Announcement Summary

Entity name

INFINITY LITHIUM CORPORATION LIMITED

Announcement Type

New announcement

Date of this announcement

Tuesday September 8, 2020

The Proposed issue is:

☑ A standard pro rata issue (including non-renounceable or renounceable)

Total number of +securities proposed to be issued for a standard pro rata issue (including non-renounceable or renounceable)

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Unlisted options exercisable at $0.12 per Option expiry 30 November 2022	17,224,598
INF	ORDINARY FULLY PAID	34,449,197

Ex date

Friday September 18, 2020

+Record date

Monday September 21, 2020

Offer closing date

Monday October 12, 2020

Issue date

Monday October 19, 2020

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

INFINITY LITHIUM CORPORATION LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

52147413956

1.3 ASX issuer code

INF

1.4 The announcement is

☑ New announcement

1.5 Date of this announcement

Tuesday September 8, 2020

1.6 The Proposed issue is:

☑ A standard +pro rata issue (non-renounceable or renounceable)

1.6a The proposed standard +pro rata issue is:

☑ + Non-renounceable

Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 - Are any of the following approvals required for the entitlement offer to be unconditional?
- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +security code and description

INF : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
Yes

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?
No

Details of +securities proposed to be issued

ASX +security code and description

INF : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued	For a given quantity of +securities held
1	8

What will be done with fractional entitlements?	Maximum number of +securities proposed to be issued (subject to rounding)
Fractions rounded up to the next whole number	34,449,197

Offer price details for retail security holders

In what currency will the offer be made?	What is the offer price per +security for the retail offer?
AUD - Australian Dollar	AUD 0.07000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?
Yes

Describe the limits on over-subscription

Entitlements that are not taken up by Eligible Shareholders will be available for subscription through an oversubscription offer. Shareholders who wish to apply for new shares above their entitlement and participate in the oversubscription offer should complete the relevant section of the application form that will accompany the Prospectus.

Will a scale back be applied if the offer is over-subscribed?
Yes

Describe the scale back arrangements

The Directors reserve the right to, in conjunction with the lead manager, place any oversubscription shares at their absolute discretion. If the oversubscription offer is oversubscribed by shareholders, then the Company intends to scale back, pro-rata, applications for oversubscription shares.

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?
New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?
No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?
No

ASX +security code
New class-code to be confirmed

+Security description
Unlisted options exercisable at $0.12 per Option expiry 30 November 2022

+Security type

Options

Offer ratio (ratio of attaching securities at which the new +securities will be issued)

The quantity of attaching +securities to be issued

1

For a given quantity of the new +securities issued

2

What will be done with fractional entitlements?

Fractions rounded up to the next whole number

Maximum number of +securities proposed to be issued (subject to rounding)

17,224,598

Offer price details for retail security holders

In what currency will the offer be made?

AUD - Australian Dollar

What is the offer price per +security for the retail offer?

AUD 0.00000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?
Yes

Describe the limits on over-subscription

Entitlements that are not taken up by Eligible Shareholders will be available for subscription through an oversubscription offer. Shareholders who wish to apply for new shares above their entitlement and participate in the oversubscription offer should complete the relevant section of the application form that will accompany the Prospectus.

Will a scale back be applied if the offer is over-subscribed?

Yes

Describe the scale back arrangements

The Directors reserve the right to, in conjunction with the lead manager, place any oversubscription shares at their absolute discretion. If the oversubscription offer is oversubscribed by shareholders, then the Company intends to scale back, pro-rata, applications for oversubscription shares.

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.1200

Expiry date

Wednesday November 30, 2022

Details of the type of +security that will be issued if the option is exercised

INF : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

One fully paid ordinary share (ASX:INF)

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

The terms and conditions of the options will be included in the Entitlement Offer Propsectus.

Part 3C - Timetable

3C.1 +Record date

Monday September 21, 2020

3C.2 Ex date

Friday September 18, 2020

3C.4 Record date

Monday September 21, 2020

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

Thursday September 24, 2020

3C.6 Offer closing date

Monday October 12, 2020

3C.7 Last day to extend the offer closing date

Wednesday October 7, 2020

3C.9 Trading in new +securities commences on a deferred settlement basis

Tuesday October 13, 2020

3C.10 Last day for entity to announce the results of the offer to ASX, including the number and percentage of +securities taken up by existing +security holders and any shortfall taken up by underwriters or other investors

Thursday October 15, 2020

3C.11 +Issue date

Monday October 19, 2020

3C.12 Date trading starts on a normal T+2 basis

Tuesday October 20, 2020

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

Thursday October 22, 2020

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?
☑ Yes

3E.1a Who is the lead manager/broker?

Canaccord Genuity (Australia)

3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

A management fee of 2.0% of the shortfall placed by Canaccord after completion of the Entitlement Offer
A capital raising fee of 4.0% of the shortfall placed by Canaccord after completion of the Entitlement Offer

3E.2 Is the proposed offer to be underwritten?
☑ No

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?
☑ No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Part 3F - Further Information

3F.1 The purpose(s) for which the entity intends to use the cash raised by the proposed issue

The funds from the proposed issued will be used to advance technical work including engineering studies to deliver the San José Project Feasibility Study and working capital.

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?
☑ No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?
☑ No

3F.4 Countries in which the entity has +security holders who will not be eligible to participate in the proposed issue

The Entitlement Offer is only available to shareholders with a registered address in Australia.

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities
☑ No

3F.6 URL on the entity's website where investors can download information about the proposed issue

The Prospectus will be uploaded to the Company's website at:
www.infinitylithium.com

3F.7 Any other information the entity wishes to provide about the proposed issue

3F.8 Will the offer of rights under the rights issue be made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act (as applicable)?
☑ Yes