INFINITY LITHIUM

ASX: INF | FRA: 3PM

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29 JANUARY 2025

QUARTERLY ACTIVITIES REPORT

PERIOD ENDING 31 DECEMBER 2024

INFINITY GREENTECH

EXTREMADURA NEW ENERGIES

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HIGHLIGHTS

- **Mining Licence Application submission process continued with feedback received from regional government following its review post quarter end.**
- **Timeline and deliverables required prior to public consultation clarified post quarter end.**
- **Company invited to apply for significant European, National and Regional funding programmes better aligned to project development and has elected to withdraw from the PERTE grant programme**
- **Reduction in Board and Management in Australia enacted to reduce costs and reflect Spanish oversight of the Mining License Application process.**
- **Cash at 31 December 2024 of A$12.4 million (includes €3.8 million (~$6.4 million restricted use PERTE grant funding held on term deposit).**

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San José Lithium Project

Infinity Lithium Corporation Limited ('**Infinity**', or '**the Company**') is pleased to provide the following Activities Report in relation to the San José Lithium Project ('**San José**', or '**the Project**') for the period ended 31 December 2024.

Mining Licence Application

The Regional Government of Extremadura's Directorate General of Industry, Energy and Mines ('**DoM**', or '**Mines Departmen**t') continued to work on the major project submission lodged on 13 June 2024 (refer to ASX Announcement dated 13 June 2024) during the quarter. In January 2025 the Company received feedback from the DoM in regard to the major project submission ("**Exploitation Concession Application**" or "**Mining Licence Application**").

The DoM listed a range of items which the Company has been asked to either clarify or expand upon and introduced new requirements for further information to be included in the submission prior to the public consultation process which is a key step in the Mining Licence process (ASX release 24 January 2025). To facilitate this, the Company has been given up to 9 months to complete and submit this additional information. The Company continues its dialogue with the DoM and is seeking to ensure that there is a clear pathway to transparency and deliverability. Based on information from the 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.

Grant and other development funding opportunities

As announced, subsequent to the quarter end (ASX release 24 January 2025), the Company had previously been awarded a grant for capital development at San José. The Company requested an extension to the time allowable to utilise the grant under the PERTE VEC II 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 the purchase of capital equipment, requiring 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. The Company has therefore decided it is prudent to return the funds and seek opportunities in a new round of grants that are aligned to project development. The Company has commenced this process.

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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 electrolysers.
- 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 can provide financial support to promote business development in priority areas as Extremadura. They encourage investment, job creation and sustainable growth in specific regions. They offer a major opportunity for companies seeking to expand and contribute to local development.

Board and Management Changes

During the quarter, the Company finalised changes to the Board composition as the advancement of the project is directed toward more Spanish-focussed activities. The Company's Managing Director and CEO Mr Ryan Parkin resigned effective 14 November 2024 and subsequent to the period the Company receive a notice of retirement from Non-Executive Director, Mr Jon Starink, effective 31 March 2025. Effective 14 November 2024, an existing Non-Executive Director assumed the role of interim CEO and Executive Chairman and this role remains ongoing for the foreseeable future.

These changes were implemented subsequent to a strategic review of the Company and its operations after the significant milestone of the submitting the ECA was completed. It had been determined that local (Australian) resource requirements in the interim had diminished as the main activities are largely Spanish based.

Project Acquisition Opportunities

Against the backdrop of evolving strategic objectives and capital considerations, the Company continues to examine opportunities for additional projects which add shareholder value whilst the permitting process is underway. The current preference is energy minerals which can complement the Company's current portfolio. The changes in corporate structure and the Board provide for streamlined and technical focus for potential project assessment in addition to the rationalisation of resources whilst San José advances through the permitting assessment period.

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Future Outlook

The Company reiterates it 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. Infinity 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 development of the Project.

The Company has already commenced some of the required work and will update the market regarding any progress as appropriate. The Company will also work towards applying for the National and European level funding opportunities mentioned above.

Corporate

Related Party Disclosure

Payments to related parties during the quarter as outlined in sections 6.1 and 6.2 of the Appendix 5B consisted of A$376,931 in directors' fees and payments to executive directors under respective service agreements. This included leave entitlements and severance payments to the outgoing Managing Director.

Cash at Bank

As at 31 December 2024 Infinity had available cash of A$12.4 million (includes ~A$6.4 million[1] restricted use PERTE grant funding held on term deposit).

The announcement was authorised by the Board. For further inquiries please contact:

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Executive Chairman

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Footnotes

1. An €18.8 million grant was awarded to Tecnologia Extremeña del Litio ('TEL') in November 2023 (refer to ASX announcement 13 November 2023). Funds were transferred in full to TEL on 5 January 2024. 80% (€15.057million) of grant funds have been retained as security against the total funds awarded from the Ministerio de Industria yTurismo. €3.8 million (~A$6.4 million) remains on deposit in interest bearing accounts of TEL. It is noted that the Company has commenced the process to return these funds as detailed above.

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About Infinity Lithium

Infinity Lithium is an Australian listed minerals company who is seeking to develop its 75% owned San José Lithium Project in 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. The availability of critical raw materials and the production of battery grade lithium hydroxide in the EU is essential to ensure the long-term production of lithium-ion batteries for electric mobility and the transition of the EU's automotive industry towards electric vehicles.

Tenement Schedule in accordance with Listing Rule 5.3.3

San José Lithium Project Spain

Infinity has a 75% beneficial interest in the San José Lithium Project (Applications) from Valoriza Mineria and 100 % in Castilla Mining S.L. All tenure is held under the current Joint Venture.

The San José tenements:

- Extremadura S.E. 10C10386-00: Castilla Mining S.L. Exploration Permit Application – Granted

Other applications:

- Valdeflórez: 10C 10343-00 Cancelled - subject to contentious-administrative appeal.
- Ampliación a Valdeflórez: 10C 10359-00 - subject to contentious-administrative appeal.
- San José: 10C10368-00 Valoriza Mineria S.L.U Investigation Permit Application.