

Alderan to advance Detroit Project drilling with \$1.3M Placement

HIGHLIGHTS

- Alderan receives firm commitments for a two-tranche Placement to raise approximately \$1.3 million (before costs) at \$0.01 per share, with strong demand from new and existing investors.
- Alderan Directors subscribe for an additional \$150,000 worth of shares, subject to shareholder approval.
- General meeting to seek shareholder approval of Tranche 2 of the Placement and Director participation expected to be held in August 2022.
- Option Rights Issue for existing shareholders expected to be undertaken in September 2022.
- Alderan will use funds for drilling at the Company's Detroit Project in Utah, USA, expected to commence in Q3 2022 and working capital purposes.

Alderan Resources Limited (ASX: AL8) (**Alderan** or the **Company**) is pleased to announce it has received firm commitments to raise approximately \$1.3 million (before costs) to accelerate exploration at its Detroit copper-gold project in Utah, USA.

Alderan will issue 133.7 million new shares (**Shares**) to sophisticated and professional investors at a price of \$0.01 per Share together with a free attaching option exercisable at \$0.016 each and expiring three (3) years from date of issue (**Placement Options**) on the basis of one (1) Option for every two (2) Shares issued (the **Placement**). The Company will apply to have the Placement Options quoted and tradeable on the ASX.

The Placement will settle in two tranches, with the Tranche 1 Shares to be issued under the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A. The issue of the Tranche 2 Shares and all of the Placement Options will be subject to shareholder approval, which is expected to be sought in August 2022.

In addition, subject to shareholder approval, Alderan Directors will participate in the Placement for an additional \$150,000 (15 million Shares).

Alderan will use proceeds of the Placement to advance exploration activities at its copper-gold projects in Utah, USA, specifically a reverse circulation (**RC**) drilling program at the Detroit project, and for working capital purposes. The Company is also committed to assessing new opportunities in the USA to further strengthen its project portfolio.

Alderan Managing Director Scott Caithness said, "Alderan's exploration at Detroit over the past year has highlighted the potential for multiple oxide gold deposits along 6.5km of favourable stratigraphy which hosts the Drum and Mizpah deposits. Our initial work at Drum has confirmed gold grades of up to 10g/t Au in in-pit rock samples and intersections including 17m @ 1.7g/t Au in drillholes while at Mizpah, drilling suggests that the deposit could be significantly larger than historically defined. Soil sampling has also identified additional unexplored gold anomalies, including the Midway and Basin Main targets, which lie in the same favourable stratigraphy as Drum and Mizpah.

"Following the support of new and existing shareholders who participated in this Placement, we are looking forward to continuing our drilling during this quarter with the ultimate aim of progressing towards a maiden resource estimate."

Placement Details

The Placement price of \$0.01 represents a 22.5% discount to the 15-day VWAP of the Company's shares prior to entering into a trading halt on 18 July 2022, being \$0.013. The Placement Shares will be issued across two tranches:

- The Tranche 1 Shares will be issued pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 for 63,800,000 Shares and ASX Listing Rule 7.1A for 42,200,000 Shares; and
- The Tranche 2 Shares and Director participation Shares, which total 42,700,000 Shares, will be subject to shareholder approval to be sought at a General Meeting expected to be held in August 2022.

The issue of the 74,350,000 Placement Options will also be subject to Shareholder approval, which will be sought at the same General Meeting.

The Company's existing shares are expected to resume trading on the ASX from market open today, 20 July 2022.

The Tranche 1 Shares are expected to settle on Wednesday, 27 July 2022 and will commence trading on the ASX on a normal basis on Thursday, 28 July 2022.

Option Rights Issue

Alderan also intends to complete a non-renounceable rights issue of Options following the General Meeting expected to be held in August 2022 (**Rights Issue**). The Rights Issue Options will be on the same terms and conditions as the Placement Options (i.e. exercisable at \$0.016 each and expiring three years from the date of issue).

Existing shareholders will have the right to subscribe for one (1) Option for every two (2) shares held on the record date (which is to be determined) at an issue price of \$0.001 per Option. As with the Placement Options, the Company will apply to have the Rights Issue Options quoted and tradeable on the ASX.

The Rights Issue will be made under a prospectus (**Prospectus**), which will detail the terms of the Rights Issue and its timetable. The lodgement of the Prospectus is expected to occur shortly after the General Meeting to be held in August 2022.

Lead Manager

Alderan has entered into a Lead Manager Mandate with DealAccess Pty Ltd (**Mandate**). The terms of the Mandate are summarised below:

- Management fee of 2% on the gross proceeds raised under the Placement (plus GST) payable in cash;
- Placement fee of 4% on the capital introduced in the Placement (plus GST) payable in cash;
- One (1) Option will be issued to DealAccess Pty Ltd for every four (4) Shares placed in the Placement (**Placement Fee Options**); and
- A shortfall placement fee in the form of an issue of the number of Options equal to 6% of the gross proceeds raised via the placement of all shortfall from the Rights Issue (plus GST) at a deemed issue price of \$0.001 per Option (**Rights Issue Fee Options**).

The Company will seek shareholder approval for the issue of the Placement Fee Options and the Rights Issue Fee Options at the General Meeting to be held in August 2022. These Options will be issued on the same terms as the Placement Options and the Rights Issue Options and are intended to be quoted.

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

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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 December 2021 and 5 April 2022. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements.