

BLM APPROVAL RECEIVED - DRILLING TO COMMENCE AT BIG SANDY

HIGHLIGHTS

- AZL has received approval from the US Bureau of Land Management (BLM) for the Permit of Exploration (POE) at the Big Sandy Lithium Project in Arizona, USA. This POE includes 131 exploration holes and a bulk sample.
- Drill program to commence in July 2024 (following a 30 day appeal period) with the aim of expanding the total Indicated and Inferred JORC Resource of 32.5 million tonnes grading 1,850 ppm Li for 320,800 tonnes Li₂CO₃ (Table 1)¹.
- AZL has only drilled 4% of the project area to date, with the upcoming drill program to test the validity of the estimated exploration target of between 271.1Mt to 483.2Mt at 1,000 - >2,000ppm Li² (Table 2).
- In July 2019, AZL completed a 37-hole diamond drill program, that intersected up to 66m of flat lying, sediment hosted Li mineralisation, with lithium grades up to 1m @ 4,360ppm Li³.
- Metallurgical testwork on mineralisation from Big Sandy produced 99.8% battery grade lithium carbonate, meeting the Li₂CO₃ specifications of major international battery manufacturers⁴.
- In March 2024, AZL entered Mining Services Agreement with Navajo Transitional Energy Company (“NTEC”), tribally owned mining and energy company. NTEC will manage the upcoming drill program. NTEC is the third largest coal producer in the United States.

Note that the potential quantity and grade of the estimated geological potential (Exploration Target) is conceptual in nature. There has been insufficient exploration to estimate a mineral resource and it is uncertain whether future exploration will result in the definition of a mineral resource. It has been estimated using a range of thicknesses for the mineralised sediments calculated from drill intercepts, surface sampling and geological mapping. The grade estimates a range of values demonstrated from drilling and surface sampling.

Arizona Lithium Limited (ASX: AZL, AZLO, AZLOA, 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 Big Sandy Lithium Project (“Big Sandy”) in Arizona, USA and the Prairie Lithium Project (“Prairie”) in Saskatchewan, Canada, is pleased to announce that it has received approval for a Permit of Exploration (POE) from the US Bureau of Land Management (“BLM”) for a drill and bulk sampling program at the Big Sandy Project.

Arizona Lithium Managing Director, Paul Lloyd, commented: “We are extremely pleased to have received approval from the Bureau of Land Management for the long awaited follow up drill program at Big Sandy in Arizona. This represents a substantial development opportunity for a deposit that presently contains a JORC resource of 320,800 tonnes LCE⁵. With only 4% of the project drilled to date, we are looking to expand the existing Resource and validate the exploration target.”

¹ ASX Announcement – “Big Sandy Lithium Project, Maiden Mineral Resource” – 26 September 2019

² ASX Announcement – “Big Sandy Lithium Project, Exploration Target Update” – 7 November 2019.

³ ASX Announcement – “Further Drill Results Deliver Significant Lithium Intercepts” – 23 July 2019.

⁴ ASX Announcement – “Battery Grade 99.8% Lithium Carbonate Produced” – 24 March 2021

⁵ ASX Announcement – “Big Sandy Lithium Project, Maiden Mineral Resource” – 26 September 2019

“We look forward to working with BLM, NTEC and all stakeholders to ensure the drilling program is successfully executed with minimum environmental impact.”

“I would like to thank shareholders for their ongoing support whilst Arizona Lithium worked diligently towards this approval.”

Upcoming Drilling Program

The POE approval by the BLM follows AZL engaging in a community involvement program that ensures mutually beneficial outcomes for all stakeholders.

As documented in the POE, an exploration program consisting of 131 drill holes and a bulk sample is planned to commence at Big Sandy in July 2024. The drill program will be managed by NTEC as part of the Mining Services Agreement⁶.

NTEC is responsible for managing the permitting requirements, additional exploration drilling, mine design, environmental assessments, and development to the commencement of mining for the Big Sandy Lithium Project.

To date, AZL has only drilled 4% of the entire project area, with the upcoming drill program aimed at testing the validity of the estimated exploration target. As outlined in Figure 1 below, significant opportunity exists to expand the existing Resource by drilling Blocks B, C and D as the current Resource Estimate is solely based on drilling in Block A.

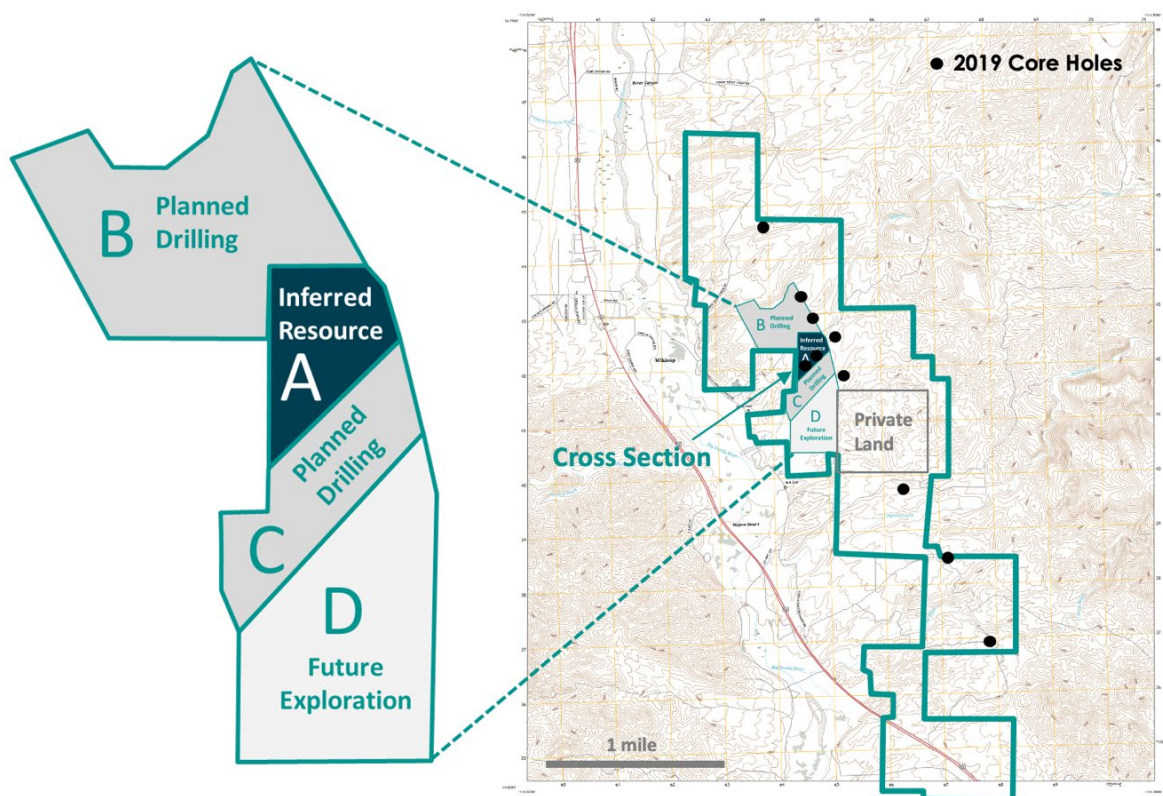


Figure 1 – Interpreted outline of the Northern Mineralised Zone at Big Sandy showing the positions of Blocks A, B, C & D

⁶ ASX Announcement – “Mining Services Agreement with NTEC for Development and Production at Big Sandy” – 11 March 2024

Project Overview & Location (Arizona, USA)

The Project consists of a flat lying, sedimentary hosted, lithium resource with excellent lateral continuity covered by thin overburden. Infrastructure is exceptional and the lithium resource has the potential to be developed with a very low environmental footprint.

The Big Sandy Lithium Project is located in Arizona just east of interstate I93 between Phoenix and Las Vegas. It is comprised of 300 Bureau of Land Management (BLM) claims, covering approximately 25 km².



Figure 2 – Location of the Big Sandy Lithium Project, Arizona, USA.

Previous Drilling

In July 2019, AZL completed a 37-hole diamond drill program, that intersected significant widths of lithium mineralisation including high-grade intercepts up to 1m @ 4,380ppm Li.

High grade intercepts from the drilling include⁷:

- DHQ1 21.0m @ 2,176 ppm Li from 9.0m to 30.0m
- DHQ3 54.0m @ 2,041 ppm Li from 10.0m to 64.0m
- DHQ4 19.55m @ 2,218 ppm Li from 11.45m to 31.0m
- DHQ8 23.3m @ 2,143m ppm Li from 6.70m to 30.0m
- DHQ10 44.0m @ 2,040m ppm Li from 12.0m to 56.0m
- DHQ11 26.0m @ 2,205 ppm Li from 15.0m to 41.0m
- DHQ12 21.0m @ 2,203 ppm Li from 10.0m to 31.0m
- DHQ16 52.0m @ 2,042 ppm Li from 14.0m to 66.0m
- DHQ21 22.0m @ 2,195 ppm Li from 14.0m to 36.0m
- DHQ23 23.2m @ 2,141 ppm Li from 12.8m to 36.0m

⁷ ASX Announcement – “Final Phase 2 Drill Results Awaiting JORC Resource and Further Drilling” – 14 August 2019

JORC Mineral Resource Estimate

Arizona Lithium's successful 2019 drill program at Big Sandy (37 HQ diamond holes totalling 2,881m) resulted in the estimation of a total Indicated and Inferred JORC resource of 32.5 million tonnes grading 1,850 ppm Li for 320,800 tonnes Li_2CO_3 ⁸ (Table 1).

Table 1 - Big Sandy Project Mineral Resource Statement (above 800 ppm Li cut-off)

Resource Classification	Tonnes (Mt)	Li Grade (ppm)	Contained Li Metal (t)	Contained LCE (t)
Indicated	14.6	1,940	28,400	150,900
Inferred	17.9	1,780	31,900	169,900
Total	32.5	1,850	60,300	320,800

This represents 4% of the Big Sandy Project area that contains an estimated exploration target as outlined below.

Exploration Target

Big Sandy holds a significant exploration target with the potential for between 271.1Mt to 483.15Mt at 1,000 - >2,000ppm Li as summarised in Table 2 below. The target is based on exploration including geological mapping, drilling and surface sampling in Blocks B, C and D in the Northern Mineralised Zone (NMZ) and geological mapping and surface sampling in Blocks SMZ 1 and SMZ 2 in the Southern Mineralised Zone (SMZ),

The Exploration Target in Blocks B, C and D in the NMZ, has been estimated using a range of thicknesses for the mineralised sedimentary material, calculated from data point elevations, drill hole data from prior Exploration Target Block A, lying between Blocks B and C, that has been converted to an inferred / indicated mineral resource and geological mapping. The grade estimates a range of values demonstrated from surface sampling.

The Exploration Target in Blocks SMZ 1 and SMZ 2 in the SMZ, has been estimated using a range of thicknesses for the mineralised sedimentary material, calculated from data point elevations, geological mapping and knowledge of the mineralisation controls and alteration witnessed in the NMZ. The grade estimates a range of values demonstrated from surface sampling.

Table 2 – Summary of Exploration Target

Zone	Resource Block	Grade Range Li ppm	Thickness Lower (m)	Thickness Upper (m)	Lower (Mt)	Upper (Mt)
North	B	1000 - >2,000	40	60	82,800,000	124,200,000
North	C	1000 - >2,000	20	35	27,000,000	47,250,000
North	D	1000 - >2,000	20	35	39,600,000	69,300,000
South	SMZ 1	1000 - >1,500	30	60	83,700,000	167,400,000
South	SMZ 2	1000 - >1,500	30	60	38,000,000	75,000,000
				TOTALS	271,100,000	483,150,000

Note that the potential quantity and grade of the estimated geological potential (Exploration Target) is conceptual in nature. There has been insufficient exploration to estimate a mineral resource and it is uncertain whether future exploration will result in the definition of a mineral resource. It has been estimated using a range of thicknesses for the mineralised sediments calculated from drill intercepts, surface sampling and geological mapping. The grade estimates a range of values demonstrated from drilling and surface sampling.

⁸ ASX Announcement – “Big Sandy Lithium Project, Maiden Mineral Resource” – 26 September 2019

FOR FURTHER INFORMATION PLEASE CONTACT:

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Project Locations

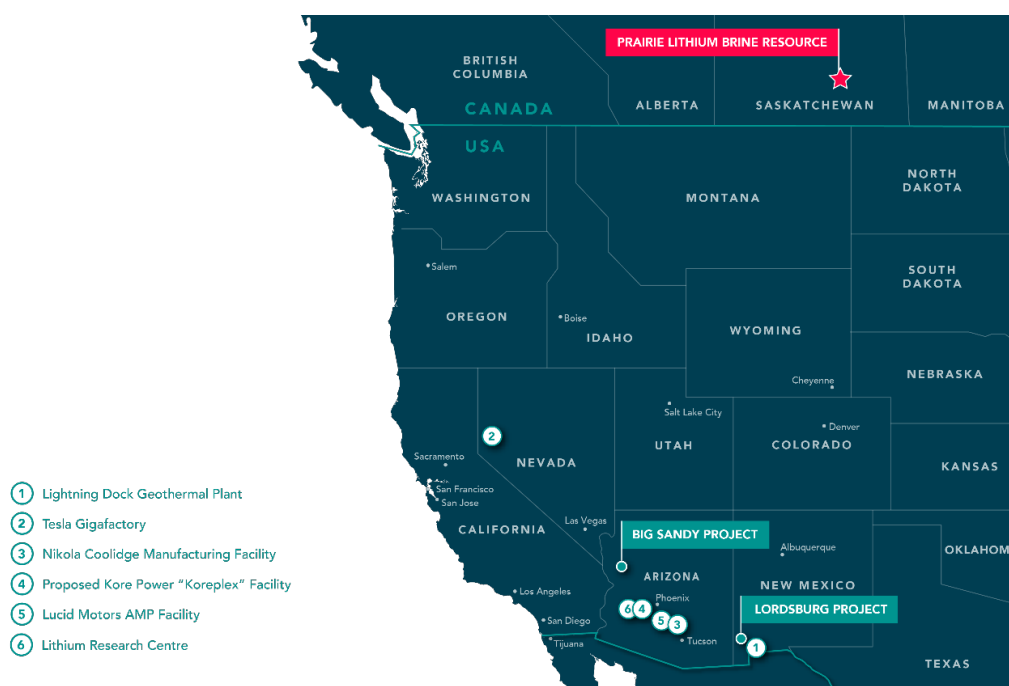


Figure 3 – Location of the Arizona Lithium’s projects, North America.

Competent Persons Statement

The information in this announcement that relates to the Exploration Target is based on and fairly represents information compiled by Gregory L Smith who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Smith is a consultant to the Company and holds shares in the Company. Mr. Smith consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears. Information in this announcement which relates to Exploration Results relevant to the Exploration Target has been extracted from the Company’s announcements released to ASX on 28 March, 28 August and 7 November, 2019.

Information in this announcement that relates to Mineral Resources have been extracted from the Company’s announcement released to ASX on September 26, 2019.

The announcements are available to view on the Company’s website: www.arizonalithium.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.