December 2018 Quarterly Activities Report

EXPLORATION ACTIVITIES

- Drill program completed in December with copper-zinc-silver mineralisation now intersected across up to 800m strike remaining open to the south and south-west
- High grade copper-zinc-silver intersected in hole FR18-0007 which returned 54m @ 1.4% Cu, 0.45% Zn, 0.19 g/t Au, 20 g/t Ag from 46m including:
  - 14m @ 3.4% Cu, 1.15% Zn, 0.22 g/t Au, 28 g/t Ag from 82m
- Channel sample results from the Massachusetts Mine returned 72m @ 0.77% Cu, 0.3 g/t Au, 12 g/t Ag including:
  - 18m @ 1.57% Cu, 0.35 g/t Au, 24 g/t Ag; and
  - 12m @ 1.56% Cu, 0.86 g/t Au, 21 g/t AgALCA008 returned 60m @ 0.22% Cu, 0.47% Zn, 0.21 g/t Au, 5.4 g/t Ag from 20m
- Drilling of Peacock and Washington was moved forward due to the lower elevations and onset of winter. Assays confirm broad Pb-Zn-Ag-Au mineralisation at Peacock and low grade zinc mineralisation at Washington
- Sampling at Copper King (Star Range Project) returned high grade copper, associated with a magnetite skarn which outcrops across approximately 300m
- Independent review conducted of the Cactus copper bearing breccia pipes with results to be reported soon
- Detailed mapping and sampling to be undertaken at Accrington focusing on high grade copper mineralisation and high grade historical mines and prospects within the broader skarn which measures over 4km by 2km

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- Cost reductions implemented and are ongoing in order to maximise funds for exploration including reduction of management salaries
- Ongoing discussion with potential corporate partners

Alderan Resources Limited (ASX: AL8) is pleased to report on its activities for the quarter ended 31 December 2018.

Accrington Copper-Zinc-Silver Project

The Company completed initial drilling at Accrington during the quarter. Drilling focused on copper-zinc-silver bearing garnet-magnetite skarn before the drill rig was moved to lower ground in late November with two drill holes also completed at Peacock and Washington

High grade copper-zinc-silver mineralisation associated with magnetite and garnet skarn was intersected in FR18-007 from 46m to 100m and variably mineralised skarn thereafter with the Cactus stock being intersected at 209m. FR18-007 returned:

- 54m @ 1.4% Cu, 0.45% Zn, 0.19 g/t Au, 20 g/t Ag from 46m, including 14m @ 3.4% Cu, 1.15% Zn, 0.22 g/t Au, 28 g/t Ag from 82m

Further assays were also received for FR18-006 extending the zone of mineralisation beyond 206.5m to 216m. The Company previously reported partial results on 22 October 2018 to a depth of 206.5m. Final assays for FR18-006 were:

- 26m @ 0.38% Cu, 3.06% Zn, 16 g/t Ag from 48m including 10m @ 0.52% Cu, 6.6% Zn, 32 g/t Ag, 0.11 g/t Au from 52m; and
- 100m @ 0.41% Cu, 0.30% Zn, 7 g/t Ag from 116m to 216.6m including 6m @ 1.8% Cu, 0.17% Zn, 29 g/t Ag, 0.18 g/t Au.

Results for FR18-006 and FR18-007 were announced to the ASX on 14 November 2018.

FR18-008 tested for extensions of copper-zinc-silver mineralisation to the south-east returning 60m @ 0.22% Cu, 0.47% Zn, 0.21 g/t Au, 5.4 g/t Ag from 20m. FR18-009, was drilled to the south-west of FR18-004/5 intersecting a fault, indicating that mineralised beds may be faulted off in this location. Results for FR18-008 and FR18-009 were announced to the ASX on 30 January 2019.

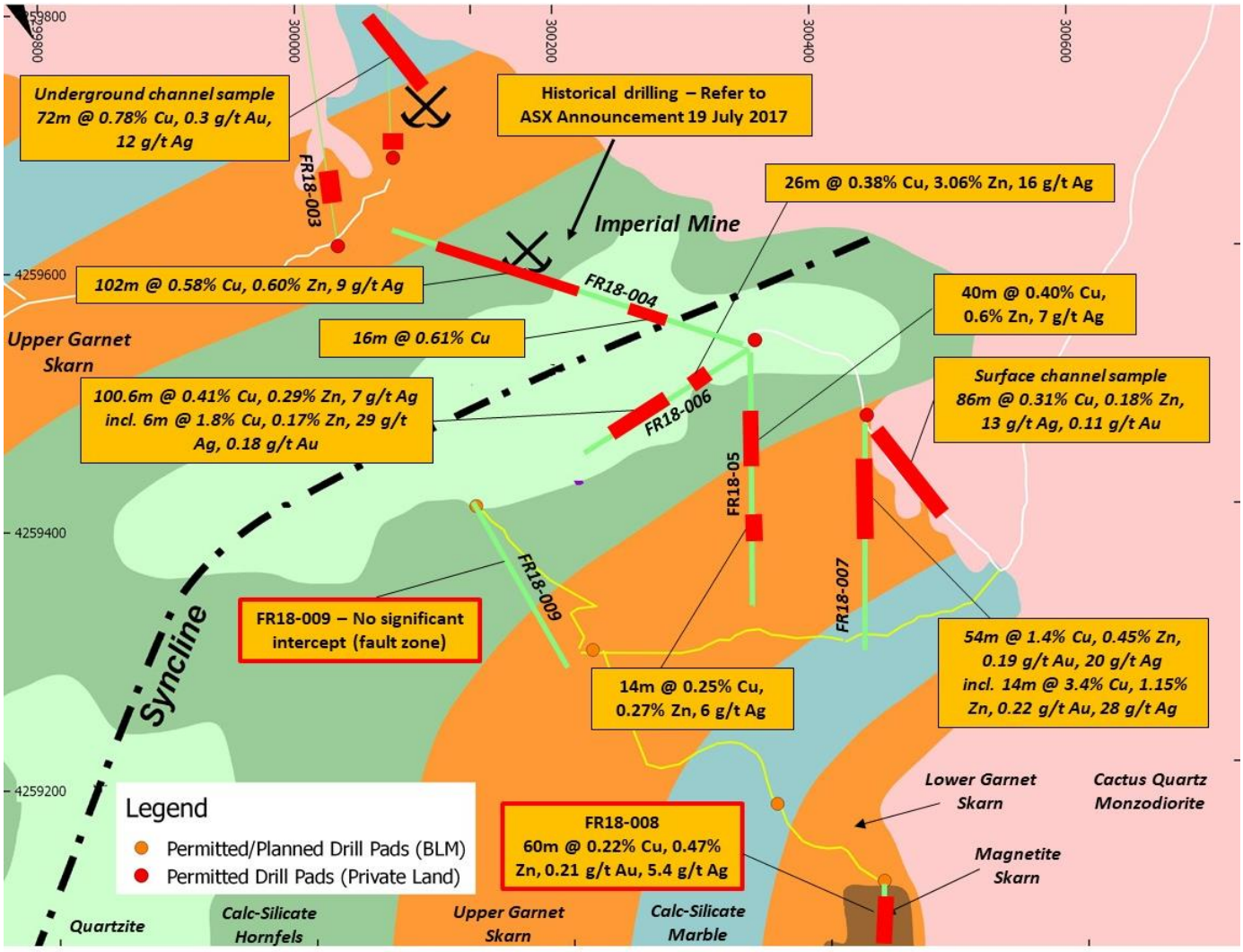

Figure 1: Simplified geological plan of the Imperial to Accrington East Skarn Area showing drill holes and assay results.

Channel sampling, undertaken at the Massachusetts Copper Mine which is situated to the immediate west of the Imperial Mine, comprised of 36 two-meter rock chip samples taken from within the adit. Assay results returned[1]:

- 72m @ 0.78% Cu, 0.3 g/t Au, 12 g/t Ag including 18m @ 1.57% Cu, 0.35 g/t Au, 24 g/t Ag; and 12m @ 1.56% Cu, 0.86 g/t Au, 21 g/t Ag.

Mineralisation within the adit comprised partly oxidised chalcopyrite associated with garnet skarn and endoskarn. The adit terminates in Cactus stock intrusive. The results confirm further significant mineralisation to the west of the Imperial Mine where historical drilling by Bear Creek Mining Company in 1967 returned significant copper-zinc-silver mineralisation.

Results at Accrington to date confirm thick copper-zinc-silver bearing skarn across more than 800m strike. Drilling has yet to demonstrate the continuity of copper-zinc-silver mineralisation to the south with FR18-009 having intersected a fault, which may indicate that mineralised beds have been faulted off. however copper-zinc-silver mineralisation has been mapped at surface to the south of FR18-008 and FR18-009 indicating a continuation of mineralisation. Copper mineralisation at Accrington appears to be related to a late stage retrograde mineralisation and alteration event and shows strong structural controls. Copper mineralisation, associated with magnetite, also occurs approximately 2km to the west at the Cupric Mine, demonstrating that copper may be more widespread. The Company is currently assessing results at Accrington with a view to identifying controls on mineralisation to guide further exploration for copper.

Peacock and Washington Prospects

Due to the onset of winter, the Company moved drilling to lower elevations due to the risk of access difficulties on elevated roads. Drilling was undertaken at the Peacock and Washington prospects both structurally and stratigraphically controlled base and precious metal mineralisation.

These prospects likely represent the late stage of skarn development at Accrington (retrograde to epithermal) and may be enriched in gold and silver compared to mineralisation associated with the copper-zinc-silver bearing garnet skarns currently being drilled 1km to the north.

The Peacock Prospect hosts several historical mines and prospect-pits focusing on high grade lead-zinc-silver within an area of strong iron oxide and manganese staining across an area of 700m by 100m. The only historical drill hole completed near the Peacock Prospect was hole R89-5*, drilled in 1989 by Bethlehem Resources Corp.

FR18-010 was drilled to target stratigraphically and structurally controlled lead-zinc-silver mineralisation intersected in historical hole R89-5 and a zone of increased chargeability (>15 mV/V) at depth, possibly representing a zone of higher sulphide content associated with a several kilometer long structure historically named the Reciprocity Corridor. Drill hole FR18-010 intersected a broad zone of lead-zinc-silver mineralisation within calc-silicate skarn, similar to R89-5 before intersecting a porphyritic intrusive, fault zone and quartzite with moderate to strong FeOx along fractures.

[1] As announced to the ASX on 14 November 2018

Results from FR18-010 returned[2] 30m @ 0.89% Pb, 0.25% Zn, 19.5 g/t Ag, 0.12 g/t Au from 6m including 14m @ 1.54% Pb, 0.32% Zn, 36.5 g/t Ag, 0.19 g/t Au.

At the Washington Prospect, FR18-011 was drilled to target a structure hosting mineralisation at the Washington Mine and to test for higher temperature mineralised garnet skarn at depth.

FR18-011 intersected variably mineralised calc-silicate skarn to 196m and brown-garnet skarn to 250m[2]. Numerous faults and breccia zones were intersected between 131m and 207m hosting pyrite and sphalerite. Assay results returned several broad intercepts of weak zinc mineralisation including some elevated molybdenum including 50m @ 0.2% Zn from 78m and 16m @ 305 ppm Mo from 160m.

Mapping & Sampling of Au-Ag and Pb-Zn-Ag Prospects

Accrington is host to numerous historical mines across an area of 4 by 2 kilometre including the Horn Silver Mine, a former high-grade silver-lead-zinc producer. The scale of Accrington and the mineralised structures give the Company confidence that additional deposits of significance can be defined.

Further detailed mapping and sampling of gold-silver and lead-zinc-silver prospects and historical mines will be undertaken across the broader Accrington Project. Key prospects which mapping and sampling will focus on include:

- gold-silver potential along the multiple kilometre long Reciprocity Corridor, targeted by FR18-010 at Peacock, which hosts widespread retrograde-epithermal alteration. The eastern termination of this corridor, at the Horn Silver Mine, hosts a gold-silver breccia which was subject to historical mining and is likely related to the late stage retrograde-epithermal event. High-grade gold-silver has also been reported within the western marble pits;
- the Horn Silver Mine, where previous consultants identified mineralised (lead-zinc-silver) dolomitic breccia at surface to the north and south of the Mine. Significant mineralisation also remains within the mine; and
- numerous prospects which host manto/carbonate replacement style lead-zinc-silver, similar to high grade carbonate replacement mineralisation that was mined within parts of the Horn Silver Mine

Work will commence in February.

[2] Results for FR18-010 and FR18-011 were announced to the ASX on 30 January 2019.

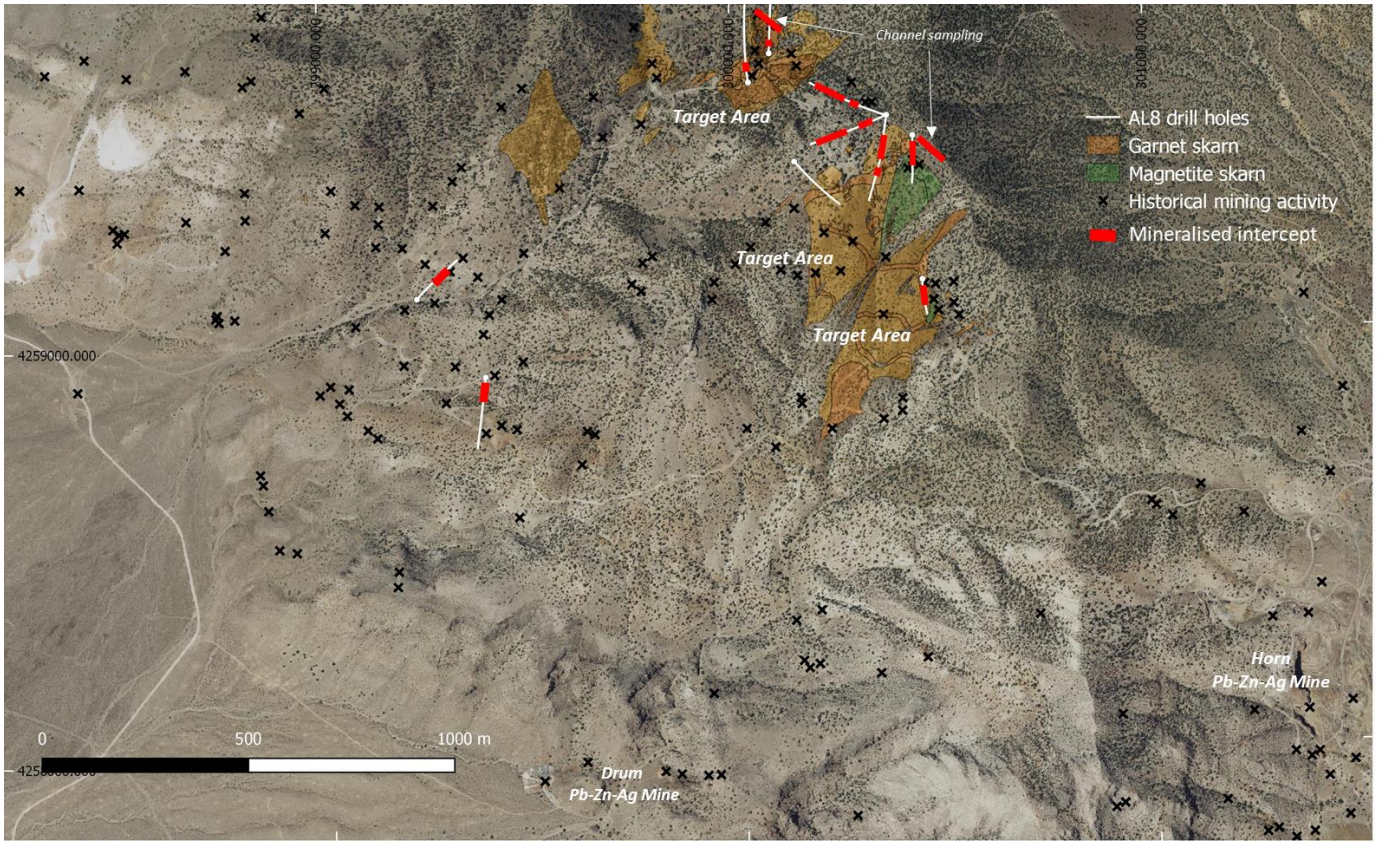

Figure 2: Satellite image of Accrington showing drill hole locations and additional target areas for further copper-zinc-silver mineralisation. Further work will be undertaken to expand mapping and sampling coverage towards the historical high-grade Horn and Drum lead-zinc-silver mines.

Independent 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 demangetised 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 additional outcropping, demagnetized breccia- zones may present a lead to further buried breccia pipes.

Other Projects

The Company commenced field work activities at the Star Range project, located approximately 25 km to the east of Frisco and approximately 5-10 km to the south of copper mining operations being conducted by Tamra Mining. Sampling focused on an outcropping copper bearing magnetite skarn that outcrops across approximately 300m. Rock chip sampling by the Company returned

high grade copper mineralisation associated with brown to green garnet magnetite skarn. Further detailed mapping and sampling will be undertaken during the quarter. Results are shown in Table 1 below.

Table 1: Rock chip sample results from Copper King & Copper Queen Prospect

Sample ID	Northing	Easting	Cu (%)	Zn (%)	Fe (%)	Ag (g/t)	Au (g/t)
25841	4252593	315326	0.779	0.042	25.6	1	0.027
25842	4252593	315326	3.63	0.086	35.7	25	0.023
25843	4252610	315330	2.7	0.112	20.3	1	0.026
25844	4252573	315127	2.31	0.216	33.7	9	0.129
25845	4252573	315127	8.63	4.66	18.05	23	0.267
25846	4252573	315127	1.43	0.586	37.4	2	0.09
25847	4252599	315166	0.306	0.067	44.4	1	0.058
25848	4252599	315166	0.778	0.109	47.1	4	0.116
25849	4252599	315166	0.98	0.075	39	3	0.053

Figure 3: Copper King shaft and adit (left) and copper carbonates (right).

Figure 4: Sample location map for the Copper King project, located approximately 20km east of Frisco.

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Cost Reductions & Personnel Changes

Following a company wide cost reduction program, the executive directors Christopher Wanless and Bruno Hegner agreed to reduce their annual salaries as previously announced to the ASX on 3 January 2019 with additional changes made to contracts of exploration personnel.

Alderan is continuing to review and rationalise its expenditure.

Discussions with Corporate Partners

The Company is continuing discussions with a number of parties in order to secure long term funding for exploration of select prospects at the Frisco project, as well as other projects held by Alderan.

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