

ASX Announcement

31 March 2022

\$32.5 MILLION PLACEMENT TO FAST TRACK BIG SANDY DEVELOPMENT CORNERSTONED BY LEADING DOMESTIC AND OVERSEAS INSTITUTIONAL INVESTORS

HIGHLIGHTS

- To fast track the development of Big Sandy, AZL has undertaken a strongly supported placement for \$32.5m (before costs) to institutional and sophisticated investors, at an issue price of \$0.125 per share with one free attaching option per two New Shares.
- The placement was cornerstoned by several leading domestic and international institutional investors.
- The proceeds will be applied to the design and construction of the research facility for the Big Sandy Lithium Project, land acquisition, exploration drilling and the immediate commencement of PFS once the scoping study has concluded.
- The Company recently appointed Mr Brett Rabe as Chief Technical Officer. Brett is the former VP of Engineering at Lithium Americas Corp for the Thacker Pass Project in Nevada, the largest known lithium resource in the United States and the most comparable project to Big Sandy. Mr Rabe was instrumental in the running of the pilot plant and technical design documents for the Thacker Pass Project.
- AZL recently signed a Memorandum of Understanding with Nikola Corporation (Nasdaq: NKLA) to purchase Nikola Tre battery-electric vehicles (BEVs). The Tre BEVs will be utilized to support two stages of development for the Big Sandy Lithium Project in Arizona — the research facility phase and the processing facility phase.
- PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd acted as Joint Lead Managers to the Placement.

Arizona Lithium Limited (ASX: **AZL, AZLO**) (“**Arizona Lithium**”, “**AZL**” or “**the Company**”) a company focussed on the sustainable development of the Big Sandy Lithium Project (“**Big Sandy**”, “**Project**”) in Arizona is very pleased to announce that it has received firm commitments to raise \$32.5 million (before costs), to fast track the development of Big Sandy, as the Company continues to progress towards lithium production at the Project. Funds raised will also be used for a demonstration/pilot plant, potential associated land purchases and exploration.

The commitments to raise the funds is through a strongly supported share placement to institutional and professional investors at \$0.125 per share (“**New Shares**”) with one free attaching option per two New Shares (“**Placement**”). The options will be exercisable at \$0.18 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 Project. It should be noted the issue of the Options are subject to shareholder approval. The Company intends to quote these options subject to meeting the ASX’s minimum listing requirements.

The proceeds from the Placement will further strengthen the Company’s balance sheet, placing Arizona Lithium in an excellent position to advance the sustainable development of the Big Sandy Lithium Project. AZL will use the proceeds to fast track the metallurgical test work, including the preparation of a processing flow sheet and design of a research facility to process material from the Big Sandy Lithium

Project in Arizona, USA. With the aim of further expanding the resource, exploration drilling is now fully funded and will commence immediately after BLM approval is received.

Arizona Lithium Managing Director, Paul Lloyd, said: *“We are very pleased to have received firm commitments to raise \$32.5 million (before costs) with the proceeds to be used to significantly expedite the development of Big Sandy, as we continue to progress towards lithium production at the Project. The funds will be used to fast track the metallurgical test work, including the preparation of a processing flow sheet and design of a research facility, which all represent important milestones in the development of the Project.*

“Importantly, the proceeds will also be used for additional exploration drilling with the aim of further expanding the resource at Big Sandy, as we concurrently continue with the sustainable development of the Project. With only 4% of the total Project area drilled to date, the planned drilling program represents a significant opportunity to create additional shareholder value.

“I would like to thank shareholders for their support to date and we look forward to a very exciting 2022 for the Company.”

Share Placement Details

The New Shares will be issued in two tranches with tranche one comprising 185,600,000 New Shares to be issued under the Company’s existing placement capacity under ASX Listing Rules 7.1 (172,671,111 Shares) and 7.1A (12,928,889 Shares) (**Tranche 1**). Tranche 2 of 74,400,000 New Shares and 130,000,000 Options will be issued subject to shareholder approval.

Settlement of New Shares under Tranche 1 is expected to occur on 7 April 2022 with the New Shares to rank equally with the Company’s existing shares on issue.

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

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

FOR FURTHER INFORMATION PLEASE CONTACT:

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