

Infinity Receives Firm Commitments for \$2.2m Capital Raise as EU Support Gains Momentum

HIGHLIGHTS

- Commitments of \$2.2 million received for Placement to advance the San José Lithium Project
- Placement strongly supported with significant funds from European and resource Fund investors
- Placement proceeds will complement the funding commitment of approximately \$1.3 million (€800,000) from KIC InnoEnergy SE ('EIT InnoEnergy') to accelerate the progression of the Feasibility Study
- Entitlement Offer on equivalent terms proposed for Australian investors
- EU announces the launch of European Raw Materials Alliance: lithium on the EU Critical Raw Materials list

Infinity Lithium Corporation Limited ('Infinity' or 'the Company') is pleased to announce the receipt of firm commitments to raise \$2.2 million through a placement ('Placement') to advance the San José Lithium Project ('San José', or 'the Project'). The Placement was significantly oversubscribed and heavily supported through European and Australian institutional and sophisticated investors.

The maximum number of new securities to be issued under the offer is approximately 31,428,571 shares ('Placement Shares') and 15,714,285 unlisted options ('Placement Options') to raise \$2,200,000 before costs. The issue price of the Placement Shares is \$0.07 per share, with participants in the placement issued one (1) attaching unlisted option for every two (2) shares subscribed in the Placement at an exercise price of A\$0.12 with a 24-month term, and subject to shareholder approval.

Infinity Managing Director and CEO Ryan Parkin commented: *"The Placement has been very well supported in Europe by institutional and sophisticated investors that are focused on the inevitable EU transition to electric mobility. Europe continues to rapidly progress sustainable projects aligned to the EU battery supply chain, and the inclusion of lithium on the EU critical raw material list has highlighted the strategic importance of lithium and more importantly lithium chemical production in Europe."*

ASX Release
8 September 2020
ASX: INF
FRA: 3PM

Project highlights

2nd Largest JORC hard rock lithium deposit in the EU

Strategically located in Spain, Europe to be the 2nd largest market for battery grade lithium

1st lithium project to secure EIT InnoEnergy Funding

Uniquely **fully integrated project** with mine and adjacent conversion plant

Low carbon footprint and sustainable operation

Corporate Directory

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Infinity has accepted oversubscriptions to raise \$2.2 million and the Company is scheduled to settle the Placement on 11 September 2020 and quotation of the Placement Shares is expected to take place on 14 September 2020. The Company also intends to undertake an Entitlement Offer to raise approximately \$2.4 million on the same terms as the Placement (Entitlement Offer) with a prospectus and associated documentation to follow shortly.

The Placement will complement the funding commitment that has been received from EIT InnoEnergy earlier this year (refer to ASX announcement 18 June 2020) with funds being used to advance technical work including engineering studies to deliver the Project Feasibility Study and working capital.

Infinity Managing Director and CEO Ryan Parkin commented: *“Our recent funding deal with EIT InnoEnergy facilitated the commencement of phase one feasibility study test work which will also provide for test product material being made available for customer verification. The support received through the Placement will underpin the progression of the Feasibility Study that will build on the momentum in the EU which includes the recently announced new funding avenues aligned to the development of critical raw materials. We look forward to offering our existing shareholders the opportunity to participate in the capital raising through the Entitlement Offer.”*

Placement Details

The shares issued under the Placement will rank pari passu with existing fully paid ordinary shares in the Company. The Placement was undertaken at an issue price of \$0.07 per share, raising \$2.2 million before costs.

A total of approximately 47,142,856 securities are expected to be issued under the Placement comprising of 31,428,571 Placement Shares and 15,714,285 Placement Options.

Placement Shares will fall within the Company’s placement capacity under ASX Listing Rule 7.1. The Placement Options will be issued subject to shareholder approval at the Annual General Meeting of the Company which will occur in November 2020.

Canaccord Genuity (Australia) are the lead manager to the Placement and Entitlement Offer.

EU Strategic Action Plan: Launch of European Raw Materials Alliance as Lithium Joins EU Critical Raw Materials

European Commission Vice President Maroš Šefčovič has presented an Action Plan on Critical Raw Materials and announced the upcoming launch the European Raw Materials Alliance (‘ERMA’). The ERMA will be modelled on the highly successful European Battery Alliance, which has already boosted the EU’s capacities in the lithium industry. The 2020 Critical Raw Materials list has seen the inclusion of lithium with Šefčovič commenting that it is clear the EU will *“have to drastically change our approach to critical raw materials”* which will play an essential part in the EU’s recovery and transition towards a green and digital economy.

The speech by Vice-President Šefčovič at the Press Conference on critical raw materials resilience in the EU further noted *“the EU is focused on industrial projects in sustainable mining and processing”* that can be operational by 2025, and with Europe requiring up to 18 times more lithium by 2030 and up to 60 times more by 2050, Europe is mobilising rapidly and is *“expected to cover 80 percent of our lithium needs in the battery sector by 2025.”*

“The Raw Materials Alliance will mobilise industrial and innovation actors, Member States, regions, the EIB, investors, social partners and civil society – in order to help build our capacities along the entire value chain, from mining to waste recovery.”

The European Commission will develop sustainable financing criteria for the mining and extractive sectors by the end of 2021 in line with the objectives of the European Green Deal.

Infinity's San José is a sustainable and fully integrated lithium hydroxide project that is aligned to the EU's strategic objectives to develop an integrated lithium-ion battery supply chain in Europe. The Company is a member of the European Battery Alliance and has recently announced a funding deal with EIT InnoEnergy under the European Battery Alliance's Business Investment Platform. For further details refer to ASX announcement 18 June 2020.

Trading Halt

This is the announcement referred to in the Company's request for back-to-back trading halts on 2 September 2020.

Authorised for release by the Board. For further inquiries please contact;

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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 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 provides 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 burgeoning EU's automotive industry to electric vehicle.