

Anson Resources Ltd

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Anson Resources plans to re-enter historic well to sample lithium brine

Anson Resources (ASX:ASN) continues to advance its lithium brine project located in the U.S. State of Utah, focusing its plans on re-entering the historic Gold Bar Unit 2 well to test Clastic 31 brine for lithium.

The re-entering of this well, previously drilled to 9,682 feet for oil, is expected to fast track the project's exploration program with lithium test work commencing before the end of 2017.

In addition, the re-entering Gold Bar Unit 2 will reduce the programs drilling cost, bring forward sampling and analysis of the lithium brine through the reduction in drilling time and lower the complexity of the drilling permit submission by several months.

Gold Bar Unit 2 sits on the additional placer claims (4040 acres) recently staked by its US subsidiary A1 Lithium.

The well was drilled to a depth of 9,682 feet and intersects the deepest part of Anson's target Clastic Zone 31 where lithium brines are expected to have concentrated as well as four other clastic zones that may also be prospective to brine containing lithium.

World-class potential soon to be known

Historical assays of Clastic Zone 31 brines indicated lithium content of up to 1700 ppm, which if replicated in the Gold Bar brines would establish the project as world class.

Submission of approval for the re-entry of Gold Bar Unit 2 is a mere few weeks away, with the company targeted to re-enter Gold Bar Unit 2 in late October 2017.

Anson is progressing to finalise its submission to U.S government regulators for drilling permit approval in the next month.

The appointed engineering consultants, SRK (USA) have extensive experience in the Paradox basin, where the project is located, and are undertaking a well design for the re-entry of the well. Other consultants have already commenced cultural, threatened and endangered species and paleontological surveys.

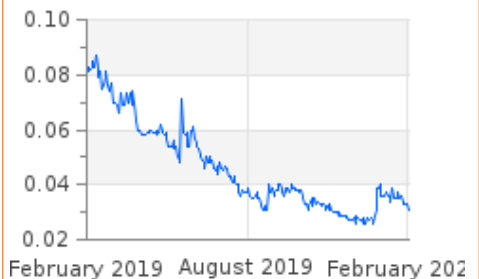
Anson has also identified additional priority drill targets on the recently added 202 placer claims. The additional 202 placer claims staked in May this year resulted in the company saw the company tripling its estimation of the Exploration Target to 30 to 40 million barrels of brine.

The Paradox project puts Anson in an exclusive group of ASX-listed lithium brine explorers with a project located within trucking distance from Tesla's in-

Price: 0.031

Market Cap: \$18.6 m

1 Year Share Price Graph



Share Information

Code: ASN

Listing: ASX

52 week	High	Low
	0.089	0.026

Sector: Battery Metals

Website: www.ansonresources.com

Company Synopsis:

Anson Resources Ltd (ASX:ASN) is targeting lithium rich brines in the Paradox Basin in Utah. Lithium values of up to 1,700ppm have historically been recorded in close proximity to Anson's claim area.

action@proactiveinvestors.com.au

production Gigafactory.

Paradox Lithium Brine Project

The Paradox project is located in the resources friendly jurisdiction of Utah and is an 11-hour drive to the Tesla Gigafactory in the neighbouring state of Nevada.

It is located 4 kilometres from an operating potash mine and in a semi-desert region that has 300 days of sun per year.

Historical brine analysis taken within 800 metres of the project produced results ranging from 500 ppm to 1,700 ppm lithium.

The project covers an 8.9-kilometre strike length along what is known as Robert's Rupture, a significant rift, thought to be a source of lithium rich brines.

Processing technology advantages

Anson will have a valuable opportunity to utilise new processing technologies in the event of developing a lithium brine operation at Paradox.

New extraction technology, which is in the form of a processing plant, as opposed to evaporation ponds, lowers the lithium extraction time from brine to less than 24 hours compared to up to 18 months.

Furthermore, the scalability of this method is unconstrained as opposed to evaporation ponds, where more ponds must be constructed to increase production.

The footprint is also much smaller, which is an advantage for permitting and the purity and recovery rates are also higher.

Finally, the reagents required for the processing plant are only lime and sodium hydroxide.

Importantly, preliminary test work has already been completed, which saw magnesium successfully precipitated in under an hour with a low lithium loss of under 3% achieved.

Project portfolio

Anson has a portfolio of three projects that provide exposure to a range of clean energy commodities and geographical locations.

- Paradox Lithium Brine Project (Utah, U.S.);
- Ajana Graphite Project (Western Australia); and
- Hooley Wells Nickel-Cobalt Laterite Project (Western Australia).

The 100% owned Ajana project is located in Northampton of Western Australia, which is a proven and established mining province with a stable political environment.

The 222-square kilometre project contains extensive areas of graphitic schist

mineralisation within a Proterozoic gneissic geology.

The first reverse circulation drilling program has been completed, which produced results of 30 metres at 2.3% total graphitic carbon (TGC) from surface (up to 4.1% TGC).

Analysis

At a share price of \$0.013, Anson has a market cap of circa \$2.4 million making it one of the lowest valued listed lithium brine explorers.

The project already has a number of foreseeable benefits such as additional revenue from by-products such as iodine, bromine, boron and magnesium.

Furthermore, the levels of heat and pressure reviewed in data support lower operating expenses, which will be further lowered by using modern processing technology.

These advantages can result in a higher margin operation, which can also be complemented by lower capital expenditure due to the location and processing plant method, which in turn can result in a shorter payback period.

Given the project's prime location in a mining friendly jurisdiction with access to in-place infrastructure, any discovery made at Paradox has strong potential to be a share price catalyst.

Bruce Richardson, managing director of Anson, has a proven track record in developing a greenfield mining exploration project into production.

Importantly, Richardson has raised over \$170 million in the past few years for mining projects, which provides investors with confidence that he can manage a discovery through to production.

If Anson is able to turn this Paradox project Exploration Target into an estimated lithium brine resource, it will have the important advantages of being in close proximity to the Tesla Gigafactory and at the lower end of the cost curve being situated near operational infrastructure and developing plans to utilise the latest processing technology.

Deutsche Bank forecasts unprecedented demand growth for lithium in the years ahead due to the rapid growth in electric vehicles and energy storage using lithium-ion batteries.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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