Anson Resources

Anson Resources Limited

(ABN 46 136 636 005)

Financial Report
for the Year Ended 30 June 2019

Index

Corporate Information

Directors

Bruce Richardson
Executive Chairman and CEO

Peter (Greg) Knox
Non-executive Director

Michael van Uffelen
Non-executive Director

Auditors

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West Perth WA 6005

Company Secretary

Tino Kapfumo

Registered and Principal Office

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ASX Code: ASN

ABN: 46 136 636 005

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 2019.

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)
Executive Chairman and CEO from 18 October 2019

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, with a particularly focus on China. He has raised over $170 million of investment in mining projects.

He is fluent in Mandarin and had 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 and 2007 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

Michael van Uffelen, B.Comm, CA
Non-executive Director – Appointed 18 October 2018

Mr van Uffelen holds a Bachelor of Commerce from the University of Western Australia and is a Chartered Accountant. He has more than 30 years accounting and finance experience gained with major accounting firms, investment banks and public companies both in Australia and internationally.

Directorships in other listed entities in the past 3 years:

- Nanoveu Limited (14 February 2018 to present)
- Tian Poh Resources Limited (31 May 2015 to present)
- Dragon Energy Limited (1 January to 31 December 2015)

Alex Grant, B.Eng. (Chemical), M.S. (Chemical Engineering)
Non-executive Director – Appointed 26 March 2019 – Resigned 31 July 2019

Mr. Grant is a co-founder of Lilac Solutions Inc, a Silicon Valley direct lithium extraction technology company. He co-invented core families of patents on direct lithium extraction from brines, and led work on engineering scoping studies for lithium developers, flowsheet development, and cost structure modelling.

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

Directors' Report (continued)

Directors (continued)

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.

Directorships in other listed entities in the past 3 years:
- Empire Energy Limited (21 May 1996 to 30 August 2018)

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.
Bruce Richardson	23,847,723	4,600,000
Peter (Greg) Knox	14,758,270	1,600,000
Michael van Uffelen	83,000	-
Alexander Grant	-	-

Company Secretaries

Mr Tino Kapfumo B.Comm CA – appointed 6 May 2019

Mr Kapfumo holds a Bachelor of Commerce from the University of Western Australia and is a Chartered Accountant. He has gained experience with both major and mid-tier accounting firms dealing with a wide variety of entities including listed entities; not for profit entities and large private companies with operations both in Australia and internationally.

Mr Michael van Uffelen – Interim Company Secretary 4 April 2019 to 6 May 2019

Please refer to Mr van Uffelen's details on page 3 of the Directors' Report.

Mr Kim Hogg – resigned 3 April 2019

Mr Hogg holds a Bachelor of Commerce from 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.

Directors' Report (continued)

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 this 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;
- Process development primarily for the extraction of lithium, bromine, iodine and boron chemicals; and
- Searching for further resource projects.

Operating and financial review

Paradox Brine Project – Utah, USA

The Paradox Brine Project is prospective for the extraction of lithium, bromine, iodine and boron chemicals.

The Paradox Brine Project is located within a mature oil and gas district with brines with historically high published concentrations of lithium. The Paradox Formation, host to these brines, is a Pennsylvanian aged evaporite sequence deposited during multiple transgressive/regressive cycles. Following deposition, the basin was subject to structural alteration due to the further basin development. Deep structures which developed in this time, such as the Roberts Rupture which strikes to the north-east through the claims, potentially create a conduit for rising heated fluids. The Paradox Formation presents the factors required for genesis of a brine hosted lithium deposit.

The geologic model for the Paradox Basin brine aquifers has similar affinities to brine concentrations in Tertiary aged closed evaporative basins, as well as those associated with brine aquifer hosted in older Carboniferous and Palaeozoic sediments and commonly associated with hydrocarbon deposits.

<u>Location:</u>

The location of the Paradox Brine Project within the Paradox Basin is shown in Figure 1.

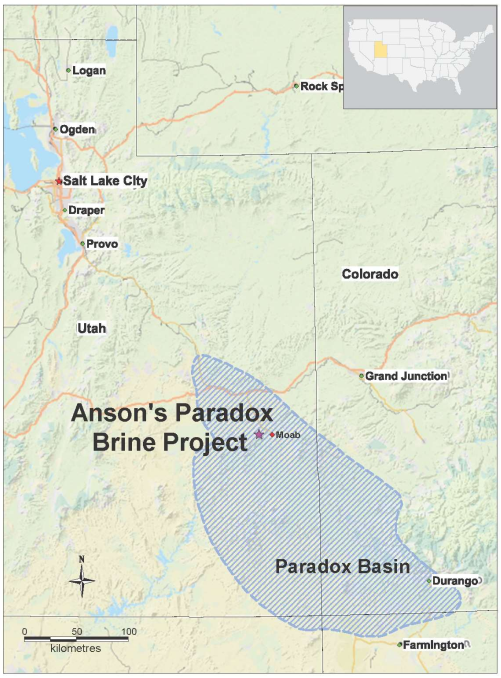

Figure 1: Location of the Paradox Brine Project.

Directors' Report (continued)

Supersaturated Brines:

The Group is targeting the supersaturated brines in the deepest part of the Paradox Basin in close proximity to Moab, Utah, with a goal of extracting minerals.

Historical data for the Paradox Brine Project area is more robust than many lithium exploration targets due to the Paradox Basin's long history of oil and gas production. Numerous well records and geophysical logs are readily available for the Project area. Furthermore, there is published historical data on the chemistry of brine fluids from a variety of horizons within the Paradox Formation, allowing for more precise targeting of prospective geologic horizons.

Figure 2 shows a cross section through the Paradox Brine Project.

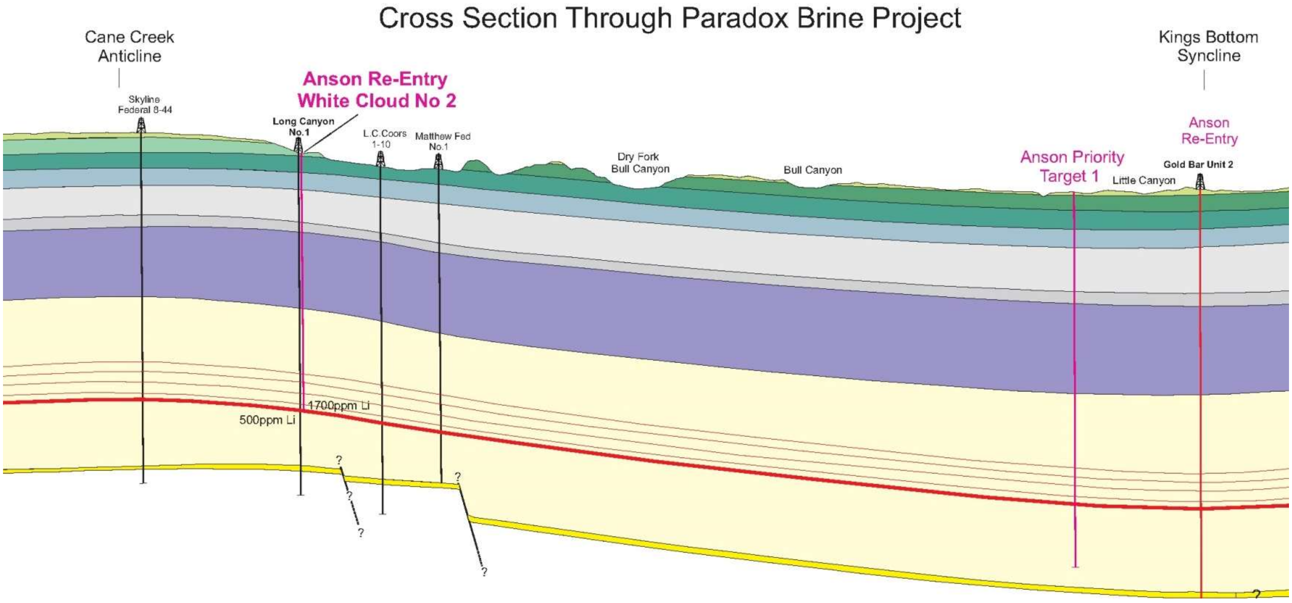

Figure 2: Cross section through the Paradox Brine Project.

Anson has re-entered 4 historic oil wells to depths of up to 6,500 feet in the Paradox Brine Project area. The wells have an average spacing of 1.6km (ranging between 1.3km and 3.0km). The bores have delineated an aquifer containing hyper-saline brine with total dissolved salts (TDS) ranging between 350,000 mg/L and 410,000 mg/L; the brine is enriched with respect to lithium. Weighted mean average lithium concentrations range between 100 mg/L and 250 mg/L, with a maximum (recent) recorded concentration of 253 mg/L.

The sampling of the supersaturated brines from the clastic zones of the Paradox Formation yielded concentrations up to 253 ppm lithium and 5,041 ppm bromine.

JORC (2012) Resource Estimate:

A summary table of JORC Code (2012) Compliant Mineral Resource Estimate is presented below in Table 1.

Category	Brine Tonnes (millions)	Li (ppm)	B (ppm)	Br (ppm)	I (ppm)	Porosity (%)	Contained (t)[1]			
							Li_2CO_3	H_3BO_3	Br_2	I_2
Indicated	**13.9**	**217**	**178**	**4,551**	**154**	**21.0**	**15,968**	**14,110**	**63,095**	**2,138**
Inferred	**114.7**	**168**	**443**	**3,172**	**168**	**20.8**	**102,296**	**290,333**	**363,757**	**19,262**
TOTAL	**128.6**	**173**	**414**	**3,321**	**166.5**	**20.8**	**118,264**	**304,443**	**426,852**	**21,400**

Table 1: Paradox Brine Project JORC Resource.

See announcement dated 17 June 2019 for details.

[1] Lithium is converted to lithium carbonate (Li_2CO_3) using a conversion factor of 5.32 and boron is converted to boric acid (H_3BO_3) using a conversion factor of 5.72.

Directors' Report (continued)

Figure 3 shows the Resource classification over the Project area and Figure 4 shows the Project area and recorded lithium grades.

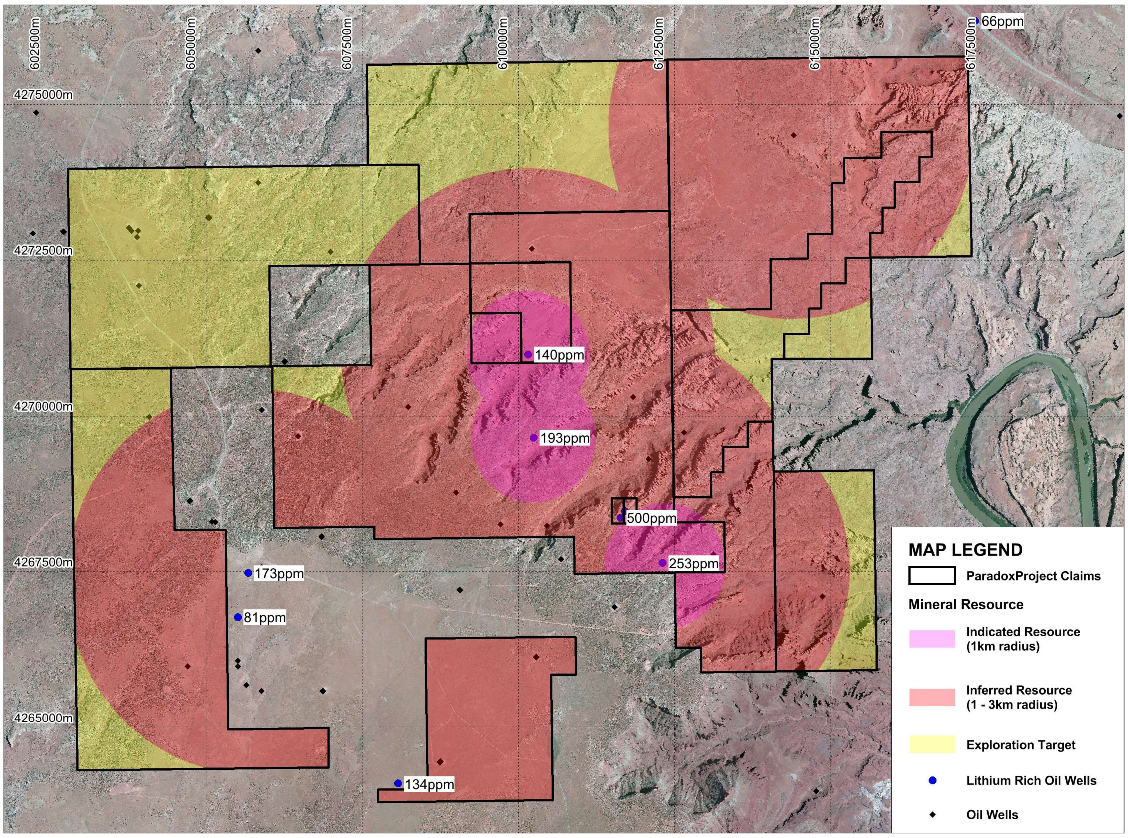

Figure 3: Plan showing the Resource classification.

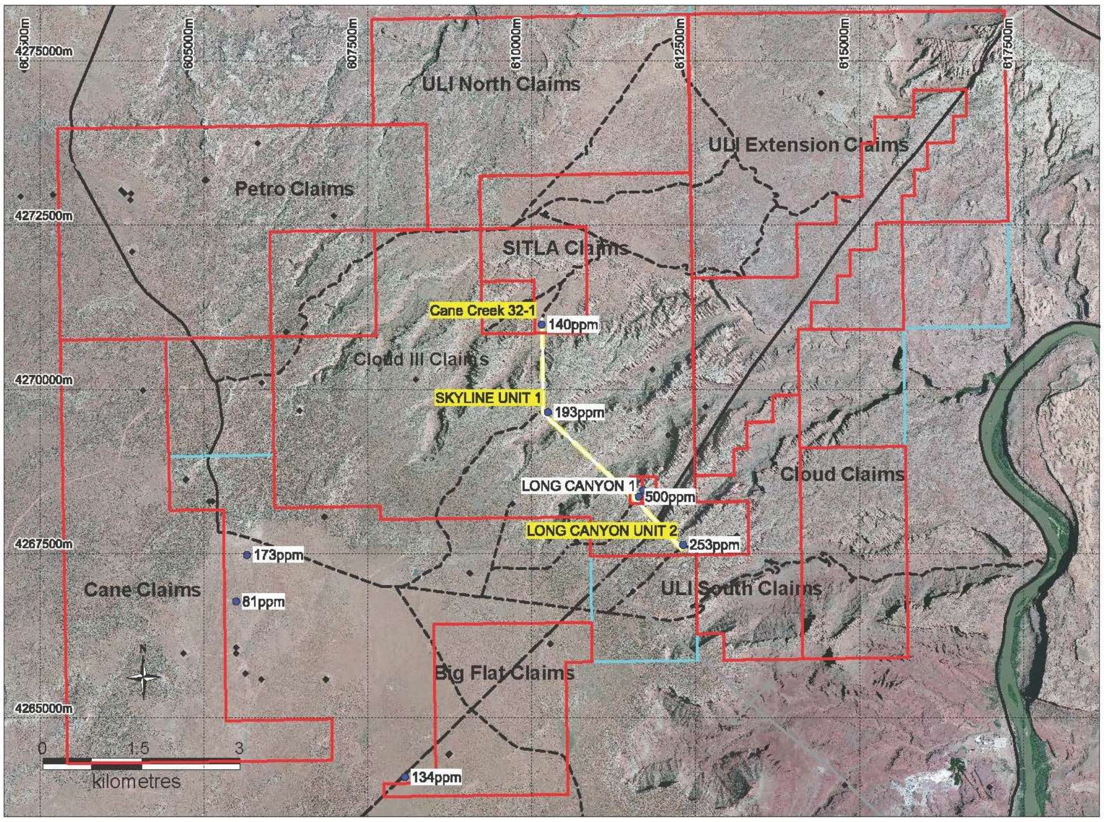

Figure 4: Plan showing the Project Claims and nearby lithium rich wells.

Directors' Report (continued)

Exploration Target for Clastic Zone 31:

In addition to the Mineral Resource, an Exploration Target of a further 30 - 46 million tonnes of brine grading in the range of 150 mg/L to 300 mg/L lithium has been estimated for Clastic Zone 31. The Exploration Target occurs within the Project's placer claims totalling 11,373 hectares, see Figure 3.

Clarification Statement: An Exploration Target is not a Mineral Resource. The potential quantity and grade of an Exploration Target is conceptual in nature. A Mineral Resource has been identified in the centre of the Exploration Target, but there has been insufficient exploration to estimate any extension to the Mineral Resource and it is uncertain if further exploration will result in the estimation of an additional Mineral Resource.

See announcement dated 17 June 2019 for details.

Exploration Target for Clastic Zones 17, 19, 29 and 33:

An Exploration Target of 484 M to 792 M tonnes of brine, with estimated grades of 50 to 150ppm lithium (Li), 50 to 400ppm boron (B), 2,500 to 4,000ppm bromine (Br) and 30 to 100ppm iodine (I), for four Clastic Zones (17, 19, 29 and 33) sampled by Anson during drilling at its Paradox Brine Project, located in Utah, USA. Please see Table 2.

The Exploration Targets are conceptual in nature for these horizons as there has been insufficient exploration undertaken on the project to name a mineral resource. It is uncertain that future exploration will result in a mineral resource, other than the Mineral Resource for Clastic Zone 31.

Clastic Zone	Thickness (m)		Porosity (%)	Volume (M m^3)		Density	Tonnes (Brine) (Mt)	
	min	**max**		**min**	**max**		**min**	**max**
Clastic Zones 17, 19, 29 and 33								
17	6.10	12.19	19.25	127.6	255.2	1.27	162.0	324.1
19	7.62	9.75	20.75	171.9	220.0	1.27	218.3	279.5
29	3.05	4.57	16.00	53.0	79.5	1.27	67.3	101.0
33	1.52	3.66	17.40	28.8	69.1	1.27	36.6	87.8
				381.3	**623.8**		**484.2**	**792.4**
Clastic Zone 31 – original Exploration Target								
31	3.05	6.10	20.05	65.9	131.9	1.30	85.0	171.0
Totals				**447.2**	**755.7**		**569.2**	**963.4**

Table 2: The Brine Exploration Targets at Anson's Paradox Brine Project.

See the announcement dated 12 June 2019 for details.

Conceptual Commercial Plant Flow Sheet:

Initial test work to assess the possible methods to extract additional chemical products to lithium chemicals has been completed. This test work recovered 70% of the bromine, 89% of the iodine and 89% of the boron (see the announcements dated 21 February 2019 and 20 March 2019) and enabled the conceptual flow sheet for the Paradox Brine Project's commercial plant to be determined. See Figure 5.

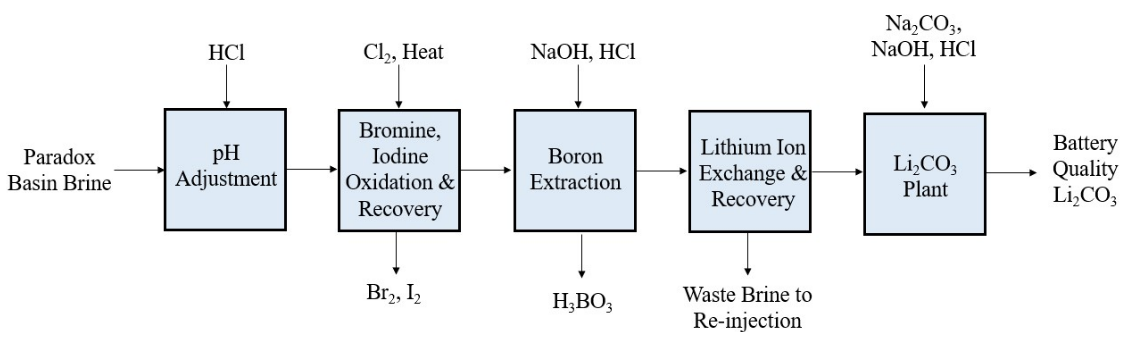

Figure 5: Simplified Commercial Plant Conceptual Flow Sheet

Directors’ Report (continued)

Metallurgical Test Work:

~1 kg of battery quality lithium carbonate (see the announcement dated 3 June 2019) was produced and detailed test work on the extraction and recovery of additional chemical products commenced.

The production of further chemical products from Paradox Brine is being assessed in order to extract maximum economics from the Project’s mineral rich brine by spreading common costs such as extraction, infrastructure and waste disposal across multiple products. The unique composition of Anson’s supersaturated brine provides an opportunity to reduce operating costs unlike other brines which do not have other high concentration of minerals other than lithium.

The next stage of test work is focused on the extraction and recovery of bromine, including the estimation of the operating and capital costs for commercial plant which is intended to be incorporated into future feasibility studies.

Assessment of iodine and boric acid extraction and recovery test work is then expected to follow.

Industrial Scale In-field Pilot Plant:

An in-field pilot plant aiming to validate the possible future commercial production of lithium chemicals is in development.

Validation of the possible future commercial production of additional chemical products is expected to be able to be done off-site as these are expected to be commonly used processes for which testing facilities are available and are therefore not planned to be incorporated in the in-field pilot plant.

The engineering design of the brine pre-treatment and lithium carbonation processes has been completed, and the designing and construction of the lithium extraction processes of the pilot plant are being progressed.

Farm-in Agreement:

In September 2016 the Group agreed to earn into a project comprising of 87 Placer Claims (ULI Project). Legal agreements were completed in March 2017 with Voyageur Minerals Inc. for the Group to earn up to a 70% interest in the these 87 Placer Claims.

An initial 10% interest was earned upon signing the joint venture agreement and in consideration for payment of a fee of US$75,000.

A further 40% interest has now been earned 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). The achievement of these milestones increased the Group’s intertest in the 87 claims of the ULI Project to 50%[2] .

A further 20% interest can be earned 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 this step had not been completed.

100% Owned Placer Claims:

Since agreeing to earn into the ULI Project, the Group has staked additional placer claims and the Paradox Brine Project now consists of 1,317 placer claims, being the original 87 ULI Project placer claims that are subject to an earn-in agreement and 1,230 placer claims that are 100% owned by the Group[3].

In addition, one state oil and gas lease and a state industrial lease are included in the project area.

[2] Anson commenced with a 10% interest in these 87 claims which increased to 50% from the work done and may be subject to finalisation under the terms of the agreement to earn-into the ULI Project.

[3] 65 claims owned by Anson may be subject to area of interest provisions of the agreement to earn-into the ULI Project.

Directors' Report (continued)

Activities During the Year:

The activities on the Paradox Brine Project during the year were:

- Completion of a drilling program;
- Estimation of a JORC (2012) Mineral Resource for Clastic Zone 31;
- Estimating an Exploration Target for Clastic Zones 17, 19, 29 and 33;
- Test work on the extraction and recovery of lithium, bromine, iodine and boron chemicals;
- Pilot plant design engineering; and
- The production of ~1kg of battery quality lithium carbonate.

Yellow Cat Project – Utah, USA

The Yellow Cat Project is located 30km north of Moab, in the Thompson District, Grant Country, Utah. There are two separate areas; the Yellowcat claims and the Yellowcat West claims. In total the project consists of 418 Lode claims for a total of 3,307 hectares and can be reached from Moab via State Highways 191 and 50 and then by country roads. 396 claims were stakes and 22 purchased. The region is host to historic vanadium and uranium production beginning in the early 1900s.

Activities During the Year:

During the due diligence on the Project, rock chip samples were collected and sent for assay at certified labs in both America and Australia.

Ajana Project – Western Australia

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 years, interpretation of data, including the acquired soil sampling results, is ongoing to assist in planning the next stages of exploration.

JORC (2012) Resource Estimate:

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 3. 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.

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 3: Mary Springs Mineral Resource Estimate, JORC 2012.

Zones of Pb-Zn-Cu-Ag rich mineralisation were intersected in further 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)

Hooley Wells Nickel-Cobalt Laterite – Western Australia

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.

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

Operating results for the year

Net loss attributable to equity holders of the parent for the year ended 30 June 2019 was $6,179,749 (2018: loss of $4,354,151) of which $3,872,050 (2018: $2,185,962) was spent on exploration and evaluation activities and $nil (2018: $395,854) was incurred in acquiring projects. The loss per share was 1.25 cents (2018: loss of 1.28 cents).

Cash on hand at 30 June 2019 totalled $1.855 million (2018: $1.656 million).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Significant events after balance date

On 30 July 2019 the Company announced the feedback received from a prospective customer that the lithium carbonate sample supplied exceeded the purity specifications provided by the customer.

Alexander Grant resigned from the Board of Directors effective 31 July 2019.

On 29 August 2019 the Company announced it had received a placement commitment of $1.5m from its strategic investor of 50,000,000 fully paid ordinary shares at an issue price of 3 cents per share. The Company will seek approval to issue 10,000,000 options to this investor at an exercise price of $0.06 per share expiring 2 years after the issue of the placement shares.

Other than the 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.

Likely developments and expected results

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would likely to result in unreasonable prejudice to the Group.

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.

Directors' Report (continued)

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
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
Unlisted Options	17 May 2019	16 May 2022	$0.09	11,514,105
Performance Rights	30 November 2018	29 November 2023	Nil	1,400,000

Options exercised and performance rights vested

The following options were exercised and performance rights vested during the year ended 30 June 2019:

Class	Grant Date	Expiry Date	Exercise Price	Number Exercised/Vested
Listed Options (ASNOB)	2 October 2017	10 August 2018	$0.025	56,430,434
Performance Rights	30 November 2017	20 April 2025	Nil	3,200,000

There have been no options exercised or performance shares vested since 30 June 2019 to the date of this report.

Options and performance rights on issue

At the date of this report, unissued ordinary shares of the Company under option and performance rights yet to vest are:

Class	Grant Date	Expiry Date	Exercise Price	Number of Options/rights
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
Unlisted Options	17 May 2019	16 May 2022	$0.09	11,514,105
Performance rights	20 April 2018	20 April 2025	Nil	4,800,000
Performance rights	30 November 2018	29 November 2023	Nil	1,400,000

These options and rights 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 $33,300 (2018: $10,000).

No indemnity has been paid in respect of auditors of the Group.

Directors' Report (continued)

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	-	-
B Richardson	6	6
G Knox	6	6
M van Uffelen	4	4
A Grant	1	1

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 22.

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.

Forward Looking Statements: Statements regarding plans with respect to the Group's mineral projects are forward looking statements. There can be no assurance that Anson's plans for development of its projects will proceed as expected and there can be no assurance that the Group will be able to confirm the presence of mineral deposits, that mineralisation may prove to be economic or that a project will be developed.

Competent Person's Statement: The information in this Financial Report that relates to exploration results and geology is based on information compiled and/or reviewed by Mr Greg Knox, a member in good standing of the Australasian Institute of Mining and Metallurgy. Mr Knox is a geologist who has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity being undertaken to qualify as a "Competent Person", as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion in this report of the matters based on information in the form and context in which they appear. Mr Knox has reviewed and validated the metallurgical data and consents to the inclusion in this Announcement of this information in the form and context in which it appears. Mr Knox is a director of Anson Resources Limited and a consultant to Anson Resources Limited and A1 Lithium Inc.

Chemical Engineer's Statement: The information in this Announcement that relates to metallurgical data, chemistry and processing is based on information compiled and/or reviewed by Mr. Alexander Grant. Mr. Grant is a chemical engineer with a MS degree in Chemical Engineering from Northwestern University. Mr. Grant has sufficient experience which is relevant to brine chemistry and processing and processing. Mr Grant was a director of Anson Resources Limited and is a consultant to A1 Lithium Inc.

Directors' Report (continued)

Remuneration report (audited)

This remuneration report for the year ended 30 June 2019 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	Executive Chairman and Chief Executive Officer
G Knox	Non-executive Director
M van Uffelen	Non–executive Director (appointed on 18 October 2018)
A Grant	Non-executive Director (appointed on 26 March 2019)

(ii) Executives

K Hogg	Company Secretary & Chief Financial Officer (resigned 3 April 2019)
T Kapfumo	Company Secretary & Finance Manager (appointed 6 May 2019)

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 2019
C. Details of remuneration for the year ended 30 June 2018
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 2018 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 and subsidiaries (the "Company" and the "Group").

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

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 Executive Chairman and CEO 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 2019 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 2019

	Salary & Fees	Non monetary benefits	Superannuation	Share-based payments	Total	Proportion of remuneration performance related %
Directors						
Non-executive						
B McLeod (i)	-	-	-	-	-	-
P G Knox	206,228	-	3,470	6,519	216,217	3%
M van Uffelen (ii)	103,465	-	2,444	-	105,909	-
A Grant (iii)	152,328	-	-	-	152,328	-
Executive						
B Richardson (vi)	331,801	-	-	16,296	348,097	5%
Total Directors	**793,822**	**-**	**5,914**	**22,815**	**911,736**	**3%**
Other KMPs						
K Hogg (iv)	59,909	-	-	-	59,909	-
T Kapfumo (v)	19,590	-	1,861	-	21,451	-
Total other KMPs	**79,499**	**-**	**1,861**	**-**	**81,360**	**-**
Total KMPs	**873,321**	**-**	**7,775**	**22,815**	**909,911**	**3%**

(i) Died on 11 September 2018
(ii) Appointed 18 October 2018
(iii) Appointed 26 March 2019 and resigned 31 July 2019
(iv) Resigned 4 April 2019
(v) Appointed 6 May 2019
(vi) The above amounts exclude expatriate benefits.

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

	Salary & Fees	Non monetary benefits	Superannuation	Share-based payments	Total	Proportion of remuneration performance related %
Directors						
Non-executive						
B McLeod	55,000	-	-	86,075	141,075	61%
P G Knox	213,394	-	3,470	92,571	309,435	30%
Executive						
B Richardson	300,000	-	-	255,973	555,973	46%
Total Directors	**568,394**	**-**	**3,470**	**434,619**	**1,006,483**	**43%**

Directors' Report (continued)

Remuneration report (audited) (continued)

Other KMPs						
M van Uffelen (i)	56,000	-	-	6,531	62,531	10%
N Jackson (ii)	19,608	-	-	-	19,608	-
K Hogg (iii)	14,738	-	-	-	14,738	-
Total other KMPs	**90,346**	**-**	**-**	**6,531**	**96,877**	**7%**
Total KMPs	**658,740**	**-**	**3,470**	**441,150**	**1,113,360**	**40%**

(i) Resigned 31 December 2017
(ii) Appointed 14 December 2017, resigned 21 February 2018
(iii) Appointed 21 February 2018

D. Service agreements

Employment contract

Executive Chairman and CEO, Mr Richardson, is employed under contract. The current employment contract commenced on 19 February 2019 and has no fixed term.

The main terms of the employment contract with Mr Richardson are as follows:
- Remuneration of US$300,000 p.a.;
- 25 days of annual leave p.a.;
- 6-month notice period
- Expatriate benefits to ensure the employee is no worse off as a result of relocation.

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.

Mr Knox receives a Non-executive Director fee 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 Mr Knox) a daily fee of $650 for geological services.

Mr van Uffelen receives a Non-executive Director fee of $40,000 per annum inclusive of superannuation. In addition to the director fees, Mr van Uffelen is paid for additional services provided to the board under contract with Black Tourmaline Consulting, an entity in which Mr van Uffelen has a beneficial interest, for remuneration of $13,000 per month plus GST.

Mr Grant receives a Non-executive Director fee of $40,000 per annum inclusive of superannuation. In addition to the director fees, the Company also pays Jade Cove Inc (an entity controlled by Mr Grant) a consultancy fee of US$250 per hour for technical services.

Company Secretarial & CFO fees

The Company Secretary, Mr T Kapfumo, is employed under contract. The current employment contract commenced on 6 May 2019 and has no fixed term.

The main terms of the employment contract with Mr Kapfumo are as follows:
- Remuneration of $140,000 p.a. inclusive of superannuation
- 20 days of annual leave p.a.
- 4 week notice period

Directors' Report (continued)

Remuneration report (audited) (continued)

The Company Secretary, Mr Hogg, was 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 was no written agreement in place and the arrangement could be terminated at any time by either party.

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.

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
P G Knox	400,000	see below	30 Nov 2018	0.08	29 Nov 2023
B Richardson	1,000,000	see below	30 Nov 2018	0.08	29 Nov 2023

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

The sale by the Company of the Paradox Lithium Project or a majority interest in the Project, where the sale consideration values the Project at a higher value than the sum of the acquisition cost of the Project and all money spent by the Company developing the Project; or

The farm out by the Company of the Project where the sum of any consideration received by the Company in consideration of the farm-out and the value of the retained interest of the Company in the project is higher than the sum of the acquisition cost of the Project and all money spent by the Company in developing the Project

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 $112,000. The value of the performance rights is recognised as a share-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 $22,815.

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

30 June 2019	Balance at start of year	Granted	Vested (shares issued)	Forfeited	Balance at end of year
Directors					
B McLeod	2,000,000	-	-	(2,000,000)	-
B Richardson	6,000,000	1,000,000	(2,400,000)	-	4,600,000
P G Knox	2,000,000	400,000	(800,000)	-	1,600,000
M van Uffelen	-	-	-	-	-
A Grant	-	-	-	-	-
	10,000,000	**1,400,000**	**(3,200,000)**	**(2,000,000)**	**6,200,000**

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.

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 2019	Balance at start of the year	Granted	Exercised	Options Lapsed	Balance at end of the year	Vested and exercisable
Directors						
B McLeod	1,363,636	-	(1,363,636)	-	-	-
B Richardson	1,363,636	-	(1,363,636)	-	-	-
P G Knox	1,363,635	-	(1,363,635)	-	-	-
M van Uffelen	-	-	-	-	-	-
A Grant	-	-	-	-	-	-

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 2019	Balance at start of the year	Issued upon vesting of performance rights	On-market acquisitions/ (disposals)	Participation In SPP	Issued upon exercise of options	Balance at end of the year
Directors						
B McLeod	8,181,376	-	-	-	1,363,636	9,545,012[1]
B Richardson	19,834,087	2,400,000	-	250,000	1,363,636	23,847,723
P G Knox	12,344,635	800,000	-	250,000	1,363,635	14,758,270
M van Uffelen	-	-	83,000	-	-	83,000
A Grant	-	-	-	-	-	-

1. This is at the date of Mr McLeod's passing.

H. Loans to Key Management Personnel

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.

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 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 15 March 2019 $39,149 was received in full settlement of B. McLeod's loan including accrued interest for 2,250,000 shares.

Directors' Report (continued)

Remuneration report (audited) (continued)

The cost of the loan funded share plan is recognised 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

In addition to the compensation shown above in the remuneration report, during the period the Group entered into an agreement with Lilac Solutions Inc. ("Lilac") an entity associated with Non-executive director Alex Grant in relation to the design and engineering of an ion exchange plant. The services were provided at arm's length commercial rates.

There were no other transactions with KMPs or their associated entities during the year. No other transactions with key management personnel occurred during the year.

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 2018 Annual General Meeting

At the 2018 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
Executive Chairman and Chief Executive Officer

Perth, 10 September 2019

Stantons International Audit and Consulting Pty Ltd
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10 September 2019

Board of Directors
Anson Resources Limited
Level 1
35 Outram 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 2019, 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

Martin Michalik

Martin Michalik
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	2018 $
Other Income			
Research and Development tax incentive		-	18,610
Interest income		10,655	8,259
		10,655	26,869
Expenses			
Consultants		(257,172)	(254,915)
Depreciation		(91,813)	(32,108)
Director and employee benefits expenses		(528,246)	(395,000)
Exploration and evaluation costs		(3,872,050)	(2,185,962)
Foreign exchange gain/(loss)		9,369	(5,201)
Interest expense		(10,134)	-
Loss on sale of investments		-	(1,497)
Occupancy costs		(96,841)	(76,674)
Project acquisition costs		(317,235)	(395,854)
Share-based payment expenses	17	(270,399)	(448,124)
Travel and accommodation		(266,268)	(92,264)
Other expenses	2	(489,615)	(493,421)
Loss from continuing operations before income tax expense		(6,179,749)	(4,354,151)
Income tax expense	3	-	-
Loss from continuing operations after income tax expense		**(6,179,749)**	**(4,354,151)**
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of financial assets – fair value OCI		6,457	48,261
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign subsidiaries		(141,621)	(46,723)
Total comprehensive loss for the year		**(6,314,913)**	**(4,352,613)**
Loss for the year attributable to members of the parent entity		**(6,179,749)**	**(4,354,151)**
Total comprehensive loss for the year attributable to members of the parent entity		**(6,314,913)**	**(4,352,613)**
Basic and diluted loss per share (cents per share)	5	**(1.25)**	**(1.28)**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
CURRENT ASSETS			
Cash and cash equivalents	6	1,855,438	1,656,320
Trade and other receivables	7	3,226	21,366
Other assets	8	171,552	2,230
Total Current Assets		**2,030,216**	**1,679,916**
NON-CURRENT ASSETS			
Property, plant and equipment	9	342,982	152,550
Intangible assets	10	1,095,826	-
Financial assets - fair value OCI	11	146,833	117,373
Other assets	8	771,924	376,997
Total Non-Current Assets		**2,357,565**	**646,920**
TOTAL ASSETS		**4,387,781**	**2,326,836**
CURRENT LIABILITIES			
Trade and other payables	12	749,944	298,648
Provisions	13	530,077	-
Lease liabilities	14	86,729	3,354
Total Current Liabilities		**1,366,750**	**302,002**
NON-CURRENT LIABILITIES			
Provisions	13	336,177	-
Lease liabilities	14	147,720	3,627
Total Non-current Liabilities		**483,897**	**3,627**
TOTAL LIABILITIES		**1,850,647**	**305,629**
NET ASSETS		**2,537,134**	**2,021,207**
EQUITY			
Contributed Equity	15	19,700,213	13,817,200
Reserves	16	1,409,287	721,307
Accumulated losses		(18,572,366)	(12,517,300)
TOTAL EQUITY		**2,537,134**	**2,021,207**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	2018 $
Cash flows from Operating Activities			
R&D Tax incentive received		-	18,610
Payments to suppliers and employees		(4,602,257)	(3,219,749)
Payments for acquisition of projects		-	(386,889)
Interest paid		(2,798)	(755)
Net cash (used in) operating activities	24(i)	(4,605,055)	(3,588,783)
Cash Flows from Investing Activities			
Purchase of property, plant & equipment		(14,548)	(131,786)
Proceeds on the sale of property, plant & equipment		-	20,000
Purchase of financial assets - FVOCI		(18,617)	(2,824)
Proceeds on the sale of investments		-	17,501
Payment for office rental bonds		(32,941)	-
Payments for refundable exploration bonds		(331,878)	(368,840)
Interest received		10,654	8,260
Development expenditures		(1,070,300)	-
Net cash (used in) investing activities		(1,457,629)	(457,689)
Cash Flows from Financing Activities			
Repayment of lease liabilities		(8,518)	-
Proceeds from the issue of shares		5,047,704	5,260,054
Proceeds from exercise of options		1,410,761	-
Capital raising costs		(200,785)	(79,709)
Net cash provided by financing activities		6,249,162	5,180,345
Net increase in cash held		186,478	1,133,873
Cash at the beginning of the financial year		1,656,320	521,784
Effect of foreign exchange on amounts held in foreign currencies		12,640	663
Cash at the end of the financial year	6	1,855,438	1,656,320

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Group	Ordinary Shares	Accumulated Losses	Share Based Payment Reserve	Financial asset-Fair Value OCI 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 fair value of financial assets – Fair Value OCI	-	-	-	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 director 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 2018	**13,817,200**	**(12,517,300)**	**722,399**	**44,624**	**(45,716)**	**2,021,207**
Loss attributable to members of the parent entity	-	(6,179,749)	-	-	-	(6,179,749)
Change fair in value of financial assets – Fair Value OCI	-	-	-	6,457	-	6,457
Exchange differences on translation of foreign subsidiaries	-	-	-		(141,621)	(141,621)
Total comprehensive loss for the year	**-**	**(6,179,749)**	**-**	**6,457**	**(141,621)**	**(6,314,913)**
Transactions with owners in their capacity as owners:						
Issue of share capital	5,008,701	-	-	-	-	5,008,701
Exercise of options	1,610,761	-	(200,000)	-	-	1,410,761
Shares issued for acquisition of an asset	219,000	-	-	-	-	219,000
Payment by Director for loan funded shared	39,003	-	-	-	-	39,003
Share based payment for services	158,000	-	-	-	-	158,000
Vesting of performance rights	304,000	-	(304,000)	-	-	-
Share issue costs	(1,456,452)	-	-	-	-	(1,456,452)
Issue of performance rights	-	-	270,399	-	-	270,399
Issue of options	-	-	1,181,428	-	-	1,181,428
Expiry of options	-	124,683	(124,683)	-	-	-
Balance at 30 June 2019	**19,700,213**	**(18,572,366)**	**1,545,543**	**51,081**	**(187,337)**	**2,537,134**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

i. Statement of Compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001 (Cth).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial report has also been prepared on an accruals basis and are based on 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 has been an ASX listed public company since 6 July 2010 and is incorporated in Australia. It has operations in Australia and the United States of America. The principal activities are the exploration for minerals primarily for the extraction and development of lithium, bromine, iodine and boron chemicals from a project in the United States of America.

The financial statements were authorised for issue on 10 September 2019.

ii. Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of $6,179,749 (2018: $4,354,151) and net cash outflows from operating activities of $4,605,055 (2018: $3,588,783).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report by raising capital from equity markets.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

(b) Application of new and revised Accounting Standards

New standards and interpretations adopted

The Group has considered the application of new standards and amendments for the first time in the annual reporting period commencing 1 July 2018. AASB 15: *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* have been mandatorily adopted for the first time while AASB 16: *Leases* has been early adopted.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 15: *Revenue from Contracts with Customers*

This standard replaces 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 applies 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 requires retrospective restatement, as well as enhanced disclosures regarding revenue.

As the Group is not revenue generating the adoption of this standard has had no effect on the reported results.

AASB 9 Financial Instruments

AASB 9 Financial instruments replaces AASB 139 Financial Instruments: Recognition and Measurement, bringing together all three aspects of accounting for financial instruments: classification and measurement, impairment and hedge accounting. The hedge accounting changes are not applicable to the group.

Classification and measurement

Under AASB 9, the Group initially measures a financial asset as its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Financial assets are then subsequently measured at fair value through profit or loss (“FVTPL”), amortised cost, or fair value through other comprehensive income (“FVOCI”).

On adoption of AASB 9, the Group has reclassified its financial assets as subsequently measured at amortised cost or fair value depending on the business model for those assets and contractual cash flow characteristic. There was no change in the classification or measurement of financial liabilities. Under AASB 9 the Group’s financial assets of cash and cash equivalents and trade and other receivables are classified as ‘financial assets at amortised cost’.

The Standard is 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.

At the date of adoption, the Group has one investment that comprised the available for sale financial assets. The Group has made an irrevocable election to classify and subsequently measure this investment at FVOCI with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. Equity instruments at FVOCI are not subject to an impairment assessment under AASB 9. At 30 June 2019 and 30 June 2018, the Group’s financial assets comprise investments in quoted securities which are measured and carried at fair value and the Group made an irrevocable election at initial recognition (or on transition to AASB 9) to present subsequent changes in FVOCI as the investments are strategic and long term in nature. The fair value for these financial assets is calculated on a recurring basis at each balance date with reference to quoted prices (unadjusted) in active markets (“Level 1”). There were no movements between levels of the fair value hierarchy during the year ended 30 June 2019.

In relation to the reclassification and measurement of financial assets and liabilities there was no impact on the Consolidated Statement of Profit or Loss and Other Comprehensive Income; Consolidated Statement of Financial Position; or Consolidated Statement of Changes in Equity on adoption of AASB 9. Nor has there been any impact on basic or diluted earnings per share.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment

The adoption of AASB 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward looking expected credit loss ('ECL") approach.

The Group has no trade receivables and therefore on adoption of AASB 9 there has been no effect.

AASB 16: Leases

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.

On transition to AASB 16 the entity has adopted the modified retrospective approach which allows for comparatives to be left as previously reported and the outstanding asset and liability to be recorded in the year of adoption.

In the current year of adoption the Group has entered into new leases for its premises and as a result there is no adjustment required to retained earnings nor any prior period leases carried over.

Refer Note 1(w) for the impact of early adoption of this standard.

AASB Interpretation 22 *Foreign Currency Transactions and Advance Considerations*

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's consolidated financial statements.

AASB 2016-5 Amendments to Australian Accounting Standards - *Classification and Measurement of Share-based Payment Transactions*

The AASB issued amendments to AASB 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Group's accounting policy for cash-settled share based payments is consistent with the approach clarified in the amendments. In addition, the Group has no share-based payment transaction with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the Group's consolidated financial statements.

<u>New standards and interpretations not yet adopted</u>

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 Interpretation 23 *Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. Since the Group operates in a multinational tax environment, applying the Interpretation may affect its consolidated financial statements.

AASB 2018-1 Amendments to Australian Accounting Standards – *Annual Improvements 2015–2017 Cycle*

These improvements include:

- AASB 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments will apply on future business combinations of the Group.

- AASB 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in AASB 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments are currently not applicable to the Group but may apply to future transactions.

- AASB 112 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

- AASB 123 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 19.

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.

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 17.

Exploration and evaluation expenditure

The Group’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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(f) 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 Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) 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.

(h) 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; A1 Lithium Inc., Paradox Lithium LLC and Blackstone Resources Inc is USD.

As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Anson Resources Limited at the rate of exchange prevailing at the balance date and their statements of profit or loss 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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.

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.

(j) 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 Consolidated 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)

(k) 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

Plant and Equipment – over 2 to 5 years

Buildings – over 2 to 3 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 the 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 Consolidated Statement of Profit or Loss and other 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.

(l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit or Loss in the expense category that is consistent with the function of the intangible assets.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

(m) Financial Instruments - Initial recognition and subsequent measurement

(i) Financial assets

<u>Initial recognition and measurement</u>

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

<u>Subsequent measurement</u>

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

The Group's financial assets at amortised cost includes trade receivables.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(n) 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.

(o) 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.

(p) 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 profit or loss 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.

Provision for Rehabilitation

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site rehabilitation is recognised in respect of the estimated cost of rehabilitation, decommissioning and restoration of the area disturbed during mining activities up to the reporting date but not yet rehabilitated.

When the liability is initially recognised, the estimated cost is included within exploration expenditure. At each reporting date the site rehabilitation provision is re-measured to reflect any changes in discount rates and timing or amounts of the costs to be incurred. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding exploration expenditure and rehabilitation provision, prospectively from the date of change.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee entitlements

A current liability is recognised for the amount expected to be paid an employee for annual leave they are presently entitled to as a result of past service. The liability includes allowances for on-costs such as superannuation and payroll taxes as well as any future salary and wage increases that the employee may be reasonably entitled to.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service up to reporting date, plus related on costs. The benefit is discounted to determine its present value and the discount rate is the yield at reporting date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

(q) Employee leave benefits

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

Liabilities for wages and salaries, including non-monetary benefits 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.

(r) Share-based payment transactions

The Group provides benefits to directors, employees (including senior executives) and consultants of the Group in the form of share-based payments, whereby services are rendered 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 17.

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(s) 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.

(t) 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.

(u) Exploration and evaluation 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.

(v) 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 (ie 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 (ie 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 (ie 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Leases

As described in Note 1(b), the Group has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 117 and IFRIC 4.

Accounting policy applicable from 1 July 2018 for the Group as a lessee

For any new contracts entered into on or after 1 July 2018, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been shown separately.

NOTE 2: OTHER EXPENSES

	Consolidated 2019 $	2018 $
Compliance costs	89,974	53,904
Conference costs	23,942	49,708
Legal fees	126,632	214,931
Printing and postage	29,912	7,861
Audit fees	55,604	29,655
Gain on sale of property plant and equipment	-	(4,583)
Insurance	70,935	37,795
Share registry costs	42,805	59,896
Website and IT costs	34,260	15,822
Sundry expenses	15,551	28,432
Total other expenses	**489,615**	**493,421**

NOTE 3: INCOME TAX

	2019	2018
(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

	2019	2018
Loss before income tax benefit	(6,179,749)	(4,354,151)
Income tax calculated at 27.5%	(1,699,431)	(1,197,392)
Tax effect of:		
- Cost of equity settled awards	74,360	123,234
- Sundry amounts	56,200	5,014
- Section 40-880 deduction	(77,671)	(6,513)
- Exploration acquisition costs incurred	87,240	63,598
- Research and development tax offset	-	(5,118)
Future income tax benefit not brought to account	1,559,302	1,017,177
Income tax benefit	-	-

(c) Tax losses

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

	2019	2018
Potential at 27.5%	4,709,451	3,155,554

(d) Unrecognised temporary differences

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

	2019	2018
- Accruals	48,394	4,675
- Section 40-880 deduction	77,671	26,054
Unrecognised deferred tax assets relating to the above temporary differences	126,065	30,729

The potential tax benefit at 30 June 2019 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 2018.

NOTE 4: SEGMENT REPORTING

Identification of reportable segments

The Group operates predominantly in the mineral exploration industry in Australia and USA. Inter-segment transactions are priced at cost to the Consolidated Group.

The Group has identified its operating segments based on monthly internal reports. Management has identified the operating segments based on the two principal locations of its projects – Australia and the United States of America ("USA"). The Group also maintains a treasury function primarily responsible for overall management of the operating segments, raising capital and distributing funds to operating segments.

Segment assets include the costs to acquire tenements (where applicable) and the capitalised development costs of those tenements. Financial assets including cash and cash equivalents, and investments in financial assets, are reported in the Corporate segment.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the board of directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions where applicable are eliminated on consolidation of the Group's financial statements.

Corporate charges, where applicable are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The board of directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Non-exploration impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Other financial liabilities

NOTE 4: SEGMENT REPORTING (CONTINUED)

For the year ended 30 June 2019	Mineral Exploration Australia $	Mineral Exploration USA $	Treasury $	Total $
Segment revenue	-	-	-	-
Segment profit/(loss)	(21,645)	(4,167,640)	10,655	(4,178,630)
Amounts not included in segment results but reviewed by the board:				
Expenses not directly allocable to identified segments or areas of interest				
Depreciation				(91,813)
Consultants				(257,172)
Director and employee expenses				(528,246)
Occupancy				(96,841)
Share based payment expense				(270,399)
Travel and accommodation				(266,268)
Foreign exchange loss				9,369
Interest expense				(10,134)
Other expenses				(489,615)
Loss after income tax				**(6,179,749)**
AS AT 30 JUNE 2019				
Segment assets	-	1,095,826	2,002,270	3,098,096
Unallocated assets:				
Trade and other receivables				3,226
Plant and equipment				342,982
Other assets				943,477
Total Assets				**4,387,781**
Segment asset increases for the period				
Capital expenditure – development	-	1,095,826	-	1,095,826
Total segment asset increases for the period	**-**	**1,095,826**	**-**	**1,095,826**
Segment Liabilities	-	1,112,936	-	1,112,936
Unallocated liabilities:				
Trade and other payables				261,657
Provisions				241,605
Financial liabilities				234,449
Total Liabilities				**1,850,647**

NOTE 4: SEGMENT REPORTING (CONTINUED)

For the year ended 30 June 2018	**Mineral Exploration Australia $**	**Mineral Exploration USA $**	**Treasury $**	**Total $**
Segment revenue	-	-	-	-
Segment profit/(loss)	(36,270)	(2,722,745)	26,114	(2,732,901)
Amounts not included in segment results but reviewed by the board:				
Expenses not directly allocable to identified segments or areas of interest				
Depreciation				(32,108)
Consultants				(254,915)
Director and employee expenses				(395,000)
Occupancy				(76,674)
Share based payment expense				(448,124)
Travel and accommodation				(92,264)
Foreign exchange loss				(5,201)
Gain on disposal of PPE				4,583
Loss on disposal of financial assets				(1,497)
Other expenses				(320,050)
Loss after income tax				**(4,354,151)**

AS AT 30 JUNE 2018

Segment Assets	-	-	1,773,695	1,773,695
Unallocated assets:				
Trade and other receivables				21,366
Plant and Equipment				152,549
Other assets				379,226
Total Assets				**2,326,836**
Segment asset increases for the period:				
Capital expenditure – development	-	-	-	-
Impairment	-	-	-	-
Total segment asset increases for the period	**-**	**-**	**-**	**-**
Segment Liabilities	8,210	105,200	-	113,410
Unallocated liabilities:				
Trade and other payables				185,238
Financial liabilities				6,981
Total Liabilities				**305,629**

NOTE 5: LOSS PER SHARE

	Consolidated 2019	Consolidated 2018
Basic loss per share (cents per share)	(1.25)	(1.28)
Diluted loss per share (cents per share)	(1.25)	(1.28)

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	(6,179,749)	(4,354,151)
	No.	**No.**
Weighted average number of shares outstanding during the year used in calculations of basic loss per share:	492,772,487	340,101,855

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 2019 $	Consolidated 2018 $
Cash at bank and term deposits	1,855,438	1,656,320
	1,855,438	1,656,320

Cash at bank earns interest at floating rates based on daily bank deposit rates. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 23(a).

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated 2019 $	Consolidated 2018 $
Current		
GST recoverable	3,226	21,366
	3,226	21,366

NOTE 8: OTHER ASSETS

	Consolidated 2019 $	Consolidated 2018 $
Current		
Prepayments	171,552	2,230
	171,552	2,230
Non-current		
Office lease security deposits	46,933	13,594
Exploration bonds	724,991	363,403
	771,924	376,997

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2019 $	Consolidated 2018 $
At cost	479,381	194,070
Accumulated depreciation	(136,399)	(41,520)
	342,982	152,550

	Buildings $	Motor Vehicles $	Plant and Equipment $	Office Equipment $	Total $
Cost					
As at 1 July 2017	-	48,944	-	29,396	78,340
Additions	-	50,236	72,717	7,697	130,650
Disposals	-	(20,567)	-	-	(20,567)
Exchange differences	-	2,307	3,340	-	5,647
At 30 June 2018	**-**	**80,920**	**76,057**	**37,093**	**194,070**
Additions	259,865	-	-	14,548	274,413
Exchange differences	5,613	1,458	3,437	390	10,898
As at 30 June 2019	**265,478**	**82,378**	**79,494**	**52,031**	**479,381**
Depreciation and impairment					
As at 1 July 2017	-	13,640	-	144	13,784
Depreciation charge for the year	-	8,869	13,741	9,498	32,108
Disposals	-	(5,928)	-	-	(5,928)
Exchange differences	-	-	1,556	-	1,556
As at 30 June 2018	**-**	**16,581**	**15,297**	**9,642**	**41,520**
Depreciation charge for the year	28,705	16,557	33,762	12,789	91,813
Exchange differences	745	490	1,758	73	3,066
As at 30 June 2019	**29,450**	**33,628**	**50,817**	**22,504**	**136,399**
Net Book Value					
As at 30 June 2018	-	64,339	60,760	27,451	152,550
As at 30 June 2019	236,028	48,750	28,677	29,527	342,982

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Consolidated 2019 $	Consolidated 2018 $
Buildings	265,478	-
	265,478	-

Depreciation in relation to right-of-use assets during the year was $28,705 (2018: Nil).

The useful life of the assets were estimated as follows for 2019:

Buildings	2-4 years
Motor vehicles	2-5 years
Plant and equipment	2-5 years
Office equipment	2-5 years

NOTE 10: INTANGIBLE ASSETS

	Consolidated 2019 $	Consolidated 2018 $
Development costs	1,095,826	-
	1,095,826	-

Reconciliation of movements during the year:	Consolidated 2019 $	Consolidated 2018 $
Balance at the beginning of the year	-	-
Development costs capitalised	1,095,826	-
	1,095,826	-

During the year the Group commenced development of its lithium extraction technology including design and engineering of a pilot plant.

The recoverability of the carrying amount of the development costs is dependent on the successful development and commercial exploitation or sale of chemical products of the project.

Capitalised development costs will be amortised over the expected useful life of the intangible asset once full commercialisation of production commences.

NOTE 11: FINANCIAL ASSETS – FAIR VALUE OCI

	Consolidated 2019 $	Consolidated 2018 $
Non-Current		
Shares in listed entities	146,833	117,373
	146,833	117,373
Shares in listed entities		
Opening balance	117,373	85,287
Additions	18,617	2,824
Disposals	-	(18,997)
Movements in fair value	6,457	48,261
Movements in foreign currency	4,386	(2)
	146,833	117,373

These listed entities have been valued using quoted prices in active markets.

NOTE 12: TRADE AND OTHER PAYABLES

Current	Consolidated 2019 $	Consolidated 2018 $
Trade payables	569,361	145,116
Other payables	4,604	-
Accruals	175,979	153,532
	749,944	298,648

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

NOTE 13: PROVISIONS

		Consolidated 2019 $	2018 $
Current			
Employee entitlements		1,606	-
Project acquisition	a	230,000	-
Rehabilitation	b	298,471	-
		530,077	-
Non-current			
Make good	c	10,000	-
Rehabilitation	b	326,177	-
		336,177	-

a. The Group has recognised a provision for the estimated costs required in relation to hurdles that have been completed pursuant to an agreement entered into for the acquisition of the Paradox Lithium Brine Project.

b. The rehabilitation provision relates to the Group's rehabilitation obligations in the United States. Such activities include dismantling infrastructure; removal of waste material and land rehabilitation.

c. This relates to the estimated cost of making good the premises in relation to the lease entered into during the year.

NOTE 14: LEASE LIABILITIES

	Consolidated 2019 $	2018 $
Current	86,729	3,354
Non-Current	147,720	3,627
	234,449	6,981

The Group has leases for its offices and some IT equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 9).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security.

For leases over office buildings the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

NOTE 14: LEASE LIABILITIES (continued)

Right of use asset	Number leased	Range of remaining term	Average remaining term	Leases with extension options	Leases with purchase option
Office Building	2	2-2.5yrs	2.25yrs	1	nil

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2019 were as follows:

			Minimum lease payments due				
Right of use asset	**Within 1 Year**	**1-2 Years**	**2-3 Years**	**3-4 Years**	**4-5 Years**	**After 5 Years**	**Total**
30 June 2019							
Lease payments	86,729	86,729	60,991	-	-	-	234,449
Finance Charges	(18,678)	(10,670)	(2,108)	-	-	-	(31,456)
Net present values	**68,051**	**76,059**	**58,883**	**-**	**-**	**-**	**202,993**

Lease payments not recognised as a liability

The group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	Consolidated 30 June 2019 ($)
Short term leases	-
Leases of low value assets	3,780
Variable lease payments	-
	3,780

Variable lease payments expensed on the basis that they are not recognised as a lease liability include excess use charges on office equipment. Variable lease payment terms are used for a variety of reasons, including minimising costs for IT equipment with infrequent use. Variable lease payments are expensed in the period they are incurred.

NOTE 15: CONTRIBUTED EQUITY

	Consolidated 2019	2018
	$	$
Paid up capital – ordinary shares	22,216,619	14,877,154
Capital raising costs	(2,516,406)	(1,059,954)
	19,700,213	13,817,200

NOTE 15: CONTRIBUTED EQUITY (continued)

(a) Ordinary shares

	Number of shares	$
2019 movements in ordinary share capital:		
Balance at 1 July 2018	415,204,623	13,817,200
Exercise of options at $0.025	56,430,434	1,610,761
Issue of shares via private placement at $0.11 each	22,727,274	2,500,000
Issue of shares to various consultants for services rendered	2,208,981	158,000
Payment by director for loan funded shares	-	39,003
Issue of shares to vendor for acquisition of tenements	3,000,000	219,000
Issue of shares as security for an equity placement agreement	5,000,000	-
Issue of shares via private placement at $0.06 each	27,500,000	1,650,000
Issue of shares via Share Purchase Plan at $0.06 each	10,145,011	608,701
Issue of shares via private placement at $0.055 each	4,545,455	250,000
Conversion of Performance Rights (refer note 17(b) for further details)	3,200,000	304,000
Capital raising costs	-	(1,456,452)
Balance at 30 June 2019	549,961,778	19,700,213
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 17(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

(b) Share options

	Note (i)	*Note (ii)*	*Note (iii)*	*Note (iv)*	*Note (v)*	*Note (vi)*
2019						
Balance at 1 July 2018	-	56,554,285	-	-	-	-
Issued during the year	-	-	-	5,681,819	10,000,000	11,514,105
Exercised during the year	-	(56,430,434)	-	-	-	-
Expired during the year	-	(123,851)	-	-	-	-
Balance at 30 June 2019	-	-	-	5,681,819	10,000,000	11,514,105
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	-	-	-	-

NOTE 15: CONTRIBUTED EQUITY (continued)

(i) Listed options exercisable at 3c each on or before 13/07/2017 issued in private placements and in a rights issue, of which 4,000 were exercised during the prior year and the balance of 49,954,572 expired unexercised.

(ii) Listed options exercisable at 2.5c each on or before 10/08/2018 issued on 2/10/17 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 exercisable at 5.5c each on or before 21/9/2018 issued to a consultant in a previous year were exercised during the prior year.

(iv) Unlisted options exercisable at 20c each on or before 18/07/20 issued as part of a private placement.

(v) Unlisted options exercisable at 20c each on or before 18/07/20 issued to brokers as part of fees of raising capital.

(vi) Unlisted options exercisable at 9c each on or before 16/05/22 issued as part of an equity placement agreement.

(c) Performance Rights

		2019 (No.)	2018 (No.)
Opening balance		10,000,000	5,885,000
Issued during the year	a. b.	1,400,000	10,000,000
Vested during the year	c. d.	(3,200,000)	(5,885,000)
Forfeited during the year	e.	(2,000,000)	-
Closing balance		6,200,000	10,000,000

a. These Performance Rights were issued during the year and will vest upon:

  i. the sale by the Company of the Paradox Lithium Project or a majority interest in the Project, where the sale consideration values the Project at a higher value than the sum of the acquisition cost of the Project and all money spent by the Company developing the Project; or
  ii. the farm-out by the Company of the Project where the sum of any consideration received by the Company in consideration of the farm-out and the value of the retained interest of the Company in the Project is higher than the sum of the acquisition cost of the Project and all money spent by the Company in developing the Project.

b. In the prior year these Performance Rights were issued with the following vesting milestones:

  i. 2m– successful completion of bench-top test work to produce battery grade lithium carbonate equivalent;
  ii. 2m – commissioning an in-field pilot plant;
  iii. 2m– establishing a JORC or NI43-101 equivalent compliant resource;
  iv. 2m – securing a strategic investor to finance an on-sit pilot plant program; and
  v. 2m – completion of an on-site pilot testing program

c. These Performance Rights vested and were converted to ordinary shares as a result of the following 2 performance hurdles being achieved:

  i. successful completion of bench-top test work to produce battery grade lithium carbonate equivalent; and
  ii. establishing a JORC or NI43-101 equivalent compliant resource.

d. In the prior year these Performance Rights vested and were converted to ordinary shares as result of the following:
  i. the Company completing the acquisition of a mining exploration or development project with the approval of shareholders.

e. These were forfeited by Bruce McLeod on his passing.

Refer Note 17(b) for further details of Performance Rights granted by the Company.

NOTE 16: RESERVES

The following table shows a breakdown of the Consolidated 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 $	Financial Assets – FVOCI $	Foreign currency translation $	Total reserves $
As at 1 July 2018	722,399	44,624	(45,716)	721,307
Foreign currency translation of subsidiary	-	-	(141,621)	(141,621)
Revaluation of financial assets	-	6,457	-	6,457
Issue of options	1,181,428	-	-	1,181,428
Exercise of options	(200,000)	-	-	(200,000)
Lapsed options	(124,683)	-	-	(124,683)
Issue of Performance Rights	270,399	-	-	270,399
Vesting of Performance Rights	(304,000)	-	-	(304,000)
As at 30 June 2019	1,545,543	51,081	(187,337)	1,409,287

	Share-based payments $	Financial Assets – FVOCI $	Foreign currency translation $	Total reserves $
As at 1 July 2017	153,886	(3,637)	1,007	151,256
Revaluation of financial assets	-	48,261	-	48,261
Foreign currency translation of 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.

Financial Assets - FVOCI

Changes in the fair value and exchange differences arising on translation of financial assets that are classified as fair value through other comprehensive income (FVOCI), are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are not 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 17: SHARE BASED PAYMENTS

(a) Options

During the year, the following options were granted to a brokers and equity providers in consideration for services provided in managing and assisting with raising capital.

Class	Grant Date	Expiry Date	Exercise Price	Number of Options granted
Unlisted Options	20 July 2018	18 July 2020	$0.20	10,000,000
Unlisted Options	17 May 2019	16 May 2022	$0.09	11,514,105

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.

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 below table lists the assumptions used in the valuation:

	Grant Date	Vesting Date	Number Issued	Stock Price at Grant Date	Exerc. Price	Risk Free Rate	Volatility	Value Per option
Options	20/07/18	20/07/18	10,000,000	$0.125	20c	1.95%	188.62%	9.70c
Options	17/05/19	17/05/19	11,514,105	$0.057	9c	1.18%	65.61%	1.84c

In addition, a further 5,681,819 options were granted during the year, with a weighted average exercise price of 11 cents and expiring on 18 July 2020. These were issued as part of a private placement. None were exercised during the year.

At the beginning of the financial year there were 56,554,285 options (2017: nil) on issue with a weighted average exercise price of 2.5 cents. 56,430,434 of these options were exercised during the year (2017: nil) and 123,851 lapsed (2017: nil).

NOTE 17: SHARE BASED PAYMENTS (continued)

(b) Performance Rights

The movement in performance rights during the year is presented below:

	30 June 2019 (No.)	30 June 2018 (No.)
Balance at start of the year	**10,000,000**	**5,885,000**
Issued during the year:		
Bruce McLeod	-	2,000,000
Bruce Richardson	1,000,000	6,000,000
Greg Knox	400,000	2,000,000
	1,400,000	**10,000,000**
Vested during the year:		
Bruce McLeod	-	(885,000)
Bruce Richardson	(2,400,000)	(2,350,000)
Greg Knox	(800,000)	(1,765,000)
Other employees and consultants	-	(885,000)
	(3,200,000)	**(5,885,000)**
Forfeited during the year:		
Bruce McLeod	(2,000,000)	-
	(2,000,000)	**-**
Balance at year end	**6,200,000**	**10,000,000**

The Performance Rights issued were 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 issued in prior periods (4,800,000) will lapse on 18 April 2025 while the Performance Rights issued during the period (1,400,000) will lapse on 29 November 2023.

The assessed fair value at grant date of the Performance Rights granted during the year was 8 cents per Performance Right (2018: 9.5 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.

NOTE 17: SHARE BASED PAYMENTS (continued)

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	2019 $	2018 $
Performance rights issued	270,399	448,124
	270,399	448,124

(d) Other share-based payments

Shares issued to consultants as consideration for services provided

On 6 December 2018, the Company issued a total of 1,000,000 shares to a consultant of the Group as consideration for his services in relation to securing exploration tenements in Utah, USA.

On 27 March 2019, the Company issued 3,000,000 shares to a vendor as consideration for the acquisition of exploration tenements in Utah, USA.

On 20 May 2019 the Company issued 1,208,981 shares to an equity participant in lieu of fees for entering into an equity placement agreement.

Options issued as fees or capital raisings

On 20 July 2018 the Company granted 10,000,000 options to a broker with an exercise price of 20 cents and expiring on 18 July 2020 as part of the costs of a capital raising. At grant date they had a value of $969,621

On 17 May 2019 the Company granted 11,514,105 options to a financer with an exercise price of 9 cents and expiring on 16 May 2022 as part of the costs of entering into an equity placement agreement. At grant date they had a value of $211,807.

(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 (2018: Nil). As at balance date, a total of 8,750,000 shares remain on issue under the Plan.

NOTE 18: 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 meet minimum expenditure requirements. These obligations are not provided for in the financial statements are summarised below:

	Consolidated	
	2019 $	2018 $
No later than 12 months	81,000	71,097
Between 12 months and 5 years	166,000	247,000
Greater than 5 years	-	-
	247,000	318,097

(b) Earn-in agreement for exploration claims:

In September 2016 the Group agreed to earn into a project comprising of 87 Placer Claims (ULI Project). Legal agreements were completed in March 2017 with Voyageur Minerals Inc. for the Group to earn up to a 70% interest in the these 87 Placer Claims.

NOTE 18: COMMITMENTS AND CONTINGENCIES (continued)

An initial 10% interest was earned upon signing the joint venture agreement and in consideration for payment of a fee of US$75,000.

A further 40% interest has now been earned 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). The achievement of these milestones increased the Group's intertest in the 87 claims of the ULI Project to 50%[4].

A further 20% interest can be earned 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 this step had not been completed.

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.

(c) Operating lease commitments:

The Company is the lessee in respect of certain low value items which have not been capitalised. The Group has applied the modified retrospective approach to applying AASB 16 *Leases* and as such the prior period relates to a building lease which expired during the current financial year.

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

	Consolidated 2019 $	Consolidated 2018 $
No later than 12 months	-	75,475
Between 12 months and 5 years	-	-
Greater than 5 years	-	-
	-	75,475

(d) Hire purchase commitments

The Group leases certain plant and equipment under a lease of 3 years. The Group's obligations under the lease are secured by the lessors' title to the leased assets.

	Consolidated 2019 $	Consolidated 2018 $
- no later than 12 months	3,465	3,780
- between 12 months and 5 years	-	3,465
- Total minimum lease payments	3,465	7,245
- Less: amounts representing finance charges	(104)	(264)
- Present value of minimum lease payments	3,361	6,981

(e) Contingent liabilities

The are no contingent liabilities as at 30 June 2019

[4] Anson commenced with a 10% interest in these 87 claims which increased to 50% from the work done and may be subject to finalisation under the terms of the agreement to earn-into the ULI Project.

NOTE 18: COMMITMENTS AND CONTINGENCIES (continued)

(f) 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:

	Consolidated	
	2019	**2018**
	$	**$**
Loan funded share plan contingent asset	149,512	175,022
	149,512	**175,022**

NOTE 19: 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 2019	Investment $ 2019	% Equity interest 2018	Investment $ 2018
Tikal Minerals SA (i)	Guatemala	100%	-	100%	-
Rhodes Resources Pty Ltd	Australia	100%	-	100%	-
Western Cobalt Pty Ltd	Australia	100%	-	100%	-
A1 Lithium Inc.	USA	100%	-	100%	-
Paradox Lithium LLC	USA	100%	-	100%	-
Blackstone Resources Inc (ii)	USA	100%	-	100%	-

(i) One share owned by Bruce Richardson, Executive Chairman and CEO, beneficially held on behalf of Anson Resources Limited. 4,999 shares held by Anson Resources Limited directly.
(ii) Incorporated 15 November 2018.

(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 20 for details of compensation to key management personnel.

In addition to the compensation shown at Note 20, during the period the Group entered into an agreement with Lilac Solutions Inc. ("Lilac") an entity associated with Non-executive Director Alex Grant in relation to the design and engineering of an ion exchange plant. The services were provided at arm's length commercial rates.

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:

NOTE 19: RELATED PARTY DISCLOSURE (continued)

	Consolidated	
	2019	2018
	$	$
Loan funded share plan contingent asset	149,512	175,022
	149,512	175,022

NOTE 20: COMPENSATION FOR KEY MANAGEMENT PERSONNEL

	Consolidated	
	2019	2018
Short-term employee benefits	873,321	658,740
Post-employment benefits	7,775	3,470
Share-based payments	22,815	441,150
	903,911	1,103,360

Refer to the Remuneration Report for further information.

NOTE 21: EVENTS AFTER BALANCE DATE

On 30 July 2019 the Group announced the feedback received from a prospective customer that the lithium carbonate sample supplied exceeded the purity specifications provided by the customer.

Alexander Grant resigned from the Board of Directors effective 31 July 2019.

On 29 August 2019 the Company announced it had received a placement commitment of $1.5m from its strategic investor of 50,000,000 fully paid ordinary shares at an issue price of 3 cents per share. The Company will seek approval to issue 10,000,000 options to this investor at an exercise price of $0.06 per share expiring 2 years after the issue of the placement shares.

Other than the 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 22: AUDITOR'S REMUNERATION

	Consolidated	
	2019	2018
	$	$
Amounts received or due and receivable by the auditors for:		
Audit or review of the financial reports of the Group	42,949	29,655
	42,949	29,655

NOTE 23: 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.

NOTE 23: FINANCIAL RISK MANAGEMENT (continued)

The Group holds the following financial instruments:

	Consolidated	
	2019	2018
	$	$
Financial Assets		
Cash and cash equivalents	1,855,438	1,656,320
Trade and other receivables	3,226	21,366
Other assets - deposits and bonds paid	771,924	376,997
Financial Assets – Fair Value OCI	146,833	117,373
	2,777,421	2,172,056
Financial Liabilities		
Trade and other payables	749,944	298,648
Lease liabilities	234,449	6,981
	984,393	305,629

(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:

	Consolidated	
	2019	2018
	$	$
Variable rate instruments		
Cash at bank	1,855,438	1,261,998
Fixed rate instruments		
Lease liabilities	234,449	6,981

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 $18,554 (2018: $12,620), 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.

NOTE 23: FINANCIAL RISK MANAGEMENT (continued)

At 30 June 2019, the Group had the following exposure to US$ foreign currency expressed in A$ equivalents, which are not designated as cash flow hedges:

	Consolidated	
	2019	2018
	$	$
Financial Assets		
Cash and cash equivalents	430,932	393,766
Other assets - deposits and bonds paid	786,646	363,403
	1,217,578	757,169
Financial Liabilities		
Trade and other payables	432,539	223,816
Lease Liabilities	271,614	-
	704,513	223,816

At 30 June 2019, the Group had the following exposure to Canadian Dollar foreign currency expressed in A$ equivalents, which are not designated in cash flow hedges:

	Consolidated	
	2019	2018
	$	$
Financial Assets		
Investments	146,833	117,373
	146,833	117,373

Sensitivity analysis

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

	Consolidated	
	Profit/loss	Equity
	$	$
Year ended 30 June 2019		
+/- 5% in $A/$US	248	280,751
+/- 5% in $A/$CAD	-	6,738
Year ended 30 June 2018		
+/- 5% in $A/$US	26,667	26,667
+/- 5% in $A/$CAD	-	5,868

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 financial assets FVOCI listed on the TSX Venture Exchange in Canada in the metals and mining sector.

NOTE 23: FINANCIAL RISK MANAGEMENT (continued)

At 30 June 2019, the Group had the following exposure to security price risk:

	Consolidated	
	2019	2018
	$	$
Financial Assets		
Investments	146,833	117,373
	146,833	117,373

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

	Consolidated	
	Profit/loss	Equity
	$	$
Year ended 30 June 2019		
+/- 20% in listed investments	-	29,367
Year ended 30 June 2018		
+/- 20% in listed investments	-	23,475

(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.

(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 15 and 16.

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.

As part of the management of capital the Company arranged an equity funding facility of $15 million. Under the terms of the facility, the Company may, at its discretion, call for the subscriber to subscribe for shares in the Company at any time until April 2021, up to a total placement amount of $15,000,000. Each placement amount is up to $250,000 in any period of 20 trading days (and up to $1,500,000 with the prior consent of the subscriber).

NOTE 23: FINANCIAL RISK MANAGEMENT (continued)

Shares issued to the subscriber will be priced at the average of 2 daily volume weighted average prices (VWAP) of Company shares nominated by the subscriber from those during the 20 trading days which follow a placement notice being given by the Company to the subscriber (but cannot be priced at less than the minimum acceptable price specified by the Company in a placement notice). A commission of 5% will be payable by the Company at the time of issue. The Company issued 6,208,981 shares and 11,514,105 options, exercisable on or before 16 May 2022 at an exercise price of $0.08685 per share, to the subscriber for the fees and security of the facility.

The Company raised $250,000 at 5.5 cents per share under this equity placement facility during the financial year. See note 15(a).

(e) Changes in liabilities arising from financing activities

	1 July 2018	New Leases	Cash Flows	Other	30 June 2019
Current Finance Leases and hire purchase contracts	3,354	-	(3,354)	3,627	3,627
Current right of use leases	-	81,748	(19,649)	21,003	83,102
Non - Current Finance Leases and hire purchase contracts	3,627	-	-	(3,627)	-
Non - Current right of use leases	-	159,286	-	(11,566)	147,720
Total liabilities from financing activities	**6,981**	**241,034**	**(23,003)**	**9,437**	**234,449**

	1 July 2017	New Leases	Cash Flows	Other	30 June 2018
Current Finance Leases and hire purchase contracts	3,334	-	(3,334)	3,354	3,354
Non - Current Finance Leases and hire purchase contracts	6,981	-	-	(3,354)	3,627
Total liabilities from financing activities	**10,315**	**-**	**(3,334)**	**-**	**6,981**

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including obligations under finance leases and hire purchase contracts to current due to the passage of time and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings. The Group classifies interest paid as cash flows from operating activities.

NOTE 24: CASH FLOW INFORMATION

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

	Consolidated	
	2019 **$**	**2018** **$**
Loss for the year	(6,179,749)	(4,354,151)
Adjustments for:		
Depreciation	91,813	32,108
Share-based payments	270,399	550,924
Interest income	(10,654)	-
Interest Expense	7,336	-
Gain on sale of property, plant & equipment	-	(4,583)
Loss/(gain) on sale of investments	-	1,497
Unrealised foreign exchange differences	(9,369)	(11,296)
	(5,830,224)	(3,785,501)

NOTE 24: CASH FLOW INFORMATION (continued)

	Consolidated 2019	2018
Changes in operating assets and liabilities:	$	$
Decrease/(increase) in trade and other receivables	18,140	11,795
(Increase) in other current assets	(136,381)	(2,230)
Increase in trade and other payables	477,155	187,153
Increase in provisions	866,255	-
Net cash outflow from operating activities:	(4,605,055)	(3,588,783)

(ii) Non-cash investing and financing activities

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

- Issue of 1,000,000 shares to a consultant of the Group as consideration for his services in relation to securing exploration tenements in Utah, USA.
- Issue of 3,000,000 shares to a vendor as consideration for the acquisition of exploration tenements in Utah, USA.
- Issue of 1,208,981 shares to an equity participant in lieu of fees for entering into an equity placement agreement.
- Acquisition of 2 properties with a cost value of $257,830 via lease and recorded in accordance with AASB 16 *Leases*.

During the previous financial year the Group 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.

NOTE 25: PARENT ENTITY INFORMATION

(a) Information relating to Anson Resources Limited

	Consolidated 2019 $	2018 $
Current assets	1,431,585	1,756,834
Non-current assets	329,594	55,256
Total assets	1,761,179	1,812,090
Current liabilities	(566,945)	(78,187)
Non-current liabilities	(32,806)	(3,627)
Total liabilities	(599,750)	(81,814)
Net assets	1,161,428	1,730,276
Contributed equity	19,700,213	13,817,200
Reserves	1,596,624	449,083
Accumulated losses	(20,135,409)	(12,536,007)
Total shareholders' equity	1,161,428	1,730,276
Loss of the parent entity	(7,405,138)	(4,372,856)
Total comprehensive loss of the parent entity	(7,398,681)	(4,324,595)

(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 18 to the financial statements.

NOTE 26: 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.

NOTE 26: FAIR VALUE MEASUREMENT (continued)

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

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2019				
Assets				
Financial Assets - FVOCI	146,833	-	-	146,833
Total assets	146,833	-	-	146,833
2018				
Assets				
Financial Assets - FVOCI	117,373	-	-	117,373
Total assets	117,373	-	-	117,373

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 (2018: 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 2019 and of its performance for the year ended 30 June 2019; 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 2019.

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

Bruce Richardson
Executive Chairman and CEO

10 September 2019

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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 2019, 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 2019 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a)(ii) in the financial report, which describes the financial report being prepared on a going concern basis. The Group incurred loss for the year of $6,179,749, had cash and cash equivalents of $1,855,438 and net cash outflows from operating activities of $4,605,055.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its mineral assets. In the event that the Group is not successful in raising further equity or successfully exploiting its mineral assets, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Our opinion is not modified in respect of this matter.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the 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.

Key audit matter	How our audit addressed the key audit matter
Development costs As at 30 June 2019, the Group had capitalised development costs of $1,095,826 relating to the development of the Group's lithium extraction technology including design and engineering of a pilot plant. Our audit focused on this area due to the value of the development costs incurred (being 25% of the total assets of the Group), and the fact there is judgment involved in assessing whether the requirements detailed in the accounting standards for expensing or capitalising these costs have been met. For internally generated intangible assets, the Australian Accounting Standards require certain conditions to be satisfied prior to development costs being capitalised. Significant judgments relevant to the Group for capitalisation of development include determining if the development costs have met: ▪ technical feasibility criteria; and ▪ economic feasibility criteria. Management's conclusion is that the development costs met both the technical feasibility and economic feasibility criteria in accordance with accounting standards.	Inter alia, our procedures included the following: • Gaining an understanding of the development of the Group's lithium extraction technology including design and engineering of a pilot plant and the associated costs incurred to-date; • Agreeing a sample of costs incurred for the financial year to supplier invoices and other source documents and verified whether the intangible asset recognition criteria had been satisfied for capitalisation. This includes verifying the nature and amount of the expenditure and ensuring classification as development cost was appropriate; and • Gaining an understanding of the current stage of development to 30 June 2019, the results subsequent to balance sheet date and the remaining dependencies the Group has in relation to commercialising the product; and • Assessing the adequacy of the Group's related disclosures within the financial report.
Provision for rehabilitation As at 30 June 2019, the Group has recorded a liability of $624,648 relating to the estimated cost of rehabilitation, decommissioning and restoration relating to areas disturbed during exploration activities and not yet rehabilitated. The provision for rehabilitation represents the present value of estimated costs for future restoration of land explored. Provision for rehabilitation is considered a key audit matter as it constitutes approximately 34% of the total liabilities of the Group, and the fact that provisions require significant judgment due to the inherent complexities in estimating future timing of those costs and discount rates. The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and varying response to many factors.	Inter alia, our procedures included the following: • Obtaining an understanding of management's process for determining the rehabilitation provision and reviewing the appropriateness of management's considerations for against the requirements of AASB 137 Provisions, Contingent Liabilities and Contingent Assets; • Considering the inputs into the calculation including the expected timing of cash flows and discount rate used; • Re-calculating the provision for rehabilitation calculation and checking for mathematical accuracy; and • Assessing the appropriateness of the related disclosures within the financial statements.

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 2019, 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 14 to 21 of the directors' report for the year ended 30 June 2019. 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 2019 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 & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
10 September 2019

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 21 August 2019.

(A) DISTRIBUTION OF EQUITY SECURITIES

Ordinary share capital

- 549,961,778 fully paid ordinary shares are held by 3,295 individual shareholders.
  All issued ordinary shares carry one vote per share and carry the rights to dividends.

Options

- 27,195,924 options are held by 22 individual option holders.
  Options do not carry a right to vote.

The number of security holders by size of holding are:

	Fully paid ordinary shares			*Options*		
Range	**Holders**	**Units**	**%**	**Holders**	**Units**	**%**
1 - 1,000	92	15,398,929	2.80	-	-	-
1,001 - 5,000	418	69,845,145	12.70	-	-	-
5,001 - 10,000	541	90,193,731	16.40	-	-	-
10,001 - 100,000	1,581	263,981,653	48.00	9	322,727	1.18
100,001 - Over	663	110,542,320	20.10	13	27,053,197	98.82
Total	3,537	549,961,778	100.00	22	27,375,924	100.00

(B) SUBSTANTIAL SHAREHOLDERS

	Fully paid	
Ordinary shareholders	**Number**	**Percentage**
CHIA TAI XINGYE INTNL	67,500,000	12.27%

(c) TWENTY LARGEST SECURITY HOLDERS

	Fully paid	
Ordinary shareholders	**Number**	**Percentage**
CHIA TAI XINGYE INTNL	67,500,000	12.27%
KNOX SUPER PL	14,758,270	2.68%
RICHARDSON BUSINESS CONS	14,403,636	2.62%
SHI DESHUN	13,522,601	2.46%
HSBC CUSTODY NOM AUST LTD	10,386,062	1.89%
APEDAILE STEVEN J + M L	10,300,000	1.87%
OTHMAN BASSAM	9,640,000	1.75%
LI XIAOXUAN	8,150,000	1.48%
RICHARDSON BRUCE ANDREW	8,080,451	1.47%
XIAO LI	7,650,000	1.39%
WARNE DARREN MICHAEL	7,500,000	1.36%
LS WHITEHALL GRP INC	6,539,658	1.19%
CITICORP NOM PL	6,498,195	1.18%
WO WAH INDUSTRIAL INV LTD	6,000,000	1.09%
KLEIN MATTHEW STEVEN	4,840,880	0.88%
GAULE MICHAEL WILLIAM	4,769,969	0.87%
BALLARD KEITH R + M K	3,970,000	0.72%
J P MORGAN NOM AUST PL	3,510,732	0.64%
CHENG HOLDEN	3,327,272	0.61%
WU TAO	3,207,547	0.58%
	214,555,273	39.01%

ASX ADDITIONAL INFORMATION (continued)

(D) UNMARKETABLE PARCELS

There were 510 holdings (85,244,075 shares in total) of less than a marketable parcel of ordinary shares (being 5,000 shares as at 21 August 2019).

(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:

ASX ADDITIONAL INFORMATION (continued)

Project	Lease	Commodity	Holder	Locality	Status
Ajana	E66/89,	Graphite and base metals	Rhodes Resources Pty Ltd	Western Australia	Granted
	E66/94 and E66/100	Graphite and base metals	Anson Resources Limited	Western Australia	E66/94 granted, E66/100 under application
Hooley Well	E9/2218	Cobalt, nickel	Western Cobalt Pty Ltd	Western Australia	Granted
	E9/2219	Cobalt, nickel	Anson Resources Limited	Western Australia	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	249 Placer Claims	Lithium	A1 Lithium Inc	Utah, USA	(iv)
Paradox Brine	66 Placer Claims	Lithium	A1 Lithium Inc	Utah, USA	(v)
Paradox Brine	178 Placer Claims	Lithium	A1 Lithium Inc	Utah, USA	(vi)
Paradox Brine	334 Placer Claims	Lithium	A1 Lithium Inc	Utah, USA	(vii)
Paradox Brine	1Potash & Mineral Lease	Lithium	A1 Lithium Inc	Utah, USA	(viii)
Paradox Brine	1 Oil & Gas Lease	Lithium	A1 Lithium Inc	Utah, USA	(ix)
Paradox Brine	1 Industrial Permit	Lithium	A1 Lithium Inc	Utah, USA	(x)
Yellow Cat Project	418 Lode Claims	Vanadium and Uranium	Blackstone Resources Inc	Utah, USA	(xi)

(i) Anson currently holds a 50% interest in 87 Placer Claims in Utah, USA (the ULI Project) and can earn a further 20% interest by drilling and logging one or more holes, issuing a NI 43-101 technical report, and expending US$2,330,000.

ASX ADDITIONAL INFORMATION (continued)

At the date of this Report, the holder of the remaining 50% interest had not completed the formalities to transfer the claims to the joint venture company (Paradox Lithium LLC) established for this purpose. Further, achievement of the milestones which increased Anson's interest to 50% may be subject to finalisation under the terms of the agreement to earn-into the ULI Project

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-35, ULI-36, ULI-37, ULI-38, ULI-39, ULI-40, ULI-41, ULI-42, ULI-43, ULI-54, ULI-55, ULI-56, ULI-57, ULI-58, ULI-59, ULI-60, 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-68, ULI-69, ULI-70, ULI-71, ULI-77, ULI-78, ULI-79, ULI-80, ULI-81, ULI-81 W, ULI-82, ULI-83, ULI-84, ULI-85, ULI-86, ULI-87, ULI-88, ULI-89, ULI-90, ULI-91, ULI-92, ULI-93, ULI-93 E, ULI-94, ULI-95, ULI-96, ULI-97, ULI-97 E, ULI-98, ULI-98 N, ULI-99, ULI-100, ULI-101, ULI-102, ULI-102 N, ULI-103, ULI-104, ULI-105, ULI-105 N, ULI-106, ULI-107, ULI-107 N, ULI-108, ULI-109, ULI-110, ULI-111, ULI-112, ULI-113 and ULI-114.

(ii) Anson 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) Anson 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,

ASX ADDITIONAL INFORMATION (continued)

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) Anson 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.

(v) Anson currently 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

(vi) Anson 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,

ASX ADDITIONAL INFORMATION (continued)

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.

(vii) Anson currently has applied for a 100% interest in 334 Placer Claims in Utah, USA. Under the terms of the earn-in agreement referred to in point (i) above for the ULI Project, 88 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 CLOUDIII001, CLOUDIII002, CLOUDIII003, CLOUDIII004, CLOUDIII005, CLOUDIII006, CLOUDIII007, CLOUDIII008, CLOUDIII009, CLOUDIII010, CLOUDIII011, CLOUDIII012, CLOUDIII013, CLOUDIII014, CLOUDIII015, CLOUDIII016, CLOUDIII017, CLOUDIII018, CLOUDIII019, CLOUDIII020, CLOUDIII021, CLOUDIII022, CLOUDIII023, CLOUDIII024, CLOUDIII025, CLOUDIII026, CLOUDIII027, CLOUDIII028, CLOUDIII029, CLOUDIII030, CLOUDIII031, CLOUDIII032, CLOUDIII033, CLOUDIII034, CLOUDIII035, CLOUDIII036, CLOUDIII037, CLOUDIII038, CLOUDIII039, CLOUDIII040, CLOUDIII041, CLOUDIII042, CLOUDIII043, CLOUDIII044, CLOUDIII045, CLOUDIII046, CLOUDIII047, CLOUDIII048, CLOUDIII049, CLOUDIII050, CLOUDIII051, CLOUDIII052, CLOUDIII053, CLOUDIII054, CLOUDIII055, CLOUDIII056, CLOUDIII057, CLOUDIII058, CLOUDIII059, CLOUDIII060, CLOUDIII061, CLOUDIII062, CLOUDIII063, CLOUDIII064, CLOUDIII065, CLOUDIII066, CLOUDIII067, CLOUDIII068, CLOUDIII069, CLOUDIII070, CLOUDIII071, CLOUDIII072, CLOUDIII073, CLOUDIII074, CLOUDIII075, CLOUDIII076, CLOUDIII077, CLOUDIII078, CLOUDIII079, CLOUDIII080, CLOUDIII081, CLOUDIII082, CLOUDIII083, CLOUDIII084, CLOUDIII085, CLOUDIII086, CLOUDIII087, CLOUDIII088, CLOUDIII089, CLOUDIII090, CLOUDIII091, CLOUDIII092, CLOUDIII093, CLOUDIII094, CLOUDIII095, CLOUDIII096, CLOUDIII097, CLOUDIII098, CLOUDIII099, CLOUDIII100, CLOUDIII101, CLOUDIII102, CLOUDIII103, CLOUDIII104, CLOUDIII105, CLOUDIII106, CLOUDIII107, CLOUDIII108, CLOUDIII109, CLOUDIII110, CLOUDIII111, CLOUDIII112, CLOUDIII113, CLOUDIII114, CLOUDIII115, CLOUDIII116, CLOUDIII117, CLOUDIII118, CLOUDIII119, CLOUDIII120, CLOUDIII121, CLOUDIII122, CLOUDIII123, CLOUDIII124, CLOUDIII125, CLOUDIII126, CLOUDIII127, CLOUDIII128, CLOUDIII129, CLOUDIII130, CLOUDIII131, CLOUDIII132, CLOUDIII133, CLOUDIII134, CLOUDIII135, CLOUDIII136, CLOUDIII137, CLOUDIII138, CLOUDIII139, CLOUDIII140, CLOUDIII141, CLOUDIII142, CLOUDIII143, CLOUDIII144, CLOUDIII145, CLOUDIII146, CLOUDIII147, CLOUDIII148, CLOUDIII149, CLOUDIII150, CLOUDIII151, CLOUDIII152, CLOUDIII153, CLOUDIII154, CLOUDIII155, CLOUDIII156, CLOUDIII157, CLOUDIII158, CLOUDIII159, CLOUDIII160, CLOUDIII161, CLOUDIII162, CLOUDIII163, CLOUDIII164, CLOUDIII165, CLOUDIII166, CLOUDIII167, CLOUDIII168, CLOUDIII169, CLOUDIII170, CLOUDIII171, CLOUDIII172, CLOUDIII173, CLOUDIII174, CLOUDIII175, CLOUDIII176, CLOUDIII177, CLOUDIII178, CLOUDIII179, CLOUDIII180, CLOUDIII181, CLOUDIII182, CLOUDIII183, CLOUDIII184, CLOUDIII185, CLOUDIII186, CLOUDIII187, CLOUDIII188, CLOUDIII189, CLOUDIII190, CLOUDIII191, CLOUDIII192, CLOUDIII193, CLOUDIII194, CLOUDIII195, CLOUDIII196, CLOUDIII197, CLOUDIII198, CLOUDIII199, CLOUDIII200, CLOUDIII201, CLOUDIII202, CLOUDIII203, CLOUDIII204, CLOUDIII205, CLOUDIII206, CLOUDIII207, CLOUDIII208, CLOUDIII209, CLOUDIII210, CLOUDIII211, CLOUDIII212, CLOUDIII213, CLOUDIII214, CLOUDIII215, CLOUDIII216, CLOUDIII217, CLOUDIII218, CLOUDIII219, CLOUDIII220, CLOUDIII221, CLOUDIII222, CLOUDIII223, CLOUDIII224, CLOUDIII225, CLOUDIII226, CLOUDIII227, CLOUDIII228, CLOUDIII229, CLOUDIII230, CLOUDIII231, CLOUDIII232, CLOUDIII233, CLOUDIII234, CLOUDIII235, CLOUDIII236, CLOUDIII237, CLOUDIII238, CLOUDIII239, CLOUDIII240, CLOUDIII241, CLOUDIII242, CLOUDIII243, CLOUDIII244, CLOUDIII245, CLOUDIII246, CLOUDIII247, CLOUDIII248, CLOUDIII249, CLOUDIII250, CLOUDIII251, CLOUDIII252, CLOUDIII253, CLOUDIII254, CLOUDIII255, CLOUDIII256,

ASX ADDITIONAL INFORMATION (continued)

CLOUDIII257, CLOUDIII258, CLOUDIII259, CLOUDIII260, CLOUDIII261, CLOUDIII262, CLOUDIII263, CLOUDIII264, CLOUDIII265, CLOUDIII266, CLOUDIII267, CLOUDIII268, CLOUDIII269, CLOUDIII270, CLOUDIII271, CLOUDIII272, CLOUDIII273, CLOUDIII274, CLOUDIII275, CLOUDIII276, CLOUDIII277, CLOUDIII278, CLOUDIII279, CLOUDIII280, CLOUDIII281, CLOUDIII282, CLOUDIII283, CLOUDIII284, CLOUDIII285, CLOUDIII286, CLOUDIII287, CLOUDIII288, CLOUDIII289, CLOUDIII290, CLOUDIII291, CLOUDIII292, CLOUDIII293, CLOUDIII294, CLOUDIII295, CLOUDIII296, CLOUDIII297, CLOUDIII298, CLOUDIII299, CLOUDIII300, CLOUDIII301, CLOUDIII302, CLOUDIII303, CLOUDIII304, CLOUDIII305, CLOUDIII306, CLOUDIII307, CLOUDIII308, CLOUDIII309, CLOUDIII310, CLOUDIII311, CLOUDIII312, CLOUDIII313, CLOUDIII314, CLOUDIII315, CLOUDIII316, CLOUDIII317, CLOUDIII318, CLOUDIII319, CLOUDIII320, CLOUDIII321, CLOUDIII322, CLOUDIII323, CLOUDIII324, CLOUDIII325, CLOUDIII326, CLOUDIII327, CLOUDIII328, CLOUDIII329, CLOUDIII330, CLOUDIII331, CLOUDIII332, CLOUDIII333 and CLOUDIII334.

(viii) Anson currently holds a 100% interest in 1SITLA Potash and Mineral Salts Lease in Utah, USA. This claim is referred to as ML53853-OBA.

(ix) Anson currently holds a 100% interest in 1 SITLA Oil and Gas Lease in Utah, USA. This claim is referred to as ML53883-OBA.

(x) Anson currently holds a 100% interest in 1 SITLA Industrial Permit in Utah, USA. This claim is referred to as SULA1872.

(xi) Anson currently holds a 100% interest in 418 lode claims. These claims are in the process of being transferred into Anson’s name. These claims are referred to as YELLOWCAT001 to YELLOWCAT396 and JM#1 to JM#22.