

23 August 2018

Anjuli Sinniah
Senior Advisor, Listing Compliance
ASX Compliance Pty Ltd

Dear Anjuli,

RESPONSE TO ASX APPENDIX 5B QUERY

We refer to your letter dated 21 August 2018 in relation to the above and provide the following responses to your questions:

1. Yes, noting that Company management has taken steps to reduce the ongoing cash burn.
2. The Company notes that it has the majority of its placement capacity under Listing Rules 7.1 and 7.1A available. The Board has every expectation that sufficient funds will be raised to fund its exploration activities.
3. The Company expects to be able to continue its operations and meet its business objectives as indicated above.
4. As previously announced to the ASX, after 30 June 2018 the Company will raise \$380,000 through the exercise of options by Directors and management, with funds to be received in August.
5. The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. The above responses have been approved by the board of the Company.

Yours faithfully,

Brett Tucker
Company Secretary
P: +61 8 9482 0560



21 August 2018

Mr Brett Tucker
Alderan Resources Limited

By email: btucker@ventnorcapital.com

Dear Mr Tucker

Alderan Resources Limited ("AL8"): Appendix 5B Query

I refer to AL8's Appendix 5B quarterly report for the period ended 30 June 2018 lodged with ASX Market Announcements Platform on 31 July 2018 (the "Appendix 5B").

ASX notes that AL8 has reported:

- negative net operating cash flows for the quarter of \$1,514,000;
- cash at the end of the quarter of \$1,737,000; and
- estimated cash outflows for the next quarter of \$1,925,000.

It is possible to conclude, based on the information in the Appendix 5B that if AL8 were to continue to expend cash at the rate indicated by the Appendix 5B, AL8 may not have sufficient cash to continue funding its operations. In view of that, ASX asks AL8 to respond separately to each of the following questions and requests for information:

1. Does AL8 expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has AL8 taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does AL8 expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that AL8 considers may be relevant to ASX forming an opinion on whether AL8 is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that AL8 is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that AL8's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AL8 with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **7.30am AWST Friday 24 August 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AL8's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AL8's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at anjuli.sinniah@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to AL8's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that AL8's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AL8's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Anjuli Sinniah
Senior Adviser, Listings Compliance (Perth)