

ASX: INF ANNOUNCEMENT

12 April 2019

## Infinity Joining Spanish eMobility Group AEDIVE & Update of European Commission Initiatives



### HIGHLIGHTS

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- Infinity joins forces with Spanish eMobility group AEDIVE in a continued drive towards European and Spanish initiatives.
  - The European Commission has published its 4<sup>th</sup> State of the Energy Union Report with a keen focus on the lithium-ion battery industry.
  - Battery materials and specifically lithium chemical supply within Europe has been identified as imperative.
  - Infinity's San Jose Lithium Project is a large, potentially long-life vertically integrated industrial chemicals project.
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### Infinity Joins Forces with Spanish Electric Mobility Business Association AEDIVE

Infinity Lithium ([http://www.commodity-tv.net/c/search\\_adv/?v=298809](http://www.commodity-tv.net/c/search_adv/?v=298809)) has joined forces with AEDIVE to support the development of Electric Mobility in Spain. Created in April 2010, AEDIVE is the Spanish business association for the development and promotion of electric vehicles whose goal is to support and accelerate the development of the Electric Mobility Market. The group gathers industrial, technological and service companies across the value chain of the Electric Mobility sector.

One of the key goals of the cluster is to represent and promote its associate members and advocate for an economic, political and social support of Electric Mobility.

The association includes around 150 members including companies such as BMW, Jaguar Land Rover, Nissan, Mercedes, and Total. The group has strong associations with federal, regional and local governments in addition to leading market participants.

### European Commission Publishes 4<sup>th</sup> State of the Energy Union Report

The European Commission ('EC', or 'the Commission') published the fourth State of the Energy Union report on 9 April 2019, important mechanism that highlights and monitors the implementation of the Juncker

Commission’s key energy priorities. The Commission also presented forward visions including one on the strategic batteries plan for Europe.

The EC readily acknowledges the strategic imperative of the lithium-ion battery (‘LIB’) market within Europe that will be required to drive the ongoing clean energy and mobility transitions. They note that *“the European market potential could be worth up to EUR 250 billion annually from 2025 onwards”* however that *“if no action is taken to support the creation of a viable battery manufacturing sector, there is a risk that Europe falls irreversibly behind its competitors in the global batteries market, and becomes dependent on imports of battery cells and raw materials used in the supply chain.”*

Furthermore, the EC has identified that LIBs strategic importance *“where the EU must step up investment and innovation in the context of a strengthened industrial policy strategy aimed at building a globally integrated, sustainable and competitive industrial base.”*

This dependency is not only limited to LIB cell production. Access to the five essential battery raw materials (lithium, nickel, cobalt, manganese and graphite) is also a major challenge for Europe’s security of supply as they are only currently available from a small number of countries worldwide and very limited within Europe (Figure 1).

The EC now proposes the launch a dialogue with Member States through the Raw Materials Supply Group and the High-Level Steering Group of the European Innovation Partnership on Raw Materials (EIP Raw Materials). A key output of the first raw materials mapping exercise by the Commission is that Europe lacks a processing facility for lithium, whilst noting that currently risk of availability is concentrated largely in China, which consequently dominates the LIB supply chain. Access to raw materials and essential LIB chemicals may be at risk because of political instability, which could lead to access being disrupted (including exposure to high taxes and duties on exports).

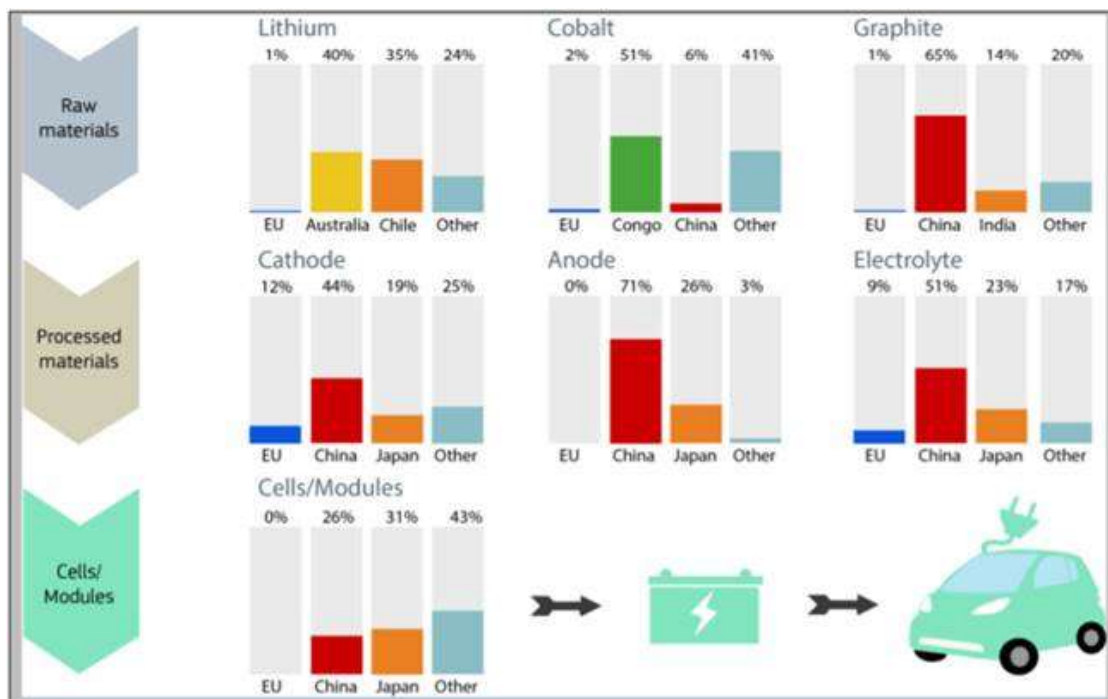


Figure 1: Supply Dependency of Materials Along the Value Chain for Electric Vehicles. Source: JRC



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On the domestic front, the Commission has launched a dialogue with EU Member States to map the availability in Europe of raw materials for batteries, including cobalt, lithium, natural graphite and nickel. The outcome shows that despite having geological potential in Europe, extraction of battery raw materials is limited and concentrated in a few European countries. Greater use of this potential would reduce the risk to security of supply of raw materials for batteries. Furthermore, while processing capacity exists in Europe for cobalt and nickel, there is none for battery-grade lithium compounds or natural graphite. That would mean that even if lithium and natural graphite extraction can be increased in Europe, all materials – at least in the short term - would have to be shipped to countries outside Europe for processing into battery-grade materials.

The 4<sup>th</sup> State Energy Union Report the Commission is working with the European Investment Bank (EIB), key industrial actors and Member States to address this gap in the value chain. The Vice President of the EC Maroš Šefčovič and Vice President of the EIB Andrew A. McDowell both acknowledged the importance of Europe's strategic position in the LIB supply chain, promoting the sector and the EIB's commitment to provide capital to facilitate growth EV market and European value chain participants at EBA250 in Brussels (refer to ASX announcement 1 February 2019).

Infinity's San Jose Lithium Project contains the European Union's ('EU') second largest JORC lithium resource and is projected to produce up to 15,000 tonnes per annum of battery grade lithium chemicals for more than 24 years (ASX announcement 29 November 2018), placing it ideally to supply battery grade chemicals into the European market. San Jose is currently undergoing a Pre-Feasibility level study.

Infinity's CEO and Managing Director, Ryan Parkin commented *"This is another example of the rapidly evolving recognition of the importance of battery chemicals within Europe, and the momentum gathering within the EU to address a significant risk to their burgeoning auto industry. San Jose is ideally placed to supply Europe with a significant volume of lithium chemicals in addition to the utilisation of the raw material resource. It benefits from the availability of key infrastructure located adjacent to the project area, ensuring the availability of a sustainable source of product with an environmentally advantageous carbon footprint."*

### **About Infinity Lithium**

Infinity Lithium is an Australian listed minerals company who is seeking to develop its 75% owned San Jose Lithium Project and produce battery grade lithium hydroxide. Supply response is needed to satisfy Europe's burgeoning energy storage needs through feeding the large-scale battery plants currently under construction.

The San Jose deposit is a highly advanced, previously mined brownfields development opportunity representing one of Europe's largest lithium deposits. Infinity Lithium will potentially mine the hard rock Mica resource and develop processing facilities to provide what would currently be the sole European mine-to-end-product lithium hydroxide operation.

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### **Disclaimer**

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

The Production Target referred to in this announcement is based on 91% Indicated Resources and 9% Inferred Resources for the life of mine life covered under the Study. In accordance with the twenty four (24) year mine plan incorporated into the Study, the first three (3) years of production (covering payback period) will come 96% from Indicated Resources.

The Study is based on the material assumptions outlined in the ASX announcement 29 November 2018. These include assumptions about the availability of funding. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Study will be achieved. To achieve the potential mine development outcomes indicated in the Study, additional funding will be required. Investors should note that there is no certainty that the Company will be able to raise funding when needed however the Company has concluded it has a reasonable basis for providing the forward looking statements included in this announcement and believes that it has a “reasonable basis” to expect it will be able to fund the development of the San Jose lithium deposit.

Infinity is not aware of any new information or data that materially affects the information included in this ASX release, and Infinity confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the resource estimates in this release continue to apply and have not materially changed.

### **Competent Persons Statement**

Production Target and Scoping Study: 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. Mr Byass has sufficient experience relevant to the style of mineralisation and type of



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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 for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Byass consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.