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INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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Corporate Directory

Non-Executive Chairman	Adrian Byass
Managing Director/CEO	Ryan Parkin
Executive Directors	Remy Welschinger Jon Starink
Company Secretary/CFO	Jonathan Whyte
Principal & Registered Office	Units 32/33, Level 3, 22 Railway Road Subiaco WA 6008 Australia Telephone: +61 8 6146 5325 Email: admin@infinitylithium.com
Auditors	Pitcher Partners BA&A Pty Ltd Level 11, 12-14 The Esplanade Perth WA 6000 Australia
Share Registry	Advanced Share Registry Services 110 Stirling Highway Nedlands WA 6009 Australia Telephone: +61 8 9389 8033 Facsimile: +61 8 6370 4203
Stock Exchange	Australian Securities Exchange (ASX) Code: INF Frankfurt Stock Exchange (FRA) Code: 3PM
Website	www.infinitylithium.com

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Directors' Report

Your Directors present their report on Infinity Lithium Corporation Limited (the "Company" or "Infinity") and its controlled entities (together the "Consolidated Entity") for the half-year ended 31 December 2020.

Directors

The names of Directors in office at any time during or since the end of the period are:

- Mr Adrian Byass — Non-Executive Chairman
- Mr Ryan Parkin — Managing Director/CEO
- Mr Remy Welschinger — Executive Director (Transitioned to Executive Director on 18 January 2021)
- Mr Jon Starink — Executive Director (Appointed 8 October 2020)
- Mr Vincent Ledoux-Pedailles — Non-Executive Director (Resigned 26 August 2020)
- Mr Felipe Benjumea Llorente — Non-Executive Director (Resigned 31 July 2020)

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the Consolidated Entity during the half-year was primarily the exploration and evaluation of the Consolidated Entity's lithium assets. During the year ended 30 June 2020, the Consolidated Entity divested its Gabonese Potash assets in line with its strategy to streamline its activities and focus on the San José Lithium Project. Refer to the below summarised Review of Operations for further information.

Operating Results

The consolidated profit of the Consolidated Entity after providing for income tax amounted to $3,844,453 (31 December 2019: loss of $805,927).

Review of Operations

Business Activities

Infinity is pleased to report on the activities undertaken during the 6-month period ended 31 December 2020 (the "reporting period").

San José Lithium Project:

Progression of Test Work

Despite the ongoing challenges of the coronavirus pandemic, during the reporting period the Consolidated Entity continued to progress test work with project partners in Germany under phase one of the Project Agreement as executed in June 2020 with EIT InnoEnergy. The test work program progressed with some adjustments in timeline deliverables, due in part to the impact of the pandemic, however Infinity is pleased with the commitment of our partners in their work to continue in trying circumstances throughout Q4 2020. The programme is being managed by leading German consultancy and engineering company Dorfner Anzaplan in line with project deliverables under the Project Agreement.

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Directors' Report (continued)

During the reporting period the Consolidated Entity announced that open circuit flotation recoveries results had validated the assumptions used in the Pre-feasibility Study ('**PFS**') for lithium recovery and concentrate grade in the beneficiation stage of the process flow sheet. Test work is continuing on the next stage in the process (sulphate roast).

Test work continued to advance in Germany through the next stages that have the potential to optimise roasting, leaching, and locked cycle activities.

Key Investigation Permit Granted

On 23 December 2020 the Company announced the granting of the Investigation Permit Ampliación a Valdeflórez ('**PIAV**') to San José Lithium Project ('**San José'**, or '**the Project**') Joint Venture entity Tecnología Extremeña del Litio ('**TEL**').

The Project terrain includes areas PIAV and Investigation Permit Valdeflórez ('**PIV**'). The beneficiation plant and downstream lithium chemical conversion facilities are planned to be located in the PIAV area, utilising feedstock from the lithium mica ore contained within PIV.

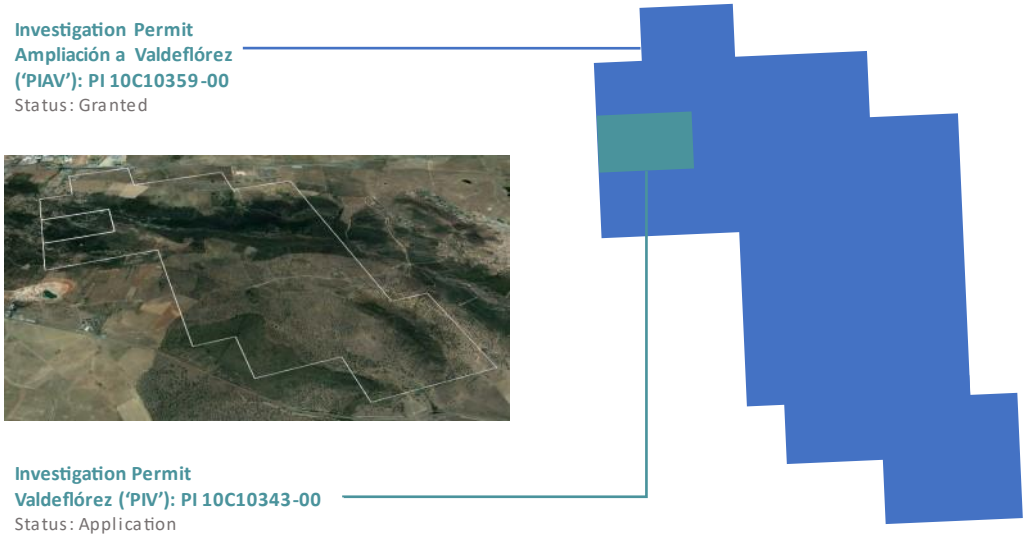


Figure 1: Summary of Investigation Permit Areas

The fully integrated Project can potentially produce battery grade lithium hydroxide, a key component in cathodes required in the production of electric vehicles.

The Junta of Extremadura and the Extremadura Department of Mines continued to advance the processing of the Investigation Permit Valdeflórez administrative file. The Consolidated Entity has the capability to request the application for a derived exploitation concession from the PIV and PIAV once both are granted. The administrative tenement granting process had been impacted by the pandemic, however technical and administrative processing of both files progressed throughout 2020 in a reduced capacity. The Company acknowledges the increased activity and actions of authorities in the processing of Investigation Permit files and remains satisfied that the Department of Mines and the Junta of Extremadura administration have progressed the status of the PIV. The future submission of the Exploitation Concession will include the lodgment of the corresponding environmental impact evaluation.

Lithium-ion Battery Value Chain Strategy

Spain

The Spanish Government, through the Ministry for the Ecological Transition, released the draft of the Energy Storage Strategy (14 October 2020) that highlighted for the first time the Government's commitment to the sustainable exploitation of lithium and rare earth deposits in Spain for the battery industry. The Government publicly recognised and acknowledged the critical importance of critical raw materials for national manufacturers and suppliers that can generate high added value products in the development of an in-country lithium-ion battery supply chain. The Energy Storage Strategy noted one of the measures proposed is the promotion of national self-sufficiency of raw materials or basic components, which is in line with the broader EU strategy under the EBA.

The Minister for the Ecological Transition, Teresa Ribera, stated *"In this context, Spain has the challenge of researching, developing and favouring the battery industry and that of the mineral raw materials essential for their manufacture, promoting, in particular, its own resources".*

European Union

The European Commission presented an Action Plan on Critical Raw Materials (announced 3 September 2020) which addressed the current and future challenges and proposed actions to reduce the EU's dependency on non-EU countries. Lithium was added to the List of Critical Raw Materials for the first time. Maroš Šefčovič, Vice-President for Interinstitutional Relations and Foresight noted:

"A secure and sustainable supply of raw materials is a prerequisite for a resilient economy. For e-car batteries and energy storage alone, Europe will for instance need up to 18 times more lithium by 2030 and up to 60 times more by 2050."

The European Raw Materials Alliance ('**ERMA**') was launched by the European Commission on 29 September 2020 using a platform that has been modelled on the success of the European Battery Alliance ('**EBA**'). The establishment of the ERMA focus on the critical raw material requirements in the development a fully integrated and strategic LIB value chain in the EU.

Competent Persons and Qualifying Persons Statement

The information in this announcement relates to metallurgical test work results in relation to the San José Lithium deposit in Extremadura, Spain, and is based on the information compiled by Mr Adrian Byass (as Competent Person) and as assisted by David Valls, of Extremadura Mining S.L. Mr Byass has sufficient relevant professional experience with open pit and underground mining, exploration and development of mineral deposits similar to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. He has been working in the project area and managing drilling, logging, sampling and supervising metallurgical test works used by Infinity in collection of data used in the preparation of this report. Mr Byass is an employee of Infinity Lithium Corporation Limited and its wholly owned subsidiary Extremadura Mining S.L. and consents to be named in this release and the report as it is presented.

Corporate Activities

$2.2m Placement and $2.4m Entitlement Offer Successfully Completed

In September 2020, Infinity completed a placement to sophisticated investors, raising approximately $2.2 million (before costs) to advance the Project ('**Placement**'). The issue price of the Placement Shares was $0.07 per share, with participants in the placement issued one (1) attaching unlisted option for every two (2) shares subscribed in the placement at an exercise price of A$0.12 with a 24-month term.

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In conjunction with the Placement, Infinity conducted a non-renounceable pro rata offer ('**Entitlement Offer**') of 1 new fully paid ordinary share for every 8 shares held on the same terms as the Placement, including 1 free attaching option exercisable at $0.12 each for every 2 new shares subscribed for, to raise up to approximately $2.4 million (before costs).

The funds raised under the Placement and Entitlement offer are being used to continue activities on the Project and for general working capital.

Key Appointments

In July 2020, Infinity announced the appointment of experienced finance and European commodities executive Mr Remy Welschinger as Non-Executive Director. Mr Welschinger brings significant UK and European Union networks to Infinity after more than 13 years with major London based institutions. Mr Welschinger was promoted to the role of Executive Director as Head of Corporate Development subsequent to the reporting period.

In July 2020, the Company announced the resignation of Mr Felipe Benjumea Llorente and in August 2020 announced the resignation of Non-Executive Director Mr Vincent Ledoux-Pedailles.

In October 2020, Infinity announced the appointment of Mr Jon Starink as an Executive Director and member of the Board of the Company. Mr Starink is an experienced leader and accomplished technical expert with significant international lithium project experience.

In November 2020, Infinity announced the appointment of highly credentialed lithium processing expert Dr. David Maree to the Company's Technical Advisory Committee. Dr. Maree is a Process Development Scientist with significant experience in hard rock lithium projects.

In November 2020, Infinity announced the appointment of Mr Cayetano Polo as Head of Institutional Relations in Spain. Mr Cayetano is the former Ciudadanos Extremadura regional party leader and has held significant positions regionally and locally, including Provincial Deputy of Cáceres.

Discussion and Analysis of Operations and the Financial Position

The Consolidated Entity's cash position as at 31 December 2020 was $4,775,433 (30 June 2020: $627,953). The net assets of the Consolidated Entity have increased from $2,436,329 on 30 June 2020 to $12,411,639 on 31 December 2020. The Consolidated Entity's net working capital, being current assets less current liabilities, has increased from a deficit of ($533,826) on 30 June 2020 to a surplus of $3,720,763 on 31 December 2020. The Consolidated Entity required further funding during the 2021 financial year in order to meet its day-to-day obligations as and when they fall due and progress its exploration and development projects. To this end the Company completed a placement to raise $15,099,557 (before costs) in February 2021 and accordingly the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Consolidated Entity other than those disclosed in the Review of Operations.

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Directors' Report (continued)

Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Consolidated Entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific Notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Events After Reporting Date

Subsequent to period end 31 December 2020, 2,687,500 options with an exercise price of $0.07 per option and 9,899,595 options with an exercise price of $0.12 per option were exercised, raising $1,376,076 in proceeds.

On 3 February 2021, the Company issued 2,000,000 Share Appreciation Rights ('**SARS**') for nil consideration to an employee under the Incentive Performance and Share Appreciation Rights Plan. The SARS will vest in equal tranches over a 2-year period and are exercisable at $0.17 on or before 5 January 2026.

On 18 February 2021, Infinity announced the successful completion of a $15,099,557 placement (before costs) to international and domestic institutions and sophisticated investors. The issue price of the Placement Shares was $0.19 per share. Funds from the Placement will be used to 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.

No further matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

Likely Developments and Expected Results of the Operations

The Consolidated Entity intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

Environmental Regulations

The Consolidated Entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

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Directors' Report (continued)

Unissued Shares

As at the date of this report, the unissued ordinary shares of Infinity Lithium under option are as follows:

Details	Grant Date	Number	Exercise Price ($)	Date of Expiry
Unlisted Options	08/06/2018	1,000,000	$0.15	11/06/2021
Unlisted Options	24/04/2020	10,169,643	$0.07	24/10/2021
Unlisted Options	17/09/2019	1,000,000	$0.088	16/09/2022
Unlisted Options	19/10/2020	22,942,490	$0.12	30/11/2022
Unlisted Options	27/11/2020	10,000,000	$0.09	30/11/2022
Unlisted Options	07/12/2020	500,000	$0.20	30/11/2022

As at the date of this report, the warrants and rights of Infinity Lithium on issue are as follows:

Details	Grant Date	Number	Exercise Price ($)	Date of Expiry
Zero Exercise Price Warrants	28/07/2020	13,182,938	Nil	28/07/2025
Share Appreciation Rights	27/11/2019	5,000,000	$0.072	13/09/2024
Share Appreciation Rights	25/11/2020	9,700,000	$0.082	05/10/2025
Share Appreciation Rights	03/12/2020	500,000	$0.144	02/12/2025
Share Appreciation Rights	03/02/2021	2,000,000	$0.17	05/01/2026

Option-holders do not have any rights to participate in any issue of shares or other interest in the Company or any other entity.

Shares Issued on Exercise of Options

During or since the end of the financial year, the Company issued 12,587,095 ordinary shares as a result of the exercise of the following options to raise $1,376,076. There were no amounts unpaid on these shares issued.

Details	Number of Options Exercised/ Shares Issued	Total Raised ($)
Unlisted options exercisable at $0.07 on or before 24 October 2021	2,687,500	188,125
Unlisted options exercisable at $0.12 on or before 30 November 2022	9,899,595	1,187,951
Total	**12,587,095**	**1,376,076**

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* for the period ended 31 December 2020 has been received and can be found on page 9 of the Financial Report.

Rounding of Amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest dollar.



Ryan Parkin
Managing Director/CEO
15 March 2021

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PITCHER PARTNERS

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF INFINITY LITHIUM CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

In relation to the independent review for the half-year ended 31 December 2020, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

This declaration is in respect of Infinity Lithium Corporation Limited and the entities it controlled during the period.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

J C PALMER
Executive Director
Perth WA, 15 March 2021

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INFINITY LITHIUM CORPORATION LIMITED

ABN 52 147 413 956

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF INFINITY LITHIUM CORPORATION LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Infinity Lithium Corporation Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Infinity Lithium Corporation Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Infinity Lithium Corporation Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

INFINITY LITHIUM CORPORATION LIMITED

ABN 52 147 413 956

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF INFINITY LITHIUM CORPORATION LIMITED

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

J C PALMER
Executive Director
Perth WA, 15 March 2021

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2020

	Notes	31 Dec 2020 $	31 Dec 2019 $
Continuing Operations			
Other income		266,077	60,905
Fair value gain on deferred consideration		-	8,805
Corporate and compliance expenses		(250,480)	(229,375)
Consulting expenses		(30,158)	(24,554)
Employee and director benefits expenses		(246,759)	(141,884)
Reversal of impairment on equity accounted investment	*3*	4,981,058	-
Share-based payments	*2*	(864,269)	(101,077)
Foreign exchange loss		(11,016)	(1,627)
Profit/(loss) before income tax from continuing operations		**3,844,453**	**(428,807)**
Income tax expense		-	-
Profit/(loss) for the period from continuing operations		**3,844,453**	**(428,807)**
Loss for the year from discontinued operations		-	(377,120)
Profit/(loss) for the period		**3,844,453**	**(805,927)**
Other comprehensive income/(loss):			
Items that may be subsequently reclassified to profit or loss in subsequent periods			
Exchange differences arising on translation of foreign operations		(160,619)	(17,049)
Total comprehensive income/(loss) for the period		**3,683,834**	**(822,976)**
Profit/(loss) for the period attributable to:			
Equity holders of the Parent		3,844,453	(805,927)
Non-controlling interests		-	303,488
		3,844,453	**(502,439)**
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Parent		3,683,834	(822,976)
Non-controlling interests		-	303,488
		3,683,834	**(519,488)**
Profit/(loss) per share attributable to the ordinary shareholders of the Parent for the period:			
Basic and diluted (cents per share)		1.39	(0.38)
Basic and diluted (cents per share) from continuing operations		1.17	(0.20)
Basic and diluted (cents per share) from discontinued operations		-	(0.18)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

As at 31 December 2020

	Notes	31 Dec 2020 $	30 Jun 2020 $
Current Assets			
Cash and cash equivalents		4,775,433	627,953
Trade and other receivables		100,974	180,370
Total Current Assets		**4,876,407**	**808,323**
Non-Current Assets			
Other assets		40,885	41,120
Equity accounted investments	*3*	8,649,991	2,929,035
Total Non-Current Assets		**8,690,876**	**2,970,155**
Total Assets		**13,567,283**	**3,778,478**
Current Liabilities			
Trade and other payables		156,500	332,799
Deferred consideration payable	*4*	961,698	982,500
Provisions		37,446	26,850
Total Current Liabilities		**1,155,644**	**1,342,149**
Total Liabilities		**1,155,644**	**1,342,149**
Net Assets		**12,411,639**	**2,436,329**
Equity			
Issued capital	*5*	31,330,731	26,562,671
Reserves	*6*	2,270,397	907,600
Accumulated losses		(21,189,489)	(25,033,942)
Equity attributable to equity holders of the Parent		12,411,639	2,436,329
Non-controlling interest		-	-
Total Equity		**12,411,639**	**2,436,329**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2020

	Notes	Attributable to equity holders of the Parent				Non-Controlling Interest $	Total $
		Issued Capital $	Share Based Payment Reserve $	Foreign Translation Reserve $	Accumulated Losses $		
Balance as at 1 July 2019		**24,250,588**	**1,244,246**	**174,237**	**(23,952,971)**	**(303,488)**	**1,412,612**
Loss for the period		-	-	-	(805,927)	303,488	(502,439)
Other comprehensive income							
Exchange differences arising on translation of foreign operations		-	-	(17,049)	-	-	(17,049)
Total comprehensive income for the period		-	-	(17,049)	(805,927)	303,488	(519,488)
Transactions with owners, recorded directly in equity							
Issue of share capital	*5*	1,500,000	-	-	-	-	1,500,000
Share-based payments	*2*	129,008	101,077	-	-	-	230,085
Costs of raising capital	*5*	(85,028)	-	-	-	-	(85,028)
Lapse of options on expiry		-	(735,257)	-	735,257	-	-
Total transactions with owners		**1,543,980**	**(634,180)**	**-**	**735,257**	**-**	**1,645,057**
Balance as at 31 December 2019		**25,794,568**	**610,066**	**157,188**	**(24,023,641)**	**-**	**2,538,181**
Balance as at 1 July 2020		**26,562,671**	**638,289**	**269,311**	**(25,033,942)**	**-**	**2,436,329**
Profit for the period		-	-	-	3,844,453	-	3,844,453
Other comprehensive income							
Exchange differences arising on translation of foreign operations		-	-	(160,619)	-	-	(160,619)
Total comprehensive income for the period		-	-	(160,619)	3,844,453	-	3,683,834
Transactions with owners, recorded directly in equity							
Issue of share capital	*5*	4,663,538	-	-	-	-	4,663,538
Share-based payments	*2*	166,000	1,523,416	-	-	-	1,689,416
Costs of raising capital	*5*	(109,855)	-	-	-	-	(109,855)
Exercise of options	*5*	48,377	-	-	-	-	48,377
Total transactions with owners		4,768,060	1,523,416	-	-	-	6,291,476
Balance as at 31 December 2020		**31,330,731**	**2,161,705**	**108,692**	**(21,189,489)**	**-**	**12,411,639**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2020

	Notes	31 Dec 2020 $	31 Dec 2019 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(518,940)	(645,232)
Interest received		143	1,584
Government grants received		273,895	-
Net cash flows used in operating activities		**(244,902)**	**(643,648)**
Cash Flows from Investing Activities			
Payments for equity accounted investments		(209,678)	(1,404,349)
Refund of security deposit		-	15,000
Proceeds from disposal of tenements		-	59,880
Payments for environmental deposits		-	(11,005)
Net cash flows used in investing activities		**(209,678)**	**(1,340,474)**
Cash Flows from Financing Activities			
Proceeds from issue of shares		4,663,538	1,500,000
Payments for share issue costs		(109,855)	(85,028)
Proceeds from exercise of options		48,377	-
Net cash flows provided by financing activities		**4,602,060**	**1,414,972**
Net increase/(decrease) in cash and cash equivalents		4,147,480	(569,150)
Effect of exchange rates on cash		-	(1,030)
Cash and cash equivalents at the beginning of the financial period		627,953	1,266,770
Cash and cash equivalents at the end of the financial period		**4,775,433**	**696,590**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Note 1. Statement of Significant Accounting Policies

Statement of Compliance

Infinity Lithium Corporation Limited (the "Company") is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. The condensed consolidated financial report of the Company for the six months ended 31 December 2020, comprise the Company and its subsidiaries (the "Consolidated Entity" or "Group").

The condensed consolidated financial report is a general-purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* as appropriate for for-profit orientated entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The condensed consolidated financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Infinity Lithium Corporation Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

These consolidated half-year financial statements were authorised for issue in accordance with a resolution of the directors on 15 March 2021.

Basis of Preparation

The condensed consolidated financial report is an interim financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: *Interim Financial Reporting.* The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated. The presentation and functional currency is Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the condensed consolidated financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2020 except where expressly stated below. Those accounting policies are consistent with Australian Accounting Standards ('**AASB**') and with International Financial Reporting Standards ('**IFRS**').

Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

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Going concern
The condensed consolidated financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and liabilities in the normal course of business. In order to meet its day-to-day obligations as and when they fall due and progress its exploration development projects, the Consolidated Entity completed a placement to raise $15,099,557 (before costs) in February 2021. Accordingly the Directors consider it appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Impact of New Standards and Interpretations Issued but Not Yet Adopted
The accounting policies and methods of computation adopted in the preparation of the condensed consolidated financial report are consistent with those adopted and disclosed in the Group's financial report for the year ended 30 June 2020, except for the adoption of the new standards as set out below.

The adoption of the new and revised Standards and Interpretations issued by the AASB has no material impact on the accounts reported in the current and prior periods.

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2020, including the following:

(i) *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*
AASB 2018-7 principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

The application of AASB 2018-7 has not materially impacted the financial statements of the Group.

(ii) *AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*
AASB 2019-5 makes amendments to AASB 1054 Australian Additional Disclosures by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information required by paragraph 30 of AASB 108 (regarding disclosing the effect of new standards not yet issued) to IFRS Standards that have not yet been issued by the Australian Accounting Standards Board.

The application of AASB 2019-5 has not materially impacted the financial statements of the Group.

New Accounting Standards
The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group.

The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below.

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(i) *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments*
AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture as a consequence of the recent issuance by IASB of the following IFRS: Annual Improvements to IFRS Standards 2018-2020, Reference to the Conceptual Framework, Property, Plant and Equipment: Proceeds before Intended Use and Onerous Contracts – Cost of Fulfilling a Contract.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

(ii) *AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Noncurrent, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

AASB 2020-1 and AASB 2020-6 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

Significant Accounting Estimates, Judgements and Assumptions
The preparation of financial statements requires management to make judgements and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) *Share based payment transactions*
The Consolidated Entity measures the cost of equity settled transactions directly at the fair value of goods or services received, provide they can be estimated reliably. If a reliable estimate cannot be made, the value of goods or services is determined indirectly with reference to the fair value of the equity instruments at the date at which they are granted.

The fair value of the equity instruments granted were determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

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Volatility, where required for the valuation of share-based payment transactions, is calculated with reference to the Consolidated Entity's historical volatility and share price movements prior to the measurement date.

(ii) Impairment of assets

The Equity Accounted Investments of the Consolidated Entity predominantly consisted of exploration and evaluation assets. The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements; and
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

(iii) Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

(iv) Joint Arrangements

AASB 11 Joint Arrangements requires an investor to have contractually agreed the sharing of control when making decisions about the relevant activities (in other words requiring the unanimous consent of the parties sharing control). However, what these activities are is a matter of judgement.

Joint control exists for all joint arrangements where the Consolidated Entity has purchased its rights, or met its earn-in requirements, with each being classified as joint operations under AASB 11 Joint Arrangements on the basis that the binding arrangements signed between the participants establish a contractually agreed sharing of control with decisions about the relevant activities require the unanimous consent of the parties sharing control.

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It is the Company's view that it jointly controls TEL with Valoriza Mineria, S.L.U ('**VM**') as at 30 June 2020 and 31 December 2020 until such time that the Consolidated Entity makes the outstanding deferred consideration payment of €600,000. This is primarily as a result of an 80% (and therefore unanimous) majority required for all company and management body decisions until such time that the €600,000 is paid. This includes decisions over the relevant activities that affect the returns of the joint arrangement.

Note 2. Share-Based Payments

	31 Dec 2020 $	31 Dec 2019 $
(a) Reserves (Note 6)		
Options issued to Corporate Advisors[1]	1,074,385	-
Options issued to Director	-	32,482
Performance and Share Appreciation Rights issued[2]	152,165	68,595
Performance Rights expired[2]	(363,281)	-
Total Share-Based Payments – P&L	864,269	101,077
Warrants issued[3]	659,147	-
Total Share-Based Payments – Reserves	**1,523,416**	**101,077**
(b) Issued Capital (Note 5)		
Shares issued under service agreement	-	129,008
Shares issued to Directors[4]	166,000	-
Total Share-Based Payments – Equity	**166,000**	**129,008**

Notes:

1) On 27 November 2020, the Company issued 10,000,000 unlisted options in lieu of cash to Zenix Nominees Pty Ltd for corporate advisory services received. The options are exercisable at $0.09 on or before 30 November 2022.

These options were valued using Black-Scholes option pricing model, utilising the following inputs:

Measurement of Fair Value	
Fair value at grant date	$0.102
Grant date share price	$0.135
Exercise price	$0.09
Expected volatility	146.17%
Option life	2 years
Risk-free interest rate	0.09%
Fair value per option granted	$0.1023
Expensed during the period	**$1,023,369**

On 7 December 2020, the Company issued 500,000 unlisted options to a corporate advisor for services provided relating to the September 2020 Placement and Entitlement issue. The options are exercisable at $0.20 on or before 30 November 2022.

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These options were valued using Black-Scholes option pricing model, utilising the following inputs:

Measurement of Fair Value	
Fair value at grant date	$0.102
Grant date share price	$0.155
Exercise price	$0.200
Expected volatility	146.17%
Option life	2 years
Risk-free interest rate	0.09%
Fair value per option granted	$0.1020
Expensed during the period	**$51,016**

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

2) Performance Rights expiring on 31 December 2020

On 11 December 2019, the Group issued two tranches of Performance Rights (tranche A and tranche B). Both tranches consist of 3,140,312 rights with an expiry date of 31 December 2020. The Performance Rights were issued to Directors, Mr Ryan Parkin and Mr Vincent Ledoux-Pedailles, with each receiving 1,570,156 tranche A and tranche B Performance Rights.

The Performance Rights had the following milestones attached to them:

- *Tranche A* rights vest based on the Group executing a non-binding offtake agreement with a third party for the purchase of a minimum 5,000 tonnes of lithium chemicals including lithium hydroxide or lithium carbonate produced from the San José Lithium Project; and
- *Tranche B* rights vest upon the Group completing a capital raising for a minimum of $1,000,000 from a recognised lithium industry participant or investor.

The Performance Rights were valued using a Black Scholes option pricing model and were expensed over the vesting period of the Performance Rights.

Valuation and Assumptions of Performance Rights:	Tranche A[(1)]	Tranche B[(1)]
Grant date	27 November 2019	27 November 2019
Number	3,140,312	3,140,312
Share price	$0.066	$0.066
Exercise price	$0.00	$0.00
Expiry date	31 December 2020	31 December 2020
Volatility	70.51%	70.51%
Risk-free interest rate	0.77%	0.77%
Value per right	$0.066	$0.066
Total fair value	$207,261	$207,261
Expensed during the period (refer below)	**$57,920**	**$57,919**

Mr Ledoux-Pedailles' Performance Rights, representing 50% of Performance Rights included in Tranche A and Tranche B, lapsed upon his resignation on 26 August 2020. All remaining Performance Rights on issue expired on 31 December 2020 and did not vest. As a result, a reversal of $363,281 was recognised within the Statement of Profit or Loss as at 31 December 2020, reflecting that no Performance Rights on issue have vested as the relevant milestones associated with their vesting were not met.

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Share Appreciation Rights expiring on 13 September 2024

On 11 December 2019, the Company issued 10,000,000 Share Appreciation Rights ('SARS') to Mr Ryan Parkin and Mr Vincent Ledoux-Pedailles (5,000,000 each respectively). The SARS have an expiry date of 13 September 2024 and an exercise price of $0.072. Each SAR entitles the holder to one Company share.

Mr Ledoux-Pedailles' SARS lapsed upon his resignation on 26 August 2020, as a result $47,466 of the previously recognised expense was reversed in the current period.

The SARS vesting profile is as follows:

- Tranche 1 - 50% (2,500,000 total remaining) vested on 13 September 2020
- Tranche 2 - 25% (1,250,000 total remaining) will vest on 13 September 2021
- Tranche 3 - 25% (1,250,000 total remaining) will vest on 13 September 2022

The SARS were valued using a Black Scholes option pricing model and are being expensed over the vesting period of the SARS.

Valuation and Assumptions of Share Appreciation Rights:	Tranche 1	Tranche 2	Tranche 3
Grant date	27 November 2019	27 November 2019	27 November 2019
Number issued	5,000,000	2,500,000	2,500,000
Number lapsed on resignation	(2,500,000)	(1,250,000)	(1,250,000)
Share price	$0.066	$0.066	$0.066
Exercise price	$0.072	$0.072	$0.072
Vesting date	13 September 2020	13 September 2021	13 September 2022
Expiry date	13 September 2024	13 September 2024	13 September 2024
Volatility	70.51%	70.51%	70.51%
Risk-free interest rate	0.73%	0.73%	0.73%
Value per right	$0.036	$0.036	$0.036
Total fair value	$90,481	$45,241	$45,241
Expensed during the period (net of reversal of lapsed rights)	**($25,064)**	**($13,639)**	**($8,763)**

Share Appreciation Rights expiring on 5 October 2025

On 7 December 2020, 9,700,000 SARS were issued to Directors and employees of the Company under the Incentive Performance and Share Appreciation Rights Plan. Approval was received at the Annual General Meeting of shareholders on 25 November 2020 to issue 8,200,000 Share Appreciation Rights to Mr Ryan Parkin, Mr Adrian Byass, Mr Remy Welschinger and Mr Jon Starink. The SARS will vest in equal tranches over a 3-year period, exercisable at $0.082 on or before 5 October 2025. Each SAR entitles the holder to one Company share.

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The SARS were valued using a Black Scholes option pricing model and are being expensed over the vesting period of the SARS.

Valuation and Assumptions of Share Appreciation Rights:	Tranche 1	Tranche 2	Tranche 3
Grant date	25 November 2020	25 November 2020	25 November 2020
Number	3,233,333	3,233,333	3,233,333
Share price	$0.135	$0.135	$0.135
Exercise price	$0.082	$0.082	$0.082
Vesting date	5 October 2021	5 October 2022	5 October 2023
Expiry date	5 October 2025	5 October 2025	5 October 2025
Volatility	139.43%	139.43%	139.43%
Risk-free interest rate	0.29%	0.29%	0.29%
Value per right	$0.122	$0.122	$0.122
Total fair value	394,905	394,905	394,905
Expense vested during the period	**$45,276**	**$20,938**	**$13,618**

Share Appreciation Rights expiring on 2 December 2025

On 7 December 2020 500,000 Share Appreciation Rights were issued to Consultants of the Company, as approved by the Board on 3 December 2020. The SARS will vest in equal tranches over a 2-year period, exercisable at $0.144 on or before 2 December 2025. Each SAR entitles the holder to one Company share.

The SARS were valued using a Black Scholes option pricing model and are being expensed over the vesting period of the SARS.

Valuation and Assumptions of Share Appreciation Rights:	Tranche 1	Tranche 2
Grant date	3 December 2020	3 December 2020
Number	250,000	250,000
Share price	$0.155	$0.155
Exercise price	$0.144	$0.144
Vesting date	2 December 2021	2 December 2022
Expiry date	2 December 2025	2 December 2025
Volatility	139.39%	139.39%
Risk-free interest rate	0.29%	0.29%
Value per right	$0.137	$0.137
Total fair value	$34,330	$34,330
Expense vested during the period	**$2,641**	**$1,319**

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3) On 28 July 2020, 13,182,938 zero exercise price warrants were issued to EIT InnoEnergy, following the required shareholder approval at the General Meeting held on 27 July 2020. The zero price exercise warrants were in relation to Tranche 1 (refer below) and are exercisable at $0.00 on or before 28 July 2025.

Direct Financial Investment: €800,000 Phase One Investment
The first phase of feasibility study test work at San José will be funded by EIT InnoEnergy with an amount of up to €800,000 (approximately A$1.35 million) committed to Infinity through the issue of unlisted warrants priced at the higher of the 30-day VWAP or A$0.05 per share. The funding comprises of 3 tranches as follows:

- Tranche 1: €400,000 in zero exercise price warrants calculated at the higher of A$0.05 per share, or the 30-day VWAP prior to their issue date. Payable after the execution of Project Agreement and subject to shareholder approval. On 27 July 2020 the Company received shareholder approval to issue 13,182,938 warrants to EIT InnoEnergy, which were duly issued on 28 July 2020 and these tranche 1 funds are being directly used for the current test work;
- Tranche 2: €200,000 in zero exercise price warrants calculated at the higher of the 30-day VWAP or A$0.05 per share payable upon completion of test work milestone; and
- Tranche 3: Up to €200,000 in zero exercise price warrants calculated at the higher of the 30-day VWAP or A$0.05 per share payable upon completion of phase one.

The zero exercise price warrants were issued to EIT InnoEnergy for tranche 1 and remain payable for each of the subsequent tranches. This is structured to meet EIT InnoEnergy requirements. Funds are allocated directly to test work activities that have commenced at laboratories in the EU.

4) On 28 July 2020, 3,700,000 fully paid ordinary shares were issued to Key Management Personnel as approved by shareholders at the General Meeting held on 27 July 2020. The 2019 Performance Bonus Shares were issued at a deemed price of $0.05 per share. The 2020 Performance Bonus Shares were issued at a deemed price of $0.0405 per share, being the price equal to the 15-day VWAP at the close of business on 27 May 2020. The 2019 and 2020 Performance Bonus Shares related to prior year performance. The expense associated with these shares was accrued for as at 30 June 2020, ahead of their issue on 28 July 2020.

Note 3. Equity Accounted Investments

The Company has an interest in a joint venture held through a 75% interest in Tecnolgia Extremena Del Litio, S.L ('**TEL**') which is a special purpose vehicle established for the purpose of holding the San José tenement in Spain.

Interest in joint ventures are accounted for using the equity method of accounting recognised at fair value less cost to sell.

	31 Dec 2020 $	30 Jun 2020 $
At cost		
Equity contributions in TEL	3,161,678	3,161,678
Premium Paid for Equity Accounted Investment	5,488,313	4,748,315
	8,649,991	7,910,093
Less: Provision for impairment	-	(4,981,058)
Total Equity Accounted Investments	**8,649,991**	**2,929,035**

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a) Reconciliation of the Consolidated Entity's carrying amount for Equity Accounted Investments:

	31 Dec 2020 $	30 Jun 2020 $
Opening balance	2,929,035	1,620,483
Additions	914,183	1,402,320
Reversal of impairment	4,981,058	-
Foreign exchange impact	(174,285)	(93,768)
Closing balance	**8,649,991**	**2,929,035**

As at 31 December 2020, the Board considered that the prior factors relating to the impairment recognised no longer existed, following promising test work, funding options and an improving horizon for the Lithium Market and COVID-19 conditions. The Board considered that the fair value of the San José project was at least equal to, or above, cost. Accordingly, the Board resolved to reverse the previous impairment amounts recognised.

Note 4. Deferred Consideration

	31 Dec 2020 $	30 Jun 2020 $
Current	961,698	982,500
Total Deferred Consideration	**961,698**	**982,500**

On 13 March 2019, the Consolidated Entity, through its 100% owned subsidiary, Extremadura Mining, S.L.U, sought to amend the terms of the Joint Venture Agreement and signed the "Novacion Al Contrato De Participacion en lan Investigacion Minera Y Ocuerdo De Valuntad Asociativa Entre Valoriza Mineria, S.L.U., Y Extremadura Mining, S.L.U ('**Novation**'), with the following impact:

i. The removal of the prior obligation by the Consolidated Entity to spend €2.5 million in TEL;
ii. The requirement to pay VM €1 million, with €250,000 upfront, a further €150,000 within three months (paid September 2019) and the remaining €600,000 payable in six equal payments made each month (conditional on the tenement application reverting back to granted status); and
iii. Consequently, as a result of i) and ii) above, the immediate transfer of a further 25% of the shares in TEL to give INF a 75% equity interest.

The first instalment of €150,000 was paid on 6 September 2019, with €600,000 remaining due and payable. On 28 July 2020, the Consolidated Entity and Valoriza Mining executed an agreement to extend the payment term of the deferred consideration outstanding. It was agreed that the Consolidated Entity would pay €100,000 on or before 29 July 2021, with a further 5 equal successive and monthly instalments of €100,000 to then be made.

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Note 5. Issued Capital

	31 Dec 2020 $	30 Jun 2020 $
A reconciliation of the movement in capital and reserves for the consolidated group can be found in the Statement of Changes in Equity.		
310,415,753 fully paid ordinary shares (30 June 2020: 238,767,292)	33,639,946	28,762,031
Less: capital raising costs	(2,309,215)	(2,199,360)
	31,330,731	**26,562,671**

	31 Dec 2020 No.	30 Jun 2020 No.
a) Fully Paid Ordinary Shares – Number of Shares		
At the beginning of the reporting year	238,767,292	190,171,104
Shares issued during the year:		
• Placements[1, 2]	65,906,983	45,570,000
• Shares issued to Directors[3,4]	5,130,000	1,142,858
• Exercise of options	611,478	-
• Shares issued under service agreement	-	1,883,330
Total at the end of the reporting period/year	**310,415,753**	**238,767,292**

	31 Dec 2020 $	30 Jun 2020 $
b) Fully Paid Ordinary Shares – Value of Shares		
At the beginning of the reporting year	26,562,671	24,250,588
Shares issued during the year:		
• Placements[1, 2]	4,613,488	2,304,950
• Shares issued to Directors[3,4]	216,050	80,000
• Exercise of options	48,377	-
• Shares issued under service agreement	-	129,008
Less:		
• Lapsed milestone performance shares	-	(50,000)
• Capital raising costs	(109,855)	(151,875)
Total at the end of the reporting period/year	**31,330,731**	**26,562,671**

Notes:

1) On 11 September 2020, the Group placed 31,428,571 fully paid ordinary shares with an issue price of $0.07 per share with sophisticated investors raising $2,200,000 before costs.
2) On 19 October 2020, the Group placed 34,478,412 fully paid ordinary shares with an issue price of $0.07 per share with sophisticated investors raising $2,413,488 before costs.
3) On 28 July 2020, 1,430,000 fully paid ordinary shares with an issue price of $0.035 were issued to Key Management Personnel as part of the April 2020 Placement, following the required shareholder approval at the General Meeting held on 27 July 2020.

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4) On 28 July 2020, 3,700,000 fully paid ordinary shares were issued to Key Management Personnel as approved by shareholders at the General Meeting held on 27 July 2020. The 2019 Performance Bonus Shares were issued at a deemed price of $0.05 per share. The 2020 Performance Bonus Shares were issued at a deemed price of $0.0405 per share, being the price equal to the 15-day VWAP at the close of business on 27 May 2020. The 2019 and 2020 Performance Bonus Shares related to prior year performance. The expense associated with these shares was accrued for as at 30 June 2020, ahead of their issue on 28 July 2020. Refer to Note 2 Share-Based Payments for further information.

Fully Paid Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called.

c) Options

The unissued ordinary shares of Infinity Lithium under option at 31 December 2020 are as follows:

Details	Grant Date	Number	Exercise Price ($)	Date of Expiry
Unlisted Options	08/06/2018	1,000,000	$0.150	11/06/2021
Unlisted Options	24/04/2020	12,857,143	$0.070	24/10/2021
Unlisted Options	17/09/2019	1,000,000	$0.088	16/09/2022
Unlisted Options	19/10/2020	32,842,085	$0.120	30/11/2022
Unlisted Options	27/11/2020	10,000,000	$0.090	30/11/2022
Unlisted Options	07/12/2020	500,000	$0.200	30/11/2022
Total Unlisted Options		**58,199,228**		

A reconciliation of the total options on issue is as follows:

	31 Dec 2020 No.	30 Jun 2020 No.
At the beginning of the reporting period	17,142,143	24,375,000
Issued during the period[1]	44,168,563	13,642,143
Exercised during the period	(611,478)	-
Expired during the period	(2,500,000)	(20,875,000)
Total at the end of the reporting period/year	**58,199,228**	**17,142,143**

Notes:

1) On 28 July 2020, 715,000 attaching unlisted options, were issued to Key Management Personnel as part of their participation in the April 2020 Placement, following the required shareholder approval at the General Meeting held on 27 July 2020. The options are exercisable at $0.07 on or before 24 October 2021.

On 19 October 2020, the Company issued 17,239,268 attaching unlisted options as part of the October 2020 Entitlement Offer. The options are exercisable at $0.12 on or before 30 November 2022.

On 30 November 2020, the Company issued 15,714,295 attaching unlisted options as part of the September 2020 Placement, following the required shareholder approval at the Annual General Meeting held on 25 November 2020. The options are exercisable at $0.12 on or before 30 November 2022.

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On 27 November 2020, the Company issued 10,000,000 unlisted options in lieu of cash to Zenix Nominees Pty Ltd for corporate advisory services, following the required shareholder approval at the Annual General Meeting held on 25 November 2020. The options are exercisable at $0.09 on or before 30 November 2022. Refer to Note 2 Share-Based Payments for further details.

On 7 December 2020, the Company issued 500,000 unlisted options to a corporate advisor for services provided relating to the September 2020 Placement and Entitlement issue, these options were approved by the Board on 3 December 2020. The options are exercisable at $0.20 on or before 30 November 2022. Refer to Note 2 Share-Based Payments for further details.

d) Warrants

On 28 July 2020, 13,182,938 zero exercise price warrants were issued to EIT InnoEnergy, following the required shareholder approval at the General Meeting held on 27 July 2020. The options are exercisable at $0.00 on or before 28 July 2025. Refer to Note 2 Share-Based Payments for further details.

e) Performance Rights

The unissued ordinary shares of Infinity Lithium under Performance Rights at 31 December 2020 are as follows:

A reconciliation of the total Performance Rights on issue as at 31 December 2020 is as follows:

	31 Dec 2020 No.	30 Jun 2020 No.
At the beginning of the reporting period	6,280,624	-
Issued during the period	-	6,280,624
Lapsed/Expired during the period	(6,280,624)	-
Exercised during the period	-	-
Total at the end of the reporting period/year	**-**	**6,280,624**

Notes:

1) Performance rights issued in the prior year to Key Management Personnel lapsed during the period and did not vest. Refer to Note 2 Share-Based Payments for further details.

f) Share Appreciation Rights ('SARS')

The unissued ordinary shares of Infinity Lithium under SARS at 31 December 2020 are as follows:

A reconciliation of the total SARS on issue as at 31 December 2020 is as follows:

	31 Dec 2020 No.	30 Jun 2020 No.
At the beginning of the reporting period	10,000,000	-
Issued during the period[1]	10,200,000	10,000,000
Lapsed/expired during the period[2]	(5,000,000)	-
Exercised during the period	-	-
Total at the end of the reporting period/year	**15,200,000**	**10,000,000**

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Notes:

1) On 7 December 2020, 8,200,000 Share Appreciation Rights were issued to Directors and 1,500,000 were issued to employees of the Company under the Incentive Performance and Share Appreciation Rights Plan. Approval was received at the Annual General Meeting of shareholders on 25 November 2020 to issue 8,200,000 Share Appreciation Rights to Mr Ryan Parkin, Mr Adrian Byass, Mr Remy Welschinger and Mr Jon Starink. The 9,700,000 SARS will vest in equal tranches over a 3-year period, exercisable at $0.082 on or before 5 October 2025. Each Share Appreciation Right entitles the holder to one Company share.

   500,000 Share Appreciation Rights were also issued to Consultants of the Company, as approved by the Board on 3 December 2020. The SARS will vest in equal tranches over a 2-year period, exercisable at $0.144 on or before 2 December 2025. Each SAR entitles the holder to one Company share.

   SARS issued to Mr Ledoux-Pedailles lapsed upon his resignation on 26 August 2020 and were subsequently cancelled. Refer to Note 2 Share-Based Payments for further details.

Note 6. Reserves

a) Share-Based Payments Reserve

The share-based payments reserve records items recognised as expenses on valuation of employees' shares and consultants' options.

A reconciliation of the movement in the share-based payments reserve as at 31 December 2020 is as follows:

	31 Dec 2020 $	30 Jun 2020 $
At the beginning of the reporting period	638,289	1,244,246
Share-based payments (Note 2)	1,523,416	462,180
Lapse of options	-	(1,068,137)
Total at the end of the reporting period/year	**2,161,705**	**638,289**

b) Foreign Currency Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign operations.

	31 Dec 2020 $	30 Jun 2020 $
At the beginning of the reporting period	269,311	174,237
Exchange differences arising on translation of foreign operations	(67,625)	95,074
Total at the end of the reporting period/year	**201,686**	**269,311**

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Note 7. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors and Managing Director (chief operating decision makers) to make decisions about resources to be allocated to the segments and assess their performance. Operating segments are identified by Management based on the mineral resource and exploration activities in Australia and Spain. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate. During the year ended 30 June 2020 the Consolidated Entity disposed of its reportable segment of Gabon, and as at 31 December 2020 management has assessed that the Consolidated Entity only has one reportable segment based on the geographical areas of the mineral resource and exploration activities, being Spain. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted
Unless otherwise stated, all amounts reported to the Board of Directors and Managing Director, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated group.

(b) Segment assets
Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority asset economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment liabilities
Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the consolidated group as a whole and are not allocated. Segment liabilities include trade and other payables.

(d) Unallocated items
Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

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31 December 2020	Spain $	Australia $	Total $
Revenue			
Other income	-	265,933	265,933
Interest revenue	-	144	144
Total Gross Revenue	**-**	**266,077**	**266,077**
Expenses			
Corporate and compliance expenses	(474)	(250,006)	(250,480)
Consulting expenses	-	(30,158)	(30,158)
Reversal of impairment on equity accounted investment	4,981,058	-	4,981,058
Employee and director benefits expense	(35,759)	(211,000)	(246,759)
Share-based payments	-	(864,269)	(864,269)
Foreign exchange loss	-	(11,016)	(11,016)
Profit/(Loss) for the Period	**4,944,825**	**(1,100,372)**	**3,844,453**
Segment Assets			
Cash and cash equivalents	50,955	4,724,478	4,775,433
Trade and other receivables	84,381	16,593	100,974
Equity accounted investments	8,649,991	-	8,649,213
Other assets	10,885	30,000	40,885
Total Assets	**8,796,212**	**4,771,071**	**13,567,283**
Segment Liabilities			
Trade and other payables	-	156,500	156,500
Deferred consideration payable	961,698	-	961,698
Provisions	-	37,446	37,446
Total Liabilities	**961,698**	**193,946**	**1,155,644**

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31 December 2019	Spain $	Gabon $	Unallocated $	Total $
Revenue				
Other revenue	-	-	60,905	60,905
Fair value gain on deferred consideration	-	-	8,805	8,805
Total Gross Revenue	**-**	**-**	**69,710**	**69,710**
Expenses				
Corporate and compliance expenses	-	-	(229,375)	(229,375)
Consulting expenses	-	-	(24,554)	(24,554)
Employee and director benefits expense	-	-	(141,884)	(141,884)
Share-based payments	-	-	(101,077)	(101,077)
Foreign exchange loss	-	-	(1,627)	(1,627)
Income tax expense	-	-	-	-
Loss for the period from continuing operations	**-**	**-**	**(428,807)**	**(428,807)**
Loss for the period from discontinued operations	(257,836)	(119,284)	-	(377,120)
Loss for the Period	**(257,836)**	**(119,284)**	**(428,807)**	**(805,927)**
30 June 2020				
Segment Assets				
Cash and cash equivalents	35,726	-	592,227	627,953
Trade and other receivables	134,171	-	46,198	180,369
Equity accounted investments	2,929,035	-	-	2,929,035
Other assets	11,120	-	30,000	41,120
Total Assets	**3,110,052**	**-**	**668,425**	**3,778,477**
Segment Liabilities				
Trade and other payables	32,521	-	300,278	332,799
Provisions	-	-	26,850	26,850
Deferred consideration payable	982,500	-	-	982,500
Total Liabilities	**1,015,021**	**-**	**327,128**	**1,342,149**

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Note 8. Related Party Transactions

a) **Ryan Parkin – Managing Director/CEO**
Effective 8 October 2020, Mr Parkin receives a base salary of $260,000 per annum (exclusive of superannuation). Mr Parkin received a base salary of $190,000 (exclusive of superannuation) in the financial year ending 30 June 2020. All other terms of Mr Parkin's employment contract with the Company remain the same.

b) **Adrian Byass – Non-Executive Chairman**
Effective 8 October 2020, Mr Byass receives a base chairman fee of $75,000 per annum (exclusive of superannuation). Mr Byass received a base chairman fee of $50,000 in the financial year ending 30 June 2020. All other terms of Mr Byass' employment contract with the Company remain the same.

c) **Remy Welschinger – Non-Executive Director**
Mr Welschinger was appointed to the Board on 22 July 2020 as a Non-Executive Director and receives a base director's fee of £36,000 per annum (approximately $63,500).

d) **Jon Starink – Executive Director**
Mr Starink was appointed to the Board on 8 October 2020 and receives a base director's fee of $72,000 per annum.

On 4 December 2020, the Company issued 8,200,000 SARS to Key Management Personnel subsequent to shareholder approval being obtained at the Annual General Meeting of the Company held on 25 November 2020. The SARS have an expiry date of 5 October 2025 and an exercise price of $0.082. Each SAR entitles the holder to one Company share. The SARS were valued using a Black Scholes option pricing model and are being expensed over the vesting period of the SARS. Refer to Note 2 Share-Based Payments for further details on the valuation and assumptions of the SARS.

Related Party	Number of SARS
Ryan Parkin	2,400,000
Remy Welschinger	2,400,000
Adrian Byass	1,000,000
Jon Starink	2,400,000
Total	**8,200,000**

On 28 July 2020, 3,700,000 fully paid ordinary shares were issued to Key Management Personnel as approved by shareholders at the General Meeting held on 27 July 2020. The 2019 Performance Bonus Shares were issued at a deemed price of $0.05 per share. The 2020 Performance Bonus Shares were issued at a deemed price of $0.0405 per share, being the price equal to the 15-day VWAP at the close of business on 27 May 2020. The 2019 and 2020 Performance Bonus Shares related to prior year performance. The expense associated with these shares was accrued for as at 30 June 2020, ahead of their issue on 28 July 2020. Refer to Note 2 Share-Based Payments for further information.

All Performance Rights on issue lapsed during the reporting period.

Note 9. Controlled Entities

a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%) 31 Dec 2020	Percentage Owned (%) 30 Jun 2020
Parent Entity			
Infinity Lithium Corporation Limited	Australia	100%	100%
Subsidiaries of Infinity Lithium:			
Tonsley Mining Pty Ltd	Australia	100%	100%
Castilla Mining S.L.	Spain	100%	100%
Morille Mining S.L.	Spain	80%	80%
Extremadura Mining S.L.	Spain	100%	100%

b) Other Entities – Jointly Controlled

Other jointly controlled entities:	Country of Incorporation	Percentage Owned (%) 31 Dec 2020	Percentage Owned (%) 30 Jun 2020
Tecnolgia Extremena Del Lito S.L	Spain	75%	75%

c) Non-Controlling Interests

Morille Mining S.L.

Aurum Mining P.L.C has a 20% non-controlling interest in the Company's subsidiary Morille Mining S.L.

Note 10. Capital Commitments

In order to maintain current rights of tenure to exploration tenements the Consolidated Entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments and overseas government bodies.

The Consolidated Entity ceased exploration activities for the Morille, Banio and Mamana projects in the prior year in order to focus on the San José project (accounted for as part of equity holding in TEL). As such, the Consolidated Entity does not have any further material financial commitments in relation to these projects.

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Note 11. Events After Reporting Date

Subsequent to period end 31 December 2020, 2,687,500 options with an exercise price of $0.07 per option and 9,899,595 options with an exercise price of $0.12 per option were exercised, raising $1,376,076 in proceeds.

On 3 February 2021 the Company issued 2,000,000 Share Appreciation Rights ('**SARS**') for nil consideration to an employee under the Incentive Performance and Share Appreciation Rights Plan. The SARS will vest in equal tranches over a 2-year period and are exercisable at $0.17 on or before 5 January 2026.

On 18 February 2021 Infinity announced the successful completion of a $15,099,557 placement (before costs) to international and domestic institutions and sophisticated investors. The issue price of the Placement Shares was $0.19 per share. Funds from the Placement will be used to 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.

Impact of the Coronavirus

The impact of the Coronavirus ("COVID-19") pandemic is ongoing and while it has not significantly impacted the Group up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependant on measures imposed by the Australian Government and other Countries, such as maintaining social distancing, quarantine, travel restrictions, and any economic stimulus that maybe provided.

No further matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

Note 12. Contingent Assets and Liabilities

The Company is unaware of any contingent assets or liabilities that may have a material impact on the Company's financial position.

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Directors' Declaration

For the Half-Year Ended 31 December 2020

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 12 to 35 are in accordance with the Corporations Act 2001, including:

   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting, and Corporations Regulations 2001; and

   (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.



Ryan Parkin
Managing Director/CEO
15 March 2021