



ASX: INF

Equity Research

6th December 2023

SPECULATIVE BUY

Share Price \$0.10
Valuation \$0.62

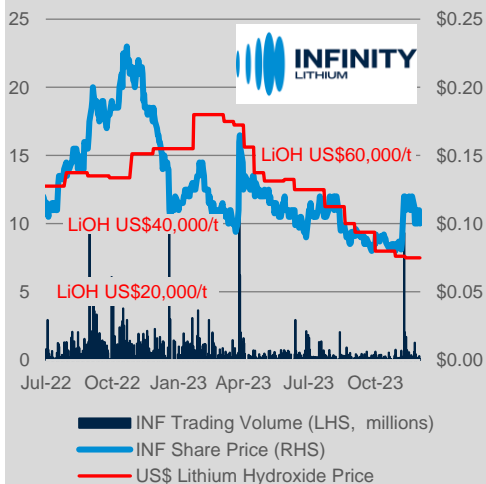
52-Week Range	\$0.079 - \$0.185
INF Shares Outstanding	462.6m
Options (\$0.250, exp. 8 Dec 2023)	21.0m
Options (\$0.266, exp. 31 Dec 2024)	4.0m
Options (\$0.304, exp. 31 Oct 2024)	4.0m
Options (various, various)	3.0m
Performance Rights	3.5m
Share Appreciation Rights (SAR)	
(\$0.072, 13 Sep 2024)	5.0m
SAR (\$0.082, 5 Oct 2024)	9.7m
SAR (\$0.082, 5 Oct 2025)	0.5m
SAR (\$0.144, 2 Dec 2025)	0.5m
SAR (\$0.170, 5 Jan 2026)	2.0m
Market Capitalisation	\$46.3m
Cash (30 Sep 2023)	\$11.3m
Enterprise Value	\$34.9m

Board & Management:

Adrian Byass	Non-Executive Chairman
Ryan Parkin	Managing Director/CEO
Remy Welschinger	Non-Executive Director
Jon Starink	Executive Director/CTO
Ramón Jiménez Serrano	Executive Director

Major Shareholders:

BNP Paribas Nominees	4.9%
Wombat Super Investments	2.9%
HSBC Custody Nominees	2.7%
Adrian Byass	2.5%
Top 20	34.1%



Infinity Lithium Corporation Ltd (ASX: INF) is a minerals company seeking to develop its 75% owned San José Lithium Project in the Extremadura Region, Spain. The proposed fully integrated industrial project is focused on the production of battery grade lithium chemicals from a mica feedstock that represents the EU's 2nd largest JORC compliant hard rock lithium deposit. The project would provide an essential component in the EU's development of a vertically integrated lithium-ion battery supply chain.

Infinity Lithium Corporation Limited

Innovative Process is a Game Changer

Scoping Study Update: on 9th November 2023, INF released the results of an Updated Scoping Study for the fully integrated production of battery grade lithium hydroxide monohydrate (LHM or LiOH) at the San José project in Spain.

San José Lithium Project: With 1.6 million tonnes of Lithium Carbonate Equivalent (LCE) in mineral resources, the San José Lithium Project is the second largest JORC defined hard-rock mineral resource in the EU and is strategically located to benefit from booming demand from the emerging gigafactories in the region.

Recoveries: the innovative new lithium conversion process Li-Stream RPK™ locked cycle test work has confirmed 90% lithium recoveries from Run-of-Mine to Product compared to an overall recovery of 53% in the Oct 2021 Scoping Study (made of 66.5% for the beneficiation and 79.6% for the hydrometallurgy). One of the key features of the the Li-Stream RPK™ process is to leach the crushed and milled Run-of-Mine ore meaning there is no beneficiation losses compared to most other process flowsheets including Dense Media Separation or Flotation. The Li-Stream RPK™ process is patent protected and has been developed specifically for the San José mineralisation. The novel process is focused on the leaching unit, while the back end is essentially "off the shelf" as per other LiOH conversion plants globally.

Demonstration Plant: The on-going test work leads to process flowsheet development and continuous improvement program. INF is assessing the next stages for the scale up facility and demonstration plant planned to be built and run in Spain.

Production: thanks to improved recoveries, the same underground mine plan and mining rate of 2 million tpa deliver a steady state LHM production in excess of 33,000 tpa (+71%) over 26 years. With such production profile, San José currently represents the largest planned lithium hydroxide annual production in Europe.

Partnerships: INF has signed a binding MOU with Enalter for a photovoltaic, methane and green hydrogen project aligned with the San José project. INF has also signed a non-binding off-take MOU with LG Energy Solution for 10,000 tpa lithium hydroxide for a minimum of 5 years (ASX announcements 22 Jun & 21 Dec 2022). The granting of the exploration permit in March 2023 has generated increased interest from third parties for material offtakes volumes and strategic involvement in the project.

Government Support: in November 2023, the San José project was awarded a €18.8m (A\$31m) grant from the Spanish Government. At this time, the grant funding awarded and secured is aligned to the acquisition of capital equipment relating to San José. Considering the European strategy regarding the EV supply chain, additional grants can be reasonably expected. The EU Council and European Parliament are establishing a regulatory framework to ensure a secure and sustainable supply of critical raw materials, the so called Critical Raw Materials Act.

Permitting: in line with the Government financial support, San José can potentially be recognised as a project of regional significance (PREMIA) and an accelerated permitting timeline. INF is moving forward with an application. On 15 Nov 2023, INF announcement it had received positive urban compatibility report received from the Cáceres Local Government, this report will assist the Exploitation Concession Application (ECA). The ECA will be submitted at the regional level. PREMIA projects will be recognised as regional projects of public interest and are subject to accelerated permitting and administrative assessment. INF has also secured land rights and access through an agreement with landowners to enter into an option over a 35-year lease period covering the life of the Project.

Proven Expertise: INF technical team includes engineers and chemists such as Jon Starink and Dr David Maree, who have a successful track record in developing and commissioning chemical plants for the production of Li₂CO₃ and LiOH.

Lithium market outlook: despite a significant decrease in lithium products prices since early 2023, the sustained demand for lithium products over the next decades will support lithium prices well in excess of Steady state C1 Costs (post ramp up) of US\$5,723/t LiOH after by-product credits.

News flow: Beyond the acceleration of on-the-ground evaluation and the progress of feasibility studies, the key catalysts include agreements with existing and new blue-chip partners to support the development of the project in parallel to the demonstrated support from the local government to the European Union.

INF valuation: our sum of the parts valuation is supported by the current market valuation of lithium peers. Our company valuation amounts to A\$296m or \$0.62 per share using a ratio market value to NPV of only 5%.

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All currencies are in Australian dollars unless otherwise specified.

1. INF Valuation

San José Lithium Project Financial Modelling and NPV Valuation

We have initially modelled the project based on the September 2023 updated scoping study with the following key parameters:

- Ore mined: 47.7 million tonnes
- Head grade: 0.66% vs 0.74% Li₂O in mineral resource
- Mining/processing rate: 2 million tonnes per annum
- Recovery: 90%
- Construction: 2 years
- Life of mine: 26 years
- Capex: US\$1,544 million (including US\$257 million of contingencies)
- Mining cost: US\$23.5/t mined (back calculated)
- Processing cost: US\$4,717/t LiOH
- No royalties
- Discount rate: 8%
- Lithium hydroxide price: US\$27,000/t LiOH

Our model results in a pre-tax NPV of US\$4,095 million (vs US\$4,116m announced by INF) and an IRR of 25.1% (vs. 25.8% announced). The post tax values are US\$2,874 million NPV and 23.3% IRR (vs US\$2,870m and IRR 21.3%).

Using various lithium hydroxide prices, Table 1.1 summarises the valuation of the San José lithium project.

Table 1.1 – San José Project NPV Valuation

Lithium Hydroxide Price	Post tax NPV _{8%}	IRR
US\$25,000/t	US\$3,562m	26%
US\$27,000/t (Base Case)	US\$4,095m	28%
US\$30,000/t (current)	US\$4,895m	31%

Source: Evolution Capital estimates

As expected, the valuation is leveraged to the lithium hydroxide price.

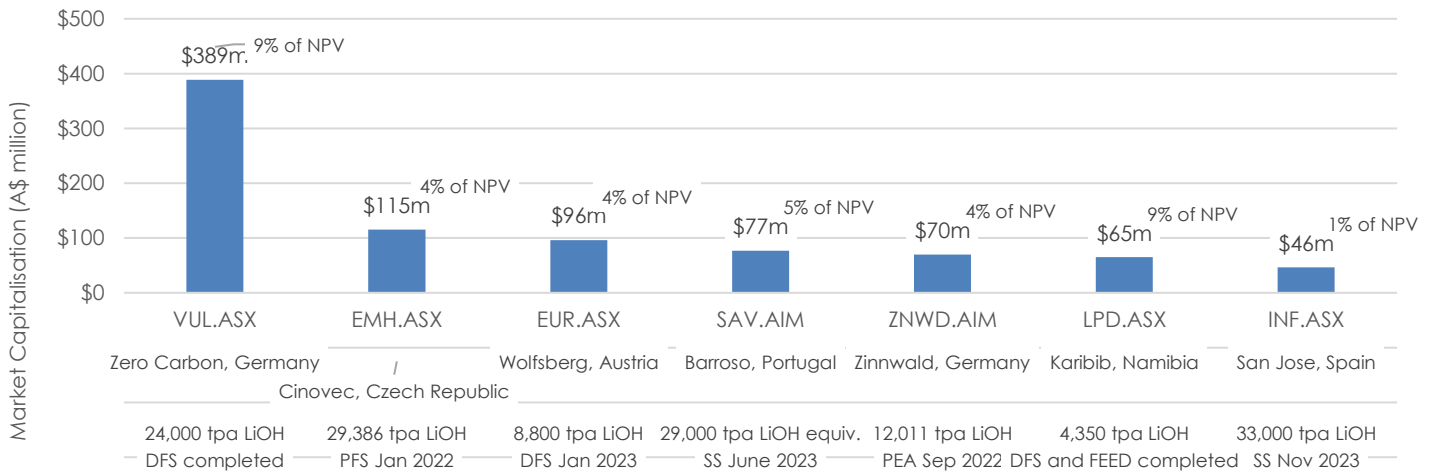
In all scenarios, the IRR is good, thanks to a high lithium product environment, which should continue in the foreseeable future. While lithium product prices are currently in a downtrend, they should stabilise at a much higher level than historical averages (see Section 4. Lithium Market Outlook)

Market Peers

Figure 1.1 charts the market capitalisation of the selected companies and some parameters of their flagship lithium project: expected lithium hydroxide annual production and stage of development. More importantly, it includes the ratio market capitalisation to NPV as a percentage.

Considering the latest positive ASX announcements (updated scoping study, substantial government grant of A\$31 million, favorable development towards in relation to permitting), we have selected a ratio of 5%, which is in line with market peers.

Figure 1.1 – Market Value of Peers



Source: Evolution Capital

INF Sum of the Parts Valuation

Based on current market valuations, we have considered a risk factor of 5% to derive a value of the project to include in our sum of the parts valuation. The Spanish Government Grant which is aligned to the acquisition of capital equipment relating to San José, has been excluded of our valuation at this time.

Table 1.2 summarises the sum of the parts valuation for INF.

Table 1.2 – INF Sum of the Parts Valuation

Asset	Value Range	Preferred	Per Share
San José Lithium Project, Spain	US\$3,562m-US\$4,895m		
100% interest, 5% risked-NPV		\$315.0	\$0.66
Payment to exercise option to increase to 100% interest	(€4m assumed)	(\$6.2)	(\$0.01)
Evaluation and Feasibility Studies Costs		(\$20.0m)	(\$0.06)
Cash (as at 30 th Sep 2023)		\$11.3m	\$0.02
Exercise of options over 2024		\$2.6m	\$0.01
Corporate costs		(\$6.8m)	(\$0.01)
Total		\$295.5m	\$0.62

Source: Evolution Capital estimates

2. INF Strategy

INF aims to facilitate Europe's energy transition through the development of its fully integrated San José Lithium Project, and the development of innovative, sustainable lithium processing technologies through its Infinity GreenTech business. With a demand for enormous quantities of lithium chemicals forecasted for Europe over the coming years and a determination to become more self-sufficient in its supply of critical raw materials, the San José Lithium Project can contribute close to 33,000tpa of battery grade lithium chemicals to the region's lithium-ion battery value chain. The recently introduced (March 2023) European Critical Raw Materials Act aims to ensure that by 2030 the EU extraction capacity covers at least 10% of the EU's annual consumption of strategic raw materials and the EU processing capacity covers at least 40% of the EU's annual consumption of strategic raw materials. With less than 10 lithium projects located in the EU, there is a strong political incentive for them to reach production.

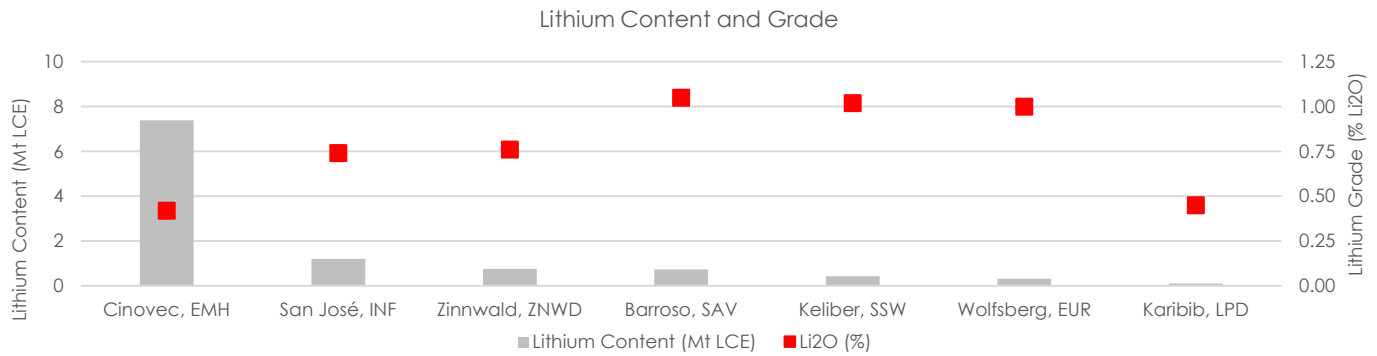
The San José deposit, located in the Extremadura Region of Spain is a highly advanced, previously mined brownfields development opportunity. INF will mine the hard rock mica resource and develop processing facilities to provide a strategically essential European mine-to-end-product lithium chemicals operation.

3. San José Project Benchmarking

Mineral Resource

Figures 3.1 summarises the lithium content and grade of mostly European lithium projects. The San José Lithium Project stands as the second largest hard rock lithium in Europe.

Figure 3.1 – Mineral Resource Benchmarking

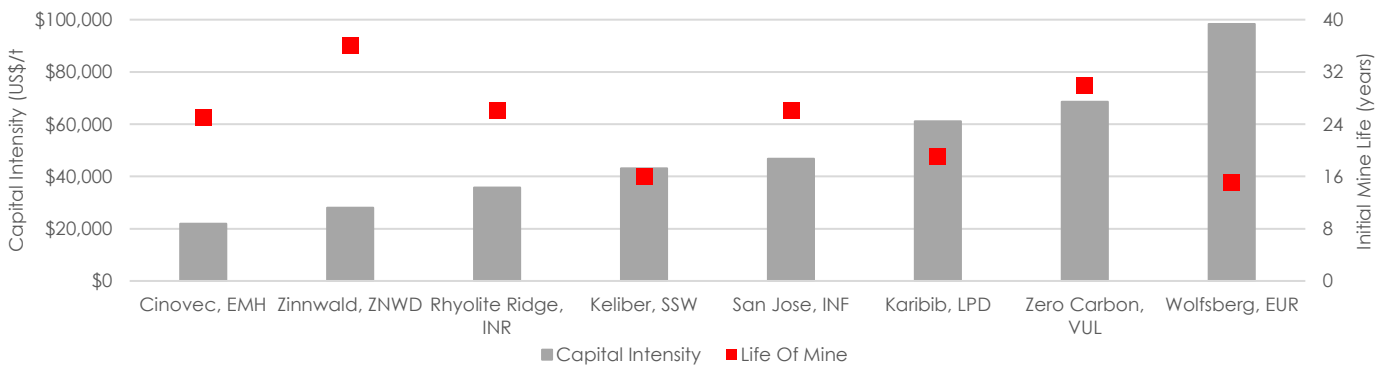


Source: company announcements

Capital Intensity and Mine Life

Figures 3.2 summarises the capital intensity and mine life of mostly European lithium projects. The San José project compares well against its peers.

Figure 3.2 – Capital Intensity and Mine Life



Source: company announcements

Other Parameters

Table 3.1 compiles the results of development studies for projects aiming to produce lithium hydroxide located mostly in Europe.

Table 3.1 – Selected Projects aiming to produce Lithium Hydroxide

Company	Ticker	Project	Study, Date	Capex	Opex	LOM	Post Tax NPV [†]	IRR	Production	LiOH Price*
				US\$m	US\$/t	years	US\$m	%	tpa LiOH	US\$/t
European Metals	EMH.ASX	Cinovec	PFS, Jan-22	\$644	\$3,435	25	\$1,938	36%	20,900	\$17,000
Infinity Lithium	INF.ASX	San José	SS, Nov-23	\$1,544	\$5,922	26	\$2,870	21%	33,000	\$27,000
Zinnwald Lithium	ZNWD.AIM	Zinnwald	PEA, Sep-22	\$337	\$6,200	36	\$1,012	29%	12,011	\$22,500
Ioneer	INR.ASX	Rhyolite Ridge	DFS, Apr-20	\$785	\$2,510	26	\$1,265	21%	22,000	\$15,000
Sibanye-Stillwater	SSW.JSE	Keliber	DFS, Nov-22	\$647	\$7,426	15	\$976	20%	15,000	\$26,034
Lepidico	LPD.ASX	Karibib	DFS, Nov-22	\$266	\$7,100	19	\$452	n/a	4,350	\$16,800
Vulcan Energy	VUL.ASX	Zero Carbon	DFS, Feb-23	\$1,676	\$4,477	30	\$2,860	26%	24,000	\$33,311
European Lithium	EUR.ASX	Wolfsberg	DFS, Jan-23	\$866	n/a	15	\$1,504	n/a	20,000	\$50,000

Source: company announcements. [†] discount rate of 8% except EUR 6%. * lithium hydroxide price assumption

The San José Lithium Project updated scoping study indicates that the project key parameters are in line with most lithium hydroxide projects. It is now up to the company to refine and potentially improve those economic parameters with additional development studies. Interestingly, the San José project is expected to produce the largest annual output of lithium hydroxide within Europe.

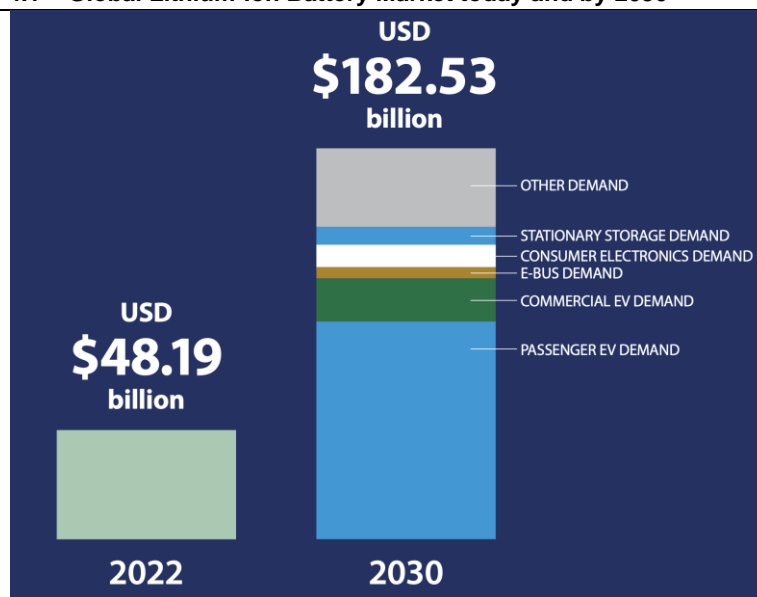
4. Lithium Market Outlook

Overview

After a few hiccups over the last 15 years or so, the lithium demand is now surging and it is difficult to see a downturn in the near future.

Figures 4.1 summarises very well the market outlook

Figure 4.1 – Global Lithium-Ion Battery Market today and by 2030



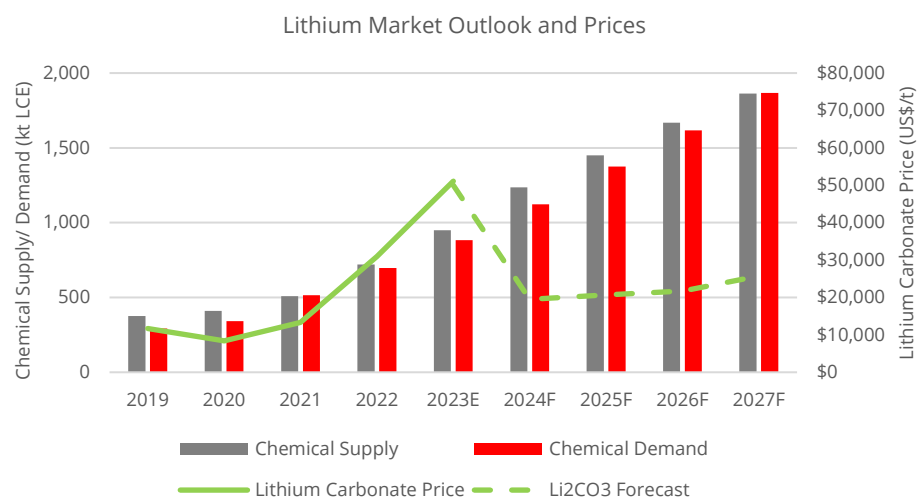
Source: IEA analysis based on S&P Global (2021), visualising the Global Demand for Lithium

According to S&P Global the market is forecast to grow at a CAGR of 18% over that period.

Price Forecast

In parallel, S&P Global expects the lithium prices to retrace some of the recent gains and stabilise at a high level around US\$25,000/t for lithium carbonate.

Figure 4.2 – Lithium Market Supply and Demand and Prices

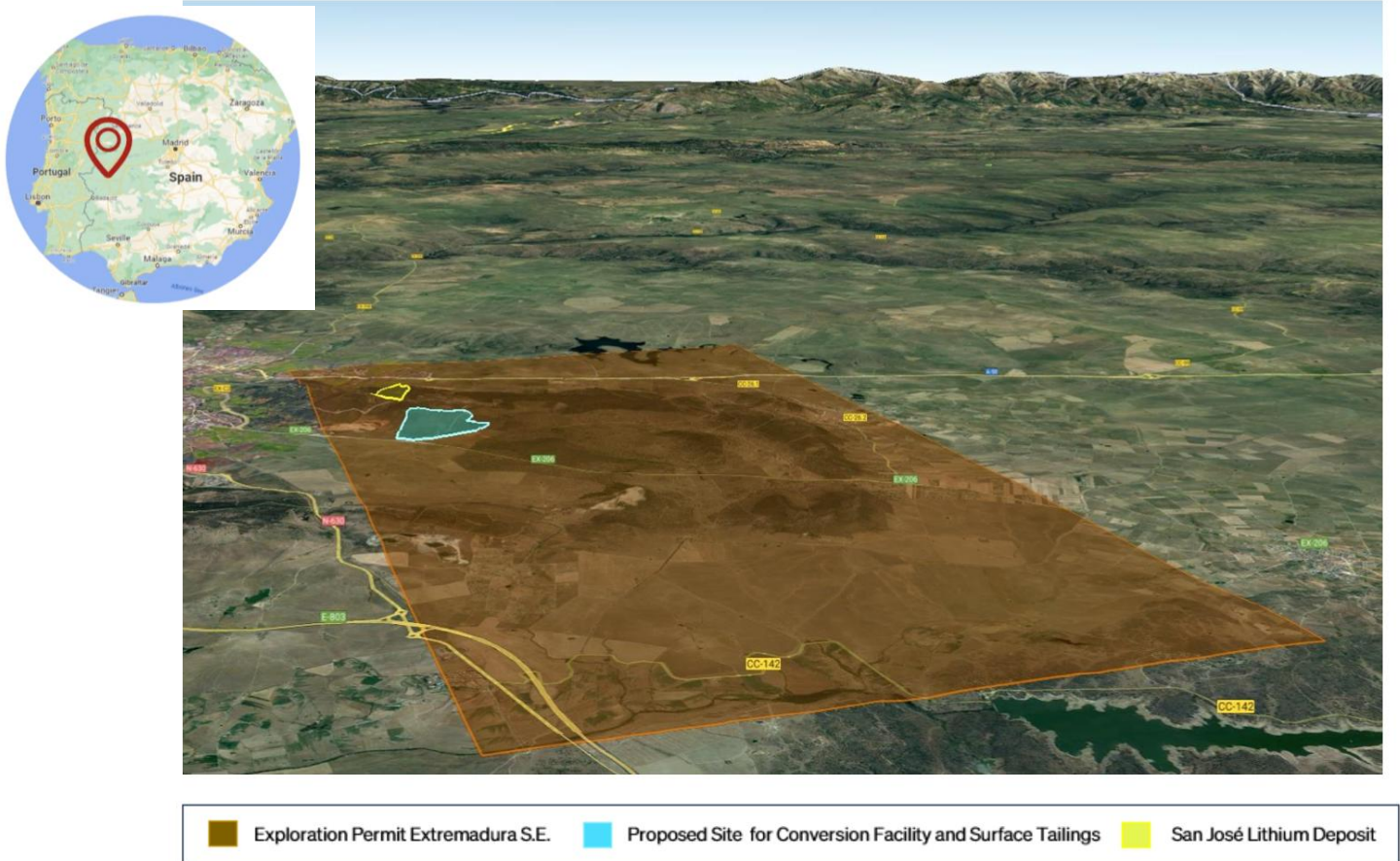


Source: S&P Global Commodity Insights, as at November 2023

5. San José Lithium Project

Location

Figure 5.1 – San José Lithium Project Location Map



Source: INF

The San José Lithium Project is located near the town of Cáceres approximately 280 kilometres west- southwest of Madrid, within the Extremadura Region of Spain as shown in Figure 5.1. Spain is considered to be a low sovereign risk investment location. The Project area is well serviced by infrastructure including electricity, gas, water and roads. There is a significant and growing availability of renewable electricity available to the Project. On 31st July 2023, Infinity through its wholly owned subsidiary Extremadura New Energies, announced the formation of Spanish renewable energy entity Extremadura Energy H2 Hub (EEHH). The MoU between the parties highlighted that EEHH will provide the Project a first right to secure a long-term green energy power purchase agreement (PPA). The ability to source and secure green energy is critical for an environmentally, socially and economically credentialed industrial project in Europe, particularly against the backdrop of competitive energy availability issues due to energy pressures within the EU. San José will have the opportunity to secure long term and low-cost green energy prices, mitigate pricing volatility, and eliminate costs for grid access and transmission, providing a robust position for the advancement of San José.

As the demand for electric vehicles increases throughout Europe, the demand for lithium-ion batteries is projected to increase. The Project is located in close proximity to the growing European lithium-ion battery market. Of note, is the Envision Group battery plant, a €2.5 billion investment, with a planned production capacity of 30 GWh to be built 100km from Cáceres, in Navalморal de la Mata in the central-western region of Extremadura.

On 19th July 2023, INF announced having secured a long-term (35 years) lease over land for the industrial development of the San José Lithium Project. The industrial zoned land is located within the granted Exploration Permit. The rights that have been secured over the single largest landholding for the designated lithium chemical conversion plant and related processing activities comprises 36 hectares or more than one third of the total proposed development area. The industrial zoned land is located adjacent to the sealed road and other key infrastructure.

History

The Project area has been historically mined for tin into the 1960s, with existing evidence of those activities remaining, including underground mining infrastructure and other disused buildings occupying the San José area. After cessation of tin mining, exploration and technical studies were undertaken by Spanish mining group Tolsa S.A. ('Tolsa') in the 1980s and 1990s which resulted in the identification of a substantial resource of lithium bearing mica minerals. Tolsa conducted technical studies on the mining and extraction of lithium at the time. The Project did not progress under Tolsa's ownership and the tenure lapsed due to the different market conditions at the time.

In 2015 the Directorate-General for Industry, Energy and Mines of the Regional Government of Extremadura ('Junta') called for tenders including areas now referred to under San José. Spanish mineral resource company Valoriza Minería S.A. ('Valoriza Minería') submitted an application and was successful in the tender process with rights relating to a research permit area granted in early 2016. Infinity and Valoriza Minería later entered into a Joint Venture ('JV') agreement with Infinity having now earned a 75% interest in the Project.

Infinity has the Option, at its election to proceed to a 100% interest in the Project through a payment to Valoriza Minería.

Ownership

San José resides within the Project special purpose vehicle Tecnología Extremeña del Litio (TEL). Infinity retains 75% Project ownership through its wholly owned subsidiary Extremadura New Energies. Valoriza maintains 25% Project ownership, with Infinity maintaining an option to acquire Valoriza's interest in the Project prior to the final investment decision.

Figure 5.2 – San José Project Ownership Structure



Source: INF. FID = Final Investment Decision

The exercise of the call option requires an upfront payment between €2m and €4m dependent on timing of acquisition. Considering the relatively low cost to exercise the option, we have assumed 100% project ownership in our valuation.

Geology and Geological Interpretation

San José is a zinnwaldite mica replacement deposit hosted by pelitic shales of the Central Iberian Zone, with lithium mineralisation occurring predominantly within the slates and to a lesser degree in the quartz carbonate veins which have been historically mined for tin. The rock which hosts mineralisation at San José is comprised roughly in **equal parts mica, quartz and tourmaline**. Mineralisation within quartzite is typically low-grade. The pervasive nature of mineralisation (broad, relatively homogeneous distribution) is likely derived from a deep-seated intrusive source. Mineralisation is open at depth and has not been closed off by drilling.

Mineral Resource Estimate

San José has a very large JORC 2012 Mineral Resource Estimate with most of the mineralisation classified as Indicated. A cut-off of 1,000ppm lithium was initially used to constrain open pit mineralisation.

Table 5.1 – San José 2018 Mineral Resource Estimate – 1,000 ppm lithium cut-off

Classification	Tonnes	Li ₂ O%	Li ₂ O content
Indicated	59.0 mt	0.63%	371,700 t
Inferred	52.2 mt	0.59%	307,980 t
Total	111.3 mt	0.61%	679,680 t

Source: INF

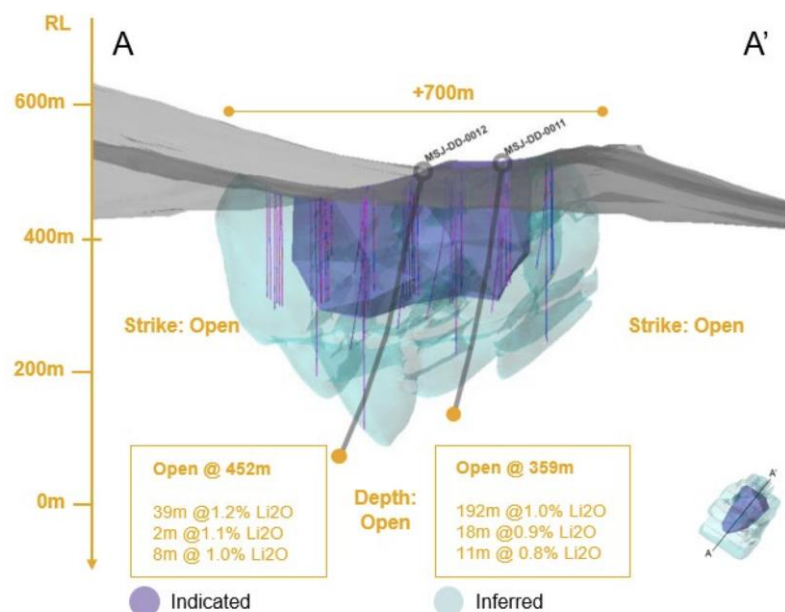
A higher cut-off of 2,500ppm has been used as an economic cut-off for optimisation and economic evaluation of potential underground operations.

Table 5.2 – San José 2018 Mineral Resource Estimate – 2,500 ppm lithium cut-off

Classification	Tonnes	Li ₂ O%	Li ₂ O content
Indicated	36.80 mt	0.72%	264,960 t
Inferred	28.64 mt	0.75%	214,800 t
Total	65.44 mt	0.74%	484,260 t

Source: INF

Figure 5.3 – Mineral Resource Classification over Cross Section



Source: INF

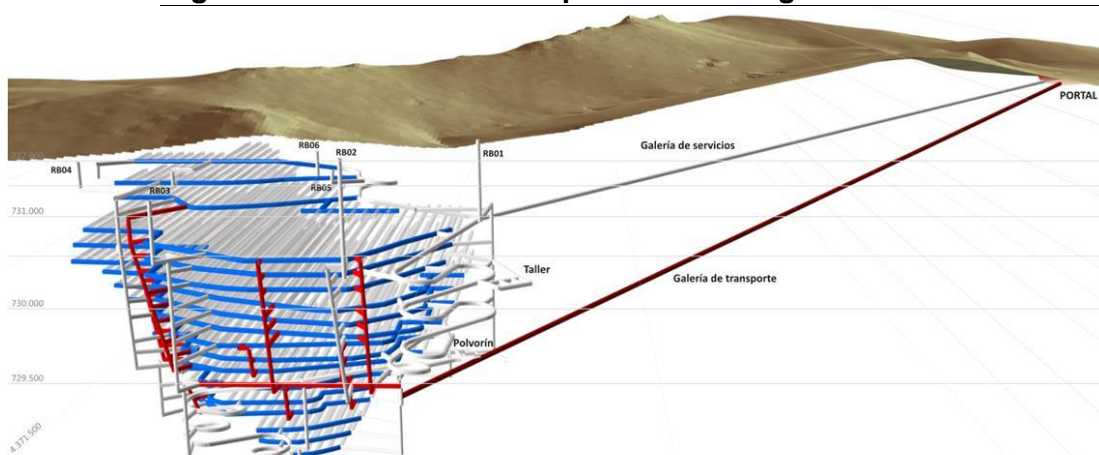
The spatial distribution of Indicated and Inferred mineralisation at San José is shown in Figure 5.3. San José is a bulk-style deposit. Mineralisation at San José has not been closed off and is open at depth and along strike. The distribution of Indicated and Inferred mineralisation is distinctive and a zone of Inferred classification mineralisation wraps around the main, central, and coherent body of Indicated classification mineralisation.

Mining

Previous mining at San José has been conducted using underground methods on a limited scale to extract tin-bearing quartz veins.

The underground mining plan supports a 2 million tonnes per annum (Mtpa) processing plant located on site. The mine will be developed with the portal entrance located in close proximity to the proposed lithium chemical conversion facility. The access to the resource via two declines will extend approximately 1,300m and drive from the portal WNW declining to approximately 60m below ground before it encounters the resource.

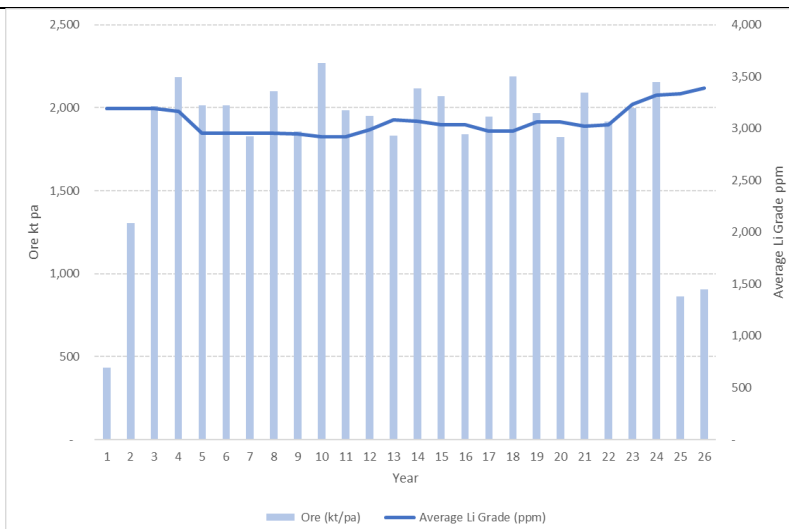
Figure 5.4 – San José Conceptual Mine Design



Source: INF

The mine will ramp-up to full production over a 2-year period from start of production and then operate at 2.0Mtpa production for 22 years before it reduces based on current available resources to cease production after 26 years. The mine plan delivers 47.7Mt for a contained 145.7kt of LCE to the processing plant. The mine schedule is shown below in Figure 5.5.

Figure 5.5 – San José Ore Production Schedule



Source: INF

Metallurgical Testwork

On 7 September 2023, INF announced the successful scaled-up production of battery grade lithium carbonate and lithium hydroxide from the completion of metallurgical test work.

INF's wholly owned subsidiary Infinity GreenTech Pty Ltd ('INFGT') has finalised the first stage locked cycle test work to confirm material improvements in recoveries and the successful production of battery grade lithium hydroxide through the application of INFGT's Li-Stream RPK™ process.

The patent protected Li-Stream RPK™ process has been developed and optimised for the production of battery grade lithium hydroxide at San José.

The Company's Technical Advisory Committee has progressed a detailed evaluation of multiple technically feasible alternative extractive technologies and reagents for lithium bearing hard rock ores, including the evaluation of comparative operating costs and process complexity, with a view to ensuring that the optimum process flowsheet is ultimately adopted for commercial development. The evaluation of alternative processes was undertaken as part of the feasibility study process and internal assessment of multiple technologies, with consideration to opportunities relevant to social, environmental and technical improvements that could potentially eventuate from hard rock lithium chemical processing. The review identified several opportunities and focused effort on two processes which can potentially offer significant improvements over the previously adopted process in terms of process performance, operating cost and complexity, energy security and environmental footprint.

Li-Stream RPK™ has been developed specifically for the mineralogy at San José. Previously completed open circuit test work confirmed optimised conditions for recoveries and the basis for advancement of Locked Cycle Test ('LCT') work. Li-Stream RPK™ has confirmed in excess of 90% recoveries from ROM to lithium products at San José and the production of battery grade lithium hydroxide through the direct processing of ROM from San José.

Li-Stream RPK™ significantly reduces the ROM-to-Product flowsheet complexity by eliminating a number of unit operations including the requirement for beneficiation, calcining and roasting, whilst co-generating energy applicable for leaching, evaporation and crystallisation.

Processing

The lithium hydroxide process converts an underground-mined dark mica rock ore of 0.66% Li₂O into a battery grade lithium hydroxide monohydrate powder (LiOH·H₂O, or LHM) at 56.5% purity.

The process retains a typical hard rock lithium chemical conversion process of lithium sulphate liquor to battery grade LHM.

The process plant facility has been designed to output circa 33,300 tonnes per annum of LHM product based on a ROM feed grade of 0.66% Li₂O and feed rate of 2 million tonnes per annum of ROM (dry basis) to the processing plant, based on the mine schedule. Lithium recovery is based on locked cycle test ('LCT') work (as announced on 7 September 2023) which has indicated that in excess of 90% extraction of lithium is possible in the hydrometallurgical process.

Stage 1: Crushing & Milling Circuit

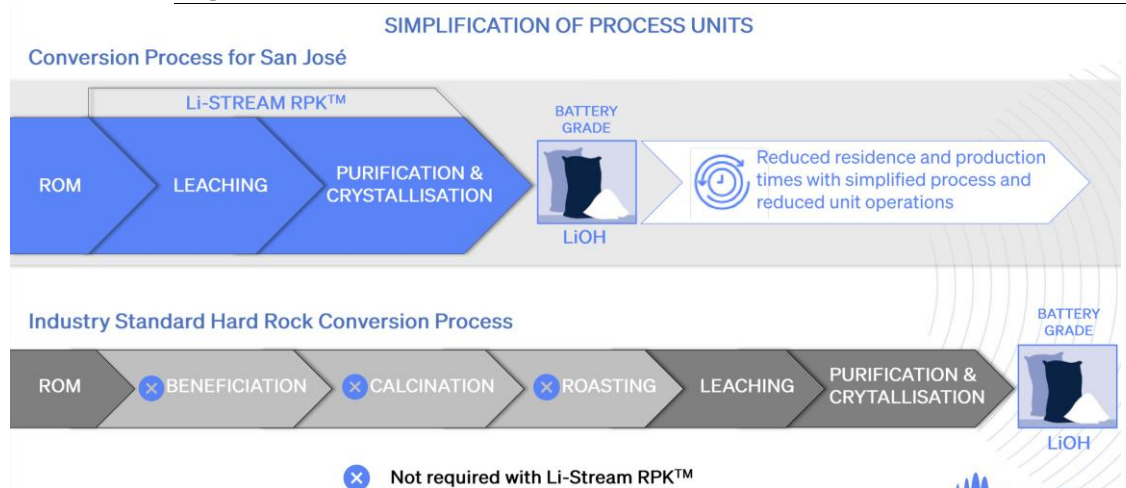
Ore is mined underground at 2 million tonnes per annum. **Primary crushing is carried out underground and crushed ore is transferred to the above ground crushing circuit** which is comprised of a double deck screen, secondary and tertiary cone crushers.

The crushed ore stockpile provides crushed material between the mining operations and downstream milling and lithium chemical conversion operations. **Crushed ore is fed into the SAG mill** feed chute along with process water to

achieve a SAG mill operating density of 60% solids as required for optimum grind efficiency.

Product sized particles are separated from coarser particles through cyclone separation. Fine particles are sent directly to the leaching unit while the coarse particles report to the cyclone underflow which flows by gravity to the feed chute of the ball mill. Process water is also added to the feed chute of the ball mill to adjust the pulp density to a level required for efficient grinding.

Figure 5.6 – San José Process Schematic



Source: INF

Stage 2: Leaching & Production of Intermediary Product

The crushed and milled ore is fed directly into the leaching unit, thereby eliminating the requirement for beneficiation and calcination required in traditional hard rock lithium chemical conversion processes. A sulphur burner provides the reagent feed to the high-pressure leaching unit, producing a significant amount of excess heat through sulphur oxidation which is captured in the form of high-pressure steam. This steam is used throughout the plant to heat the process, predominately in the high-pressure leaching step. The co-generation of energy reduces the requirement for external sources of energy.

Lithium is brought into solution in the leaching step as lithium sulphate. Residual solids are filtered, washed, and sent to the tailings handling facility, while the filtrate is concentrated in a leach evaporator. A large recycle from the leach evaporator to the leaching unit increases the reagent utilisation, increases lithium tenor and reduces the limestone consumption in the following process step.

The revised Li-Stream RPK™ process provides environmental improvements including cleaner residues and by eliminating gas consumption and superior process recovery and LHM production rate than previous processing flowsheets.

Stage 3: Conversion of Lithium Sulphate to Battery Grade Lithium Hydroxide Monohydrate

After evaporation the pregnant lithium sulphate liquor solution is neutralised. The neutralisation filtrate is further processed in two impurity removal stages. The product solution from neutralisation and impurity removal is concentrated in a two stage Pregnant Leach Solution ('PLS') evaporation. The conversion of lithium sulphate to lithium hydroxide is completed in the causticisation step through the addition of sodium hydroxide (NaOH).

The process retains a typical hard rock lithium chemical conversion process of lithium sulphate liquor to battery grade LHM. Sodium (Na) and sulphate (SO₄) removal is completed in two Glauber's salt crystallisation stages. The precipitated Glauber's salt is remelted, precipitated as sodium sulphate (Na₂SO₄), dried and bagged for sale.

After sodium and sulphate removal LHM is crystallised in a two stage LHM crystallisation, producing an ultra- pure LHM product which is dried and bagged for sale.

A proprietary lithium recovery process, developed by Infinity GreenTech and Infinity’s Technical Advisory Committee, processes the bleed from LHM crystallisation and purge from SSA crystallisation.

Partnerships

On 28 Jun 2021, INF signed a non-binding MOU with LG Energy Solutions for the offtake of lithium hydroxide.

The key terms of the MOU are detailed below:

- The MOU refers 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 LG Energy Solutions
- 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 maturity date of this MOU has been extended with the latest maturity date being 22 Dec 2023.

On 31 July 2023, INF, through its wholly owned subsidiary Extremadura New Energies, announced the formation of Spanish renewable energy entity Extremadura Energy H2 Hub (EEHH).

The MoU between the parties highlighted that EEHH will provide the Project a first right to secure a long-term green energy power purchase agreement (‘PPA’). The ability to source and secure green energy is critical for an environmentally, socially and economically credentialled industrial project in Europe, particularly against the backdrop of competitive energy availability issues due to energy pressures within the EU. San José will have the opportunity to secure long term and low-cost green energy prices, mitigate pricing volatility, and eliminate costs for grid access and transmission, providing a robust position for the advancement of San José.

Figure 5.7 – Corporate Organigramme



Source: INF

EEHH will initially progress the development of a green hydrogen plant (with a maximum capacity of up to 180 MW) and a photovoltaic solar park (with a maximum capacity of up to 350 MW) in Cáceres in direct alignment to San José. The large-scale development will potentially provide excess green energy

capacity for other end users, which could attract further opportunities for additional industrial investment in Cáceres, in alignment with local and regional government strategies.

The Renewable Project will see Extremadura New Energies partner with Enalter to establish the Renewables Project JV company upon the successful completion of an initial scoping phase. Enalter was established as a joint venture between leading Extremadura company Cristian Lay Grupo Industrial (CLG) subsidiary Alter Enersun, S.A and Spanish IBEX35 energy company Enagás S.A subsidiary Enagás Renovable, S.L.

6. Directors & Management Team

Adrian Byass, Non-Executive Chairman

Mr Byass has over 25 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 Chairman of Kaiser Reef Limited and Galena Mining Limited on the ASX and is a Non-Executive Director of TSX- V Sarama Resources Limited.

Mr Byass has the following interest in shares, options and rights in the Company as at the date of this report – 10,283,805 ordinary shares, 2,000,000 options exercisable at \$0.25 on or before 8 December 2023 and 1,000,000 Share Appreciation Rights exercisable at \$0.082 expiring on 5 October 2025.

Ryan Parkin, Managing Director and Chief Executive Officer

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 – 3,791,219 ordinary shares, 4,500,000 options exercisable at \$0.25 on or before 8 December 2023, 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.

Remy Welschinger, Non-Executive Director

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 – 2,168,425 ordinary shares, 4,500,000

options exercisable at \$0.25 on or before 8 December 2023 and 2,400,000 Share Appreciation Rights exercisable at \$0.082 expiring on 5 October 2025.

Jon Starink, Executive Director and Chief Technical Officer

Mr Starink has over 45 years of experience in the mining industry, providing engineering and process design consultancy and corporate finance advisory services to international companies.

His practical and operational experience includes engineering design and project management; exploration management; extractive metallurgical process innovation and development. In particular for ten years, he served in senior technical and engineering roles with the Greenbushes tin/tantalite/spodumene project and was directly responsible for process development, project design and construction management for the tin smelter and tantalum solvent extraction projects and the entry of Greenbushes into the production of spodumene. His extractive metallurgical expertise encompasses lithium, precious metals, base metals (tin, copper, nickel & manganese), rare metals (tantalum & niobium), rare earths and uranium and thorium as well as industrial minerals including feldspar and industrial clays.

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.

He provides engineering and process design and process audit consultancy services to international companies. He is presently providing process design audit services to MSP Engineering Pty Ltd in relation to the Tianqi Lithium Australia Lithium Hydroxide project (in commissioning) and in relation to the Talison spodumene production expansion projects (in commissioning and construction). He also provides advice to Allkem Ltd in relation to Allkem's lithium brine project in Argentina and Allkem's spodumene project in Canada; Covalent Lithium in relation to the Mount Holland project. He previously provided advice in relation to Pilbara Minerals Ltd in relation to their Pilgangoora spodumene project and the Bikita lithium project in Zimbabwe.

Mr Starink has the following interest in shares, options and rights in the Company as at the date of this report – nil ordinary shares, 4,500,000 options exercisable at \$0.25 on or before 8 December 2023 and 2,400,000 Share Appreciation Rights exercisable at \$0.082 expiring on 5 October 2025.

Ramón Jiménez Serrano, Executive Director

Mr Jiménez currently leads Infinity's Spanish team as CEO of wholly owned subsidiary, Extremadura New Energies. He brings a wealth of experience in leadership and management in the industrial and services sectors, with CEO and Managing Director roles leading major Spanish companies. Mr Jiménez oversaw 7 years of significant growth as CEO of world leading development infrastructure and construction company Acciona Industrial. This included the growth into new business lines such as waste to energy, biomass, biofuels, photovoltaic and hydrogen projects globally. Furthermore, Mr Jiménez was CEO of Acciona Service in parallel for 5 years, leading 18,000 employees globally in facility management, energy services, waste and environmental management. Mr Jiménez previously held the Managing Director and CEO roles for Tedagua and Cobra (ACS Group), where he oversaw the permitting and construction of numerous water and energy infrastructure projects under EPC and O&M contracts both in Extremadura, Spain and internationally. Local stakeholder engagement and progress of large investments with community alignment and support were critical in the success of these businesses.

Mr Jiménez has the following interest in shares, options and rights in the Company as at the date of this report – 770,349 ordinary shares, 1,250,000

performance rights Class A, 750,000 performance rights Class B, 750,000 performance rights Class C, 750,000 performance rights Class D and 3,000,000 unlisted options exercisable at \$0.25 on or before 15 December 2025.

Dr David Maree, Technical Advisor

David Maree is scientist with a PhD in Chemistry from Rhodes University and an MBA from the Australian Institute of Business.

Dr Maree has extensive expertise in lithium processing having worked at Tianqi Lithium as Principal Research Scientist and later Technical Manager.

His duties included ensuring project process development goals are met, overseeing the evaluation, piloting and implementation of plant innovations, overseeing plant improvement R&D activities, ensuring protection of company intellectual property in Australia, providing technical direction for contract negotiations, assisting existing commercial plants with process troubleshooting, providing strategic technical direction for future plant expansions.

He has developed hydrometallurgical flowsheets for the production of battery grade (99.5%) and high purity (99.9%) lithium carbonate and battery grade lithium hydroxide, as well as designed and executed with success an experimental program for the production of the aforementioned carbonate/hydroxide.

7. Investment Risks

INF is exposed to a number of risks including:

- **Geological risk:** the actual characteristics of an ore deposit may differ significantly from initial interpretations.
- **Resource risk:** all resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.
- **Commodity price risk:** the revenues INF will derive mainly through the sale of lithium products exposing the potential income to metal price risk. The price of lithium fluctuates and is affected by many factors beyond the control of INF. Such factors include supply and demand fluctuations, technological advancements and macro-economic factors.
- **Exchange Rate risk:** The revenue INF derives from the sale of metal products exposes the potential income to exchange rate risk. International prices of lithium are denominated in United States dollars, whereas costs are in Euros and the financial reporting currency of INF is the Australian dollar, exposing the company to the fluctuations and volatility of the rate of exchange between the AUD, EUR and USD as determined by international markets.
- **Mining risk:** A reduction in mine production would result in reduced revenue.
- **Processing risks:** A reduction in plant throughput would result in reduced revenue. In all processing plants, some metal is lost rather than reporting to the valuable product. If the recovery of metal is less than forecast, then revenue will be reduced.
- **Operational cost risk:** an increase in operating costs will reduce the profitability and free cash generation of the project.
- **Management and labour risk:** an experienced and skilled management team is essential to the successful development and operation of mining projects.

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