

QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2023

HIGHLIGHTS

- **Successful test well results from the Prairie Lithium Project demonstrated significant upside in well productivity and confirmed high lithium concentrations from the other wells drilled to date.^{1,2}**
- **Commenced Upgrade of the Prairie Lithium Project's JORC Inferred Mineral Resource of 4.1 million tonnes of lithium carbonate equivalent (LCE) at 111 mg/L Li (the highest quality inferred lithium brine resource in Canada and a world class lithium resource.)**
- **Commenced Pre-Feasibility Study (PFS) at Prairie Lithium Project.**
- **Contract signed with third party Direct Lithium Extraction (DLE) provider to mobilise pilot plant to Canada. Phase 1 and Phase 2 scale testing produced exceptional results and Phase 3, the commencement of Pilot Plant operation is planned for November 2023.**
- **Continued development of AZL's proprietary Direct Lithium Extraction (DLE) technology.**
- **Roth Capital Partners, a full service American investment bank, appointed as North American capital markets advisor in relation to the proposed Nasdaq Listing.**
- **Completion of successful Share Purchase Plan (SPP) with total proceeds received of \$2.642m and a total 58,710,998 new listed shares.**
- **Firm commitments received in July to raise \$10m (before costs) via a Placement to institutional and sophisticated investors.**

Arizona Lithium Limited (**ASX:AZL**) ("**AZL**", **Arizona Lithium**" or the "**Company**") is pleased to provide an overview of the Company's activities for the period ending 30 June 2023 ("**Quarter**", "**Reporting Period**") to accompany the Appendix 5B.

Arizona Lithium Managing Director, Paul Lloyd, commented: *"Following the completion of the Acquisition of Prairie Lithium Corporation, during the Quarter AZL commenced the upgrade of the Prairie Lithium Project's JORC Inferred Mineral Resource of 4.1 million tonnes of lithium carbonate equivalent and also commenced a Pre-Feasibility Study (PFS) to confirm the internally produced economic model. Robust economics are anticipated.*

Successful test well results were delivered from the Prairie Lithium Project, demonstrating significant upside in well productivity and confirming high lithium concentrations from the other wells drilled to date. The produced brine will be used to continue the optimisation of the Company's in house DLE technology.

AZL is moving forward with Phase 3, the installation of a larger a third party DLE pilot plant in Saskatchewan, planned for November 2023. This follows on the first two highly encouraging phases of

¹ Announcement March 27, 2023, Prairie Lithium Acquisition

² Prairie Lithium - Announcement by AZL (21/12/22)

offsite testing using the selected DLE technology. This third phase aims to provide valuable information on the potential functioning of a commercial DLE facility at the Prairie Project.

Roth Capital Partners were appointed as North American capital markets advisor during the Quarter in relation to the proposed Nasdaq Listing. In addition a successful SPP was undertaken raising a total of \$2.642m. I would like to thank shareholders for their support to date.”

SUCCESSFUL TEST WELL RESULTS

During the Reporting Period, AZL announced successful test results from the latest well at the Company’s Prairie Lithium Project, located in Saskatchewan Canada.

The Company re-entered a suspended oil well in southeast Saskatchewan on 17 October 2022. Operations commenced with cementing off the existing depleted oil production zone and deepening the well a further 169 metres to a total depth of 2,374 metres, to test the Duperow Formation for both lithium concentration and well productivity.

In the 16-20 well, the lithium concentration measured in the combined flow test was 104 mg/L. The lithium concentrations from three individual zones tested were 103 mg/L, 113 mg/L and 137 mg/L (Figure 1). These results, combined with the sampling programs completed on two wells in 2021, illustrate elevated levels of lithium in all test wells drilled to date.

Using flow parameters obtained from the combined pump test, consulting group Fluid Domains predicted a sustainable pumping rate of 2,700 m³/day over a three-year period, considerably higher than the design requirement for a field pilot plant.

The 16-20 well was pumped for 3.5 days at sustained rates of 200 m³/day and 400 m³/day to determine well performance and aquifer properties. A total of 875 m³ of brine was pumped from the well, with 750m³ of brine being stored for further testing. The produced brine will be used to continue the optimisation of the Company’s DLE technology which has processed over 400 m³ of Duperow brine since inception.

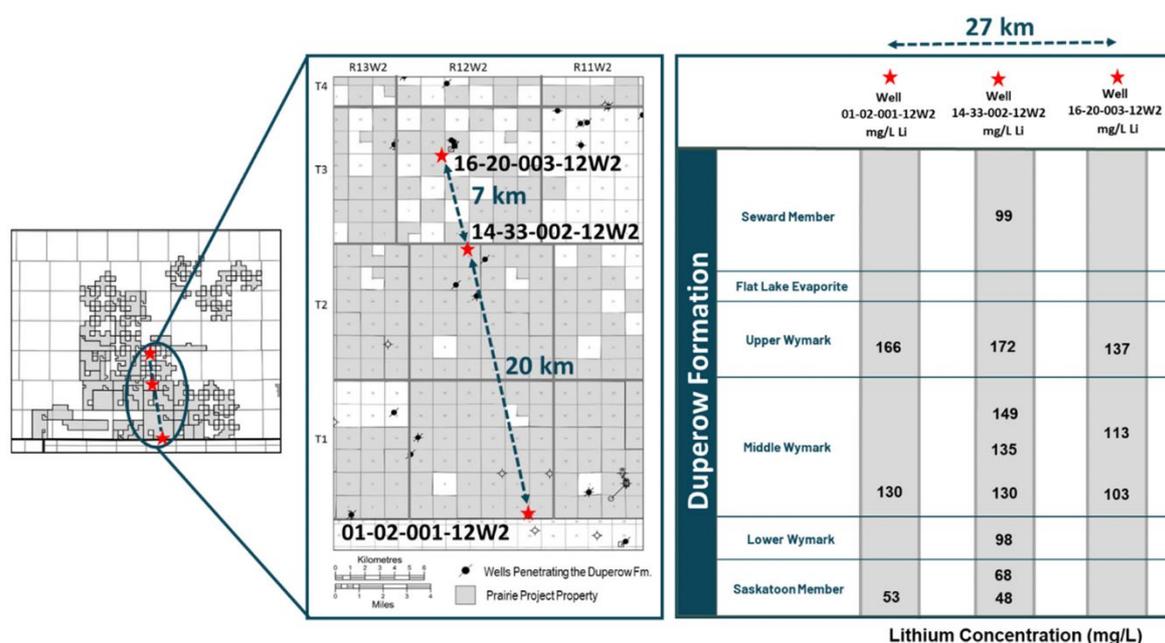


Figure 1 - Location map and representative lithium concentrations from Arizona Lithium’s test wells³

³ (Lithium concentrations measured by Isobrine Solutions and confirmed by one other commercial laboratory in Edmonton, Alberta)

² Announcement March 27, 2023, Prairie Lithium Acquisition

³ Prairie Lithium – Announcement by AZL (21/12/22)

UPDATE ON PRAIRIE LITHIUM BRINE PROJECT

In June 2023, AZL provided an update announcing that the Company had commenced an upgrade of the Prairie Lithium Project's JORC Inferred Mineral Resource in Saskatchewan, Canada, with an Inferred Mineral Resource of 4.1 million tonnes of lithium carbonate equivalent (LCE) at 111 mg/L Li, the highest quality inferred lithium brine resource in Canada and a world class lithium resource.^{2,3} AZL also commenced a Pre-Feasibility Study (PFS) to confirm the internally produced economic model with highly robust economic numbers anticipated.

During the Quarter, AZL continued the development of its proprietary Direct Lithium Extraction (DLE), with the Canadian test plant being relocated to the Lithium Research Centre (LRC) in Phoenix, Arizona. The LRC functions 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 has also signed an agreement with a third party DLE technology provider.

The Company evaluated DLE technologies based on:

- Extraction efficiency
- Lithium recovery
- Contaminant rejection
- Technology readiness
- Lithium recovery

To date, the Company has completed the first two phases of offsite testing using third party DLE technology, which yielded highly encouraging results. Subsequently, AZL has elected to move forward with that technology and establish a larger Phase 3 DLE pilot plant in Saskatchewan, planned for November 2023, with the aim to scope and commercialise a DLE facility on its Prairie Project.

DLE evaluation is of the highest priority for AZL's Board and management team as it would immediately unlock significant value for the Company and shareholders. The process of evaluating third party DLE providers and the development of AZL's proprietary DLE technology, will be run in tandem to maximise the potential economic benefit for shareholders.

ROTH APPOINTED FOR NASDAQ LISTING

In May 2023, the Company announced that Roth Capital Partners had been appointed by AZL as its lead North American Capital Markets Adviser, in relation to its proposed NASDAQ listing.

Roth is a full-service American Investment Bank Headquartered in Newport Beach, California with offices in New York, Boston, Los Angeles, San Francisco and Dallas, with a strong track record in the lithium sector, and will assist in marketing the Company to potential investors and provide general advisory services.

AZL Managing Director and Chairman undertook a New York roadshow in mid-May to promote the Company to North American brokers and investors.

COMPLETION OF SUCCESSFUL SHARE PURCHASE PLAN

In the Quarter, AZL announced that the Company's Share Purchase Plan (SPP) closed with total proceeds received of \$2,642,000 and a total 58,710,998 new listed shares issued by the Company on 13 June 2023.

The Directors were satisfied with the take up from shareholders and comfortable that all shareholders were provided the opportunity to increase their investment in AZL prior to the recommencement of drilling at the Big Sandy Lithium Project in Arizona. All valid applications received under the SPP were accepted in full.

The funds raised and the existing cash balance will be directed towards the fast tracking of AZL's two significant North American lithium development projects (Big Sandy & Prairie).

Funds will be allocated specifically to:

- Stage two drilling at the Big Sandy Lithium Project with the aim of increasing the Resource and mine life from the current 12 years.
- Development of the Company's proprietary Direct Lithium Extraction (DLE) technology with the Canadian test plant being relocated to AZL's Lithium Research Center (LRC) in Tempe, Arizona.
- Mobilisation of a third party DLE pilot plant to Canada to confirm very exciting initial third party DLE results on brine from the Prairie Lithium Project.
- Finalising the build out of the LRC and the Definitive Feasibility Study (DFS) on the Big Sandy Project.

PLACEMENT

On 28 July 2023, the Company received firm commitments to raise \$10m (before costs) via a Placement to institutional and sophisticated investors to advance the Prairie and Big Sandy Lithium Projects. The commitments to raise the funds is through an extremely strongly supported share placement to institutional and professional investors at \$0.025 per share ("New Shares") with one free attaching option per one New Share ("Placement"). The options will be exercisable at \$0.05 each expiring two years from the date of issue ("Options"), with the proceeds from the exercise of the Options to provide further funding to develop the two North American Lithium Projects. It should be noted the issue of 27.3% of the Options are subject to shareholder approval. The Company intends to quote these options subject to meeting the ASX's minimum listing requirements.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Project Locations



Figure 1 – Prairie Lithium’s resource further diversifies AZL into Canada and brines

Big Sandy Lithium Project (Arizona)

The Big Sandy Project, is 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.

JORC Mineral Resource Estimate

Arizona Lithium’s successful 2019 drill program at Big Sandy (37 HQ diamond holes totalling 2,881m) 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_3^4 (Table 1).

Table 1 – Big Sandy Project Mineral Resource Statement (above 800 ppm Li cut-off)

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

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 Li⁵ (Table 2).

Exploration Target

Exploration on the Big Sandy Lithium Project including geological mapping, drilling and surface sampling in Blocks B, C and D in the Northern Mineralised Zone (NMZ) and geological mapping and surface sampling in Blocks SMZ 1 and SMZ 2 in the Southern Mineralised Zone (SMZ), have resulted

⁴ Announcement Sept 26, 2019, Big Sandy Lithium Project, Maiden Mineral Resource

⁵ Announcement Nov 7, 2019, Big Sandy Lithium Project, Exploration Target Update

in the identification of the potential for between 271.1Mt to 483.15Mt at 1,000 - >2,000ppm Li as summarised in Table 3 below.

The Exploration Target in Blocks B, C and D in the NMZ, has been estimated using a range of thicknesses for the mineralised sedimentary material, calculated from data point elevations, drill hole data from prior Exploration Target Block A, lying between Blocks B and C, that has been converted to an inferred / indicated mineral resource and geological mapping. The grade estimates a range of values demonstrated from surface sampling.

The Exploration Target in Blocks SMZ 1 and SMZ 2 in the SMZ, has been estimated using a range of thicknesses for the mineralised sedimentary material, calculated from data point elevations, geological mapping and knowledge of the mineralisation controls and alteration witnessed in the NMZ. The grade estimates a range of values demonstrated from surface sampling.

Table 2 – Summary of Exploration Target

Zone	Resource Block	Grade Range Li ppm	Thickness Lower (m)	Thickness Upper (m)	Lower (Mt)	Upper (Mt)
North	B	1000 - >2,000	40	60	82,800,000	124,200,000
North	C	1000 - >2,000	20	35	27,000,000	47,250,000
North	D	1000 - >2,000	20	35	39,600,000	69,300,000
South	SMZ 1	1000 - >1,500	30	60	83,700,000	167,400,000
South	SMZ 2	1000 - >1,500	30	60	38,000,000	75,000,000
				TOTALS	271,100,000	483,150,000

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. The validity of the proposed exploration target will be tested in the next drilling program. The Company is awaiting drilling approval from the BLM as detailed above.

Competent Persons Statement

The information in this announcement that relates to the Exploration Target 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. Information in this announcement which relates to Exploration Results relevant to the Exploration Target has been extracted from the Company's announcements released to ASX on 28 March, 28 August and 7 November, 2019.

Information in this announcement that relates to Mineral Resources have been extracted from the Company's announcement released to ASX on September 26, 2019.

The announcements are available to view on the Company's website: www.arizonalithium.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

About the Prairie Lithium Project

AZL's Prairie Lithium Project is located in the Williston Basin of Saskatchewan, Canada, with Arizona Lithium also holding a proprietary lithium extraction process technology that selectively removes lithium from Brine. The Prairie Project holds the highest quality Inferred lithium brine resource in Canada, with 4.1MT LCE total JORC Inferred Mineral Resources at 111 mg/L Li₆, with significant expansion potential. Located in one of the world's top mining friendly jurisdictions, the projects have easy access to key infrastructure including electricity, natural gas, fresh water, paved highways and railroads. The projects also aim to have strong environmental credentials which should result in less use of freshwater, land and waste, aligning with AZL's sustainable approach to lithium development.

The Prairie Lithium Ion Exchange (PLIX) is an ion-exchange material that selectively extracts lithium from brine, using equipment which is anticipated to be readily available at commercial scale. PLIX may have a global application, with the process currently being tested on lithium resources from around the world (including encouraging results with Big Sandy). While Prairie Lithium continues to develop, scale and operate its own DLE technology, the company is also testing other DLE technologies to ensure it deploys the most cost-effective technology onto its resource.

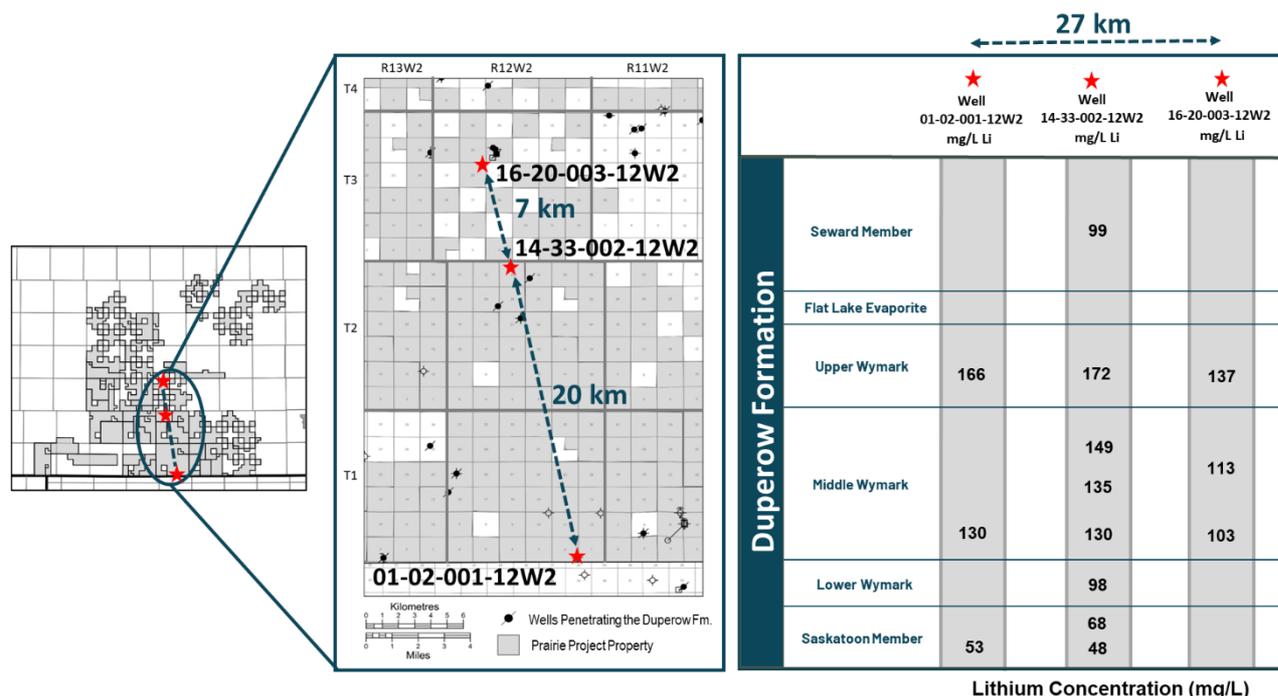


Figure 2 – Location map and representative lithium concentrations from Arizona Lithium's test wells (Lithium concentrations measured by Isobrine Solutions and confirmed by one other commercial laboratory in Edmonton, Alberta)

⁶ Refer to Appendix 1 (Summary of 72 subsurface mineral permits where Prairie Lithium has 100% working interest across the Duperow Formation), Appendix 2 (Summary Table of Drill Holes) and the JORC 2012 Table 1 Report annexed to this announcement for further details.

Competent Persons statement for Prairie and Registered Overseas Professional Organisation (ROPO) and JORC Tables

Gordon MacMillan P.Geol., Principal Hydrogeologist of Fluid Domains, who is an independent consulting geologist of a number of brine mineral exploration companies and oil and gas development companies, reviewed and approves the technical information provided in the release and JORC Code – Table 1 attached to this release. Mr. MacMillan is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA), which is ROPO accepted for the purpose of reporting in accordance with the ASX listing rules. Mr. MacMillan has been practising as a professional in hydrogeology since 2000 and has 22 years of experience in mining, water supply, water injection, and the construction and calibration of numerical models of subsurface flow and solute migration. Mr. MacMillan is also a Qualified Person as defined by NI 43-101 rules for mineral deposit disclosure.

Information in this announcement that relates Exploration Results or to Mineral Resources have been extracted from the Company's announcement released to ASX on 21 December 2022. The announcement is available to view on the Company's website: www.arizonalithium.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which Mr MacMillan's findings are presented have not been materially modified from the original market announcement.

Lithium Research Centre

As announced on 20 June 2022, Arizona Lithium signed a 5-year lease to establish a world class Lithium Research Centre (LRC) to be located on a 9,700m² property in Tempe, Arizona, approximately 15km southwest of Phoenix Sky Harbor International Airport.

The Lithium Research Centre, which 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 build out of the LRC continues with the lab fully operational and the bulk of the pilot plant to be constructed during the June quarter. The Company will then be able to commence operations of the pilot plant to treat some of the bulk sample taken from the Big Sandy Lithium project.

Appendix 1: Schedule of Mining Tenements

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 30 June 2023.

Project	Claim Number	Location	Interest
Big Sandy	WIK-001 to WIK-112	Arizona, USA	100%
Big Sandy	BSL-001 to BSL-146	Arizona, USA	100%
Big Sandy	BSLII 001 to BSLII 053	Arizona, USA	100%
Lordsburg	LLP-211 to LLP-274	New Mexico, USA	100%
Lordsburg	LLP-283 to LLP-298	New Mexico, USA	100%
Lordsburg	LLP-307 to LLP-322	New Mexico, USA	100%
Lordsburg	LLP2-1 to LLP2-96	New Mexico, USA	100%

Project	Public Offering Number / Block	Location	Interest
Prairie Lithium	S002/1	Saskatchewan, Canada	100%
Prairie Lithium	S004/5	Saskatchewan, Canada	100%
Prairie Lithium	S005/29, S005/46-48, S005/58, S005/60	Saskatchewan, Canada	100%
Prairie Lithium	S008/29, S008/31-35, S008/41, S008/43-44, S008/46, S008/49-54, S008/56, S008/64-65, S008/69-74, S008/77, S008/86-89	Saskatchewan, Canada	100%
Prairie Lithium	S009/19, S009/24-25, S009/27, S009/29, S009/31, S009/35, S009/39, S009/41-44, S009/50-53	Saskatchewan, Canada	100%

Tenements acquired during the Quarter are as follows:

Project	Claim Number	Location	Interest
Big Sandy	RL001 to RL099	Arizona, USA	100%

There were no disposals during the Quarter.

Appendix 2: Exploration Expenditure and Payments to Related Parties

In line with its obligations under ASX Listing Rules 5.3.1 and 5.3.5, Arizona Lithium Limited notes the following in relation to the period ended 30 June 2023 as advised in the Appendix 5B:

- exploration and evaluation expenditure primarily relates to the activities undertaken at the Prairie Lithium Project and setup and operating costs of the Lithium Research Centre; and
- the only payments to related parties of the Company pertain to payments to executive directors for salary and superannuation, non-executive director fees and consultancy fees.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ARIZONA LITHIUM LIMITED

ABN

15 008 720 223

Quarter ended ("current quarter")

30 JUNE 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,443)	(3,837)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,196)	(1,906)
(e) administration and corporate costs	(906)	(2,544)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	946
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(3,541)	(7,341)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	(43,956)
(b) tenements	-	-
(c) property, plant and equipment	(247)	(2,877)
(d) exploration & evaluation	-	-
(e) investments	-	(1,950)
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash on acquisition of entity)	-	3,135
2.6	Net cash from / (used in) investing activities	(247)	(45,648)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,642	14,636
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	222
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(18)	(889)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,624	13,969
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,427	42,265
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,541)	(7,341)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(247)	(45,648)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,624	13,969

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	4	22
4.6	Cash and cash equivalents at end of period	3,267	3,267

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,267	4,427
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,267	4,427

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	123
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Amounts shown at item 6.1 comprise of payments to related parties (or their associates) for director and administration fees paid during the quarter, including fees for services performed.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,541)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,541)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,267
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,267
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.9
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. The nature of exploration activity is that it is discretionary and fluctuates depending on the relevant exploration program being carried out.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: On 28 July 2023, the Company received firm commitments to raise \$10m (before costs) via a placement to institutional and sophisticated investors.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes – conditional on the completion of the placement set out in 8.8.2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2023

Authorised by: The Board of Arizona Lithium Limited

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.