

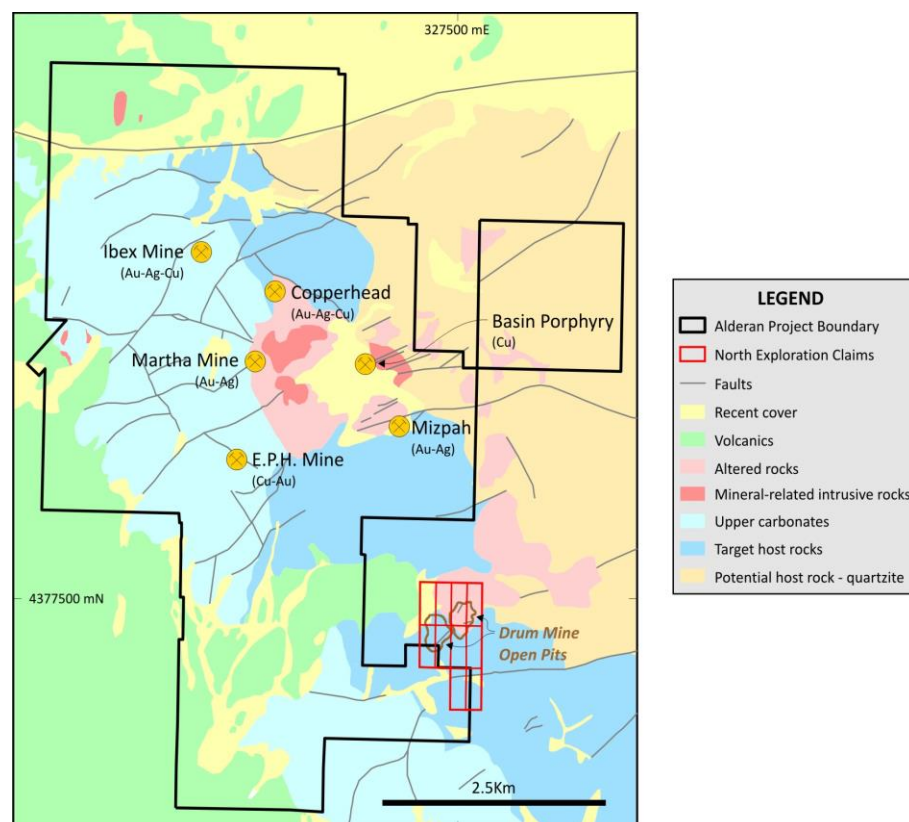
## Alderan Secures Option over Drum Gold Mine at Detroit

### HIGHLIGHTS

- Alderan secures option agreement over historic Drum Gold Mine at Detroit, Utah, USA.
- Historical 1980s production from the Drum mine totalled 125,000oz gold from 3.2 million tonnes of ore grading 1.22g/t gold.
- Underground ore extracted near end of mine life graded 4.4g/t gold.
- Drum Mine has undergone no modern exploration since mining ceased in 1989.
- Alderan has commenced compilation and review of historical mine data.
- Commencement of drilling seven targets on Alderan's Detroit project is awaiting drill rig arrival.

Alderan Resources Limited (ASX:AL8) (**Alderan** or the **Company**) is pleased to announce it has signed an option agreement with North Exploration LLC covering unpatented lode mining claims covering the historic Drum Gold Mine at its Detroit Project, located in the Drum Mountains region of western Utah, USA.

The Drum Gold Mine lies in the southeast of Alderan's consolidated 24.7km<sup>2</sup> exploration area at Detroit and it abuts Alderan's tenement to the south (See Figure 1). Outside Utah's major mining districts of Bingham and Mercur, Drum Gold Mine is one of the State's largest historical gold producers, having produced 125,000oz gold during its mine life<sup>1</sup>. There has been no modern exploration at Drum mine since it ceased production in 1989.



**Figure 1:** Detroit project geology showing location of Drum mining claims

Alderan Managing Director Scott Caithness said:

*"It has been a long-term objective to bring the Drum Gold Mine into Alderan's portfolio and it is a very exciting addition to the Detroit project. The operation mined near-surface oxide ore from two adjacent open pits in the mid-1980s and produced around 125,000 ounces of gold. Its final production is reported to be from a small underground operation at the bottom of the Southwest pit which graded over 4.0g/t gold. No significant exploration has been carried out since the mine closed."*

*"We have already commenced work on compiling and reviewing all historical data on the mine ahead of designing and initiating an exploration programme."*

<sup>1</sup> Krahulec, K.: "Sedimentary Rock-Hosted Gold and Silver Deposits of the Northeastern Basin and Range, Utah"; Utah Geological Survey; Jan 2011

## Option Agreement Terms

Key terms of the option agreement executed between Valyrian Resources Corp (Alderan's 100%-owned USA subsidiary) and North Exploration (an unrelated party to Alderan) are:

### Option to Purchase

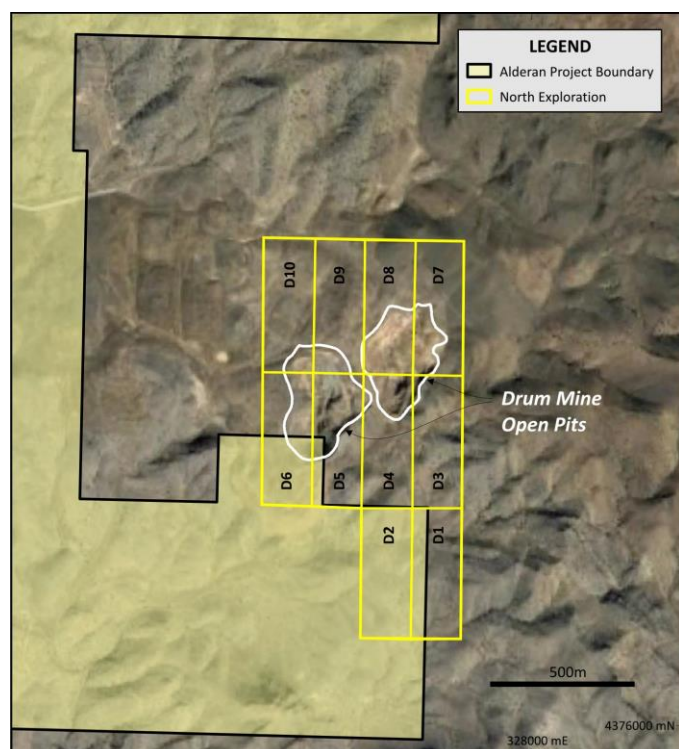
- Option to Purchase 10 State of Utah mining claims (D # 1-10 (UMC 384526-384535) totalling 210 acres located in Section 7, Millard County, Utah over 3 years (see Figure 2).

### Payments

- On execution of option agreement: US\$10,000, plus reimbursement for 2021 School and Institutional Trust Lands Administration (SITLA), Bureau of Land Management (BLM) and county fees
  - First Anniversary: US\$15,000, plus SITLA, BLM and county fees
  - Second Anniversary: US\$25,000 plus SITLA, BLM and county fees
  - Third Anniversary: Purchase for US\$450,000
- Option can be terminated at any time by Volantis
  - 2% Net Smelter Return Royalty, with the option to purchase 1% for US\$450,000

### Work Commitment

- Year 1 - US\$20,000
  - Year 2 - US\$40,000
  - Year 3 - US\$60,000
- All title curative work to be applied to work commitments



**Figure 2:** Google Earth image showing Drum mining claims and open pits

Some of North Exploration's mining claims have been over-pegged by later applications. Legal due diligence however has confirmed that the North claims pre-date these later applications. It is Alderan's view that North Exploration's claims are senior and valid. Any expenditure required to prove the validity of the mining claims will be credited to required work commitment expenditures.

## Drum Mine Background<sup>2</sup>

The Drum distal disseminated gold deposit is the largest historical mine in the Detroit District and was one of the most productive and economically important, sediment-hosted gold deposits in Utah. It was discovered in 1982 with a drill intercept of 15m grading 8.5g/t gold and was mined from two open pits (Southwest Pit and Northeast Pit) between 1984-89. Over its six-year mine life, it reportedly produced 125,000oz of gold from 3.17 million tonnes of oxide ore grading 1.22g/t gold. Towards the end of its life, a small underground operation was developed in the Southwest Pit which produced mined grades of +4g/t gold.

<sup>2</sup> Krahulec, K.: "Sedimentary Rock-Hosted Gold and Silver Deposits of the Northeastern Basin and Range, Utah"; Utah Geological Survey; Jan 2011

The deposit lies between two east-northeast trending faults in Middle Cambrian age limestones and clastic sediments which dip gently west-southwest. Mineralisation is focused along bedding parallel and high angle northeast trending faults associated with siliceous and argillic altered shale and limestone. Thin intrusive sills, dykes and pebble dykes are common.

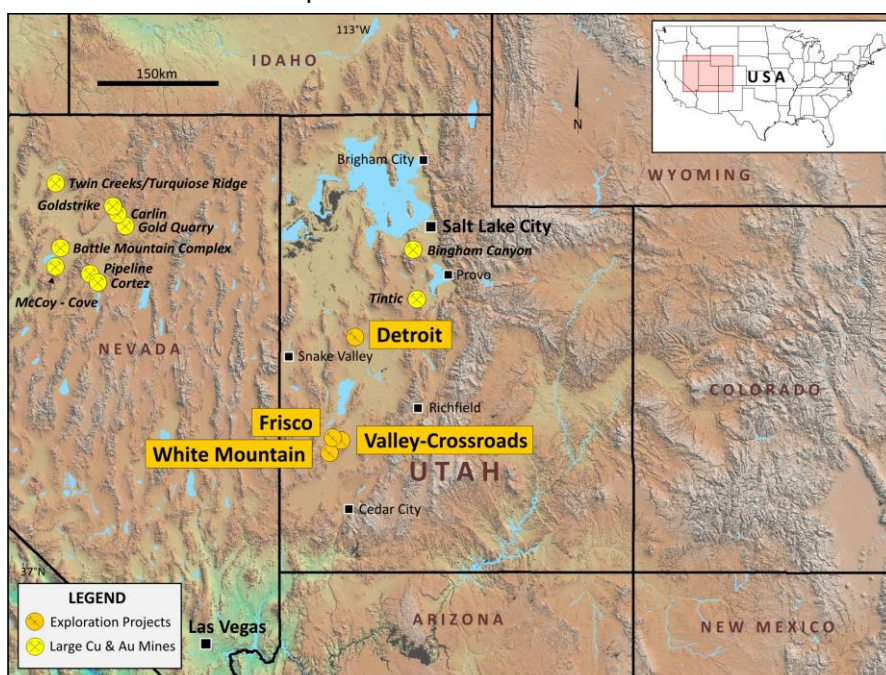
The immediately adjacent open pits are elongated north-south, each approximately 400m long, 240m wide and 60m deep. Prior to mining the Northeast Pit area was covered by jasperoid containing relatively low grade gold of less than 0.7g/t. This pit contained ore up to 35m thick with an overall grade of 1.2g/t gold. Mining at Drum began in the Southwest Pit where the ore was generally thinner (<12m) but yielded a higher average grade of 1.7g/t gold.

### Next Steps

Alderan's technical team in Utah is compiling and reviewing historical information on the Drum Gold Mine. This information includes data from approximately 300 holes which were drilled in and around the mine during the 1980s. An objective of this review will be to determine the potential of Drum to host additional oxide mineralisation plus primary gold mineralisation below the mined oxide ore. Drum is also expected to provide valuable insights into exploration of the distal disseminated gold targets within Alderan's Detroit project.

### Detroit Project

Alderan's Detroit Project (Figure 3) is one of four projects it holds in the state of Utah, USA. It lies within the Detroit Mining District, approximately 175km southwest of Salt Lake City, and contains numerous historical copper, gold and manganese mines. The district has been explored for copper and gold in the past by major mining companies such as Anaconda Copper, Kennecott, Newmont, BHP and Freeport-McMoRan but unlike Alderan at the current time, no one company was able to build a significant contiguous land position to enable district-wide modern exploration.



The United States Geological Survey (**USGS**) has also explored the area, sampling extensive mineralised jasperoids.

Alderan has completed stream, rock and soil sampling, ground magnetic and induced polarization geophysical surveys and petrographic examination of drill core. This exploration has highlighted the potential for Detroit to host porphyry copper and distal disseminated gold deposits. A 10 hole (3,000m) drilling programme to test seven separate targets is ready to commence and awaiting drill rig availability<sup>3,4</sup>.

**Figure 3:** Alderan Resources project locations in western Utah

**ENDS**

This announcement was authorised for release by the Board of Alderan Resources Limited.

<sup>3</sup> Alderan ASX Announcement dated 1 September 2021

<sup>4</sup> Alderan ASX Announcement dated 22 September 2021



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**Competent Persons Statement**

The information in this announcement that relates to historical exploration results were reported by the Company in accordance with listing rule 5.7 on 30 September 2020, 15 October 2020, 19 November 2020, 22 February 2021, 8 March 2021, 11 May 2021, 9 June 2021, 21 July 2021 and 24 August 2021. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements.