1 May 2024
ASX Announcement

Anson Signs Binding Offtake Term Sheet with LG Energy Solution

ASX: **ASN** Announcement

Cornerstone binding offtake term sheet provides strong market validation of Anson Resource's Paradox Basin Lithium Project, showcasing its high-quality product, commitment to ESG standards and strong presence in the USA market.

Highlights:

- Anson Resources (via its 100% owned subsidiary A1 Lithium) and LG Energy Solution have executed a binding offtake term sheet ("***Offtake Term Sheet***") for the supply of battery grade lithium carbonate from Anson Resources' 100% owned Project within the Paradox Basin.
- Subject to the satisfaction of customary conditions precedent (summarised in the annexure), the Initial 5-year term is expected to commence in 2027, with the ability to extend for a further five years.
- LG Energy Solution to purchase 4,000 dry metric tonnes per year and specifies the operational and logistical requirements for the delivery of product.
- Pricing is determined using a formula-based mechanism referencing market prices for battery-grade Lithium Carbonate.
- LG Energy Solution is a global leader in delivering advanced lithium-ion batteries for electric vehicles, mobility and IT applications and energy storage systems.

Anson Resources Limited (ASX: **ASN**) ("**Anson Resources**" or "**the Company**") is pleased to announce that it has completed negotiations with LG Energy Solutions and executed its first Offtake Term Sheet for the supply of battery-grade Lithium Carbonate from its 100% owned Project within the Paradox Basin in Southern Utah.

The Offtake Term Sheet provides for the supply of up to 4,000 dry metric tonnes per annum (tpa) of battery-grade Lithium Carbonate produced at the Project, expected to commence in 2027, representing approximately 40% of the Project start-up production capacity of ~10,000tpa.

LG Energy Solution is an ideal partner for Anson Resources with its diversified customer base of tier one OEMs and strong investment to expanding production in North America. LG Energy Solution has eight facilities currently operating or under construction in North America, with stand-alone facilities in Michigan and Arizona and six joint venture facilities with major automakers.

Signing of the Offtake Term Sheet with LG Energy Solution marks another key milestone for the Company's development in the Paradox Basin, following majority completion of all permitting and successful operation of the Company's Sample Demonstration Plant (SDP). The Offtake Term Sheet or subsequent definitive agreement will become effective subject to Anson Resources making a final investment decision, the commencement of commercial production in the Paradox Basin and offtake product qualification with LG Energy Solution.

In addition, Anson continues to progress negotiations with other potential tier one global customers which would complement its offtake strategy of 80-90% of initial production under long-term agreements.

The Paradox Basin is a globally significant lithium asset. The Company through its 100% owned USA subsidiary, A1 Lithium, is working to develop Paradox into one of the largest lithium resources in the United States. The Company is conducting exploration and test work of the brine, that is known to exist, across multiple areas in the Paradox formation. This work is on-going and if successful will support the Company's theory that the brines of the Paradox Basin contain one of the largest lithium resources in North America.

Based on the Definitive Feasibility Study announced on 8 September 2022, the Company's Paradox Lithium Project (Project) is forecast to initially produce ~10,000 tpa of battery-grade Lithium Carbonate under phase 1. The Project also has world leading ESG credentials, with the overpressure nature of the brine, meaning it is pushed to surface without the need to pump. Further, the Company employs the use of cutting-edge lithium extraction technology which uses only 1% of the water than traditional hard rock extraction methods.

Anson Resources Executive Chairman and Managing Director Bruce Richardson commented:

"Anson has recognized the unstoppable paradigm shift in the US supply chain for electric vehicle battery materials and the key role that Korean and Japanese battery manufacturers are playing. The Inflation Reduction Act and other US policy initiatives have resulted in significant investment in new battery manufacturing in North America to meet the continued growth in demand for electric vehicles in the US. This shift in manufacturing investment has led to an increased demand for lithium produced in the US, not only to shorten supply chains geographically but also increase US content of electric vehicle batteries and electric vehicles, to meet IRA incentive requirements. Anson identified this change, targeted its offtake marketing activities to the companies that have made these investments into North America and in particular, the US where Anson's development work in the Paradox Basin in Southern Utah is strategically positioned. We are delighted to have reached agreement with LG Energy Solution allowing us to execute our first binding Offtake Term Sheet for at least 40% of our production. This establishes the foundation for a long-term partnership and we are proud that we will be supplying US made lithium from the Paradox Basin to LG Energy Solution, a respected global leader in the lithium battery value chain, building out the largest battery manufacturing capacity in the US."*

This announcement has been authorized for release by the Executive Chairman and Managing Director.

ENDS

*Matt Pollard & Tim Buckley, Clean Energy Finance, "A Value Added Critical Minerals Agreement for Australia and Korea" - June 2023

Material terms of the Offtake Term Sheet:

Parties:	A1 Lithium Inc. (a wholly owned subsidiary of Anson Resources Limited) **(Seller**) and LG Energy Solution, Ltd (**Buyer**).
Conditions Precedent	Subject to the satisfaction of conditions precedent by 31 December 2027 including (i) the Seller having made a final investment decision in respect of the Project; (ii) the Seller having commenced commercial production at the Project; and (iii) the Product shall be qualified in accordance with the Buyer's qualification process and specification.
Supply Term:	5 years from 1 July 2027 (**Supply Term**).
Product:	Lithium Carbonate battery grade 99.5%.
Extension:	The Supply Term may be extended for a further 5 years by mutual agreement.
Quantity:	The Seller has agreed to supply and the Buyer has agreed to take 4,000 dry metric tonnes per annum (tpa)
Pricing:	Pricing is based on market prices for Lithium Carbonate.
Investment:	LG Energy Solution and Anson Resources have commenced discussions regarding an investment by LG Energy Solution into Anson.

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About Anson Resources Ltd

Anson Resources (ASX: ASN) is an ASX-listed mineral resources company with a portfolio of minerals projects in key demand-driven commodities. Its core asset is the Paradox Lithium Project in Utah, in the USA. Anson is focused on developing the Paradox Project into a significantlithium producing operation. The Company's goal is to create long-term shareholder value through the discovery, acquisition and development of natural resources that meet the demand of tomorrow's new energy and technology markets.

Forward Looking Statements: Statements regarding plans with respect to Anson's mineral projects are forward looking statements. There can be no assurance that Anson's plans for development of its projects will proceed as expected and there can be no assurance that Anson will be able to confirm the presence of mineral deposits, that mineralisation may prove to be economic or that a project will be developed.

Competent Person's Statement 1: The information in this announcement that relates to exploration results and geology is based on information compiled and/or reviewed by Mr Greg Knox, a member in good standing of the Australasian Institute of Mining and Metallurgy. Mr Knox is a geologist who has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity being undertaken 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 and consents to the inclusion in this report of the matters based on information in the form and context in which they appear. Mr Knox is a director of Anson.

JORC Code 2012 "Table 1" Report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralization that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Reverse Circulation (RC): - Used high pressure air and a cyclone with a cone splitter. - Sampling was taken on continuous 1m intervals. - Standards and blanks were inserted during the drilling; and - 3m composite and 1m samples (where mineralization was visible) weighing 3-5 kg were transported to the laboratory in calico bags. • Industry standard RC drilling methods were used.
Drilling Techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• RC Drilling (5 ½" hammer).
Drill Sample Recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC split samples were recovered from a cyclone and rig mounted cone splitter. With sample recovery recorded for each sample. • A face sampling hammer is used to reduce contamination at the face.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All RC chips were geologically logged in the field by a qualified geologist. • Geological logging is qualitative in nature.

Criteria	JORC Code Explanation	Commentary
Sub-sampling Techniques and Preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 3m composite samples and 1m samples of visible mineralisation from the RC drilling were submitted to Nagrom Laboratories in Perth. • Sample preparation techniques represent industry good practice. • Sampling procedures represent industry good practice. • The sample sizes are considered to be appropriate for the material being sampled.
Quality of Assay Data and Laboratory Tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Analysis was carried out by Nagrom, Perth which is AQIS registered site and has a license to import and quarantine geological material. • A certified standard and blank were inserted in every hole
Verification of Sampling and Assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.* •	• The results are considered acceptable and reviewed by geologists. • No adjustments to assay data has been undertaken.
Location of Data Points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drillholes were located during collection by handheld GPS (Garmin) with a typical accuracy of +/- 5m. • The grid system used is Australian Geodetic MGA Zone 50 (GDA94). • The level of topographic control offered by the handheld GPS is considered sufficient for the work undertaken.
Data Spacing and Distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• There was a predetermined spacing for the holes as this program was to infill and drill down dip of previous drilling programs.

Criteria	JORC Code Explanation	Commentary
Orientation of Data in Relation to Geological Structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* •	• The drill holes were drilled at near perpendicular to the strike of the ore body and is not considered to have introduced any bias.
Sample Security	• *The measures taken to ensure sample security.*	• RC samples were collected from the cone splitter in calico bags and stored in plastic bags. The bags were put on pallets and bubble wrapped and transported by road to the laboratory in Perth. The samples were processed by Nagrom
Audits or Reviews	• *The results of any audits or reviews of sampling techniques and data*	• No audits or reviews have been conducted at this point in time.

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Mineral Tenement and Land Tenure Status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Ajana Project consists of 2 tenements, E66/89 and E66/94, which are 100% owned by Anson Resources. • All tenements are in good standing. • Land access agreements have been completed.
Exploration Done by Other Parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration was completed by Canadian Southern Cross Mines NL (CSC), Samin Ltd (Samin, a wholly owned subsidiary of Poseiden Ltd) and Ethan Minerals NL (Ethan). • Exploration completed included bulk sampling and trial mining from historical underground workings, geophysical surveys (IP and EM), surface geochemical surveys and drilling. • Exploration seems to have been completed to a high standard enabling a Mineral Resource to be estimated.
Geology	• *Deposit type, geological setting and style of mineralization.*	• The project is located in the Northampton Block, an Archaean gneiss terrane believed to represent a metamorphosed sedimentary sequence. • Mineralisation is hosted on the margins of a dolerite unit, within a breccia unit. • Mineralisation is principally comprised of galena. • Millheim, KK, 1971. Exploitation of the Ethel Maude Zinc-Lead Mine. Tycho Mining. WAMEX Report A5955.

Criteria	JORC Code Explanation	Commentary
Drill Hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* – *easting and northing of the drill hole collar* - *elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* - *dip and azimuth of the hole* - *down hole length and interception depth* - *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Reported in the body of the announcement.
Data Aggregation Methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade* • *Brine samples taken in holes were averaged (arithmetic average) without 14 Criteria JORC Code explanation Commentary truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No averaging or cut-off grades have been applied to assay results. • Samples were collected in 1m samples and 3m composites. The 1m samples were stored on site. • 3m RC samples were submitted, except where the mineralized zones were observed and 1m samples were submitted directly. • Metal equivalents are not reported.
Relationship Between Mineralization Widths and Intercept Lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Exploration is at an early stage and information is insufficient at this stage.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate diagrams are shown in the text.
Balanced Reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The only assay results disclosed are located on the Ajana Project tenement.

Criteria	JORC Code Explanation	Commentary
Other Substantive Exploration Data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All available current exploration data has been presented.
Further Work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work is required which includes mapping and other exploration programs such as further RC drilling. • Define future drilling targets. • RC drilling of the identified targets.