

ASX ANNOUNCEMENT

24 JANUARY 2025

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SAN JOSÉ MINING LICENCE APPLICATION UPDATE

KEY POINTS

- Feedback received from regional government review.
- Timeline and deliverables required prior to public consultation now clarified.
- Company invited to apply for significant European, National and Regional funding programme better aligned to project development and has elected to withdraw from the PERTE grant programme.
- Company remains well funded.

Infinity Lithium Corporation Limited (**'Infinity'**, or **'the Company'**) wishes to provide the following update with regards to the progress of its Direct Exploitation Concession Application (**'ECA'**) ('Mining Licence Application').

Mining Licence Application Update

The Company, through its wholly owned subsidiary Extremadura New Energies, notes the Regional Government of Extremadura's Directorate General of Industry, Energy and Mines (**'DoM'**, or **'Mines Department'**) has provided feedback in regard to the major project submission ("Exploitation Concession Application" or "Mining Licence Application") lodged on 13 June 2024 (refer to ASX Announcement dated 13 June 2024).

The feedback provided through the letter **"Subsanación y mejora de la documentación presentada relativa a la solicitud de la concesión directa de explotación "SAN JOSÉ DE VALDEFLOREZ", nº 10C10402-00"** outlines a range of items which the Company has been asked to either clarify or expand upon prior to the public consultation process which is a key step in the Mining Licence process. Based on information from relevant authorities, the Company was initially expecting public consultation to be conducted in Q4 2024. It is likely as a result of the additional request(s) that it will occur in late 2025. In addition to the expansion and clarification on some matters, there are some items which had previously not been requested that authorities now wish to add to the submission. To facilitate this,

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the Company has been given up to 9 months to complete and submit this additional information. The Company is in dialogue with the DoM and is seeking to ensure that there is a clear pathway to transparency and deliverability.

Items requested for update/clarification include updating documents to reflect changes to the input assumptions in the financial model since initial lodgement (i.e. lithium pricing, input costs and impact on taxation benefits for the region as a result of material market changes), as well as changes in the Board composition of Infinity during this period.

The Mines Department has also requested the Company to repeat all metallurgical testwork using a certified chain of sample custody and certified Spanish laboratories as directed under mining law. As the technology used in San José utilises autoclaves (High Pressure Leach) it was not possible due to the inability for Spanish laboratories to conduct this level and type of metallurgical test work in the lithium chemical field. Relevant authorities were aware of this at the time. The Company had used Australian and German laboratories to produce battery grade lithium chemicals after receiving confirmation that there was not the capability in-country. Work is currently underway with Spanish laboratories to develop their necessary skills to carry out such testing. The Company has drill core to source metallurgical samples from prior campaigns available but this is provided as an example of the detailed process and verification being undertaken by the Mines Department. The Company is working with authorities to find a solution to the technical obstacles to compliance with the requests. The Company understands that other projects in the regional will also have to re-comply in this manner.

Grant and other development funding opportunities

The Company had previously been awarded a grant for capital development at San Jose. The Company requested an extension to the time allowable to utilise the grant under the PERTE VEC IIb programme but was unsuccessful. Whilst these funds which were allocated purely for capital equipment purchases were partly in possession of the Company in escrow accounts, interest charges would accrue if not used in accordance with the award. These funds (up to 18.8 million Euro) had to be applied to purchasing of capital equipment that would require permitting, funding, construction to be completed and lithium chemical production commenced before Q4 2028. The likelihood of them being used in the allotted time are significantly reduced due to circumstances external to the Company, it is prudent to return these funds and seek funding in a new round of grants that are aligned to project

development. The Company has commenced this process. It is noted that under the terms of the grant, €15.06 million (A\$24.18 million) is held in a security deposit as surety, classified as other assets. €3.76 million (A\$6.05 million) is classified as restricted cash within Infitiny's Quarterly reporting cash balance (September 2024 Quarterly), being held by the Company in short term deposits.

In consultation with relevant authorities, the Company has been invited to apply for a different, and larger suite of government grants. These include, but are not limited to;

- Batteries call of the 2024 Innovation Fund: This European Commission initiative has a budget of €1 billion to fund projects for the production of battery cells for electric vehicles.
- Support for the renewable energy and storage industrial value chain: The Ministry for Ecological Transition and the Demographic Challenge (MITECO) has published the regulatory bases for a €750 million aid line aimed at strengthening the national production of solar panels, wind turbines, heat pumps, batteries and electrolyzers.
- The European Commission's Innovation Fund for Zero Emission Technologies: With a total budget of €4.6 billion, this fund finances projects that drive decarbonisation and the energy transition, including the production of batteries for electric vehicles.

Regional incentives are financial support to promote business development in priority areas as Extremadura. They encourage investment, job creation and sustainable growth in specific regions. They are a key opportunity for companies seeking to expand and contribute to local development.

Next Steps

The Company reiterates its belief in a strong medium and long-term demand for lithium produced in Europe as it continues its energy transition, and that San José can be a valuable part of that transition. Infitiny welcomes the time given by regional authorities to complete the tasks assigned as part of the ECA and views it as a positive action in assisting the project development.

The Company has already commenced some of the required work and will update the market in regard to progress as appropriate. The Company will also work towards applying for the larger pool of funds available under the National and European level funding opportunities mentioned.

The Company continues to look for other opportunities, with a preference to energy minerals which can complement the portfolio it already has.

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This Announcement was authorised by the board of Infinity. For further enquiries please contact:

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