Anson Resources Ltd

19 April 2018

**ASX ANNOUNCEMENT**

**ASX: ASN, ASNOB**

# 142 ppm Li Assay Result from Artesian Flow Horizon

## Highlights:

- **Intercepted supersaturated brines in the 6 horizons at Cane Creek well**
  - **Max value of 142 ppm Li from free flowing horizon**
- **High concentration of bromine (Br) and iodine (I)**

Anson Resources Limited (Anson) is pleased to announce that it has obtained assay values for all six sampled Clastic Zones that are significantly higher than those obtained from the Gold Bar sampling program at its Paradox Lithium Project, located in the "Lithium Four Corners" area in Utah. A maximum value of 142ppm Li from Clastic Zone 29, the free flowing horizon, confirms the Company's belief that the lithium concentration is related to the Roberts Rupture structure and the cross-cutting structures which continue to increase in frequency to the south, see Figure 1.

Table 1 below, shows the assays obtained from the sampling of the supersaturated brines from the Cane Creek well. 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), also shown below.

| WELL | Clastic Zone | Li | Br | B | I | Mg |
|---|---|---|---|---|---|---|
| **Cane Creek** | 43 | 27.6 | 3,318 | 39.8 | 596 | 19,938 |
| | 33 | 30.7 | 4,968 | 2.11 | 74 | 12,997 |
| | 31 | 48 | 8,439 | 62.5 | 44 | 16,644 |
| | 29 | 142.7 | 12,894 | 72.9 | 110 | 42,995 |
| | 19 | 70.1 | 3290 | 829 | NA | 18,500 |
| | 17 | 46.2 | 4,798 | 64.5 | 30.6 | 25,625 |
| **Long Canyon No. 1** | 31 | 500 | 6,100 | n/a | 300 | 21,000 |
| **White Cloud No.2** | 31 | n/a | 2,500 | 20,000 | 450 | 43,600 |
| **Big Flat No 2** | 31 | 173 | 1,150 | 2,922* | n/a | 47,789 |
| **Gold Bar Unit 2** | 29 | 27 | 1,825 | 32 | 211 | 16,125 |

**Table 1: Assay results for the Cane Creek sampling program. (* borate)**

Of particular interest are the bromine, iodine and magnesium results which may provide a significant financial contribution to the Paradox Brine Project. Both bromine and iodine are expected to be easily extracted in the proposed processing plant selected 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. They all have commercial value and could be recovered and sold to an existing market. The additional revenue generated by these possible by-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 programs to date 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 part of the Project area, around the Long Canyon No. 1 well, north along the Robert's Rupture structure.

It is also interpreted that the Roberts Rupture structure and the cross-cutting structures had been identified as possibly enabling the release of fluids and pressure at Long Canyon No. 1. These structures may also be acting as "traps" and concentrating the lithium and boron at the central and southern areas of Anson's project area.

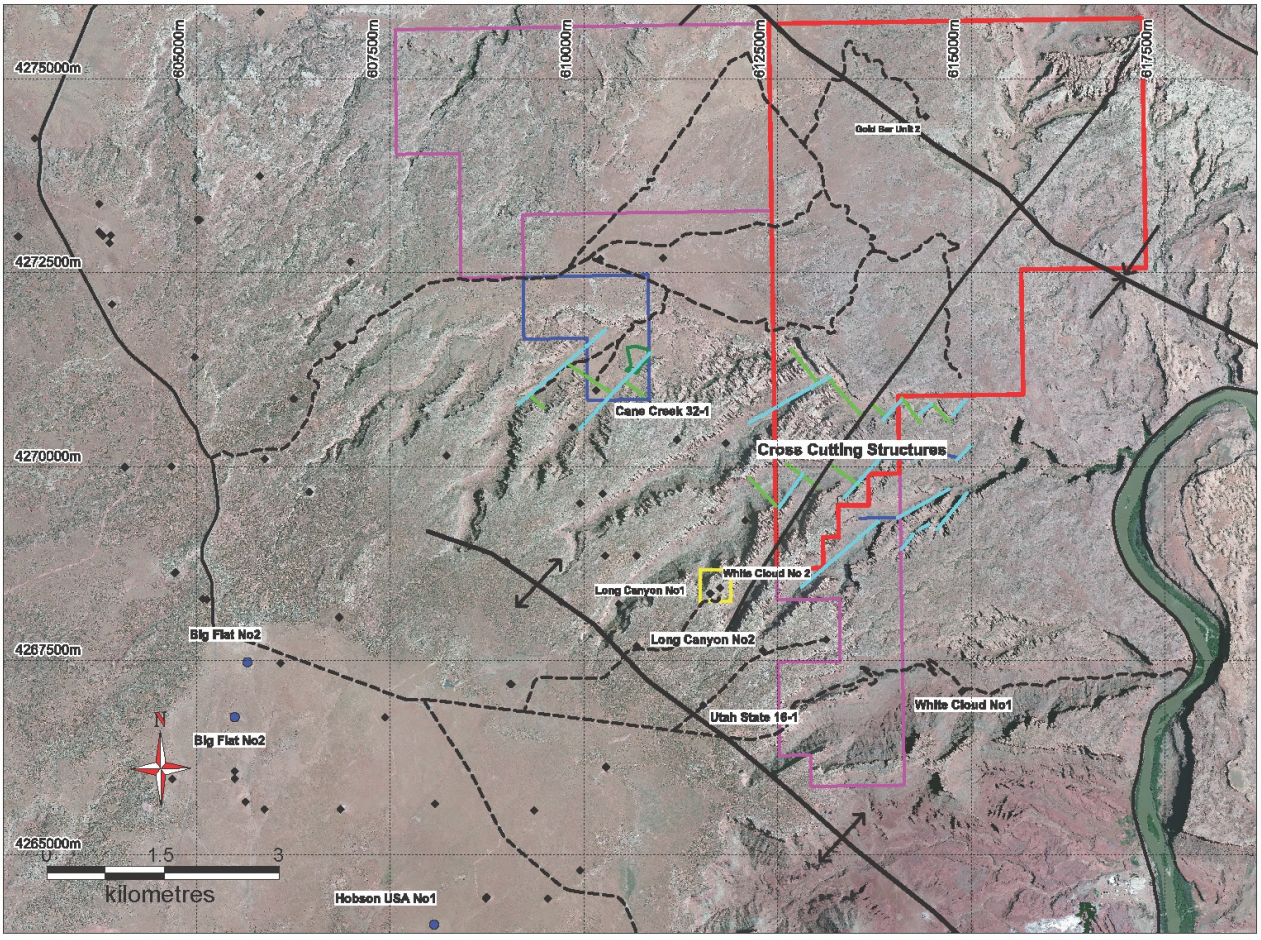



**Figure 1: Plan showing the cross-cutting structures in the project area.**

The historic wells in the Long Canyon area were assayed for salts when they intersected the clastic zones which contained brines that were under pressure and resulted in the brines free flowing to the surface. Not all the samples were assayed for lithium. The locations and lithium

results of the wells sampled for lithium are shown in Table 2. Also, additional properties were recorded in some instances, e.g. flow rates and specific gravity.

| Hole ID | Northing | Easting | Depth | Lithium | Operator | Laboratory | Flow Rate (gph) |
|---|---|---|---|---|---|---|---|
| Long Canyon No1 | 4268364 | 611636 | 8132 | 500 | Southern Natural Gas | USGS | Artesian Flow |
| White Cloud No 2 | 4268438 | 611759 | 6016 | | Roberts | Ford Chemical | 9000 (approx.) |
| Big Flat No 2 | 4267478 | 605659 | 8061 | 173 | King Oil | Chemical & Geological | Artesian Flow |
| Big Flat No 2 (Pure Oil) | 4266772 | 605490 | 7810 | 81 | Pure Oil | Ethyl Corp. | 2100 |
| Hobson USA 1 | 4264099 | 608069 | 6674 | 134 | Pure Oil | Ethyl Corp | Artesian Flow |

**Table 2: Locations of the oil wells sampled for lithium in the Long Canyon 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 148,000 tons and its main competitor, Chemtura has a production capacity of 130,000 tons. Albemarle is the only producer of lithium in the United States. 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). 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. Further exploration programs will be needed to be completed and Anson has already commenced planning for these sampling programs.

The current sampling program at Cane Creek 32-1 is 5 km to the south of Gold Bar 2, closer to the cross cutting structures and the Robert's Rupture structure.

Historically, the lithium rich brines contained within the Clastic Zones that had previously been sampled in the region, were supersaturated. The brines sampled at the Cane Creek well confirmed the results obtained from the sampling at Gold Bar Unit 2 which were also supersaturated.

A bulk sample was also collected from all clastic zones. Brines from each horizon were collected in IBC containers. The samples will be processed in a bench top plant to validate earlier test work on a synthetic brine which showed that lithium carbonate and other products were expected to be able to be produced from the brine.

The results of the bench-top processing will be used in the design of an in-field pilot plant, to further validate that lithium and other minerals can be extracted from the brine.

Anson Managing Director, Bruce Richardson commented, "The results of the Cane Creek sampling program are encouraging and confirm the Company's belief that lithium values increase towards the Long Canyon area where A1 Lithium has recently staked claims. The next stage of the project development, the bench top test work, can now commence with the bulk sample taken from the lithium rich free flowing horizon."

**ENDS**

**For further information please contact:**

**Bruce Richardson**

**Managing Director**

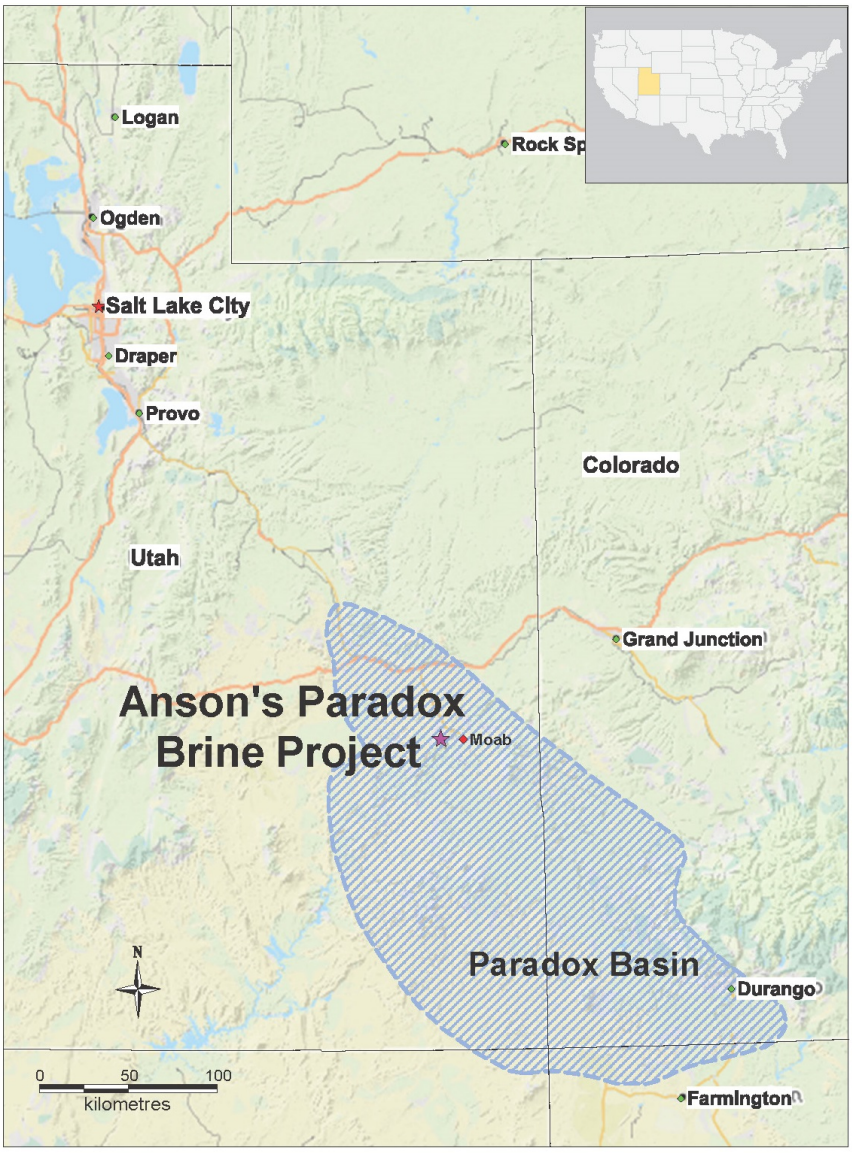
**E: info@ansonresources.com** **www.ansonresources.com**

**Ph: +61 8 9226 0299** **Follow us on Twitter @anson_ir**

**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.

# 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.* | **Historic Wells (mentioned in report)**<br>• Mud Rotary (historic oil well).<br>• Chip cuttings were collected on continuous 10 feet intervals. and cuttings were stored at the USGS Core Research facility.<br>• Historically, brines were sampled only when flowed to surface.<br>• Samples were collected in a professional manner<br>**Cane Creek 32-1-25-20 well**<br>• Mud Rotary (historic oil well).<br>• On re-entry, sampling of the supersaturated brines is to be carried out<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.* | **Historic oil wells in the Paradox Basin**<br>• Not all wells were not cored, but cuttings were collected<br>• Cuttings were recovered from mud returns.<br>**Cane Creek 32-1-25-20**<br>• Sampling of the targeted horizons was carried out at the depths interpreted from the newly completed geophysical logs.<br>• Clastic Zones 17, 19, 29, 31 and 33 to be 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.* | **Long Canyon Historic Wells**<br>All cuttings from the historic oil wells were geologically logged in the field<br>**Cane Creek 32-1-25-20 well**<br>• 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,* | **Long Canyon Historic Wells**<br>• Sample size and quality were considered appropriate by operators/labs.<br>**Cane Creek 32-1-2520**<br>• Sampling followed the protocols produced by SRK for lithium brine sampling<br>• Samples were collected in IBC containers and samples taken from them.<br>• Duplicate samples kept 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.* | **Long Canyon Historic Wells**<br>• Assaying was carried out by US laboratories<br>• Quality and assay procedures are considered appropriate<br>• **Cane Creek 32-1**<br>• The assays were carried out in a certified laboratory in Houston, USA which have experience in oil field brines<br>• Duplicate samples kept (can be sent to an external lab)<br>• Bulk sample (1000l) will be sent off for bench top test work |

# 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.* | **Long Canyon Historic Wells**<br>• See Table 2 in text (for location and assay lab)<br>• Assays are recorded in Concentrated Subsurface Brines UGS Special Publication 13, printed in 1965<br>**Cane Creek 32-1-25-20**<br>Documentation has been recorded and sampling protocols followed. |
| *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.* | **Long Canyon Wells and Cane Creek 32-1-25-20**<br>• The project is at an early stage and information is insufficient at this stage in regards to sample spacing and distribution.<br>• No sample compositing has occurred. |
| *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.* | • Data spacing is considered acceptable for a brine sample but has not been used in any Resource calculations<br>• No sample compositing has occurred. |
| *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.* | • All drill holes were drilled vertically (dip -90).<br>• Orientation has not biased the sampling |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sample security* | The measures taken to ensure sample security. | **Long Canyon Wells**<br>• Sampling was carried out by US Geological Survey but sample security is not known<br>• Cuttings from the drilling have been retained at the USGS Core Research facility<br>**Cane Creek 32-1-25-20**<br>• 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.* | **Long Canyon Wells and Cane Creek 32-1-25-20**<br>• No audits or reviews of the data have 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.* | **Long Canyon Wells**<br>• The wells are located on oil and gas leases, held by multiple oil companies<br>**Cane Creek 32-1-25-20**<br>• The project comprises 494 granted claims in Utah. All claims are in good standing. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | **Long Canyon Wells and Cane Creek 32-1-25-20**<br>• Past exploration in the region was for oil exploration.<br>• Brine analysis only carried out where flowed to surface during oil drilling. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • Oil was targeted within clastic layers (mainly Clastic Zone 43)<br>**Cane Creek 32-1-25-20**<br>• Lithium is being targeted within the clastic layers in the Paradox Form. |

# 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>**Long Canyon Wells**<br>• See Table 2 I text.<br>**Cane Creek 32-1-25-20**<br>• 610,154E, 4,270,986N<br>• 5662 RL<br>• 11,405 TD |
| | • *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.* | **Long Canyon Wells**<br>• No weighting or cut-off grades have been applied.<br>**Cane Creek 32-1-25-20**<br>• 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').* | **Long Canyon Wells and Cane Creek 32-1-25-20**<br>• Exploration is at an early stage and information is insufficient at this stage.<br>• Drill hole angle (-90) does not affect the true width of the brine<br>• |

# 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.* | **Long Canyon Wells**<br>No new discoveries have occurred; all are historic results from the 1960's. Plans 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.* | **Long Canyon Wells**<br>• Reporting of additional results, which are all historic, in the area is not practical as the claims are owned by numerous companies.<br>**Cane Creek 32-1-25-20**<br>• Exploration is at an early stage |
| *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.* | **Long Canyon Wells**<br>• No additional exploration data is meaningful in relation to brines.<br>**Cane Creek 32-1-25-20**<br>• 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.* | **Long Canyon Wells**<br>• Historic oil wells and no future work is to be carried out as claim owned by multiple oil companies<br>**Cane Creek 32-1-25-20**<br>• Further work is required which includes mapping and other exploration programs such as further core drilling. |