

MULTI-PAD LITHIUM DRILLING PROGRAM COMPLETED AT PRAIRIE

HIGHLIGHTS

- Exploration testing of the two wells at Pad #2 and the one well at Pad #3 have been completed. This concludes the field portion of the 2024 exploration program.
- Completion work focused on additional testing of the recently discovered Dawson Bay and Souris River Lithium Formations, as well as further testing of the Duperow Formation, which has all been successfully completed.
- Results of the Completions work, including grade, will be released to the market in the coming months.
- The company now has a sub-surface producing unit at Pad #1 consisting of a production well, a disposal well and a brackish water source well.
- Detailed engineering design of the surface infrastructure has commenced and the Company has engaged in detailed discussions with technology providers and construction entities.
- 2024 was a year of drilling, de-risking and discovery of additional lithium bearing formations. 2025 will be a year of designing and constructing surface infrastructure with production of Lithium in late 2025.
- Resources upgrade expected in coming months from data collected from the recently completed drilling program.
- As detailed in the PFS, each pad has a Net Present Value (NPV) of approximately US\$150 million¹.

Arizona Lithium Limited (ASX: AZL, AZLO, OTC: AZLAF) (“Arizona Lithium”, “AZL” or “the Company”), a company focused on the sustainable development of two large lithium development projects in North America, the Prairie Lithium Project (“**Prairie**”) and the Big Sandy Lithium Project (“**Big Sandy**”), is pleased to provide an update at the Prairie Project. Completions work on the Dawson Bay, Souris River and Duperow Formations is complete on Pad #2 and Pad #3. The wells will be converted into future production and disposal wells. Figure 1 illustrates where each of the well pads are located geographically. Figure 2 shows the service rig on Well Pad #2 performing completions work. Figure 3 is a simplified chart of the stratigraphy – showing the Duperow, Souris River and Dawson Bay Formation’s.

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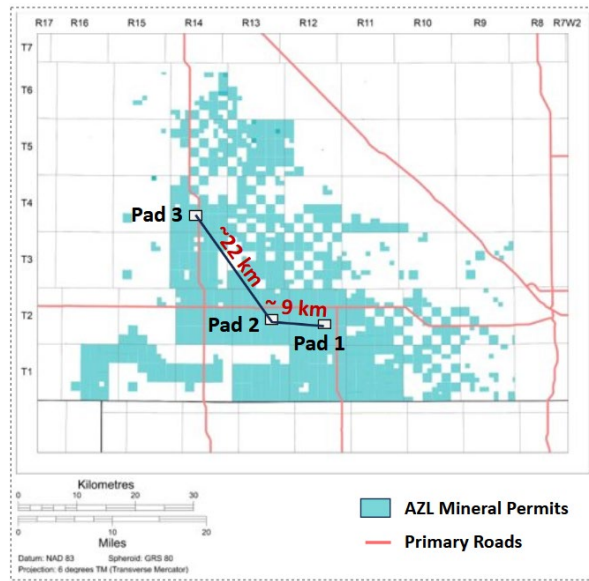


Figure 1: Pad Locations



Figure 2: Service Rig at Pad #2

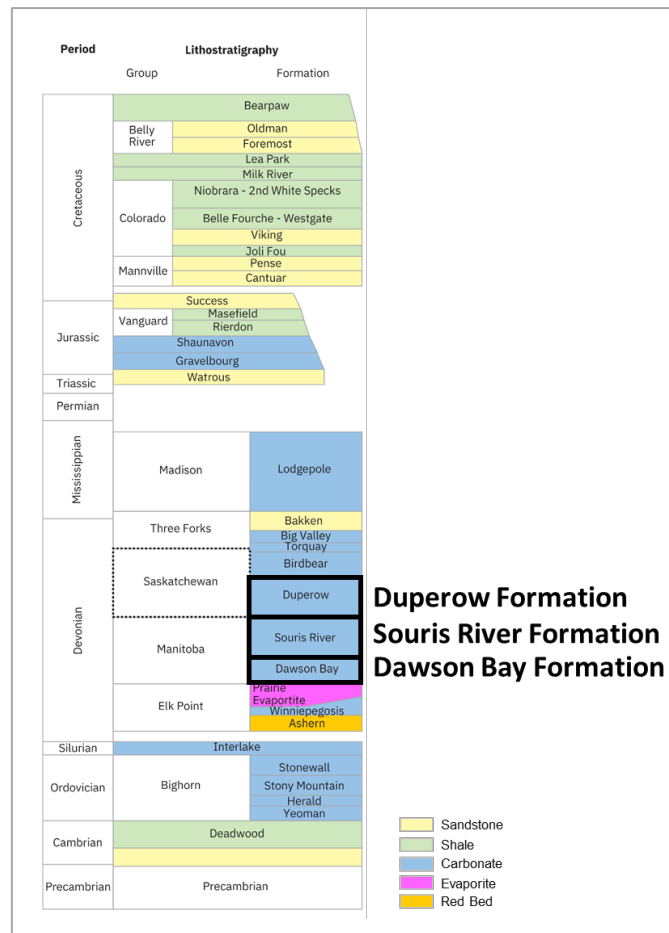


Figure 3: Simplified Stratigraphic Chart

A video of the completions work on the Pads can be found on the Company's website: https://youtu.be/WC9_T2146gM

Arizona Lithium Managing Director, Paul Lloyd, commented: “Completing the exploration work at Pad #2 and Pad #3, is the first step in understanding the regional extent of lithium concentrations in the Souris River and Dawson Bay Formations. The additional testing performed in the Duperow Formation at Pad #3 provides us further confidence in the regional extent of the resource and will strengthen our resource assessment. Having these wells drilled gets us one step closer to production. We are taking steps forward with the development each week and I am extremely pleased with the progress the team is making. The data acquired across our Pad’s this year will be used to undertake an updated resource assessment on these formations in the coming months.”

About the Prairie Lithium Project

AZL’s Prairie Lithium Project is located in the Williston Basin of Saskatchewan, Canada, and is located in one of the world’s top mining friendly jurisdictions, the projects have easy access to key infrastructure including electricity, natural gas, fresh water, paved highways and railroads. The project also aims to have strong environmental credentials, with Arizona Lithium targeting to use less use freshwater, land and waste, aligning with the Company’s sustainable approach to lithium development.

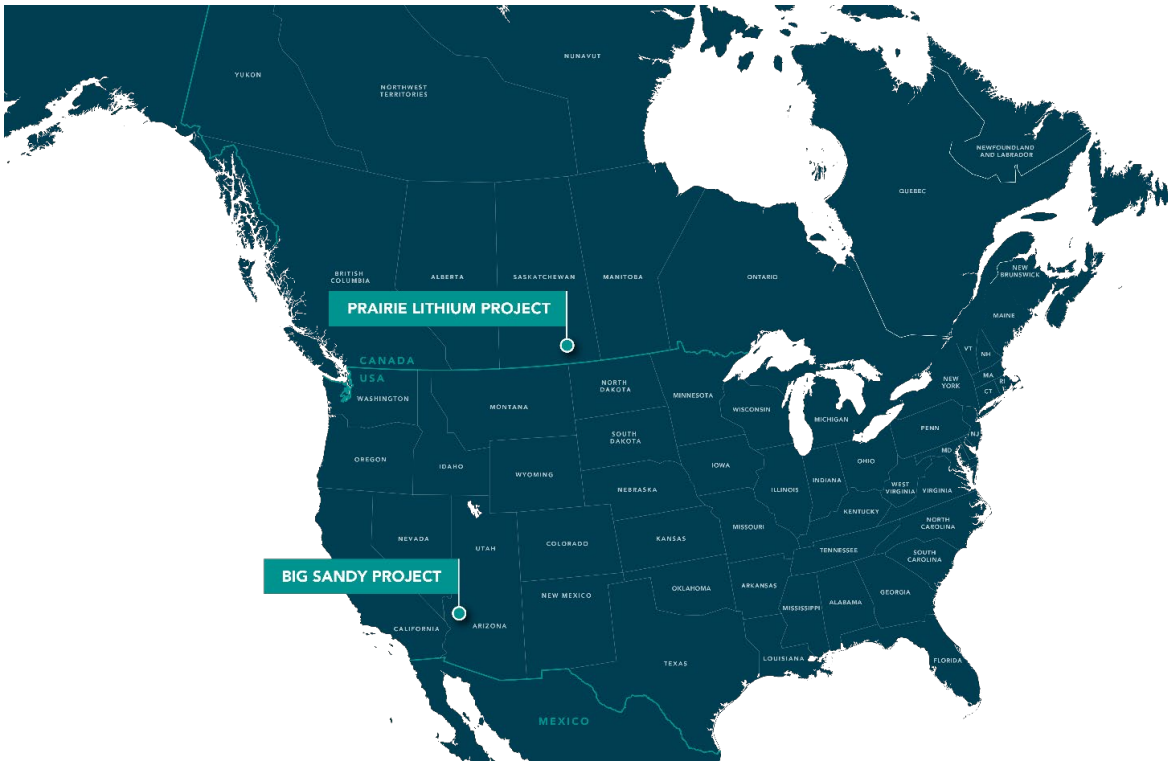


Figure 4: Location of Arizona Lithium's core projects

This ASX announcement is authorised for release by the Board.

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References

1. ASX Announcement: "Prairie Lithium PFS Confirms Extremely Low Operating Costs of \$2,819 USD per tonne" – 29 December 2023.

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