



Quarterly Activities Report

For the Period Ending 30 September 2017

Overview

Paradox Brine Project, Utah, USA:

- Following the completion of a project review with the assistance of SRK Consulting (U.S.) Inc. to prioritise drilling targets, Anson submitted a Notice of Intent (NOI) for exploration activity to re-enter historical Gold Bar Unit 2 well to test for lithium
- Re-entering an existing well is expected to be faster, lower cost and lower risk than drilling a new well
- BLM finalised its “Completeness Review”, no further information was required
- Anson is on schedule to commence re-entry drilling at the historical Gold Bar Unit 2 well to test for lithium in Q4 2017
- Additional Clastic Zones containing brine in the project area identified
- Potential to significantly increase Anson’s Exploration Target
- 3 stage metallurgical testwork program planned, commencing with bench-top processing of a 500l brine sample leading to the design of an in-field pilot plant

Corporate:

- Memoranda of Understanding executed with three leading Chinese Battery Manufacturers to work towards Supply Off-take Agreements.
- On-going discussions with other interested Chinese and non-Chinese parties
- Private placement and a Share Purchase Plan at 1.1 cents per share raised \$461k and \$764k, respectively
 - Funds will be utilised for exploration, including drilling at Anson’s Lithium Project in Utah
- A general meeting of shareholders approved the issue of 121 million 2.5 cent, 10 August 2018 expiry options to participants in the private placement and SPP, and the arranging broker
- 20 million shares to be placed to an overseas sophisticated investor at 3 cents, raising \$600,000 with settlement expected on 27 October 2017
 - Placement proceeds to be used for exploration, including processing a bulk brine sample in a bench-top lithium plant
 - Results to be used to design a pilot plant for in-field validation of the processing plant technology

Paradox Brine Project, Utah

About the Project:

The Paradox Brine Project consists of 89 placer claims (the ULI Claims) which are subject to an earn-in agreement and 202 placer claims (the A1 Lithium Claims) which are 100% owned by Anson.

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

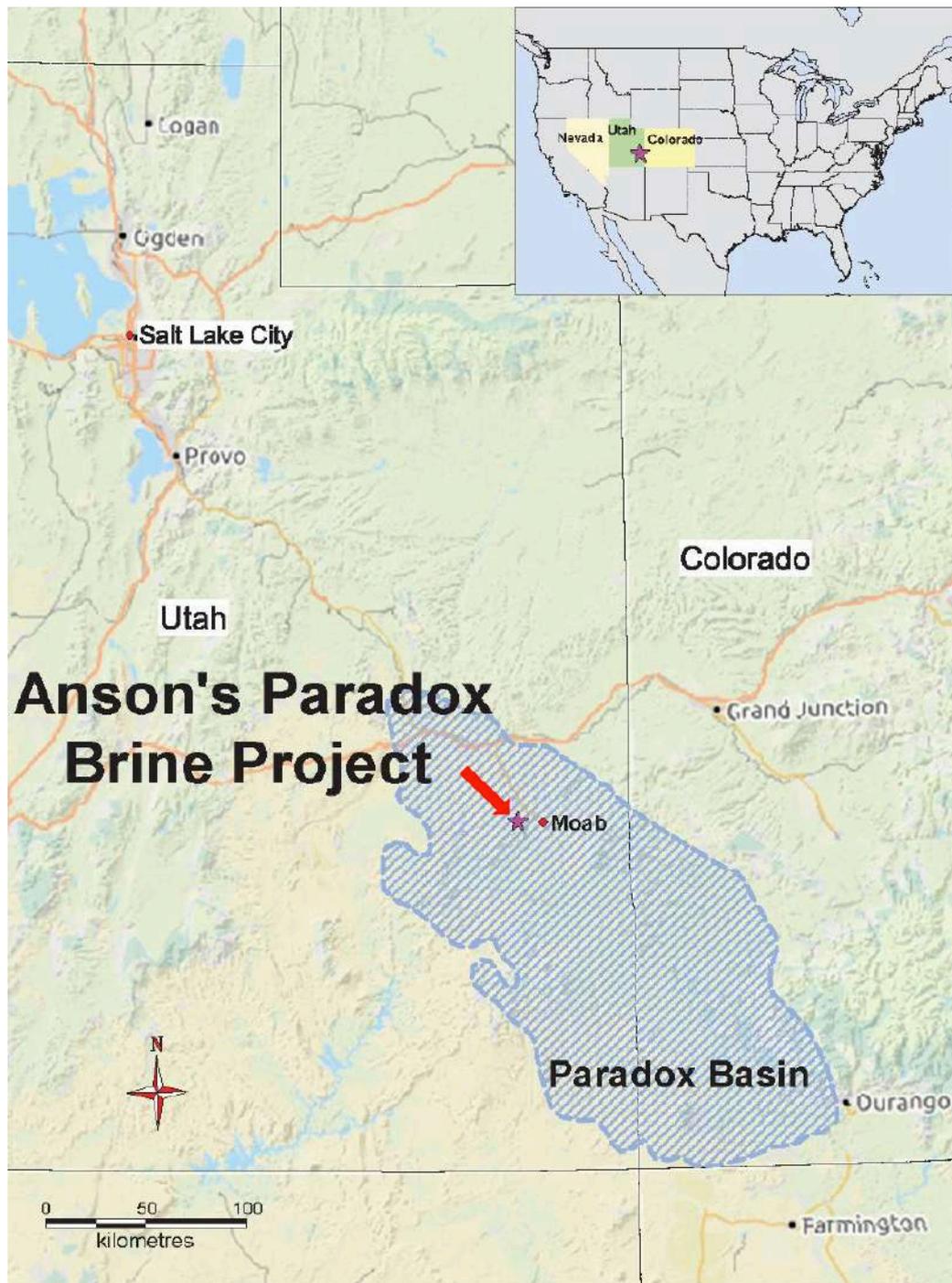


Figure 1: Location of Anson's Paradox Brine Project



The Project sits on Roberts Rupture within the Paradox Basin and has several favourable characteristics:

- 1,700ppm and 500ppm lithium have been assayed historically from Clastic Zone 31, a mere 800m away, with grades comparable to the highest known lithium brine grades worldwide;
- In addition, high concentrations of other minerals including boron and bromine were noted in assays;
- Clastic Zone 31 (containing lithium rich brines) is possibly replenished from aquifers below, and there are an additional 20 untested Clastic Zones possibly containing brines;
- Brines from Clastic Zone 31 are at higher temperature (60⁰C compared to 40⁰C) and pressure (twice) than expected; and
- Is located near the town of Moab in Utah, USA, approximately 11 hours by road from Tesla's Gigafactory.

It is a subterranean pressurised brine (SPB) project with Anson 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 within the Pennsylvanian Paradox Formation, which has been defined in numerous oil wells drilled throughout the region.

Two wells within 800 m of the south end of the claims (Long Canyon No.1 and Robert's Well) were assayed for lithium within the Clastic Zone 31 horizon, and showed lithium values of up to 1,700ppm, with an average of 500ppm. The higher lithium values were reported closest 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 brines from Clastic Zone 31 are contained within of up to 36 feet of shale, anhydrite and dolomite, and are not part of any oil reservoir. During historic drilling, over pressurised brines (approximately twice the expected pressure of 4,953 psi) were encountered in Clastic Zone 31 and were found to be at a higher temperature than expected (60⁰C compared to 40⁰C). 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.

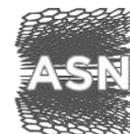
Exploration Target:

Anson has estimated an Exploration Target of the lithium rich brines within Clastic Zone 31 of 30 to 40 million barrels with a grade of 500 to 1,700ppm.

Cautionary Statement: The potential quantity (volume) and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of Mineral Resources.

Potential to Significantly Increase Anson's Exploration Target:

Additional horizons are known to contain brines, specifically Clastic Zones 7, 9, 13, 21, 25, 27 and 43, with Clastic Zones 17, 19 and 29 historically having been found to be super-saturated. Clastic Zone 17 brine has been previously assayed for lithium with historical records indicating lithium values of up to 339 ppm with the zone having a thickness of 35 feet at a depth of 6,205 feet. Clastic Zone 31 is 25 feet thick and is at a depth of 7,080 at Gold Bar Unit 2.



The additional brine bearing Clastic Zones may provide significant additional upside potential to Anson’s Exploration Target, improving the potential viability of the project. During the re-entry drilling of the Gold Bar Unit 2 well, Anson intends to take samples from some of the known brine zones which are shallower than Clastic Zone 31.

The Paradox Formation consists of 29 salt cycles. Not all cycles are present at every location within the Paradox Formation, and Table 1 shows the Clastics Zones present in Anson’s Paradox Brine Project area:

| CLASTIC ZONE | Depth (ft) | THICKNESS (ft) | Comment |
|---------------------|-------------------|-----------------------|---------------------------------|
| 3 | 4,560 | 110.5 | |
| 5 | 4,930 | 76.5 | |
| 7 | 5,170 | 67.2 | |
| 9 | 5,410 | 34.8 | |
| 11 | 5,600 | 74.5 | |
| 13 | 5,968 | 19.0 | |
| 15 | 6,090 | 5.5 | |
| 17 | 6,205 | 35.2 | Confirmed Supersaturated Brine |
| 19 | 6,334 | 34.5 | Confirmed Supersaturated Brine |
| 21 | 6,580 | 55.5 | |
| 23 | 6,680 | 15.2 | |
| 25 | 6,720 | 25.0 | |
| 27 | 6,870 | 19.8 | |
| 29 | 7,020 | 14.8 | Confirmed Supersaturated Brine |
| 31 | 7,080 | 24.5 | Anson’s Main Target Zone |
| 33 | 7,270 | 10.5 | |
| 35 | 7,320 | 6.0 | |
| 37 | 7,598 | 8.8 | |
| 39 | 7,830 | 40.0 | |
| 41 | 8,018 | 25.0 | |
| 43 | 8,266 | 82.2 | Confirmed Supersaturated Brine |
| 45 | 8,370 | 16.8 | |
| 47 | 8,440 | 8.3 | |
| 49 | 8,560 | 8.3 | |

Table 1: The table shows the Clastic Zones and the thicknesses in the Gold Bar Unit 2 well.

The clastic horizons do exist in the project area below Clast Zone 49 but not all the historic wells have been drilled to those depths.

Sampling Program:

Anson is planning a drilling program to commence in late Q4 2017, with the main target being the lithium rich brines within Clastic Zone 31. At the same time, and for minimal incremental cost, Clastic Zones 17, 19, and 29 will be sampled over a period of 5 hours with 1 litre samples being collected every 20 minutes. The samples will be transported to a certified laboratory and sampled for Li and the other commodities such as B and Br.



Clastic Zones 17, 19, and 29 will also be flow tested.

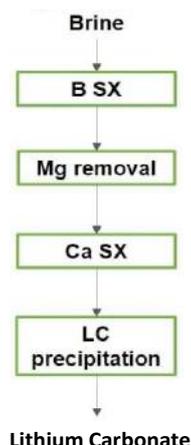
Clastic Zone 31 will be flow tested for a longer period and a bulk sample, up to 30,000 litres will be collected and retained for metallurgical test work.

Metallurgical Test Work and Plant Development Program:

Anson plans to use samples taken during the Gold Bar Unit 2 drilling program to conduct test work to determine the design of a processing plant to extract lithium and other minerals from the Paradox Basin brines. The proposed stages of the metallurgical test work are:

- **Stage 1:** Assay samples collected during the Gold Bar Unit 2 drilling program for lithium and other minerals at a laboratory in the USA.
- **Stage 2:** Once assay work has been completed a bulk sample of 500 litres of brine from the Gold Bar Unit 2 re-entry drilling will be processed in a bench-top plant with a goal of producing LCE.

The process to be used will be based upon that which successfully removed magnesium from the synthetic brine sample as announced by Anson 12 April 2017. This test work will consist of extracting the boron by solvent extraction (SX), followed by the extraction of the magnesium and calcium by a SX process. The final stage is the production of lithium carbonate. This process is illustrated below:



- **Stage 3:** The results of the bench top pilot plant will be used for the design of an in-field pilot plant prior to progressing to further drilling, feasibility study, and ultimately full-scale production. The in-field pilot plant is intended to validate the process designed, and tested in the laboratory scale bench-top plant, and is not intended to be a production plant.

Permitting:

Anson submitted a Notice of Intent (NOI) permit application with the US Bureau of Land Management (BLM), Utah, and Utah state authorities to drill and re-enter the historical Gold Bar Unit 2 well to test for lithium.



The application to conduct drilling activities at Gold Bar Unit 2 has been accepted by the Bureau of Land Management (BLM) and as a result the Company is on schedule to commence drilling in Q4 2017.

The BLM have completed their review of Anson's application to drill. All required information has been provided, enabling Anson to progress to the next stage of the Notice of Intent for Exploration Activity (NOI) application process. The BLM has also completed a site visit to the Gold Bar Unit 2 area (see Figure 2) and no issues were identified.



Figure 2: Representatives of the Bureau of Land Management at Gold Bar Unit 2 Re-entry Site

Following the review by the BLM, an Application for Permit to Drill (APD) has now been electronically submitted to the Utah Division of Oil, Gas and Mining (UDOGM). Approval is expected in mid November 2017.

Drilling:

Once fully permitted, Anson intends to commence its drilling program with the entry of an existing well, Gold Bar Unit 2, which was previously drilled through the brine zones Anson is targeting to sample for lithium. Several drilling companies have already indicated that they have suitable rigs in the area in the time frame in which Anson expect to receive approval to re-enter the Gold Bar Unit 2 well.



The Ajana Project

About the Project:

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.

Project Assessment:

Following drilling programs in previous quarters, interpretation of data is ongoing to assist in planning the next stages of exploration.

Hooley Well Cobalt-Nickel Laterite Project

About the Hooley Well Project:

The Hooley Wells Nickel-Cobalt Laterite Project is located 800km north of Perth and 300km north-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.

Tenement E9/2218 is expected to be granted in Q4 2017, following which exploration may commence.

Iconic Minerals Ltd

Anson has an interest in the TSX listed company Iconic Minerals Ltd, which was purchased in the September 2015 quarter. The shares held by Anson were valued at \$54k at 30 September 2017.

Corporate

Lithium MOU Off-take Agreements:

Anson held meetings in China with several interested parties to discuss their interest in the signing off-take agreements for the supply of lithium from the Anson's Paradox Lithium Project and investing in its development strategy. Anson's corporate team is well known to key Chinese battery industry participants after visits to their production facilities over the past two years.

Non-Binding Memoranda of Understandings ("MOU's") were signed with Link Data Technologies Co. Ltd (Beijing), Far East First New Energy Co., Ltd (Jiangxi) and CBAK



Power Battery Co. Ltd (Dalian) to enter into detailed negotiations for the supply of lithium from the Paradox Brine Lithium Project in Utah, USA. In addition, Anson held several negotiations regarding investment in the project to enable it to fast track production.

Discussions with other parties identified by Anson are continuing in parallel with these negotiations. Anson notes that any meetings or consideration in regard to any potential transactions are preliminary and there is no certainty that any binding agreement will be reached. Anson will update shareholders upon any further developments in this regard.

Cash and Marketable Securities:

At 30 September 2017 the Company had cash on hand of \$1,190k.

In addition, the Company has investments in a listed company valued at \$85k at 30 September 2017.

Capital Raising – Placement and SPP:

Anson raised \$461,961.32 in a placement to professional and sophisticated investors of 41,996,484 fully paid ordinary shares at an issue price of 1.1 cents per share.

Anson also closed its massively oversubscribed Share Purchase Plan (“SPP”). Applications for \$935,500 worth of shares were received, more than twice the amount sought of \$400,000.

Given the overwhelming demand from shareholders, Anson increased the size of the SPP to the maximum permitted by the ASX Listing Rules, resulting in \$763,965 being accepted from 79 applicants.

Following completion of the placement and SPP, shareholder approval for the issue of 121,447,849 options to participants in the placement and SPP, as well as the broker who arranged the placement, were approved at a general meeting held on 28 September 2017.

The options were issued on a one-for-one basis to participants in the placement and SPP and have an exercise price of 2.5 cents per option on or before 10 August 2018.

The funds raised under the placement and SPP will be used for exploration, including drilling, after costs of the issues.

Capital Raising – Placement Agreed to Fund Bench-Top Li Processing:

Anson has agreed to place 20 million shares to an overseas sophisticated investor at 3 cents per share to raise \$600,000. Settlement and allotment of the shares is expected to be on 27 October 2017.

The proceeds from the placement are intended to fund exploration at Anson’s 100% owned Paradox Lithium project in Utah, USA, including Stage 2 of Anson’s planned metallurgical test work and plant development program. Stage 2 of this program will process 500 litres of brine from a bulk sample of 30,000 litres of brine intended to be collected during the re-entry drilling of the historical Gold Bar Unit 2 well processed in a bench-top lithium plant.



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The information in this report 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 and consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

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.

About Anson Resources Ltd

The Company listed on the Australian Securities Exchange in July 2010 and has a goal to generate shareholder wealth by adding value to the Company's exploration projects.



APPENDIX A: INTERESTS IN MINING TENEMENTS

| Project | Lease | Commodity | Holder | Locality | Status |
|----------------------------|----------------------|------------------|--------------------------|-----------------|---------------|
| Ajana | E66/89 | Graphite | Rhodes Resources Pty Ltd | WA | Granted |
| Ajana | E66/94 | Graphite | Anson Resources Limited | WA | Granted |
| Ajana | E66/100 | Graphite | Anson Resources Limited | WA | Application |
| Hooley Well | E9/2218 | Cobalt | Western Cobalt Pty Ltd | WA | Application |
| Hooley Well | E9/2219 | Cobalt | Anson Resources Limited | WA | Application |
| Paradox Brine – ULI Claims | 89 placer claims (i) | Lithium | (i) | Utah, USA | (i) |
| Paradox Brine | 202 placer claims | Lithium | A1 Lithium Inc | Utah, USA | (ii) |

(i) Anson currently holds a 10% interest in 89 Placer Claims in Utah, USA (the ULI Project) and can earn further interests as follow:

(a) 40% by defining the location(s) for one or more drill holes, issuing a NI 43-101 technical report, and expending US\$666,000; and then

(b) 20% by drilling and logging one or more holes, issuing a NI 43-101 technical report, and expending US\$2,330,000.

At the date of this Report, the holder of the current 90% interest had not completed the formalities to transfer the claims to the joint venture company (Paradox Lithium LLC) established for this purpose.

These claims are referred to as ULI-13, ULI-14, ULI-14S, ULI-15, ULI15S, ULI16, ULI16S, ULI-30, ULI-31, ULI-32, ULI-33, ULI-34, ULI-39, ULI-40, ULI-41, ULI-57, ULI-58, ULI-59, ULI-60, ULI-61, ULI-62, ULI-68, ULI-69, ULI-70, ULI-71, ULI-77, ULI-78, ULI-79, ULI-81, ULI-82, ULI-35, ULI-36, ULI-37, ULI-38, ULI-42, ULI-43, ULI-54, ULI-55, ULI-56, ULI-60-E, ULI-61-E, ULI-62-E, ULI-63, ULI-64, ULI-64 N, ULI-65, ULI-65 W, ULI-66, ULI-67, ULI-84, ULI-85, ULI-86, ULI-87, ULI-80, ULI-81 W, ULI-83, ULI-88, ULI-89, ULI-90, ULI-91, ULI-92, ULI-93, ULI-93 E, ULI-94, ULI-95, ULI-96, ULI-97, ULI-97 E, ULI-98, ULI-98 N, ULI-99, ULI-100, ULI-101, ULI-102, ULI-102 N, ULI-103, ULI-104, ULI-105, ULI-105 N, ULI-106, ULI-107, ULI-107 N, ULI-108, ULI-109, ULI-110, ULI-111, ULI-112, ULI-113, and ULI-114.

(ii) The Company currently holds a 100% interest in 202 Placer Claims in Utah, USA. Under the terms of the earn-in agreement referred to in point (i) above for the ULI Project, these placer claims may be subject to area of interest provisions of the agreement to earn-into the ULI Project.

These claims are referred to as ULI201, ULI202, ULI203, ULI204, ULI205, ULI206, ULI207, ULI208, ULI209, ULI210, ULI211, ULI212, ULI213, ULI214, ULI215, ULI216, ULI217, ULI218, ULI219, ULI220, ULI221, ULI222, ULI223, ULI224, ULI225, ULI226, ULI227, ULI228, ULI229, ULI230, ULI231, ULI232, ULI233, ULI234, ULI235, ULI236, ULI237, ULI238, ULI239, ULI240, ULI241, ULI242, ULI243, ULI244, ULI245, ULI246, ULI247, ULI248, ULI249, ULI250, ULI251, ULI252, ULI253, ULI254, ULI255, ULI256, ULI257, ULI258, ULI259, ULI260, ULI261, ULI262, ULI263, ULI264, ULI265, ULI266, ULI267, ULI268, ULI269, ULI270, ULI271, ULI272, ULI273, ULI274, ULI275, ULI276, ULI277, ULI278,



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