

ARIZONA LITHIUM LIMITED

ACN 008 720 223

PROSPECTUS

For the offer of up to 100 Quoted Options (**New Options**) in the capital of the Company at an issue price of \$0.015 per Quoted Option to raise up to \$1.50 (before expenses) (**Offer**).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Quoted Options issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the New Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The New Options offered under this Prospectus should be considered speculative.

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1. CORPORATE DIRECTORY

Directors

Barnaby Egerton Warburton
Non-Executive Chairman

Paul Lloyd
Managing Director

Matthew Blumberg
Executive Director

Company Secretary

Oonagh Malone

Share Registry

Automic Group
LEVEL 2, 267 St Georges Terrace,
PERTH WA AUSTRALIA, 6000

Registered Office

Level 1, 10 Outram Street
WEST PERTH WA AUSTRALIA 6005

ASX Code

AZL

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditors*

HLB Mann Judd
4/130 Stirling St,
PERTH WA AUSTRALIA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	18 November 2021
Opening Date	18 November 2021
Closing Date (5:00PM WST)	19 November 2021

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice.

2.2 Important Notes

This Prospectus is dated 18 November 2021 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for New Options offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of Quoted Options and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Website

A copy of this Prospectus can be downloaded from the website of the Company at www.arizonalithium.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.4 Risk Factors

Potential investors should be aware that subscribing for New Options in the Company involves a number of risks. The key risk factors of which investors should

be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Options and the Company's Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

2.5 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of New Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.6 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.7 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 100 Quoted Options (**New Options**) at an issue price of \$0.015 per Quoted Option to raise up to \$1.50 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The full terms and conditions of the New Options to be offered under this Prospectus are set out in Section 5.1.

3.2 Objective

The Company is seeking to raise only a nominal amount of \$1.50 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Quoted Options in the same class as the New Options issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to lodgement of this Prospectus) so that, following the issue of the Prospectus any sale of Quoted Options before the Closing Date does not breach section 707(3) of the Corporations Act.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body;
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.3 Application for New Options

Applications for New Options must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the New Options must be made in full at the issue price of \$0.015 per New Option.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company as follows:

Delivery by hand	Delivery by post
Level 1, 10 Outram Street WEST PERTH WA AUSTRALIA 6005	PO Box 1311 SUBIACO WA AUSTRALIA 6904

Cheques should be made payable to “**ARIZONA LITHIUM LIMITED – New Option Offer Account**” and crossed “**Not Negotiable**”. Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

3.4 Minimum subscription

There is no minimum subscription.

3.5 Issue of New Options

As noted in Section 3.2, the primary purpose of the Offer is to remove any trading restrictions that may have attached to the Quoted Options issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date of the Offer (including prior to the date of this Prospectus).

If the Directors decide to issue New Options under the Offer, the issue of New Options under the Offer will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the New Options are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any New Options are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the New Options. The Directors reserve the right to reject any application or to allocate any Applicant fewer New Options than the number applied for.

Where the number of New Options issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no issue of New Options is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

The Company’s decision on the number of New Options to be allocated to an applicant will be final.

Holding statements for New Options issued under this Prospectus will be mailed to the investors under the Offer.

3.6 ASX listing

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Options.

The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered for subscription.

3.7 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up New Options on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.8 Enquiries

Any questions concerning the Offer should be directed to Oonagh Malone, Company Secretary, on +61 8 6313 3936.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Quoted Options issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer on capital structure

The effect of the Offer on the Company's capital structure is set out below.

Shares	Number
Shares currently on issue	1,943,456,327
Shares offered under this Prospectus	0
Total Shares on issue on completion of the Offer	1,943,456,327

Options	Number
Quoted Options expiring 10 November 2022	106,666,709
Unlisted Options exercisable at \$0.012 each on or before 29 April 2023	82,500,000
Unlisted Options exercisable at \$0.06 each on or before 11 October 2024	8,000,000
Unlisted Options exercisable at \$0.04 each on or before 07 September 2022	35,250,000
Unlisted Options exercisable at \$0.05 each on or before 7 September 2022	31,250,000
Unlisted Options exercisable at \$0.06 each on or before 30 December 2021	16,750,000
Unlisted Options exercisable at \$0.07 each on or before 30 December 2021	7,000,000
Unlisted Options exercisable at \$0.02 each on or before 02 December 2022	16,728,326
Unlisted Options exercisable at \$0.05 each on or before 1 April 2023	1,666,667
Unlisted Options exercisable at \$0.06 each on or before 1 April 2023	1,666,667
Unlisted Options exercisable at \$0.07 each on or before 1 April 2023	1,666,667
Unlisted Options exercisable at \$0.06 each on or before 11 October 2024	28,000,000
New Options offered under this Prospectus ¹	100
Total Options on issue on completion of the Offer²	337,145,136

Notes:

1. The rights and liabilities attaching to the New Options are summarised in Section 5.1 of this Prospectus.

2. This assumes the Offer is fully subscribed, all New Options offered are issued and no Options are exercised.

4.3 Financial effect of the Offer

After expenses of the Offer of approximately \$10,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$1.50) will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$1.50 less costs of preparing the Prospectus of approximately \$10,000.

4.4 Metallurgical Testwork Results – Big Sandy Lithium Project

The Company's testing program at Hazen Research on Big Sandy lithium mineralised material has continued to progress extremely well over the past few months with the following encouraging new results:

- (a) Bench-scale work on ore beneficiation has produced a concentrate containing 71% of the lithium in 36% of the whole ore mass. Carbonate acid consumers were reduced by 92%.
- (b) Four-hour duration leaching tests on the concentrate at 70°C have yielded 87% lithium extraction.
- (c) The sulfuric acid consumption was 490 kg/mt on the concentrate, the equivalent of 176 kg/mt whole ore.
- (d) Ongoing test work is ramping up to produce larger quantities of concentrate to increase the scale of the leaching tests enabling leach circuit optimisation.
- (e) Sufficient quantities of leach solutions will be produced for optimisation of purification methods and the production of battery grade lithium carbonate, with Hazen producing "battery grade" 99.85% lithium carbonate in previous test work on the Big Sandy lithium mineralised material.

The Company's current processing flow sheet is now determined. However, to continually improve the approach, concurrent test work to improve product quality and reduce operating costs employing promising new technologies is planned for:

- (a) Leach solution purification using ion exchange.
- (b) Improved crystallisation methods for the final product.
- (c) Later recovery of lithium from beneficiation waste.

4.5 Competent Person Statement

The information in this section 4.4 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 consents to the inclusion in this section 4.4 of the matters based on this information in the form and context in which it appears.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

5.1 New Options

The following is a summary of the terms and conditions of the New Options being offered pursuant to this Prospectus:

(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 \$0.12 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before 10 November 2022 (**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 Shares holders 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.

5.2 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares that may be issued pursuant to this Prospectus and subject to exercise of Options. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meeting and notices**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and where entitled, vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to the Constitution, the Corporations and to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll:
 - (A) each Shareholder present in person has one vote for each fully paid share held by the Shareholder;
 - (B) each person present as proxy, attorney or representative of a Shareholder has one vote for each fully paid share held by the Shareholder that the person represents; and
 - (C) each Shareholder who has duly lodged a valid direct vote in respect of the relevant resolution has one vote for each fully paid Share held by the Shareholder.

A Shareholder is not entitled to vote at a general meeting in respect of Shares which are the subject of a current restriction agreement for so long as any breach of that agreement by that Shareholder subsists.

In respect of partly paid shares, Shareholders will have a fraction of the vote as calculated in accordance with the Constitution.

(c) **Dividend rights**

Subject to the Corporations Act, the Constitution and the terms of issue or rights of any shares with special rights to dividends, the Board may determine or declare that a dividend is payable and may fix the amount and time for payment.

The Board may resolve to pay a dividend in cash or satisfy it by distribution of specific assets (including shares, debentures or other securities of the Company or any other body corporate or trust).

Interest is not payable by the Company on a dividend.

The Directors may determine for any dividend which it is proposed to pay on any Shares of the Company that holders of the Shares may elect to forego the right to share in the proposed dividend or part of such

proposed dividend and to receive instead an issue of Shares credited as fully paid on such terms as the Directors think fit.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Future increase in capital**

The issue of any new Shares is under the control of the Board of the Company subject to the Corporations Act, the Listing Rules and any special rights conferred on the holders of any Shares or class of Shares.

(g) **Variation of rights**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Restricted Securities**

A holder of restricted securities must not dispose of, or agree or offer to dispose of, restricted securities during the escrow period applicable to those restricted securities except as permitted by the Listing Rules or ASX.

If the restricted securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities.

A holder of restricted securities will not be entitled to participate in any return of capital on those restricted securities during the escrow period applicable to those restricted securities except as permitted by the Listing Rules or ASX.

If a holder of restricted securities breaches a restriction deed or a provision of the Constitution restricting a disposal of those restricted securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those restricted securities for so long as the breach continues.

6. RISK FACTORS

6.1 Introduction

The New Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section 6, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company and industry specific risks

(a) Trading Halt

As at the date of this Prospectus, the Company's securities are presently in a trading halt on the ASX pending the Company applying to the Supreme Court of Western Australia for orders rectifying the inadvertent failure to lodge a cleansing prospectus upon the issue of quoted options during the period of 10 November 2021 to 11 November 2021.

Should the Company be unsuccessful in obtaining those orders, there is a risk that the Company may be suspended from trading until it is able to establish a process or mechanism for ensuring the trading of its securities can occur in accordance with the Corporations Act. However, the Company takes comfort that there is established precedent for companies to seek the orders that the Company is pursuing in circumstances not dissimilar to the circumstances the Company is presently in.

(b) Exploration and development risks

Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Company's projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the

event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its projects.

(c) **Operating risk**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(d) **Future capital requirements**

The Company's activities will require substantial expenditure. If the Company is unable to use debt or equity to fund development after the substantial exhaustion of the net proceeds of its recent placement, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(e) **Government actions and political risk**

The impact of actions by governments may affect the Company's activities including such matters as access to lands and infrastructure, compliance with environmental regulations, taxation and royalties.

The Company's assets are located in the USA. The Directors believe that the Government of the USA supports the development of natural resources by foreign investors. However, there is no assurance that future political and economic conditions in the USA will not result in the Government of USA adapting different policies regarding foreign development and ownership of mineral resources. Any changes in policy may result in legislative changes affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return on capital, all of which may affect the Company's ability to develop its projects.

(f) **International operations**

Any potential future USA operations of the Company are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting rights and interests in assets;
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

The Company's future operations may be impacted by currency fluctuations, political reforms, changes in government policies and procedures, civil unrest, social and religious conflict and deteriorating economic conditions. The likelihood of any of these changes and their possible effects, if any, cannot be determined by the Company with any clarity at the present time, but they may include disruption, increases costs and, in some cases, total inability to establish or to continue to operate mining exploration or development activities.

(g) **Resource estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(h) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The COVID-19 pandemic has given rise to issues, delays or restrictions in relation to the Company's ability to freely move people to and from exploration projects and may cause delays or cost increases. The effects of COVID -19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offers, the Company will notify investors under a supplementary prospectus.

(i) **Labour risk**

The Company's operations may be adversely affected by labour disputes or changes in USA labour laws.

Significant labour disputes, work stoppages, increased employee expenses as a result of collective bargaining and the cost of compliance with labour laws could disrupt operations and affect the profitability of the prospecting rights and any future mining and exploration activities undertaken by the Company.

(j) **Other projects and acquisitions**

The Company may actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of additional projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(k) **Environmental risks**

As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Changes in community attitudes on matters such as environment issues may also bring about reviews and possible changes in government policies. There is a risk that such changes may affect the Company's plans or its rights and obligations in respect of the tenements, including preventing or delaying certain operations by the Company. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(l) **Licences, permits and approvals**

The tenements are governed by the respective USA legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in its tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

The Company holds all material authorisations required to undertake its exploration programs. However, many of the mineral rights and interests held or to be held by the Company are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or an inability to obtain, required authorisations may significantly impact on the Company's operations.

(m) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company. It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(n) **Commodity Prices and currency price risk**

Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for lithium and related metals, technological advancements, forward selling activities and other macro-economic factors. Fluctuations in the price of lithium and other related metals may have an impact on the economic viability of the Company's projects.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company is and will be taken into account in Australian currency. Accordingly, the Company is exposed to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

6.3 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

As with any mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

(b) Market conditions

The market price of the Company's quoted securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and in particular, in resource exploration stocks. Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment; the demand for, and supply of, capital; and terrorism or other hostilities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

(d) Government and legal risk

Changes in government, monetary policies, taxation and other laws may have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its quoted securities. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may

also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(e) **Litigation risk**

The Company is exposed to possible litigation risks including, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(f) **Insurance risk**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
18/Nov/21	Trading Halt
17/Nov/21	Retirement of Non-Executive Director
16/Nov/21	Results of Meeting
11/Nov/21	Cleansing Notice
11/Nov/21	Application for quotation of securities - AZL
10/Nov/21	Proposed issue of securities - AZL
10/Nov/21	Issue of Quoted Options and Cleansing Notice
10/Nov/21	Application for quotation of securities - AZL
9/Nov/21	Cleansing Notice
9/Nov/21	Application for quotation of securities - AZL
9/Nov/21	Application for quotation of securities - AZL
8/Nov/21	AZL Doubles Land Position at Lordsburg Lithium Project
5/Nov/21	Application for quotation of securities - AZL
4/Nov/21	Application for quotation of securities - AZL
1/Nov/21	Proposed issue of securities - AZL
1/Nov/21	AZL Raises \$13 Million in Strongly Supported Placement
29/Oct/21	Quarterly Activities/Appendix 5B Cash Flow Report
29/Oct/21	Trading Halt
26/Oct/21	Cleansing Notice
26/Oct/21	Application for quotation of securities - AZL
22/Oct/21	Response to ASX Price and Volume Query
14/Oct/21	Initial Director's Interest Notice
14/Oct/21	Letter to Shareholders regarding Notice of AGM
14/Oct/21	Notice of Annual General Meeting/Proxy Form

Date	Description of Announcement
12/Oct/21	Application for quotation of securities - AZL
11/Oct/21	Notification regarding unquoted securities - AZL
11/Oct/21	Proposed issue of securities - AZL
11/Oct/21	Notification regarding unquoted securities - AZL
11/Oct/21	Arizona Lithium Appoints US Based Executive Director
7/Oct/21	Change of Company Name and ASX Code
29/Sep/21	Diablo Resources Supplementary Prospectus
29/Sep/21	Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website, www.arizonalithium.com.

7.3 Market price of Securities

The Company is a disclosing entity for the purposes of the Corporations Act and its quoted securities are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.155	3 November 2021
Lowest	\$0.036	20 August 2021
Last	\$0.11	17 November 2021

The highest, lowest and last market sale prices of the Quoted Options on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.05	12 November 2021
Lowest	\$0.023	11 November 2021
Last	\$0.037	17 November 2021

7.4 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director or proposed director of the Company, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director of the Company:

- (d) as an inducement to become, or to qualify as, a director of the Company; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Paul Lloyd	28,682,689 Shares ¹	65,000,000 unquoted options ²
Matthew Blumberg	300,000 Shares ³	20,000,000 unquoted options ⁴
Barnaby Egerton-Warburton	4,570,000 Shares ⁵	34,250,000 unquoted options ⁶

Notes:

1. 28,682,689 Shares held indirectly through Coral Brook Pty Ltd ATF The Lloyd Superannuation Fund, of which Paul Lloyd is the sole director and shareholder.
2. Comprising:
 - (a) 30,000,000 unquoted Options held directly expiring on or before 7 September 2022, of which 15,000,000 are exercisable at \$0.04 and 15,000,000 are exercisable at \$0.05 each; and
 - (b) 17,500,000 unquoted options held indirectly through Coral Brook Pty Ltd ATF The Lloyd Superannuation Fund of which Paul Lloyd is sole director and shareholder, exercisable at \$0.012 each, expiring on or before 29 April 2023 and vesting on the announcement by the Company to ASX of a JORC compliant inferred resource of 150,000 ounces or more of gold or gold equivalent from either the Lone Pine Project, Idaho, USA or the Western Desert Project, Utah, USA; and
 - (c) 17,500,000 unquoted options held indirectly through Coral Brook Pty Ltd ATF The Lloyd Superannuation Fund of which Paul Lloyd is sole director and shareholder, exercisable at \$0.012 each, expiring on or before 29 April 2023 and vesting on the announcement

by the Company to ASX of a JORC compliant inferred resource of 250,000 ounces or more of gold or gold equivalent from either the Lone Pine Project, Idaho, USA or the Western Desert Project, Utah, USA.

3. 300,000 Shares held directly by Mr Blumberg.
4. 20,000,000 unquoted Options held directly by Mr Blumberg, exercisable at \$0.06 each, and expiring on 11 October 2024 (ASX: AZLAE).
5. Comprising:
 - (a) 600,000 Shares held indirectly through Whistler Street Pty Ltd <Warburton Discretionary A/C>; and
 - (b) 3,970,000 Shares held indirectly through Whistler Street Pty Ltd <E-W Superannuation Fund A/C>.
6. Comprising:
 - (a) 11,750,000 unquoted Options held indirectly through BXW Ventures Pty Ltd, expiring on 30 December 202, of which 7,750,000 are exercisable at \$0.06 and 4,000,000 are exercisable at \$0.07;
 - (b) 11,250,000 unquoted Options held indirectly through BXW Ventures Pty Ltd, exercisable at \$0.012 each, and expiring on or before 29 April 2023 and vesting on the announcement by the Company to ASX of a JORC compliant inferred resource of 150,000 ounces or more of gold or gold equivalent from either the Lone Pine Project, Idaho, USA or the Western Desert Project, Utah, USA; and
 - (c) 11,250,000 unquoted Options held indirectly through BXW Ventures Pty Ltd, exercisable at \$0.012 each, and expiring on or before 29 April 2023 and vesting on the announcement by the Company to ASX of a JORC compliant inferred resource of 250,000 ounces or more of gold or gold equivalent from either the Lone Pine Project, Idaho, USA or the Western Desert Project, Utah, USA.

Remuneration

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The maximum aggregate remuneration for non-executive Directors is set at \$250,000. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both the executive and non-executive directors in each of the past two financial years and the proposed remuneration for the current financial year.

Director	FY 20	FY21	FY22 (Proposed) ⁸
Paul Lloyd	233,450 ¹	219,000 ²	300,000 ³
Matthew Blumberg	NIL	NIL	45,000 ⁴
Barnaby Egerton-Warburton	65,498 ⁵	65,700 ⁶	84,000 ⁷

Notes:

1. Comprising \$205,896 in salary, \$19,000 in post-employment benefits/superannuation and \$8,554 in share-based payments.
2. Comprising \$200,000 in salary and \$19,000 in post-employment benefits/superannuation.
3. Comprising \$272,727 in salary and \$27,273 in post-employment benefits/superannuation.
4. Comprising \$40,909 in salary and \$4,091 in post-employment benefits/superannuation.
5. Comprising \$54,795 in salary, \$5,205 in post-employment benefits/superannuation and \$5,498 in share-based payments.
6. Comprising \$60,000 in salary and \$5,700 in post-employment benefits/superannuation.
7. Comprising \$76,364 in salary and \$7,636 in post-employment benefits/superannuation.
8. The Company notes that the FY22 remuneration does not include valuations for option issues to Directors.

7.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$84,397.49 (excluding GST and disbursements) for legal services provided to the Company.

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.8 Estimated expenses of Offer

The total expenses of the Offer are estimated to be approximately \$10,000 as follows:

Expense	(\$)
ASIC Fees	3,206
Legal Expenses	5,000
Miscellaneous, printing and other expenses	1,794
Total	10,000

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on + 61 6489 1600 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and

any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy Act

If you complete an application for New Options, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

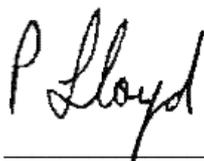
You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Options, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Paul Lloyd
Managing Director
For and on behalf of
ARIZONA LITHIUM LIMITED

9. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for New Options pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors unless the context indicates otherwise.

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.

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

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

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

Offer means the offer of New Options referred to in the "Details of the Offer" Section of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

New Option means an Option with the terms and conditions set out in Section 5.1.

Prospectus means this prospectus.

Quoted Options means a listed Option to acquire a fully paid ordinary share in the capital of the Company (ASX Code:AZLO).

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

Shareholder means a shareholder of the Company.

Share Registry means Automic Group.

WST means western standard time as observed in Perth, Western Australia.