



15 May 2017

ASX ANNOUNCEMENT

ASX: ASN, ASNOA

Company Announcements Office
Australian Securities Exchange Limited

Anson Increases Paradox Brine Project Acreage

Highlights:

- **Total acreage increased by 218% (additional 194 claims)**
- **Contains the historical Gold Bar Unit 2 oil well:**
 - **Drilled through the Paradox Formation to 9,682 feet**
 - **Possible re-entry for brine sampling**
- **Access to road, rail, gas and power infrastructure improved**
- **Located in Utah, a mere 11 hours drive from the Tesla Giga Factory**
- **Project sits on Roberts Rupture within the Paradox Basin:**
 - **1,700ppm lithium assayed from Clastic Zone 31, a mere 800m away, with grades comparable to the highest known lithium brine grades worldwide**
 - **Clastic Zone 31 (containing lithium rich brines) possibly replenished from aquifers below, and an additional 20 untested Clastic Zones possibly containing brines**
 - **Brines from Clastic Zone 31 are at higher temperature (60°C compared to 40°C) and pressure (twice) than expected**

Additional Project Area:

Anson Resources Limited (ASX: ASN, ASNOA) (Anson or the Company) has staked an additional 194 placer claims at its ULI Project. The additional area covers 1,570 hectares and increases the project from 89 placer claims with an area of 720 hectares to 283 placer claims with an area of 2,290 hectares, increasing the project area by 218%.

The additional claims are expected to significantly increase the project's previously reported brine volume of Clastic Zone 31 of 10.7 million barrels (refer the announcement of 10 May 2017).

Figure 1 shows the expanded project area, including the location of the historical oil wells from where lithium has been previously assayed.

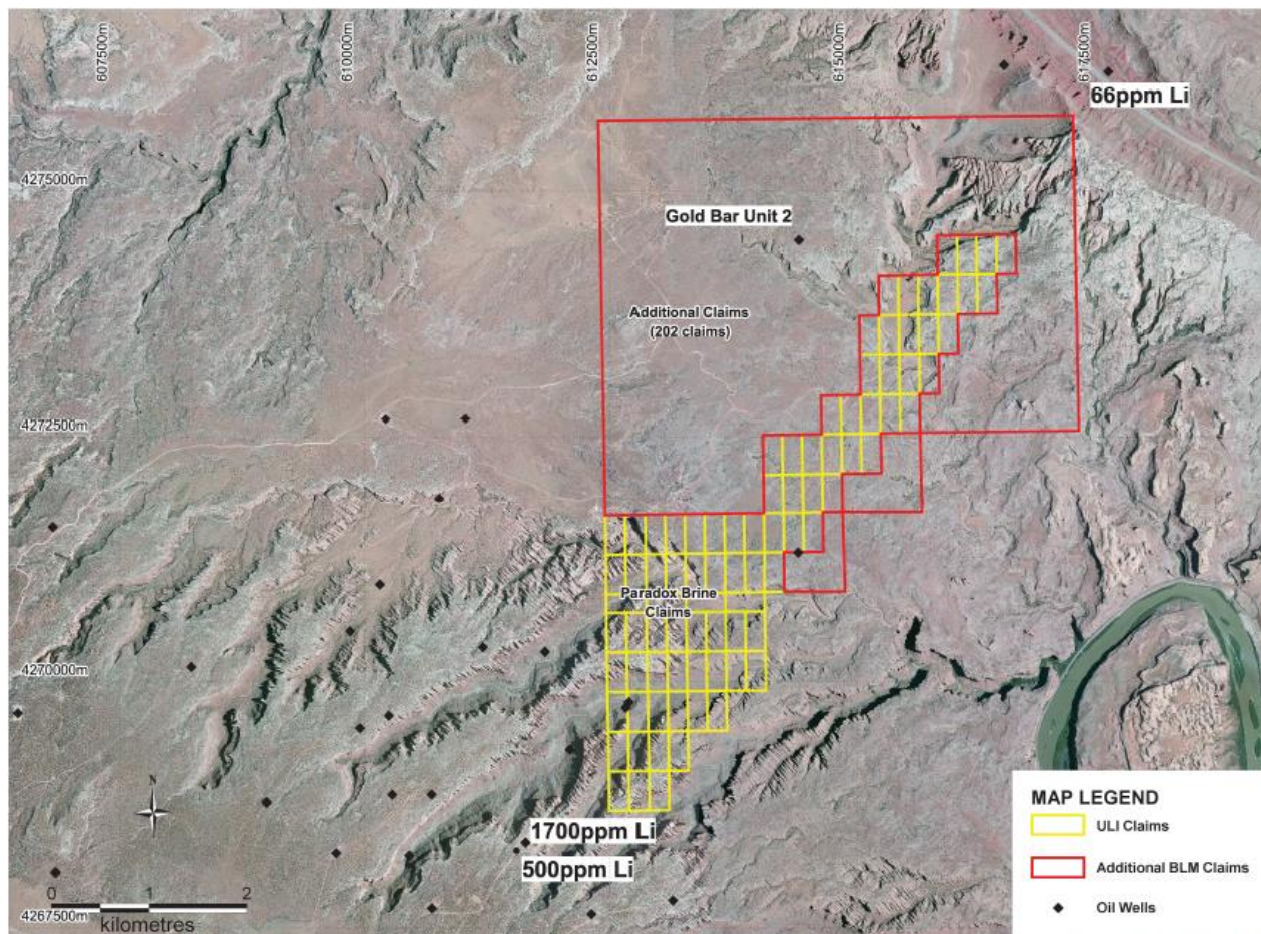


Figure 1: Plan showing the Paradox Brine Project claims and historical oil well locations

The additional area includes the Gold Bar Unit 2 well, which was drilled by Davis Oil Company to a total depth of 9,682 feet.

Figure 2 shows a simplified stratigraphic section from Gold Bar Unit 2 well.

The Gold Bar Unit 2 well intersected the Paradox Formation salt cycles between 4,458 feet and 9,119 feet, and showed the salts had a total thickness of 4,661 feet. The formation contains 29 salt cycles which contain both the salt and brine horizons.

The intersection of Clastic Zone 31 is shown in Figure 2 at 7,080 feet.

The drilling then intersected the Leadville Limestone formation at 9,260 feet. The Leadville Limestone formation is a porous unit containing a large brine aquifer.

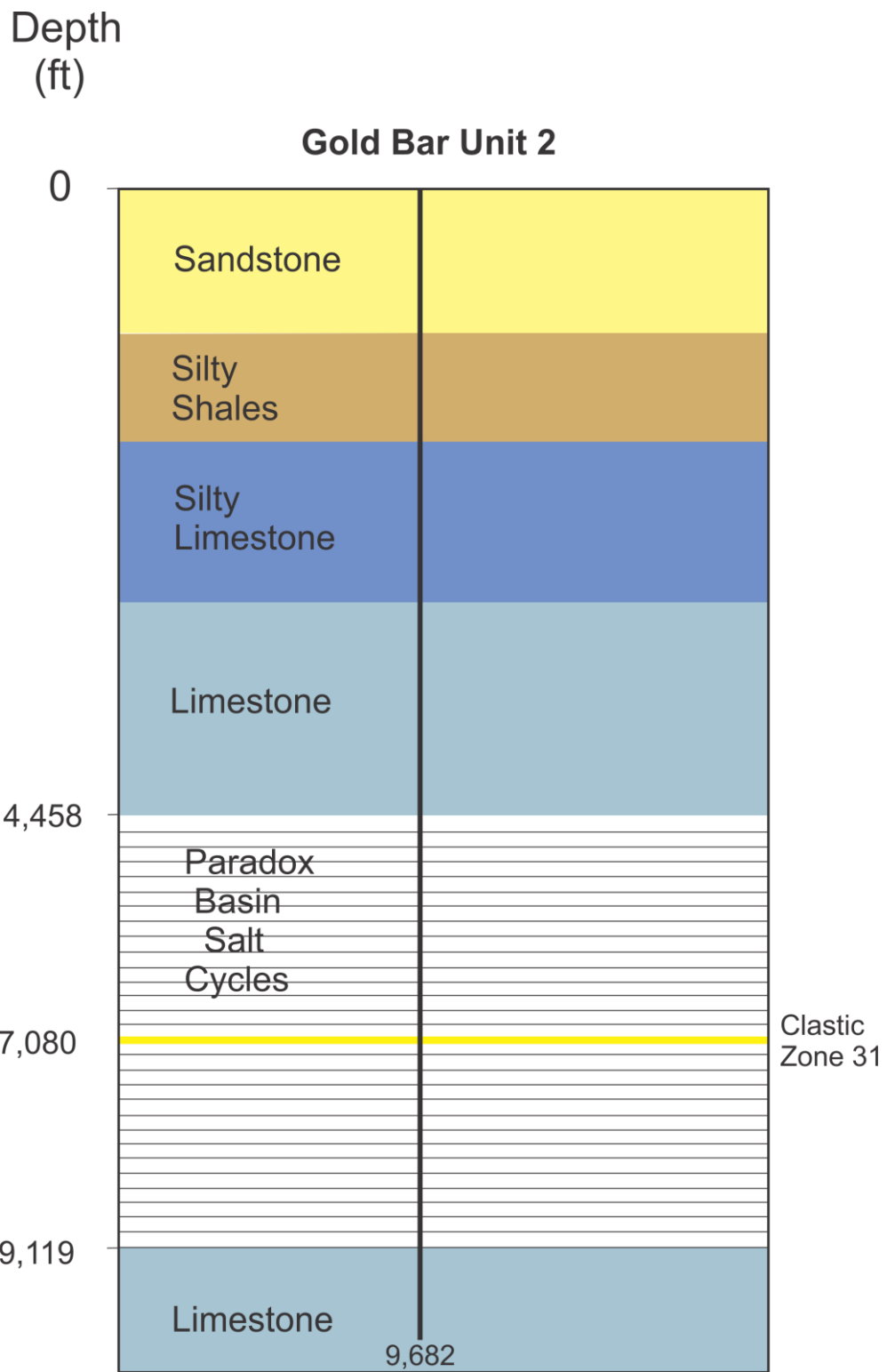


Figure 2: Simplified stratigraphic section from Gold Bar No 2 well

Note Clastic Zone 31 contains lithium rich brines

Infrastructure:

With the additional area, access to existing infrastructure improves. This includes highways and sealed roads, a railway, a gas line and a power line. See Figure 3.

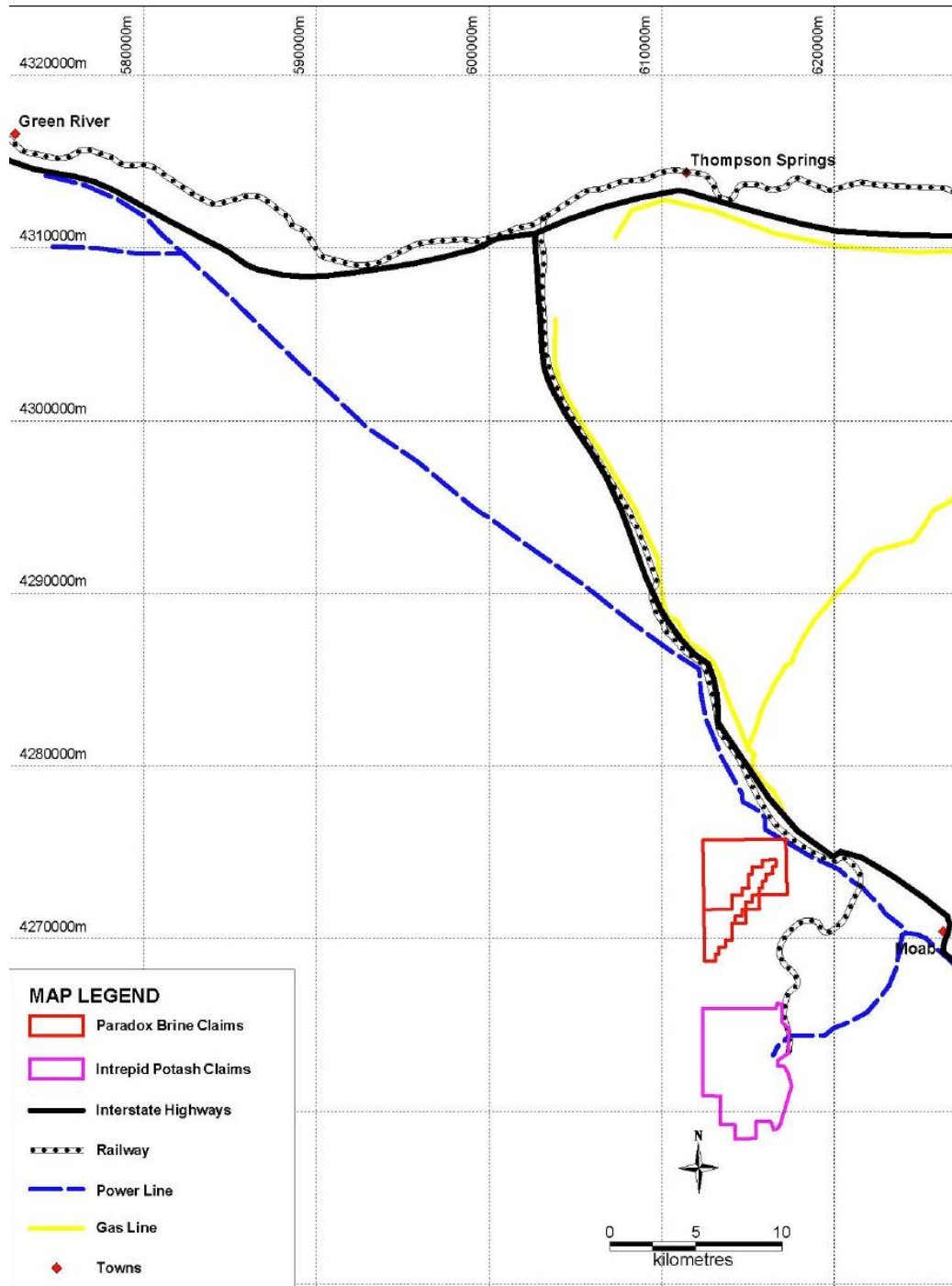


Figure 3: Plan showing the infrastructure in the Paradox Brine Project area

A power line, gas pipeline, road and rail line can be seen in the north east corner of the additional claims, enhancing project logistics. Note the road is an interstate highway providing access to potential customers including the Tesla Giga Factory in the neighbouring State of Nevada. The town of Moab 12km away can be easily accessed by road.



Paradox Brine Project Overview:

The Paradox Brine Project is subterranean pressurised brine (SPB) project targeting brines from Clastic Zone 31, approximately 6,000 to 7,000 feet below the surface, and 20 additional brine zones above and below Clastic Zone 31.

During the 1960's, numerous oil wells were drilled in the region and encountered over pressurised brines in a unit of the Pennsylvanian Paradox Formation named the Clastic Zone 31.

The Pennsylvanian Paradox Formation has been defined in numerous oil wells drilled throughout the region. See Figure 1. While most wells were not analysed for lithium, the Clastic Zone 31 horizon of 2 wells within 1km of the south end of the claims (Long Canyon No.1 and Robert's Well) were assayed and showed lithium values of up to 1,700ppm, and average of 500ppm Li. The higher lithium values were reported close to the Robert's Rupture geological formation which runs through the Project claims. In addition, bromine, boron and iodine were found to be in high concentrations.

The pressurised brines from Clastic Zone 31 contain approximately consist of 30 feet of shale, anhydrite and dolomite, and is not part of any oil reservoir. The brines are under pressure (approximately twice the expected pressure of 4,953 psi) and at a higher temperature than would be expected (60°C compared to 40°C). This resulted in the brines flowing to the surface when intersected by historic drilling.

Engineering reports from the 1960's conclude that the brine reservoir is extensive and is likely recharged from fresh in-flows of artesian water as indicated by well pressure measurements and draw-down tests.

Phase 1 of a testing program on a synthetically prepared brine with a composition based on the brine composition of samples assayed from Clastic Zone 31 (800m south of the Project area) has found that magnesium could be removed with only a very small loss of 1% Li (less than 3%) occurred during the process (refer the announcement of 12 April 2017).

The composition of the synthetic brine used in the test work is shown in Table 1.

Element	Concentration (ppm)
Li	1,700
B	20,000
Br	2,500
I	450
Mg	34,000
Ca	3,000
K	33,000
Na	43,000
CO ₃	200
SO ₄	500
PO ₄	1.5

Table 1: Composition of the synthetic lithium brine solution used in the test work



A low Mg:Li ratio is important for the processing of lithium brines where evaporation ponds are used, with acceptable ratios up to 6. With the Paradox Brine Project expected to have a Mg:Li ratio of 20, Anson has sought to identify a process to enable the extraction of the magnesium. The result of the test work conducted has been that the magnesium has been removed to a battery grade level (<10ppm). The magnesium reduction was achieved with only the lithium loss less than 3%.

In addition, by using a processing plant and avoiding the use of evaporation ponds processing is reduced to hours compared to multiple months using traditional evaporation and processing techniques.

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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.

Anson’s Further Projects:

- The Ajana Project is located in Northampton, Western Australia, a proven and established mining province for zinc, lead and silver. The Ajana Project is adjacent to the North West Coast Highway and 130km north of Geraldton. The prospective ground on the 222km² of tenements E66/89, E66/94 and E66/100 (under application) contain extensive areas of graphitic schist mineralization. The Ajana area is dominated by the Proterozoic gneiss with conformable lenses of meta-sediment, pelitic gneiss, meta-quartzite, mafic gneiss and graphitic schist known as the Northampton Metamorphic Complex, which typically hosts high grade graphite deposits in Western Australia and graphite deposits worldwide.
- The Hooley Wells Nickel-Cobalt Laterite Project is located 800km north of Perth and 300km east of Geraldton in Western Australia. Tenement E9/2218 (under application) and E9/2219 (under application) contain historical shallow drilling which has intersected nickel and cobalt laterites.