
ARIZONA LITHIUM LIMITED
ACN 008 720 223
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00am (WST)

DATE: Thursday, 22 February 2024

PLACE: Level 2, 10 Outram Street, West Perth WA

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on Tuesday, 20 February 2024.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 FLOW THROUGH PLACEMENT SHARES – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 304,700,264 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 FLOW THROUGH PLACEMENT SHARES – LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,716,800 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 154,708,532 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 2 SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 18,939,405 Shares and 9,469,703 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF JLM OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

| | |
|--|---|
| Resolution 1 – Ratification of prior issue of Tranche 1 Flow Through Placement Shares – Listing Rule 7.1 | A person who participated in the issue or is a counterparty to the agreement being approved (namely PearTree) or an associate of that person or those persons. |
| Resolution 2 – Ratification of prior issue of Tranche 1 Flow Through Placement Shares – Listing Rule 7.1A | A person who participated in the issue or is a counterparty to the agreement being approved (namely PearTree) or an associate of that person or those persons. |
| Resolution 3 – Ratification of prior issue of Tranche 1 Options | A person who participated in the issue or is a counterparty to the agreement being approved (namely PearTree) or an associate of that person or those persons. |
| Resolution 4 – Ratification of prior issue of Tranche 2 Securities | A person who participated in the issue or is a counterparty to the agreement being approved (namely PearTree) or an associate of that person or those persons. |
| Resolution 5 – Ratification of prior issue of JLM Options | A person who participated in the issue or is a counterparty to the agreement being approved (namely the Joint Lead Managers) or an associate of that person or those persons. |

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Shaun Menezes, on (08) 6313 3936.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO RESOLUTIONS 1 TO 5

1.1 Background to Flow Through Offer

On 18 December 2023, the Company announced it executed a subscription agreement, pursuant to which PearTree Securities Inc. (**PearTree**) was engaged as an agent for certain investors (**Investors**) and agreed to subscribe for an aggregate of 328,356,469 Shares (**Flow Through Placement Shares**) under the following two tranches:

- (a) 309,417,064 Shares at an issue price of C\$0.0446 (A\$0.0503¹) per Share, together with one-half (0.5) free-attaching Option for every one (1) Share subscribed for and issued, each whole Option exercisable at A\$0.05 each on or before 10 August 2025, to raise approximately C\$13,800,000 (A\$15,563,678) (before costs) (**Tranche 1 Flow Through Placement Shares**); and
- (b) 18,939,405 Shares at an issue price of C\$0.0528 (A\$0.0595²) per Share, together with one-half (0.5) free-attaching Option for every one (1) Share subscribed for and issued, each whole Option exercisable at A\$0.05 each on or before 10 August 2025, to raise approximately C\$1,000,000 (A\$1,126,894) (before costs) (**Tranche 2 Flow Through Placement Shares**),

(the **Flow Through Placement**).

On 20 December 2023, the Company lodged a prospectus with ASIC under which 328,356,469 Flow Through Placement Shares were issued to facilitate the secondary trading of the Shares.

304,700,264 Tranche 1 Flow Through Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1) and 4,716,800 Tranche 1 Flow Through Placement Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 28 November 2023 (being, the subject of Resolution 2), together with 154,708,532 free-attaching Options issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 3).

18,939,405 Tranche 2 Flow Through Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1, together with 9,469,703 free-attaching Options issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 4).

The Flow Through Placement Shares qualified as "flow-through shares" as defined in the Income Tax Act (Canada). If the Company and the Investors comply with the rules under the Act, the Investors will be entitled to deduct the amount renounced in computing income for Canadian income tax purposes and

¹ Using an exchange rate of A\$1 = C\$0.88668

² Using an exchange rate of A\$1 = C\$0.88824

receive additional tax credits for expenditures targeting critical minerals. The tax benefits associated with the Shares were available only to the Investors (who are Canadian residents) and not to any other person who acquires the Shares through the on-sale or transfer of those Flow Through Placement Shares.

PearTree did not receive any fees or commissions for its services as agent in relation to the Flow Through Placement.

1.2 Joint Lead Managers

The Company engaged the services of PAC Partners Securities Pty Ltd (AFSL: 335 374) (**PAC Partners**) and Evolution Capital Pty Ltd (AFSL: 505 929) (**Evolution Capital**) (together, the **Joint Lead Managers**) as the lead managers to the Flow Through Placement. The material terms and conditions of the mandate (**Mandate**) between the Company and the Joint Lead Managers is set out below:

| | |
|-----------------|--|
| Term | The engagement pursuant to the Mandate commenced on 14 December 2023 and continued until completion of the Flow Through Placement. |
| Fees | Under the terms of the engagement, the Company agreed to pay/issue the Joint Lead Managers: <ul style="list-style-type: none"> (a) a management fee of 1% of the gross proceeds of the Flow Through Placement split equally between the Joint Lead Managers; (b) a selling fee of 5% of the gross proceeds of the Flow Through Placement split equally between the Joint Lead Managers; and (c) 10,000,000 Options on the same terms and conditions as the Options issued under the Flow Through Placement, split equally between the Joint Lead Managers (JLM Options). Shareholder ratification for the issue of the JLM Options is sought pursuant to Resolution 5. |
| Expenses | The Company agreed to reimburse the Joint Lead Managers third party DvP costs and all expenses incurred in relation to the engagement of the Joint Lead Managers under the Mandate, up to a maximum of \$10,000. Any expense incurred above \$500 required prior approval of the Company. |

The Mandate otherwise contained terms and conditions which are standard for an agreement of this nature.

2. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 FLOW THROUGH PLACEMENT SHARES - LISTING RULES 7.1 AND 7.1A

2.1 General

On 21 December 2023, the Company issued 304,700,264 Tranche 1 Flow Through Placement Shares pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1) and 4,716,800 Tranche 1 Flow Through Placement Shares pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 28 November 2023 (being, the subject of Resolution 2).

The issue of the Tranche 1 Flow Through Placement Shares did not breach Listing Rule 7.1 at the time of the issue.

2.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 28 November 2023.

The issue of the Tranche 1 Flow Through Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 Flow Through Placement Shares.

2.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Flow Through Placement Shares.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Flow Through Placement Shares.

2.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 and 2 are passed, the Tranche 1 Flow Through Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Flow Through Placement Shares.

If Resolutions 1 and 2 are not passed, the Tranche 1 Flow Through Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Flow Through Placement Shares.

2.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Tranche 1 Flow Through Placement Shares were issued to PearTree;

- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 309,417,064 Tranche 1 Flow Through Placement Shares were issued on the following basis:
 - (i) 304,700,264 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
 - (ii) 4,716,800 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (d) the Tranche 1 Flow Through Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Tranche 1 Flow Through Placement Shares were issued on 21 December 2023;
- (f) the issue price was C\$0.0446 (A\$0.0503³) per Tranche 1 Flow Through Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Flow Through Placement Shares;
- (g) the purpose of the issue of the Tranche 1 Flow Through Placement Shares was to raise \$15,563,678, which will further strengthen the Company's balance sheet, and allow Arizona Lithium to continue work on the Prairie Project, specifically with exploration in the Dawson Bay and Souris River Formations; and
- (h) the Tranche 1 Flow Through Placement Shares were issued pursuant to the subscription agreement that the Company executed with PearTree on 18 December 2023, the key terms of which are summarised in Section 1.1.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 OPTIONS

3.1 General

On 21 December 2023, the Company issued 309,417,064 Tranche 1 Flow Through Placement Shares, together with one-half (0.5) free-attaching Option for every one (1) Share subscribed for and issued (**Tranche 1 Options**).

The issue of the Tranche 1 Options did not breach Listing Rule 7.1 at the time of the issue.

³ Using an exchange rate of A\$1 = C\$0.88668

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 28 November 2023.

The issue of the Tranche 1 Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Tranche 1 Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Options.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Options.

3.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Tranche 1 Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Options.

If Resolution 3 is not passed, the Tranche 1 Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Options.

3.3 Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) the Tranche 1 Options were issued to PearTree;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
- (ii) issued more than 1% of the issued capital of the Company;
- (c) 154,708,532 Tranche 1 Options were issued;
- (d) the Tranche 1 Options were issued on the terms and conditions set out in Schedule 1;
- (e) the Tranche 1 Options were issued on 21 December 2023;
- (f) the issue price of the Options was nil as they were issued free attaching with the Tranche 1 Flow Through Placement Shares on a 1:2 basis. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Options (other than in respect of funds received on exercise of the Options);
- (g) the purpose of the issue of the Tranche 1 Options was satisfy the Company's obligations under the subscription agreement; and
- (h) the Tranche 1 Options were issued pursuant to the subscription agreement that the Company executed with PearTree on 18 December 2023, the key terms of which are summarised in Section 1.1.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 2 SECURITIES

4.1 General

On 21 December 2023, the Company issued 18,939,405 Tranche 2 Flow Through Placement Shares, together with one-half (0.5) free-attaching Option (**Tranche 2 Options**) for every one (1) Share subscribed for and issued (together, the **Tranche 2 Securities**).

The issue of the Tranche 2 Securities did not breach Listing Rule 7.1 at the time of the issue.

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 28 November 2023.

The issue of the Tranche 2 Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Tranche 2 Securities.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 2 Securities.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 2 Securities.

4.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Tranche 2 Securities will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 2 Securities.

If Resolution 4 is not passed, the Tranche 2 Securities will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 2 Securities.

4.3 Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the Tranche 2 Securities were issued to PearTree;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 18,939,405 Tranche 2 Flow Through Placement Shares and 9,469,703 Tranche 2 Options were issued;
- (d) the Tranche 2 Flow Through Placement Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Tranche 2 Options were issued on the terms and conditions set out in Schedule 1;
- (f) the Tranche 2 Securities were issued on 21 December 2023;

- (g) the issue price per Tranche 2 Flow Through Placement Share was C\$0.0528 (A\$0.0595⁴) and the issue price of the Tranche 2 Options was nil as they were issued free attaching with the Tranche 2 Flow Through Placement Shares on a 1:2 basis. The Company has not and will not receive any other consideration for the issue of the Tranche 2 Securities (other than in respect of funds received on exercise of the Options);
- (h) the purpose of the issue of the Tranche 2 Securities, was to raise \$1,126,894, which will further strengthen the Company's balance sheet, and allow Arizona Lithium to continue work on the Prairie Project, specifically with exploration in the Dawson Bay and Souris River Formations; and
- (i) the Tranche 2 Securities were issued pursuant to the subscription agreement that the Company executed with PearTree on 18 December 2023, the key terms of which are summarised in Section 1.1.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF JLM OPTIONS

5.1 General

On 21 December 2023, the Company issued 10,000,000 JLM Options in consideration for services provided by the Joint Lead Managers.

The issue of the JLM Options did not breach Listing Rule 7.1 at the time of the issue.

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 28 November 2023.

The issue of the JLM Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the JLM Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking

⁴ Using an exchange rate of A\$1 = C\$0.88824

Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the JLM Options.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the JLM Options.

5.2 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the JLM Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the JLM Options.

If Resolution 5 is not passed, the JLM Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the JLM Options.

5.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the JLM Options were issued to the Joint Lead Managers;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 10,000,000 JLM Options were issued and the JLM Options were issued on the terms and conditions set out in Schedule 1;
- (d) the JLM Options were issued on 21 December 2023;
- (e) the JLM Options were issued at a nil issue price, in consideration for services provided by the Joint Lead Managers. The Company has not and will not receive any other consideration for the issue of the JLM Options (other than in respect of funds received on exercise of the JLM Options);
- (f) the purpose of the issue of the JLM Options was to satisfy the Company's obligations under the Mandate; and
- (g) the JLM Options were issued to under the Mandate. A summary of the material terms of the Mandate is set out in Section 1.2.

GLOSSARY

\$ or A\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

C\$ means Canadian dollars.

Chair means the chair of the Meeting.

Company means Arizona Lithium Limited (ACN 008 720 223).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Evolution Capital means Evolution Capital Pty Ltd (AFSL: 505 929).

Explanatory Statement means the explanatory statement accompanying the Notice.

Flow Through Placement has the meaning given in Section 1.1.

Flow Through Placement Shares has the meaning given in Section 1.1.

General Meeting or **Meeting** means the meeting convened by the Notice.

Investors has the meaning given in Section 1.1.

JLM Options has the meaning given in Section 1.2.

Joint Lead Managers has the meaning given in Section 1.2.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Mandate has the meaning given in Section 1.2.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

PAC Partners means PAC Partners Securities Pty Ltd (AFSL: 335 374).

PearTree means PearTree Securities Inc.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Tranche 1 Flow Through Placement Shares has the meaning given in Section 1.1.

Tranche 1 Options has the meaning given in Section 3.1.

Tranche 2 Flow Through Placement Shares has the meaning given in Section 1.1.

Tranche 2 Options has the meaning given in Section 4.1.

Tranche 2 Securities has the meaning given in Section 4.1.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 10 August 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Your proxy voting instruction must be received by **10.00am (AWST) on Tuesday, 20 February 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

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Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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<https://automicgroup.com.au/>

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