

Anson Resources Ltd

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Anson Resources prepares lithium carbonate samples for qualification testing

- Assays have shown 253ppm lithium from brine
- Brine flow rates have been increased up to 320%
- A JORC resource estimate for minerals such as lithium, bromine, boron and iodine is forthcoming
- A \$3 million capital raising drive is ongoing

What does Anson Resources do?

Anson Resources Ltd (ASX:ASN) (FRA:9MY) specialises in brine-based minerals extraction exploration in the US. It is run by executive chairman and CEO Bruce Richardson, a corporate leader and former Australian trade commissioner who has more than 30 years experience on his CV.

Richardson has focused on the resources industry for eight years and was chief executive officer of Top Iron Pty Ltd and chairman of a government relations subcommittee for the WA Australia China Business Council. He was previously an Australian trade commissioner in China for 10 years.

What does Anson Resources own?

The key asset is the Paradox Lithium Project in the US state of Utah, near the **Tesla Inc (NASDAQ:TSLA)** (FRA:TL0) (ETR:TL0) (SWX:TSLA) gigafactory in Nevada.

The brines found at the project are prospective for lithium, along with bromine, iodine and boron.

Paradox is positioned near vital transport routes such as interstate highways and railways, as well as energy infrastructure such as gas and power lines.

Anson has been assessing how to incorporate bromine and iodine recovery processes into an in-field pilot plant at the lithium brine project to add more to its value.

The company also completed additional flow test rate testing at the Skyline Unit 1 and Long Canyon No 2 wells at the project, revealing last Thursday it had **increased brine flow rates by a significant 320%**.

Contractor Hazen Research Inc had already conducted bench-scale test work for the company on boron, bromine and iodine from Paradox Basin brine extracted from the project, showing each high-value product could be successfully recovered from the brine using established technologies.

Bromine recovery was notably more than 90% while iodine recovery in excess of 70% during the testing.

Price: A\$0.058

Market Cap: A\$28.91M

1 Year Share Price Graph



April 2018 October 2018 April 2019

Share Information

Code: ASN

Listing: ASX

52 week **High** **Low**
 A\$0.19 **A\$0.04**

Sector: Mining

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.

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The price for bromine was tracking up to US\$4,500 a short ton in February 2019 after lower levels of US\$3,500/ton were seen in the commodity cycle in 2015. Iodine was about US\$26,500/ton in 2017.

The US is a major producer of both minerals.

Anson has also recently demonstrated that a five-stage extraction process can recover 89% of boric acid.

Boron in the form of borates is used in more than 300 applications with over 75% of world consumption for use in ceramics, detergents, fertilisers and glass.

The company has been in discussions with a number of parties interested in the by-products, which could open the door to multiple revenue streams.

It has been looking at improving product recovery and reagent consumptions, work it expects would inform a pre-feasibility study (PFS) for a commercial plant for its project.

Anson hopes to determine how it can potentially incorporate product production in the design of an industrial scale in-field pilot plant underway at its project.

In March 2019, the company revealed it had **achieved the deepest result of brine from its exploration program since it started.**

The zone of heated and pressurised supersaturated brine was intersected at 6,318 feet.

A flow rate of 35 barrels per hour of heated brine was recorded from Long Canyon No 2 well and the well continued to flow consistently for 10 hours until the horizon was temporarily shut-in.

It is the second and final re-entry of an existing oil well to be carried out by Anson in the third exploration program at the Paradox project to sample brines.

The event took place during the company's fourth re-entry drilling of Clastic 31 at the brine project.

Clastic 31 goes to depths of 7,080 feet at Paradox Basin, a similar depth to the 7,500-8,000-foot depth of the US' only producing formation for bromine since 2007, the Southern Arkansas' Upper Jurassic Smackover Formation.

The Southern Arkansas resource puts the US as the second largest producer of bromine after Israel.

The super-saturated Clastic 31 zone horizon averages lithium values of 500ppm, achieving up to 1,700ppm.

Anson's portfolio includes other brine-bearing clastic zones — 7, 9, 13, 21, 25, 27 and 43 — with 17, 19 and 29 being super-saturated like 31.

Clastic zone 17 had lithium values of up to 339ppm in assaying.

The Chilean desert and the gas fields of Japan and the US state of Oklahoma supply most of the world's iodine, with brines in Oklahoma and Japan

extracting at similar depths to the Paradox brines, being between 6,000 and 10,000 feet.

In March 2019 Anson confirmed its **brine from testing would be sampled for lithium, bromine, iodine and other minerals** so it could be used to help estimate a JORC resource.

This month, the company reported **lithium in the brine had assayed at 253ppm.**

Anson had previously beefed up its expertise, with **lithium processing expert Alexander Grant joining the company as a technical advisor.**

Grant also joined the company's board as a non-executive director.

Anson had \$2.9 million cash at the end of 2018 and expected about \$1.5 million of expenses for the March quarter of 2019.

A \$740,000 sum was budgeted for exploration and evaluation, with \$250,000 for development.

Last week the company unveiled a \$1.65 million, 27.5 million-share subscription commitment from strategic investor Chia Tai Xingye International as it launched a 6-cents-a-share securities purchase plan (SPP) as it **hoped to raise \$3 million in the June 2019 financial quarter.**

Subscriptions are due to close on May 10, 2019.

Anson's next quarterly reports are expected at the end of April 2019.

Inflection points

JORC resource estimates for minerals such as lithium, bromine and iodine at the project

In-field plant results and successes

Project financing milestones

Prefeasibility study commitment, launch and results

Further feasibility study commitments

Strategic partnerships, portfolio building, or offtake or production take agreements

Executive chairman & CEO Bruce Richardson highlights high brine recoveries

"We've just completed the fourth re-entry programs," executive chairman and CEO Bruce Richardson told Proactive Investors from New York two weeks ago.

"We go down to existing oil wells and we look to perforate those casings and to obtain samples of brine from 6,500 feet below surface, so the fourth hole has just been completed at the end of last week, the assay results are currently pending — the samples have already been sent to lab — but given the results that we've seen at surface look very similar to what we've found before (it) gives us an indication that we're able to link the three existing holes, Cane Creek, Skyline and now Long Canyon No. 2 ... link those up and establish an area that we'll be able to work on."

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