

Infinity & PMC Sign Consultancy Services Agreement

HIGHLIGHTS

- Infinity Lithium and PMC enter into a consultancy agreement for the provision of mining advisory services.
- Promotora de Minas de Carbón, S.A. is a Spanish company with ownership interests in mining projects, and expertise in the development of mining rights for itself and for third parties.

Infinity Lithium Corporation Limited ('Infinity', or 'the Company') hereby announces that it has entered into a consultancy agreement with Promotora de Minas de Carbón, S.A. ('PMC') for the provision of mining advisory services relating to the San José Lithium Project ('San José', or 'the Project').

The Parties have agreed to work in concert and in good faith towards the progression of San José. The consultancy agreement will remain in force for six (6) months and success based payments are payable as per the details in Schedule 1.

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

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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

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Non-Executive Chairman

Remy Welschinger
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About Infinity Lithium

Infinity Lithium is an Australian listed minerals company who is seeking to develop its 75% owned San José Lithium Project in Spain. The 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 PMC

Promotora de Minas de Carbón, S.A. (PMC) is a Spanish mining company established in 1976, with the purpose of promoting and exploiting mining projects.

During this period, PMC has investigated, developed and exploited several mining assets, both in Spain and in South America including Chile, Argentina, Venezuela and Colombia. PMC has investigated coal, gold, copper, sodium sulfate, tin, tungsten, magnesite, granite, marble, and calcium carbonate resources.

Schedule 1:

The material terms of the consultancy agreement are set out below.

Term

The term of the consultancy is for a period of 6 months and there are no provisions dealing with termination by way of notice.

Fees

Subject to shareholder approval, Infinity will issue PMC with 40 million options (**Success Fee Options**) in two tranches of 20 million on the terms set out in the table below:

Success Fee Options	Vesting conditions	Exercise Price	Expiry
20 million (Tranche 1 Options)	Vesting on 1 September 2021 subject to: (A) the PIV being classified as "in application"; and (B) the Investigation Permit Ampliacion Valdeflorez remaining granted at all times prior to the vesting date.	The higher of A\$0.11 or a 15% premium to closing price of Infinity shares on the date immediately prior to the signing of the consultancy agreement, being 18 June 2021. The exercise price of the options is therefore \$0.11.	12 months from the date of issue.
20 million (Tranche 2 Options)	Vesting on 30 November 2021 subject to: (A) the PIV being classified as "granted"; and (B) the Investigation Permit Ampliacion Valdeflorez remaining granted at all times prior to the vesting date.	The higher of A\$0.11 or a 15% premium to closing price of Infinity shares on the date immediately prior to the signing of the consultancy agreement, being 18 June 2021. The exercise price of the options is therefore \$0.11.	12 months from the date of issue.

Infinity will seek shareholder approval under Listing Rule 7.1 to issue the Success Fee Options. Subject to completion of the relevant Vesting Condition, the following cash fees will be paid in lieu of the Success Fee Options in the event that shareholder approval is not obtained, or regulatory requirements prevents their issue.

Tranche 1 Cash Success Fee = 20 million x (SP_n – Exercise Price of Success Fee Options)

Tranche 2 Cash Success Fee = 20 million x (SP_n – Exercise Price of Success Fee Options)

SP: 10-day VWAP of fully paid ordinary shares on PMC notice date

n: PMC date of notice

PMC will notify Infinity of date "n" which will be on any day in the period commencing on the same day that the Vesting Condition has been satisfied and will end nine (9) months after that date.

Each Cash Success Fee tranche is capped at A\$2.5 million.

There are no other fees payable to PMC under the consultancy agreement.