

Alderan commences a 10,000m drill program at the Frisco Copper Project

28 September 2017

Market Data

ASX Code: AL8
Share Price: \$1.60 (27 Sept 2017)
Shares on Issue: 107,963,908
Options on Issue: 20,657,454

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Highlights

- Alderan Resources has commenced a 10,000m+ diamond drilling program at its Frisco Project located in Utah, USA
- Drilling has begun at the historical Cactus Mine which sits within a 1000m by up to 400m corridor comprising the Cactus, Comet and New Year copper-gold-silver mines (“Cactus Corridor”)
- The Cactus Mine was partially mined to a depth of 275m over a strike of more than 250m with the orebody reaching widths of approximately 60m
- Historical exploration, previously reported by Alderan, has identified significant mineralisation remaining within the mine which remains open in most directions¹
- Drilling will test the grade and extent of mineralisation remaining within the Cactus Mine and the continuity of mineralisation across the 1000m Cactus Corridor
- The Cactus Corridor sits adjacent to the Cactus Canyon porphyry copper prospect with drilling expected to provide further vectors to underlying porphyry copper-molybdenum-gold mineralisation
- Initial results are expected within 6-8 weeks
- Drilling will continue at the Accrington prospect following the completion of drilling at Cactus

Alderan Resources Limited (ASX: AL8) is pleased to announce a 10,000m+ diamond drilling program has commenced at the historical Cactus Mine following the arrival of the first drill rig over the weekend.

The Cactus Mine sits within a 1000m by up to 400m wide corridor which hosts several additional historical mines including the Comet and New Years mines (see Figure 1). Historical mining occurred to a depth of approximately 275m with mineralisation open to depth and along strike. Major mining operations ceased due to miners having reached a claim boundary which triggered a legal battle with a neighbouring claim holder in 1914.

Two mineralisation events are suggested within this corridor with mineralisation hosted within tourmaline-pyrite-chalcopyrite breccia pipes (associated with a low magnetic geophysical signal) and in between the pipes (with a higher magnetic geophysical signal) where a magnetite-chalcopyrite association has been identified, interpreted to be caused by an earlier mineralising event (refer to Figure 2).

Historical sampling and drilling at Cactus, previously reported by the Company, intersected high grade mineralisation (e.g. 21.5m @ 6.1% Cu on Level 300) and broad zones of copper (e.g. 136m @ 0.76% Cu in DDH6)¹. Gold or silver was generally not assayed in historical drilling or sampling; however, Alderan rock chip sampling confirmed the presence of significant amounts of both gold and silver. Gold and silver were also produced during historical mining activities.

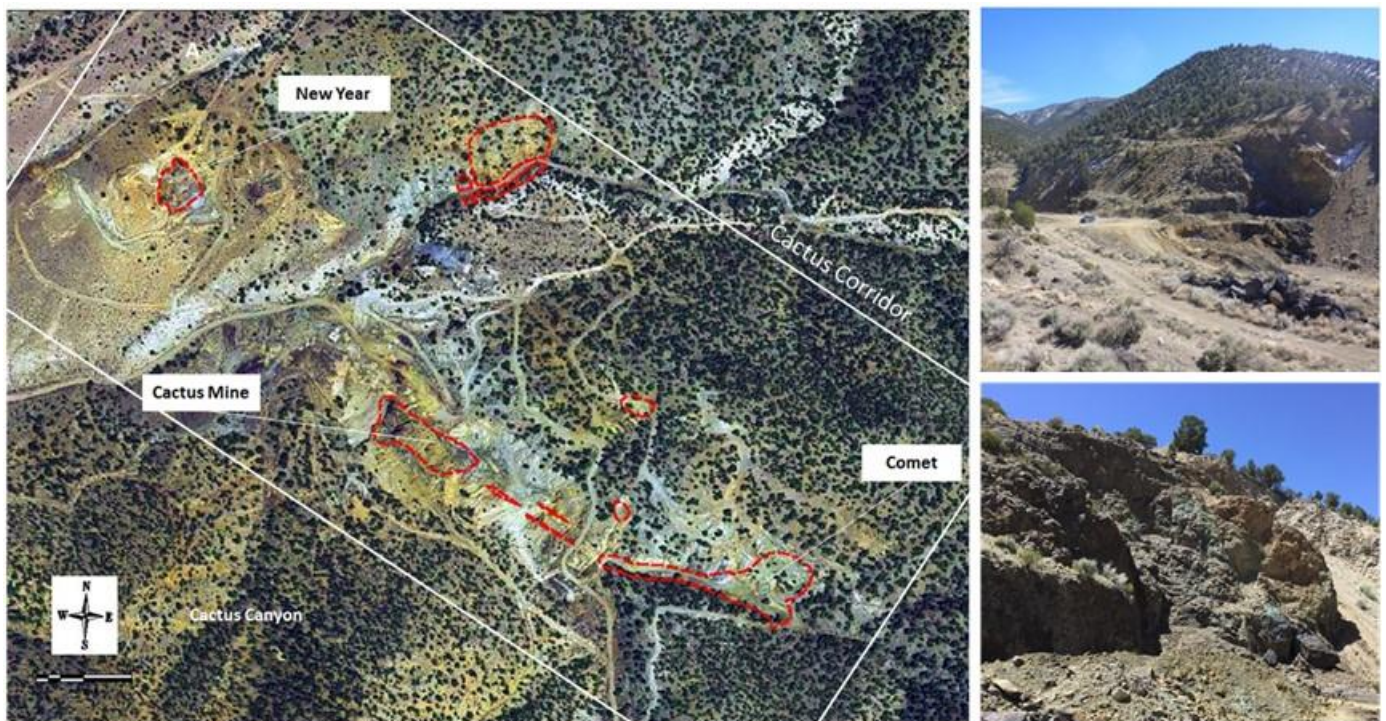


Figure 1: Cactus Mine shown within the wider Cactus Corridor which hosts the Comet and New Years Mine and (top right - the Cactus Mine and (bottom right) - outcropping tourmaline-chalcopyrite-pyrite breccia at the Cactus Mine.

Mineralisation within the Cactus Corridor lies adjacent to the Cactus Canyon porphyry prospect. Work by Alderan has identified a large, highly prospective porphyry copper system at Cactus Canyon which was recently upgraded following the identification of a large induced polarisation anomaly at the Cactus Canyon prospect (see ASX announcement dated 12 September 2017).

Drilling has commenced at drill pad CAC 16 as shown in Figure 3 below, to confirm the extent, grade and nature of mineralisation within the historical Cactus Mine.

The current drilling program aims to:

- (a) test the extent of mineralisation remaining within the mine;
- (b) test the continuity of mineralisation between the Cactus, Comet and New Years mines;
- (c) establish the grade and precious metal content of mineralisation;
- (d) establish an initial JORC 2012 compliant resource within the Cactus Corridor;
- (e) provide further geological information on the style(s) of mineralisation present; and
- (f) identify vectors to mineralisation within the underlying Cactus Canyon porphyry target.

The drill program is the first the Company has undertaken since its successful listing on the ASX in June 2017. First results are expected within 6-8 weeks. Drilling at Cactus is expected to last to the end of 2017 or early 2018 before drilling moves to the Accrington prospect.

1. Refer to historical channel sampling results reported in ASX Announcement by AL8 dated 21 August 2017 (“Extensive Copper in historical sampling at Cactus”) and historical drilling results reported in ASX Announcement dated 28 June 2017 (“High Impact Exploration Program Commences at Frisco”).

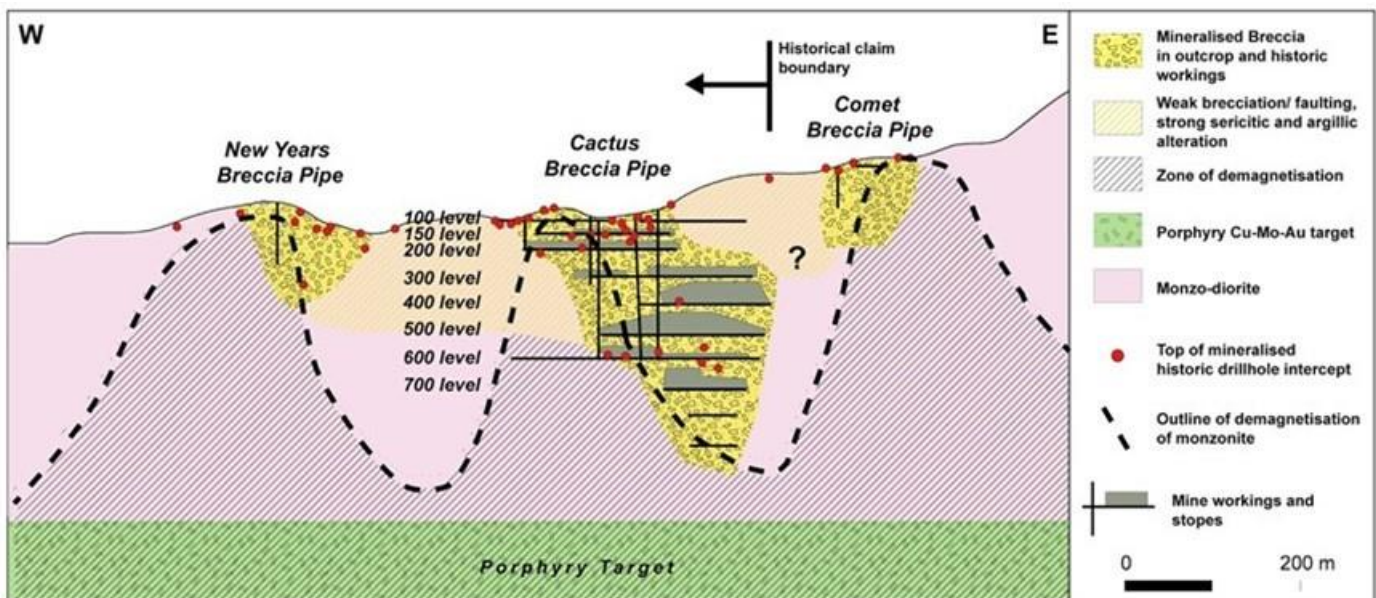


Figure 2: Cactus, Comet and New Years breccia pipes with historical mining activity occurring both within and outside of the magnetic low bodies likely due to varying amounts of the presence of chalcopyrite-magnetite associated with multiple mineralising events.

The Cactus Mine is part of the Frisco Project which encompasses a historical mining district covering an area of 7km by 4km. Numerous historical mines and workings occur across the Frisco Project with mining focused on outcropping breccia pipes, skarns and high grade epithermal veins and mantos. The Frisco Project is host to a large porphyry style mineralising system called Cactus Canyon which was recently upgraded following further geophysical results (see ASX announcement on 12 September 2017).

Several mineralised porphyry intrusions are likely within the Frisco Project including within the Accrington prospects where outcropping copper-zinc skarns are considered to be related to an underlying mineralised porphyry intrusion.

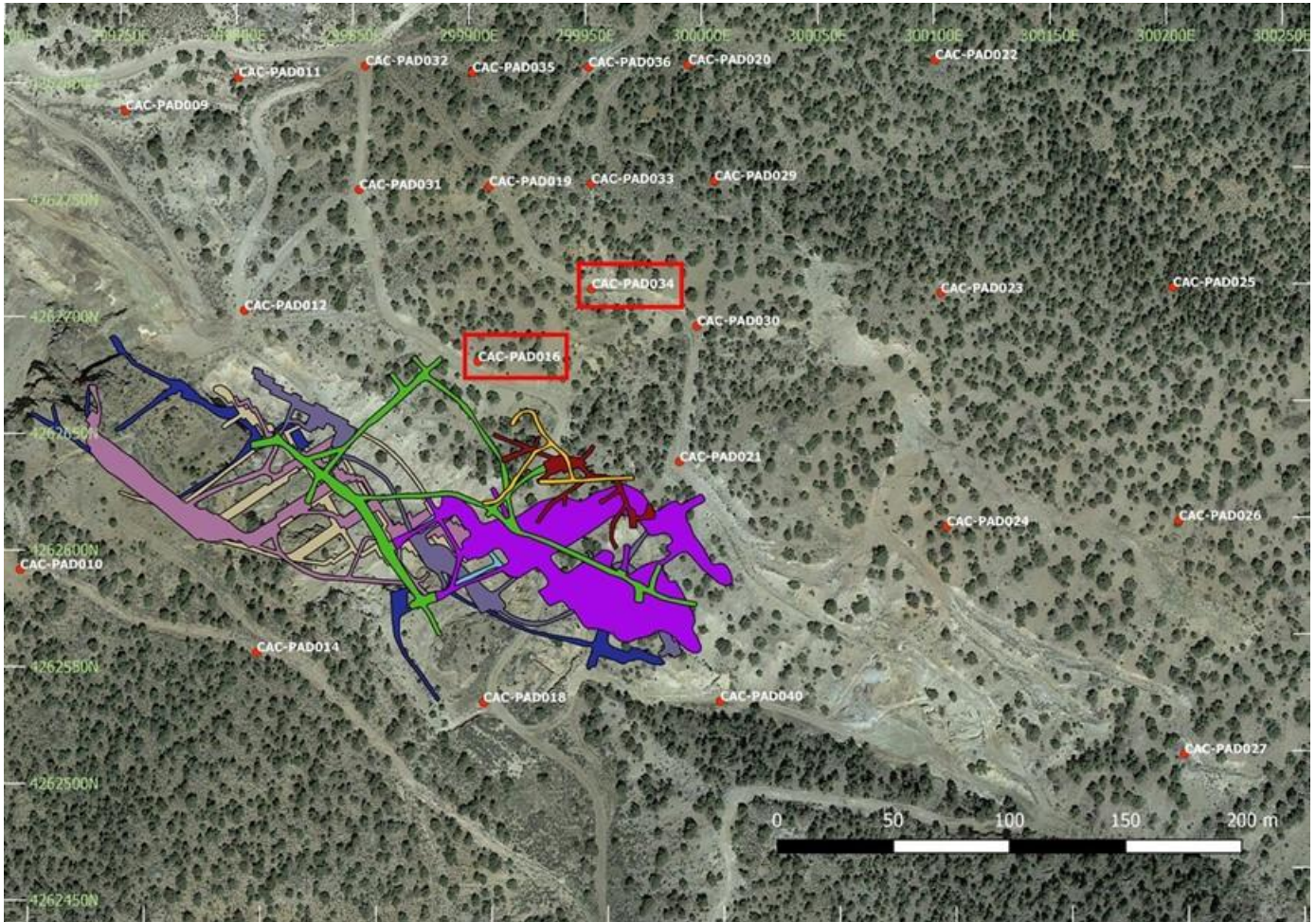


Figure 3: Drill pad location map showing the location of drill pads CAC 16 and CAC 34 with respect to the Cactus Mine workings (coloured level maps shown projected to surface).



Figure 4: The historical Cactus copper-gold-silver mine shown lying adjacent to the Cactus Canyon porphyry prospect.

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Competent Persons Statement

The information in this presentation that relates to exploration targets, exploration results, mineral resources or ore reserves is based on information compiled by Peter Geerdts, a competent person who is a member of the Australian Institute of Geoscientists (AIG). Peter Geerdts is the Chief Geologist of Alderan Resources Limited. Peter Geerdts 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 (JORC Code). Peter Geerdts consents to the inclusion of this information in the form and context in which it appears.

Mr Geerdts confirms that that the information provided in this announcement provided under ASX Listing Rules Chapter 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the proposed exploration programmes that relate to this “material mining project”.

About Alderan Resources Limited

Alderan is a copper explorer with a focus on the Frisco Project, located in Utah, United States of America. The Frisco Project encompasses an area of significant historical mining activity with numerous old mines and workings across an area of approximately 7km by 4km. These include:

- the Cactus copper-gold-silver deposit and breccia pipe, one of several mineralised breccia pipes over an area of approximately 1000 m by up to 400 m. 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 km by 1.2 km; and
- the Horn zinc deposit, a historical 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 beneath and adjacent to the Cactus breccia pipes (Cactus Canyon prospect) which is coincident with a large circular magnetic anomaly and a large induced polarisation anomaly. The Accrington prospect is also considered to be related to a large underlying mineralised (copper-molybdenum-gold) porphyry.