

ASX Announcement

18 July 2022

PLACEMENT RAISES \$12M TO ADVANCE RESEARCH & PROCESSING FACILITIES

HIGHLIGHTS

- Arizona Lithium raises \$12m via a Placement to institutional and sophisticated investors, following approval by AZL shareholders at the General Meeting held on the 14 July 2022.
- The funds will be applied to the land purchase for the Lithium Processing Plant, expansion and operation of the Lithium Research Centre and securing IP protection over Lithium Processing Technology.
- The Company's pro-forma cash position following the raise will be \$54m, strongly positioning the Company to rapidly advance Big Sandy.
- AZL recently signed a lease for a 5-year lease for a world class Lithium Research Center, which will be located on a 9,700m² property in Tempe, Arizona, approximately 15km southwest of Phoenix Sky Harbor International Airport.
- The Lithium Research Center will function as a technology incubator focused on the extraction of lithium from a variety of ores and brines, as well as the production of battery-grade lithium chemicals for current and future battery technologies.
- The Company is also seeking to further bolster the AZL team by adding additional expertise in lithium processing technology to support Chief Technical Officer, Brett Rabe.

Arizona Lithium Limited (ASX: **AZL, AZLO**) ("**Arizona Lithium**", "**AZL**" or "**the Company**"), a company focused on the sustainable development of the Big Sandy Lithium Project ("**Big Sandy**", "**Project**"), is pleased to announce that the Company has raised \$12m via a Placement to institutional and sophisticated investors, following approval by AZL shareholders at the General Meeting held on the 14 July 2022.

As per ASX release dated 31 March 2022, the Company received commitments to raise \$32.5m before costs, with 185.6m shares issued as Tranche 1 under AZL's existing placement capacity (ASX listing rules 7.1 and 7.1A). Due to current market conditions Tranche 2 of the March 2022 raise was cancelled.

Subsequently, AZL successfully raised \$12m at \$0.07 per share ("**New Shares**") with a 1:2 attaching option with an exercise price of \$0.18 and expiry two years from the date of issue ("**Placement**").

The Placement was offered only to investors who previously committed to Tranche 2.

AZL Managing Director, Paul Lloyd, commented: "We are pleased to have successfully completed the Placement to raise an additional \$12m to further advance the development of Big Sandy, with the funds to be applied to the land purchase for the Lithium Processing Plant, expansion and operation of the Lithium Research Centre and securing IP protection over Lithium Processing Technology."

"With global markets conditions having changed since AZL announced the raise in March 2022, Tranche 2 of the March placement was cancelled, with the price adjusted accordingly for this Placement, positioning the Company with a substantial capital positioning of \$54m post raise, facilitating the rapid development of Big Sandy, with a focus on the Lithium Research Centre and processing technologies."

"I would like to thank shareholders for their ongoing support to date."

Share Placement Details

The total of 171,428,571 New Shares and 85,714,286 options will be issued under the Company's existing placement capacity under ASX Listing Rules 7.1.

Allotment of New Shares is expected to occur on 25 July 2022 with the New Shares to rank equally with the Company's existing shares on issue.

PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd acted as Joint Lead Managers to the Placement.

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

FOR FURTHER INFORMATION PLEASE CONTACT:

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Big Sandy Lithium Project (Arizona)

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

Arizona Lithium'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 Li_2CO_3 ¹. 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 Li².

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 Bureau of Land Management (BLM) approval. Community involvement is welcomed to ensure mutually beneficial outcomes for all stakeholders and the Company is very confident that drilling program can be completed without environmental impact and to the satisfaction of all stakeholders.

¹ Announcement Sept 26, 2019, Big Sandy Lithium Project, Maiden Mineral Resource

² Announcement Nov 7, 2019, Big Sandy Lithium Project, Exploration Target Update



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