



**Infinity Lithium Corporation Limited
ACN 147 413 956**

Prospectus

This Prospectus is being issued for an offer of 10,000 Shares at an issue price of \$0.15 per Share.

This Prospectus has been prepared for the purposes of section 708A(11) of the Corporations Act, to remove trading restrictions on Shares issued prior to the Closing Date.

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.

The Shares offered in connection with this Prospectus are of a speculative nature.

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Important Information

Prospectus

This Prospectus is dated [20] October 2021 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply for Official Quotation by ASX of the Shares offered by this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Unit 32, Level 3, 22 Railway Road, Subiaco, Western Australia 6008, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.3). The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares under the Offer can only be submitted on an original Application Form which accompanies this Prospectus.

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 2 of this Prospectus.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to WST unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

Corporate Directory

Directors

Adrian Byass
Ryan Parkin
Remy Welschinger
Jon Starink

Non-Executive Chairman
Managing Director & CEO
Executive Director
Executive Director

Company Secretary

Jonathan Whyte

Registered and Principal Office

Unit 32, Level 3
22 Railway Road
Subiaco WA 6008
Phone: (08) 6146 5325
Email: admin@infinitylithium.com
Website: <https://www.infinitylithium.com/>

Share Registry*

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

Lawyers

HWL Ebsworth Lawyers*
Level 20, 240 St Georges Terrace
Perth WA 6000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Indicative Timetable

Event	Date
Lodgement of Prospectus with ASIC and ASX	(Post-Market) Wednesday, 20 October 2021
Lodgement of Appendix 3B with ASX	(Post-Market) Wednesday, 20 October 2021
Opening Date of Offer	Thursday, 21 October 2021
Closing Date of Offer	Thursday, 21 October 2021
Lodgement of Appendix 2A with ASX	(Pre-Market) Friday, 22 October 2021

These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including extending the Closing Date, without prior notice.

1. Details of the Offer

1.1 Summary of the Offer

The Company is offering, pursuant to this Prospectus 10,000 Shares at an issue price of \$0.15 each to raise \$1,500 (before costs) (**Offer**).

The Offer will only be extended to specific parties unrelated to the Company on invitation of the Directors. An Application Form will only be provided by the Company to these parties, together with a copy of this Prospectus.

Shares issued under the Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing Shares on issue. Refer to Section 4.1 for a summary of the rights and liabilities attaching to the Shares under the Offer.

1.2 Purpose of the Offer

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5) within 5 days of the date of issue of the securities. Section 708A(11) of the Corporations Act provides another exemption from the general requirement under section 707(3) where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued;
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The primary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act to remove any trading restrictions that attach to Shares issued by the Company prior to the Closing Date, so that subscribers of those Shares may, if they choose to, sell those Shares (as applicable) within twelve months from the date of their issue without the issue of a prospectus. These include:

- (a) the 9,967,893 Shares issued by the Company on 19 October 2021, as a result of the conversion of Options (**Issued Shares**); and
- (b) any other Shares the Company may issue between the date of this Prospectus and the Closing Date (including but not limited to any Shares issued upon the exercise of Options or conversion of Performance Rights).

Apart from the issue of Shares outlined in Section 1.1, no other securities will be issued under the Offer. Accordingly, this Prospectus is being lodged to comply with 'Case 1' of section 708A(11) of the Corporations Act and 'cleanse' the Issued Shares, which were issued without disclosure under Part 6D.2 of the Corporations Act.

The Shares issued under the Offer will be issued under the Company's existing placement capacity under Listing Rule 7.1. The Company will raise up to \$1,500 under the Offer (before costs). The total estimated expenses of the Offer are approximately \$7,456 and will be paid by the Company from its cash reserves.

1.3 **Closing Date**

The Closing Date for the Offer is [21] October 2021. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to vary the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

1.4 **Minimum subscription**

There is no minimum subscription for the Offer.

1.5 **Application Forms**

The Offer is being extended to investors who are invited by the Company to subscribe for Shares and is not open to the general public. The Company may determine in its discretion whether to accept any or all of the Applications.

Applications must be made using the Application Form provided with a copy of this Prospectus. To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

Completed Application Forms, together with application monies, must be received by the Company prior to the Closing Date. Application Forms should be delivered to the Company in accordance with the instructions on the Application Form. If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of the Shares under the Offer.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

1.6 **Issue and dispatch**

Subject to the Corporations Act and the Listing Rules, the Company intends to issue the Shares under the Offer as soon as practicable after the Closing Date. Shareholder statements will be dispatched as soon as possible after the issue of the Shares under the Offer.

1.7 **Application Monies held on trust**

All Application Monies received for the Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant

to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.8 **ASX quotation**

Application will be made to ASX no later than 7 days after the date of this Prospectus for official quotation of the Shares under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.9 **CHESS**

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS, operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by Link Market Services Limited and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.10 **Residents outside Australia**

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.11 **Risk factors**

An investment in Shares of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are detailed in Section 2.

1.12 **Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus. The Company, its advisers

and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders or potential investors. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.13 **Major activities and financial information**

A summary of the major activities and financial information relating to the Company can be found in the Company's Annual Financial Report for the year ended 30 June 2021 (**Annual Report**) lodged with ASX on 30 September 2021 and in the Company's Interim Financial Report for the half year ended 31 December 2020 lodged with ASX on 16 March 2021 (**Half Yearly Report**). The Company has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report.

Copies of the Annual Report and Half Yearly Report are available free of charge from the Company. The Directors strongly recommend that Applicants review these documents and all other announcements prior to deciding whether or not to participate in the Offer.

1.14 **Privacy**

Applicants will be providing personal information to the Company (directly or by the Company's share registry) on the Application Forms. The Company collects, holds and will use that information to assess the Application, service Shareholders' needs, facilitate distribution payments and corporate communications to Shareholders and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers set out in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

Applicants should note that if they do not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

1.15 **Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Company Secretary by email to admin@infinitylithium.com.

2. Risk factors

The Shares offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company and no assurances can be made that the Company's particular interests or projects will be successful. Potential investors should consider whether the Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below.

This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offer.

2.1 Risks specific to an investment in the Company

Applicants should be aware of the risks specific to an investment in the Company, which may include, but are not limited to those risks described below.

(a) San José Permitting

The Company cannot guarantee that its investigation permits that are currently in application will be granted and there is a material risk that, in the event the Company is unable to have the investigation permits granted, the Company's proposed interest in its tenements could be relinquished. The Company retains right of tenure whilst the investigation permits are in application status.

The Company's wholly owned subsidiary Extremadura Mining S.L. maintains ownership interest in the Project joint venture entity Tecnología Extremena Del Lito S.L. The Project includes the granted tenement Investigation Permit Ampliación Valdeflorez. The Project previously included the Investigation Permit Valdeflópez which is subject to a contentious-administrative appeal following the cancellation of the permit. The Company maintains rights on subsequent tenement applications that include the areas of tenements Investigation Permit Ampliación Valdeflorez and Investigation Permit Valdeflópez.

(b) Additional requirements for capital

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary accordingly to a number of factors, including prospectivity of the Project (existing and future), feasibility studies, development of its technology, stock market and industry conditions and the price of relevant commodities and exchange rates.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(c) **Exploration costs risk**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(d) **Joint venture risk**

The Company is subject to the risk that changes in the status of any of the Company's joint ventures (including changes caused by financial failure or default by a participant in the joint venture) may adversely affect the operations and performance of the Company.

2.2 **Risks relating to the industry generally**

(a) **Exploration risk**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(b) **Development risk**

If the Company does locate commercially viable reserves of minerals, then the future development of a mining operation at the Project will be subject to a number of risks, including:

- (i) geological and weather conditions causing delays and interference to operations;
- (ii) obtaining all necessary and requisite approvals from relevant authorities and third parties;
- (iii) technical and operational difficulties associated with mining of minerals and production activities;
- (iv) access to necessary funding;
- (v) mechanical failure of plant and equipment;
- (vi) shortage or increases in price of consumables, and plant and equipment;
- (vii) environmental hazards, fires, explosions and other accidents;
- (viii) transportation facilities;

- (ix) costs overruns; and
- (x) the costs of extraction being higher than expected.

(c) **Mine development risk**

Possible future development of a mining operation at the Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

The Company's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its Project.

(d) **Operations risk**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its Project, it is likely to incur ongoing operating losses.

(e) **Resource estimates**

In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(f) **Sovereign risk**

The Company's project is located outside of Australia and is subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects that affect foreign ownership, exploration, development or activities of companies involved in exploration and production, may affect the viability and profitability of the Company.

(g) **Environmental risk**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(h) **Commodity and currency price risk**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(i) **Regulatory risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Company's tenements.

2.3 **General risks**

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Share market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

(d) **Litigation risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Other than as disclosed in this Prospectus, the Company is not currently engaged in any material litigation, other than as disclosed in Section 2.1(a).

(e) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(g) **Insurance**

Insurance against all risks associated with the Company's business is not always available or affordable. The Company maintains insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(h) **Managing growth**

The Company's success will depend on its ability to expand its operations. If the Company is unable to successfully manage the expansion of its business, its financial condition and results of operations could be materially adversely affected.

(i) **Climate change risks**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(j) **Coronavirus disease**

The outbreak of coronavirus disease (**COVID-19**) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19.

Measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and future exploration and development plans. Similarly, travel bans and quarantining adversely affects the Company's ability to conduct regular face to face meetings with key people as and when required.

2.4 **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by prospective investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the Shares.

3. Effect of the Offer

3.1 Capital structure on completion of the Offer

	Shares	Options ⁽¹⁾	Share Appreciation Rights ⁽²⁾
Balance at the date of this Prospectus	412,882,449	95,396,825	17,200,000
To be issued under the Offer	10,000	Nil	Nil
Balance after the Offer	412,892,449	95,396,825	17,200,000

Notes:

1. 95,396,825 unquoted Options, comprising:
 - (a) 1,000,000 Options exercisable at \$0.088 each and expiring on 16 September 2022;
 - (b) 13,182,938 Options exercisable at \$0.00 each and expiring on 28 July 2025;
 - (c) 22,713,887 Options exercisable at \$0.12 each and expiring on 30 November 2022;
 - (d) 10,000,000 Options exercisable at \$0.09 each and expiring on 30 November 2022;
 - (e) 40,000,000 Options exercisable at \$0.11 each (unvested) and expiring on 10 August 2022;
 - (f) 4,000,000 Options exercisable at \$0.266 each and expiring on 31 December 2024;
 - (g) 4,000,000 Options exercisable at \$0.304 each and expiring on 31 December 2024 and
 - (h) 500,000 Options exercisable at \$0.20 each and expiring on 30 November 2022.
2. 17,200,000 Share Appreciation Rights, comprising:
 - (a) 5,000,000 expiring on 13 September 2024;
 - (b) 9,700,000 expiring on 5 October 2025;
 - (c) 500,000 expiring on 2 December 2025; and
 - (d) 2,000,000 expiring on 5 January 2026.

3.2 Financial effect of the Offer

After paying the expenses of the Offer of approximately \$7,456 there will be no proceeds from the Offer. The expenses of the Offer (exceeding any amounts raised under the Offer, which is a maximum of \$1,500) will be met from the Company's existing cash reserves. The Offer is expected to have a nominal effect on the Company's financial position of reducing the cash balance by \$5,956, being receipt of funds of \$1,500, less expenses of the Offers of \$7,456.

As the issue of the 10,000 Shares under this Prospectus will not have a material impact on the Company's financial position, a pro-forma statement of financial position of the Company showing the financial effect of the Offer has not been included in this Prospectus.

Please refer to Section 4.14 for further details on the estimated expenses of the Offer.

3.3 **Effect of the Offer on control of the Company**

The Company is of the view that the Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer, (see Section 4.8).

4. Additional information

4.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder will, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares will have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which will be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend will carry interest as against the Company.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and

conditions as are referred to in the resolution and which plan provides for any dividend which the Directors may declare from time to time.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) **Shareholder Liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 **Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with the ASIC yearly and half-yearly financial statements, accompanied by a Directors' statement and report and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

4.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of the ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Annual Report for the period ending 30 June 2021 as lodged with ASX on 30 September 2021
- (b) the Half Yearly Report for the period ending 31 December 2020 as lodged with ASX on 16 March 2021; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Report and before the date of issue of this Prospectus which are as follows:

Date	Subject of Announcement
19/10/2021	Application for quotation of securities - INF
19/10/2021	Proposed issue of securities - INF
19/10/2021	Annual Remuneration Review
18/10/2021	Live Investor Briefing
14/10/2021	Underground Mine and Processing Scoping Study Presentation
14/10/2021	Integrated Underground Scoping Study - San Jose Project
11/10/2021	Positive Court Decision for San Jose
8/10/2021	Listing Rule 3.13.1 Disclosure
30/09/2021	Appendix 4G
30/09/2021	Corporate Governance Statement
30/09/2021	Annual Report to shareholders

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and

- (c) the consents referred to in Section 4.15 and the consents provided by the Directors to the issue of this Prospectus.

4.4 **Information excluded from continuous disclosure notices**

Other than as set out below, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and which is required to be set out in this Prospectus.

4.5 **Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

4.6 **Market price of Shares**

The highest and lowest closing market sale prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.215 per Share on 19 October 2021.

Lowest: \$0.09 per Share on 20 August 2021.

The latest available closing market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.215 per Share on 19 October 2021.

4.7 **Dividend policy**

The Directors are not able to say when and if dividends will be paid in the future as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4.8 **Substantial Shareholders**

Based on available information as at the date of this Prospectus, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

4.9 **Directors' interests**

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

4.10 Directors' interests in Securities

The Directors have the following relevant interests in the Securities as at the date of this Prospectus:

Director	Shares	Voting power	Unquoted Options	Share Appreciation Rights
Adrian Byass ⁽¹⁾	9,568,805	2.37%	897,744	1,000,000
Ryan Parkin ⁽²⁾	2,791,219	0.69%	1,071,430	7,400,000
Remy Welschinger ⁽³⁾	668,425	0.17%	Nil	2,400,000
Jon Starink ⁽⁴⁾	Nil	Nil	Nil	2,400,000

Notes:

1. Securities are held as follows:
 - (a) Valiant Equity Management Pty Ltd AFT <Byass Family A/C>, an entity associated with Adrian Byass holds:
 - (i) 5,101,876 Shares;
 - (ii) 151,494 Options exercisable at \$0.12 each and expiring on 30 November 2022; and
 - (iii) 1,000,000 Share Appreciation Rights expiring on 5 October 2025;
 - (b) Teutonic Investments Pty Ltd, an entity associated with Adrian Byass holds:
 - (i) 562,500 Shares; and
 - (ii) 31,250 Options exercisable at \$0.12 each and expiring on 30 November 2022;
 - (c) Oakwood Super Fund, an entity associated with Adrian Byass holds:
 - (i) 3,904,429 Shares; and
 - (ii) 715,000 Options exercisable at \$0.07 each and expiring on 24 October 2021.
2. Securities are held as follows:
 - (a) Chevalier Holdings Pty Ltd ATF <Lapiste Holdings Family Trust>, an entity associated with Ryan Parkin holds:
 - (i) 2,054,611 Shares;
 - (ii) 1,000,000 Options exercisable at \$0.088 each and expiring on 16 September 2022;
 - (iii) 35,715 Options exercisable at \$0.12 each and expiring on 30 November 2022; and
 - (iv) 5,000,000 Share Appreciation Rights expiring on 13 September 2024;
 - (v) 2,400,000 Share Appreciation Rights expiring on 5 October 2025.

- (b) Mr Ryan Xavier Parkin & Mrs Lisa Gabrielle Parkin ATF <Majeet Super Fund>, an entity associated with Ryan Parkin holds:
 - (i) 736,608 Shares; and
 - (ii) 35,715 Options exercisable at \$0.12 each and expiring on 30 November 2022.
- 3. Securities are held as follows:
 - (a) 668,425 Shares are held by Citicorp Nominees Pty Limited, an entity associated with Remy Welschinger; and
 - (b) 2,400,000 Share Appreciation Rights expiring on 5 October 2025, are held directly by Remy Welschinger.
- 4. 2,400,000 Share Appreciation Rights expiring on 5 October 2025 are held by Lazarus Foundation Pty Ltd ATF <Read Trust>, an entity associated with Jon Starink.

4.11 Remuneration of Directors

The Constitution provides that the non-executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares. The maximum aggregate amount of fees payable to Directors is currently set at \$400,000 per annum, as approved by Shareholders at the annual general meeting held on 27 November 2019. The remuneration of the executive Directors must, subject to the provisions of any contract between each of them and the Company, be fixed by the Directors.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Directors have received the following remuneration for the year ended 30 June 2021:

Director	Cash Salary & Fees \$	Non-monetary benefits \$ ⁽²⁾	Annual Leave \$	Superannuation \$	Total \$
Adrian Byass	68,750	49,608	-	6,531	124,890
Ryan Parkin ⁽¹⁾	292,500	183,725	18,902	23,037	518,164
Remy Welschinger	77,340	119,060	-	-	196,400
Jon Starink	52,645	119,060	4,050	5,001	180,756
Felipe Benjumea Llorente	5,162	-	-	-	5,162

Vincent Ledoux Pedailles	37,813	-	-	-	37,813
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Notes:

1. Includes \$50,000 cash performance bonus. Note Mr Parkin's base salary increased from \$260,000 to \$320,000 on 19 October 2021
2. Issue of Share Appreciation Rights as approved by Shareholders at the 2020 Annual General Meeting.

4.12 Related party transactions

There are no related party transactions involved in the Offer that are not otherwise described in the Prospectus.

4.13 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

4.14 Expenses of Offer

Estimated expenses of the Offer	A\$
ASIC lodgement fee	3,206
ASX quotation fee	1,250
Prospectus preparation expenses	3,000
TOTAL	\$7,456

4.15 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for

the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) has not authorised or caused the issue of this Prospectus or the making of the Offer;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Advanced Share Registry Services has given its written consent to being named as the Share Registry to the Company in this Prospectus. Advanced Share Registry Services has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

5. **Authorisation**

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in blue ink, appearing to read 'Adrian Byass', written in a cursive style.

Adrian Byass

Non-Executive Chairman

Dated: 20 October 2021

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$	means Australian dollars.
Annual Report	means the annual financial report of the Company for the period ending 30 June 2021 as lodged with ASX on 30 September 2021.
Applicant	means a person who submits an Application Form.
Application	means a valid application for Shares made on an Application Form.
Application Form	means the Application Form provided by the Company with a copy of this Prospectus.
Application Monies	means the amount of money in dollars and cents payable for Shares pursuant to the Offer.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	means the Directors meeting as a board.
CHESS	means ASX Clearing House Electronic Sub-registry System.
Closing Date	means the closing date for the Offer, being [21] October 2021, as may be varied.
Company	means Infinity Lithium Corporation Limited ACN 147 413 956.
Constitution	means the constitution of the Company as at the date of this Prospectus.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth), as amended from time to time.
Directors	mean the directors of the Company as at the date of this Prospectus.
Half Yearly Report	means the half yearly report of the Company for the period ending 31 December 2020 as lodged with ASX on 16 March 2021.
Issued Shares	has the meaning in Section 1.2.
Issuer Sponsored	means Securities issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules	means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Offer	has the meaning given in Section 1.1.
Official List	means the official list of ASX.
Official Quotation	means quotation of Securities on the Official List.
Options	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
Share Appreciation Right	means a right to be issued a Share, subject to the satisfaction or waiver of specified vesting conditions.
Project	means the San José Lithium Project.
Prospectus	means this prospectus dated 20 October 2021.
Section	means a section of this Prospectus.
Securities	means any securities, including Shares, Options or Performance Rights issued or granted by the Company.
Shares	means ordinary fully paid shares in the capital of the Company.
Shareholder	means a holder of Shares.
WST	means Western Standard Time.