

CONSTRUCTION COMMENCED AT PRAIRIE PROJECT

HIGHLIGHTS

- Pad construction has commenced at the site of the first proposed commercial Direct Lithium Extraction (DLE) facility.
- The ground has been prepared for the first production and disposal wells, which are anticipated to be drilled in H1 2024.
- With the well pad now built, AZL will quickly advance from pilot operations to commercialization of the first facility via the drilling of wells.
- AZL is in the process of licensing the first production and disposal wells for this pad.
- The Company will apply to have the lithium extraction process and facility licenced after the Preliminary Feasibility Study (PFS) and Pilot project are complete by the end of 2023.

Arizona Lithium Limited (ASX: AZL, 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 that it has commenced construction of the first commercial pad at its Prairie project, in Saskatchewan, Canada.

Construction is now complete on the portion of ground that will hold the wells for the first DLE facility. Based on the Company’s anticipated upcoming PFS, this well pad will target production rates of approximately 2,000 Tonnes Per Annum (TPA) Lithium Carbonate Equivalent (LCE). With the well pad built now, AZL will quickly advance from pilot operations to commercialization of the first facility via the drilling of wells. Applications have been submitted to licence the initial two wells for this pad.



Figure 1: Pad Construction at the Prairie Lithium Project in Saskatchewan, Canada.

The DLE pilot in Saskatchewan will provide Arizona Lithium with the final parameters needed to design, permit and construct its first commercial lithium extraction facility. The Company is diligently advancing the Prairie project to ensure that the lithium extraction technology can be deployed at commercial scale as fast as possible. The PFS which is intended to be released by the end of the year, will provide a scope of economics and technical overview of the project. The Company will use the information from the Pilot and PFS to finalize its application to licence the first commercial DLE facility.

Arizona Lithium Managing Director, Paul Lloyd, commented: *“The ability to receive permits to construct the pad, highlights the expediency of the responsible and efficient Saskatchewan regulatory framework, which is built on years of oil and mining development. There is abundant infrastructure near this site, as this is a very active industrial region for agriculture, mining and oil. This ability to get things done is a prime example of why Saskatchewan is consistently named a top ranked jurisdiction for mining investment, and why we believe our project in Saskatchewan will be one of the first to market in North America. We look forward to continuing to work with the government of Saskatchewan on finalizing the licence and permits for our wells and lithium extraction operations over the coming months, as we continue to target 2025 for initial production.”*

To learn more, click here https://www.youtube.com/watch?v=ir_C7CyMpgQ

About the Prairie Lithium Project

AZL’s Prairie Lithium Project is located in the Williston Basin of Saskatchewan, Canada. The Prairie Project resource is 5.7 MT of LCE, composed of 4.0 MT LCE Indicated and 1.7 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 which should result in less use of freshwater, land and waste, aligning with AZL’s sustainable approach to lithium development.

Arizona Lithium also holds a proprietary lithium extraction process technology that selectively removes lithium from Brine. The Prairie Lithium Ion Exchange (“PLIX”) is an ion-exchange material that selectively extracts lithium from brine, using equipment which is anticipated to be readily available at commercial scale. PLIX may have a global application, with the process currently being tested on lithium resources from around the world (including encouraging results with Big Sandy). While Prairie Lithium continues to develop, scale and operate its own DLE technology, the company is also testing other DLE technologies to ensure it deploys the most cost-effective technology onto its resource.

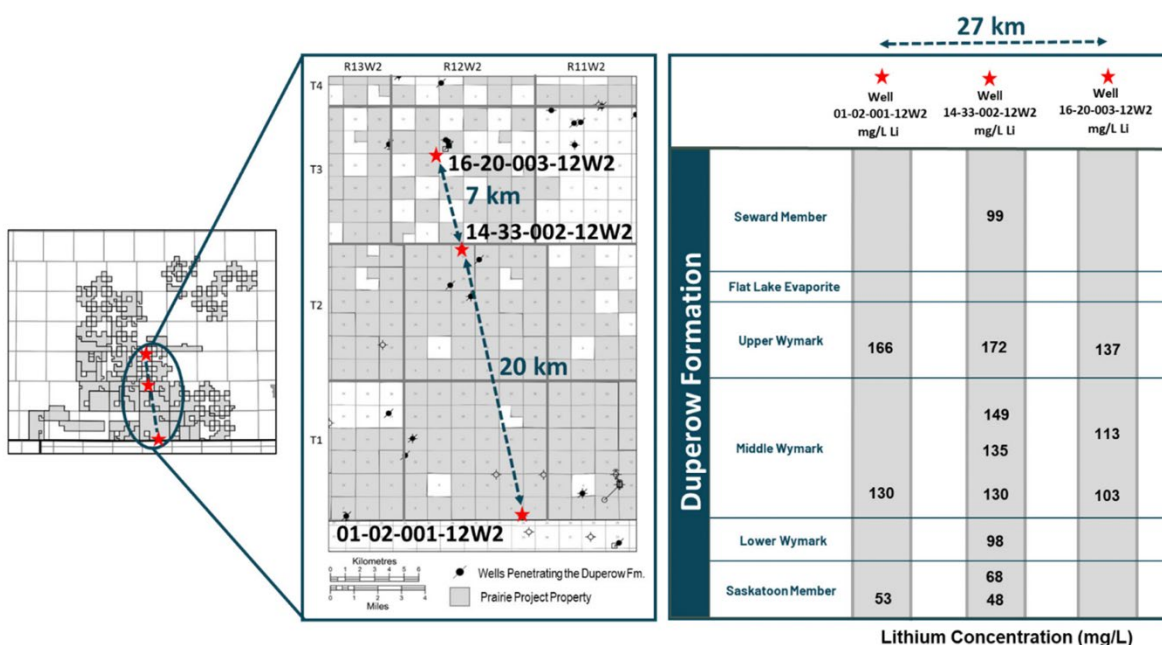


Figure 2: Location map and representative lithium concentrations from Arizona Lithium's test wells²

¹ PRAIRIE PROJECT RESORUCE UPGRADED 39% - ASX Announcement (August 17, 2023)

² Lithium Concentrations measured by Isobrine Solutions and confirmed by one other commercial laboratory in Edmonton, Alberta

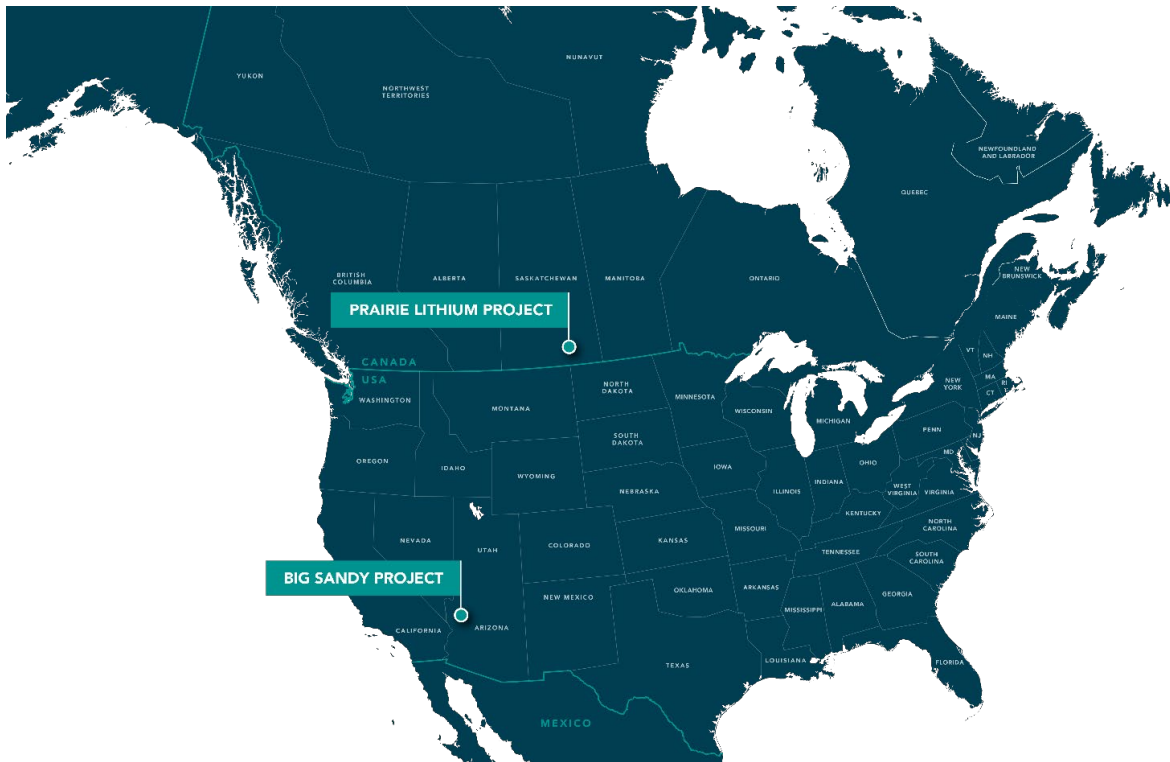


Figure 3: Location of Arizona Lithium's projects

This ASX announcement is authorised for release by the Board.

For further information please contact:

Mr. Paul Lloyd
Managing Director
Tel. +61 419 945 395
paul@arizonalithium.com