ASX: INF ANNOUNCEMENT

10 December 2019

Company Announcements Office
Australian Securities Exchange Limited
Electronic Lodgement System

Dear Sir/Madam

Infinity Lithium Corporation Limited – ASX announcement

Infinity Lithium Corporation Limited lodges the following announcement:

- Appendix 3B

Contact and person who authorised the announcement:

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Company Secretary
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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement,
application for quotation of additional securities
and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Infinity Lithium Corporation Limited

ABN

52 147 413 956

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Share Appreciation Rights Performance Rights

2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	10,000,000 Share Appreciation Rights 6,280,624 Performance Rights

+ See chapter 19 for defined terms.

3   Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Share Appreciation Rights:

(a)   (**Issue Price**): The Share Appreciation Rights will be issued for nil cash consideration.

(b)   (**Vesting**): The Share Appreciation Rights vest as follows, provided the holder remains employed or engaged by the Company on the vesting date:

        (i)   50% of Share Appreciation Rights issued to a holder vest on the date that is 12 months from 13 September 2019;

        (ii)   25% of Share Appreciation Rights issued to a holder vest on the date that is 24 months from 13 September 2019; and

        (iii)   24% of Share Appreciation Rights issued to a holder vest on the date that is 36 months from 13 September 2019.

(c)   (**Strike Price**): The amount payable upon exercise of each Share Appreciation Right is the 20-day VWAP prior to 13 September 2019, being $0.072.

(d)   (**Expiry Date**): Each unexercised or unvested Share Appreciation Right shall expire on 13 September 2024.

Performance Rights:

Milestones

        (i)   (Tranche A): the Company executing a non-binding offtake agreement with a third party for the purchase from the Company of a minimum of 5,000 tonnes of lithium chemicals including lithium hydroxide or lithium carbonate produced from the San Jose Lithium Project; and

(ii)   (Tranche B): the Company completing a capital raising of a minimum of $1,000,000 from a recognised lithium industry participant or investor,

Conversion
Upon vesting, each Performance Right will, at the election of the holder, convert into one Share

Lapse of a Performance Right
If a Milestone is not achieved whilst the holder remains employed or engaged by the Company, then unless the Board decides otherwise in its absolute discretion, the relevant Performance Right will be deemed to have automatically lapsed.
Each Performance Right shall otherwise expire on 31 December 2020 (Expiry Date). If the relevant Milestone attached to the Performance Right has not been achieved by the Expiry Date, all unconverted Performance Rights of the relevant class will automatically lapse at that time.

Consideration
The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No – Share Appreciation Rights Upon vesting and subsequent exercise each Share Appreciation Right will, convert into one ordinary share the allotted and issued shares will rank equally in all respects with an existing class of quoted securities Performance Rights Upon vesting, each Performance Right will, at the election of the holder, convert into one ordinary share. the allotted and issued shares will rank equally in all respects with an existing class of quoted securities
5	Issue price or consideration	Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	In accordance with remuneration package with Related Party and as per shareholder approval obtained on 27 November 2019
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	27 November 2019
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of securities issued under an exception in rule 7.2	16,280,624
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Remaining Issue capacity Rule 7.1: 31,739,951 Remaining Issue capacity Rule 7.1A: 21,159,967 Refer to Annexure 1
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	11 December 2019

8	Number and +class of all +securities quoted on ASX (*including* the securities in section 2 if applicable)	Number	+Class
		211,599,676	Ordinary fully paid shares

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in section 2 if applicable)	10,000,000	Milestone B - performance shares conversion ratio 1:1 to ordinary shares on achieving JORC prefeasibility milestone, lapse 4 years from SPA.
		2,000,000	Options exercisable at $0.32 on or before 5 December 2020
		8,000,000	Options exercisable at $0.234 each on or before 19 March 2020
		6,000,000	Options exercisable at $0.15 on or before 11 June 2020
		1,000,000	Options exercisable at $0.15 on or before 11 June 2021
		500,000	Options exercisable at $0.12 each on or before 14 December 2021
		1,000,000	Options exercisable at $0.088 each on or before 16 September 2022
		10,000,000	Share Appreciation Rights expire on 13 September 2024
		6,280,624	Performance Rights 31 December 2020 (Expiry Date)

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	

12	Is the issue renounceable or non-renounceable?	

13	Ratio in which the +securities will be offered	

14	+Class of +securities to which the offer relates	

15	+Record date to determine entitlements	

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	

17	Policy for deciding entitlements in relation to fractions	

18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	

19	Closing date for receipt of acceptances or renunciations	

20	Names of any underwriters	

21	Amount of any underwriting fee or commission	

22	Names of any brokers to the issue	

23	Fee or commission payable to the broker to the issue	

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	

+ See chapter 19 for defined terms.

25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements *in full* through a broker?	
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34   Type of securities
      (*tick one*)

(a)   ☒   Securities described in Part 1

(b)   ☐   All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35   ☐   If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36   ☐   If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37   ☐   A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38   Number of securities for which +quotation is sought

39   Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40   Do the ⁺securities rank equally in all
      respects from the date of allotment
      with an existing ⁺class of quoted
      ⁺securities?

      If the additional securities do not
      rank equally, please state:
      • the date from which they do
      • the extent to which they
        participate for the next dividend,
        (in the case of a trust,
        distribution) or interest payment
      • the extent to which they do not
        rank equally, other than in
        relation to the next dividend,
        distribution or interest payment

41   Reason for request for quotation now

      Example: In the case of restricted securities, end of
      restriction period

      (if issued upon conversion of another
      security, clearly identify that other
      security)

	Number	⁺Class
42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)		

Quotation agreement

1   ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may
        quote the ⁺securities on any conditions it decides.

2   We warrant the following to ASX.

        • The issue of the ⁺securities to be quoted complies with the law and is not for
          an illegal purpose.

        • There is no reason why those ⁺securities should not be granted ⁺quotation.

        • An offer of the ⁺securities for sale within 12 months after their issue will not
          require disclosure under section 707(3) or section 1012C(6) of the
          Corporations Act.

          Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give
          this warranty

        • Section 724 or section 1016E of the Corporations Act does not apply to any
          applications received by us in relation to any ⁺securities to be quoted and that
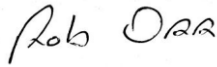   no-one has any right to return any ⁺securities to be quoted under sections 737,

738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3   We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4   We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Date: 10 December 2019

Rob Orr

Print name: Rob Orr (Company Secretary)

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for ⁺eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	189,889,104
Add the following: • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	282,000 shares 14 December 2018 (approved General Meeting 09 September 2019) 20,285,714 shares 3 July 2019 (approved General Meeting 09 September 2019) 1,142,858 shares 16 September 2019 (approved General Meeting 09 September 2019)
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
"A"	211,599,676

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*

Multiply "A" by 0.15	31,739,951

Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used

Insert number of equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	
"C"	Nil

Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1

"A" x 0.15 *Note: number must be same as shown in Step 2*	31,739,951
Subtract "C" *Note: number must be same as shown in Step 3*	Nil
Total ["A" x 0.15] – "C"	31,739,951 *[Note: this is the remaining placement capacity under rule 7.1]*

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	211,599,676
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	21,159,967
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	
"E"	Nil

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	21,159,967
Subtract "E" *Note: number must be same as shown in Step 3*	Nil
Total ["A" x 0.10] – "E"	21,159,967 *Note: this is the remaining placement capacity under rule 7.1A*