

10 October 2019

**ASX ANNOUNCEMENT**

**ASX: ASN**

## **Anson Confirms Brine Bearing Clastic Zones of 35m at Skyline**

### **Highlights:**

- **Clastic Zones 17, 19 & 29 of the Skyline Unit 1 well successfully perforated, sampled and sent for assay**
- **Clastic Zones combined brine thickness confirmed to be 115ft (35m)**
- **High pressure from Clastic Zone 31 experienced when plugging**
- **Long Canyon Unit 2 well will remain open for planned onsite plant**

Anson Resources Limited (Anson) has completed the sampling program of the Skyline Unit 1 well (Skyline well) at its Paradox Brine Project, located in Utah, USA as part of its multiple mineral/multiple revenue stream strategy. This aim of the program was to sample brine in Clastic Zones 19, 19 and 29 for minerals including lithium, bromine, iodine and boron. Brine had been previously recorded in these clastic levels in historical oil and gas drilling logs and geophysical logs that were taken by Anson during the sampling of Clastic Zone 31. The combine thickness of Clastic Zones 17,19, 29 and 31 that have been confirmed by Anson to contain brine have been increased to 115 feet (approximately 35 meters) at the Skyline well.



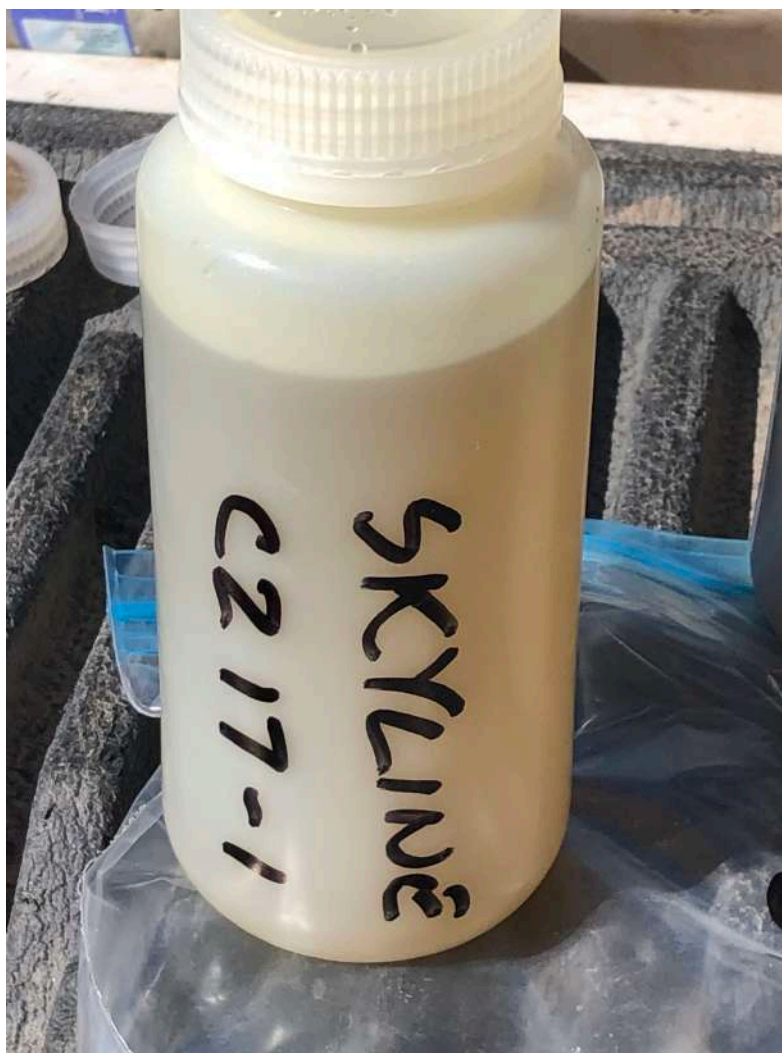
**Figure 1: Workover rig at Skyline Unit 1 well for sampling of clastic zones 17,19 & 29**

This program is a continuation of the well re-entry sampling program that began in the first quarter 2019, the results from which were used in the estimation of Anson's maiden JORC

Resource for Clastic Zone 31 where concentrations of lithium, bromine, iodine and boron were recorded (see *announcement dated 17 June 2019*).

Samples of brine were successfully taken from Clastic Zones 17, 19 and 29 where the brine flowed into the drill tubing after perforating the steel casing of the well pressure indicating that the brine resides in porous rock and that there is pressure in these Clastic Zones. It is worth noting that some difficulty was experienced by the drilling crew in plugging Clastic Zone 31 in the Skyline well due to the very high pressure of the artesian flow which is expected to reduce extraction costs.

The samples collected have been sent to a laboratory in Texas for assaying, the results of which are expected before the end of October 2019. These results will be used to review the JORC estimates and in the Preliminary Economic Assessment (PEA) we expect to complete in Q1 2020.



**Figure 2: Sampled brine to be shipped to laboratory in Texas, USA.**

The characteristics of the Clastic Zones re-entered during this sampling program of the Skyline Unit 1 well compared to Clastic Zone 31, which was used to estimate the maiden JORC Resource, are shown below in Table 1. This data shows that Clastic Zones 17 and 19 are significantly larger than Clastic Zone 31 while Clastic Zone 29 is of similar width.

Clastic Zone	Depth (ft)		Interval (ft)	Porosity	Density
	From	To			
31	6,220	6,245	25	20.05	1.27
29	6,160	6,180	20	16.0	1.27
19	5,560	5,598	38	20.75	1.27
17	5,388	5,420	32	19.25	1.27

Table 1: Characteristics of the Clastic Zones sampled during this program.

Anson is planning to use the results from this sampling program to extend the estimation of its JORC Resource for Clastic zone 31 to include Clastic Zones 17, 19 and 29, where Anson has an existing Exploration Target of 448M to 705M tonnes of brine with estimated grades of 50 to 150ppm Li, 3,000 to 4,000ppm Br, 30 to 100ppm I and 50 to 400ppm B already calculated (see announcement dated 12 June 2019).

The lithium and bromine grades for Clastic Zone 31 recorded by Anson when drilling the Cane Creek 32-1, Skyline Unit 1 and Long Canyon Unit 2 wells are shown in Figure 3.

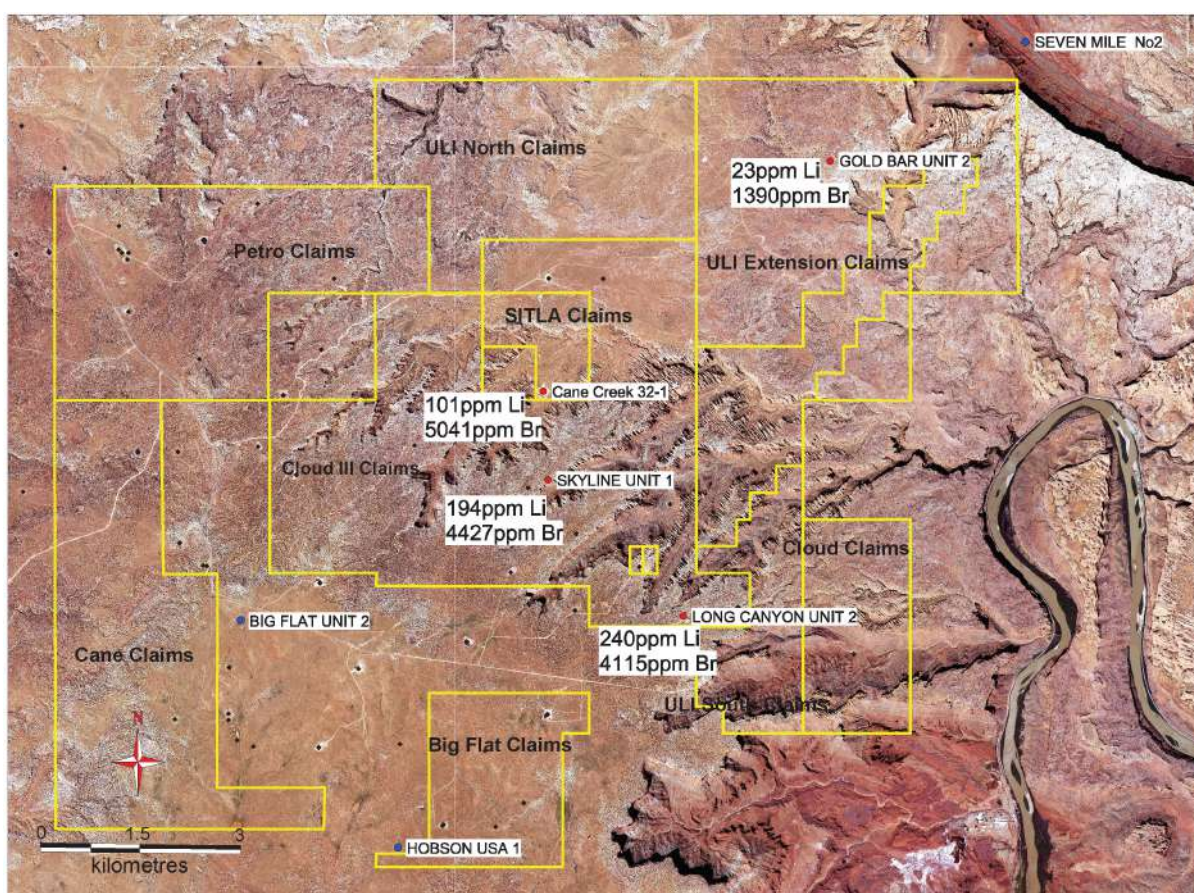


Figure 3: Plan showing Anson's Paradox Brine project area and recorded lithium and bromine grades.



Anson previously sampled Clastic Zones 17, 19, 29, 31 and 33 during drilling at Gold Bar and Cane Creek 32-1, and Clastic Zone 31 during the initial drilling at Skyline Unit 1 and Long Canyon Unit 2 wells. Combined with the current sampling of Clastic Zones 17, 19 and 29 at the Skyline Unit 1 well, Anson expects to be able to upgrade its maiden JORC Resource for Clastic Zone 31 to include Clastic Zones 17, 19 and 29.

Anson had also been intending to re-enter and sample Clastic Zones 17, 19 and 29 via the Long Canyon Unit 2 well, however, it has been determined that the assay result from the Skyline well will be sufficient for a review on the JORC resource and therefore not necessary to conduct this program. In addition, in view of the planned development of an on-site plant, which to be fed from the Long Canyon Unit 2 well, Anson decided not to sample these horizons via the Long Canyon Unit 2 well to reduce the risk of adversely impacting the Long Canyon Unit 2 well.

Anson's decision of whether to enter the other Clastic Zones which have been recorded by historical logs to contain brine, including clastic zones 15, 33 and 43, will depend upon the outcome of the current assay results and the size of the upgraded JORC Resource that is calculated from these additional sampling results.

**ENDS**

**For further information please contact:**

**Bruce Richardson**

**Executive Chairman and CEO**

**E: [info@ansonresources.com](mailto:info@ansonresources.com)**

**Ph: +61 8 9226 0299**

**[www.ansonresources.com](http://www.ansonresources.com)**

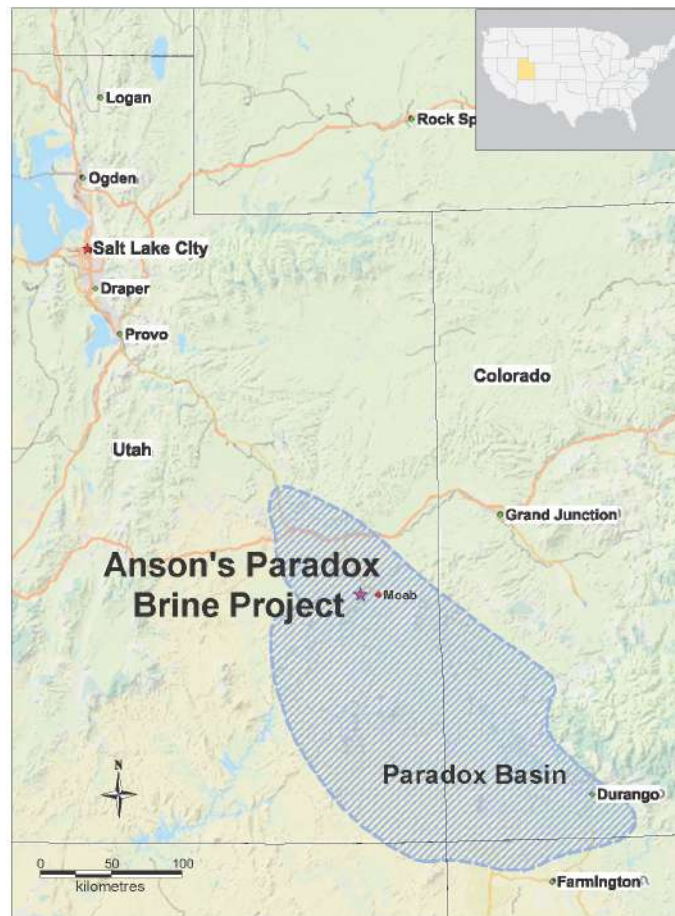
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**Forward Looking Statements:** Statements regarding plans with respect to Anson's mineral projects are forward looking statements. There can be no assurance that Anson's plans for development of its projects will proceed as expected and there can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

**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.

## **About the Paradox Brine Project**

Anson is targeting mineral rich brines in the deepest part of the Paradox Basin in close proximity to Moab, Utah. The location of Anson's claims within the Paradox Basin is shown below:



## 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
<p><i>Sampling techniques</i></p>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li>• <i>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.</i></li> </ul>	<p><b>Historic Wells (mentioned in report)</b></p> <ul style="list-style-type: none"> <li>• Mud Rotary (historic oil well).</li> <li>• Chip cuttings were collected on continuous 10 feet intervals and cuttings were stored at the USGS Core Research facility.</li> <li>• Historically, brines were sampled only when flowed to surface.</li> <li>• Samples were collected in a professional manner.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• Mud Rotary (historic oil well).</li> <li>• On re-entry, sampling of the supersaturated brines is to be carried out.</li> <li>• Samples were collected in IBC containers from which samples for assay were collected.</li> </ul>
<p><i>Drilling techniques</i></p>	<ul style="list-style-type: none"> <li>• <i>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).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Mud Rotary Drilling (18 ½” roller bit).</li> </ul>
<p><i>Drill sample recovery</i></p>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>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.</i></li> </ul>	<p><b>Historic oil wells in the Paradox Basin</b></p> <ul style="list-style-type: none"> <li>• Not all wells were not cored, but cuttings were collected.</li> <li>• Cuttings were recovered from mud returns.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1</b></p> <ul style="list-style-type: none"> <li>• Sampling of the targeted horizons was carried out at the depths. interpreted from the newly completed geophysical logs.</li> <li>• Clastic Zones 17, 19, 29, 31 and 33 to be sampled.</li> </ul>

## JORC CODE 2012 “TABLE 1” REPORT

Criteria	JORC Code Explanation	Commentary
<i>Logging</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<p><b>Long Canyon Historic Wells</b></p> <ul style="list-style-type: none"> <li>• All cuttings from the historic oil wells were geologically logged in the field.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• All cuttings were geologically logged in the field by a qualified geologist.</li> </ul>
	<ul style="list-style-type: none"> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Geological logging is qualitative in nature.</li> <li>• All the drillholes were logged.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled,</i></li> </ul>	<p><b>Long Canyon Historic Wells</b></p> <ul style="list-style-type: none"> <li>• Sample size and quality were considered appropriate by operators/labs.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• Sampling followed the protocols produced by SRK for lithium brine sampling.</li> <li>• Samples were collected in IBC containers and samples taken from them.</li> <li>• Storage samples were also collected and securely stored.</li> <li>• Bulk samples were also collected for future use.</li> <li>• Sample sizes were appropriate for the program being completed.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<p><b>Long Canyon Historic Wells</b></p> <ul style="list-style-type: none"> <li>• Assaying was carried out by US laboratories.</li> <li>• Quality and assay procedures are considered appropriate.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• The assays were carried out in a certified laboratory in the USA.</li> <li>• Assays were carried out using an ICP-OES instrument.</li> <li>• Quality and assay procedures are considered appropriate.</li> <li>• Duplicate samples were collected and sent to another certified lab.</li> </ul>

## JORC CODE 2012 “TABLE 1” REPORT

Criteria	JORC Code explanation	Commentary
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i></li> </ul>	<p><b>Long Canyon Historic Wells</b></p> <ul style="list-style-type: none"> <li>Assays are recorded in Concentrated Subsurface Brines UGS Special Publication 13, printed in 1965.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>Documentation has been recorded and sampling protocols followed.</li> </ul>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>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.</i> <i>Whether sample compositing has been applied.</i></li> </ul>	<p><b>Long Canyon Wells, Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>The project is at an early stage and information is insufficient at this stage in regards to sample spacing and distribution.</li> <li>No sample compositing has occurred.</li> </ul>
<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>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.</i> <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>Data spacing is considered acceptable for a brine sample but has not been used in any Resource calculations.</li> <li>No sample compositing has occurred.</li> </ul>
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>All drill holes were drilled vertically (dip -90).</li> <li>Orientation has not biased the sampling.</li> </ul>



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Criteria	JORC Code explanation	Commentary
<i>Sample security</i>	The measures taken to ensure sample security.	<p><b>Long Canyon Wells</b></p> <ul style="list-style-type: none"> <li>• Sampling was carried out by US Geological Survey but sample security is not known.</li> <li>• Cuttings from the drilling have been retained at the USGS Core Research facility.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• Cuttings were obtained from USGS Core Research facility.</li> <li>• Sampling protocols were followed and chain of custody recorded.</li> </ul>
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p><b>Long Canyon Wells, Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• No audits or reviews of the data has been conducted at this stage.</li> </ul>

### Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<p><b>Long Canyon Wells</b></p> <ul style="list-style-type: none"> <li>• The wells are located on oil and gas leases, held by multiple oil companies.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• The project comprises 1317 granted claims in Utah. All claims are in good standing.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<p><b>Long Canyon Wells, Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• Past exploration in the region was for oil exploration.</li> <li>• Brine analysis only carried out where flowed to surface during oil drilling.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Oil was targeted within clastic layers (mainly Clastic Zone 43)</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• Lithium is being targeted within the clastic layers in the Paradox Form.</li> </ul>

## JORC CODE 2012 “TABLE 1” REPORT

Criteria	JORC Code explanation	Commentary
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> </ul>	<p><b>Drillhole Summary:</b></p> <p><b>Long Canyon Wells</b></p> <ul style="list-style-type: none"> <li>• See Figure 3 in text.</li> </ul> <p><b>Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• 610,245E, 4,269,654N</li> <li>• 5,795 RL</li> <li>• 7,670 TD</li> </ul>
	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<p><b>Long Canyon Wells</b></p> <ul style="list-style-type: none"> <li>• No weighting or cut-off grades have been applied.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• No averaging or cut-off grades have been applied.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>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’).</i></li> </ul>	<p><b>Long Canyon Wells, Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• Exploration is at an early stage and information is insufficient at this stage.</li> <li>• Drill hole angle (-90) does not affect the true width of the brine.</li> </ul>

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Criteria	JORC Code explanation	Commentary
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<p><b>Long Canyon Wells</b></p> <p>No new discoveries have occurred, all are historic results from the 1960's. Plans are shown in the text.</p>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<p><b>Long Canyon Wells</b></p> <ul style="list-style-type: none"> <li>• Reporting of additional results, which are all historic, in the area is not practical as the claims are owned by numerous companies.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• Exploration is at an early stage</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<p><b>Long Canyon Wells</b></p> <ul style="list-style-type: none"> <li>• No additional exploration data is meaningful in relation to brines.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• The exploration reported herein is still at an early stage.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<p><b>Long Canyon Wells</b></p> <ul style="list-style-type: none"> <li>• Historic oil wells and no future work is to be carried out as claim owned by multiple oil companies.</li> </ul> <p><b>Cane Creek 32-1-25-20 and Skyline Unit 1 well</b></p> <ul style="list-style-type: none"> <li>• Further work is required which includes mapping and other exploration programs such as further core drilling.</li> </ul>