



5 February 2018

ASX ANNOUNCEMENT

ASX: ASN, ASNOB

## Anson Acquires Oil Well and Lease for Planned Lithium Production

### Highlights:

- Agreement signed to acquire existing oil and gas well and lease totalling 480 gross acres
- Nominal amount paid for well and lease
- Provides a further fast, low cost well entry opportunity to test and access brines for production
- Well strategically located next to industrial land Anson has applied to lease for the in-field pilot plant, both located within the acquired lease
- Infrastructure costs could be reduced due to the site having an existing pad, power and road access
- Possible source of power for production
- Completes a further step to fast track an in-field pilot plant

Anson Resources Limited (Anson) has acquired the Cane Creek 32-1 oil well and associated oil and gas lease at its Paradox Lithium Project, located in the “Lithium Four Corners” area in Utah. A photo of the well is shown in Figure 1.



Figure 1: Director Greg Knox and Managing Director Bruce Richardson at the Cane Creek 32-1 Well



In January, 2018 Managing Director, Bruce Richardson met with representatives of an oil and gas producing company that operated an oil well next to the proposed site of Anson's planned in-field pilot plant planned for development later this year. As a result of the meeting the oil well and oil and gas lease were offered to Anson. Mr Richardson and Anson Director Gregory Knox visited the site of the well and lease (see Figure 1). Subsequently due diligence was conducted and an agreement was reached for Anson to acquire the lease from the company.

Anson will assume the bonding and rehabilitation costs and paid nominal consideration for the well and lease. Regulatory formalities are now being finalised.

The oil and gas well has been in production until recently and remains "open" with no plugs installed. The procedure to enter the well is straight forward and expected to be accomplished at lower cost than Gold Bar Unit 2 as it does not require re-entry.

In addition, the condition of the well should enable quick sampling for brines once regulatory approvals have been completed.

The well is strategically located near the in-field pilot plant industrial lease under consideration by the government of Utah. The well is self powered by its own gas which may be utilised by the proposed in-field pilot plant. A mains power line also runs through the 480 gross acres covered by the SITLA lease area acquired by Anson (see SITLA lease in Figure 2).

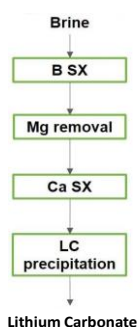
A well maintained road which is used for the transport of oil and gas from the well provides access for the future development of the in-field pilot plant.

### **Development of an In-Field Pilot Plant:**

Following the successful removal of magnesium from synthetic brine (announced on Anson 12 April 2017), a bulk brine sample collected from Gold Bar Unit 2 will be processed in a bench top plant to validate magnesium can be removed and lithium carbonate can be produced.

First production of lithium carbonate is expected in April 2018.

This process sequencing will consist of extracting the boron by solvent extraction (SX), followed by the removal of the magnesium by chemical precipitation and calcium by a SX process. The final stage is the production of lithium carbonate. This process is illustrated below:

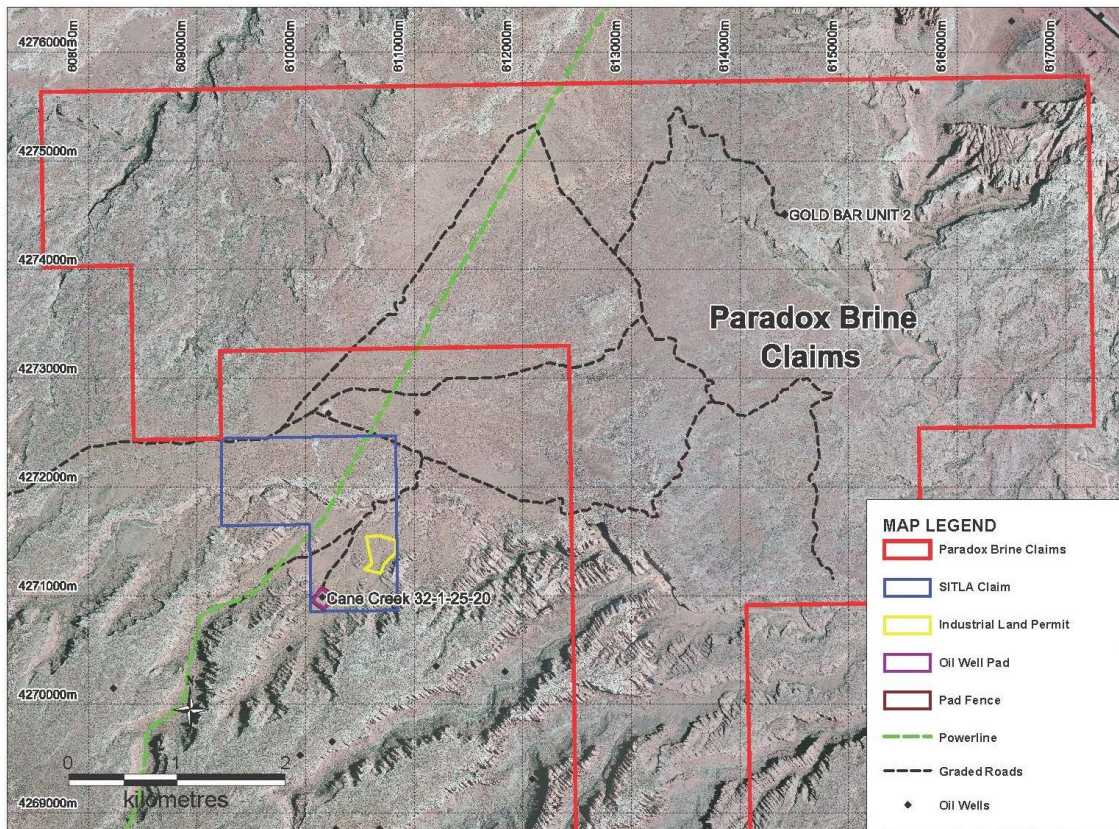


In addition to producing lithium carbonate, the bench-top test work is also expected to produce other marketable minerals, which will also be offered to potential end users for qualification test work. These other minerals, which could include boron, bromine, iodine and magnesium, may provide additional revenue for the Project.

The results of the bench top pilot plant will be used in the design of an in-field pilot plant, prior to progressing to further drilling, feasibility study, and ultimately full-scale production. The in-field pilot plant is intended to be a key part of a feasibility study to validate the process designed, and tested in the laboratory scale bench-top plant.



The Cane Creek 32-1 oil well is strategically located near industrial land Anson has applied to lease, and on which Anson intends to locate an in-field pilot plant. The location of the well and the proximity to the industrial land Anson has applied to lease are shown in Figure 2.



**Figure 2: Plan Showing the Location of the Cane Creek 32-1 Well and Lease**

A photo of the on-site infrastructure is shown in Figure 3.



**Figure 3: Cane Creek 32-1 Well**



Anson Managing Director, Bruce Richardson commented, “Planning the development of an in-field pilot plant continues as a key priority for Anson. Acquiring a strategically existing oil well completes a further step in this plan taking Anson one step closer to producing lithium carbonate.”

**ENDS**

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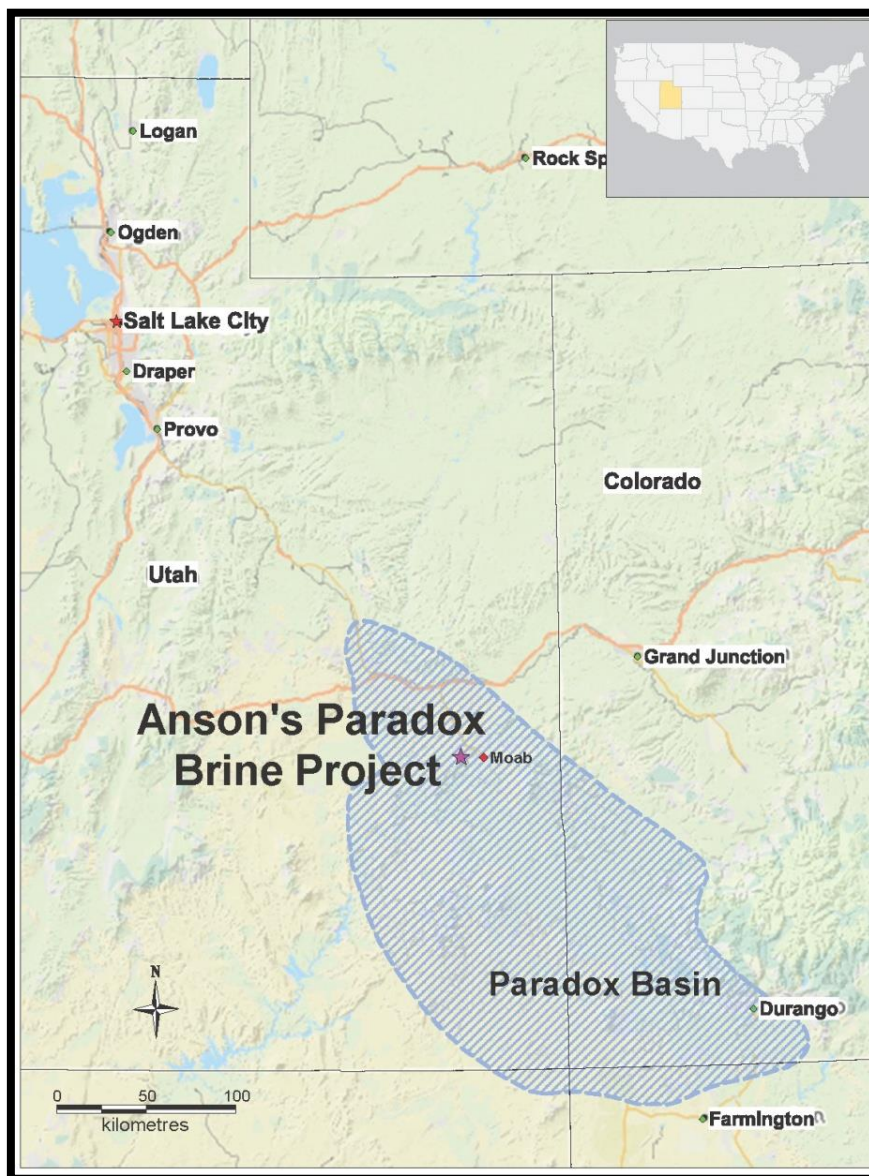
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**Forward Looking Statements:** Statements regarding plans with respect to Anson’s mineral projects are forward looking statements. There can be no assurance that Anson’s plans for development of its projects will proceed as expected and there can 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.



## About the Utah Lithium Project

Anson is targeting lithium rich brines in the deepest part of the Paradox Basin in close proximity to Moab, Utah. Lithium values of up to 1,700ppm have historically been recorded in close proximity to Anson's claim area. The location of Anson's claims within the Paradox Basin is shown below:



**Competent Person's Statement:** 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 and a consultant to Anson.

As the Project is located in the United States, the Exploration Results have not been reported in accordance with the JORC Code 2012; a Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012; and it is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012. Nothing has come to the attention of Anson that causes it to question the accuracy or reliability of the former owner's Exploration Results. Anson has not independently validated the former owner's Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.