

ARIZONA LITHIUM DOUBLES LAND POSITION AT LORDSBURG LITHIUM PROJECT AS EXPLORATION COMMENCES

Highlights

- Strategic review completed for the Lordsburg Lithium Brine Project, located in New Mexico, USA close to major Li-battery infrastructure. (Fig. 1).
- The Company has staked a further 96 BLM claims, doubling the project footprint to 192 claims (15.54km²)(Fig. 2).
- Passive seismic survey to be completed across tenure.
- Titan magnetotelluric electromagnetics are scheduled in Q1, 2022. A similar survey was successfully employed by Galan Lithium Limited on the Hombre Muerto Li Project in Argentina.
- Commenced discussions for zero-carbon renewable power energy requirements at Lordsburg.
- Metallurgical testwork at Big Sandy Project ongoing, with Hazen Research undertaking studies on lithium mineralised material with an update expected later this quarter.



Figure 1- Arizona Lithium Project Portfolio, including major Li-battery infrastructure in close proximity to Big Sandy and Lordsburg Lithium Projects.

Managing Director, Paul Lloyd, commented

"We are encouraged by initial results at the Lordsburg Brine Project in New Mexico. We think this is an outstanding opportunity to progress another project along with the Big Sandy Lithium Project in Arizona. With sufficient lithium grade, close proximity to renewable energy sources and direct access to the interstate highway system, this project has the potential to be a timely contributor to growing lithium supply requirements in the USA."

Arizona Lithium Limited (**ASX:AZL**) ("**Arizona Lithium**", the "**Company**") is pleased to provide a lithium exploration update on its activities in the states of New Mexico and Arizona, USA.

Lordsburg Lithium Brine Project (New Mexico)

Following a strategic review of the Company's Lordsburg Lithium Project driven by the significantly improved market sentiment towards lithium, Arizona Lithium has staked a further 96 BLM claims adjacent to its existing 96 claims, doubling the Project landholding to 15.54km² (Fig. 2).

The new claims cover the northern portion of the larger playa with potential to host lithium mineralised brines and have been submitted to the Bureau of Land Management for approval.

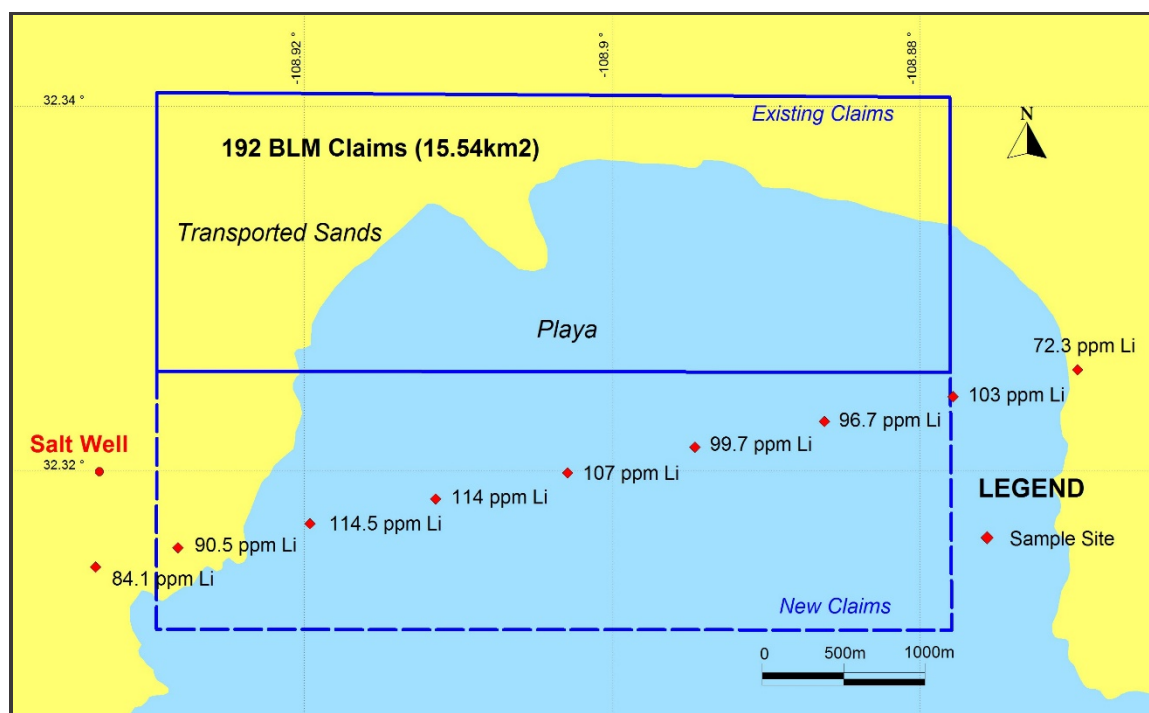


Figure 2 - Lordsburg Project, Playa, Salt Well and Surface Sampling Results

Historical surface sampling acquired by the Company returned values up to 114.5 ppm Li across the playa (Fig. 2, Table 1). This grade of lithium is in line with other Clayton Valley projects which show Li grades of 50-150ppm.

In consultation with Western Australia-based geophysical consultants, Resource Potentials, the Company intends to complete a passive seismic survey on the tenure in conjunction with Titan magnetotelluric electromagnetics to test for potentially lithium mineralised subsurface brines. Similar geophysical methods have been used with success by Galan Lithium Limited on their Hombre Muerto Project in Argentina¹.

The Lordsburg Project lies 15km to the southwest of the town of Lordsburg, New Mexico, within the playa lake system at the northernmost end of the Animas Valley. The basin is an elongated

¹ Galan Lithium Ltd, Announcement October 4, 2018: Geophysical Results Define Brine Potential at Candelas Project, Hombre Muerto

sediment filled graben (valley) surrounded by tertiary volcanic rocks, a similar setting to the Clayton Valley, host to the only producing lithium project in the USA.

Stock wells on the eastern Animas basin margin, south of the Project, intersected steam and hot springs essential in the development of lithium bearing brines. A 1954 US Geologic Survey map shows a windmill just west of the Project, on the western basin margin, labelled as a "salt well" demonstrating the presence of highly saline subterranean water.

Two of the large cost burdens on lithium brine projects are energy costs and transportation costs. Lordsburg Brine Project is 16km from the 15MW Lightning Dock Geothermal Plant (Fig. 3) and conveniently located right next to key interstate highways.

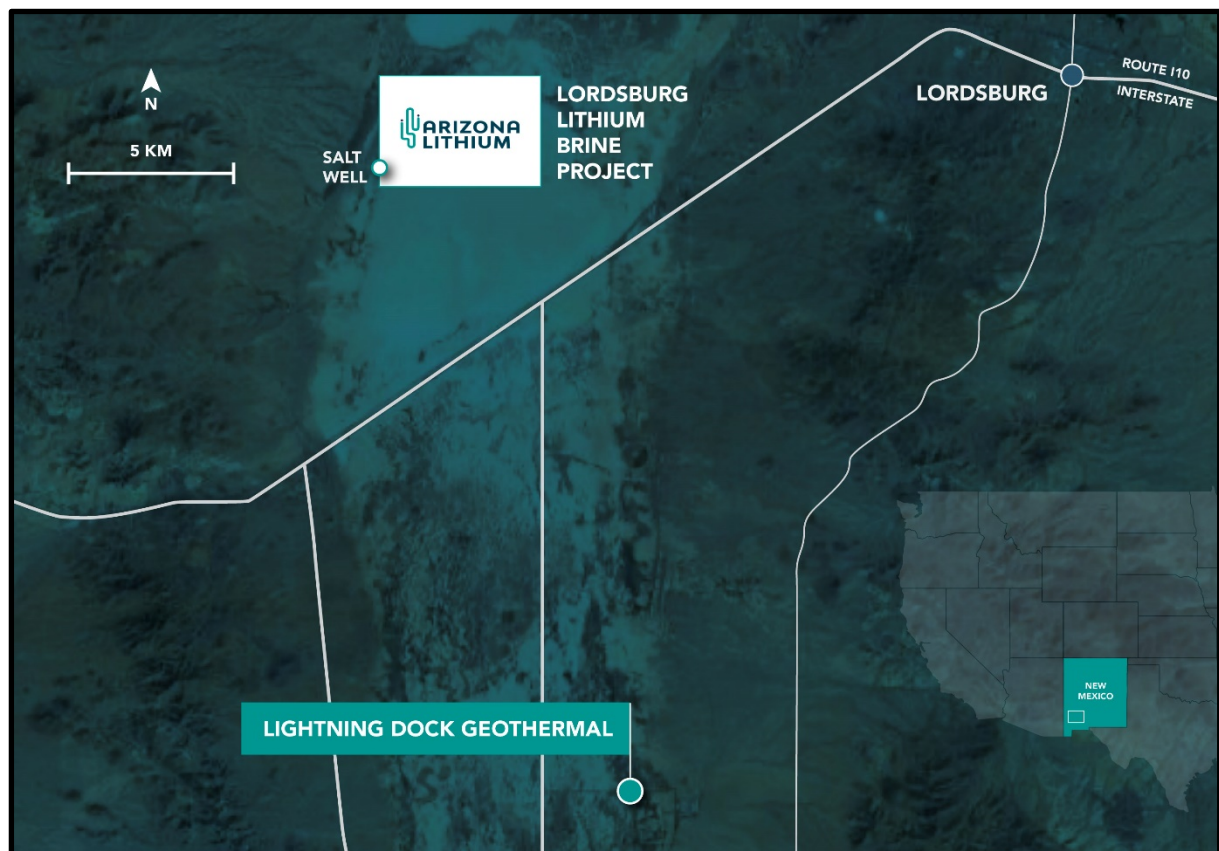


Figure 3 – Lordsburg Project Proximity to Developed Infrastructure

Big Sandy Lithium Project (Arizona)

The Permit of Exploration (POE) that includes 145 exploration holes and a bulk sample at the Company's Big Sandy Lithium project in Arizona is awaiting BLM approval. The public comment period has finished. The Company encourages community involvement to ensure mutually beneficial outcomes for all stakeholders and is very confident that drilling program can be completed without any environmental impact and to the satisfaction of all stakeholders.

Metallurgical testwork on the Big Sandy lithium mineralised material is ongoing with an update on progress expected in this quarter.

The Big Sandy Project, as a very shallow mineralised lithium resource and with the excellent available infrastructure, has the potential to develop into a lithium project with a very low environmental footprint.

This announcement has been authorised for release by the Board of Arizona Lithium Limited.

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COMPETENT PERSON'S STATEMENT

The information in this report that relates to exploration results is based on and fairly represents information compiled by Mr Greg Smith, a Competent Person whom is a Member of the Australasian Institute of Mining and Metallurgy. Mr Smith is a Director and holds securities in the Company. Mr Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 1 – Lordsburg Project, Surface Sampling Results

Sample_id	Easting	Northing	Li ppm	Mg %	K %
LP5	700469	3578386	72.3	1.37	2.71
LP6	699709	3578209	103	1.6	2.81
LP7	698926	3578042	96.7	1.65	2.81
LP8	698139	3577869	99.7	1.72	2.56
LP9	697362	3577699	107	1.79	2.61
LP10	696558	3577525	114	1.83	2.72
LP11	695791	3577358	114.5	1.75	2.7
LP12	694988	3577196	90.5	1.29	2.76
LP13	694485	3577069	84.1	1.01	2.84

Coordinates: UTM NAD83 Zone 12

Appendix 1: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	Sampling was completed on intervals across the playa. The samples were taken from depths of 10cm – 20m in holes dug with hand tools.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Near surface playa clay samples were taken of loose material within 10cm to 20cm of the playa surface in holes dug completed with simple hand tools.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or	The samples were taken from playa clays at depths of 10cm – 20m in holes dug with hand tools. The samples were dispatched to ALS laboratories in Tucson, Arizona where it is prepared by Method Prep-31 (crush to 70% less than 2mm, riffle split off 250g, pulverize split to better than 85% passing 75 microns).

	mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques	Drill type (e.g. core, reverse circulation, open hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube,	Not applicable as no drilling undertaken
	depth of diamond tails, face sampling bit or other type, whether core is oriented and if so, by what method, etc.).	Not applicable as no drilling undertaken
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Not applicable as no drilling undertaken
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Not applicable as no drilling undertaken
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable as no drilling undertaken
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Not applicable as no drilling undertaken

	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography	Not applicable as no drilling undertaken
	The total length and percentage of the relevant intersections logged.	Not applicable as no drilling undertaken
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Not applicable as no drilling undertaken
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	All playa clay samples were sampled dry and no splitting was undertaken.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All samples were collected of the material as it occurred in the playa at 10cm to 20cm below surface.
	Quality control procedures adopted for all subsampling stages to maximise representivity of samples.	No QA/QC measures were completed.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	No duplicate samples were submitted for the playa clay sampling.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The playa clays are very fine grained with the Lithium hosted in micron scale minerals these sediments.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the Assaying and laboratory procedures used and	The assay technique (ME-MS61) is a total process, as a 4 acid digest is used to remove the lithium from the

	whether the technique is considered partial or total.	sediment prior to analysis. This method was used for the samples.
	<p>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <p>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</p>	These geophysical instruments are not used in assessing the mineralization at the Project.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Not applicable as no drilling undertaken
Verification of sampling and assaying	The use of twinned holes.	Not applicable as no drilling undertaken
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The data are currently stored in hardcopy and digital format in the Company's office.
	Discuss any adjustment to assay data.	No adjustment was made to assay data.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole	All playa clay sample sites were located in NAD83 UTM

	surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Zone 12N using a handheld GPS accurate to 3m.
Location of data points Data spacing and distribution	Specification of the grid system used.	NAD83 UTM Zone 12N
	Quality and adequacy of topographic control.	All playa clay sample sites were located in NAD83 UTM Zone 12N using a handheld GPS accurate to 3m.
	Data spacing for reporting of Exploration Results.	The samples were taken at approximate 800m intervals across the playa.
Data spacing and distribution Orientation of data in relation to geological structure	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The playa clay samples will not be used in the establishment of a JORC compliant resource.
	Whether sample compositing has been applied.	No sample compositing has been applied.
	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	The playa clay samples have no specific orientation and are used only to show the presence of Li within the playa system.
Orientation of data in relation to geological structure	If the relationship between the drilling orientation and the orientation of key mineralised structures are	The sampling is only meant to demonstrate the presence of

Sample security	considered to have introduced a sampling bias, this should be assessed and reported if material.	Li within the playa lake system.
	The measures taken to ensure sample security.	All samples were sampled and delivered directly to ALS sample preparation facility in Tucson, Arizona.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No reviews have yet been completed.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Lordsburg project consists of 192 BLM mining claims of approximately 20 acres each, physically staked on Bureau of Land Management, federally administered land. All indigenous title is cleared and there are no other known historical or environmentally sensitive areas.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The claims have been granted and are subject to an annual payment. Other than the payment there is no requirement for minimum exploration or reporting. There is no expiry date on the claims.

Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	There has been no exploration for lithium mineralisation on this project other than that completed previously by Big Sandy Inc (wholly owned subsidiary of Arizona Lithium Ltd).
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	The geology is characterized by a broad flat playa lake lying within a north trending, fault bounded graben basin. The exploration target is the potential of the underlying sedimentary layers below the surface of the playa surface to host Li bearing brines.
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <p>easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.</p>	Not applicable as no drilling undertaken
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	This information has not been excluded.

Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	No weighted averaging has been applied.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	No aggregation of samples has been undertaken.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are stated.
Relationship between mineralization widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.	Not applicable as no drilling undertaken
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Not applicable as no drilling undertaken

Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate maps are included.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	This release includes results to date from the playa clay sampling.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	<p>The subsurface geology playa lake is unknown.</p> <p>No drilling, bulk sampling or metallurgical testwork has been completed.</p> <p>Geophysical surveys are underway with more planned.</p> <p>No water table has been identified.</p>
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Geophysical surveys are underway with further planned.

	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Not applicable as no drilling undertaken
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