Anson Resources Ltd

20 March 2018

**ASX ANNOUNCEMENT**

**ASX: ASN, ASNOB**

# Anson Announces Gold Bar Assay Results

## Highlights:

- **High concentration of magnesium (Mg), bromine (Br) and iodine (I)**
- **Lithium levels below expectations**
- **Intercepted supersaturated brines in the 3 horizons at Gold Bar Unit 2**
    - **Weight of sample indicates high concentration of minerals**

Anson Resources Limited (Anson) has intercepted supersaturated brines in the 3 clastic horizons that were sampled during the re-entry drilling of the Gold Bar Unit 2 well at its Paradox Lithium Project, Lithium Four Corners in Utah.

Table 1 below, shows the assays obtained from the sampling of the supersaturated brines from Gold Bar Unit 2. The lithium concentrations are well below historical assay results in other parts of the Paradox Basin. The reasons for the low lithium results are still being determined. However, it is also possible that the lithium does not flow from the area around Long Canyon due to cross-cutting structures which may be forming lithium traps, concentrating the lithium in those areas.

Anson has already commenced the second stage of its exploration program at the Cane Creek 32-1 well that it purchased in February 2018. This well is 5 km to the south of Gold Bar Unit 2 and closer to the cross-cutting structures and Robert's Rupture, see figure 1. The exploration program is progressing according to schedule. Once brine samples have been collected at Cane Creek 32-1 they will be sent for assaying at laboratories in the USA. It is expected that the assay results will be available in April 2018. Should the concentration of lithium in the Cane Creek 32-1 brine prove to be of a higher value, a bulk sample will be sent to OUTOTEC for the planned bench-top test work to produce lithium carbonate in Q2 2018.

The concentrations of Br, I, Mg and additional salts (not shown in table) are comparable to the brines sampled from the historic oil wells in the Long Canyon region (southern area of Paradox Brine Project).

| WELL | Clastic Zone | Li | Br | B | I | Mg |
|---|---|---|---|---|---|---|
| **Gold Bar Unit 2** | **17** | **9** | **2,550** | **8.3** | **ND** | **43,833** |
| | **29** | **27** | **1,825** | **32** | **211** | **16,125** |
| | **31** | **21** | **680** | **96** | **ND** | **22,800** |
| **Long Canyon No. 1** | 31 | 500 | 6,100 | n/a | 300 | 21,000 |
| **White Cloud No.2** | 31 | 1,700 | 2,500 | 20,000 | 450 | 43,600 |
| **Big Flat No 2** | 31 | 173 | 1,150 | 2,922* | n/a | 47,789 |

**Table 1: Assay results for 3 Clastic Zones Gold Bar Unit 2 compared to historical assay results (*Borate).**

Both bromine and iodine are expected to be easily extracted in the proposed processing plant under consideration for the production of lithium. Magnesium is precipitated at the start of the extraction process, as shown in the metallurgical test work completed by OUTOTEC (see announcement 12 April, 2017). Each of Mg, Br and I have commercial value and could be recovered and sold to existing markets. The additional revenue generated by these possible products is expected to have an impact on the financial feasibility of the project but this would need to be examined at a later date.

Anson's objective with the sampling program at Gold Bar Unit 2 was to confirm that the supersaturated brines in the Long Canyon area were continuous to the north and were also contained within the other clastic horizons. In addition, the sampling program aimed to identify if the five minerals Li, B, Br, I and Mg continued from the southern section of the Project area, around the Long Canyon No. 1 well, north along the Robert's Rupture to Gold Bar Unit 2.

The assay results for Gold Bar Unit 2 indicate that Mg, Br and I are of a similar concentration to that reported at Long Canyon No. 1 well in all of the clastic zones sampled but the lithium and boron are not. One possibility is that Mg, Br and I were concentrated at the time of the formation/deposition of the Pennsylvanian aged Paradox Formation and that the lithium and boron were concentrated later from the weathering of nearby volcanics.

Furthermore, it may be interpreted that the Roberts Rupture and the cross-cutting structures (see Figure 1 below), which had been previously identified as possibly enabling the release of fluids and pressure at Long Canyon No. 1, may also be acting as "traps" and concentrating the lithium and boron at the central and southern areas of Anson's project area.

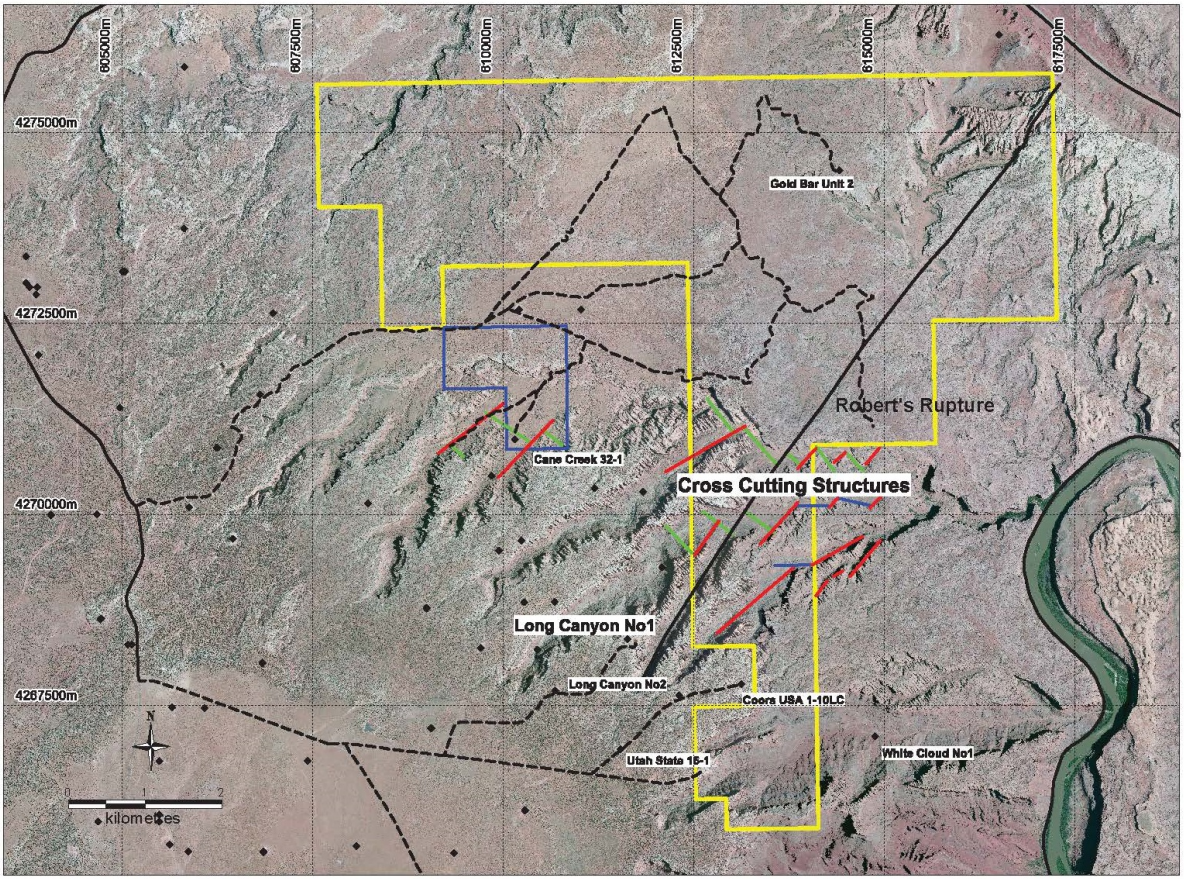


**Figure 1: Plan showing the cross-cutting structures in the project area.**

**About Bromine, Iodine and Magnesium**

The United States of America is the second largest producer of Bromide after Israel, supplying about 30% of the world market. Since 2007, all bromine production in the United States has been at Southern Arkansas' Upper Jurassic Smackover Formation which contains the highest grade of bromine (5,000 to 6,000 ppm) at a depth of 7,500 to 8,000 feet. This depth is similar depth to that of Clastic 31 in the Paradox Basin at 7,080 feet.

Since 2007. Albemarle Corporation operated two main plants in Arkansas with a production capacity of 148,00 tons and its main competitor, Chemtura has a production capacity of 130,000 tons. The current price for bromine is approximately USD4500/ton increasing from USD3,500/ton in 2015.

Most of the world's iodine supply comes from three areas: the Chilean desert nitrate mines and the oil and gas fields of Japan and Oklahoma in the United States. Three companies process iodine-rich brine in Oklahoma, Iochem Corp (USA), Iofina Plc (UK) and Woodward Iodine Corp. (USA). Producers in other countries include Sociedad Quimica y Minera (SQM)(Chile), Nippon Chemicals (Japan) and ISE Chemicals Corporation (Japan).

The brines in Oklahoma are of Pennsylvanian age and are extracted from depths between 6,000 and 10,000 feet (which is similar to the Paradox brines). In 2016 the estimated price for Iodine was USD20,500/ton.

The only producer of magnesium in the North America is US Magnesium LLC which produces magnesium from the brines of the Great Salt Lake, Utah. The magnesium concentration of the Great Salt Lake is 3.3% (33,000ppm).

**The Exploration Program**

This brine sampling program is part of the exploration program that was announced at the Annual General Meeting 30 November, 2017 which is required to prove a JORC compliant resource. This exploration program will continue until December, 2018. (See announcement 1 December, 2017 page 26). The JORC Compliant Resource is required for the Feasibility Study that the Company needs to complete to obtain funding for a large-scale production plant.

The Company is focusing its future exploration activities in the southern part of the project area where higher lithium values have been previously recorded.

**ENDS**

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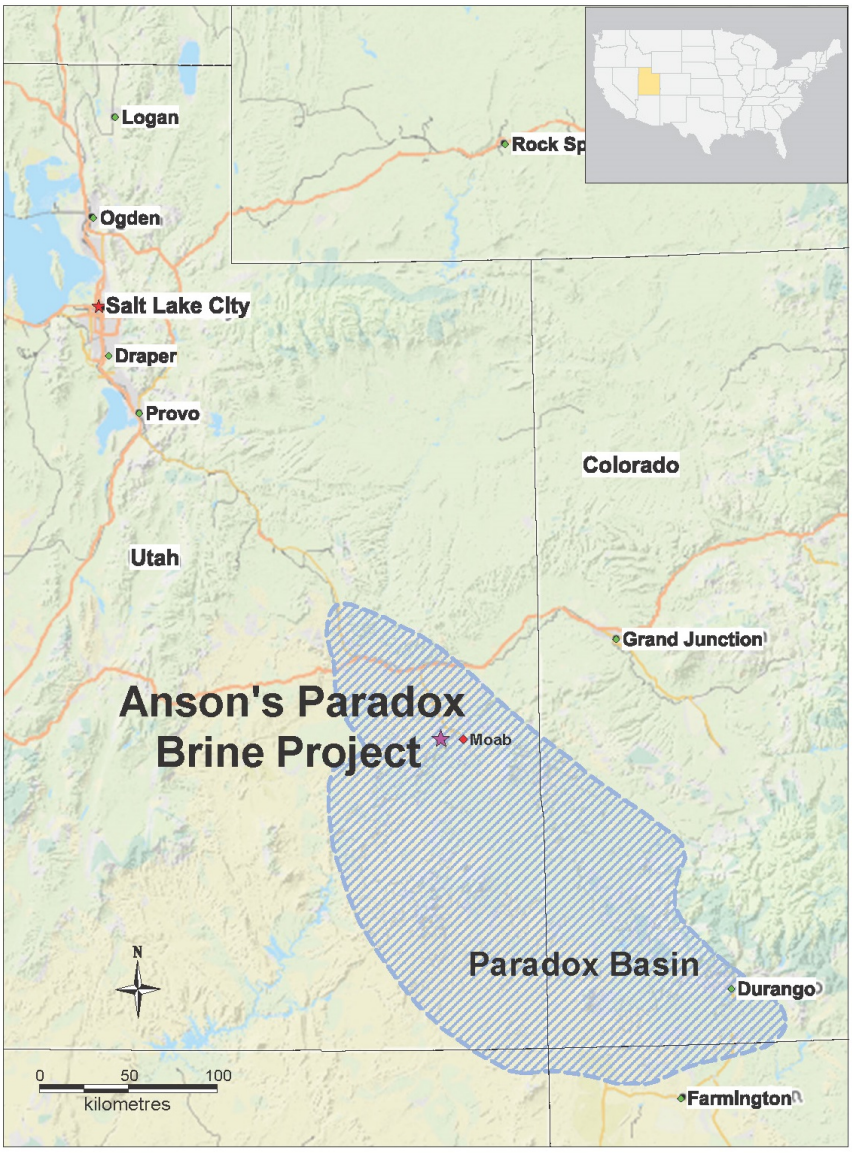
**Forward Looking Statements:** Statements regarding plans with respect to Anson's mineral projects are forward looking statements. There can be no assurance that Anson's plans for development of its projects will proceed as expected and there can be no assurance that Anson will be able to confirm the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

# 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 (eg cut channels, random chips, or specific specialised 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised 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 mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | - Mud Rotary (historic oil well).<br>- Chip cuttings were collected on continuous 10 feet intervals. and<br>- Cuttings were stored at the USGS Core Research facility.<br>- On re-entry, sampling of the supersaturated brines was completed<br>- Samples were collected in IBC containers from which samples for assay were collected<br>- |
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).* | • Mud Rotary Drilling (18 ½" roller bit). |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • Cuttings were recovered from mud returns.<br>• Geophysical logs were recorded downhole.<br>• Sampling of the targeted horizons was carried out at the depths interpreted from the newly completed geophysical logs.<br>• Clastic Zones 17, 29 and 31 were sampled |

# JORC CODE 2012 "TABLE 1" REPORT

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| *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.* | • All cuttings were geologically logged in the field by a qualified geologist. |
| | • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • Geological logging is qualitative in nature.<br>• All the drillhole were logged. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled,* | • Sampling followed the protocols produced by SRK for lithium brine sampling<br>• Samples were collected by an independent consultant (SRK)<br>• Samples were collected in IBC containers and samples taken from them.<br>• Samples were collected and sent for assay, and duplicate samples and<br>• storage samples were also collected and securely stored<br>• Bulk samples were also collected for future use.<br>• Sample sizes were appropriate for the program being completed. |
| *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.*<br>• *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.*<br>• *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.* | • The assays were carried out in a certified laboratory in Nevada, USA (WET Labs).<br>• Duplicates and a storage sample were collected and stored on site.<br>• Stored samples are being sent to an external lab |

## JORC CODE 2012 "TABLE 1" REPORT

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>*Discuss any adjustment to assay data.* | • NA (no samples were previously collected for lithium assay). |
| *Location of data points* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>*Whether sample compositing has been applied.* | • Drillhole was located by Keogh Surveying.<br>• NAD83, Zone 12.<br>• 614414E, 4274508N. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • NA (Gold Bar Unit 2 was a wildcat oil well). |
| *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.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • The drill hole was drilled vertically (dip -90). |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sample security* | The measures taken to ensure sample security. | • NA (cuttings were obtained from USGS Core Research facility).<br>• Sampling protocols were followed and chain of custody recorded. |
| *Audits or reviews* | *The results of any audits or reviews of sampling techniques and data.* | • No audits or reviews of the data has been conducted at this stage. |

**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.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The project comprises 492 granted claims in Utah. All claims are in good standing. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • Past exploration in the region was for oil exploration. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • Lithium is being targeted within the clastic layers within the Paradox Formation. |

## JORC CODE 2012 "TABLE 1" REPORT

| 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:*<br>○ *easting and northing of the drill hole collar*<br>○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>○ *dip and azimuth of the hole*<br>○ *down hole length and interception depth*<br>○ *hole length.* | **Drillhole Summary:**<br>**Gold Bar Unit 2**<br>• 614,414E, 4,274,508N<br>• 4,852 ft<br>• -90, $0^0$<br>• 9,862 ft<br>**Cane Creek 32-1-25-20**<br>• 610,154E, 4,270,986N<br>• $-90^0$, $0^0$ |
| | • *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.* | |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • No averaging or cut-off grades have been applied. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *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. |

## JORC CODE 2012 "TABLE 1" REPORT

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *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.* | |
| *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.* | • Not relevant. |
| *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.* | • The exploration reported herein is still at an early stage. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *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 core drilling. |