

## September 2018 Quarterly Activities Report

### HIGHLIGHTS

- Drilling at Accrington confirms thick copper-zinc-silver bearing skarns supporting a large tonnage exploration target
- Highlights of drilling during the quarter include:
  - 102m @ 0.58% Cu, 0.60% Zn, 9 g/t Ag from 194m and 16m @ 0.62% Cu from 84m (FR18-004); and
  - 26m @ 0.38% Cu, 3.06% Zn, 16 g/t Ag from 48m; and 90.6m @ 0.41% Cu, 0.29% Zn, 7 g/t Ag from 116m (FR18-006)
- Permits granted and roadworks commenced at Accrington East to allow drilling of outcropping mineralised garnet and magnetite skarn
- Drilling is continuing with further results expected during the coming quarter
- Placement completed to raise \$3 million to fund ongoing drilling.

Alderan Resources Limited (ASX: AL8) is pleased to report on its activities for the quarter ended 30 September 2018.

### Drilling at Accrington

The Company commenced drill testing of the Accrington prospect during the quarter following the completion of a new road to allow drilling from above extensive outcropping mineralised skarn.

Initial results from drilling and channel sampling at Accrington were announced during the September quarter and subsequently on 22 October 2018. These results confirm thick copper-zinc-silver bearing skarn at surface and from shallow depths. Highlights include:

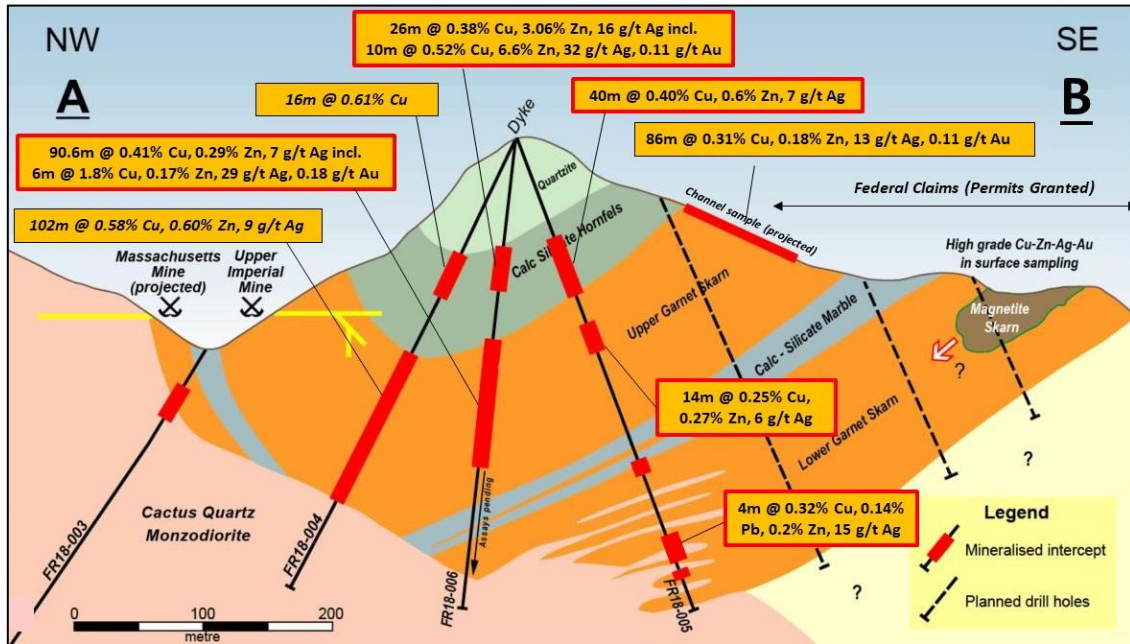
- 26m @ 0.38% Cu, 3.06% Zn, 16 g/t Ag from 48m and 90.6m @ 0.41% Cu, 0.29% Zn, 7 g/t Ag from 116m (FR18-006);
- 102m @ 0.58% Cu, 0.60 % Zn, 9 g/t Ag from 194m and 16m @ 0.62% Cu from 84m (FR18-004); and
- 40m @ 0.40% Cu, 0.60% Zn, 7 g/t Ag from 104m (FR18-005).

Channel sampling of mineralised outcrop and partially oxidised skarn on the Upper Accrington Road returned 86m @ 0.31% Cu, 0.18% Zn, 13 g/t Ag, 0.11 g/t Au.

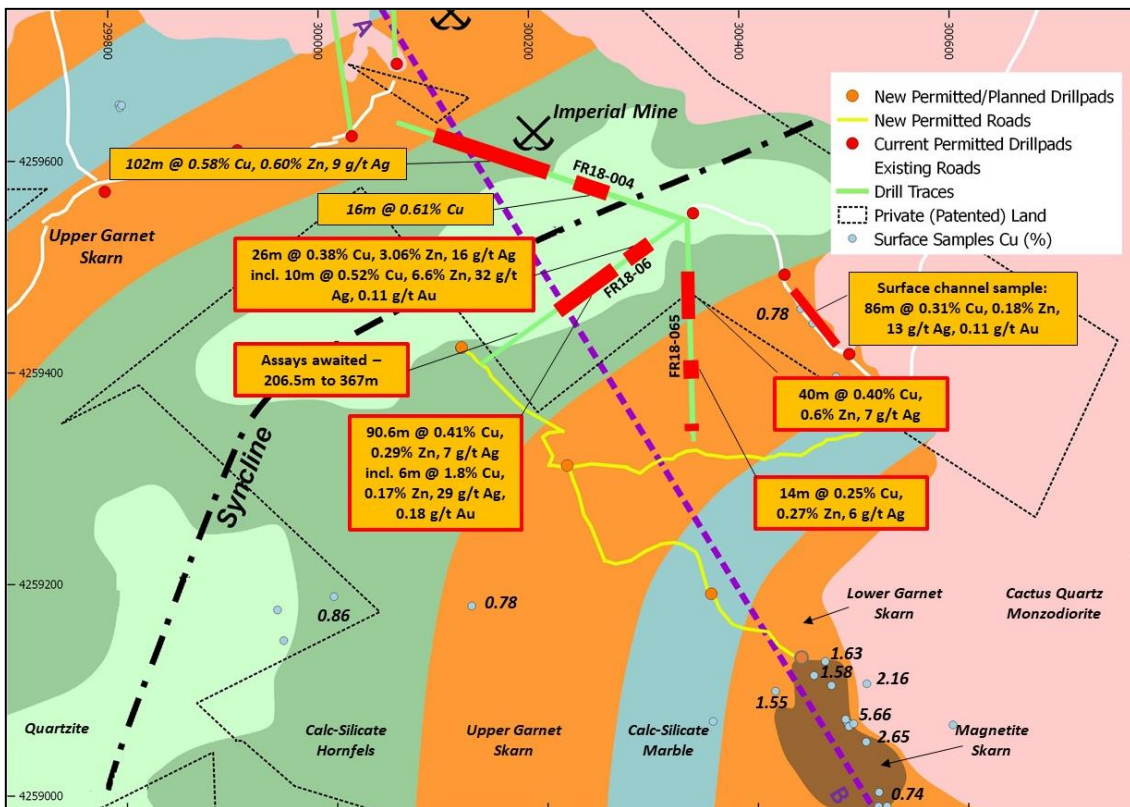
Drilling is continuing along the Upper Accrington Road along strike to the south-east of FR18-004/6 before moving down to Accrington East where drilling will target mineralised magnetite skarn. Previous sampling by the Company has identified strong copper-zinc-lead-silver-gold mineralisation associated with the magnetite skarn.

A summary of the drill results received during the quarter, including FR18-001 and FR18-003 which targeted Perseverance, is provided in Table 1. Refer to the ASX announcements dated 30 August 2018, 24 September 2018 and 22 October 2018 for the complete drilling results.

Accrington is a large mineralised skarn measuring approximately 4km by up to 2km. Historical mining activity has taken place throughout the skarn focused on high grade structurally controlled lead-zinc-copper-silver-gold deposits and within extensive copper-zinc-silver bearing garnet skarn. Many prospect pits exposing mineralisation also occur throughout the skarn. The principal focus of the Company is on the thick copper-zinc-silver-gold bearing garnet skarns which outcrop at Accrington East and at the Imperial Mine, a distance of over 1km.



**Figure 1: Conceptual cross section with intercepts from drilling and channel sampling.**



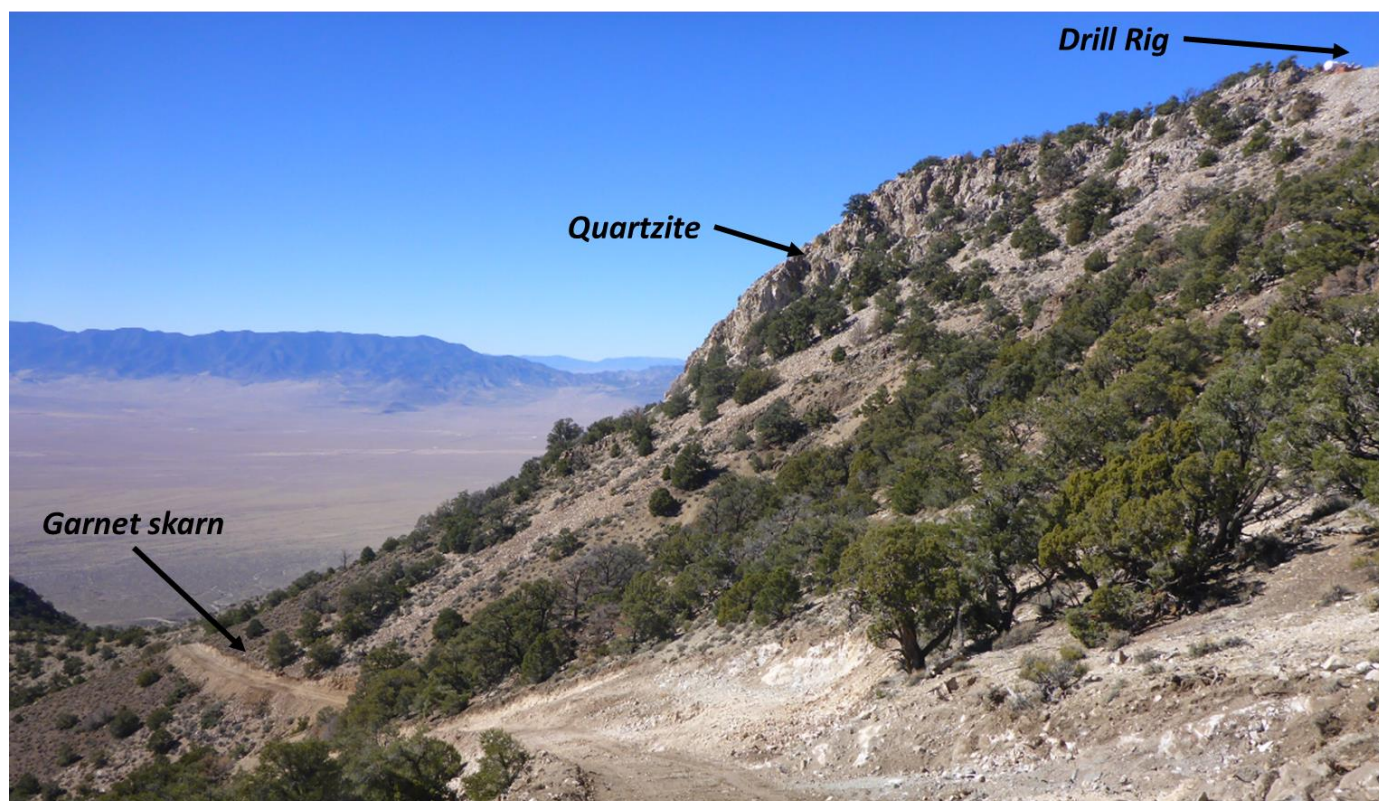
**Figure 2: Geological plan of the Imperial to Accrington East Skarn Area also showing Alderan rock sample results (only copper shown).**



## Permitting and Roadworks at Accrington

Roadworks commenced at Accrington during the quarter to allow for drilling at Accrington East where strong mineralisation has been recorded in sampling of outcropping magnetite skarn. Accrington East is located on federal claims and was subject to a separate permitting process with permits being granted in late September.

Permitting activities were also undertaken on several additional sites within Accrington, including the Peacock and Washington Prospects. Permits for these prospects were granted during the quarter. Only minor road building is expected for future drill holes with permitted drill pads for the Peacock and Washington prospects located on or near existing roads.



**Figure 3: New road currently being constructed at Accrington East following the grant of permits in late September.**

## Drilling of Perseverance (FR18-001, FR18-003)

FR18-003 (previously called ALIM003) was designed to test the large Perseverance chargeability and coincident resistivity anomaly which was interpreted to represent a pyrite-rich shell associated with a mineralised porphyry system (refer to announcement “Drilling Commences on Large Copper Skarn & Porphyry Targets” 18 June 2018). The hole was completed in July intersecting skarn (0m to 66.15 and 178.8 to 184.8m) and monzonite intrusive from 66.15 to 178.8m and from 184.4m to end of hole at 1016.3m.

Pyrite mineralisation was intersected as disseminations and patches of up to several percent often associated with shear zones within the weakly chlorite altered monzonite Cactus stock intrusive with pyrite increasing from 844m to the end of the hole at 1016.3m. Minor trace copper mineralisation was noted to 804m. Assays did not return any significant mineralisation.

Mineralisation intersected in FR18-003 is unlikely to sufficiently explain the large Perseverance chargeability anomaly. The increase in pyrite to end of hole does not explain the strength of the anomaly suggesting the main source of the anomaly may be deeper than the final hole depth (1016.3m). The presence of stronger alteration and mineralisation footprints combined with historical intercepts of copper-molybdenum mineralisation within potassically altered intrusive around the Cactus Canyon area suggests that future porphyry copper exploration should focus around the Cactus Canyon area.



**Figure 4: Diamond drill rig at FR18-003.**

### **Review of Cactus Copper-Gold-Silver Breccia Pipes**

The Company is conducting a review of the Cactus copper-gold-silver breccia pipes. Previous drilling by the Company and historical explorers intersected mineralisation associated with the Cactus, Comet and New Year pipes across a structural corridor approximately 1000m long.

Numerous additional outcrops of sulphide bearing tourmaline breccia have been noted and mapped across the broader Cactus Canyon area indicating a cluster of breccia pipes aligned along a NW-SE trending structural corridor. This is supported by a magnetic survey conducted by the Company which revealed distinct circular demagnetised zones associated with the Cactus, Comet



and New Years breccia pipes as well as a number of additional targets that may represent further breccia pipes.

The Company believes that drilling at Cactus has been limited to upper-level portions of the tourmaline-chalcopyrite breccia pipe system and that the noted outcropping, demagnetized breccia- zones may present a lead to further buried breccia pipes.

## **CORPORATE**

### **Completion of Placement**

In October 2018 the Company issued two tranches of shares to professional and institutional investors for a total of 15 million shares to raise \$3 million, with funds applied to the ongoing drilling program at Accrington.

### **Cost Reductions**

Following a review of expenditures and holdings and due to the high holding costs for claims in the United States, the Company decided to relinquish a number of claims held outside the Frisco Project. Alderan continues to hold a core set of claims covering historical workings and known mineral occurrences throughout the Star Range and Bradshaw Districts. Alderan is continuing to review expenditures.

### **Shareholder Meeting**

The Company held a shareholder meeting on 24 August 2018 to approve the issue of performance rights to Director Bruno Hegner as an incentive for continued performance, as well as to ratify a previous issue of shares. All resolutions were passed on a show of hands.

**Table 1: Assay results**

Drillhole ID	Target	From (m)	To (m)	Interval (m)	Cu (%)	Zn (%)	Ag (g/t)	Au (g/t)
FR18-001	Perseverance	2	12	10	0.55	NSR	11	
FR18-003	Perseverance	50	66	16	0.22	NSR	NSR	
FR18-004	Accrington Skarn	84	100	16	0.62	NSR	NSR	
and		194	296	102	0.58	0.60	9	
FR18-005	Accrington Skarn	104	144	40	0.40	0.60	7	
		180	194	14	0.25	0.27	6	
FR18-006 <sup>2</sup>	Accrington Skarn	48	72	26	0.38	3.06	16	
	Including	52	62	10	0.52	6.6	32	0.11
	and	116	206.6	90.6	0.41	0.29	7	
	Including	144	150	6	1.80	0.17	29	0.18

**Notes:**

1. Reported mineralisation is quoted in downhole depths. True width may be less than downhole intercept width (apparent width), and insufficient work has been completed to enable accurate calculation of true widths. No cut-off grade has been applied.
2. Results for FR18-006 are for the first 206.5m. The hole has subsequently been extended to 367.9m with further mineralisation intersected from 206.5m to 221m.
3. Refer to ASX Announcement "Further Significant Copper-Zinc Results from Accrington" dated 22 October 2018 for further details including JORC disclosures.

**---ENDS---**

**ALDERAN RESOURCES LIMITED**

Ground Floor, 16 Ord Street, West Perth, 6005, WA

[www.alderanresources.com.au](http://www.alderanresources.com.au)

For further information:

**e:** [info@alderanresources.com.au](mailto:info@alderanresources.com.au)

**p:** +61 8 9482 0560

ABN: 55 165 079 201

**Please direct enquiries to:**

Christopher Wanless

Chief Executive Officer

[info@alderanresources.com.au](mailto:info@alderanresources.com.au)

### Stay Connected

Interested investors and shareholders are encouraged to subscribe to the Company's social media channels using the links below:



---

### Competent Persons Statement

The information in this presentation that relates to exploration targets, or exploration results is based on information compiled by John Schloderer, a competent person who is a member of the Australian Institute of Geoscientists (AIG). John Schloderer is the Exploration Manager of Alderan Resources Limited. Mr Schloderer has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code (JORC Code). John Schloderer consents to the inclusion of this information in the form and context in which it appears.

Mr John Schloderer confirms that the information provided in this announcement provided under ASX Listing Rules Chapter 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the proposed exploration programmes that relate to this "material mining project".

### Forward Looking Statement

Statements contained in this release, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of Alderan Resources Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.