

ARIZONA LITHIUM LIMITED

ACN 008 720 223

OPTION PROSPECTUS

For the offer of 221,514,286 Options comprising:

- (a) 92,800,000 Options to sophisticated and professional investors who participated in the placement announced by the Company on 31 March 2022 (**March Placement**), exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue (**Tranche 1 Placement Offer**);
- (b) 85,714,286 Options to sophisticated and professional investors who participated in the placement announced by the Company on 18 July 2022 (**July Placement**), exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue (**Tranche 2 Placement Offer**);
- (c) 18,000,000 Options to the Joint Lead Managers in consideration for services provided in respect of the March Placement, exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue (**Tranche 1 Lead Manager Offer**); and
- (d) 25,000,000 Options to the Joint Lead Managers in consideration for services provided in respect of the July Placement, exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue (**Tranche 2 Lead Manager Offer**),

(together, the **Offers**).

No funds will be raised under the Offers.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 8 August 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) 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 and is only required to contain information in relation to the effect of the issue of securities on a 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.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

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 the Company, the Directors and the Company's management.

The Company cannot and does 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.

The Company has 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 the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

The Offers do not, and are 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.

The Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or Hong Kong.

For further information on overseas Shareholders please refer to Section 2.8.

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 Securities.

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 three 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.

Please refer to Section 6.2 for further details.

Electronic Prospectus

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 or Hong Kong resident and must only access this Prospectus from within Australia or Hong Kong.

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. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 (0) 8 6313 3936 during office hours or by emailing the Company at info@arizonalithium.com. 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.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible

to prepare a reliable best estimate forecast or projection.

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

The Company will apply to participate 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.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities 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.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. 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.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, 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 and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting

the register, including 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 share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number 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 Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company on +61 (0) 8 6313 3936.

CORPORATE DIRECTORY

Directors

Paul Lloyd
Managing Director

Barnaby Egerton-Warburton
Non-Executive Chairman

Matthew Blumberg
Executive Director

Company Secretary

Shaun Menezes

Registered Office

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10 Outram Street
WEST PERTH WA 6005

Telephone: +61 (0) 8 6313 3936
Email: info@arizonalithium.com
Website: www.arizonalithium.com

Auditor*

HLB Mann Judd (WA Partnership)
Level 4
130 Stirling Street
PERTH WA 6000

Share Registry*

Automic Registry Services
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Telephone: 02 9698 5414

Legal Advisers

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

Joint Lead Managers

PAC Partners Securities Pty Ltd
Suite 2.1, Level 2
9 Havelock Street,
WEST PERTH WA 6005

Evolution Capital Pty Ltd
Suite 6.01, Level 6
1 Castlereagh St
SYDNEY NSW 2000

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

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1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	08 August 2022
Lodgement of Prospectus and with ASX	08 August 2022
Opening Date of the Offers*	09 August 2022
Closing Date of the Offers*	12 August 2022
Issue of Options	13 August 2022
Lodgement of Appendix 2A and Quotation of Options issued under the Offers	13 August 2022

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Options are expected to commence trading on ASX may vary with any change in the Closing Date.

1.2 Background to the Offers

On 31 March 2022, the Company announced that it had received firm commitments in respect of a placement to sophisticated and professional investors to raise \$32.5 million (before costs) via the issue of Shares and attaching Options in two tranches (**March Placement**).

Tranche 1 of the March Placement comprised the issue of up to 185,600,000 Shares at an issue price of \$0.125 per Share and 92,800,000 attaching Options, being one (1) attaching Option for every two (2) Shares subscribed for and issued, each with an exercise price of \$0.18 and expiring two (2) years from the date of issue (**Tranche 1 Placement Options**). Due to current market conditions Tranche 2 of the March Placement was cancelled.

Subsequently, the Company announced on 18 July 2022 that it had successfully raised \$12 million through the issue of 171,428,571 Shares at \$0.07 per Share to sophisticated and professional investors (**July Placement**). The Company also agreed to issue the July Placement participants an aggregate of 85,714,286 Options, being one (1) attaching Option for every two (2) Shares subscribed for and issued, each with an exercise price of \$0.18 and expiring two (2) years from the date of issue (**Tranche 2 Placement Options**).

The July Placement was offered only to investors who previously committed to Tranche 2 of the March Placement.

Allotment of the Shares under the March and July Placement occurred on 8 April 2022 and 25 July 2022 respectively. Further information in relation to the March and July Placements is set out in the ASX announcements released on 31 March 2022 and 18 July 2022 respectively.

The Company engaged the services of PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd (together, the **Joint Lead Managers**) to lead manage the March and July Placements pursuant to capital raising mandates dated 30 March 2022 (**March JLM Mandate**) and 15 July 2022 (**July JLM Mandate**) respectively.

The Company originally agreed to issue to the Joint Lead Managers an aggregate of 25,000,000 Options pursuant to the March JLM Mandate. Following the cancellation of Tranche 2 of the March Placement, the Company and the Joint Lead Managers renegotiated the terms of the March JLM

Mandate so that the Company agreed to issue 18,000,000 Options to the Joint Lead Managers on the same terms as the Options issued to professional and sophisticated investors who participated in the March Placement (**Tranche 1 Lead Manager Options**).

Pursuant to the July JLM Mandate, the Company agreed to issue to the Joint Lead Managers 25,000,000 Options on the same terms as the Options issued to professional and sophisticated investors who participated in the July Placement (**Tranche 2 Lead Manager Options**).

Further information in relation to the March and July JLM Mandates is set out in Section 2.2.

The Tranche 1 and Tranche 2 Placement Options and the Tranche 1 and Tranche 2 Lead Manager Options are proposed to be offered under this Prospectus.

2. DETAILS OF THE OFFERS

2.1 The Offers

2.1.1 Tranche 1 Placement Offer

The Tranche 1 Placement Offer is an offer of one (1) attaching Option for every two (2) Shares subscribed for and issued under the March Placement. Based on the number of Shares issued under the March Placement, 92,800,000 Tranche 1 Placement Options may be issued under the Tranche 1 Placement Offer. No funds will be raised from the issue of the Tranche 1 Placement Options.

The Tranche 1 Placement Options will be exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue and otherwise on the terms and conditions set out in Section 4.1.

Shares issued upon exercise of the Tranche 1 Placement Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.2 for further information regarding the rights and liabilities attaching to the Shares.

2.1.2 Tranche 2 Placement Offer

The Tranche 2 Placement Offer is an offer of one (1) attaching Option for every two (2) Shares subscribed for and issued under the July Placement. Based on the number of Shares issued under the July Placement, 85,714,286 Tranche 2 Placement Options may be issued under the Tranche 2 Placement Offer. No funds will be raised from the issue of the Tranche 2 Placement Options.

The Tranche 2 Placement Options will be exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue and otherwise on the terms and conditions set out in Section 4.1.

Shares issued upon exercise of the Tranche 2 Placement Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.2 for further information regarding the rights and liabilities attaching to the Shares.

2.1.3 Tranche 1 Lead Manager Offer

The Tranche 1 Lead Manager Offer is an offer of 18,000,000 Tranche 1 Lead Manager Options to the Joint Lead Managers (or their respective nominee/s) in consideration for services provided in connection with the March Placement. No funds will be raised from the issue of the Tranche 1 Lead Manager Options.

The Tranche 1 Lead Manager Options will be exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue and otherwise on the terms and conditions set out in Section 4.1.

Shares issued upon exercise of the Tranche 1 Lead Manager Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.2 for further information regarding the rights and liabilities attaching to the Shares.

2.1.4 Tranche 2 Lead Manager Offer

The Tranche 2 Lead Manager Offer is an offer of 25,000,000 Tranche 2 Lead Manager Options to the Joint Lead Managers (or their respective nominee/s) in

consideration for services provided in connection with the July Placement. No funds will be raised from the issue of the Tranche 2 Lead Manager Options.

The Tranche 2 Lead Manager Options will be exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue and otherwise on the terms and conditions set out in Section 4.1.

Shares issued upon exercise of the Tranche 2 Lead Manager Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.2 for further information regarding the rights and liabilities attaching to the Shares.

2.2 Lead Manager

March Placement

As set out in Section 1.2, PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd acted as Joint Lead Managers to the March Placement.

The material terms of the March JLM Mandate are summarised below:

- (a) **Term:** the March JLM Mandate commenced on 30 March 2022 and will continue until terminated in accordance with its terms.
- (b) **Fees:** in consideration for the provision of services, upon completion of the March Placement the Company shall pay to the Joint Lead Managers the following fees:
 - (i) a combined management and selling fee of 6.0% of the total amount raised from the March Placement (excluding GST), to be split equally between the Joint Lead Managers; and
 - (ii) issue the Joint Lead Managers (or their nominee/s) the Tranche 1 Lead Manager Options.

Each Joint Lead Manager will be responsible for fees and expenses to any co-lead manager, co-manager or broker (if applicable), that is appointed by that Joint Lead Manager.

- (c) **Joint Lead Manager Consent:** prior to the allotment of any the securities under the March Placement, the Company agrees not to make any other equity or debt financing of any type without prior consultation with and the consent of the Joint Lead Managers. Further, the Company agrees to not enter into any material agreement or commitment which contains a substantial or onerous obligation without the prior written consent of the Joint Lead Managers.
- (d) **Termination:** the terms of the March JLM Mandate will have immediate effect and will remain in place until the earlier of:
 - (i) the completion of the March Placement; or
 - (ii) 6 months after the date of execution of the March JLM Mandate; unless terminated earlier as provided for in the March JLM Mandate or by mutual written agreement.

The March JLM Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties, indemnity provisions and confidentiality provisions).

July Placement

As set out in Section 1.2, PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd acted as Joint Lead Managers to the July Placement.

The material terms and conditions of the July JLM Mandate are summarised below:

- (a) **Term:** the July JLM Mandate commenced on 15 July 2022 and will continue until terminated in accordance with its terms.
- (b) **Fees:** in consideration for the services provided by the Joint Lead Managers pursuant to the July JLM Mandate, the Company has agreed to:
 - (i) pay to the Joint Lead Managers a combined management and selling fee of 6.0% of the total amount raised from the July Placement (excluding GST), to be split equally between the Joint Lead Managers; and
 - (ii) issue the Joint Lead Managers (or their nominee/s) the Tranche 2 Lead Manager Options.

Each Joint Lead Manager will be responsible for fees and expenses to any co-lead manager, co-manager or broker (if applicable), that is appointed by that Joint Lead Manager.

- (c) **Right of First Refusal:** pursuant to the terms of the July JLM Mandate, if 12 months from execution of the July JLM Mandate, the Company decides to undertake a capital raising, the Company agrees to offer the Joint Lead Managers the opportunity to subscribe for the total book (and if relevant due to the size of the raise) choose the other broker(s) involved. Further, if there is a shortfall in the exercise of the options, the Company agrees to offer the Joint Lead Managers the opportunity to place the shortfall.
- (d) **Termination:** the Joint Lead Managers' engagement under the July JLM Mandate ends the earlier of:
 - (iii) the completion of the July Placement; or
 - (iv) 6 months after the date of execution of the July JLM Mandate; unless terminated earlier as provided for in the July JLM Mandate or by mutual written agreement.

The July JLM Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties, indemnity provisions and confidentiality provisions).

2.3 Application for Offers

Tranche 1 and Tranche 2 Placement Offer

The Tranche 1 and Tranche 2 Placement Offers will only be extended to the investors who participated in the March and July Placements (**Placement Participants**). Personalised Application Forms will only be provided to these Placement Participants.

No subscription monies are payable for the Options offered under the Tranche 1 and Tranche 2 Placement Offers as the Options are being issued on the basis of one (1) attaching Option for every two (2) Shares subscribed for and issued under the March and July Placements.

Tranche 1 and Tranche 2 Lead Manager Offer

The Tranche 1 and Tranche 2 Lead Manager Offers will only be extended to the Joint Lead Managers (or their respective nominee/s). An Application Form for the Tranche 1 and Tranche 2 Lead Manager Offers will only be provided to the Joint Lead Managers (or their respective nominee/s).

No subscription monies are payable for the Options offered under the Tranche 1 and Tranche 2 Lead Manager Offers as the Options are being issued in consideration for services provided in connection with the March and July Placements.

2.4 Implications of Completing an Application Form

By completing an Application Form, applicants will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of this Prospectus.

Completed Application Forms must be returned to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by no later than 5.00pm (WST) on the Closing Date, which is currently scheduled to occur on 13 August 2022.

If you require assistance in completing an Application Form, please contact the Share Registry on 02 9698 5414 or the Company on +61 (0) 8 6313 3936.

2.5 Minimum subscription

There is no minimum subscription for the Offers.

2.6 ASX listing

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made by the release of an Appendix 2A in accordance with the timetable set out at the commencement of this Prospectus. If the Options are not admitted to Official Quotation by ASX before the expiration of three months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Options under the Offers.

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

2.7 Issue of Securities

Options issued pursuant to the Offers will be issued in accordance with the Listing Rules and timetable set out at Section 1.1.

Holding statements for Options issued under the Offers will be mailed as soon as practicable after the issue of the Options.

2.8 Overseas shareholders

The Offers do not, and are 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.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of the Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Options will not be issued to Shareholders with a registered address which is outside Australia or Hong Kong.

Hong Kong

WARNING: The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Nominees and custodians

Nominees and custodians may not submit an Application Form on behalf of any Shareholder resident outside Australia or Hong Kong without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offers

The Offers are being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

No funds will be raised under the Tranche 1 and Tranche 2 Placement Offers as the Tranche 1 and Tranche 2 Placement Options are being issued on the basis of one Option for every (2) Shares subscribed for and issued under the March and July Placements. Similarly, no funds will be raised under the Tranche 1 and Tranche 2 Lead Manager Offers as the Tranche 1 and Tranche 2 Lead Manager Options are being issued to the Joint Lead Managers in consideration for services provided.

3.2 Effect of the Offer

The principal effect of the Offers, (assuming that that all Options offered under this Prospectus are issued and no other Securities are issued or exercised or converted) will be to:

- (a) increase the number of Options on issue from 207,181,723 as at the date of this Prospectus to 428,696,009 Options; and
- (b) remove any trading restrictions attaching to Shares issued on exercise of the Options issued under this Prospectus.

3.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Options offered under this Prospectus are issued, is set out below.

Shares

	Number
Shares currently on issue	2,404,925,561
Shares offered pursuant to the Offers	Nil
Total Shares on issue on completion of the Offers	2,404,925,561

Options

	Number
Options currently on issue	207,181,723
Options to be issued pursuant to the Tranche 1 Placement Offer	92,800,000
Options to be issued pursuant to the Tranche 2 Placement Offer	85,714,286
Options to be issued pursuant to the Tranche 1 Lead Manager	18,000,000

	Number
Offer	
Options to be issued pursuant to the Tranche 2 Lead Manager Offer	25,000,000
Total Options on issue after completion of the Offers	428,696,009

The capital structure on a fully diluted basis as at the date of this Prospectus would be 2,612,107,284 Shares and on completion of the Offers (assuming all Options offered under this Prospectus are issued) would be 2,833,621,570 Shares.

3.4 Financial effect of the Offers

After expenses of the Offers of approximately \$2,075,786, there will be no proceeds from the Offers. The expenses of the Offers will be met from the Company's existing cash reserves.

3.5 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.

There will be no change to the substantial holders on completion of the Offers.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Terms of Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.18 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is two (2) years from the date of issue (**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 paragraph (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 Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

4.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. 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 meetings and notices**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and 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**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

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), whether or not the Company is being wound up, 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.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company and Industry specific

Category of Risk	Risk
Foreign 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.
Exploration and development risk	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

Category of Risk	Risk
	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.
Drilling and exploration risks	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.
Ukraine Conflict	The current conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets. The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Ukraine Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences

Category of Risk	Risk
	are therefore inevitably uncertain.
Environmental and other regulatory requirements and approvals	Before exploration and production activity can commence on any property, the Company must obtain environmental and other regulatory approvals and there is no assurance that such approvals will be obtained or granted in a timely manner. Delays in the regulatory process and granting of environmental and other necessary approvals could hinder the Company's ability to pursue operational activities which in some cases could materially impact the outcome. The Company's operations will be subject to environmental laws, including but not limited to, those governing the management of waste, the protection of water and air quality, the discharge of materials into the environment, and the preservation of natural resources which may impact and influence the Company's operations. If the Company fails to comply with environmental laws regarding the discharge of oil, gas, or other materials into the air, soil or water it may be subject to liabilities to the government and third parties, including civil and criminal penalties. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. The Company may from time to time in the future agree to indemnify sellers or lessors of producing properties against some liabilities for environmental claims associated with these properties.
Land tenure	Exploration licences held by the Company are subject to the approval of the relevant government bodies. Government regulatory authorities generally require the licence holder(s) to undertake certain obligations, including work program commitments, and failure to meet those obligations could result in forfeiture. Exploration licences may also be subject to partial or full relinquishment after certain tenure periods outlined in the licence agreements if no alternative licence arrangements (e.g. production licence after declaration of commerciality) are applied for and approved. In an event of forfeiture or relinquishment, the Company's overall land position would be reduced.
Sovereign risk	The Company has an interest in projects in the USA. Possible sovereign risks include, without limitation, changes in relevant legislation or government policy, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Further, no assurance can be given regarding the future stability in any country in which the Company has, or may have, an interest. Any of these factors may, in the future, adversely affect the financial performance of the Company.
Foreign exchange risk	The Company is headquartered in Australia and the key projects in which the Company has an interest, are located in the USA. As a result, revenues, cash flows, expenses, capital expenditure and commitments may be denominated in US dollars.

Category of Risk	Risk
	The Company's share price and its consolidated accounts are currently denominated in Australian dollars which results in the Company being exposed to the fluctuations and volatility of these currencies' exchange rates upon translation or repatriation to Australian dollars.
Operating risk	Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, weather conditions, industrial disputes, unexpected equipment shortages or cost increases, mechanical failure or breakdown, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gases. The occurrence of any of these risks could result in substantial losses to the Company due to injury or loss of life, severe damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties and suspension of operations or claims against the Company resulting from damages especially where such risks are not covered or not fully covered by its insurances.
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.
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.

5.3 General risks

Category of Risk	Risk
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.

Category of Risk	Risk
Economic	General economic conditions, movements in interest and inflation rates 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.
Market conditions	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: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
Competition risk	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.
Additional requirements for capital	The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Placement. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. Additional funding may be sourced from one or a combination of equity, debt, industry farm-in, or other financing methods as determined on a case by case basis when those funds are needed. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its strategy, plans or operations.

Category of Risk	Risk
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

5.4 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 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.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, 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 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 during normal office hours.

Details of documents lodged by the Company 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	Title
25 July 2022	Cleansing Notice
25 July 2022	Application for Quotation of Securities - AZL
18 July 2022	Proposed Issue of Securities - AZL

Date	Title
18 July 2022	Placement Raises \$12m to Advance Research/Process Facilities
15 July 2022	Trading Halt
14 July 2022	Results of Meeting
14 July 2022	Drill Targets Identified at Lordsburg Lithium Project
13 July 2022	Quarterly Activities/Appendix 5B Cash Flow Report
30 June 2022	Application for quotation of securities - AZL
30 June 2022	Appointment of Company Secretary
20 June 2022	AZL Signs Lease for a World Class Lithium Research Centre
14 June 2022	Letter to Shareholders with respect to General Meeting
14 June 2022	Notice of General Meeting/Proxy Form
14 June 2022	AZL Completes Hazen Research Bench-Scale Test Program
7 June 2022	AZL Commits to Arizona for Research and Process Facilities
6 May 2022	Application for quotation of securities - AZL
4 May 2022	Change of Address
29 April 2022	Quarterly Activities/Appendix 5B Cash Flow Report
20 April 2022	Cleansing Notice
20 April 2022	Application for quotation of securities - AZL
8 April 2022	Cleansing Notice
8 April 2022	Application for quotation of securities - AZL
31 March 2022	Application for quotation of securities - AZL
31 March 2022	Proposed issue of securities - AZL
31 March 2022	Proposed issue of securities - AZL
31 March 2022	\$32.5 Million Placement to Fast Track Big Sandy Development
30 March 2022	Trading Halt
24 March 2022	Change of Director's Interest Notice
21 March 2022	Cleansing Notice
21 March 2022	Application for quotation of securities - AZL
21 March 2022	AZL Appoints Chief Technical Officer and Exploration Update
16 March 2022	AZL enters into MOU with Nikola Motors

Date	Title
11 March 2022	Interim Financial Accounts to 31 December 2021
16 February 2022	Application for quotation of securities - AZL
2 February 2022	Cleansing Notice
2 February 2022	Application for quotation of securities - AZL
2 February 2022	Arizona Lithium Investor Webinar
1 February 2022	Commencement of Scoping Study on Big Sandy Lithium Project
31 January 2022	Quarterly Activities/Appendix 5B Cash Flow Report
20 January 2022	Cleansing Notice
20 January 2022	Application for quotation of securities - AZL
20 January 2022	Updated Outstanding Metallurgical Testwork Results
4 January 2022	Cleansing Notice and Appendix 3Y
4 January 2022	Notification of cessation of securities - AZL
4 January 2022	Application for quotation of securities - AZL
20 December 2021	Change of Registry Address
15 December 2021	Arizona Lithium Investor Presentation
24 November 2021	Reinstatement to Official Quotation
24 November 2021	Outstanding Metallurgical Results for Big Sandy Lithium
23 November 2021	Confirmation of Court Orders
23 November 2021	Change of Directors' Interest Notices
23 November 2021	Notification regarding unquoted securities - AZL
23 November 2021	Notification regarding unquoted securities - AZL
22 November 2021	Final Director's Interest Notice
22 November 2021	Suspension from Official Quotation
18 November 2021	Cleansing Prospectus
18 November 2021	Trading Halt
17 November 2021	Retirement of Non-Executive Director
16 November 2021	Results of Meeting
11 November 2021	Cleansing Notice
11 November 2021	Application for quotation of securities - AZL
10 November 2021	Proposed issue of securities - AZL
10 November 2021	Issue of Quoted Options and Cleansing Notice
10 November 2021	Application for quotation of securities - AZL
9 November 2021	Cleansing Notice
9 November 2021	Application for quotation of securities - AZL

Date	Title
9 November 2021	Application for quotation of securities - AZL
8 November 2021	AZL Doubles Land Position at Lordsburg Lithium Project
5 November 2021	Application for quotation of securities - AZL
4 November 2021	Application for quotation of securities - AZL
1 November 2021	Proposed issue of securities - AZL
1 November 2021	AZL Raises \$13 Million in Strongly Supported Placement
29 October 2021	Quarterly Activities/Appendix 5B Cash Flow Report
29 October 2021	Trading Halt
26 October 2021	Cleansing Notice
26 October 2021	Application for quotation of securities - AZL
22 October 2021	Response to ASX Price and Volume Query
14 October 2021	Initial Director's Interest Notice
14 October 2021	Letter to Shareholders regarding Notice of AGM
14 October 2021	Notice of Annual General Meeting/Proxy Form
12 October 2021	Application for quotation of securities - AZL
11 October 2021	Notification regarding unquoted securities - AZL
11 October 2021	Proposed issue of securities - AZL
11 October 2021	Notification regarding unquoted securities - AZL
11 October 2021	Arizona Lithium Appoints US Based Executive Director
7 October 2021	Change of Company Name and ASX Code
29 September 2021	Appendix 4G
29 September 2021	Diablo Resources Supplementary Prospectus
28 September 2021	Annual Report to shareholders

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.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares 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 respective dates of those sales were:

	\$	Date
Highest	0.19	28 April 2022
Lowest	0.064	23 June 2022
Last	0.10	08 August 2022

The Options offered under this Prospectus are not currently quoted and therefore no trading in those Options has occurred.

6.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

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:

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

Security holdings

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

Director	Shares	Options	Performance Rights
Paul Lloyd	28,682,689 Shares ¹	40,000,000 unquoted Options ²	Nil
Matthew Blumberg	300,000 Shares ³	20,000,000 unquoted Options ⁴	Nil
Barnaby Egerton-Warburton	4,570,000 Shares ⁵	30,000,000 unquoted Options ⁶	Nil

Notes:

- 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.
- 40,000,000 unquoted Options held directly by Mr Lloyd, exercisable at \$0.06 each, and expiring on 11 October 2024 (ASX: AZLAE).
- 300,000 Shares held directly by Mr Blumberg.
- 20,000,000 unquoted Options held directly by Mr Blumberg, exercisable at \$0.06 each, and expiring on 11 October 2024 (ASX: AZLAE).
- Comprising:
 - 600,000 Shares held indirectly through Whistler Street Pty Ltd <Warburton Discretionary A/C>; and
 - 3,970,000 Shares held indirectly through Whistler Street Pty Ltd <E-W Superannuation Fund A/C>.
- 30,000,000 unquoted Options held indirectly through Whistler Street Pty Ltd <Warburton Discretionary A/C>, exercisable at \$0.06 each, and expiring on 11 October 2024 (ASX: AZLAE).

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. 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 annual remuneration paid to the Directors as disclosed in the Company's 2021 and 2020 Annual Reports and the proposed remuneration for the current financial year.

Director	30 June 2022	30 June 2021	30 June 2020
Paul Lloyd	\$300,000 ¹	\$325,091 ²	\$233,450
Matthew Blumberg	\$40,952 ³	N/A	N/A
Barnaby Egerton-Warburton	\$84,000 ⁴	\$98,768 ⁵	\$65,498

Notes:

- Comprising \$300,000 in directors' fees.
- Comprising \$325,091 in directors' fees.
- Comprising \$40,952 in directors' fees.
- Comprising \$84,000 in salary.
- Comprising \$98,768 in salary.

6.5 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 Offers; or
- (f) the Offers,

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 Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$10,000 (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 \$16,274 (excluding GST and disbursements) for legal services provided to the Company.

PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd has been paid an aggregate capital raising fee of \$2,016,923 in respect of the March and July Placements. During the 24 months preceding lodgement of this Prospectus with the ASIC, PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd have received \$735,000 (excluding GST) in fees from the Company.

6.6 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;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take 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; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd have given their written consent to being named as the Joint Lead Managers to the Company in this Prospectus.

6.7 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$2,075,786 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	45,657
Legal fees	10,000
Fees to the Joint Lead Managers	2,016,923
Total	2,075,786

7. 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

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means the 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 Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

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 set out at Section 1.1 (unless extended).

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.

Joint Lead Managers means PAC Partners Securities Pty Ltd and Evolution Capital Pty Ltd.

July JLM Mandate has the meaning given in Section 1.2.

July Placement means the placement to sophisticated and professional investors announced by the Company on 18 July 2022 to raise \$12 million (before costs) through the issue of up to through the issue of 171,428,571 Shares at \$0.07 per Share together with one (1) Option for every two (2) Shares subscribed for and issued under the July Placement as set out in Section 1.2.

Listing Rules means the listing rules of the ASX.

March JLM Mandate has the meaning given in Section 1.2.

March Placement means the placement to sophisticated and professional investors announced by the Company on 31 March 2022 to raise \$32.5 million (before costs) through the issue of up to through the issue of 185,600,000 Shares at \$0.125 per Share together with one (1) Option for every two (2) Shares subscribed for and issued under the March Placement as set out in Section 1.2.

Offers means the Tranche 1 and Tranche 2 Placement Offers and the Tranche 1 and Tranche 2 Lead Manager Offers.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement Participants has the meaning given to that term as set out in Section 2.3.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.

Tranche 1 Lead Manager Offer means the offer of 18,000,000 Options exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue to the Joint Lead Managers (or their respective nominee/s).

Tranche 1 Placement Offer means the offer of 92,800,000 Options exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue to participants in the Placement pursuant to this Prospectus.

Tranche 2 Lead Manager Offer means the offer of 25,000,000 Options exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue to the Joint Lead Managers (or their respective nominee/s).

Tranche 2 Placement Offer means the offer of 85,714,286 Options exercisable at \$0.18 each on or before the date that is two (2) years from the date of issue to participants in the Placement pursuant to this Prospectus.

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