Anson Resources Ltd

21 February 2019 **ASX ANNOUNCEMENT**

Anson Achieves High I and Br Recoveries

Highlights:

- **Bromine recoveries of 90% and iodine recoveries of 70% achieved**
- **Potential for additional revenue streams for the Paradox Brine Project**
- **Discussions commenced with parties interested in Br and I**
- **Process optimisation test work continuing by Hazen**
- **Anson is assessing incorporating Br and I recovery processes into the in-field pilot plant**

Anson Resources Limited (Anson) is pleased to announce bromine recovery in excess of 90% and iodine recovery in excess of 70% from laboratory test work.

Hazen Research Inc. have been engaged by Anson to conduct bench scale test work on the potential of the recovery of high value minerals boron, bromine and iodine from brine at Anson's Paradox Brine Project.

A photo of the bromine recovery apparatus is shown below:

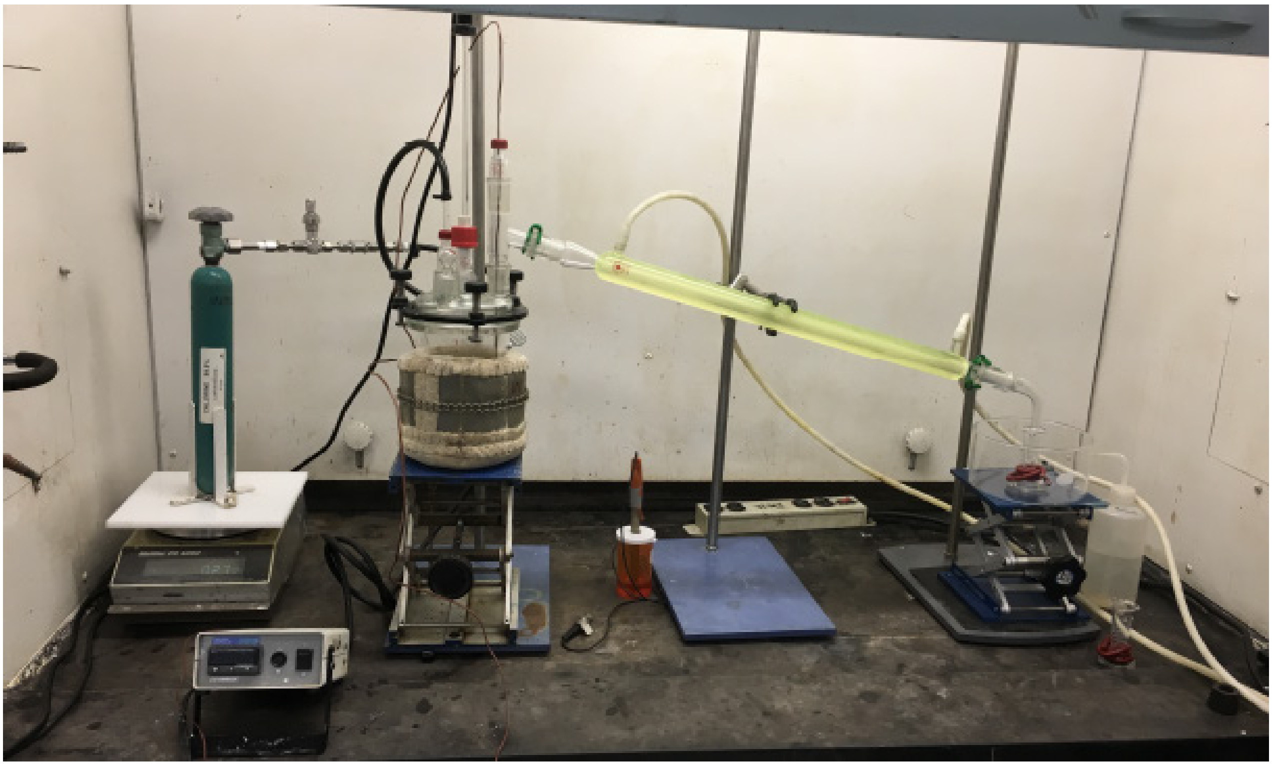

Photo 1: Bromine recovery apparatus

Base case testing has shown that each product can be successfully recovered from the brine using established technologies. Importantly, bromine recovery in excess of 90% and iodine recovery in excess of 70% have been achieved during the testing.

Anson has also commenced discussions with parties who have expressed interest in these products, which has the potential to enable multiple revenue streams to be generated from processing Paradox Basin brine.

Optimisation test work is continuing on improving product recovery and reagent consumptions, with the aim of informing a PFS for a commercial plant. Boron recovery test work is also continuing. Impurity control test work has also been conducted to assist in the design of the in-field pilot plant currently underway.

Anson is now assessing how to potentially incorporate product production in the design of the industrial scale in-field pilot plant currently underway.

About Bromine and Iodine:

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 USD4,500/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. Sociedad Quimica y Minera (SQM) produces iodine from ore in Chile. In Japan iodine is produced from brine by six companies including ISE Chemical Industries, Godo Shigen Sangyo, Kanto Natural Gas Development and Inpex. Brine sourced from Chiba, Japan typically has an iodine grade of ~100 ppm (which is similar to the Paradox brines), 2,000 times higher than natural seawater. Three companies process iodine-rich brine in Oklahoma, Iochem Corp (USA), Iofina Plc (UK) and Woodward Iodine Corp. (USA).

The brines in Oklahoma and Japan are extracted from depths between 6,000 and 10,000 feet (which is similar to the Paradox brines). In 2017 the estimated price for Iodine was USD26,500/ton.

Test Work:

The laboratory scale test work was performed on samples from clastic zone 29 and 43 collected by Anson during the re-entry drilling of Cane Creek 32-1 well in March / April 2018. *See the announcements dated 10 and 19 April 2018 for further details of the assays and location of the sampling program.*

Bromine Oxidation and Recovery by Distillation

Bromine recovery experiments were performed in a resin kettle equipped with an overhead mixer, temperature controlled heating mantle, thermocouple, and fritted glass bubbler. Chlorine was supplied to the reactor via the fritted glass bubbler through a glass rotameter and chlorine flow was controlled using a 316 stainless steel needle valve with PTFE internals. A glycol cooled condenser, operated at 1.0°C, was used to capture condensate from the reactor. The condenser overflowed into a solution of sodium hydroxide, held in an ice bath, to capture uncondensed bromine vapor and retain liquid bromine. A photograph of the experimental apparatus is in Photo 1.

Experiments were carried out using pre-treated brine samples. Samples were brought to pH 2 using 10 wt.% HCl. The pH 2 brine was heated to 75°C and chlorine gas was added to the stirred reactor through the glass frit at 50 ml/min over a predetermined time interval. Once chlorine gas addition was complete the brine was heated to a boil and allowed to boil until the condensate forming in the condenser was clear and without the characteristic orange/yellow bromine colour initially observed. This took approximately 60 minutes in all experiments. The chlorine cylinder was weighed before and after each experiment to determine total chlorine addition. Three experiments were carried out per brine sample, each at a different level of chlorine addition. Samples of the final brine and condensate from each experiment were analysed for bromine by inductively couple plasma mass spectrometry (ICP-MS).

Several modifications were made to the experimental procedure and apparatus over the course of the experimental program. The overhead mixer was replaced with a magnetic stir bar for experiments performed for some samples.

Iodine Oxidation and Recovery by Activated Carbon

A series of experiments were carried out using pre-treated brine. A 200 ml sample of brine was oxidized using a dilute solution of sodium hypochlorite having 2.3 wt% active Cl_2. The pH of the sample was maintained at 2.0 using 10% wt HCl. The electromotive force (emf) of the sample was measured using a Pt–Ag/AgCl reference electrode. The oxidized sample was mixed with Calgon BL powdered activated carbon for 10 min and filtered. The filtrate was titrated for total iodine and this value was used with the initial iodine concentration to calculate iodine removal. Eight experiments were performed using pre-treated brine and six experiments were performed using as-received brine, over a range of hypochlorite addition rates.

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Competent Person's Statement: The information note above that relates to exploration results and geology for the geological projects 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. Mr Knox has reviewed and validated the metallurgical data produced by Hazen Research and consents to the inclusion in this announcement of this information in the form and context in which it appears. Mr Knox is a director of Anson and a consultant to Anson.

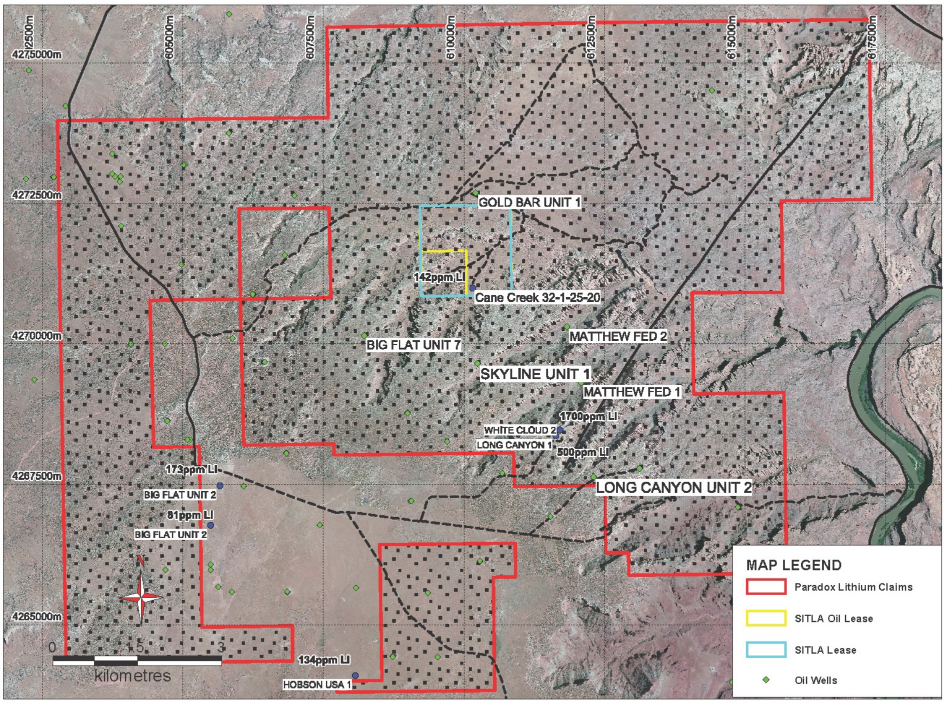
Chemical Engineer's Statement: The information in this announcement that relates to bromine and iodine extraction and processing is based on information compiled and/or reviewed by Mr. Ben Kronholm. Mr. Kronholm is a metallurgical engineer with a MS degree in Metallurgical and Materials Engineering from Colorado School of Mines. Mr. Kronholm has sufficient experience which is relevant to bromine and iodine extraction and processing undertaken to evaluate the data presented.

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.

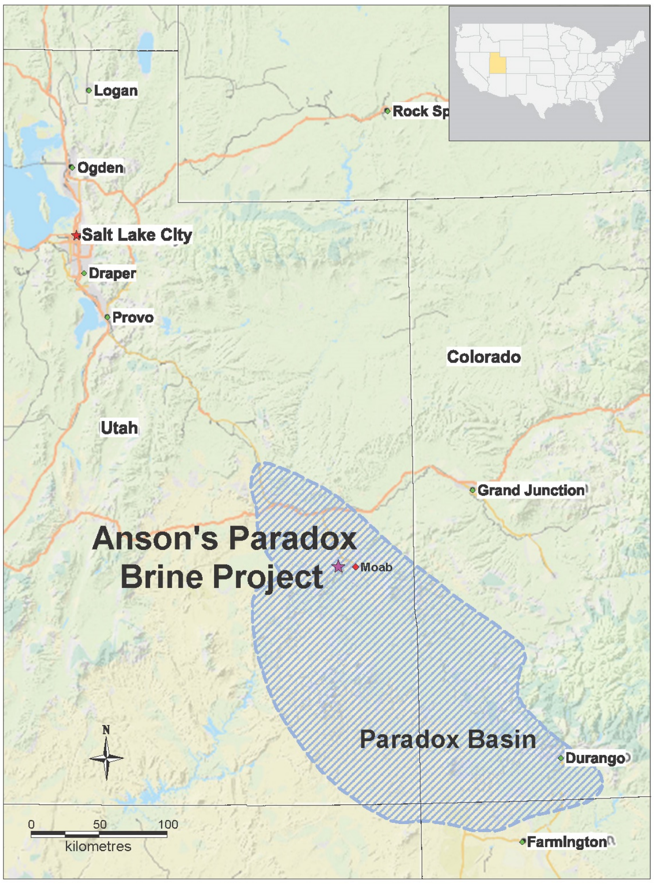
Historical Results: A Competent Person has not done sufficient work on historical exploration results to disclose the Exploration Results in accordance with the JORC Code 2012; and it is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration 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.

About the Paradox Brine 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 claim map is shown below:



The location of Anson's claims within the Paradox Basin is shown below:



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.* • *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 mineralisation that are Material to the Public Report.* • *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)** • Mud Rotary (historic oil well). • Chip cuttings were collected on continuous 10 feet intervals. and cuttings were stored at the USGS Core Research facility. • Historically, brines were sampled only when flowed to surface. • Samples were collected in a professional manner. **Cane Creek 32-1-25-20 well** • Mud Rotary (historic oil well). • On re-entry, sampling of the supersaturated brines is to be carried out. • Samples were collected in IBC containers from which samples for assay were collected.
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).

Criteria	JORC Code Explanation	Commentary
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.*	**Historic oil wells in the Paradox Basin** • Not all wells were cored, but cuttings were collected. • Cuttings were recovered from mud returns. **Cane Creek 32-1-25-20** • Sampling of the targeted horizons was carried out at the depths interpreted from the newly completed geophysical logs. • Clastic Zones 17, 19, 29, 31 and 33 to be sampled.
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.*	**Cane Creek 32-1-25-20 well** • 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.* • *The total length and percentage of the relevant intersections logged.*	• Geological logging is qualitative in nature. • All the drillholes were logged.
Sub-sampling techniques and sample 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 maximise 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,*	**Cane Creek 32-1-25-20** • Sampling followed the protocols produced by SRK for lithium brine sampling. • Samples were collected in IBC containers and samples taken from them. • Duplicate samples kept. • Storage samples were also collected and securely stored • Sample sizes were appropriate for the program being completed. • Bulk samples were also collected for future metallurgical work.

Criteria	JORC Code explanation	Commentary
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.*	**Cane Creek 32-1-25-20** • The metallurgical work was carried out at Hazen's laboratory in Colorado, USA which has experience in oil field brines. • The metallurgical samples were taken from the bulk samples collected previously during the re-entry drilling program. • Assays were carried out using an ICP-OES instrument, • Quality and assay procedures are considered appropriate.
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.*	**Cane Creek 32-1-25-20** • Documentation has been recorded and sampling protocols followed.
Location of data points	• *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.*	**Cane Creek 32-1-25-20** • The project is at an early stage and information is insufficient at this stage in regards to sample spacing and distribution. • No sample compositing has occurred.

Criteria	JORC Code explanation	Commentary
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.*	• Data spacing is considered acceptable for a brine sample but has not been used in any Resource calculations • 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.* • *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). • Orientation has not biased the sampling.
Sample security	The measures taken to ensure sample security.	**Cane Creek 32-1-25-20** • Cuttings were obtained from USGS Core Research facility. • Brine sampling protocols were followed and chain of custody recorded. • The metallurgical samples were collected by Anson personnel and delivered directly to the laboratory.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	**Cane Creek 32-1-25-20** • 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.* • *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 1,317 granted claims in Utah. All claims are in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	**Cane Creek 32-1-25-20** • Past exploration in the region was for oil exploration. • Brine analysis only carried out where flowed to surface during oil drilling. • Oil was targeted within clastic layers (mainly Clastic Zone 43).
Geology	• *Deposit type, geological setting and style of mineralisation.*	**Cane Creek 32-1-25-20** • Lithium and other minerals are being targeted within the clastic layers in the Paradox Form.

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 metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.*	**Drillhole Summary:** **Cane Creek 32-1-25-20** • 610,154E, 4,270,986N • 5662 RL • 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.* • *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.*	**Cane Creek 32-1-25-20** • No averaging or cut-off grades have been applied.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation 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').*	**Cane Creek 32-1-25-20** • Exploration is at an early stage and information is insufficient at this stage. • Drill hole angle (-90) does not affect the true width of the brine.
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.*	• No new discoveries have occurred, all are historic results from the 1960's.
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.*	**Cane Creek 32-1-25-20** • 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.*	**Cane Creek 32-1-25-20** • 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).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	**Cane Creek 32-1-25-20** • Further work is required which includes mapping and other exploration programs such as further core drilling.