Anson Resources Limited

(ABN 46 136 636 005)

Half-Year Report
31 December 2019

COMPANY DIRECTORY

Directors

Mr Bruce Richardson
Executive Chairman and CEO

Mr Peter Gregory Knox
Non-Executive Director

Mr Michael van Uffelen
Non-Executive Director

Auditors

Stantons International
Level 2, 1 Walker Avenue
West Perth, WA 6005

Company Secretary

Mr Tino Kapfumo

Share Registry

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ASX Code

ASN

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DIRECTORS' REPORT

Your Directors submit the financial report of the Group being Anson Resources Limited ('Anson' or 'Company') and the entities it controlled ('Group'), for the half-year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

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

Bruce Richardson	Executive Chairman and CEO
Peter (Greg) Knox	Non-Executive Director
Michael van Uffelen	Non-Executive Director
Alexander Grant	Non-Executive Director (Resigned 31 July 2019)

Review of Operations

Paradox Brine Project, Utah, USA

During the half-year, the Company continued to progress its flagship brine project in Utah, USA, including:

- Continuing testwork, on the production of bromine and lithium chemicals in parallel;
- Producing a bulk sample of lithium carbonate for evaluation by potential offtake partners and end-users;
- Designing a flowsheet for the extraction of lithium carbonate and lithium hydroxide chemicals;
- Producing first sample of bromine for evaluation by potential offtake partners and end-users;
- Designing a flowsheet for the extraction of sodium bromide (NaBr);
- Establishing indicative capex and opex for a sodium bromide, lithium carbonate and lithium hydroxide plant to be used in a pre-feasibility study;
- Conducting an exploration program in other additional clastic zones which increased the size of a Indicated and Inferred JORC Resource; and
- Obtaining approval for a "Special Use Lease" (Lease) with the State of Utah, School and Institutional Trust Land Administration (SITLA) which is to be the location for the first stage of the planned industrial scale modular plant to first extract bromine (Br).

On-site Plant Location

Anson received approval for a "Special Use Lease" (Lease) with the State of Utah, School and Institutional Trust Land Administration (SITLA). This is the location Anson is proposing for the first stage of its planned industrial scale modular plant to first extract bromine (Br) before further processing the brine through a pilot plant to produce lithium (Li).

The term of the "Long Canyon" lease is 30 years and covers a total area of 13.83 acres (55,000 sqm). The lease includes a provision for the exclusive right to use a water disposal well within its boundaries, the Utah State 16-1 well that was previously drilled for oil and gas. It has been agreed by SITLA that this well can be used to dispose of waste water from the processing plant.

The lease enables the construction, operation, and maintenance of a building to house equipment for the processing of brine for the extraction of minerals, as well as a pipeline to transport brine from extraction sites, power generation, water storage tanks, and a disposal well. The lease also includes a corridor for a pipeline to the proposed location of the plant and to a historic oil well Utah State 16-1, which Anson intends to use as a disposal well.

DIRECTORS' REPORT (continued)

Metallurgical Test Work

Bromine

De Dietrich Process Systems were engaged to conduct bromine extraction test work and to estimate the operating and capital costs for an industrial scale modular plant.

The first stage of test work was benchtop scale test work, to extract and recover bromine. The test work consisted of the oxidation of the brine using chlorine gas to convert the dissolved bromide ions into bromine liquid. As a result of the success of the first stage, stage 2 pilot plant test work was commenced and successfully completed. Elemental bromine was produced and achieved a yield of 90%. In addition capex and opex were estimated for future incorporation into engineering studies.

Lithium

Lithium chloride (LiCl) eluate was produced from the bulk sample of Paradox Basin brine that was sent to Lilac Solutions Inc ("Lilac"). The successful production of lithium chloride confirms that the Lilac IX system is suitable for extracting lithium from brine extracted from the Paradox Basin by Anson.

The eluate produced by Lilac was then further concentrated by Southwest Technologies LLC ("Southwest") and as a result of an innovative process developed, Anson successfully separated highly concentrated lithium chloride into liquid lithium hydroxide solution and chlorine using electrolysis prior to the production of lithium carbonate and lithium hydroxide.

Following the successful production of lithium hydroxide solution and chlorine using electrolysis from concentrated lithium chloride, Anson successfully produced battery quality Li2CO3 which meets or exceeds all specifications. The product produced achieved a grade of 99.9% LCE.

Veolia Water Technologies Inc. ("Veolia") were appointed to produce lithium hydroxide monohydrate (LiOH.H2O) from the lithium hydroxide solution and are currently carrying out this test work.

Exploration

The Skyline Unit 1 well was re-entered to continue the sampling program for the purpose of increasing the JORC Resource. This was a continuation of the well re-entry sampling program that began in the first quarter of 2019, the results from which were used in the estimation of Anson's maiden JORC Resource for Clastic Zone 31 of 426,824 tonnes of bromine and 118,264 tonnes of lithium into Indicated and Inferred categories. The resource was increased by including 4 additional clastic zones (17,19, 29 and 33) to 186,400 tonnes of recoverable lithium carbonate equivalent (LCE) and 1,174,500 tonnes of recoverable bromine see table 1b. The Resource represents 73% of the project area for clastic zone 31 and 47% of the project area for clastic zones 17, 19, 29 and 33.

Category	Brine Tonnes	Li (ppm)	Br (ppm)	B (ppm)	I (ppm)	Porosity (%)	Contained (t)[1]			
							LCE	Br_2	H_3BO_3	I_2
Indicated	69,800,000	95	3,400	90	62	19	35,300	239,300	37,000	4,300
Inferred	430,900,000	98	3,200	140	60	20	225,100	1,396,300	354,200	25,700
TOTAL	500,700,000	98	3,300	140	60	19	260,400	1,635,600	391,200	30,000

Table 1a: Paradox Brine Project Contained Tonnes of Products.

[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. Rounding errors may occur.

DIRECTORS' REPORT (continued)

A summary table of JORC Compliant Mineral Resource Estimate is presented in Table 1b.

Category	Brine Tonnes	Specific Yield	Li (ppm)	Br (ppm)	B (ppm)	I (ppm)	Recoverable (t)[2]			
							LCE	Br_2	H_3BO_3	I_2
Indicated	51,200,000	14	95	3,400	90	62	26,000	175,000	29,100	3,000
Inferred	308,900,000	14	98	3,200	140	60	160,400	999,500	186,500	17,600
TOTAL	360,100,000	14	98	3,300	140	60	186,400	1,174,500	215,600	20,600

Table 1b: Paradox Brine Project Mineral Resource Estimate Calculated Using Specific Yield.

The Ajana Project, Northampton, Western Australia

The Ajana Project is located in Northampton, Western Australia, adjacent to the North West Coast Highway and 130km north of Geraldton.

Minimal activity was undertaken on this Project during the half-year.

Hooley Well Cobalt-Nickel Laterite Project

The Hooley Wells Nickel-Cobalt Laterite Project is located 800km north of Perth and 300km north-east of Geraldton in Western Australia. The two tenements that comprise the Project contain historical shallow drilling which has intersected nickel and cobalt laterites.

Minimal activity was undertaken on this Project during the half-year.

Corporate

During the half-year a total of $1,500,000 was raised through a private placement by the issue of 50,000,000 shares.

Mr Alexander Grant resigned as a director effective 31 July 2019.

The Company's Annual General Meeting was held on the 12th of November 2019, and all resolutions passed.

Significant events after balance date

On the 20th of January 2020 the Company issued an unsecured convertible note bearing 5% interest per annum with a conversion price of $0.028 raising US$750,000. This investment is the first of three tranches totalling $3.274 million (US$2.250 million) offered to the Company by its major shareholder Chia Tai Xingye International, Zhongfan Group (Chia Tai) who have the option until 31 March 2020 to participate in two further tranches of US$750,000 each with conversion prices of $0.05 and $0.08 respectively. The convertible note can be converted at any time up to and including the 19th of January 2023.

On the 28th of January 2020 the Company announced that Veolia Water Technologies Inc. (Veolia) had successfully completed stage one of a two stage process to produce lithium hydroxide monohydrate (LiOH.H2O) crystallisation from the concentrated lithium chloride eluate produced from brine from its Paradox Brine Project, Utah, USA.

On the 29th of January 2020 the Company announced that the Millcreek Mining Group, based in Salt Lake City, Utah, USA had commenced engineering studies for Anson's Paradox Brine Project in Utah, USA. The studies commenced with a Preliminary Economic Assessment (PEA) which is expected to be completed by Millcreek in April, 2020 following which the PEA will then be expanded into a Preliminary Feasibility Study (PFS).

[2] 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. Rounding errors may occur.

DIRECTORS' REPORT (continued)

Other than the above there has not arisen in the interval between the end of the prior financial period 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.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Stantons International, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 7 and forms part of this Directors' report for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

Mr Bruce Richardson
Executive Chairman and CEO

Dated this 4th day of February 2020

Competent Person's Statement 1: The information in this 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 half year financial report of this information in the form and context in which is appears. Mr Knox is a director of Anson and a consultant to Anson.

Competent Person's Statement 2: The information contained in this report relating to Exploration Results and Mineral Resource Estimates in relation to the Paradox Brine Project has been prepared by Mr Richard Maddocks, MSc in Mineral Economics, BSc in Geology and Grad Dip in Applied Finance. Mr Maddocks is a Fellow of the Australasian Institute of Mining and Metallurgy with over 30 years of experience. Mr Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit 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.

Mr Maddocks is an independent consultant to Auralia Mining Consulting Pty Ltd. Mr Maddocks consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from exploration at the Paradox Brine Project.

Stantons International Audit and Consulting Pty Ltd
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4 February 2020

The Directors
Anson Resources Limited
Level 1, 35 Outram St
West Perth
WA 6005

Dear Sirs

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 review of the financial statements of Anson Resources Limited for the period ended 31 December 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 review; and

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

Yours faithfully

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

Martin Michalik

Martin Michalik
Director

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 $	31 December 2018 $
Revenue from continuing operations			
Interest income		329	7,127
		329	**7,127**
Expenses			
Consultants		(171,643)	(215,420)
Depreciation expense		(75,800)	(8,325)
Director and employee benefits expense		(590,518)	(309,534)
Exploration and evaluation costs		(1,020,962)	(1,113,033)
Foreign exchange gain		641	7,079
Interest expense		(14,110)	(26)
Occupancy costs		(53,605)	(38,632)
Project acquisition costs		-	(195,341)
Share-based payment expense	15(e)	(82,901)	-
Travel and accommodation		(151,841)	(172,488)
Other expenses		(185,438)	(153,408)
Total Expenses		**(2,346,177)**	**(2,199,128)**
Loss from continuing operations before income tax		(2,345,848)	(2,192,001)
Income tax expense		-	-
Loss from continuing operations after income tax		**(2,345,848)**	**(2,192,001)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of financial assets – fair value OCI		(56,782)	54,450
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(18,683)	8,443
Total other comprehensive income for the period		(75,465)	62,893
Total comprehensive income for the period		**(2,421,313)**	**(2,129,108)**
Loss attributable to:			
Owners of the parent		**(2,345,848)**	**(2,192,001)**
Total comprehensive income attributable to:			
Owners of the parent		**(2,421,313)**	**(2,129,108)**
Net loss per share (in cents)			
Basic and diluted loss per share for the period		(0.40)	(0.45)

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 December 2019 $	30 June 2019 $
CURRENT ASSETS			
Cash and cash equivalents		749,152	1,855,438
Trade and other receivables		5,564	3,226
Other assets	4	33,566	171,552
Total Current Assets		**788,282**	**2,030,216**
NON-CURRENT ASSETS			
Property, plant & equipment		273,338	342,982
Intangible assets	5	2,070,710	1,095,826
Financial assets – fair value OCI	6	76,514	146,833
Other assets	4	782,736	771,924
Total Non-current Assets		**3,203,298**	**2,357,565**
TOTAL ASSETS		**3,991,580**	**4,387,781**
CURRENT LIABILITIES			
Trade and other payables	7	1,026,591	749,944
Provisions	8	471,402	530,077
Lease liabilities	9	91,655	86,729
Total Current Liabilities		**1,589,648**	**1,366,750**
NON-CURRENT LIABILITIES			
Provisions	8	336,503	336,177
Lease liabilities	9	101,600	147,720
Total Non-current Liabilities		**438,103**	**483,897**
TOTAL LIABILITIES		**2,027,751**	**1,850,647**
NET ASSETS		**1,963,829**	**2,537,134**
EQUITY			
Contributed equity	10	21,200,213	19,700,213
Reserves	11	1,681,830	1,409,287
Accumulated losses		(20,918,214)	(18,572,366)
TOTAL EQUITY		**1,963,829**	**2,537,134**

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Ordinary Shares $	Share Based Payment Reserve $	AFS Investment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2018	**13,817,200**	**722,399**	**44,624**	**(45,716)**	**(12,517,300)**	**2,021,207**
Loss for the period	-	-	-	-	(2,192,001)	(2,192,001)
Change in value of investments - FVOCI	-	-	54,450	-	-	54,450
Exchange differences on translation of foreign subsidiaries	-	-	-	8,443	-	8,443
Total comprehensive gain/(loss) for the period	**-**	**-**	**54,450**	**8,443**	**(2,192,001)**	**(2,129,108)**
Transactions with shareholders in their capacity as owners, and other transfers						
Shares issued	3,998,761	-	-	-	-	**3,998,761**
Share issue expenses	(1,153,630)	-	-	-	-	**(1,153,630)**
Issue of performance rights	-	88,565	-	-	-	**88,565**
Share-based payment for services	-	969,621	-	-	-	**969,621**
Balance at 31 December 2018	**16,662,331**	**1,780,585**	**99,074**	**(37,273)**	**(14,709,301)**	**3,795,416**

	Ordinary Shares $	Share Based Payment Reserve $	AFS Investment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2019	**19,700,213**	**1,545,543**	**51,081**	**(187,337)**	**(18,572,366)**	**2,537,134**
Loss for the period	-	-	-	-	(2,345,848)	**(2,345,848)**
Change in value of investments - FVOCI	-	-	(56,782)	-	-	**(56,782)**
Exchange differences on translation of foreign subsidiaries	-	-	-	(18,683)	-	**(18,683)**
Total comprehensive loss for the period	**-**	**-**	**(56,782)**	**(18,683)**	**(2,345,848)**	**(2,421,313)**
Transactions with shareholders in their capacity as owners, and other transfers						
Shares issued	1,500,000	-	-	-	-	**1,500,000**
Issue of performance rights	-	265,107	-	-	-	**265,107**
Issue of options	-	82,901	-	-	-	**82,901**
Balance at 31 December 2019	**21,200,213**	**1,893,551**	**(5,701)**	**(206,020)**	**(20,918,214)**	**1,963,829**

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 December 2019 $	31 December 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(679,428)	(1,133,022)
Payments for exploration costs	(1,026,178)	(1,007,875)
Interest paid	(14,110)	(26)
Net cash used in operating activities	**(1,719,716)**	**(2,140,923)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(4,474)	(3,672)
Payments for refundable exploration bonds	(21,844)	(333,402)
Interest received	328	7,127
Proceeds from sale of financial assets	13,933	-
Proceeds from repayment of office bond	13,571	-
Payment for development expenditures	(846,551)	-
Net cash used in investing activities	**(845,037)**	**(329,947)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	1,500,000	3,738,859
Capital raising costs	-	(10,224)
Proceeds from borrowings	-	1,697
Repayment of borrowings	-	(1,864)
Repayment of lease liabilities	(41,194)	-
Net cash provided by financing activities	**1,458,806**	**3,728,468**
Net (decrease)/increase in cash and cash equivalents	**(1,105,947)**	**1,257,598**
Cash and cash equivalents at beginning of the period	1,855,438	1,656,320
Effect of foreign exchange on amounts held in foreign currencies	(339)	(15,709)
Cash and cash equivalents at end of the period	**749,152**	**2,898,209**

The accompanying notes form part of this financial report

NOTE 1: CORPORATE INFORMATION

The financial report of Anson Resources Limited and its subsidiaries (the "Group") for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on the 4th of February 2020.

Anson Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Group during the half-year was exploration and evaluation of mineral licences and process development primarily for the extraction of lithium, bromine, iodine and boron chemicals.

NOTE 2: BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

These general purpose condensed consolidated financial statements for the half-year ended 31 December 2019 have been prepared in accordance with AASB 134 Interim Financial Reporting as issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2019.

It is also recommended that the Half-year Financial Report be considered together with any public announcements made by the Company during the half-year ended 31 December 2019 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

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 half-year of $2,345,848 (2018: $2,192,001) and net cash outflows from operating activities of $1,719,716 (2018: $2,140,923).

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 or debt 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.

Amendments to AASBs and new interpretations that are mandatorily effective for the current period

Other accounting pronouncements which have become effective from 1 January 2019 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

NOTE 2: BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Principles 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 12.

The assets, liabilities and results of all 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.

Financial Assets

Financial assets are carried at fair value. Financial assets are derecognised when the rights to receive the cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

Leases

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.

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 3: SEGMENT REPORTING

The Group operates predominantly in the mineral exploration industry in Australia and USA. Inter-segment transactions are priced at cost to the 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 associated with those tenements. Financial assets including cash and cash equivalents and investments in financial assets are reported in the Treasury segment.

During the six-month period to 31 December 2019, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

NOTE 3: SEGMENT REPORTING (continued)

	Mineral Exploration Australia $	Mineral Exploration USA $	Treasury $	Total $
For the half- year ended 31 December 2019				
Segment revenue	-	-	329	329
Segment profit/(loss)	56,097	(1,077,059)	329	(1,020,633)
Amounts not included in segment results but reviewed by the board:				
Expenses not directly allocable to identified segments or areas of interest				
Depreciation				(75,800)
Consultants				(171,643)
Director and employee expenses				(590,518)
Occupancy				(53,605)
Share based payment expense				(82,901)
Travel and accommodation				(151,841)
Foreign exchange gain				641
Interest expense				(14,110)
Other expenses				(185,438)
Loss after income tax				**(2,345,848)**
AS AT 31 DECEMBER 2019				
Segment assets	-	2,070,712	825,664	2,896,376
Unallocated assets:				
Trade and other receivables				5,564
Plant and equipment				273,338
Other assets				816,302
Total Assets				**3,991,580**
Segment asset increases for the period				
Capital expenditure – development	-	974,884	-	974,884
Total segment asset increases for the period	**-**	**974,884**	**-**	**974,884**
Segment Liabilities	26,891	416,804	-	443,695
Unallocated liabilities:				
Trade and other payables				582,896
Provisions				807,905
Lease liabilities				193,255
Total Liabilities				**2,027,751**

NOTE 3: SEGMENT REPORTING (continued)

	Mineral Exploration Australia $	Mineral Exploration USA $	Treasury $	Total $
For the half-year ended 31 December 2018				
Segment revenue	-	-	7,127	7,127
Segment profit/(loss)	(19,090)	(1,289,284)	7,127	(1,301,247)
Amounts not included in segment results but reviewed by the board:				
Expenses not directly allocable to identified segments or areas of interest				
Depreciation				(8,325)
Consultants				(215,420)
Director and employee expenses				(309,534)
Occupancy				(38,632)
Share based payment expense				(-)
Travel and accommodation				(172,488)
Foreign exchange gain				7,079
Interest expense				(26)
Other expenses				(153,408)
Loss after income tax				**(2,192,001)**
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: OTHER ASSETS

	31 December 2019 $	30 June 2019 $
Current		
Prepayments	33,566	171,552
	33,566	171,552
Non-current		
Office lease security deposits	35,611	46,933
Exploration bonds	747,125	724,991
	782,736	771,924

NOTE 5: INTANGIBLE ASSETS

	31 December 2019 $	30 June 2019 $
Development costs	2,070,710	1,095,826
	2,070,710	1,095,826
Reconciliation of movements during the period:		
Balance at the beginning of the period	1,095,826	-
Development costs capitalised	974,884	1,095,826
	2,070,710	1,095,826

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 6: FINANCIAL ASSETS – FAIR VALUE OCI

	31 December 2019 $	30 June 2019 $
Non-Current		
Shares in listed entities	76,514	146,833
	76,514	146,833
Shares in listed entities		
Opening balance	146,833	117,373
Additions	-	18,617
Disposals	(15,253)	-
Movements in fair value	(56,782)	6,457
Movements in foreign currency	1,716	4,386
	76,514	146,833

The shares in these listed entities have been valued using quoted prices in active markets.

NOTE 7: TRADE AND OTHER PAYABLES

	31 December 2019 $	30 June 2019 $
Current		
Trade payables	823,558	569,361
Other payables	118,685	4,604
Accruals	84,348	175,979
	1,026,591	749,944

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

NOTE 8: PROVISIONS

		31 December 2019 $	30 June 2019 $
Current			
Employee entitlements		37,632	1,606
Project acquisition	a	135,000	230,000
Rehabilitation	b	298,770	298,471
		471,402	530,077
Non-current			
Make good	c	10,000	10,000
Rehabilitation	b	326,503	326,177
		336,503	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 an office.

NOTE 9: LEASE LIABILITIES

	31 December 2019 $	30 June 2019 $
Current	91,655	86,729
Non-current	101,600	147,720
	193,255	234,449

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

NOTE 9: 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	1.5-2yrs	1.75yrs	1	nil

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 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**
31 December 2019							
Lease payments	91,655	93,930	7,670	-	-	-	193,255
Finance Charges	(19,848)	(8,689)	(76)	-	-	-	(28,613)
Net present values	**71,807**	**85,241**	**7,594**	**-**	**-**	**-**	**164,642**

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 are as follows:

	31 December 2019 ($)	30 June 2019 ($)
Short term leases	16,642	-
Leases of low value assets	1,890	3,780
Variable lease payments	-	-
	18,532	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.

Right of Use Assets

Right of use assets, which are included in property plant and equipment comprise the office buildings the Group has under lease and at 31 December 2019 had a net book value of $195,614 (30 June 2019: $236,028). There were no acquisitions or disposals of right of use assets during the half year.

NOTE 10: ISSUED CAPITAL

	31 December 2019 ($)	30 June 2020 ($)
599,961,778 (30 June 2019: 549,961,778) fully paid ordinary shares	**21,200,213**	**19,700,213**

(a) Ordinary shares

The following movements in ordinary share capital occurred during the half-year:

	No. of shares	$
Balance at beginning of the half-year	549,961,778	19,700,213
Issue of shares in a private placement at $0.03 each	50,000,000	1,500,000
Balance at the end of the half-year	599,961,778	21,200,213

(b) Share options

The following movements in share options occurred during the half-year:

	Note (i)	*Note (ii)*	*Note (iii)*	*Note (iv)*
Balance at 1 July 2019	5,681,819	10,000,000	11,514,105	-
Granted during the half- year	-	-	-	10,000,000
Exercised during the half-year	-	-	-	-
Expired during the half-year	-	-	-	-
Balance at 31 December 2019	5,681,819	10,000,000	11,514,105	10,000,000

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

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

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

(iv) Unlisted options exercisable at 6c each on or before 10/09/21 issued as part of a private placement.

(c) Performance rights

The following movements in performance rights occurred during the half-year:

	No.
Balance at 1 July 2019	6,200,000
Granted during the period	16,600,000
Lapsed during the period	-
Balance at 31 December 2019	22,800,000

Refer to Note 15(c) for further details on these performance rights.

NOTE 11: RESERVES

	31 December 2019 $	31 December 2018 $
Value of reserves:		
Balance as at 1 July	1,409,287	721,307
Vesting of Performance Rights (i)	265,107	88,565
Issue of placement options (ii)	82,901	969,621
Change in value of financial assets FV-OCI (iii)	(56,782)	54,450
Movement in Foreign Currency Translation Reserve (iv)	(18,683)	8,443
Balance as at 31 December	**1,681,830**	**1,842,386**

(i) Shareholders approved the issue of 16,600,000 Performance Rights at the Company's Annual General Meeting held on 12 November 2019 (see Note 10(c)). The vesting of the Performance Rights is conditional upon the achievement of various performance hurdles (see Note15(c)). The value of the Performance Rights is amortised over the period during which the respective performance hurdles may be achieved. In the event a performance hurdle is achieved before the end of the vesting period, the remaining unamortised value is immediately expensed. The expense recognised in the half year also includes performance rights issued in prior periods which continue to be amortised.

(ii) Shareholders approved the issue of 10,000,000 options to a sophisticated investor as a result of a capital raising completed during the period. The options granted were valued using the Black Scholes Option Pricing Model.

(iii) Investments designated as fair value through other comprehensive income revalued to their market value.

(iv) This movement is as a result of the movement in exchange rates during the half year between the presentation currency and each subsidiary's functional currency on translation.

NOTE 12: INTEREST IN SUBSIDIARIES

		Ownership Held by the Company	
Name of Subsidiary	Principal Place of Business	31 Dec 2019	30 June 2019
Tikal Minerals SA	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	USA	100%	100%

NOTE 13: COMMITMENTS AND CONTINGENCIES

The Group's commitments and contingencies remain consistent with those disclosed in the 2019 annual report.

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

On the 20th of January 2020 the Company issued an unsecured convertible note bearing 5% interest per annum with a conversion price of $0.028 raising US$750,000. This investment is the first of three tranches totalling $3.274 million (USD2.250 million) offered to the Company by its major shareholder Chia Tai Xingye International, Zhongfan Group (Chia Tai) who have the option until 31 March 2020 to participate in two further tranches of US$750,000 each with conversion prices of $0.05 and $0.08 respectively. The convertible note can be converted at any time up to and including the 19th of January 2023.

On the 28th of January 2020 the Company announced that Veolia Water Technologies Inc. (Veolia) had successfully completed stage one of a two stage process to produce lithium hydroxide monohydrate (LiOH.H2O) crystallisation from the concentrated lithium chloride eluate produced from brine from its Paradox Brine Project, Utah, USA.

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE (continued)

On the 29th of January 2020 the Company announced that the Millcreek Mining Group, based in Salt Lake City, Utah, USA had commenced engineering studies for Anson's Paradox Brine Project in Utah, USA. The studies commenced with a Preliminary Economic Assessment (PEA) which is expected to be completed by Millcreek in April, 2020 following which the PEA will then be expanded into a Preliminary Feasibility Study (PFS).

Other than the above there has not arisen in the interval between the end of the prior financial period 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 15: SHARE BASED PAYMENTS

(a) Loan Funded Share Plan Shares

The Company operates a Loan Funded Share Plan ("Plan") as a means of attracting and retaining Directors and employees of a high calibre.

No shares were issued under the Plan during the half-year ended 31 December 2019.

The number of shares on issue under the Plan is as follows:

	6 months to 31 December 2019 No.	12 months to 30 June 2019 No.
Opening balance	8,750,000	11,000,000
Shares removed from Plan upon repayment of loan*	-	(2,250,000)
Closing balance	8,750,000	8,750,000

* The Company received $39,003 from the repayment of the loan.

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:

	31 December 2019 $	30 June 2019 $
Loan funded share plan contingent asset	155,644	149,512

(b) Options

During the period, the following options were granted to an investor as part of a private placement.

Class	Grant Date	Expiry Date	Exercise Price	Number of Options Granted
Unlisted Options	12 November 2019	10 September 2021	$0.06	10,000,000

The following table illustrates the number and weighted average exercise prices of and movements in share options issued as compensation during the period:

NOTE 15: SHARE BASED PAYMENTS (continued)

	31 Dec 2019 No.	31 Dec 2019 weighted average exercise price	31 Dec 2018 No.	31 Dec 2018 weighted average exercise price
Outstanding at the beginning of the half-year	10,000,000	20 cents	10,000,000	2.5 cents
Granted during the half-year (as above)	10,000,000	6 cents	10,000,000	20 cents
Exercised during the half-year	-	n/a	(10,000,000)	2.5 cents
Outstanding at the end of the half-year	20,000,000	13 cents	10,000,000	20 cents
Exercisable at the end of the half-year	20,000,000	13 cents	10,000,000	20 cents

(c) Performance Rights

The following performance rights were granted under the Performance Rights Plan during the period:

	31 December 2019 No.	31 December 2018 No.
Opening balance	**6,200,000**	**10,000,000**
Issued during the period (i):		
Bruce Richardson	8,600,000	1,000,000
Greg Knox	4,000,000	400,000
Michael van Uffelen	4,000,000	-
	16,600,000	**1,400,000**
Vested/lapsed during the period:		
Bruce McLeod (ii)	-	(2,000,000)
Bruce Richardson	-	-
Greg Knox	-	-
Michael van Uffelen	-	-
	-	**(2,000,000)**
Closing balance	**22,800,000**	**9,400,000**

(i) The Performance Rights were approved at the Annual General Meeting of Shareholders on the 12th of November 2019. As of the date of this report their formal issuance was to be completed.
(ii) 2,000,000 Performance Rights lapsed upon the death of Mr McLeod.

NOTE 15: SHARE BASED PAYMENTS (continued)

The Performance Rights issued during the period were issued for nil cash consideration and are subject to the following performance hurdles:

Performance Hurdles	No. of Performance Rights		
	B. Richardson	**M. van Uffelen**	**P. Knox**
passing first stage battery/cathode manufacturer lithium chemical acceptance testing;	1,000,000	400,000	400,000
securing an off-take agreement for lithium and / or bromine chemicals;	1,000,000	800,000	400,000
securing funding for a full-scale production plant;	1,000,000	400,000	400,000
completing a scoping or pre-feasibility study for lithium and / or bromine chemicals;	1,000,000	400,000	400,000
securing an off-take agreement(s) for chemical products other than lithium or bromine from the Paradox Brine project;	1,200,000	400,000	400,000
securing a strategic investor to finance boron, bromine and/or iodine production in an on-site pilot plant program;	1,200,000	400,000	400,000
divestment, joint venture or financing of any project;	1,000,000	800,000	800,000
establishing a JORC Resource for a mineral exploration project other than the Paradox Brine project.	1,200,000	400,000	800,000
Total	**8,600,000**	**4,000,000**	**4,000,000**

The shares issued on vesting of the Performance Rights rank pari-passu in all respects with other fully paid ordinary shares in the Company. Any unvested Performance Rights will lapse 7 years after their date of issue.

The Performance Rights were valued at $0.031 each and are being expensed over the estimated vesting period.

(e) Valuation of Loan funded Shares, Options and Performance Rights

The fair value of securities issued under the loan funded share plan as at the date of grant is estimated on the basis of equity-settled share options using the Black Scholes model taking into account the terms and conditions upon which the shares were issued.

The fair value of options issued as share-based payments is estimated on the basis of equity-settled share options using the Black Scholes model taking into account the terms and conditions upon which the options were issued. 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 amount recognised as an expense for the 10,000,000 options issued during the half year is $82,901.

The initial undiscounted value of performance rights is the value of an underlying share in the Company as traded on ASX at the date of deemed date of grant of the performance right. As the performance conditions are not market based performance conditions, no discount is applied.

The fair value of performance rights are recognised as an expense over the period from grant to vesting date. The amount recognised as part of director and employee benefits expense for performance rights during the period was $265,107.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes thereto, as set out on pages 8 to 24:
   a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
   b. give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.

Bruce Richardson
Executive Chairman and CEO

Dated this 4th day of February 2020

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Anson Resources Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Anson Resources Limited (the consolidated entity). The consolidated entity comprises both Anson Resources Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Anson Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Anson Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Anson Resources Limited on 4 February 2020.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Anson Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which describes the financial report being prepared on a going concern basis. The Group incurred loss for the half-year of $2,345,848, had cash and cash equivalents of $749,152 and net cash outflows from operating activities of $1,719,716.

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 conclusion is not modified in respect of this matter.

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
4 February 2020