

Infinity Lithium Corporation Ltd

11:11 18 Jun 2020

Infinity Lithium doubles on key European partnership and investment deal

Infinity Lithium Corporation Ltd (ASX:INF) (FRA:3PM) has further strengthened its European lithium supply strategy by executing binding agreements for a multi-staged funding and added services assistance package with European Union-based innovation initiative KIC InnoEnergy SE.

Shares doubled to A\$0.14 on the news which sees INF's San José project in Spain become the first lithium project to secure European funding from EIT InnoEnergy, a recently launched platform created by the European Battery Alliance (EBA).

Supports company's goal

This milestone arrangement supports Infinity Lithium's goal to start supplying the European battery and auto industry as soon as 2023 from lithium project in Spain.

Infinity's managing director Ryan Parkin said: "The board of Infinity is delighted to announce the completion of these multi-level agreements, highlighted by the financial endorsement of the San José project through the funding by EIT InnoEnergy.

"Our project is the first lithium project in Europe to receive InnoEnergy funding."

Funding arrangements

The funding includes a staged amount of up to €800,000 (~A1.35 million) to fund phase one of a pilot plant for the San José project.

EIT InnoEnergy will also support fundraising activities for construction of a phase two pilot plant with an investment of up to €2.4 million.

This funding is accompanied by an assistance agreement to support in fundraising activities for up to €300 million in debt and equity investment to fund the project.

Supported by EC

EIT InnoEnergy is a public-private partnership supported by the European Commission (EC) that invests into sustainable energy projects and is mandated to lead the industrial stream of the EBA.

The body has invested so far more than €700 million in selected innovations and facilitated the raise of more than €1.7 billion of funds.

Parkin said: "This multi-level collaboration will see San José benefit through exposure to EIT InnoEnergy and the EBA's vast European network as the EU focuses on the essential requirement to secure lithium chemicals and develop an integrated lithium-ion battery value chain."

"Ideal project partner"

Price: 0.081

Market Cap: \$22.81 m

1 Year Share Price Graph



Share Information

Code: INF

Listing: ASX

52 week High Low
0.136153 0.0291756

Sector: Battery Metals

Website: www.infinitylithium.com

Company Synopsis:

Infinity Lithium Ltd (ASX:INF) is seeking to develop its 75% owned San Jose Lithium Project and produce battery grade lithium hydroxide.

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The MD added: "With an impressive track record of success in driving innovative and strategically important lithium-ion battery value chain projects to fruition, EIT InnoEnergy represents an ideal project partner for Infinity."

The initial EIT InnoEnergy funding will be via the issue of unlisted warrants priced at the higher of the 30-day VWAP or A\$0.05 per share and this will be undertaken in three tranches.

This arrangement is structured to meet EIT InnoEnergy requirements with warrants to be issued upon payments made by EIT InnoEnergy for each of the three tranches.

For the phase two funding EIT InnoEnergy will leverage the extensive EBA network.

It is envisaged that funds will be prioritised from EU investors or from EU available funding mechanisms that are applicable to support the development of the EU's ambitions to develop a lithium-ion battery supply chain.

The assistance agreement provides for the project financing support to facilitate up to €300 million in debt and equity to fund the development of the project.

"Goal to make project a success"

EBA program director, industry Thore Sekkenes said: "Our goal is to make this project a success and lead Infinity Lithium to support the European battery and automotive industry, by supplying lithium which can be produced locally, ethically and sustainably.

"We will provide support in obtaining necessary environmental approvals and societal acceptance, and secure Infinity Lithium's strategic place in the European lithium-ion battery value chain.

"Our extensive network in this nascent industry will be used to advance and facilitate binding offtake agreements between Infinity Lithium and battery makers or automakers in the near future, and we have appointed a Spanish advisor within InnoEnergy who is already working together with Infinity Lithium."

Track record

EIT InnoEnergy has the track record to leverage the extensive EBA network to engage with strategic investment partners and to de-risk debt funding from the European Investment Bank (EIB) and other major European financial institutions.

Lithium has been identified by the EC as a vital supply that needs to be produced domestically as currently almost 80% of lithium hydroxide is produced in China.

Europe is on track to become the second-largest consumer of this product, whilst still being 100% reliant on imports.

In terms of strategic support, EIT InnoEnergy will focus on government and societal engagements.

The collaboration and allocation of EIT InnoEnergy resources will support Infinity in obtaining necessary licences and environmental acceptance for the project, and in enabling Infinity's strategic role in the European lithium-ion battery value chain.

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