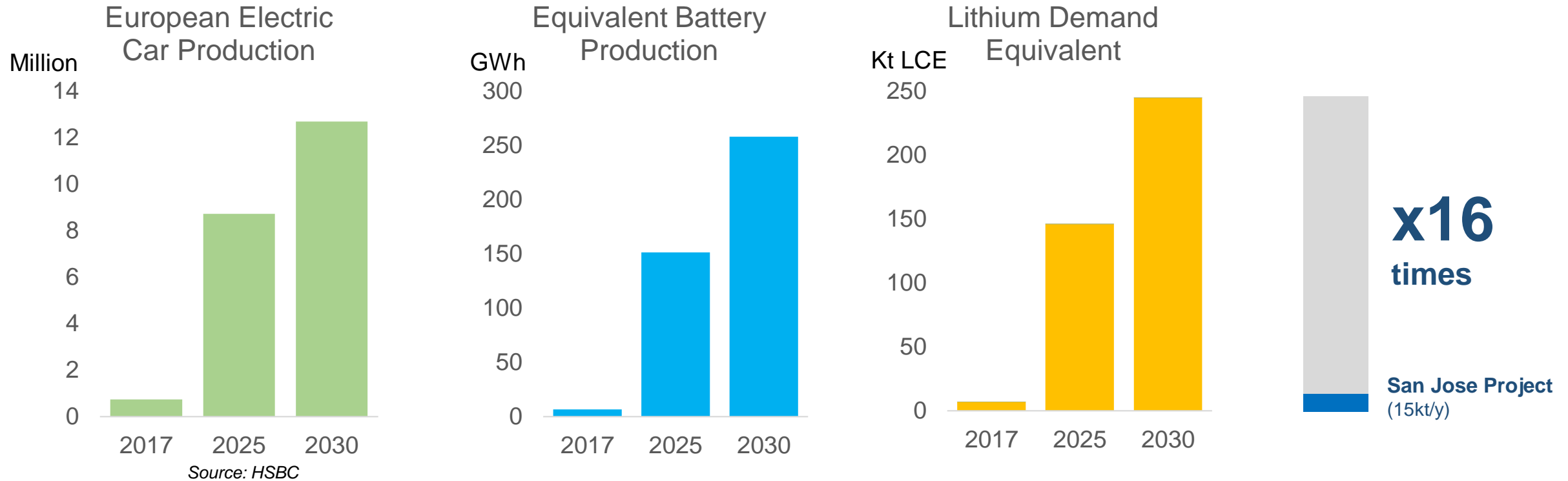
ASX: INF



# A Fully Integrated European Lithium-ion Battery Supply Chain









The EU is pushing to have a fully integrated domestic supply chain, from producing EVs all the way back to producing raw materials. What would it mean for domestic lithium demand?



Notes: Electric cars include HEV, PHEV and EV. Average battery pack for EV is 33kWh in 2017, 45kWh in 2025 and 52kWh in 2030. PHEV average battery pack around 12kWh, HEV around 1kWh. LCE consumption per kWh averaging 0.9Kg.

# Multilevel Of Support – Some News From The Last 6 Months



	 <b>Electric Vehicles</b>	 <b>Lithium-ion Batteries</b>	 <b>Lithium</b>
 <b>Industry</b>	<ul style="list-style-type: none"> <li><b>Daimler</b> Ambition 2039: a CO2-neutral fleet line-up</li> <li><b>VW</b> embarks on €50Bn electrification plan</li> <li><b>Audi</b> will invest over €14Bn in e-mobility advance</li> </ul>	<ul style="list-style-type: none"> <li><b>CATL</b> boosts battery cell factory in Germany – up to 100 GWh</li> <li><b>VW</b> Board releases €1Bn for battery cell factory</li> <li><b>SK Innovation</b> starts construction of 2nd battery factory in Hungary</li> </ul>	<div>1</div> <ul style="list-style-type: none"> <li><b>VW</b> to promote lithium production in Europe in the medium term - relevant deposits in Central and Southern Europe</li> </ul>
 <b>Governments</b>	<ul style="list-style-type: none"> <li><b>Germany</b> to introduce new EV quota &amp; grants</li> <li><b>Spain</b> to subsidize electric mobility</li> <li><b>Italy</b> offers incentives for Evs</li> </ul>	<ul style="list-style-type: none"> <li><b>Germany</b> has set aside €1Bn to support battery cell production</li> <li><b>France</b> will invest €700M into projects to boost the European EV battery</li> <li><b>Germany</b> and <b>France</b> launch €2 billion kick-start for battery cells</li> </ul>	<ul style="list-style-type: none"> <li><b>Spain:</b> Mining in Extremadura is a key strategy in the energy transition</li> </ul>
 <b>Europe</b>	<ul style="list-style-type: none"> <li><b>European parliament</b> backs 40% cut in vehicle CO2</li> <li>Brussels agrees 2030 carbon dioxide targets for cars</li> </ul>	<div>2</div> <ul style="list-style-type: none"> <li><b>EIB</b> lends Northvolt €350M for Europe's largest battery project</li> <li><b>EU</b> to offer billions of funding for electric battery plants</li> </ul>	<div>3</div> <ul style="list-style-type: none"> <li><b>EC</b> - Lithium chemical supply within Europe has been identified as imperative</li> <li>Race for lithium illustrates <b>EU</b> drive for 'strategic' raw materials</li> </ul>



# 1 World's Largest Automaker - Volkswagen

“VW capable of building **50 million electric vehicles**”

“Volkswagen Board releases **€1Bn for battery cell factory**”

“**Lithium is the irreplaceable element** of the electric era”

“Volkswagen has set itself the **goal of promoting lithium production in Europe**”







## A European Success Story

### European industrial collaboration:

- **BMW** Group, Northvolt and **Umicore** join forces to develop sustainable life cycle loop for batteries
- Truck maker **Scania** (VW) signs battery deal with Northvolt after investing €10M the company back in January
- **VW** turns to Northvolt for battery cell mass production

### European support:

- Northvolt secured **€350M from the European Investment Bank** Approval to support Northvolt's Gigafactory for lithium-ion battery cells in Sweden.

### 3 EU New Focus On Strategic Battery Raw Materials

The **European Union** and the **European Commission** have publicly stated that they are willing to support and provide capital to develop lithium production in Europe



- Maros Sefcovic - **Vice President of the European Commission**: “The demand for processed refined lithium will be quite big in Europe, so it makes sense to have lithium refining capacities here”



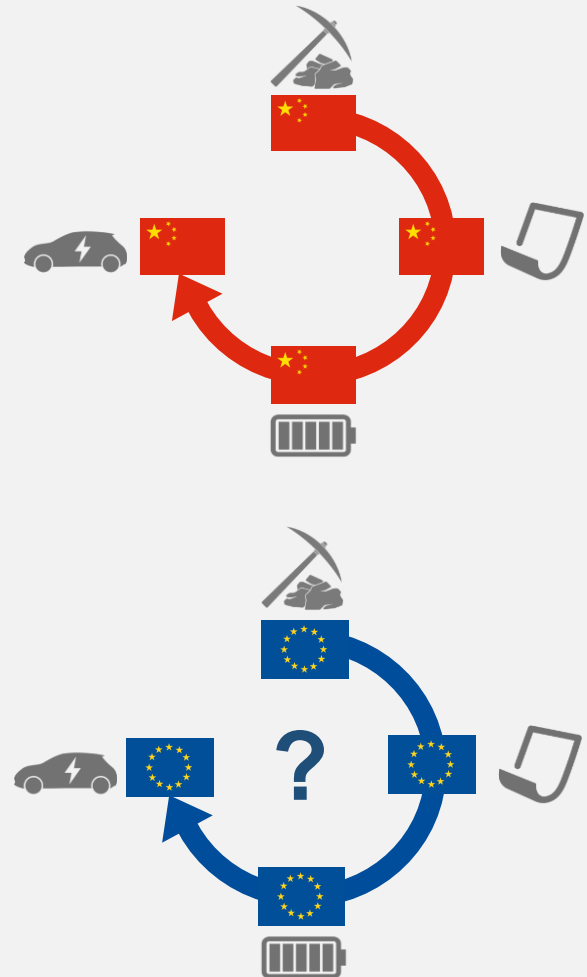
- “Develop a **strategic value chain** for manufacturing EV LIBs inside Europe” - “**Secure access** to raw materials”
- **Horizon Europe** program



- **The European Investment Bank** is committed to provide capital
- The EIB has identified the significant gap in the market for battery chemicals, reinforcing their focus on “**raw materials and refining facilities**”



#### Replicate the Chinese Model







**Maros Šefčovič**  
Vice-President  
European  
Commission



## June 2019 – Speech to the European Investment Bank:

“Without **undertaking its own exploration**, the EU will have no mining projects

This, in turn, means no refineries and, without refining capacity, the EU will continue to be in great part dependent on foreign supplies of high quality materials


### **Unless we develop our own capacity**

We have identified with the Member States that there are 10 potential mining projects for lithium that, if developed, could allow the EU to move from 1 to 30% of the world production by 2030

We therefore **need our European Investment Bank to become more fully engaged in raw material projects in exploration, mining and refining**

The European Bank for Reconstruction and Development (EBRD) is preparing a EUR 60 million Exploration Investment Facility.”





# **Infinity Lithium:**

## **Developing lithium production in Europe to power a renewable future**

# 1. Strategically Located in Extremadura, Spain



## Spain

- #2 largest car manufacturer in Europe
- Proposes to veto the sales of ICE cars in 2040
- Promotes the manufacture of batteries for electric cars in Spain
- VW's CEO: "Without a battery plant it makes no sense to do EV in Spain"



## Extremadura

- Region of high poverty and unemployment
- #2 largest lithium resources in Europe
- Drive to develop the industrial sector and mining proactive (230 mining projects)
- Infinity's project to offer more than 200 direct jobs and another 1,000 supporting roles, as well as >US\$1 Billion in tax for the region



## 2. A Large And Long Term Asset Supporting EV Growth

**Second largest lithium resource** in the European Union  
**& Largest open pit based project**

JORC Resource 111.2Mt (Ind. 59Mt, Inf. 52.2Mt)



LCE: Lithium Carbonate Equivalent

To operate for **24 years**, including 16 years of mining but only depleting **<50%**  
**of JORC resource**



To produce around **15,000t** of lithium hydroxide battery  
 grade per year

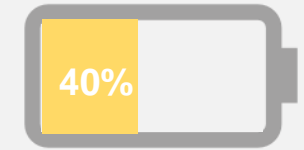
Enough to power  
**10 Million**  
**Full Electric Vehicles**  
 over the life of the project



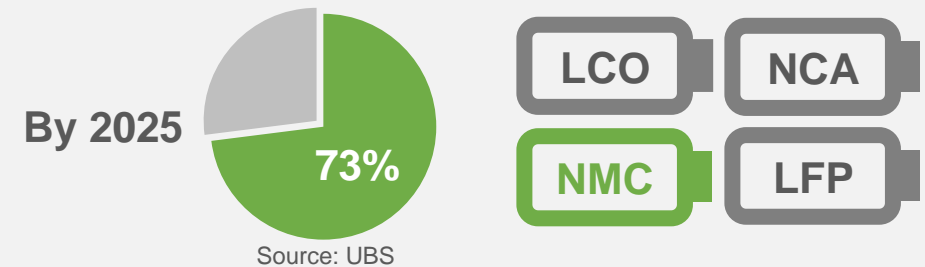


### 3. Focusing On the Fastest Growing Chemical Product

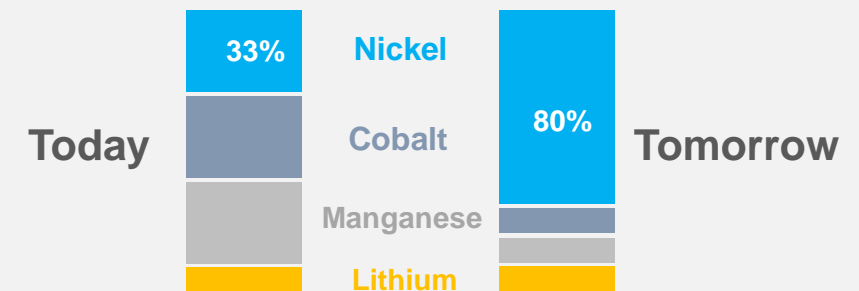
The **cathode** is a battery component which represents the **largest cost** of a battery cell and it is where lithium is used



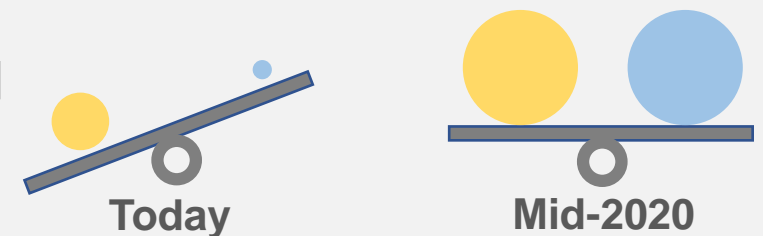
There are different types of cathode but **NMC** (Nickel, Manganese, Cobalt) will **dominate** the industry



The NMC cathode is evolving and using **more nickel** and **less cobalt** to increase energy density → better driving range

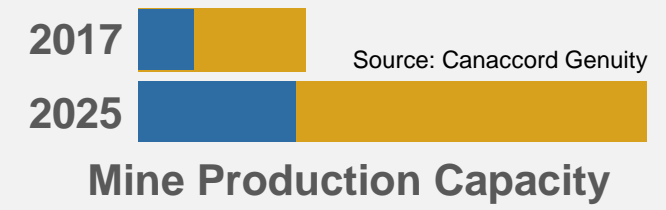


High nickel content cathodes require **lithium hydroxide** as opposed to **lithium carbonate** → faster growth for hydroxide >30%py

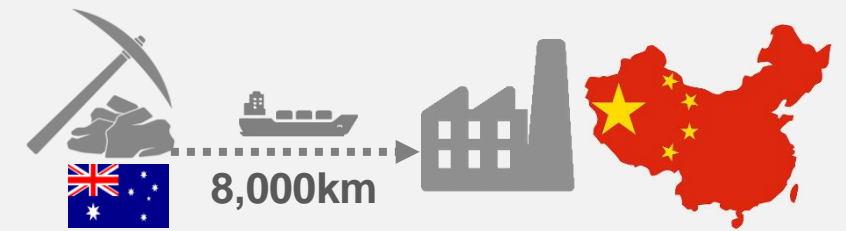


# 4. A Uniquely Fully Integrated Lithium Project

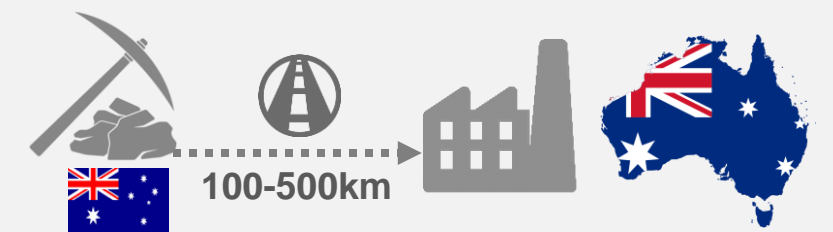
**Hard-rock to dominate lithium production** in the future: easier to operate, lower risk jurisdiction, cheaper to produce lithium hydroxide



Today, majority of lithium hard rock production is **exported to China** for conversion into lithium chemicals



**Integration** is the way forward for Australian miners in order to **improve efficiency and margins**

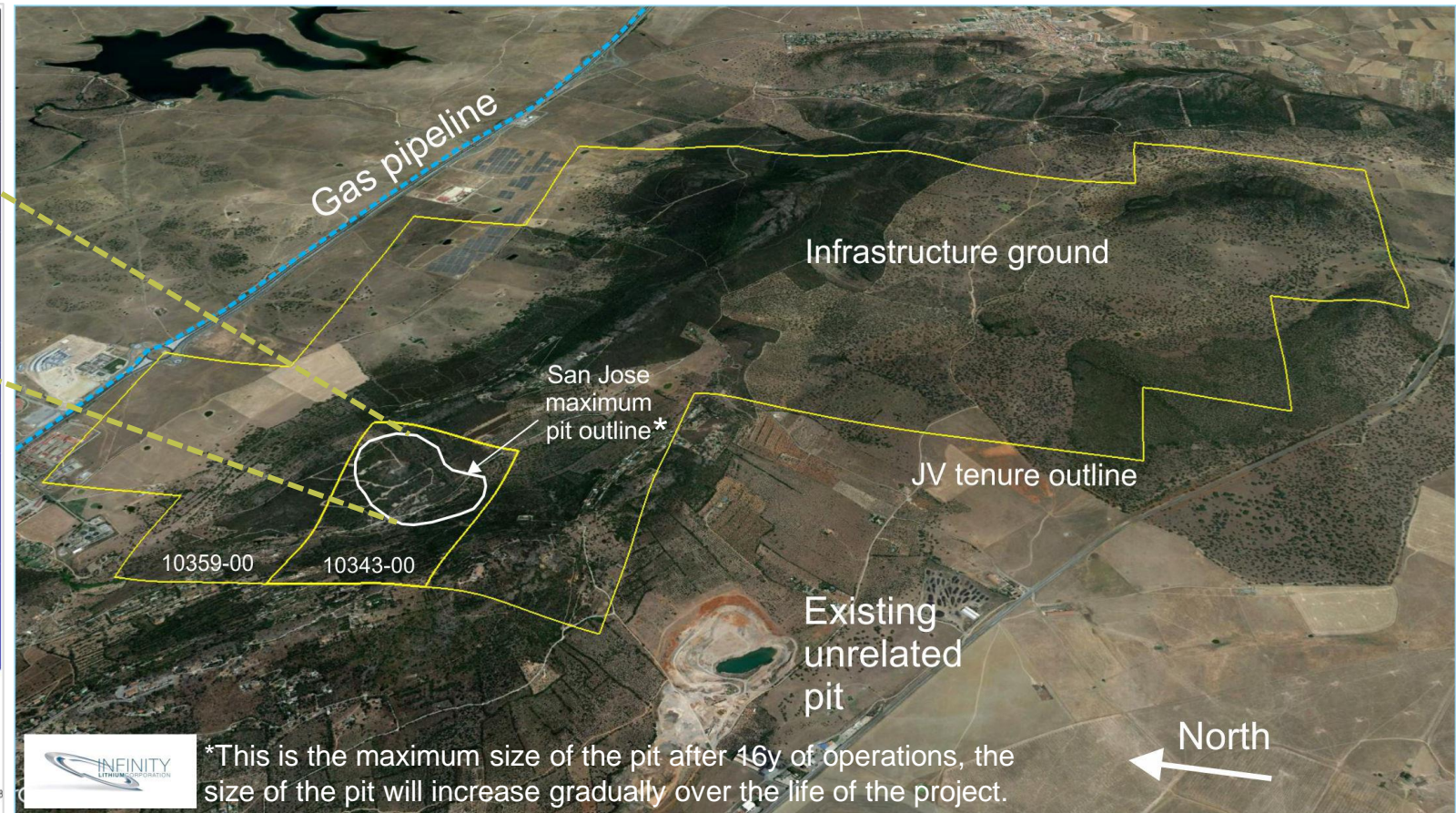
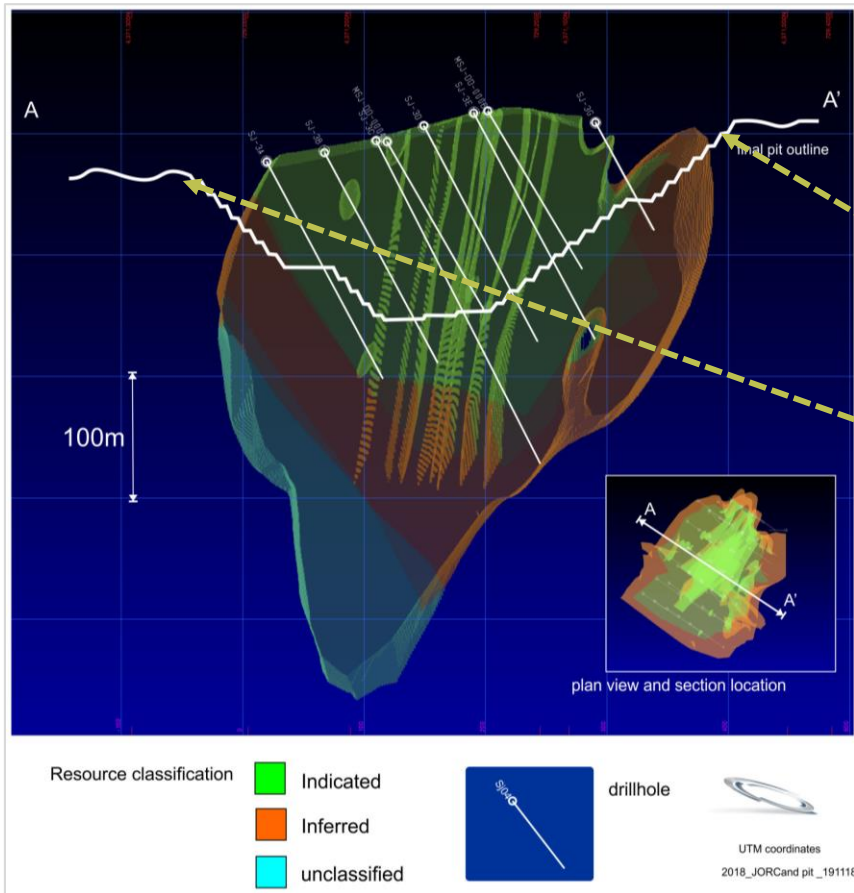


San Jose is an **industrial project** where the mine and the chemical operation are adjacent:

- No shipping
- No import duties on feedstock
- No third party converters



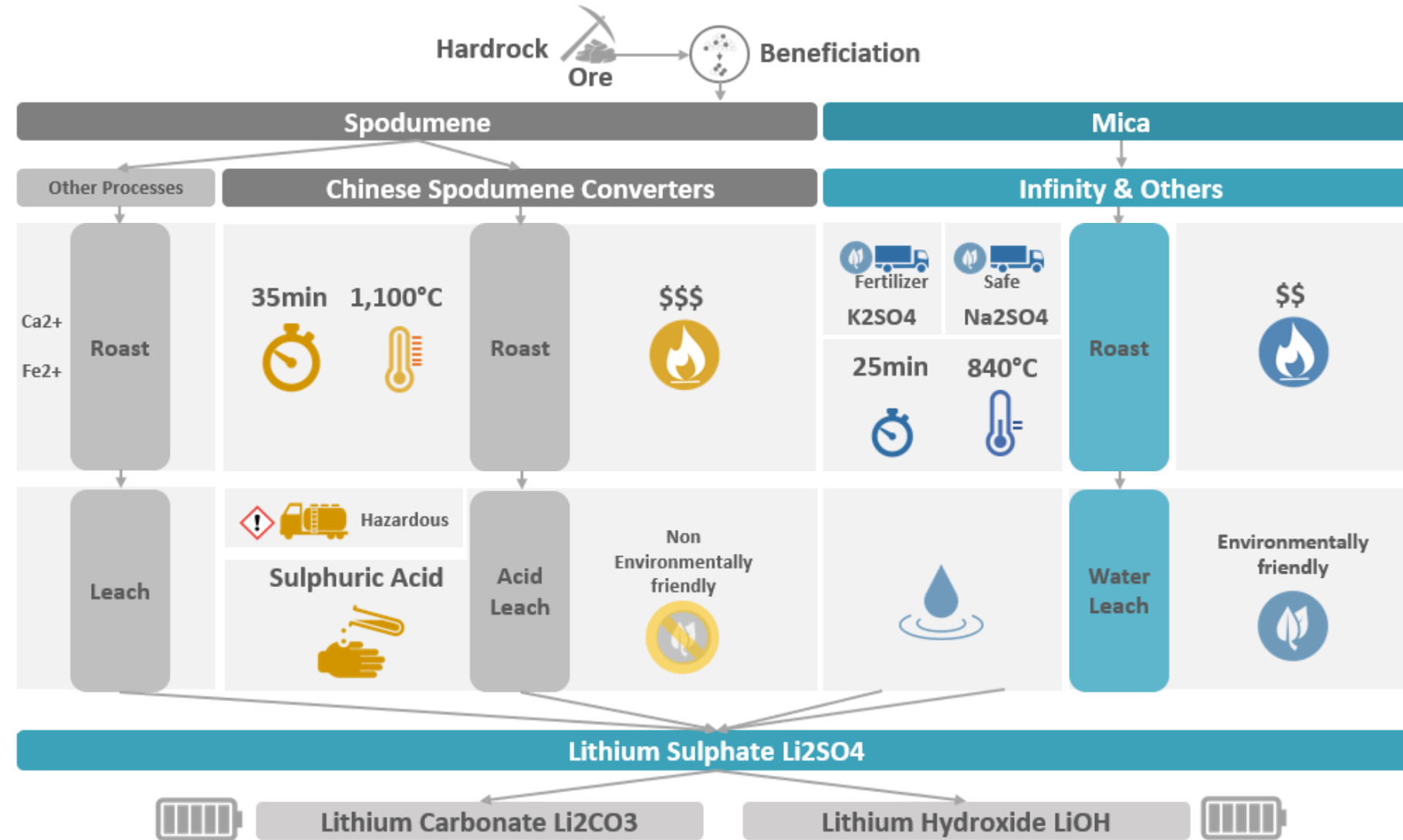
# The San Jose Project – A limited Impact On Landscape



- The maximum **size of the pit** is approximately 710m x 450m
- **Lack of slurry:** very low water consumption and the majority of the water is recycled
- **Waste:** a large majority is dry stacked tailings which comprises primarily of ground rock not treated by chemicals – not hazardous
- **Mine is rehabilitated** after 16 years of operation



# Processing Hard Rock – Different Energy and Reagents Needs



- Infinity's **energy requirements are lowered** by its shorter and lower temperature roasting process
- Infinity doesn't use sulphuric acid during the roasting and leaching process but rather **safe and readily available reagents**
- Infinity uses **recycled water** as opposed to acid during its leaching process

# Lithium Production From Mica – Not A New Process



There are at least 4 conversion sites in **China** converting Mica into lithium chemicals, and they all have plans to increase capacity:

- Jiangxi Motor / Burwill Joint Venture - 5kt cap
- Jindi Lepidolite Processing Plant (Nanshi Group) - 15kt cap
- Jianjxi Nanshi Lithium New Materials – 20kt caps, target 60kt by 2020
- Jiangxi H-Zone Lithium Technology – 20kt to 30kt in 2019 and 50kt by 2020



Roughly 60kt LCE capacity today with plans to ramp up to >130kt by 2020



**BASF**, the largest chemical producer in the world, has concluded an MOU for an offtake of lithium hydroxide with **Desert Lion** who will be processing Mica into lithium chemicals



**Fortescue** Metals Group, the fourth largest iron ore producer in the world with AUD9Bn revenues in 2018, has applied for tenements in Portugal for potential lithium extraction, most likely from Mica



# 5. Lithium Project Supported by Strong Economics



NPV <sup>(10)</sup>  
\$717M



IRR (pre-tax)  
51%



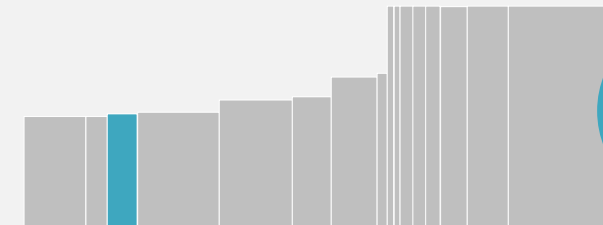
Pay back  
2.3 years

OPEX at the bottom of the cost curve for lithium hydroxide at around \$5,343/t

Lithium Hydroxide  
Cost Curve

2022

Source: Cannacord



OPEX  
\$5,343

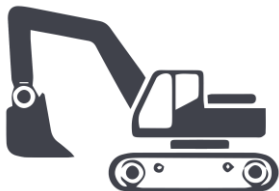
Starting CAPEX at US\$288M with a low capital intensity of \$19,200/t



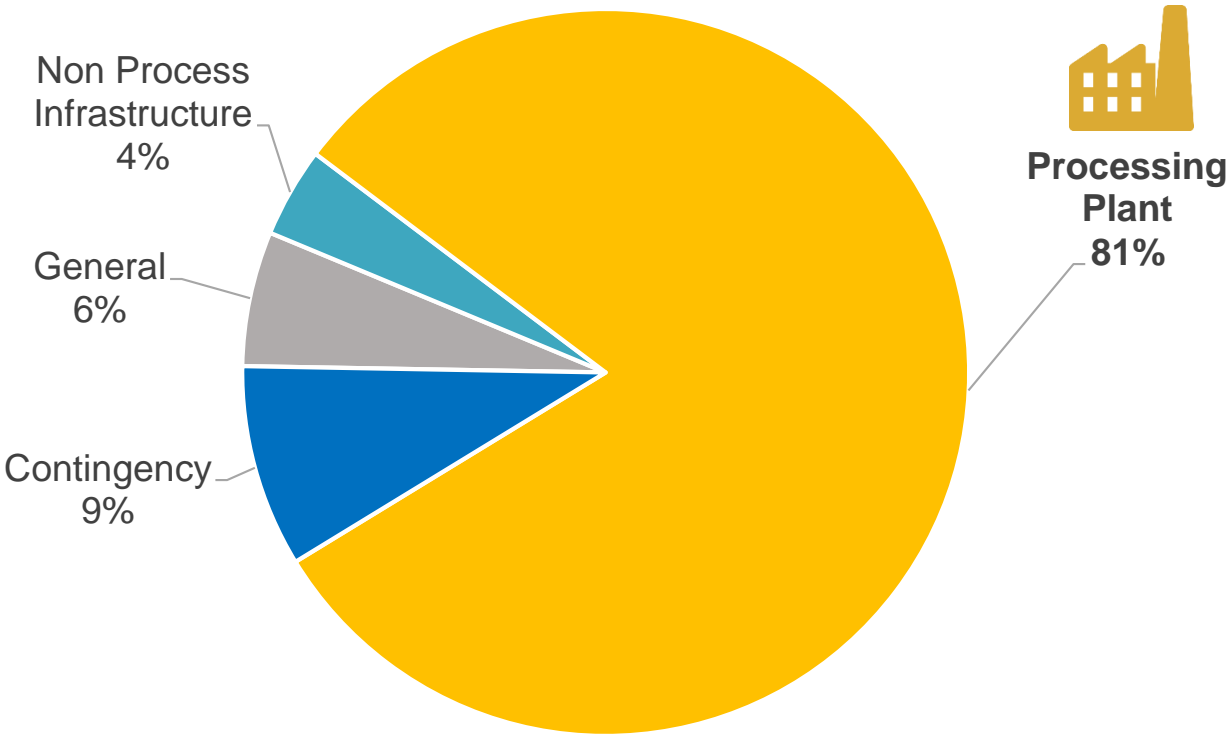
Pre-Feasibility to be published in July

# CAPEX Requirements

General	US\$18.0m
Non Process	US\$10.4
Process Plant	US\$233.7m
Contingency	US\$26.2m
<b>TOTAL</b>	<b>US\$288.3m</b>

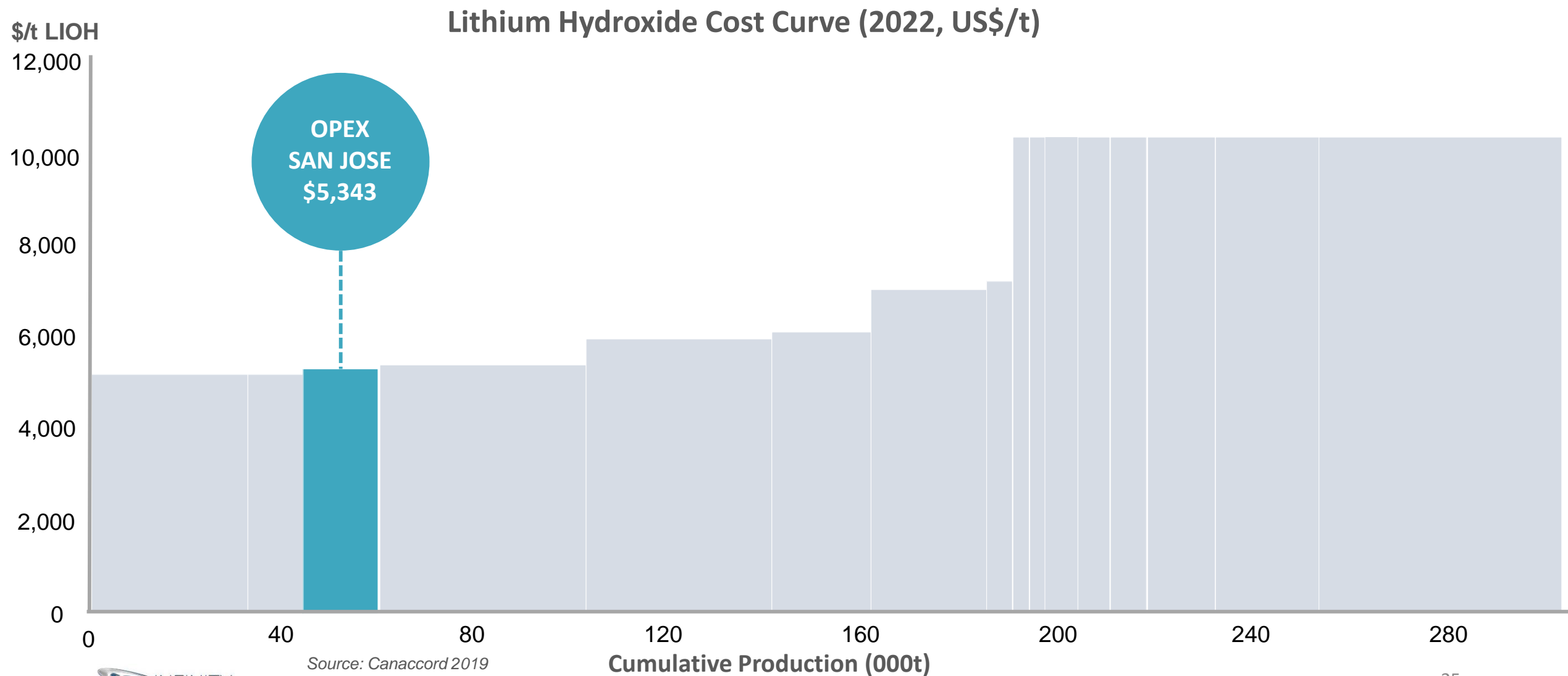


Start-up CAPEX US\$288





# Global Lithium Hydroxide Cost Curve In 2022



# Opex & Processing Costs

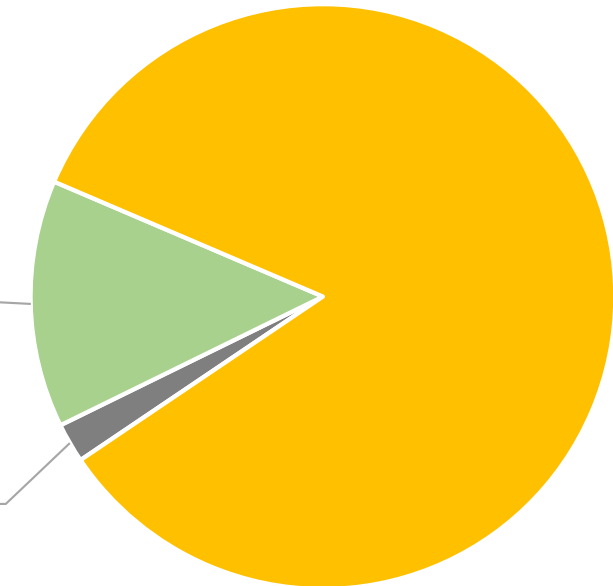


OPEX \$5,343/t LiOH



Mining  
14%

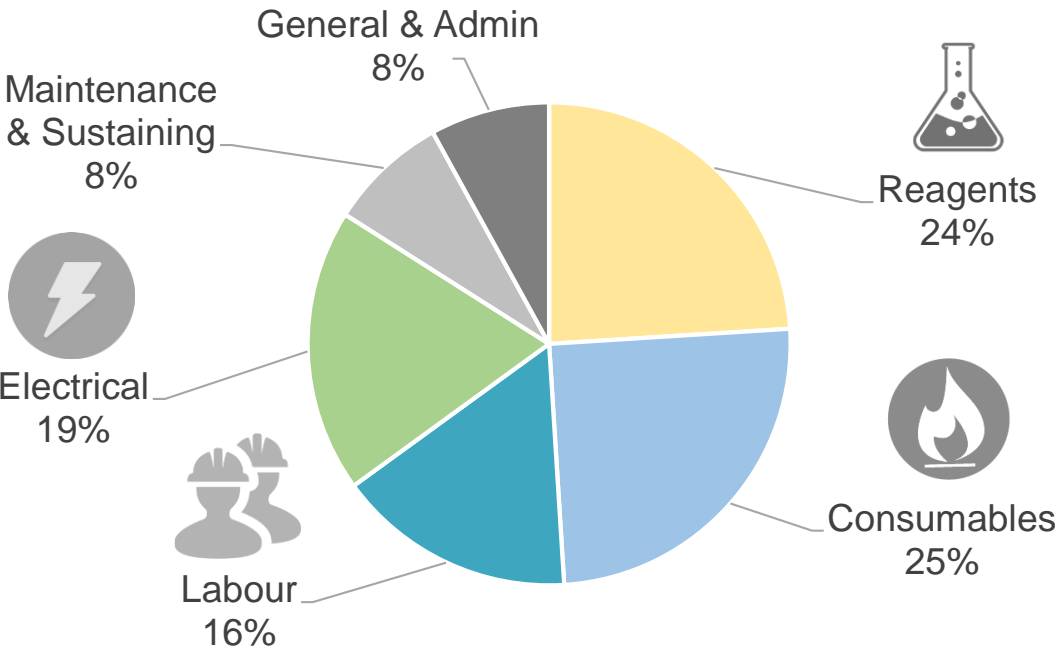
General  
2%



Processing  
84%



Processing \$4,494/t LiOH



General	US\$117/t
Mining	US\$731/t
Processing	US\$4,494/t
<b>TOTAL</b>	<b>US\$5,343/t</b>












Reagents	US\$1,101/t
Consumables	US\$1,117/t
Labour	US\$731/t
Electrical	US\$860/t
Maintenance & Sustaining	US\$339/t
General & Admin	US\$346/t
<b>TOTAL</b>	<b>US\$4,494/t</b>



# Scoping Study Project Economics\* - Lithium Hydroxide

(100% Project Basis)

\*See Disclaimer slide

NPV <sub>10</sub> NPV <sub>10</sub>	Pre-tax		US\$717M <sup>1</sup> US\$1,017M <sup>2</sup>	NPV <sub>8</sub> NPV <sub>8</sub>	Post-tax		US\$631M <sup>1</sup> US\$905M <sup>2</sup>
IRR	Pre-tax		51% <sup>1</sup>	IRR	Post-tax		37% <sup>1</sup>
OPEX			US\$5,343/t	CAPEX (Start-Up)			US\$288M <sup>3</sup>
Gross Operating Cash Flow (1 <sup>st</sup> 10 years production)			US\$122M/y	Payback Period			2.3 years
Project Life			24 years	Resource (2 <sup>nd</sup> largest in EU)			1.6Mt LCE
Annual Production of lithium hydroxide			14-15kt/y	Annual ROM			1.2Mt/y

Assumed Sales Price: (1) Average LOM LiOH US\$14,896/t  
(2) Average LOM LiOH US\$17,733/t

Assumed CAPEX: (3) All CAPEX includes 10% contingencies  
NPI CAPEX included at start-up US\$11M (Inception to year 2)  
Ongoing CAPEX US\$17M (year 3 to 7)

## 6. A Sustainable, Low Carbon Footprint Operation

Integrated plant and proximity to end-markets lead to **very low transport footprint**, reducing **CO2 emissions** to a minimum



Using **fertilizer or safe reagents** for processing



**Low water consumption**, 40 times less than in brine production, most of the water is **recycled**

**Hard Rock**

Spain

**Brine**

South America

**x40** water  
consumption

All reagents necessary for lithium processing **available domestically** as opposed to importing them from thousands of kilometers away

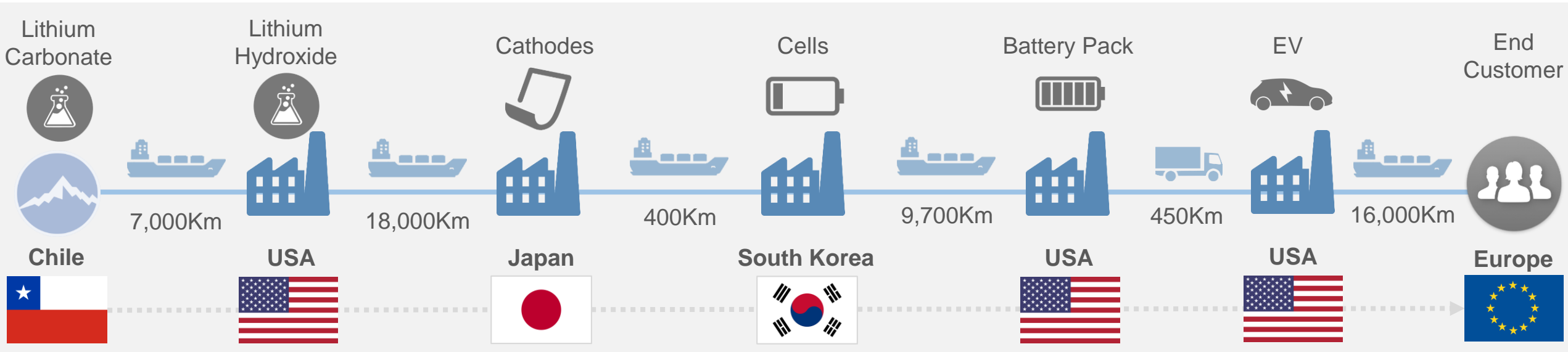




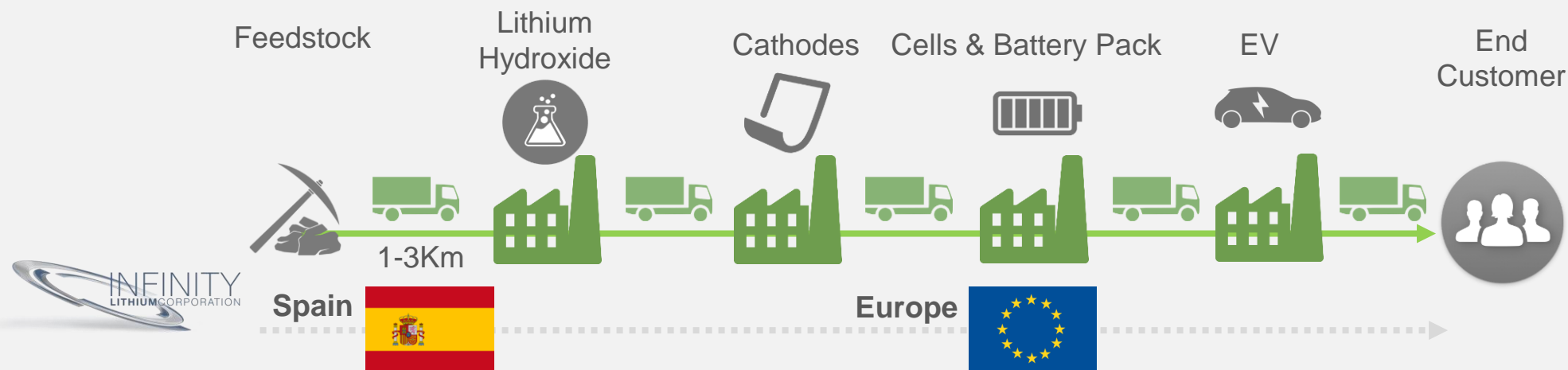
# Carbon Footprint - Lithium

## What is likely to happen when you buy a luxury EV in Europe

The lithium inside your car travels more than **50,000km** before you even start driving\*



## Integration – dramatically reducing the carbon footprint

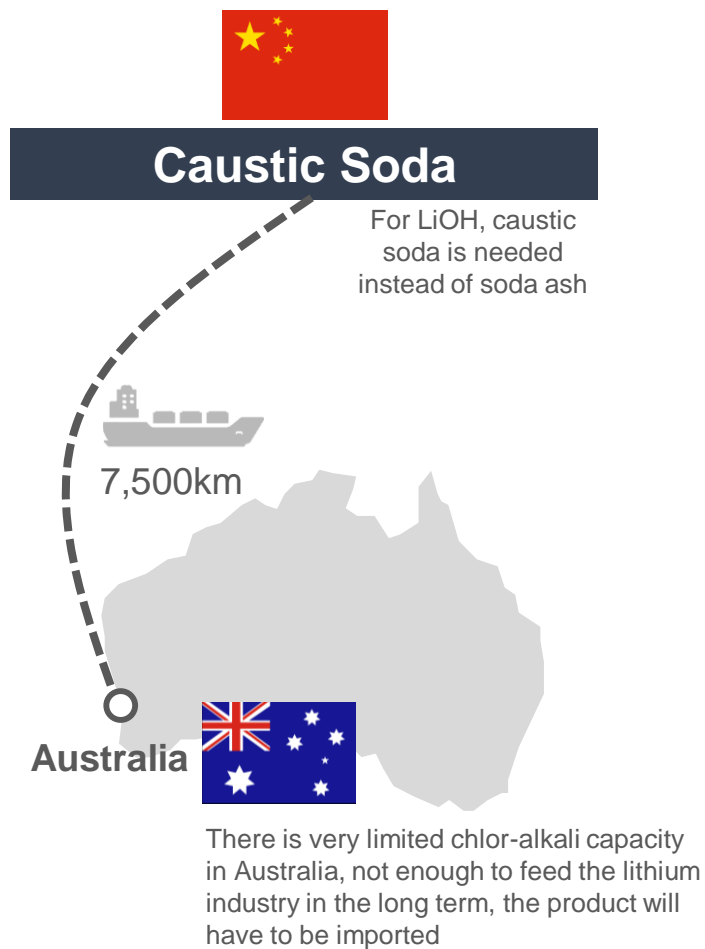


Potentially  
<1/10 of  
existing carbon  
footprint

\*Note: This is only one example of many supply paths possible across the supply chain.

# Lithium Processing Itself Should Improve Its Carbon Footprint

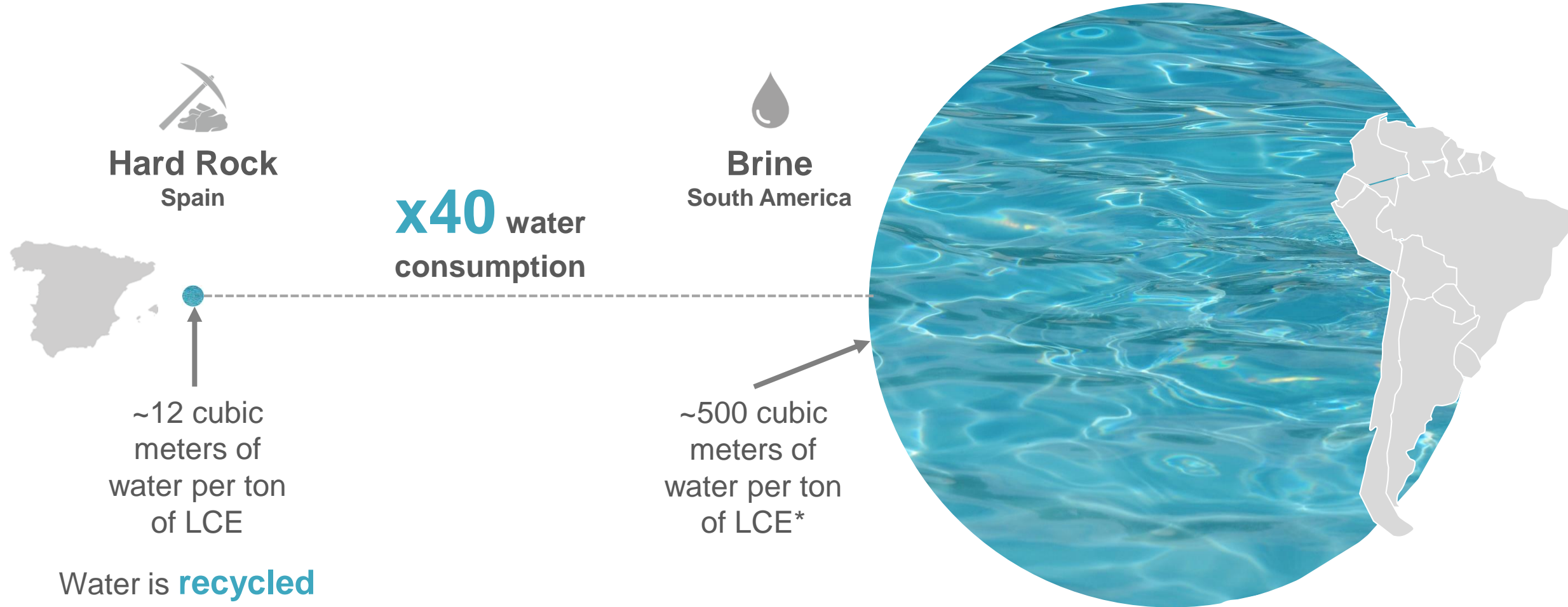
Lithium Chemicals production requires important volume of re-agents and most existing and future lithium chemical/conversion plants are very remote and have import those re-agents from very far away



Infinity Lithium Corporation



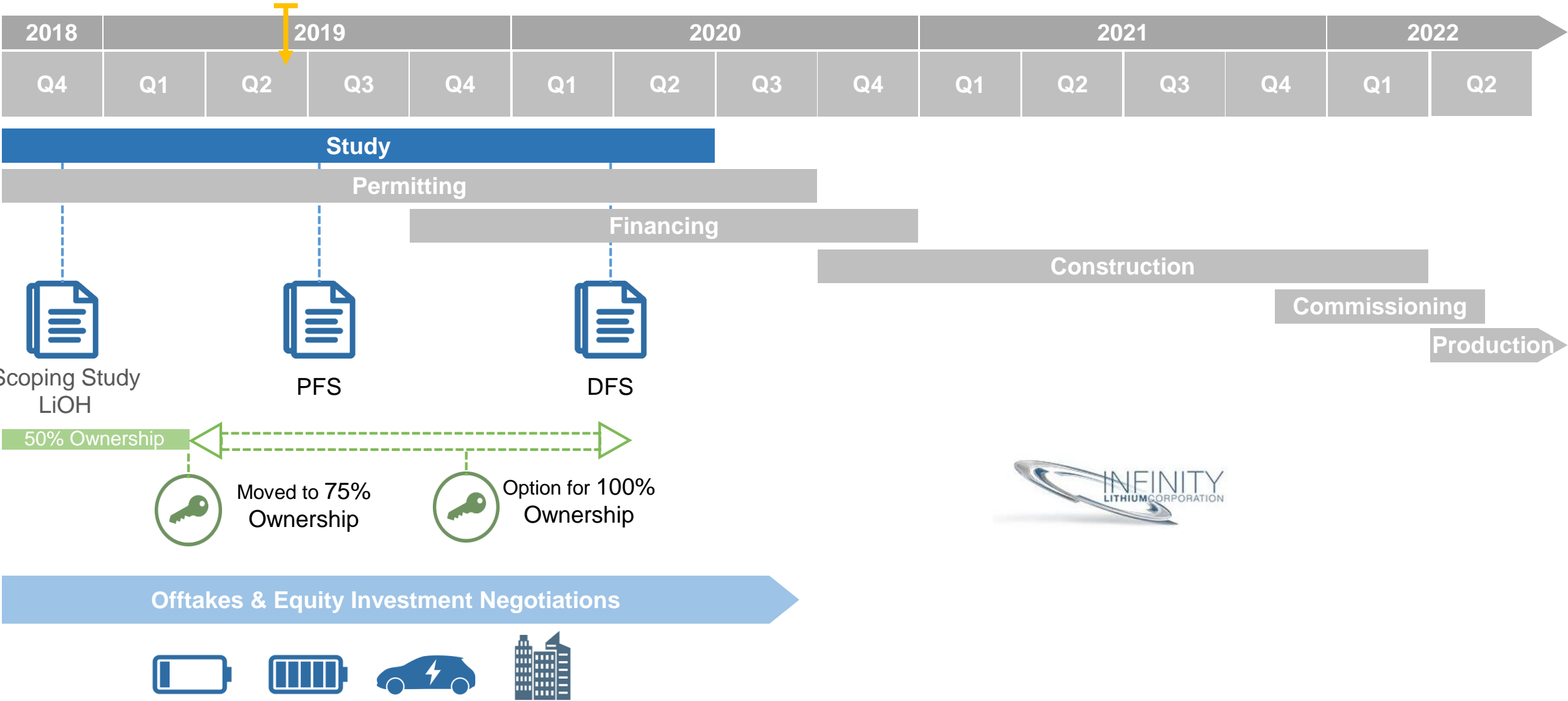
# Water Consumption in Lithium Production – An Environmental Concern



\*Solvay – Argus Metals Conference February 2019



# 7. San Jose Valdeflores Project Timeline





# Summary

-  **1- Strong Demand Outlook For Lithium In Europe**
-  **2- Infinity is Strategically Located**
-  **3- A Uniquely Fully Integrated Lithium Project**
-  **4- A Large And Long Term Asset Supporting EV Growth**
-  **5- San Jose Lithium Project Supported by Strong Economics**
-  **6- Sustainable, Low Carbon Footprint Operation**
-  **7- A Unique But Time Constrained Opportunity For Spain & Extremadura**



# Board of Directors & Management

## Kevin Tomlinson Non Executive Chairman



MSc Geol, Grad  
Dip Finance &  
Investment

- +30 years experience in mining and finance within the Toronto, Australian, and London stock markets
- Background in project finance, development, and mining experience includes previous roles as Managing Director at Westwind Partners/Stifel Nicolaus and as a board member of Medusa Mining
- Currently on Boards of Centamin (LSE.CEY and dual TSX.CEE listed) and Cardinal Resources (ASX.CDV)



## Ryan Parkin Managing Director/CEO



CA ANZ  
BComm  
Accounting &  
Finance

- +15 years experience in corporate development, accounting and finance in both listed and unlisted companies
- Currently on Board of non-listed mining industry entity

## Robert Orr CFO & Company Secretary



Chartered  
Accountant

- Acted as Chief Financial Officer and Company Secretary for a number of ASX listed companies, with over 30 years' experience in public practice and commerce.

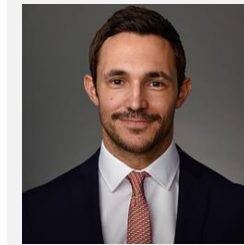
## Adrian Byass Executive Director



BSc Geol Hons,  
B. Econ

- +20 years in the mining industry both in listed and unlisted entities globally, Non-Executive and Executive Director of various listed and unlisted mining entities, which have successfully transitioned to production in bulk, precious and specialty metals around the world
- Currently on Boards of ASX phosphate, zinc and nickel companies.
- ASX and AIM Board experience

## Vincent Ledoux Pedailles Executive Director



MA Business

- Background in consulting and research in the petrochemical industry, specialty chemicals, industrial minerals, base and minor metals
- Led the Lithium & Battery Metals team at IHS Markit and involved in the lithium industry since the early 2010's starting with Talison Lithium

## David Valls Technical Manager - Spain

BSc Geology



- +10 years in the mining and exploration industry in Europe and Africa as technical manager in the development of base and energy metals projects



# Momentum Builds For Infinity Lithium

ASX Code  
FRA Code

INF  
3PM

Share Price

A\$0.077<sup>(1)</sup>

Shares on Issue

190.17m

Market Capitalization

A\$14.6m

Cash

A\$1.6m<sup>(2)</sup>

Debt

Nil

(1) Closing share price 24<sup>th</sup> June 2019  
(2) As at 31<sup>st</sup> March 2019

Top 20 Shareholders

37.9%

Directors & Mgt

3.6%





# INFINITY LITHIUM

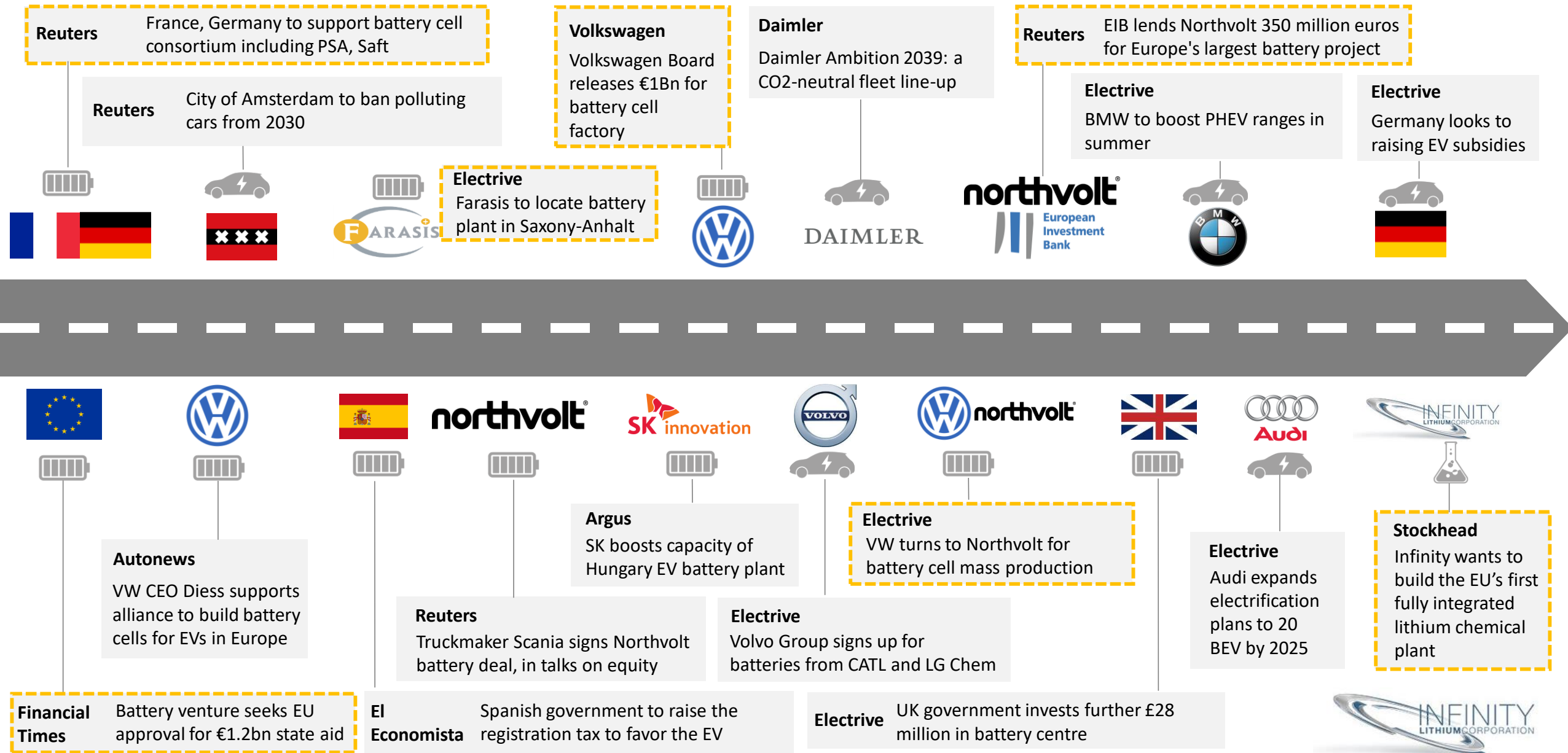
**Developing lithium production in  
Europe to power a renewable future**
































# APPENDIX



# May News The European Li-ion Battery Supply Chain

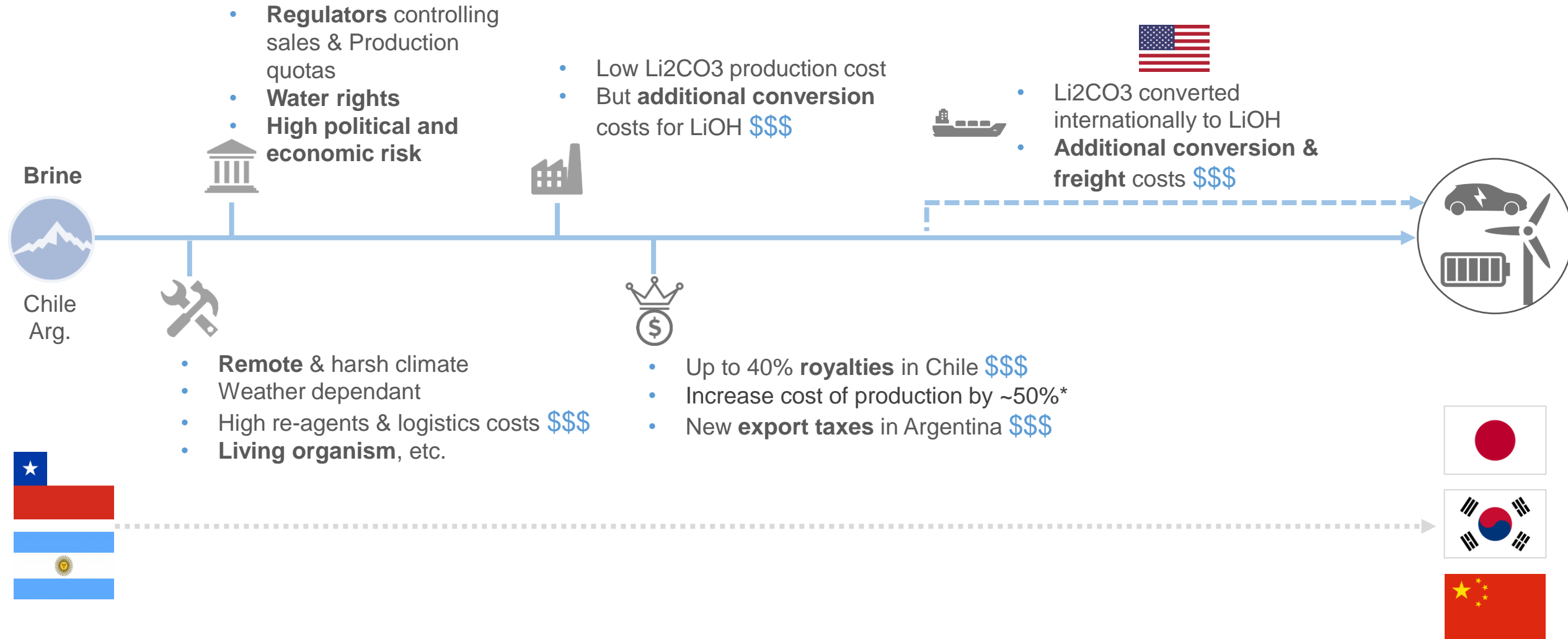


# Infinity: The Best Large Scale Integrated Project In The EU

Company	European Metals	Infinity Lithium	Bacanora	Savannah Res.	Keliber	European Lithium	Lithium Australia
Project	Cinovec Czech Republic	San Jose Spain	Zinnwald Germany	Mino do Barroso Portugal	Several Finland	Wolfsberg Austria	Sadisdorf Germany
Mineral	Mica (Zinnwaldite)	Mica (Zinnwaldite)	Mica (Zinnwaldite)	Spodumene	Spodumene	Spodumene	Mica (Zinnwaldite)
Li2O (%)	0.40	0.86*	0.7	1.04	1.16	1.0	0.45
Mine	Underground 	Open pit	Underground 	Open pit	Open pit & Underground	Underground 	Underground 
Resources	7Mt LCE	1.6Mt LCE	0.66Mt LCE	0.52Mt LCE	0.29Mt LCE	0.27Mt LCE	0.27Mt LCE
Stage	Work on DFS Li2CO3 Work on PFS for LiOH	Working on PFS	FS Published	Working on FS	DFS completed	Working on DFS	Exploration
End-product	Li2CO3 or LiOH	LiOH	LiF	Spodumene	LiOH	LiOH	Li2CO3
Opex \$/t (before credits)	4,876 	5,343 	11,659***   	271 	5,358 	7,160   	n.a
By-product	Calculated Tin, tungsten & potash	Not calculated Tin & boron	Potassium sulphate	Not calculated Quartz & Feldspar	Not calculated Analcime sand & quartz-feldspar sand	Not calculated Feldspar & Quartz	n.a
Capex	\$483M	\$288M**	\$180M	\$109M	\$370M	\$424M	n.a
Project life	21y 	24y 	30y 	11y 	13y 	10y 	n.a
Production	25,267tpy	15,000tpy	7,285tpy***	175,000tpy spod.	12,000tpy	10,000tpy	n.a
Capex/t (\$/t)	19,100 	19,200 	24,708***  	n.a	30,800  	42,400   	n.a
Comment	<ul style="list-style-type: none"> <li>High Iron Content</li> <li>Aggressive beneficiated feedstock at 2.7%</li> </ul>		<ul style="list-style-type: none"> <li>LiF is a small market that could have excess supply with a large project</li> </ul>	<ul style="list-style-type: none"> <li>Export to China the only option today</li> <li>Not integrated</li> </ul>	<ul style="list-style-type: none"> <li>To buy feedstock after 13 years</li> <li>Have to operate at 7 different sites</li> </ul>	<ul style="list-style-type: none"> <li>High Capex</li> <li>High Opex</li> <li>Short life</li> </ul>	<ul style="list-style-type: none"> <li>Using an unproven technology (SiLeach)</li> </ul>

# Many Paths to Market but Integration & Proximity is Key

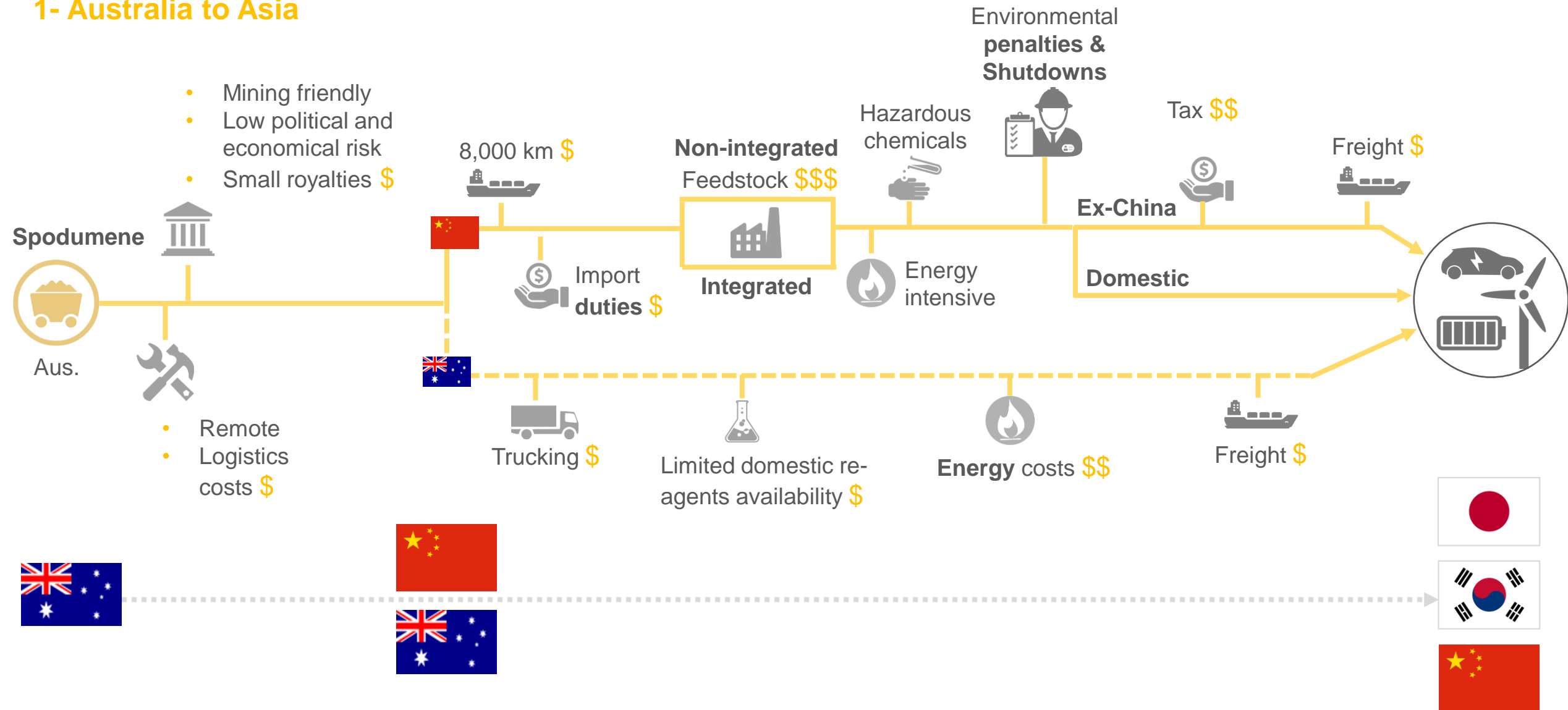
## 1- South America to Asia





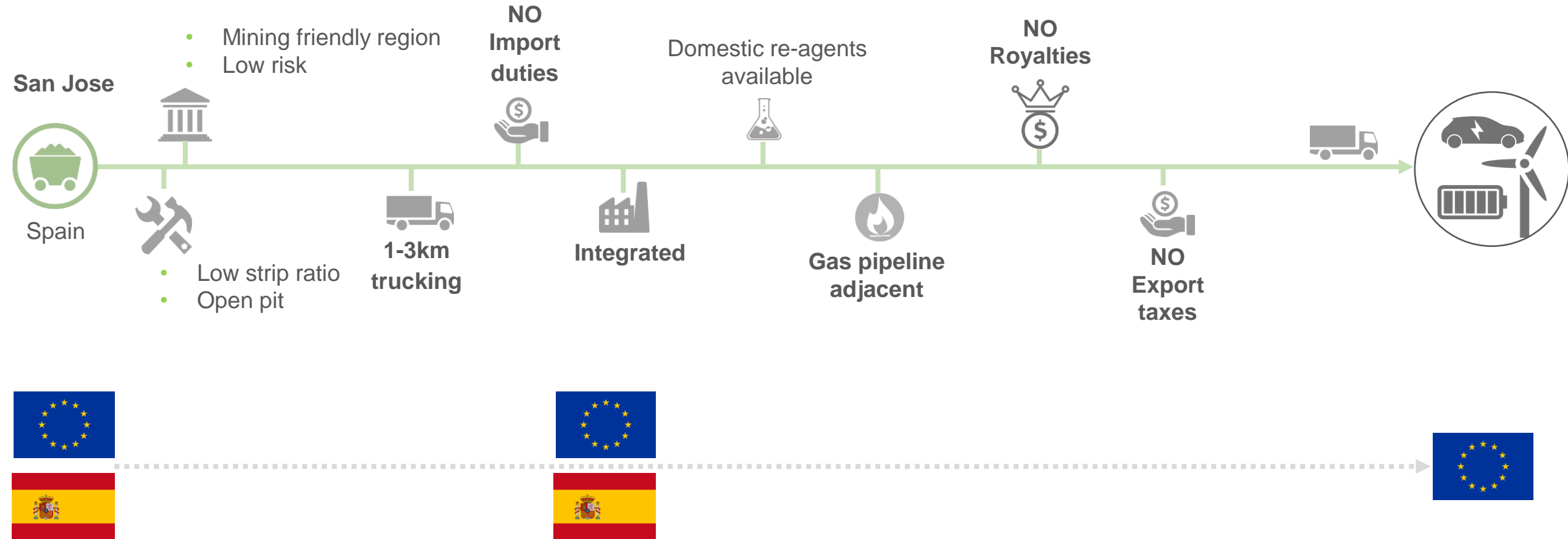
# Many Paths to Market but Integration & Proximity is Key

## 1- Australia to Asia

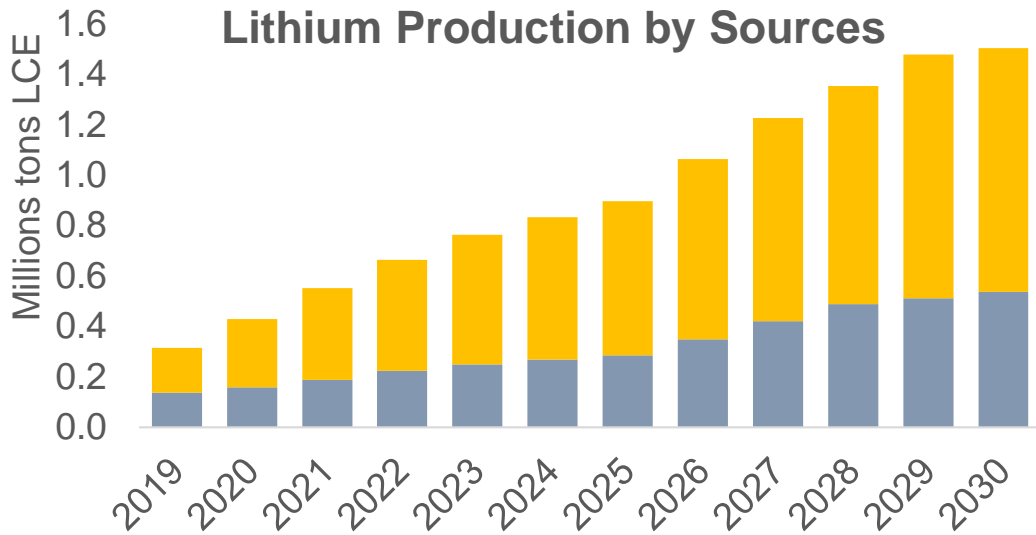


# Many Paths to Market but Integration & Proximity is Key

## 3 – Europe to Europe



# Integration: The Way Forward for Hard Rock Production



■ Lithium Chemicals - from Converted Rock

■ Lithium Chemicals - Brine



Hard rock to dominate mine supply response



Easier mining jurisdiction, lower risk

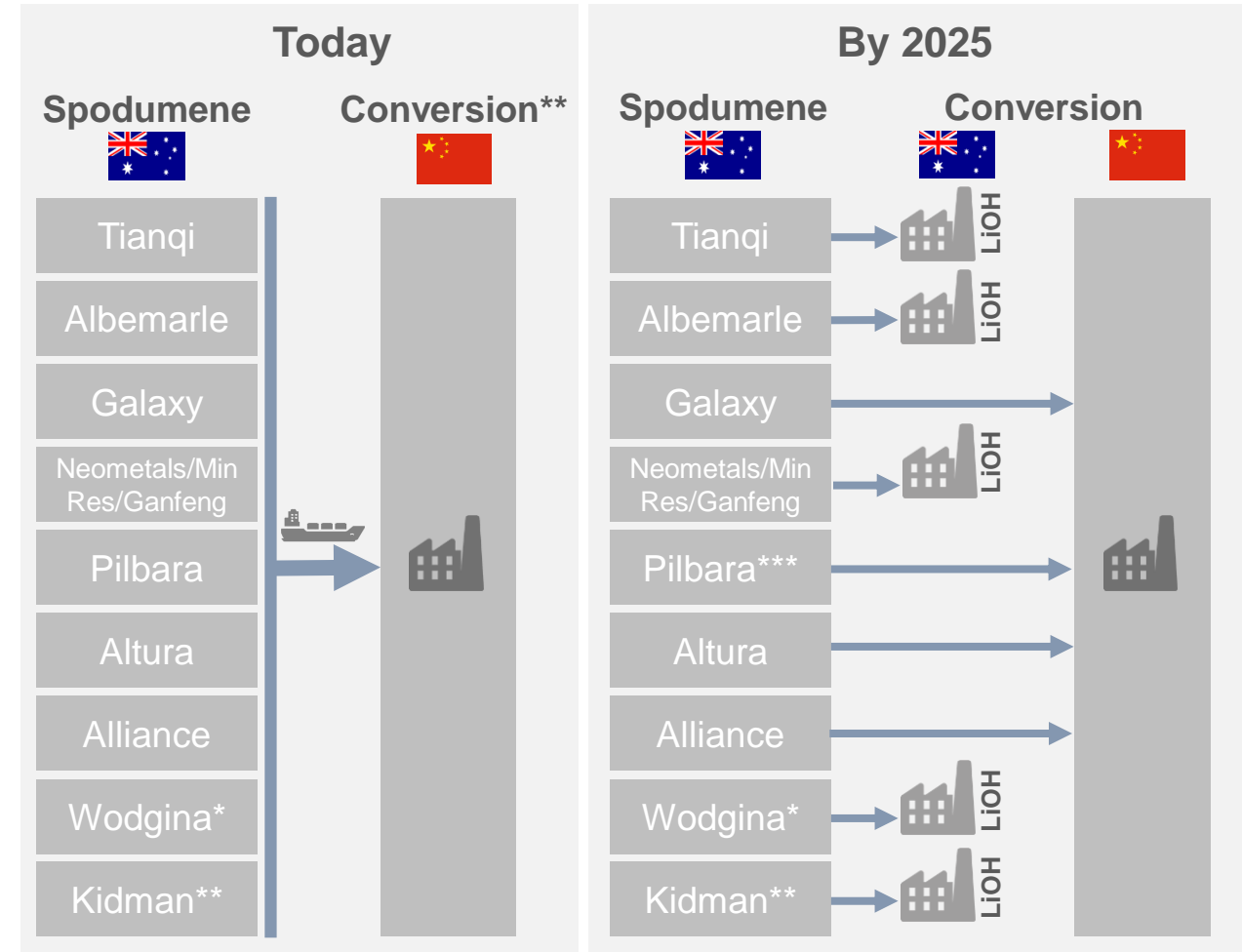


Preferred feedstock for lithium hydroxide



However, **mine production does not equal lithium chemical production**

## Integration process for miners will improve efficiency

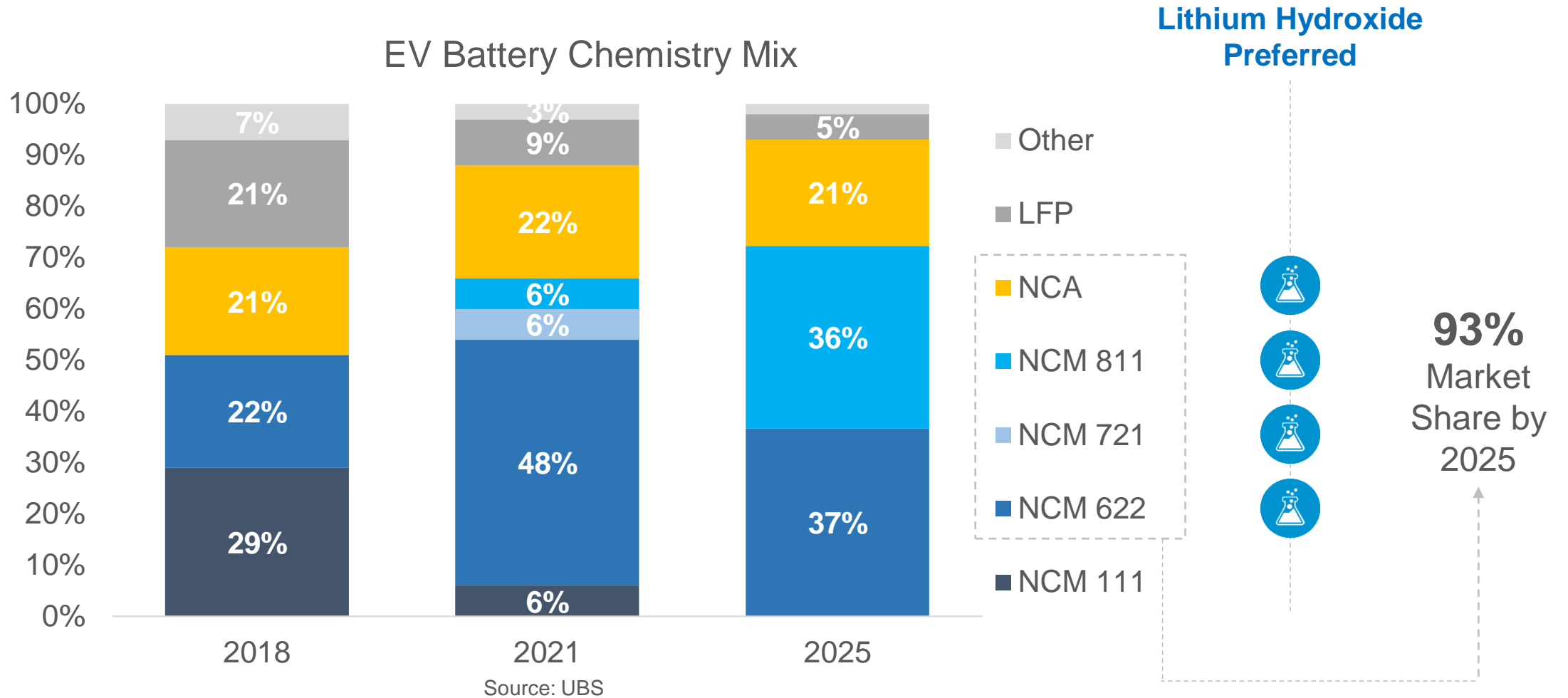


\*Minerals Resources & Albemarle \*\*SQM & Westfarmers \*\*\*Conversion in South Korea

Source: Canaccord Genuity - Lithium | 2019 recharge

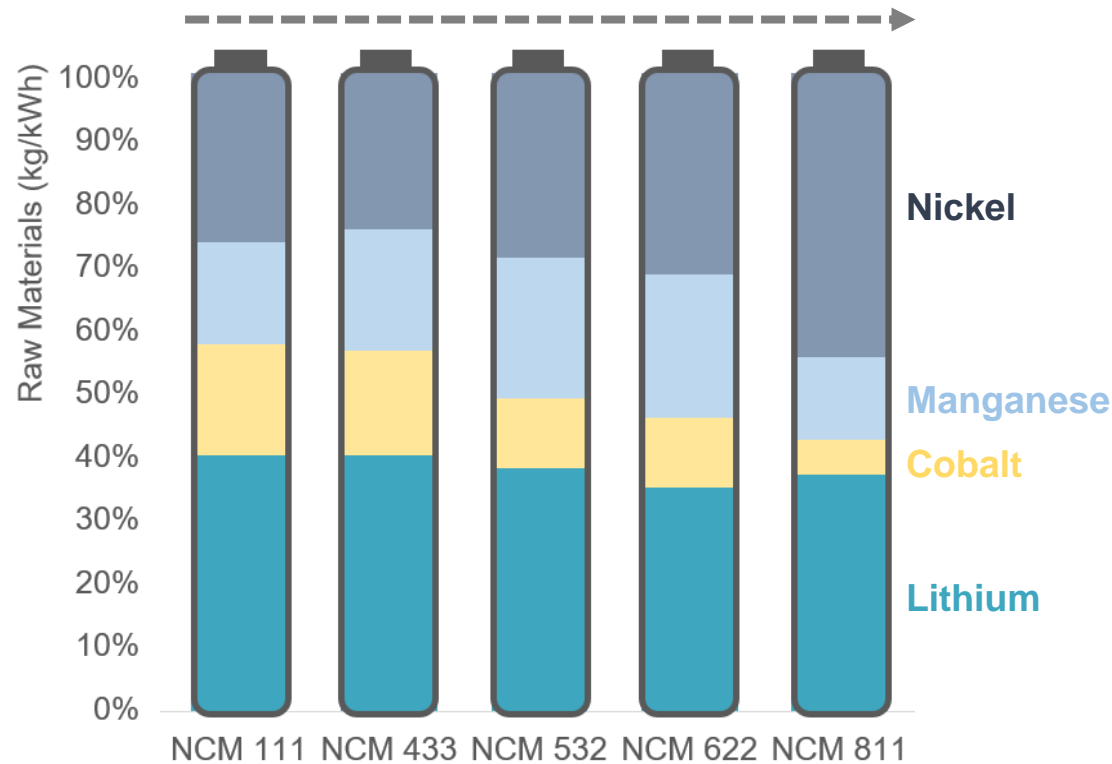


# Cathode Evolution: Nickel-rich NMC to Dominate the Industry



# Cathode Technology Evolution Leading To Shift In Lithium Demand

NMC – a leading technology evolving



- **NMC is set to dominate** the industry
- The NMC cathode itself is evolving and using **more nickel**
- NMC 622 & 811 but also NCA **require lithium hydroxide**

Source: BNEF, Canaccord

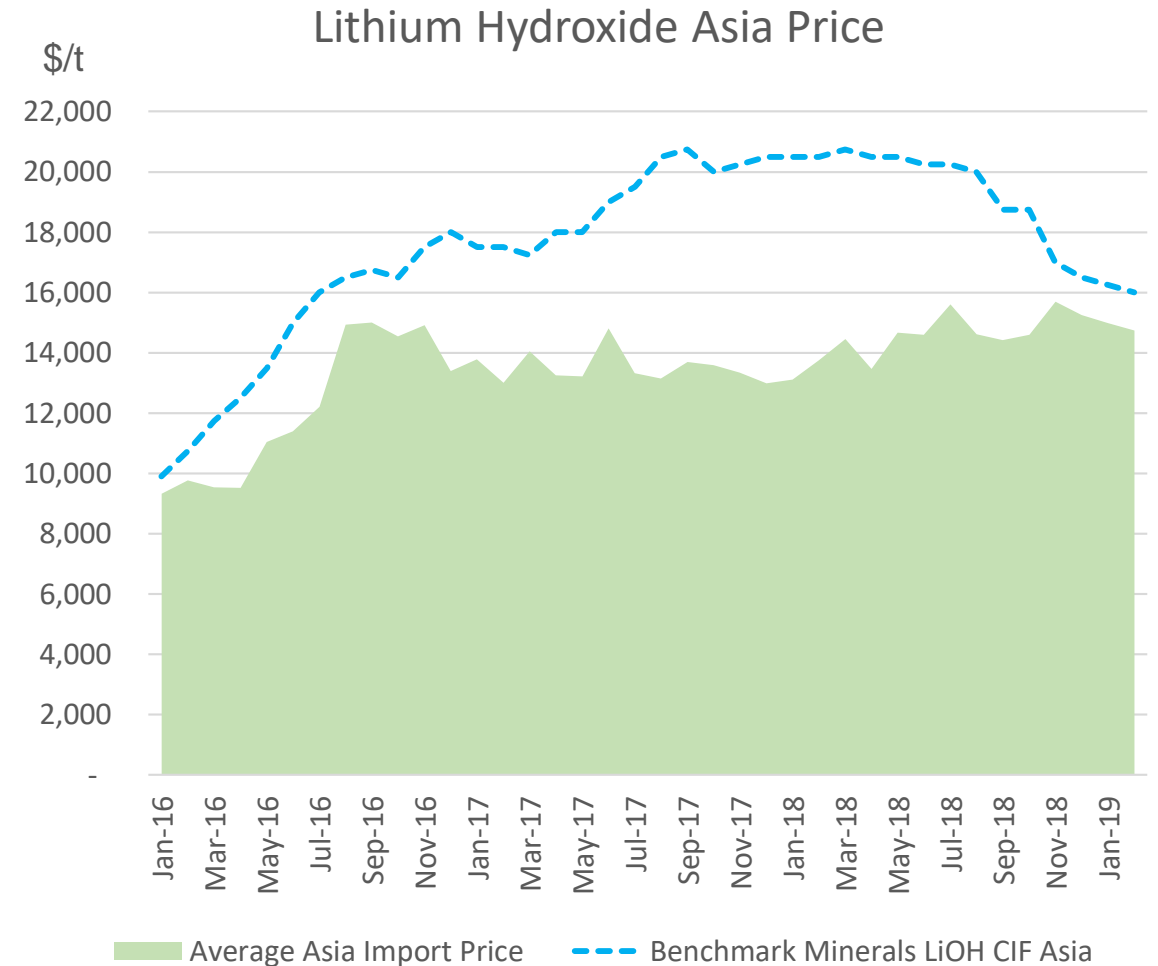
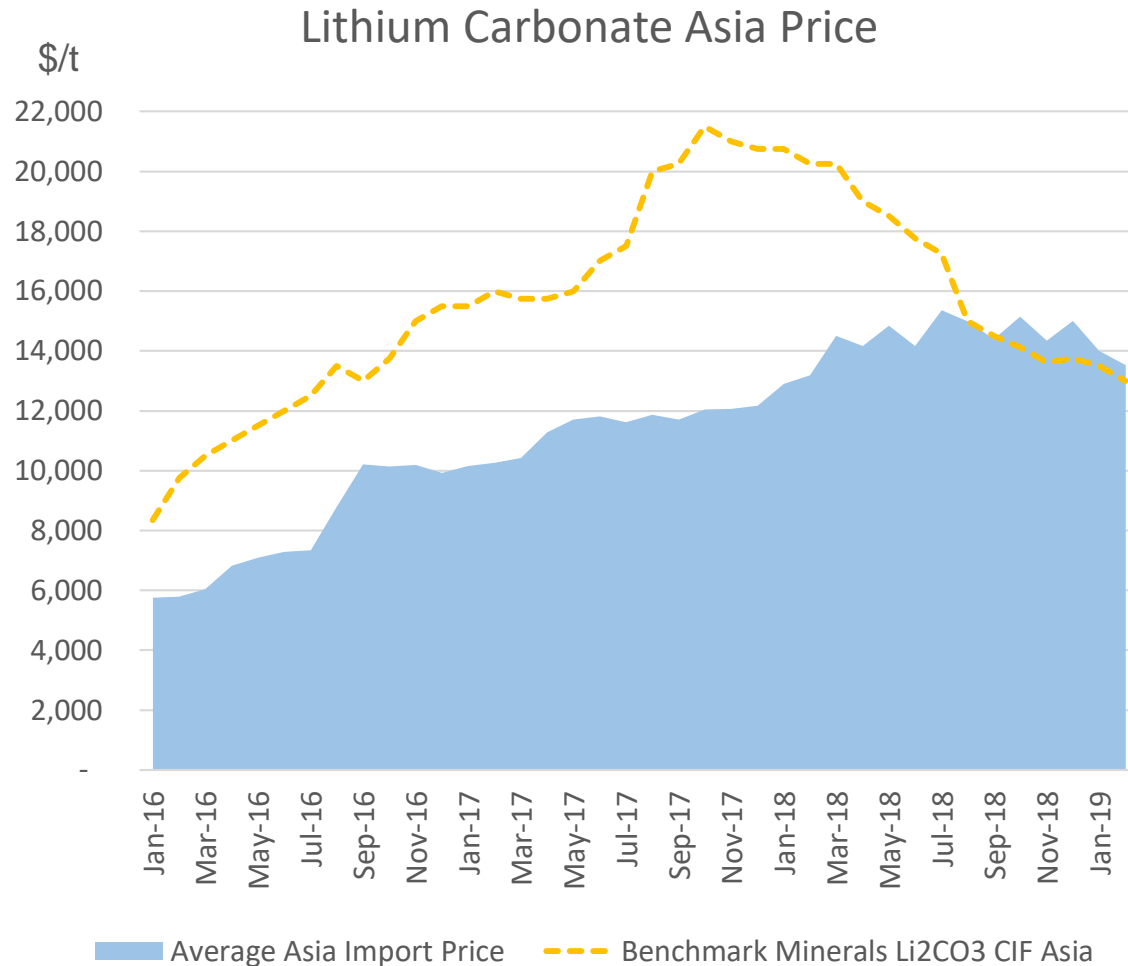
Lithium Demand: Carbonate vs. Hydroxide



- **Lithium hydroxide demand is growing faster than lithium carbonate** and most of the recent investments in lithium chemical plants have been in lithium hydroxide production

Source: Canaccord Genuity - Lithium | 2019 recharge

# Lithium Prices – Spot and Trade In Asia

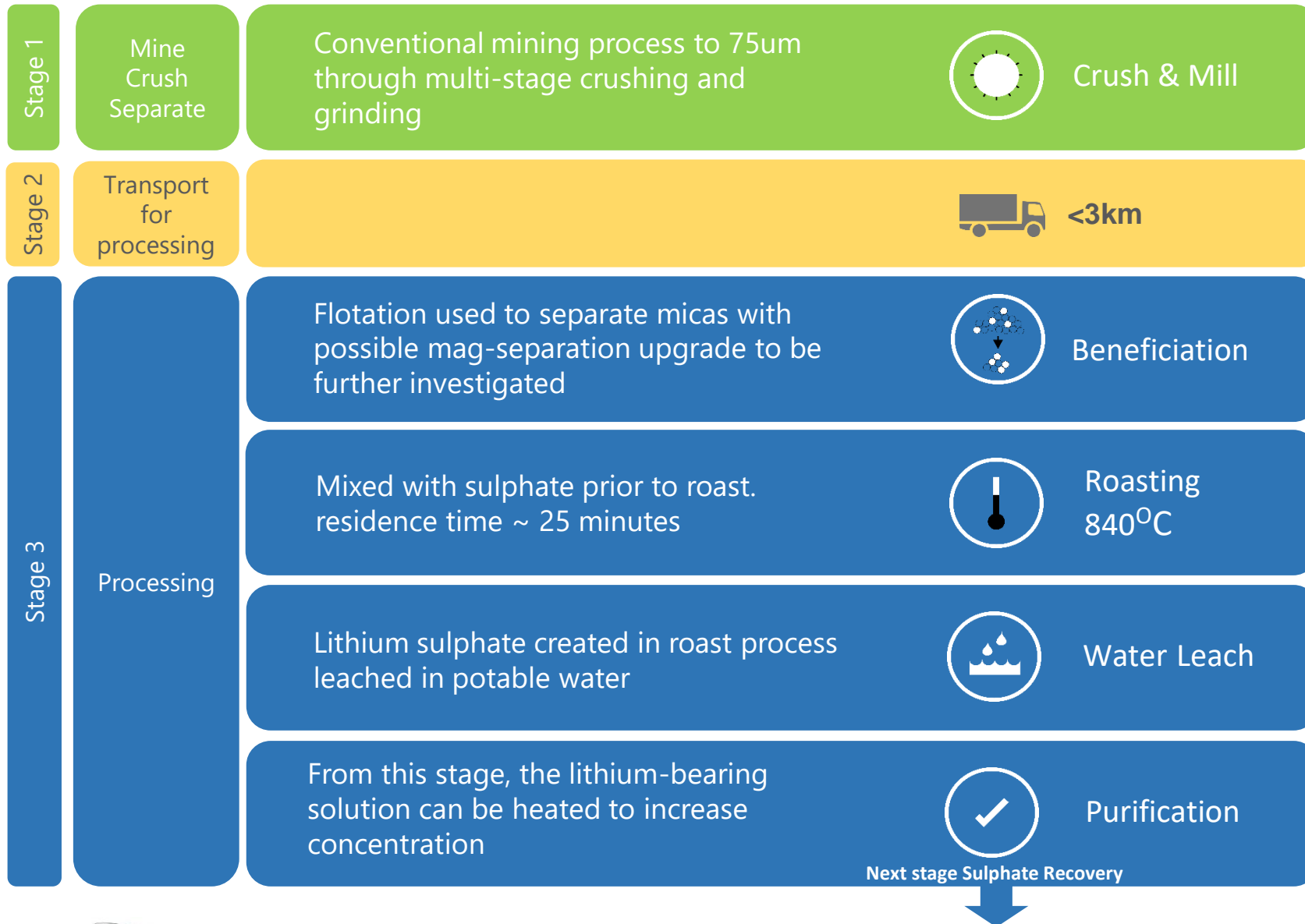


- Combining Japan, South Korea and China clearly shows the upward trend during the last three years
- Clear disconnect with reported spot prices which have now moved under or near contract prices



# From Mining to Lithium Bearing Solution

1



## Mineralogy

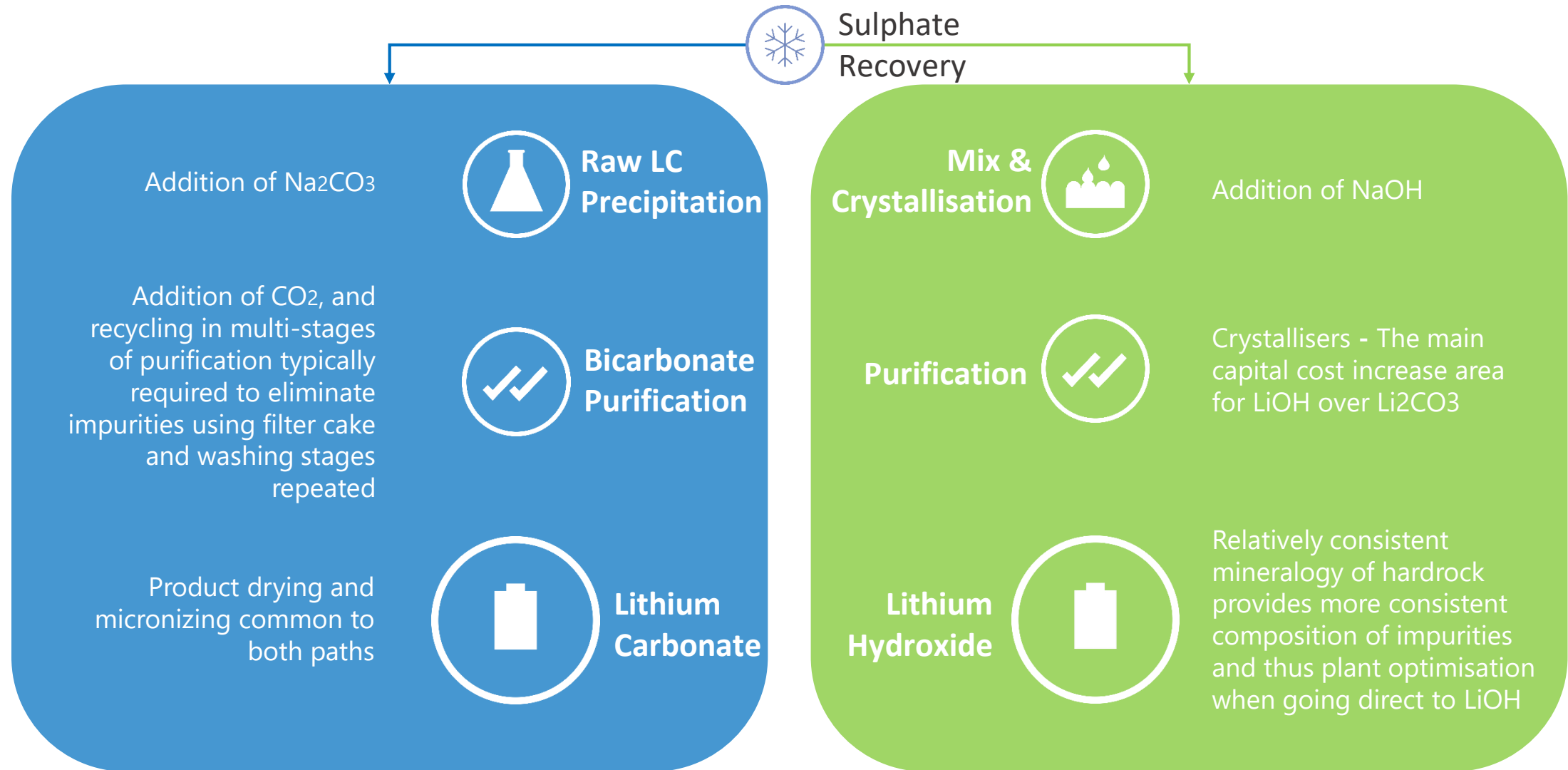


■ Mica ■ Quartz ■ Tourmaline

Ore material is approximately equal parts lithium-bearing mica, quartz and tourmaline

# Lithium Bearing Solution to Lithium Product

2



# San Jose Lithium Project - Joint Venture Structure

