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)	Grade (% Cu)	(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.

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.*	• 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.

	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging is either for the complete hole or not 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*	• Data spacing of historic sampling data is variable. • Minor sample compositing has been applied in historic drill sampling.

	appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	• 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*
	  • *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.
		• A tabulation of material exploration results are provided in table 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.*	• 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;*	• Details of other exploration results are recorded in the Independent

	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.	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.

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	-81.5º to 117º	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	-75º to 149º	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*	Franconia • Logging and sampling of the drill core followed standard industry practices. Legacy • No recovery data available.

	preferential loss/gain of fine/coarse 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.*	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.

	• *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.*	• 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
		Franconia
		• A tabulation of material exploration results are provided in tables attached above, taken from the Independent Geologist's Report contained in the Prospectus.

	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.*	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 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*	• Details of intended exploration activities are recorded in the Independent Geologist's Report, contained in the Prospectus.

	interpretations and future drilling areas, provided this information is not commercially sensitive.	