

September 2019 Quarterly Activities Report

COMPANY ACTIVITIES

- Mr Peter Williams was appointed as Managing Director of the Company. He will lead a cost rationalisation and turnaround of the company's exploration assets, including a complete review of prior exploration data and appraisal of new opportunities.
- During the Quarter, Alderan Resources Limited ("the Company" or "Alderan") completed its capital raising of \$1.6 million through the issue of the last tranche of shares following shareholder approval in July 2019.
- A review of all existing geological/geochemical data and recent geophysical surveys is underway, as well as a field mapping and sampling program. This will allow the Company to prioritize high impact exploration and drill targets for its next field campaign.
- The new exploration team has completed first pass field mapping, sampling and ground magnetic surveys on several of the best Alderan prospects in SW Utah including Accrington (skarn mineralisation), Cactus (tourmaline breccia-pipes related copper-gold-silver), Cactus Canyon (porphyry copper potential), Copper King (magnetite skarn), Horn Silver area (disseminated and stringer polymetallic mineralisation) and White Mountain (epithermal gold-silver system). Further drill definition mapping is being planned now.
- A review of the mineralised potential of the broader area is also underway, and several new opportunities have been identified.

Alderan Resources Limited (ASX: AL8) ("Alderan" or "the Company") is pleased to report on its activities for the Quarter ending 30 September 2019.

Placement Completed

Alderan announced a capital raising of \$1.6 million in the prior Quarter through a private equity placement at 3.2 cents per share, to be undertaken in two tranches.

The Company issued the second placement tranche during the Quarter of \$563,128.74 for 17,597,773 shares (and 8,798,887 free attaching options) which was approved by shareholders on 19 July. Directors also participated in the placement.

The Company also issued free attaching options to all placement investors on the basis of one option for every two placement shares at an exercise price of \$0.10 and expiring in August 2022.

Funds raised from the placement will be applied to further exploration in the Frisco area including proposed drilling in the Cactus/Accrington areas and in other areas as determined by the current review by the new exploration team.

Managing Director Appointed

On 21 August 2019 the Company announced the appointment of Mr Peter Williams as Managing Director as Mr Tom Eadie stepped down as Executive Chairman to a non-executive Chairman role.

As previously announced, Mr Williams has had a successful career and extensive experience acting as a company executive and has been responsible for identifying numerous multi-commodity mineable deposits globally as well as developing disruptive exploration technology (3d seismic, in-mine geophysics).

Mr Williams is leading a cost rationalisation and reduction program concurrently with a complete review of all available exploration data. This exploration review also included a site visit by Dr Abzalov during the quarter to conduct a detailed mapping and sampling program at Frisco and the White Mountain prospect. Dr Abzalov also visited other exploration and mining opportunities within Utah.

On-going Exploration and Planned Work on Alderan Properties

The new exploration team, led by Peter and Marat, has completed limited field mapping, sampling and ground magnetic surveys on several of the best Alderan prospects, which are all located in SW Utah. The favoured areas for further work and possible early drilling are:

- **Accrington (copper, gold)** – Copper-gold mineralisation in magnetite-rich skarn covering both the Accrington East and Imperial Mine areas which has high grade potential. Previous drilling reported 14 Nov 2018 included:
 - **DDH: FR18-007 54m @ 1.4% Cu, 0.45% Zn, 0.19 gpt Au, 20 gpt Ag from 46 m**
 - **DDH: FR18-006 100m @ 0.41% Cu, 0.3 % Zn, 7 gpt Ag, from 116m**
 - **Channel sampling in the Massachussetts Mine returning 54m @ 1.4% Cu, 0.45% Zn, 0.19 gpt Au, 20 gpt Ag.**

The Company confirms that the information provided in the initial market announcement on 14 November 2018 has not materially changed.

Cactus Mine area (copper, gold, silver) – The area around the old Cactus Mine contains several tourmaline breccia bodies containing copper-gold-silver mineralisation. Previous Mining in the area **produced 1.27 million tonnes @ 2.07% Cu, 0.33 gpt Au, 7.4 gpt Ag** (Alderan Prospectus, 2017) and **historical channel sampling** (Alderan ASX 21 August 2017) reported **21.5m @ 6.1% Cu and 32.5m @ 3.8% Cu**. The Company confirms that the information provided in the initial market announcement on 21 August 2017 has not materially changed.

- **Cactus Canyon (copper, molybdenum)** – Geophysical signatures and rock units intersected in previous shallow drilling indicate that there is porphyry copper and molybdenum potential in the Cactus Canyon and the surrounding areas. The recently processed Aster data have shown and mapped the presence of intense kaolinite-alunite alteration halos (advanced argillic cap) developed in the Cactus granodiorites and their host volcanics and sedimentary rocks (Fig. 1). An extensive ground magnetic survey is being completed, to aid identification and definition of the geometry of these systems. Early indications from the ground magnetic survey indicate the Copperopolis Area as

being of interest. Geological mapping and geochemical sampling is being completed in this area to support a more rigorous interpretation for the ground magnetics.

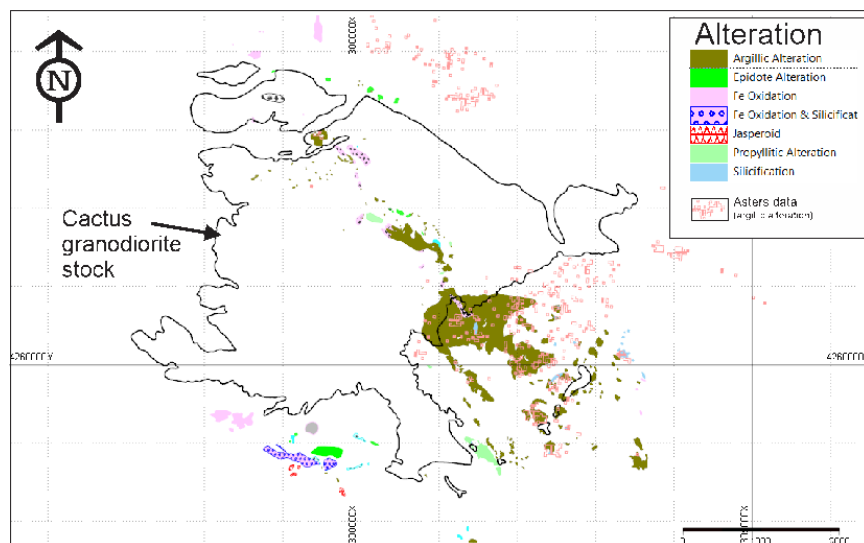


Figure 1: Map of the hydrothermal alteration developed in the Cactus granodiorite and the host volcano-sedimentary rocks

- **Copper King (copper)** – Shallow outcropping magnetite/copper mineralisation indicate the presence of a magnetite skarn body that is being followed up with ground magnetics and geochemical soil sampling.
- **White Mountain (gold)** – This area contains a large scale, outcropping epithermal system showing many attributes of a large, fully preserved epithermal gold/ silver system. Alunite has been historically mined in large quantities in the area. Large zones of chalcedony/quartz (vuggy silica) (Fig 2a) and kaolinite-alunite alteration over approximately 5km by 2km at surface that also contains mapped silica sinters that indicate an upper level setting of the system. The hydrothermal *loci* of the epithermal systems can be deduced from the fault controlled alteration zones, that can be traced on the surface for hundreds of metres by their intense limonite – jarosite alteration (Fig. 2 b,c).

These zones commonly contain quartz veining (Fig. 2d) and have been mined in the past, as indicated by presence of historic shafts dug into the altered faults. The Company's geologists are currently working on preparing the structural map of the area with an emphasis on accurately delineating the fault control alteration zones. Ground IP is being planned as a final aid to drill definition.

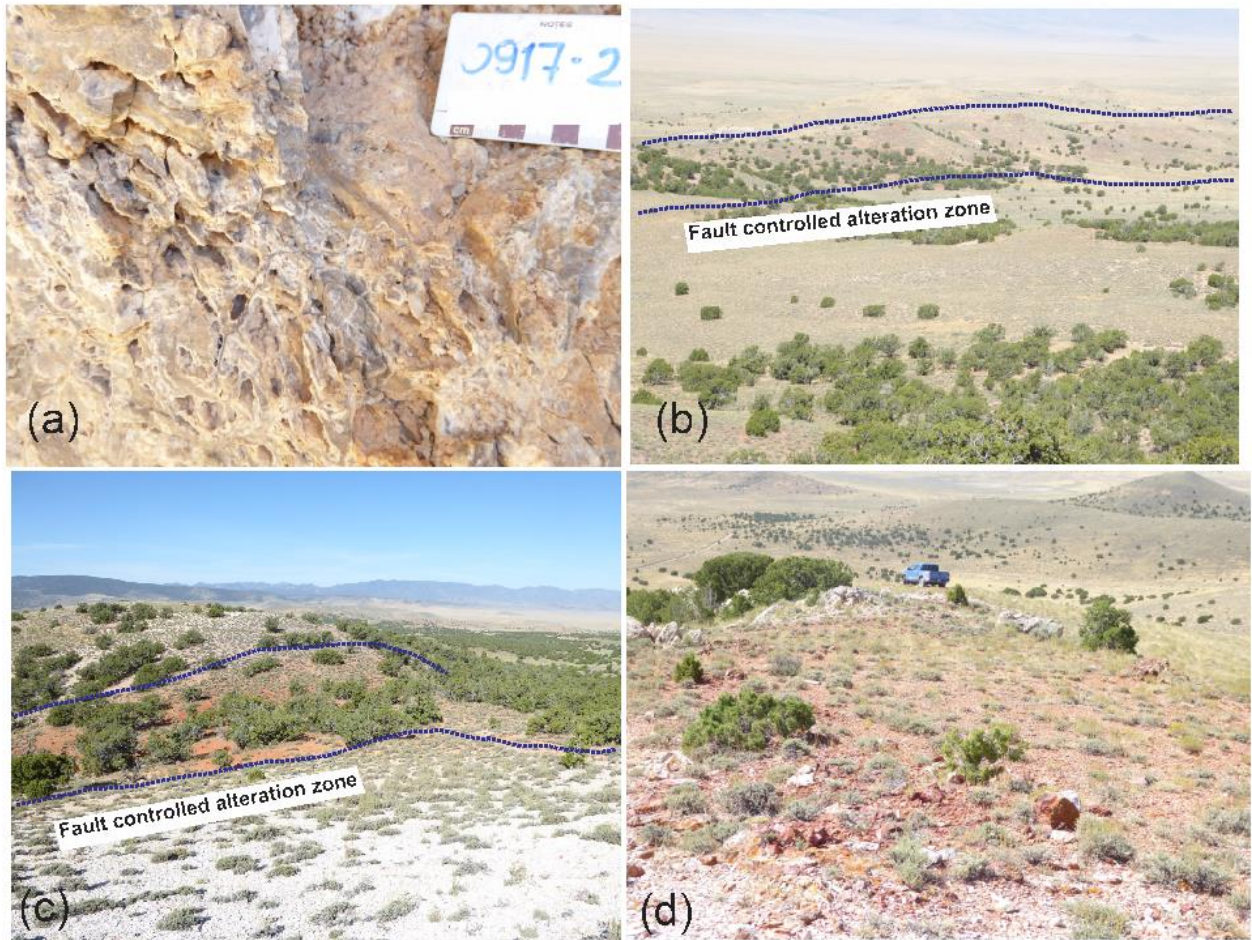


Figure 2: Alteration zones at the White Mountain area. (a) Vuggy-silica alteration; (b) fault controlled alteration zone, outcropping along the ; (c) intense limonite - jarosite alteration controlled by steeply dipping fault; (d) limonite-jarosite alteration associated with the quartz veining

- **Northern Target (Copper, Zinc)** At Frisco, a new northern target has been identified, consisting of an unusual Low-Magnetic anomaly area which is characterised by presence of silicified marbles that host high grade Cu-Zn mineralisation distributed along the northern contact of the Cactus granodiorite stock with the pediment (Fig. 3). Detailed mapping has revealed the area contains numerous historic mine workings which will be studied in more detail in the next months.

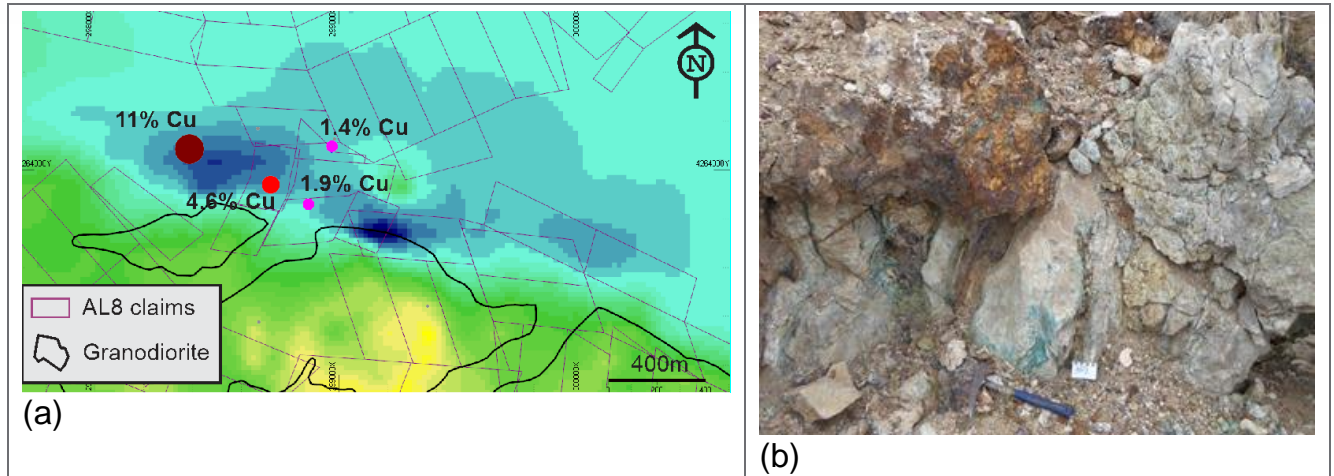


Figure 3: (a) Map of the Northern Carbonate area characterised by presence of a Low-Magnetic anomaly that is coincident with high grade Cu-Zn mineralisation (b) Cu mineralisation outcropping in the mag-low area.

- Horn Mine (Silver, Lead, Zinc)** The Horn Mine was considered to be one of the largest producers of the silver in the United States until 1930. During its production history the Horn Silver Mine produced 17 million ounces of silver, 25 thousand ounces of gold, 9 million pounds of copper, 196 thousand tons of lead and 23 thousand tons of zinc (see <https://www.hornsilvermines.com/properties>). Reprocessed IP data collected by Alderan, has confirmed the presence of a strong chargeability anomaly located immediately under the mined area at the old Horn Silver mine (Fig. 4). The broadly isometric shape of the anomaly elongated in the vertically down direction suggests presence of a large volume of a strongly chargeable mineralisation. The anomaly can be possibly caused by disseminated and stringer sulphides, that can be carbonate replacement type of mineralisation, however presence of a mineralised porphyry stockworks can not be ruled out too. The IP model is being reconciled with 3D underground historical mapping and sampling

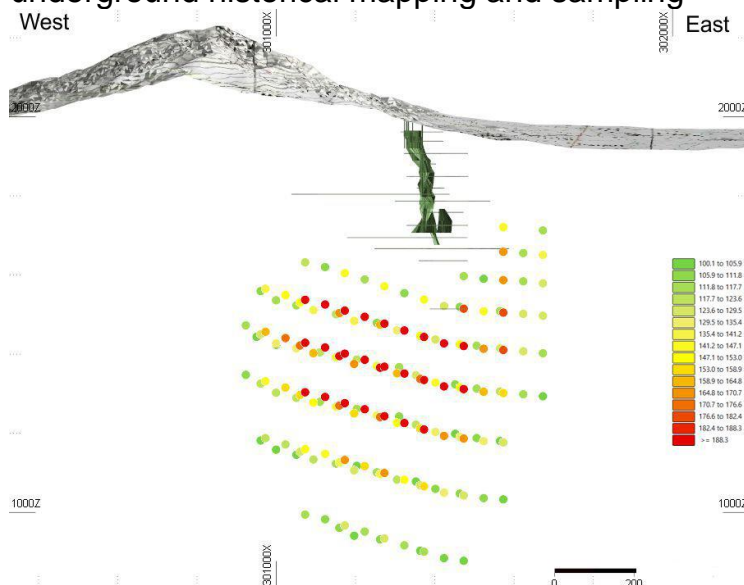


Figure 4: I.P. (chargeability) anomaly located immediately below the old mine working at the Horn Silver mine

In addition, a fundamental review of all geological/geochemical data and recent geophysical surveys is in progress which included inspection of the mineralised prospects in the field.

The Company will announce details of its next exploration program as soon as plans are finalised.

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