

## ARIZONA LITHIUM TO PROGRESS TOWARDS ZERO CO<sub>2</sub> LITHIUM PRODUCTION AT BIG SANDY

Arizona Lithium Limited (**ASX:AZL**) (“**Arizona Lithium**”, “**AZL**” or the “**Company**”), a company focused on the sustainable development of lithium resources in Arizona, is currently pursuing a Permit of Exploration (“**POE**”) for its Big Sandy Lithium Project (“**Big Sandy**”). The Big Sandy Project is a shallow, flat lying mineralised sedimentary lithium resource with an excellent available infrastructure that has the potential to be developed with a low environmental footprint.

As part of the project, AZL has entered into a Memorandum of Understanding (“**MOU**”) with Nikola Corporation (Nasdaq: **NKLA**) to purchase Nikola Tre battery-electric vehicles (BEVs). The Tre BEVs will be utilized to support two stages of development for the Big Sandy Lithium Project in Arizona — the Research Facility Phase and the Processing Facility Phase. During the Research Facility Phase, which will be a test run for the Processing Facility Phase, one Nikola Tre BEV will be placed into operation as both parties explore further opportunities for a potential joint collaboration.

Once the Processing Facility is operational, AZL anticipates that it may need to acquire up to 50 Nikola Tre BEVs, although this is not certain and is dependent on various factors, which could move up to two million tons of ore per year based on the volume of the truck. AZL then has the option to purchase up to 100 trucks depending on Big Sandy output.

**AZL Managing Director, Paul Lloyd, commented:** “As we continue to advance the sustainable development of the Big Sandy Lithium Project, we see it highly fitting to utilize Nikola Tre BEVs for hauling ore and to explore sustainable charging options for the trucks. The intended result would be to significantly reduce the carbon emissions produced through mining lithium at Big Sandy as countries globally strive to meet net zero carbon emission targets.”



*Image 1 – Nikola Corporation TRE BEV truck to be used for hauling at AZL's Big Sandy Lithium Project*

## Big Sandy Lithium Project

The Big Sandy Project, is a very shallow, flat lying mineralised sedimentary lithium resource and with the excellent available infrastructure, which has the potential to be developed with a very low environmental footprint.

AZL's successful 2019 drill program at Big Sandy resulted in the estimation of a total Indicated and Inferred JORC resource of 32.5 million tonnes grading 1,850 ppm Li for 320,800 tonnes  $\text{Li}_2\text{CO}_3$ <sup>1</sup>. This represents 4% of the Big Sandy Project area that contains an estimated exploration target of between 271.1Mt to 483.15Mt at 1,000 - >2,000ppm Li<sup>2</sup>.

*Note that the potential quantity and grade of the estimated geological potential (Exploration Target) is conceptual in nature. There has been insufficient exploration to estimate a mineral resource and it is uncertain whether future exploration will result in the definition of a mineral resource. It has been estimated using a range of thicknesses for the mineralised sediments calculated from drill intercepts, surface sampling and geological mapping. The grade estimates a range of values demonstrated from drilling and surface sampling.*

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. Community involvement is welcomed to ensure mutually beneficial outcomes for all stakeholders and is very confident that drilling program can be completed without environmental impact and to the satisfaction of all stakeholders.

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

## FOR FURTHER INFORMATION PLEASE CONTACT:

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<sup>1</sup> Hawkstone Announcement Sept 26, 2019, Big Sandy Lithium Project, Maiden Mineral Resource

<sup>2</sup> Hawkstone Announcement Nov 7, 2019, Big Sandy Lithium Project, Exploration Target Update

### JORC Compliant Maiden Mineral Resource Breakdown

Resource Classification	Tonnes (Mt)	Li Grade (ppm)	Contained Li Metal (t)	Contained LCE (t)
<b>Indicated</b>	14.6	1,940	28,400	150,900
<b>Inferred</b>	17.9	1,780	31,900	169,900
<b>Total</b>	<b>32.5</b>	<b>1,850</b>	<b>60,300</b>	<b>320,800</b>

### COMPETENT PERSON'S STATEMENT

The information in this announcement that relates to the Big Sandy Sedimentary Lithium Project is based on, and fairly represents information compiled by Gregory L Smith who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking 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 is a Consultant to the Company and holds shares in the Company. Mr Smith consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears. The Company confirms that the material assumptions and technical parameters underpinning the Resource estimate and exploration target, which were announced to the ASX on 26 September 2019 and 7 November 2019 respectively, have not materially changed.

### DISCLAIMER AND FORWARD LOOKING STATEMENTS

This announcement contains "forward-looking statements". These can be identified by words such as "may", "should", "anticipate", "believe", "intend", "estimate", and "expect". Statements which are not based on historical or current facts may be forward-looking statements. Forward-looking statements are based on:

- Assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- Current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the announcement are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which they have been based are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this announcement have not been audited, examined or otherwise reviewed by the independent auditors of the Company.