

PRODUCTION DRILLING COMMENCED AT PRAIRIE LITHIUM PROJECT

HIGHLIGHTS

- AZL has commenced drilling on Pad #1 at the Prairie Lithium Project, Saskatchewan, Canada.
- Wells represent the commencement of the first commercial lithium production plant in Canada.
- Production and disposal testing of the wells on Pad #1 will commence in June.
- Drilling and Completions activities will be ongoing across Pad #1, Pad #2, and Pad #3 over the coming months.
- The wells are being drilled as exploration wells to test the Souris River and Dawson Bay Formations. The wells will then be converted into production and disposal wells that can be used for commercial production of lithium in 2025. (see figure 2)
- Completed production and disposal wells in place significantly derisks the commercialisation timeline.

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”) and the Prairie Lithium Project (“Prairie”), is pleased to announce it has started drilling at the Prairie Project in Saskatchewan, Canada. Drilling and Completion activities will be ongoing across Pad #1, Pad #2 and Pad #3 over the coming months. Production and disposal testing of the wells on Pad #1 will commence in June. The first two wells on Pad #1 are being drilled as vertical wells. Well #1 will test the Souris River and Duperow Formations. Well #2 will test the Dawson Bay Formation and specific disposal targets in the Madison Group. Having production wells and disposal wells in place is a key component of the Prairie Project Development (see Prairie Lithium PFS released December 28, 2023), and brings the project one step closer towards commercial production of Lithium.



Figure 1: Drilling Rig on Pad #1

Arizona Lithium Managing Director, Paul Lloyd, commented: “I am pleased to announce that we have kicked off our drilling program on schedule. The rig has been delivered to site, the first well has been spudded and the rig is now drilling our lithium wells. Operating in a mature and well-developed oil and gas province, this enables us to efficiently access the skills and services required to develop and fast track our project. These are very deep holes being drilled by a heavy duty oil drilling rig. It will take over 40 service providers and hundreds of people to execute a drilling and completion program like this. I’d like to thank all of the vendors, their employee’s and the local community for stepping up to support our project and we look forward to updating shareholders as the large drill program progresses.”

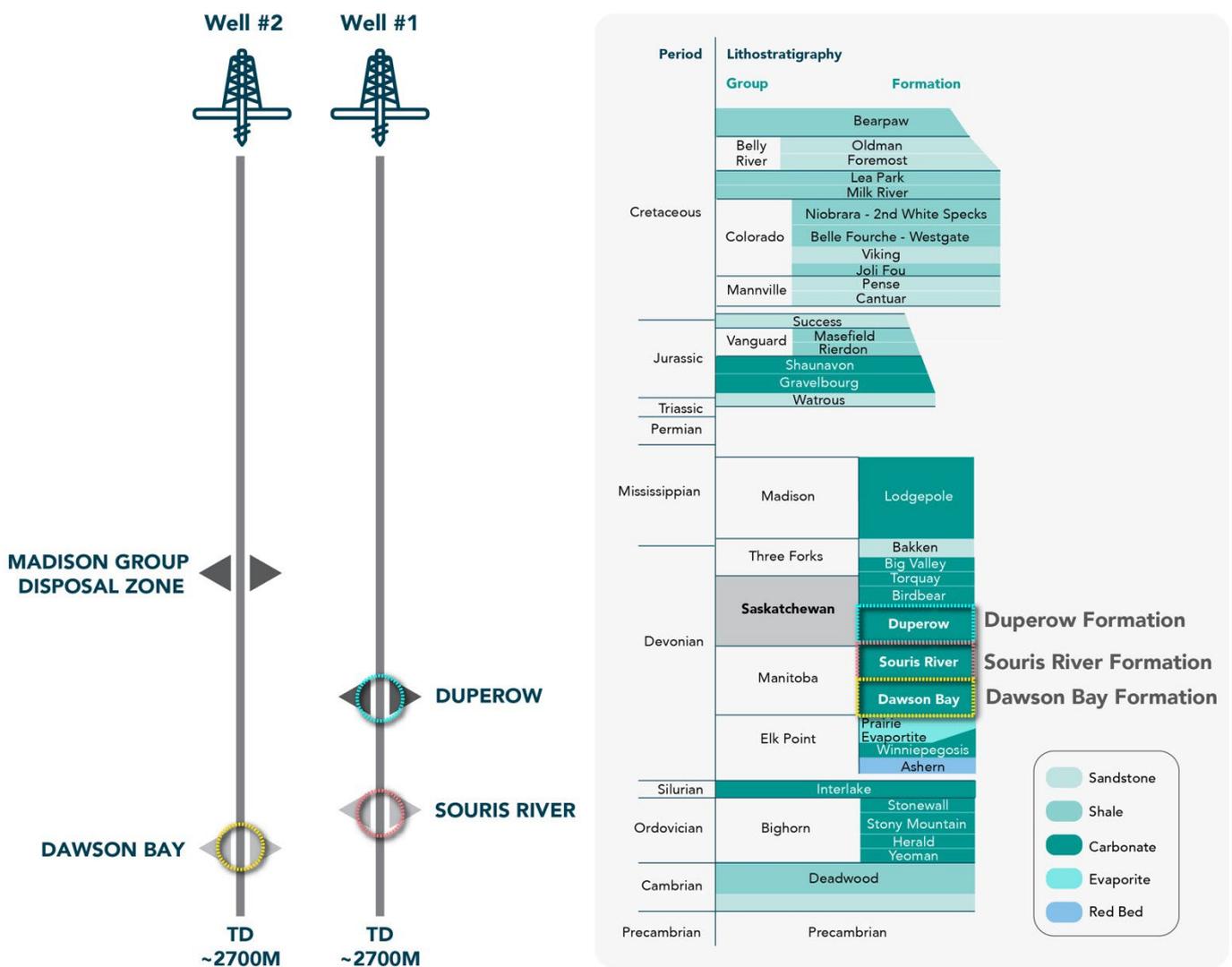


Figure 2: Well schematic and stratigraphic chart

About the Prairie Lithium Project

AZL’s Prairie Lithium Project is located in the Williston Basin of Saskatchewan, Canada, and holds a resource of 6.3 MT of LCE, comprised of 4.5 MT LCE Indicated and 1.8 MT LCE Inferred¹. 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 projects also aim to have strong environmental credentials, with Arizona Lithium targeting to use less freshwater, land and waste, aligning with the Company’s sustainable approach to lithium development.

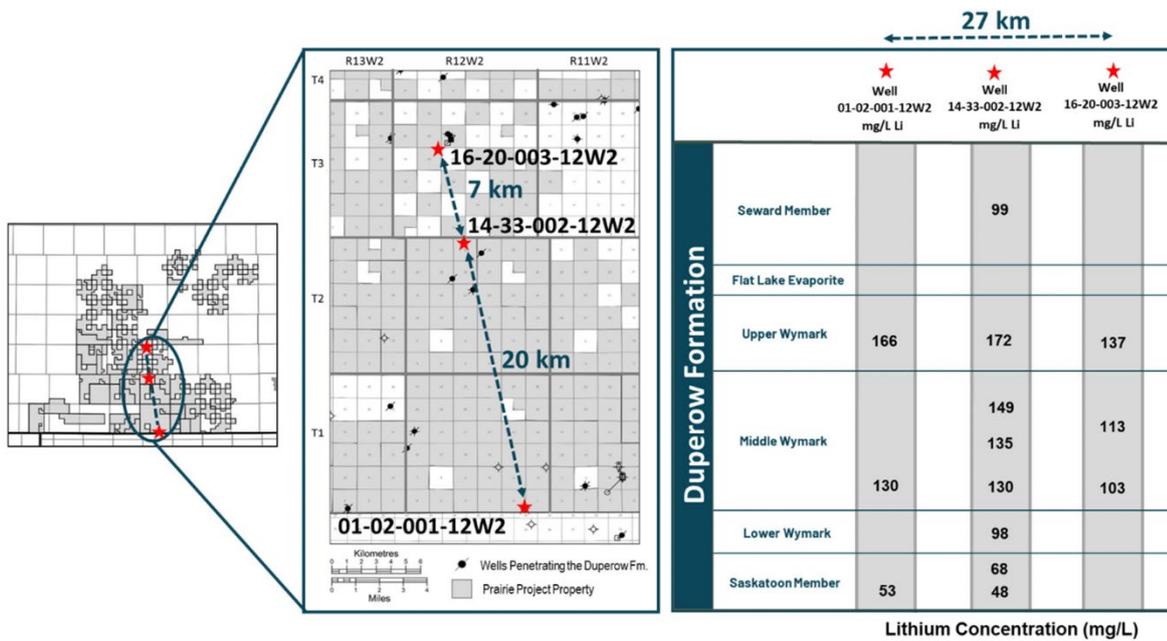


Figure 3: Location map and representative lithium concentrations from Arizona Lithium's test wells

¹ ASX Announcement – “6.3 Million Tonne Lithium Resource At Prairie” – 13 December 2023

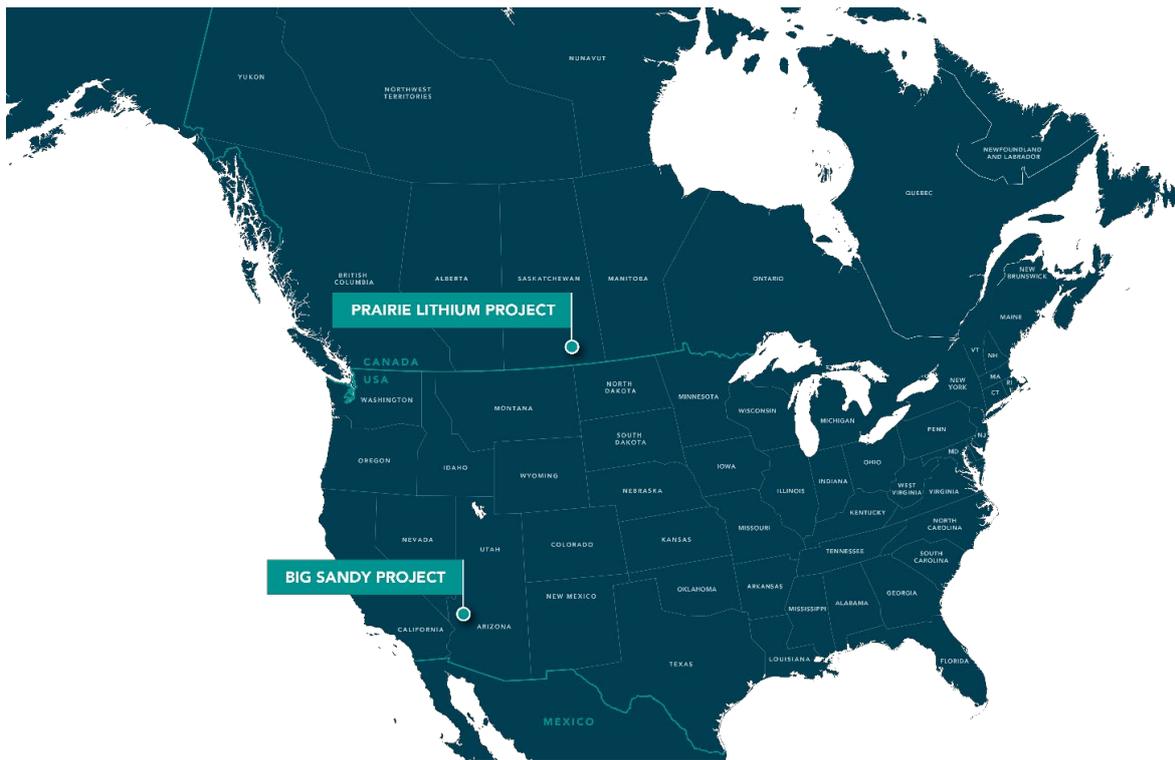


Figure 4: Location of Arizona Lithium's core projects

This ASX announcement is authorised for release by the Board.

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Competent Persons statement for Prairie and Registered Overseas Professional Organisation (ROPO) and JORC Tables

Gordon MacMillan P.Geol., Principal Hydrogeologist of Fluid Domains, who is an independent consulting geologist of a number of brine mineral exploration companies and oil and gas development companies, reviewed and approves the technical information pertaining to the release. Mr. MacMillan is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA), which is ROPO accepted for the purpose of reporting in accordance with the ASX listing rules. Mr. MacMillan has been practising as a professional in hydrogeology since 2000 and has 23 years of experience in mining, water supply, water injection, and the construction and calibration of numerical models of subsurface flow and solute migration. Mr. MacMillan is also a Qualified Person as defined by NI 43-101 rules for mineral deposit disclosure.