

BIG SANDY UPDATE

HIGHLIGHTS

- Arizona Lithium (AZL) has consulted with all stakeholders and is forming a mutually beneficial plan for the development of the Big Sandy Lithium Project with input from the Navajo Transitional Energy Company (NTEC), a major AZL shareholder.
- AZL has rescinded its approved Plan of Operations for the Sandy Valley Exploration Project (phase 3) AZAZ106236937 (AZA-037487) as lodged on 26 April 2024 and approved by the Bureau of Land Management (BLM) on 9 July 2024.
- AZL will update the market with new plans for the Big Sandy project development in the coming months.
- Test work on the Big Sandy bulk sample material, collected last year, is continuing. Initial results look very encouraging and the Company will update the market as the testing results are concluded.
- Creation of shareholders wealth in the short and medium term will be created from the Prairie Lithium Project, which is already in its construction phase.
- AZL previously announced its intention to deploy the first ever Koch Technology Solutions (KTS) Li-Pro commercial-scale unit at the Prairie Lithium Project in Saskatchewan this year. This represents the largest Direct Lithium Extraction (DLE) process ever deployed by KTS and the first commercial-scale production at AZL's Prairie Lithium Project.
- The Prairie Lithium Project in Canada is well positioned to feed battery-grade lithium carbonate into the mature Asian battery market and the developing North American market. Battery-grade samples produced from the Prairie Lithium Project are currently being distributed and tested in Asia and North America.¹

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America, the Prairie Lithium Project ("Prairie") and the Big Sandy Lithium Project ("Big Sandy"), advises that it has rescinded its approved Plan of Operations for the Sandy Valley Exploration Project (phase 3) AZAZ106236937 (AZA-037487) as lodged on 26 April 2024 and approved by the Bureau of Land Management (BLM) on 9 July 2024. The Company plans to develop the Big Sandy Project in a slightly modified fashion, after input from all stakeholders, including the Navajo Transitional Energy Company (NTEC), a major AZL shareholder.

Arizona Lithium Managing Director, Paul Lloyd, commented: "We are committed as a company to both our development projects – the Prairie Lithium Project and the Big Sandy Project. Our short-term focus is on the Prairie Lithium Project, which we are developing rapidly. Longer term we are still extremely excited about the Big Sandy Project, which is still at a stage that its plan can be optimized to get the best probability of creating shareholder value. After careful consultation with all stakeholders we believe that the best way forward is to withdraw this latest drilling application (from April 2024) and to resubmit a new plan that will optimize project development. We will keep the market abreast of these development plans as they are finalized."

¹ ASX Announcement – "Battery Grade Lithium Carbonate Produced From Prairie" – 23 August 2024

Arizona Lithium's Core Projects

AZL's Prairie Lithium Project is located in the Williston Basin of Saskatchewan, Canada. Located in one of the world's top mining friendly jurisdictions, the Prairie Project has 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 freshwater, land and waste, aligning with the Company's sustainable approach to lithium development. The Big Sandy Project is located in Wikieup, Arizona and has a very shallow, flat lying mineralised sedimentary lithium resource. With excellent available infrastructure, it has the potential to be developed with a very low environmental footprint.

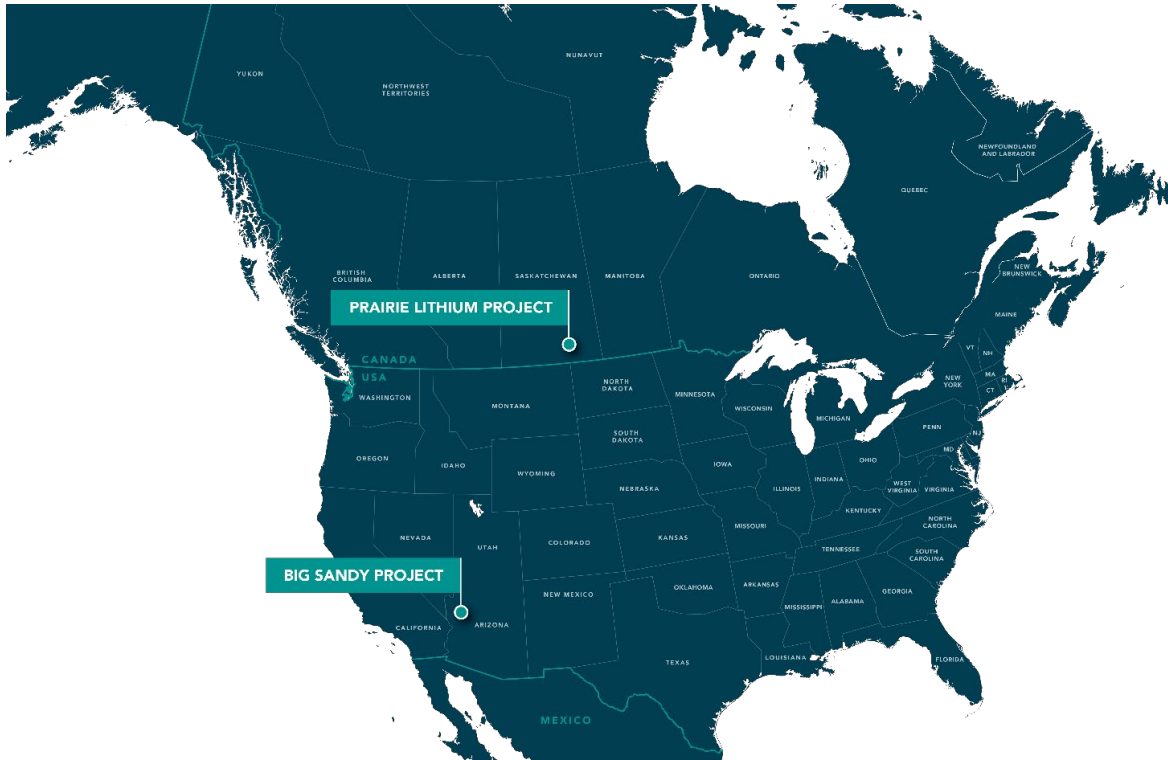


Figure 1: Location of Arizona Lithium's core projects

This ASX announcement is authorised for release by the Board.

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