

Alderan raises funds to advance Utah exploration

Highlights

- Alderan to complete share Placement and issue convertible notes to professional and sophisticated investors to raise ~\$2.1m
- Proceeds from the capital raising will enable Alderan to complete exploration activities across its project portfolio in Utah, USA
- Alderan is earning up to 70% of copper-gold Valley-Crossroads and Detroit projects through an option agreement with Tamra Mining LLC and also exploring the White Mountain Gold project
- Projects have seen little modern exploration and have been underexplored for gold

Alderan Resources Limited (ASX: AL8, "Alderan" or "the Company") is pleased to announce it has received firm commitments to raise approximately \$2.1 million to progress exploration at its advanced copper-gold projects in Utah, USA.

Alderan is raising \$900,000 via a Placement of 18,000,000 shares at 5 cents per share to sophisticated and institutional investors utilising its Listing Rule 7.1A capacity. The issue price of 5 cents per share represents a 16.6% discount to the last ASX closing share price of 6 cents. The Placement shares will be issued in the coming days.

The Company will also issue Convertible Notes with a face value of \$1.215 million. The Convertible notes will automatically convert to shares at 5 cents per share upon the Company receiving shareholder approval for this conversion. The Company intends to seek this shareholder approval at the upcoming extraordinary general meeting of the Company's shareholders scheduled for **9.30am (WST) Tuesday, 30 June 2020** and will issue an addendum to the notice of meeting which was issued on 28 May 2020 (including updated proxy forms) in the coming days. Refer to the Schedule following this announcement for further details of the convertible notes.

Alderan will use funds raised through the Placement and Convertible Note for its 2020 exploration program at the Valley-Crossroads and Detroit projects in Utah (**Initial Program**), where it is earning up to a 70% interest in each project through an agreement with Tamra Mining LLC. These projects, in addition to the White Mountain gold project in Utah, have seen little modern exploration due to prior fragmented ownership and Alderan considers these are underexplored for gold. The Company notes that, upon settlement of the Placement and issue of Convertible Notes, Alderan considers it will have satisfied its obligation to demonstrate sufficient funding of US\$1.25m to complete the Initial Program (see ASX announcement dated 16 April 2020).

Alderan's Managing Director Peter Williams said the Company's understanding of the geology of its project portfolio was continuing to evolve, with geological mapping, and Alderan expects to progress rapidly to drill target definition activities in the next 1-2 months, with a view to commence drilling within three months.

"Although these projects are in highly prospective copper-gold and copper-gold-molybdenum areas and have previously hosted shallow copper mining activities, exploration has been piecemeal and opportunistic over the past century due to the lack of ground consolidation," he said.

“We now have the opportunity to apply modern exploration techniques to this ground and we are excited to be moving forward with our plans to uncover the potential the projects hold.”

At Valley-Crossroads, which is adjacent to the Company’s existing Frisco project in Utah, Alderan plans to undertake aeromagnetic and geochemical (both regional BLEG/stream and soil) surveys, complete first-pass drilling on high priority targets and assess the exploration potential surrounding the six open pits across the project.

At Detroit, which is ~100km north of Valley-Crossroads, Alderan will complete ground magnetics, geological mapping and soil geochemistry while reviewing historical drill data with a view to commencing first-pass drilling of targets within the next three months.

Alderan will review previous exploration at the White Mountain project, 10km southwest of the Frisco Project, and plans to complete an Induced Polarisation (IP) survey to determine best targets for drilling.

BW Equities was lead manager to the Placement.

At Alderan’s Frisco project in Utah, Rio Tinto subsidiary Kennecott Exploration commenced an initial four-hole 2,000m drill program in May 2020 to test targets at the Cactus Breccias, Accrington Skarn and Reciprocity areas. It is part of the first stage of exploration at Frisco where Kennecott can earn up to 70% of the project through US\$30 million exploration expenditure.

ENDS

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

ALDERAN RESOURCES LIMITED

ABN: 55 165 079 201

Ground Floor, 16 Ord Street, West Perth, 6005, WA

www.alderanresources.com.au

For further information:

e: info@alderanresources.com.au

p: +61 8 9482 0560

Peter Williams

Managing Director

info@alderanresources.com.au

Schedule 1 – Terms of Convertible Notes

The following is a broad summary of the rights, privileges and restrictions attaching to the Convertible Notes. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the noteholder.

Clause	Detail
1. Equity securities	<p>The Convertible Notes will be issued as debt instruments.</p> <p>The Company must obtain shareholder approval pursuant to Listing Rule 7.1 for the Convertible Notes to be convertible into Shares by no later than 60 days after the issue of the Convertible Notes (Shareholder Approval). On and from the date of receipt of Shareholder Approval, the Convertible Notes will become equity securities.</p> <p>In the event that the Shareholder Approval is not obtained within 60 days after the issue of the Convertible Notes, the Repayment clause will apply.</p>
2. Face Value	Each Convertible Note has a face value of \$1.00 (Face Value).
3. Conversion	Subject to the receipt of Shareholder Approval, and that approval remaining in force, the Convertible Notes will automatically be Converted into Shares at a conversion price of \$0.05 per Share on the next Business Day following the receipt of Shareholder Approval.
4. Repayment	In the event that the Tamra Option Agreements are terminated prior to receiving Shareholder Approval, or Shareholder Approval is not received within 60 days after the issue of the Convertible Notes, the Face Value of each Convertible Note is to be repaid to the Subscriber within 6 months of the expiry of that 60 day period, without interest or penalty.
5. Interest	The Convertible Notes are not interest-bearing.
6. Security	The Convertible Notes are unsecured.
7. Bonus issues and reconstructions	If before the Convertible Notes are redeemed or converted in full, there is a reorganisation, reconstruction, consolidation, sub-division or bonus issue of the capital of the Company (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the Convertible Notes remaining on issue shall be reorganised, reconstructed, consolidated or subdivided on the same basis so that the Subscriber is treated in the same manner as the Company's shareholders and to ensure that the value of the Convertible Notes is not adversely affected; and the Subscriber is not conferred with any additional benefits which are not also conferred on shareholders of the Company.
8. Listing	No application will be made for the Convertible Notes to be quoted on any securities exchange.
9. Corporations Act prohibition	Notwithstanding any other term of the Convertible Notes:

Clause	Detail
	<p>(a) the issue of Conversion Shares is subject to and conditional upon the issue of the relevant Conversion Shares not resulting in any person being in breach of section 606(1) of the Corporations Act;</p> <p>(b) the Company will not be required to seek the approval of its shareholders for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Conversion Shares; and</p> <p>(c) if the issue of Conversion Shares would result in any person being in breach of section 606(1) of the Corporations Act, the Convertible Notes are instead to be repaid and cancelled by the payment of the Face Value of those Convertible Notes by the Company to the Subscriber. The repayment will be in full and final satisfaction of the Company's obligations with respect of the Convertible Notes.</p>
<p>10. Voting and other rights</p>	<p>The Convertible Notes do not confer on the Subscriber the right to attend and vote at shareholder meetings, or receive dividends.</p>