

2 February 2021

ASX ANNOUNCEMENT

ASX: ASN

Anson Responds to US Government Pledge of Support for EVs

Key points:

- Quick response to changing market paradigm for EVs and lithium-ion batteries in the USA by accelerating Paradox project development
- Initial testing of Anson's lithium carbonate samples by Novonix indicates matching with commercial reference lithium carbonate used in EVs
- Millcreek Mining Group appointed to conduct a revised Preliminary Economic Assessment (PEA) of the Paradox Brine Project
- Biden Administration's recent landmark push to replace the U.S. Federal Government's fleet of 645,000 cars and trucks with EVs & install 500,000 EV charging stations
- Anson is strategically positioned to benefit from a shift by US Government toward EVs:
 - Paradox Brine Project is located in strategic proximity to Tesla's Gigafactory facilities in both Nevada (680 miles) and Texas (1000 miles) provides a geographical advantage to meet growing US demand for battery-grade lithium
- Strategic review of Anson's entire battery metals portfolio to review and maximise commercial opportunities currently underway
 - Portfolio also includes exposure to graphite, vanadium, nickel, cobalt
- Anson remains well-funded to complete current work programs at both Paradox Brine Project in Nevada and The Bull Project in Western Australia

Anson Resources Limited (ASX: ASN, ASNOC) (Anson or the Company) notes recent policy developments from the Biden Administration in the United States which are expected to directly benefit Anson and provide multiple opportunities from Anson's extensive suite of battery metals projects. In response to the paradigm shift towards green energy, Anson has accelerated its work on the Paradox Brine Project (Paradox), in Utah USA, by conducting commercial battery cell test work with Novonix, (see ASX Announcement 11 January 2021).

Initial results from this test work indicate that the lithium carbonate produced from Paradox project brine matches closely to that of current lithium carbonate products that are in use in the market. The objective of this test work, which will take 4 – 5 months to complete, is to assess how Anson's lithium products perform in a commercial battery cell in comparison to the performance of other lithium products currently being used by battery manufacturers. These results will be used as a reference in off-take discussions with potential end-users.

Anson has also appointed Millcreek Mining Group (Millcreek) to conduct a revised Preliminary Economic Assessment (PEA) of the Paradox project which will include a lithium production plant based upon the lithium contained in the raw brine feed for the proposed 15,000tpa NaBr plant.

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These above two work streams are in reaction to the recent announcements by the USA Biden Administration.

Notable recent developments include the Biden Administration's pledge to transition the US Federal Government's 645,000-strong vehicle fleet to electric vehicles (EVs), combined with his "Buy American" executive order aimed at steering the government to purchase US-made products. In addition, Biden pledged to build 500,000 EV charging stations in the USA during his Presidential election campaign.

These landmark pledges by the US Government effectively signal a paradigm shift to EVs. The EV policy is expected to quickly filter through to the corporate sector, and set to become a global trend, driving a significant and long-term increase in demand for battery metals.

Following Biden's pledge, calls have already been made in Australian Parliament to follow suit and replace the Australian government's 10,000 vehicles with EVs by 2030. The UK, Japan, France and Germany have all pledged to ban sales of combustion engine vehicles between 2025 and 2030, providing an immediate boost in demand for battery metal suppliers.

Major automotive brands such as Mercedes, Porsche, Audi and Toyota all have electric and hybrid vehicles in production due to tightening global emissions standards.

While the US EV policy is set to have a major impact on the battery metals industry, US-based assets are strategically placed to benefit due to the Biden Administration's "Buy American" executive order ensuring that the US government spends taxpayers' money on US-made goods.

Considering the rising demand for the entire suite of battery metals, Anson is thoroughly reviewing its entire project suite and planned work programs to maximise potential opportunities from each project.

The Company remains well-funded with a total of \$3.75 million raised since November 2020, following a successful \$2.4 million placement in November 2020, and an additional \$1.35 million received in January from the exercise of options.

Anson's Executive Chairman and CEO, Bruce Richardson, commented, *"We are encouraged by the recent policy changes in the US supporting the growing global shift towards electric vehicles. A large volume of US Government purchase orders for EVs would drive further significant investment in battery technology and key commodities such as cobalt, lithium, nickel, graphite and vanadium."*

"Our portfolio is strongly geared towards the battery metals sector, and we believe we are very well positioned, from both a geographical and commodity perspective, to capitalise on the uptick in demand for EVs globally."

Paradox Brine Project Background

Paradox is conveniently located near the town of Moab in Utah, USA, approximately 11 hours by road from Tesla's Gigafactory, making it well-positioned geographically to supply the US market.

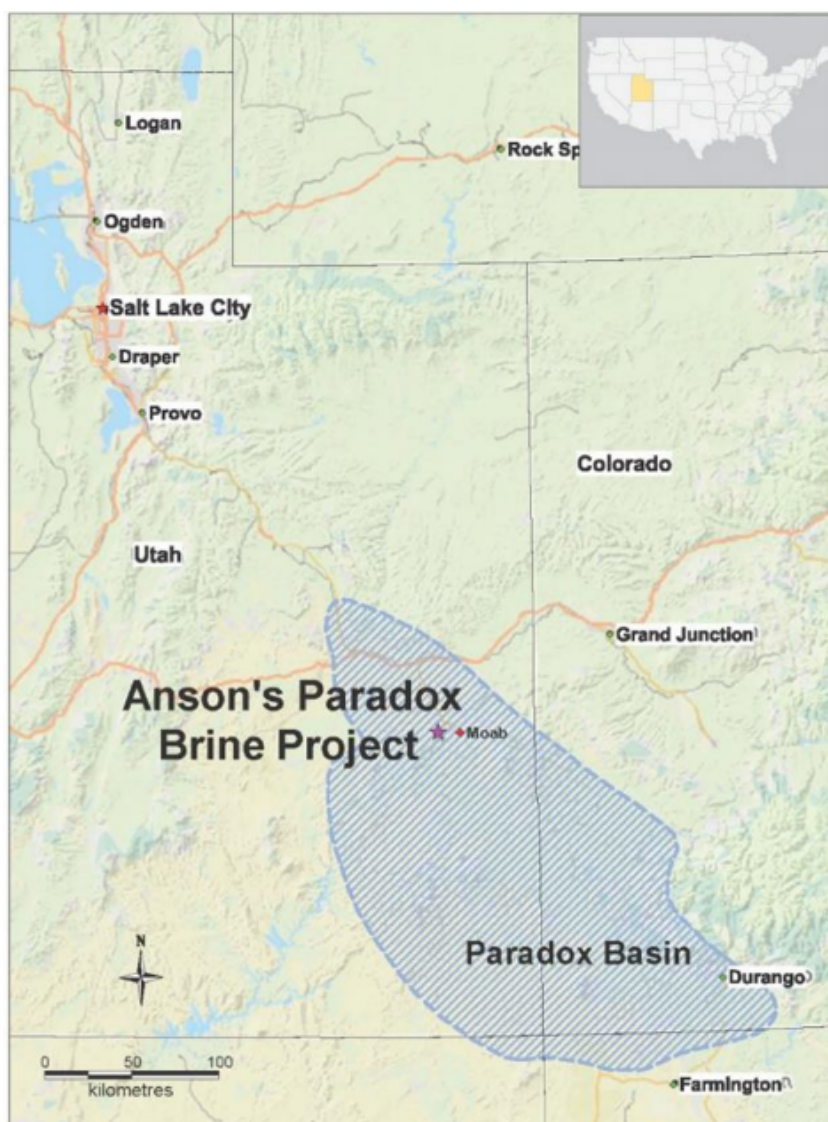


Figure 1: Paradox Brine Project location map

Anson's flagship project is its Paradox Basin Brine Project in Utah, USA for which Anson is developing Stage 1, including an industrial scale plant to produce lithium chemicals for supply to lithium-ion battery cathode manufacturers for product qualification testing. Using innovative direct lithium extraction technology and conventional flow sheets for all other processing, Anson will extract lithium from brine rapidly to produce high purity products. No evaporation ponds are required in the process, saving on CAPEX, OPEX, space, and processing time.

The Paradox Basin has been home to mining operations for almost a century, with significant transportation and industrial infrastructure already built throughout the region, including power, road, rail and water supply. Robust Stage 1 sodium bromine plant economics have been outlined for the Paradox Brine Project with a PEA Study completed in 2020 detailing an NPV of US\$416M, IRR of 33% and CAPEX of US\$121M (refer ASX Announcement dated 5th June 2020). This PEA is now being updated to include a lithium plant.

Anson has appointed Novonix Battery Technology Solutions in Nova Scotia, Canada (parent Novonix Limited, ASX: NVX, OTCQX: NVNXF) to test the performance of lithium hydroxide and lithium

carbonate samples, extracted from the Paradox Brine Project, in lithium-ion battery cells. Anson intends to use these results to further discussions with prospective off-take partners.

As announced on 28th January 2021, Anson has also made significant progress with respect to engineering studies underway at Paradox Brine Project. In addition, following a strategic review and recognition of improving market conditions for lithium, Anson has decided to accelerate the production of lithium chemicals to Stage 1 of the Project.

Anson's Strategic Focus

The Paradox Brine Project in Utah remains the Company's flagship project and progressing the current engineering studies and advancing discussions with potential offtake parties remains a priority focus for 2021. In parallel with the development of Paradox Brine Project, Anson continues with the exploration of its base metal projects in Western Australia with a strong focus on "The Bull" Project, which is located 20km along strike of Chalice Gold Mines (ASX: CHN) high grade Ni-Cu-PGE Julimar discovery.

This announcement has been authorised for release by the Executive Chairman and CEO.

ENDS

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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 has reviewed and validated the metallurgical data and consents to the inclusion in this Announcement of this information in the form and context in which it appears. Mr Knox is a director of Anson and consultant to Anson.