

ARIZONA LITHIUM LIMITED
ACN 008 720 223

PROSPECTUS

This Prospectus contains the offer for:

- (a) 309,417,064 Shares at an issue price of C\$0.0446 per Share together with one-half (0.5) free-attaching Options for every one (1) Share subscribed for and issued, each whole Option exercisable at A\$0.05 each on or before 10 August 2025 to raise up to C\$13,800,000 (**Tranche 1 Offer**);
 - (b) 18,939,405 Shares at an issue price of C\$0.0528 per Share together with one-half (0.5) free-attaching Options for every one (1) Share subscribed for and issued, each whole Option exercisable at A\$0.05 each on or before 10 August 2025 to raise up to C\$1,000,000 (**Tranche 2 Offer**);
- (together, the **Flow-Through Offer**), and
- (c) a secondary offer of up to 10,000,000 Options to the Lead Managers (**Lead Manager Offer**),

(together, the **Offers**).

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 INFORMATION

This Prospectus is dated 20 December 2023 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 2, 10 Outram Street, West Perth WA 6005 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.4).

This Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia or Canada.

This Prospectus is a transaction specific prospectus for offers of options to acquire continuously quoted securities and continuously quoted securities (as defined in 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 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 advisors whom potential investors may consult.

This Prospectus is important and should be read in its entirety before deciding to participate in the Offer. This Prospectus does not consider the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each

Applicant should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

Applications for Securities offered pursuant to this Prospectus will only be accepted on an Application Form that is attached to, or provided by the Company, with a copy of this Prospectus in either paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers 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 the Offers.

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.

Permitted Jurisdictions

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia and Canada.

Unless permitted under securities legislation, no further trades of the Securities through an exchange, or a market, within Canada, or to a person or company in Canada is permitted before the day that is four months and one day after the later of (I) 21 December 2023 and (II) the date which the Company becomes a reporting issuer in a Canadian jurisdiction, which has not occurred as of the date of this Prospectus.

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 may constitute a violation of those laws. This Prospectus does not constitute an offer of the securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Forward looking statements

This Prospectus includes forward looking statements which have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions which could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Definitions of certain terms used in this Prospectus are detailed in Section 7. All references to "\$" or "A\$" are references to Australian dollars and all references to "C\$" are references to Canadian dollars. All references to time are to AWST, unless otherwise indicated.

Risk Factors

There are a number of risks associated with investing in the Company and in the share market generally. The business, assets and operations of the Company are subject to certain risk factors having the potential to influence the operating and financial performance of the Company in the future. These risks can affect the value of an investment in the Company.

An investment in the Company is speculative in nature and investors should be aware they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety, and in particular, consider the risk factors detailed in Section 4.

CORPORATE DIRECTORY

Directors

Paul Lloyd
Managing Director

Barnaby Egerton-Warburton
Non-Executive Chair

Matthew Blumberg
Executive Director

Zachary Maurer
Executive Director

Company Secretary

Shaun Menezes

Registered Office

Level 2
10 Outram Street
West Perth WA 6005

Telephone: +61 (0) 8 6313 3936

Email: info@arizonalithium.com

Website: www.arizonalithium.com

ASX Code: AZL

Solicitors to the Offer

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

Auditor

Grant Thornton Audit Pty Ltd
Level 43, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Lead Managers

PAC Partners Securities Pty Ltd
Level 10
330 Collins Street,
MELBOURNE VIC, 3000

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

Share Registry*

Automic Registry Services
Level 5
191 St Georges Terrace
PERTH WA 6000

Telephone: +61 1300 288 664

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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1. KEY INFORMATION WITH RESPECT TO THE OFFERS

1.1 Proposed Timetable

Event	Date*
Lodgement of Prospectus with ASIC and ASX	20 December 2023
Opening Date of the Offers	20 December 2023
Closing Date of the Offers	20 December 2023
Issue of Securities pursuant to the Flow-Through Offer	21 December 2023
Issue of Options pursuant to the Lead Manager Offer	27 December 2023

* These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.

1.2 Key statistics of the Offers

	Shares
Offer Price per Share pursuant to the Tranche 1 Offer	C\$0.0446
Offer Price per Share pursuant to the Tranche 2 Offer	C\$0.0528
Shares on issue at the date of this Prospectus	3,344,514,407
Options on issue as at the date of this Prospectus	760,014,286
Shares to be issued pursuant to the Flow-Through Offer	328,356,469
Options to be issued pursuant to the Flow-Through Offer	164,178,235
Options to be issued pursuant to the Lead Manager Offer	10,000,000
Total Shares on issue on completion of the Offers	3,672,870,876
Total Options on issue on completion of the Offers	934,192,521

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. 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 set out in Section 4.

The predominant risks relating to the Company and the Offers are summarised below:

Risk	Description
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

Risk	Description
	<p>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.</p>
<p>Drilling and exploration risks</p>	<p>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.</p>
<p>Flow-through placement risk</p>	<p>The Securities issued under the Offer pursuant to this Prospectus will qualify as "flow-through shares" as defined in the Income Tax Act (Canada).</p> <p>If the Company and the investors comply with the rules under the Act, the investors will be entitled to deduct the amount equal to the "Qualifying Expenditures" (as that term is defined in the Subscription Agreements) renounced in computing income for Canadian income tax purposes and receive additional Federal tax credits for expenditures targeting critical minerals. The right to deduct the Qualifying Expenditures renounced in respect of flow-through shares accrues only to the initial subscriber of the Securities and is not transferable.</p> <p>The applicable tax treatment may constitute a major factor when considering an investment in flow-through shares. The tax consequences of subscribing for Securities under this Prospectus, including the considerations applicable in connection with the renunciation of qualifying expenditures to investors, are not described in this Prospectus.</p> <p>For further information with respect to this risk, refer to Section 4.1.</p>

Risk	Description
Foreign jurisdiction risk – Canadian government regulation	<p>Adverse changes in Canadian government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Canada may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p> <p>For further information with respect to this risk, refer to Section 4.1.</p>

2. DETAILS OF THE OFFER

2.1 The Offer

On 18 December 2023, the Company announced it executed the Subscription Agreements pursuant to which PearTree Securities Inc. (**PearTree**) as agent for certain investors (**Investors**), agreed to subscribe for an aggregate of 328,356,469 Shares under the following two tranches:

- (a) 309,417,064 Shares at an issue price of C\$0.0446 (A\$0.0503¹) per Share, together with one-half (0.5) free-attaching Options for every one (1) Share subscribed for and issued, each whole Option exercisable at A\$0.05 each on or before 10 August 2025, to raise approximately C\$13,800,000 (A\$15,563,678) (before costs) (**Tranche 1 Offer**); and
- (b) 18,939,405 Shares at an issue price of C\$0.0528 (A\$0.0595²) per Share, together with one-half (0.5) free-attaching Options for every one (1) Share subscribed for and issued, each whole Option exercisable at A\$0.05 each on or before 10 August 2025, to raise approximately C\$1,000,000 (A\$1,126,894) (before costs) (**Tranche 2 Offer**),

(together, the **Flow-Through Offer**).

This Prospectus invites PearTree or the Investors (or other persons invited by the Company) to apply for the Shares and attaching Options under the Flow-Through Offer.

The Securities issued pursuant to the Flow-Through Offer under this Prospectus will qualify as “flow-through shares” as defined in the Act. If the Company and the Investors comply with the rules under the Act, the Investors will be entitled to deduct the amount renounced in computing income for Canadian income tax purposes and receive additional tax credits for expenditures targeting critical minerals. The tax benefits associated with the Securities under the Flow-Through Offer are available only to the Investors (who are Canadian residents) and not to any other person who acquires the Securities through the on-sale or transfer of those Securities. Refer to Section 4.1 for the risks associated with the “flow-through shares”.

The Shares issued pursuant to the Flow-Through Offer will rank equally with the existing Shares on issue. Refer to Section 5.1 for details of the rights and liabilities attaching to Shares. The Company is only extending the Flow-Through Offer to specific Applicants and the Company will only provide Application Forms to these persons.

The Options issued pursuant to the Flow-Through Offer will be issued on the terms and conditions set out in Section 5.2, being the same terms and conditions as the Company's existing class of quoted Options trading under the ASX Code: AZLO.

No payment is required to subscribe for the Options under the Flow-Through Offer as they are being issued as free-attaching to the Shares issued under the Flow-Through Offer.

Any Shares issued upon the future exercise of Options offered under the Flow-Through Offer will rank equally with the Shares on issue at the date of this

¹ Using an exchange rate of A\$1 = C\$0.88668

² Using an exchange rate of A\$1 = C\$0.88824

Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of this Prospectus is to make the Flow-Through Offer and enable the on-sale of the Shares to be issued pursuant to the Flow-Through Offer and to remove any trading restrictions attaching to the Shares issued on exercise of the Options issued under the Flow-Through Offer, subject to Canadian securities laws.

2.2 Lead Manager Offer

The Prospectus includes an offer of up to 10,000,000 Options to the Lead Managers, to be allocated as follows:

- (a) 5,000,000 Options to PAC Partners Securities Pty Ltd (AFSL: 335 374) (or its nominee/s); and
- (b) 5,000,000 Options to Evolution Capital (AFSL: 505 929) (or its nominee/s).

The Lead Manager Offer is extended to the Lead Managers (or their nominee/s) only. Accordingly, Application Forms in relation to the Lead Manager Offer will only be provided by the Company to the Lead Managers (or their nominee/s).

The purpose of the Lead Manager Offer is to remove any trading restrictions attaching to the Shares issued on exercise of the Options to be issued under the Lead Manager Offer.

The Options issued pursuant to the Lead Manager Offer will be issued on the terms and conditions set out in Section 5.2, being the same terms and conditions as the Company's existing class of quoted Options trading under the ASX Code: AZLO.

Any Shares issued upon the future exercise of Options offered under the Lead Manager Offer will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

No funds will be raised pursuant to the Lead Manager Offer as the Options are being issued at a nil issue price in consideration for lead manager services provided to the Company by the Lead Managers.

2.3 Opening and Closing Dates

The Company will accept Application Forms in respect of the Offers from Applicants from the Opening Date until the applicable Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend a Closing Date without prior notice. If a Closing Date is varied, subsequent dates may also be varied accordingly.

2.4 Minimum subscription

There is no minimum subscription in relation to the Offers.

2.5 Oversubscriptions

The Company will not accept any oversubscriptions in relation to the Offers.

2.6 Effect on control

The Offers will have no impact on the control of the Company as no person as a result of the Offers will increase their voting power in the Company:

- (a) from 20% or below to more than 20% of issued capital of the Company;
or
- (b) from a starting point that is above 20% and below 90% of issued capital of the Company.

2.7 Not underwritten

The Offers are not underwritten.

2.8 Applications under the Offers

(a) Applications under the Flow-Through Offer

The Company will separately advise Applicants of the application procedures for the Flow-Through Offer. Application Forms in respect of the Flow-Through Offer will only be provided by the Company to these parties.

(b) Applications under the Lead Manager Offer

Applications for Options under the Lead Manager Offer must only be made by the Lead Managers (or their nominee/s) using the Application Form provided by the Company to the Lead Managers.

2.9 ASX Quotation

(a) Shares

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares within three months after the date of this Prospectus (or such period as the ASX allows), no Shares will be issued.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares.

(b) Options

Application for Official Quotation by ASX of the Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Options offered pursuant to this Prospectus before the expiration of 3 months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Options. No application monies will be repayable if the Options are not issued within this time period given that the Options are being issued under both the Flow-Through Offer and Lead Manager Offer for nil consideration.

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

2.10 Allotment

The Directors will determine the eligible recipients of all the Securities under the Offers. The Company's decision on the number of Securities to be issued to an Applicant under the Offers will be final.

2.11 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, the Company will return all Application Monies (without interest) (if any) in accordance with the Corporations Act.

2.12 Applicants outside Australia

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Securities 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 or the Securities. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

2.13 Risks of the Offers

An investment in Securities of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are explained in Section 4.

2.14 Taxation Implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisors and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax advisor in connection with subscribing for Securities under this Prospectus.

2.15 Major Activities and Financial Information

A summary of the activities and financial information relating to the Company for the financial year ended 30 June 2023 is in the Annual Report which was lodged with ASX on 26 September 2023.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report are listed in Section 5.4.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that potential Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

2.16 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory authorities (including Canadian regulatory authorities).

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.17 Enquiries

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (8) 6313 3936.

3. EFFECT OF THE OFFERS

3.1 Effect on the Capital Structure

The effect of the Offers on the capital structure on the Company, assuming the Securities are issued, is as follows:

Class	Shares	Options ¹	Performance Rights	Exchangeable Shares	Special Voting Share ²
Securities on issue at the date of this Prospectus	3,344,514,407	760,014,286	315,000,000	92,701,228	1
Shares to be issued pursuant to the Flow-Through Offer	328,356,469	-	-	-	-
Options to be issued pursuant to the Flow-Through Offer	-	164,178,235	-	-	-
Options to be issued pursuant to the Lead Manager Offer	-	10,000,000	-	-	-
Total on completion of the Offers	3,672,870,876	934,192,521	315,000,000	92,701,228	1

Notes:

- Comprising:
 - 221,514,286 quoted options exercisable at \$0.18 each on or before 15 August 2024;
 - 416,000,000 quoted options exercisable at \$0.05 each on or before 10 August 2025;
 - 9,750,000 unquoted options exercisable at \$0.12 each on or before 19 May 2027;
 - 2,000,000 unquoted options exercisable at \$0.06 each on or before 11 October 2024;
 - 20,750,000 unquoted options exercisable at \$0.12 each on or before 27 March 2027; and
 - 90,000,000 unquoted options exercisable at \$0.06 each on or before 11 October 2024.
- Issued in consideration for the acquisition of Prairie Lithium Corporation that completed on 27 March 2023.

3.2 Effect and Purpose of the Offers

(a) **The Flow-Through Offer**

The principal effect of the Flow-Through Offer will be to:

- increase the Company's cash reserves by approximately C\$14,800,000 (A\$15,563,678) based on an exchange rate of A\$1:C\$0.88668) immediately after completion of the Offer; and
- increase the number of Shares on issue from 3,344,514,407 as at the date of this Prospectus to 3,672,870,876 Shares and increase the number of Options on issue from 760,014,286 as at the date of this Prospectus to 924,192,521.

(b) **The Lead Manager Offer**

The principal effect of the Lead Manager Offer will be to:

- (i) increase the number of Options on issue from 760,014,286 as at the date of this Prospectus to 770,014,286, which when added to the number of Options issued under the Flow Through Offer, being 164,178,235, will result in the total number of Options on issue being 934,192,521 at completion of the Offers.

Upon the completion of the Offers, the funds raised are intended to be utilised as follows.

Use of funds	C\$	A\$ ¹	%
Well Drill Rig	5,577,724	6,290,572	38%
Well Production Casing	1,064,016	1,200,000	7%
Well Drilling Support Services	3,369,384	3,800,000	23%
Well Completion Rig	1,596,024	1,800,000	11%
Well Completions Support Services	3,192,048	3,600,000	22%
Working capital	-	-	0%
Total	14,799,196	16,690,572	100%

Notes:

1 Using an exchange rate of A\$1 = C\$0.88668.

The costs of the Offers (which are estimated to be A\$743,661, see Section 5.12 for further details) will be paid using the Company's existing cash reserves of approximately A\$7,500,000 (as at the date of this Prospectus).

3.3 Pro Forma Statement of Financial Position

Detailed below to demonstrate the indicative impact of the Offers on the financial position of the Company, a Pro Forma Statement of Financial Position has been provided below. The Company's audited Statement of Financial Position as at 30 June 2023 has been used for the purposes of preparing the Pro Forma Statement of Financial Position and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offers had occurred by 30 June 2023.

The Pro Forma Statement of Financial Position is presented in an abbreviated form. It does not include all the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

Consolidated Statement of Financial Position	30 June 2023 (Audited) (A\$)	Pro-Forma Entries (A\$)	Pro Forma 30 June 2023 (Unaudited) (A\$)
Current Assets			
Cash and cash equivalents	3,303,842	20,395,475	23,699,317
Trade and other receivables	1,144,810		1,144,810

Consolidated Statement of Financial Position	30 June 2023 (Audited) (A\$)	Pro-Forma Entries (A\$)	Pro Forma 30 June 2023 (Unaudited) (A\$)
Prepayments	176,382		176,382
Total Current Assets	4,625,034	20,395,475	25,020,509
Non-current Assets			
Exploration and evaluation expenditure	67,875,471		67,875,471
Plant and equipment	3,711,793	1,000,000	4,711,793
Right of use assets	2,484,427		2,484,427
Other financial assets	2,427,726		2,427,726
Total Non-Current Assets	76,499,417	1,000,000	77,499,417
Total Assets	81,124,451	21,395,475	102,519,926
Current Liabilities			
Trade and other payables	1,559,303		1,559,303
Lease liability	646,451		646,451
Total Current Liabilities	2,205,754		2,205,754
Non-current Liabilities			
Lease liability	2,050,177		2,050,177
Total Non-Current Liabilities	2,050,177		2,050,177
Total Liabilities	4,255,931		4,255,931
Net Assets	76,868,520	21,395,475	98,263,995
Equity			
Contributed equity	152,030,292	25,117,864	177,148,156
Reserves	23,518,379	277,611	23,795,990
Accumulated losses	(98,680,151)	(4,000,000)	(102,680,151)
Total Equity	76,868,520	21,395,475	98,263,995

Notes and assumptions:

The key assumptions on which the Pro Forma Statement of Financial Position above is based are as follows:

- the Pro Forma Statement of Financial Position has not been audited or reviewed and does not include any other expenditure of the proceeds of the Offers, other than Lead Manager Fees of A\$669,847 and the estimated fair value of options to be issued to the Lead Manager of A\$182,438; and
- A\$16,690,572 is raised under the Offers (based on an exchange rate of C\$1: A\$0.88668); and

- (c) A\$10,000,000 raised under a placement undertaken in August 2023 less Lead Manager Fees of A\$625,250 and the fair value of options issued to the Lead Manager of A\$95,173; and
- (d) During the period between 30 June 2023 and the date of this prospectus, the Company has incurred estimated expenditure on exploration and evaluation expenditure expensed (A\$1,500,000), fixed assets (A\$1,000,000) and corporate costs (A\$2,500,000). The Company's existing cash reserves are stated in Section 3.2..

3.4 Market Price of Securities

The highest and lowest closing prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those closing prices were:

Highest \$0.050 – 21 November 2023.

Lowest \$0.014 – 17 October 2023, 19-20 October 2023, 23 October 2023 and 26 October 2023.

The latest available closing price of the Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.041 per Share on 19 December 2023.

The highest and lowest closing prices of the Options (Class: AZLO) 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:

Highest \$0.013 – 21 November 2023.

Lowest \$0.02 – 20 September 2023.

The latest available closing price of the Options on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.011 per Option on 19 December 2023.

3.5 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. RISK FACTORS

An investment in Securities offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider the following summary, which is not exhaustive, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Company specific risks

Category of Risk	Risk
Foreign Government actions and political risk	<p>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.</p> <p>The Company's assets are located in the USA and Canada. The Directors believe that the Government of the USA and Canada supports the exploration and development of natural resources by foreign investors. However, there is no assurance that future political and economic conditions in the USA and Canada will not result in the Government of USA and Canada adapting different policies regarding foreign exploration and 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.</p>
Exploration and development risk	<p>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</p>

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Category of Risk	Risk
	reserves of the Company and possible relinquishment of part or all of its Projects.
Drilling and exploration risks	<p>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.</p>
Environmental and other requirements and approvals	<p>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.</p> <p>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.</p>
Land tenure	<p>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</p>

Category of Risk	Risk
	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 and Canada. 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	<p>The Company is headquartered in Australia and the key projects in which the Company has an interest, are located in the USA and Canada. As a result, revenues, cash flows, expenses, capital expenditure and commitments may be denominated in Canadian and US dollars.</p> <p>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.</p>
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 and Canadian 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

Category of Risk	Risk
	operations and affect the profitability of the prospecting rights and any future mining and exploration activities undertaken by the Company.
Flow-through Placement Risk	<p>The Securities issued under the Flow-Through Offer pursuant to this Prospectus will qualify as “flow-through shares” as defined in the Income Tax Act (Canada) (Act). The term “flow-through share”, as defined in the Act, refers to a common share being issued by the Company to an investor under a written agreement with the investor, whereby the Company agrees to incur “Qualifying Expenditures” (as that term is defined in the Subscription Agreements) and to renounce such expenditures in favour of the investor. In this regard, the Company has agreed to incur the Qualifying Expenditures in an amount equal to the gross proceeds raised in connection with the Flow-Through Offer by 31 December 2024, and to renounce such Qualifying Expenditures to the Investors effective no later than 31 December 2023. If the Company and the Investors comply with the rules under the Act, the Investors will be entitled to deduct an amount equal to the Qualifying Expenditures renounced in computing income for Canadian income tax purposes and receive additional Federal tax credits for expenditures targeting critical minerals. Investors who are resident in the province of Saskatchewan will also be entitled to certain additional Saskatchewan provincial tax credits provided that the Company and such Investors also comply with the rules under applicable Saskatchewan provincial laws. The right to deduct the Qualifying Expenditures renounced in respect of flow-through shares and to claim applicable tax credits accrues only to the initial subscriber of the Securities issued under the Flow-Through Offer pursuant to this Prospectus and is not transferable.</p> <p>The applicable tax treatment may constitute a major factor when considering an investment in flow-through shares. The tax consequences of subscribing for Securities issued under the Flow-Through Offer pursuant to this Prospectus, including the considerations applicable in connection with the renunciation of the Qualifying Expenditures to Investors, are not described in this Prospectus. Applicants are strongly urged to consult their professional tax advisor in connection with subscribing for Securities issued under the Flow-Through Offer pursuant to this Prospectus.</p> <p>There is no guarantee that an amount equal to the total proceeds of the sale of the Securities issued under the Flow-Through Offer pursuant to this Prospectus, will be expended on Qualifying Expenditures on or prior to 31 December 2024, or that the renunciation of such expenditures or the expected tax deductions and credits will be accepted by the Canada Revenue Agency. If the Company does not renounce to an Investor, effective on or before 31 December 2023, Qualifying Expenditures in an amount equal to the aggregate purchase price paid by such Investor for Securities issued under the Flow-Through Offer pursuant to this Prospectus, or if there is a reduction in such amount renounced pursuant to the provisions of the Act, then the Company shall indemnify the Investor for an</p>

Category of Risk	Risk
	<p>amount equal to the amount of any tax payable or that may become payable under the Act (and under any corresponding provincial legislation) by the Investor (or if the Investor is a partnership, the partners thereof) as a consequence of such failure or reduction; however, there is no guarantee that the Company will have the financial resources required to satisfy such indemnity. For certainty, the aforementioned indemnity shall have no force and effect to the extent that such indemnity, recourse or rights of action would otherwise cause the Shares or Options to be “prescribed shares” or “prescribed rights” within the meaning of section 6202.1 of the regulations to the Act.</p>
<p>Canadian securities laws</p>	<p>The Securities that are sold to purchasers in Canada remain subject to Canadian securities laws and will be subject to resale restrictions unless the Company is not a reporting issuer in any jurisdiction of Canada the date of trade, and the trade is made through an exchange, or a market, outside of Canada, or to a person or company outside of Canada, and such trade is not part of a plan or scheme to avoid the prospectus requirements in connection with a distribution or other trade to a person or company in Canada.</p>
<p>Foreign jurisdiction risk – Canadian government regulation</p>	<p>The Company’s operating activities are subject to laws and regulations governing exploration of property, health and worker safety, employment standards, waste disposal, protection of the environment, land and water use, prospecting, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.</p> <p>While the Company understands that it is currently in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company’s current operations or planned development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot be sure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all.</p> <p>The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with any future exploration or development of its properties. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or other activities and could result in material fines, penalties or other liabilities.</p> <p>Adverse changes in Canadian government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that</p>

Category of Risk	Risk
	the current system of exploration and mine permitting in Canada may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

4.2 General Risks

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	<p>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:</p> <ul style="list-style-type: none"> (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. <p>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.</p>
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.

Category of Risk	Risk
	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.
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.
Global Conflicts	<p>The current evolving conflict between Ukraine and Russia and Israel and Palestine (Ukraine and Gaza Conflicts) is impacting global economic markets. The nature and extent of the effect of the Ukraine and Gaza Conflicts 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 the Ukraine and Gaza Conflicts.</p> <p>The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine and Gaza Conflicts, including limitations on travel and changes to import/export restrictions and arrangements involving the relevant countries may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The Company is monitoring the situation closely and considers the impact of the Ukraine and Gaza Conflicts on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>

4.3 Investment Highly Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

The Securities offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisors before deciding whether to apply for Securities. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

5. ADDITIONAL INFORMATION

5.1 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

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 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, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, 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 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.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **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 and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **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.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 Terms and Conditions of Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph 5.2(i), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on 10 August 2025 (**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 (5) 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; and
- (ii) 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.

(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 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.

5.3 **Company is a Disclosing Entity**

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. The Shares issued pursuant to this Prospectus are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of Securities in the Company and the rights attaching to 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.

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 applicable Closing Date:
 - (i) the Annual Report being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this

Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.4 below).

5.4 Copies of Documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers, a copy of:

- (a) the Annual Report, being the last financial year for which an annual financial report was lodged with ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Title of Announcement
18 December 2023	Proposed issue of securities- AZL
18 December 2023	Oversubscribed Placement Raises \$16.5M at 30% Premium
14 December 2023	Trading Halt
13 December 2023	6.3 Million Tonne Lithium Resources at Prairie
12 December 2023	Pilot Update 95.6% Li Recovery 99.9% Impurities Rejected
11 December 2023	Landholding Increased by 11% at Prairie Lithium Project
30 November 2023	Investor Presentation
28 November 2023	Results of Meeting
24 November 2023	Cleansing Notice
24 November 2023	Application for quotation of securities - AZL
23 November 2023	Pilot Plant Update at Prairie
21 November 2023	Lithium Drilling Approval at Prairie
15 November 2023	Response to ASX Aware Query
10 November 2023	Commissioning of Pilot Plant Completed at Prairie
8 November 2023	Response to ASX Price Query
6 November 2023	Investor Webinar
6 November 2023	Construction Commenced at Prairie Project

Date Lodged	Title of Announcement
3 November 2023	High Grade Lithium Carbonate from Prairie (Updated)
3 November 2023	Pilot Plant Arrives at Prairie
1 November 2023	Change of Director's Interest Notice
1 November 2023	Cleansing Notice
1 November 2023	Application for quotation of securities - AZL
1 November 2023	Application for quotation of securities - AZL
30 October 2023	High Grade Lithium Carbonate from Prairie
24 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
23 October 2023	Notice of Annual General Meeting/Proxy Form
23 October 2023	Letter to Shareholders
5 October 2023	Investor Presentation
27 September 2023	Release from Voluntary Escrow
26 September 2023	Appendix 4G Corporate Governance Key to Disclosures
26 September 2023	Corporate Governance Statement

The following documents are available for inspection throughout the Offer period during normal business hours at the registered office of the Company at Level 2, 10 Outram Street, West Perth WA 6005:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.15 and the consents provided by the Directors to the issue of this Prospectus.

5.5 Information Excluded from Continuous Disclosure Notices

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 applicable 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 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 in Section 5.4.

5.6 Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing Shares under this Prospectus.

5.7 Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or Securities offered under this Prospectus.

5.8 Directors' Interests in Securities

The Directors' relevant interests in Securities at the date of this Prospectus are detailed below:

Director	Shares	Options	Performance Rights
Barnaby Egerton-Warburton	20,100,000	30,000,000 ¹	88,000,000 ²
Matthew Blumberg	15,966,666 ³	20,000,000 ¹	69,000,000 ⁴
Paul Lloyd	59,349,355	40,000,000 ¹	130,000,000 ⁵
Zachary Maurer	51,099,591	11,000,000 ¹	Nil

Notes:

1. Exercisable at \$0.06 each on or before 11 October 2024.
2. Comprising:
 - (a) 5,000,000 Class A Performance Rights expiring 15/08/2025
 - (b) 7,500,000 Class C Performance Rights expiring 15/08/2026
 - (c) 7,500,000 Class D Performance Rights expiring 15/08/2027
 - (d) 28,000,000 Class A Performance Rights expiring 27/03/2026
 - (e) 20,000,000 Class C Performance Rights expiring 27/03/2027
 - (f) 20,000,000 Class D Performance Rights expiring 27/03/2028
3. Held indirectly by Coral Brook Pty Ltd ATF The Lloyd Superannuation Fund (of which Paul Lloyd is sole director and shareholder).
4. Comprising:
 - (a) 6,000,000 Class A Performance Rights expiring 15/08/2025
 - (b) 6,000,000 Class C Performance Rights expiring 15/08/2026
 - (c) 6,000,000 Class D Performance Rights expiring 15/08/2027
 - (d) 21,000,000 Class A Performance Rights expiring 27/03/2026
 - (e) 15,000,000 Class C Performance Rights expiring 27/03/2027
 - (f) 15,000,000 Class D Performance Rights expiring 27/03/2028.
5. Comprising:
 - (a) 15,000,000 Class A Performance Rights expiring 15/08/2025
 - (b) 15,000,000 Class C Performance Rights expiring 15/08/2026
 - (c) 15,000,000 Class D Performance Rights expiring 15/08/2027
 - (d) 35,000,000 Class A Performance Rights expiring 27/03/2026
 - (e) 25,000,000 Class C Performance Rights expiring 27/03/2027
 - (f) 25,000,000 Class D Performance Rights expiring 27/03/2028

5.9 Directors' Remuneration

The Constitution provides that the total aggregate fixed sum per annum to be paid to Directors (excluding salaries of executive Directors) shall be no more than \$500,000 and may be varied by ordinary resolution of the Shareholders in general meeting. Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general

meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares. This does not apply to the remuneration of the Managing Director.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

Director	FY ended 30 June 2024 (Proposed)	FY ended 30 June 2023
Mr Barnaby Egerton-Warburton	\$84,000	\$84,000
Mr Paul Lloyd	\$300,000	\$300,000
Mr Matthew Blumberg	\$60,000	\$62,419
Mr Zachary Maurer ¹	\$340,909 ²	\$94,157

Notes:

1. Appointed 24 March 2023.
2. Base salary of CAD300,000 per annum, converted at AUD:CAD FX rate of 0.88.

In addition to the cash Directors' fees disclosed above, the value of share-based payments received during the year is as follows:

Director	FY ended 30 June 2023
Mr Barnaby Egerton-Warburton	\$1,290,879
Mr Paul Lloyd	\$2,496,121
Mr Matthew Blumberg	\$1,068,227
Mr Zachary Maurer	\$132,287

5.10 Substantial Shareholders

As at the date of this Prospectus, Mr Barnaby Egerton-Warburton, Mr Paul Lloyd and Mr Zach Maurer (together with their associates) hold a relevant interest in 5% or more of the Shares on issue.

5.11 Interests of Other Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or

proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or

- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

5.12 Expenses of Offers

The estimated expenses of the Offers payable by the Company (exclusive of GST) are as follows:

Description	Amount
ASIC Fees	\$3,206
ASX Fees	\$25,608
Legal Fees ¹	\$45,000
Lead Manager Fees	\$669,847
Total	\$743,661

Note:

1. Includes fees payable to the Company's Australian and Canadian counsel.

5.13 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after issue. Holding statements will be sent either by CHESS (for security holders who elect to hold Securities on the CHESS sub-register) or by the Company's share registry (for security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of Securities issued under this Prospectus and the Holder Identification Number (for security holders who elect to hold Securities on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

5.14 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.

PAC Partners has acted as a lead manager. The Company estimates it will pay PAC Partners \$334,924 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PAC Partners has received \$256,250 (excluding GST) in fees from the Company

Evolution Capital has acted as a lead manager. The Company estimates it will pay Evolution Capital \$334,924 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Evolution Capital has received \$250,500 (excluding GST) in fees from the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (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 \$266,450 (excluding GST and disbursements) for legal services provided to the Company.

Grant Thornton Audit Pty Ltd has been paid \$69,489 for auditing the Company's 30 June 2023 annual financial report. During the 24 months preceding lodgement of this Prospectus with the ASIC, Grant Thornton has received \$212,612 (excluding GST) in fees from the Company.

5.15 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 in this Prospectus as Australian solicitors to the Company.

PAC Partners has given its written consent to being named in this Prospectus as a Lead Manager to the Company.

Evolution Capital has given its written consent to being named in this Prospectus as a Lead Manager to the Company.

Grant Thornton Audit Pty Ltd has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2023 audited balance sheet of the Company in Section 3.3.

6. DIRECTORS' STATEMENT AND CONSENT

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.

For personal use only

7. GLOSSARY

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ or A\$ means Australian dollars.

Acceptance means a valid acceptance of Shares under the Offer made pursuant to this Prospectus on an Application Form.

Act has the meaning given in Section 4.1.

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2023 includes the corporate directory, Director's report, auditor's independence declaration, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement, notes to the consolidated financial statements, together with an independent auditor's report for the period to 30 June 2023.

Applicant means a person who submits an Application Form.

Application means a valid application under an Offer made on an Application Form.

Application Form means the application form provided by the Company with a copy of this Prospectus with respect to the Offer.

Application Monies means the monies paid by Applicants in respect of Shares the subject of an Application.

ASIC means the Australian Securities and Investments Commission.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

AWST means Western Standard Time, being the time in Perth, Western Australia.

C\$ means Canadian dollars.

CHES means ASX Clearing House Electronic Subregistry System.

Closing Date means the date on which the Offer closes pursuant to the timetable set out in Section 1.1 (unless otherwise brought forward or extended pursuant to the terms of the Offer).

Company means Arizona Lithium Limited (ACN 649 009 889).

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

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

Directors mean a director of the Company as at the date of this Prospectus.

Investors has the meaning given in Section 2.1.

Listing Rules means the listing rules of ASX.

Offer has the meaning given in Section 2.1.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Opening Date means the date on which the Offer open pursuant to the timetable set out in Section 1.1.

PearTree means PearTree Securities Inc.

Projects means the Company's Big Sandy Lithium Project, Prairie Lithium Brine Project and Lordsburg Lithium Project.

Prospectus means this prospectus dated 20 December 2023.

Section means a section of this Prospectus.

Securities mean any securities (including Shares) issued or granted by the Company.

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

Shareholder means a holder of Shares.

Subscription Agreements means the subscription and renunciation agreements between the Company and PearTree dated 16 December 2023.