

INFINITY COMPLETES STRONGLY SUPPORTED A\$15 MILLION PLACEMENT

HIGHLIGHTS

- Commitments to raise A\$15 million before costs received to advance the San José Lithium Project.
- Placement strongly supported with significant funds from international and domestic institutions and existing investors.
- Placement proceeds will significantly strengthen the balance sheet to enable the acceleration of the San José Feasibility Study and project related work in the region.
- Infinity fully financed for completion of the Feasibility Study to be released in Q4 2021.

Infinity Lithium Corporation Limited ('Infinity', or 'the Company') is pleased to announce the receipt of firm commitments to raise approximately A\$15 million before costs through a placement at \$0.19 per share ('Placement') to advance the San José Lithium Project ('San José', or 'the Project'). Firm Commitments received were significantly in excess of the maximum Placement amount and the Placement was well supported by European, other international and domestic institutional and sophisticated investors.

Infinity Managing Director and CEO Ryan Parkin commented: *"Infinity is very pleased to have received such strong support from new and existing investors as the Company advances the San José Lithium Project through to FID. The funds raised in this placement will be applied to accelerate the class 3 feasibility study work due for completion later in CY 2021 and positions the Company well as it transitions to a stronger European base."*

The overwhelming demand for the placement shows that the international investment community understands that the inevitable, wide-spread transition to electric mobility will result in critical shortages in lithium-ion battery materials. EU policy is aligned with the goals of the European Battery Alliance to develop a fully integrated European battery supply chain. Long-life projects such as San José are recognised as being crucial to achieving these goals and are ideally positioned to benefit from low-cost EU funding such as the €750 billion Coronavirus Recovery Fund."

ASX Release
18 February 2021
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 after China

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

Ryan Parkin
Managing Director & CEO

Adrian Byass
Non-Executive Chairman

Remy Welschinger
Executive Director

Jon Starink
Executive Director

Contact

Level 3, 22 Railway Road
Subiaco WA 6008

T: +61 (8) 6146 5325
E: admin@infinitylithium.com
W: www.infinitylithium.com
W: www.sanjosevaldeflorez.es



Placement Details

The Company has received binding commitments from new and existing investors to raise \$15.1 million (before costs) through the issue of approximately 79,471,355 fully paid ordinary shares (**'Placement Shares'**) at an issue price of \$0.19 per share, representing a 13.8% discount to the 15-day volume weighted average price (**'VWAP'**).

The Placement Shares will fall within the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A. 47,482,813 Placement Shares will be issued under the Company's LR 7.1 capacity and 31,988,542 Placement Shares will be issued under the Company's LR7.1A capacity. The Placement Shares issued will rank equally with Infinity's existing shares quoted on the ASX.

The Company is expected to settle the Placement on 24 February 2021 and quotation of the Placement Shares is expected to take place on 25 February 2021.

Canaccord Genuity (Australia) Limited acted a Sole Lead Manager to the Placement.

EU Approval of Recovery and Resilience Facility

On 10 February The European Commission announced the European Parliament's approval of Recovery and Resilience Facility ('RRF') under the Next Generation EU (Coronavirus Recovery Funding) totalling €750 billion. The RRF represents €312.5 billion in grants and €360 billion in loans (totalling €672.5 billion) of the Coronavirus Recovery Funding package. The execution of the RRF aligns investment towards achieving the carbon neutrality by 2050 with a minimum of 37% of expenditure on investments and reforms contained in each national recovery and resilience plan to support climate objectives.

The Company has progressed an application for funds in Spain as part of the KIC InnoEnergy SE ('EIT InnoEnergy') led Battchain consortium submission for €1.2b of Coronavirus Recovery Funds (refer to ASX announcement 11 February 2021). Battchain is focused on the development of industrial projects in the Spanish automotive sector, and San José is aligned to Spain's recovery and resilience plan to support climate objectives through potentially providing battery grade lithium hydroxide, a critical requirement in both the EU and Spain development of a fully integrated lithium-ion battery value chain.

Company Activities

The Company recognises that the rapid transition toward the adoption and production of electric vehicles underpins the urgent requirement to advance the availability of battery grade lithium hydroxide and potentially accelerate San José through to development. Test work at Dorfner Anzaplan's facilities in Germany are progressing as funded under the Project Agreement with EIT InnoEnergy (refer to ASX announcement 18 June 2020).

In December 2020 the Junta of Extremadura announced the granting of Investigation Permit Ampliación a Valdeflórez (refer to ASX announcement 23 December 2020) and the Extremadura Department of Mines are continuing to advance Investigation Permit Valdeflórez from application status.

Funds from the Placement will be used advance the San José Feasibility Study which will incorporate the outcomes from the test work program, and facilitate the submission of mining licence applications and environmental impact assessments. The Company will furthermore commence activities to progress phase 2 under the Project Agreement in the development of a pilot plant.

Strategic partnership and offtake discussions are continuing with multiple levels of the EU lithium-ion battery value chain including OEMs and future European lithium-ion battery producers. The paradigm shift towards e-mobility and localisation of the European battery supply chain underpins strong industry interest in battery grade lithium hydroxide supply. San José maintains an advantaged position in the European market with traceability of materials and carbon footprint considerations for offtake partnerships impacted by the introduction of a battery passport. Legislative changes have been announced by the European Commission and are expected to be formalised Q1 to impose penalties for imported batteries and materials that are not in compliance with the EU's stringent sustainability and CO2 profile requirements.

The Company maintains 75% ownership interest in the Project and an option to move to 100% for €10m, exercisable at any time prior to the final investment decision.

Trading Halt

This is the announcement referred to in the company's request for Trading Halt on 16 February 2021.

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

Ryan Parkin
CEO, Managing Director
T: +61 (8) 6146 5325
E: rparkin@infinitylithium.com

Lucas Robinson
Investor Relations Manager
T: +61 (0)408 228 889
E: lrobinson@infinitylithium.com

Recent Announcements

- Infinity part of EIT InnoEnergy led Battchain consortium submission for €1.2b of Coronavirus Recovery Funds
- Infinity appoints Head of Corporate Development
- Key Investigation Permit Ampliación a Valdeflórez granted at San José
- Infinity appoints lithium expert to Technical Advisory Committee
- San José feasibility study: test work update
- Appointment of Head of Institutional Relations

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 burgeoning EU's automotive industry to electric vehicle.

About EIT InnoEnergy

EIT InnoEnergy is the leading driver of sustainable energy innovation and entrepreneurship in Europe.

EIT InnoEnergy has accelerated and invested in some 380 sustainable energy start-ups, of which more than 30 are in the storage sector, including flagship projects such as the vertically integrated sustainable battery manufacturer Northvolt.

Following the European Commission's mandate, EIT InnoEnergy has been leading the European Battery Alliance ('EBA') industry initiative since 2017, a European Commission initiative to build a strong and competitive European battery industry.

EIT InnoEnergy was established in 2010, has invested €560 million in sustainable energy innovations and is supported by the European Institute of Innovation and Technology (EIT).

About Battchain

Battchain comprises a group of leading Spanish companies and industrial projects, representing some of Spain's leading and most innovative organisations in the battery field. These include:

- Infinity Lithium: San José Lithium Project for the potential extraction of lithium hard rock resource and industrial lithium hydroxide refining;
- Basquevolt: solid state cell factory, with a capacity of 10GWh, promoted by the Ente Vasco de la Energía and CIC-Energigune;
- Nabatt Battery Pack assembly plant, promoted by Fagor Ederlan, Ingeteam and SODENA, with a capacity of up to 120,000 Battery Packs per year;
- Scoobic factory for the assembly of up to 20,000 pa last-mile electric vehicles and their removable batteries;
- BeePlanet: plant development with the capacity to process 260MWh annually and produce 40MWh of second life batteries for stationary applications.