

ASX Announcement

20 June 2022

## ARIZONA LITHIUM SIGNS LEASE FOR A WORLD CLASS LITHIUM RESEARCH CENTER

### HIGHLIGHTS

- AZL has signed a 5-year lease to establish a world class Lithium Research Center to be located on a 9,700m<sup>2</sup> property in Tempe, Arizona, approximately 15km southwest of Phoenix Sky Harbor International Airport.
- The facility includes a 1,900m<sup>2</sup> building for R&D in addition to a 3,000m<sup>2</sup> secure lot for the fabrication of prototype processing equipment.
- 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 Lithium Research Center will showcase all of the processing steps required for a lithium project, in particular AZL's Big Sandy and Lordsburg Projects.
- The Research Center will be spearheaded by AZL CTO, Brett Rabe, who has significant experience in lithium project management and engineering.
- Electric Vehicle OEM's, lithium resource owners, US based strategic investors and key government officials have all expressed interest in the Lithium Research Center.

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 signed a 5-year lease with extension options for the location of a world class Lithium Research Center in Tempe, Arizona.

The Research Center will focus on technological advancements in lithium processing and aims to advance the battery materials industry in Arizona, with construction expected to be completed in the next four months and key processing steps operational by Q4 2022.

The property spans over 9,700m<sup>2</sup>, including a building of over 1,900m<sup>2</sup>, with 3,000m<sup>2</sup> of pavement protected by security gates and a brick wall. The building has 370m<sup>2</sup> for sensitive laboratory instruments and 1,530m<sup>2</sup> for processing ore/brine and producing lithium chemicals, with a 7m clearance.

The size and unique features of the property, coupled with the substantial experience of Brett Rabe, AZL's Chief Technical Officer (ASX Release – 21 March 2021), who will be responsible for driving the project, will make it a truly world class research and development center, expected to attract some of the top talent and projects in the world. The Research Center will be located in the vibrant Phoenix area with the likes of Kore Power, LG Energy Solutions, Lucid Motors, Nikola Corporation and Arizona State University.





Figure 1 - Overhead View / Schematic of the Lithium Research Center



Figure 2 – Entrance to Lithium Research Center



Figure 3 – Future location of analytical laboratory

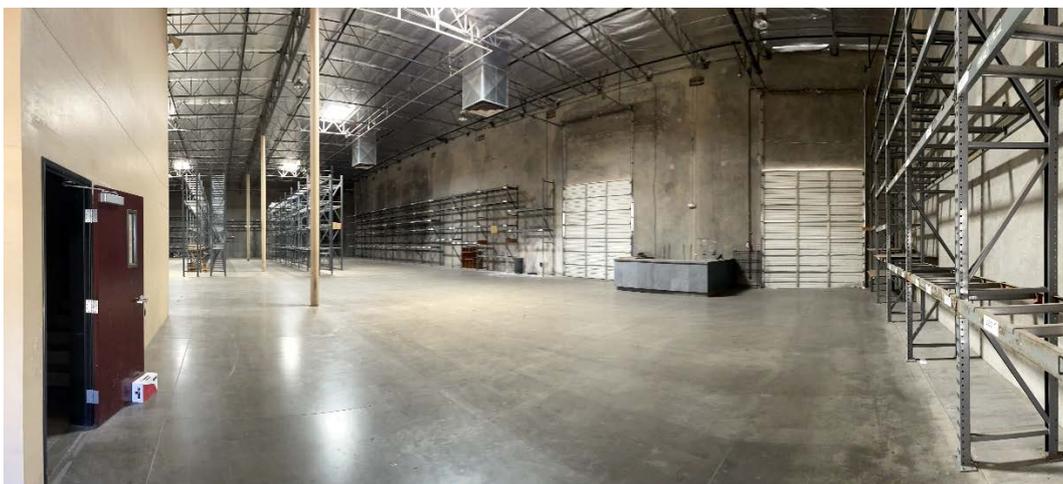


Figure 4 – Future location of ore processing and lithium chemical production area

**AZL Chief Technical Officer, Brett Rabe, commented:** “We are delighted to announce the lease for this world class Lithium Research Center in one of the top destinations for EV and battery production in the world. We are already significantly advanced in the design of the facility and are currently procuring equipment, with staff recruitment also underway. We look forward to working with ore from the Big Sandy resource, and I am confident that the AZL Research Center will act as a hub for technological advancement in the lithium industry and strategic collaborations.”

**AZL Managing Director, Paul Lloyd, commented:** “Today marks a significant milestone for the development of Big Sandy and for what we believe to be the lithium industry as a whole. We have signed a long-term lease for the development of a Research Center that will initially test the Big Sandy ore body, but we expect will ultimately test other lithium sources and become a center for innovation within the lithium industry. We note the support of the Arizona government, and particularly the Arizona Commerce Authority, who have helped us with the Research Center, as well as providing grants and incentives to further improve the economics. We will use this Research Center to refine our flow sheet based on the previous test work undertaken by Hazen Research, and also explore new technologies. With the recent appointment of Brett Rabe as Chief Technical Officer, we have a fantastic leader for this project, and we are excited to see it in operation later this year.”

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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  $\text{Li}_2\text{CO}_3$ <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  $\text{Li}^2$ .

*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.



Figure 5 - Arizona Lithium Project Portfolio, including major Li-battery infrastructure in close proximity to Big Sandy and Lordsburg Lithium Projects.

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> Announcement Sept 26, 2019, Big Sandy Lithium Project, Maiden Mineral Resource  
<sup>2</sup> Announcement Nov 7, 2019, Big Sandy Lithium Project, Exploration Target Update

## COMPETENT PERSON'S STATEMENT

The information in this announcement that relates to the Big Sandy 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.