

QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2025

HIGHLIGHTS

- Oversubscribed Share Purchase Plan raising \$4,251,000.
- Prairie Lithium Project fully approved for first phase of production from the Ministry of Energy and Resources in Saskatchewan.
- Increased total Indicated Resource from 4,500,000 tonnes LCE to 4,600,000 tonnes LCE.
- First commercial scale Direct Lithium Extraction (DLE) unit from Koch Technology Solutions being fabricated and on track to be completed in 2025.

Arizona Lithium Limited (ASX: AZL, AZLO, OTC: AZLAF) (“Arizona Lithium”, “AZL” or “the Company”), is pleased to provide an overview of the Company’s activities for the period ending 30 June 2025 (“Quarter” or “Reporting Period”) to accompany the Appendix 5B.

Arizona Lithium Managing Director, Paul Lloyd, commented:

“This quarter we reached a significant milestone with the achievement of regulatory approval from the Ministry of Energy and Resources in Saskatchewan. This is an extremely positive step towards first production. We were encouraged in the quarter with the support from shareholders in a two times oversubscribed share purchase plan that raised capital for our project development plans. During the quarter capital markets volatility continued in global stock markets. Given this volatility, the Company focused this quarter on strengthening its cash position and will deploy that available capital to the near term production at the Prairie Project in Canada.”

Prairie Lithium Project Phase 1 Production Approved

The Prairie Lithium Project received approval for Phase 1 production from the Ministry of Energy and Resource in Saskatchewan in May 2025. Phase 1 will see the Prairie Project go into production at 150 Tonne Per Annum (“TPA”) Lithium Carbonate Equivalent (“LCE”). This scale represents a full commercial scale Direct Lithium Extraction (“DLE”) unit that can be replicated to increase production. In addition to receiving project approvals, an updated well network model has been constructed for the resource based on information acquired during the 2024 drilling and completion program and the total Indicated Resource was increased from 4,500,000 tonnes LCE to 4,600,000 tonnes LCE.

This will represent one of the world's largest DLE facilities and provide the guidance required to scale up production cost-effectively across the Prairie Project shortly thereafter. Upon commissioning and operating at this scale, the Company will have significantly de-risked the Project. Expansion will highlight the benefits of modularised scale-up as additional commercial-scale DLE units can be rapidly deployed.

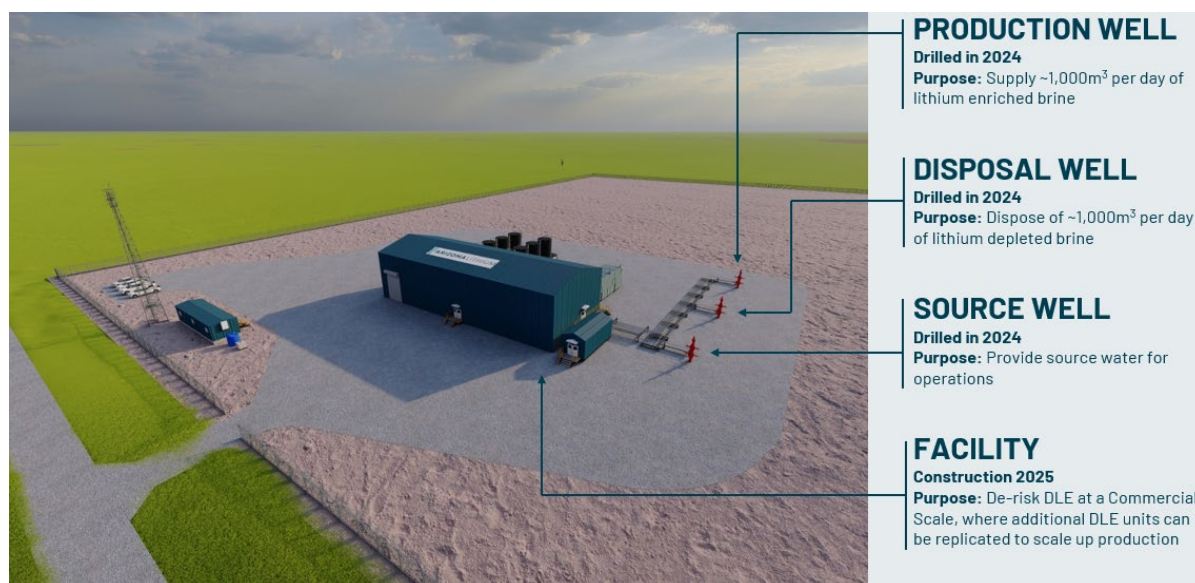


Figure 1: Rendering of site layout for Phase 1 at Pad #1

Capital Raising

Share Purchase Plan

The Share Purchase Plan (“SPP”) closed on 14 May 2025 raising \$4,251,000 by the issue of 708,499,917 fully paid ordinary shares and 472,333,190 unlisted options exercisable at \$0.012 expiring on 19 May 2025. The Company decided to accept funds from shareholders in excess of the \$2 million target raising.

Eligible Directors, including Barnaby Egerton-Warburton, Paul Lloyd, Matthew Blumberg and Zach Maurer, each took their full \$30,000 maximum allotment allowable on the SPP. Directors have actively participated alongside shareholders in putting the maximum amount of cash into the Company, showing significant shareholder alignment.

The funds raised and the existing cash balance will be directed towards the engineering, procurement and construction of the commercial-scale proof of concept Direct Lithium Extraction (“DLE”) facility at the Prairie Project.

Results of General Meeting

On 9 May 2025, the Company held a general meeting of shareholders and all resolutions put to shareholders at the meeting were passed.

Events Subsequent to the Reporting Period

DLE Unit on Track for Delivery

On 22 July 2025, the Company provided an update on the fabrication of the DLE unit being provided by Koch Technology Systems (KTS). The fabrication of the commercial scale KTS DLE unit is underway with fabrication on track to be completed in 2025. The rendering in Figure 2 shows the design and the size of the commercial scale KTS DLE unit. This design can be rapidly replicated and deployed to increase production on a modular basis across the project.

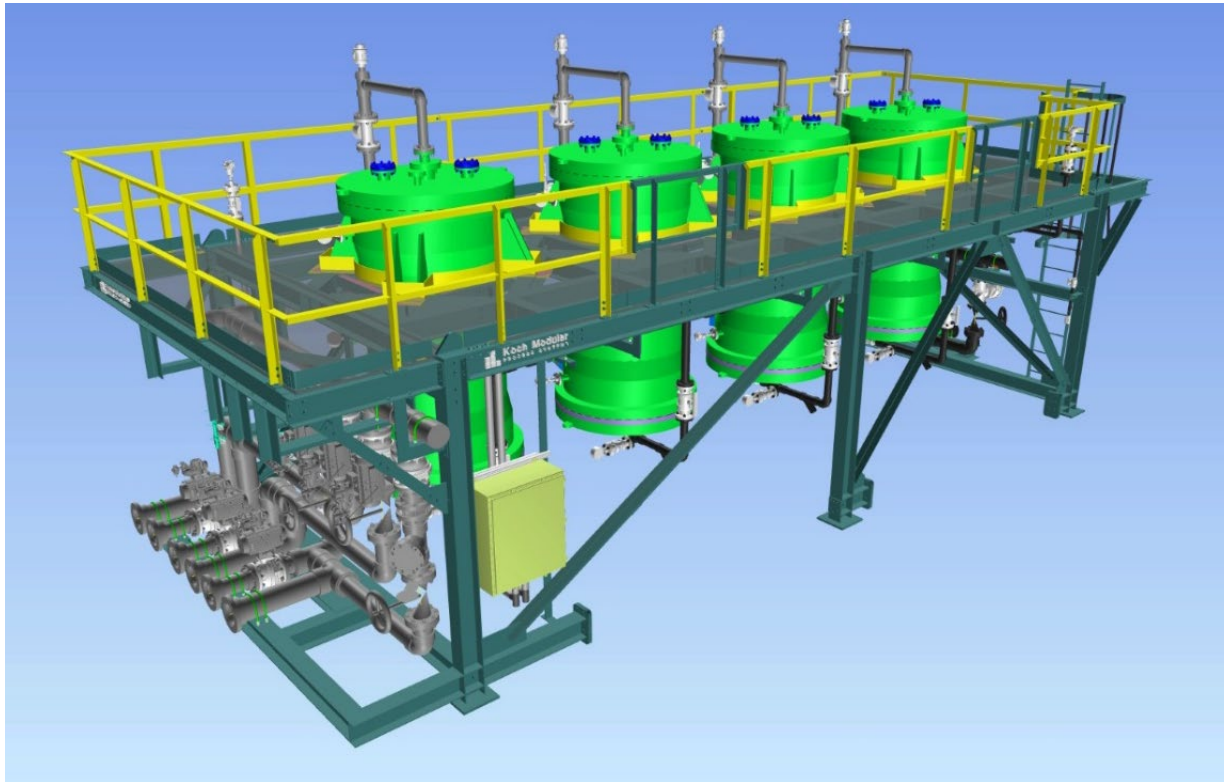


Figure 2: Rendering of KTS DLE unit

At-the-Market Raise

On 18 July 2025, the Company raised \$900,000 (inclusive of costs) by issuing 110,000,000 fully paid ordinary shares at 0.82 cents under its At-the-Market Subscription Agreement with Acuity Capital. The funds raised will be put towards construction of the first production facility at Pad #1 of the Prairie Lithium Project.

AUD \$8 Million Non-Dilutive Cash Raised

On 9 July 2025, the Company entered into agreements where on completion it will raise cash proceeds of US\$5 million (approximately A\$8 million) by selling the Big Sandy Lithium Project and the Lithium Research Centre to Big Sandy Lithium, LLC and Advanced Lithium Research Centre, LLC, which are indirect subsidiaries of Navajo Transitional Energy Company ("NTEC"), AZL's largest shareholder.

This ASX Announcement is authorised for release by the Board.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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

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 exploration results and mineral resource estimates within 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 24 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. He has sufficient experience relevant to qualify as a Competent Person as defined by the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012). Mr MacMillan consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

About Arizona Lithium

Arizona Lithium Limited is a lithium exploration & development company headquartered in Perth, Australia. The Company is developing the Prairie Lithium Project in Saskatchewan, Canada.

Project Location

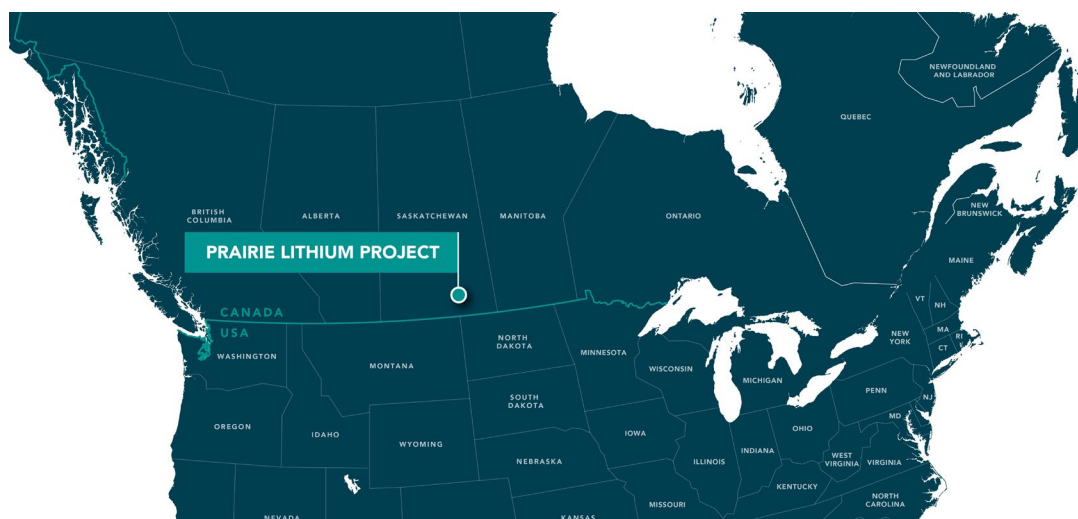


Figure 3: Prairie Lithium Project Location

Appendix 1: Schedule of Mining Tenements

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 30 June 2025.

Project	Claim Number	Location	Interest
Big Sandy	WIK 21 to WIK 24	Arizona, USA	100%
Big Sandy	WIK 32 to WIK 35	Arizona, USA	100%
Big Sandy	WIK 43 to WIK 46	Arizona, USA	100%
Big Sandy	WIK 53 to WIK 112	Arizona, USA	100%
Big Sandy	BSL-001 to BSL-128	Arizona, USA	100%
Big Sandy	BSLII 009 to BSLII 035	Arizona, USA	100%
Lordsburg	LLP-211 to LLP-274	New Mexico, USA	100%
Lordsburg	LLP-283 to LLP-298	New Mexico, USA	100%
Lordsburg	LLP-307 to LLP-322	New Mexico, USA	100%
Lordsburg	LLP2-1 to LLP2-96	New Mexico, USA	100%
Prairie Lithium	S002/1	Saskatchewan, Canada	100%
Prairie Lithium	S004/1, S004/5	Saskatchewan, Canada	100%
Prairie Lithium	S005/46-48, S005/58, S005/60	Saskatchewan, Canada	100%
Prairie Lithium	S008/31-35, S008/41, S008/49-54, S008/56, S008/69-74, S008/77, S008/86-99, S008/102-109	Saskatchewan, Canada	100%
Prairie Lithium	S009/19, S009/24, S009/35, S009/39, S009/41-44, S009/50-53	Saskatchewan, Canada	100%
Prairie Lithium	Canpar Holdings Ltd. File No. M043397, M043398, M043399, M043400 Freehold Royalties Ltd. File No. M043402, M043403	Saskatchewan, Canada	100%

There were no tenements acquired or relinquished during the Quarter. In July 2025, the Company entered into agreements, where upon completion, the Big Sandy Project claims will be sold.

Appendix 2: Exploration Expenditure and Payments to Related Parties

In line with its obligations under ASX Listing Rules 5.3.1 and 5.3.5, Arizona Lithium Limited notes the following in relation to the period ended 30 June 2025 as advised in the Appendix 5B:

- exploration and evaluation expenditure primarily relates to work undertaken on the Prairie Lithium project (classified as investing) and the setup and operating costs of the Lithium Research Centre (classified as operating);
- the only payments to related parties of the Company pertain to payments to executive directors for salary and superannuation, non-executive director fees and consultancy fees.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ARIZONA LITHIUM LIMITED

ABN

15 008 720 223

Quarter ended ("current quarter")

30 JUNE 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(229)	(2,271)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(298)	(2,480)
	(e) administration and corporate costs	(278)	(2,890)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	95
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	287
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(796)	(7,259)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,693)	(2,058)
	(d) exploration & evaluation	224	(15,805)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	10,956
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(1,469)	(6,907)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,251	5,551
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(36)	(36)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(29)	(117)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – security bond refund	-	-
3.10	Net cash from / (used in) financing activities	4,186	5,398

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,255	11,984
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(796)	(7,259)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,469)	(6,907)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,186	5,398

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(14)	(54)
4.6	Cash and cash equivalents at end of period	3,162	3,162

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	862	1,255
5.2	Call deposits	2,300	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,162	1,255

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	73
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Amounts shown at item 6.1 comprise of payments to related parties (or their associates) for director and administration fees paid during the quarter, including fees for services performed.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – equipment leases	170	170
7.4	Total financing facilities	170	170
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Lenders: HYG Financial & Thermo Fisher Financial Services Interest rates: 5.5% & 4.99% Maturity dates: September 2025 to March 2028		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(796)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	224
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(572)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,162
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,162
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	5
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2025

Authorised by: The Board of Arizona Lithium Limited

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.