

Alderan Executes Binding Agreement to Acquire 100% interest in Minas Gerais Lithium Projects, Brazil

HIGHLIGHTS

- Alderan to acquire 100% ownership of seven lithium exploration projects consisting of 24 granted exploration licences covering 472km² in Brazil's Eastern Lithium Belt
- All projects are within, and to the south, of 'Lithium Valley' in resource rich Minas Gerais state – home to 40 of Brazil's top 100 mines
- 'Lithium Valley' hosts the lithium mines of Companhia Brasileira De Lítio's (CBL) and Sigma Lithium Corporation (NASDAQ: SGML; TSX: SGML) plus the resources of Latin Resources Ltd (ASX: LRS) and Lithium Ionic (TSX.V: LTH)
- Right geological setting – projects located on margins of known and interpreted fertile G4 granites
- Pegmatites and lithium indicators such as spodumene, beryl and niobium plus artisanal mining within and proximal to project areas
- Highly experienced technical team generated projects integrating geology, geophysics, mineral occurrences and structure
- Share-based deal with vendor performance shares based on project specific milestones, subject to shareholder approval

Alderan Resources Limited (ASX: ALB) (Alderan or the Company) is pleased to announce the execution of a binding share sale agreement to acquire 100% of the issued capital in Parabolic Lithium Pty Ltd (**Parabolic**) which has the right to acquire a 100% interest in seven lithium exploration projects (together, the **Projects**) in the mineral resource rich state of Minas Gerais, Brazil (**Acquisition**).

The Projects cover 472km² and consist of 24 granted exploration licences in seven (7) project areas, Cural de Dentro, Minas Novas, Carai, Catuji, Itaípe, Itambacuri and Governador Valadares. The Projects are all located in and immediately to the south of the area known as 'Lithium Valley' in the Eastern Lithium Belt of Eastern Brazil.

Recent discoveries in Lithium Valley include Sigma Lithium Corporation's (NASDAQ: SGML; TSX: SGML) Grota do Cirilo Project and Latin Resources Ltd's (ASX: LRS) Salinas Project. Grota do Cirilo has a NI43-101 compliant Measured and Indicated Resource of 77.034Mt grading 1.43% Li₂O and Inferred Resource of 8.557Mt grading 1.43% Li₂O¹. Salinas has a JORC compliant Measured, Indicated & Inferred Mineral Resource estimate of 45.2Mt grading 1.34% Li₂O².

¹ Refer to NI43-101 technical report dated 12 June 2023 at ([Sigma-Lithium-Amended-and-Restated-Technical-Report-June-2023-JUNE-12-FINAL-pre-market.pdf](https://www.investi.com.au/api/announcements/lrs/deefd35a-3b8.pdf) ([sigmalithiumresources.com](https://www.investi.com.au/api/announcements/lrs/deefd35a-3b8.pdf)))

² Refer ASX announcement dated 20 June 2023 at <https://www.investi.com.au/api/announcements/lrs/deefd35a-3b8.pdf>

Managing Director of Alderan, Scott Caithness, commented on the agreement:

“The acquisition of Parabolic’s large and highly prospective granted tenement package in an established lithium district in Brazil is a very exciting development for Alderan and represents the successful culmination of project generation focused on securing high potential critical metals exploration opportunities.

“Brazil’s Eastern Lithium Belt is one of the world’s premier lithium provinces with operating lithium mines and recent major discoveries made by Sigma Lithium Corporation and Latin Resources Ltd. Parabolic has an established in-country team with significant experience in identifying lithium prospective areas and has offered to assist Alderan to fast track its on-ground exploration activities which are planned to commence in Q4, 2023.”

Minas Gerais Lithium Projects Background

The Projects, Curral de Dentro, Minas Novas, Carai, Catuji, Itaipé, Itambacuri and Governador Valadares, cover an area of 472km² and are located in the Lithium Valley region of Brazil’s Eastern Lithium Belt in the resource rich state of Minas Gerais (see Figure 1). Minas Gerais produces 75% of world niobium, 53% of Brazilian iron ore and is also a large producer of gold, zinc and phosphate. It is home to over 300 operational mines and 40 of Brazil’s largest 100 mines.³

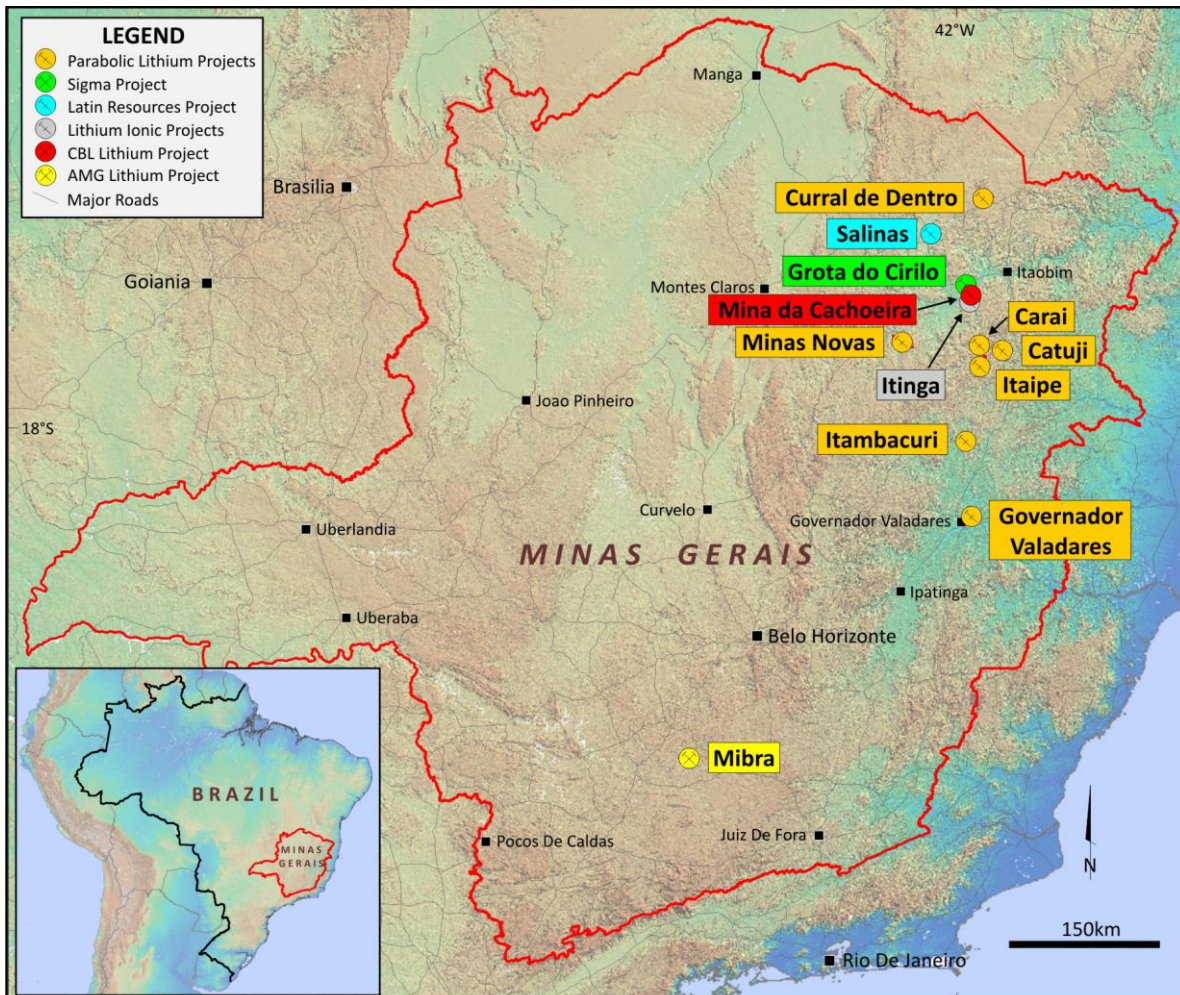


Figure 1: Parabolic Lithium’s project locations in Minas Gerais State plus lithium mines and deposits within Brazil’s Eastern Lithium Belt.

³ [Mineral-metallurgical - \(investminas.mg.gov.br\)](http://Mineral-metallurgical - (investminas.mg.gov.br))

Lithium deposits currently being mined in Minas Gerais include Companhia Brasileira De Lítio's (CBL) Mina da Cachoeira underground mine which has stated production capacity of 42,000t per annum of 5.5% Li₂O spodumene concentrate and AMG Brazil's Mibra lithium-tantalum-niobium-tin mine which has capacity to produce 130,000t lithium concentrate per annum.^{4,5} Peer company Lithium Valley deposits and exploration results are included in Table 1. Note that these results do not guarantee that the Projects will deliver comparable results.

Table 1: Lithium deposits and significant exploration projects in Lithium Valley, Minas Gerais.

Company	Market Capitalisation (19 Sept 2023)	Discovery	Tenement Holding
Sigma Lithium Corp ⁶ (NASDAQ: SGML; TSX: SGML)	~A\$6.45B	Grota do Cirilo Resource (NI43-101): M&I 77.0Mt @ 1.43% Li ₂ O plus Inf 8.5Mt @ 1.43% Li ₂ O Ramping up Phase 1 production to 270Ktpa	~200km ²
Latin Resources ⁷ Limited (ASX: LRS)	~A\$802M	Salinas Resource (JORC): MI&I 45.2Mt @ 1.34% Li ₂ O Preliminary economic assessment underway	~380km ²
Lithium Ionic Corp ⁸ (TSX.V: LTH)	~A\$295M	Itinga Resource (NI43-101): M&I 7.57Mt @ 1.4% Li ₂ O plus Inf 11.86Mt @ 1.44% Li ₂ O Expansion and definition drilling underway	~142km ²
Atlas Lithium Corp ⁹ (NASDAQ: AT LX)	~A\$423M	20 pegmatite outcrops identified Neves project drill intersections include: <ul style="list-style-type: none"> • 21.75m @ 2.12% Li₂O from 7.0m depth (DHAB-185) • 25.0m @ 1.82% Li₂O from 7.0m depth (DHAB-160) • 95.2m @ 1.46% Li₂O from 97.9m depth (DHAB-104) 	~240km ²

The lithium deposits of the East Brazil Lithium Belt lie primarily within the Neoproterozoic Aracuai Fold Belt which consists largely of metamorphosed sediments and volcanics which have been intruded by younger Neoproterozoic I-type granites and Neoproterozoic to Cambrian age peraluminous S-type granites commonly referred to as G1 to G5. The lithium deposits throughout the belt are typically associated with pegmatite intrusions in close proximity to G4 granites (see Figure 2). Mineral occurrences associated with the deposits include spodumene, beryl, niobium, tantalum, tin and tourmaline, many of which have been identified by the Geological Survey of Brazil.

The Projects, which have not undergone historical exploration for lithium, typically have a number of key characteristics which were used to target the areas including:

- Lie within 'Lithium Valley' in Minas Gerais state in Brazil's Eastern Lithium Belt;
- Proximal to G4 granites based on regional mapping by the Brazil Geological Survey and interpretation of regional airborne magnetic and radiometric geophysical data;
- Proximal to known lithium deposits, pegmatites and lithium pathfinder mineral occurrences;
- Proximal to major district and regional scale structures; and
- Presence of artisanal mining.

⁴ [Mining Unit – CBL Companhia Brasileira de Lítio \(cblitio.com.br\)](http://MiningUnit-CBLCompanhiaBrasileiraDeLítio(cblitio.com.br))

⁵ [Resources \(amqlithium.com\)](http://Resources(amqlithium.com))

⁶ Refer to NI43-101 technical report dated 12 June 2023 (Sigma-Lithium-Amended-and-Restated-Technical-Report-June-2023-JUNE-12-FINAL-pre-market.pdf (sigmalithiumresources.com))

⁷ Refer ASX announcement dated 20 June 2023 at <https://www.investi.com.au/api/announcements/lrs/deefd35a-3b8.pdf>

⁸ Refer to Lithium Ionic announcement dated 27 June 2023 ([Lithium Ionic - News](http://LithiumIonic-News))

⁹ Refer to Atlas Lithium announcements dated 13 July 2023 (1689249600-173391.pdf (atlas-lithium.com)), 13 May 2023 ([Atlas Lithium Intersects 1.47% Li₂O over 95.2 Meters - Atlas Lithium Corporation \(atlas-lithium.com\)](http://AtlasLithiumIntersects1.47%Li2Oover95.2Meters-AtlasLithiumCorporation(atlas-lithium.com))) & 10 Jul 2023 ([Atlas Lithium Intersects 3.34% Li₂O over 7 Meters and 1.82% Li₂O over 25 Meters at Its Neves Project in Brazil's Lithium Valley - Atlas Lithium Corporation \(atlas-lithium.com\)](http://AtlasLithiumIntersects3.34%Li2Oover7Metersand1.82%Li2Oover25MetersatItsNevesProjectinBrazil'sLithiumValley-AtlasLithiumCorporation(atlas-lithium.com)))

A summary of the exploration licences that comprise the Projects is set out in Table 2.

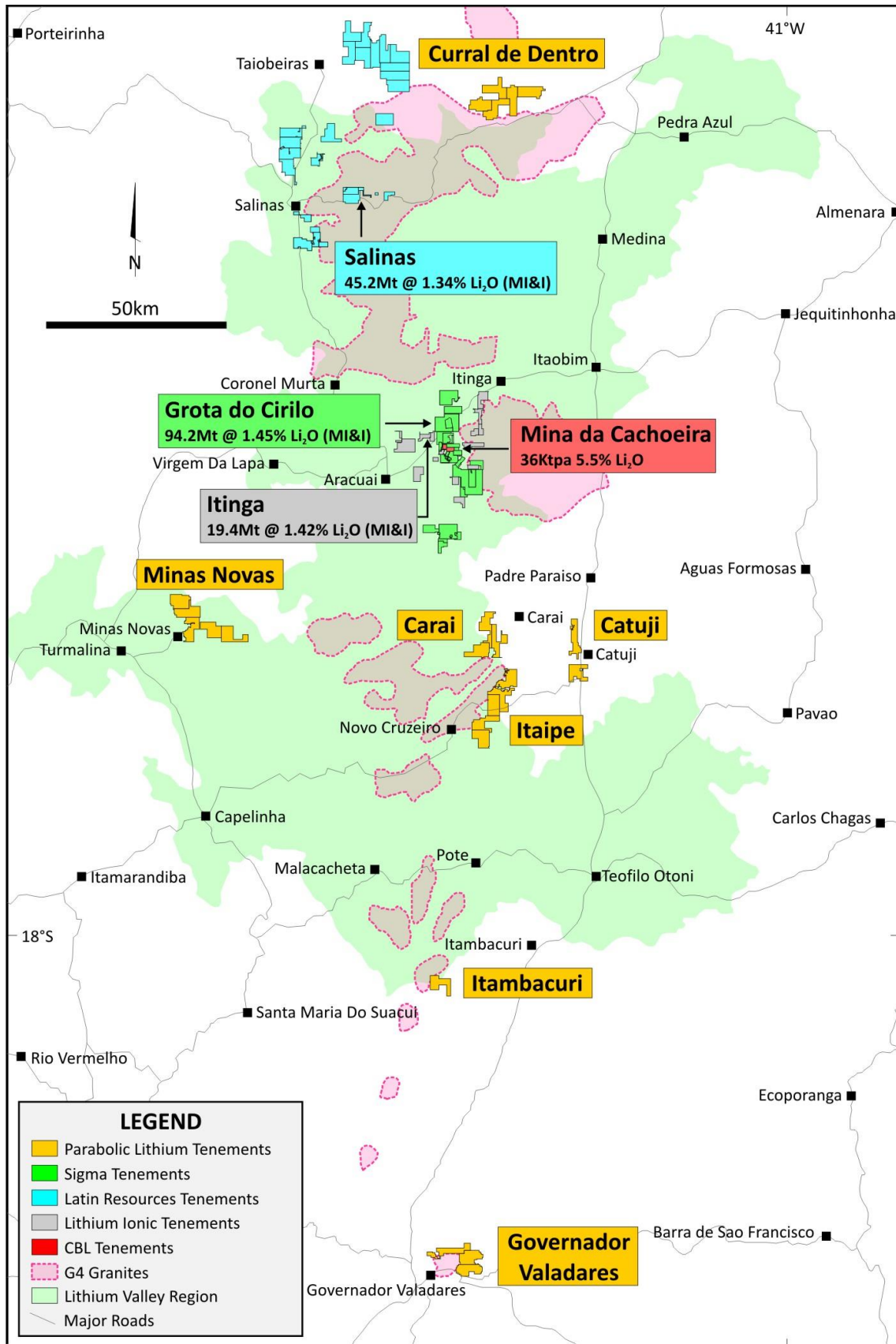


Figure 2: Location plan of Parabolic's projects plus the Grota do Cirilo, Salinas, Itinga and Mina do Cachoeira lithium projects and G4 granites in the Lithium Valley region of Minas Gerais.

Table 2: Exploration Licence information.

Project Name	Exploration Licence	Area (Ha)	Status	Total Area (Ha)
Curral de Dentro	831448/2023	1936.95	Granted	9,868.68
	831451/2023	1982.02	Granted	
	831456/2023	1981.07	Granted	
	831457/2023	1982.63	Granted	
	831460/2023	1986.01	Granted	
Minas Novas	831452/2023	1985.29	Granted	9,908.37
	831458/2023	1980.14	Granted	
	831462/2023	1982.99	Granted	
	831468/2023	1986.11	Granted	
	831469/2023	1973.84	Granted	
Carai	831441/2023	1985.50	Granted	5,943.37
	831442/2023	1974.67	Granted	
	831445/2023	1983.20	Granted	
Catuji	831465/2023	1972.36	Granted	3,959.61
	831471/2023	1987.25	Granted	
Itaípe	831436/2023	1975.88	Granted	9,683.87
	831437/2023	1971.56	Granted	
	831438/2023	1771.41	Granted	
	831439/2023	1978.40	Granted	
	831440/2023	1986.62	Granted	
Itambacuri	831475/2023	1962.88	Granted	1,962.88
Governador Valadares	831472/2023	1981.01	Granted	5,836.27
	831473/2023	1982.70	Granted	
	831474/2023	1872.56	Granted	
TOTAL		47,163.05 (472km²)		47,163.05 (472km²)

Key terms of the Acquisition

The Company has agreed to the following in return for the acquisition of Parabolic:

Transfer of legal ownership:

The legal holder of the Projects is Mars Mines Brasil Ltda. Pursuant to the terms of the acquisition agreement, the parties have agreed that Mars Mines Ltd, will procure the transfer of the Projects by Mars Mines Brasil Ltda to the Company on or prior to settlement.

Mars Mines Ltd is a shareholder of Parabolic and the parent company of Mars Mines Brasil Ltda. The other shareholders of Parabolic are CoPeak Corporate Pty Ltd and Geoula Pty Ltd.

Initial Consideration:

- a cash payment of \$110,000 in immediately available funds (**Consideration Payment**);
- 150,000,000 Alderan Shares, subject to shareholder approval, at a deemed issue price of \$0.006 per share (**Consideration Shares**). 50% of the Consideration Shares will be held under voluntary escrow for 6 months from date of issue; and
- 100,000,000 of the class AL8OA options to acquire Alderan Shares, subject to shareholder approval, exercisable at \$0.016 each, expiring on 9 September 2025 (**Consideration Options**).

Deferred Consideration:

The following number of Alderan Shares, subject to shareholder approval, on the satisfaction of the milestones outlined below:

- a) where the Company achieves six (6) rock chips with greater than 1.0% Li₂O in separate spodumene bearing pegmatites at the Project (**Milestone 1**), Alderan agrees to issue the number of Alderan Shares the greater of:
 - i. 50,000,000 Alderan Shares (at a deemed issue price of \$0.006 per Alderan Share); and
 - ii. that number of Alderan Shares with an aggregate value equal to \$750,000 based on a deemed issue price equal to the greater of:
 - the 5-day volume weighted average price (**VWAP**) of Alderan Shares prior to the date of achievement of Milestone 1; and
 - \$0.006.
- b) where the Company achieves a drill intercept of over 10m minimum 1.0% Li₂O at the Project (**Milestone 2**), Alderan agrees to issue the number of Alderan Shares the greater of:
 - i. 75,000,000 Alderan Shares (at a deemed issue price of \$0.006 per Purchaser Share); and
 - ii. that number of Alderan Shares with an aggregate value equal to \$1,000,000 based on a deemed issue price equal to the greater of:
 - the 5-day VWAP of Alderan Shares prior to the date of achievement of Milestone 2; and
 - \$0.006.
- c) where the Company achieves a JORC compliant Mineral Resource (indicated) minimum 10Mt at 1.0% Li₂O at the Project (**Milestone 3**), Alderan agrees to issue the number of Alderan Shares the greater of:
 - i. 150,000,000 Alderan Shares (at a deemed issue price of \$0.006 per Alderan Share); and
 - ii. that number of Alderan Shares with an aggregate value equal to \$2,500,000 based on a deemed issue price equal to the greater of:
 - the 5-day VWAP prior to the date of achievement of the Tranche 3 Milestone; and
 - \$0.006.

The issue of the Consideration Shares, Consideration Options and Deferred Consideration are all subject to the approval of Shareholders pursuant to ASX Listing Rule 7.1. The Company will seek this Shareholder approval at its Annual General Meeting, expected to be held in late October 2023.

Voluntary escrow: 50% of the Consideration Shares (being 75,000,000 Alderan Shares) will be voluntarily escrowed for a period of 6 months from the date of settlement of the Acquisition.

Conditions: Completion of the Acquisition is subject to the satisfaction of the following conditions precedent:

- a) **Due Diligence:** Alderan completing and being satisfied in its sole discretion with its due diligence investigations on the Project;

- b) **Shareholder approvals:** Alderan having obtained all necessary shareholder and regulatory approvals required to complete the Acquisition;
- c) **Capital Raise:** Alderan completing the Capital Raising (defined below);
- d) **Regulatory and third party approvals:** Alderan and the Company obtaining all necessary third party approvals or consents to give effect to the matters set out in this agreement (including, in respect of any approvals or consents required pursuant to applicable mining legislation); and
- e) **No material change:** no material adverse change occurring to the affairs of Parabolic between execution of the binding agreement and settlement.

The binding share sale agreement otherwise contains terms and conditions considered standard for an agreement of this nature (further details in respect of which will be set out in the Notice of Annual General Meeting).

Capital Raising

Alderan has received binding commitments for a conditional share placement to raise approximately \$1.75 million (before costs) from sophisticated and professional investors. Subject to Shareholder approval, Alderan will issue 291,666,667 fully paid ordinary shares (**Shares**) at a price of \$0.006 per Share together with a free attaching Listed Option, exercisable at \$0.016 on or before 9 September 2025 (ASX: AL8OA), on the basis of one (1) Listed Option for every two (2) Shares issued (**Capital Raising**). The Capital Raising is inter-conditional on completion of the Acquisition.

Proceeds from the Capital Raising are intended to be applied towards exploration activities at the Projects, expenditure on the Company's existing projects, satisfaction of the Consideration Payment and for general working capital purposes (including payment of fees and expenses associated with the Capital Raising).

At the same meeting that shareholders' approval to proceed with the Acquisition and the Capital Raising is sought, the Company will also seek shareholder approval for the directors of Alderan to have their unpaid director fees converted into equity on the same terms as the third party Capital Raising participants. The Directors, including Mr Tom Eadie, Mr Scott Caithness and Mr Peter Williams, have been accruing their directors' fees, which total \$186,000. If this is approved by Shareholders, an additional 31 million Shares and 15.5 million free attaching Listed Options, exercisable at \$0.016 on or before 9 September 2025 (ASX: AL8OA) will be issued.

Alderan has entered into a Lead Manager mandate with CoPeak Corporate Pty Ltd <The Trustee for Peak Asset Management Unit Trust> (**Peak Asset Management**). In consideration of Lead Manager services, Alderan will:

- subject to Shareholder approval, issue Peak Asset Management a fee of 6% on gross proceeds raised from the Capital Raising to be settled in equity on the same terms as the third party Capital Raising participants, being 17,500,000 Alderan Shares and 8,750,000 AL8OA Listed Options (exercisable at \$0.016 on or before 9 September 2025); and
- subject to Shareholder approval, issue Peak Asset Management 50 million AL8OA Listed Options (exercisable at \$0.016 on or before 9 September 2025),

together referred to as **Capital Raising Fee Securities**.

The Company will seek Shareholder approval for both the Capital Raising and Capital Raising Fee Securities at its Annual General Meeting, expected to be held in late October 2023.

Effect on Capital Structure

The anticipated effect of the Acquisition and Capital Raising on the capital structure of the Company will be as follows:

	Shares	Options (AL80A)
Current capital structure	616,694,644	410,788,694
Issue of Consideration Shares and Options	150,000,000	100,000,000
Completion of Capital Raising	291,666,667	145,833,333
Issue of Capital Raising Fee Securities	17,500,000	58,750,000
Conversion of Director fees to equity	31,000,000	15,500,000
Proposed capital structure	1,106,861,311	730,872,027

The above table excludes the issue of the Deferred Consideration as the Deferred Consideration will not be issued until the relevant milestone is achieved.

Indicative Timetable

The following timetable sets out the key indicative dates for the Acquisition and the Capital Raising:

Event	Date
Announcement released to ASX	20 September 2023
Notice of Meeting despatched to Shareholders	29 September 2023
Annual General Meeting	27 October 2023
Completion of Acquisition and Capital Raising	November 2023

** These dates are indicative only and may be subject to change.*

Next Steps

Shareholders do not need to take any action at this time. A notice of meeting convening the Company's Annual General Meeting of shareholders will be distributed to shareholders in due course.

With respect to the Projects, the planned first step will be completing reconnaissance field inspections.

Following approval of the Acquisition by Shareholders the proposed work programme includes:

1. Establishing an Alderan subsidiary in Brazil and transferring the exploration licences into this entity;
2. Geological mapping plus geochemical stream, soil and rock sampling on the Projects to identify and prioritise targets;
3. Geophysical surveying over priority targets to assist in geological mapping in areas with limited outcrop and in drill target selection;
4. Initial drilling.

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

ALDERAN RESOURCES LIMITED

ABN: 55 165 079 201

Suite 23, 513 Hay Street, Subiaco, 6008, WA

www.alderanresources.com.au

For further information:

Scott Caithness, Managing Director

Alderan Resources

M: +61 8 6143 6711

E: scott@alderanresources.com.au

Rod North, Managing Director

Bourse Communications Pty Ltd

M: +61 408 670 706

E: rod@boursecommunications.com.au

About Alderan Resources Limited

Alderan Resources specialises in critical and precious metal exploration. In addition to the acquisition of seven (7) lithium projects in Minas Gerais, Brazil (this announcement) the Company has projects in Utah, USA (Frisco, Detroit, White Mountain), with tenements held either directly or through option agreements via Alderan's USA subsidiaries, Volantis Resources Corp and Valyrian Resources Corp (see Figure 3). Alderan's objective is to rapidly discover, delineate and develop critical metal and gold deposits for mining. The Company's project portfolio has high potential for discovery as it lies in under-explored geological belts with similar geology to neighbouring mining districts. Our exploration plans also include reviewing new opportunities to secure and upgrade our pipeline of projects.

For more information please visit: <https://alderanresources.com.au/>

Competent Persons Statement

The information contained in this announcement that relates to geology is based on, and fairly reflects, information compiled by Mr Scott Caithness, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Caithness is the Managing Director of Alderan and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Caithness consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Mr Caithness holds securities in the Company.

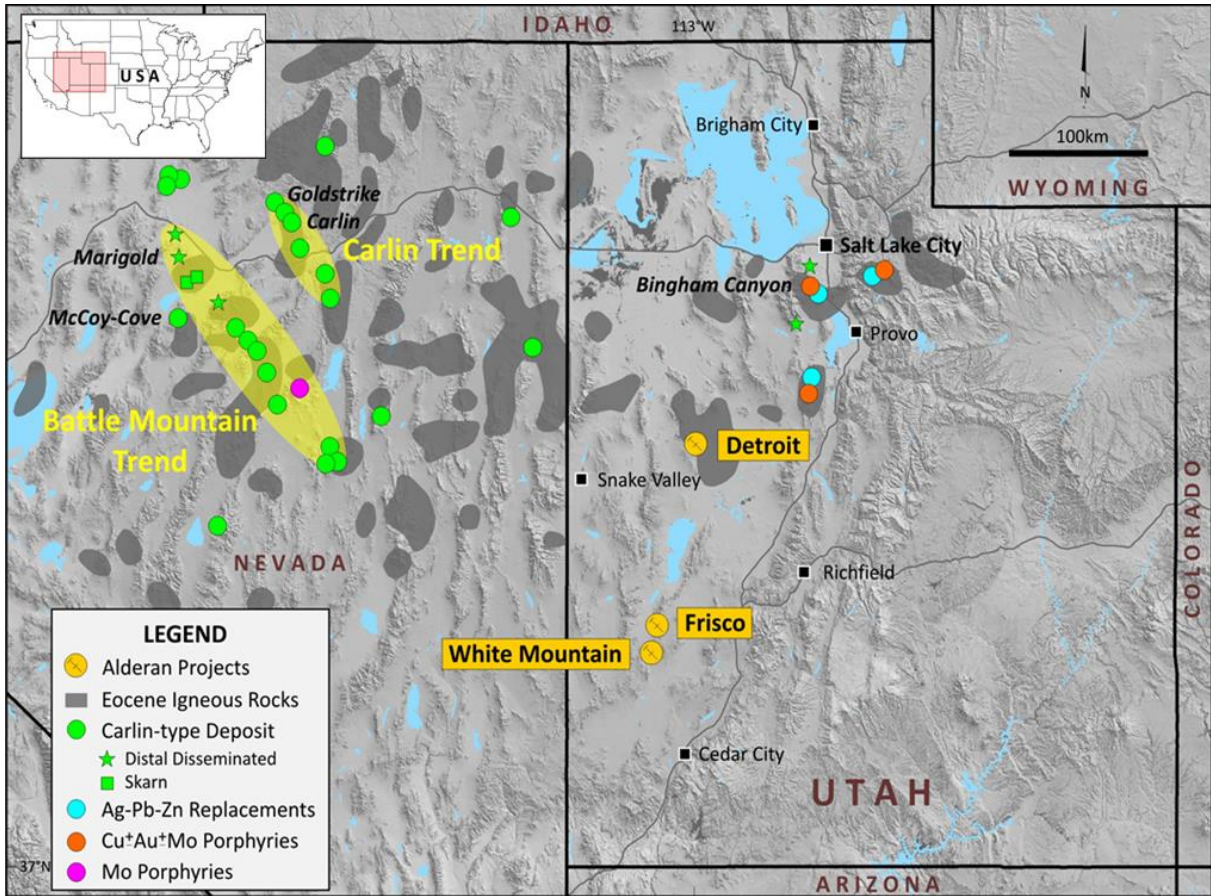


Figure 3: Alderan Resources project locations in Utah, USA.