Anson Resources Ltd

(ABN 46 136 636 005)

Financial Report

for the Year Ended 30 June 2018

Index

Corporate Information	1
Directors' Report	2
Auditor's Independence Declaration	19
Consolidated Statement of Profit or Loss and Other Comprehensive Income	20
Consolidated Statement of Financial Position	21
Consolidated Statement of Cash Flows	22
Consolidated Statement of Changes in Equity	23
Notes to the Financial Statements	24
Directors' Declaration	53
Independent Auditor's Report	54
ASX Additional Information	57

Corporate Information

ABN 46 136 636 005

Directors

Bruce Richardson
Managing Director

Peter (Greg) Knox
Non-Executive Director

Auditors

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Company Secretary

Kim Hogg

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Directors' Report

Your Directors submit their report on the Group consisting of Anson Resources Limited and its controlled entities for the year ended 30 June 2018.

Directors

The names of directors who held office during or since the end of the financial year and until the date of this report are as follows. Directors were in office for this entire financial year unless otherwise stated.

Bruce Andrew Richardson, B.A (Hons)
Managing Director

Mr Richardson has a proven track record of over ten years in exploration, mining and production in public and private companies, and over 30 years of international business experience, particularly China. In the past few years has raised over $170 million of investment in mining projects.

He is fluent in Mandarin and has 10 years' experience in the public sector having worked as an Australian Trade Commissioner in the Australian Embassy in Beijing, with responsibility for the resources portfolio, and Trade Development Director, Australian Commerce & Industry Office Taipei, Taiwan. In 2006/07 Mr Richardson worked for the Government of Western Australia as Manager China, Department of Industry and Resources developing business and political relationships with China.

Directorships in other listed entities in the past 3 years: None

Peter (Greg) Knox B.Sc (Geology)
Non-Executive Director

Mr Knox is a qualified geologist with over 30 years of experience in the resources industry in exploration, mine development and mining operations. He has worked on projects from grass-roots exploration through to mine development and production and has extensive experience in gold, base metals and iron for several ASX listed companies.

Directorships in other listed entities in the past 3 years: None

Bruce William McLeod, B.Sc (Maths), M.Com (Econ)
Non-Executive Chairman, deceased on 11 September 2018

Mr McLeod passed away on 11 September 2018. He was a foundation shareholder of the Company in 2008, Non-Executive Director from April 2009, and was appointed Chairman of the Board when the Company listed in 2010.

Mr McLeod had extensive experience in the Australian capital markets. For more than 25 years he was involved in raising debt and equity capital for a number of resource, property projects and companies, as well as the takeover and rationalisation of listed and unlisted companies. Prior to that he had spent 6 years with a major international bank, where he was executive director, responsible for the financial and capital markets operations.

Directors' Report (continued)

Directors (continued)

Directors' interests in securities of the Company and related bodies corporate

The relevant interests of each Director in the securities of Anson Resources Limited at the date of this Report are as follows:

	Fully paid ordinary shares No.	Performance Rights No.
B Richardson	21,197,723	6,000,000
P Knox	13,708,270	2,000,000

Company Secretary

Mr Kim Hogg – appointed 20 February 2018

Mr Hogg completed his Bachelor of Commerce in 1984 at the University of Western Australia and has worked in a number of diverse industries in various senior management and accounting roles. He has been a principal of an accounting practice for more than 20 years with a specialist involvement in the preparation of prospectuses, coordinating the listing and due diligence processes and acting as company secretary for listed entities.

Mr Hogg is currently the secretary of a number of ASX-listed companies and provides corporate and accounting services to those clients.

Mr Michael van Uffelen – resigned 2 January 2018

Ms Nevenka Jackson – appointed 2 January 2018; resigned 16 February 2018

Dividends

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activities during the year of the entities within the Group were:

- Exploration for minerals in the State of Utah in the United States of America and the mid-west of Western Australia ; and
- Searching for further resource projects.

Directors' Report (continued)

Operating and financial review

Paradox Brine Project – Utah, USA

About the project

The Paradox Brine Project is located near the town of Moab in Utah, USA, approximately 11 hours by road from Tesla's Gigafactory.

At the date of this Report, the Paradox Lithium Brine Project consists of 1,317 placer claims (see Figure 1) for a total of 11,373 hectares. In addition, there is one Oil and Gas lease and one Industrial Permit approved, which is located on the oil lease and is planned to be the site of the pilot plant.

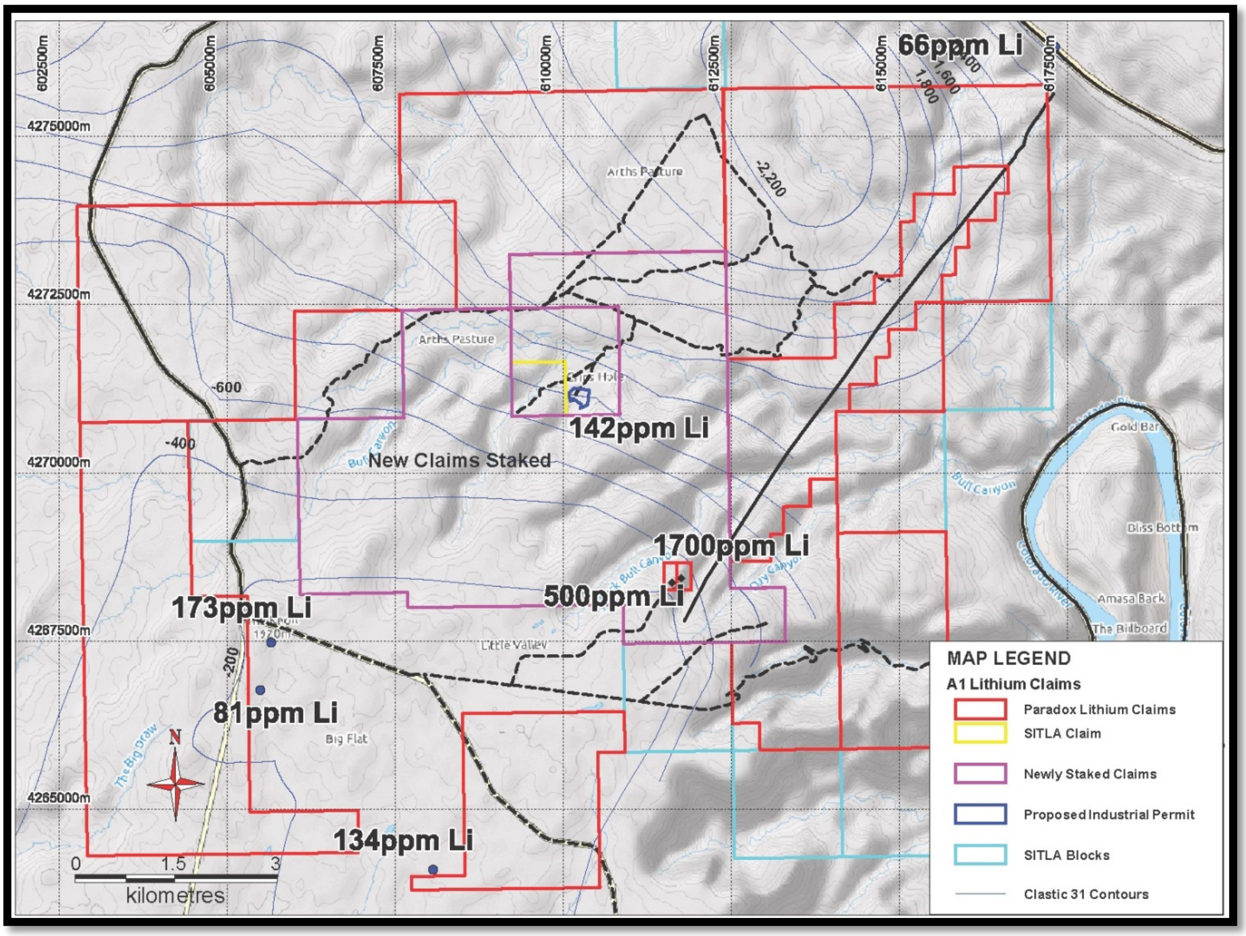

Figure 1: Map Showing the Location Paradox Lithium Brine project claims.

The claims contain numerous oil wells which are close to wells with historically recorded lithium values. Access to these areas is provided by existing roads which pass through the claims. The roads do not require any upgrading, and are well maintained, thereby enabling an exploration program to commence once government approvals have been granted.

Historically, two wells within 1km of the south end of the claims (Long Canyon No.1 and White Cloud No.2) were assayed for lithium within the Clastic Zone 31 horizon, and showed lithium values of up to 1,700ppm. 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 (60^{0}C compared to 40^{0}C).

Directors' Report (continued)

The fractured clastic zones form an excellent reservoir for brines derived from underlying evaporite units. The fracturing is caused by salt flowage, and it is possible that, when brine is removed from these zones, salt will flow into voids from which brine has been removed. This would help maintain high reservoir pressure and assist in a high ultimate recovery of brine. Cores obtained from wells in the area have exhibited fractures filled with salt when brine has not been present.

Ownership

In September 2016 the Company agreed to earn into a prospective lithium project (Project) in Utah, USA comprising of 87 Placer Claims. Legal agreements were completed in March 2017 with Voyageur Minerals Inc providing Anson's subsidiary company, A1 Lithium Inc, with the ability to earn up to a 70% interest in the Project, whilst also retaining an option to purchase the remaining 30% interest.

A1 Lithium Inc earned an initial 10% interest in the Project on signing the joint venture agreement with Voyageur and through payment of an up-front fee of US$75,000.

A1 Lithium Inc earned a further 40% interest in the Project through completion of agreed milestones, which included defining the location(s) for one or more drill holes, completing a NI 43-101 technical report, and expending US$666,000 (any underspent portion of which could be deferred to the next stage of the earn-in without the additional 40% interest being affected).

A1 Lithium Inc can earn a further 20% Project interest by drilling and logging one or more holes, issuing a NI 43-101 technical report, and expending US$2,330,000 by March 2020.

In May 2017, the Company staked 202 placer claims (referred to as the A1 Lithium Project) abutting the ULI Project. These placer claims are 100% owned, but may be subject to area of interest provisions of the agreement to earn-into the ULI Project.

Activities during the year:

- Up to 30 June 2018, an additional 692 claims were staked. Since that time, a further 334 placer claims (CLOUD III) have been staked, creating a land package for lithium-rich brines of 11,373 hectares covering a large area of the Northern Paradox Basin. The recently acquired claims contain several historical wells which are considered prospective for re-entry for sampling the minerals contained in the targeted brine zones, and can be used in the future as part of an exploration program aimed at defining a JORC resource.
- The Company's first industrial grade lithium carbonate product, see Figure 2 below, was produced by one of the Company's two consultant metallurgical laboratories, Lilac Solutions.

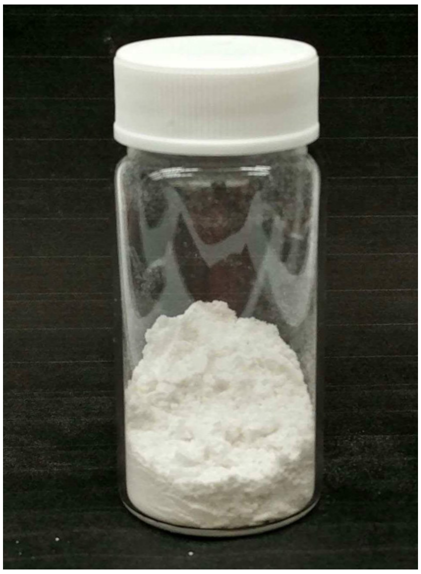

Figure 2: Anson's first vial of lithium carbonate product.

- SRK Consulting was appointed to assist reviewing the pathway to achieving a maiden JORC resource. SRK is reviewing the existing data compiled from recent exploration programs and the historic drilling and sampling undertaken, to identify the additional work required to achieve a maiden JORC resource. This gap analysis is expected to be completed in October, 2018.

Directors' Report (continued)

- The NOI application to drill the Long Canyon A1 drill site was granted. The proposed drillhole location is located 800m from the Roberts Rupture and 1300m from the historic lithium assay of 500ppm Li.
- A 3-stage metallurgical test work program, conducted by Outotec (Finland), commenced with bench-top processing of a brine sample which will be used in the design of an in-field pilot plant, to further validate that lithium and other minerals can be extracted from the brine. The work is ongoing with results expected later in the year.
- The Cane Creek 32-1 was re-opened to facilitate measurement of continued flow rates of the brine aquifer for future modelling, and bulk samples were collected for processing in bench-top plants to validate earlier test work which had shown that lithium carbonate and other products could be extracted or produced from the brine.
- The Cane Creek 32-1 operating well was purchased and the target Clastic horizons were sampled. Artesian flow resulted from Clastic Zone 29 with a flow rate of 25 gallons per minute. The downhole pressure was calculated as 5,595psi for 10.7 lb/g brine. The flow continued for 6 hours before it was sealed to continue sampling the remaining targeted clastic horizons.
- Anson was granted an industrial permit to lease 15 acres by the State of Utah School and Institutional Trust Lands Administration (SITLA). It is intended to locate the in-field pilot plant on this lease.
- Drilling was conducted at the Gold Bar Unit 2 well to collect brine from Clastic Zones 17, 29, 31 and 33 for a metallurgical test work program. Samples of the brine were collected and assayed from Clastic Zones 17, 29 and 31 during the re-entry drilling. No sample was collected from Clastic Zone 33.

Ajana Project – Western Australia

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 222km^2 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.

Activities during the year:

Following drilling programs carried out in the previous year, interpretation of data, including the acquired soil sampling results, is ongoing to assist in planning the next stages of exploration.

The 100% owned Mary Springs tenement, E66/94, contained an historic lead resource which was upgraded to a JORC 2012 Mineral Resource estimate and is summarised in Table 1. The global Indicated and Inferred Resource estimate is 390,000 tonnes grading at 6.5% Pb. Auralia carried out the Ore Block Modelling and the interpretative work using a 1% lead cut-off, see ASX announcement 25 October 2017.

Category	Indicated			Inferred			Total		
	BCM	Tonnes	% Pb	BCM	Tonnes	% Pb	BCM	Tonnes	% Pb
+ 1% Pb	80,000	240,000	6.6	50,000	150,000	6.2	130,000	390,000	6.5

Table 1: Mary Springs Mineral Resource Estimate, JORC 2012.

Zones of Pb-Zn-Cu-Ag rich mineralisation have been intersected in recent drilling but were not included in modelling the resource. Further drilling may enable the zinc, copper and silver bearing zones to be modelled as part of a future resource.

Directors' Report (continued)

Numerous targets have been identified at the Mary Springs Project area using the historic geophysical and lead geochemical data. A soil sampling program was completed in 2010 consisting of 426 samples and was completed over an area covering 3.75 km^2. The program identified additional lead exploration targets which run parallel to the Mary Springs Resource.

The soil sampling program also identified copper and zinc geochemical anomalies. These anomalies run parallel to both the lead mineralisation and also the dolerite dyke intrusions.

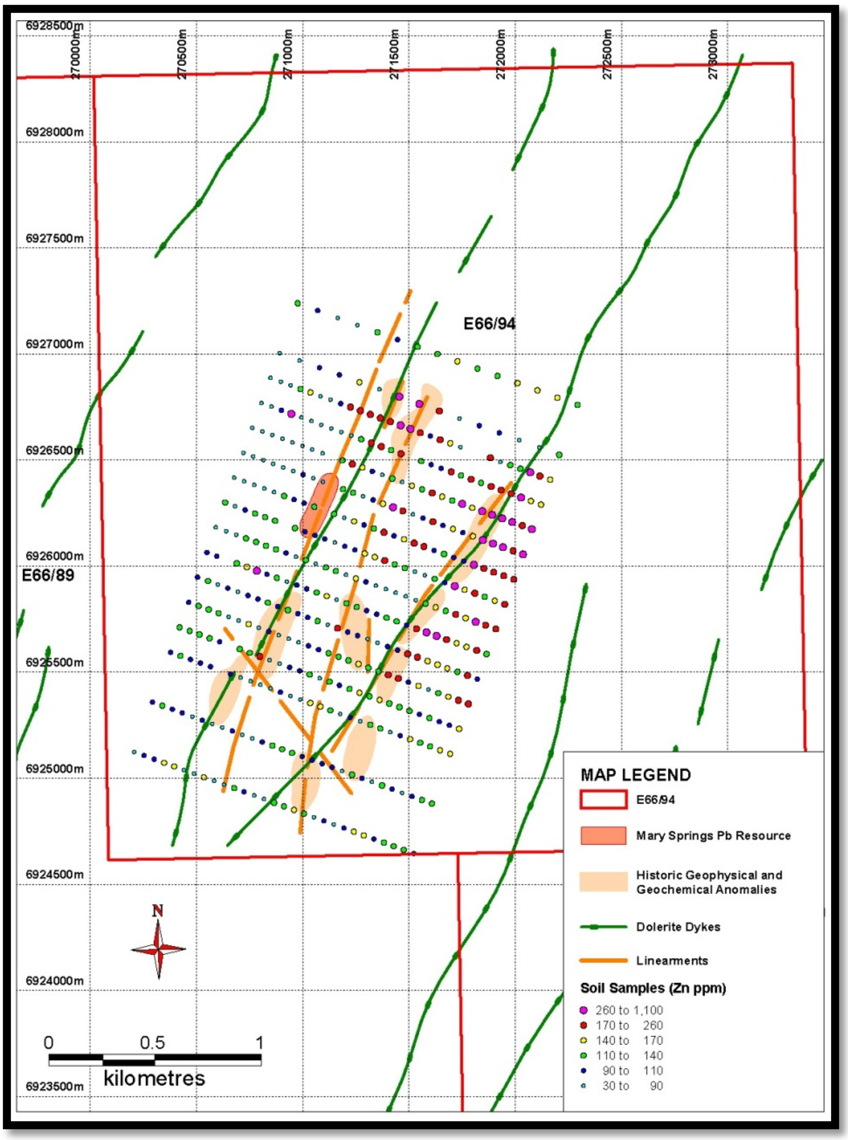

Figure 3: Zn (ppm) soil geochemistry overlaying the historic geophysical Pb geochemical anomalies.

A Versatile Time Domain Electromagnetic (VTEM) aerial survey was flown by Anson over the entire Ajana Project area. The survey identified 31 anomalies in the area, 8 of these were located at the Mary Springs Prospect. The additional VTEM anomalies continue to the south of Mary Springs, covering the majority of the Ajana Project area. The anomalies, both soil and VTEM, provide additional exploration targets and will require follow up work in the future.

Hooley Wells Nickel-Cobalt Laterite – Western Australia

<u>About the project</u>

The Hooley Wells Nickel-Cobalt Laterite Project is located 800km north of Perth and 300km east of Geraldton in Western Australia. Tenement E9/2218 and E9/2219 contain historical shallow drilling which has intersected nickel and cobalt laterites.

Directors' Report (continued)

The project contains extensive cobalt mineralisation over an area of 1.5km * 0.8km. Results of some historic drilling are shown below.

- HAC004, 22m @ 0.97% Ni & 0.06% Co & 1.05% Cr
    - Incl. 4m @ 1.41% Ni & 0.11% Co & 1.99% Cr
- HAC003, 33m @ 0.5% Ni & 0.04 % Co & 0.55% Cr
    - Incl. 8m @ 0.84% Ni & 0.10% Co & 0.22% Cr

There is also a possible nickel sulphide deposit that was identified by an IP survey. A diamond hole attempted to intersect the IP anomaly but did not reach target depth.

Investment in Iconic Minerals Ltd

The Company has an investment in the TSX.V listed company Iconic Minerals Ltd (Iconic), which owns a number of gold and lithium exploration projects in Nevada, USA. The shares held by Anson were valued at $117,373 at 30 June 2018.During the year, the Company sold 300,000 shares, realising a small loss.

Operating results for the year

Net loss attributable to equity holders of the parent for the year ended 30 June 2018 was $4,354,151 (2017: loss of $1,744,915) of which $2,185,962 (2017: $812,795) was spent on exploration and evaluation activities and $395,854 (2017: $341,362) was incurred in acquiring projects. The loss per share was 1.28 cents (2017: loss of 1.1 cents).

Cash on hand at 30 June 2018 totalled $1.7 million (2017: $0.5 million).

Since year-end, the Company raised an additional $3.91 million in cash through a share placement and the exercise of options.

Significant changes in the state of affairs

During the year the Company raised an additional $5,235,885 in cash through the issue of shares as follows:

Shares issued at $0.088 each pursuant to share placement	20,000,000	$1,760,000
Shares issued at $0.03 each pursuant to share placement	20,000,000	$600,000
Shares issued at $0.011 each pursuant to share placement	41,996,484	$461,961
Shares issued at $0.011 each pursuant to SPP	69,451,365	$763,965
Shares issued upon exercise of options at $0.025 each	64,893,564	$1,622,339
Shares issued upon exercise of options at $0.055 each	500,000	$27,500
Shares issued upon exercise of options at $0.03 each	4,000	$120

Refer Note 11 to the Financial Statements for further details. The Company continued with exploration activities on its tenement holdings, focussing on its lithium project located in Utah, USA. Refer to the operating and financial review contained in this Report for further details.

Significant events after balance date

The following events have occurred after balance date:

1. 56,430,434 options were exercised at 2.5 cents each, raising an additional $1.41 million in cash. The remaining 123,851 options expired without being exercised on 10 August 2018;
2. On 18 July 2018, the Company completed a private placement of 22,727,273 shares at $0.11 per share, accompanied on a one-for-four basis by unlisted options exercisable at $0.20 and with a 2-year life (Placement Options), raising $2.5 million before costs. The lead manager was paid a fee of 6% of gross proceeds and 10 million Placement Options;

Other than the matters disclosed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group and the results of those operations.

Directors' Report (continued)

Likely developments and expected results

The Group intends to continue exploration and to develop its projects, specifically focusing on its flagship lithium project. The Group is also considering the acquisition of further tenements for exploration of minerals and to seek other areas of investment.

Environmental legislation

The Group's projects are subject to the respective laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials in the countries in which the projects are located. As with all exploration, these projects would be expected to have a variety of environmental impacts should development proceed. The Group intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Group's activities will be rehabilitated as required by the respective laws and regulations.

Share Options and Performance Rights

Options and performance rights granted

The following options and performance rights were granted since the end of the previous financial year:

Class	Grant Date	Expiry Date	Exercise Price	Number Issued
Listed Options (ASNOB)	2 October 2017	10 August 2018	$0.025	121,447,849
Unlisted Options	18 July 2018	18 July 2020	$0.20	5,681,819
Unlisted Options	20 July 2018	18 July 2020	$0.20	10,000,000
Performance Rights	20 April 2018	20 April 2025	Nil	10,000,000

Options exercised and performance rights vested

The following options were exercised and performance rights vested during the year ended 30 June 2018:

Class	Grant Date	Expiry Date	Exercise Price	Number Exercised/vested
Listed Options (ASNOA)	Various Dates	13 July 2017	$0.03	4,000
Listed Options (ASNOB)	2 October 2017	10 August 2018	$0.025	64,893,564
Unlisted options	22 March 2017	21 September 2018	$0.055	500,000
Performance rights	10 December 2014	10 December 2021	Nil	5,885,000

The following options were exercised after 30 June 2018 and up to the date of this report:

Class	Grant Date	Expiry Date	Exercise Price	Number of Options Exercised
Listed Options (ASNOB)	2 October 2017	10 August 2018	$0.025	56,430,434

Directors' Report (continued)

Share Options and Performance Rights (continued)

Options and performance rights on issue

At the date of this report, unissued ordinary shares of the Company under option are:

Class	Grant Date	Expiry Date	Exercise Price	Number of Options
Unlisted Options	18 July 2018	18 July 2020	$0.20	5,681,819
Unlisted Options	20 July 2018	18 July 2020	$0.20	10,000,000
Performance rights	20 April 2018	20 April 2025	Nil	10,000,000

These options do not entitle the holder to participate in any share issue of the Company or any other entity.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify directors and executive officers against all liabilities to another person (other than the Company or related body corporate) that may arise from their position as officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify the current Directors of its controlled entities for all liabilities to another person (other than the Company or related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The total amount of premium paid was $10,000.

Directors' Meetings

The number of meetings of Directors held during the financial year and the number of meetings attended by each Director was as follows:

Name	Number of meeting eligible to attend	Number of meetings attended
B McLeod	5	4
B Richardson	5	5
G Knox	5	5

Auditor Independence and Non-Audit Services

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19.

Non-Audit Services

The Company's auditor, Stantons International, did not provide any non-audit services to the Company during the year.

Proceedings on Behalf of the Company

There are no proceedings on behalf of the Company under section 237 of the Corporations Act 2001 in the financial year or at the date of this report.

Directors' Report (continued)

Remuneration report (audited)

This remuneration report for the year ended 30 June 2018 outlines remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and including the executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term "executive" includes the executive directors, Chief Executive Officer (CEO), Chief Finance Officer (CFO) and other senior management of the Company.

Individual key management personnel disclosures

The following were key management personnel of the Group at any time during the financial year and unless otherwise indicated were key management personnel for the entire year:

(i) Directors

B McLeod	Non-executive Chairman (deceased on 11 September 2018)
B Richardson	Managing Director
G Knox	Non-executive Director

(ii) Executives

M van Uffelen	Company Secretary & CFO (resigned on 2 January 2018)
N Jackson	Company Secretary & CFO (appointed on 2 January 2018; resigned on 16 February 2018)
K Hogg	Company Secretary (appointed 20 February 2018)

The Remuneration Report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration for the year ended 30 June 2018
C. Details of remuneration for the year ended 30 June 2017
D. Service agreements
E. Share-based compensation
F. Option holdings of key management personnel
G. Share holdings of key management personnel
H. Loans to key management personnel
I. Other transactions and balances with key management personnel
J. Use of remuneration consultants
K. Voting and comments made at the Company's 2017 Annual General Meeting

The information provided under headings A-I includes remuneration disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

This report outlines the remuneration arrangements in place for Directors and executives of Anson Resources Ltd (the "Company").

Directors' Report (continued)

Remuneration report (audited) (continued)

A. Principles used to determine the nature and amount of remuneration

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

To this end, the Group embodies the following principles in its compensation framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value;
- Significant portion of executive compensation 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- Establish appropriate, demanding performance hurdles in relation to variable executive compensation

Remuneration consists of fixed remuneration and variable remuneration.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices.

Variable Remuneration

Messrs McLeod and Richardson were involved in the creation of the Company and therefore hold significant numbers of shares. For the purposes of assisting in incentivising the board and management, an employee share plan was introduced in 2013 under which loan funded shares and performance rights have been issued. Given the current structure of that plan, there exists a direct link between the creation of shareholder wealth performance and the financial rewards for Directors and key management personnel.

Remuneration Reviews

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the Managing Director and all other key management personnel.

The Board of Directors assesses the appropriateness of the nature and amount of compensation of key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive Director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Directors' Report (continued)

Remuneration report (audited) (continued)

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Non-executive directors receive a fee for being a director of the Company. The compensation of non-executive directors for the year ended 30 June 2018 is detailed below.

Senior Manager and Executive Director remuneration

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company, business unit and individual performance against targets set to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the company; and
- ensure total compensation is competitive by market standards.

Compensation consists of the following key elements:

- Fixed Compensation; and
- Variable Compensation - Long Term Incentive (LTI).

The proportion of fixed compensation and variable compensation (potential short term and long term incentives) is established for each key management person by the Directors.

Fixed Compensation

Objective

Fixed compensation is reviewed annually by the Directors. The process consists of a review of individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans.

Variable Pay — Long Term Incentive (LTI)

Objective

The objective of the LTI plan is to reward executives in a manner that aligns this element of compensation with the creation of shareholder wealth. As such LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance against the relevant long term performance hurdle.

Structure
LTI grants to key management personnel are delivered in the form of loan funded share plans, options and performance rights.

Directors' Report (continued)

Remuneration report (audited) (continued)

B. Details of remuneration for the year ended 30 June 2018

	Salary & Fees	Non-monetary benefits[1]	Superannuation	Share-based payments	Total	Proportion of remuneration performance related %
Directors						
Non-Executive						
B McLeod	55,000	2,500	-	86,075	143,575	60%
P G Knox	213,394[2]	2,500	3,470	92,571	311,935	30%
Executive						
B Richardson	300,000	2,500	-	255,973	558,473	46%
Total Directors	**568,394**	**7,500**	**3,470**	**434,619**	**1,013,983**	**43%**
Other KMPs						
M van Uffelen	56,000	1,274	-	6,531	63,805	10%
N Jackson	19,608	308	-	-	19,916	-
K Hogg	14,738	918	-	-	15,656	-
Total other KMPs	**90,346**	**2,500**	**-**	**6,531**	**99,377**	**7%**
Total KMPs	**658,740**	**10,000**	**3,470**	**441,150**	**1,113,360**	**40%**

C. Details of remuneration for the year ended 30 June 2017

	Salary & Fees	Non-monetary benefits[1]	Superannuation	Share-based payments	Total	Proportion of remuneration performance related %
Directors						
Non-Executive						
B McLeod	55,000	1,119	-	1,390	57,509	2%
P G Knox	78,493[2]	1,635	1,157	2,772	84,057	3%
Executive						
B Richardson	201,083	4,063	-	3,691	208,837	2%
Total Directors	**334,576**	**6,817**	**1,157**	**7,853**	**350,403**	2%
Other KMPs						
M van Uffelen	78,430	1,583	-	1,390	81,403	2%
Total other KMPs	**78,430**	**1,583**	**-**	**1,390**	**81,403**	2%
Totals KMPs	**413,006**	**8,400**	**1,157**	**9,243**	**431,806**	2%

1 Represents Directors & Officers liability insurance premium paid for the year.

2 Includes remuneration of $176,885 (2017: $39,650) via Attadale Land Access Pty Ltd, a company of which Mr Knox is a director and shareholder.

Directors' Report (continued)

Remuneration report (audited) (continued)

D. Service agreements

Employment contract

The Managing Director, Mr Richardson is employed under contract. The current employment contract commenced on 1 July 2009 and expired on 30 June 2018. It was extended for a further 12 months to 30 June 2019.

The main terms of the employment contract with Mr Richardson are as follows:
- Remuneration of $300,000 p.a. plus GST; and
- Either party is entitled to terminate the agreement by giving three months' notice.

Non-executive Directors' fees

The fee for the Non-executive Chairman, Mr McLeod, of $55,000 per annum was set by the Board in 2010.

The fee for the Non-executive Director, Mr Knox, of $40,000 per annum inclusive of superannuation was set by the Board in 2011. In addition to the director fees, Mr Knox is paid $80 per hour for any additional services provided to the Company above his director's duties. The Company also pays Attadale Land Access Pty Ltd (an entity controlled by Greg Knox) a daily fee of $650 for geological services.

Company Secretarial & CFO fees

The Company Secretary, Mr Kim Hogg, is engaged by the Company through a consultancy arrangement where the service provider, Townshend York Pty Ltd (a company in which Mr Hogg has an interest) is paid an hourly fee of $200 for services provided. There is no written agreement in place and the arrangement may be terminated at any time by either party.

Former Company Secretary & CFO, Mr Michael van Uffelen, was paid under contract with Black Tourmaline Consulting, an entity in which Mr van Uffelen had a beneficial interest, for remuneration of $96,000 p.a. plus GST.

Former Company Secretary & CFO, Ms Nevenka Jackson, was paid $75,000 p.a. including GST based on working 2 days per week plus an additional hourly rate of $32 per hour for office management and external communication work.

E. Share-based compensation

Options granted to key management personnel

No options were granted as compensation during the year to KMPs.

No options vested during the year.

Directors' Report (continued)

Remuneration report (audited) (continued)

Performance rights issued to Key Management Personnel (KMP)

Details of rights over ordinary shares in the Company granted as compensation to key management personnel during the year are as follows:

Name of KMP	Number of rights granted during the year	Vesting condition	Grant date	Fair value at grant date	Expiry date
B McLeod	2,000,000	see below	30 Nov 2017	0.095	20 Apr 2025
P G Knox	2,000,000	see below	30 Nov 2017	0.095	20 Apr 2025
B Richardson	6,000,000	see below	30 Nov 2017	0.095	20 Apr 2025

The vesting of the Performance Rights is subject to the following performance hurdles:

- 20% (Tranche F) - successful completion of bench-top test work to produce battery grade lithium carbonate equivalent.
- 20% (Tranche G) – commissioning an in-field pilot plant.
- 20% (Tranche H) - establishing a JORC or NI43-101 equivalent compliant Resource.
- 20% (Tranche I) - securing a strategic investor to finance an on-site pilot plant program.
- 20% (Tranche J) - completion of an on-site pilot testing program.

The initial undiscounted value of the performance rights is the value of an underlying share in the Company as traded on ASX at the deemed date of grant of the performance right. As the performance conditions are not market-based performance conditions, no discount is applied. The grant value of the performance rights is $950,000. The value of the performance rights is recognised as an equity-based payment expense and amortised over the estimated period during which the respective performance hurdles may be achieved. The amount recognised as share-based payment expense for the performance rights issued to the KMPs during the year was $441,150.

The table below shows the number of Performance Rights granted, vested and forfeited during the year.

	Balance at start of year	Granted	Vested (shares issued)	Forfeited	Balance at date of resignation	Balance at end of year
Directors						
B McLeod	885,000	2,000,000	(885,000)	-	N/A	2,000,000
B Richardson	2,350,000	6,000,000	(2,350,000)	-	N/A	6,000,000
P G Knox	1,765,000	2,000,000	(1,765,000)	-	N/A	2,000,000
Other KMPs						
M van Uffelen (i)	885,000	-	(885,000)	-	-	N/A
	5,885,000	**10,000,000**	**(5,885,000)(ii)**	**-**	**-**	**10,000,000**

(i) Resigned 2 January 2018;

(ii) The market value of the shares issued upon conversion of performance rights on 15 November 2017 was $676,775.

The shares to be issued in the event of vesting of the Performance Rights shall rank pari-passu in all respects with other fully paid ordinary shares in the Company.

Any unvested Performance Rights will lapse 7 years after their date of issue.

Directors' Report (continued)

Remuneration report (audited) (continued)

F. Option holdings of key management personnel

The movement during the reporting period in the number of options over ordinary shares held directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

30 June 2018	Balance at start of the year	Participation in SPP	Options Lapsed*	Balance at date of resignation	Balance at end of the year	Vested and exercisable
Directors						
B McLeod	740,340	1,363,636	(740,340)	N/A	1,363,636	1,363,636
B Richardson	2,092,000	1,363,636	(2,092,000)	N/A	1,363,636	1,363,636
P G Knox	1,536,000	1,363,635	(1,536,000)	N/A	1,363,635	1,363,635
Other KMPs						
M van Uffelen	427,000	1,454,545	(427,000)	1,454,545	N/A	N/A

* These options were not granted as remuneration options, but were acquired pursuant to an entitlements issue made by the Company in the year ended 30 June 2017.

G. Share holdings of key management personnel

The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

30 June 2018	Balance at start of the year	Issued upon vesting of performance rights	On-market acquisitions/ (disposals)	Participation In SPP	Balance at date of resignation	Balance at end of the year
Directors						
B McLeod	5,932,740	885,000	-	1,363,636	N/A	8,181,376
B Richardson	15,182,000	2,350,000	573,451	1,363,636	N/A	19,834,087
P G Knox	9,216,000	1,765,000	-	1,363,635	N/A	12,344,635
Other KMPs						
M van Uffelen	2,562,000	885,000	(945,955)	-	2,501,045	N/A

H. Loans to Key Management Personnel

On 21 December 2015, the Company issued 4,250,000 shares at 0.9 cents per share to Key Management Personnel (KMPs) under a loan funded share plan approved at the Annual General Meeting of the Company held on 27 November 2015.

On 10 December 2014, the Company issued 5,000,000 shares at 1.3 cents per share to Key Management Personnel (KMPs) under a loan funded share plan approved at the Annual General Meeting of the Company held on 26 November 2014.

On 27 February 2014, the Company issued 3,000,000 shares at 1.4 cents per share to Key Management Personnel (KMPs) under a loan funded share plan approved at the Annual General Meeting of the Company held on 28 November 2013.

Directors' Report (continued)

Remuneration report (audited) (continued)

The cost of the loan funded share plan is recognized as a share-based payment expense. The terms of the loans are:

- Term of loan: 10 years.
- Interest rate: 8% per annum.
- Lien: The Company shall have a lien over the shares until the loan is repaid and the Company shall be entitled to sell the shares in accordance with the terms of the Employee Share Plan if the loan is not repaid when due.
- Payments in relation to shares: Any dividends or capital returns in relation to the shares shall be applied against repayment of the loan.
- Proceeds of sale: In the event of sale of the shares all sales proceeds shall be applied against repayment of the loan.
- Limit of liability: The liability of the employee to repay the loan is limited to the payments received by the employee in relation to the shares and any proceeds from the disposal of the shares.

I. Other transactions and balances with Key Management Personnel

No other transactions with key management personnel occurred during the year (2017: none).

J. Use of remuneration consultants

The Group did not engage the services of a remuneration consultant during the year.

K. Voting and comments made at the Company's 2017 Annual General Meeting

At the 2017 AGM, no comments were made on the remuneration report considered at the meeting and votes cast against adoption of the remuneration report were fewer than the threshold of 25%.

END OF THE REMUNERATION REPORT

Signed in accordance with a resolution of the Directors:

Bruce Richardson
Managing Director

Perth, 26 September 2018

Information in this report that relates to exploration results and exploration targets is based on information compiled by Mr P G Knox, who is a Member of the Australian Institute of Geoscientists. Mr Knox is a director of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Knox consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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26 September 2018

Board of Directors
Anson Resources Limited
Suite 4, Level 3,
1292 Hay Street,
West Perth, 6005

Dear Directors

RE: ANSON RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Anson Resources Limited.

As Audit Director for the audit of the financial statements of Anson Resources Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir R Tirodkar
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated 2018 $	2017 $
Revenue from continuing operations			
R&D tax incentive		18,610	-
Interest income		8,259	3,530
		26,869	3,530
Expenses			
Audit fees	18	(29,655)	(25,334)
Consultants		(254,915)	(134,886)
Depreciation expenses		(32,108)	(13,382)
Director's fees		(395,000)	(294,926)
Employee benefits expenses		-	(189,737)
Exploration and development costs		(2,185,962)	(812,795)
Foreign exchange gain/(loss)		(5,201)	(1,572)
Gain on sale of property, plant and equipment		4,583	4,357
Gain/(loss) on sale of investments		(1,497)	376,516
Insurance		(37,795)	(18,322)
Office expenses		(76,674)	(62,472)
Project acquisition costs		(395,854)	(341,362)
Share-based payment expenses	13	(448,124)	(4,583)
Travel and accommodation		(92,264)	(98,755)
Other expenses	2	(430,554)	(131,192)
Loss from continuing operations before income tax expense		(4,354,151)	(1,744,915)
Income tax expense	3	-	-
Loss from continuing operations after income tax expense		**(4,354,151)**	**(1,744,915)**
Other Comprehensive Income:			
Items that may be reclassified subsequently to profit or loss			
Gain on sale of investments transferred to accumulated losses		-	(376,516)
Changes in fair value of available-for-sale financial assets		48,261	(362,197)
Exchange differences on translation of foreign operations		(46,723)	-
Total comprehensive loss for the year		**(4,352,613)**	**(2,483,628)**
Loss for the year attributable to members of the parent entity		**(4,354,151)**	**(1,744,915)**
Total comprehensive loss for the year attributable to members of the parent entity		**(4,352,613)**	**(2,483,628)**
Basic and diluted loss per share (cents per share)	5	**(1.28)**	**(1.1)**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	Consolidated 2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	6	1,656,320	521,784
Trade and other receivables	7	21,366	35,982
Available for sale investments	8	117,373	85,287
Other current assets		2,230	-
Total Current Assets		**1,797,289**	**643,053**
NON-CURRENT ASSETS			
Trade and other receivables	7	376,997	13,594
Property, plant & equipment	9	152,550	64,556
Total Non-Current Assets		**529,547**	**78,150**
TOTAL ASSETS		**2,326,836**	**721,203**
CURRENT LIABILITIES			
Trade and other payables	10	298,648	107,211
Provisions		-	934
Lease liability	14(d)	3,354	3,344
Total Current Liabilities		**302,002**	**111,489**
NON-CURRENT LIABILITIES			
Lease liability	14(d)	3,627	6,987
Total Non-current Liabilities		**3,627**	**6,987**
TOTAL LIABILITIES		**305,629**	**118,476**
NET ASSETS		**2,021,207**	**602,727**
EQUITY			
Issued capital	11	13,817,200	8,622,496
Reserves	12	721,307	151,256
Accumulated losses		(12,517,300)	(8,171,025)
TOTAL EQUITY		**2,021,207**	**602,727**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated 2018 $	2017 $
Cash flows from Operating Activities			
R&D Tax incentive received		18,610	-
Payments to suppliers and employees		(3,219,749)	(1,650,195)
Payments for refundable exploration bonds		(368,840)	-
Payments for acquisition of projects		(386,889)	(271,362)
Interest received		8,260	3,530
Interest paid		(755)	-
Net cash (used in) operating activities	6(i)	(3,949,363)	(1,918,027)
Cash Flows from Investing Activities			
Purchase of property, plant & equipment		(131,786)	(55,428)
Proceeds on the sale of property, plant & equipment		20,000	37,271
Purchase of investments		(2,824)	-
Proceeds on the sale of investments		17,501	450,550
Net cash (used in) / provided by investing activities		(97,109)	432,393
Cash Flows from Financing Activities			
Proceeds from the issue of shares/options		5,260,054	1,659,109
Capital raising costs		(79,709)	(108,139)
Net cash provided by financing activities		5,180,345	1,550,970
Net increase in cash held		1,133,873	65,336
Cash at the beginning of the financial year		521,784	456,447
Foreign exchange revaluation		663	1
Cash at the end of the financial year	6	1,656,320	521,784

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

Consolidated Group	Ordinary Shares	Accumulated Losses	Share Based Payment Reserve	AFS Investment Reserve	Foreign Currency Translation Reserve	Total
	$	$	$	$	$	$
Balance at 1 July 2017	**8,622,496**	**(8,171,025)**	**153,886**	**(3,637)**	**1,007**	**602,727**
Loss attributable to members of the parent entity	-	(4,354,151)	-	-	-	(4,354,151)
Change in value of available-for-sale investments	-	-	-	48,261		48,261
Exchange differences on translation of foreign subsidiaries	-	-	-	-	(46,723)	(46,723)
Total comprehensive loss for the year	**-**	**(4,354,151)**	**-**	**48,261**	**(46,723)**	**(4,352,613)**
Transactions with owners in their capacity as owners:						
Shares issued under private placements and share purchase plan	3,585,926	-	-	-	-	3,585,926
Exercise of options	1,649,959	7,876	(7,876)	-	-	1,649,959
Payment by employee for loan funded shares	21,931	-	-	-	-	21,931
Share based payment for services	338,800	-	-	-	-	338,800
Share issue costs	(473,647)	-	-	-	-	(473,647)
Issue of performance rights	-	-	448,124	-	-	448,124
Performance rights vested	71,735	-	(71,735)	-	-	-
Options issued	-	-	200,000	-	-	200,000
Balance at 30 June 2018	**13,817,200**	**(12,517,300)**	**722,399**	**44,624**	**(45,716)**	**2,021,207**
Balance at 1 July 2016	**6,952,930**	**(6,426,110)**	**136,740**	**735,076**	**1,007**	**1,399,643**
Loss attributable to members of the parent entity	-	(1,744,915)	-	-	-	(1,744,915)
Capital gain on sale of investments transferred to accumulated losses from AFS reserve	-	-	-	(376,516)	-	(376,516)
Change in value of available-for-sale investments	-	-	-	(362,197)	-	(362,197)
Total comprehensive loss for the year	**-**	**(1,744,915)**	**-**	**(738,713)**	**-**	**(2,483,628)**
Transactions with owners in their capacity as owners:						
Shares issued under private placements	1,036,000	-	-	-	-	1,036,000
Shares issued under an entitlement issue	502,989	-	-	-	-	502,989
Exercise of options	120,120	-	-	-	-	120,120
Shares issued for acquisition of an asset	70,000	-	-	-	-	70,000
Share based payment for services	48,596	-	-	-	-	48,596
Share issue costs	(108,139)	-	-	-	-	(108,139)
Issue of performance rights	-	-	9,270	-	-	9,270
Options issued	-	-	7,876	-	-	7,876
Balance at 30 June 2017	**8,622,496**	**(8,171,025)**	**153,886**	**(3,637)**	**1,007**	**602,727**

The accompanying notes form part of these financial statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis other than for certain financial assets which are carried at fair value.

The financial report is presented in Australian dollars.

The Company is an ASX listed public company since 6 July 2010, incorporated and operating in Australia. The principal activities are the exploration for minerals in Western Australia.

(b) Application of new and revised Accounting Standards

The Group has considered the application of new standards and amendments for first time in their annual reporting period commencing 1 July 2017 but none of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2017 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- *AASB 9 Financial Instruments* and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

  The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

  The directors anticipate that the adoption of AASB 9 may not have a material impact on the Group's financial instruments.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Application of new and revised Accounting Standards (continued)

- *AASB 15: Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018).

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

  The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:
  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract(s);
  - determine the transaction price;
  - allocate the transaction price to the performance obligations in the contract(s); and
  - recognise revenue when (or as) the performance obligations are satisfied.

  This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

  The directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.

- *AASB 16: Leases* (applicable to annual reporting periods commencing on or after 1 January 2019).

  AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice.

  The directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's revenue recognition and disclosures.

(c) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Anson Resources Limited) and its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 15.

The assets, liabilities and results of all the subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income

(e) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Share-based payment transactions:

The Group measures the cost of equity-settled share-based payments at fair value at the grant date using an option pricing model, taking into account the terms and conditions upon which the instruments were granted. The fair value is determined by a valuation using a Black Scholes Option Pricing Model, using the assumptions detailed in Note 13.

Exploration and evaluation expenditure

The Company's accounting policy for exploration and evaluation expenditure may result in expenditure being capitalised for an area of interest acquired where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Deferred taxation

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, base level of future taxable profits together with future tax planning strategies.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(g) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(h) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within periods ranging from 30 to 90 days.

(i) Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Foreign currency translation

Both the functional and presentation currency of the Company is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the foreign operations, Tikal Minerals SA and A1 Lithium Inc., is USD.

As at the reporting date the assets and liabilities of this subsidiary are translated into the presentation currency of Anson Resources Limited at the rate of exchange ruling at the balance date and their income statements are translated at the average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(k) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Office Equipment – over 2 to 5 years
Computer Equipment – over 2.5 years
Motor vehicles – over 5 years
Exploration Equipment – over 2 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

(ii) De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost.

This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(p) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date, They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(s) Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an option pricing model, further details of which are given in Note 13.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Anson Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Share-based payment transactions (continued)

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

The value of shares issued to employees financed by way of a non-recourse loan under the Employee Share Plan is recognised with a corresponding increase in equity when the Company receives funds from either the employees repaying the loan or upon the loan termination. All shares issued under the plan with non-recourse loans are considered, for accounting purposes, to be options.

(t) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Earnings/(loss) per share

Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;

  the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Exploration, evaluation and development expenditure

Exploration and evaluation costs are expensed as incurred. Acquisition costs will normally be expensed but will be assessed on a case by case basis and if appropriate may be capitalised. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area. Accumulated acquisition costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques.

These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Fair value of assets and liabilities (continued)

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(x) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

<u>Operating leases</u>
The minimum lease payments made under operating leases are charged against profit or loss in equal instalments over the accounting periods covered by the lease term where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements and amortised over the shorter of the estimated useful life of the asset or the lease term.

<u>Finance leases</u>
Leases which effectively transfer substantially all of the risks and rewards incidental to ownership of the leased item to the Company are capitalised at the inception of the lease at the fair value of the leased asset, or, if lower, at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recognised directly in net profit.

NOTE 2: OTHER EXPENSES

	Consolidated 2018 $	Consolidated 2017 $
Listing fees	53,904	23,087
Conference costs	49,708	31,546
Legal fees	214,931	18,503
Printing and postage	7,861	12,614
Share registry costs	59,896	15,462
Website and IT costs	15,822	19,323
Sundry expenses	28,432	10,657
Total other expenses	**430,554**	**131,192**

NOTE 3: INCOME TAX

	2018	2017
(a) Income tax benefit	-	-

No income tax is payable by the parent or consolidated entities as they recorded losses for income tax purposes for the financial year.

(b) Numerical reconciliation between income tax benefit and pre-tax net loss

	2018	2017
Loss before income tax benefit	(4,354,151)	(1,744,915)
Income tax calculated at 27.5%	(1,197,392)	(479,852)
Tax effect of:		
- Cost of equity settled awards	123,234	1,260
- Sundry amounts	5,014	7,561
- Section 40-880 deduction	(6,513)	-
- Exploration acquisition costs incurred	63,598	-
- Research and development tax offset	(5,118)	-
- Gain on sale of investments	-	(103,542)
- Impairment expense	-	93,875
Future income tax benefit not brought to account	1,017,177	480,698
Income tax benefit	-	-

(c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised (as recovery is currently not probable)

	2018	2017
Potential at 27.5%	3,155,554	2,138,377

(d) Unrecognised temporary differences

Temporary differences for which deferred tax assets have not been recognised (at 27.5%):

	2018	2017
- Accruals	4,675	11,674
- Section 40-880 deduction	26,054	-
Unrecognised deferred tax assets relating to the above temporary differences	30,729	11,674

(e) Tax Rates

The potential tax benefit at 30 June 2018 in respect of tax losses not brought into account has been calculated at 27.5%. The same rate was applied for the year ended 30 June 2017.

NOTE 4: SEGMENT REPORTING

The Group operates predominantly in the mineral exploration industry in Australia and USA. The Board has determined that the Group has three reportable segments, being mineral exploration Australia, mineral exploration USA and corporate.

	Mineral Exploration Australia $	Mineral Exploration USA $	Corporate $	Group $
2018				
Segment income	18,610	-	8,259	26,869
Segment result	(36,271)	(2,753,041)	(1,564,839)	(4,354,151)
Segment assets	-	514,746	1,812,090	2,326,836
Segment liabilities	-	223,816	81,813	305,629
2017				
Segment income	-	-	3,530	3,530
Segment result	(309,617)	(503,178)	(932,120)	(1,744,915)
Segment assets	-	-	721,203	721,203
Segment liabilities	-	-	118,476	118,476

Geographical information

	Income		Geographical non-current assets	
	2018 $	2017 $	2018 $	2017 $
Australia	26,869	3,530	55,256	78,150
USA	-	-	474,291	-
	26,869	3,530	529,547	78,150

NOTE 5: LOSS PER SHARE

	Consolidated 2018	Consolidated 2017
Basic loss per share (cents per share)	(1.28)	(1.1)
Diluted loss per share (cents per share)	(1.28)	(1.1)

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	$	$
Loss for the year	(4,354,151)	(1,744,915)
	No.	**No.**
Weighted average number of shares outstanding during the year used in calculations of basic loss per share:	340,101,855	158,972,029

There is no dilution of shares due to options and performance rights as the potential ordinary shares are not dilutive and therefore not included in the calculation of diluted loss per share.

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated	
	2018	**2017**
	$	**$**
Cash at bank and term deposits	1,656,320	521,784
	1,656,320	521,784

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(i) Reconciliation of loss after income tax to net cash flows from operating activities:

	2018	2017
Loss for the year	(4,354,151)	(1,744,915)
Adjustments for:		
Depreciation	32,108	13,382
Share-based payments	550,924	65,742
Gain on sale of property, plant & equipment	(4,583)	(4,357)
Loss/(Gain) on sale of investments	1,497	(376,516)
Impairment expense	-	70,000
Unrealised foreign exchange differences	(11,296)	(1,534)
	(3,785,501)	(1,978,198)
Changes in operating assets and liabilities, net of the effects of purchase of subsidiaries:		
(Increase) in trade and other receivables	(348,787)	(24,666)
(Increase) in other current assets	(2,230)	-
Increase in trade and other payables and provisions	187,153	84,837
Net cash outflow from operating activities:	(3,949,363)	(1,918,027)

(ii) Non-cash investing and financing activities

During the year the Company undertook the following non-cash investing and financing activities:

- Issue of 600,000 shares to a consultant as commission for services provided in securing a private share placement for the Company;
- Issue of 1,050,000 shares to a consultant for services provided in securing a private share placement for the Company;
- Issue of 1,000,000 shares to a vendor as part consideration for acquisition of exploration tenements in US; and
- Issue of 10,000,000 options to a broker in consideration for services provided in managing and assisting with a share placement.

During the previous financial year, 2,000,000 shares were issued as part consideration for 100% of the voting shares of Western Cobalt Pty Ltd, an unlisted company based in Australia, which owns exploration licence E9/2218. The balance of the consideration ($50,000) was paid in cash.

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2018	**2017**
	$	**$**
Current		
Prepayments	-	13,702
GST recoverable	21,366	22,280
	21,366	35,982

The average credit period on sales of goods and rendering of services is 30-90 days. No debts are past due and no impairment is required.

	2018	2017
Non-current		
Office lease security deposit	13,594	13,594
Exploration bonds	363,403	-
	376,997	13,594

NOTE 8: FINANCIAL ASSETS

Current		
Investment available-for-sale	117,373	85,287
	117,373	85,287

The Company has an investment in Iconic Minerals Ltd, a Canadian listed company, which has a portfolio of gold and lithium exploration projects in Nevada, USA.

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2018	**2017**
	$	**$**
At cost	194,070	78,342
Accumulated depreciation	(41,520)	(13,786)
	152,550	64,556

Reconciliation:

Opening balance at 1 July	64,556	45,093
Additions	136,296	65,761
Disposal of non-current assets	(15,416)	(32,916)
Depreciation/amortisation for the year	(32,108)	(13,382)
Foreign exchange differences	(778)	-
At 30 June, net of accumulated depreciation	152,550	64,556

The useful life of the assets were estimated as follows for 2018:

Office equipment	2-5 years
Computer equipment	2.5 years
Motor vehicles	5 years
Exploration equipment	2-5 years

NOTE 10: TRADE AND OTHER PAYABLES

Current		
Trade payables	145,116	65,695
Accruals	153,532	41,516
	298,648	107,211

Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTE 11: CONTRIBUTED EQUITY

Paid up capital – ordinary shares	14,877,154	8,737,675
Capital raising costs	(1,059,954)	(115,179)
	13,817,200	8,622,496

NOTE 11: CONTRIBUTED EQUITY (continued)

(a) Ordinary shares

	Number of shares	$
2018 movements in ordinary share capital:		
Balance at 1 July 2017	183,504,210	8,622,496
Exercise of options at $0.055 each	500,000	27,500
Exercise of options at $0.03 each	4,000	120
Exercise of options at $0.025 each	64,893,564	1,622,339
Issue of shares via private placement at $0.011 each	41,996,484	461,961
Issue of shares via Share Purchase Plan at $0.011 each	69,451,365	763,965
Issue of shares via private placement at $0.03 each	20,000,000	600,000
Issue of shares via private placement at $0.088 each	20,000,000	1,760,000
Conversion of Performance Rights (refer note 13(b) for further details)	5,885,000	71,735
Issue of shares to various consultants for services rendered	7,970,000	294,800
Issue of shares to vendor for acquisition of tenements	1,000,000	44,000
Payment by employee for loan funded shares	-	21,931
Capital raising costs	-	(473,647)
Balance at 30 June 2018	415,204,623	13,817,200
2017 movements in ordinary share capital:		
Balance at 1 July 2016	122,183,183	6,952,930
Issue of shares via a private placement at $0.027 each	8,000,000	216,000
Issue of shares via an entitlement issue at $0.027 each	18,629,240	502,989
Issue of shares via a private placement at $0.03 each	27,333,332	820,000
Conversion of Performance Rights (refer Note 13(b) for further details)	250,000	-
Issue of shares for acquisition of project	2,000,000	70,000
Conversion of options at $0.03 each	4,004,000	120,120
Issue of shares to supplier for services provided	1,104,455	48,596
Capital raising costs	-	(108,139)
Balance at 30 June 2017	183,504,210	8,622,496

(b) Share options

	Options exercisable at 3c each on or before 13/07/2017 *Note (i)*	Options exercisable at 2.5c each on or before 10/08/2018 *Note (ii)*	Options exercisable at 5.5c each on or before 21/9/2018 *Note (iii)*
2018			
Balance at 1 July 2017	49,958,572	-	500,000
Issued during the year	-	121,447,849	-
Exercised during the year	(4,000)	(64,893,564)	(500,000)
Expired during the year	(49,954,572)	-	-
Balance at 30 June 2018	-	56,554,285	-
2017			
Balance at 1 July 2016	-	-	-
Issued during the year	53,962,572	-	500,000
Exercised during the year	(4,004,000)	-	-
Balance at 30 June 2017	49,958,572	-	500,000

(i) Listed options issued in private placements and in a rights issue, of which 4,000 were exercised during the year and the balance of 49,954,572 expired unexercised.

(ii) Listed options issued on 2 October 2017 as follows:
- 69,451,365 share purchase plan options;
- 41,996,484 placement options (as approved by shareholders); and
- 10,000,000 broker options (as approved by shareholders).

(iii) Unlisted options issued to a consultant in a previous period were exercised during the year.

NOTE 11: CONTRIBUTED EQUITY (continued)

(c) Performance Rights

	2018 (No.)	2017 (No.)
Opening balance	5,885,000	5,885,000
Issued during the year	10,000,000	-
Vested during the year	(5,885,000)	-
Closing balance	10,000,000	5,885,000

Refer Note 13(b) for further details of Performance Rights granted by the Company.

NOTE 12: RESERVES

The following table shows a breakdown of the statement of financial position line item 'Reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Share-based payments $	Available-for-sale financial assets $	Foreign currency translation $	Total reserves $
As at 1 July 2016	136,740	735,076	1,007	872,823
Revaluation of AFS	-	(362,197)	-	(362,197)
Reclassification to profit or loss	-	(376,516)	-	(376,516)
Issue of Loan Funded Share Plan shares	9,270	-	-	9,270
Issue of Options	7,876	-	-	7,876
As at 30 June 2017	153,886	(3,637)	1,007	151,256
As at 1 July 2017	153,886	(3,637)	1,007	151,256
Revaluation of AFS	-	48,261	-	48,261
Foreign currency translation for subsidiary	-	-	(46,723)	(46,723)
Vesting of Performance Rights	(71,735)	-	-	(71,735)
Transfer to accumulated losses	(7,876)	-	-	(7,876)
Issue of options	200,000	-	-	200,000
Issue of Performance Rights	448,124	-	-	448,124
As at 30 June 2018	722,399	44,624	(45,716)	721,307

Share-based payments reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options and performance rights granted to management and consultants of the Company recognised in accordance with the accounting policy adopted for share-based payments and the cash price of rights options issued to investors and the proceeds raised from the issue of options under an entitlement issue.

Available-for-sale financial assets

Changes in the fair value and exchange differences arising on translation of investments that are classified as available-for-sale financial assets (eg equities), are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

NOTE 13: SHARE BASED PAYMENTS

(a) Options

During the year, the following options were granted to a broker in consideration for services provided in managing and assisting with a private placement.

Class	Grant Date	Expiry Date	Exercise Price	Number of Options granted
Listed Options (ASNOB)	2 October 2017	10 August 2018	$0.025	10,000,000

The fair value of the options at grant date was 2 cents per option which was based on the market price at the grant date.

At the beginning of the financial year there were 500,000 options (2017: nil) on issue with a weighted average exercise price of 5.5 cents. These options were exercised during the year (2017: nil). In addition, a further 10,000,000 options (2017: 500,000) were granted during the year, with a weighted average exercise price of 2.5 cents (2017: 5.5 cents). These options were listed and tradeable on ASX and consequently, it is not possible to determine how many were exercised during the year, nor how many were outstanding at the end of the year.

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options and shares were granted, unless the share options are listed and have a quoted market price.

The fair value of the options granted are recognised as an expense over the period from grant to vesting date.

In the financial year ended 30 June 2017, 500,000 options (Options) were granted to employees and consultants. The Black Scholes Option Pricing Model assumes that the securities the subject of the valuation can be sold on a secondary market. The terms and conditions of the Options state that no application will be made for the Shares to be listed for official quotation on ASX, until certain milestones are met. Accordingly, a discount for lack of marketability is required to determine an indicative fair value of the Options.

For the purposes of arriving at an appropriate discount rate, the Company has considered:

- that discounts have traditionally been applied in the range of 10% to 30% to reflect the non-negotiability of unlisted equities; and
- the fact that the Securities will be unlisted.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

The following table lists the assumptions to the model used for the previous financial year ended 30 June 2017.

	Issue Date	Vesting Date	Number Issued	Grant Date	Stock Price at Grant Date (cents)	Issue Price (cents)	Risk Free Rate (%)	Volatility (%)	Value Per option (cents)
Options	22/3/17	22/3/17	500,000	22/3/17	3.5	5.5	1.79%	122.71%	1.6

NOTE 13: SHARE BASED PAYMENTS (continued)

(b) Performance Rights

The following performance rights were issued during the year:

	30 June 2018 (No.)	30 June 2017 (No.)
Balance at start of the year	**5,885,000**	**5,885,000**
Issued during the year:		
Bruce McLeod	2,000,000	-
Bruce Richardson	6,000,000	-
Greg Knox	2,000,000	-
Other employees and consultants	-	250,000
	10,000,000	**250,000**
Vested during the year:		
Bruce McLeod	(885,000)	-
Bruce Richardson	(2,350,000)	-
Greg Knox	(1,765,000)	-
Other employees and consultants	(885,000)	(250,000)
	(5,885,000)	**(250,000)**
Balance at year end	**10,000,000**	**5,885,000**

The Performance Rights were issued for nil cash consideration and nil issue price.

The vesting of the Performance Rights is conditional upon the Group's achievement of various performance hurdles in relation to the Group's lithium brine project in Utah, USA.

The shares to be issued in the event of vesting of the Performance Rights shall rank pari-passu in all respects with other fully paid ordinary shares in the Company.

Any unvested Performance Rights will lapse 7 years after their date of issue.

The assessed fair value at grant date of the Performance Rights granted during the year was 9.5 cents per Right (2017: 2.8 cents). The initial undiscounted value of the performance rights is the value of an underlying share in the Company as traded on ASX at the deemed date of grant of the performance right. As the performance conditions are not market based performance conditions, no discount is applied. The value of the Performance Rights is amortised over the period during which the respective performance hurdle may be achieved. In the event the performance hurdle is achieved before the end of the vesting period, the remaining unamortised value is immediately expensed.

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2018 $	2017 $
Performance rights issued	448,124	4,583
	448,124	4,583

NOTE 13: SHARE BASED PAYMENTS (continued)

(d) Other share-based payments

Shares issued to consultants as consideration for services provided

On 28 and 29 August 2017, the Company issued a total of 6,000,000 shares to a consultant of the Group as consideration for his services in relation to securing three offtake MOU's for the Group.

On 8 November 2017 the Company issued 600,000 shares to a consultant as consideration for services provided in securing a private share placement for the Company.

On 22 November 2017 the Company issued 320,000 shares to a consultant of the Group as consideration for his service in relation to obtaining a drilling permit for the Group in Utah, USA.

On 20 April 2018, the Company issued 1,050,000 shares to a consultant as consideration for services provided in securing a private share placement for the Company.

On 22 May 2018 the Company issued 1,000,000 shares to a vendor as consideration for the acquisition of exploration tenements in Utah, USA.

(e) Loan Funded Share Plan Shares

The Company has established a Loan Funded Share Plan for the purposes of attracting and retaining the services of Directors and employees of a high calibre. No shares were issued under the Plan in the current financial year (2017: Nil). As at balance date, a total of 12,250,000 shares remain on issue under the Plan.

NOTE 14: COMMITMENTS AND CONTINGENCIES

(a) Expenditure commitments contracted for exploration tenements:

In order to maintain current rights of tenure to exploration tenements, the Group is required to outlay rentals and to meet the minimum expenditure requirements. These obligations are not provided for in the financial statements and are payable:

	Consolidated	
	2018	2017
	$	$
No later than 12 months	71,097	102,803
Between 12 months and 5 years	247,000	107,000
Greater than 5 years	-	-
	318,097	209,803

(b) Earn-in agreement for exploration claims:

In September 2016 the Company agreed to earn into a prospective lithium project (Project) in Utah, USA comprising of 89 Placer Claims. Legal agreements were completed in March 2017 with Voyageur Minerals Inc providing Anson's subsidiary company, A1 Lithium Inc, with the ability to earn up to a 70% interest in the Project, whilst also retaining an option to purchase the remaining 30% interest.

A1 Lithium Inc earned an initial 10% interest in the Project on signing the joint venture agreement with Voyageur and through payment of an up-front fee of US$75,000.

A1 Lithium Inc earned a further 40% interest in the Project through completion of agreed milestones, which included defining the location(s) for one or more drill holes, issuing a NI 43-101 technical report, and expending US$666,000 (any underspent portion of which could be deferred to the next stage of the earn-in without the additional 40% interest being affected).

A1 Lithium Inc can earn a further 20% Project interest by drilling and logging one or more holes, issuing a NI 43-101 technical report, and expending US$2,330,000 by March 2020.

At the date of this Report, the joint venture partner, Voyageur, (current holding of 50% interest) had not completed the formalities to transfer the claims to the joint venture company as required under the agreement. This has not had any impact on the accounts.

NOTE 14: COMMITMENTS AND CONTINGENCIES (continued)

(c) Operating lease commitments:

The Company is the lessee in respect of certain property held under operating leases. The lease for the property has a term of 2 years from 20 June 2017 and lease payments are increased every year with indexation to reflect market rentals.

At the reporting date, the Group had outstanding minimum commitments under non-cancellable operating leases, which fall due as follows:

	Consolidated	
	2018	**2017**
	$	**$**
No later than 12 months	75,475	33,875
Between 12 months and 5 years	-	52,033
Greater than 5 years	-	-
	75,475	85,908

(d) Finance lease and hire purchase commitments

The Group leases certain plant and equipment under a finance lease of 3 years. At the end of the lease terms the Group owns the equipment outright or has the option to purchase the equipment for the residual amount owing. The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

	Consolidated	
	2018	**2017**
	$	**$**
- no later than 12 months	3,780	3,792
- between 12 months and 5 years	3,465	7,584
- Total minimum lease payments	7,245	11,376
- Less: amounts representing finance charges	(264)	(1,045)
- Present value of minimum lease payments	6,981	10,331
Included in the financial statements as:		
- Current liabilities	3,354	3,344
- Non-current liabilities	3,627	6,987
	6,981	10,331

(e) Legal action by supplier

In 2017 a supplier to the Group commenced legal action through which clarification of the terms of a contract was sought. At the date of this report, the legal action remains ongoing. The terms of the agreement require the satisfaction of performance hurdles to trigger compensation. One of those hurdles has been achieved and payment has been made. However, other hurdles are yet to be achieved and remain the subject of dispute. There is presently no obligation giving rise to a liability and no provision or contingent liability has been recorded

NOTE 15: RELATED PARTY DISCLOSURE

(a) Subsidiaries

The consolidated financial statements include the financial statements of Anson Resources Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	% Equity Interest 2018	Investment $ 2018	% Equity interest 2017	Investment $ 2017
Tikal Minerals SA [(1)]	Guatemala	100%	-	100%	-
Rhodes Resources Pty Ltd	Australia	100%	-	100%	-
Western Cobalt Pty Ltd	Australia	100%	-	100%	-
A1 Lithium Inc.	USA	100%	-	100%	-

Note 1: one share owned by Bruce Richardson, Managing Director, beneficially held on behalf of Anson Resources Limited. 4,999 shares held by Anson Resources Limited directly.

(b) Ultimate parent

Anson Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

(c) Key management personnel (KMP)

Refer to Note 16 for details of compensation to key management personnel. Other than the compensation as shown in Note 16, there were no other transactions with KMPs or their associated entities during the year.

(d) Loan funded share plan contingent asset

The Company has issued shares to key management personnel under a loan funded share plan. The grant of these securities is accounted for as a share based payment with the value having been calculated using a Black-Scholes option pricing model at the date of issue. Notwithstanding the accounting treatment of the loan funded share plan as an option, the shares are restricted and can only be released upon the holder paying the loan attached to the shares. The balance of the contingent asset was:

	2018 $	2017 $
Loan funded share plan contingent asset	175,022	182,729
	175,022	**182,729**

NOTE 16: COMPENSATION FOR KEY MANAGEMENT PERSONNEL

	Consolidated 2018	2017
Short-term employee benefits	668,740	421,406
Post-employment benefits	3,470	1,157
Share-based payments	441,150	9,243
	1,113,360	431,806

Refer to the Remuneration Report for further information.

NOTE 17: EVENTS AFTER BALANCE DATE

The following events have occurred after balance date:

1. 56,430,434 options were exercised at 2.5 cents each and 123,851 options expired without being exercised on 10 August 2018;

2. On 18 July 2018, the Company completed a private placement of 22,727,273 shares at $0.11 per share, accompanied on a one-for-four basis by unlisted options exercisable at $0.20 on or before 18 July 2020 (Placement Options), raising $2.5 million before costs. The lead manager was paid a fee of 6% of gross proceeds and 10 million Placement Options;

Other than the matters disclosed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group and the results of those operations.

NOTE 18: AUDITOR'S REMUNERATION

	Consolidated	
	2018	2017
	$	$
Amounts received or due and receivable by the auditors for:		
Audit or review of the financial reports of the Company	29,655	25,334
	29,655	25,334

NOTE 19: FINANCIAL RISK MANAGEMENT

The Group's financial situation is not complex. Its activities may expose it to a variety of financial risks in the future: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. At that stage the Group's overall risk management program will focus on the unpredictability of the financial markets and seek to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out under an approved framework covering a risk management policy and internal compliance and control by management. The Board identifies, evaluates and approves measures to address financial risks.

The Group holds the following financial instruments:

	Consolidated	
	2018	2017
	$	$
Financial Assets		
Cash and cash equivalents	1,656,320	521,784
Trade and other receivables	21,366	22,280
Other receivables - deposits and bonds paid	376,997	13,594
Investments	117,373	85,287
	2,172,056	642,945
Financial Liabilities		
Trade and other payables	298,648	107,211
Lease liabilities	6,981	10,331
	305,629	117,542

NOTE 19: FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

Cash flow and fair value interest rate risk

The Group receives interest on its cash management accounts based on daily balances at variable rates. The Group's operating accounts do not attract interest. The Group did not have any deposits at fixed rates during the year. Deposits at variable rates expose the Group to cash flow interest rate risk.

At reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	2018 $	2017 $
Variable rate instruments		
Cash at bank	1,261,998	488,447
Fixed rate instruments		
Lease liabilities	(6,981)	(10,331)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would increase or decrease the Group's loss by $12,620 (2017: $4,884), based on the cash at bank at reporting date and calculated on an annual basis. The Board assessed a 100 basis point movement as being reasonably possible based on short term historical movements. This analysis assumes that all other variables remain constant.

Foreign currency risk

As a result of USD cash deposits, the Group's statement of financial performance can be affected significantly by movements in the US$/A$ exchange rates.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

At 30 June 2018, the Group had the following exposure to US$ foreign currency expressed in A$ equivalents, which are not designated as cash flow hedges:

	Consolidated	
	2018 $	2017 $
Financial Assets		
Cash and cash equivalents	393,766	12,009
Other receivables - deposits and bonds paid	363,403	-
	757,169	12,009
Financial Liabilities		
Trade and other payables	223,816	-

At 30 June 2018, the Group had the following exposure to Canadian Dollar foreign currency expressed in A$ equivalents, which are not designated in cash flow hedges:

	Consolidated	
	2018 $	2017 $
Financial Assets		
Investments	117,373	85,287
	117,373	85,287
Financial Liabilities		
Trade and other payables	-	-

NOTE 19: FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to exchange rates:

	Consolidated	
	Profit/loss	**Equity**
	$	**$**
Year ended 30 June 2018		
+/- 20% in $A/$US	106,671	106,671
+/- 5% in $A/$CAD	-	5,868
Year ended 30 June 2017		
+/- 20% in $A/$US	2,402	2,402
+/- 5% in $A/$CAD	-	4,264

Other price risk

Other price risk relates to the risk that the fair value of future cash flows on a financial instrument will fluctuate because of changes in market prices due to demand and supply factors (other than those arising from interest rate or currency risk).

The Group is exposed to securities price risk on an available-for-sale investment in a company listed on the TSX Venture Exchange in Canada in the metals and mining sector.

At 30 June 2018, the Group had the following exposure to security price risk:

	Consolidated	
	2018	**2017**
	$	**$**
Financial Assets		
Investments	117,373	85,287
	117,373	85,287

The following table illustrates sensitivities to the Group's exposures to security price risk:

	Consolidated	
	Profit/loss	**Equity**
	$	**$**
Year ended 30 June 2018		
+/- 50% in listed investments	-	58,687
Year ended 30 June 2017		
+/- 50% in listed investments	-	42,644

(b) Credit risk

The Group has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions.

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. In relation to other credit risk areas management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised at the beginning of this note.

NOTE 19: FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group will aim at maintaining flexibility in funding by accessing appropriate committed credit lines available from different counterparties where appropriate and possible. Surplus funds when available are generally only invested in high credit quality financial institutions in highly liquid markets.

The Group has no borrowing facilities.

(d) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The capital structure of the Company consists of equity attributable to equity holders, comprising issued capital, reserves and accumulated losses as disclosed in Notes 11 and 12.

The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

NOTE 20: PARENT ENTITY INFORMATION

(a) Information relating to Anson Resources Limited

	2018 $	2017 $
Current assets	1,756,834	643,053
Non-current assets	55,256	78,150
Total assets	1,812,090	721,203
Current liabilities	(78,187)	(111,489)
Non-current liabilities	(3,627)	(6,987)
Total liabilities	(81,814)	(118,476)
Net assets	1,730,276	602,727
Contributed equity	13,817,200	8,622,496
Reserves	449,083	151,256
Accumulated losses	(12,536,007)	(8,171,025)
Total shareholders' equity	1,730,276	602,727
Loss of the parent entity	(4,372,856)	(1,744,915)
Total comprehensive loss of the parent entity	(4,324,595)	(2,483,628)

(b) Guarantees

No guarantees have been entered into by the Company in relation to the debts of its subsidiaries.

(c) Commitments and Contingencies

Commitments and contingencies of the Company as at reporting date are disclosed in Note 14 to the financial statements.

NOTE 21: FAIR VALUE MEASUREMENT

Fair value hierarchy

The following table details the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The following table details the Group's assets and liabilities measured or disclosed at fair value.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2018				
Assets				
Available-for-sale financial assets	117,373	-	-	117,373
Total assets	117,373	-	-	117,373
2017				
Assets				
Available-for-sale financial assets	85,287	-	-	85,287
Total assets	85,287	-	-	85,287

Estimates of fair value take into account factors and market conditions evident at balance date. Uncertainty and changes in global market conditions in the future may impact fair values in the future.

Transfers between level 1 and 3

There were no movements between different fair value measurement levels during the financial year (2017: none).

DIRECTORS' DECLARATION

1. In the opinion of the Directors:

   a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001 including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended 30 June 2018; and

      (ii) complying with Accounting Standards and Corporations Regulations 2001;

      (iii) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the year ended 30 June 2018.

This declaration is signed in accordance with a resolution of the Board of Directors.

Bruce Richardson
Director

26 September 2018

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ANSON RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Anson Resources Limited (the Company and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 18 of the directors' report for the year ended 30 June 2018. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

In our opinion the Remuneration Report of Anson Resources Limited for the year ended 30 June 2018 complies with section 300A of the Corporations Act 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir R Tirodkar
Director

West Perth, Western Australia
26 September 2018

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 5 September 2018.

(A) DISTRIBUTION OF EQUITY SECURITIES

Ordinary share capital

The number of security holders by size of holding are:

	Fully paid ordinary shares			*Options exercisable at $0.20 each on or before 18 July 2020*		
Range	**Holders**	**Units**	**%**	**Holders**	**Units**	**%**
1 - 1,000	82	4,602	0.00	-	-	-
1,001 - 5,000	511	1,830,594	0.37	-	-	-
5,001 - 10,000	570	4,784,282	0.97	-	-	-
10,001 - 100,000	1,700	67,488,262	13.65	9	322,727	2.06
100,001 - Over	674	420,254,591	85.01	12*	15,359,092	97.94
Total	3,537	494,362,331	100.00	21	15,681,819	100.00

** Hunter Capital Advisors Pty Ltd holds 10,000,000 options.*

(B) SUBSTANTIAL SHAREHOLDERS

	Fully paid	
Ordinary shareholders	**Number**	**Percentage**
CHIA TAI XINGYE INTNL	40,000,000	8.1%

(c) TWENTY LARGEST SECURITY HOLDERS

	Fully paid	
Ordinary shareholders	**Number**	**Percentage**
CHIA TAI XINGYE INTNL	40,000,000	8.1%
RICHARDSON BUSINESS CONS	14,153,636	2.9%
SHI DESHUN	12,011,800	2.4%
KNOX PETER GREGORY	11,315,542	2.3%
OTHMAN BASSAM	9,100,000	1.8%
LI XIAOXUAN	8,150,000	1.6%
XIAO LI	7,650,000	1.5%
WO WAH INDUSTRIAL INV LTD	6,000,000	1.2%
RICHARDSON BRUCE	5,680,451	1.1%
RHODES CAPITAL PTY LTD	5,046,376	1.0%
XU ZHIGANG	5,000,000	1.0%
BALLARD KEITH R + M K	4,950,000	1.0%
GAULE MICHAEL WILLIAM	4,903,930	1.0%
KLEIN MATTHEW STEVEN	4,840,880	1.0%
PJ & SL MOYLAN PL	4,700,000	1.0%
APEDAILE STEVEN J + M L	4,500,000	0.9%
APEDAILE STEVEN J + M L	4,500,000	0.9%
WARNE DARREN MICHAEL	3,500,000	0.7%
CHENG HOLDEN	3,077,272	0.6%
GRAHAM CRAIG LAWRENCE	3,063,000	0.6%
	162,142,887	32.8%

ASX ADDITIONAL INFORMATION (continued)

(D) UNMARKETABLE PARCELS

There were 593 holdings (1,835,196 shares in total) of less than a marketable parcel of ordinary shares (being 5,000 shares as at 5 September 2018).

(E) VOTING RIGHTS

The voting rights attaching to ordinary shares are:

On a show of hands, each member present in person or by proxy has one vote, and upon a poll, each share has one vote.

Options do not carry any voting rights.

(F) ON-MARKET BUY BACK

There is no current on-market buy-back.

(G) PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND RECOMMENDATIONS

The Board has adopted and approved the Company's Corporate Governance Statement, which can be found on the Company's website at www.ansonresources.com.

(F) MINERAL TENEMENTS

The Group holds the following 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	Granted
Hooley Well	E9/2219	Cobalt	Anson Resources Ltd	WA	Granted
Paradox Brine	87 placer claims	Lithium	(i)	Utah, USA	(i)
Paradox Brine	202 placer claims	Lithium	A1 Lithium Inc.	Utah, USA	(ii)
Paradox Brine	201 placer claims	Lithium	A1 Lithium Inc.	Utah, USA	(iii)
Paradox Brine	493 placer claims	Lithium	A1 Lithium Inc.	Utah, USA	(iv)
Paradox Brine	1 Oil & Gas Lease	Oil	A1 Lithium Inc.	Utah, USA	(v)
Paradox Brine	1 Industrial Permit	Industrial	A1 Lithium Inc.	Utah, USA	(vi)

ASX ADDITIONAL INFORMATION (continued)

(i) Anson currently holds a 50% interest in 87 Placer Claims in Utah, USA (the ULI Project) and can earn further interests as follows:

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

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-89ULI-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, ULI279, ULI280, ULI281, ULI282, ULI283, ULI284, ULI285, ULI286, ULI287, ULI288, ULI289, ULI290, ULI291, ULI292, ULI293, ULI294, ULI295, ULI296, ULI297, ULI298, ULI299, ULI300, ULI301, ULI302, ULI303, ULI304, ULI305, ULI306, ULI307, ULI308, ULI309, ULI310, ULI311, ULI312, ULI313, ULI314, ULI315, ULI316, ULI317, ULI318, ULI319, ULI320, ULI321, ULI322, ULI323, ULI324, ULI325, ULI326, ULI327, ULI328, ULI329, ULI330, ULI331, ULI332, ULI333, ULI334, ULI335, ULI336, ULI337, ULI338, ULI339, ULI340, ULI341, ULI342, ULI343, ULI344, ULI345, ULI346, ULI347, ULI348, ULI349, ULI350, ULI351, ULI352, ULI353, ULI354, ULI355, ULI356, ULI357, ULI358, ULI359, ULI360, ULI361, ULI362, ULI363, ULI364, ULI365, ULI366, ULI367, ULI368, ULI369, ULI370, ULI371, ULI372, ULI373, ULI374, ULI375, ULI376, ULI377, ULI378, ULI379, ULI380, ULI381, ULI382, ULI383, ULI384, ULI385, ULI386, ULI387, ULI388, ULI389, ULI390, ULI391, ULI392, ULI393, ULI394, ULI395, ULI396, ULI397, ULI398, ULI399, ULI400, ULI401 and ULI402.

(iii) The Company currently holds a 100% interest in 201 Placer Claims in Utah, USA. Under the terms of the earn-in agreement referred to in point (i) above for the ULI Project, 65 of 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 ULI501, ULI502, ULI503, ULI504, ULI505, ULI506, ULI507, ULI508, ULI509, ULI510, ULI511, ULI512, ULI513, ULI514, ULI515, ULI516, ULI517, ULI518, ULI519, ULI520, ULI521, ULI522, ULI523, ULI524, ULI525, ULI526, ULI527, ULI528, ULI529, ULI530, ULI531, ULI532, ULI533, ULI534, ULI535, ULI536, ULI537, ULI538, ULI539, ULI540, ULI541, ULI542, ULI543, ULI544, ULI545, ULI546, ULI547, ULI548, ULI549, ULI550, ULI551, ULI552, ULI553, ULI544, ULI555, ULI556, ULI557, ULI558, ULI559, ULI560, ULI561, ULI562, ULI563, ULI564, ULI565, ULI566, ULI567, ULI568, ULI569, ULI570, ULI571, ULI572, ULI573, ULI574, ULI575, ULI576, ULI577, ULI578, ULI579, ULI580, ULI581, ULI582, ULI583, ULI584, ULI585, ULI586, ULI587, ULI588, ULI589, ULI590, ULI591, ULI592, ULI593, ULI594, ULI595, ULI596, ULI597, ULI598, ULI591, ULI600, ULI601, ULI602, ULI603, ULI604, ULI605, ULI606, ULI607, ULI608, ULI609, ULI610, ULI611, ULI612, ULI613, ULI614, ULI615, ULI616, ULI621, ULI622, ULI623, ULI624, ULI625, ULI626, ULI627, ULI628, ULI629, ULI630, ULI631, ULI632, ULI633, ULI634, ULI635, ULI636, ULI637, ULI638, ULI639, ULI640, ULI645, ULI646, ULI647, ULI648, ULI653, ULI654, ULI655, ULI656, ULI661, ULI662, ULI663, ULI664, ULI665, ULI666, ULI667, ULI668, ULI669, ULI670, ULI671, ULI672, ULI673, ULI674, ULI675, ULI676, ULI677, ULI678, ULI679, ULI680, ULI681, ULI682, ULI683, ULI688, ULI689, ULI690, ULI691, ULI696, ULI697, ULI698, ULI699, ULI700, ULI701, ULI702, ULI703, ULI704, ULI705, ULI706, ULI707, ULI708, ULI709, ULI710, ULI711, ULI712, ULI713, ULI714, ULI715, ULI716, ULI717, ULI718, ULI719, ULI720, ULI721, ULI722, ULI723, ULI724, and ULI725.

(iv)The Company currently holds a 100% interest in 249 Placer Claims in Utah, USA.

These claims are referred to as ULI617, ULI618, ULI619, ULI620, ULI641, ULI642, ULI643, ULI644, ULI649, ULI650, ULI651, ULI652, ULI657, ULI658, ULI659, ULI660, ULI726, ULI727, ULI728, ULI729, ULI730, ULI731, ULI732, ULI733, ULI734, ULI735, ULI736, ULI737, ULI738, ULI739, ULI740, ULI741, ULI742, ULI743, ULI744, ULI745, ULI746, ULI747, ULI748, ULI749, ULI750, ULI751, ULI752, ULI753, ULI754, ULI755, ULI756, ULI757, ULI758, ULI759, ULI760, ULI761, ULI762, ULI763, ULI764, ULI765, ULI766, ULI767, ULI768, ULI769, ULI770, ULI771, ULI772, ULI773, ULI774, ULI775, ULI776, ULI777, ULI778, ULI779, ULI780, ULI781, ULI782, ULI783, ULI784, ULI785, ULI786, ULI787, ULI788, ULI789, ULI790, ULI791, ULI792, ULI793, ULI794, ULI795, ULI796, ULI797, ULI798, ULI799, ULI800, ULI801, ULI802, ULI803, ULI804, ULI805, ULI806, ULI807, ULI808, ULI809, ULI810, ULI811, ULI812, ULI813, ULI814, ULI815, ULI816, ULI817, ULI818, ULI819, ULI820, ULI821, ULI822, ULI823, ULI824, ULI825, ULI826, ULI827, ULI828, ULI829, ULI830, ULI831, ULI832, ULI833, ULI834, ULI835, ULI836, ULI837, ULI838, ULI839, ULI840, ULI841, ULI842, ULI843, ULI844, ULI845, ULI846, ULI847, ULI848, ULI849, ULI850, ULI851, ULI852, ULI853, ULI854, ULI855, ULI856, ULI857, ULI858, ULI859, ULI860, ULI861, ULI862, ULI863, ULI864, ULI865, ULI866, ULI867, ULI868, ULI869, ULI870, ULI871, ULI872, ULI873, ULI874, ULI875, ULI876, ULI877, ULI878, ULI879, ULI880, ULI881, ULI882, ULI883, ULI884, ULI885, ULI886, ULI887, ULI888, ULI889, ULI890, ULI891, ULI892, ULI893, ULI894, ULI895, ULI896, ULI897, ULI898, ULI899, ULI900, ULI901, ULI902, ULI903, ULI904, ULI905, ULI906, ULI907, ULI908, ULI909, ULI910, ULI911, ULI912, ULI913, ULI914, ULI915, ULI916, ULI917, ULI918, ULI919, ULI920, ULI921, ULI922, ULI923, ULI924, ULI925, ULI926, ULI927, ULI928, ULI929, ULI930, ULI931, ULI932, ULI933, ULI934, ULI935, ULI936, ULI937, ULI938, ULI939, ULI940, ULI941, ULI942, ULI943, ULI944, ULI945, ULI946, ULI947, ULI948, ULI949, ULI950, ULI951, ULI952, ULI953 and ULI954.

The Company **cu**rrently holds a 100% interest in 66 Placer Claims in Utah, USA.

These claims are referred to as CLOUD001, CLOUD002, CLOUD003, CLOUD004, CLOUD005, CLOUD006, CLOUD007, CLOUD008, CLOUD009, CLOUD010, CLOUD011, CLOUD012, CLOUD013, CLOUD014, CLOUD015, CLOUD016, CLOUD017, CLOUD018, CLOUD019, CLOUD020, CLOUD021, CLOUD022, CLOUD023, CLOUD024, CLOUD025, CLOUD026, CLOUD027, CLOUD028, CLOUD029, CLOUD030, CLOUD031, CLOUD032, CLOUD033, CLOUD034, CLOUD035, CLOUD036, CLOUD037, CLOUD038, CLOUD039, CLOUD040, CLOUD041, CLOUD042, CLOUD043, CLOUD044, CLOUD045, CLOUD046, CLOUD047, CLOUD048, CLOUD049, CLOUD050, CLOUD051, CLOUD052, CLOUD053, CLOUD054, CLOUD055, CLOUD056, CLOUD057, CLOUD058, CLOUD059, CLOUD060, CLOUD061, CLOUD062, CLOUD063, CLOUD064, CLOUD065 and CLOUD066,

The Company currently holds a 100% interest in 178 Placer Claims in Utah, USA.

These claims are referred to as CANE001, CANE002, CANE003, CANE004, CANE005, CANE006, CANE007, CANE008, CANE009, CANE010, CANE011, CANE012, CANE013, CANE014, CANE015, CANE016, CANE017, CANE018, CANE019, CANE020, CANE021, CANE022, CANE023, CANE024, CANE025, CANE026, CANE027, CANE028, CANE029, CANE030, CANE031, CANE032, CANE033, CANE034, CANE035, CANE036, CANE037, CANE038, CANE039, CANE040, CANE041, CANE042, CANE043, CANE044, CANE045, CANE046, CANE047, CANE048, CANE049, CANE050, CANE051, CANE052, CANE053, CANE054, CANE055, CANE056, CANE057, CANE058, CANE059, CANE060, CANE061, CANE062, CANE063, CANE064, CANE065, CANE066, CANE067, CANE068, CANE069, CANE070, CANE071, CANE072, CANE073, CANE074, CANE075, CANE076, CANE077, CANE078, CANE079, CANE080, CANE081, CANE082, CANE083, CANE084, CANE085, CANE086, CANE087, CANE088, CANE089, CANE090, CANE091, CANE092, CANE093, CANE094, CANE095, CANE096, CANE097, CANE098, CANE099, CANE100, CANE101, CANE102, CANE103, CANE104, CANE105, CANE106, CANE107, CANE108, CANE109, CANE110, CANE111, CANE112, CANE113, CANE114, CANE115, CANE116, CANE117, CANE118, CANE119, CANE120, CANE121, CANE122, CANE123, CANE124, CANE125, CANE126, CANE127, CANE128, CANE129, CANE130, CANE131, CANE132, CANE133, CANE134, CANE135, CANE136, CANE137, CANE138, CANE139, CANE140, CANE141, CANE142, CANE143, CANE144, CANE145, CANE146, CANE147, CANE148, CANE149, CANE150, CANE151, CANE152, CANE153, CANE154, CANE155, CANE156, CANE157, CANE158, CANE159, CANE160, CANE161, CANE162, CANE163, CANE164, CANE165, CANE166, CANE167, CANE168, CANE169, CANE170, CANE171, CANE172, CANE173, CANE314, CANE175, CANE176, CANE177, CANE178 and CANE179.

(v) The Company **curr**ently holds a 100% interest in 1 Oil and Gas Lease in Utah, USA. This claim is referred to as ML49667.

(vi) The Company **c**urrently holds a 100% interest in 1 Industrial Permit in Utah, USA. This claim is referred to as SULA1872.