

How is Europe placed in the global lithium race?

**INFINITY
LITHIUM**
June 2019



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Competent Persons Statement

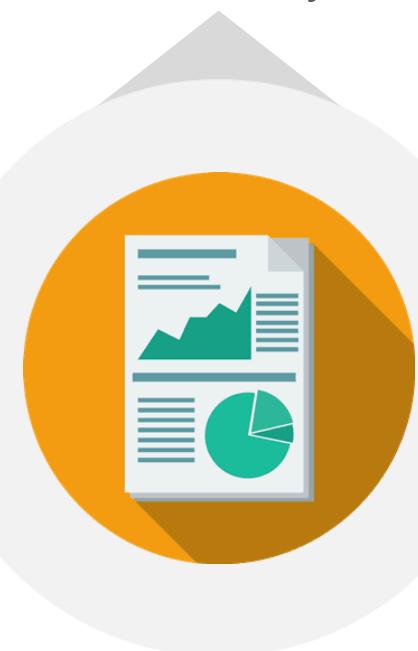
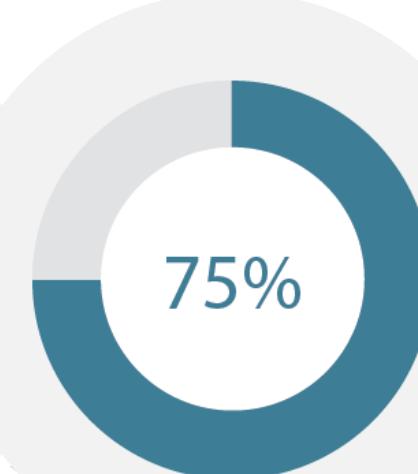
- ❖ The information in this report that relates to Exploration Targets and Mineral Resources is based on the information compiled by Mr Patrick Adams, of Cube Consulting Pty Ltd (Perth). Mr Adams has sufficient relevant professional experience with open pit and underground mining, exploration and development 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

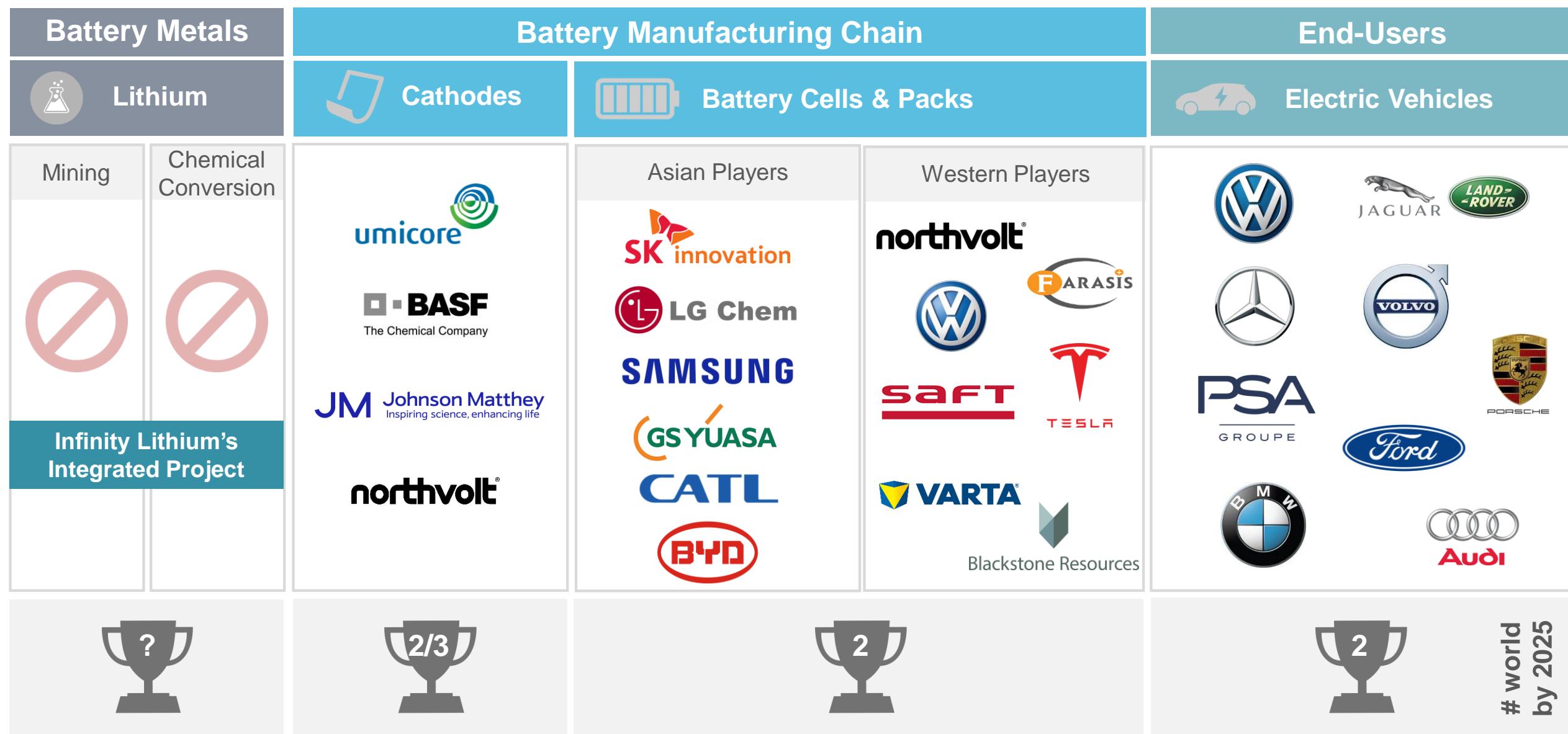


EU To Support
Development Of
Lithium Production

Moved To 75%
Ownership Of
The Project

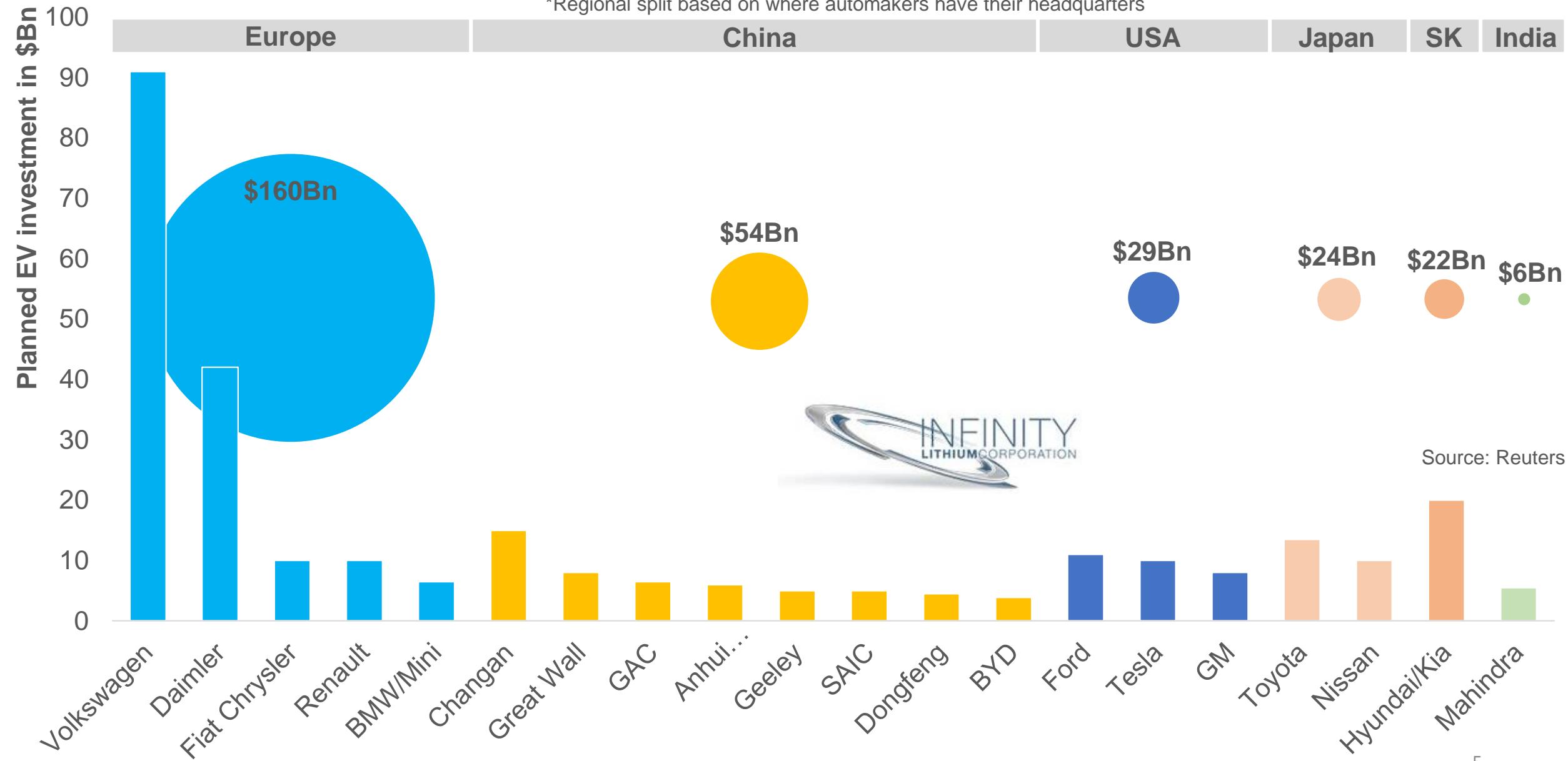
 NPV ⁽¹⁰⁾ \$717M
IRR (pre-tax) 51%
Pay back 2.3y

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...



is looking at launching battery production in Europe



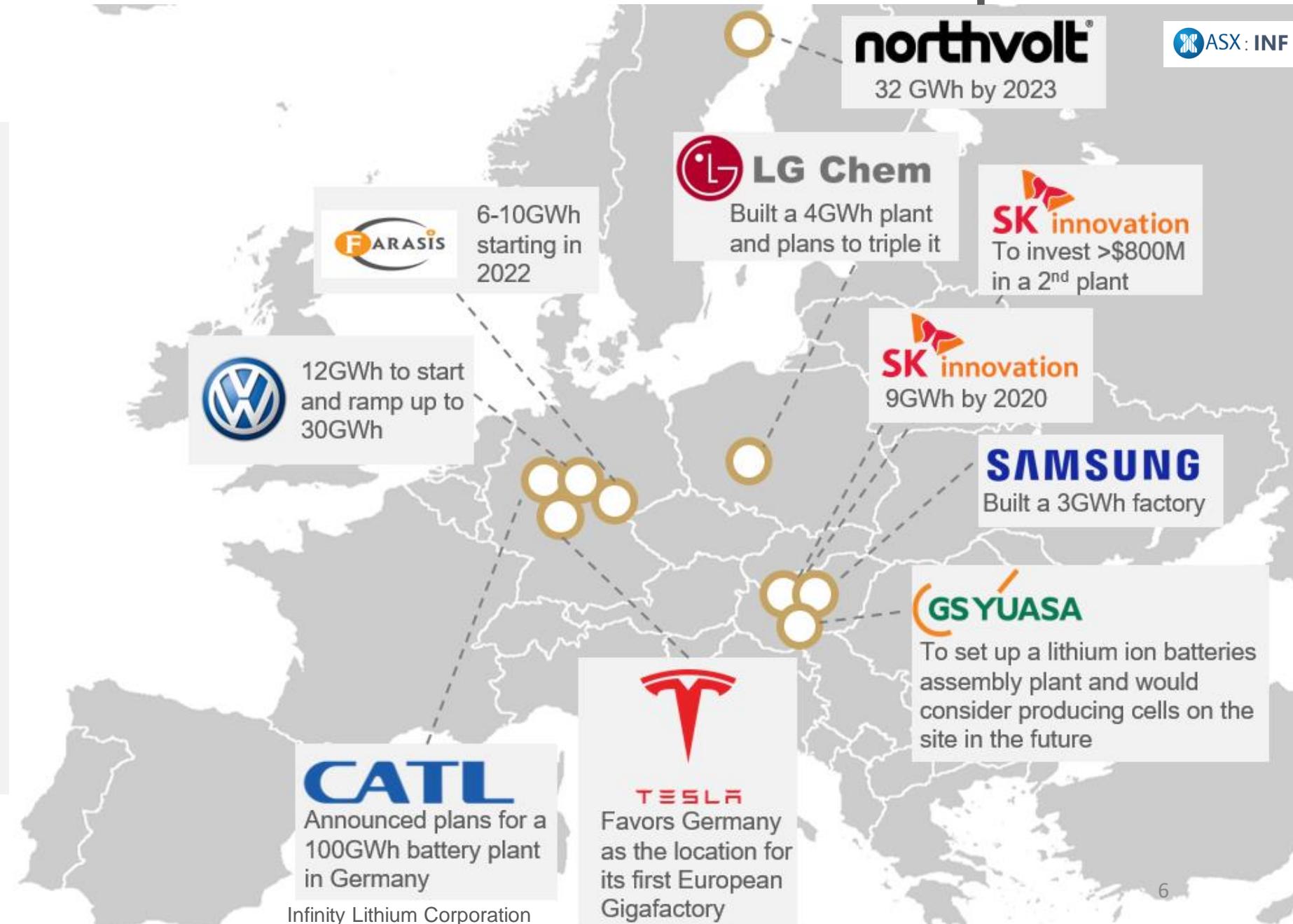
GSR Capital signed a deal to build a factory that would launch production in 2023



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



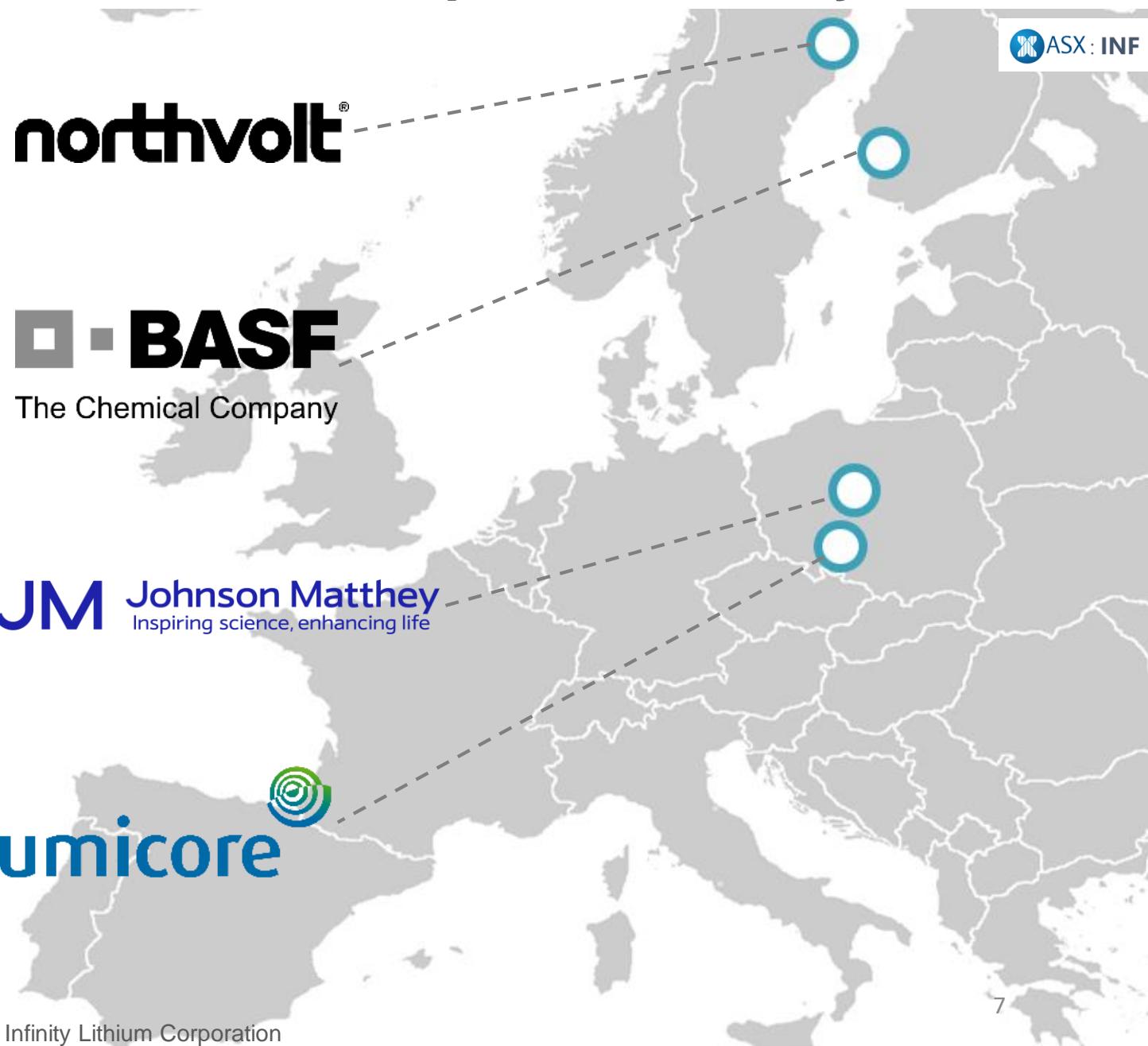
A Number Of Cathode Plants Planned In Europe In The Early 2020s

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.

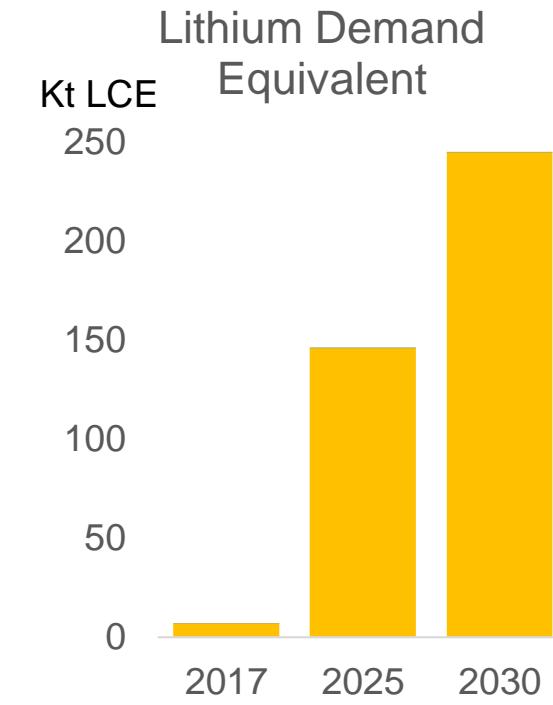
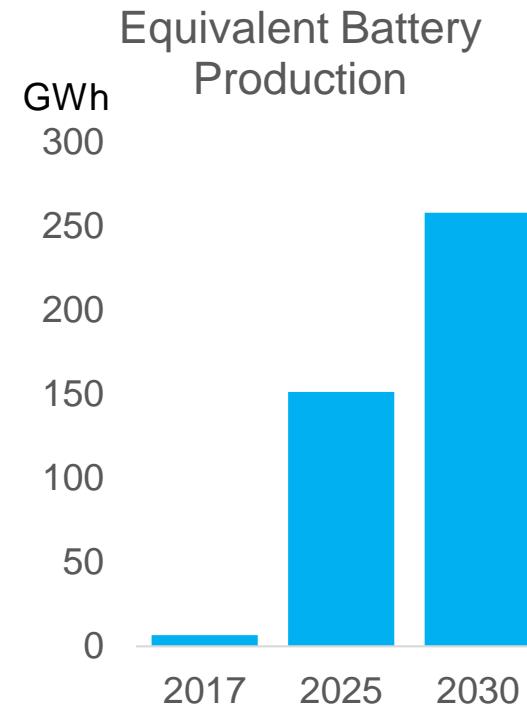
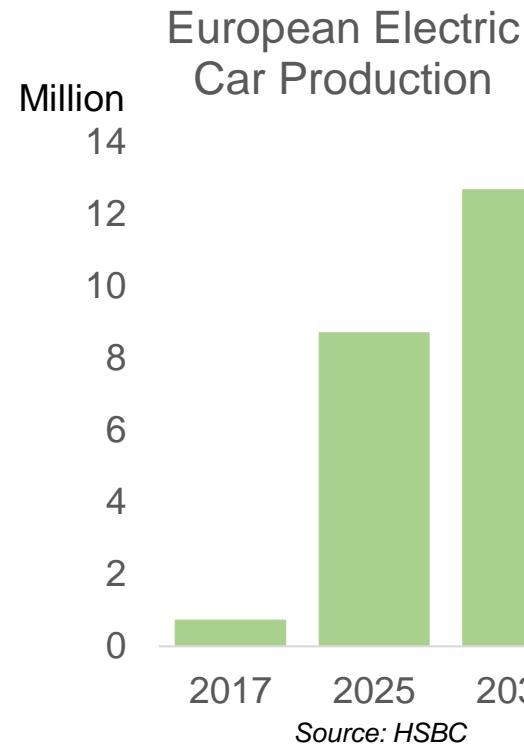
Umicore is planning to build a cathode plant in Poland. The first phase of this investment is included in the €660M programme. Umicore is due to start deliveries in late 2020.



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

ASX: INF

	 Electric Vehicles	 Lithium-ion Batteries	 Lithium
 Industry	<ul style="list-style-type: none">Daimler Ambition 2039: a CO2-neutral fleet line-upVW embarks on €50Bn electrification planAudi will invest over €14Bn in e-mobility advance	<ul style="list-style-type: none">CATL boosts battery cell factory in Germany – up to 100 GWhVW Board releases €1Bn for battery cell factorySK Innovation starts construction of 2nd battery factory in Hungary	<ul style="list-style-type: none">VW to promote lithium production in Europe in the medium term - relevant deposits in Central and Southern Europe
 Governments	<ul style="list-style-type: none">Germany to introduce new EV quota & grantsSpain to subsidize electric mobilityItaly offers incentives for EVs	<ul style="list-style-type: none">Germany has set aside €1Bn to support battery cell productionFrance will invest €700M into projects to boost the European EV batteryGermany and France launch €2 billion kick-start for battery cells	<ul style="list-style-type: none">Spain: Mining in Extremadura is a key strategy in the energy transition
 Europe	<ul style="list-style-type: none">European parliament backs 40% cut in vehicle CO2Brussels agrees 2030 carbon dioxide targets for cars	<ul style="list-style-type: none">EIB lends Northvolt €350M for Europe's largest battery projectEU to offer billions of funding for electric battery plants	<ul style="list-style-type: none">EC - Lithium chemical supply within Europe has been identified as imperativeRace for lithium illustrates EU drive for 'strategic' raw materials

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.

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”**

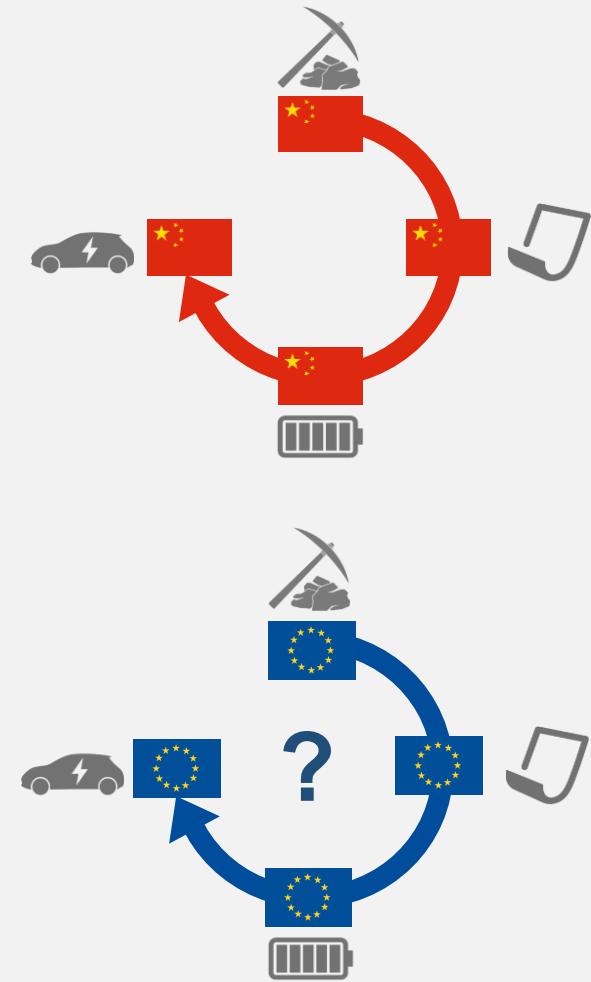


European
Commission



European
Investment
Bank

Replicate the Chinese Model





INFINITY LITHIUM

Developing lithium production in
Europe to power a renewable future

Strategically Located in Extremadura, Spain

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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



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**



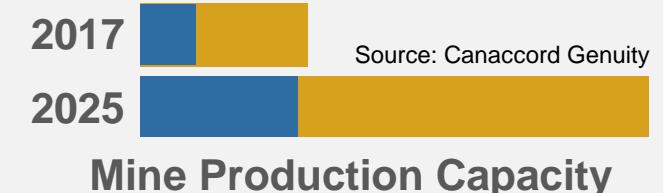
To produce around **15,000t** of lithium hydroxide battery grade per year

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

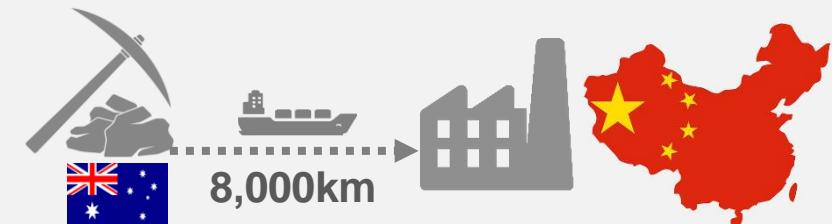


A Uniquely Fully Integrated Lithium Project

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**



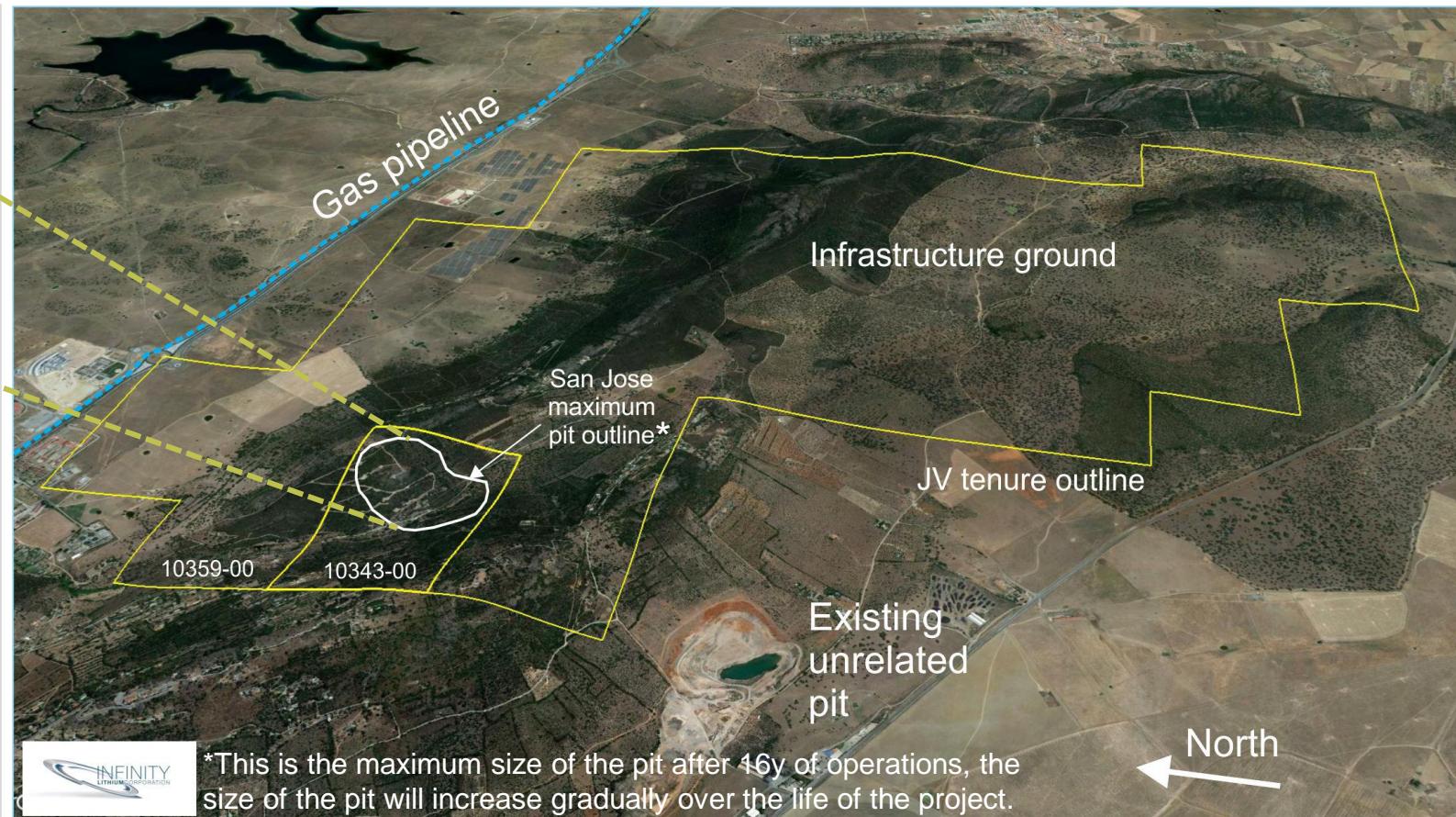
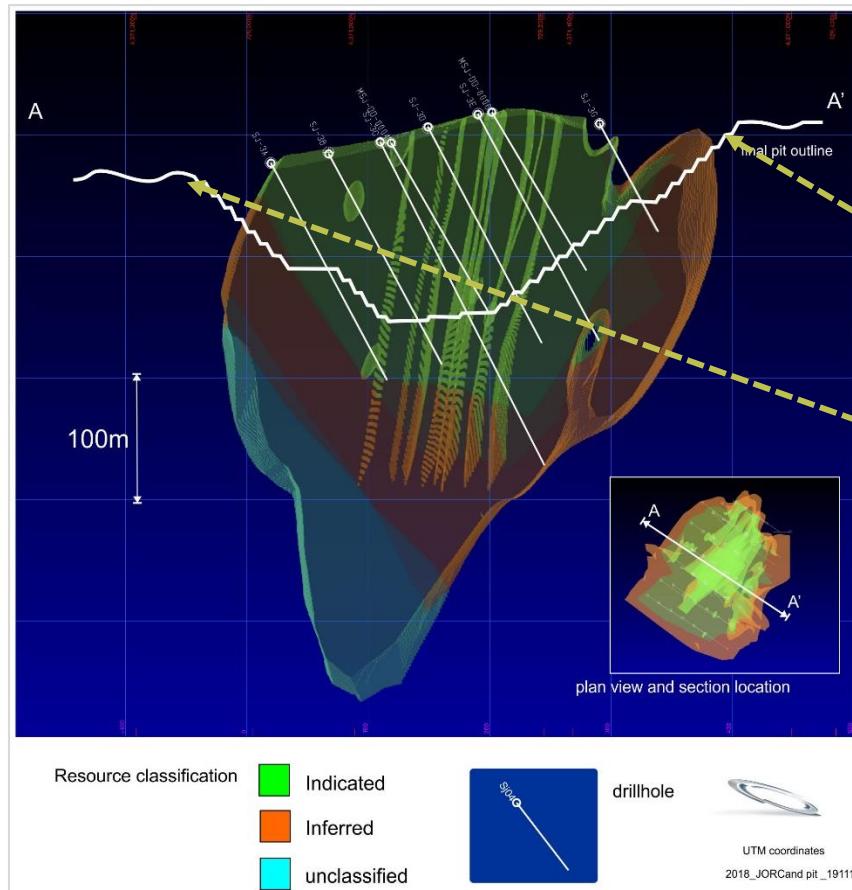
San Jose is an **industrial project** where the mine and the chemical operation are adjacent:

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



Fully Integrated Project - From Mining to Lithium Hydroxide

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Plan view of San Jose showing drilling, distribution of resources showing indicated (lime green), inferred (orange) against drill pattern

SAN JOSE MINERAL RESOURCE, REPORTED ABOVE 0.1% LI CUT-OFF

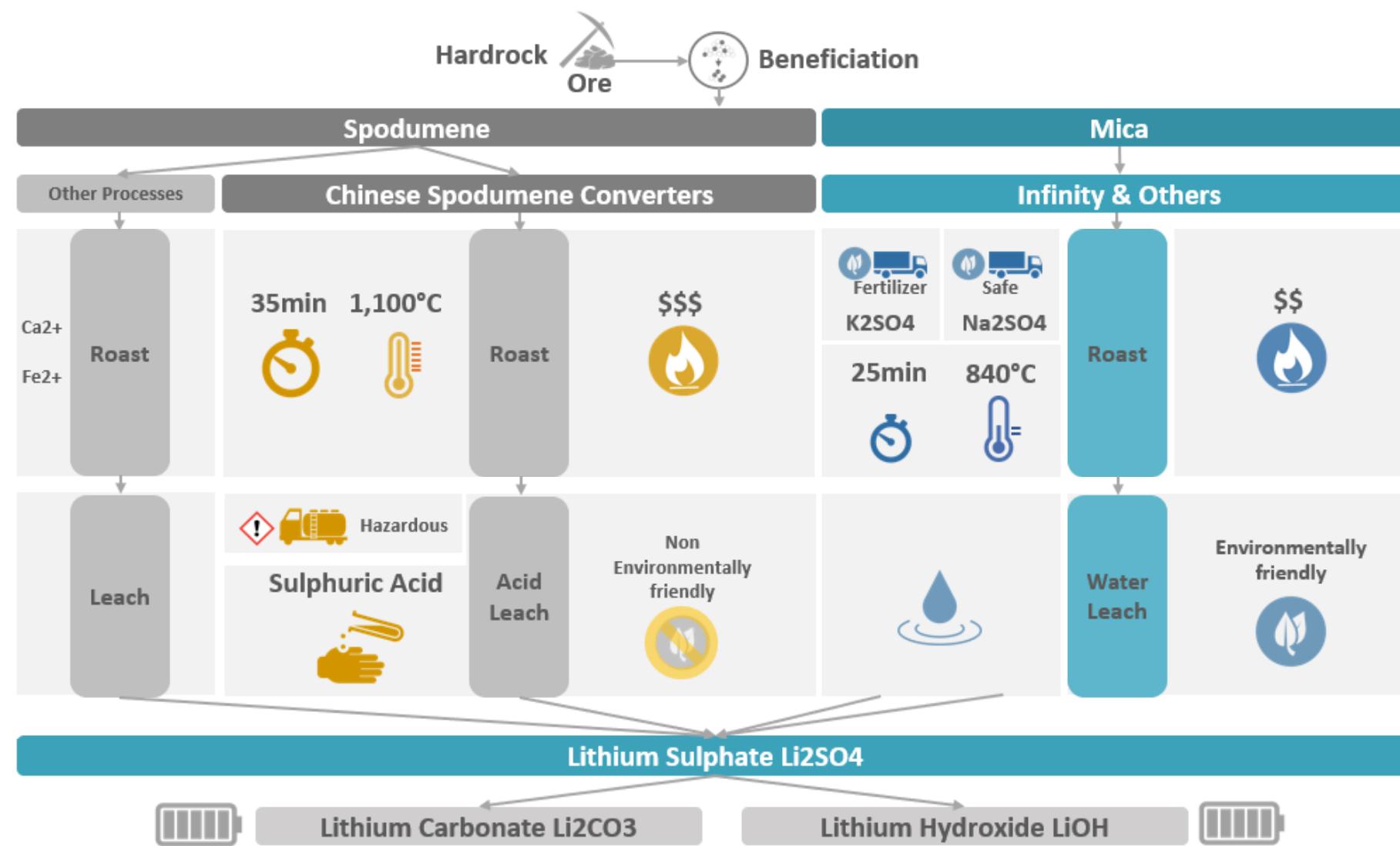
1.66Mt
LCE

Classification	Tonnes (Mt)	Li(%)	Li ₂ O (%)	Sn ppm
Indicated	59.0	0.29	0.63	217
Inferred	52.2	0.27	0.59	193
TOTAL	111.3	0.28	0.61	206

+90% Indicated Resources

Processing Hard Rock – Different Energy and Reagents Needs

ASX: INF



- 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 – 10kt 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

Lithium Project Supported by Strong Economics



NPV⁽¹⁰⁾
\$717M



IRR (pre-tax)
51%

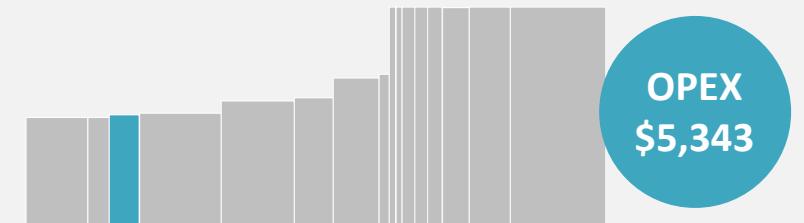


Pay back
2.3 years

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

Lithium Hydroxide Cost Curve 2022

Source: Cannacord

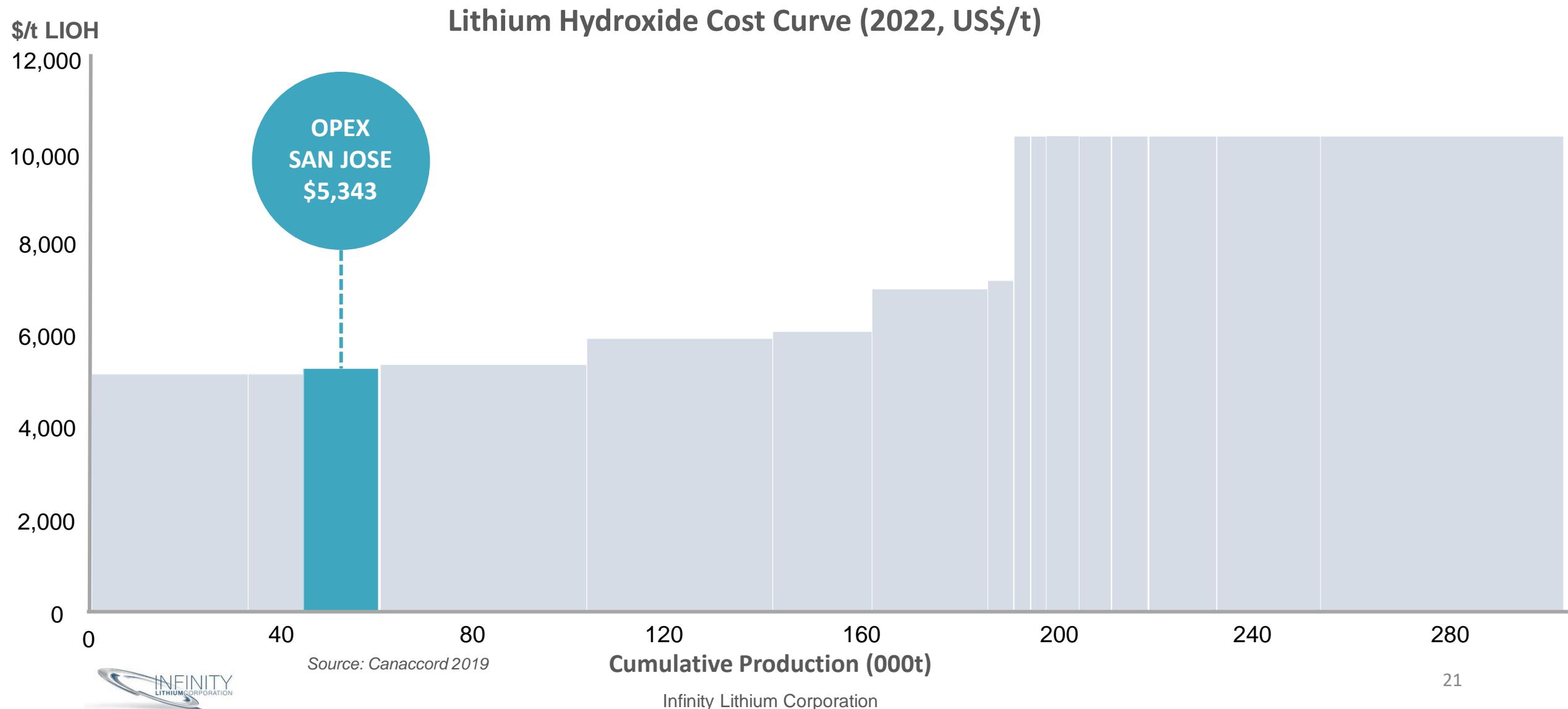


Starting CAPEX at US\$288M with a low capital intensity of \$19,200/t



Pre-Feasibility to be published late June/early July

Global Lithium Hydroxide Cost Curve In 2022



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

x40 water
consumption

Brine
South America

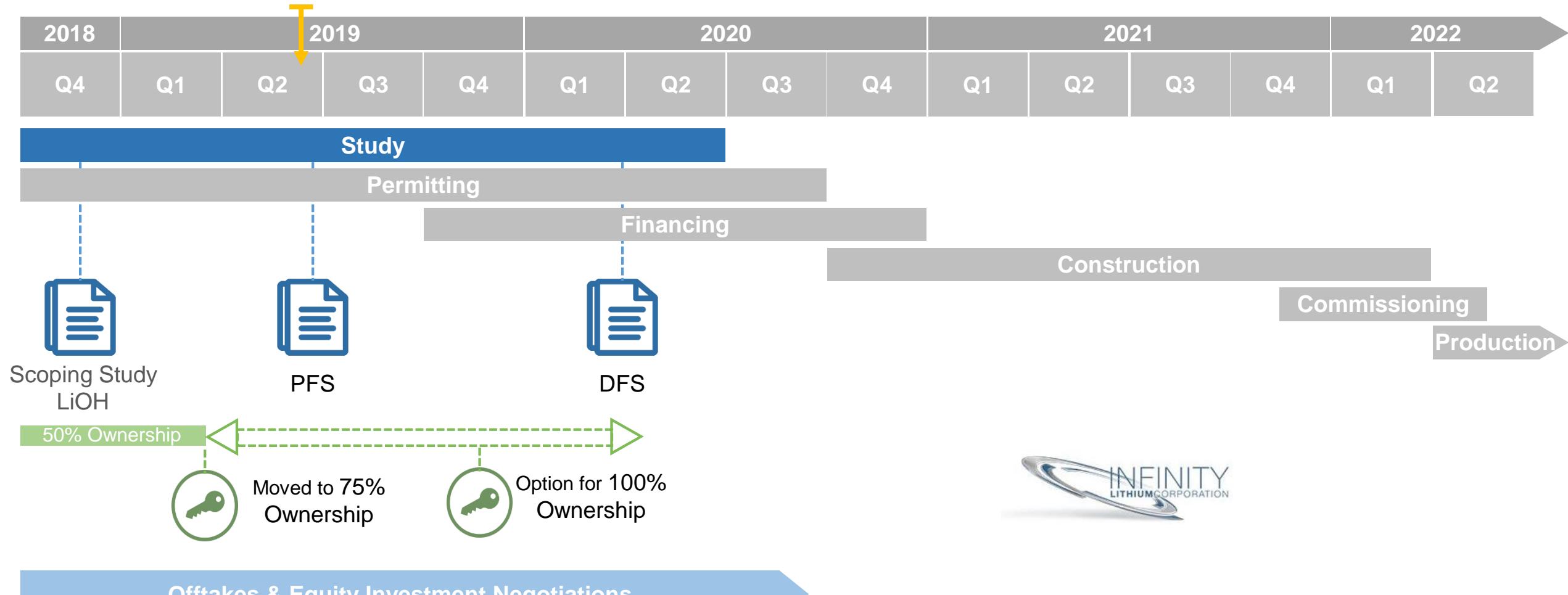
All reagents necessary for lithium processing **available domestically** as opposed to importing them from thousands of kilometers away





San Jose Project Timeline

ASX: INF



Offtakes & Equity Investment Negotiations



Summary



1- Strong Demand Outlook For Lithium In Europe



2- Infinity is Strategically Located



3- Focusing On the Fastest Growing Chemical Product



4- A Uniquely Fully Integrated Lithium Project



5- A Large And Long Term Asset Supporting EV Growth



6- San Jose Lithium Project Supported by Strong Economics



7- Sustainable, Low Carbon Footprint Operation

Discover more about Infinity Lithium

Talk to us today



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Developing lithium production in Europe
to power a renewable future



Infinity Lithium director discusses
widening gap in battery su... | 05:21

Vincent Ledoux Pedailles, executive director of
corporate strategy at Infinity Lithium Corpora...



Lithium - Paths to Market | 06:00

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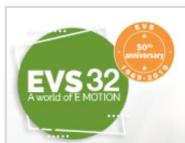
11th Lithium Supply & Markets Conference
The W Santiago
Santiago, Chile
10 - 12 June 2019

THE BATTERY SHOW
EUROPE 2019

CWIEME BERLIN

21 - 23 May 2019
Messe Berlin

19th Annual
advanced
automotive
battery
conference
aabc



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Hedging Your Position On Lithium Cocktail Networking Reception

12th June 2019 – Santiago, Chile

SCB Group and **Infinity Lithium** are delighted to announce this joint Cocktail Networking Reception
Please email natalia@starcb.com if you wish to join us, places are limited

SCB Group, a world leading commodity broking group with a mission to promote the adoption of low carbon future, is actively **developing lithium and cobalt derivatives market** to support the growth of liquidity and price transparency in the battery materials space

Infinity Lithium, an Australian listed minerals company, is **developing a fully integrated lithium hydroxide plant** in Spain to support the development of the lithium-ion battery and EV industry in Europe.



INFINITY LITHIUM

Developing lithium production in
Europe to power a renewable future