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# Anson Resources Ltd

(ACN 136 636 005)

## **Half-Year Report** 31 December 2017

## COMPANY DIRECTORY

### Directors

Mr Bruce McLeod  
Non-Executive Chairman

Mr Bruce Richardson  
Managing Director

Mr Peter Gregory Knox  
Non-Executive Director

### Auditors

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

### Company Secretary

Mr Kim Hogg

### Share Registry

Security Transfer Registrars  
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Applecross, WA 6953  
Tel: +61 8 9315 2333  
Fax: +61 8 9315 2233

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### ASX Codes:

ASN, ASNOB

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## DIRECTORS' REPORT

Your Directors submit the financial report of the Group being Anson Resources Limited ('Company') and the entities it controlled ('Group'), for the half-year ended 31 December 2017. 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 McLeod	Non-Executive Chairman
Bruce Richardson	Managing Director
Peter (Greg) Knox	Non-Executive Director

### Review of Operations

#### Paradox Brine Project, Utah, USA

During the half-year, drilling commenced at the Gold Bar Unit 2 well at the Paradox Lithium Project, located in the "Lithium Four Corners" area in Utah, to collect brine from Clastic Zones 17, 29, 31 and 33 for a metallurgical test work program. In late January, 2018, the Group was able to successfully extract brine from Clastic Zones 17, 29 and 31 during the re-entry drilling. No sample was collected from Clastic Zone 33.

Sampling of the supersaturated brines is being supervised by SRK Consulting (U.S.) Inc. Analysis of the samples has subsequently proven to be more complicated than expected and as a consequence the results were delayed.

The Group's application to lease industrial land was accepted by the Utah Government. The industrial lease site is the target location for Anson's LCE in-field pilot plant, which will aim to produce further LCE for product qualification.

Also during the half-year, 201 claims were successfully staked for an additional 1,627 hectares. The new claims are to the south and west of the 202 claims that were announced 15 May, 2017. The combined acreage of the Group's total present holding of 492 claims is 3,982 hectares.

#### 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. The prospective ground on the 222km<sup>2</sup> of tenements contains 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.

During the half year Anson updated the historic lead resource at Mary Springs, indicated and inferred tonnes grading 6.5% lead (Pb), to JORC 2012 standard.

Following drilling programs conducted earlier in the year, interpretation of data is ongoing to assist in planning the next stages of exploration.

#### 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. Tenement E9/2218 was granted in the half-year and E9/2219 remains under application. The tenements contain historical shallow drilling which intersected nickel and cobalt laterites.

#### Iconic Minerals Ltd

Anson has an interest in the TSX-listed company Iconic Minerals Ltd, which was purchased in the September 2015 quarter. The shares held by Anson were valued at \$220,965 at 31 December 2017. Iconic has a portfolio of gold and lithium exploration projects in Nevada, USA.

**DIRECTORS' REPORT (continued)**Corporate

The Company executed a Memorandum of Understanding with overseas sophisticated investor Zhongfan, and on 30 October 2017 issued 20 million shares at \$0.03 per share to raise \$600,000. A further 20 million shares were issued to Zhongfan on 22 December 2017 at \$0.088 per share, raising an additional \$1.76m. The proceeds of these placements are being used for processing the bulk brine sample in a bench-top lithium plant, in-field pilot plant construction planning approvals, and further exploration drilling .

In August and September 2017, the Company made a private placement and also undertook a Share Purchase Plan, both at \$0.011 per share, raising \$462k and \$764k respectively.

During the course of the half year, a total of \$464k was raised from the exercise of options.

As at 31 December 2017, the Group had cash on hand of \$3.27 million.

Memoranda of Understanding were executed with three leading Chinese Battery Manufacturers to work towards Supply Off-take Agreements.

**Significant events after balance date**

Since balance date, the Company has raised a further \$1,029,962 from the issue of 41,198,495 ordinary shares at \$0.025 per share upon the exercise of options.

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

**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 5 and forms part of this Directors' report for the half-year ended 31 December 2017.

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**  
**Managing Director**

Dated this 15<sup>th</sup> day of March 2018

The information in this report related to 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.

15 March 2018

The Directors  
Anson Resources Limited  
Suite 3.4, Level 3  
1292 Hay Street  
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 2017, 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)**



**Samir Tirodkar**  
Director

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	31 December 2017 \$	31 December 2016 \$
<b>Continuing operations</b>			
Interest income		2,352	883
Foreign exchange gain		520	7,928
Gain on sale of investments		-	376,516
Gain on sale of plant and equipment		4,583	-
Other income		18,350	-
		<b>25,805</b>	<b>385,327</b>
Depreciation expense		(7,299)	(5,572)
Directors fees		(197,500)	(148,041)
Employee benefit expenses		-	(64,891)
Exploration expense		(709,111)	(290,186)
Impairment expense		-	(110,112)
Interest expense		(379)	-
Loss on sale of investments		(1,497)	-
Office expenses		(33,833)	(28,922)
Other expenses		(255,820)	(113,893)
Share-based payments	10	(61,312)	(4,687)
Travel and accommodation		(39,323)	(44,690)
<b>Total Expenses</b>		<b>(1,306,074)</b>	<b>(810,994)</b>
<b>(Loss) before income tax</b>		<b>(1,280,269)</b>	<b>(425,667)</b>
Income tax benefit / (expense)		-	-
<b>(Loss) for the period from continuing operations</b>		<b>(1,280,269)</b>	<b>(425,667)</b>
<i>Other Comprehensive Income</i>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		151,852	(604,498)
Total other comprehensive income/(loss) for the period		151,852	(604,498)
<b>Total comprehensive (loss) for the period</b>		<b>(1,128,417)</b>	<b>(1,030,165)</b>
<b>(Loss) attributable to:</b>			
Owners of the parent		<b>(1,280,269)</b>	<b>(425,667)</b>
<b>Total comprehensive (loss) attributable to:</b>			
Owners of the parent		<b>(1,128,417)</b>	<b>(1,030,165)</b>
<b>Net (loss) per share (in cents)</b>			
Basic and diluted for the period		(0.46)	(0.30)

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	Note	31 December 2017 \$	30 June 2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3,271,437	521,784
Trade and other receivables		70,329	35,982
Available for sale investments	4	220,965	85,287
<b>Total Current Assets</b>		<b>3,562,731</b>	<b>643,053</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		214,959	13,594
Property, plant & equipment		49,537	64,556
<b>Total Non-Current Assets</b>		<b>264,496</b>	<b>78,150</b>
<b>TOTAL ASSETS</b>		<b>3,827,227</b>	<b>721,203</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		312,500	107,211
Provisions		-	934
Lease liability		1,855	3,344
<b>Total Current Liabilities</b>		<b>314,355</b>	<b>111,489</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability		6,987	6,987
<b>Total Current Liabilities</b>		<b>6,987</b>	<b>6,987</b>
<b>TOTAL LIABILITIES</b>		<b>321,342</b>	<b>118,476</b>
<b>NET ASSETS</b>		<b>3,505,885</b>	<b>602,727</b>
<b>EQUITY</b>			
Issued capital	5	12,464,494	8,622,496
Reserves	6	492,685	151,256
Accumulated losses		(9,451,294)	(8,171,025)
<b>TOTAL EQUITY</b>		<b>3,505,885</b>	<b>602,727</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	<b>Ordinary Shares \$</b>	<b>Reserves \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2017</b>	8,622,496	151,256	(8,171,025)	602,727
(Loss) for the period	-	-	(1,280,269)	(1,280,269)
Change in value of available-for-sale investments	-	151,852	-	151,852
<b>Total comprehensive gain/(loss) for the period</b>	-	151,852	(1,280,269)	(1,128,417)
<i>Transactions with shareholders in their capacity as owners, and other transfers</i>				
Shares issued	4,050,396	-	-	4,050,396
Share issue expenses	(470,864)	-	-	(470,864)
Issue of performance rights	-	61,312	-	61,312
Performance rights vested	71,735	(71,735)	-	-
Share-based payment for services	168,800	200,000	-	368,800
Payment by employee for loan funded shares	21,931	-	-	21,931
<b>Balance at 31 December 2017</b>	<b>12,464,494</b>	<b>492,685</b>	<b>(9,451,294)</b>	<b>3,505,885</b>
	<b>Ordinary Shares \$</b>	<b>Reserves \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2016</b>	6,952,930	872,823	(6,426,110)	1,399,943
(Loss) for the period	-	-	(425,667)	(425,667)
Change in value of available-for-sale investments	-	(604,498)	-	(604,498)
<b>Total comprehensive loss for the period</b>	-	(604,498)	(425,667)	(1,030,165)
<i>Transactions with shareholders in their capacity as owners, and other transfers</i>				
Shares issued	718,989	-	-	718,989
Share issue expenses	(54,120)	-	-	(54,120)
Performance rights issued	-	4,687	-	4,687
<b>Balance at 31 December 2016</b>	<b>7,617,799</b>	<b>273,012</b>	<b>(6,851,777)</b>	<b>1,039,034</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	<b>31 December 2017 \$</b>	<b>31 December 2016 \$</b>
<b>OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(1,098,298)	(782,534)
Payment for refundable exploration bonds	(201,365)	-
Interest received	2,353	883
Interest paid	(379)	-
R&D tax incentive received	18,350	-
Net cash (used in) operating activities	<u>(1,277,339)</u>	<u>(781,651)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of plant and equipment	20,000	-
Purchase of plant and equipment	(7,823)	(36,364)
Proceeds from sale of investments	17,501	450,550
Investments made	(2,824)	-
Net cash provided by investing activities	<u>26,854</u>	<u>414,186</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issue of equity	4,072,726	718,989
Costs of raising equity	(71,111)	(54,120)
Net cash provided by financing activities	<u>4,001,615</u>	<u>664,869</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,749,130</b>	<b>(297,404)</b>
Foreign currency gain	521	7,066
Cash and cash equivalents at beginning of the period	<u>521,786</u>	<u>456,447</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u>3,271,437</u></b>	<b><u>760,917</u></b>

The accompanying notes form part of this financial report

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### 1. CORPORATE INFORMATION

The financial report of Anson Resources Limited (the "Group") for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 15 March 2018.

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.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### Basis of Preparation

These general purpose condensed consolidated financial statements for the half-year ended 31 December 2017 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 as at 30 June 2017.

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 2017 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

#### Adoption of new or revised accounting standards and interpretations

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

#### 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 7.

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**

**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.

**3. SEGMENT REPORTING**

The Group operates predominately in the mineral exploration industry. For management purposes, the Group is organised into one main operating segment, which involves the exploration for minerals. All of the Group activities are inter-related and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial results of the Group as a whole.

<b>31 December 2017</b>	<b>30 June 2017</b>
\$	\$

**4. AVAILABLE FOR SALE INVESTMENT**

Investment available-for-sale	<u>220,965</u>	<u>85,287</u>
	<u>220,965</u>	<u>85,287</u>

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

The investment has been revalued at fair value (being the quoted price in an active market for identical assets) at balance date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
<b>5. ISSUED CAPITAL</b>		
365,735,073 (30 June 2017: 183,504,210) fully paid ordinary shares	<u>12,464,494</u>	<u>8,622,496</u>

**(a) Ordinary shares**

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

	<b>31 December 2017</b>	<b>31 December 2017</b>
	<b>Number of shares</b>	<b>\$</b>
Balance at beginning of the half-year	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	17,474,014	436,850
Issue of shares in a 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 in a private placement at \$0.03 each	20,000,000	600,000
Issue of shares in a private placement at \$0.088 each	20,000,000	1,760,000
Conversion of performance rights (refer Note 6)	5,885,000	71,735
Issue of shares to consultants for services rendered at \$0.011 each	6,000,000	66,000
Issue of shares to consultants for services rendered at \$0.11 each	600,000	66,000
Issue of shares to consultants for services rendered at \$0.115 each	320,000	36,800
Payment by employee for loan funded shares	-	21,931
Share issue costs	-	(470,864)
Balance at the end of the half-year	<u>365,735,073</u>	<u>12,464,494</u>

**(b) Share options**

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

	<b>Listed 2.5 cent Options 10/08/18</b>	<b>Unlisted 5.5 cent Options 21/09/18</b>	<b>Listed 3.0 cent Options 13/07/17</b>
Balance at 1 July 2017	-	500,000	49,958,572
Issued during the period	121,447,849	-	-
Exercised during the period	(17,474,014)	(500,000)	(4,000)
Lapsed during the period	-	-	(49,954,572)
Balance at 31 December 2017	<u>103,973,835</u>	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### 5. ISSUED CAPITAL (continued)

#### (c) Performance rights

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

	Class F	Class G	Class H	Class I	Class J	Class B
Balance at 1 July 2017	-	-	-	-	-	5,885,000
Approved during the period	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-
Converted during the period	-	-	-	-	-	(5,885,000)
Balance at 31 December 2017	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	-

Refer to Note 10 for details of performance hurdles on these performance rights.

### 6. RESERVES

	Half-year ended 31 December 2017 \$	Half-year ended 31 December 2016 \$
<b>Value of reserves:</b>		
At 1 July 2017	151,256	872,823
Transfer of vested Performance Rights to issued capital (i)	(71,735)	-
Issue or approval of Performance Rights (ii)	61,312	4,687
Issue of broker options (iii)	200,000	-
Change in value of available-for-sale investments (iv)	151,852	(604,498)
	<u>492,685</u>	<u>273,012</u>

- (i) The vesting conditions of the Tranche B Performance Rights were achieved during the period to 31 December 2017 and fully paid ordinary shares were issued.
- (ii) Shareholders approved the issue of 2,000,000 Tranche F, G, H, I and J Performance Rights at the Company's Annual General Meeting held on 30 November 2017 (see Note 10(c)).
- (iii) The Company issued 10,000,000 options to a broker upon the successful conclusion of a capital raising.
- (iv) Investments designated as available-for-sale were revalued to their market value.

### 7. INTEREST IN SUBSIDIARIES

Name of Subsidiary	Principal Place of Business	Ownership Held by the Company	
		31 Dec 2017	30 Jun 2017
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%

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### 8. COMMITMENTS AND CONTINGENCIES

The Group's commitments and contingencies remain consistent with those disclosed in the 2017 annual report.

### 9. EVENTS SUBSEQUENT TO REPORTING DATE

Since balance date, the Company has raised a further \$1,029,962 from the issue of 41,198,495 ordinary shares at \$0.025 per share upon the exercise of options.

Other than the matter disclosed above, there has not arisen in the interval between the end of the half-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.

### 10. 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 2017.

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

	<b>31 December 2017 (No.)</b>	<b>30 June 2017 (No.)</b>
Opening balance	12,250,000	12,250,000
Shares removed from Plan upon repayment of loan*	(1,250,000)	-
Shares issued under the Plan during the period	-	-
Closing balance	<u>11,000,000</u>	<u>12,250,000</u>

\* The Company received \$21,931 from the repayment of 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:

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Loan funded share plan contingent asset	<u>168,086</u>	<u>182,729</u>

#### (b) Options

10,000,000 options exercisable at 2.5 cents on or before 10 August 2018 were granted to a broker during the period (2016: nil) for arranging a private placement, following shareholder approval at a general meeting of shareholders held on 28 September 2017.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### 10. SHARE BASED PAYMENTS (continued)

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued as compensation during the period:

	31 December 2017 No.	31 December 2017 Weighted average exercise price	31 December 2016 No.	31 December 2016 Weighted average exercise price
Outstanding at the beginning of the period	500,000	5.5 cents	-	-
Granted during the period	10,000,000	2.5 cents	-	-
Exercised during the period	<u>(500,000)</u>	5.5 cents	-	-
Outstanding at the end of the period	<u>10,000,000</u>	2.5 cents	-	-
Exercisable at the end of the period	<u>10,000,000</u>	2.5 cents	-	-

### (c) Performance Rights

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

	31 December 2017 No.	31 December 2016 No.
<b>Opening balance</b>	<b>5,885,000</b>	<b>5,885,000</b>
<b>Issued during the period:</b>		
Bruce McLeod	2,000,000	-
Bruce Richardson	6,000,000	-
Greg Knox	2,000,000	-
	<b>10,000,000</b>	<b>5,885,000</b>
<b>Vested during the period:</b>		
Bruce McLeod	(885,000)	-
Bruce Richardson	(2,350,000)	-
Greg Knox	(1,765,000)	-
Michael van Uffelen	(885,000)	-
	<b>(5,885,000)</b>	<b>-</b>
<b>Closing balance</b>	<b>10,000,000</b>	<b>5,885,000</b>

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

Tranche and Performance Hurdle	No. of Performance Rights by Director		
	B. McLeod	B. Richardson	P. Knox
Tranche F - Successful completion of bench-top test work to produce battery grade lithium carbonate equivalent	400,000	1,200,000	400,000
Tranche G - Commissioning an in-field pilot plant	400,000	1,200,000	400,000
Tranche H - Establishing a JORC or NI43-101 equivalent compliant Resource	400,000	1,200,000	400,000
Tranche I - Securing a strategic investor to finance an on-site pilot plant program	400,000	1,200,000	400,000
Tranche J - Completion of an on-site pilot testing program	400,000	1,200,000	400,000

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017****10. SHARE BASED PAYMENTS (continued)****(d) Valuation of Share Plan 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 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 Share Plan shares and options state that no application will be made for the shares or options 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 Plan Shares and for the options.

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 and share plan shares are recognised as an expense over the period from grant to vesting date. The amount recognised as part of employee benefits expense for performance rights during the period was \$61,312.

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes thereto, as set out on pages 6 to 16:
  - 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 2017 and of its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Group 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 S303 (5) of the Corporations Act 2001.



Bruce Richardson  
Managing Director

Dated this 15<sup>th</sup> day of March 2018

**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 consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and 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 2017 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.

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*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 15 March 2018.

*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 2017 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.

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

*Stantons International Audit and Consulting Pty Ltd*  
*Samir*

**Samir Tirodkar**  
**Director**

West Perth, Western Australia  
15 March 2018

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