

ALDERAN SIGNS LETTERS OF INTENT TO EARN-IN TO HIGHLY PROSPECTIVE GOLD, COPPER PROJECTS IN UTAH, USA

HIGHLIGHTS

- Alderan has signed non-binding Letters of Intent with Tamra Mining Company LLC, for the right to finalise Option agreements over highly prospective copper/gold/molybdenum projects in Utah, USA, within which copper has been mined for over 100 years. However, a fragmented tenement situation has prevented systematic exploration.
 - Alderan may earn a 70% interest in the **advanced Valley/Crossroads/OK Copper/Gold Project (“V&C”)** in Beaver County, Utah. V&C, proximal to excellent infrastructure and hosting known porphyry copper mineralisation as well as skarn hosted copper-gold and breccia pipes mineralisation, is adjacent to Alderan’s Frisco Project.
 - Recent limited assaying of drill core at the Valley Skarn [22 out of 579 samples have been submitted for gold (**<4%**)] confirmed gold as well as copper mineralisation¹ within the skarn, 10m @ 1.1% Cu, 0.29 gpt Au; 18.6m @ 1.1% Cu, 1.54 gpt Au. Several prospects have intersected porphyry style mineralisation, such as at the OK-11 target where one hole in the center of the target area, passed through 350 feet (~110m) of 0.16% Cu (no gold assays). Historically very little exploration work has focussed on gold.
 - Alderan may also earn up to a 70% interest in the **Drum Project (“Drum”)** located in Millard and Juab Counties, Utah.
 - Due to complex ground holding over the last 3 decades, Drum has received very little systematic modern day exploration. Alderan believes that it now holds the most prospective core of the Drum mineralised system.
 - Drum contains the historical Basin Porphyry which has a supergene copper blanket containing 4m tonnes of low grade (0.22% Cu) copper mineralisation, covering porphyry copper/molybdenum mineralisation³ as well as sediment hosted gold mineralisation, which has affinities to a new style of gold deposit found (2005) in the eastern great basin (Long Canyon Gold Mine owned by Newmont, 2.2 million ounces of gold, at an average grade of ~2.3 g/t Au⁴). [Note that references to proximal mineral resources and deposits of other companies does not in any way guarantee that Alderan will have similar exploration success.]
 - Binding Option Agreements are to be finalised in 15 days as outlined in the LOIs.

*The drilling results referred to above at the Valley Skarn were from drilling and assaying by the Anaconda Mining Company in 1961 and the exploration results referred to above at the Basin Porphyry were initially released by the USGS and a Competent Person from Alderan has not done sufficient work to disclose the exploration results in accordance with the JORC Code 2012.

It is possible that following further evaluation and exploration work that the confidence in the prior reported exploration results may be reduced or increased when reported under the JORC Code 2012. No newer results, or anything else has come to the attention of Alderan Resources Limited that causes it to question the accuracy or reliability of the owner’s exploration results and estimates however Alderan Resources Limited has not independently validated the owner’s exploration results and therefore is not to be regarded as reporting, adopting or endorsing those results.

Introduction

Alderan Resources Limited (ASX: AL8) ("Alderan" or "the Company") is pleased to announce that it has entered into two separate Letters of Intent ("LOI") with Tamra Mining Company LLC ("Tamra") which outline the terms to negotiate & sign Option Agreements to earn-in to two highly prospective gold and copper projects located in Utah, USA. The V&C Project is adjacent to Alderan's Frisco Project, and builds on Alderans knowledge of the geological and exploration environment. The LOIs require both parties to negotiate and finalise binding Option Agreements over the projects within 15 days of execution.



Figure 1: Regional topographic map showing positions of the Tamra, Drum and Frisco projects (Alderan JV with Kennecott/Rio) relative to main infrastructure.

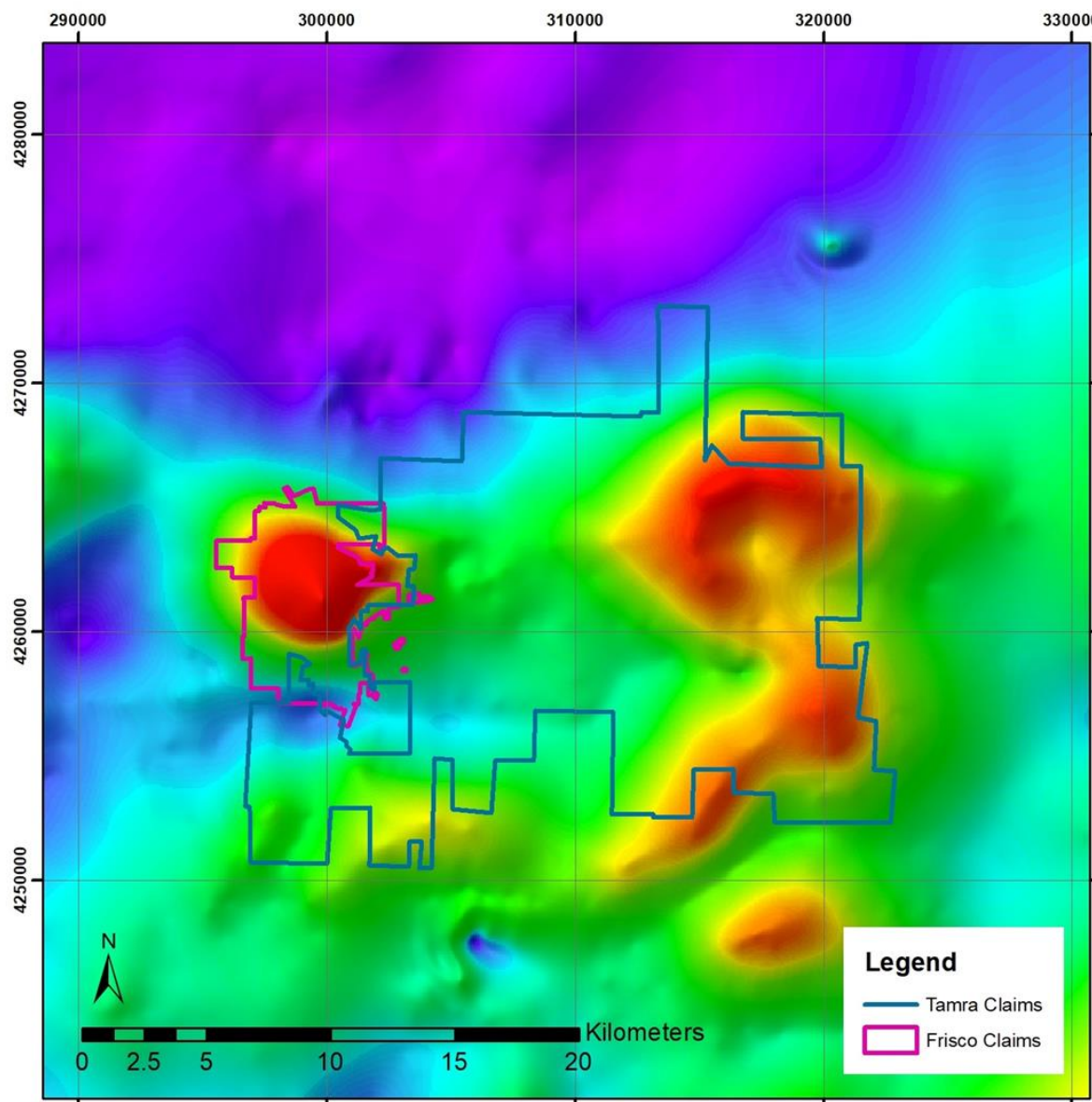


Figure 2: Frisco (Alderan owned – Joint Ventured to Kennecott) and Tamra Project Claims in the Milford district (the subject of the first LOI agreement), superimposed on regional airborne magnetics. Warm colours are high amplitude magnetic areas, thought to be intrusive centres and possibly the source of the widespread mineralisation in those particular areas.

Valley/Crossroads/OK Project

The Valley/Crossroads Projects lie in the Beaver Lake and Rocky Range mining districts, Beaver County, Utah, that have been the location of sporadic, predominantly shallow exploration and mining activities for over a century. **The projects are on-trend with Alderan's Frisco Project** (see Figure 2).

The Projects host two distinct targets/styles, the **Valley skarn** and the **OK/Crossroads porphyry prospects**.

At Valley, drilling by Anaconda in 1961 intercepted a thick Cu skarn below and adjacent to outcropping Cu-Fe deposits. The mineralised skarn is at least 1km by 750m and up to several hundred feet (60-100m) thick at depths of 300m to 600m. Gold, although present and recovered in mining operations of similar adjacent skarns, was rarely assayed for and existing processing operations were suboptimal for gold recovery.

At Crossroads, Bear Creek Mining Company drilled a single drill hole through barren volcanics to test the IP anomaly underneath. **This drill hole (OK-11)** penetrated 53m of alluvium plus volcanic cover before penetrating into what was logged as a strongly altered quartz monzonite porphyry. The rock **from 53 m to the end of the hole at 156 m contained sulfides (mostly pyrite) and porphyry-style potassic and phyllic alteration** (assays reported as 350 feet (~110m) of 0.16% Cu (no gold assays)¹. The target exhibits a distinct IP anomaly covering an area up to 1.6 km east-west and 1.6 km north/south, centered roughly at hole OK-11. A subsequent hole drilled by Noranda just to the NW of OK-11 intercepted copper for 61m to the end of the hole which may be porphyry mineralisation and will be investigated further, particularly in light of previous exploration results at OK-11 and the large IP anomaly identified.

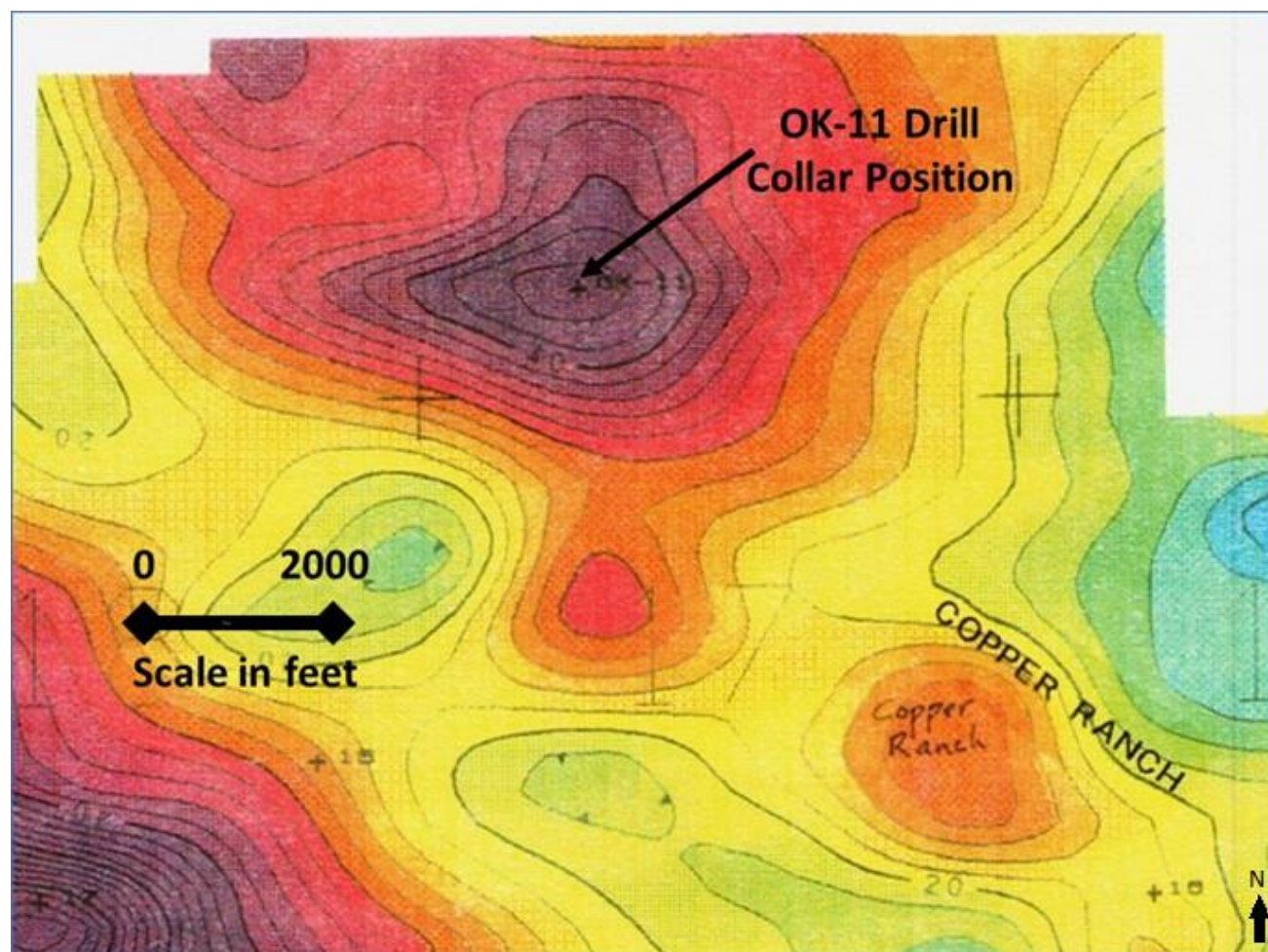


Figure 3: Induced Polarisation (IP) results at the OK-11 prospect area. One hole, OK-11 has drilled into this anomaly and intersected over 100m of low-grade copper (0.22% Cu) mineralisation³. The survey was conducted by Anaconda in 1960 using the pole-dipole method with a dipole spacing of 900 feet². The contour interval is 2 milliradians.

Note that the Crossroads and OK-11 drilling results referred to above were from drilling and assaying by the Bear Creek Mining Company and the Anaconda Mining Company, further:-

- a Competent Person from Alderan has not done sufficient work to disclose the exploration results in accordance with the JORC Code 2012;
- it is possible that following further evaluation and exploration work that the confidence in the prior reported exploration results may be reduced or increased when reported under the JORC Code 2012; and
- no newer results, or anything else has come to the attention of the Company that causes it to question the accuracy or reliability of the owner's exploration results and estimates however the Company has not independently validated the owner's exploration results and therefore is not to be regarded as reporting, adopting or endorsing those results.

The Crossroads Project contains the OK breccia pipe, from which historic mining of high-grade ore pockets within the pipe prior to 1902 produced 1145 tons of ore averaging 40 percent copper, 7.5 oz/ ton silver, and 18 oz/ton gold. Total production from the mine through 1974 was about 650,000 tons of ore containing about 7,716 short tons of copper⁵ (no gold reported).

The first LOI outlines terms for an option for Alderan over the Valley/Crossroads projects as follows:

- Alderan to commit to an Initial Program of US\$1,000,000. Alderan may earn a 51% interest in the Project by solely funding an additional US\$4,000,000 on or before the 3rd anniversary the Option Agreement ("First Earn-In"); and
- Upon completion of the First Earn-In, the Company shall have the option, but not the obligation, to earn an additional 19% interest in the Project, for a total of 70%, by solely funding an additional US\$10,000,000 of Exploration Expenditure prior to the fifth (5th) anniversary of the Option Agreement.

After Alderan completes the First Earn-In, the parties shall form a Joint Venture for further development of the projects. The terms of the Joint Venture shall be on typical terms for this type of arrangement and shall provide that all decisions will be by simple majority. The Joint Venture Agreement will include terms consistent with Alderan's option to acquire additional participating interests in the projects as set out above.

Alderan plans to rapidly:

1. *Acquire high resolution spectral satellite data to provide a map of the geology including alteration and structure.*
2. *Integrate previous geophysical, geochemical and geological data and work into the above derived maps and models.*
3. *Complete appropriate geological, geochemical and geophysical mapping with a view towards defining a drill program and executing within 4 months.*

Drum Project

Drum is a well-mineralised gold-copper exploration project in an underexplored district. Exploration ground is extremely tightly held in the area and Alderan believes that it has obtained the core of the gold mineralization and possibly a porphyry copper system. Several of the biggest gold producers in the US have attempted to obtain key blocks of ground in this area because of its similarity to the new model represented by the Long Canyon Gold Mine across the border in

Nevada. The jasperoidal sediment-hosted nature of the mineralisation in the Drum area, and the similar age of the rock units, make the Long Canyon Mine a very good analogue for the Drum area.

The Drum Project lies 35 miles northwest of Delta, Utah, in Millard and Juab counties (see Figure 1). Mining began in the 1870's in the Detroit Mining district and it hosted several producing copper/gold mines including the Drum Gold Mine which operated in the 1980s.

The Drum Mountains are a small range consisting of moderately west to southwest-dipping Proterozoic-Ordovician sedimentary strata overlain by a series of Eocene and Oligocene volcanic rocks. Mineralisation in the district is related to the Eocene (~36 Ma) Mt. Laird quartz monzonite porphyry stocks and dikes (Lindsey, 1982). The district contains an underexplored porphyry copper-molybdenum system and a series of similarly underexplored copper-gold-silver replacement deposits in the Cambrian strata to the west.

The central Mo-Cu and Cu-Au-Ag deposits are flanked to the south by the Drum Gold Mine (sediment-hosted) and the north by manganese replacement deposits, the first and second most productive mines in the district, respectively.

Bear Creek Mining discovered a low-grade copper porphyry in the 1960's in the central part of the district (later drilled by Asarco, Union Pacific and Freeport Gold). The porphyry Mo-Cu mineralisation has a small, **low-grade, supergene chalcocite blanket**. Copper is also zoned within the Drum Mountains (gold/Mn in the east and copper/gold in the central and west portions). However, the zonal copper distribution does not appear to be related to the low-grade porphyry which lies in the eastern Au/Mn zone. **There is a possibility of a larger, higher-grade porphyry system underlying the copper deposits.**

The second LOI outlines terms for an option for Alderan over the Drum prospect as follows:

- commitment to an Initial Program of US\$250,000 within one year, subject to a capital raising;
- Alderan may earn a 55% interest in the Project by solely funding US\$2,000,000, which includes the Initial Program's US\$250,000 above, in exploration expenditures on or before the 3rd anniversary of the Option Agreement ("First Earn-In"). Upon completion of the First Earn-In, Alderan shall have the option, but not the obligation to earn an additional 15% interest in the Project for a total of 70% by solely funding an additional US\$3,000,000 of exploration expenditure prior to the 5th anniversary of the Option Agreement.

After Alderan completes the First Earn-In, the parties shall form a Joint Venture for further development of the project. The terms of the joint venture shall be on typical terms for this type of arrangement and shall provide that all decisions will be by simple majority..

Alderan plans to rapidly:

1. *Acquire high resolution spectral satellite data to provide a map of the geology including alteration and structure.*
2. *Integrate previous work into the above derived maps and models.*
3. *Complete appropriate geological, geochemical and geophysical mapping with a view towards defining a drill program and executing within 6 months.*

The Company is investigating funding options and will announce details as soon as possible.

Peter Williams, Managing Director of Alderan commented: "Alderan is excited to be able to access such underexplored projects which host a range of styles of copper-gold mineralisation and gold only mineralisation. The projects have excellent infrastructure and social licenses to operate in a safe and mining friendly jurisdiction. Importantly, it builds on Alderan's geological knowledge of what is a major mineralised province, one that is of obvious interest to such majors as Rio Tinto. Low cost modern, systematic, tightly integrated exploration is an obvious next step."

ENDS

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

References

¹Mines and Geology of the Rocky and Beaver Lake Districts, Beavry County, Utah

<https://www.dropbox.com/s/5ljhgjg6ph6vsbf/2003-09%20Wray%20-%20Mines%20and%20Geology%20Rocky%20and%20Beaver%20Lake%20Dist.%20%282003%29.pdf?dl=0>

²OK-11 target exploration notes

<http://ngds.egi.utah.edu/files/GL01138/GL01138.pdf>

³Basin Porphyry description (USGS related)

https://www.researchgate.net/publication/279180784_Tertiary_intrusion-related_copper_molybdenum_and_tungsten_mining_districts_of_the_eastern_Great_Basin

⁴Long Canyon discovery and description

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.913.9792&rep=rep1&type=pdf>

⁵OK Mine description

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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.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr. M. Abzalov, who is a Competent Person according to the JORC 2012 Code. Dr. M. Abzalov is a Fellow of the AusIMM. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and the activity he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Dr. M. Abzalov is employed as a director of Alderan Resources Limited.

Dr. M. Abzalov consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.