



Alderan Resources Limited

ABN 55 165 079 201

Consolidated Interim Financial Report
For the Half Year Ended 31 December 2020

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CORPORATE INFORMATION
ABN 55 165 079 201

Directors

Mr. Ernest Thomas Eadie

Mr. Frank “Bruno” David Hegner

Mr. Peter Williams

Company Secretary

Mr. Mathew O’Hara

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DIRECTORS' REPORT

The Directors of Alderan Resources Limited (**Company**) present their report on Alderan Resources Limited and its subsidiaries (**Group**) for the half year ended 31 December 2020.

Directors

The names of the directors who held office during or since the end of the interim period and until the date of this report are as follows. The Directors held office for the full half year unless specified below.

	Position	Date appointed / resigned
Mr. Peter Williams	Managing Director	Appointed 13 May 2019
Mr. Ernest Thomas Eadie	Non-Executive Chairman	Appointed on 23 January 2017
Mr. Frank David Hegner	Executive Director	Appointed on 1 November 2017
Mr. Nicolaus Heinen	Non-Executive Director	Resigned on 23 September 2020

Review of Operations

Exploration Activities – Utah, USA

The principal activity of the Company and its controlled subsidiaries (**Group**) is mineral exploration for gold and copper in Utah, USA.

In November 2019, the Company entered into an Option to Joint Venture Agreement with Kennecott Exploration Company (**KEX**), a member company of the Rio Tinto Group, in order to cost effectively advance exploration at the Frisco Project. During the period, KEX completed nine holes testing the mineral potential of the Cactus and Horn Leases. Drilling operations were delayed from the planned start date due to COVID-19 related disruptions and KEX has also experienced further delays in obtaining assays for all holes. Results from assays received to date were released on the ASX on 11 March 2021. KEX is currently planning a proposed drill program for 2021 which is considering 3-4 additional drill holes anticipated to start in March/April 2021. The timing and amount of work to be conducted in 2021 will depend largely on developments regarding COVID-19 and contractor availability.

In April 2020, Alderan announced that it had signed binding Option Agreements with Tamra Mining Company LLC (**Tamra**) to acquire up to a 70% interest in the highly prospective Valley / Crossroads copper-gold project (**VC Project**) and Drum gold-copper-molybdenum project (**Drum Mining Project**) in Utah, USA.

In February 2021, the Company announced the results of its first pass seven-hole diamond core drilling program at its Mizpah Prospect at its Drum Mining Project. A total of 1,113m were drilled and to date gold assays have been received for six of the holes (refer ASX release dated 22 February 2021). The drilling program was aiming to test the full thickness of the reactive stratigraphy beneath and down-dip of the Mizpah oxidised gold mineralisation, as well as known gold mineralised intrusives and skarns that are reflected in the ground magnetics. Drilling confirmed Carlin-like, distal disseminated mineralisation in two holes with four holes also intersecting porphyry style and related alteration and mineralization; argillic, quartz-sericite-pyrite and potassic-magnetite, calc-silicate skarn and narrow intervals of semi-massive sulfide mineralisation. Results demonstrate the potential for at least one precious metal-bearing porphyry system located at boundary of the currently held land position.

The VC Project is adjacent to the Company's existing Frisco Project in Utah. On 12 January 2021, The Company announced it had commenced a 1,000m first-pass drill program at Black Rock, aiming to test the potential for thickening of the magnetite associated skarn mineralisation, as interpreted from 3D inversion of aeromagnetic data. This drilling was completed over a two-week period with assays currently outstanding.

DIRECTORS' REPORT (CONTINUED)

In February 2021, the Company announced it had further consolidated its land position in the Drum Mountains by executing three additional property deals to extend its land holding in the region to 24.7km². Alderan's review of the initial Mizpah Prospect results is continuing onsite and a contiguous exploration program will now be devised comprising:

1. Completion of detailed 3D magnetic survey and interpretation;
2. Completion of 3D Induced Polarisation survey;
3. Integration of the geology, rock chip sampling, BLEGS, and interpretations from items 1 and 2 above to derive a drill program; and
4. Completion of a drill program.

The Group also continued exploration and assessment of its 100%-owned White Mountain epithermal gold project, 10km southwest of the Frisco Project in Utah. Alderan has planned a maiden drill program of up to four holes, based on an exploration model derived from the Ken Snyder/Midas Epithermal Gold Mineral system in Nevada, and drill permitting is underway. Drilling at White Mountain is expected to commence in early May 2021, where Alderan plans 1,000 m of drilling.

Corporate Activities

On 15 July 2020, Mathew O'Hara replaced Brett Tucker as the Company Secretary and the Company moved its registered corporate office and principal place of business to Suite 23, 513 Hay Street, Subiaco. On 23 September 2020, Nicolaus Heinen resigned as a Non-Executive Director.

In November 2020, Alderan completed a \$3 million placement through the issue of approximately 35.3 million shares to institutional and sophisticated investors at a price of \$0.085 per share. Funds raised are to be used to expand Alderan's exploration programs at its advanced copper-gold projects in Utah, USA. The placement price of \$0.085 represented a 13.2% discount to the closing price of the Company's shares prior to the Company entering into a trading halt on 24 November 2020. The shares were issued using the Company's existing placement capacity under ASX Listing Rule 7.1 and BW Equities acted as lead manager.

Significant Events After the Reporting Date

The following subsequent events have occurred following the end of the half-year:

- On 11 February 2021, the Company announced it had expanded its land position in the Drum Mountains surrounding its Detroit Mining Project after executing three property deals to increase its land position in the region to 24.7km². Refer ASX announcement dated 11 February 2021 for further information; and
- On 22 February 2021, a total of 8,565,000 unquoted options (various classes) expired.

Other than disclosed above, between the end of the half-year and the date of this report there are no items, transactions or events of a material or unusual nature likely, in the opinions of the directors, to affect significantly, the results of those operations, or the state of affairs of the Group in future financial years that require disclosure.

DIRECTORS' REPORT (CONTINUED)

Operating Results for the Period

The comprehensive loss of the Group for the financial period, after providing for income tax amounted to \$2,439,702 (31 December 2019: loss of \$1,134,708).


Review of Financial Conditions

The Group had a net bank balance of \$2,939,920 as at 31 December 2020 (30 June 2020: \$2,133,424).

Auditor Independence

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Tom Eadie', written in a cursive style.

Mr. Tom Eadie

Chairman

Dated this 12th day of March 2021

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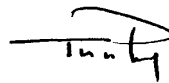
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Alderan Resources Limited for the half-year ended 31 December 2020, 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.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 12 March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

		31 December 2020	31 December 2019
	Notes	\$	\$
Continuing operations			
Other income		-	-
Interest income		1,696	60
Administration expense		(210,938)	(337,389)
Exploration expense		-	(170,600)
Employee benefits expense		(161,895)	(414,655)
Share-based payment expense	5 & 6	(320,625)	(213,740)
Depreciation and amortisation expense		(29,860)	(42,457)
Finance costs		(1,817)	(2,050)
Write off of exploration expenditure on relinquishment of tenements		(566,339)	-
Loss before income tax		(1,289,778)	(1,180,831)
Income tax		-	-
Loss for the half year after tax		(1,289,778)	(1,180,831)
Other comprehensive income, net of income tax			
Exchange differences on translation of foreign operations		(1,149,924)	46,123
Other comprehensive income for the half year, net of income tax		(1,149,924)	46,123
Total comprehensive loss for the half year		(2,439,702)	(1,134,708)
Basic and diluted loss per share (cents per share)		(0.48)	(0.67)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

		31 December 2020	30 June 2020
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents		2,939,920	2,133,424
Trade and other receivables		188,737	221,516
Total Current Assets		3,128,657	2,354,940
Non-Current Assets			
Plant and equipment		228,907	288,334
Exploration and evaluation expenditure	3	9,489,861	9,417,490
Total Non-current Assets		9,718,768	9,705,824
Total Assets		12,847,425	12,060,764
Liabilities			
Current Liabilities			
Trade and other payables		203,758	348,044
Total Liabilities		203,758	348,044
Net Assets		12,643,667	11,712,720
Equity			
Issued capital	4	22,157,574	19,027,550
Options reserve	5	6,564,855	6,324,230
Performance rights reserve	5	101,420	101,420
Foreign currency reserve		(405,402)	744,522
Accumulated losses		(15,774,780)	(14,485,002)
Net Equity		12,643,667	11,712,720

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Issued Capital \$	Option and performance rights Reserves \$	Foreign Currency Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2019	16,506,842	5,606,167	526,580	(12,782,741)	9,856,848
Loss for the half year	-	-	-	(1,180,831)	(1,180,831)
Other comprehensive income	-	-	46,123	-	46,123
Total comprehensive loss for the half year	-	-	46,123	(1,180,831)	(1,134,708)
Contributions of equity	457,319	-	-	-	457,319
Share based payments	-	288,110	-	-	288,110
Balance at 31 December 2019	16,964,161	5,894,277	572,703	(13,963,572)	9,467,569
Balance at 1 July 2020	19,027,550	6,425,650	744,522	(14,485,002)	11,712,720
Loss for the half year	-	-	-	(1,289,778)	(1,289,778)
Other comprehensive income	-	-	(1,149,924)	-	(1,149,924)
Total comprehensive loss for the half year	-	-	(1,149,924)	(1,289,778)	(2,439,702)
Contribution of equity	3,050,024	-	-	-	3,050,024
Share based payments	80,000	240,625	-	-	320,625
Balance at 31 December 2020	22,157,574	6,666,275	(405,402)	(15,774,780)	12,643,667

The accompanying notes form part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities		
Payments to suppliers and employees	(691,390)	(645,345)
Payments for exploration and evaluation expenditure	(1,416,673)	(300,470)
Interest received	2,361	60
Interest paid	(1,816)	(2,050)
Net cash (used in) operating activities	<u>(2,107,518)</u>	<u>(947,805)</u>
Cash flows from financing activities		
Proceeds from issue of shares (net of capital raising costs)	2,680,758	427,319
Proceeds from options exercised	237,500	-
Net cash provided by financing activities	<u>2,918,258</u>	<u>427,319</u>
Net increase/ (decrease) in cash held	810,740	(520,486)
Effect of foreign exchange	(4,244)	-
Cash and cash equivalents at the beginning of the half year	<u>2,133,424</u>	<u>749,162</u>
Cash and cash equivalents at the end of the half year	<u>2,939,920</u>	<u>228,676</u>

The accompanying notes form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose interim financial statements of Alderan Resources Limited (**Company**) and controlled entities (**Group**) for the half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Alderan Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

New and revised Accounting Standards and Interpretations adopted

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

The adoption of the new *Conceptual Framework for Financial Reporting* from 1 July 2020 has not led to any changes in accounting or disclosure for the Group, but the new Conceptual Framework may be referred to if accounting matters arise that are not addressed by accounting standards.

The adoption of the new definition of Material included in *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material* from 1 July 2020 provides a new definition of material, which now extends materiality consideration to obscurity and clarifies that materiality now depends on the nature or magnitude of information.

Future effects of the implementation of these standards will depend on future details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 2: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors in order to allocate resources to the segment and to assess its performance. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Directors for the half year ended 31 December 2020 and 31 December 2019.

	United States of America \$	Australia \$	Unallocated Items \$	Consolidated \$
31 December 2020				
Segment revenue	-	1,696	-	1,696
Intersegment revenue	-	-	-	-
Revenue from external customers	-	1,696	-	1,696
Segment result	(726,537)	(563,241)	-	(1,289,778)
Segment assets	9,922,158	2,925,267	-	12,847,425
Segment liabilities	135,464	68,294	-	203,758
31 December 2019				
Segment revenue	-	60	-	60
Intersegment revenue	-	-	-	-
Revenue from external customers	-	60	-	60
Segment result	(745,371)	(435,460)	-	(1,180,831)
Segment assets	8,808,457	836,513	-	9,644,970
Segment liabilities	15,389	162,012	-	177,401

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2020 \$	30 June 2020 \$
Carrying value at the end of the half year/year	<u>9,489,861</u>	<u>9,417,490</u>
<i>Movements during the half year</i>		\$
Balance at 1 July 2020		9,417,490
Expenditure incurred		1,736,792
Expenditure written off		(566,339)
Foreign exchange differences		(1,098,082)
Balance at 31 December 2020		<u>9,489,861</u>

NOTE 4: ISSUED CAPITAL

	31 December 2020		30 June 2020	
	No.	\$	No.	\$
Fully paid ordinary shares	<u>297,941,092</u>	<u>22,157,574</u>	<u>259,438,641</u>	<u>19,027,550</u>
<i>Movements in Ordinary Shares</i>			No.	\$
Balance at 1 July 2020			259,438,641	19,027,550
Shares issued for services (i)			500,000	80,000
Shares issued on exercise of Options (ii)			1,875,000	187,500
Issue of Placement Shares (iii)			35,294,118	3,000,000
Shares issued on exercise of Options (iv)			833,333	50,000
Share issue costs			-	(187,476)
Balance at 31 December 2020	<u>297,941,092</u>	<u>22,157,574</u>	<u>259,438,641</u>	<u>19,027,550</u>

- (i) 500,000 fully paid ordinary shares issued as consideration for services provided for investor relations. The deeded issue price was \$0.16, being the share price on date of issue, 30 July 2020.
- (ii) 1,875,000 fully paid ordinary shares issued following exercise of 1,875,000 unquoted options with an exercise price of \$0.10 and an expiry date of 7 August 2022.
- (iii) 35,294,118 fully paid ordinary shares issued under a Placement to professional and sophisticated investors in December 2020 at an issue price of \$0.085 per share.
- (iv) 833,333 fully paid ordinary shares issued following exercise of 833,333 unquoted options with an exercise price of \$0.06 and an expiry date of 19 July 2022.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 5: RESERVES

	31 December 2020	30 June 2020
	\$	\$
Options reserve	6,564,855	6,324,230
Performance rights reserve	101,420	101,420
Total	<u>6,666,275</u>	<u>6,425,650</u>

<i>Options Reserve</i>	31 December 2020		30 June 2020	
	No.	\$	No.	\$
Options	<u>75,717,292</u>	<u>6,564,855</u>	<u>71,425,625</u>	<u>6,324,230</u>

<i>Movements in Options</i>	No.	\$
Balance at 1 July 2020	71,425,625	6,324,230
Options cancelled (i)	(150,000)	-
Options exercised (ii)	(1,875,000)	-
Options issued to employees (iii)	7,000,000	240,625
Options exercised (iv)	(833,333)	-
Balance at 31 December 2020	<u>75,567,292</u>	<u>6,564,855</u>

- (i) On 1 July 2020, 150,000 unquoted options were cancelled due to the employees they were issued to no longer being eligible to retain them.
- (ii) On 30 July 2020, 1,875,000 unquoted options with an exercise price of \$0.10 and an expiry of 7 August 2022 were exercised.
- (iii) On 3 August 2020, 7,000,000 unquoted options were issued as follows:
- o 3,500,000 unquoted options to employees under the Company's Long Term Incentive Plan vesting after 12 months continuous service exercisable at \$0.195 on or before 3 August 2023 (Tranche A); and
 - o 3,500,000 unquoted options to employees under the Company's Long Term Incentive Plan vesting after 12 months continuous service exercisable at \$0.225 on or before 3 August 2023 (Tranche B).
- (iv) On 22 December 2020, 833,333 unquoted options with an exercise price of \$0.06 and an expiry of 19 July 2022 were exercised by Managing Director, Peter Williams.

	Number	Grant date	Expiry date	Exercise Price \$	Fair value at grant date \$	Vesting date	Recognised as expense at 31-Dec-20 \$
Tranche A	3,500,000	24-Jul-20	3-Aug-23	0.195	297,500	3-Aug-21	123,958
Tranche B	3,500,000	24-Jul-20	3-Aug-23	0.225	280,000	3-Aug-21	116,667

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

<i>Performance Rights Reserve</i>	31 December 2020		30 June 2020	
	No.	\$	No.	\$
Performance Rights	400,000	101,420	600,000	101,420
Movements in Performance Rights				
Balance at 1 July 2020			600,000	101,420
Class A expired on 24 August 2020			(200,000)	-
Balance at 31 December 2020			400,000	101,420

The current performance rights on issue as at 31 December 2020 are as follows:

Class	Number	Expiry Date	Vesting Conditions
B	200,000	24 August 2021	Converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than \$1.50 for more than a total of 120 trading days within 3 years from grant date.
C	200,000	24 August 2022	Converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than \$2.00 for more than a total of 120 trading days within 4 years from grant date.

The Group has measured the fair value of the performance rights issued during the half year by using the Monte-Carlo pricing model.

NOTE 6: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

The following subsequent events have occurred following the end of the half-year:

- On 11 February 2021, the Company announced it had expanded its land position in the Drum Mountains surrounding its Detroit Mining Project after executing three property deals to increase its land position in the region to 24.7km². Refer ASX announcement dated 11 February 2021 for further information; and
- On 22 February 2021, a total of 8,565,000 unquoted options (various classes) expired.

Other than disclosed above, between the end of the half-year and the date of this report there are no items, transactions or events of a material or unusual nature likely, in the opinions of the directors, to affect significantly, the results of those operations, or the state of affairs of the Group in future financial years that require disclosure.

NOTE 7: DIVIDENDS

The directors of the Company have not declared any dividend for the half year ended 31 December 2020.

NOTE 8: CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 31 December 2020 (30 June 2020: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 9: COMMITMENTS AND CONTINGENCIES

	31 December 2020 \$	30 June 2020 \$
Exploration expenditure and annual lease/claim payments Committed at the reporting date but not recognised as liability:		
Within one year*	1,120,337	930,105
One to five years	-	121,287
	<u>1,120,337</u>	<u>1,051,392</u>

**Included in this amount for 31 December 2020 is US\$300,000 relating to the upfront payment on the Option to Purchase Agreement with George Miller/Ron Myers, refer ASX announcement dated 11 February 2021 for further information. This amount was paid during February 2021.*

Where the commitments are due in US Dollars, the Company has used the spot rate on 31 December 2020 as a conversion for the commitments into Australian Dollars.

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals and to meet the minimum expenditure requirements by the Mineral Resources Authority. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided for in the financial statements.

DIRECTORS' DECLARATION

In the opinion of the Directors of Alderan Resources Limited:

- a. The accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - i. Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - ii. Complying with AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- 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.

This declaration is signed in accordance with a resolution by the Board of Directors made pursuant to section 303(3)(a) of the Corporations Act 2001.



Mr. Tom Eadie

Chairman

Dated this 12th day of March 2021

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alderan Resources Limited, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 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 2020 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 Alderan 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.

THE POWER OF BEING UNDERSTOOD
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Liability limited by a scheme approved under Professional Standards Legislation

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*, which has been given to the directors of Alderan Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

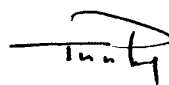
Conclusion

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 Alderan 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 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 12 March 2021