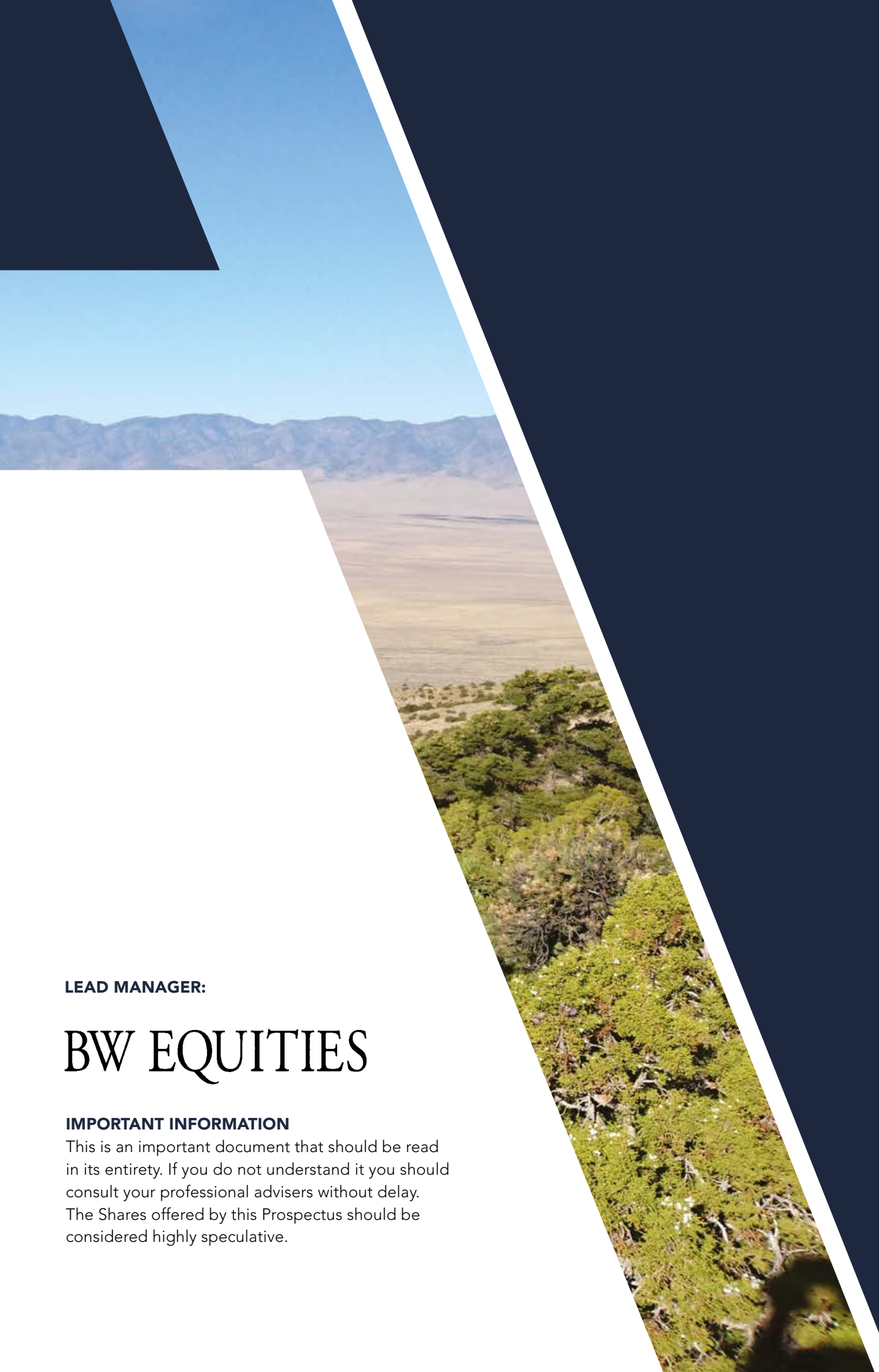
ALDERAN RESOURCES LTD

PROSPECTUS

For an offer of up to 42,500,000 Shares at an issue price of $0.20 per Share to raise a minimum of $6,500,000 and a maximum of $8,500,000 (Offer).

The Offer is not underwritten.



LEAD MANAGER:

BW EQUITIES

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. The Shares offered by this Prospectus should be considered highly speculative.

CORPORATE DIRECTORY

Directors
Nicolaus Heinen
Christopher Robert Wanless
Donald Smith
Ernest Thomas Eadie

Company Secretary
Brett William Tucker

Lead Manager
BW Equities Pty Limited
Level 25, 360 Collins Street
Melbourne VIC 3000

Solicitors to the Offer
Allion Partners Pty Limited
Level 9, 863 Hay Street
Perth WA 6000

Independent Geologist
Goldner & Associates
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North Sydney NSW 2060

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Share Registry*
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Telephone:
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Auditor*
RSM Australia Partners
8 St Georges Terrace
Perth WA 6000

Investigating Accountant
RSM Corporate Australia Pty Ltd
8 St Georges Terrace
Perth WA 6000

Title Report
Parr Brown Gee and Loveless
101 South 200 East, Suite 700
Salt Lake City, Utah
United States of America

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

Indicative Timetable

	Date
Lodge Prospectus with ASIC	5 April 2017
Opening Date	24 April 2017
Closing Date	15 May 2017
Securities issued under Prospectus	22 May 2017
Expected Quotation Date	29 May 2017

*The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice. If you wish to submit an application and subscribe for Shares under the Offer (and are eligible to do so), you are encouraged to do so as soon as possible after the Offer opens as the Offer may close at any time without notice. The Opening Date will be affected by any extension of the Exposure Period. For further information on the Exposure Period, please refer to the "Important Notices" on page 3 of this Prospectus.

Key Offer Details

	Minimum subscription	Maximum subscription
Price per Share	$0.20	$0.20
Shares offered	32,500,000	42,500,000
Amount to be raised under the Offer (before costs)	$6,500,000	$8,500,000
Total Shares on issue as at the date of this Prospectus	65,463,908	65,463,908
Total Shares on issue on completion of the Offer	97,963,908	107,963,908
Market capitalisation on consideration of the Offer based on the price of Shares under the Offer	$19,592,782	$21,592,782

Important Notice

This Prospectus is dated 5 April 2017 and was lodged with ASIC on that date. ASIC, ASX and its officers respectively take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Exposure period

The Corporations Act prohibits the Company from processing applications in the 7 day period after the date of lodgement of the Prospectus, which may be extended by ASIC by up to a further 7 days pursuant to section 727(3) of the Corporations Act (**Exposure Period**).

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus. In those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Application for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge application prior to the expiry of the Exposure Period.

Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.alderanresources.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Other than as otherwise stated in this Prospectus, no document or information included on our website is incorporated by reference into this Prospectus.

Foreign Jurisdictions

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the securities or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

United States

This document may not be distributed in the United States except to a limited number of institutional "accredited investors", as defined in Rule 501(a)(1), (2), (3) or (7) under the US Securities Act of 1933. The Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**).

No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Germany

The information in this document has been prepared on the basis that all offers of Shares will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as

amended and implemented in Germany, from the requirement to produce a prospectus for offers of securities.

An offer to the public of Shares has not been made, and may not be made, in Germany except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Germany:

(a) to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;

(b) to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) owns funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);

(c) to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, **MiFID**); or

(d) to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares offered under this Prospectus may be publicly distributed or otherwise made publicly available in Switzerland. The Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the Shares offered under this Prospectus have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Arab Emirates

Neither this document nor the Shares offered under this Prospectus have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has the Company received authorisation or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the Shares offered under this Prospectus, including the receipt of applications and/or the allotment or redemption of Shares, may be rendered within the United Arab Emirates by the Company.

No offer or invitation to subscribe for Shares offered under this Prospectus is valid in, or permitted from any person in, the Dubai International Financial Centre.

Forward-looking Statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

Cautionary Note Regarding Reserves and Resources

You should be aware that as an Australian company with securities listed on the ASX, the Company is required to report reserves and resources in Australia in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) (**JORC Code**). You should note that while the Company's reserve and resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators and (ii) Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the US Securities and Exchange Commission. The JORC Code differs in several significant respects from Industry Guide 7. In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the US Securities and Exchange Commission generally does not permit mining companies to disclose their mineral resources in SEC filings. Information contained in this presentation describing the Company's mineral deposits may not be comparable to similar information made public by Canadian or US companies subject to the reporting and disclosure requirements of Canadian or US securities laws. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the company will be able to legally and economically extract them.

Competent Person Statement

The information in this Prospectus (including the Independent Geologist's Report in Section 7 of this Prospectus) that relates to exploration targets, exploration results, mineral resources or ore reserves is based on information compiled by Peter Goldner, a competent person who is Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and a Fellow of the Australian Institute of Geoscientists (**AIG**) and a Member of the Australasian Institute of Mineral Valuers and Appraisers (**AMIVA**). Peter Goldner 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. Peter Goldner consents to the inclusion in this report of the matters based on his work in the form and context in which it appears.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person show endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker, or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer, please call the Company Secretary, Brett Tucker on +61 (8) 9482 0560.

CONTENTS

CHAIRMAN'S LETTER

Dear Investor

I have the pleasure in presenting what the Board of Directors believe is an exciting opportunity to invest in Alderan Resources Limited (the **Company** or **Alderan**).

As detailed in this Prospectus, the Company has assembled a large holding of claims over the Pruess and San Francisco mining districts in Beaver County, Utah, United States (**Frisco Project**), which is host to three deposits, each with historic mining and previous drilling. These are:

- the Cactus copper-gold-silver deposit and breccia pipe, one of several mineralised breccia pipes over an area of approximately 1000 metres by 400 metres. Modelling of magnetic survey data demonstrates that these pipes are likely connected at depth;
- the Accrington copper-zinc-silver-gold skarn, which hosts extensive mineralisation across an area of 1.8 kilometres by 1.2 kilometres; and
- the Horn zinc deposit, a historic lead-silver mine, which contains significant amounts of unmined high grade zinc.

The Company believes that these three deposits are genetically related to, and were formed contemporaneously with, underlying mineralised (copper-molybdenum-gold) porphyry intrusions. Work undertaken by the Company has confirmed the presence of a mineralised porphyry system and that the Frisco Project exhibits many of the classical signatures of large fertile porphyries.

Exploration will initially focus on the Cactus and Accrington deposits, which both exhibit large geochemical and geophysical footprints indicating that historical drilling only tested a small part of these mineralised zones.

The Company's strategy upon successfully listing is to:

- commence a 10,000 metre drilling program with a particular focus on the Cactus and Accrington prospects; and
- conduct an induced polarisation survey across the Frisco Project.

It is hoped that the work program will enable the Company to establish initial JORC-compliant resources across one or more prospects and/or uncover new mineral discoveries.

The Company, by way of this Prospectus, is offering for subscription up to 42,500,000 Shares at $0.20 each to raise a minimum of $6,500,000 and a maximum of $8,500,000 (before costs and expenses) (**Offer**).

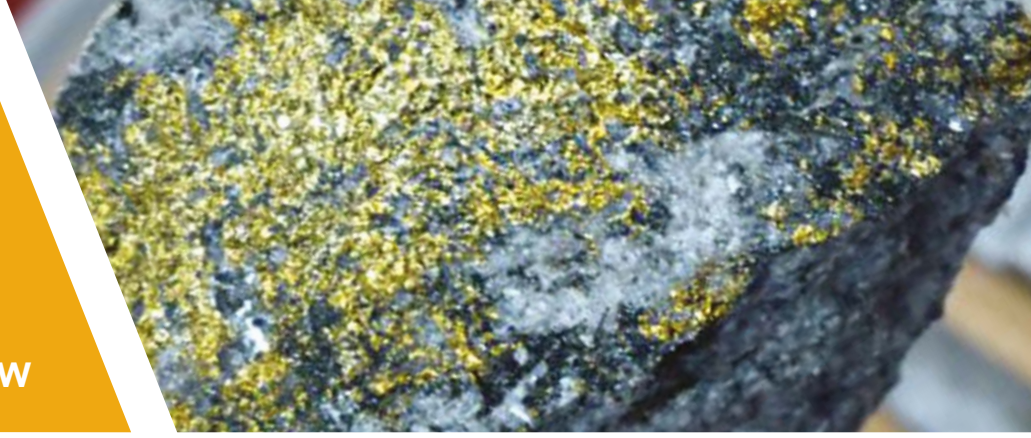
This Prospectus provides detailed information regarding the Offer, the Company's assets, the Company's proposed activities following listing on the ASX and the risk factors associated with investing in the Company.

I recommend that you read this Prospectus in its entirety prior to making a decision to invest in the Company. It will provide a clear review of the assets in question and the proposed direction of the Company.

On behalf of the Board, I look forward to welcoming you as a Shareholder of Alderan.

Yours sincerely,

Nicolaus Heinen
Chairman



2. INVESTMENT OVERVIEW

This Investment Overview contains a summary of what the Directors consider to be key information with respect to the Company and the Offer. It is not a summary of this Prospectus.

If you are considering an investment in the Company, it is important that you read this Prospectus carefully, in its entirety and seek professional advice where necessary before deciding to invest in the Company. In particular, in considering the prospects for the Company, you should consider the risk factors that could affect the performance of the Company. The Offer does not take into account your investment objectives, financial situation and particular needs. Accordingly, you should carefully consider the risk factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Shares that are offered under this Prospectus should be considered speculative.

2.1 Introduction

Question	Answer	Section
Who is Alderan?	Alderan is an Australian public company, incorporated on 31 July 2013. The Company is a base metals exploration company and holds mineral rights to the Frisco Project in Utah, USA, through its wholly owned subsidiary Volantis Resources Corp.	2.2, 4.1 and 7
What is the purpose of this Prospectus and the Offer?	The purpose of the Offer is to provide funds to enable the Company to: (a) raise a minimum of $6,500,000 and a maximum of $8,500,000 before costs to fund: (i) exploration expenses on the Frisco Project; (ii) general working capital requirements including possible new acquisitions; (iii) corporate overhead and administration costs; and (iv) the costs of the Offer. (b) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules to enable the Company to list on the ASX and thereby provide a market for Shares and better enable the Company to access capital markets. On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.	3.5 and 4

2.2 Business and Project overview

Question	Answer	Section
What are the Company's projects and where are they located?	The Company holds mineral rights to the Frisco Project in Utah, USA through its wholly owned subsidiary, Volantis Resources Corp. The Frisco Project hosts three advanced exploration prospects. These are: (a) The Cactus copper-gold-silver prospect, a historic mine with drilling, post the closure of the mine, identifying extensive remaining mineralisation open to depth and along strike, with recent geophysical surveys and modelling by Alderan indicating potential for significant extensions to depth; (b) The Accrington copper-zinc-lead-silver-gold prospect, a large mineralised skarn which outcrops at surface across an area of approximately 1.8km by 1.2km, with widespread historical mining activity and historical drilling; and (c) The Horn zinc-lead-silver prospect, a historical high grade lead-silver mine with significant remaining zinc dominant defined by drilling and exploration works undertaken since the mine's closure. A possible fourth prospect, called the Cactus Canyon prospect, has been identified by modelling of magnetic data acquired by the Company in a 2016 survey which included re-logging of historic core and surface mapping. This identified a large anomaly associated with mineralised copper-molybdenum porphyry. The Cactus Canyon prospect lies within the centre of the Frisco Project and remains largely untested due to the limited extent of historic drilling. Although there have been various phases of exploration across the Tenements that comprise the Frisco Project, the prospects on which the Company is focusing are in the early stages of exploration and do not contain any resources that are consistent with the current JORC Code guidelines. Further evaluation of data and exploration is required to determine whether any historical mineralisation estimates within the licences may be upgraded to be consistent with the current JORC Code guidelines.	4.4 and 7

Question	Answer	Section
What is the Company's business model and strategy?	Alderan's business model is to: (a) discover and develop economic mineral deposits with a focus on data driven, systematic exploration, the use of modern technology and maximising expenditure on direct exploration; (b) assess and secure additional mineral projects, only if they are demonstrably value accretive in order to avoid unnecessary dilution; and (c) maintain a strong focus on the health and safety of our employees and contractors, building strong community relationships and working to best practise environmental standards. Following completion of the Offer and listing on ASX, the Company intends to do the following: (a) drill over 10,000 metres at the Cactus, Accrington, Horn and Cactus Canyon prospects; and (b) complete an induced polarisation survey across the Accrington Cactus and Cactus Canyon prospects.	4.2 and 4.6
What are the Company's key dependencies?	The key dependencies which underpin the Company's business model and plans outlined above include: (a) closing the Offer and successfully raising the minimum subscription amount; (b) the Company successfully exploring for and establishing a resource on the Frisco Project, in accordance with the JORC code, and any other project interests that the Company may acquire in the future; and (c) the Company's ability to secure further funds for continued exploration and the development of any economic resources.	

2.3 Key Investment Highlights and Risks

Question	Answer	Section
What are the perceived investment highlights and benefits?	(a) The Board and the Company's key advisors are industry-recognised executives and technical specialists with strong track-records of corporate management and resource project acquisition, discovery and development. (b) The Company believes the Frisco Project hosts at least 4 prospects with demonstrable potential to host economic resources. (c) Utah is one of the leading investment destinations in the world for mineral exploration and mining, with a long history of mining that continues to this day. (d) The Frisco Project is located principally on private lands, adjacent to sealed roads, a 306MW wind power plant, geothermal plant, a railway and mining facilities.	
What are the key investment risks?	The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company. The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively be managed is limited. **Offer risk** If ASX does not admit the Shares to Official Quotation before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not allot or issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.	6

Question	Answer	Section
What are the key investment risks? (cont...)	**Liquidity risk** Certain securities are likely to be classified as restricted securities. To the extent that Shares are classified as restricted securities, the liquidity of the market for Shares may be adversely affected. **Limited exploration on the Frisco Project** Although there have been various phases of exploration across the Tenements that comprise the Frisco Project, the prospects on which the Company are focusing are in the early stages of exploration and do not contain any resources that are consistent with the current JORC Code guidelines. Further evaluation of data and exploration is required to determine whether any historical mineralisation estimates within the licences may be upgraded to be consistent with the current JORC Code guidelines. **Exploration and evaluation risks** Mineral exploration, development and mining activities are high-risk undertakings. There can be no assurance that exploration on these Tenements, or any other claims or leases that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. **Title risks** Mineral rights in the USA may be owned by private parties, local government, state government, federal government, or indigenous groups. Verifying the chain of title for USA mineral rights can be complex and may require that remedial steps be taken to correct any defect in title. Securing exploration and extraction rights to federally-owned mineral rights requires strict adherence to claim staking and maintenance requirements. The Company has taken reasonable steps to verify the title to the Tenements in which it has, or has a right to acquire, an interest. Although these steps are in line with market practice for exploration projects such as the Frisco Project, they do not guarantee title to the Tenements nor guarantee that the Tenements are free of any third party rights or claims. **Future capital requirements** The Company's activities are likely to require substantial expenditure, in additional to the amounts raised under the Offer. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy. Although the Directors believe that additional capital can be obtained, there can be no assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.	3.11 8

Question	Answer	Section
What are the key investment risks? (cont...)	**Reliance on key personnel** The Company's future depends, in part, on its ability to attract and retain key personnel. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business. **Fluctuations in Commodity prices** The Company's business, prospects, financial condition and results of operations are heavily dependent on prevailing metals prices, particularly copper. There can be no assurance that the existing level of metals prices will be maintained in the future. Any future declines, even relatively modest ones, in metals prices could adversely affect the Company's business, prospects, financial condition and results of operations. **Exchange rate risks** The Company operates in multiple currencies and exchanges rates are constantly fluctuating. International prices of various commodities, as well as the exploration expenditure of the Company are denominated in United States dollars, whereas the Company will rely principally on funds raised and accounted for in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. **Other industry specific risks** The Company's activities are subject to a number of risks common to the conduct of mining exploration and the financing of mining exploration activities, including but not limited to: (a) risks inherent in resource estimation; (b) operation and technical risks; (c) environmental risks; (d) tenure risks; (e) contract counterparty risks; and (f) competition risks.	

2.4 Financial information

Question	Answer	Section
What is the Company's financial position?	Following completion of the Offer: (a) based on achieving the minimum subscription, the Company is expected to have cash of approximately $6.4 million; and (b) based on achieving the maximum subscriptions, the Company is expected to have cash of approximately $8.3 million, after deducting costs of the Offer. The Board is satisfied that upon successful completion of the Offer, the Company will have sufficient working capital to meet it stated objectives. For further financial information of the Company please refer to the Investigating Accountant's Report at Section 8.	8
Will the Company pay dividends?	It is anticipated that significant expenditure will be incurred in the evaluation and development of the Company's proposed business model and objectives described in Section 4.6. These activities are expected to dominate at least the 2 year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.	4.7

2.5 Directors and Key management

Question	Answer	Section
Who are the Directors and key managers?	The Directors and key management of the Company are: (a) Nicolaus Heinen, Non-executive Chairman; (b) Christopher Robert Wanless, Executive Director and Chief Executive Officer (**CEO**); (c) Donald Smith, Non-executive Director (proposed to be Executive Director upon listing); (d) Ernest Thomas Eadie, Non-executive Director; (e) Brett Tucker, Company Secretary; and (f) Peter Geerdts, Chief Geologist.	5
What are the interests of the Directors in the Company?	**Interests in Securities** Various Directors have relevant interest in Securities of the Company. Their interests are detailed in Section 12.6. **Participation in the Offer** Messrs Heinen and Eadie intend to participate in the Offer up to $300,000 and $200,000, respectively. None of the other Directors intend to participate in the Offer. **Substantial holders** Each of the following Directors are substantial holders (i.e. control 5% of more of the voting shares) at the date of this Prospectus: (a) Non-executive Chairman, Mr Nicolaus Heinen, holds a relevant interest in 30,836,583 Shares; and (b) Director and CEO, Mr Christopher Wanless, holds a relevant interest in 10,494,584 Shares.	3.9

Question	Answer	Section
What payments and benefits are to be made or given to the Directors?	**Service Agreements** The Company has entered into a service agreement and an executive service agreement with Mr Donald Smith, under which Mr Smith is entitled to fees and other benefits as described in Section 11.3. **Consultancy Agreement** The Company entered into a management services agreement with DM Bergbau GmbH, a company controlled by Mr Christopher Wanless, under which DM Bergbau GmbH is entitled to fees and other benefits as described in Section 11.4. **Belgrave Capital Mandate** Belgrave Capital Limited, a company controlled by Mr Nicolaus Heinen, intends to undertake introductory services in relation to the Offer. In consideration for those services, Belgrave Capital Limited will be entitled to be paid by BW Equities a fee equal to 4% of the amount successfully subscribed through Belgrave Capital Limited and accepted by the Company, with such amount being capped at 30% of the amount raised under the Offer. **Non-Executive Director fees** The Non-executive Directors are entitled to be paid fees for their services as Directors as set out in Section 12.5. **Deeds of indemnity, insurance and access** All Directors will have the benefit of an indemnity from the Company in respect of certain liabilities they may incur in acting as directors and have liability insurance premiums paid for by the Company, on the terms generally described in Section 11.7.	12.7

2.6 The Offer

<table>
<tr><th>Question</th><th>Answer</th><th>Section</th></tr>
<tr><td>What is the Offer?</td><td>Under this Prospectus, the Company invites applications for up to 42,500,000 Shares at an issue price of $0.20 per Share to raise a minimum of $6,500,000 and a maximum of $8,500,000.</td><td>3.1</td></tr>
<tr><td>Is the Offer underwritten?</td><td>No, the Offer is not underwritten.</td><td>3.4</td></tr>
<tr><td>What are the Securities being offered?</td><td>The Offer is an offer of fully paid ordinary shares in the Company (i.e. Shares). A summary of the rights attaching to Shares is set out in Section 12.2.</td><td>12.2</td></tr>
<tr><td>What will be the capital structure of the Company on completion of the Offer?</td><td>The table below sets out the capital structure of the Company after the Offer closes, assuming minimum and maximum subscription scenarios. Please refer to Section 3.8 for further details on the capital structure:
<table>
<tr><th></th><th>Minimum subscription ($6,500,000)</th><th>Maximum subscription ($8,500,000)</th></tr>
<tr><td colspan="3">Shares</td></tr>
<tr><td>Shares currently on issue</td><td>65,463,908</td><td>65,463,908</td></tr>
<tr><td>Shares to be issued under the Offer</td><td>32,500,000</td><td>42,500,000</td></tr>
<tr><td>Total Shares post-Offer</td><td>97,963,908</td><td>107,963,908</td></tr>
<tr><td colspan="3">Options</td></tr>
<tr><td>Options currently on issue</td><td>14,157,454</td><td>14,157,454</td></tr>
<tr><td>Options to be issued under the Offer</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Options to be issued under the Lead Manager Offer</td><td>5,000,000[1]</td><td>5,000,000[1]</td></tr>
<tr><td>Total Options post-Offer</td><td>19,157,454</td><td>19,157,454</td></tr>
<tr><td colspan="3">Note 1: These figures may be reduced in accordance with the BW Equities Mandate, please see section 11.2.</td></tr>
</table></td><td>3.8</td></tr>
</table>

Question	Answer	Section
How will funds raised from the Offer by used?	The Company intends to use the funds raised under the Offer as follows: (a) to fund exploration on the Frisco Project and possibly surrounding areas with the objective of establishing a resource in accordance with the JORC code; (b) to enable its admission to the Official List of ASX; (c) to pay for the Company's administration and corporate overheads; (d) for working capital purposes including possible new acquisitions; and (e) to pay for the costs of the Offer. The above intended uses may be affected by new circumstances and financial requirements that arise. The Board reserves the right to vary the way in which funds are applied. No guarantee can be provided that the Company will not in the future be required to raise additional funds to maintain mining operations or conduct exploration activities to identify a reserve or resource in accordance with the JORC code. Refer to Section 3.7 for a more detailed budget for the Company's use of funds.	3.7
Will the Shares offered by quoted on ASX?	Yes, the Company will apply for quotation of the Shares on ASX.	3.16
Is there a minimum subscription requirement to the Offer?	Yes, the minimum subscription amount for the Offer is $6,500,000. Shares will not be issued unless and until Applications for the minimum subscription have been received.	3.3
What are the expenses of the Offer?	The expenses of the Offer will be approximately: (a) $752,348 if only the minimum subscription is raised under the Offer; and (b) $874,347 if the maximum subscription is raised under the Offer.	12.11

Question	Answer	Section
Will any Shares be subject to escrow restrictions?	**Shares offered under this Prospectus** Shares issued to applicants under the Offer will not be subject to any escrow restrictions. **Existing Securities** Certain Securities on issue prior to the Offer are likely to be classified by the ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement to Official Quotation as a condition of the Company being admitted to ASX. These Securities are held by Directors, promoters and service providers of the Company and Shareholders who provided capital or services to the Company before the Offer.	3.11
Are there any tax consequences?	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.	3.20

2.7 Applying for Shares under the Offer

Question	Answer	Section
Who can apply for Shares under the Offer?	Members of the public who have an address in Australia may subscribe for Shares under the Offer. For Applicants who are not Australian residents, please refer to the front of this Prospectus under the heading "Foreign Jurisdictions" for details on the offer restrictions applicable to this Offer.	3.13, 3.14
What is required to apply for Shares under this Prospectus?	This Prospectus is accompanied by an Application Form. An applicant must complete an Application Form accompanying this Prospectus in accordance with the instructions on the Application Form. Applicants may pay by cheque or using BPAY through Automic at https://investor.automic.com.au/alderanresourcesltdipo.html. In addition, persons who have received a firm allocation of Shares from the Lead Manager (either directly or via their stockbroker) may apply for Shares by arrangement with the Lead Manager.	3.13
Can an Offer be withdrawn?	The Company reserves the right to withdraw the Offer at any time before the issue of Shares to applicants under the Offer. If the Offer is withdrawn, application monies will be refunded to applicants in full without interest.	3.1

2.8 Further information

Question	Answer	Section
How can further information by obtained?	You should read this Prospectus in full. If after reading this Prospectus you have any questions or are unsure what do to, you should speak to your qualified investment advisor. Certain information referred to in this Prospectus, including copies of the Company's corporate governance charters and policies, is available on the Company's website at **www.alderanresources.com.au**	
How can the Company be contacted?	The Company's contact details for enquiries regarding the Offer on this Prospectus are as follows: By telephone: + 61 8 9482 0560 By email: brett@alderanresources.com.au By post: PO Box 902, West Perth, WA, 6872 Attention: Company Secretary	
How can the Lead Manager be contacted?	The Lead Manager's contact details for enquiries regarding the Offer on this Prospectus are as follows: By telephone: + 61 3 9601 4806 By email: rory.luff@bwequities.com.au By post: Level 25/360 Collins Street, Melbourne VIC 3000 Attention: Rory Luff	

3. DETAILS OF THE OFFER

3.1 The Offer

Pursuant to this Prospectus, the Company invites applications for up to 42,500,000 Shares at an issue price of $0.20 per Share to raise a minimum of $6,500,000 and a maximum of $8,500,000.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. Further details of the rights attaching to the Shares are set out in Section 12.2.

The Directors may reject any application made under the Offer or allocate fewer Shares than the Applicant has applied for.

The Company reserves the right to withdraw the Offer at any time before Shares are issued under it.

3.2 Lead Manager Offer

This Prospectus also includes an offer of up to 2,500,000 Tranche B Lead Manager Options and up to 2,500,000 Tranche C Lead Manager Options to the Lead Manager in accordance with the BW Equities Mandate Letter. The Lead Manager Options are being made under this Prospectus to facilitate the secondary trading of these Options. For further details on the BW Equities Mandate, please refer to Section 11.2.

3.3 Minimum subscription

If the minimum subscription to the Offer of $6,500,000 has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Securities and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

3.4 Not underwritten

The Offer is not underwritten.

3.5 Purpose of the Offer

The purpose of the Offer is to provide funds to enable the Company to:

(a) raise a minimum of $6,500,000 and a maximum of $8,500,000 before costs to fund:

  (i) exploration and development on the Frisco Project;

  (ii) general working capital requirements including possible acquisitions;

  (iii) corporate overhead and administration costs; and

  (iv) the costs of the Offer.

(b) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules to enable the Company to list on the ASX and thereby provide a market for Shares and better enable the Company to access capital markets.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

3.6 Conditions of the Offer

Completion of the Offer under this Prospectus is subject to:

(a) the Company complying with Chapters 1 and 2 of the ASX Listing Rules;

(b) the Company raising the minimum subscription to the Offer of $6,500,000; and

(c) ASX approving the Company's application for admission to the Official List and the Company receiving conditional approval for quotation of the Company's Shares on ASX.

If these conditions are not met, the Company will not proceed with the Offer and will repay all application monies received, without interest and in accordance with the Corporations Act.

3.7 Use of Funds

The Company intends to apply funds raised from the Offer, (assuming a minimum of $6,500,000 and a maximum of $8,500,000 is raised under the Offer), over the first 2 years following admission of the Company to the official list of ASX as follows:

Funds available	Minimum subscription ($6,500,000)	Percentage of funds (%)[4]	Maximum subscription ($8,500,000)	Percentage of funds (%)[4]
Source of funds				
Existing cash reserves[1]	$517,000	8%	$517,000	6%
Funds raised from the Offer	$6,500,000	92%	$8,500,000	94%
Total	**$7,017,000**	**100%**	**$9,017,000**	**100%**
Allocation of funds				
Drill rig mobilisation, drilling, assays	$2,100,000	30%	$2,910,000	32%
Geophysics, petrology, age dating	$495,000	7%	$755,000	8%
Technical services – geology, logging, surveys, supervision	$1,238,000	18%	$1,614,000	18%
Field logistics and supplies	$617,000	9%	$838,000	9%
Lease and claim fees and holding costs	$438,000	6%	$438,000	5%
Administration	$1,130,000	16%	$1,180,000	13%
Promotion and marketing	$116,000	2%	$132,000	2%
Costs of the Offer[2]	$592,000	8%	$715,000	8%
General working capital[3]	$291,000	4%	$435,000	5%
Total	**$7,017,000**	**100%**	**$9,017,000**	**100%**

Notes:

1 Refer to Appendix A to the Investigating Accountant's Report set out in Section 8 of this Prospectus for further details.

2 This amount does not include amounts paid by the Company prior to the 28 March 2017 which total approximately $160,000. Refer to Section 12.11 of this Prospectus for further information on the expenses of the Offer.

3 General working capital costs may include general costs associated with the management and operation of the business including administration expenses, management salaries, directors' fees, rent and other associated costs.

4 Percentages are rounded to the nearest whole number.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

No guarantee can be provided that the Company will not in the future be required to raise additional funds to maintain mining operations or conduct exploration activities to identify a reserve or resource in accordance with the JORC code.

3.8 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

	Minimum subscription		Maximum subscription	
	Number of securities	**% interest**	**Number of securities**	**% interest**
Shares[1]				
Shares currently on issue	65,463,908	66.82%	65,463,908	60.63%
Shares to be issued under the Offer	32,500,000	33.18%	42,500,000	39.37%
Total Shares post-Offer	**97,963,908**	**100.00%**	**107,963,908**	**100.00%**
Options[2]				
Options currently on issue	14,157,454	73.90%	14,157,454	73.90%
Options to be granted under this Prospectus	5,000,000	26.10%	5,000,000	26.10%
Total Options post-Offer	**19,157,454**	**100.00%**	**19,157,454**	**100.00%**
Total number of Securities post Offer	**117,121,362**		**127,121,362**	

Notes:

1 The rights attaching to the Shares are summarised in Section 12.2 of this Prospectus.

2 The Company has issued a total of 7,240,000 Tranche A Management Options, 4,140,000 Tranche B Management Options, 1,000,000 Milestone Options and 1,777,454 Tranche A Lead Manager Options. This Prospectus also includes a Lead Manager Offer to BW Equities for up to 5,000,000 Lead Manager Options for further details, please refer to Section 3.2. The rights attaching to the Options are summarised in Section 12.4 of this Prospectus.

3.9 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus and on completion of the Offer (assuming full subscription under the Offer and that no Options are exercised prior to completion of the Offer) are set out in the respective tables below.

	As at the date of this Prospectus		Upon completion of the Offer (assuming maximum subscription)	
Shareholder	**Shares**	**%**	**Shares**	**%**
Nicolaus Heinen[1]	30,836,583	47.10%	32,336,583	29.95%
Christopher Wanless[2]	10,494,584	16.03%	10,494,584	9.72%
Peter Geerdts[3]	5,000,000	7.64%	5,000,000	4.63%
Kitara Investments Pty Ltd <Kumova Family A/C>	3,958,333	6.05%	3,958,333	3.67%

Notes:

1 Mr Nicolaus Heinen, the non-executive Chairman of the Company, holds an indirect relevant interest in these Shares by virtue of his directorship of Belgrave Capital Management Limited.

2 Mr Heinen intends to subscribe for Shares under the Offer up to a maximum value of $300,000.

3 Mr Christopher Wanless, Executive Director and CEO of the Company, holds an indirect relevant interest in these Shares by virtue of his directorship of Quaalup Investments Pty Ltd.

4 Mr Peter Geerdts, Chief Geologist of the Company, holds a direct relevant interest in these Shares.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

3.10 Potential dilutive effect of Options

The table below set out the potential dilutive effect on Shareholders if all Options (including those Options offered under the Lead Manager Offer) are exercised:

Event	Cumulative number of Shares pre-Offer	Cumulative number of Shares post-Offer	Shares issued on exercise	Shares on a fully diluted basis	Dilution (rounded)
Minimum subscription under the Offer					
Exercise of Options	65,463,908	97,963,908	19,157,454	117,121,362	16.35%
Maximum subscription under the Offer					
Exercise of Options	65,463,908	107,963,908	19,157,454	127,121,362	15.07%

Notes: The interests shown in the table above assumes that:

1 all Options are exercised after the Closing Date and in the order set out in the table; and

2 other Shares are not issued prior to the exercise of the Options.

3.11 Restricted Securities

Subject to the Company being admitted to the Official List, certain securities on issue prior to the Offer are likely to be classified by the ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement to Official Quotation.

The Company will announce to the ASX full details (quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.

3.12 Lead Manager

BW Equities (the **Lead Manager**) has been appointed by the Company to manage the Offer.

The Lead Manager will be entitled to a fee of 6% (plus GST) of the total amount raised under the Offer, as well as up to 5,000,000 Lead Manager Options.

Please refer to Section 11.2 for further details of the terms under which the Lead Manager has been engaged by the Company.

As stated in Section 2.5, Belgrave Capital Limited, a company controlled by Mr Nicolaus Heinen, intends to undertake introductory services in relation to the Offer. In consideration for those services, BW Equities will pay to Belgrave Capital Limited, a fee equal to 4% of the amount successfully subscribed through Belgrave Capital Limited and accepted by the Company, with such amount being capped at 30% of the amount raised under the Offer.

3.13 Applications

Applications for Shares under the Offer must be made using the Application Form.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of $0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to "**Alderan Resources Limited**" and crossed "**Not Negotiable**", must be mailed to the address set out on the Application Form so that it is received by no later than the Closing Date.

BPAY is also available for electronic payment. Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this Prospectus which is available via a link at https://investor.automic.com.au/alderanresourcesltdipo.htm and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (**CRN**)).

You should be aware that you will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid. It is your responsibility to ensure that payments are received by 4.00pm (WST) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies. The Company accepts no responsibility for any failure to receive application monies or payments by BPAY before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

Persons who have received a firm allocation of Shares from the Lead Manager (either directly or via their stockbroker) may apply for Shares by arrangement with the Lead Manager.

Each such applicant must submit a completed Application Form together with the relevant application money before 5.00pm (WST) on the Closing Date, in accordance with the Lead Manager's directions.

By making an application to the Lead Manager, an application will be taken to have confirmed that they have received a copy of the Prospectus together with the Application Form.

The Company reserves the right to close the Offer early.

3.14 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia. Please refer to the front of this Prospectus under the heading "Foreign Jurisdictions" for details on the offer restrictions applicable to this Offer.

3.15 Issue

Subject to the minimum subscription to the Offer of $6,500,000 being reached, completion of the Offer and ASX granting conditional approval for the Company to be admitted to the Official List, allotment of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors will determine the allottees of the Offer in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

The Company will ensure, at the time of allotment of the Shares, that its Free Float at the time of listing will be not less than 20% of the Company's issued capital.

3.16 ASX listing and quotation

Application for Official Quotation by ASX of all Shares (including the Shares offered pursuant to this Prospectus) will be made within 7 days after the date of this Prospectus.

The Directors do not intend to allot any Shares unless and until ASX grants permission for the Shares to be listed for quotation unconditionally or on terms acceptable to the Directors.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.17 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.18 Commissions payable

The Company reserves the right to pay a commission of 4% (exclusive of goods and services tax) of amounts successfully subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

3.19 Corporate Governance

To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (**Recommendations**).

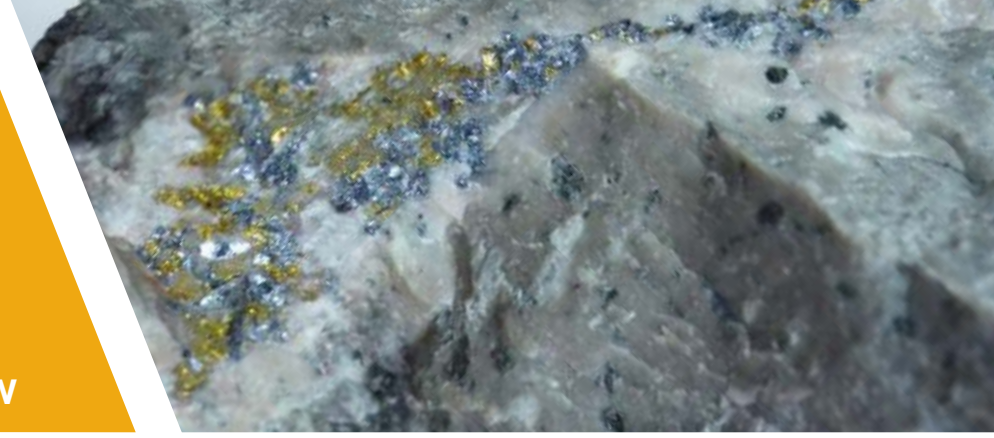
The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 10.2 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Annexure A of this Prospectus.

In addition, the Company's full Corporate Governance Plan is available from the Company's website **www.alderanresources.com.au**

3.20 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.



4. COMPANY AND PROJECT OVERVIEW

4.1 Background

Alderan was incorporated in Victoria on 31 July 2013 with a focus on securing, exploring for and developing base and precious metal projects. Alderan secured its initial lease over within the Frisco Project in 2015 and over the course of 12 months expanded its holdings through entering new leases and staking further claims. The Company now has leaseholder and option interests in mineral rights across 231 patented and 178 unpatented claims covering 24.77 km^2 through its US subsidiary Volantis Resources Corp. During that time the Company has also undertaken the following work across the project including:

(a) research, data mining and the digitisation of over 100 years of historical exploration and mining data, including developing digital databases of over 200 drill holes and the majority of historical geochemical sampling records;

(b) modelling of historical drilling and mine data at the Horn and Cactus mines;

(c) undertaking a high-resolution helicopter-borne magnetic and radiometric survey across the project and developing a 3-dimensional model of the magnetic, geological and exploration data; and

(d) conducting extensive mapping, rock chip and geochemical sampling and laboratory analysis of over 670 samples and over 300 pXRF analyses conducted in the field.

This work has given the Company confidence that, in its opinion, mineralisation at the historic Cactus and Horn Mine remains open in most directions and that numerous historic workings at Accrington, form part of a larger mineralised skarn with dimensions of at least 1.8km by 1.2km.

Furthermore the Company also believes that the Cactus, Horn and Accrington prospects are part of a single mineral system, being related to an underlying mineralised and largely untested porphyry identified at Cactus Canyon.

The Company's Frisco Project comprises of early to advanced stage exploration projects, with historical mining and exploration activity having identified mineralisation across four prospects, several of which have had significant drilling. The Company considers each of these prospects to have strong economic potential. Following the completion of the Offer and listing, the Company intends to move quickly into an aggressive exploration program consisting of drilling and geophysics across the Cactus, Accrington, Horn and Cactus Canyon projects.

4.2 Business Model

Alderan's business model is to:

(a) discover and develop economic mineral deposits with a focus on data driven, systematic exploration, the use of modern technology and maximising expenditure on direct exploration;

(b) assess and secure additional mineral projects, only if they are demonstrably value accretive in order to avoid unnecessary dilution; and

(c) maintain a strong focus on the health and safety of our employees and contractors, building strong community relationships and working to best practice environmental standards.

4.3 Commercial arrangements

Please refer to Section 9 for further information about the material agreements relating to the Frisco Project.

4.4 Project Location, Infrastructure and Business Environment

The Frisco Project is located in Beaver County, Utah, USA and is situated approximately 22.5 km to the west of the town of Milford. The project is well serviced by sealed roads and is in close vicinity to rail loading facilities at Milford, high voltage power lines and existing mining facilities (CS Mining LLC).

The project encompasses, the Horn Silver Mine, which is a historic producer of high grade silver-lead ore, operating from the 1800's to the mid 1900's and the Cactus Mine, a historic producer of copper-silver-gold. The Horn Silver Mine at one stage supported the Frisco townsite, which hosted in excess of 4,000 people. Numerous other smaller mines are scattered across the Frisco project. No mining activities have occurred since the 1960's[1].

Utah has been ranked number 10, among 109 countries across the globe for its geological and mineral policy attractiveness[2] and continues to support a strong mining industry highlighted by Rio Tinto's Bingham Canyon copper mine, which is one of the largest open pit mines in the world.

4.5 Project information and exploration budget

The Frisco Project comprises of three distinct prospects which, in the Company's opinion, all relate to an underlying mineralised porphyry intrusion, and a fourth prospect, across the 24.77km^2 of claims held by the Company. The Company's prospects lie mostly on private land.

The Company has, over the course of the preceding 18 months, secured the mineral rights across 231 patented and 178 unpatented claims, which are governed by two lease agreements with the private landholder, Horn Silver Mines Inc. The Company's prospects lie mostly on private land.

(a) Exploration Model

Historical exploration across the Frisco project has targeted each of the specific styles of mineralisation present – skarn, intrusive breccia, porphyry and carbonate replacement, with exploration often limited to specific areas within the Frisco area due to title constraints.

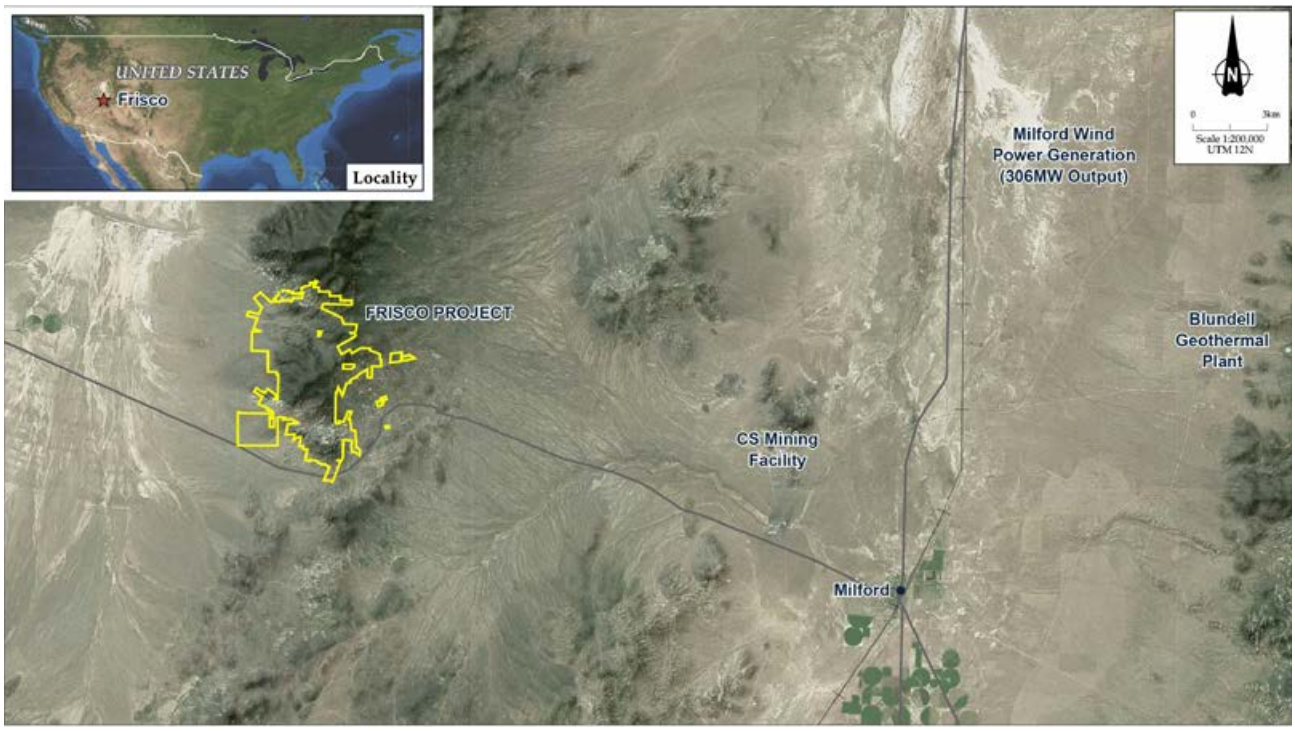


Figure 1 Frisco project claim and lease map

1 William Wray, Mines and Geology of the San Francisco District, Beaver County, Utah (2003)

2 Fraser Institute, 'Fraser Institute Survey of Mining Companies, 2015'. The Fraser Institute has not provided their consent for the statement to be included in the Prospectus.

3 Greg Corbett, 'Epithermal and Porphyry Gold – Geological Models' FOR: PACRIM 2004 Congress, 22 September 2004. Mr Corbett has not provided his consent for the statement to be included in the Prospectus.

4 For further details, please refer to section 7.2 of the Independent Geologist's Report.

Following comprehensive data mining, digitisation and modelling of historical data, field mapping, sampling and a high definition magnetic and radiometric survey, the Company now believes that the Frisco Project represents a single mineralised porphyry system. This is supported by mapping and re-logging of historic drill core which confirmed the presence of mineralised porphyry intrusions within the Cactus Canyon prospect. Further, the Company is confident that mineralisation at the historic Horn Silver Mine (zinc-lead-silver), Accrington skarn (copper-zinc-silver-lead-gold) and the historic Cactus Mine (copper-gold-silver), are genetically related to and contemporaneous with the mineralise porphyry intrusions.

Modern knowledge of such mineralised porphyries, which account for the vast majority of the worlds copper and molybdenum production, has advanced significantly in the last few decades leading to new insights into the geological and mineral signatures of such systems[3]. As such, it is understandable that historic explorers, particularly in light of their often fragmented title over the project, were not able to conduct systematic exploration across the project, or draw the links between the various deposit styles.

(b) Cactus (Copper-Gold-Silver)

The Cactus prospect is an intrusive breccia pipe that includes the historic Cactus copper-gold-silver mine. Intermittent mining from 1870 to 1957 produced 76,007 tonnes of copper, 301,200 ounces of silver and 13,540 ounces of gold from 1,272,327 short tonnes of ore[4]. Selected drilling results, from drilling programs conducted since the 1950's are provided in section 7.4 of the Independent Geologist's Report.

Features of the Cactus prospect include:

- numerous outcropping copper-gold-silver mineralised breccias, including the Cactus, Comet, New Year and Purity breccias, across a structural corridor up to 1000m in length and up to 400m wide;
- significant historical production from the central Cactus breccia, with subsequent drilling indicating wide zones of copper mineralisation remaining within the mined area;
- identical mineralogy at the Cactus, New Year and Comet breccias suggesting they were formed in one continuous connected system;
- distinct magnetic low signatures associated directly with the mapped breccias, with 3D inversion modelling showing the magnetic low bodies extending to depth and coalescing into a broader, contiguous magnetic low body;
- indications of a widening mineralised body at depth from historic mining data (level maps) and drilling, which shows the mineralised copper-gold-silver breccia increasing in width to depth; and
- the intersection of copper-molybenum mineralisation within a porphyry intrusive in a deep hole (DDH 520-1), located adjacent to the New Years breccia and within the 1000m long Cactus corridor indicating potential for porphyry copper-molybdenum mineralisation at depth.

The Company believes that mineralised copper bearing breccias across the Cactus corridor are likely to extend to depth and coalesce into a larger body of mineralised breccia or may lie above a mineralised porphyry intrusion. Exploration at Cactus will focus on:

(i) drill testing extensions of known mineralisation to depth and along strike; and

(ii) drilling within existing defined mineralisation to determine gold grades within the Cactus breccia.

An induced polarisation survey will also be conducted.

(c) Accrington (Copper-Zinc-Silver-Gold)

The Accrington prospect hosts numerous small scale historical workings and occurrences across an area of approximately 1.8km by 1.2km. Historical mining focused on high grade zinc-lead-silver-copper-gold veins and copper-zinc skarn.

Features of the Accrington prospect include:

- skarn alteration and mineralisation across an area of approximately 4km long by up to 2km wide, with widespread outcropping mineralisation and historical small workings within the central 1.8km by 1.2km Accrington prospect;
- wide areas of high-temperature garnet-pyroxene and magnetite skarn at Accrington associated with copper-zinc mineralisation and strong magnetic high anomalies;
- historical drilling which intersected copper-zinc mineralisation (see section 7.4.2 of the Independent Geologist's Report); and

- wide areas of retrograde, lower temperature zinc anomalism and mineralisation in the western areas of Accrington (Washington claims) which are interpreted to represent the distal expression to higher grade copper-zinc mineralisation at depth; and
- the presence of intrusive porphyry and aplitic dykes, which are common over Accrington, some mineralised with copper-gold and related to either the Cactus Canyon prospect or another possible mineralised porphyry intrusion.

The Company believes that the widespread mineralisation at surface, including wide intercepts of copper-zinc mineralisation in historic drilling, outcrops of further untested copper-zinc skarn and the scale of the Accrington skarn (1.8km by 1.2km), present strong evidence of the potential for the discovery of a large tonnage deposit at the prospect.

Exploration will focus on drill testing several areas of the Acccrington skarn including outcrops of copper-magnetite skarn and zinc anomalous areas in the Washington claim area.

(d) Horn (Zinc-Lead-Silver)

The Horn prospect centres on the historic Horn Silver Mine where production amounted to 18,159,901 ounces of silver and 178,321 tonnes of lead from 934,724 tonnes of crude ore across several decades of production until the 1960's[5]. Miners focused on lead-silver production, despite the ore-body hosting zinc rich ore.

Subsequent drilling has intersected areas of high grade zinc within and below the mine, with underground channel sampling by several explorers also delineating further areas of high grade zinc. Work to date has not been sufficient to establish any resource. Selected drilling results are shown in section 7.4.3 of the Independent Geologist's Report.

The Company believes that the Horn prospect has potential for a medium sized resource of high grade zinc, which based on historical work, seems to be a mixture of oxide and sulphides. Work conducted by the Company to date, has focussed on digitising historical drilling, level maps and sampling records and on modelling mineralisation and historical workings. Initial work will focus on defining resources and investigating the possibility of accessing historical workings to enable future sampling for metallurgical testwork.

(e) Cactus Canyon (Copper-Molybdenum-Gold)

The Cactus Canyon prospect is a large scale copper-molybdenum-gold porphyry exploration target. Key features of the prospect include:

- confirmation of mineralised copper-molybdenum porphyry intrusions at Cactus Canyon in several historic drill holes (DDH 520-1 and DDH520-4) which intersected mineralisation 1.2km apart with hole 520-4 intersecting weak mineralisation in the final 50m to end of hole at 267m;
- 3D magnetic inversion modelling which reveals large areas of demagnetisation, correlating with mineralised porphyry intrusions found in historical drilling. The Company believes this represents a large hydrothermal alteration zone associated with the mineralised porphyry;
- at least 4 individual porphyry intrusions identified to date; and
- outcropping, albeit weak mineralisation, and high level porphyry alteration within Cactus Canyon indicating porphyry copper-molybdenum-gold potential to depth.

The Company believes that further evidence of the existence of a large, mineralised porphyry intrusive is to be found across the Frisco Project including:

- the presence of numerous styles of distal mineralisation normally associated with porphyry intrusions including the Cactus breccia pipe, Accrington skarn and distal gold anomalism;
- regional scale intrusion related alteration typical of porphyry intrusives;
- mapping of numerous intrusive dikes, several mineralised with copper-gold, which are oriented in the direction of Cactus Canyon, likely representing radial dikes; and
- large scale geochemical zonation across the entire Frisco Project with distal gold anomalism, trending to more proximal zinc-lead and central copper dominant anomalism – a key signature of many porphyry deposits[6].

Exploration at Cactus Canyon will comprise of an initial 3D induced polarisation survey and further mapping followed by drill testing.

Further details in respect of the Frisco Project are set out in Independent Geologist's Report in Section 7 of this Prospectus.

5 For further details, please refer to section 7.2 of the Independent Geologist's Report.

6 Richard H. Sillitoe, 'Porphyry Copper Systems', (2010). Mr Sillitoe has not provided his consent for the statement to be included in the Prospectus.

4.6 Work program and objectives

Despite the confirmation of an underlying mineralised porphyry within the Frisco Project at Cactus Canyon, a key question for the Company will be to determine where, within the overall system, the most prospective economic orebody may lie. Other ore deposits such as Los Bronces (Anglo American), and Antamina (BHP Billiton), demonstrate that economic mineralisation is not always deposited in the underlying porphyry, but can be found within the more distal breccias (Los Bronces) and skarn (Antamina).

Given the widespread mineralisation intersected in historical drilling and mining at Cactus (breccia pipe) and Accrington (skarn) and the indications from magnetic modelling demonstrating that mineralisation at these two prospects likely continues and increases in breadth at depth, the Company expects its initial focus to be on these prospects. Exploration at Cactus Canyon will comprise of an initial 3D induced polarisation survey and further mapping followed by drill testing. However it is also expected that exploration on the Cactus and Accrington prospects, will further understanding of and provide vectors to the underlying porphyry target.

An exploration budget is provided in section 8 of the Independent Geologist's Report and the extent to which the funds raised under the Offer will be used towards funding this exploration budget is provided in Section 3.7. Depending on the amount raised under the Offer, and following completion of the Offer, the proposed work program will include:

- drilling of over 10,000 metres at the Cactus, Accrington, Horn and Cactus Canyon prospects; and
- the completion of an induced polarisation survey across the Accrington, Cactus and Cactus Canyon prospects

It is hoped that the work program will enable the Company to establish initial resources across one or more prospects and/or uncover new mineral discoveries.

The Company believes that the region, which hosts abundant historic workings, remains significantly underexplored, particularly in light of modern technological advancements in mineral exploration and the increased understanding of porphyry mineral systems. As such the Company will also assess other opportunities to add value for shareholders through acquisition by staking or entering into agreements over other prospects in the area.

4.7 Dividend policy

It is anticipated that significant expenditure will be incurred in the evaluation and development of the Company's proposed business model and objectives described in Section 3.7 above. These activities are expected to dominate at least the 2 year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

5. DIRECTORS AND KEY PERSONNEL

The Company will be managed by the Board of Directors. The Board presently comprises 4 Directors. Biographies of the Directors and the Company Secretary are outlined below:

5.1 Nicolaus Heinen, Non-executive Chairman

Mr Heinen is the Founder and Managing Partner of Belgrave Capital Ltd, a London based investment management firm. He has been actively involved in the natural resources sector since 2004.

Mr Heinen joined private bank Sal. Oppenheim jr. & Cie. in 1992 as a founding member of its Corporate Finance team. From 1996-98 he co-managed the bank's UK institutional equity brokerage arm. From 1999-2004 he was Managing Partner of Rhein Trust, an investment company specialised in venture capital, pre-IPO investments and real estate.

In 2004 he founded Mongold Mining Inc., a gold exploration and mining company which developed one of Mongolia's largest conglomerate gold deposits. As its CEO, he oversaw the acquisition of the assets, exploration, capital raising and development towards mine production. In 2005 he founded Universal Copper International Inc., which discovered. explored and developed one of Mongolia's largest VMS-style copper deposits ("White Hill"). He served as the company's CEO until its acquisition by Kerry Mining Group, Singapore in mid- 2008. During his tenure, he was responsible for building up the company from a greenfield project into project advanced exploration/development project. His responsibilities included the creation and implementation of operational and financial structures, substantial capital raisings as well as financial/operational controlling. He structured and managed the sale of the Company.

Other investments have included private equity transactions in various engineering companies as well as real estate.

Mr Heinen holds a BSc (Hon.) in Economics from the London School of Economics (LSE) and an MA in War Studies from King's College, London.

5.2 Christopher Robert Wanless, Executive Director and CEO

Mr Wanless has been involved in the resources sector for over 10 years in various management roles and as an investor, Director and entrepreneur. Mr Wanless was previously a founding Director and initial Managing Director of General Mining Corporation Ltd and oversaw its establishment, secured its projects and managed the IPO and listing on the ASX, whereafter he became a non-executive Director.

Mr Wanless founded Alderan in 2013 and has identified and secured the Company's projects and managed all aspects of the business and Company. Mr Wanless previously worked for infrastructure consulting firm The Peron Group (acquired by Coffey International) as a consultant.

He is a director of Quaalup Investments Pty Ltd, a private resource and technology investment company and currently resides in Germany. Mr Wanless has a Degree in Law and a Bachelor's degree in Economics both from Monash University, Melbourne.

5.3 Donald Smith, Non-executive Director (proposed to be an Executive Director upon listing)

Mr Smith is a geologist and entrepreneur with over 20 years in the mining industry. He has worked in operational, project development, exploration and consultant roles for junior through to multinational resource firms in projects spanning 10 countries and numerous commodities including: base metals, precious metals and energy minerals. Mr Smith was previously a founding director of Platypus Resources and BK Gold Mines in which he was involved in the companies' formation, project acquisition, development and corporate affairs from capital raising, incorporation and management. He is currently involved with several start-ups including as a director of GoldCat Resources Ltd.

Mr Smith has a Bachelor of Science from Newcastle University and a Master of Business Administration from the Australian Institute of Business. Don is also a member of the AusIMM and a member of the Australian Institute of Geoscientists (AIG).

5.4 Ernest Thomas Eadie, Non-executive Director

Mr Eadie is a well-credentialed mineral industry leader and explorer with broad experience in both the big end and small end of town. He was the founding Chairman of Syrah Resources, Copper Strike and Discovery Nickel as well as a founding Director of Royalco Resources. At Syrah, he was at the helm during acquisition, discovery and early feasibility work of the huge Balama graphite deposit in Mozambique which is due to start production in mid-2017. Copper Strike, where he was also Managing Director for 10 years, made several significant copper/gold and lead/zinc/silver discoveries in North Queensland, while Discovery Nickel (later to be renamed Discovery Metals), found and developed the Boseto copper deposit in Botswana. Prior to this, Mr Eadie was Executive General Manager of Exploration and Technology at Pasminco Limited, at the time the largest zinc producer in the world. This came after technical and later management responsibilities at Cominco and Aberfoyle in the 1980s.

Mr Eadie has a Bachelor of Science (Hons) in Geology and Geophysics from the University of British Columbia, a Master of Science in Physics (Geophysics) from the University of Toronto and a Graduate Diploma in Applied Finance and Investment from the Security Institute of Australia. He is a Fellow (and past board member) of the AusIMM and a Member of the Financial Services Institute of Australasia (FINSIA).

5.5 Brett Tucker, Company Secretary

Mr Tucker has acted as Company Secretary to a number of ASX listed and private companies and has been involved in numerous public corporate acquisitions and transactions. Mr Tucker is a Chartered Accountant with a strong corporate and compliance background gained from experience in an international accounting practice, working in both audit and taxation across a wide range of industries.

5.6 Peter Geerdts, Chief Geologist

Mr Geerdts is a founder of Alderan and was a Director until January 2017. A geologist with extensive global exploration experience ranging from greenfields and brownfields exploration to feasibility stage covering a wide range of geological environments and commodities. He has actively worked on a variety of projects including Porphyry Copper-Gold, Orogenic Gold, Gold-Copper Skarn, Epithermal Gold, Sediment-hosted Copper, Tin-Tungsten Greisens, mafic hosted Ni-sulphide, Potash and Graphite throughout Mongolia, Australia, Burkina Faso, Mali, Botswana, Cote d'Ivoire, Indonesia, Germany, New Zealand and the United States of America.

Mr Geerdts' focus is Structural Geology and its integrated application in exploration using a holistic and technically focused approach. His skills and experience include target generation in greenfield and brownfield environments, project generation, review and evaluation, structural, geochemical and geophysical analysis and interpretation of exploration results as well as the fractural targeting from regional to prospect scale, technical project evaluation, remote sensing analysis, basin analysis and reconstruction and technical geological mapping (surface and underground).

Mr Geerdts studied Geology and Mineralogy at the Universities of Goettingen (Bsc), Berkeley (USA) and Freiburg (Msc) and has been an active member of a German mining research group since 1989. He is also a member of the Australian Institute of Geoscientists (AIG), the Society of Economic Geologists (SEG).

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in our Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

The key Company specific risks set out below are also summarised in Section 2.3 of this Prospectus.

(a) Offer risk

If ASX does not admit the Shares to Official Quotation before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not allot or issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

(b) Liquidity risk

As set out in Section 3.11, certain securities are likely to be classified as restricted securities. To the extent that Shares are classified as restricted securities, the liquidity of the market for Shares may be adversely affected.

In addition, there is no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few buyers or sellers of Shares on the ASX at any particular time, which will adversely affect the liquidity of Shares on ASX.

(c) Limited exploration

Although there have been various phases of exploration across the Tenements that comprise the Frisco Project, the prospects on which the Company are focussing are in the early stages of exploration and do not contain any resources that are consistent with the current JORC guidelines. Further exploration and evaluation of data is required to determine whether any historical mineralisation estimates within the Tenements may be upgraded to be consistent with the current JORC guidelines. There can be no guarantee that the Company will be able to establish a resource or reserve in accordance with the JORC code.

(d) Exploration and evaluation risks

The mineral Tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these Tenements, or any other Tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the case reserves of the Company and possible relinquishment of the tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(e) Ability to exploit successful discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploration would involve obtaining the necessary licences or clearances from the relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploration may require participation of other companies whose interests and objectives may not be the same as the Company's.

(f) Development risks and costs

Possible future development of mining operations at any of the Company's projects is dependent on a number of factors and avoiding various risks including, but not limited to, failure to acquire and/or delineate economically recoverable ore bodies, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, unseasonal weather patterns, excessive seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from third parties providing essential services.

In addition, the construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.

(g) Operating risks

The Company may be subject to the risks involved in the establishment of a new mining operation if the Company decides to develop its mineral assets. There is no assurance that can be given to the level of viability that the Company's operations may achieve. Lower than expected productivity and technical difficulties and late delivery of materials and equipment could have an adverse impact on any future construction and commissioning schedules. No assurance can be given that the intended production schedules will be met or that the estimated operating cash costs and development costs will be accurate.

Further, the operations of the Company, if production commences, may have to be shut down or may otherwise be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, labour disputes, weather conditions, fire, explosions and other accidents at the mine, processing plant or related facilities beyond the control of the Company. The occurrence of any of the risks and hazards could also result in damage to, or destruction of, amongst other things, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently maintains insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all, or that any coverage it obtains will be adequate and available to cover any such claims).

(h) Environmental risk

The Company is subject to Federal, State, and local laws and regulations to minimise the environmental impact of any operations, penalize unpermitted environmental degradation, and require remediation of areas affected by current or former mineral exploration or extraction activities. Compliance with these laws can be costly, and the laws are subject to change, which could further adversely affect the Company. No assurance can be given that current or future requirements under environmental laws will not result in the cessation of exploration or production activities, the curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Alderan's financial condition, results of operations or prospects. Penalties for failure to adhere to the laws or in the event of environmental damage the penalties and remediation costs can be substantive. Additionally, liability could be imposed on the Company for damages, clean-up costs, and/or penalties in the event of unpermitted discharges into the environment, environmental damage caused by the Company or by previous owners of the Tenements, or other noncompliance with environmental laws.

The Company may require approval from relevant authorities before it can undertake activities that may impact the environment. Failure to obtain such approvals may prevent the Company from achieving its business objectives. The Company intends to conduct itself, and manage any joint venturers so that their activities are carried out in an environmentally responsible manner and in accordance with all applicable laws. Despite this, the Company may still be subject to accidents or other unforeseen events which may compromise its environmental performance and create adverse financial implications.

(i) Resource estimations

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(j) Title risks

Mineral rights in the USA may be owned by private parties, local government, state government, federal government, or indigenous groups. The acquisition of privately owned mineral rights typically involves a preliminary review of the public records in the counties in which the relevant lands lie in order to determine the ownership of the mineral rights. Thereafter mineral leases are negotiated with the owners of those rights. Verifying the chain of title for USA mineral rights, particularly where private ownership of most of the Tenements has persisted for more than a century, can be complex and may require that remedial steps be taken to correct any defect in title. Furthermore, securing exploration and extraction rights of federally-owned mineral rights requires strict adherence to claim staking and maintenance requirements. The Company has taken reasonable steps to verify the title to the Tenements in which it has, or has a right to acquire, an interest. Although these steps are in line with market practice for exploration projects such as the Frisco Project, they do not guarantee title to the Tenements nor guarantee that the Tenements are free of any third party rights or claims. Existence of latent ownership claims to the Tenements or third party rights such as royalty or net profits interests could adversly affect the Company's operations and the profitibility of future extraction activities. Further information is set out in the Title Report in Section 9 of this Prospectus.

(k) Licences and permits

The Company's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits, mining claims, and regulatory consents which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, may depend on the Company being successful in obtaining the required regulatory approvals for its proposed activities

and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(l) Government regulation

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the exploration and development activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

(m) Government adverse legislation

Alderan has no control over the actions of State or Federal governments and the legislation they pass. Legislation may be passed that has an adverse effect on the ability of the Company to operate in all or part of its business or on the ability of the Company to continue to own its tenements or other assets, including legislation that may result in tenements being revoked and the Company being unable to recover the value of the tenements, including the expected profits from the exploitation of the tenements, or the costs expended by the Company in exploring and mining those tenements.

(n) Reliance on key personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(o) Joint venture parties, agents and contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(p) Contractual risk

The Company is a party to various contracts, including but not limited to those summarised in Section 11. Whilst the Company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provision, the Company will be successful in enforcing compliance. There are also counterparty bankruptcy, creditor, termination and operational risks.

(q) Unpatented Mining Claims

A portion of the Tenements are comprised of unpatented mining claims, which provide for access to and extraction of mineral rights owned by the USA and administered by the Bureau of Land Management. Rights under unpatented mining claims are restricted to the extraction and development of a mineral deposit, and no land ownership is conveyed. The rights granted by such mining claims are valid against a challenge by the USA or another claimant only after the discovery of a valuable mineral deposit within the claim. While Company will use its reasonable efforts to secure discoveries on each claim, there can be no guarantee that the Company will discover a valuable mineral deposit that can defeat a challenge to the unpatented mining claims by the USA or another claimant.

(r) Overlapping Tenements or Joint Ownership

Some of the Company's Tenements are subject to overlapping interests held by third parties. Additionally, certain Tenements are owned in common with third parties. Accordingly, it may be necessary for the Company to negotiate suitable agreements covering overlapping interests or third party ownership. No guarantee can be given that such agreements can be reached on terms suitable to the Company.

(s) Future capital requirements

The Company's activities will require substantial expenditure. There can be no guarantees that the funds raised through the Placement will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund development after the substantial exhaustion of the net proceeds of the Placement there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(t) Potential acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

(u) Insurance and uninsured risks

The Company, where economically feasible, may insure its operations in accordance with industry practice. However, even if insurance is taken out, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and, where available, the costs can be prohibitive.

(v) Fluctuations in base and precious metal prices

The price of base and precious metals and other minerals fluctuates widely and is affected by numerous factors beyond the control of the Company such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market value of base and precious metals could cause the continued development of, and eventually the commercial production from, the Company's projects and the Company's other properties to be rendered uneconomic. Depending on the price of base and precious metals the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of base and precious metals is produced, a profitable market will exist for it.

In addition to adversely affecting the reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required

under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(w) Exchange rate risks

The Company operates in multiple currencies and exchanges rates are constantly fluctuating. International prices of various commodities well as the exploration expenditure of the Company are denominated in United States dollars, whereas the Company will rely principally on funds raised and accounted for in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(x) Inherent mining risks

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including: environmental hazards; industrial accidents; metallurgical and other processing problems; unusual or unexpected rock formations; structure cave-in or slides; flooding; fires and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Whether income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development.

6.3 General risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest rates, inflation and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Management of risk

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Offer. The capacity of the new management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(c) Competition risk

The industry in which the Company will be involved is subject to global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(d) Market risk

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) interest rates and inflation rates;

(iii) currency fluctuations;

(iv) commodity price fluctuations;

(v) changes in investor sentiment toward particular market sectors;

(vi) the demand for, and supply of, capital; and

(vii) terrorism and other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(e) Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

INDEPENDENT REPORTS

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30 March 2017

The Directors
Alderan Resources Limited
16 Ord Street
West Perth
WA 6005

INDEPENDENT GEOLOGIST'S REPORT
ALDERAN RESOURCES LIMITED – FRISCO PROJECT,
SOUTHERN UTAH USA
Prepared by
GOLDNER AND ASSOCIATES

Dear Sirs,

Please find attached the Goldner and Associates' ("GA") Independent Geologist's Report ("IGR") on the Frisco exploration project of Alderan Resources Limited ("Alderan" or "the Company") in southern Utah in the United States of America ("USA").

GA's report comprises an Introduction, Executive Summary and Risk Summary, followed by a more detailed review of Frisco Project. This includes a description of the geology and mineralisation, exploration history and results of prior exploration as well as the results of exploration to date by Alderan. Alderan's planned exploration programs and budgets are also reviewed.

The IGR is primarily based on information provided by Alderan: GA's assessment of the various prospects is based on technical reviews of project data and a site visit to the project area in November 2016. Discussions were held with Alderan's technical and managerial staff concerning the Company's exploration concepts, interpretations of historical exploration results, proposed programs and budgets, and overall business strategy.

This GA report has been prepared solely for inclusion in the Alderan's prospectus dated on or about 5 April 2017 and should not be used or relied upon for any other purpose. Alderan plans to raise A$8.5 million by the issue of 42,500,000 fully paid ordinary shares at an offer price of A$0.20 per share (with a minimum subscription of A$6.5 million). Neither the whole nor any part of this report nor any reference thereto may be included in or with or attached to any document or used for any other purpose, without GA's written consent to the form and context in which it appears.

GA specialises in technical due diligence and review work on exploration and mining projects. GA has been involved in numerous such studies and has prepared many IGRs for inclusion in prospectuses.

We trust that the report adequately and appropriately describes all relevant geological aspects of the Frisco project and addresses issues of significance.

Yours faithfully,
GOLDNER & ASSOCIATES

Peter T Goldner
Managing Director and Principal Consultant

INDEPENDENT GEOLOGIST'S REPORT
ALDERAN RESOURCES LIMITED

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1.0 INTRODUCTION

Alderan Resources Limited's ACN 55 165 079 201 ("Alderan" or "the Company"), through its wholly owned subsidiary Volantis Resources Corp ("Volantis"), sole project is the Frisco Project in southern Utah USA. The project tenure consists of a combination of patented mineral claims held by USA company, Horn Silver Mines Inc ("HSM"), with which Alderan has negotiated two lease and option agreements, as well as unpatented claims taken out by Volantis. There are a number of small internal areas on which modifications to the arrangements with HSM, still provide Alderan with access for exploration. Details of the arrangements pertaining to the Frisco Project are provided in the Solicitor's Report on Mining Tenements included elsewhere in this prospectus.

The Frisco Project area contains historical mine workings and numerous exploration excavations from past exploration activities. Copper ("Cu"), lead ("Pb"), zinc ("Zn"), silver ("Ag") and gold ("Au") have been variously produced from the historical mines with the most, but not all, production being derived from the Horn Silver Mine (predominantly lead, silver and zinc) and the Cactus Mine (predominantly copper, silver, gold).

Over the years' numerous groups have undertaken exploration within portions of the current Frisco Project area and Alderan has successfully obtained copies of many of the historical exploration reports which have been made available to GA. Alderan is the first company to negotiate agreements and secure claims which together provide contiguous mineral rights to virtually the entire mineral system underlying the Frisco Project.

Alderan proposes to raise A$8.5 million (with a minimum raising of A$6.5 million) through an Initial Public Offering on the Australian Securities Exchange ("ASX"); these funds will be applied to the exploration of the Frisco Project area. Initially most work will be concentrated on historical mine areas which are considered to have the good potential for extensions to the known deposits at depth and along strike of the historical the mine workings.

GA has not conducted an in depth due diligence review of the status of the various tenements or such matters as environmental, native title or landowner issues that may affect Alderan's tenement interests. GA has however summarised the tenement details from information provided by Alderan and detailed information is available in the Solicitor's Report on Mining Tenements included elsewhere in this prospectus.

The exploration targets discussed in this report, in GA's opinion, are fairly represented by the information provided by Alderan which includes extensive supporting data generated by the historical explorers.

This GA report is primarily based on information provided by Alderan and its Chief Geologist Mr Peter Geerdts and Director Mr Don Smith both of whom are competent persons as defined by the JORC Code. Mr Peter Goldner, the author of this GA report, is also a competent person as defined by the JORC Code.

GA's assessment of the prospects, as well as the proposed exploration program and budget, is based on technical reviews of project data, a project site visits and discussions with Alderan's technical management and directors. Any forecasts and projections cannot be assured and factors both within and beyond the control of Alderan could cause the actual outcomes to be materially different from GA's assessments contained in this report.

2.0 EXECUTIVE SUMMARY

Alderan's Frisco Project is located within the San Francisco Mining District, Beaver County in southwestern Utah some 22.5km west of the small town of Milford. Milford lies some 335km (208 miles) south of Utah's capital Salt Lake City (Figure 1).

The project consists of a contiguous area of patented and unpatented mineral claims. The patented claims are held by HSM with whom Alderan has negotiated a lease and option arrangement and unpatented claims held by Alderan's wholly owned subsidiary Volantis. There is also a surrounding area of interest and the details of the terms of agreement between Alderan and HSM are detailed in the Solicitor's Report on Mining Tenements included elsewhere in this prospectus.

The arrangement with HSM, provides Alderan with access, mining and mineral rights to the Frisco Project tenements by payment of an annual royalty payment. Advanced annual royalties are paid on commencement of the agreements and Alderan also has the option to purchase HSM's interest. There are a number of small internal areas within the Frisco Project tenements in which third parties have an interest.

The Frisco Project is underlain by metamorphosed carbonate-dominant sequences (with some other interbedded sediments), intruded by monzonitic to granodioritic rocks belonging to the Cactus Stock which has a roughly east-west oriented contact with the carbonate-dominant formations to the south. The carbonate-dominant units have been altered by contact metamorphism and associated metasomatism, to skarn, hornfels and marble.

Younger extrusive volcanics (lavas etc.) occur in the eastern portion of the Frisco Project and, in the Horn Silver Mine area, are in obvious faulted contact with metamorphosed carbonates. Extensive alluvial cover is present west of the meta-carbonates and the granitoids.

The known mineralisation within the Frisco Project exhibits both a distinct metal zonation (from south to north) and four differing mineralisation styles have been recognised and used by Alderan to define initial prospects for follow-up investigation. These prospects are from north to south:

- ***The Cactus Prospect (or Cactus Breccia Pipes Prospect)***, in the northern portion of the project, consists of breccia pipes within the Cactus Stock, hosting copper $\pm$ gold $\pm$ silver mineralisation.
    - ***The Cactus Canyon Prospect***, which encompasses the Cactus Prospect, consist of potential porphyry-style copper $\pm$ molybdenum $\pm$ gold mineralisation hosted within the Cactus Stock intrusive units.
- ***The Accrington Prospect***, further south, consists of metamorphosed and metasomatically altered carbonate units (skarns and hornfelsed sediments) hosting zinc, silver, copper $\pm$ gold mineralisation.
- ***The Horn Silver Mine Prospect (or Horn Prospect)***, in the south of the project, centred on the historical Horn Silver Mine and consisting of limestone and breccia-hosted high grade lead, silver, zinc $\pm$ copper and gold mineralisation associated with the Horn Silver Fault Zone.

Base metal mineral deposits (lead, zinc, silver and copper) were first discovered in the district in 1870 and lead-silver production commenced at the Horn Silver, Rattler and Carbonate Mines in 1875. After 1900 copper became a sought-after commodity and the Cactus and other mines were developed but closed in about 1914 and by 1920 most mines had ceased operation.

The average recovered metal grades for the district being 8.02% Pb, 0.93% Zn, 0.87% Cu, 101oz/t Ag, 0.62g/t Au. Reported, but probably incomplete production was:

Ore:	2.29 million tonnes (2.53 million short tons)
Gold:	44,920 ozs
Silver:	19.642 million ozs
Copper:	20,022 tonnes (44.142 million pounds)
Lead:	183,925 tonnes (405.484 million pounds)
Zinc:	21,217 tonnes (46.776 million pounds)

Alderan's exploration strategy (already commenced) is to interpret and evaluate available data from historical exploration undertaken by a variety of previous explorers, combined with geophysics and field work (mapping, sampling, etc.) to validate its initial exploration focus within the Frisco Project. Specific near-term objectives and targets include:

- Detailed evaluation of the **Cactus Breccia Pipes Prospect,** including drill testing of the mineralised breccia pipes. Three of these pipes (Comet, Cactus and New Year) were the site previous historical mining. In GA's opinion, depending on future exploration success, this prospect contains targets for the development of deposits that could be amenable to open pit and/or underground extraction.

ALDERAN RESOURCES LIMITED ***Frisco Project***

Figure 1 **LOCATION**

GA-05/01-February 2017 GOLDNER & ASSOCIATES

- The Company intends to investigate the potential for porphyry copper (± gold ± molybdenum) deposits in the **Cactus Canyon** region of the project. There is visual evidence of disseminated sulphides (including pyrite, chalcopyrite and occasional molybdenite) within altered intrusive phases of the Cactus Stock in historical holes drilled by Amax Exploration Inc ("Amax"). However, although the alteration is typical of that found in porphyry copper systems, in GA's experience it is of weaker intensity than what would be expected in the immediate vicinity of significant mineralisation. As such Cactus Canyon represents a longer-term target than the other three prospects.
- Evaluation of the large **Accrington Prospect** skarn and hornfels sequence characterised by numerous historical exploration pits and some more substantial mine workings. The areas in and around the Washington and Imperial Mines are likely to represent priority targets for drill testing by Alderan. Outcrop sampling and a recent grid geochemical survey confirms that the skarn units contains anomalous base and precious metal values over a large area and, as such, represent a target for the development of a deposit that might be amenable to extraction by open pit mining.
- Detailed evaluation of the area around the historical **Horn Silver Mine** where there is potential to develop zinc-lead-silver resources by drill testing the area in and around the historical mine workings and by investigating the potential down dip/down plunge and along strike extensions. In GA's opinion, the remnant, high-grade zinc mineralisation within the current workings is also of potential interest but probably only in conjunction with additional depth and/or lateral extensions to the known deposit.

Alderan has developed a two-year program and budget to evaluate the Frisco Project area for the A$8.5 million capital raising as well as for the A$6.5 million minimum raising (Table 2.1). The Company plans to undertake a considerable amount of drill testing of the major targets within the Cactus Breccia Pipes and Accrington Prospect areas as these have the potential to develop near-term higher-grade polymetallic resources and additional details of the work planned is presented in Section 8.

TABLE 2.1

TWO-YEAR FRISCO PROJECT EXPLORATION BUDGET

Program and Budget		$8.5 Million Raising			
		Year 1	Year 2	TOTAL	Estimated Total Metres
		A$	A$	A$	
Horn Silver Drilling		200,000	100,000	300,000	3,000
Accrington Drilling		500,000	400,000	900,000	4,500
Cactus Breccia Pipes		750,000	360,000	1,110,000	5,550
Cactus Canyon Drilling		0	300,000	300,000	1,500
Additional Discretionary Targets		100,000	200,000	300,000	1,500
Geophysical Surveys, Petrology, etc.		605,000	150,000	755,000	
Geology, Geochemistry, Assaying etc.		832,000	782,000	1,614,000	
Field Logistics and Support		578,000	260,000	838,000	
Tenure Costs and Farm-in payments		135,000	303,000	438,000	
	TOTALS	**3,700,000**	**2,855,000**	**6,555,000**	**15,950**

Program and Budget		$6.5 Million Raising			
Horn Silver Drilling		250,000	0	250,000	2,500
Accrington Drilling		400,000	300,000	700,000	3,500
Cactus Breccia Pipes		600,000	400,000	1,000,000	5,000
Cactus Canyon Drilling		0	150,000	150,000	750
Geophysical Surveys, Petrology, etc.		425,000	70,000	495,000	
Geology, Geochemistry, Assaying etc.		644,000	594,000	1,238,000	
Field Logistics and Support		342,000	275,000	617,000	
Tenure Costs and Farm-in payments		134,900	303,200	438,100	
	TOTALS	**2,795,900**	**2,092,200**	**4,888,100**	**11,750**

3.0 RISK SUMMARY

3.1 Project Risks

When compared with many industrial and commercial operations, mining is a relatively high risk business and projects that are still in the exploration phase are even higher risk. Even once a discovery is made the nature of the mineralisation, the grade distribution within the deposit outlined, and the behaviour of the ore during mining and processing, is never completely predictable.

The difficulty in discovering economically viable mineral deposits is increasingly reliant on the combination of an in-depth understanding of factors controlling the development of mineral deposits within any specific geological environment, as well as the application of optimum exploration techniques applicable to the style of deposit being sought.

The Frisco Project has been subjected to considerable historical exploration by a variety of previous explorers as well as historical, relatively small-scale, mining and production at a number of locations within the project area. A number of base metal and silver-dominant deposits are present and some of these have been partially mined with the ore extracted and either processed on site or, in some cases, base metal concentrates were shipped off site.

At this stage none of the known base metal/silver $\pm$ gold occurrences have resource estimates in accordance with the JORC code. Drill intersections by a variety of previous explorers, available to Alderan, do indicate the presence of noteworthy mineralisation at a number of locations but will require substantial additional work before resources can be estimated.

Alderan is utilising the considerable prior exploration data they have been able to accumulate to guide its own exploration. This historical exploration data has been compiled into a new Frisco Project database and has been augmented by geological mapping and rock chip sampling by Alderan. The Company also commissioned an airborne geophysical survey over the Frisco project area.

The presence of mineralisation and/or anomalism within the Frisco Project is established and the general geological framework and styles of mineralisation present has been refined by Alderan thus allowing the optimum design of exploration and evaluation programs. This will require considerable additional exploration funding and is the objective of Alderan's planned capital rising by listing the Company on the ASX.

In reviewing the Frisco Project GA has considered areas of perceived technical or operational risk, particularly where the risk component could materially impact on the exploration programs or potential future developments. The assessment shown below is necessarily subjective and qualitative.

In Section 3.2 GA has considered factors which may ameliorate some of these risks.

Risk Component	Comments
Tenements and Land Access *Low Risk*	***Patented Mineral Claims*** Alderan's wholly owned subsidiary Volantis, has a leasehold and option interest in 231 patented mining claims held by HSM. Patented claims include ownership of the subsurface and consequently Alderan has no issues with respect to access for exploration or any potential future development activities. ***Unpatented Mineral Claims*** The 178 unpatented claims are held by Alderan's 100% subsidiary and consequently there are no access issues. Alderan do need to pay annual fees to keep these claims valid. There are a number of small internal areas within the Frisco Project in which other parties have an interest. This includes two areas in which a third party has the right to mine outcropping marble (Alderan still has the base and precious metal rights in these areas) and claims over the historical Imperial Mine in which a third party retains an interest.
Accuracy of Historical Exploration Data *Low to Medium Risk*	Alderan has accumulated historical data derived from work undertaken by a variety of previous explorers. This includes a considerable amount of drilling generally focused on, or in the vicinity of, some of the historical mine workings. Regional mapping, geochemical sampling and geophysical surveys, have also been completed by various prior explorers and acquired by Alderan. This data is extremely valuable in prioritising targets and guiding its future exploration. There is limited information available in the historical reports in respect to what, if any, quality assurance and quality control procedures were implemented, particularly in sampling and assaying. Accurate collar locations are only available for some of the holes drilled although in most cases a general location for the drilling can be determined. A few historical drill collars can be identified in the field. Down hole survey data of historical inclined holes is not available and was probably not undertaken. It is evident that the historical drilling results are useful in targeting future exploration however the limited accurate collar locations, the inadequate QA/QC procedures and the lack of down hole surveys precludes the use of these results for any future resource estimates undertaken by Alderan.
Resources *NA*	Although some previous groups have undertaken resource estimates, these are not to JORC standards and therefore cannot be reported by Alderan.
Infrastructure *Low Risk*	The Frisco Project is ideally located in respect to existing infrastructure; there is sealed road access to the project site, accommodation and supplies are readily available at the nearby town of Milford, a large wind farm is present near Milford. A commercial rail line links Milford to Salt Lake City and other major cities in the USA.
Environment *Low/Moderate Risk*	The presence of extensive previous mining activity and the resulting disturbance from that activity appears to have been accepted by the Utah State authorities. However almost all underground mine workings have been sealed off and any future access Alderan will require approval from the relevant authorities. The Unpatented Claims come under the supervision of the Federal Bureau of Land Management ("BLM") and Alderan may require additional approvals and its activities will be subject to additional oversite and monitoring by the BLM.

Water Availability *Low/Moderate*	There appears to be adequate water available in the nearby district for exploration, including drilling. If an economically viable deposit is delineated, it will be necessary to locate adequate water sources for processing.
Endangered Species *Low*	There are at least two endangered species (the Utah Prairie Dog and the Western Sage Grouse) recorded from the region around the Frisco Project. A habitat recovery area for each of these species extends to an area immediately north of the project area and consequently would only become a potential issue for Alderan if the project area was to be extended in the future.

3.2 Risk Mitigation Factors

There are a number of factors which combine to reduce some of the risks attached to Alderan's Frisco Project:

- The USA state of Utah has a long history of successful mineral exploration and mine development and is recognised as a 'mine-friendly' jurisdiction. The USA is a politically stable country with a long history of mineral exploration and mining and one of the world's major copper mines, Bingham Canyon, located near the Utah's capital Salt Lake City, has been operating successfully for decades.
- The Frisco Project area is well located with respect to infrastructure, such as towns, transport, sealed road access etc.
- The lessor of the patented claims, HSM, also holds the sub-surface rights and consequently there are no access issue for exploration.
- The overall regulatory requirements that will apply to exploration do not appear much different to what would be expected in Australia and Alderan should be able to meet the requirements.
- Alderan's technical personnel are experienced mineral industry professionals and have extensive experience in the exploration for the deposit styles most likely to be discovered.
- Alderan's proposed budget is adequate to meet the Company's financial obligations to HSM and to undertake the planned exploration.

4.0 ASSESSMENT METHODOLOGY AND GA REPORT CONVENTIONS

The appropriate professional standards for the preparation of independent expert reports are encompassed in the provisions of the JORC Code[1] and the VALMIN Code[2] of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"). As far as practical the both the VALMIN and JORC codes have been observed in the preparation of this report[3].

GA undertook a site visit to the Frisco Project area during November 2016. The project details and Alderan's plans with respect to ongoing exploration were discussed with Alderan's Chief Executive Officer, Mr Christopher Wanless, and with Messrs Peter Geerdts (Chief Geologist) and Don Smith (Director) and the principal technical personnel involved in exploration of the Frisco project. Mr Geerdts and Mr Smith accompanied GA on the Frisco Project site visit. GA also inspected core from previous drilling by Amax within the Cactus Breccia Pipes and Cactus Canyon Prospect areas.

Alderan has provided GA with assurances that all relevant and material information such as technical reports, maps and data concerning its own and available previous exploration activities have been provided to GA.

All prospects within the Frisco Project are at the exploration stage and no resources in accordance with the JORC code have been estimated. Unless otherwise indicated all drill hole intercepts in this report are reported as down-hole widths and depths rather than true widths.

As the Frisco Project is in the USA all historical information has been reported using Imperial measurements. Distances are expressed in miles ("mls"), length in feet ('ft"), mass in short tons ("tons") and base metal grades in percent. Precious metal grades are expressed as troy ounces ("ozs') per short ton. Metal production figures, depending on the metal are reported in terms of tons or pounds ("lbs") or in the case of silver and gold as ozs.

For the purposes of this report, intercepts, grades and contained metal, reported in historical reports by previous explorers, have been converted into the equivalent Metric units using the conversion factors detailed in the attached appendix with the original Imperial measurements shown in brackets. The only exception to this is when referring to levels in historical underground mine workings where the original Imperial level nomenclature has been retained - e.g. 100ft level (occasionally reported in historical reports as 100 level).

All financial figures quoted in this report refer to Australian Dollars ("A$").

The project descriptions and details of the prior exploration data, have been obtained from a variety of data sources, including technical reports by previous explorers, provided to GA by Alderan. A list of the principal references utilised by GA in the preparation of this report is included as Section 9.

A glossary of technical terms, abbreviations, units of measure and conversion factors is provided as an appendix to this report.

[1] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code 2012 Edition.
[2] *Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports – The VALMIN Code; 2015 Edition.*
[3] *For the purposes of the VALMIN Code, the present report is a Technical Report, which deals with the Technical Assessment of Mineral Assets and does not address matters such as a Valuation Report, Vendor Consideration, Opinion on Securities or the fairness and reasonableness of a transaction relating to a Mineral Asset.*

5.0 DATA QUALITY

5.1 Historical Exploration Data

The historical exploration over the current Frisco Project area has been undertaken by numerous groups and companies between the 1940s and mid 2000s. Inspection of the available reports covering the historical exploration provides no information as to whether any quality control and quality assurance ("QA/QC") procedures were followed. In addition, there is limited or no information in respect to such items as; sample type, sample size, where or how the samples were prepared for analysis, what analytical methods were utilised to determine the various elements, what if any standards, replicates and blanks were inserted into the sample batches, etc. In respect to drill holes, the locations have often been marked onto topographical contour maps, probably by hand (as opposed to being accurately surveyed), and it does not appear that any of the inclined holes were down-hole surveyed.

The only exception to this is the four-hole drilling program undertaken at the Horn Silver Mine Prospect by Franconia Minerals Corporation ("Franconia") in 2002. A consultant's report prepared by Caracle Creek International Consulting in April 2004, in the form of a NI43-101 report (the Canadian equivalent of an Australian JORC report), indicates that Franconia sampling and assaying regime included some check analyses of samples to check the original assay results. Franconia did not undertake down-hole surveying.

In the preparation of this report GA has not undertaken a detailed audit of the geological database now held by Alderan for completeness or accuracy. In GA's opinion, the historical exploration information accumulated by Alderan is a very useful asset to guide and prioritise the company's future exploration. Because of the lack of down hole surveys, the historical drill hole data will almost certainly not be suitable for inclusion into a data base for future estimation of resources to JORC standards.

In the case of the Horn Silver Mine and the Cactus Mine, some of the more recent explorers were able to access the underground workings and complete detailed composite chip sampling of various drives. In the event that Alderan can also access the underground workings and accurately locate the prior sampling positions, this information may prove useful in any future resource estimates, provided Alderan can satisfy its self that adequate sample QA/QC had been undertaken.

GA Comment

An omission in the Franconia QA/QC procedures was that no blanks or standard reference samples were inserted into the sample stream. This would be a normal and expected procedure for this type of program. More significantly no down hole surveying was completed and consequently the actual track of the drill holes remains uncertain. These drill holes therefore would not be suitable for inclusion in a database for any future resource estimation.

5.2 Alderan Exploration Data

Alderan has commenced regional exploration within the Frisco Project with its pre-IPO work consisting of a project scale airborne magnetic and radiometric survey, 3D modelling of magnetic data, mapping (including lithological, structural and alteration mapping), core-logging, a geochemical survey and grab rock chip sampling. In addition, Alderan has digitised and incorporated the large amount of acquired historical data into a digital database and utilised this information in developing geological and mineralisation models.

The samples collected by Alderan have been analysed at ALS Minerals Laboratory ("ALS") in Reno Nevada using the appropriate assaying methods analysing for 49 elements, including copper, lead, zinc, silver, gold, and the analytical methods utilised are summarised in Table 5.1 below. Alderan did not insert any duplicates, commercial standards or blanks into the samples sent to ALS however ALS routinely inserted its own standards and blanks into the sample stream to check accuracy.

In the case of the Accrington Prospect, the grid rock chip sampling program completed in November/December 2016 by Alderan did include the insertion of sample duplicates on a 1 in 20 basis as an additional quality control procedure and again ALS undertook its own QA/QC as described above.

Going forward, Alderan has supplied GA with its intended minimum standard QA/QC procedures to be routinely undertaken and these are summarised in Table 5.1 below.

Alderan is aware that, once listed on the ASX, for all public disclosures of exploration results (as well as for any future resource estimates), it will be mandatory for the company to meet the requirements of the 2012 JORC Code. This require the completion of what is known as 'Table 1' which includes extensive details of the QA/QC procedures undertaken.

TABLE 5.1

SUMMARY OF THE MINIMUM QA/QC PROCEDURES TO BE IMPLEMENTED BY ALDERAN

Parameter	Procedure	Comment
Drill Hole Surveying	• Collar locations surveyed by Differential GPS • Down-hole surveys at 10m intervals by Reflex Camera	• Non-magnetic susceptibility down hole surveys will also be undertaken as a check.
Geological logging	• Lithology, mineralisation, alteration, structural orientation and RQD.	• Magnetic susceptibility will also be measured.
Drill Hole Sampling	• Half core by diamond saw and sampled in 1m intervals or on relevant geological contacts.	• In most cases the sampling will be focused on mineralised intervals.
Core Recovery	• Estimated for whole of core based on drillers mark-up	
Analysis	• ALS in Reno Nevada using Method ME-MS61 consisting of a 4-acid digestion and ICP-MS analysis for a suite of 48 elements. • Gold by method AU-AA24 using a 50gm sample fire assay and AAS finish. • High grade samples re-assayed ICP-AES (method OG62).	• Duplicates blanks and commercial standards will be inserted in randomised intervals on at least a 1 in 20 basis. • All samples will have 'chain of custody' procedures and documentation as per the Canadian 43/101 code.
Bulk Density	• All core sampled for analysis will have density measurements taken for the same sample interval.	
Geometallurgy	• A percentage of mineralised and unmineralised samples will be subjected to metallurgical testwork.	

Notes: ICP-AES – inductively coupled plasma atomic emission spectroscopy; ICP-MS – inductively coupled plasma mass spectrometry; AAS – atomic absorption spectrometry

GA Comment

In GA's opinion Alderan's limited QA/QC undertaken for the initial Accrington grid chip sampling program is adequate at this early stage of exploration.

Alderan's far more detailed and rigid minimum QA/QC procedures intended for on-going exploration are appropriate.

6.0 ALDERAN'S CORPORATE STRUCTURE, BUSINESS, EXPLORATION STRATEGY AND AGREEMENTS

6.1 Corporate Structure

The agreements covering the Frisco Project are between Volantis, a wholly owned subsidiary of Alderan, and HSM. HSM are the owners of the Patented Claims and Volantis are the owners of the Unpatented Claims, both of which constitute the Frisco Project.

Alderan Terminologies for Various Sections of the Frisco Project

For descriptive and reference purposes Alderan has subdivided the Frisco Project into four broad prospect areas, as shown on Figure 2, based on the interpreted geology and styles of mineralisation; these prospect names are also adopted in this GA report.

These prospect areas are, in general terms, from north to south are as follows:

- The Cactus (or Cactus Breccia Pipes) Prospect.
  - Cactus Canyon Prospect.
- The Accrington Prospect.
- The Horn Silver Mine Prospect.

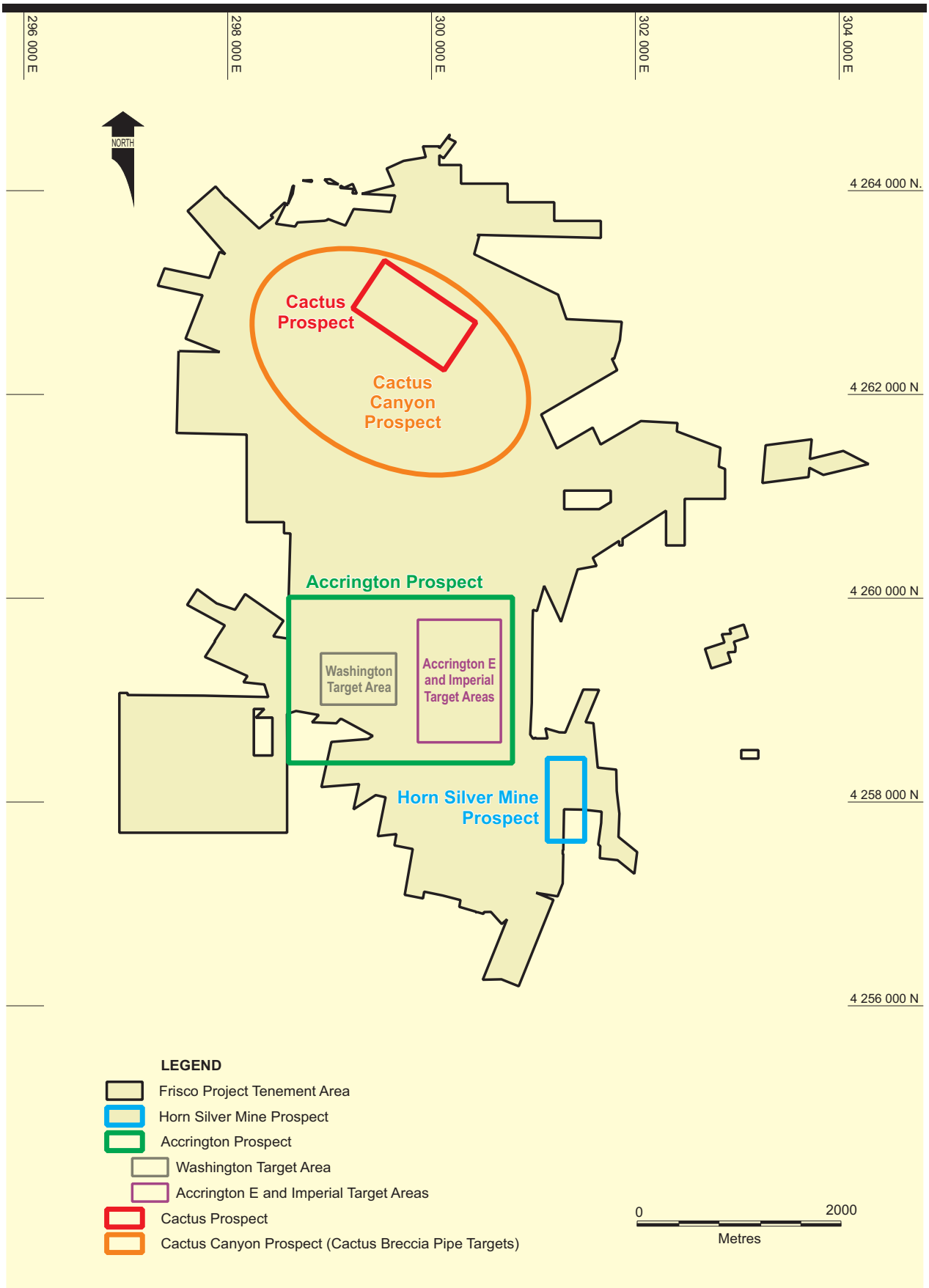
6.2 Business and Exploration Strategy

The Frisco Project, located, near the town of Milford in southern Utah USA is the only exploration project held by Alderan. Alderan is the first company to consolidate the entire Frisco Mining District into a single project through a combination of a leasehold and option agreements with HSM (holder of a large area of contiguous patented mining claims) plus additional unpatented mining claims pegged by Alderan (see Section 6.3). Previous explorers within the district had only negotiated rights on selected portions of the area covered by the patented claims and Alderan's consolidation of the entire area will enable the Company to logically prioritise targets and undertake an integrated exploration program.

Alderan's preferred exploration models for the Frisco Project are those associated with porphyry copper deposits and there is evidence within the Frisco Project tenements that a variety of mineralisation styles are present including structurally controlled, high grade zinc-lead-silver deposits, skarn hosted polymetallic deposits, copper-gold-silver deposits hosted within breccia pipes as well as the potential for disseminated porphyry copper-style deposits at depth.

The Company's exploration strategy (which has already been implemented) is to interpret and evaluate available data from historical exploration undertaken by a variety of previous explorers to guide its initial exploration focus. Specific near-term objectives and targets include:

- Detailed evaluation of the **Cactus Breccia Pipes Prospect,** including drill testing of the mineralised breccia pipes which were the site of previous historical mining (Comet, Cactus and New Year). This area has the potential to develop near term copper- silver $\pm$ gold resources with additional drilling.
- Evaluate the large **Accrington Prospect** skarn and hornfels sequence which is characterised by numerous historical exploration pits and some more substantial mine workings. The areas in and around the Washington and Imperial Mines are likely to represent priority targets for drill testing by Alderan. Outcrop sampling and a recent grid geochemical survey confirms that the skarn unit contains anomalous base (lead – zinc- copper and precious metal (silver $\pm$ gold) values over a large area.
- The Company intends to also investigate the potential for porphyry copper ($\pm$ gold $\pm$ molybdenum) deposits in the **Cactus Canyon** region of the project. There is some indication from historical drilling in the Cactus Breccia Pipes target area that porphyry style mineralisation (copper $\pm$ molybdenum $\pm$ gold) is present adjacent and below the breccia pipes and consequently the breccia pipes and porphyry copper target are related.
- Evaluation of the historical **Horn Silver Mine** where there is potential to develop zinc - lead - silver resources by drill testing the area in and around the historical mine workings and by investigating the potential down dip/down plunge and along strike extensions.



ALDERAN RESOURCES LIMITED ***Frisco Project***

Figure 2 **ALDERAN PROSPECT AREAS**

GA-05/01-February 2017 GOLDNER & ASSOCIATES

6.3 Project Tenure and Agreements

General Explanation of Mining Tenure Applicable to the Frisco Project

GA is not an expert in USA exploration and mining legislation and the information below is of a general nature only. The reader should refer to the more detailed and definitive explanation of the types of tenements comprising the Frisco Project (i.e. Patented Claims and Unpatented Claims) included in the Solicitor's Report on Mining Tenements elsewhere in this prospectus

As far as approvals to undertake exploration is concerned, a state permit from the State of Utah Division of Oil, Gas and Mining ("DOGM"), is required regardless of land status (i.e. patented and unpatented lands) which includes drilling, road building and shaft sinking and other land disturbances. The Utah Land Reclamation Act ("Reclamation Act") enables the DOGM to require:

- A notice of intention for all mining operations to be filed and approved (GA assumes that in this context 'mining' includes exploration).
- The operator to furnish and maintain a reasonable surety to guarantee that the effected land is reclaimed.
- The operator to rehabilitate, close or mitigate the impacts of each drill hole.
- The mining operations are conducted to minimise or prevent hazards to public health and safety.

The Reclamation Act specifically requires a notice of intention concerning exploration operations and provides that the DOGM approves or disapproves the intended work within 30 days of the receipt of the notice.

A Bureau of Land Management ("BLM") approved notice of intention to conduct exploration is required to undertake exploration on unpatented claims. Patented claims are exempt from the BLM approval requirement. Additional regulations imposed by the BLM include (but are probably not limited to):

- Submission of a notice for some mining operation and a plan of operations for others.
- A notice is required for exploration causing surface disturbance of 2.02ha (5 acres) or less.
- For disturbances of more than 2.02ha (5 acres) or bulk sampling of 907.2 tonnes (1,000 short tons) or more, a plan of operations is required.
- The operator must also secure a financial guarantee before starting operations.

There are other potential regulations with which Alderan may need to comply, depending on the stage of exploration or development, covering areas such as safety, air quality, water quality and endangered species.

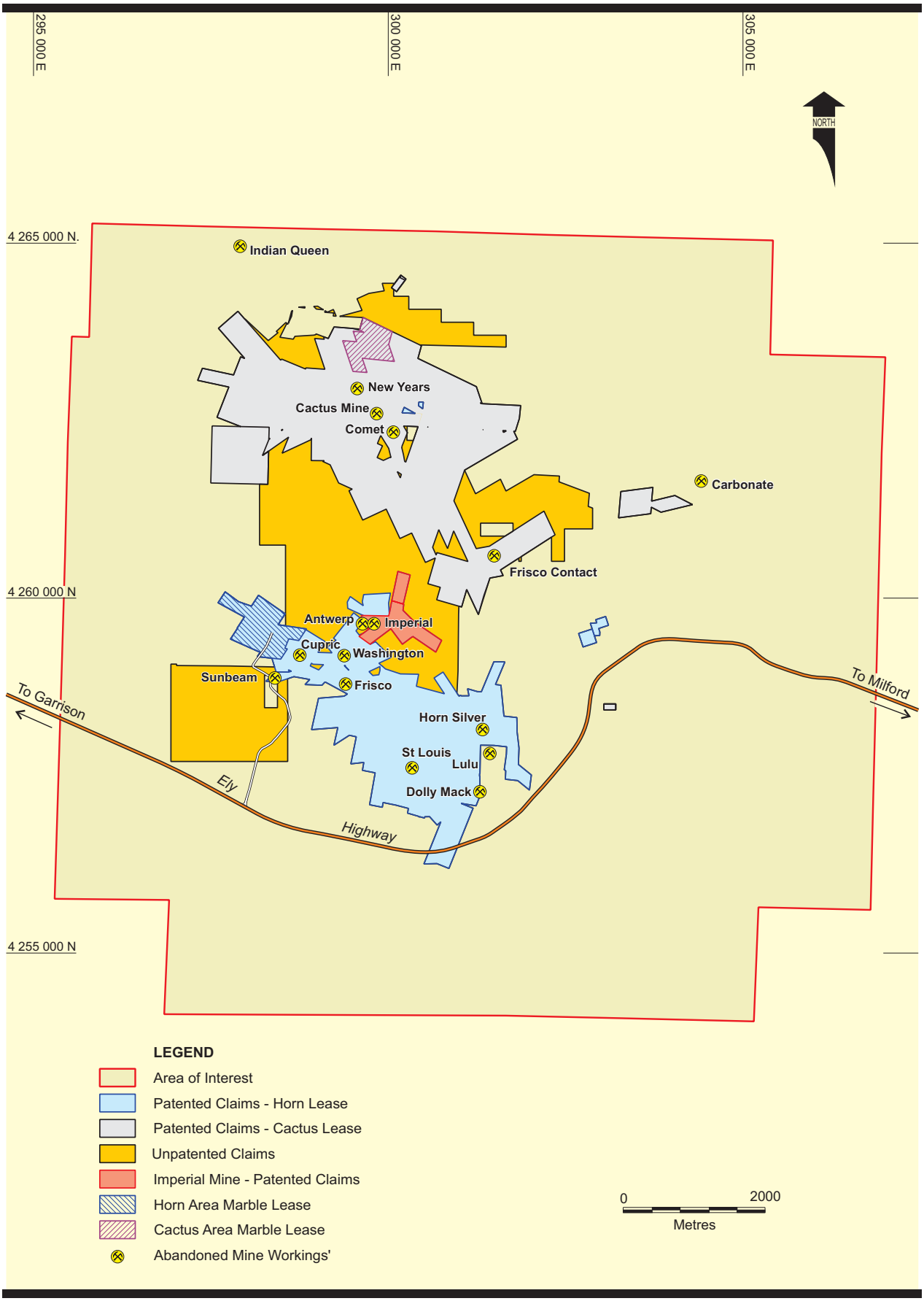
Alderan has already held discussion with both the DOGM and BLM in respect to obtaining the required approvals; GA is not aware of the outcome of these discussions. It is believed that financial bonds may need to be lodged in respect to future drill hole or site rehabilitation; GA is not aware of whether any bonds have been lodged by Alderan.

Tenement Details and Negotiated Arrangement between Alderan and HSM

The two types of mineral claims (patented claims and unpatented claims) are divided into three separate categories based on the leasing arrangements negotiated between Alderan and HSM.

The total area covered by the Frisco Project tenements is approximately 24.8 square kilometres ("sq. km.") which is made up of 231 patented claims totalling 15.81 sq. km. held by HSM or associated entities and 178 unpatented claims held in the name of Volantis (Figure 3). There is some overlap between the two claim types and the 22.8sq.km. area accounts for this overlap. There is a larger area of interest surrounding the Frisco Project claim blocks in which any further claims pegged by HSM or Volantis, will be subject to the same arrangements with HSM.

Details of the project tenure and the arrangements between Alderan's subsidiary Volantis and HSM are provided in the Solicitor's Report on Mining Tenements elsewhere in this prospectus. It may be of assistance to the reader to refer to Figure 3 when reviewing the Solicitor's Report on Mining Tenements.



ALDERAN RESOURCES LIMITED ***Frisco Project***

Figure 3 **TENURE**

GA-05/01-February 2017 GOLDNER & ASSOCIATES

7.0 ALDERAN'S FRISCO PROJECT

7.1 Location, Access and Local Infrastructure

The Frisco Project, located within the San Francisco Mining District, Beaver County in southwestern Utah is some 22.5km (14 miles) west of the small town of Milford. Milford, lies some 335km (208 miles) south of Utah's capital Salt Lake City and is located on the intersection of two major highways, Utah 257 and Utah 21. Interstate highway I-15, located about 48.3km (30 miles) southeast of Milford, can be accessed by Utah 21 via the town of Beaver (see Figure 1).

A network of unsealed tracks provide access to the major historical mine workings (Horn Silver Mine, Cactus etc.) and to many other parts of the project area.

The town of Milford is at an elevation of 1,511 metres ("m") above sea level, and San Francisco Mountain, the highest peak within the project area, is 2,944m (9,660 feet) above sea level. Hill slopes within the project area are steep and often covered by shingle talus.

Milford is accessible by rail and has a small airfield and accommodation and other services (such as supermarkets etc.) are available. The larger nearby towns of Beaver and Cedar City, within 80km of Milford, provide a larger range of services and facilities.

A 306MW capacity wind farm. is located 30km west northwest of the Frisco project.

The local climate is arid with about 23cm (9 inches) of precipitation and 91cm (36 inches) of snow a year. Surface exploration can be undertaken 9-10 months of the year, depending on the amount of snow cover, while drilling and geophysical surveys usually can be carried out year-round.

7.2 Exploration, Mining and Production History

Early History (1870 to 1920)

Base metal mineral deposits (lead, silver and copper) were first discovered in the district in 1870 and lead-silver production commenced at the Horn Silver, Rattler and Carbonate Mines in 1875. After 1900 copper became a sought-after commodity and the Cactus and other mines were developed but closed in about 1914; by 1920 most mines had ceased operation.

The district production was characterised by relatively high-grade silver ore. The average recovered metal grades for the district being 8.02% Pb, 0.93% Zn, 0.87% Cu, 101oz/t Ag, 0.62g/t Au. The historical production was focused on copper, silver and lead; zinc was generally not targeted and consequently the zinc grade above is likely to be understated.

Historical Production

Reported district production figures between 1870 to 1965, extracted from Wray (2003) are:

Ore:	2.29 million tonnes (2.53 million short tons)
Gold:	44,920 ozs
Silver:	19.642 million ozs
Copper:	20,022 tonnes (44.142 million pounds)
Lead:	183,925 tonnes (405.484 million pounds)
Zinc:	21,217 tonnes (46.776 million pounds)

The Horn Silver Mine and Cactus Mine accounted for most of historical production. Summary production figures for the individual larger mines in the area are provided in Table 7.1 below and have been derived from Wray (2003) as this report is the most comprehensive compilation of historical information for the project area.

GA Comment

In GA's opinion, while the figures above are probably understated as production records are incomplete, they nevertheless provide a reasonable indication of the size of the larger historical mines within the Frisco Project.

TABLE 7.1

HISTORICAL PRODUCTION FIGURES FOR THE LARGER MINES WITHIN AND ADJACENT TO THE FRISCO PROJECT

Mine Area	Years	Tonnes treated (t)	Metal Produced - Recovered Grade				
			Pb (t - %)	Zn (t - %)	Cu (t - %)	Ag (ozs - g/t)	Au (ozs - g/t)
Horn Silver	**1875-1965**	**934,724**	**178,321t - 19.1%**	**21,193t - 2.27%**	**4,378t - 0.47%**	**18,159,901ozs - 604g/t**	**31,284ozs - 1.04g/t**
Cactus#	**1870-1957**	**1,272,327**	**-**	**-**	**76,007t - 2.07%**	**301,200ozs - 7.36g/t**	**13,540ozs - 0.33g/t**
Beaver Carbonate Mines	**1879-1942**	**84,277**	**21,403t - 0.31%**	**-**	**-**	**1,177,000ozs - 434.4g/t**	**-**

Figures include both smelter recovered metals and in some cases copper contained in concentrates shipped. The copper grade shown is not calculated from the metal produced but is the grade quoted by Wray 2003. The gold and silver grades are calculated from the metal produced figures.

Recent History (from the 1940's)

Exploration within the San Francisco mining district has been undertaken by numerous companies (and some individuals) since about the mid 1940's. Each of the groups had only negotiated agreements on portions of Alderan's Frisco Project area and consequently prior exploration by earlier explorers has focussed only on the specific areas in which they were involved. This resulted in a variety of exploration approaches being implemented depending on the size of the company, its corporate objectives, the individual exploration budgets and the commodities of interest.

Most of the recent prior exploration focussed within and around the Horn Silver Mine and the Cactus group of mines (Comet, Cactus and New Year) with some limited reconnaissance exploration and drill testing of targets elsewhere in the Frisco Project area. Companies involved in prior exploration, include (but are probably not limited to) the following:

- Metal Producers (1944-1956) rehabilitated the lower levels of the Horn Silver Mine and developed a crosscut from the 650-level to the King David Shaft. Some underground drilling was undertaken at the northern end of the deposit.
- Anaconda Company (1959) negotiated an option to purchase the Cactus Mine and surrounding area held by Cupric Mines Company. Most work undertaken at the Cactus Mine and to a lesser degree at the neighbouring New Year Mine; seven deep diamond core holes drilled in and around the Cactus Mine.
- Plata Verde Mining Company (1964-1965) acquired the Horn Silver Mine and undertook a surface drilling program of 40 rotary holes - 9m to 61m deep (30 to 200 feet) to evaluate the potential shallow zinc oxide mineralisation.
- Bear Creek Mining Co (1968-74) completed drilling, costeaning and mapping on the Imperial claims.
- Rosario Exploration Company ("Rosario") (1966) completed drilling and costeaning on three specific claims in the Horn Silver Mines area as well as a ground magnetic survey.

  Between 1968 and 1969 Rosario leased the Cactus Mine area from Tintic Lead Company completing mapping and sampling as well as 40 surface rotary holes at Comet, Cactus and New Year Mines. The Cactus haulage tunnel was rehabilitated and 11 holes from the 600-level drilled in the vicinity of the French No 1 shaft.
- Amax (1971) leased the greater Cactus area undertaking reconnaissance geological mapping, drilled four deep holes and completed wide spaced rock chip sampling and an IP survey
- Freeport Exploration Company ("Freeport") (1982 - 1985) in joint venture with HSM, completed six drill holes of 61m (200 feet) length at the Washington and Double-Block Barrel tunnel area; sampled a gold and silver rich silica breccia zone at the Horn Silver Mine and reviewed resource potential of the Horn Silver Mine and surrounding area. Other work included; surface and underground rehabilitation, mapping, sampling, costeaning and 10 rotary and diamond drill holes, mainly east of the Horn Silver Fault; significant widths of zinc-lead-silver mineralisation were obtained on the 650 level; the 700 and 900 levels were largely inaccessible.

- Bethlehem Resources Corp and Arapahoe Mining Corp (1989-1990) undertook regional exploration over the southern San Francisco Mountains consisting of mapping, rock chip sampling and electrical geophysical surveys - Induced Polarisation ("IP") and Pulse Electro-Magnetics ("PEM"). Eight reverse circulation ("RC") holes drilled to test geophysical anomalies near the Horn Silver Mine; two holes drilled to test for mineralisation associated with a strong IP anomaly near surface working in the Accrington skarn area; two holes drilled in the Block Incline area again intersecting mineralised skarn; one hole drilled at the Sunbeam Mine and two holes drilled to test strong IP anomalies south and west of the Horn Silver Mine. Further drilling in 1990 comprised of 14 drill holes of which 12 were targeted at a gold bearing breccia at the Horn Silver Mine.
- Franconia Mineral Corporation ("Franconia") in joint venture with Cominco/Teck (1999). Franconia held a lease with HSM over the Horn Silver Mine. Accessed the 650, 700, 800, 900, 1100 levels of the Horn Silver Mine; underground mapping and sampling undertaken confirming extensive zinc sulphide mineralisation remains in-situ. Manto-style sphalerite mineralisation identified on the 650 level.

  In 2002 the joint venture undertook extensive exploration focussed on the Horn Silver Mine including digital compilation of underground geology maps and sampling results, surface mapping, opening and rehabilitating the King David shaft to access the 650-level; mapping of the 650-level; sampling of the 650, 900 and 1,000 levels; three diamond drill holes targeting manto-style mineralisation west of the Horn Silver Mine.

  In 2006 four follow-up diamond drill holes ("DDH") recommended in 2002 were completed to test the westerly down-dip extensions of mineralisation identified in 2002 with negative results.
- Kennecott Exploration Company in joint venture with Breccia Development Inc. (1998-99). Drilling and rock chip sampling at Upper Cactus Canyon. Breccia Development Inc., held a lease agreement with HSM.
- Western Utah Copper Corporation and CS Mining LLC (2000-2015). Drilling and rock chip sampling at upper Cactus Canyon and the Comet Mine. Western Utah and later CS Mining held a lease agreement with Horn Silver Mines Inc.

GA Comment

Unlike Australia, the USA mining legislation does not require companies to provide regular technical reports of exploration work undertaken. There is no open file system such as in each Australian State where previous exploration results are freely available via the state geological surveys, once a company has relinquished its interest in a project or property.

Alderan has successfully accumulated a surprisingly large (but not yet complete, due to on-going other work) database and technical reports from prior company exploration (detailed above) which is proving a valuable source of information to plan and guide its exploration. This includes Amax drill core stored at the State of Utah Department of Natural Resources in Salt Lake City. Alderan has re-logged and selectively re-sampled and assayed portions of this core.

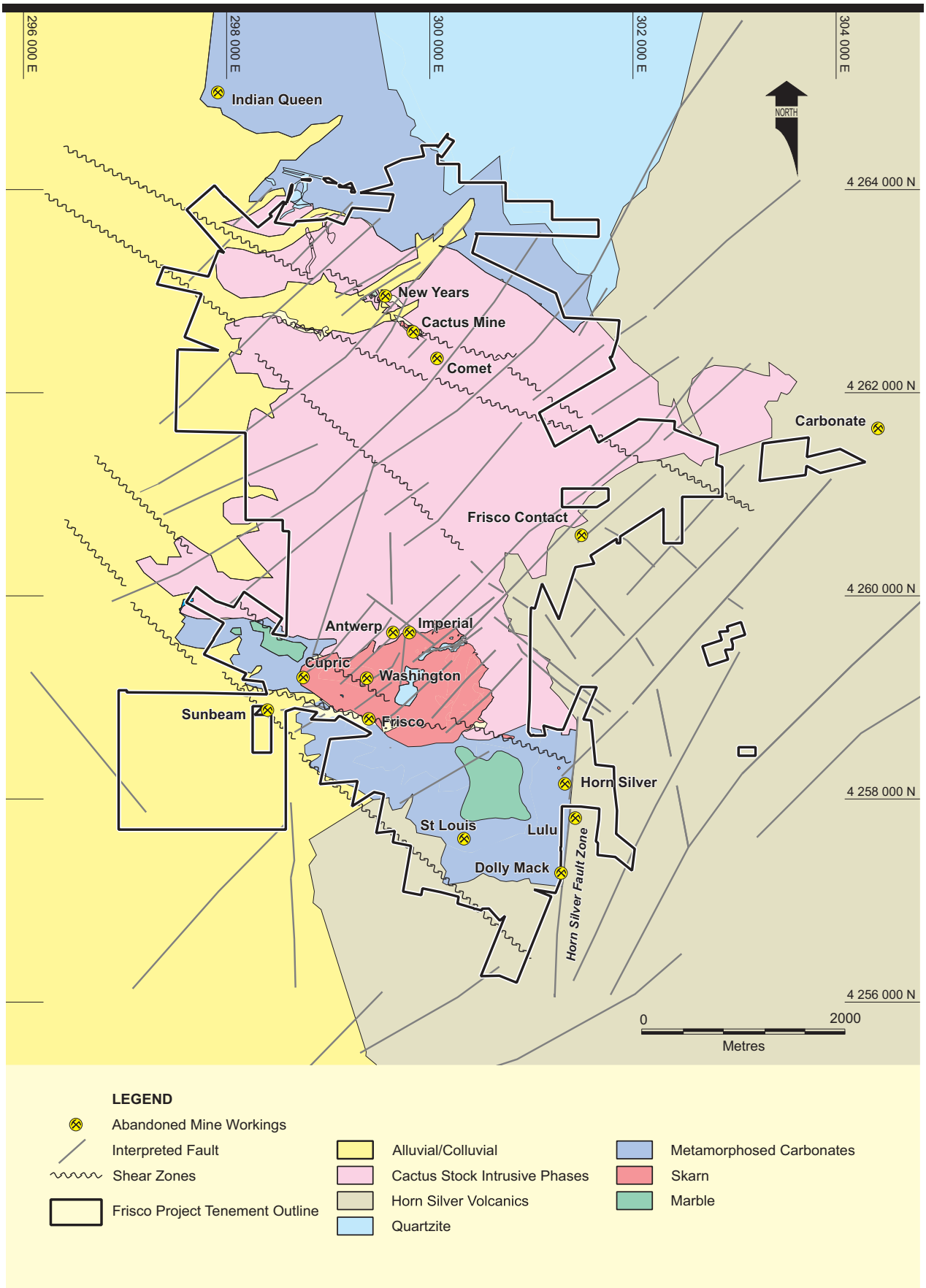
7.3 Geological Setting and Mineralisation

7.3.1 Regional Geology of San Francisco Mining District

The San Francisco Mining District, in which the Frisco Project is situated, occurs at the southern end of the San Francisco Mountain Range in southwestern Utah near the eastern side of the Basin and Range Province. This province is characterised by roughly north-south oriented, alternating mountain ranges and basins formed by normal faulting during extensional tectonic deformation in the Eocene.

The range consists of Palaeozoic sedimentary rocks (limestone, dolomite, shale and quartzite) of Cambrian to Middle Silurian age, Tertiary quartz monzonite to granodiorite intrusives (such as the Cactus Stock). Tertiary volcanic flows and pyroclastic rocks border the range on the east and south. As shown on Figure 4, these sequences are all represented within the Frisco Project tenements.

The overall Palaeozoic sequences dip moderately (less than 10º to 30º) to the west and lie within the Sevier Thrust Belt in which the Palaeozoic units are thrust over younger sequences. The range is bounded by north-south trending basin and range faults, the most important is the Horn Silver Fault located on the eastern side of the mining district. Other east-west structures such as the Reciprocity, Washington, Drum and Emporia fissure systems, are offset the dominant north-south structural trend indicating multiple episodes of structural reactivation within the area.



ALDERAN RESOURCES LIMITED ***Frisco Project***

Figure 4 **SIMPLIFIED GEOLOGY**

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Mineralisation within the San Francisco Mining District is located within the regionally extensive Wah Wah Tushar belt, one of three recognised mineral belts which cumulatively account for over 95% of Utah's base metal and gold endowment.

Historically most of the mining activity in the district has been directed at high grade base metal deposits associated with fault structures and breccia pipes. Examples of this include the Horn Silver mine, essentially developed on oxidised supergene mineralisation located along the Horn Silver Fault and associated cross structures, as well as the breccia pipe-hosted Comet, Cactus, New Year copper mines. These deposits are included within the Frisco Project and will be described in more detail in Section 7.4.

Other deposits, not within the Frisco Project tenements, include the skarn-hosted base metal deposits owned by CS Mining LLC near Milford, which produced copper silver and gold until the company entered Chapter 11 in the latter part of 2016. The operation is currently on Care and Maintenance.

7.3.2 Frisco Project Geology, Magnetics and Mineral Zonation

Project Geology

As can be seen on Figure 4, the Frisco Project area is underlain by metamorphosed carbonate-dominant sequence (with some other interbedded sediments) intruded by monzonitic to granodioritic intrusive units belonging to the Cactus Stock. The Cactus Stock consists of various coarse grained granitoid phases ranging from granodiorite, through monzonite to possibly quartz diorite. The Cactus Stock has a roughly east-west oriented contact with carbonate dominant formations to the south which have been altered by contact metamorphism and metasomatism, to skarn, hornfels and marble. The contact zone ranges in width from about 300m in the west to about 900m in the east and contains an abundance of historic exploration diggings and mine workings including, but not limited to, the Washington, Cupric and Imperial mines.

Younger extrusive volcanics (lavas etc.) occur in the eastern portion of the Frisco Project and in the Horn Silver Mine area are in obvious faulted contact with metamorphosed carbonates. Extensive alluvial cover is present west of the meta-carbonates and the granitoids.

The project area is characterised by a dominant northwest to southeast structural fabric defined by extensive fracturing and faulting. Major faults include the west-northwest trending Reciprocity Shear and Drum Fissure zone as well as the northwest trending Squaw Spring Fault in the west and the north-south trending Horn Silver Fault in the east.

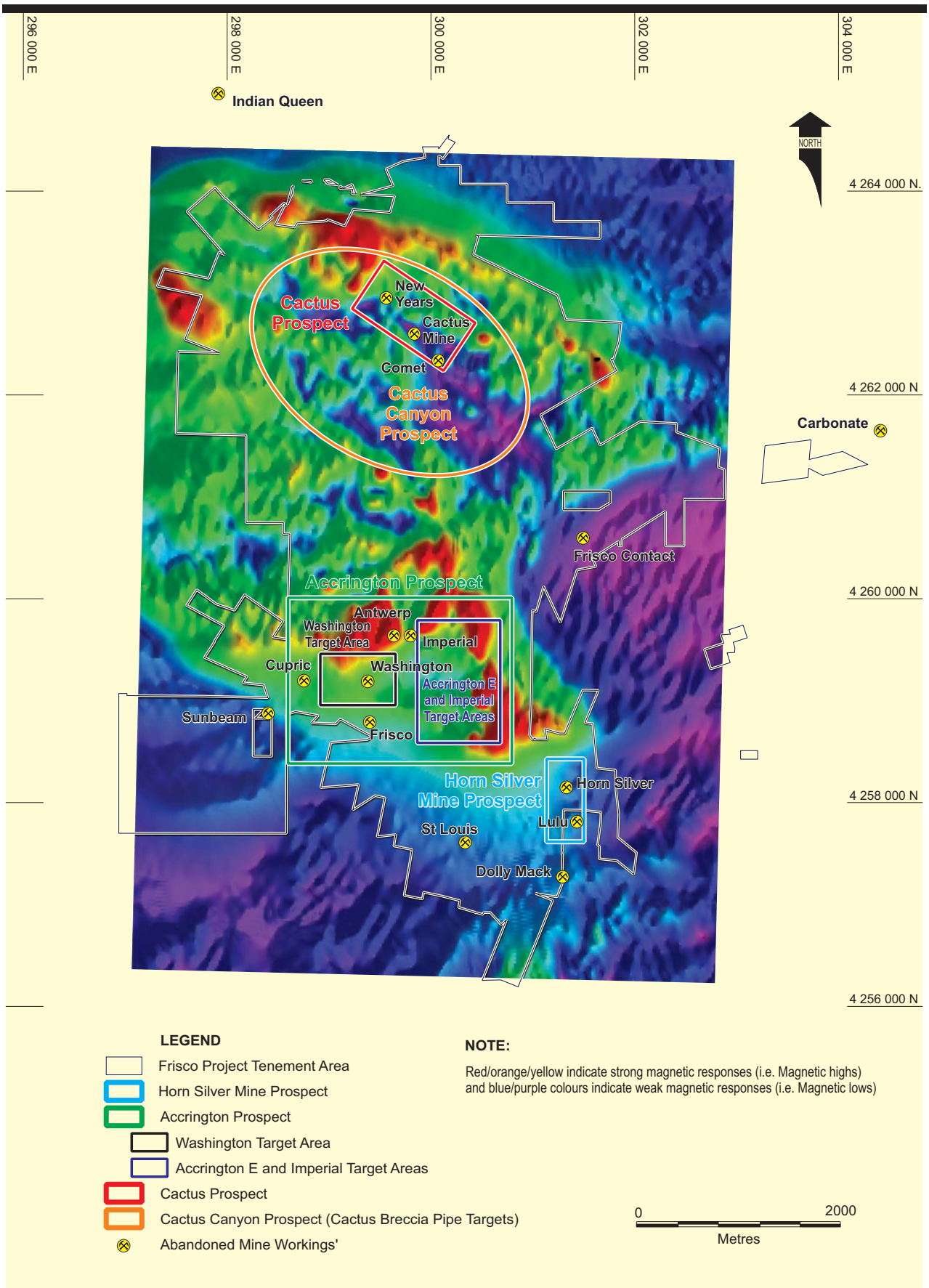
Project Magnetics

In 2016 Alderan completed an heliborne magnetic and radiometric survey over the entire project area and the magnetic image (Figure 5) is particularly useful with respect to defining both the underlying geology, alteration and several distinct magnetic anomalies associated with known mineralisation. Comparing Figures 4 and 5 it is evident that the Cactus Stock, where it is unaltered, is characterised by strong magnetic highs (reds and orange hues on Figure 5) while that Cactus Breccia Pipes are associated with almost bulls-eye magnetic lows due to the alteration (magnetite destruction) associated with the mineralised Pipes. The Cactus Canyon porphyry copper prospect, is defined by a southeast trending corridor of magnetic lows.

Metal Zonation

The known mineralisation within the Frisco Project exhibits both a distinct metal zonation (from north to south) and four differing mineralisation styles have been recognised and used by Alderan to define initial prospects for follow-up investigation (see Figures 2 and 5). These prospects are:

- ***The Cactus Prospect***, in the northern portion of the project consists of breccia pipes within the Cactus Stock, hosting copper ± gold ± silver mineralisation.
    - ***The Cactus Canyon Prospect***, which encompasses the Cactus Prospect, consist of potential porphyry-style copper, molybdenum ± gold mineralisation hosted within the Cactus Stock intrusive units.
- ***The Accrington Prospect***, further north, consists of the metamorphosed carbonate units (skarns and hornfelsed sediments) characterised zinc, silver, copper ± gold mineralisation.
- ***The Horn Silver Mine Prospect***, in the south of the project, centred on the historical Horn Silver Mine and consisting of limestone breccia-hosted high grade lead, silver, zinc ± copper ± gold mineralisation, associated with the Horn Silver Fault zone.



ALDERAN RESOURCES LIMITED *Frisco Project*

Figure 5 **REGIONAL MAGNETICS AND ALDERAN PROSPECT AREAS**

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7.3.3 Work Undertaken to Date by Alderan

To date Alderan has:

- Completed an extensive review, compilation, digitisation and modelling of the available historical data.
- Undertaken preliminary geological mapping over the project with some detailed mapping undertaken over selected areas.
- Grab rock chip sampling particularly around the known historical mine workings and excavations.
- Core logging of available diamond drill core at the Utah Geological Survey's core library in Salt Lake City.
- Sampling of visibly altered and mineralised outcrops along geological traverses.
- Commissioned an airborne magnetic and radiometric survey over a large portion of the project area and including development of a 3D magnetic model for the project.
- Completed 100m by 50m grid soil and rock chip sampling over the Accrington Prospect.

7.4 Identified Prospects

7.4.1 Cactus Breccia Pipes Prospect and Cactus Canyon Porphyry Copper Prospect

The large Cactus Canyon Porphyry Copper Prospect contains two separate exploration targets associated with the intrusive Cactus Stock. These are:

a) *The Cactus Breccia Pipe Targets* consisting of a cluster of outcropping mineralised breccia pipes within the larger Cactus Canyon area. Some of the pipes have been previously mined by open pit and underground producing copper, silver and gold.

b) The *Cactus Canyon Porphyry Copper Target*, which refers to the potential for discovery of porphyry copper mineralisation hosted by Cactus Stock intrusive phases. (Figures 2 and 4).

a) The Cactus Breccia Pipe Targets

This consists of a cluster of mineralised breccia pipes, of which three; Cactus, New Year and Comet, have been subjected to historical mining. Of these three pipes, the most substantial mine development occurred on the Cactus Pipe.

The Cactus Pipe was discovered in 1870, with mining of the exposed copper oxide mineralisation (mainly malachite), commencing the same year. Initial open pit mining was followed by underground development and several small concentrators and smelters were erected nearby although very little material appears to have been processed.

The Cactus Pipe has an elliptical surface exposure of about 100m by 50m and has been previously developed to a depth of about 274m (900ft) with drives developed at 100ft levels (Figure 6). In 1908 the Cactus underground workings collapsed down to the 500ft level and a subsequent fall in the copper price resulted in production ceasing in 1914.

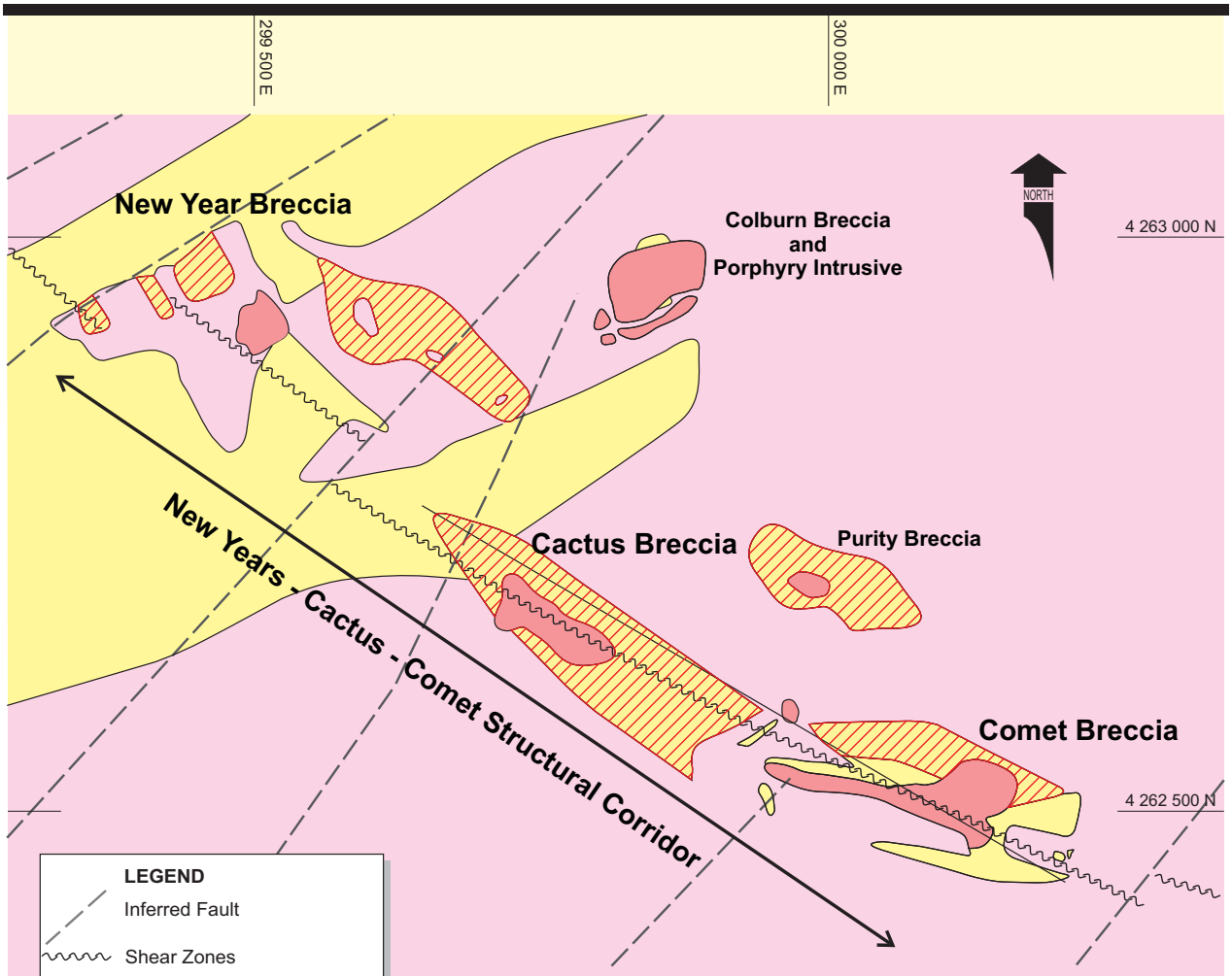
The nearby Comet Pipe, owned by a separate group, was also developed and a small shaft and a nearby separate smelter was erected, although no production was recorded.

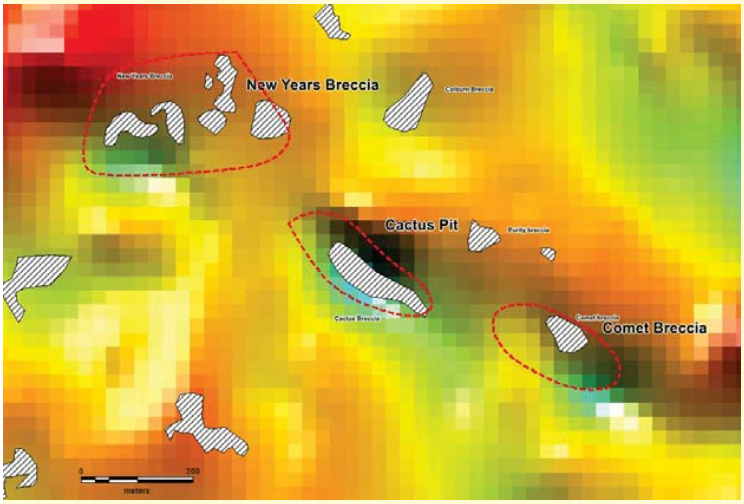
The fact that differing companies had the rights to areas adjacent to the Cactus Pipe constrained mine development. During later years, including the period of the second world war, small amounts of mineralisation were mined and processed (see Table 7.1).

Intermittent company exploration of the Cactus Breccia Pipes commenced in the late 1950s with various groups including Anaconda Company ("Anaconda"), Tintic Lead Company, Cobra Mining Company, Rosario Exploration Company, Western Utah Copper Corporation, CS Mining LLC and others, undertaking exploration.

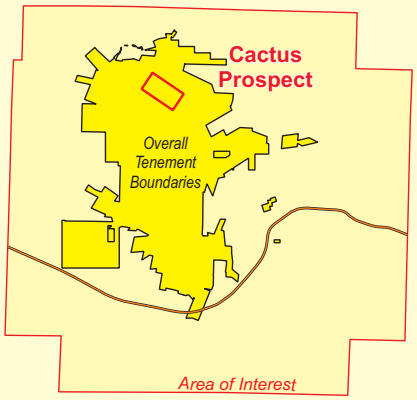
Work undertaken included geological mapping and geochemical sampling and an induced polarisation survey on a nominal 300m by 300m station interval. A considerable amount of drilling has been completed in the area with most drilling concentrated within and around the Cactus open pit. The drilling predominantly consisted of reverse circulation ("RC") holes, but included some core drilling from underground by Rosario Exploration Company ("Rosario").

As shown on Figure 6, the Cactus, Comet and New Year pipes, as well as two others not previously mined (Colburn and Purity,) are aligned along a west-northwest trending structural corridor some 1,000m long by several hundred





Mapped breccia zones, Cactus pit and equivalent mag response.
Note perfect match between breccia zones and magnetic lows (blue)



ALDERAN RESOURCES LIMITED ***Cactus Prospect***

Figure 6 **GEOLOGY AND MAGNETICS**

GA-05/01-February 2017 GOLDNER & ASSOCIATES

metres wide. The breccia pipes appear to have preferentially developed in areas where the west northwest structural corridor has been cut by northeast trending cross faults.

The pipes consist of large, angular to sub-rounded clasts of altered intrusive, varying from monzonite to quartz diorite (ranging from equigranular to porphyritic phases), in a matrix consisting of a variable mixture of quartz, hematite, tourmaline, pyrite and chalcopyrite.

To date Alderan has digitised the available historical information, constructed a preliminary three-dimensional model of the Cactus Pipe mineralisation based on the available historical drilling and undertaken a preliminary tonnage and grade estimate. Alderan's tonnage and grade estimate does not conform the JORC code and is therefore not included in this report.

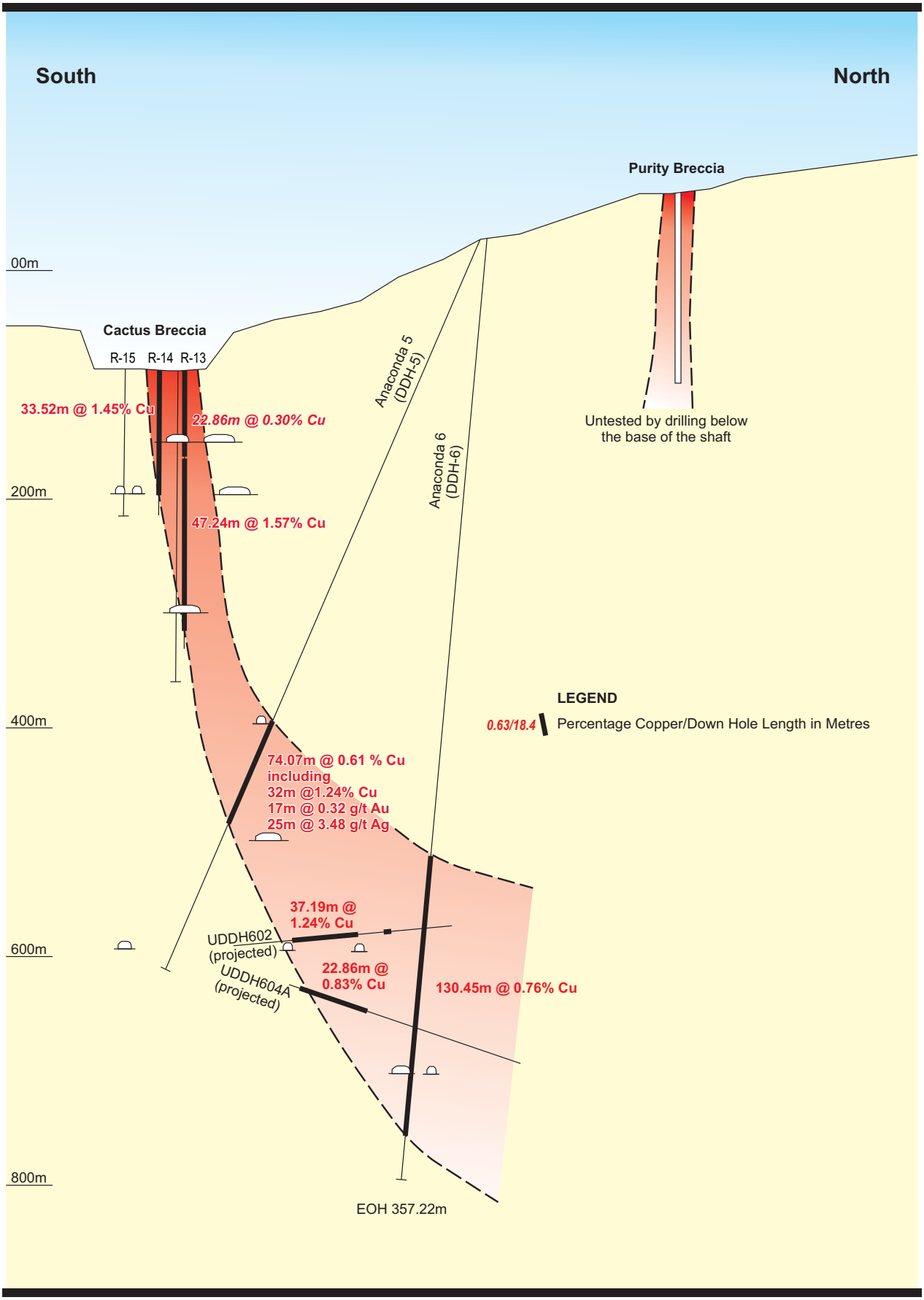
The Cactus Prospect was also included in the Company's airborne magnetic survey over the Frisco Project. The magnetic data exhibits a strong correlation of magnetic lows (caused by the destruction of magnetite and the development of the breccias by the mineralising fluids), with the known breccia pipes (see lower left hand side inset to Figure 6).

The New Year, Cactus and Comet magnetic lows coalesce at depth into a large semi-circular zone of low magnetic intensity and may indicate more extensive magnetite destruction, possibly accompanied by porphyry-style mineralisation, below the known pipes. This represents an obvious exploration target for Alderan in this area and is an obvious extension of the larger Cactus Canyon Prospect.

Figure 7, an oblique schematic cross section through the Cactus Mine shows some of the historical drill intercepts obtained by both Anaconda (holes DDH5 and DDH6) and Rosario ('R' sequence holes and underground drill holes (UDDH 602 and 604A).

On Figure 7 the dashed boundary lines outlining the Cactus Breccia are taken from a Rosario cross section and are assumed, by GA, to represent the outline of the breccia pipe based on Rosario's core logging. The curved shape of the Cactus Breccia Pipe may be an artefact of the lack of down hole surveying of holes DDH 5 and 6. If the dip of these holes had decreased with depth, the Cactus Breccia Pipe would have a more vertical outline.

The intercept down hole lengths and grades shown are based on Alderan's assessment of the Rosario assay database and there has been no assay cut-off applied to the intervals shown. Table 7.2, developed by GA, is based on a 0.5% Cu cut-off. These intervals lie within the intercepts shown on Figure 7. Due to the oblique nature of Figure 7 it was not possible to accurately plot the position of these internal higher grade intervals.



ALDERAN RESOURCES LIMITED ***Cactus Prospect***

Figure 7 **CACTUS MINE OBLIQUE SCHEMATIC CROSS SECTION**

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TABLE 7.2

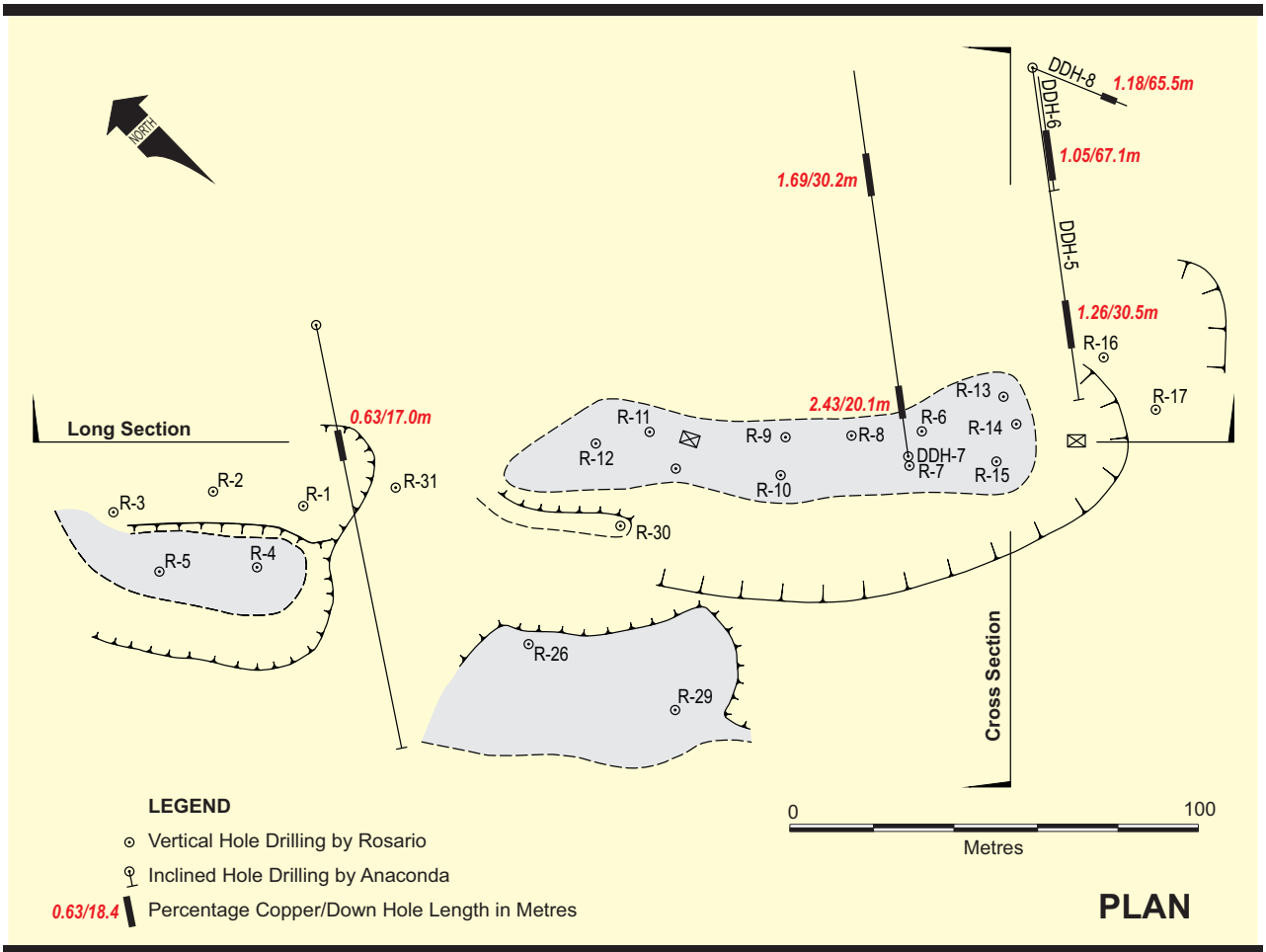
CACTUS BRECCIA PIPE TARGET
SIGNIFICANT ANNACONDA AND ROSARIO DRILL RESULTS (0.5% Cu Cut-off)

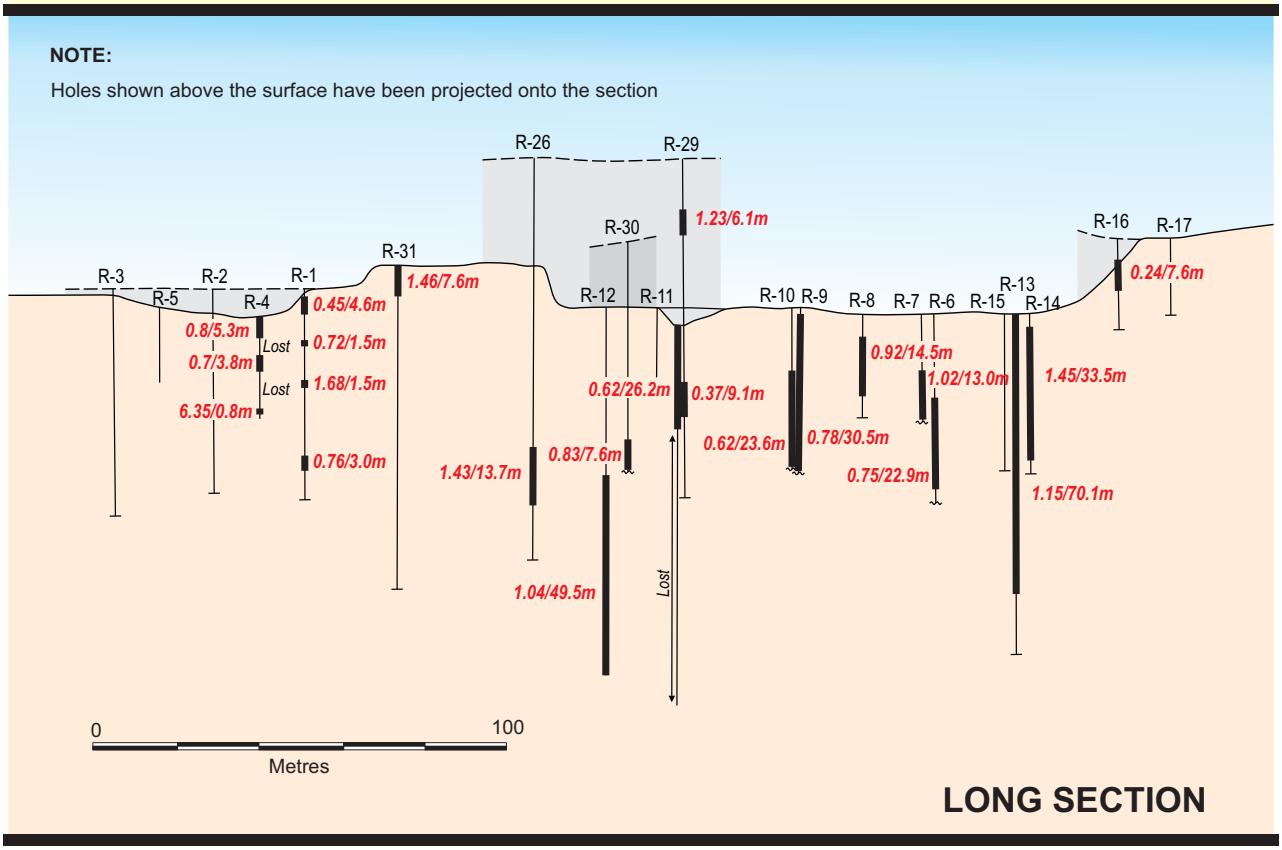
Hole No/ Collar Coordinates (Elevation)	Total Depth (m)	Collar Inclination & Azimuth	Down Hole Intercepts From (m)	To (m)	Length (m)	(% Cu)	Grade (g/t Ag)	(g/t Au)
Anaconda Diamond Drill Holes (renamed by Rosario from 'A' prefix to 'DDH' prefix)								
DDH 4	303.6	-70º to 035º	27.4	47.6	20.1	2.44	14.60	0.40
299843E,4262610N (1,928m)			173.4	175.9	2.4	5.35	NA	NA
			180.1	203.6	23.5	1.49	NA	NA
	Includes		183.2	203.6	20.4	1.48	6.43	0.21
	and		189.0	201.5	12.5	2.03	8.54	0.28
DDH 5	217.9	-65º to 215º	153.3	178.0	24.7	1.50	NA	NA
299939E,4262660N (1,969m)								
DDH 6	357.2	-85º to 215º	172.5	179.8	7.3	2.66	8.88	0.33
299939E,4262660N (1,969m)		and	213.4	227.7	14.3	1.48	NA	NA
		includes	214.0	217.9	4.0	3.41	NA	NA
		and	230.1	239.6	9.5	1.33	NA	NA
DDH 8	251.5	-85º to 155º	207.9	251.5	43.6	1.69	NA	NA
299939E,4262660N (1,969m)								
	Includes	and	244.1	249.0	4.9	6.72	NA	NA
DDH 8 deflection	281.0	As above	218.2	256.6	38.4	1.40	NA	NA
Rosario Rotary Holes drilled in the Cactus Open Pit								
R6	44.96	Vertical	20.6	42. 7	22.1	0.89	NA	NA
299851E,4262613N (1,920m)		includes	32.0	36.6	4.6	1.46	NA	NA
R7	25.9	Vertical	18.7	25.9	12.2	1.23	NA	NA
299843E,4262610N (1,922m)								
R8	24.4	Vertical	5.3	19.8	14.5	1.01	NA	NA
299839E,1262625N (1,920m)								
R9	39.6	Vertical	2.3	20.6	18.3	1.00	NA	NA
299828E,4262634N (1,920m)		and	24.4	29.7	5.3	0.95	NA	NA
R10	39.6	Vertical	22.1	33.5	11.4	0.98	NA	NA
299820E,4262630N (1,920m)								
R12	89.2	Vertical	39.6	62.5	22.9	1.84	NA	NA
299796E/4262668N (1,920m)		and	69.3	89.2	19.8	0.68	NA	NA
R13B	82.3	Vertical	22.9	35.1	12.2	2.64	NA	NA
299871E,4262604N (1,923m)		and	42.7	68.6	25.9	1.62	NA	NA
		includes	50.3	62.5	12.2	2.77	NA	NA
R14	38.1	Vertical	1.5	24.4	22.9	2.06	NA	NA
299868E,4262598N (1,923m)		includes	1.5	13.7	12.2	3.31	NA	NA
Rosario Underground Diamond Drill Hole drilled from the 600 level								
	Length (m)		**Along hole intercept (m)**					
UDH 602	153	+3º to 094º	37.2	62.5	25.3	1.22	NA	NA
299844E,4262645N								
UDH 604	62.5	-15º to 090	39.6	59.4	19.8	0.85	NA	NA
299844E,4262646N								

Notes:

1. 0.5% Cu cut-off used to define broader intercepts
2. Some internal intervals of less than 5m in some intercepts are below the 0.5% Cu cut-off
3. NA – Not Available - Only a few holes were analysed for silver and gold
4. Lengths reported to one decimal point; some rounding errors are due to conversion of imperial lengths to metric lengths.
5. Widths are down hole measurements not true widths
6. The length and other distance measurements for the underground drill hole UDH 602 are from the collar in the wall of the 600 level.
7. Because of Figure 7 is an oblique section, only holes DDH 5, DDH 6, UDH 602, UDH 604A, R 13 and R 14 are shown.

Figure 8 is a plan and long section produced by Rosario showing the drilling undertaken by them and Anaconda on the Cactus Breccia target. The intercepts shown are down hole lengths in metres and GA is not aware whether Rosario applied any lower cut-off grade when estimating these intercepts.





ALDERAN RESOURCES LIMITED *Cactus Prospect*

Figure 8 **PLAN AND LONG SECTION OF THE CACTUS PIT AREA**

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From the available historical production figures (Table 7.1 in Section 7.2) both gold and silver were significant by-products to copper. These elements, are included as target commodities in Alderan's future exploration of the breccia pipes in the Cactus Prospect area.

b) The Cactus Canyon Porphyry Copper Target

Numerous groups considered the Cactus Canyon area had the potential to host porphyry copper-style mineralisation but exploration for this style of mineralisation did not commence until the early 1970s.

Modelling (by Alderan) of the airborne magnetic data in the Cactus Canyon area demonstrates it is dominated by a major, west northwest trending, structural corridor within the Cactus Stock (Figures 5 and 6). This is due to the otherwise strongly magnetic intrusive phases of the Cactus Stock being demagnetised by hydrothermal fluids destroying the magnetite.

Although most historical exploration has been concentrated on the Cactus Breccia Pipe targets (described in more detail below), some exploration was also directed towards testing the potential for larger-scale porphyry copper style mineralisation in the altered Cactus Stock. This alteration is focused within the north northwest structural corridor which can be traced to the south southeast until it is obscured by the younger andesitic volcanics.

The most significant prior exploration was by Amax, with exploration including the drilling of four deep core holes (holes 520-1 to 520-4) to test for porphyry copper mineralisation in the early 1970s. Amax sampled the cores in 30.5m (100ft) intervals with the samples being assayed for copper molybdenum and often zinc. Significantly no gold or silver assays were undertaken. The best results obtained was 30m at 0.22% Cu, 105ppm Mo from 427m in hole 520-1 in what appears to have been a dyke. Hole 520-1 was drilled below the Cactus breccia pipe and indicates mineralisation extends below the breccia pipe.

Regional mapping by Amax also confirmed the presence of widespread alteration of the intrusives within the structural corridor typical of porphyry copper systems

The core to these four holes is stored in Salt Lake City and has been re-logged and hole 520-4 only was selectively re-sampled by Alderan with only low values obtained; best result being 5.5m from a depth of 233m at 389ppm Cu, 2.1ppm Mo.

GA inspected all four holes during the November 2016 site visit and both this inspection and Alderan's logging confirmed the holes intersected variably altered and mineralised intrusive phases of the Cactus Stock. Disseminated sulphide minerals noted include pyrite, chalcopyrite and bornite with occasional flakes of molybdenite also present usually on fracture planes. Alteration minerals included sericite, tourmaline, potassium feldspar, epidote and actinolite with occasional rare anhydrite. Finer grained aplitic dykes and occasional quartz veins intrude the coarse equigranular and porphyritic phases of the Cactus Stock.

The magnetic modelling by Alderan has identified a large magnetic low beneath and adjacent to the Cactus Breccia pipes and suggests that the Cactus Breccia Pipes are in fact part of an overall porphyry copper-style system developed within the magnetic low defined structural corridor.

GA Comment

In GA's opinion, the work to date, both historical and by Alderan, confirms that the Cactus Canyon, Prospect, including the Cactus Breccia Pipes, Prospects represents a typical Porphyry Copper system. Cactus Canyon represents an, at present, poorly explored but valid target for a large-scale disseminated copper-molybdenum ± gold ± silver deposit. The four Amax core holes yielded anomalous, although sub-economic copper, molybdenum and gold grades. The core inspection by GA confirmed the presence of weak alteration accompanied by visible disseminated sulphide mineralisation typical of porphyry copper systems. The four holes drilled to date have not adequately tested the potential of the Copper Canyon Prospect area and further evaluation is justified.

The internal zone of breccia pipes, referred to here as the Cactus Breccia Pipe Targets, are considered to have potential for smaller tonnage, but higher grade, copper ± gold ± silver mineralisation and most of the drill testing to date has been restricted to shallow open holes in the Cactus Pit. GA considers that further detailed evaluation and exploration of the cluster of pipes is warranted.

7.4.2 Accrington Prospect

The Accrington Prospect, a short distance to the north of the Horn Silver Mine Prospect (see Figure 2), consists of a large area (some 1.8km east-west by 1.2km north-south), characterised by extensive shallow pits and some deeper shafts from historical mining and exploration activity.

Historical, but intermittent, production has taken place since the late 1800s or early 1900s and it is evident that ownership of the various mines is complex and has varied over time. Lead, zinc, copper and probably some silver

and gold production has been recorded from the historical Imperial and Washington mine areas. Additional production also occurred from other smaller mine workings such as the Antwerp, Cupric, Iron Devil, Drum, amongst others. Most, if not all production appears to have been from underground but actual production statistics are unavailable.

In the late 1960s HSM, or its precursor companies, gained an interest in the area through an arrangement with the Tintic Mineral Resources Inc and by 1982 HSM consolidated its ownership to 100%. HSM then negotiated farm-in arrangements with numerous groups in the late 1980s to early 1990s. These included Noranda, Arapahoe Mining Company ("Arapahoe"), Bethlehem Resources Corporation ("Bethlehem"), Freeport Exploration Company and Bear Creek Mining Co. These groups undertook exploration, including some drill testing, on various targets within the Accrington Prospect area.

The Accrington Prospect is dominated by a stratigraphic sequence of metamorphosed and metasomatised carbonate-rich units with some interbedded shale; the overall sequence dipping about 25^{o} to the west northwest. Prospect scale, gentle, asymmetrical synclinal folding with the fold axis trending northeast to north northeast is evident.

The meta-carbonate lithologies include skarns, wollastonite-rich horizons, hornfels and marble units. Garnets are frequent and their coloration has been mapped out ranging from brown/red to green/yellow coloration. Acid to intermediate porphyry dykes, up to 10m wide, generally with a north northwesterly strike, are common throughout the Accrington Prospect. Some of the porphyry dykes contain visible sulphides and are stained by malachite. These are considered possibly related to the nearby Cactus Stock outcropping to the north (see Figures 4 and 5). The metasediments are bounded to the east by the north-south Horn Silver Fault and to the west the sequence is obscured by alluvium. The results of the airborne magnetic survey undertaken by Alderan indicates that the meta-sediments extend beneath the alluvium.

Extensive iron oxide staining is present along fractures throughout the metasediments and is almost certainly derived from the oxidation of original sulphide minerals. Malachite, after copper sulphides, is present in numerous surface outcrops. Intense argillic alteration of the carbonate units is often noted, particularly in the vicinity of the porphyry dykes and along structures and fissures. Epidote alteration is evident over large portions of the prospect, often in conjunction with Wollastonite. Silicification is common throughout the prospect.

In 1989, Bethlehem, in joint venture with Arapahoe, undertook reconnaissance electrical geophysical surveys (PEM and IP) over areas of known mineralisation (i.e. near some of the historical mines) in the Accrington Prospect. Numerous moderate to strong electrical conductors were outlined which were subsequently tested by a total of five RC holes (R-89-2 to 6). Drilling difficulties prevented some holes reaching the target depth. The best intersections obtained were from Hole R-89-5 (coordinates – 299402E, 4258920N), near the Block Incline workings, which returned the following results:

- 9.14m (30ft) at 2.7% Pb, 0.95% Zn, 0.27g/t Au, 58g/t Ag from a depth of 6.1m (20ft)
- 3.5m 10ft) at 1.7% Pb, 1.12% Zn, 0.48g/t Au, 35g/t Ag from a depth of 73.2m (240ft)

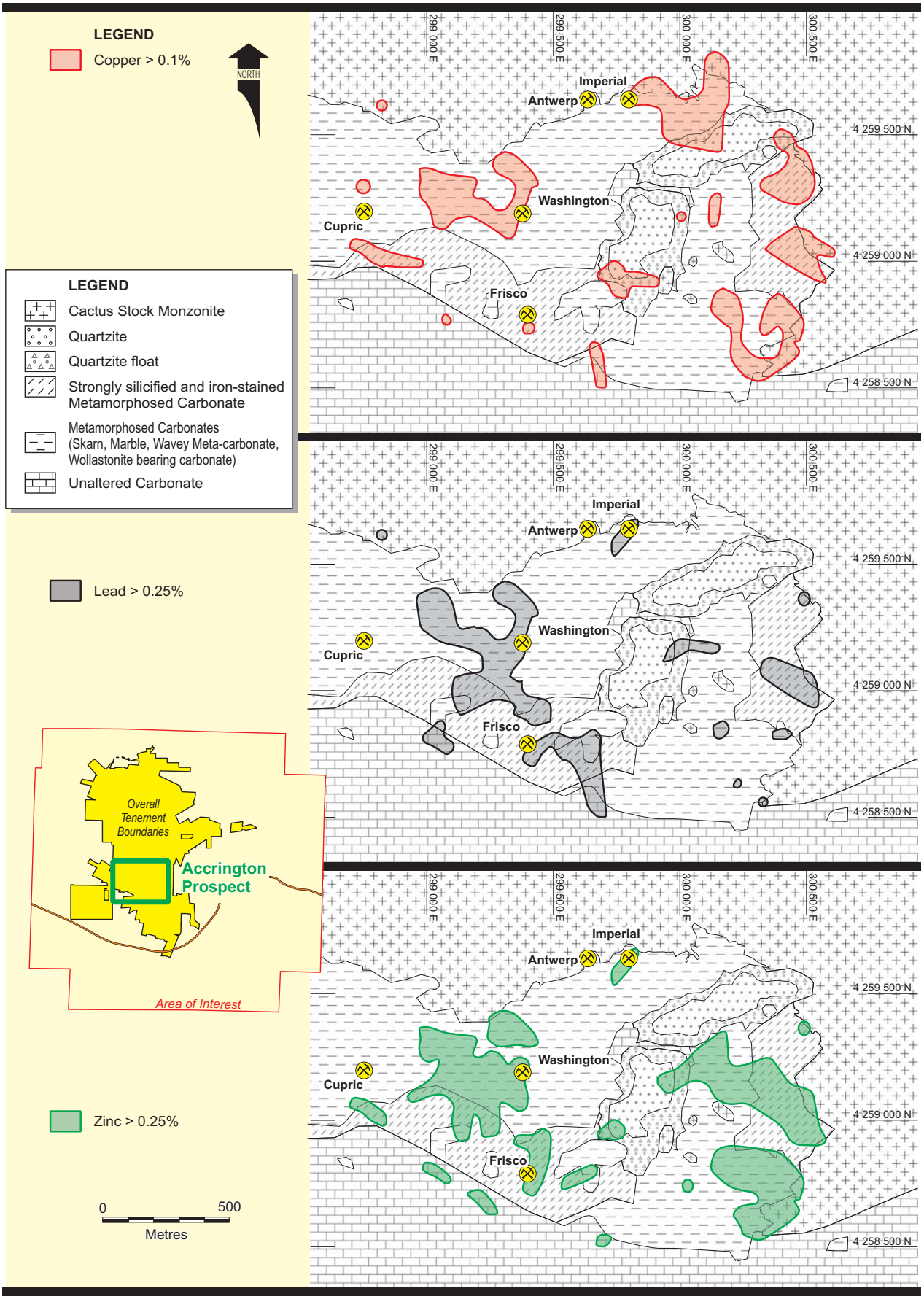
Hole R-89-5 encountered mineralised skarn over its entire length of 128m (420ft). Sulphides noted included pyrite, galena, pyrrhotite and chalcopyrite.

There has been some historical drilling from the underground workings at the Imperial mine with some wide, along hole, zones of copper mineralisation intersected. Using a lower cut-off grade of 0.5% Cu, this includes (but is not limited to) along hole intercepts of 19.5m at 1.79% Cu (hole ILH 13) and 36.6m at 1.23% Cu. There is insufficient information available to determine the true widths of these intersections.

Initial reconnaissance rock chip sampling by Alderan and earlier explorers, yielded anomalous copper, lead, zinc, silver and gold values from numerous iron oxide stained outcrops, while grab samples taken from a number of the historical mine dumps have returned percentage base metal values indicating, as would be expected, the historical mines were developed on high grade massive sulphide zones along prominent major fracture zones or faults.

In late 2016 Alderan undertook a grid based rock chip and soil sampling program over a large portion of the Accrington Prospect. A nominal 50m spacing was adopted along north-south trending grid line 100m apart. Sampling focused on composite rock chip sampling within a 10m radius of the grid location. Float material was avoided where possible. Rock type, alteration, visible mineralisation and potential contamination were noted for each sample position. Samples were prepared and analysed for 49 elements, including gold, at the ALS laboratory in Reno Nevada.

For a preliminary interpretation of the results, Alderan combined both its own results with available results from historical explorers which outlined numerous anomalies over the Accrington Prospect. Using the following cut-off grades, the anomalous zones, overlain on a simplified geology map, are shown on Figures 9 and 10.



ALDERAN RESOURCES LIMITED ***Accrington Prospect***

SIMPLIFIED GEOLOGY ROCK CHIP AND SOIL GEOCHEMISTRY FOR COPPER, LEAD AND ZINC

Figure 9

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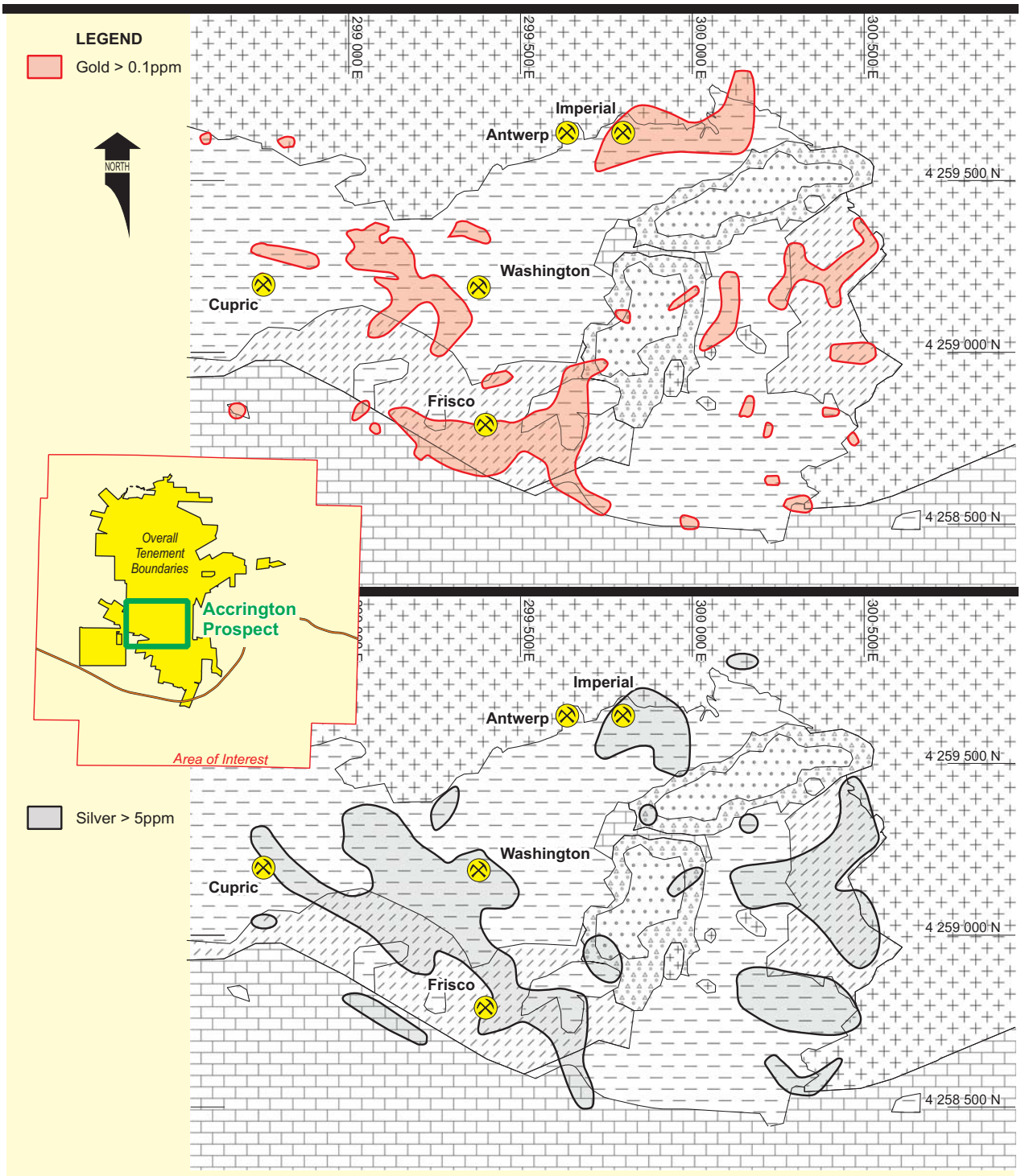

LEGEND

- Cactus Stock Monzonite
- Quartzite
- Quartzite float
- Strongly silicified and iron-stained Metamorphosed Carbonate
- Metamorphosed Carbonates (Skarn, Marble, Wavey Meta-carbonate, Wollastonite bearing carbonate)
- Unaltered Carbonate

0 500 Metres

ALDERAN RESOURCES LIMITED — ***Accrington Prospect***

SIMPLIFIED GEOLOGY AND ROCK CHIP AND SOIL GEOCHEMISTRY FOR GOLD AND SILVER

Figure 10

GA-05/01-February 2017

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- Gold – 0.1ppm Au
- Silver – 5ppm Ag
- Copper – 0.1% Cu
- Zinc – 0.25% Zn
- Lead – 0.15% Pb

In broad terms, as can be seen on Figures 9 and 10, there is a relatively good correlation between anomalous areas of precious metal (gold and silver) and base metal (copper, lead and zinc) anomalism and the anomalies are essentially confined to meta-carbonate units (skarns, hornfels, etc.) and only rarely extend into the quartzite, unaltered carbonate, or the Cactus Stock.

GA Comment

Both the historical exploration as well as Alderan's work to date in the Accrington Prospect, provides encouragement that this prospect may have potential for both open pit and underground polymetallic deposits.

The initial interpretation of the recently completed grid rock chip and soil geochemical survey is encouraging with large base and precious metal anomalous zones outlined over the metamorphosed carbonate sequence. The area is also characterized by numerous historical mine workings and exploratory excavations as well as widespread visible indications and alteration and mineralization.

7.4.3 Horn Silver Mine Prospect

The Horn Silver Mine prospect, located near the southeastern edge of the Frisco Project tenements (Figures 2 and 4), is the site of the historical high grade lead-silver-zinc (± copper ± gold) from the underground Horn Silver Mine. A second underground mine, the King David Shaft, developed further to the west, is thought to have had little or no production.

The known lead-silver-zinc mineralisation is located within Palaeozoic age brecciated carbonate units (bedded silicified limestones, skarns, epidote-rich hornfels and marbles) within, and in the immediate vicinity of, the of the steeply north-south striking Horn Silver Fault.

The fault has developed at the contact between the shallow west-dipping (5^{o}-20^{o}) carbonate units on the western side of the fault and the younger Tertiary andesitic volcanics on the eastern side of the fault (Figure 11).

The fault zone is described as reaching widths of 30.5m (100ft) and is estimated as having a throw in excess of 450m. The Horn Silver Fault zone terminates against the Cactus Stock to the north of the mine area. Quartz monzonite dykes intrude the sequence in the northern portion of the mine area.

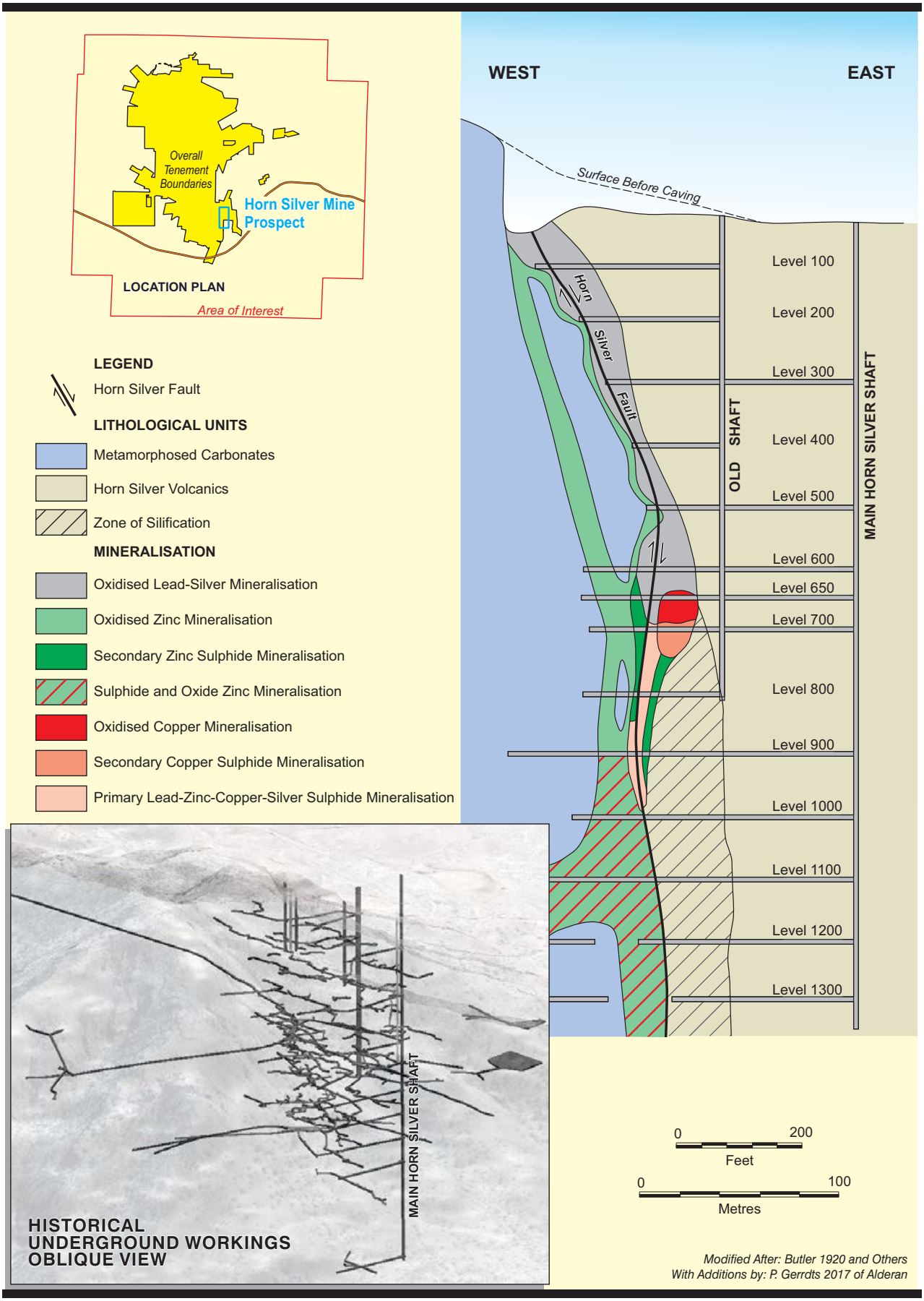
Prior mining targeted high grade massive sulphides and near surface oxides. The mineralisation is dominantly hosted within the brecciated and silicified carbonate units however some historical explorers have speculated that some of the mineralisation may also occur in blanket-shaped manto horizons developed along the bedding planes within the carbonates adjacent to the fault. Mantos usually form by the dissolution of the carbonates by acidic mineralising fluids and the replacement of the carbonate minerals with sulphide mineralisation.

The Horn Silver deposit occurs as a tabular, near vertical to steeply west dipping, breccia-hosted zone, which prior to mining indicated had a north-south strike length of some 215m, a vertical extent of about 290m and east-west widths typically ranging from 9-18m with a maximum recorded width of up to 55m.

The principal mineral species (sulphides, supergene secondary minerals and oxide minerals) include sphalerite, galena, pyrite, bornite, tetrahedrite, chalcopyrite, smithsonite, chalcocite and hemimorphite.

The shafts at the Horn Silver Mine, reached a depth of some 488m (1,600ft) with horizontal levels generally developed at 100ft levels within the mineralised zone. The nearby King David Shaft did not encounter mineralisation as it is offset from the main Horn Silver mineralised zone.

Historical mining at the Horn Silver Mine concentrated on oxidised and supergene lead-silver rich mineralisation however copper, zinc and gold were also recovered as shown on Table 7.1 (section 7.2) above. Historical mining (Figure 11) initially concentrated on oxide and supergene mineralisation from surface to about 183m (600ft) with sulphides becoming more dominant with depth. A mixture of oxide and sulphide species persist to the 1000ft level. The secondary supergene zinc mineralisation extended to a considerable depth due to oxidation of original sulphides down the Horn Fault zone.



ALDERAN RESOURCES LIMITED — ***Horn Silver Mine***

Figure 11

SCHEMATIC CROSS SECTION AND OBLIQUE 3D VIEW OF UNDERGROUND MINE WORKINGS

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It is evident that lead and silver were the main metals of interest to the historical miners and there is a suggestion in some of the previous historical exploration reports that a considerable amount of zinc-dominant sulphides have been either left in the underground stopes or used as backfill into open stopes.

Several companies have explored the Horn Silver Mine property under various ownership structures and farm-in arrangements since the 1920s. Since the current patented claim holder acquired the area in about 1964, farm-in arrangements were negotiated with a variety of groups, including, but not limited to,

Rosario (1966-1971), Freeport Minerals Company (1982-1985), Bethlehem Resources Corporation (1985-1993), Teck Cominco America Inc (1999) and Franconia Minerals Corporation ("Franconia") in two phases between 2000 and 2006.

In 1982 Mr M.C. Godbe, a previous engineering consultant to HSM, estimated the potential tonnage and grade of zinc mineralisation remaining in the mine area. This estimate does not conform to the JORC code and is therefore not quoted here.

In 2002 Franconia opened and rehabilitated the King David Mine workings, accessed and mapped the 650 level and field checked accessible portions of the 800, 900 and 1000 levels. Channel sampling of along the 650 and 900 levels returned significant zinc values as shown in Table 7.2 below.

TABLE 7.2

SIGNIFICANT ZINC VALUES FROM COMPOSITE CHANNEL SAMPLING BY FRANCONIA ALONG THE 650 AND 900 LEVELS – HORN MINE

Length	Grade	Level and Franconia Location
13.7m	2.25% Zn	650 L - south drift
4.9m	4.99% Zn	650 L. - new drill station
6.1m	6.88% Zn	650 L. - new drill station
3.1m	18.55% Zn	650 L. - shear-north wall
12.2m	3.77% Zn	650 L. - mid south drift
19.2m	4.85% Zn,	900 L. east of Blickenstaff stope
Including 6.1m	7.72% Zn, 7.94% Pb, 289g/t Ag	

Notes:

1. Franconia descriptions suggest that the intervals contained base metal sulphides (pyrite, galena, sphalerite and chalcopyrite).
2. Only zinc values available except for the internal higher grade section on the 900 level.

An electrical geophysical survey was undertaken in the 650 level but failed to provide any new information regarding the potential for sulphide mineralisation below the 650 level.

Three Franconia diamond drill holes ("DDH"), SF-1, 2 and 3, were drilled from surface and two of these (holes SF-2 and 3) intersected significant zinc values as shown in Table 7.3 below. Franconia indicated that the zinc was in the form of smithsonite (a secondary zinc carbonate mineral) and there were no significant lead or silver values in the intersections.

It is significant to note that the deeper intersections in SF-2 and SF-3 appear to be below the deepest levels previously mined but this assumes the holes maintained their planned direction and dip and did not lift. Franconia however did not undertake any down-hole surveys so the actual track of the hoes is unknown. They do provide encouragement that the deposit remains open at depth.

TABLE 7.3
SIGNIFICANT ZINC INTERCEPTS FROM FRANCONIA
HOLES SF 1 AND SF 2 – HORN SILVER MINE

Hole No/ Collar Coordinates (Elevation)	Total Depth (m)	Collar Inclination & Azimuth	Intercept			
			From (m)	To (m)	Width (m)	Grade (% Zn)
SF-2	383.1	-81.5° to 117°	282.85	286.51	3.66	5.86
3012994E,4258096N (2,024m)			356.62	373.59	16.97	14.01
				includes	11.28	16.58
				and	4.18	12.13
SF-3	403.0	-75° to 149°	358.93	362.41	3.48	18.01
301298E,4258131N (2,024m)				includes	1.95	26.90
			374.45	389.53	15.08	16.93
				includes	4.18	34.30

Notes:

1. Franconia descriptions indicate that the intercepts above consisted of gossanous material containing the secondary zinc carbonate mineral smithsonite.
2. Franconia indicated there was no significant lead or silver values in the intercepts above.
3. The intercept widths above are intersection lengths, not true widths.

The previous exploration appears to have focused on the remnant zinc mineralisation within the underground mine workings and the results provide encouragement that there may be significant high-grade zinc mineralisation within the mine workings. This is an area worth further investigation by Alderan.

The major work to date by Alderan has consisted collecting and digitising the available historical data, some reconnaissance mapping, geochemical rock chip and grab sampling in and around the historical workings. The Horn Silver Prospect was also included in an airborne magnetic survey flown in 2016.

GA Comment

In GA's opinion, at this stage, the presence of manto-style mineralisation within the Horn Silver Prospect, while a realistic possibility, remains unproven. It is based largely on some surface observations by previous explorers and interpretation (again by historical explorers) of underground diamond core holes from the 650ft and 800ft levels.

The likelihood of zinc-dominant mineralisation remaining in the underground workings is high but the quantity and grade has not been definitively substantiated. In the era of the previous mine activity, lead was of far greater interest than zinc. However, even if significant zinc dominant mineralisation has been left behind, future extraction may be compromised by safety issues associated with the existing underground workings and would need to be closely evaluated by Alderan.

The existing underground King David workings were most recently rehabilitated and accessed in about 2002. At present the condition of these working remains uncertain and Alderan has, as yet, not made any attempt to inspect the underground workings. It is likely that Alderan's future exploration of this prospect will include an assessment of what additional rehabilitation would be required to safely re-enter the underground to enable mapping sampling and possibly drilling.

In GA's opinion, the potential along strike and depth extensions of the Horn Silver deposit are attractive and valid exploration targets for Alderan.

7.5 Frisco Project - Overall Conclusions

In GA's opinion, the various mineralisation styles represented by the Cactus Breccia Pipe and Cactus Canyon, Accrington and Horn Silver Mine Prospects, as described in the sections above, are probably related to a single porphyry copper mineralising system associated with the Cactus Stock.

The Cactus/Cactus Canyon potentially represents mineralisation styles typically found within the intrusive phases while the Horn Silver Mine and Accrington Prospects represent replacement and contact metasomatic mineralisation within the aureole of the stock respectively.

There is clear evidence of a mineral zonation from north to south within the Frisco Project.

- The Cactus Breccia Prospect, is characterised by copper-gold ± molybdenum.

- The Accrington Prospect, to the north of the Horn Silver Mine, while also being characterised by zinc, lead and silver, has an increasing proportion of copper present and gold.
- The Horn Silver Mine, in the south of the project, is dominated by lead-silver-zinc ± copper ± gold mineralisation.

The comments below are designed to provide some indication of the types of targets represented by each of the four prospect areas within the Frisco Project. In each case, the comments assume future exploration success by Alderan, and should not be interpreted to indicate that any economically viable deposits are currently outlined.

The Cactus Breccia Pipe Prospect (including Cactus, New Year and Comet), represent copper-gold ± molybdenite targets which, depending on future exploration success, represent targets for the development of deposits that could be amenable to open pit and/or underground extraction.

The Cactus Canyon Prospect is at this stage is poorly defined. The magnetic survey and subsequent modelling however has provided a large area of demagnetisation below and adjacent to the Cactus Pipe that is an obvious target for follow-up investigation by Alderan Visually (from GA's inspection of the previous Amax core stored at Salt Lake City) there are zones of disseminated sulphides (including pyrite, chalcopyrite and occasional molybdenite) within altered intrusive phases of the Cactus Stock. Although the alteration is typical of that found in porphyry copper systems, in GA's experience it is of weaker intensity than what would be expected in the immediate vicinity of significant mineralisation. This may be because the Amax holes were drilled at random positions rather than sited to test specific porphyry copper targets and may reflect a poor understanding of porphyry copper systems.

The analytical results obtained by Amax and from the re-sampling undertaken by Alderan of hole DDH 520-4, while weakly anomalous, do not approach potentially economically viable levels. The best intercept in the Amax holes was 30m down hole averaging 0.22% Cu (DDH 520-1) in what appears to have been an intrusive dyke. This intercept lies adjacent to the main magnetic target defined from Alderan's magnetic survey (zone of demagnetisation) and to higher grade mineralisation within the Cactus Breccia Pipe.

GA is of the view that while the Cactus Canyon Prospect remains an interesting porphyry copper exploration prospect, it will take considerable effort to select targets from within this large area for drill testing. The magnetic data will be of considerable assistance in identifying targets for follow-up investigation. Overall the Cactus Canyon prospect represents a longer-term target than the other three prospects.

The Accrington Prospect, exhibits wide zones of anomalous base and precious metals within the metamorphosed carbonate units and, as such, represent a target for the development of one or more deposits that might be amenable to extraction by open pit mining. There are also numerous historical mine workings such as Imperial and Washington that may have potential for extensions laterally and/or at depth. A number of historical holes drilled from the Imperial underground workings intersected wide, along hole, zone of over 1% copper. These therefore represent lower tonnage but potentially higher-grade targets for possible underground extraction.

GA considers that the main exploration target at the **Horn Silver Mine Prospect** to be high grade, structurally controlled and skarn-hosted mineralisation, within the potential depth and lateral extensions to the previously mined deposit. Remnant, high grade zinc mineralisation within the current workings is also of potential interest but probably only if depth and/or lateral extensions to the known deposit are developed.

8.0 PROGRAM AND BUDGET

Alderan has developed a two-year program and budget to evaluate the Frisco Project area for the A$8.5 million capital raising as well as for the A$6.5 million minimum raising. The Company plans to undertake a considerable amount of drill testing of the major targets within the Horn Silver Mine, Accrington and Cactus Breccia Pipes Prospect areas as these have the potential to develop near-term higher-grade polymetallic resources.

Initial work planned includes:

- Infill and confirmation drilling at the Cactus Breccia Pipes prospects and at the Horn Silver Mine.
- Drill testing in the Washington Mine area within the Accrington Prospect.
- An IP survey in the Cactus Breccia Pipe area and over the larger Cactus Canyon area. In the former area the objective will be to identify additional targets for drill testing.
- IP and EM surveys within the Accrington Prospect with the expectation that, in combination with the magnetic data already obtained, additional targets for drill testing will be defined.
- In addition to the detailed exploration above, mapping and sampling within the entire Frisco Project tenements will be on-going and Alderan is planning to engage the services of a recognised porphyry copper expert to assist in establishing vectors to the best target areas for drill testing of the porphyry copper potential of the project area.

  The proposed two-year budget is shown on Table 8.1 below with the figures only relating to direct exploration costs. The figures include the advanced royalties payable to HSM relating to the patented claims and fees payable to the BLM in respect to the unpatented claims.

TABLE 8.1
TWO-YEAR FRISCO PROJECT EXPLORATION BUDGET

Program and Budget	$8.5 Million Raising			
	Year 1	Year 2	TOTAL	Estimated Total Metres
	A$	A$	A$	
Horn Silver Drilling	200,000	100,000	300,000	3,000
Accrington Drilling	500,000	400,000	900,000	4,500
Cactus Breccia Pipes	750,000	360,000	1,110,000	5,550
Cactus Canyon Drilling	0	300,000	300,000	1,500
Additional Discretionary Targets	100,000	200,000	300,000	1,500
Geophysical Surveys, Petrology, etc.	605,000	150,000	755,000	
Geology, Geochemistry, Assaying etc.	832,000	782,000	1,614,000	
Field Logistics and Support	578,000	260,000	838,000	
Tenure Costs and Farm-in payments	135,000	303,000	438,000	
TOTALS	**3,700,000**	**2,855,000**	**6,555,000**	**15,950**

Program and Budget	$6.5 Million Raising			
Horn Silver Drilling	250,000	0	250,000	2,500
Accrington Drilling	400,000	300,000	700,000	3,500
Cactus Breccia Pipes	600,000	400,000	1,000,000	5,000
Cactus Canyon Drilling	0	150,000	150,000	750
Geophysical Surveys, Petrology, etc.	425,000	70,000	495,000	
Geology, Geochemistry, Assaying etc.	644,000	594,000	1,238,000	
Field Logistics and Support	342,000	275,000	617,000	
Tenure Costs and Farm-in payments	134,900	303,200	438,100	
TOTALS	**2,795,900**	**2,092,200**	**4,888,100**	**11,750**

GA Comment

GA considers the proposed exploration program and budget is appropriate and will significantly advance the understanding of the entire Frisco Project.

It is anticipated that the high component of drill testing of some of the known advanced targets, when completed, should progress some of the areas, such as the Horn Silver Mine and the Cactus Breccia Pipe prospects, towards resource definition. Additional infill drilling, beyond that outlined above, will be required to enable resources in accordance with the JORC code to be estimated.

The potential for the Cactus Canyon Prospect to host a large disseminated porphyry copper (± gold ± molybdenum) will be further evaluated in the first two years by a combination of engaging an internationally recognised expert in porphyry copper deposits and with some additional targeted drill testing.

9.0 PRINCIPAL SOURCES OF INFORMATION

The principal information sources used are listed below.

Blakemore P.	1991	The San Francisco Mining District, Beaver County Utah
Caracle Creek International Consulting	April 2004	Independent Technical Report; San Francisco Zinc (Utah), Mahoney Zinc (New Mexico) and Birch Lake PGE (Duluth Complex, Minnesota) Properties USA, prepared for Franconia Minerals Corporation
Ege C.L.	2005	Selected Mining Districts of Utah, Utah Geological Survey Miscellaneous Publication 05-5
Geerdts P	February 2017	Accrington Geochemistry Maps – Power Point Presentation
Geerdts P., Brehm T., Smith D., Wanless C.	January 2017	Alderan Resources Ltd, Frisco Project Technical Report
Geerdts P., Smith D., Wanless C.	November 2016	Frisco Project, Technical Overview Power Point Presentation
Geo Western	July 1989	Horn Silver Project Beaver County Utah. Geophysical Report San Francisco Mining District
Goodson B.	September 1989	Horn Silver Property Phase 1 Exploration for Bethlehem Resources Corporation and Arapahoe Mining Corporation March- July 1981
L'Herpiniere P.	August 2015	Technical Review of the San Francisco Project Area, Force Consulting Pty Ltd
Tureck K.	2002	2002 Compilation Report for Franconia Minerals Corporation, San Francisco Mining District, Beaver County Utah
Wray W.B.	September 2003	Mines and Geology of the San Francisco District, Beaver County, Utah

10.0 STATEMENT OF CAPABILITY

This report has been prepared by Peter Goldner the Managing Director of Goldner and Associates. A summary of Mr Goldner's qualifications and experience is as follow:

Mr Peter Goldner (BSc. [Hon] Geology, FAusIMM CP, FAIG), MAIMVA) the Managing Director of Goldner and Associates, has more than 45 years-experience in exploration and mineral project evaluation, and the provision of geological services. He has worked in both surface and underground operations in a range of commodities, including gold and other precious metals, copper, lead/zinc, base metals, nickel and uranium. He has extensive experience in reviewing resource/reserve estimates and in reconciliation procedures. Mr Goldner has worked throughout Australia, PNG, Southeast Asia and in Alaska USA.

11.0 STATEMENT OF INDEPENDENCE

GA is independent of all parties involved with the project activities described in this report. GA will receive a professional fee based on standard rates plus reimbursement of out of pocket expenses for the preparation of this report. The payment of these fees is not contingent upon the success or otherwise of the proposed capital raising pursuant to the prospectus within which this report is contained. There are no pecuniary or other interests, which could be reasonably regarded as being capable of affecting the independence of GA or the undersigned.

GA, the undersigned and members of the undersigned's family, have no interest in, or entitlement to, any of the project areas which are the subject of this report.

12.0 LIMITATIONS AND CONSENT

This report has been based on data, reports and other information made available by Alderan, its subsidiaries or otherwise obtained through publicly available sources. A draft copy of this report has been provided to Alderan for comment as to errors of fact, material omissions or incorrect assumptions. GA has no reason to believe that the information provided by Alderan is misleading or that any material facts have been withheld.

The opinions expressed herein are given in good faith and GA believes that any assumptions or interpretations are reasonable.

With respect to this GA Report and its use by Alderan and its advisers, Alderan agrees to indemnify and hold harmless GA its shareholders, directors, officers and associates against any and all losses, claims, damages, liabilities or actions to which they or any of them may become subject under any securities act, statute or common law, except in respect to fraudulent conduct, negligence or wilful misconduct. Alderan has agreed to reimburse them on a current basis for any legal or other expenses incurred by them connected with investigating any claims or defending any actions, except where they or any of them are found liable for, or guilty of fraudulent conduct, negligence or wilful misconduct.

This report is provided to Alderan solely for the purpose of assisting potential investors in assessing the geological and technical issues as well as the potential risks associated with an investment in Alderan and should not be used or relied upon for any other purpose. This report does not constitute a full technical audit but rather it seeks to provide an independent overview and technical appreciation of Alderan's Frisco project. Neither the whole nor any part of this report, nor any reference thereto, may be included in, or with, or attached to any document or used for any purpose without GA's written consent to the form and context in which it appears.

GA has consented to the inclusion of its report in Alderan's prospectus document dated on or about 22 May 2017 in the form and context in which it appears and has not withdrawn its consent prior to the lodgement of the prospectus with the Australian Securities and Investments Commission.

Yours faithfully,

GOLDNER AND ASSOCIATES
Peter T Goldner

GLOSSARY OF TECHNICAL TERMS, ABBREVIATIONS AND UNITS OF MEASURE

Term/Abbreviation	Description
3D	Three dimensional.
A$	Australian Dollar.
acid	A descriptive term applied to igneous rocks that contain more than 60% silica (SiO_2).
actinolite	An amphibole group mineral. A hydrous silicate variously containing calcium, magnesium, iron and usually occurring as acicular, or fibrous crystals [2 $\{Ca_2(Mg,Fe)_5Si_8O_{22}(OH_2)\}$].
Ag	Chemical symbol for silver
Al	Chemical symbol for aluminium.
alteration	Change in the mineralogical and chemical composition of a rock, generally produced by hydrothermal fluids or by weathering
andesite/andesitic	A dark coloured, fine-grained, usually extrusive rock of intermediate composition. The fine grained equivalent to the gabbro.
anhydrite	A calcium sulphate mineral [$CaSO_4$].
Anomaly/anomalous	Value higher or lower than the expected norm.
aplite (aplitic)	A dyke rock consisting essentially of quartz and alkali feldspar, with a fine grained sugary texture.
argillic alteration	A type of alteration where certain minerals are converted to clays.
Au	Chemical symbol for gold
azimuth	In this report - the compass direction of an inclined hole.
B	Chemical symbol for boron.
base metal	Generally a non-ferrous metal inferior in value to the precious metals; usually and especially copper, lead, zinc, nickel.
Basin and Range Province	Refers to a large physiographic region that covers much of the inland of the Western United States and is characterised by abrupt changes in elevation, alternating between narrow faulted mountain chains and flat arid valleys or basins resulting from tectonic extensions that began about 17 million years ago.
bornite	A dark bluish black copper iron sulphide [Cu_5FeS_4]
breccia/brecciated	A coarse-grained rock consisting of angular broken rock fragments held together by a fine-grained matrix, distinct from conglomerate.
breccia pipe	A chimney-like mass of breccia, often in an irregular and cylindrical shape; frequently associated with porphyry copper deposits.
Ca	Chemical symbol for calcium.
Cambrian	The oldest of the systems into which the Palaeozoic era stratified rocks are divided. The Cambrian spans the period between 500 and 570 million years ago.
carbonate mineral	A mineral formed by the combination of the complex ion $(CO_3)^{2-}$ with positive ions, e.g. calcite [$CaCO_3$]
Carbonate unit	In this report refers to a mappable unit that consists of various horizons that are predominantly derived from limestone or other sediments rich in carbonate minerals.
chalcocite	A black to dark grey copper sulphide [Cu_2S]
chalcopyrite	A sulphide mineral of iron and copper [$CuFeS_2$]
conductor/conductive	Rock unit that electric currents flow through
contact metamorphism	A process taking place in rocks at or near their contact with an igneous rock. Metamorphic changes are effected by heat and materials emanating from the magma.
costean	An excavated trench.
Cu	Chemical symbol for copper
DDH	Diamond drill hole; a drilling technique using a diamond-studded drill bit that usually produces solid rock core as sample
diorite	A coarse grained igneous rock of intermediate composition between acidic and basic (i.e. between granite and gabbro).
dip	Angle made with the horizontal (for a plane this is perpendicular to strike)
disseminated	A scattered distribution of generally fine-grained metal-bearing minerals throughout a rock
dolomite	A calcium-magnesium carbonate mineral [$Ca,Mg(CO^3)_2$]; refers to both the mineral and the rock.
drift	A horizontal underground passage driven along a vein or mineralised horizon.
dyke	A tabular igneous intrusion cutting across the bedding or other planar structures.

electromagnetic (EM)	A geophysical method employing the generation of electromagnetic waves at the earth's surface. When the waves impinge on a conducting formation or sulphide rich body at depth they induce an electrical response that can be detected by instruments.
Eocene	An epoch of the Tertiary period, between 55 and 34 million years ago
epidote	A green silicate mineral of calcium, aluminium and iron [$Ca_s(Al,Fe)_3Si_3O_{12}(OH)$] commonly found in low-grade metamorphic rocks or as an alteration product associated with porphyry-style mineralisation.
extrusive	Refers to volcanic rocks that have been extruded during volcanic eruptions.
fault	A fracture of fracture zone along which there has been displacement of the sides relative to one another parallel to the fracture.
Fe	Chemical symbol for iron.
feldspar	A group of abundant rock-forming silicate minerals containing variable amounts of calcium, potassium, sodium as well as other minor components. They are the most widespread of any mineral group.
foot/feet ("ft.")	Imperial measure of distance. 1 foot = 0.3048 metres
fire assay	An analytical technique used to measure the amount of gold in a sample
float	A general term for loose fragments of rock derived from nearby outcrop.
flow(s)	In this report refers to extruded volcanic rocks.
g/t	gram/tonne.
galena	A lead sulphide mineral [PbS].
garnet	A group of silicate minerals variously containing calcium, iron, manganese, magnesium, aluminium, chromium, titanium, vanadium and zirconium.
geochemical sampling	Systematic collection of rock or soil samples in order to study their chemistry.
geochemical survey	A systematic study of the variation of chemical elements in rocks or soils.
geochemically anomalous	An area having elevated levels of specified elements in rocks or soils.
grade	Average quantity of ore or metal in a specified quantity of rock.
granitoid	Denotes a coarse grained intrusive rock of granite-like appearance and granitic composition.
granodiorite	A coarse grained plutonic granitoid containing quartz, plagioclase feldspar and usually some mafic minerals.
H	Chemical symbol for hydrogen.
hematite	An iron oxide mineral [Fe_2O_3]. Can occur as a primary or as an alteration mineral.
hemimorphite	A secondary hydrous zinc silicate mineral [$Zn_4Si_2O_7(OH)_2.H_2O$]
hornfels	A fine grained metamorphic rock composed of a mosaic equidimensional grains without preferred orientation and typically formed by contact metamorphism.
hydrothermal	Of or pertaining to hot water, to the actions of hot water or the products of this action, such as mineral deposit precipitation.
inclination	In this report refers to the angle of a drill hole to the horizontal.
induced polarisation ("IP")	A surface electrical geophysical surveying method. New advances enables a surveying to be done in three dimensions 3D.
intermediate	An igneous rock that is transitional between basic (or mafic) and acid (or felsic).
intrusive	Of or pertaining to intrusion, both the process and the rock so formed.
JORC	Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves 2012 Edition.
km	kilometre – 1kilometre = 1000 metres.
km^2	square kilometre – 1 square kilometre = an area of 1,000 metres by 1,000 metres.
level(s)	A main underground access driven along a level course to afford access to stopes or workings; usually spaced at regular depth intervals
Li	Chemical symbol for lithium.
limestone	A sedimentary rock chiefly consisting of calcium carbonate primarily in the form of calcite.
lithology (-ies)	Rock type.
m	Metre – 1 metre = 100 centimetres.
M	Million.
magnetic survey	A geophysical survey measuring the variation in strength of the earth's magnetic field assisting the mapping of lithologies, particularly under cover.
malachite	A bright green copper carbonate [$Cu_2CO_3(OH_2)$]; commonly occurs as a secondary mineral in the oxide zone of copper sulphide deposits.

manto	A flat lying or shallow dipping bedded deposit, either a sedimentary deposit or a replacement strata-bound deposit.
marble	A metamorphic rock composed essentially of calcite, dolomite or a combination of the two with a fine grained crystalline texture.
matrix	Fine grained material in rocks between coarser fragments.
meta-carbonates	Refers to carbonate-rich sedimentary rocks that have been metamorphosed
metamorphic(-osed)	Refers to any rock (igneous or sedimentary) derived from mineralogical, chemical and/or structural changes, essentially in the solid state in response to marked changes in temperature or pressure.
Metasomatic(-ism)	The process by which one mineral may be replaced by another of different chemical composition due to the introduction of fluids, usually originating from a nearby intrusive.
Mg	Chemical symbol for magnesium.
miles ("mls")	Imperial measure of distance. 1 mile = 1.609 kilometers.
mineral deposit	A descriptive term relating to an accumulation of potentially valuable minerals without regard to mode or origin; its use does not have any economic or viability connotations.
Mn	Chemical symbol for manganese.
Mo	The chemical symbol for molybdenum.
molybdenite	A molybdenum sulphide mineral [MoS_2].
molybdenum	A metallic element with Mo as the chemical symbol.
monzonite	A coarse-grained granitic intrusive that is compositionally midway between granite and granodiorite.
Na	Chemical symbol for sodium.
NI 43-101	National Instrument 43-101 the Canadian equivalent of the Australian JORC Code.
normal fault	A fault in which the hanging wall appears to have moved downward relative to the footwall.
O	Chemical symbol for oxygen.
ounce	troy ounce – 12 troy ounces = 1 Avoirdupois pound (lb), 1oz = 31.103477g.
outcrop	Rock exposed to view at the surface and physically connected to solid rock at depth.
oxidised	Refers to minerals or rocks that have been modified by surface waters, e.g. sulphide minerals changed to oxide or carbonate minerals.
Palaeozoic	An era of geological time from about 570 to 225 million years ago i.e. from the end of the Precambrian to the beginning of the Mesozoic.
patented mineral claim	United States mineral tenement where the tenement holder also owns the surface rights.
Pb	Chemical symbol for lead.
polymetallic	Mineral deposits or prospects containing more than one potentially valuable metal.
porphyry copper deposits	A class of mineral deposits- usually large disseminated low-grade bodies of copper ± gold ± molybdenum mineralisation associated with intrusions.
porphyry/porphyries	An igneous rock in which larger crystals ("phenocrysts") are scattered through a matrix of smaller crystals ("groundmass"); descriptive of rocks displaying such textures.
pound ("lb")	Avoirdupois pound. 1 lb = 453.59 grams.
ppm	parts per million, 1ppm = 1g/t
precious metals	Includes gold, silver and the platinum group metals.
pyrite	Common iron sulphide mineral (FeS_2).
pyroclastic	Refers to any rock consisting of solid material explosively or aerially ejected from a volcanic vent.
pyrrhotite	An often bronze, sometimes magnetic coloured iron sulphide mineral [$Fe_{1-x}S$].
quartz	A mineral composed of silicon and oxygen (SiO_2).
quartzite	A granoblastic metamorphic rock consisting mainly of quartz, formed by the recrystallization of sandstone by regional or thermal metamorphism.
RC	Reverse Circulation - A percussion drilling technique in which the cuttings are recovered up the inside of the drill rods to minimize contamination from the wall of the hole.
rotary hole(s)	A low impact, shallow depth, form of drilling which produces samples as chips.

RQD	Rock quality designation; a rough measurement the degree of jointing and fracturing in a rock.
secondary	Minerals formed from the breakdown of earlier minerals.
sediment/sedimentary	A solid fragmental material deposited by water or wind and depositing in layers.
sericite	A fine-grained variety of mica.
SG	Specific gravity.
shale	A fine grained laminated sedimentary rock.
short ton	A unit of weight. 1 short tonne = 0.907 tonnes.
Si	Chemical symbol for silicon.
silica	Mineral containing silica and oxygen.
silicified/silicification	The introduction of, or replacement by, silica, which may replace existing minerals.
Silurian	A period within the Palaeozoic era between 440 and 400 million years ago.
skarn	A metamorphosed calcareous sediment into which silica and other elements, often including metals, have been introduced from an adjoining intrusive body.
smithsonite	A zinc carbonate mineral [$ZnCO_3$]. It is a secondary mineral associated with sphalerite.
soil geochemistry	A systematic sampling and chemical analysis of soils.
sphalerite	A sulphide mineral of zinc and iron [(Zn, Fe)S], the main ore mineral of zinc.
stock	An igneous intrusion that is less than 100 sq. km. in surface exposure.
stratigraphic	The arrangement of a sequence of rock strata of the earth's crust into units, with reference to different characteristics, properties, or attributes.
strike	Trend or direction of rock strata in a horizontal plane; to extend in that direction.
sulphide	A mineral compound characterised by the linkage of sulphur with metal.
supergene	Said of a mineral deposit or enrichment formed near the surface of the earth, commonly by descending solutions.
t	tonne - a metric tonne, 1 tonne = 1000 kilograms.
tenement	A land use instrument issued by state governments for regulation of mineral exploration and mining.
Tertiary	A geological time period between 65 and 2 million years ago.
tetrahedrite	A metallic copper, iron, antimony sulphide, often contains silver. [$(Cu,Fe)_{12}Sb_4S_{13}$].
throw	The vertical displacement on a fault.
thrust	A fault with a dip of 45 degrees or less over much of its extent on which the hanging wall appears to have moved upwards relative to the footwall.
tourmaline	A group of minerals of general formula [$(Na,Ca)(Mg,Fe^{+2},Fe^{+3},Al,.Li)_3Al_6(BO_3)_3Si_6O_{18}(OH)_4$], commonly found as an accessory mineral in granite pegmatites.
unpatented mineral claims	United States mineral tenement where the tenement holder does not own the surface rights.
US$	United States dollar.
VALMIN Code	The Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 Edition.
vein	Generally tabular mineral deposit, usually relatively narrow and occurring between well-defined walls.
volcanic(s)	A rock formed in, or derived from volcanoes.
wollastonite	A calcium silicate mineral [$CaSiO_3$] found in contact metamorphic limestones.
Zn	Chemical symbol for zinc.

CONVERSION FACTORS

- 1 Troy ounce (oz)/short ton = 34.286 gram/tonne (g/t)
- 1 Short ton = 0.907 tonne (t)
- 1 Troy ounce (oz) = 31.104 grams (g)
- 1 Troy ounce/short ton = 34.286 grams/tonne (g/t)
- 1 Pound (avoirdupois) = 453.591 grams (g)
- 1 Acre = 0.4046 hectares (ha)
- 1 Mile = 1.609 kilometres (km)
- 1 Foot (ft) = 0.3048 metres (m)

RSM

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4 April 2017

The Directors
Alderan Resources Limited
Ground Floor, 16 Ord Street
West Perth WA 6005

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report ("Report") on Alderan Resources Limited Historical and Pro Forma Historical Financial Information

Introduction

We have been engaged by Alderan Resources Limited ("Alderan" or the "Company") to report on the historical financial information of Alderan for the half-years ended 31 December 2016 and 31 December 2015 and the years ended 30 June 2016 and 30 June 2015 and pro forma financial information of the Company as at 31 December 2016 for inclusion in the prospectus ("Prospectus") of Alderan dated on or about 4 April 2017 in connection with Alderan's proposed initial public offering and listing on the Australian Securities Exchange ("ASX"), pursuant to which the Company is offering up to 42,500,000 ordinary Alderan shares at an issue price of $0.20 per share to raise a maximum of $8.5 million. The minimum subscription level is 32,500,000 ordinary Alderan share at an issue price of $0.20 per share to raise a minimum of $6.5 million, before costs (the "Offer").

Expressions and terms defined in the Prospectus have the same meaning in this Report.

The future prospects of the Company, other than the preparation of a Pro Forma Historical Financial Information, assuming completion of the transactions summarised in Note 1 of the Appendix of this Report, are not addressed in this Report. This Report also does not address the rights attaching to the shares to be issued pursuant to this Prospectus, nor the risks associated with an investment in shares in the Company.

Background

Alderan was incorporated in Victoria on 31 July 2013 with a focus on securing, exploring for and developing base and precious metal projects. The Company holds rights to the Frisco Project in Utah, USA through its wholly owned subsidiary, Volantis Resources Corp.

The Frisco Project hosts three advanced exploration prospects. These are:

- The Cactus copper-gold-silver deposit, a historic mine with drilling, post the closure of the mine, identifying extensive remaining mineralisation open to depth and along strike, with recent geophysical surveys and modelling by Alderan indicating potential for significant extensions to depth;
- The Accrington copper-zinc-lead-silver-gold deposit, a large mineralised skarn which outcrops at surface across an area of approximately 1.8km by 1.2km, with widespread historical mining activity and historical drilling; and
- The Horn zinc-lead-silver deposit, a historical high grade lead-silver mine with significant remaining mineralisation defined by drilling and exploration works undertaken since the mine's closure.

Re-logging of historic core has confirmed the presence of a mineralised copper-molybdenum porphyry, a possible fourth deposit, called the Cactus Canyon prospect, within the centre of the Frisco Project that remains largely untested due to limited extent of historic drilling.

Historical financial information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the following historical financial information of the Company included in the Prospectus at the Appendix to this Report:

- The consolidated statements of financial performance and cash flows of the Company and its controlled entities for the half-years ended 31 December 2016 and 31 December 2015 and the years ended 30 June 2016 and 30 June 2015; and
- The consolidated statement of financial position of the Company and its controlled entities as at 31 December 2016.

(together the "Historical Financial Information" attached at the Appendix to this Report).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of the International Financial Reporting Standards and the Company's adopted accounting policies.

The Historical Financial Information has been extracted from:

- The financial statements of the Company for the half-years ended 31 December 2016 and 31 December 2015, which were reviewed by RSM Australia Partners in accordance with International Auditing Standards. The review reports issued for the half-years ended 31 December 2016 and 31 December 2015 were unqualified opinions; and
- The financial statements of the Company for the years ended 30 June 2015 and 30 June 2016, which were audited by Loren Datt Audit in accordance with International Auditing Standards. The audit reports issued for the years ended 30 June 2015 and 30 June 2016 were unqualified opinions, however the audit report for the year ended 30 June 2016 included an emphasis of matter regarding going concern, citing inherent uncertainty which may cast doubt on the Company's ability to continue as a going concern and whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report, as the Company incurred a net loss of $209,507, had negative operating cash flows and had net current liabilities of $79,345.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by International Financial Reporting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro forma historical financial information

You have requested RSM to review the pro forma historical consolidated statement of financial position as at 31 December 2016, referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company after adjusting for the effects of the subsequent events and pro forma adjustments described in Note 1 of

the Appendix to this Report. The stated basis of preparation is the recognition and measurement principles of the International Financial Reporting Standards applied to the Historical Financial Information and the events or transactions to which the subsequent events and pro forma adjustments relate, as described in Note 1 of the Appendix to this Report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or statement of financial performance.

Directors' responsibility

The Directors of the Company are responsible for the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making such enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- A consistency check of the application of the stated basis of preparation, to the Historical and Pro Forma Historical Financial Information;
- A review of the Company's and its auditors' work papers, accounting records and other documents;
- Enquiry of directors, management personnel and advisors;
- Consideration of subsequent events and pro forma adjustments described in Note 1 of the Appendix to this Report; and
- Performance of analytical procedures applied to the Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with International Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendix to this Report, and comprising:

- The consolidated statements of financial performance and cash flows of the Company and its controlled entities for the half-years ended 31 December 2016 and 31 December 2015 and the years ended 30 June 2016 and 30 June 2015; and
- The consolidated statement of financial position as at 31 December 2016 of the Company and its controlled entities,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Note 2 of the Appendix to this Report.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in the Appendix to this Report, and comprising the consolidated statements of financial position as at 31 December 2016 of the Company and its controlled entities are not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Note 1 of the Appendix of this Report.

Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Responsibility

RSM has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM has not authorised the issue of the Prospectus. Accordingly, RSM makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report.

Yours faithfully

A J GILMOUR
Director

ALDERAN RESOURCES LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDED 30 JUNE 2015 AND 30 JUNE 2016
AND THE HALF-YEARS ENDED 31 DECEMBER 2016 AND 31 DECEMBER 2015

	6 months ended 31-Dec-16 Reviewed $	6 months ended 31-Dec-15 Reviewed $	Year ended 30-Jun-16 Audited $	Year ended 30-Jun-15 Audited $
Continuing operations				
Revenue	-	-	31,781	48,616
Other income	713	-	2,067	-
Interest income	1,885	-	-	-
Administration expenses	(172,338)	(50,133)	(117,054)	(106,430)
Employee benefits expense	(59,613)	(16,904)	(89,241)	(27,423)
Depreciation and amortisation expense	-	(316)	(632)	(425)
Occupancy costs	-	-	(9,663)	(7,352)
Impairment of exploration and evaluation expenditure	(522,679)	-	(24,181)	-
Finance costs	-	(247)	(2,584)	(1,091)
Loss before income tax benefit	**(752,032)**	**(67,600)**	**(209,507)**	**(94,105)**
Income tax benefit	-	-	-	-
Loss for the period after tax from continuing operations	**(752,032)**	**(67,600)**	**(209,507)**	**(94,105)**
Discontinued operations				
Loss after tax from discontinued operation	(79,912)	(41,283)	-	-
Net loss for the period	**(831,944)**	**(108,883)**	**(209,507)**	**(94,105)**
Other comprehensive income, net of income tax				
Exchange differences on translation of foreign operations	8,688	(2,306)	(8,821)	-
Other comprehensive income for the period, net of income tax	**8,688**	**(2,306)**	**(8,821)**	**-**
Total comprehensive loss for the period	**(823,256)**	**(111,189)**	**(218,328)**	**(94,105)**
Loss attributable to members of the Company	**(831,944)**	**(108,883)**	**(209,507)**	**(94,105)**
Total comprehensive loss attributable to members the Company for the period	**(823,256)**	**(111,189)**	**(218,328)**	**(94,105)**

Investors should note that past results are not a guarantee of future performance.

ALDERAN RESOURCES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 30 JUNE 2015 AND 30 JUNE 2016
AND THE HALF-YEARS ENDED 31 DECEMBER 2016 AND 31 DECEMBER 2015

	6 months ended 31-Dec-16 Reviewed $	6 months ended 31-Dec-15 Reviewed $	Year ended 30-Jun-16 Audited $	Year ended 30-Jun-15 Audited $
Cash flows from operating activities				
Receipts from customers	27,350	-	8,924	42,900
Payments to suppliers and employees	(87,030)	(107,890)	(155,556)	(133,090)
Interest received	1,885	-	1,400	-
Interest and other finance costs paid	-	(247)	(2,584)	(1,091)
Net cash (outflow) from operating activities	(57,795)	(108,137)	(147,816)	(91,281)
Cash flows from investing activities				
Payments for property, plant and equipment	(2,997)	(300)	-	(1,311)
Payments for capitalised exploration expenditure	(497,135)	(65,904)	(282,833)	(198,321)
Net cash outflow on sale of subsidiary	(14,712)	-		
Payments for security deposits	-	-	(12,986)	(20,000)
Net cash (outflow) from investing activities	(514,844)	(66,204)	(295,819)	(219,632)
Cash flows from financing activities				
Proceeds from issue of shares	1,394,856	-	100,000	460,815
Call on partially paid shares	123,500	-	-	-
Share subscriptions received in advance	24,000	-	-	-
Net cash received on acquisition of subsidiary	-	-	-	4,990
Proceeds from borrowings	100,000	-	153,545	-
Net cash inflow from financing activities	1,642,356	-	253,545	465,805
Net increase (decrease) in cash held	1,069,717	(174,341)	(190,090)	154,892
Effect of foreign exchange	8,688	(2,306)	-	-
Cash and cash equivalents at the beginning of the period	30,527	218,654	227,975	73,083
Cash and cash equivalents at the end of the period	1,108,932	42,007	37,885	227,975

Investors should note that past results are not a guarantee of future performance.

ALDERAN RESOURCES LIMITED
CONSOLIDATED PRO FORMA STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	Alderan Reviewed 31-Dec-16 $	Subsequent events Unaudited 31-Dec-16 $	Pro forma adjustments Unaudited 31-Dec-16 $	Pro forma Unaudited 31-Dec-16 $
Assets					
Current assets					
Cash and cash equivalents	3	1,108,932	(592,000)	7,785,653	8,302,585
Trade and other receivables		68,737	-	-	68,737
Total current assets		1,177,669	(592,000)	7,785,653	8,371,322
Non-current assets					
Property, plant & equipment		3,551	-	-	3,551
Exploration and evaluation expenditure	4	664,041	112,000	-	776,041
Total non-current assets		667,592	112,000	-	779,592
Total assets		1,845,261	(480,000)	7,785,653	9,150,914
Liabilities					
Current liabilities					
Trade and other payables		409,593	-	-	409,593
Borrowings		55,000	-	-	55,000
Total current liabilities		464,593	-	-	464,593
Total liabilities		464,593	-	-	464,593
Net assets		1,380,668	(480,000)	7,785,653	8,686,321
Equity					
Issued capital	5	2,547,300	(185,002)	7,330,047	9,692,346
Reserves	6	-	99,002	455,605	554,607
Accumulated losses	7	(1,166,632)	(394,000)	-	(1,560,632)
Total equity		1,380,668	(480,000)	7,785,653	8,686,321

The unaudited consolidated pro forma statement of financial position represents the reviewed statement of financial position of the Company as at 31 December 2016 adjusted for the subsequent events and pro forma transactions outlined in Note 1 of this Appendix. It should be read in conjunction with the notes to the historical and pro forma financial information.

Appendix A – Historical and Pro Forma Financial Information

1. Introduction

The financial information set out in this Appendix consists of the consolidated statement of financial position as at 31 December 2016 and the consolidated statements of financial performance and cash flows for the half-years ended 31 December 2016 and 31 December 2015 and the years ended 30 June 2016 and 30 June 2015 ("Historical Financial Information") together with a pro forma consolidated statement of financial position as at 31 December 2016, reflecting the Directors' pro forma adjustments ("Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information has been compiled by adjusting the consolidated statements of financial position of the Company for the impact of the following subsequent events and pro forma adjustments.

Adjustments adopted in compiling the Pro Forma Historical Financial Information

The Pro Forma Historical Consolidated Information has been prepared by adjusting the Historical Financial Information to reflect the financial effects of the following subsequent events which have occurred in the period since 31 December 2016 and the date of this Report:

Subsequent Events

(i) On 4 January 2017, the Company issued 616,666 shares at $0.12 per share to raise $74,000 in seed capital

(ii) During February 2017, the Company issued 12,380,000 options over fully paid ordinary shares to Directors and key management of the Company. These tranches of options were issued as follows:

- 1,800,000 options, exercisable at $0.20 each with a 4-year expiry, vesting one year after the grant date ("Tranche A Management Options");
- 3,370,000 options, exercisable at $0.30 each with a 4-year expiry, vesting one year after the grant date ("Tranche B Management Options");
- 2,070,000 options, exercisable at $0.40 each with a 4-year expiry, vesting one year after the grant date ("Tranche C Management Options");
- 2,070,000 options, exercisable at $0.60 each with a 4-year expiry, vesting two years after the grant date ("Tranche D Management Options");
- 2,070,000 options, exercisable at $0.80 each with a 4-year expiry, vesting two years after the grant date ("Tranche E Management Options");
- 1,000,000 options, exercisable at $0.20 each with a 5-year expiry, vesting upon the Company completing a minimum of 10,000 metres of drilling on the Frisco Project prior to the date of option expiry and upon the closing share price of the Company as quoted on the ASX being in excess of $0.30 for 30 consecutive calendar days prior to the date of option expiry ("Milestone Options");

(iii) During February 2017, the Company issued 1,777,454 options over fully paid ordinary shares to the lead manager and its nominees, exercisable at $0.20 each with a 3-year expiry ("Tranche A Lead Manager Options"), as consideration for capital raising services in relation to the seed capital raising completed in December 2016.

(iv) During the period from 1 January 2017 to the date of the Prospectus, the Company incurred exploration expenditure of approximately $112,000, approximately $160,000 in costs of the Offer to date and an additional $394,000 in general business expenses of the Company, resulting in 31 March 2017 closing cash balance of approximately $517,000;

and the following pro forma transactions which are yet to occur, but are proposed to occur immediately before or following completion of the Offer:

Pro Forma Adjustments

(v) The issue of 42,500,000 ordinary Alderan shares at $0.20 each to raise $8,500,000 before costs pursuant to the Offer;

(vi) The payment of the remaining cash costs related to the Offer estimated to be $714,347; and

(vii) The issue of 2,500,000 options over fully paid ordinary shares, exercisable at $0.30 each with a 3-year expiry ("Tranche B Lead Manager Options") and 2,500,000 options over fully paid ordinary shares, exercisable at $0.40 each with a 3-year expiry ("Tranche C Lead Manager Options") to the lead manager in relation to the Offer;

The Pro Forma Historical Financial Information has been presented in abbreviated form and does not contain all the disclosures usually provided in an Annual Report prepared in accordance with the *Corporations Act 2001*.

2. Statement of significant accounting policies

(a) Basis of preparation

The Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of the International Financial Reporting Standards ("IFRS"), adopted by the International Accounting Standards Board and the Corporations Act 2001.

The significant accounting policies that have been adopted in the preparation and presentation of the historical and the Pro forma Historical Financial Information are:

(b) Basis of measurement

The historical and pro forma financial information has been prepared on the historical cost basis except for financial instruments classified at *fair value through profit or loss*, which are measured at fair value.

(c) Functional and presentation currency

These historical and pro forma financial information has been presented in Australian dollars which is the Company's functional currency.

(d) Foreign currency translation

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(e) Principles of consolidation

The historical and pro forma financial information incorporates the assets, liabilities and results of entities controlled by the Company at the end of the pro forma reporting period. A controlled entity is any entity over which the Company has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated entity have been eliminated in full on consolidation. Accounting policies of subsidiaries have been charged where necessary to ensure consistency with those adopted by the parent entity.

(f) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(g) Going concern

The historical and pro forma financial information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

(h) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables are recognised at amortised cost, less any provision for impairment.

(k) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	50% per annum

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(l) Exploration, evaluation and development expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They
are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(o) Share-based payment transactions

The Company provides benefits to employees and other parties in the form of share based payments, whereby the employees and parties provide services in exchange for shares and other securities in the Company. The cost of the equity settled share based payment transactions is determined by reference to the fair value of the equity instruments granted.

The fair value of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance/ and or service conditions are fulfilled ("vesting period").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) The grant date fair value;

(ii) The extent to which the vesting period has expired; and

(iii) The number of equity instruments that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for equity instruments that do not ultimately vest, except for equity instruments where vesting is conditional upon a market condition.

(p) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

(q) Goods and services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

3. Cash and cash equivalents

	Note	Reviewed 31-Dec-16 $	Unaudited Pro-forma 31-Dec-16 $
Cash and cash equivalents		1,108,932	8,302,585
Alderan cash and cash equivalents as at 31 December 2016			1,108,932
Subsequent events are summarised as follows:			
Seed capital raising through the issue of 616,666 shares issued at $0.12 per share	1(i)		74,000
Exploration and evaluation expenditure since 31 December 2016	1(iv)		(112,000)
Cash costs of the Offer incurred to date	1(iv)		(160,000)
Business expenses since 31 December 2016	1(iv)		(394,000)
			(592,000)
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Proceeds from the Offer pursuant to the Prospectus	1(v)		8,500,000
Cash costs associated with the Offer net of costs incurred to date	1(vi)		(714,347)
			7,785,653
Pro-forma cash and cash equivalents			8,302,585

The Prospectus has provision for subscriptions of between 32,500,000 and 42,500,000 shares to raise between $6.5 million and $8.5 million before costs, wherein the pro forma statement of financial position assumes the maximum $8.5 million is raised. Should the minimum $6.5 million be raised, the share issue cash costs of the Offer, net of costs to date, would decrease to $592,348 and the cash at bank balance would decrease by $1,878,001 to $6,424,584.

4. Exploration and evaluation expenditure

	Note	Reviewed 31-Dec-16 $	Unaudited Pro-forma 31-Dec-16 $
Exploration and evaluation expenditure		664,041	776,041
Alderan exploration and evaluation expenditure as at 31 December 2016			664,041
Subsequent events are summarised as follows:			
Exploration and evaluation expenditure since 31 December 2016	1(iv)		112,000
Pro-forma exploration and evaluation expenditure			776,041

5. Issued capital

	Note	Number of shares	$
Alderan issued share capital as at 31 December 2016		64,847,242	2,547,300
Subsequent events are summarised as follows:			
Seed capital raising through the issue of 616,666 shares issued at $0.12 per share	1(i)	616,666	74,000
Cost of Tranche A Lead Manager Options	1(iii)	-	(99,002)
Cash costs of the Offer incurred to date	1(iv)	-	(160,000)
		616,666	(185,002)
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Fully paid ordinary shares issued at $0.20 pursuant to this Prospectus	1(v)	42,500,000	8,500,000
Cash costs associated with the Offer net of costs incurred to date	1(vi)	-	(714,347)
Cost of Tranche B and Tranche C Lead Manager Options issued to in relation to the Offer	1(vii)	-	(455,605)
		42,500,000	7,330,047
Pro-forma issued share capital		107,963,908	9,692,346

The Prospectus has provision for subscriptions of between 32,500,000 and 42,500,000 shares to raise between $6.5 million and $8.5 million before costs, wherein the pro forma statement of financial position assumes the maximum $8.5 million is raised. Should the minimum $6.5 million be raised, the share issue cash costs of the Offer, net of costs to date, would decrease to $592,348 , the issued capital would decrease by $1,878,001 to $7,814,345, and the shares on issue would decrease by 10,000,000 to 97,963,908.

6. Reserves

	Note	Reviewed 31-Dec-16 $	Unaudited Pro-forma 31-Dec-16 $
Reserves		-	554,607
Alderan reserves as at 31 December 2016			-
Subsequent events are summarised as follows:			
Cost of Tranche A Lead Manager Options	1(iii)		99,002
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Cost of Tranche B and Tranche C Lead Manager Options issued to in relation to the Offer	1(vii)		455,605
Pro-forma reserves			**554,607**

(a) Lead Manager Options

In February 2017, the Company issued 1,777,454 Tranche A Lead Manager Options. The pro forma fair value of the Lead Manager Options is $0.099.

Pursuant to the Offer, the Company will issue an additional 2,500,000 Tranche B Lead Manager Options and 2,500,000 Tranche C Lead Manager Options. The pro forma fair value of the Tranche B Lead Manager Options and Tranche C Lead Manager Options is $0.244 million and $0.212 million respectively.

All options have been valued using a standard binomial pricing model based on the fair value of a Company share at the grant date, using the following assumptions:

Assumptions	Tranche A Lead Manager Options	Tranche B Lead Manager Options	Tranche C Lead Manager Options
Stock price	$ 0.12	$ 0.20	$ 0.20
Exercise price	$ 0.20	$ 0.30	$ 0.40
Expiry period	3 years	3 years	3 years
Expected future volatility	90%	90%	90%
Risk free rate	2.0%	2.0%	2.0%
Dividend yield	0%	0%	0%

The terms and conditions for each set of Lead Manager Options are set out in section 11.2 of the Prospectus.

(b) Management and Milestone Options

In February 2017, the Company issued 12,380,000 Options to management in the following tranches:

- 1,800,000 options, exercisable at $0.20 each with a 4-year expiry, vesting one year after the grant date ("Tranche A Management Options");
- 3,370,000 options, exercisable at $0.30 each with a 4-year expiry, vesting one year after the grant date ("Tranche B Management Options");
- 2,070,000 options, exercisable at $0.40 each with a 4-year expiry, vesting one year after the grant date ("Tranche C Management Options");
- 2,070,000 options, exercisable at $0.60 each with a 4-year expiry, vesting two years after the grant date ("Tranche D Management Options");
- 2,070,000 options, exercisable at $0.80 each with a 4-year expiry, vesting two years after the grant date ("Tranche E Management Options");
- 1,000,000 options, exercisable at $0.20 each with a 5-year expiry, vesting upon the Company completing a minimum of 10,000 metres of drilling on the Frisco Project prior to the date of option expiry and upon the closing share price of the Company as quoted on the ASX being in excess of $0.30 for 30 consecutive calendar days prior to the date of option expiry ("Milestone Options");

The Management and Milestone Options have not been recognised in the Subsequent Events or Pro Forma Adjustments as the cost of the Options will be recognised over the relevant vesting periods of each tranche of Options.

The terms and conditions for Management and Milestone Options are set out in section 12.4 of the Prospectus.

7. Accumulated losses

	Note	Reviewed 31-Dec-16 $	Unaudited Pro-forma 31-Dec-16 $
Accumulated losses		(1,166,632)	(1,560,632)
Alderan accumulated losses as at 31 December 2016			(1,166,632)
Subsequent events are summarised as follows:			
Business expenses since 31 December 2016	1(iv)		(394,000)
Pro-forma accumulated losses			(1,560,632)

8. Related party disclosure

Following completion of the Offer, the Directors of Alderan will be Nicolaus Heinen, Christopher Wanless, Donald Smith and Ernest Eadie. Directors' holdings of shares, directors' remuneration and other directors' interests are set out in Section 12.5 to 12.8 of the Prospectus.

9. Commitments and contingent liabilities

The company had following exploration commitments at 31 December 2016.

	Unaudited Pro-forma 31-Dec16 $
Exploration expenditure and annual lease/claim payments	
Committed at the reporting date but not recognised as liability:	
Within one year	197,056
One to five years	2,194,514
	2,391,570

The company has no contingent liabilities as at 31 December 2016.

10. Controlled entities

Consolidated Entities	Country of Incorporation	Pro forma interest held
Alderan Resources Limited	Australia	Parent
Volantis Limited	USA	100%

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PARR BROWN GEE & LOVELESS
ATTORNEYS AT LAW

MATTHEW E. JENSEN
ATTORNEY AT LAW
mjensen@parrbrown.com

March 30, 2017

ALDERAN RESOURCES LIMITED
Ground Floor, 16 Ord Street
West Perth WA 6005

Re: *Solicitor's Report on Mining Tenements*
Frisco Project Tenements
Beaver County, Utah

Dear Directors:

This report is prepared for inclusion in a prospectus to be issued by Alderan Resources Limited ("**Alderan**" or the "**Company**") to be dated on or about April 5, 2017 (the "**Prospectus**"). Pursuant to the Prospectus the Company is proposing to issue a minimum of 32,500,000 and a maximum of 42,500,000 fully paid ordinary shares in the capital of the Company at an issue price of $0.20 to raise between $6,500,000 and $8,500,000 ("**Public Offer**" or the "**Offer**"). Unless otherwise defined, all capitalized terms used in this report, are defined in accordance with the Prospectus.

A. DESCRIPTION OF TENEMENTS

This report concerns United States tenements in which the Company currently holds an apparent interest through its wholly owned subsidiary Volantis Resources Corp. ("**Volantis**"), including 231 privately owned patented mining claims (the "**Fee Property**") and 178 unpatented federal mining claims (the "**Unpatented Claims**") constituting the Frisco Project located roughly 25 kilometers west of Milford in Beaver County, Utah.[1] The Unpatented Claims are situated on lands owned by the United States of America and administered by the United States Bureau of Land Management ("**BLM**"). The Fee Property and Unpatented Claims are sometimes

[1] A mining claim is a property interest created pursuant to the Mining Law of 1872 (the "**Mining Law**"). The Mining Law prescribes rules for staking lode or placer mining claims. The Frisco Project involves almost exclusively lode mining claims. Lode claims may, at a maximum, be 600 feet (182.88 metres) wide by 1500 feet (457.2 metres) long. Accordingly, a lode claim may have an area no larger than 20.661 acres (8.361 hectares).

The Mining Law also provided a mechanism for claimants to purchase from the federal government a valid mining claim in fee simple absolute. Following payment along with a survey and other processes to confirm claim validity, federal government issued a mineral entry patent that evidenced the transfer of title to private ownerhsip. The U.S. Congress has, however, imposed a moratorium on any new patents under the Mining Law effective September 30, 1994.

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collectively referred to in this Report as the **Tenements**.[2]

An overview of the Fee Property is contained in Schedule 1 ("**Horn Patented Claims**") and Schedule 2 ("**Cactus Patented Claims**"), which are attached to and form part of this report. An overview of the Unpatented Claims is contained in Schedule 3 ("**Horn Unpatented Claims**") and Schedule 4 ("**Cactus Unpatented Claims**"), which are attached to and form a part of this report.

B. TITLE EVIDENCE EXAMINED

This report is based only upon our examination of the following documents, records, and information:

1. BLM Master Title Plats and Historical Indices for the following townships according to the Salt Lake Base and Meridan: Township 26 South, Range 13 West; Township 27 South, Range 13 West; and Township 27 South, Range 12 West.[3]

2. BLM Geographic Active Claims Indices for the relevant sections (as listed in Schedules 1 through 4).

3. BLM claim files for the Unpatented Claims.

4. Title report dated March 23, 2017 and related documents (collectively, the "**Dean Report**") compiled by Rodney Dean, a mineral title examiner based in Salt Lake City, Utah. The Dean Report summarizes Mr. Dean's examination of the following records: the official records of the Beaver County Recorder; state district court records for Beaver County, Utah; the relevant BLM records at the BLM State Office in Salt Lake City, Utah; and records of the federal district court and the federal bankruptcy court for the district of Utah in Salt Lake City, Utah. Mr. Dean was asked to review these records for conveyances, encumbrances, liens, judgments and other documents of record, evidence of annual unpatented mining claim maintenance filings, and any active or pending civil actions involving the owners of the Tenements.

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[2] Company is continuing to acquire additional rights is private and public land in the vicinity of the Frisco Project. This report covers only the Tenements as defined in this Report.

[3] A "Township" is a roughly square area that is 6 miles (9.65 kilometres) in an east/west direction and 6 miles (9.65 kilometres) in a north/south direction. Townships are numbered sequentially north and south of a base line, while "Ranges" are numbered sequentially east and west of a meridian. A "Section" is, generally speaking, a one square mile tract of land as subdivided and numbered by the public land surveys initially conducted by the United States General Land Office. The 36 Sections in each Township are numbered 1 through 36. Each Section contains about 640 acres (259 hectares) of land. The public land survey system is used to describe rural land boundaries in all of the western United States, including Utah. Using this system, a given tract of land can be readily and uniquely described by listing the Section (or portion thereof), Township, Range and Meridian.

5. Searches (under the names of the Company and the owners of the Tenements) for UCC liens and federal tax liens.

6. Online searches (under the names of the owners of the Tenements) of the Utah Division of Corporations records regarding the corporate status of such owners.

7. Reports from the Beaver County Treasurer regarding payment of property taxes on the Fee Property from the year 2005 through the year 2016.

8. Certain other documents provided to us by the Company.

We have not personally examined any of the records in Beaver County but have relied instead on the completeness and accuracy of the Dean Report and its supporting documents, which report was prepared by a person who is experienced in conducting such examinations.

We have not physically examined the Tenements.

C. EFFECTIVE DATE

The various records and information listed in Section B above were examined on various dates starting on January 19, 2017 and ending on March 25, 2017. The overall effective date of this report should be considered March 22, 2017 (which is the date on which the most significant parts of the Dean Report were compiled).

D. APPARENT OWNERSHIP

Based solely upon the title evidence examined (particularly, the Dean Report), and subject to the comments, qualifications and exceptions set forth below, it appears that as of the effective date:

1. The record owner of the Unpatented Claims is Volantis, subject to paramount ownership by the United States of America:

2. The record owner of the Fee Property is Horn Silver Mines Inc. ("**Horn Silver**")

E. MATERIAL AGREEMENTS AFFECTING THE TENEMENTS

Company's interest in the Fee Property arises under, and its ownership of the Unpatented Claims is subject to, the following material agreements and leases.[4]

[4] For purposes of this Part E of the Report, all monetary values are listed in U.S. Dollars.

1. Horn Lease and Related Instruments

Horn Silver and Volantis entered into a Mining Lease and Option dated December 31, 2015, which was amended by an Amendment to Mining Lease and Option executed in November of 2016 (the "**Horn Lease**").[5]

a. The material terms of the Horn Lease are as follows:

i. The Horn Lease grants Volantis all mineral exploration and extraction rights to "any and all metalliferous and non-metalliferous minerals" on or under the Horn Patented Claims except oil, gas, and other hydrocarbons, and subject to the rights of Great American Resources, LLC to mine certain substances under a March 1, 2010 lease of eight of the Horn Patented Claims as more specifically set forth in Schedule 1.

ii. The primary term of the Horn Lease is five (5) years from December 31, 2015 with additional ten (10) year extensions provided all required payments to Horn Silver are made and Volantis can provide Horn Silver with a JORC(2012)-compliant independent resource statement confirming resources of at least one million ounces of silver, twelve thousand five hundred ounces of gold, or the monetary equivalent for other ores.

iii. Under the Horn Lease, Volantis must pay advance royalty payments to Horn Silver as follows: $25,000 upon signing and on the first and second anniversary of the effective date (December 31, 2015), $50,000 on the third and fourth anniversary, and $100,000 on any anniversary thereafter as long as the Horn Lease is in effect.

iv. Under the Horn Lease, Volantis must expend funds to conduct mineral exploration and development work on the Horn Patented Claims and Horn Unpatented Claims as follows: $25,000 within each of the first and second years following the effective date, $50,000 within each of the third and fourth years, and $100,000 within the fifth year following the effective date.

v. The Horn Lease further grants a 3% net smelter return production royalty on mineral production from the Horn Patented Claims and the Horn Unpatented Claims.

vi. The Horn Lease grants Volantis an option to buy down 1/3 of the production royalty (i.e., a 1% royalty) for $1,000,000 within six months of completing a positive feasibility study and giving written notice of Volantis's intent to develop an operating mine. The Horn Lease further grants Volantis an option to purchase an additional 1/3 of the production royalty (i.e., and additional 1% royalty) within the same timeframe for $3,000,000. If Volantis

[5] Memoranda concerning the Horn Lease were recorded in the office of the Beaver County Recorder as Entry No. 257623, at Pages 244 through 251 of Book 497, and at Entry No. 259946, at Pages 221 through 227 of Book 505

exercises both options, Horn Silver would retain a 1% production royalty interest, and the advanced royalty payments would be reduced in proportion to the portion of the production royalty interest purchased by Volantis.

vii. The Horn Lease also grants Volantis an option during the first fifteen years the Horn Lease is in effect to purchase the Horn Patented Claims subject to any remaining production royalty interest for $4,000,000, which purchase price is adjusted for inflation each year.

viii. The Horn Lease includes an area of interest provision that makes the provisions of the Horn Lease applicable to other interests acquired by Volantis, whether from a third party or by staking new mining claims under the Mining Law, within an approximately eleven kilometer square area that includes the Frisco Project.

ix. Volantis's rights under the Horn Lease may be assigned, transferred, or encumbered with written consent from Horn Silver.

x. The Horn Lease contains other clauses typical for agreements of this nature.

b. November 2016 Amendment to Horn Lease – The November 2016 Amendment to the Horn Lease corrected the legal description of the Horn Patented Claims and revised the area of interest provision to allow for allocation of after-acquired rights between the Horn Lease and the Cactus Lease (as defined below in section E.2) so that acquired rights within the area of interest are covered by one lease or the other, but not both leases.

c. The Memorandum of Area of Interest Election executed by Horn Silver and Volantis in November 2016 and recorded in the office of the Beaver County Recorder as Entry No. 259953, at Pages 249 through 253 of book 505, identified eighty of the Horn Unpatented Claims and made the Horn Lease applicable under its area of interest provision to the listed claims.

d. The 2nd Memorandum of Area of Interest Election executed by Horn Silver and Volantis in February 2017 and recorded in the office of the Beaver County Recorder as Entry No. 260320, at Pages 8 through 10 of book 507, identified four of the Horn Unpatented Claims and made the Horn Lease applicable under its area of interest provision to the listed claims.

e. Status and Enforceability – Based on our information and belief, the Horn Lease, as amended, is enforceable in accordance with its terms and covers Horn Silver's interest in the Horn Patented Claims and the Horn Unpatented Claims.

2. Cactus Lease and Related Instruments

Horn Silver and Volantis entered into a Mining Lease and Option dated July 7, 2016, which was amended by an Amendment to Mining Lease and Option executed in November of 2016 (the "**Cactus Lease**").[6]

a. The material terms of the Cactus Lease are as follows:

i. The Cactus Lease grants Volantis all mineral exploration and extraction rights to "any and all metalliferous and non-metalliferous minerals" on or under the Cactus Patented Claims except oil, gas, and other hydrocarbons, and subject to the rights of Great American Resources, LLC to mine certain substances under a March 1, 2010 lease of four of the Cactus Patented Claims as more specifically set forth in Schedule 2.

ii. The primary term of the Cactus Lease is five (5) years from July 7, 2016 with additional ten (10) year extensions provided all required payments to Horn Silver are made and Volantis can provide Horn Silver with a JORC(2012)-compliant independent resource statement confirming resources of at least fifty thousand tonnes of copper or the monetary equivalent for other ores.

iii. Under the Cactus Lease, Volantis must pay advance royalty payments to Horn Silver as follows: $15,000 upon signing and on the first and second anniversary of the effective date (July 7, 2016), $50,000 on the third and fourth anniversary, and $100,000 on any anniversary thereafter as long as the Cactus Lease is in effect.

iv. Under the Cactus Lease, Volantis must expend funds to conduct mineral exploration and development work on the Cactus Patented Claims and Cactus Unpatented Claims as follows: $50,000 within each of the first and second years following the effective date, $100,000 within each of the third and fourth years, and $200,000 within the fifth year following the effective date.

v. The Cactus Lease further grants a 3% net smelter return production royalty on mineral production from the Cactus Patented Claims and the Cactus Unpatented Claims.

vi. The Cactus Lease grants Volantis an option to buy down 1/3 of the production royalty (i.e., a 1% royalty) for $1,000,000 within six months of completing a positive feasibility study and giving written notice of Volantis's intent to develop an operating mine. The Cactus Lease further grants Volantis an option to purchase an additional 1/3 of the production royalty (i.e., and additional 1% royalty) within the same timeframe for $3,000,000. If Volantis

[6] Memoranda concerning the Cactus Lease were recorded in the office of the Beaver County Recorder at Entry No. 258797, at Pages 840 through 847 of Book 501, and at Entry No. 259947, at Pages 228 through 234 of Book 505.

exercises both options, Horn Silver would retain a 1% production royalty interest, and the advanced royalty payments would be reduced in proportion to the portion of the production royalty interest purchased by Volantis.

vii. The Cactus Lease also grants Volantis an option to purchase the Cactus Patented Claims subject to any remaining production royalty interest. During the first fifteen years, the option price is $4,000,000, and from years sixteen through twenty-five, the purchase price is $6,000,000, with both purchase prices being adjusted for inflation each year.

viii. The Cactus Lease includes an area of interest provision that makes the provisions of either the Cactus Lease or the Horn Lease applicable to other interests acquired by Volantis within an approximately eleven kilometer square area that includes the Frisco Project.

ix. Volantis's rights under the Cactus Lease may be assigned, transferred, or encumbered with written consent from Horn Silver.

x. The Cactus Lease contains other clauses typical for agreements of this nature.

b. November 2016 Amendment to Cactus Lease – The November 2016 Amendment to the Cactus Lease corrected the legal description of the Cactus Patented Claims.

c. The Memorandum of Area of Interest Election executed by Horn Silver and Volantis in November 2016 and recorded in the office of the Beaver County Recorder as Entry No. 259954, at Pages 254 through 258 of book 505, identified a portion of the Cactus Unpatented Claims and made the Cactus Lease applicable under its area of interest provision to the listed claims.

d. The 2nd Memorandum of Area of Interest Election executed by Horn Silver and Volantis in February 2017 and recorded in the office of the Beaver County Recorder as Entry No. 260321, at Pages 11 through 13 of book 507, identified seventeen of the Cactus Unpatented Claims and made the Cactus Lease applicable under its area of interest provision to the listed claims.

e. Status and Enforceability – Based on our information and belief, the Cactus Lease, as amended, is enforceable in accordance with its terms and covers Horn Silver's interest in the Cactus Patented Claims and the Cactus Unpatented Claims.

F. COMMENTS, QUALIFICATIONS AND EXCEPTIONS

1. Fee Property

a. Origin of Title and Limited Title Search (affecting all Fee Property)

The Fee Property is comprised of 230 patented lode mining claims and 1 patented placer mining claim. These claims were originally located under the Mining Law and passed to private ownership through patent from the federal government. The patents issued at varying times from 1882 until 1920. Following patent, the Fee Property and each of its constituent claims or portions of such claims was privately owned property subject to conveyance and encumbrance. Utah law generally provides that any conveyance or encumbrance of an interest in privately owned real property will not be valid against a party paying value in good faith for such property unless the conveyance or encumbrance is recorded with the office of the relevant county recorder. And any document properly recorded in the office of the county recorder imparts constructive notice to all of the contents of the document. Accordingly, ownership of the Fee Property depends on the instruments recorded in the office of the Beaver County Recorder.

Because the planned activities on the Fee Property for purposes of the Prospectus are exploratory rather than extractive in nature, because there has been no indication of any challenge to Horn Silver's ownership of the Fee Property as reflected in Beaver County tax records, because Horn Silver has paid the taxes assessed against the Fee Property since at least 2005, and because analysis of the voluminous collection of instruments that have been recorded during the century or more since the 231 mining claims were patented would be unduly burdensome, the Company determined that a reasonable analysis of recorded documents concerning the Fee Property should extend approximately 20 years back from the present. Accordingly, the Dean Report is based on documents recorded against the Fee Property from January 1, 1995 to March 22, 2017. No research or analysis of documents that may have been recorded against the Fee Property prior to January 1, 1995 has been undertaken by either Rod Dean or this firm, and there may accordingly be ownership claims or third-party rights to the Fee Property that are not identified in either the Dean Report or this Report.

b. GAR Lease (affecting 8 of the 111 Horn Patented Claims and 4 of 120 Cactus Patented Claims)

Both the Horn Lease and the Cactus Lease are made subject to a March 1, 2010 lease from Horn Silver to Great American Resources, LLC (the "**GAR Lease**"). The GAR Lease covers eight of the Horn Patented Claims and four of the Cactus Patented Claims as specifically identified in Schedules 1 and 2. We have not seen a copy of the GAR Lease, and no notice, other than references in the memoranda regarding the Horn Lease and the Cactus Lease, has been recorded in the office of the Beaver County Recorder. We understand that the GAR Lease covers mining of decorative rock, but cannot verify the lease term or the potential for the lease to impact

the Frisco Project. Before conducting specific, surface-disturbing exploratory work on the portion of the Fee Property encumbered by the GAR Lease, Company should consult with Horn Silver and better determine the scope of the GAR Lease.

c. Description Errors (affecting 26 of the 111 Horn Patented Claims and 20 of 120 Cactus Patented Claims)

In describing the Fee Property, legal descriptions in conveyance documents and in the Horn Lease and Cactus Lease reference the patented mining claim name and the mineral survey number.[7] With the number of claims involved, it is not surprising that certain scrivener's errors appear or persist in the chain of title. For example, some of the claim names are misspelled, and there are occasional errors in reciting mineral survey numbers. Additionally, the Horn Lease and Cactus Lease reference the general location of particular claims according to the public land survey (PLS) system. In some cases, there are errors in identifying the general PLS location, which frustrates to some extent the intended notice of interest. These errors are likely harmless and likely do not invalidate the associated rights. Nevertheless, the Company should work with Horn Silver to record a second amendment to each of the Horn Lease and the Cactus Lease to correct the scrivener's and description errors.

d. WUCC Lease and Subsidiary Instruments (affecting the Cactus Patented Claims)

The Cactus Patented Claims were subject to July 13, 1998 Mineral Lease Agreement between Horn Silver and Sepa Resources, Inc., which lease was amended five times, assigned to Western Utah Copper Company ("**WUCC**"), and then amended and restated by a Mineral Lease and Option to Purchase Agreement between Horn Silver and WUCC, with an effective date of December 19, 2002 (the July 13, 1998 Lease and its various iterations, including the December 19, 2002 lease-option agreement, are referred to herein as the "**WUCC Lease**"). WUCC assigned its leasehold interest under the WUCC Lease to CS Mining, LLC ("**CS Mining**") on October 31, 2011, pursuant to a bankruptcy order and sale. A Notice of Lease Termination was recorded pertaining to the WUCC Lease on March 22, 2017 at Beaver County Entry No. 260516, reciting that the WUCC Lease terminated on July 15, 2015.

During the life of the WUCC Lease, CS Mining and its predecessors encumbered their leasehold interest in the Cactus Patented Claims. Specifically, in assigning its leasehold interest to WUCC, Sepa Resources, Inc. reserved to itself and granted to Breccia Development, Inc. a net profits interest the amounts of which are not specified in the public record. CS Mining also granted to David J. Richards, LLC, a security interest in CS Mining's interests under the WUCC Lease. On June, 2, 2016, about a year after the WUCC Lease was terminated, CS Mining was

[7] A mineral survey was conducted prior to each of the patents being issued, and each survey is assigned an identifying number that is used in describing patented mining claims.

made subject to a U.S. bankruptcy proceeding. There is no indication in CS Mining's bankruptcy filings that they claim any continued interest in the Cactus Patented Claims under the WUCC Lease or otherwise.

Based on our analysis of the Notice of Lease Termination and other unrecorded documentation provided by the Company, it appears that the WUCC Lease has been validly terminated such that CS Mining has no further right, title, or interest in the Cactus Patented Claims. Additionally, all interests create by, through, or under CS Mining or its predecessors, including the net profits interests and security interests listed above, would be of no effect upon termination of the underlying WUCC Lease. Ultimately, there does not appear to be any remaining encumbrance to the Cactus Patented Claims by virtue of the WUCC Lease.

e. King Bird Claim (affecting 1 of 111 Horn Patented Claims)

The King Bird mining claim, which is covered by the Horn Lease, is apparently also covered by a February 1, 1997 Mining Lease between Horn Silver and Dotson Exploration Company, which lease was later assigned to CS Mining. Nevertheless, because the King Bird claim is well outside the Frisco Project area, the impact of the conflicting mineral lease is likely of little consequence for purposes of the Frisco Project.

f. Fraction Claim (affecting 1 of 111 Horn Patented Claims)

The Fraction Claim (also known as Elinore Fraction and Fraction Elinore), which is part of the Horn Lease, is located in the heart of the Cactus Patented Claims. To the extent that Horn Silver and Volantis subsequently amend the Horn Lease and the Cactus Lease, the Fraction Claim should be removed from the Horn Lease and added to the Cactus Lease. Because Volantis is the lessee under both leases, this miscategorization of the Fraction Claim will not likely have any impact on the Company's exploration related to the Frisco Project.

g. Anchor No. 2 Claim (affecting 1 of 120 Cactus Patented Claims)

The Cactus Lease purports to cover the entirety of the Anchor No. 2 patented mining claim. But Horn Silver's vesting deeds and property tax records indicate that Horn Silver's ownership extends only to the west half of that claim. We have found no documentation to describe exactly how the claim was subdivided. Nevertheless, this claim is the easternmost claim covered by the Cactus Lease, and the Company has indicated that the claim is not within a geologically critical area of the Frisco Project. To the extent that any exploration activity is planned on the Anchor No. 2 Claim, additional research will be necessary to determine the extent of Horn Silver's, and by extension, Company's rights.

h. Undivided Partial Ownership (affecting 7 of 111 Horn Patented Claims)

The Horn Lease specifies that Horn Silver holds an undivided 50% interest in the

Massachusetts, Quartzite, Quartzite No. 2, Granite, Oil City, Vorheas, and Hedges Fraction patented mining claims. The vesting deeds and property tax records indicate that Horn Silver holds a 49.5% interest in these claims. For purposes of exploration work, Utah law provides that a partial owner has full rights to access and conduct exploration activity without consent of the other partial owner. To avoid ownership disputes, however, best practice would be to secure a leasehold or an option over the remaining portion of these claims.

i. Gadfly Claim (affecting 1 of 120 Cactus Patented Claims)

The Cactus Lease specifies that Horn Silver owns 100% of a portion of the Gadfly Claim. We have no documentation that describes exactly what portion of the claim is owned by Horn Silver and covered by the Cactus Lease. Nevertheless, this claim is one of the northernmost claims covered by the Cactus Lease. To the extent that any exploration activity is planned on the Gadfly Claim, additional research will be necessary to determine the extent of Horn Silver's, and by extension, Company's rights to this particular claim.

j. Tunnell Site (affecting approximately 22 of 120 Cactus Patented Claims)

On September 1, 2014, Paul Clint filed tunnel site UMC 423342, purporting to grant rights in an area covered by Cactus Patented Claims. Tunnel sites were largely an exploration tool historically, where a person could commence a tunnel and would have preemptive rights to discover and then locate mining claims along the course of the tunnel. This type of exploration function is now largely taken by core drilling. For many reasons, this particular tunnel site is almost certainly void. First, the location monument is on a patented mining claim, which likely voids any rights under that location. Second, a tunnel site cannot grant any rights to enter or obtain rights in private land, and virtually all of the area that could potentially be reached by the tunnel is private land owned by Horn Silver. Third, tunnel sites provide rights to unknown veins or lodes discovered by virtue of diligent tunneling, but the face of the notice of location indicates that "This claim is located upon a valuable deposit, bearing gold and other metals." Accordingly, Mr. Clint cannot claim that any veins or lodes are "unknown." Fourth, failure to work a tunnel site for any six month period forfeits any priority rights to veins or lodes later discovered. The tunnel site itself is not forfeited, but the tunnel essentially becomes useless because mineral extraction would require a mining claim. Accordingly, it is highly unlikely that the tunnel site has any validity.

k. Midvale Placer Claim (affecting 1 of 120 Cactus Patented Claims)

The Midvale Placer claim, which is covered by the Cactus Lease, was patented on June 2, 1904. A placer claim, once patented, includes "all valuable mineral and other deposits within the boundaries thereof." 30 U.S.C. section 37. Thus, just like the other portions of the Fee Property, the Midvale Placer Claim generally includes the entire fee simple estate, both surface and mineral. There are, however, a couple of exceptions to this general rule. First, lode mining

claims include "extralateral rights" that allow the claimant to pursue underground a vein that has its apex within the claim beyond the edge of the mining claim. Second, a placer claim patent excludes any lodes known prior to the patent request. Accordingly, if a person could show by clear and convincing evidence that on or before September 29, 1902, Royal Copper Mining Co. (the original claimant) knew of, or could have discovered by reasonable inspection, that there were valuable lode deposits within the boundary of the placer claim, then those lode deposits plus 25 feet on each side would be deemed excluded from the placer patent.

Nevertheless, because the operative date is in 1902, there are no live witnesses that could testify of what was known at that time. Furthermore, there is a strong presumption that no lodes were known at the time of patent. Nevertheless, if the lodes within the claim are obvious, there is some risk that such lodes are still owned by the federal government. We view this risk as very minimal.

2. Unpatented Claims

a. Claim Staking Requirements (affects the Unpatented Claims)

To locate a lode mining claim in Utah, the locator must, upon discovery of a valuable mineral, erect a monument at the place of discovery (known as a location monument) and post a written notice of location thereon. The locator must also distinctly mark the boundaries of the claim on the ground. A certificate of location and a map showing the claim boundaries must be recorded with the relevant County Recorder within 30 days after the date of location of the claim. A copy of the location certificate and a map showing the claim boundaries must also be filed with the relevant state BLM office within 90 days after the date of location.

We have confirmed that the original location certificates for the Unpatented Claims were recorded and filed within these deadlines. We have no knowledge, however, as to the proper completion of the physical acts of claim staking, as such matters are not verifiable from the public records and we have not made a physical inspection of the Tenements.

b. Area of Interest Obligations (affects the Unpatented Claims)

All of the Unpatented Claims are subject to the area of interest provision of the Horn Lease and the Cactus Lease. As discussed above, notice has been filed in the office of the Beaver County Recorder identifying with lease applies to each of the Unpatented Claims.

c. CT 31 Claim (affects 1 of 94 Cactus Unpatented Claims)

The location monument for claim CT 31 is in Lot 10 of Section 2, Township 27 South, Range 13 West, SLB&M. Title to lot 10 was acknowledged on February 12, 2015 by instrument UTU-88923 in the State of Utah, School and Institutional Trust Lands Administration. Because the discovery must occur on federal land open to mineral location, this claim is likely void.

Nevertheless, the federally-owned land sought to be covered by this claim is wholly within the Fee Property, which likely limits access to this property. Further, Company has indicated that it is in the process of filing a corrected mining claim to cover this property.

d. Claim Conflicts

i. Known Conflicts

Claim conflicts around the edges of a property are quite common and such perimeter conflicts might exist here. Many of the unpatented claims overlap and conflict with other unpatented and patented claims. In general, such overlaps are both permissible and common, but only one of the conflicting claims (the senior valid claim) can control the ground within the conflict area. We have not endeavored to determine, in the case of such claim conflicts, which claims control the conflict areas, as all of the unpatented claims are owned Volantis. Such "controlled" conflicts, however, may need to be considered by the Company relative to any production from those claims burdened by any production royalties so that the proper (senior) owner of the conflict area is identified and paid.

The geologic significance, if any, of any conflict areas described above is outside the scope of the title records we examined, and thus we have no knowledge regarding that subject. But we have been advised by Company that any conflicts around the perimeter of the Tenements would be immaterial from a geologic standpoint, and the Frisco Project boundary has been adjusted to exclude such third-party conflict areas.

With respect to any overlaps of an Unpatented Claim onto privately owned fee property, the claim owner, of course, acquires no interest in the private land, but does appropriate all public land within the claim boundaries.

ii. Potential, Unknown and Prior Conflicts

As noted above, mining claimants have 90 days within which to file their claims with the BLM. Newly located claims, therefore, might not show up in the BLM records for 90 days after location. Given the 90-day filing window, there is no way to determine with certainty the existence of newly located conflicting claims without a careful examination of the ground for rival location notices, which we have not done. It is therefore possible that conflicts could exist on the ground that are not disclosed by the records examined.

We have not attempted to determine the boundaries of or possible conflicts associated with unpatented claims that may have existed at the time of location of the Unpatented Claims but which have since been terminated. Even though such claims no longer exist, such prior existing conflicts could affect the validity of the Unpatented Claims because of the possibility that a location monument for a Subject Claim could have been located atop a then-valid senior unpatented claim.

The BLM geographic claim index describes the location of claims only by quarter-section. The index may contain inaccuracies and the filed materials upon which the indexing is based may be inaccurate. Likewise, the individual claim maps filed by the locators may contain inaccuracies. Thus, the position of the Unpatented Claims and of any other claims in the area with respect to the Unpatented Claims cannot be determined with exactitude. A field examination might reveal that there are conflicting rights by reason of the presence of conflicting claims not identified in the title information examined.

In addition, the actual placement of location and corner monuments on the ground controls over any contradictory written descriptions. We cannot and do not know where the controlling claim corners and location monuments physically lie for the Unpatented Claims (or any other claims), nor do we know the degree of accuracy used in staking the Unpatented Claims (or any other claims), so as to be able to conclusively identify all possible conflicts.

iii. *Pedis Possessio*

Under the Mining Law, a claimant has limited rights of possession before discovery, as discussed below. Under this doctrine, the mining claimant must maintain actual occupancy of the claim and diligent exploration work. *See Union Oil Co. v. Smith*, 249 U.S. 337 (1919). Where a claimant has satisfied the requirements to establish *pedis possessio* rights, the claimant has remedies under state law such as injunction, ejectment, quiet title, or other relief to establish the priority of claim. We understand that Volantis has conducted exploration work, but we cannot determine based on the information reviewed that *pedis possessio* rights have attached to provide priority against any subsequent claims staked. Nevertheless, the records reviewed do not identify any such third-party claims filed after the Unpatented Claims.

e. Location Monuments and Claim Validity (affects the Unpatented Claims)

The corner monuments and boundaries of an unpatented mining claim may extend onto other unpatented mining claims (as noted above) or even onto private land without invalidating the claim. However, the location monument (which designates the point of discovery and on which the location notice is posted) must be placed on unappropriated federal land. If the discovery site (location monument) is on private land or on federal land that is already appropriated by the existence of a valid unpatented mining claim, then the entire subject claim is void *ab initio*.

Consequently, the position of the location monument is critical to the validity of a claim. We have reviewed the location notices, maps, and publicly available maps, and no obvious location monument problems were observed. If any such problems are later discovered from a more thorough analysis or actual field survey (i.e. if a location monument is found to have been situated on private land or on a preexisting valid claim), then the subsequent claim should be considered as potentially void and should be relocated (not amended), because a void claim

cannot be amended.

f. Validity of Bisected Unpatented Mining Claims (affects 3 of the 94 Cactus Unpatented Claims)

The law is clear that an unpatented placer claim must consist of a contiguous tract of land, and that the portion of a divided placer claim not containing the discovery point is void. The entire bisected claim is not considered void by the BLM; rather, "when BLM is apprised of such a situation, the correct procedure is to notify the claimant of the problem and offer the claimant the opportunity to correctly identify that part of the claim which contains the discovery point and, should the claimant so desire and the land remain open to location, to relocate, as separate claims, the remaining noncontiguous parcels."

It appears that a contrary rule now applies to lode claims. Initially, the courts held that divided lode claims, like placers, were void as to that part of the claim not containing the point of discovery and location monument. At least one subsequent case, however, has held that a divided lode claim is still valid, expressly overruling prior precedent. *Raymond E. Johnson*, 57 Int. Dec. 63 (1939), held that an unpatented lode claim divided by a patented placer claim is valid even as to the portion of the claim not containing a discovery, and that the lode claimant is entitled to the full extent of his claim except for the part overlying the patented placer claim. We have found no other subsequent case reaching the same result, but neither have I found any subsequent case reaching a contrary result. To our knowledge, the *Johnson* case is not cited as precedent in any subsequent decisions.

The *Johnson* case, therefore, provides authority that bisection caused by a patented placer claim does not invalidate either piece of an overlying unpatented lode claim. We have not been able to find a similar holding in the case of bisection by a patented lode claim. The federal mining laws, however, expressly provide that one lode or vein may intersect another lode or vein, and that the junior or overstaking claimant has a right-of-way through the senior claim, while the senior claimant is entitled to all ore within the area of intersection. This statute supports the principle that a lode claim may be bisected by another lode claim (even a patented claim). In addition, one of the most respected mining law treatises also provides support, stating: "It was formerly held that if a lode claim is intersected by a prior lode location, both parts of such intersected claim could not be retained. But under the recent decisions of the department we think the opposite conclusion would be reached." Ultimately, although some of the Unpatented Claims are bisected (or in at least one case, trisected) by the Fee Property, it is very likely that a court would conclude that each portion of the claim is nevertheless valid.

g. BLM Mining Claim Maintenance Fees (affects the Unpatented Claims)

Federal law requires the payment of annual maintenance fees to the BLM of $155 (currently) per mining claim. The payment must be received on or before September 1 of each

year. Failure to timely pay the required fees by the annual deadline results in automatic termination of the mining claims by operation of law, so strict and timely compliance with the federal filing requirement is essential. The maintenance fee payment is made prospectively for the assessment year beginning on that September 1.

BLM records show all of the Unpatented Claims in good standing with respect to annual filing and payment requirements. The next annual deadline for payment of BLM maintenance fees is September 1, 2017. Volantis is responsible for this critical task with respect to the Unpatented Claims.

h. County Maintenance Filings (affects the Unpatented Claims)

A similar annual county recording requirement applies under Utah law. An affidavit confirming the owner's intent to maintain the Unpatented Claims is to be recorded each year in Beaver County. Volantis is responsible for this task with respect to the Unpatented Claims. Under Utah law, the annual county filing is made retroactively for the assessment year ending on September 1 (in contrast to the BLM's prospective filing requirement), and is due within 30 days after the end of the period. But unlike the federal filing requirement, the Utah statute imposes no penalty for failing to record an annual affidavit except loss of prima facie evidence that the owner intended to maintain the claims (which evidence is unneeded given the documented payment of the annual BLM maintenance fees), and thus omitted annual county filings, even if they existed, would likely not pose a fatal title defect.

i. Unpatented Claim Validity (affects the Unpatented Claims)

Under federal law, the validity (as opposed to the ownership) of an unpatented mining claim is contingent upon the existence of a "discovery" of "valuable minerals" therein. These are terms and requirements that have been interpreted and applied in hundreds of cases over the years, but in short the claim must contain demonstrable mineralization valuable enough that a reasonably prudent operator would and could mine and sell the ore at a reasonable profit. The federal government is free at any time to challenge the Unpatented Claims on the basis of no discovery of a valuable mineral. Likewise, a rival locator could challenge the existence of a claimant's discovery. We have no way of knowing from the title information examined whether or not the required discovery exists on any of the Unpatented Claims. Claim validity has no direct bearing on claim ownership, but if a claim is invalid then there is no property to be owned.

j. Placer vs. Lode Deposits (affects the Unpatented Claims)

Likewise, it is critical to the validity of an unpatented mining claim that the type of claim properly corresponds to the type of deposit. Lode claims must be used for lode-type deposits and placer claims must be used for placer-type deposits. A lode claim covering a placer deposit is invalid, and a placer claim staked for a lode or vein is invalid. Whether the deposit is lode or placer is a question of fact that depends on many factors, most of them geologic in nature. The

Unpatented Claims consist of exclusively lode claims. It is assumed that the deposits for which the Unpatented Claims have been located properly support the type of claim used to cover those deposits, but we have no way of confirming that assumption from the title records examined.

k. Co-Existing Nonlocatable Minerals (affects the Unpatented Claims)

For your information, oil and gas, coal, certain other hydrocarbon and fertilizer minerals, geothermal resources, and common varieties of sand, gravel and stone that might exist within the boundaries of the Unpatented Claims are not subject to appropriation under the mining laws and have not been appropriated by location of the Unpatented Claims. These minerals and resources, if they exist in the Unpatented Claims, are retained by the United States and are subject to disposition under the Mineral Leasing Act of 1920, the Geothermal Steam Act of 1970, and the Materials Act of 1947.

There may exist within the Unpatented Claims, now or at some time in the future, leases or authorizations granted by the United States for the development of such retained minerals, notwithstanding the existence of the Unpatented Claims. Federal multiple mineral development regulations exist to govern any situations where a federal mining claimant and a federal mineral lessee might both wish to develop the same land.

l. Conflicting Surface Uses (affects the Unpatented Claims)

Likewise, the United States retains the right to allow others to use the surface resources (such as grazing, range improvements, roads, timber harvesting, etc.) within the Unpatented Claims, provided such uses do not materially interfere with exploration or mining operations on the Unpatented Claims. At present, there are a number of such surface use grants in existence for roads, utility lines, fence lines and a wind energy project. In addition, the government could grant additional surface authorizations in the future notwithstanding the existence of the Unpatented Claims.

m. Wilderness Study Areas

The Unpatented Claims do not conflict with any designated Wilderness Areas or Wilderness Study Areas, nor are there any such areas located in the immediate vicinity of the Tenements.

3. Uncontrolled Land within the Frisco Project Boundary

Within the Cactus Patented Claims, there are two parcels of land totaling 7.35 acres (2.97 hectares) that are owned by the State of Utah and administered by the School and Institutional Trust Land Administration (SITLA), but which are entirely surrounded by the Cactus Patented Claims. Effective February 1, 2013, SITLA leased all metalliferous minerals for these parcels to CS Mining. The SITLA lease has a primary term of 10 years, and the lease extends so long as

leased substances are being produced in paying quantities. Because these parcels are surrounded by private land owned by Horn Silver, and because CS Mining no longer holds any leasehold interest in the Cactus Patented Claims, there are significant legal impediments to CS Mining's access to these islands. Nevertheless, Company has no rights to access or conduct activities on these SITLA parcels, and these parcels are not part of the Tenements.

4. Litigation

The names of all owners and lessees of the Tenements were searched for any recorded judgments and for any pending litigation in the district court for Beaver County, in the federal district court for the District of Utah, and in the federal bankruptcy court for the District of Utah. No judgments or pending actions relevant to the Tenements were found.

5. Permitting and Land Use Restrictions

This report does not address the necessity or existence of any federal, state or local permits or approvals to conduct exploration or mining operations on the Tenements. We have not examined any relevant BLM land use plan to determine whether any restrictions exist as to the conduct of mining and mining-related activities on the Tenements. The Tenements are located in the Multiple Use District (MU-20) of unincorporated Beaver County. This zoning district allows the conditional use of "[d]rilling for any energy related products"; and "[m]ines, quarries, gravel pits and crushers." A conditional use permit is likely required before significant, surface-disturbing exploration activity, and will certainly be required before extractive activity commences.

6. Environmental

We have not attempted to determine whether the Tenements are in compliance with applicable environmental laws or whether there are any environmental liabilities or existing contamination associated with the Tenements. Where the Frisco Project covers numerous historic mines, there is significant potential for mining-related contamination. To the extent that such contamination exists and to the extent that clean-up is required, Volantis could be subject to liability for some clean-up costs.

Furthermore, use of the Fee Property and Unpatented Claims are subject to federal and state environmental laws, and title to the Tenements does not obviate application of those laws. As a nonexhaustive list, environmental considerations include the following: exploration and mining permit requirements from the Utah Division of Oil Gas and Mining (for all Tenements) and BLM (for Unpatented Claims), the requirement of posting appropriate reclamation bonds, compliance with air quality regulations, compliance with water quality regulations, and compliance with the Endangered Species Act.

7. Rights of Indigenous Peoples

None of the Tenements are located within an Indian Reservation or reserve. Accordingly, none of the Tenements within the Frisco Project are known to be native, cultural heritage lands. There are state and federal laws that protect ancient artifacts and Native American remains. While discovery of such artifacts or remains triggers reporting requirements together with time for officials to protect and remove such artifacts and remains, such discoveries do not result in transfer of title and do not result in prohibition of exploration or extraction activities. Within the Frisco Project, near the Oil City claim is a peak named Indian Grave Peak. The peak was so named based on discovery of Native American graves on the slopes of the peak. John W. Van Cott, *Utah Place Names: A Comprehensive Guide to the Origins of Geographic Names* l99 (1990). Accordingly, discovery of artifacts and remains during exploration and extraction activities is likely, and care should be taken to comply with legal reporting and damage-avoidance obligations required by law. Other than this historical and map-based research, we have not done any anthropological, historical, or ethnographic research to establish the likelihood of discovering artifacts or remains.

8. Access

We have not attempted to verify the existence of ingress and egress rights to and from the Tenements; however, we have seen nothing to indicate the absence of such rights, and, indeed, a public highway intersects the south end of the tenements.

9. Water Rights

We have not ascertained the existence, extent, or ownership of any water rights relating to the Tenements, or the water rights that would be required for any operations on the Tenements.

10. Extralateral Rights

Federal mining law provides that the locator of a valid lode mining claim acquires the right to "all veins, lodes, and ledges throughout their entire depth, the top or apex of which lies inside of such surface lines extended downward vertically, although such veins, lodes, or ledges may so far depart from a perpendicular in their course downward as to extend outside the vertical sidelines of such surface locations." 30 U.S.C. § 26. We have no information as to whether these extralateral rights (as they are called) attaching to any other lode claim might extend downward under the vertical boundaries of the Tenements, or as to whether any such extralateral rights that might attach to the Tenements extend outside of their vertical boundaries into adjoining lands.

11. Taxes

In Utah, no ad valorem property taxes are assessed on unpatented mining claims,

although any improvements on unpatented mining claims can be taxed. Having not inspected the Tenements, we are unaware of whether there are any taxable improvements on it. We have examined property taxes assessed against the Fee Property from 2005 through 2016, and all assessed taxes have reportedly been paid. This report is subject to any existing but unrecorded liens existing in governmental entities for the nonpayment of any property or other tax relating to the Tenements.

12. Improvements, Fixtures and Personal Property

This report does not address ownership of any improvements, structures, fixtures, equipment or other items on or within the Tenements that may be characterized as personal property.

13. Other Limitations

a. General. This report is based solely on our examination of the title information specifically described above and is subject to all of the comments, qualifications and exceptions contained herein. In addition, this report is subject to: the terms and conditions of any agreement affecting the Tenements that is not of record; any fact not of record that would affect the validity or ownership of the Tenements; mechanic's liens, judgment liens or other statutory liens (including liens for taxes) affecting the Tenements that are not of record; any conflicting mining claims located, filed or recorded subsequent to the effective date of this report; and rights arising out of federal bankruptcy laws. This report is subject to the completeness and accuracy of the title information examined, including but not limited to the Dean Report, and is subject to the actual performance of the acts of location and discovery required to create and validate the Unpatented Claims.

b. Authority, Genuineness of Documents, Etc. We have assumed that all signatures and documents examined are authentic and valid. We have also assumed that any entities in the chain of title were in good standing at the time of execution and that all such executions were properly authorized. We have not examined the form or content of notary acknowledgments of recorded documents, and have assumed all acknowledgements to be proper and valid.

c. No On-Site Inspection. We have made no on-site inspection of the Tenements and have reached no conclusions regarding the adequacy of claim monuments, possible gaps between claims, recent conflicting locations, third parties who may be in adverse possession, and the like. This report is subject to all facts that would be disclosed by an on-site inspection and an accurate survey of the Unpatented Claims and the Fee Property, including but not limited to claim boundaries, monuments and conflicts; any interest that may have accrued or may now be accruing as a result of the adverse possession of the Tenements by any person; and easements or rights-of-way not of record.

G. CONSENTS

This report is provided solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document without our prior written consent.

Parr Brown Gee & Loveless consents to being named in the Prospectus as the authors of this report.

H. DISCLAIMER OF INTEREST

No member of this firm has any legal, equitable or beneficial ownership in the Tenements. This firm's compensation for the preparation of this report is not contingent on the substance of this report or on any predetermined outcome with regard to the ownership or condition of the Tenements.

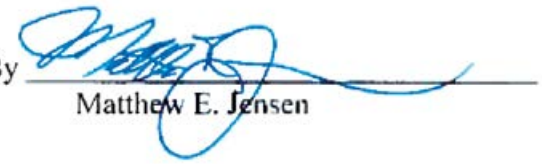
I. CONCLUSION

As explained above, this report is effective as of March 22, 2017. This report has been prepared on the basis of information known to us as of the date hereof, and we assume no obligation to advise anyone of any changes, whether or not deemed material, that may hereafter come to our attention.

All of the referenced Schedules are attached hereto and should be considered part of this report.

Respectfully yours,

PARR BROWN GEE & LOVELESS

By 
Matthew E. Jensen

Attachments:

Schedule 1 - Description of Horn Patented Claims
Schedule 2 - Description of Cactus Patented Claims
Schedule 3 - Description of Horn Unpatented Claims
Schedule 4 - Description of Cactus Unpatented Claims

4830-8150-8164 v.4

SCHEDULE 1

TO

SOLICITOR'S REPORT ON MINING TENEMENTS, DATED MARCH 30, 2017

THE HORN PATENTED CLAIMS

Claim Name	Survey Number	Section(s)	Township	Range
022**	5946	15, 16	T27S	R13W
Absolom	5921	23	T27S	R13W
Accrington No. 1	5986	22	T27S	R13W
Accrington No. 2	5986	22,23	T27S	R13W
Accrington No. 3	5986	22	T27S	R13W
Accrington No. 4	5986	22	T27S	R13W
Accrington No. 5	5986	22,23	T27S	R13W
Accrington No. 6	5986	22	T27S	R13W
Accrington No. 7	5986	22	T27S	R13W
Antwerp	43	15	T27S	R13W
Bonanza	49	23	T27S	R13W
Castle Rock Lode Part A	6202	24	T27S	R13W
Castle Rock Lode Part B	6202	24	T27S	R13W
Champion	5986	22	T27S	R13W
Congress No. 2	5986	23	T27S	R13W
Copper Glance No. 1	5295	15	T27S	R13W
Copper Glance No. 2	5295	15	T27S	R13W
Copper Glance No. 3	5295	15	T27S	R13W
Cupric Fraction	6481	15,16	T27S	R13W
Cupric**	5946	16	T27S	R13W
Dick Taylor	3399	23	T27S	R13W
Dolly Mack	61	23,26	T27S	R13W
Dolly Mack Fraction	5921	23	T27S	R13W
Drum	5986	22	T27S	R13W
Drum No. 1	5986	22	T27S	R13W
Drum No. 2	5986	22	T27S	R13W
Dumbarton Lode	73	14, 23	T27S	R13W
Emporia	5921	26	T27S	R13W
Emporia No. 7	5986	22,27	T27S	R13W
Emporia No. 8	5986	22,27	T27S	R13W
Emporia No. 9	5986	23,26	T27S	R13W

Claim Name	Survey Number	Section(s)	Township	Range
Emporia No. 10	5986	26	T27S	R13W
Emporia No. 11	5986	26	T27S	R13W
Emporia Fraction	5921	26	T27S	R13W
Florida	42	15	T27S	R13W
Fraction (aka Elinore Fraction)	5303	2	T27S	R13W
General Warner**	5946	16	T27S	R13W
George Dewey	5986	22,23	T27S	R13W
Grampian	51	23	T27S	R13W
Grampian Smelter	40	13	T27S	R13W
Granite*	72	15	T27S	R13W
Gulch & Switch	6356	23	T27S	R13W
Harrison**	5946	16	T27S	R13W
Hedges Fraction*	4751	15	T27S	R13W
Hope Lode	54	23	T27S	R13W
Horn Silver Apex No. 1	5921	23	T27S	R13W
Horn Silver Apex No. 2	5921	23	T27S	R13W
Horn Silver Apex No. 3	5921	23	T27S	R13W
Horn Silver Apex No. 4	5921	23	T27S	R13W
Horn Silver Apex No. 5	5921	23	T27S	R13W
Horn Silver Apex No. 7	5921	22, 23	T27S	R13W
Horn Silver Apex No. 8	5921	23	T27S	R13W
Horn Silver Apex No. 9	5921	23	T27S	R13W
Horn Silver Apex No. 10	5921	22	T27S	R13W
Horn Silver Apex No. 11	5921	23	T27S	R13W
Horn Silver Apex No. 12	5921	23	T27S	R13W
Horn Silver Apex No. 13	5921	26	T27S	R13W
Horn Silver Apex No. 14	5921	22	T27S	R13W
Horn Silver Extension	5921	23	T27S	R13W
Horn Silver Fraction	5989	23	T27S	R13W
Horn Silver Millsite	38B	13	T27S	R13W
Horn Silver Mine	38A	23	T27S	R13W
Humbug	5922	22	T27S	R13W
Humbug No. 1	5922	22	T27S	R13W
Independence No. 1	5921	26	T27S	R13W
Independence No. 3	5921	26	T27S	R13W
Jay Hawker	60	23	T27S	R13W

Claim Name	Survey Number	Section(s)	Township	Range
Jennie Fraction	6170	22	T27S	R13W
King Bird	5265	31	T26S	R13W
King David	5921	23	T27S	R13W
Lady Franklin	3400	26	T27S	R13W
Lady Franklin Fraction	5921	26	T27S	R13W
Lady Washington	3401	23	T27S	R13W
Little Dick	5921	23	T27S	R13W
Massachusetts*	65	15	T27S	R13W
Millsite No. 1	58	13	T27S	R13W
Millsite No. 2	59	13	T27S	R13W
Nineteen Hundred	4655	23	T27S	R13W
Oil City*	4749	15	T27S	R13W
Old Warrior	5921	23	T27S	R13W
Quartzite No. 2*	71	14,15	T27S	R13W
Quartzite*	66	14	T27S	R13W
Reciprocity	5986	22	T27S	R13W
Reciprocity No. 1	5986	22	T27S	R13W
Reciprocity No. 3	5986	22	T27S	R13W
Relief No. 2**	6483	16	T27S	R13W
Relief**	6482	16	T27S	R13W
St. Louis No. 1	5986	22,23	T27S	R13W
St. Louis No. 2	5986	23	T27S	R13W
St. Louis No. 3	5986	23	T27S	R13W
St. Louis No. 4	5986	23	T27S	R13W
St. Stephen No. 2	5921	23	T27S	R13W
Sumner Lode	74	23	T27S	R13W
Sunbeam Mine	5922	15,16,21,22	T27S	R13W
Sunbeam No. 1	5922	21,22	T27S	R13W
Transcendent*	5946	16	T27S	R13W
Utah No. 1	5986	22	T27S	R13W
Utah No. 2	5986	22	T27S	R13W
Utah No. 3	5986	22	T27S	R13W
Vorheas*	4750	15	T27S	R13W
Warner No. 2**	6480	16	T27S	R13W
Washington	5946	15	T27S	R13W
Washington No. 2	5946	15, 22	T27S	R13W
Washington No. 3	5946	15	T27S	R13W

Claim Name	Survey Number	Section(s)	Township	Range
Washington No. 4	5946	15	T27S	R13W
Washington No. 5	5946	22	T27S	R13W
Washington No. 6	5946	15	T27S	R13W
Washington No. 7	5946	15	T27S	R13W
Washington No. 8	5946	15,22	T27S	R13W
Washington No. 10	5946	15	T27S	R13W
Young America	70	23	T27S	R13W

* These claims have an undivided portion owned by Horn Silver Mines Inc., with the remainder owned by a third party. Accordingly, Volantis's leasehold interest covers only that portion owned by Horn Silver Mines Inc.

** These claims are subject to a March 1, 2010 lease from Horn Silver Mines Inc. to Great American Resources, LLC.

Note: The listed township and ranges are all according to the Salt Lake Base & Meridian. The section numbers are listed for convenience in locating a particular claim and do not indicate that the entirety of a particular claim lies within the listed section or sections. All of the claims are located in the Pruess or San Francisco Mining Districts except for the King Bird Claim, which is located in the Beaver Lake Mining District. Most of the mining claims were located and surveyed before the area was surveyed according to the public land survey system. Thus, a formal, updated survey would be necessary to precisely locate the claims within the public land survey system.

SCHEDULE 2

TO

SOLICITOR'S REPORT ON MINING TENEMENTS, DATED MARCH 30, 2017

THE CACTUS PATENTED CLAIMS

Claim Name	Survey Number	Section(s)	Township	Range
Alturas	5303	2	T27S	R13W
Anaconda Mining Claim	4673	3	T27S	R13W
Anchor No. 2*	5118	7	T27S	R12W
Antelope	5303	2	T27S	R13W
Antler	5303	2	T27S	R13W
Aransas Pass	4492A	3,4	T27S	R13W
Augusta	4611	3	T27S	R13W
Bandit	5827	3	T27S	R13W
Belmont Copper Silver	4492A	3	T27S	R13W
Blackbird No. 4	6010	2,11	T27S	R13W
Boston	4611	3	T27S	R13W
Buckhorn	5303	2	T27S	R13W
Burro	5393	10	T27S	R13W
Burro No. 1	5826	10	T27S	R13W
Burro No. 2	5826	10	T27S	R13W
Burro No. 3	5393	10	T27S	R13W
Burro No. 4	5393	3,10	T27S	R13W
Burro No. 5	5393	3,10	T27S	R13W
Cactus Extention	4492A	3	T27S	R13W
Cactus Millsite	39B	24	T27S	R13W
Cactus Mine U.S.	39A	3	T27S	R13W
Calliope	5303	2	T27S	R13W
Camille	4709	2	T27S	R13W
Comet	64	2, 3	T27S	R13W
Contact**	5303	3	T27S	R13W
Copper Spring Mine	4709	11,14	T27S	R13W
Copperopolis No. 3	4709	10	T27S	R13W
Copperopolis No. 4	4709	10	T27S	R13W
Copperopolis No. 5	4709	10	T27S	R13W
Copperopolis No. 6	4709	11	T27S	R13W
Copperopolis No. 7	4709	10	T27S	R13W

Claim Name	Survey Number	Section(s)	Township	Range
Copperopolis No. 8	4709	10	T27S	R13W
Copperopolis No. 9	4709	11	T27S	R13W
Cottonwood	4709	2,11	T27S	R13W
Daisy	4709	2	T27S	R13W
Dandy	5303	3	T27S	R13W
Divide**	5303	3	T27S	R13W
Dull Knife	5205	14	T27S	R13W
Dump	5825	4	T27S	R13W
Earth	5394	4	T27S	R13W
Elinore	5303	3	T27S	R13W
Elk	5303	2	T27S	R13W
Emerald	5303	2	T27S	R13W
Estelle	4611	3	T27S	R13W
EVA	5303	2	T27S	R13W
Excelsior	4709	11	T27S	R13W
Excelsior No. 2	4709	11	T27S	R13W
Excelsior No. 3	4709	11	T27S	R13W
Excelsior No. 4	4709	11,14	T27S	R13W
Excelsior No. 6	4709	11	T27S	R13W
Excelsior No. 7	4709	11	T27S	R13W
Franklin	5303	2	T27S	R13W
Frisco	5205	14	T27S	R13W
Frisco No. 3	5205	14	T27S	R13W
Gadfly*	5303	34	T26S	R13W
Good Fortune	5394	3	T27S	R13W
Good Luck	5394	3	T27S	R13W
Goodhope No. 1	5199	12	T27S	R13W
Goodhope No. 2	5199	12	T27S	R13W
Gray Horse	4709	11	T27S	R13W
Hesperides	5205	14	T27S	R13W
High	4709	11	T27S	R13W
High Point	5303	2,3	T27S	R13W
Hillside Lode	4706	3,10	T27S	R13W
Homestake No. 1	5118	7,12	T27S	R12-13W
Homestake No. 2	5118	7,12	T27S	R12-13W
Igneous	5303	3	T27S	R13W

Claim Name	Survey Number	Section(s)	Township	Range
Iron Chief	4673	2	T27S	R13W
Jinney No. 1	5394	4,33	T27S,T26S	R13W
Jinney No. 2	5394	33	T26S	R13W
Jinney No. 3	5394	4,33	T27S,T26S	R13W
Jinney No. 4	5394	4,33	T27S,T26S	R13W
Jupiter	5394	4	T27S	R13W
Lambson	5303	34	T26S	R13W
Laura	4611	3	T27S	R13W
Lookout No. 2	5199	11,12	T27S	R13W
Louise R	4611	3	T27S	R13W
Maggie No. 1	5303	34	T26S	R13W
Maggie**	5303	34	T26S	R13W
Mamie	5394	4	T27S	R13W
Mars	5394	4	T27S	R13W
Mascot	5827	3,4	T27S	R13W
May Queen	4709	11	T27S	R13W
May Queen No. 2	4709	11	T27S	R13W
Midvale Placer	4877	9	T27S	R9W
Moose	5303	3	T27S	R13W
Morrison No. 2	4876	8	T27S	R13W
Nana	4754	3	T27S	R13W
Neptune	5394	4	T27S	R13W
New Years	4492A	3	T27S	R13W
New Year's Spring	4492B	34	T26S	R13W
Olga	4709	11	T27S	R13W
Ophir	4492A	3	T27S	R11W
Pathfinder	4709	11	T27S	R13W
Puritan	4673	2,3	T27S	R13W
Purity	4492A	3	T27S	R13W
Quartz No. 1**	5303	34	T26S	R13W
Raleigh	5303	3	T27S	R13W
Regulator	4709	11	T27S	R13W
Regulator No. 2	4709	11	T27S	R13W
Royalist	5303	2	T27S	R13W
Ruby Lode	5205	14	T27S	R13W
San Antonio	4492A	3	T27S	R13W
Sapho	4709	11	T27S	R13W

Claim Name	Survey Number	Section(s)	Township	Range
Saturn	5394	4	T27S	R13W
Scorpion	5199	11	T27S	R13W
Scorpion No. 1	5199	11	T27S	R13W
Sun	5394	4	T27S	R13W
Texas Mining Claim	4492A	3,4	T27S	R13W
Townsite	4755	3,10	T27S	R13W
Townsite Extention	4753	10,11	T27S	R13W
Triumphant	5303	2	T27S	R13W
Tunnel	4611	3,4	T27S	R13W
U Bet	5303	2	T27S	R13W
Uncle Sam	4709	2	T27S	R13W
Union	4752	3	T27S	R13W
Venus	5394	4	T26S	R13W
Volcanic	5827	3	T27S	R13W
W. P. J.	4709	10	T27S	R13W
West Dip	4492A	3	T27S	R13W

* These claims have a subdivided portion owned by Horn Silver Mines Inc., with the remainder owned by a third party. Accordingly, Volantis's leasehold interest covers only that portion owned by Horn Silver Mines Inc.

** These claims are subject to a March 1, 2010 lease from Horn Silver Mines Inc. to Great American Resources, LLC.

Note: The listed township and ranges are all according to the Salt Lake Base & Meridian. The section numbers are listed for convenience in locating a particular claim and do not indicate that the entirety of a particular claim lies within the listed section or sections. All of the claims are located in the Pruess or San Francisco Mining Districts. Most of the mining claims were located and surveyed before the area was surveyed according to the public land survey system. Thus, a formal, updated survey would be necessary to precisely locate the claims within the public land survey system.

SCHEDULE 3

TO

SOLICITOR'S REPORT ON MINING TENEMENTS, DATED MARCH 30, 2017

THE HORN UNPATENTED CLAIMS

Claim Name	BLM Serial Number	Section(s)	Township & Range	Location Notice (County Entry #)
SF 1	UMC426435	20;21	T27S R13W	258176
SF 2	UMC426436	20;21	T27S R13W	258177
SF 3	UMC426437	21	T27S R13W	258178
SF 4	UMC426438	21	T27S R13W	258179
SF 5	UMC426439	21	T27S R13W	258180
SF 6	UMC426440	21	T27S R13W	258181
SF 7	UMC426441	21	T27S R13W	258182
SF 8	UMC426442	21	T27S R13W	258183
SF 9	UMC426443	21	T27S R13W	258184
SF 10	UMC426444	21	T27S R13W	258185
SF 11	UMC426445	21	T27S R13W	258186
SF 12	UMC426446	21	T27S R13W	258187
SF 13	UMC426447	21	T27S R13W	258188
SF 14	UMC426448	21	T27S R13W	258189
SF 15	UMC426449	21	T27S R13W	258190
SF 16	UMC426450	21	T27S R13W	258191
SF 17	UMC426451	21;22	T27S R13W	258192
SF 18	UMC426452	21;22	T27S R13W	258193
SF 19	UMC426453	16;17;20;21	T27S R13W	258194
SF 20	UMC426454	16;21	T27S R13W	258195
SF 21	UMC426455	16;21	T27S R13W	258196
SF 22	UMC426456	16;21	T27S R13W	258197
SF 23	UMC426457	16;21	T27S R13W	258198
SF 24	UMC426458	16;21	T27S R13W	258199
SF 25	UMC426459	16;21	T27S R13W	258200
SF 26	UMC426460	16;21	T27S R13W	258201
SF 27	UMC426461	15;16;21;22	T27S R13W	258202
SF 28	UMC426463	10	T27S R13W	258269
SF 29	UMC426464	10	T27S R13W	258270
SF 30	UMC426465	10;15	T27S R13W	258271
SF 31	UMC426466	10;11	T27S R13W	258272
SF 32	UMC426467	10;11;14;15	T27S R13W	258273
SF 33	UMC426468	11	T27S R13W	258274
SF 34	UMC426469	11;14	T27S R13W	258275

Claim Name	BLM Serial Number	Section(s)	Township & Range	Location Notice (County Entry #)
SF 35	UMC426470	11;14	T27S R13W	258276
SF 36	UMC426471	15;16	T27S R13W	258277
SF 37	UMC426472	15	T27S R13W	258278
SF 38	UMC426473	15	T27S R13W	258279
SF 39	UMC426474	15	T27S R13W	258280
SF 40	UMC426475	15	T27S R13W	258281
SF 41	UMC426476	15	T27S R13W	258282
SF 42	UMC426477	15	T27S R13W	258283
SF 43	UMC426478	15	T27S R13W	258284
SF 44	UMC426479	10;15	T27S R13W	258285
SF 45	UMC426480	10;15	T27S R13W	258286
SF 46	UMC426481	15	T27S R13W	258287
SF 47	UMC426482	10;15	T27S R13W	258288
SF 48	UMC426483	15	T27S R13W	258289
SF 49	UMC426484	10;15	T27S R13W	258290
SF 50	UMC426485	15	T27S R13W	258291
SF 51	UMC426486	15	T27S R13W	258292
SF 52	UMC426487	14	T27S R13W	258293
SF 53	UMC426488	14;15	T27S R13W	258294
SF 54	UMC426489	14	T27S R13W	258295
SF 55	UMC426490	14	T27S R13W	258296
SF 56	UMC426491	14	T27S R13W	258297
SF 57	UMC426492	14	T27S R13W	258298
SF 58	UMC426493	14	T27S R13W	258299
SF 59	UMC426494	14	T27S R13W	258300
SF 60	UMC426495	14	T27S R13W	258301
SF 61	UMC426496	14	T27S R13W	258302
SF 62	UMC426497	15;22	T27S R13W	258303
SF 63	UMC426498	15	T27S R13W	258304
SF 64	UMC426499	15;22	T27S R13W	258305
SF 65	UMC426500	14;15	T27S R13W	258306
SF 66	UMC426501	14;15;22;23	T27S R13W	258307
SF 67	UMC426502	14;23	T27S R13W	258308
SF 69	UMC426503	14;23	T27S R13W	258309
SF 70	UMC426504	23	T27S R13W	258310
SF 71	UMC426505	14;23	T27S R13W	258311
SF 72	UMC426506	23	T27S R13W	258312
SF 73	UMC426507	14;23	T27S R13W	258313
SF 74	UMC426508	23	T27S R13W	258314

Claim Name	BLM Serial Number	Section(s)	Township & Range	Location Notice (County Entry #)
SF 75	UMC426509	14;23	T27S R13W	258315
SF 76	UMC426510	23	T27S R13W	258316
SF 77	UMC426511	15;22	T27S R13W	258317
SF 78	UMC426512	15;22	T27S R13W	258318
SF 79	UMC426513	15	T27S R13W	258319
SF 80	UMC426514	15	T27S R13W	258320
SF 81	UMC426515	10	T27S R13W	258321
SF 82	UMC428569	15	T27S R13W	259887
SF 83	UMC428570	15;22	T27S R13W	259888
SF 84	UMC428571	15;22	T27S R13W	259889
SF 85	UMC428572	15;22	T27S R13W	259890

Note: The listed township and ranges are all according to the Salt Lake Base & Meridian. The section numbers are listed for convenience in locating a particular claim and do not indicate that the entirety of a particular claim lies within the listed section or sections.

SCHEDULE 4

TO

SOLICITOR'S REPORT ON MINING TENEMENTS, DATED MARCH 30, 2017

THE CACTUS UNPATENTED CLAIMS

Claim Name	BLM Serial Number	Section(s)	Township & Range	Location Notice (County Entry #)
CT 1	UMC426677	11	T27S R13W	258648
CT 2	UMC426678	11	T27S R13W	258649
CT 3	UMC426679	11	T27S R13W	258650
CT 4	UMC426680	11	T27S R13W	258651
CT 5	UMC426681	11	T27S R13W	258652
CT 6	UMC426682	11	T27S R13W	258653
CT 7	UMC426683	11	T27S R13W	258654
CT 8	UMC426684	11	T27S R13W	258655
CT 9	UMC426685	11	T27S R13W	258656
CT 10	UMC426686	11	T27S R13W	258657
CT 11	UMC426687	11;12	T27S R13W	258658
CT 12	UMC426688	11;12	T27S R13W	258659
CT 13	UMC426689	12	T27S R13W	258660
CT 14	UMC426690	12	T27S R13W	258661
CT 15	UMC426691	12	T27S R13W	258662
CT 16	UMC426692	12	T27S R13W	258663
CT 17	UMC426693	12	T27S R13W	258664
CT 18	UMC426694	12	T27S R13W	258665
CT 19	UMC426695	12	T27S R13W	258666
CT 20	UMC426696	12	T27S R13W	258667
CT 21	UMC426697	12	T27S R13W	258668
CT 22	UMC426698	12	T27S R13W	258669
CT 23	UMC426699	11;14	T27S R13W	258670
CT 24	UMC426700	11;14	T27S R13W	258671
CT 25	UMC426701	11;14	T27S R13W	258672
CT 26	UMC426702	11;14	T27S R13W	258673
CT 27	UMC426703	11;14	T27S R13W	258674
CT 28	UMC426704	11;14	T27S R13W	258675
CT 29	UMC426705	11;12;13;14	T27S R13W	258676
CT 30	UMC426706	12;13	T27S R13W	258677
CT 31*	UMC426707	2;3	T27S R13W	258678
CT 33	UMC426709	3;10	T27S R13W	258680
CT 34	UMC426710	2;3;10;11	T27S R13W	258681
CT 35	UMC426711	10	T27S R13W	258682

Claim Name	BLM Serial Number	Section(s)	Township & Range	Location Notice (County Entry #)
CT 36	UMC426712	10;11	T27S R13W	258683
CT 37	UMC426713	10;11	T27S R13W	258684
CT 38	UMC426714	3	T27S R13W	258685
CT 39	UMC426715	3;4; 33	T27S R13W; T26S R13W	258686
CT 40	UMC426716	3; 33;34	T27S R13W; T26S R13W	258687
CT 41	UMC426717	3;4	T27S R13W	258688
CT 42	UMC426718	3	T27S R13W	258689
CT 43	UMC426719	3;4	T27S R13W	258690
CT 44	UMC426720	3	T27S R13W	258691
CT 45	UMC426721	33	T26S R13W	258692
CT 46	UMC426722	4; 33	T27S R13W; T26S R13W	258693
SF 82	UMC426723	15;22	T27S R13W	258694
CT 47	UMC426967	9;10;15;16	T27S R13W	258845
CT 48	UMC426968	15;16	T27S R13W	258846
CT 49	UMC426969	10;15	T27S R13W	258847
CT 50	UMC426970	15	T27S R13W	258848
CT 51	UMC426971	10;15	T27S R13W	258849
CT 52	UMC426972	10;15	T27S R13W	258850
CT 53	UMC426973	9	T27S R13W	258851
CT 54	UMC426974	9	T27S R13W	258852
CT 55	UMC426975	9	T27S R13W	258853
CT 56	UMC426976	9	T27S R13W	258854
CT 57	UMC426977	9;10	T27S R13W	258855
CT 58	UMC426978	9;10	T27S R13W	258856
CT 59	UMC426979	10	T27S R13W	258857
CT 60	UMC426980	10	T27S R13W	258858
CT 61	UMC426981	10	T27S R13W	258859
CT 62	UMC426982	10	T27S R13W	258860
CT 63	UMC426983	10	T27S R13W	258861
CT 64	UMC426984	10	T27S R13W	258862
CT 65	UMC426985	10	T27S R13W	258863
CT 66	UMC426986	10	T27S R13W	258864
CT 67	UMC426987	10	T27S R13W	258865
CT 68	UMC426988	10	T27S R13W	258866
CT 69	UMC426989	10	T27S R13W	258867
CT 70	UMC426990	9	T27S R13W	258868
CT 71	UMC426991	9	T27S R13W	258869

Claim Name	BLM Serial Number	Section(s)	Township & Range	Location Notice (County Entry #)
CT 72	UMC426992	9;10	T27S R13W	258870
CT 73	UMC426993	10	T27S R13W	258871
CT 74	UMC426994	10	T27S R13W	258872
CT 75	UMC426995	10	T27S R13W	258873
CT 76	UMC426996	3;4;9;10	T27S R13W	258874
CT 77	UMC426997	3;10	T27S R13W	258875
CT 78	UMC428568	4;9	T27S R13W	259886
NW 1	UMC428552	33	T26S R13W	259870
NW 2	UMC428553	33;34	T26S R13W	259871
NW 3	UMC428554	34	T26S R13W	259872
NW 4	UMC428555	34	T26S R13W	259873
NW 5	UMC428556	34	T26S R13W	259874
NW 6	UMC428557	34	T26S R13W	259875
NW 7	UMC428558	34	T26S R13W	259876
NW 8	UMC428559	34	T26S R13W	259877
NW 9	UMC428560	34	T26S R13W	259878
NW 10	UMC428561	34;35	T26S R13W	259879
NW 11	UMC428562	35	T26S R13W	259880
NW 12	UMC428563	34;35	T26S R13W	259881
NW 13	UMC428564	2;35	T27S R13W; T26S R13W	259882
NW 14	UMC428565	2;3; 34;35	T27S R13W; T26S R13W	259883
NW 15	UMC428566	2; 35	T27S R13W; T26S R13W	259884
NW 16	UMC428567	34	T26S R13W	259885

* This Claim is likely void ab initio because it's the location monument is located on land owned by the State of Utah. Company is taking corrective actions with respect to the federal land covered by this claim.

Note: The listed township and ranges are all according to the Salt Lake Base & Meridian. The section numbers are listed for convenience in locating a particular claim and do not indicate that the entirety of a particular claim lies within the listed section or sections.

10. CORPORATE GOVERNANCE

10.1 Directors and key personnel

Biographies for the Directors are set out in Section 5 above. It is not anticipated that there will be any other key executives appointed in the foreseeable future.

In summary, the Directors and their respective status (including independence) are:

Nicolaus Heinen	Director	Non-executive Chairman – Not independent
Christopher Wanless	Director	Executive Director and CEO – Not independent
Donald Smith	Director	Non-executive Director (proposed to be an Executive Director upon listing) – Not independent
Ernest Thomas Eadie	Director	Non-executive Director – Independent

The independence of each Director has been determined in taking into account the relevant factors suggested in The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations) (Independence Factors). The following table offers a brief explanation of how the Independence Factors have been applied to the Directors in anticipation of their respective appointments.

Nicolaus Heinen	Applying the Independence Factors, Mr Heinen will not be independent because: (a) he is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company; and (b) has been a director of the Company for such a period that his or her independence may have been compromised. However, the Company has determined that any risks to the Company and its shareholders associated with Mr Heinen's lack of independence in the areas identified can be mitigated with appropriate management in accordance with the Company's conflicts of interest procedure. Moreover, the Company considers that Mr Heinen's specific expertise is a key factor for the future success of the Company, and this outweighs any risk that may be perceived to be associated with his lack of independence in accordance with the Independence Factors.

Christopher Wanless	Applying the Independence Factors, Mr Wanless will not be independent because: (a) he is employed in an executive capacity by the Company and its subsidiaries and there has not been a period of at least three years between ceasing such employment and serving on the board; (b) is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company; and (c) has been a director of the Company for such a period that his or her independence may have been compromised. However, the Company has determined that any risks to the Company and its shareholders associated with Mr Wanless' lack of independence in the areas identified can be mitigated with appropriate management in accordance with the Company's conflicts of interest procedure. Moreover, the Company considers that Mr Wanless' specific expertise and knowledge is a key factor for the future success of the Company, and this outweighs any risk that may be perceived to be associated with his lack of independence in accordance with the Independence Factors.
Donald Smith	Applying the Independence Factors, Mr Smith will not be independent because: (a) upon listing of the Company on ASX, he will be employed in an executive capacity by the Company and there has not been a period of at least three years between ceasing such employment and serving on the board; and (b) has within the last three years been a provider of material professional services to the Company. However, the Company has determined that any risks to the Company and its shareholders associated with Mr Smith's lack of independence in the areas identified can be mitigated with appropriate management in accordance with the Company's conflicts of interest procedure. Moreover, the Company considers that Mr Smith's specific expertise is a key factor for the future success of the Company, and this outweighs any risk that may be perceived to be associated with his lack of independence in accordance with the Independence Factors.
Ernest Thomas Eadie	Mr Eadie is considered to be independent in accordance with the Independence Factors, and there are no other factors that the Company considers affect Mr Eadie's capacity to exercise independent judgment with respect to the affairs of the Company.

10.2 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, our Company has adopted the Recommendations.

The Company's compliance with the Recommendations as at the date of this Prospectus are set out in Annexure A, which also contains an overview of the Company's main corporate governance policies and practices as against each Recommendation. The various corporate governance policies referred to in Annexure A are available in a dedicated corporate governance information section of the Company's website (www.alderanresources.com.au).

Following admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in (or at the time of lodging) its annual financial report.

11. MATERIAL CONTRACTS

11.1 Introduction

Set out below are summaries of the key provisions of contracts to which the Company is a party which are, or may be, material in terms of the Offer or the operations of the Company or otherwise are or may be relevant to an investor who is contemplating the Offer. To understand fully all rights and obligations pertaining to the material contracts, it would be necessary to read them in full.

11.2 BW Equities Mandate

On 29 November 2016 BW Equities entered into a binding mandate letter agreement with the Company (**BW Equities Mandate**).

The material terms of the BW Equities Mandate are as follows:

(a) (**Services Provided by BW Equities**): BW Equities was appointed as Lead Manager with respect to the Offer. BW Equities has the exclusive and unfettered right (but not obligation) to offer any and all of the Shares to investors pursuant to the Prospectus;

(b) (**Payments to BW Equities**): the Company has agreed to pay the following fees to BW Equities:

(i) (**Offer Fee**): a capital raising fee of 4% of the gross amount raised from all sources under the Offer and a management fee of 2% of the gross amount raised.

However, the Company or its directors and associates has the right to allocate up to 30% of the shares to be issued under the Offer, to European based investors or parties of its choosing and BW Equities has agreed to pay a fee of 4% of the gross amount raised by any European based licenced financial advisor introduced to BW Equities by the Company or its directors. Belgrave Capital Management, a company controlled by Mr Nicolaus Heinen, intends to undertake introductory services in relation to the Offer. In consideration for those services, BW Equities will pay Belgrave Capital Limited a fee equal to 4% of the amount successfully subscribed through Belgrave Capital Limited and accepted by the Company, with such amount being capped at 30% of the amount raised under the Offer;

(ii) (**Lead Manager Options**):

(A) BW Equities were entitled up to 2,000,000 Tranche A Lead Manager Options in consideration for services provided in relation to the Company's successful raising seed capital prior to listing on the ASX. On 21 February 2017, the Company issued 1,777,454 Tranche A Lead Manager Options to a nominee of BW Equities.

(B) In addition, BW Equities is also entitled to be issued up to 2,500,000 Tranche B Lead Manager Options and up to 2,500,000 Tranche C Lead Manager Options if the Company successfully lists on the ASX. The number of Options to be issued shall be reduced proportionally by the percentage of the funds raised under the Offer from investors introduced by the Company; and

(iii) (**Incidental Expenses**): reimbursement of expenses incurred in connection with providing services pursuant to the BW Equities Mandate.

11.3 Agreements with Mr Donald Smith

(a) Service Agreement

On 5 October 2016, the Company entered into an agreement with Mr Donald Smith to provide services as a non-executive director and geological consultant to the Company (Service Agreement). In consideration for such services, the Company has agreed to pay the following fees to Mr Smith:

(i) $5,000 per month for the provision of non-executive director services; and

(ii) $1,000 per day (inclusive of GST) for the provision of geological services.

The Service Agreement expires on the earlier of the date the Company successfully lists on the ASX or 9 October 2017.

(b) Executive Service Agreement

On 23 March 2017, the Company entered into an executive service agreement with Director, Mr Donald Smith (Employment Agreement). This Employment Agreement will replace the Service Agreement on the date the Company is admitted to the Official List of the ASX. A summary of the material terms of the Employment Agreement are as follows:

(i) (**Term, position and duties**): With effect from the date that the Company is admitted to the Official List of the ASX until such time as he resigns or the Employment Agreement is terminated, Mr Smith is employed by the Company in the position of Executive Director. During the term of his employment, Mr Smith must render his services exclusively for the Company.

(ii) (**Remuneration**): Mr Smith will receive a base salary of $175,000 per annum as compensation for his services (Base Salary). The Base Salary is subject to annual review by the Company. Mr Smith's Base Salary is inclusive of director's fees and is intended to cover all the services that he may perform for the Company. Mr Smith is entitled to receive all reasonable expenses incurred in the fulfilment of his duties, in addition to compulsory superannuation contributions up to the maximum salary cap.

(iii) (**Termination**): Mr Smith's position may be terminated at any time by either party giving 6 months' written notice. The Company may end his employment at any time without notice if he engages in serious misconduct that is shown to demonstrably impact on the Company's share price.

If the Company terminates Mr Smith's employment involuntarily, he will be entitled to a severance payment for past services rendered equal to 6 months' base salary, which will be in addition to any payment made in lieu of notice or for redundancy.

(iv) (**Change in control**): If a change occurs in the control of the Company, the Employment Agreement shall continue.

Should Mr Smith's position change as a result of a change in control, the Employment Agreement will no longer apply to his employment unless Mr Smith and the Company agree to enter a new written employment agreement or to vary the Employment Agreement in writing

11.4 Consultancy Agreements with Christopher Wanless

On 1 January 2014, the Company entered into a management services agreement with DM Bergbau GmbH (**DM Bergbau**), a company controlled by Mr Christopher Wanless. Under this agreement DM Bergbau provides managerial, financial, technical and operational services to the Company for a monthly fee of €3000. DM Bergbau has nominated Mr Christopher Wanless to perform the services set out in this agreement as Executive Director of the Company.

On 23 March 2017, the Company entered into a consultancy service agreement with DM Bergbau (**DM Bergbau Consultancy Agreement**) to supersede the management services agreement entered into on 1 January 2014 upon the Company successfully listing on the ASX. Under the DM Bergbau Consultancy Agreement, DM Bergbau has nominated Mr Christopher Wanless, to perform the services set out in the agreement in this capacity as Executive Director and CEO. The material terms of the DM Bergbau Consultancy Agreement are as follows:

(a) (Term, position and duties): DM Bergbau has been engaged for a term of 12 months, from the date the Company successfully lists on the ASX, unless the agreement is validly terminated by either party earlier. Mr Christopher Wanless has been appointed as an executive director and CEO of the Company. During the term of the agreement, Mr Wanless is able to provide services of any kind to any other person provided that those services do not conflict with the best interests of the Company or adversely affect his ability to provide his services to the Company.

(b) (Remuneration): DM Bergbau will be paid a monthly consultancy fee of $10,950 for the provision of at least 24 hours work each week. The fee will be reviewed annually. DM Bergbau and Mr Wanless are not entitled payment by the Company of salary, holiday pay, sick pay,

severance pay, long service leave or any other entitlement which an employee has in respect of their employment.

At the Company's discretion and subject to obtaining applicable regulatory approvals, DM Bergbau is entitled to a performance-based bonus over and above the consultancy fee. DM Bergbau is also entitled to reimbursement of reasonable expenses and expenditure.

(c) (Termination): The Company may terminate the DM Bergbau Consultancy Agreement at any time upon certain occurrences, including but not limited to, DM Bergbau going into liquidation, or Mr Wanless being convicted of a major criminal offence. Further, the Company may also terminate the DM Bergbau Consultancy Agreement by giving 6 months' written notice. DM Bergbau may also terminate the DM Bergbau Consultancy Agreement without cause.

11.5 Consultancy Agreements with Peter Geerdts

On 13 May 2015, the Company entered into an agreement with Mr Peter Geerdts to provide services as Chief Geologist of the Company. In consideration for such services, the Company has agreed to pay the following fees to Mr Geerdts:

(a) $12,000 per annum for the provision of management services; and

(b) $800 per day (exclusive of GST) for the provision of geological services.

This agreement is due to expire on the date the Company successfully lists on the ASX.

On 23 March 2017, the Company entered into a further consultancy agreement with Mr Peter Geerdts (Geerdts Consultancy Agreement) which will supersede the existing services agreement upon the Company successfully listing on ASX. A summary of the material terms of the Geerdts Consultancy Agreement are as follows:

(a) (Term, position and duties): With effect from the date that the Company is admitted to the Official List of the ASX until such time as he resigns or the Geerdts Consultancy Agreement is terminated, Mr Geerdts is employed by the Company in the position of Chief Geologist and is directly responsible to the Chief Operating Officer (**COO**) of the Company. Mr Geerdts' performance of the services will be reviewed annually or at intervals determined by the COO or the Board.

(b) (Remuneration): Mr Geerdts will be paid a monthly consultancy fee of $8,212.50 for the provision of at least 24 hours work each week. Mr Geerdts is not entitled payment by the Company of salary, holiday pay, sick pay, severance pay, long service leave or any other entitlement which an employee has in respect to their employment.

At the Company's discretion and subject to obtaining applicable regulatory approvals, Mr Geerdts is entitled to a performance-based bonus over and above the consultancy fee. Mr Geerdts is also entitled to reimbursement of reasonable expenses and expenditure.

(c) (Termination): Mr Geerdts' position may be terminated at any time by either party giving 6 months' written notice. The Company may end his employment at any time without notice if he engages in serious misconduct that is shown to demonstrably impact on the Company's share price.

If the Company terminates Mr Geerdts' employment involuntarily, he will be entitled to a severance payment for past services rendered equal to 6 months' base salary.

(d) (Restraint of Trade): Should Mr Geerdts' no longer provide services to the Company, he will be subject to restraint of trade provisions for a period of 6 months after termination of the Geerdts Consultancy Agreement.

11.7 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect Board papers in certain circumstances.

11.8 Title Report

A summary of material contracts with respect to the Tenements, are referred to and summarised in the Title Report contained in Section 8 of this Prospectus.

12. ADDITIONAL INFORMATION

12.1 Litigation

As at the date of this Prospectus, our Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against our Company.

12.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares under the Constitution. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, which is available for review by Shareholders at the Company's website **www.alderanresources.com.au** and at the office of the Company during normal business hours. A copy of the Constitution can also be sent to Shareholders upon request to the Company Secretary, Brett Tucker (+61 (8) 9482 0560).

(a) **General Meeting**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's Constitution, the Corporations Act or the ASX Listing Rules.

(b) **Voting**

Subject to any rights or restrictions for the time being attached to any class or classes of shares whether by the terms of their issue, the Constitution, the Corporations Act or the ASX Listing Rules, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by a representative, proxy or attorney has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per share on a poll. A person who holds an ordinary share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share. A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of shares in the Company have been paid. Where there are two or more joint holders of the share and more than one of them is present at a meeting and tenders a vote in respect of the share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of members.

(c) **Issues of Further Shares**

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Company's New Constitution, the ASX Listing Rules, the Corporations Act and any rights for the time being attached to the shares in special classes of shares.

(d) **Variation of Rights**

At present, the Company has on issue one class of shares only, namely ordinary shares. The rights attached to the shares in any class may be altered only by a special resolution of the Company and a special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

(e) **Transfer of Shares**

Subject to the Company's Constitution, the Corporations Act, the ASX Settlement Operating Rules and the ASX Listing Rules, ordinary shares are freely transferable. The shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors that is permitted by the Corporations Act.

The Company may decline to register a transfer of shares in the circumstances described in the Company's Constitution and where permitted to do so under the ASX Listing Rules. If the Company declines to register a transfer, the Company must give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of shares when required by law, by the ASX Listing Rules or by the ASX Settlement Operating Rules.

(f) **Partly Paid Shares**

The Directors may, subject to compliance with the Company's Constitution, the Corporations Act and the ASX Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

(g) **Dividends**

Subject to the Corporations Act, the Listing Rules, the Company's Constitution and the rights of any person entitled to shares with special rights to dividend, the Directors may determine that a dividend is payable. The Directors may fix the amount and time for payment of the dividend and authorise the payment or crediting by the Company to, or at the direction of, each Member entitled to that dividend. The Directors may authorise the payment to the members of such interim dividends as appear to the Directors to be justified by the Company's profits and for that purpose may declare such interim dividends. Subject to the rights of members entitled to shares with special rights as to dividend (if any), all dividends in respect of shares (including ordinary shares) are to be declared and paid proportionally to the amount paid up or credited as paid up on the shares.

(h) **Winding Up**

Subject to the rights of holders of shares with special rights in a winding up, if the Company is wound up, members (including holders of ordinary shares) will be entitled to participate in any surplus assets of the Company in proportion to the shares held by them respectively irrespective of the amount paid up or credited as paid up on the shares.

(i) **Dividend Plans**

The Directors may establish and maintain dividend plans under which (among other things) a member may elect that dividends payable by the Company be reinvested by way of subscription for shares in the Company or a member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of shares.

(j) **Directors**

The Company's Constitution states that the minimum number of Directors is three.

(k) **Powers of the Board**

The Directors have power to manage the business of the Company and may exercise that power to the exclusion of the members, except as otherwise required by the Corporations Act, any other law, the ASX Listing Rules or the Company's Constitution.

12.3 Long Term Incentive Plan

The Directors have adopted a long term incentive plan (LTIP) to enable eligible persons to be granted Options and/or Performance Rights (Awards), the principle terms of which are summarised below:

(a) (**Eligibility**) The Board may, in its absolute discretion, invite an "Eligible Person" to participate in the LTIP. An "Eligible Person" includes a director, senior executive, contractor, consultant or employee of the Company.

(b) (Nature of Awards) Each Option or Performance Right entitles the participant holding the Option or Performance Right, to subscribe for, or be transferred, one Share. Any Share acquired pursuant to the exercise of an Award will rank equally with all existing Shares from the date of acquisition.

(c) (**Vesting**) Awards may be subject to exercise conditions, performance hurdles or vesting conditions (Conditions). These Conditions must be specified in the Offer Letter to Eligible Persons. In the event that a takeover bid for the Company is declared unconditional, there is a change of control in the Company, or if a merger by way of a scheme of arrangement has been approved by a court, then he Board may determine that:

(i) all or a percentage of unvested Options will vest and become exercisable;

(ii) all or a percentage of Performance Rights will be automatically exercised; and

(iii) any Shares issued or transferred to a participant under the LTIP that have restrictions (on their disposal, the granting of any security interests in or over, or otherwise on dealing with), will be free from any restrictions on disposal.

(d) (**Exercise Period**) The period during which a vested Award may be exercised will commence when all Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the rules of the LTIP and the Company has issued a Vesting Notification to the participant, and ends on the Expiry Date (as defined below).

(e) (**Disposal restrictions**) Awards granted under the LTIP may not be assigned, transferred, novated, encumbered with a security interest (such as a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature) over them, or otherwise disposed of by a participant, other than to a nominated party (such as an immediate family member, trustee of a trust or company) in accordance with the LTIP, unless:

(i) the prior consent of the Board is obtained; or

(i) such assignment or transfer occurs by force of law upon the death of a participant to the participant's legal personal representative.

(f) (**Lapse**): Unvested Awards will generally lapse on the earlier of:

(i) the cessation of employment, engagement or office of a relevant person;

(ii) the day the Board makes a determination that all unvested Awards and vested Options of the relevant person will lapse because, in the opinion of the Board a relevant person has acted fraudulently or dishonestly, or is in material breach of his or her duties or obligations to the Company;

(iii) if any applicable Conditions are not achieved by the relevant time;

(iv) if the Board determines that any applicable Conditions have not been met and cannot be met prior to the date that is 5 years from the grant date of an Award or any other date determined by the Board and as specified in the Offer (Expiry Date); or

(v) the Expiry Date.

Where a participant ceases to be employed or engaged by the Company and is not a "Bad Leaver" (as that term is defined in the LTIP), and the Awards have vested, they will remain exercisable until the Awards lapse in accordance with the LTIP rules or if they have not vested, the Board will determine as soon as reasonably practicable after the date the participant ceases to be employed or engaged, how many (if any) of those participant's Awards will be deemed to have vested and exercisable.

Where a participant becomes a "Bad Leaver" (as that term is defined in the LTIP), all Awards, unvested or vested, will lapse on the date of the cessation of employment, engagement or office of that participant.

12.4 Rights attaching to Options

The terms and conditions of the Options are as follows:

(a) Each Option gives the holder the right to subscribe for one Share.

(b) The Options are exercisable:

  (i) in the case of the Tranche A Management Options, at any time on and from the date that is one year from the grant date until the date that is four years from the grant date;

  (ii) in the case of the Tranche B Management Options, at any time on and from the date that is two years from the grant date until the date that is four years from the grant date;

  (iii) in the case of the Milestone Options, after one year from the grant date and upon satisfaction of the Milestones by the date that is five years from the grant date; and

  (iv) in the case of the Lead Manager Options, at any time from the grant date until the date that is three years from the grant date.

(c) The Options are not transferable.

(d) Subject to the condition in paragraph (b) being satisfied, the Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the holder to exercise a specified number of Options, accompanied by a Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the holder's right to exercise the balance of any Options remaining.

(e) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares.

(f) The Options are not to be quoted on ASX and the Company is under no obligation to apply for quotation of the Options on ASX.

(g) The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options.

(h) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the Company will give each Option holder prior notice as required by the Listing Rules of the Record Date (as defined in the Listing Rules) of any proposed issue of Shares or other securities or entitlements made available to the holders of Shares generally to enable the Option holder to exercise its Options and participate in the new issue.

(i) There is no right to change the Exercise Price of an Option nor the number of Shares over which the Option can be exercised, if the Company completes a pro rata issue of Shares which is not a bonus issue.

(j) If there is a bonus issue of Shares, the number of Shares over which an Option can be exercised increases by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.

(k) In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date, all rights of the Option holder will be varied in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

12.5 Remuneration of Directors

Directors are not required under the Company's Constitution to hold any Shares. Details of the Directors' remuneration and relevant interests in the securities of the Company as at the date of this Prospectus and upon completion of the Offer are set out in the tables below:

Director	Remuneration for year ended 30 June 2016	Remuneration for year ended 30 June 2017	Proposed remuneration for year ended 30 June 2018
Existing Directors			
Nicolaus Heinen	$7,500	$18,332	$40,000
Christopher Wanless	$54,869.68	$58,915.52	$131,400
Donald Smith	Nil	$103,583[1]	$191,000
Ernest Thomas Eadie	Nil	$13,225.81	$32,850

Notes:

1 This amount is inclusive of geological consulting fees payable to Mr Smith under the current Service Agreement entered into between the Company and Mr Smith on 5 October 2016. For further details, please refer to Section 11.3(a)..

12.6 Security holding interests of Directors

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus and upon completion of the Offer are as follows:

Director	As at the date of this Prospectus		Voting power upon completion of the Offer (%)	
	Shares	Options	Minimum subscription	Maximum subscription
Nicolaus Heinen	30,836,583[1]	1,350,000[2]	33.01%[3]	29.95%[3]
Christopher Wanless	10,494,584[4]	4,250,000[5]	10.71%	9.72%
Donald Smith	589,00[6]	3,000,000[6]	0.59%	0.55%
Ernest Thomas Eadie[7]	833,333	800,000[8]	1.87%[9]	1.70%[9]

Notes:

1. Mr Nicolaus Heinen holds an indirect relevant interest in these Shares by virtue of his directorship of Belgrave Capital Management Limited.
2. Mr Heinen holds 150,000 Tranche A Management Options exercisable at $0.20 each, 300,000 Tranche A Management Options exercisable at $0.30 each, 300,000 Tranche A Management Options exercisable at $0.40 each and 300,000 Tranche B Management Options exercisable at $0.60 each and 300,000 Tranche B Management Options exercisable at $0.80 each. The Options are otherwise on the terms set out in Section 12.4.
3. Mr Heinen intends to subscribe for Shares under the Offer up to a maximum value of $300,000.
4. Mr Christopher Wanless holds an indirect relevant interest in these Shares by virtue of his directorship of Quaalup Investments Pty Ltd.
5. Mr Wanless holds 1,250,000 Tranche A Management Options exercisable at $0.20 each, 1,500,000 Tranche A Management Options exercisable at $0.30 each, 500,000 Tranche A Management Options exercisable at $0.40 each, 500,000 Tranche B Management Options exercisable at $0.60 each and 500,000 Tranche B Management Options exercisable at $0.80 each. The Options are otherwise on the terms set out in Section 12.4.
6. Mr Smith holds 1,000,000 Milestone Options each of which are exercisable at $0.20, 500,000 Tranche A Management Options exercisable at $0.30 each, 500,000 Tranche A Management Options exercisable at $0.40 each, 500,000 Tranche B Management Options exercisable at $0.60 each and 500,000 Tranche B Management Options exercisable at $0.80 each. The Options are otherwise on the terms set out in Section 12.4.
7. Mr Eadie holds an indirect interest in these securities by virtue of his directorship in Thea Management Pty Ltd.
8. Mr Eadie holds 200,000 Tranche A Management Options exercisable at $0.30 each, 200,000 Tranche A Management Options exercisable at $0.40 each, 200,000 Tranche B Management Options exercisable at $0.60 each and 200,000 Tranche B Management Options exercisable at $0.80 each. The Options are otherwise on the terms set out in Section 12.4.
9. Mr Eadie intends to subscribe for Shares under the Offer up to a maximum value of $200,000.

12.7 Agreements with Directors or Related Parties

The Company's policy in respect of related party arrangements is:

(a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

(b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

Service Agreements – Mr Smith

The Company has entered into a service agreement and an employment agreement with Director, Mr Donald Smith. Refer to Section 11.3 for the material terms and conditions of those agreements.

Consultancy Agreement – Mr Wanless

The Company has entered into a consultancy agreement with DM Bergbau, a company controlled by Director, Mr Christopher Wanless. Refer to Section 11.4 for the material terms and conditions of the agreement.

Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect Board papers in certain circumstances.

12.8 Interests of Directors

Other than as set out in this Prospectus, no Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

(a) as an inducement to become, or to qualify as, a Director; or

(b) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

12.9 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(a) the formation or promotion of the Company; or

(b) the Offer.

RSM Corporate Australia Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 8 of this Prospectus. The Company estimates it will pay RSM Australia Partners a total of $8,000 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, RSM Corporate Australia Pty Ltd has not received any fees from the Company.

BW Equities has acted as Lead Manager of the Offer set out in this Prospectus. The Company estimates it will pay BW Equities a total of up to $390,000 in capital raising fees and $5,000 in advisory fees (excluding GST and assuming the minimum amount of $6,500,000 is raised pursuant to the Offer) for these services, subject to any fees payable by BW Equities to Belgrave Capital Limited or other third parties. During the 24 months preceding lodgement of this Prospectus with ASIC, BW Equities has received $60,144 in capital raising fees and $7,500 in advisory fees from the Company. Further, the Company issued 1,777,454 Tranche A Lead Manager Options to the Lead Manager in accordance with the BW Equities Mandate (a summary of which is contained in Section 11.2) as consideration for services in respect of a previous capital raising by the Company.

Parr Brown Gee and Loveless has also acted as US lawyers reporting on tenements and has prepared the Title Report in relation to the Tenements included in Section 9 of this Prospectus. The Company estimates it will pay Parr Brown Gee and Loveless $34,084 (excluding VAT) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Parr Brown Gee and Loveless has received $107,490 in fees from the Company for services provided in addition to the Title Report.

Goldner & Associates has acted as the Independent Geologist and has prepared the Independent Geologist's Report included in Section 7 of this Prospectus. Goldner & Associates will be paid $75,124 (excluding GST) in respect of these services. This includes an amount of $58,850 (excluding GST) that has already been received by Goldner & Associates from the Company in the during the 24 months preceding lodgement of this Prospectus with ASIC.

Allion Partners has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Allion Partners $110,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Allion Partners has not received any other fees from the Company.

12.10 Consents

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

RSM Corporate Australia Pty Ltd has given its written consent to being named as the Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 8 of this Prospectus in the form and context in which the information and report is included. RSM Australia Partners has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Goldner & Associates has given its written consent to being named as the Independent Geologist in this Prospectus and to the inclusion of the Independent Geologist's Report included in Section 7 of the Prospectus in the form and context in which it is included. Goldner & Associates has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Parr Brown Gee and Loveless has given its written consent to being named in this Prospectus and to the inclusion of the Title Report included in Section 9 of the Prospectus in the form and context in which the information and report is included. Parr Brown Gee and Loveless has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

BW Equities has given its written consent to be named as Lead Manager to the Offer under this Prospectus in the form and context in which it is named and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. BW Equities was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. BW Equities makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by BW Equities.

To the maximum extent permitted by law, BW Equities expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

Allion Partners has given its written consent to being named as the solicitors to the Company in the form and context in which it is named and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Automic Share Registry has given its written consent to being named as the share registry to the Company in this Prospectus. Automic Share Registry has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

12.11 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately $752,348 for minimum subscription or $874,347 for full subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription ($6,500,000)	Maximum Subscription ($8,500,000)
ASIC fees	$2,350	$2,350
ASX fees	$79,593	$81,593
Broker Commissions and Advisory Fees[1]	$402,500	$522,500
Legal Fees (Australia)	$110,000	$110,000
Legal Fees (US)	$34,084	$34,084
Investigating Accountant's Fees	$8,000	$8,000
Independent Geologist's Fees	$75,124	$75,124
Printing and Distribution	$9,700	$9,700
Miscellaneous	$30,497	$30,497
TOTAL	$752,348	$874,347

Notes:

1 Refer to the summary of the BW Equities Mandate at Section 11.2 for further information on the fees payable to the Lead Manager.

12.12 Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

12.13 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC wishes to encourage the distribution of an electronic prospectus and electronic application form, subject to compliance with certain requirements.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.alderanresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

12.14 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

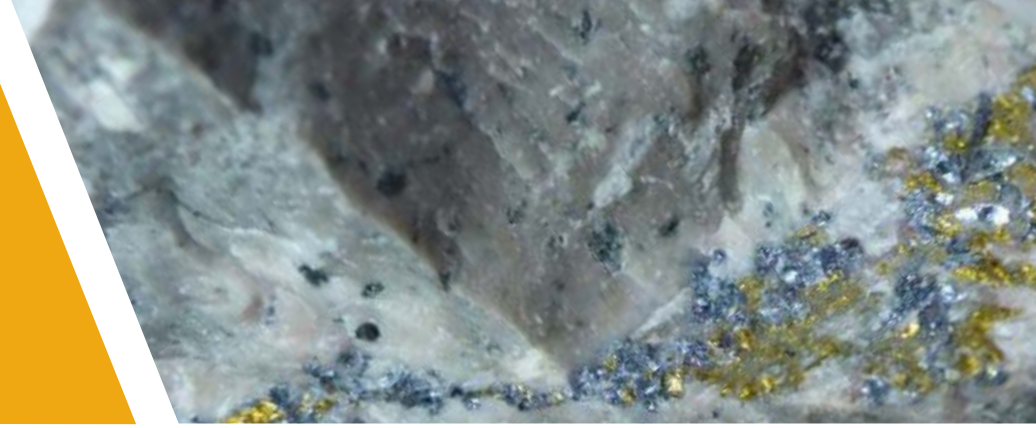
12.15 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act 1988 (Cth), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.



13. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

Christopher Wanless

Director
For and on behalf of Alderan Resources Limited

14. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

$ means an Australian dollar.

Application Form means the application forms attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

BW Equities means BW Equities Pty Ltd (ACN 146 642 462).

Closing Date means the date on which the Offer closes, being 15 May 2017 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means Alderan Resources Limited (ACN 165 079 201).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Free Float has the meaning given to that term in the ASX Listing Rules.

Goldner & Associates means Weddarla Pty Ltd (ACN 002 086 964) trading as Goldner & Associates.

Independent Geologist means Goldner & Associates.

JORC means the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" by the Joint Ore Reserves Committee.

Lead Manager Offer means the offer of Lead Manager Options pursuant to this Prospectus as set out in Section 3.2.

Lead Manager Option means a Tranche A Lead Manager Option, Tranche B Lead Manager Option or a Tranche C Lead Manager Option.

Milestone Option means an Option granted to a Director on the terms and conditions set out in Section 12.4 and 12.6.

Milestones means:

(a) the Company completing a minimum of 10,000 metres of drilling on the Frisco Project prior to the date of expiry; and

(b) a period of 30 consecutive calendar days where the closing share price of the Company as quoted on the ASX is in excess of $0.30 prior to the date of expiry.

Offer means the offer of Share to the public pursuant to this Prospectus as set out in Section 3.1 of this Prospectus.

Offer Period means the period from the Opening Date until the Closing Date.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the date on which the Offer opens, being 24 April 2017 (subject to any extension of the Exposure Period).

Option means an option to acquire a Share, including a Tranche A Management Option, a Tranche B Management Option a Milestone Option, or a Lead Manager Option.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Securities means a Share and/or Option.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Tenements means the tenements listed in Schedules 1 to 4 of the Title Report (Section 8 of the Prospectus).

Tranche A Lead Manager Option means an Option with an exercise price of 20 cents per Share, with a three year expiry from the date of grant and otherwise on the terms and conditions set out in Section 12.4 which was granted to the Lead Manager in accordance with the BW Equities Mandate.

Tranche A Management Option means an Option which is exercisable at any time on and from the date that is one year from the grant date until the date that is four years from the grant date and otherwise on the terms and conditions set out in Sections 12.4 and 12.6.

Tranche B Lead Manager Option means an Option with an exercise price of 30 cents per Share, with a three year expiry from the date of grant and otherwise on the terms and conditions set out in Section 12.4 which may be granted to the Lead Manager in accordance with the BW Equities Mandate.

Tranche B Management Option means an Option which is exercisable at any time on and from the date that is two years from the grant date until the date that is four years from the grant date and otherwise on the terms and conditions set out in Sections 12.4 and 12.6.

Tranche C Lead Manager Option means an Option with an exercise price of 40 cents per Share, with a three year expiry from the date of grant and otherwise on the terms and conditions set out in Section 12.4 which may be granted to the Lead Manager in accordance with the BW Equities Mandate.

WST means Western Standard Time as observed in Perth, Western Australia.

Annexure A – Compliance with ASX Corporate Governance Principles and Guidelines

No.	Principles and Recommendations (Summary)	Complies	Comment
1.	**LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**		
1.1	A listed entity should disclose the respective roles and responsibilities of its board and management; and those matters expressly reserved to the board and those delegated to management.	Yes	The Board is ultimately accountable for the performance of the Company and provides leadership and sets the strategic objectives of the Company. It appoints all senior executives and assesses their performance on at least an annual basis. It is responsible for overseeing all corporate reporting systems, remuneration frameworks, governance issues, and stakeholder communications. Decisions reserved for the Board relate to those that have a fundamental impact on the Company, such as material acquisitions and takeovers, dividends and buybacks, material profits upgrades and downgrades, and significant closures. The Company has developed a Board Charter which sets out the roles and responsibilities of the Board, a copy of which is available on the Company's website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	The Company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of a director. In addition, the Company's Nomination Committee Charter establishes accountability for requiring appropriate checks of potential directors to be carried out before appointing that person or putting them forward as a candidate for election, and this will be undertaken with respect to all future appointments.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company maintains written agreements with each of its Directors and senior executives setting out their roles and responsibilities and the terms of their appointment.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.	Yes	The Company Secretary is engaged by the Company to manage the proper function of the Board. The Company Secretary reports directly to the Chair and is accountable to the Board.

No.	Principles and Recommendations (Summary)	Complies	Comment
1.5	A listed entity should have a diversity policy and should disclose at the end of each reporting period the measurable objectives for achieving gender diversity and the progress towards achieving those objectives.	Partial	The Company recognises the importance of equal employment opportunity. The Company's corporate code of conduct provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace. However, the Company has determined to not initially adopt a formal policy and establish measurable objectives for achieving gender diversity (and accordingly, will not initially be in a position to report against measurable objectives). The Board considers that its approach to gender diversity and measurable objectives is justified by the current nature, size and scope of the business, but will consider in the future, once the business operations of the Company mature, whether a more formal approach to diversity is required. The Company currently has no female board members or senior executives.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; (b) and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	The Board will review its performance annually, as well as the performance of individual Committees and individual directors (including the performance of the Chairman as Chairman of the Board). Full details of the process for performance evaluation of the Board, Board committees, individual Directors and key executives are available on the Company's website and will be reported in the Company's Annual Report.
1.7	A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	No	Until listing on the ASX the Company will not have had any senior executives and as such a policy for their performance evaluation has not been developed. The Company intends to develop its senior executive performance evaluation procedures in order to facilitate an evaluation to be undertaken within the first 12 months of listing on the ASX against the key objectives of the Company.

No.	Principles and Recommendations (Summary)	Complies	Comment
2.	**LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**		
2.1	The Company should have a Nomination Committee which has at least 3 members a majority of whom are independent and is chaired by an independent director. If it does not have a nomination committee, the Board should disclose that fact and the processes it employs to address board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Yes	The Board has not established a separate nomination committee. Given the scale of the Company's operations, it is anticipated that the full Board will be able to continue adequately discharge the functions of a Nomination Committee for the short to medium term. The Board will consider establishing a Nomination Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Company has adopted a Nomination Committee Charter and Remuneration Committee Charter, which includes specific responsibilities to be carried out by those committees when they are established. The Company's Nomination Committee Charter and Remuneration Committee Charter are available on the Company's website.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	No	The Board has been specifically constituted with the mix of skills and experience that the Company requires to move forward in implementing its business objectives. The composition of the Board and the performance of each Director will be reviewed from time to time to ensure that the Board continues to have a mix of skills and experience necessary for the conduct of the Company's activities as the Company's business matures and evolves. The Company is currently developing a skills matrix which will indicate the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix will reflect the Board's objective to have an appropriate mix of industry and professional experience including skills such as leadership, governance, strategy, finance, specific technical knowledge and international business experience. External consultants may be brought it with specialist knowledge to address areas where this is an attribute deficiency in the Board.

No.	Principles and Recommendations (Summary)	Complies	Comment
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship which may otherwise be seen as a conflict to the director's obligation to the company but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service for each director	Yes	Details of the Directors and their independence status are identified in Section 10.1 of this Prospectus. Independence factors are fully discussed in that Section. Going forward, the Company will disclose in its annual reports those Directors it considers independent Directors and the considerations given in determining independence. The annual reports will also include the length of service of each Director.
2.4	A majority of the board of a listed entity should be independent directors	No	As disclosed in the response to Recommendation 2.3 above and Section 10.1 of this Prospectus, only one of the Directors is considered independent. However, the Company is confident that current composition of the Board is optimal for transitioning the Company into its next phase of operations, and is therefore in the best interests of the Company and its shareholders. The Board will review the balance of independence on the Board on an on-going basis, and will implement changes at its discretion having regard to the Company's growth and changing management and operational circumstances.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity	No	Mr Heinen is not considered independent for the reasons discussed in Section 10.1 of this Prospectus. However, the Company believes that Mr Heinen is suited to carrying out the functions of the Chair as Mr Heinen's specific expertise (as detailed in Section 5.1 of this Prospectus) is a key factor for the future success of the Company. The Board believes the alignment of the interests of Directors with those of shareholders as being the most efficient way to ensure shareholders' interests are protected. The Board believes that this is both appropriate and acceptable at this stage of the Company's development.

No.	Principles and Recommendations (Summary)	Complies	Comment
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Upon appointment to the Board new Directors are provided with Company policies and procedures and are provided an opportunity to discuss the Company's operations with senior management and the Board. The Company encourages its Directors to participate in professional development opportunities presented to the Company and provides appropriate industry information to its Board members on a regular basis.
3.	**PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING**		
3.1	A listed entity should have a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it.	Yes	The Company has adopted a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in business. All of the Company's directors and employees are required to comply with the standards of behaviour and business ethics in accordance with the law and the Code of Conduct. The Code of Conduct is disclosed on the Company's website.
4.	**SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**		
4.1	The Board of a listed entity should have an audit committee which consists of at least 3 members all of whom are non- executive directors and a majority of whom are independent directors and the committee should be chaired by an independent director who is not the chair of the board. If it does not have an audit committee, the Board should disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation ofthe audit engagement partner.	Yes	The Board has not established a separate audit committee. Given the present size of the Company and the scale of its operations, the Board has decided that the full Board can adequately discharge the functions of an audit committee. The Board will establish an Audit Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Board has adopted an Audit and Risk Committee Charter, which includes specific responsibilities relating to audit and risk, and which the Board uses as a guide when acting in the capacity of the Audit Committee. The Company's Audit and Risk Committee Charter is available on the Company's website.

No.	Principles and Recommendations (Summary)	Complies	Comment
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	The Board will continue to require a conforming declaration from the relevant key executive or executives before it approves the entity's financial statements for each financial period, consistent with practise to date.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The Company's external auditor will be invited to attend all Annual General Meetings of the Company and will be available to answer questions from security holders relevant to the audit.
5.	**MAKE TIMELY AND BALANCED DISCLOSURES**		
5.1	A listed entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose that policy or a summary of it.	Yes	The Company has a Continuous Disclosure Policy which includes processes to ensure compliance with ASX Listing Rule 3.1 disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position. The Continuous Disclosure Policy is disclosed on the Company's website.
6.	**RESPECTS THE RIGHTS OF SHAREHOLDERS**		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company has established a website on which it maintains information in relation to corporate governance, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has adopted a Shareholder Communications Policy, which establishes principles to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. The Shareholder Communications Policy is disclosed on the Company's website.

No.	Principles and Recommendations (Summary)	Complies	Comment
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	The Company encourages shareholders to participate in general meetings of the Company as a means by which feedback can be given to the Company and allocates scheduled question time at meetings of Shareholders to facilitate participation at those meetings.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Automic Share Registry Pty Ltd at www.automic.com.au.
7.	**RECOGNISE AND MANAGE RISK**		
7.1	The Board should establish a risk management committee made up of at least 3 members, a majority of whom are independent directors, and chaired by an independent director. If it does not have a risk committee, the Board should disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Yes	The Board has not established a separate risk committee. Given the present size of the company, the Board has decided that the full Board can adequately discharge the functions of a risk committee for the time being. The Board will establish a Risk Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Company's Audit and Risk Committee Charter includes principles to guide the Board's oversight of the Company's risk function.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	The identification and management of risk has been continually at the forefront of the Company's recent activities. The material risks associated with the future operations of the Company are discussed fully in Sections 2.3 and 6 of this Prospectus. Moving forward, in accordance with the Audit and Risk Committee Charter, the Board will review the Company's risk management framework on an annual basis and will disclose in its annual report or elsewhere as appropriate whether such review has taken place.

No.	Principles and Recommendations (Summary)	Complies	Comment
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes	Given the present size of the company, the Board has decided that a formal internal audit function is not required for the time being. The risk management functions employed by the Board are summarised above.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	The Company has disclosed all material risks facing the Company in Sections 2.3 and 6 of this Prospectus, including exposure to economic, environmental and social sustainability risks. The Company will continue to disclose these material risks in the future in its annual report or elsewhere as appropriate.
8.	**REMUNERATE FAIRLY AND RESPONSIBLY**		
8.1	The board should establish a remuneration committee which has at least three members, a majority of whom are independent and which is chaired by an independent director. If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive	Yes	The Board has not established a separate remuneration committee. Given the present size of the company, the Board has decided that the full Board can adequately discharge the functions of a remuneration committee for the time being. The Board will establish a Remuneration Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Board has adopted a Remuneration Committee Charter, which includes principles for setting and reviewing the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive, including if required, the ability to obtain independent advice on the appropriateness of remuneration packages. Until such time as the Remuneration Committee is established, the functions of this committee will continue to be carried out by the full Board.

No.	Principles and Recommendations (Summary)	Complies	Comment
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Each director has entered a separate employment or consultancy agreement with the Company. The remuneration of directors and senior executives is generally reviewed annually. As discussed under Recommendation 8.1 above, a Remuneration Committee Charter is in place, and the Board (in its capacity as the Remuneration Committee) in will consider its approach to remuneration in due course having regard to the Remuneration Committee Charter. Disclosure of the remuneration arrangements for Directors and senior executives will be disclosed in the annual reports of the Company in the future.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	N/A	The Company maintains a Securities Trading Policy which restricts the permission for employees and directors to enter transactions which limit the economic risks associated with the participation in any of the Company's equity based incentive schemes. A copy of the Securities Trading Policy is available on the Company's website. The use of derivatives or other hedging arrangements for unvested securities of the Company or vested securities of the Company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the Company, this will be disclosed.

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Alderan Resources Limited

ABN 55 165 079 201

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Alderan Resources Limited

ACN 165 079 201

Supplementary Prospectus

Important information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 5 April 2017 (**Prospectus**) issued by Alderan Resources Limited ACN 165 079 201(**Alderan** or **Company**).

This Supplementary Prospectus is dated 29 May 2017 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than the changes set out in this Supplementary Prospectus, all other details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus will have the same meaning in this Supplementary Prospectus.

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already subscribed for Shares under the Prospectus.

The Company has issued both a printed and electronic version of this Supplementary Prospectus and the Prospectus. Electronic versions may be accessed at www.alderanresources.com.au

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you are in any doubt as to the contents of this Supplementary Prospectus or the Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

1. SUPPLEMENTARY PROSPECTUS

1.1 Reasons for this Supplementary Prospectus

The purpose of this Supplementary Prospectus is to provide supplementary disclosure in accordance with the 2012 Edition of the Australasian Code for reporting of Exploration Results Mineral Resources and Ore Reserves (**JORC Code**) with respect to certain information contained in the Prospectus relating to the Cactus and Horn Prospects.

2. AMENDMENTS TO THE PROSPECTUS

2.1 JORC Tables - Cactus and Horn Prospects

Attached to and forming part of this Supplementary Prospectus is:

(a) Table 1 of the JORC Code for the Cactus Prospect; and

(b) Table 1 of the JORC Code for the Horn Prospect,

completed in the form prescribed by and complying with the JORC Code.

The above Tables supplement the information contained in the Prospectus with respect to each of these prospects.

2.2 Competent Person

The information in this Supplementary Prospectus that relates to exploration targets, exploration results, mineral resources or ore reserves is based on information compiled by Donald Smith, a competent person who is a Member of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and a Member of the Australian Institute of Geoscientists (**AIG**). Donald Smith is a Geologist and 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. Donald Smith consents to the inclusion in this Supplementary Prospectus of the matters based on his work in the form and context in which it appears.

3. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent prior to lodgement.

Signed for and on behalf of the Company on 29 May 2017.

Donald Smith
Director

SCHEDULE 1

CACTUS BRECCIA PIPE TARGET
SIGNIFICANT ANACONDA AND ROSARIO DRILL RESULTS (0.5% Cu Cut-off)

Hole No/ Collar Coordinates (Elevation)	Total Depth (m)	Collar Inclination & Azimuth	Down Hole Intercepts From (m)	To (m)	Length (m)	(% Cu)	Grade (g/t Ag)	(g/t Au)
Anaconda Diamond Drill Holes (renamed by Rosario from 'A' prefix to 'DDH' prefix)								
DDH 4	303.6	-70° to 035°	27.4	47.6	20.1	2.44	14.60	0.40
299843E,4262610N (1,928m)			173.4	175.9	2.4	5.35	NA	NA
			180.1	203.6	23.5	1.49	NA	NA
	Includes		183.2	203.6	20.4	1.48	6.43	0.21
	and		189.0	201.5	12.5	2.03	8.54	0.28
DDH 5	217.9	-65° to 215°	153.3	178.0	24.7	1.50	NA	NA
299939E,4262660N (1,969m)								
DDH 6	357.2	-85° to 215°	172.5	179.8	7.3	2.66	8.88	0.33
299939E,4262660N (1,969m)		and	213.4	227.7	14.3	1.48	NA	NA
		includes	214.0	217.9	4.0	3.41	NA	NA
		and	230.1	239.6	9.5	1.33	NA	NA
DDH 8	251.5	-85° to 155°	207.9	251.5	43.6	1.69	NA	NA
299939E,4262660N (1,969m)								
	Includes	and	244.1	249.0	4.9	6.72	NA	NA
DDH 8 deflection	281.0	As above	218.2	256.6	38.4	1.40	NA	NA
Rosario Rotary Holes drilled in the Cactus Open Pit								
R6	44.96	Vertical	20.6	42. 7	22.1	0.89	NA	NA
299851E,4262613N (1,920m)		includes	32.0	36.6	4.6	1.46	NA	NA
R7	25.9	Vertical	18.7	25.9	12.2	1.23	NA	NA
299843E,4262610N (1,922m)								
R8	24.4	Vertical	5.3	19.8	14.5	1.01	NA	NA
299839E,1262625N (1,920m)								
R9	39.6	Vertical	2.3	20.6	18.3	1.00	NA	NA
299828E,4262634N (1,920m)		and	24.4	29.7	5.3	0.95	NA	NA
R10	39.6	Vertical	22.1	33.5	11.4	0.98	NA	NA
299820E,4262630N (1,920m)								
R12	89.2	Vertical	39.6	62.5	22.9	1.84	NA	NA
299796E/4262668N (1,920m)		and	69.3	89.2	19.8	0.68	NA	NA
R13B	82.3	Vertical	22.9	35.1	12.2	2.64	NA	NA
299871E,4262604N (1,923m)		and	42.7	68.6	25.9	1.62	NA	NA
		includes	50.3	62.5	12.2	2.77	NA	NA
R14	38.1	Vertical	1.5	24.4	22.9	2.06	NA	NA
299868E,4262598N (1,923m)		includes	1.5	13.7	12.2	3.31	NA	NA
Rosario Underground Diamond Drill Hole drilled from the 600 level								
	Length (m)		**Along hole intercept (m)**					
UDH 602	153	+3° to 094°	37.2	62.5	25.3	1.22	NA	NA
299844E,4262645N								
UDH 604	62.5	-15° to 090	39.6	59.4	19.8	0.85	NA	NA
299844E,4262646N								

Notes:

1. 0.5% Cu cut-off used to define broader intercepts
2. Some internal intervals of less than 5m in some intercepts are below the 0.5% Cu cut-off
3. NA – Not Available - Only a few holes were analysed for silver and gold
4. Lengths reported to one decimal point; some rounding errors are due to conversion of imperial lengths to metric lengths.
5. Widths are down hole measurements not true widths
6. The length and other distance measurements for the underground drill hole UDH 602 are from the collar in the wall of the 600 level.

JORC Code, 2012 Edition – Table 1 Report
Cactus Prospect

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Sampling of core was generally of 5 feet or 10 feet over mineralised intervals in the historic drilling, no duplicates, standards or blanks are known. • Special intervals were used for minor core sections and composite samples. • Sample weight of historic sampling is unknown. • Alderan resampling of Amex exploration inc ("Amex") drillholes 520-4 Assays completed at ALS Labs Reno Nevada - no standards/blanks - 9 ft composite sample interval of section 575ft - 875ft (only ⅓ of original half core).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling: Anaconda - diamond; Rosario - surface (unspecified hammer); Rosario - underground (diamond). • Historic drilling includes diamond core, reverse circulation, hammer bit and rotary air blasting. • For some of the historic drilling, the drill type could not be determined, but was most-likely reverse circulation or open hammer.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery rate not recorded historically. • Observations by Alderan of Amex Drillholes 520-1 - 520-4 showed very good core recovery - predominantly >90% and up to 100%. • Measures were not taken to maximise sample recovery historically. • Relationship between sample recovery and grade cannot be determined.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Some historic drill holes have geological logs attached together with their sample intervals. Individual samples are not specially described geologically. • Geotechnical logging is absent. • Logging is qualitative in nature. • Logging is either for the complete hole or not

	• *The total length and percentage of the relevant intersections logged.*	completed. • Relevant intersections are hence either logged to 0% or 100%.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Historic core preparation is unknown. • Historic sample nature, quality and appropriateness unknown. • Quality control done only with few drill holes (standards & blanks). • Majority of historic sampling does not include reported quality control procedures. • Measures to ensure that sampling is representative of in situ material unknown or not carried out for historic drilling. • Some drill holes were analysed twice by two different labs. • Sample and grain size and its appropriateness is unknown.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Nature, quality and appropriateness of assaying and laboratory procedures are unknown for historic sampling. • Laboratory results in the database include of ALS Chemex, Vangeochem Lab Ltd., American Assay Laboratories Inc., SGS, Monitor Geochemical Laboratories Inc., and Chemical & Mineralogical Services using ME-ICP, ICP-MS and fire assay seem of appropriate quality. • Handheld XRF was used by Alderan Resources for some rock chip samples using an Olympus handheld XRF with 120sec reading times for all samples considered. Standard machine default internal and external calibration methods were used. • Standards and blanks were usually not used historically and no information is available on their precision.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Verification of significant intersections by independent or alternative company personnel is unknown for historic drilling - except for a re-evaluation of drill holes 520-1 through to 520-4 by Alderan Resources. • Historic data cannot be used for mineral resource estimation due to the varying sources of data, inability to field check control samples and physically examine exposures. • Original assay sheets as received from the designated laboratory are available for some of the historic drilling, but not for all, hence not all data is primary. • Any sampling and assay data within the Alderan Resources database is backed by a electronic pdf-file of the information. • Assay data has been kept in its original form for the very most part. • Assay results of Au and Ag that had been

		reported in oz/st was converted into ppm using a conversion factor of 1 oz/st = 32.48 ppm as stated on Vangeochem Lab Ltd.'s official assay sheets and conversion noted within a notes column. • Where assay results were given in percent, the percent values were entered into their respective column within the database and also entered with a conversion into ppm in a separate column (conversion: 1% = 10,000 ppm). • Where assay results were given in ppb, the ppb values were entered into its appropriate column within the data and in addition, converted into ppm for its own column (1 ppm = 1000ppb). • Depths in historic drill holes are stated in feet and were converted into metric units using a conversion of 1 feet = 0.3048 m.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The accuracy of historic drill hole location is variable. • Some coordinate information was taken from historic reports and drill logs, while others were located by georeferencing historic maps of variable quality. The locations were refined using aerial imagery and field verification carried out by Alderan Resources. • Trenches were located mainly using aerial imagery and GPS. • Mine workings were located in the field using a handheld GPS, by aerial imagery and using Utah state's mine inventory database - a minority of mine workings were located using geo-referenced historic maps. • All known plans and sections were re-georeferenced to WGS84 UTMz12 (metric). This was conducted using numerous known baseline coordinates - in particular shafts with several different handheld GPS receivers for East and North and lidar for elevation. The surface expressions of underground workings digitized from georeferencing are within ~5m accuracy and considered moderately to highly reliable. • Grid systems are subordinate and usually located using geo-referenced historic maps. • Quality and adequacy of topographic control is very good with the Cactus prospect contained within state cm accurate Lidar datasets.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing of historic sampling data is variable. • Minor sample compositing has been applied in historic drill sampling. • Data insufficient for Mineral Resource estimation at this stage.

Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• As the detailed geological geometry of the deposit is yet to be determined, sample bias is unknown. However, given the steep drilling angle and probably sub-vertical nature of the mineralization it is likely.
Sample security	• *The measures taken to ensure sample security.*	• No known sample security data available.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No known audit data available.

Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Frisco prospect comprises of 231 patented and 178 unpatented claims, which are governed by the Horn and Cactus lease agreements entered into with the private landowner, Horn Silver Mines Inc. • The Horn and Cactus lease agreements provide Alderan with all rights to access the property and to explore for and mine minerals, subject to a retained royalty of 3% to the landholder. Alderan holds options to reduce the royalty to 1% and to purchase the 231 patented claims. • Alderan was in full compliance with both lease agreements and all claims were in good standing at the time of reporting.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Large amount of historic exploration carried out by numerous different parties. • Data has been sited, digitized where indicated and interpreted for target generation by Alderan.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Porphyry type mineralised district with several expressions of mineralisation at surface such as breccia pipes, skarns, structurally hosted mineralisation and manto style mineralised zones, including outcropping porphyries. • Part of the larger Laramide mineralising event. • Overprinted by Basin and Range tectonics.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar*	• A tabulation of material exploration results are provided in table attached above, taken from the Independent Geologist's Report contained in the Prospectus.

	• *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• A tabulation of material exploration results are provided in table attached above, taken from the Independent Geologist's Report contained in the Prospectus. • Sampling uses weighted average technique. • High cut offs were not used. • No metal equivalents were used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Detailed knowledge of the mineralization geometry is not yet known. Downhole lengths are reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Maps, sections and tabulations of material exploration results are provided in the Independent Geologist's Report, contained in the Prospectus.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Details of other exploration results are recorded in the Independent Geologist's Report, contained in the Prospectus.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Details of other exploration results are recorded in the Independent Geologist's Report, contained in the Prospectus.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling*	• Details of intended exploration activities are recorded in the Independent Geologist's Report, contained in the Prospectus.

	areas, provided this information is not commercially sensitive.	

SCHEDULE 2

SIGNIFICANT ZINC VALUES FROM COMPOSITE CHANNEL SAMPLING BY FRANCONIA ALONG THE 650 AND 900 LEVELS – HORN MINE

Length	Grade	Level and Franconia Location
13.7m	2.25% Zn	650 L - south drift
4.9m	4.99% Zn	650 L. – new drill station
6.1m	6.88% Zn	650 L. – new drill station
3.1m	18.55% Zn	650 L. – shear-north wall
12.2m	3.77% Zn	650 L. – mid south drift
19.2m	4.85% Zn,	900 L. East of Blickenstaff stope
Including 6.1m	7.72% Zn, 7.94% Pb, 289g/t Ag	

Notes:

1. Franconia descriptions suggest that the intervals contained base metal sulphides (pyrite, galena, sphalerite and chalcopyrite).
2. Only zinc values available except for the internal higher grade section on the 900 level.

SIGNIFICANT ZINC INTERCEPTS FROM FRANCONIA HOLES SF 1 AND SF 2 – HORN SILVER MINE

Hole No/ Collar Coordinates (Elevation)	Total Depth (m)	Collar Inclination & Azimuth	Intercept			
			From (m)	To (m)	Width (m)	Grade (% Zn)
SF-2	383.1	-81.5° to 117°	282.85	286.51	3.66	5.86
3012994E,4258096N (2,024m)			356.62	373.59	16.97	14.01
				includes	11.28	16.58
				and	4.18	12.13
SF-3	403.0	-75° to 149°	358.93	362.41	3.48	18.01
301298E,4258131N (2,024m)				includes	1.95	26.90
			374.45	389.53	15.08	16.93
				includes	4.18	34.30

Notes:

1. Franconia descriptions indicate that the intercepts above consisted of gossanous material containing the secondary zinc carbonate mineral smithsonite.
2. Franconia indicated there was no significant lead or silver values in the intercepts above.
3. The intercept widths above are intersection lengths, not true widths.

JORC Code, 2012 Edition – Table 1 Report
Horn Prospect

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Franconia Minerals Corporation - 1999-2006 ("Franconia") • A total of 136 horizontal and vertical continuous rock chip samples were collected from portions of the 650, 900 and 1000 levels and submitted to ALS Chemex Laboratories (Sparks, Nevada) for 41-element assay-grade analyses. • Composites were also taken. • 53 selected, silica-rich samples were assayed for gold. Rock chip samples were collected following standard industry practices and where possible continuous samples (rock channel samples) were collected . Some photographs were taken along with notes describing the general location, local geology and mineralization. Logging and sampling of the drill core followed standard industry practices. Core samples were taken on the basis of geology, structural breaks and mineralization, using the tops and bases of visual alteration (oxidation) and/or mineralization (down to 0.1 ft or 30 cm) and occasionally geology, to determine the sample interval. Sampling was extended above and below areas of mineralization. Samples were generally taken in intervals ranging from 2-5 ft (0.6-1.5 m) with some sample intervals greater than 7 ft (2.1 m). Legacy • No specific sampling data available.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Franconia • Exclusively diamond drill technique. Legacy • Data has been digitized from historical documents which may not always contain the drilling type. Where information is available, the methods used were diamond and rotary hammer techniques.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse*	Franconia • Logging and sampling of the drill core followed standard industry practices. Legacy • No recovery data available.

	material.	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	Franconia • Core was logged using paper logging sheets and mineralized and altered sections of the core were sawn in half, these sections were then bagged and tagged, the remaining half was photographed and then these boxes of sampled core were moved to a locked and secure (fenced compound) storage unit in Minersville, Utah (B&C Self Storage). • Core that was not sampled was palleted, covered and stored onsite. Samples were submitted to ALS Chemex Laboratories in Sparks, Nevada for analysis. • Core logging process recorded intervals of core recovery and condition, structures, lithologies, alteration, intersections with old workings, oxide and sulphide mineralization, general descriptions (graphic and text) and intervals that were sampled. Legacy • No recovery data available.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Franconia • Core was cut and half-core taken. • All of the samples (drill core and chip/grab samples) were processed at ALS Chemex located in Sparks, Nevada, USA. • Sample preparation protocol at ALS Chemex is to dry and crush the entire sample to 70% passing 10-mesh (2 mm). After crushing, the sample was riffle split down to a representative 250 grams for pulverization. The samples were then pulverized in chrome-steel ring mills to 85% passing 200 mesh (75 micron). As part of the routine procedures, ALS Chemex uses barren wash material between sample preparation batches and, where necessary, between highly mineralized samples. This cleaning material is tested before use to ensure no contaminants are present and results are retained for reference. In addition, logs are maintained for all sample preparation activities. • Performing regular Quality Assurance (“QA”), Quality Control (“QC”) or QA/QC checks on prepared material monitors sample preparation quality. • A 41 element, Inductively Coupled Plasma - Atomic Emission Spectroscopy (“ICP-AES”) geochemical package was used at ALS Chemex for all chip and core samples. • Gold was determined by standard fire assay (“FA”) lead collection procedures using an Atomic Absorption Spectroscopy (“AAS”) finish (FA+AA). • Elevated base metal concentrations (>50,000 ppm Zn, Cu, Pb) were analyzed by concentrated nitric-hydrochloric acid digestion with an AAS finish (AA46) and

		results reported in percentage. • Elevated silver concentrations (>200 ppm Ag) were analyzed by concentrated nitric-hydrochloric acid digestion with an AAS finish (AA46) and results reported in oz/t (ounce per short ton). Legacy • No sub sampling data available.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Franconia • 17 samples from pulps were re-run to check against the original assays. Results for the original and re-run check assays show excellent agreement. • No blanks or standards were included by Franconia in the sample stream for the 2002 drilling program due mainly to the small size of the sampling and the early termination of the drill program. • No comprehensive Quality Assurance/Quality Control (QA/QC) program that would include field duplicates, blank controls and standard reference samples as well as review of internal laboratory QA/QC has been carried out with respect to the underground chip/grab sampling program and the core sampling. • Assays rerun: RERUNS_ ICP and ASSAY COMPARISON.xls Legacy • Limited laboratory information available.

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Franconia • Resampled and assayed the Horn Silver Mine to check Metal Producers data -> The work completed by Kathy Tureck (2002) confirmed the results of the work carried out by Metal Producers in the 1940s and 1950s and others, verifying past sampling techniques, mapping and assay results. (NI 43-101). • Due Diligence sampling by Caracle Creek International Consulting ("Caracle") in 2001 & 2004. Legacy • No verification data available.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Franconia • Re-established the Horn Silver Mine grid in 2002 with 100 foot-centres (NI 43-101). • Original mine grid was electronically surveyed and re-established and excellent control was gained by surveying off several grid stakes that were located in the field and tying into shafts and control points (NI 43-101). • The 00N and 00E baselines were surveyed, staked and tagged every 100 ft (30.5 m) from 1000N to 600S and 1200W to 400E; all other grid points were staked every 200 ft (61 m) and located by Brunton compass and measuring tape. (NI 43-101). • During the course of data conversion Franconia geologists discovered an elevation discrepancy between the surface and underground maps and sections. It was determined that the true elevations of the mine workings are 90 ft (27.4 m) lower than those reported on Kipps (1931) level and section maps. (NI 43-101). • The accuracy of the location of the underground stopes and workings was questionable at the time and this needed to be established in order to accurately produce a 3D model. Earl Harrison (Western Mine Development, Nevada) re-conditioned the King David shaft, relocated and resurveyed the surface mine grid and surveyed the crosscut and 650 Level workings. The Franconia survey results show excellent correlation with the Kipps (1931) and Metal Producers (1950s) level maps and tie in, with some adjustment, to the mine grid. Small discrepancies are due to caving, ground shift or undocumented excavation by Metal Producers (1950s). Based on 650 Level results, further surveying on lower levels was not required and there is a high level of confidence in the historic data. (NI 43-101). • No downhole surveys conducted on Franconia drilling. Alderan

		• All known plans and sections were re-georeferenced to WGS84 UTMz12 (metric). This was conducted using numerous known baseline coordinates - in particular shafts - from historic data and checked prior to digitizing with several different handheld GPS receivers with accuracy <3m. The correlation and level of error has typically been less than 1-5m. This has resulted in a much greater confidence in the spatial location in 3d of the majority of underground Horn Mine workings. Legacy • Collar and downhole survey information digitized from historic maps and reports.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Not applicable. No mineral resources have been estimated. Data to date has been exploratory only.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Intersects of Franconia's drilling was generally intersection length, not representative of true width - more than likely low angle. E.g. (about 75° of core axis for drill hole SF-3. • No downhole surveys and limited structural data were recorded during the drilling campaign by Franconia. • No structural data is available from legacy drilling.
Sample security	• *The measures taken to ensure sample security.*	• Franconia sample security was to Canadian/43101 standards. • No sample security data for other legacy drilling is available.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Results of the prospect exploration were released using the NI 43-101 format. Results of the prospect were reviewed and audited by JV partner Teck Cominco and others.

Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Frisco prospect comprises of 231 patented and 178 unpatented claims, which are governed by the Horn and Cactus lease agreements entered into with the private landowner, Horn Silver Mines Inc. • The Horn and Cactus lease agreements provide Alderan with all rights to access the property and to explore for and mine minerals, subject to a retained royalty of 3% to the landholder. Alderan holds options to

		reduce the royalty to 1% and to purchase the 231 patented claims. • Alderan was in full compliance with both lease agreements and all claims were in good standing at the time of reporting.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Large amount of historic exploration carried out by numerous different parties. • All legacy data sources cited by Alderan within company database structure.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Deposit types: high grade polymetallic (zinc-lead-silver) manto, structurally remobilized breccia mineralization (sulphide or oxide) • The Following extract is taken from Franconia's NI 43-101 regarding the style of mineralization at Horn: *Numerous sulphide, oxide and secondary minerals are found in the area including sphalerite, galena, pyrite, bornite, tetrahedrite, chalcopyrite, smithsonite, native sulphur, chalcocite and hemimorphite. Three types of oxidized ores are known in the Horn Silver Mine (Godbe, 1982a): 1. Replacement of the primary ore by hemimorphite and smithsonite in parts of the main oxidized silver-lead deposit; 2. Replacement of the limestone footwall by hemimorphite and smithsonite in the form of a 1-20 ft (0.3-6.1 m) thick crust along the west side of the vein; and, 3. Low grade lenticular and irregular replacement of the footwall limestone in the form of secondary pipes of Fe-rich smithsonite along the intersection of steeply dipping faults.* *Blakemore (1980) characterized 5 styles of lead-zinc-silver mineralization that was observed at the Horn Silver property or in the area.* 1. ***Breccia Replacement**: considered the most productive from the Horn Silver Mine and is typified by filling and replacement of limestone breccia by mineralizing fluids within the Horn Silver Fault, concentrated at its intersection with a series of E-W fault fissures (i.e., Reciprocity Fissure Zone);* 2. ***Breccia Pipes**: described on one occasion, occurring on the south part of the Horn Silver orebody and consisting of loose siliceous breccia with fragments of limestone and dyke rock, circular to oval in outline and near-vertical; substantial amounts of gold-silver-lead were mined from this area;* 3. ***Fissure Filling**: appears to be the least important to historic production, and is characterized by highly variable, siliceous lead-copper-zinc-silver veins, confined to intersections*

		of two fissures or "fissure-favourable" bedding intersections; 4. ***Bedded Replacement**: manto-style zinc-lead-silver mineralization was reported on several of the Horn Silver Mine levels and in particular the 900 Level (Blickenstaff workings) from which there was production; Blakemore (1980) reported mantos in outcrop, occurring in nearly flat lying carbonates and consisting primarily of lead sulphide and zinc sulphide in excess of 20 ft (6.1 m) thick. These surface deposits were most likely the result of surface leaching and enrichment processes and were likely not true mantos; and,* 5. ***Contact Skarn**: occurs as skarn, at or near the surface and at fissure intersections, and is not considered a major contributor to production.*
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Franconia • A tabulation of material exploration results are provided in tables attached above, taken from the Independent Geologist's Report contained in the Prospectus.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Franconia • A tabulation of material exploration results are provided in tables attached above, taken from the Independent Geologist's Report contained in the Prospectus. Sampling uses weighted average technique. • high cut offs were not used. • No metal equivalents were used.
Relationship	• *These relationships are particularly*	• Detailed knowledge of the mineralization

between mineralisation widths and intercept lengths	*important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	geometry is not yet known. Downhole lengths are reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Maps, sections and tabulations of material exploration results are provided in the Independent Geologist's Report, contained in the Prospectus.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Details of other exploration results are recorded in the Independent Geologist's Report, contained in the Prospectus.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Details of other exploration results are recorded in the Independent Geologist's Report, contained in the Prospectus.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Details of intended exploration activities are recorded in the Independent Geologist's Report, contained in the Prospectus.