

## RIO TINTO'S KENNECOTT COMPLETES FIRST HOLES AT FRISCO

### HIGHLIGHTS

- Rio Tinto subsidiary, Kennecott Exploration, has completed the first two holes of a four-hole program at Alderan's Frisco copper/gold/silver project in Utah, USA. Delays have been caused by virus related matters.
- Kennecott is earning up to 70% of the project through three stages of exploration totalling US\$30 million.
- Drilling at Cactus Breccia is following up previous results of 7.3m @ 2.7% Cu, 8.9 g/t Ag, 0.3 g/t Au.
- Two more holes in the drill Program will test an IP anomaly which abuts the mineralized Reciprocity fault, and another testing the continuity of mineralization at the Accrington skarn, where previous drilling by Alderan intersected 54m @ 1.4% Cu, 0.45% Zn, 0.19 g/t Au, 20 g/t Ag.
- Drilling expected to be complete August/September.
- Initial assay results are expected in August.

Alderan Resources Limited (ASX: AL8) (**Alderan** or the **Company**) is pleased to provide an update on Rio Tinto subsidiary, Kennecott Exploration's (**KEX**), drilling at Alderan's Frisco copper/gold/silver project (**Frisco Project**) in Utah, USA, where Kennecott is earning up to 70% interest through exploration expenditure on the project.

Kennecott commenced a four-hole, ~2000m drill program at Alderan's Frisco Project to test for high-grade copper-gold and associated mineralization at the Cactus Breccia and Accrington skarn, as well as the large blind IP anomaly at Reciprocity. Site preparations and earthworks began on 8 May 2020 with the Boart Longyear (**BLY**) LF-90 drill rig arriving shortly after. Kennecott has completed the first two drill holes at the Cactus Breccia.

SAWM0001 was drilled to 377m, following up previous drilling by Anaconda Copper from two holes which included<sup>1</sup>:

- DDH5: 24.7m @ 1.5% Cu (no other elements assayed) from 153m; and
- DDH6: 7.3m @ 2.7% Cu, 8.9 g/t Ag, 0.3 g/t Au from 172.5m, and 14.3m @ 1.5% Cu (no other elements assayed) from 213m.

<sup>1</sup> As per Alderan's Supplementary Prospectus dated 8 June 2017. Alderan confirms that it is not aware of any new information or data that materially affects the information included in the original announcement.

SAWM0002 was drilled to 383m, following up previous drilling by Alderan Resources which returned<sup>2</sup>:

- ALCA004, 31m @ 0.52% Cu, 0.46 g/t Au, 7.7 g/t Ag from 117m; and
- ALCA005, 27m @ 1.01% Cu, 1.24 g/t Au, 30.6 g/t Ag from 74m m, and 13 m @ 1.13% Cu, 0.28 g/t Au, 9.2 g/t Ag from 126m.

Results from these first two holes are expected as soon as delays caused by virus management protocols permit.

KEX has commenced a third hole (SAWM003) at Reciprocity Prospect targeting an IP anomaly which abuts the Reciprocity fault.

A fourth hole (SAWM004) Accrington skarn area, is planned to test the continuity of mineralization in hole FR18-007, previously drilled by Alderan which intersected<sup>3</sup>:

- 54m @1.4% Cu, 0.45% Zn, 0.19 g/t Au, 20 g/t Ag from 46m, including:
  - 14m @ 3.4% Cu, 1.15% Zn, 0.22 g/t Au, 28 g/t Ag from 82m.

### **Drilling**

Drilling at the Frisco Project experienced significant delays due to the emergence of COVID-19 in March 2020. However, after careful consideration and identification of controls to best protect the health and wellbeing of KEX staff, contractors, and local communities, the project was given the go-ahead to proceed with work in mid-May, about a month after the original planned start date for the 2020 drill program.

As one of the main controls to protect the health of the field crew, KEX, BLY, and Wilderness Medics are currently working on a roster of 20 days on, 10 days off using only one full set of crew members. This has led to the overall duration of the program extending several months longer than originally planned. Additional delays have resulted from unanticipated ground conditions and a bushfire that shut down drilling operations in late June.

### **Diamond Drill hole SAWM0001**

SAWM0001 was targeted to follow-up historical drill results in holes DDH5 and DDH6 from Anaconda Copper (See table 1).

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<sup>2</sup> As per Alderan's announcement dated 17 January 2018. Alderan confirms that it is not aware of any new information or data that materially affects the information included in the original announcement.

<sup>3</sup> As per Alderan's announcement dated 14 November 2018. Alderan confirms that it is not aware of any new information or data that materially affects the information included in the original announcements.

Hole No./Collar co-ordinates (Elevation)	Total Depth (m)	Inclination & Azimuth	From (m)	To (m)	Length (m)	(% Cu)	Grade (g/t Ag)	g/t Au
<b>Anaconda Diamond Drill Holes (renamed by Rosario from 'A' prefix to 'DDH' prefix)</b>								
DDH 4 299843E,4262610N (1,928m)	303.6	-70° to 035°	27.4 173.4 180.1 183.2 189.0	47.6 175.9 203.6 203.6 201.5	20.1 2.4 23.5 20.4 12.5	2.44 5.35 1.49 1.48 2.03	14.60 NA NA 6.43 8.54	0.40 NA NA 0.21 0.28
Includes and								
DDH 5 299939E,4262660N (1,969m)	217.9	-65° to 215°	153.3	178.0	24.7	1.50	NA	NA
DDH 6 299939E,4262660N (1,969m)	357.2	-85° to 215°	172.5 213.4 214.0 230.1 207.9	179.8 227.7 217.9 239.6 251.5	7.3 14.3 4.0 9.5 43.6	2.66 1.48 3.41 1.33 1.69	8.88 NA NA NA NA	0.33 NA NA NA NA
Includes and								
DDH 8 299939E,4262660N (1,969m)	251.5	-85° to 155°	244.1 218.2	249.0 256.6	4.9 38.4	6.72 1.40	NA NA	NA NA
Includes and DDH 8 deflection	281.0	As above						

**Table 1: Historical drilling results at the Imperial Mine by Anaconda and Rosario Exploration Company<sup>4</sup>**

Diamond drilling operations began on 16 May with the initiation of SAWM0001. This hole was intended to follow up on historic drilling by Anaconda Copper, that intercepted a mineralized interval which lacked assay results for several elements of interest, including Au and Ag. Proximal historical holes assayed significant gold and silver (see Table 1). SAWM0001 presented numerous challenges including poor ground conditions, no water return, and historic mine workings that were encountered at depth. This led to the hole requiring significantly more time to complete than anticipated and an associated increase in planned costs. SAWM0001 was completed on 18 June at a final depth of 377.04m. Assay results for the upper portion of the hole have been received, but complete assays are still pending at this time.

#### Diamond Drill hole SAWM0002

SAWM0002 targeted a gap (see long section in Figure 1) in historic drilling between the Cactus and Comet Breccia zones, which was drilled from the same collar as ALCA004 and ALCA005 previously drilled by Alderan, and began on 19 June.

Hole ID	From (m)	To (m)	Interval (m)	Cu %	Au g/t	Ag g/t
ALCA003	332.5	358	25.5	0.65	0.08	6.26
ALCA004	117	148	31	0.51	0.46	7.7
and	130	148	18	0.7	0.58	9.66
ALCA005	74	101	27	1.01	1.24	30.6
including	74	91	17	1.35	1.39	44.89
and	126	139	13	1.13	0.28	9.2

**Table 2: Historical drilling results between the Cactus and Comet Breccia zones<sup>5</sup>**

<sup>4</sup> Alderan has not independently validated the Rosario Exploration Company and Anaconda exploration results. The data presented is considered an accurate representation of the available data, and nothing has come to the Company's attention to cause it to question the accuracy and reliability of the historical results. A discussion of the reliability of the historical Rosario Exploration Company and Anaconda exploration results, in a JORC Code Table 1 context is provided in the Supplementary Prospectus contained within the Company's Prospectus published on 8 June 2017.

<sup>5</sup> As per Alderan's announcement dated 17 January 2018. Alderan confirms that it is not aware of any new information or data that materially affects the information included in the original announcement.

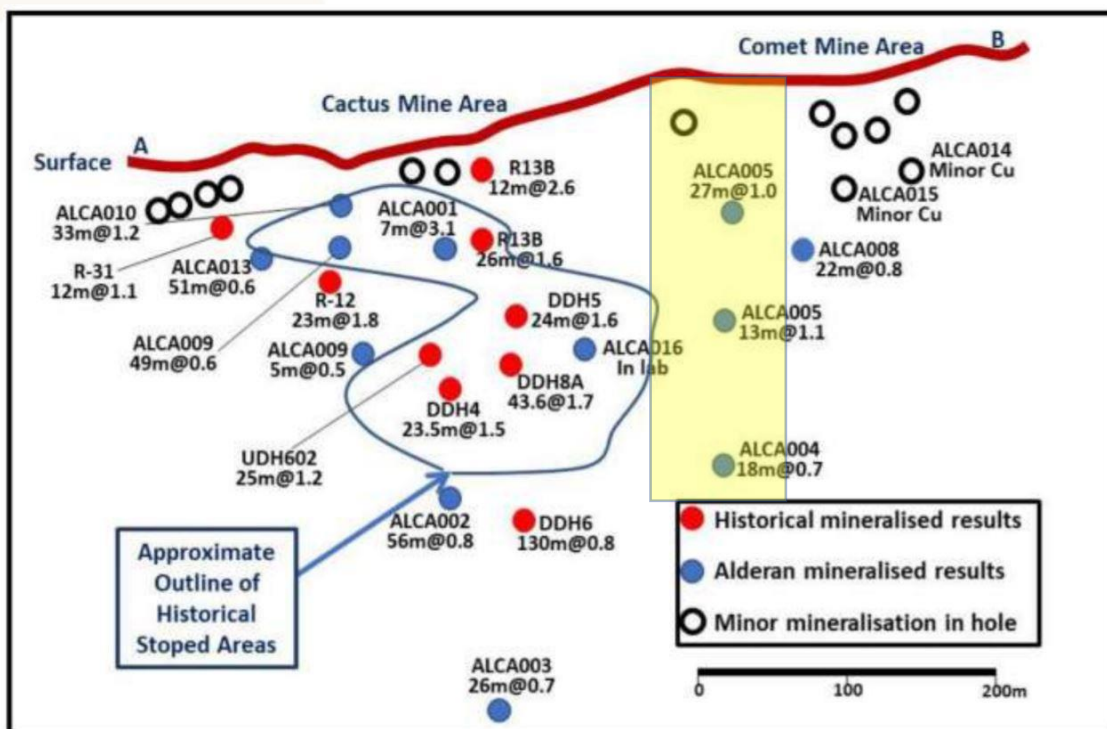


Figure 1: Yellow rectangle represents area of investigation by drill hole SAWM0002<sup>6</sup>

Drilling conditions improved significantly when compared to the first hole, however the crew was still unable to maintain any considerable water return. The hole was completed on 28 June with a final depth of 383.13m. SAWM0002 was abandoned once the final depth was reached and a total of 800 feet of PQ casing was lost when the rods twisted off at a depth of 90 feet. No assay results have been received to date.

#### Diamond Drill hole SAWM0003

SAWM0003 is targeting a buried IP anomaly which abuts the Reciprocity fault. The Reciprocity fault is interpreted to be a significant control on mineralization in the region. Drilling began on 30 June and is expected to be complete in August.

#### Diamond Drill hole SAWM0004

A fourth hole (SAWM0004) at the Accrington skarn area, is planned to test the continuity of mineralization in hole FR18-007, previously drilled by Alderan which intersected copper-gold-magnetite mineralisation<sup>3</sup>:

- 54m @1.4% Cu, 0.45% Zn, 0.19 g/t Au, 20 g/t Ag from 46m, including:
  - 14m @ 3.4% Cu, 1.15% Zn, 0.22 g/t Au, 28 g/t Ag from 82m.

<sup>6</sup> As per Alderan's announcement dated 10 April 2018. Alderan confirms that it is not aware of any new information or data that materially affects the information included in the original announcement.

**Future Activities**

Kennecott is continuing to review datasets provided by Alderan, as well as historic KEX in-house datasets to identify new target areas and review existing ones. There are several proposed drill hole locations generated across the entire property and KEX is looking into options for cultural surveys with the goal of eventually permitting additional drill sites and continuing the drill program.

KEX has contracted Exploration Mapping to purchase a World View 3 data set that covers the property. The data and interpretive work has been provided to KEX and will be used to further analyse and optimize drilling options.

**Expenditures**

This drill program forms part of the first earn-in stage for Kennecott's option to acquire a 55% project interest in Frisco by spending a total of US\$6 million of expenditure. Kennecott will earn 70% of the project by completing three stages which will total US\$30 million (~A\$43m) in exploration expenditure.

To date, KEX has spent a total of US\$918,185 on project exploration at the Frisco Project. This includes direct and indirect drilling costs, assay, staff costs, permitting, property payments and data compilation.

**ENDS**

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

**ALDERAN RESOURCES LIMITED**

ABN: 55 165 079 201

Suite 23, 513 Hay Street, Subiaco, 6008, WA

[www.alderanresources.com.au](http://www.alderanresources.com.au)

For further information:

**e:**[info@alderanresources.com.au](mailto:info@alderanresources.com.au)

**p:** +61 8 6143 6711

Peter Williams

Managing Director

[info@alderanresources.com.au](mailto:info@alderanresources.com.au)

**Competent Persons Statement**

The information in this announcement that relates to historical exploration results for the Frisco Project were initially reported to the ASX on 8 June 2017, 17 January 2018, 10 April 2018 and 14 November 2018. The Company is not aware of any new information or data that materially affects the information included in the relevant announcements. The Company confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.