



Alderan Resources Limited

ABN 55 165 079 201

Annual Consolidated Financial Report 30 June 2018

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CORPORATE INFORMATION

ABN 55 165 079 201

Directors

Mr. Nicolaus Heinen
Mr. Christopher Robert Wanless
Mr. Frank David "Bruno" Hegner
Mr. Ernest Thomas Eadie

Company Secretary

Mr. Brett William Tucker

Registered Address

Ground Floor, 16 Ord Street
West Perth WA 6005
Telephone: 08 9482 0560
Fax: 08 9482 0505

Principal Place of Business

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West Perth WA 6005
Telephone: 08 9482 0500
Fax: 08 9482 0505

Solicitors

Allion Partners Pty Limited
Level 9, 863 Hay Street
Perth WA 6000
Telephone: 08 9216 7100

Bankers

National Australia Bank
1232 Hay Street
West Perth WA 6005

Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000
Telephone: 08 9261 9100

Share Registry

Automatic Share Registry Pty Ltd
Level 3, 50 Holt Street
Surrey Hills NSW 2010
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DIRECTORS' REPORT

The Directors of Alderan Resources Limited ("the Company") present their report on Alderan Resources Limited and its subsidiaries ("the Group") for the year ended 30 June 2018.

Directors and Officers

The names of the directors and officers who held office during or since the end of the year and until the date of this report are as follows. The Directors held office for the full year unless specified below.

	Position	Date appointed / resigned
Mr. Nicolaus Heinen	Non-executive Chairman	Appointed on 1 March 2015
Mr. Christopher Robert Wanless	Executive Director	Appointed on 31 July 2013
Mr. Donald Charles Smith	Executive Director	Appointed on 5 October 2016 Resigned 20 October 2017
Mr. F. D. Hegner	Executive Director	Appointed on 1 November 2017
Mr. Ernest Thomas Eadie	Non-executive Director	Appointed on 23 January 2017
Mr. Brett William Tucker	Company Secretary	Appointed on 19 October 2016

Current Directors and Officers

Mr. Nicolaus Heinen

Non-Executive Chairman

Qualifications: BSc (Hon.) in Economics from the London School of Economics (LSE) and an MA in War Studies from King's College, London

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 an 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. Christopher Robert Wanless

Executive Director

Qualifications: Degree in Law and a Bachelor's Degree in Economics both from Monash University, Melbourne

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.

DIRECTORS' REPORT (continued)

Current Directors and Officers (continued)

Mr. Frank D. Hegner

Executive Director

Qualifications: Bachelor of Arts in Russian History from Fort Lewis College; Juris Doctor from the University of Denver College of Law

Mr Hegner has more than 25 years of experience as a corporate manager and executive. He was previously Managing Director of Rio Tinto's Copper Projects Group and Vice-President / General Manager of Resolution Copper Company in Arizona USA. Mr Hegner has significant experience in management and development of major copper projects around the world including land titles, permitting, acquisitions, governmental relations, cost management, project management and operations. Mr. Hegner has also been a consultant to private equity groups on mineral development projects. He has extensive experience serving on the Board of Directors of both non-profit and publicly-traded entities.

Mr. Ernest Thomas Eadie

Non-Executive Director

Qualifications: 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).

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 started production in early 2018. 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. Donald Charles Smith (Resigned 20 October 2017)

Former Director

Qualifications: Bachelor of Science from Newcastle University and a Master of Business Administration from the Australian Institute of Business. Mr Smith is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and Australian Institute of Geoscientists (AIG)

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. Brett William Tucker

Company Secretary

Qualifications: Bachelor of Commerce, Accounting & Finance, University of Western Australia and Graduate Diploma of Applied Finance, Member of the Chartered Accountants in Australia & New Zealand

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 both audit and taxation across a wide range of industries.

DIRECTORS' REPORT (continued)

Directors' Interests

Interests in the shares, options and performance rights of the Company and related bodies corporate

The following relevant interests in shares, options and performance rights of the Company or a related body corporate were held by the Directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of options over ordinary shares	Number of performance rights
Nicolaus Heinen ¹	1,182,501	900,000	-
Christopher Robert Wanless	11,286,196	3,505,000	-
F.D. Hegner	-	2,000,000	600,000
Ernest Thomas Eadie	2,140,833	600,000	-
Total	14,609,530	7,005,000	600,000

1) Mr Heinen acts as an agent of Belgrave Capital Management which holds 30,769,082 shares in the Company

Shares under option or issued on exercise of options

At the date of this report, unissued ordinary shares or interests of the Company under option are:

Date options issued	Tranche	Number of shares under option	Exercise price of option \$	Expiry date of option
KMP Options				
21/02/2017	Tranche A-1	755,000	0.20	22/02/2021
21/02/2017	Tranche B	2,300,000	0.30	22/02/2021
21/02/2017	Tranche C	1,570,000	0.40	22/02/2021
21/02/2017	Tranche D	1,570,000	0.60	22/02/2021
21/02/2017	Tranche E	1,570,000	0.80	22/02/2021
30/11/2017	Tranche A	500,000	2.50	30/11/2021
30/11/2017	Tranche B	500,000	3.00	30/11/2021
30/11/2017	Tranche C	500,000	3.50	30/11/2021
30/11/2017	Tranche D	500,000	4.00	30/11/2021
Broker Options				
21/02/2017	-	1,777,454	0.20	22/02/2020
31/05/2017	Tranche A	2,300,000	0.30	31/05/2020
31/05/2017	Tranche B	2,300,000	0.40	31/05/2020
Consultant Options				
04/09/2017	Tranche A	200,000	0.60	22/02/2021
04/09/2017	Tranche B	200,000	0.80	22/02/2021
04/09/2017	Tranche C	200,000	1.00	22/02/2021
04/09/2017	Tranche D	200,000	1.20	22/02/2021

DIRECTORS' REPORT (continued)

Directors' Interests (continued)

Shares under option or issued on exercise of options (continued)

Date options issued	Tranche	Number of shares under option	Exercise price of option \$	Expiry date of option
Long-Term Incentive Plan				
28/06/2017	Tranche A	45,000*	0.30	27/06/2021
28/06/2017	Tranche B	75,000	0.40	27/06/2021
28/06/2017	Tranche C	75,000	0.60	27/06/2021
28/06/2017	Tranche D	75,000	0.80	27/06/2021
02/11/2017	Tranche A	25,000	2.50	02/11/2021
02/11/2017	Tranche B	25,000	3.00	02/11/2021
02/11/2017	Tranche C	25,000	3.50	02/11/2021
02/11/2017	Tranche D	25,000	4.00	02/11/2021
15/11/2017	Tranche A	75,000	2.50	15/11/2021
15/11/2017	Tranche B	75,000	3.00	15/11/2021
15/11/2017	Tranche C	75,000	3.50	15/11/2021
15/11/2017	Tranche D	75,000	4.00	15/11/2021
12/06/2018	Tranche A	166,666	1.00	12/06/2019
12/06/2018	Tranche A	233,334	1.00	12/06/2020
12/06/2018	Tranche B	116,666	1.50	12/06/2019
12/06/2018	Tranche B	233,334	1.50	12/06/2020
12/06/2018	Tranche C	116,666	2.00	12/06/2019
12/06/2018	Tranche C	233,334	2.00	12/06/2020
12/06/2018	Tranche D	116,666	2.50	12/06/2019
12/06/2018	Tranche D	233,334	2.50	12/06/2020
Total		19,062,454		

* On 9 August 2018, 30,000 unlisted Tranche A long-term incentive options were exercised at \$0.30 per share for total option application funds of \$9,000.

On 11 September 2018, 1,045,000 unlisted Tranche A-1 management options were exercised at \$0.20 per share for total application funds of \$209,000 and the issue of 1,045,000 fully paid ordinary shares, and 570,000 unlisted Tranche B management options were exercised at \$0.30 per share for total application funds of \$171,000 and the issue of 570,000 fully paid ordinary shares.

Total shares, options and convertible securities of the Company on issue as at the date of this report

Number of fully paid ordinary shares	Number of options over ordinary shares	Performance rights
114,608,908	19,062,454	600,000

DIRECTORS' REPORT (continued)

Review of Operations

Principal activities

The principal activity of the Company is mineral exploration in Utah, USA. The Company is exploring the highly prospective Frisco project located in Beaver County, Utah, for copper, gold, zinc and associated minerals.

The Company secured the mineral rights to the Frisco Project over two years and became the first company to hold the mineral rights over the entire Frisco complex.

Historical mining activities focused on extensive outcropping copper-silver-gold bearing breccia pipes (Cactus area prospects) and extensive copper-zinc-lead-silver-gold bearing skarns (Accrington & Horn prospect) associated with possible underlying porphyry system/s. The Company is focusing exploration efforts on the Accrington skarn where thick outcropping mineralised skarns indicate potential for a large tonnage deposit.

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 access constraints.

Summary of activities during the year

The Company commenced its drilling program at its Frisco Project at the end of September 2017. The drilling was planned to test the grade and extent of mineralisation remaining within the Cactus Mine and the continuity of mineralisation across the 1000m by 400m Cactus Corridor, which hosts several historical mines including the Comet and New Years mines.

In October 2017 the Company announced results from its first two drill holes at the Cactus Mine area, ALCA001 and ALCA002, with wide intervals of copper mineralisation. The Company believes the mineralisation intercepted in holes is related to a porphyry system. Refer to ASX announcement dated 30 October 2017 for details of the drill holes and associated JORC disclosures.

In December 2017 the Company completed 3D modelling of an IP survey which was undertaken over the Frisco Project.

On 5 March 2018 the Company announced results from diamond drill holes ALCA007, ALCA008 and ALCA009, with highlights including:-

- 21.5m @ 0.83% Cu, 0.14 g/t Au, 20.4 g/t Ag from 35.5m (ALCA008); and
- 49m @ 0.62% Cu, 0.14 g/t Au, 5.9 g/t Ag from 45m including 12m @ 1.37% Cu, 0.28 g/t Au, 10.2 g/t Ag within tourmaline breccia; and 5m @ 0.52% Cu, 0.08% Mo from 169m within a wider 25m zone of copper-molybdenum-bearing magnetite veins (ALCA009).

In late March 2018 Alderan announced further results from the ongoing diamond drilling at Cactus, with highlights including:-

- diamond hole ALCA010 intersected 32.5m @ 1.24% Cu, 0.31g/t Au, 10.6g/t Ag, 0.04% Mo from 61m, including 8m @ 3.11% Cu, 0.98g/t Au, 29.2g/t Ag; and
- hole ALCA013 which intersected 50.5m @ 0.64% Cu, 0.30g/t Au, 5.8g/t Ag and 0.02% Mo from 43.7m, including 16m @ 1.35% Cu, 0.12g/t Au, 6.8g/t Ag and 0.03% Mo.

DIRECTORS' REPORT (continued)

Summary of activities during the year (continued)

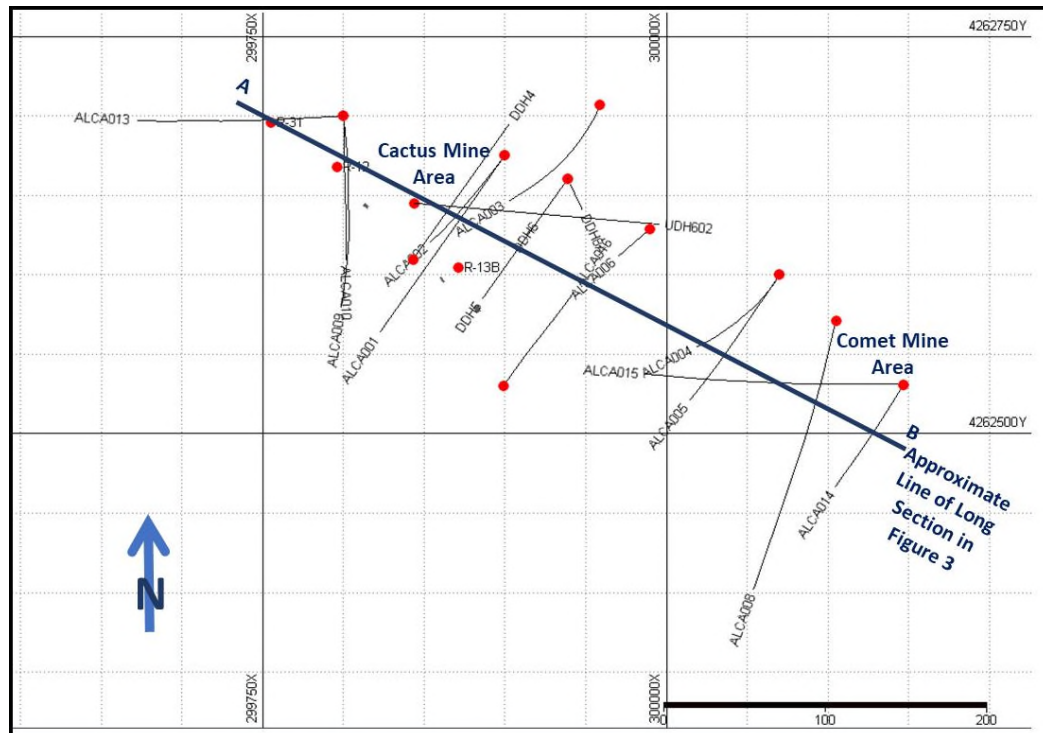


Figure 1: Drilling plan of the Cactus Mine prospect. Both new (Alderan) and historical holes are shown

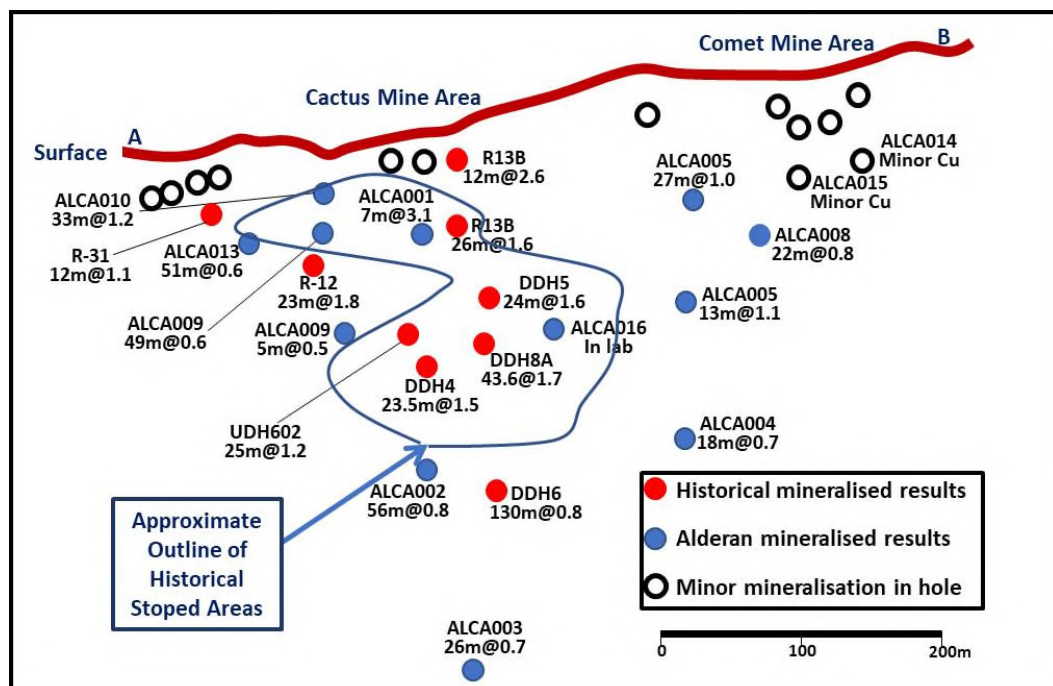


Figure 2: Long section through the Cactus and Comet Mine showing Alderan and historical drill results for copper only in % (refer to announcements on 28 June 2017 and 21 August 2017 for historical drill and channel sample results). This diagram shows the pierce points where each drillhole has intersected the mineralisation and a summary of the copper results in % in that drillhole.

DIRECTORS' REPORT (continued)

Summary of activities during the year (continued)

A summary of results from this drilling, including associated JORC disclosures are detailed in ASX announcements dated 5 March 2018 and 29 March 2018.

In March 2018 the Company significantly expanded its mineral rights in the Milford region, close to its Frisco Project in Utah, USA by staking more than 719 new mineral claims and securing a State Mineral Lease. The Company also signed an exclusivity agreement with Horn Silver Mines Inc over an additional 402 claims.

These new claims cover historically mined mineral districts with extensive skarn, breccia and epithermal mineralisation. The historical mining districts at Star Range/Elephant Canyon, Bradshaw, Northern Beaver Lake Mountains and the Company's flagship project, Frisco, are located within the Pioche-Marysville Igneous Belt, which the Company believes is a vastly under-explored mineral district with potential for multiple copper-gold porphyry discoveries. Additional copper skarn and breccia and porphyry related copper-molybdenum deposits/prospects are also reported 20-25km to the east of the Frisco Project at the OK Mine and Mary B deposit including the large (>40mt) Valley copper-skarn deposit.

This holdings expansion followed from increased interest in the region, with Rio Tinto (Kennecott) staking a large number of claims adjoining the Frisco Project in 2017.

The Company's focus remains on its Frisco project and the Board continues to consider alternative funding strategies to unlock the potential of these new project areas for the benefit of shareholders, including, if warranted, a possible spin-off and initial public offering.

During the Cactus drilling program Alderan continued to advance drilling preparatory work at the Accrington prospect, including permitting and road building. Drilling permits were subsequently granted, to allow Alderan's exploration program to begin at Accrington/Perseverance in mid-June, with initial drill holes focused on thick copper / zinc / silver / gold bearing skarns at Accrington.

Subsequent to year end in August 2018 the Company announced initial drill results from the first two diamond drill holes at Accrington.

Hole FR18-004 was the first hole designed to test the garnet skarns at Accrington and commenced from the top of the quartzite ridge, which overlies part of the copper bearing garnet skarn at Accrington. Drilling intersected

- 102m @ 0.58% Cu, 0.60% Zn, 9 g/t Ag from 194m; and
- 16m @ 0.62% Cu from 84m

Hole FR18-003 (previously called ALIM003) was designed to test the large Perseverance chargeability and coincident resistivity anomaly. The hole intersected skarn (0m to 66.15 and 178.8 to 184.8m) and monzonite intrusive from 66.15 to 178.8m and from 184.4m to end of hole at 1016.3m. Trace chalcopryite occurs as very fine-grained disseminated mineralisation within the Cactus stock monzonite intrusive up to 804m, whereafter chalcopryite is absent. Assays returned 16m @ 0.22% Cu from 50m. The Company believes that FR18-003 did not intersect mineralisation that could explain the strong modelled chargeability anomaly. Further exploration on the Perseverance prospect is likely to focus on the northern limb closer to the Cactus Mine, where indications are that part of the chargeability anomaly may also relate to a sizeable mineralised breccia pipe.

Refer to the ASX announcement dated 20 August 2018 and 24 September 2018 for a summary of the drill holes and JORC disclosures, including a summary of geological observations and assay results for FR18-003 and FR18-004.

Planning is also well underway for additional drilling across the broader Accrington skarn, to be undertaken on private (patented) land. Accrington displays extensive historical small-scale mining activity away from the copper-zinc bearing garnet skarns. The Company believes that further thick copper-zinc bearing garnet skarns and/or precious metal dominant styles of mineralisation are likely within these areas.

Dividends

There were no dividends paid, recommended or declared during the year.

DIRECTORS' REPORT (continued)

Significant events during the year

In April 2018 the Company announced that it has received firm commitments to raise \$3 million from a placement of 5 million shares at 60 cents per share to sophisticated and professional investors, with funds to be applied towards a high impact drilling program at the Accrington and Perseverance prospects. On 12 April 2018 the Placement shares were issued to investors. BW Equities acted as Lead Manager to the placement.

Operating results for the year

The comprehensive loss of the Group for the financial year ended 30 June 2018, after providing for income tax amounted to **\$6,492,308 (2017: \$1,565,689)**.

Review of financial conditions

The Group had a net bank balance of \$1,665,364 as at 30 June 2018 (2017: \$7,681,175).

Loss Per Share

	30 June 2018 \$	30 June 2017 \$
Basic loss per share (cents per share)	<u>(6.15)</u>	<u>(2.59)</u>

Employees

The Company had 7 employees as at 30 June 2018 (2017: 4 employees).

Laws and Regulations

Alderan Group's operations are subject to various laws and regulations under the relevant government legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve the objectives of the Group.

Instances of environmental non-compliance by an operation are identified either by internal investigations, external compliance audits or inspections by relevant government agencies.

There have been no known breaches of laws and regulations by the Group during the year.

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Alderan Resources Limited for the financial year ended 30 June 2018. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Key Management Personnel

The KMP of the Company during or since the end of the financial year were as follows:

Directors	Position	Period of Employment
Mr Nicolaus Heinen	Non-Executive Chairman	Appointed 1 March 2015
Mr Christopher Robert Wanless	Executive Director	Appointed on 31 July 2013
Mr Donald Smith	Executive Director	Appointed on 5 October 2016 Resigned on 20 October 2017
Mr Frank D Hegner	Executive Director	Appointed on 1 November 2017
Mr Ernest Thomas Eadie	Non-Executive Director	Appointed on 23 January 2017
Executives	Position	Period of Employment
Mr Peter Geerds	Chief Geologist	Appointed on 31 May 2015

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Remuneration Policy

The Company's remuneration policy for its KMP has been developed by the Board taking into account the size of the Company, the size of the management team, the nature and stage of development of the Company's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- Exploration results; and
- The performance of the Company's shares as quoted on the Australian Securities Exchange.

Remuneration Committee

Due to the current size of the Company, the Board did not implement a Remuneration Committee during the year, as such the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Director and executive remuneration is separate and distinct.

Non-executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. The Constitution states that the Company may pay to the Non-Executive Directors a maximum total amount of director's fees, determined by the Company in general meeting, or until so determined, as the Directors resolve. The Company intends to put to shareholders at the upcoming Annual General Meeting an aggregate remuneration amount to approve.

Fees for the Non-Executive Directors' are presently set at \$250,000 per annum including superannuation. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company.

The Non-Executive salary remuneration became effective from the date of their appointment as Non-Executive Directors. There were also Company Options issued to Non-Executive Directors in line with Company policy to attract suitable candidates to the position.

Executive Remuneration

The Company's remuneration policy is to provide a fixed remuneration component and a short and long term performance based component. The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration – Short Term Incentive

The Board has not implemented a system where Executives are entitled to annual cash bonuses. No bonuses were paid or are payable in relation to the 2018 financial year.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Performance Based Remuneration – Long Term Incentive

Company Options

The Board has previously chosen to issue Options (where appropriate) to some executives and employees as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the executives and to provide an incentive linked to the performance of the Company.

The Board may grant Options to executives and key consultants with exercise prices at and/or above market share price (at the time of agreement). As such, Incentive Options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options granted. Other than service-based vesting conditions, there are no additional performance criteria on the Incentive Options granted to executives, as given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the executives and the performance and value of the Company are closely related. The Company prohibits executives entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

Long-Term Incentive Plan

The Company has implemented a Long-Term Incentive Plan. Under the Plan, the Company may grant options to subscribe for Shares or performance rights entitling the holder to be issued Shares on terms and conditions set by the Board at its discretion.

The material terms of the Plan are as follows:

(a) The purpose of the Plan are:

- (i) assist in the reward, retention and motivation of eligible persons;
- (ii) to align the interests of eligible persons more closely with the interests of shareholders, by providing an opportunity for eligible persons receive an equity interest in the form of Awards; and
- (iii) to provide eligible persons with the opportunity to share in any future growth in value of Alderan Resources.

(b) The following persons can participate in the Plan if the Board makes them an offer to do so:

- (i) a director;
 - (ii) a full-time or part-time employee;
 - (iii) a contractor; or
 - (iv) a casual employee
- of the Company or an associated body corporate and includes a person who may become an eligible person within (i) to (iv) above subject to accepting an offer of engagement for that role.

(c) Plan Options and Plan Rights (collectively Awards) issued under the Plan are subject to the terms and conditions set out in the Rules, which include:

- (i) Vesting Conditions – which are time-based criteria, requirements or conditions (as specified in the offer and determined by the Board) which must be met prior to Awards vesting in a participant, which the Board may throughout the course of the period between the grant of an Award and its vesting, waive or accelerate as the Board considers reasonably appropriate;
- (ii) Performance Conditions – which are conditions relating to the performance of the Group and its related bodies corporate (and the manner in which those conditions will be tested) as specified in an offer and determined by the Board; and
- (iii) Exercise Conditions – which are criteria, requirements or conditions, as determined by the Board or under the Plan, which must be met (notwithstanding the satisfaction of any Vesting Conditions and/or Performance Conditions) prior to a Participant being entitled to exercise vested Awards in accordance with clauses 8 and 9.

(d) In accordance with ASIC Class Order 14/1000, the total Awards that may be issued under the Plan will not exceed 5% of the total number of Shares on issue. In calculating this limit, Awards issued to participants under the Plan other than in reliance upon this Class Order are discounted.

(e) The Board has the unfettered and absolute discretion to administer the Plan.

(f) Awards issued under the Plan are not transferable and will not be quoted on the ASX.

The Rules otherwise contain terms and conditions considered standard for long-term incentive plan rules of this nature. There were 1,850,000 options issued under the Long-Term Incentive Plan during the year (2017: 1,100,000). There were no shares issued under the Long-Term Incentive Plan during the year (2017: Nil).

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Executive Director Service Agreement

The Company entered into an Executive Service Agreement (Employment Agreement) with Mr Donald Smith on 23 March 2017, an Executive Director. Mr Smith provided services as a non-executive director and geological consultant under a service agreement prior to the effectivity of employment agreement.

The material terms of the employment agreement with Mr Smith are as follows:

- 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 in the position of Executive Director.
- Mr. Smith will be paid an annual salary of \$175,000 plus superannuation. This salary is inclusive of director's fees and is intended to cover all the services that he may perform for the Company. He is also entitled to receive all reasonable expenses incurred in the fulfilment of his duties.

Executive Director Consultancy Agreement

The Company entered into a Consultancy Service Agreement with DM Bergbau GmbH, a company controlled by Mr. Christopher Robert Wanless, an Executive Director, on 23 March 2017. Mr Wanless has previously performed managerial, financial, technical and operational services to the Company as Executive Director based on a management services agreement between the Company and DM Bergbau. The Consultancy Service Agreement supercedes the management services agreement.

The material terms of the DM Bergbau Consultancy Service Agreement are as follows:

- DM Bergbau has been engaged for a term of 12 months from the date the Company successfully lists on the ASX.
- Mr. Wanless has been appointed as an Executive Director and the Chief Executive Officer 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 interest of the Company or adversely affect his ability to provide his services to the Company.
- DM Bergbau will be paid a monthly consultancy fee of \$10,950 for the provision of at least 24 hours work each week. This fee is subject to an annual review.
- DM Bergbau and Mr Wanless are not entitled payment by the Company of salary, holiday and 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.

With effect from 1 October 2017, this Consultancy Service Agreement has been replaced with an Executive Services Agreement with Christopher Wanless to provide full time Executive Director and Chief Executive Office services.

The material terms of the Executive Service Agreement are primarily the same as the Consultancy Service Agreement apart from:

- Term of employment effective from 1 October 2017, until terminated in accordance with the Agreement.
- Base remuneration is \$219,000 per annum, plus statutory superannuation contributions, subject to annual review.
- Mr. Wanless may be eligible to participate in incentive arrangements offered by the Company from time to time.

Consultancy Agreement with Chief Geologist

The Company entered into a consultancy agreement with Mr. Peter Geerds, the Chief Geologist, on 23 March 2017. Mr. Geerds has previously provided services as Chief Geologist by way of an agreement that expired on the date the Company successfully listed with the ASX. The new consultancy agreement superseded the existing services agreement upon listing of the Company with the ASX.

The material terms of the Consultancy Agreement with the Chief Geologist are as follows:

- (a) Mr. Geerds is employed by the Company in the position of Chief Geologist and is directly responsible to the Chief Executive Officer of the Company.
- (b) Mr. Geerds will be paid a monthly consultancy fee of \$8,212.50 for the provision of at least 24 hours work each week.
- (c) During the year Mr Geerds services were assigned to the Company's subsidiary, Volantis Resources Corp, based in Utah, USA under a Temporary International Assignment Agreement which provides for monthly remuneration of US\$10,667.67.
- (d) At the Company's discretion, and subject to obtaining applicable regulatory approvals, Mr. Geerds is entitled to a performance-based bonus over and above the consultancy fee. Mr. Geerds is also entitled to reimbursement of reasonable expenses and expenditure.
- (e) Should Mr. Geerds' 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 Consultancy Agreement.

The contracts otherwise contain terms and conditions considered standard for contracts of this nature.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Relationship between Remuneration of KMP and Shareholder Wealth and Earnings

The Board anticipates that the Company will retain earnings (if any) and other cash resources for the development of its exploration projects. The Company does not currently have a policy with respect to the payment of dividends and returns of capital however this will be reviewed on an annual basis. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Company did not consider appreciation of the Company's shares when setting remuneration.

The Board did issue Options to Key Management Personnel and has implemented a Long-Term Incentive Plan which will generally be of value if the Company's shares appreciate over time. However, it should be noted that all Director Options have been imposed in escrow (sale) restriction period of up to two years. This is in line with the Company policy that Company Options be used for long term incentive for Directors.

Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emoluments received by or payable to each of the Key Management Personnel (KMP) of Alderan Resources Limited are as follows:

	Short-term benefits Salary & fees \$	Super- annuation \$	Termination payments \$	Share- based payment shares \$	Share- based payment options \$	Total \$
2018						
Directors						
Nicolaus Heinen	40,000	-	-	-	89,430	129,430
Christopher Wanless	235,290	15,604	-	-	320,693	571,587
Donald Smith ¹	60,179	4,055	187,861	-	-	252,095
F.D. Hegner ²	188,813	11,706	-	-	1,332,711 ³	1,533,230
Ernest Thomas Eadie	34,500	2,850	-	-	50,612	87,962
Other KMP						
Peter Geerds	139,861	-	-	-	187,031	326,892
Total	698,643	34,215	187,861	-	1,980,477	2,901,196

¹ Donald Smith resigned as Director on 20 October 2017.

² F.D. Hegner was appointed as Director on 1 November 2017.

³ Share based payment expense relates to an issue of 2,000,000 unlisted options which remain unexercised and unvested at 30 June 2018. See Note 16 for further details

	Short-term benefits Salary & fees \$	Super- annuation \$	Termination payments \$	Share- based payment shares \$	Share- based payment options \$	Total \$
2017						
Directors						
Nicolaus Heinen	24,292	-	-	6,750	43,298	74,340
Christopher Wanless	106,073	-	-	5,625	165,984	277,682
Donald Smith	104,640	-	-	11,400	112,926	228,966
Ernest Thomas Eadie ¹	13,226	1,019	-	-	23,941	38,186
Other KMP						
Peter Geerds ²	107,382	1,040	-	6,514	92,923	207,859
Total	355,613	2,059	-	30,289	439,072	827,033

¹ Ernest Thomas Eadie was appointed as Director on 23 January 2017.

² Peter Geerds resigned as Director on 9 January 2018.

No member of key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Cash bonuses granted as compensation for the current financial year.

No cash bonuses were granted during the year ended 2018 (2017: nil).

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Other transactions with related parties

There were no other transactions with related parties during the year ended 30 June 2018. (2017: nil).

Loans from key management personnel

As at 30 June 2018, there were no outstanding amounts due to key management personnel (2017: \$2,500).

Share options granted to KMP

During the financial year, share options were granted to the following key management personnel of the Company and the entities they controlled as part of their remuneration.

	Exercise price	Expiry date	Number of options granted	Total number of shares under option at the end of the year
Directors				
F.D. Hegner	\$2.50	30 Nov 2021	500,000	500,000
	\$3.00	30 Nov 2021	500,000	500,000
	\$3.50	30 Nov 2021	500,000	500,000
	\$4.00	30 Nov 2021	500,000	500,000
Total			2,000,000	2,000,000

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

No options were exercised during the year. 3,000,000 unlisted options were forfeited due to the resignation of Donald Smith on 20 October 2017.

Key management personnel equity holdings

Fully paid ordinary shares

30 June 2018	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change other Number	Balance at end of year Number	Balance held nominally Number
Directors						
Nicolaus Heinen ¹	732,501	-	-	-	732,501	732,501
Christopher Wanless	10,494,584	-	-	46,612 ²	10,541,196	2,656,247
Donald Smith ³	589,006	-	-	-	589,006	586,006 ⁵
F.D. Hegner ⁴	-	-	-	-	-	-
Ernest Thomas Eadie	1,890,833	-	-	50,000 ⁶	1,940,833	57,500
Executives						
Peter Geerds	5,000,000	-	-	-	5,000,000	5,000,000

¹ Mr Heinen acts as an agent of Belgrave Capital which held 30,769,082 shares in the Company at 30 June 2018

² On-market purchases.

³ Donald Smith resigned as Director on 20 October 2017.

⁴ F.D. Hegner was appointed as Director on 1 November 2017.

⁵ Balance on resignation.

⁶ On-market purchases.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Key management personnel equity holdings (continued)

Share options

30 June 2018	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number	Balance at end of year Number
Directors					
Nicolaus Heinen	1,350,000	-	-	-	1,350,000
Christopher Wanless	4,250,000	-	-	-	4,250,000
Donald Smith	3,000,000	-	-	(3,000,000) ¹	-
F.D. Hegner	-	2,000,000	-	-	2,000,000
Ernest Thomas Eadie	800,000	-	-	-	800,000
Executives					
Peter Geerds	2,700,000	-	-	-	2,700,000

¹ Donald Smith resigned as Director on 20 October 2017.

Year	2018	2017	2016	2015
Revenue	26,763	1,343	33,848	48,616
EBITDA	(6,598,091)	(1,571,934)	(212,723)	(95,621)
EBIT	(6,700,557)	(1,572,488)	(212,091)	(95,196)
Loss after income tax	(6,706,218)	(1,574,377)	(209,507)	(94,105)

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

Share price at financial year end (\$)	0.885	0.465 *	-	-
Total dividends declared (cents per share)	-	-	-	-
Basic and diluted loss per share (cents per share)	(6.15)	(2.59)	(0.45)	-

* On 8 June 2017, the Company was admitted to the Official List of ASX Limited. Official quotation of the Company's shares commenced on 9 June 2017 trading as "AL8".

END OF REMUNERATION REPORT

DIRECTORS' REPORT (continued)

Indemnification and insurance of Officers

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During or since the end of the financial year, no amounts have been paid by the Company in relation to the above indemnities.

During the financial year, insurance premiums were paid by the Company to insure against a liability incurred by a person who is or has been a director or officer of the Company.

Indemnity and insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Significant events after reporting date

On 9 August 2018, 30,000 unlisted Tranche A long-term incentive options were exercised at \$0.30 per share for a total of \$9,000 and 30,000 fully paid ordinary shares.

On 24 August 2018, shareholders approved the issue of 600,000 performance rights to Mr F.D. Hegner.

On 11 September 2018, 1,045,000 unlisted Tranche A-1 management options were exercised at \$0.20 per share for a total application of \$209,000 and 1,045,000 fully paid ordinary shares, and 570,000 unlisted Tranche B management options were exercised at \$0.30 per share for a total of \$171,000 and 570,000 fully paid ordinary shares.

On 28 September 2018 the Company announced that it has received firm commitments to raise \$3 million through a private placement to issue 15 million shares at a price of \$0.20 per share. The Company intends to issue shares to investors by 5 October 2018.

Other than disclosed above, the directors are not aware of any matters or circumstances not otherwise dealt with in this report or consolidated financial statements that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Directors' meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

Directors' meetings		
2018	No. eligible to attend	No. attended
Nicolaus Heinen	4	4
Christopher Wanless	4	4
Donald Smith	2	2
F.D. Hegner	2	2
Ernest Thomas Eadie	4	4

In addition to the above meetings, the board executed 46 circular resolutions during the year.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

DIRECTORS' REPORT (continued)

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 21 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- (a) all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- (b) none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

Auditor independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Signed in accordance with a resolution of the Directors.



Mr. Christopher Robert Wanless

Director

Dated this 28th day of September 2018

Competent Persons Statement

The information in this presentation that relates to exploration targets, or exploration results is based on information compiled by John Schloderer, a competent person who is a member of the Australian Institute of Geoscientists (AIG). John Schloderer is the Exploration Manager of Alderan Resources Limited. John Schloderer 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). John Schloderer consents to the inclusion of this information in the form and context in which it appears.

Mr John Schloderer confirms 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".

RSM Australia Partners

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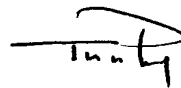
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Alderan Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 28 September 2018

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	30 June 2018 \$	30 June 2017 \$
Other income	3 (a)	11,145	1,343
Interest income		15,618	-
Consulting and administration expenses	3 (b)	(2,118,603)	(348,731)
Depreciation and amortisation expense		(108,128)	(554)
Employee benefits expense		(1,405,083)	(98,978)
Foreign exchange loss		(89,544)	-
Impairment of exploration and evaluation expenditure		-	(530,215)
Project expenditure		(258,162)	-
Share based payment expense	16 (a)	(2,747,800)	(530,536)
Finance costs		(5,661)	(1,889)
Loss before income tax expense		(6,706,218)	(1,509,560)
Income tax expense	4	-	-
Loss for the year after tax from continuing operations		(6,706,218)	(1,509,560)
Discontinued operations			
Loss after tax from discontinued operation	12	-	(64,817)
Net loss for the year		(6,706,218)	(1,574,377)
Other comprehensive income, net of income tax			
Exchange differences on translation of foreign operations		213,910	8,688
Other comprehensive gain for the year, net of income tax		213,910	8,688
Total comprehensive loss for the year		(6,492,308)	(1,565,689)
Loss attributable to members of the Company		(6,492,308)	(1,565,689)
Total comprehensive loss attributable to members the Company for the year		(6,492,308)	(1,565,689)
Basic loss per share (cents per share)	5	(6.15)	(2.59)
Basic loss per share from continuing operations (cents per share)	5	(6.15)	(2.48)

The accompanying notes form part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note	30 June 2018 \$	30 June 2017 \$
Assets			
Current Assets			
Cash and cash equivalents	6	1,665,364	7,681,175
Trade and other receivables	7	193,522	243,649
Total Current Assets		1,858,886	7,924,824
Non-Current Assets			
Plant and equipment	8	502,693	22,544
Exploration and evaluation expenditure	9	6,564,208	1,162,236
Total Non-current Assets		7,066,901	1,184,780
Total Assets		8,925,787	9,109,604
Liabilities			
Current Liabilities			
Trade and other payables	10	942,951	238,666
Loans payable	10	37,862	2,500
Total Liabilities		980,813	241,166
Net Assets		7,944,974	8,868,438
Equity			
Issued capital	11(a)	12,372,806	9,551,762
Options reserve	11(c)	3,973,541	1,225,741
Foreign currency reserve	11(b)	213,910	-
Accumulated losses		(8,615,283)	(1,909,065)
Net Equity		7,944,974	8,868,438

The accompanying notes form part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Issued capital \$	Options reserve	Foreign currency reserve \$	Accumulate d losses \$	Total equity \$
Balance at 1 July 2016	957,156	-	(8,688)	(334,688)	613,780
Loss for the year	-	-	-	(1,574,377)	(1,574,377)
Other comprehensive income for the year, net of income tax	-	-	8,688	-	8,688
Total comprehensive loss for the year	-	-	8,688	(1,574,377)	(1,565,689)
Contributions of equity, net of transaction costs	8,564,317	-	-	-	8,564,317
Share based payments - shares	30,289	-	-	-	30,289
Share based payments - options	-	1,225,741	-	-	1,225,741
Balance at 30 June 2017	9,551,762	1,225,741	-	(1,909,065)	8,868,438
Balance at 1 July 2017	9,551,762	1,225,741	-	(1,909,065)	8,868,438
Loss for the year	-	-	-	(6,706,218)	(6,706,218)
Other comprehensive income for the year, net of income tax	-	-	213,910	-	213,910
Total comprehensive loss for the year	-	-	213,910	(6,706,218)	(6,492,308)
Contributions of equity, net of transaction costs	2,821,044	-	-	-	2,821,044
Share based payments - options	-	2,747,800	-	-	2,747,800
Balance at 30 June 2018	12,372,806	3,973,541	213,910	(8,615,283)	7,944,974

The accompanying notes form part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	30 June 2018 \$	30 June 2017 \$
Cash flows from operating activities			
Receipts from customers		-	27,980
Payments to suppliers and employees		(3,249,160)	(462,773)
Payments for exploration and evaluation expenditures		(5,036,532)	(1,002,867)
Interest received		15,618	-
Interest paid		(5,661)	(1,889)
Net cash (used in) operating activities	6	<u>(8,275,735)</u>	<u>(1,439,549)</u>
Cash flows from investing activities			
Payments for plant and equipment		(575,380)	(22,544)
Net cash outflow on sale of subsidiary		-	(14,712)
Net cash (used in) investing activities		<u>(575,380)</u>	<u>(37,256)</u>
Cash flows from financing activities			
Proceeds from issue of shares (net of capital raising costs)		2,821,044	9,018,765
Payment of borrowings		(3,312)	-
Proceeds from borrowings		-	100,000
Net cash provided by financing activities		<u>2,817,732</u>	<u>9,118,765</u>
Net (decrease)/increase in cash held		(6,033,383)	7,641,960
Effect of foreign exchange		17,572	8,688
Cash and cash equivalents at the beginning of the year		7,681,175	30,527
Cash and cash equivalents at the end of the year	6	<u>1,665,364</u>	<u>7,681,175</u>

The accompanying notes form part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and comply with other requirements of the law.

The consolidated financial statements comprise the financial statements of Alderan Resources Limited (the "Company") and its subsidiary (collectively referred to as the "Group" or "consolidated entity"). For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial report, for the year ended 30 June 2018 the Group incurred a net loss of \$6,706,218 and had net cash outflows from operating activities of \$8,275,735 and net cash outflow from investing activities of \$575,360.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As disclosed in Note 14, on 28 September 2018 the Company has received firm commitments to raise \$3 million through a private placement to issue 15 million shares at a price of \$0.20 per share. The Company intends to issue shares to investors by 5 October 2018;
- The Group has the ability to issue additional equity securities under the *Corporations Act 2001* to raise further working capital; and
- The Group has the ability to curtail administrative, discretionary exploration and overhead cash outflows as and when required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2018

For the year ended 30 June 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

Standards and Interpretations in issue not yet adopted

A number of Australian Accounting Standards that have been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ended 30 June 2018. The effect of these new or amended Accounting Standards is expected to give rise to additional disclosures and new policies being adopted. Refer below for the Standards relevant to the Company that are not yet effective and have not been early adopted.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company will adopt this standard from 1 July 2018 and the impact of its adoption is being assessed by the company.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company has made an assessment and determined that this standard will have little to no impact on the entity as it currently does not earn revenue.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company will adopt this standard from 1 July 2019 and the impact of its adoption is being assessed by the company.

Statement of compliance

The financial report was authorised for issued in accordance with a resolution of the Directors on 28 September 2018.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and key estimates

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and Evaluation

Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alderan Resources Limited ('company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Alderan Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Group' or consolidated entity'.

Subsidiaries are all those entities over which the company has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

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.

Revenue recognition

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

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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.

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.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 plant and equipment over their expected useful lives as follows:

Office equipment	3-5 years
Motor vehicles	7 years
Exploration equipment	3-5 years

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

An item of 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.

Exploration and evaluation assets

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.

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.

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.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part 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.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees and key management personnel.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees and key management personnel in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees and key management personnel to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee / key management personnel, and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Alderan Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Directors for the years ended 30 June 2018 and 30 June 2017.

	Continuing Operations		Discontinued Operation		
	United States of America \$	Australia \$	Germany \$	Unallocated items \$	Consolidated \$
30 June 2018					
Segment revenue	-	87,433	-	-	87,433
Intersegment revenue	-	(60,670)	-	-	(60,670)
Revenue from external customers	-	26,763	-	-	26,763
Segment result	(2,368,590)	(4,337,628)	-	-	(6,706,218)
Segment assets	7,112,233	1,813,554	-	-	8,925,787
Segment liabilities	900,920	79,893	-	-	980,813
	Continuing Operations		Discontinued Operation		
	United States of America \$	Australia \$	Germany \$	Unallocated items \$	Consolidated \$
30 June 2017					
Segment revenue	-	-	76,228	-	76,228
Intersegment revenue	-	-	(49,591)	-	(49,591)
Revenue from external customers	-	-	26,637	-	26,637
Segment result	(53,223)	(1,456,337)	(64,817)	-	(1,574,377)
Segment assets	1,325,052	7,784,552	-	-	9,109,604
Segment liabilities	-	241,166	-	-	241,166

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 3: REVENUE AND EXPENSES

	30 June 2018 \$	30 June 2017 \$
a. Other income		
Refunds	11,145	-
Foreign exchange translation gain	-	1,343
	<u>11,145</u>	<u>1,343</u>
b. Consulting and administration expense		
Accountancy fees	126,327	59,527
Consultancy fees	894,210	79,781
Insurance	112,606	-
Legal fees	375,184	-
Exploration project related costs and others	379,409	68,627
Promotion and investor relations	81,642	30,269
Travel expenses	149,225	110,527
	<u>2,118,603</u>	<u>348,731</u>

NOTE 4: INCOME TAX

	30 June 2018 \$	30 June 2017 \$
(a) Income tax benefit	<u>-</u>	<u>-</u>
(b) Numerical reconciliation between tax-benefit and pre-tax net loss		
(Loss) before tax from continuing operations	(6,706,218)	(1,509,560)
(Loss) before tax from discontinued operations	-	(64,817)
Accounting (loss) before income tax	(6,706,218)	(1,574,377)
Income tax benefit using the Company's domestic tax rate of 27.5% (2017: 27.5%)	(1,844,209)	(432,954)
Other non-deductible items	755,645	-
Unrecognised deferred tax asset attributable to tax losses and temporary differences	1,088,564	432,954
Income tax attributable to entity	<u>-</u>	<u>-</u>
(c) Unrecognised deferred tax		
Tax losses for which no deferred tax asset has been recognised		
Losses available for offset against future taxable income	(5,603,944)	(1,645,526)
Total	<u>(5,603,944)</u>	<u>(1,645,526)</u>
Potential tax benefits at 27.5% (2017: 27.5%)	<u>(1,541,085)</u>	<u>(452,520)</u>

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 5: LOSS PER SHARE

	30 June 2018	30 June 2017
	Cents per share	Cents per share
Basic loss per share	(6.15)	(2.59)
Basic loss per share from continuing operations	(6.15)	(2.48)
Losses used in the calculation of basic and diluted loss per share is as follows:	\$	\$
Loss for the year	(6,706,218)	(1,574,377)
Loss from continuing operations	(6,706,218)	(1,509,560)
The weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:	Number	Number
Weighted average number of ordinary shares for the purpose of basic loss per share	109,059,798	60,760,064

NOTE 6: CASH AND CASH EQUIVALENTS

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank, net of outstanding bank overdrafts. Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30 June 2018	30 June 2017
	\$	\$
Cash in bank and on hand	1,665,364	7,681,175
	1,665,364	7,681,175

Reconciliation of loss after tax to net cash outflow from operating activities:

	30 June 2018	30 June 2017
	\$	\$
Loss for the year	(6,706,218)	(1,574,377)
Adjustment for non-cash income and expense items		
Depreciation and amortisation	108,128	554
Write-off	22,544	530,215
Share-based payment expense - shares	-	30,289
Share-based payment expense - options	2,747,800	530,536
Change in assets and liabilities		
Trade and other receivables	50,126	(127,520)
Trade and other payables	704,285	173,621
Exploration and evaluation expenditure	(5,202,400)	(1,002,867)
Net cash (outflow) / inflow from operating activities	(8,275,735)	(1,439,549)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7: TRADE AND OTHER RECEIVABLES

	30 June 2018	30 June 2017
	\$	\$
Bonds	153,271	-
GST receivable	40,251	67,148
Sundry debtors	-	142,247
Prepayment	-	34,254
	193,522	243,649

NOTE 8: PLANT AND EQUIPMENT

	Office Equipment \$	Motor Vehicle \$	Exploration Equipment \$	Total \$
Balance at 1 July 2016	554	-	-	554
Additions	19,547	-	2,997	22,544
Depreciation	(554)	-	-	(554)
Balance at 1 July 2017	19,547	-	2,997	22,544
Additions	6,807	153,508	453,738	614,053
Write-off	(19,547)	-	(2,997)	(22,544)
Depreciation	(977)	(12,365)	(94,786)	(108,128)
Exchange differences	(28)	(370)	(2,834)	(3,232)
Balance at 30 June 2018	5,802	140,773	356,118	502,693

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2018	30 June 2017
	\$	\$
Carrying value at the beginning of the year	1,162,236	689,584
Expenditure incurred during the year	5,202,401	1,002,867
Exchange differences	199,571	-
Impairment	-	(530,215)
Carrying value at the end of the year	6,564,208	1,162,236

NOTE 10: FINANCIAL LIABILITIES

	30 June 2018	30 June 2017
	\$	\$
<i>Trade and other payables</i>		
Trade creditors	132,170	184,717
Accruals and other payables	810,781	53,949
Total	942,951	238,666
<i>Loans payable</i>		
Unsecured loans	37,862	2,500
Total	37,862	2,500

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 11: ISSUED CAPITAL

a) Ordinary shares	Year to 30 June 2018		Year to 30 June 2017	
	No.	\$	No.	\$
Fully paid				
Balance at beginning of year	107,963,908	9,551,762	12,493,148	673,656
Transfer from partially paid shares (xii)	-	-	810,000	283,500
Settlement of loan payable (ii)	-	-	400,000	20,000
Settlement of payable to directors (iii)	-	-	53,967	18,888
Options exercised (iv)	-	-	1,000,000	100,000
Issue of shares (i) (v)	5,000,000	3,000,000	77,000	26,950
Seed capital raising (vi)	-	-	923,000	323,050
Share based payment (vii)	-	-	32,573	11,400
Share split (vii)	-	-	39,474,220	-
Seed capital raising (ix)	-	-	8,750,001	1,050,000
Convertible notes redemption (x)	-	-	833,333	100,000
Seed capital raising (ix)	-	-	616,666	74,000
Issue of shares through the IPO (xi)	-	-	42,500,000	8,500,000
Less share issue costs	-	(178,956)	-	(1,629,682)
Balance at the end of the year	112,963,908	12,327,806	107,963,908	9,551,762
Partially paid				
Balance at beginning of year	-	-	810,000	283,500
Transfer to fully paid shares	-	-	(810,000)	(283,500)
Balance at the end of the year	-	-	-	-
Total	112,963,908	12,327,806	107,963,908	9,551,762

- (i) On 12 May 2018, the Company issued 5,000,000 ordinary shares at \$0.06 per share to raise working capital for ongoing exploration.
- (ii) On 22 June 2016, the Board of Directors approved the issue of 400,000 ordinary shares to Belgrave Capital Management Limited at \$0.05 per share (pre share split) amounting to \$20,000 in accordance with the convertible loan agreement dated 11 February 2014, with notice having been received from Belgrave indicating its intention to exercise its right to convert the loan. The shares were issued in July 2016.
- (iii) Directors' fees payable amounting to \$18,888 were settled through the issue of 53,967 ordinary shares at \$0.10 per share (pre share split).
- (iv) On 1 September 2016, the Board of Directors approved the reduction in the amount payable to Quaalup from an existing credit loan facility of \$100,000 to \$55,000 plus 6% interest per annum. The reduction of this value was applied toward exercise of options at \$0.10 per share (pre share split).
- On 1 September 2016, Quaalup gave notice to the Company of its intention to exercise 1,000,000 options to acquire 100,000 shares at \$0.10 per share (pre share split). Part consideration for the option exercise was the reduction in the loan facility as detailed above. Accordingly Quaalup was issued 1,000,000 shares in the Company.
- (v) In September 2016, the Company issued 77,000 shares at \$0.35 per share to a shareholder. The funds were received during the year ended 30 June 2016 and was recorded as other liabilities as at 30 June 2016.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 11: ISSUED CAPITAL (CONTINUED)

a) Ordinary shares (continued)

- (vi) On 28 September 2016, the Board of Directors approved an application for shares of 923,000 ordinary shares at \$0.35 per share amounting to \$323,050.
- (vii) On 17 November 2016, the Board of Directors approved the issue of 32,573 shares at \$0.10 per share (pre share split) for director and geological services provided to the company by a director.
- (viii) The shareholders of the Company approved a share split resolution, where each existing ordinary share will be split into three and a half (3.5) ordinary shares with effect from 1 December 2016. As a result of the share split, 15,789,688 shares issued prior and up to 1 December 2016 were converted to 55,263,908 shares. The share split did not change any shareholder's percentage ownership in the Company.
- (ix) On 23 December 2016, the Board of Directors approved an offer of shares to seed investors to raise up to \$1,200,000 at a price of \$0.12 per share to advance the Group's mineral properties in Utah, USA and to undertake an Initial Public Offering and list in the Australian Securities Exchange. The Company received applications for 9,166,667 seed shares at \$0.12 per share amounting to \$1,100,000. Of these applications, 8,750,001 shares at \$0.12 per share amounting to \$1,050,000 were issued as at 31 December 2016. The remaining 616,666 shares amounting to \$74,000 were issued in January 2017 when the funds were received by the Company. Further, as at 31 December 2016, the Company received \$24,000 from Eagletown Pty Ltd for an application for 200,000 seed shares. The shares were subsequently allotted in January 2017.
- (x) On 23 December 2016, the Board of Directors also approved the redemption of all outstanding convertible notes with a face value of \$100,000 via the issue of ordinary shares at a deemed price of the capital raising price of \$0.12 per share through the issue of 833,333 ordinary shares ("Convertible Note Shares"). The Convertible Note Shares were issued in December 2016.
- (xi) On 31 May 2017, the Company closed the Share Offer under the Prospectus and issued 42,500,000 fully paid ordinary shares at \$0.20 each amounting to \$8,500,000 (before issue costs) to the subscribers of the Share Offer.
- (xii) The Company received \$123,500 as full payment for shares subscribed by Belgrave Capital Management in prior years. Accordingly, the partially paid ordinary shares are now classified as fully paid shares.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

b) Foreign Currency Reserves

	30 June 2018 \$	30 June 2017 \$
Balance at beginning of year	-	(8,688)
Movement during the year	213,910	8,688
Balance at the end of the year	<u>213,910</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 11: ISSUED CAPITAL (CONTINUED)

c) Options

	30 June 2018		30 June 2017	
	No.	\$	No.	\$
Balance at beginning of year	19,857,454	1,225,741	1,000,000	-
Issue of options to Directors and key management (i)	2,000,000	1,332,711	12,380,000	447,451
Options issued to consultant (ii)	800,000	609,555	-	-
Options issued under the long-term incentive plan (iii)	1,850,000	254,323	1,100,000	83,085
Options issued to broker – capital raising	-	-	1,777,454	222,079
Options issued to broker – IPO	-	-	4,600,000	473,126
Existing options to Directors and key management vesting (iv)	-	665,480	-	-
Options forfeited (v)	(3,800,000)	(114,269)	-	-
Exercise of options	-	-	(1,000,000)	-
Balance at the end of the year	20,707,454	3,973,541	19,857,454	1,225,741

- (i) On 30 November 2017, the Company issued 2,000,000 unlisted options over fully paid ordinary shares to Mr. Hegner (Directors). The details of the options granted are as follows:

Series	Number	Grant date	Expiry date	Exercise Price \$	Fair value at grant date \$	Vesting date	Recognised as Expense in 2018 \$
Tranche A	500,000	30/11/2017	30/11/2021	2.50	638,840	30/11/2017	638,840
Tranche B	500,000	30/11/2017	30/11/2021	3.00	609,072	01/11/2018	399,820
Tranche C	500,000	30/11/2017	30/11/2021	3.50	583,183	01/11/2019	180,609
Tranche D	500,000	30/11/2017	30/11/2021	4.00	560,316	01/11/2020	113,442
Total	2,000,000				2,391,411		1,332,711

- (ii) On 4 September 2017, the Company issued 800,000 unlisted options over fully paid ordinary shares, with various exercise prices and vesting periods, to an employee of the Company to provide an equity-based incentive for future performance. The details of the options granted are as follows:

Series	Number	Grant date	Expiry date	Exercise Price \$	Fair value at grant date \$	Vesting date	Recognised as Expense in 2018 \$
Tranche A	200,000	04/09/2017	22/02/2021	0.60	194,113	04/09/2018	164,331
Tranche B	200,000	04/09/2017	22/02/2021	0.80	183,697	04/09/2018	155,513
Tranche C	200,000	04/09/2017	22/02/2021	1.00	174,908	04/09/2018	148,073
Tranche D	200,000	04/09/2017	22/02/2021	1.20	167,307	04/09/2018	141,638
Total	800,000				720,025		609,555

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 11: ISSUED CAPITAL (CONTINUED)

(c) Options (continued)

- (iii) During the 2018 financial year, a total of 1,850,000 unlisted options over fully paid ordinary shares were issued to key employees to provide an equity-based incentive for future performance. The details of the options granted are as follows:

Series	Number	Grant date	Expiry date	Exercise Price \$	Fair value at grant date \$	Vesting date	Recognised as Expense in 2018 \$
Tranche A	25,000	02/11/2017	02/11/2021	2.50	32,148	02/11/2017	32,148
Tranche B	25,000	02/11/2017	02/11/2021	3.00	30,653	16/10/2018	19,483
Tranche C	25,000	02/11/2017	02/11/2021	3.50	29,352	16/10/2019	9,328
Tranche D	25,000	02/11/2017	02/11/2021	4.00	28,203	16/10/2020	5,970
Tranche A	75,000	15/11/2017	15/11/2021	2.50	56,230	15/11/2017	56,230
Tranche B	75,000	15/11/2017	15/11/2021	3.00	77,881	01/09/2018	65,085
Tranche C	75,000	15/11/2017	15/11/2021	3.50	74,414	01/09/2019	31,094
Tranche D	75,000	15/11/2017	15/11/2021	4.00	71,362	01/09/2020	19,861
Tranche A-1	166,666	12/06/2018	12/06/2022	1.00	60,486	12/06/2019	2,983
Tranche A-2	233,334	12/06/2018	12/06/2022	1.00	84,681	12/06/2020	2,085
Tranche B-1	116,666	12/06/2018	12/06/2022	1.50	37,361	12/06/2019	1,842
Tranche B-2	233,334	12/06/2018	12/06/2022	1.50	74,723	12/06/2020	1,840
Tranche C-1	116,666	12/06/2018	12/06/2022	2.00	33,740	12/06/2019	1,664
Tranche C-2	233,334	12/06/2018	12/06/2022	2.00	67,481	12/06/2020	1,662
Tranche D-1	116,666	12/06/2018	12/06/2022	2.50	30,926	12/06/2019	1,525
Tranche D-2	233,334	12/06/2018	12/06/2022	2.50	61,852	12/06/2020	1,523
Total	1,850,000				851,493		254,323

- (iv) 9,380,000 unlisted options, issued on 21 February 2017, partially vested in the financial year as follows:

Series	Number	Grant date	Expiry date	Exercise Price \$	Fair value at grant date \$	Vesting date	Recognised as Expense in 2018 \$
Tranche A-1	1,800,000	21/02/2017	21/02/2021	0.20	250,786	21/02/2018	162,152
Tranche B	2,870,000	21/02/2017	21/02/2021	0.30	362,016	21/02/2018	234,071
Tranche C	1,570,000	21/02/2017	21/02/2021	0.40	182,399	21/02/2018	117,934
Tranche D	1,570,000	21/02/2017	21/02/2021	0.60	159,537	21/02/2019	79,768
Tranche E	1,570,000	21/02/2017	21/02/2021	0.80	143,109	21/02/2019	71,555
Total	9,380,000				1,097,847		665,480

- (v) During the 2018 financial year, 3,800,000 unlisted options that were issued to previous Directors and employees were forfeited due to the failure to satisfy vesting conditions of remaining with the Company.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 12: DISCONTINUED OPERATIONS

On 31 December 2016, the Company sold its investment in DM Bergbau GmbH to Mr. Christopher Robert Wanless ("the Purchaser"), a Director for a consideration \$99,217 (Euro 70,000) resulting in a loss before income tax of \$15,095. Consequently all assets and liabilities allocable to DM Bergbau GmbH have been effectively transferred to the Purchaser as at 31 December 2016.

Revenue and expenses, gains and losses relating to the sale of this subsidiary have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item on the face of the consolidated statement of profit or loss and other comprehensive income.

Financial performance information

	30 June 2017 \$
Revenue	26,637
Administration expense	(28,627)
Employee benefits expense	(47,732)
Loss before income tax	(49,722)
Income tax expense	-
Loss after income tax expense	(49,722)
Loss on disposal before income tax expense	(15,095)
Income tax expense	-
Loss on disposal after income tax expense	(15,095)
Loss after income tax expense from discontinued operations	(64,817)

The carrying amounts of assets and liabilities disposed

	30 June 2017 \$
Assets	
Cash and cash equivalents	-
Trade and other receivables	-
	-
Liabilities	
Trade and other payables	-
	-

Cash flow information

	30 June 2017 \$
Net cash flows from operating activities	7,412
Net increase in cash and cash equivalents from discontinued operations	7,412

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 13: CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2018.

NOTE 14: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 9 August 2018, 30,000 unlisted Tranche A long-term incentive options were exercised at \$0.30 per share for a total of \$9,000 and 30,000 fully paid ordinary shares.

On 24 August 2018, shareholders approved the issue of 600,000 performance rights to Mr F.D. Hegner.

On 11 September 2018, 1,045,000 unlisted Tranche A-1 management options were exercised at \$0.20 per share for a total application of \$209,000 and 1,045,000 fully paid ordinary shares, and 570,000 unlisted Tranche B management options were exercised at \$0.30 per share for a total of \$171,000 and 570,000 fully paid ordinary shares.

On 28 September 2018 the Company announced that it has received firm commitments to raise \$3 million through a private placement to issue 15 million shares at a price of \$0.20 per share. The Company intends to issue shares to investors by 5 October 2018.

Other than disclosed above, the directors are not aware of any matters or circumstances not otherwise dealt with in this report or consolidated financial statements that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

NOTE 15: DIVIDENDS

The directors have not declared any dividend for the year ended 30 June 2018.

NOTE 16: SHARE-BASED PAYMENTS

a) Recognised share-based payment expense

From time to time, the Company provides Incentive Options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required. During the past two years, the following equity-settled share-based payments have been recognised:

	30 June 2018 \$	30 June 2017 \$
Expense arising from option-settled share-based payment transactions	2,747,800	530,536
Expense arising from share-settled share-based payment transactions	-	30,289
Net share based payment expense recognised in the profit or loss	2,747,800	560,825

b) Summary of options granted as share-based payments

The following table illustrates the number and weighted average exercise prices (WAEP) of Incentive Options granted as share-based payments at the beginning and end of the financial year:

	30 June 2018		30 June 2017	
	Number	WAEP	Number	WAEP
Outstanding at beginning of year	19,857,454	\$0.44	-	-
Granted by the Company during the year	4,650,000	\$2.37	19,857,454	\$0.44
Forfeited during the year	(3,800,000)	(\$0.44)	-	-
Outstanding at end of year	20,707,454	\$0.83	19,857,454	\$0.44

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 17: RELATED PARTY TRANSACTIONS

a) Key management personnel

	30 June 2018 \$	30 June 2017 \$
Short-term employee benefits	698,643	355,613
Post-employment benefits	222,076	2,059
Share-based payments - shares	-	30,289
Share-based payments - options	1,980,477	439,072
	2,901,196	827,033

b) Related party balances

As at 30 June 2018, the following balances were owed from/to key management personnel and or companies associated with the shareholders and Directors:

Related party receivables

	30 June 2018 \$	30 June 2017 \$
Belgrave Capital Management Limited (Related to Nicolaus Heinen)	-	11,143
	-	11,143

Related party payables

	30 June 2018 \$	30 June 2017 \$
Quaalup investments Pty Ltd – Loan (Related to Christopher Wanless)	-	8,113
Christopher Wanless – Loan	-	2,500
Belgrave Capital Management Limited (Related to Nicolaus Heinen)	-	3,333
Thomas Ernest Eadie	-	2,500
Donald Smith	-	13,340
	-	29,786

c) Other transactions with related parties

There were no other transactions with related parties during the year ended 30 June 2018 (2017: nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 17: RELATED PARTY TRANSACTIONS (continued)

d) Subsidiaries

The consolidated financial statements include the financial statements of Alderan Resources Limited and the following subsidiaries:

Subsidiary	Country of incorporation	Equity interest (%)	
		30 June 2018	30 June 2017
Volantis Resources Corp, Inc.	USA	100%	100%
Valyrian Resources Corp.	USA	100%	-
Star Range Resources Limited	AUS	100%	-

Valyrian Resources Corp. and Star Range Resources Limited were incorporated during the year. Alderan Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

NOTE 18: FINANCIAL INSTRUMENTS

a) Overview

The Company's principal financial instruments comprise receivables, payables, cash and cash equivalents. The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Company manages its exposure to key financial risks in accordance with the Company's risk management policy. Key financial risks are identified and reviewed annually and policies are revised as required. The overall objective of the Company's risk management policy is to recognise and manage risks that affect the Company and to provide a stable financial platform to enable the Company to operate efficiently.

The Company does not enter into derivative transactions to mitigate the financial risks. In addition, the Company's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Company's operations change, the Directors will review this policy periodically going forward.

The Directors have overall responsibility for the establishment and oversight of the risk management framework. The Directors review and approve policies for managing the Company's financial risks as summarised below.

Categories of financial instruments

	30 June 2018	30 June 2017
	\$	\$
<u>Financial assets</u>		
Cash on hand and in bank	1,665,364	7,681,175
Trade and other receivables	193,522	243,649
	1,858,886	7,924,824
<u>Financial liabilities</u>		
Trade and other payables	942,951	238,666
Loans payable	37,862	2,500
	980,813	241,166

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 18: FINANCIAL INSTRUMENTS (continued)

b) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior years. The capital structure of the Company consists of debt, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings (accumulated losses). Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	30 June 2018	30 June 2017
	\$	\$
Cash on hand and in bank	1,665,364	7,681,175
Trade and other receivables	193,522	243,649
Total	1,858,886	7,924,824

Trade and other receivables are comprised primarily of sundry receivables and GST refunds due. Where possible the Company trades only with recognised, creditworthy third parties

With respect to credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

d) Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the bank deposits with floating interest rate.

These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 18: FINANCIAL INSTRUMENTS (continued)

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	30 June 2018 \$	30 June 2017 \$
<i>Interest-bearing financial instruments</i>		
Bank balances	850,516	2,500,000
Total	850,516	2,500,000

The Company currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

A sensitivity of 0.1% (10 basis points) has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 1% (100 basis points) movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2018.

30 June 2018 Profit or loss		30 June 2017 Profit or loss	
100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
8,505	(8,505)	25,000	(25,000)

e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

30 June 2018	≤6 Months \$	6-12 Months \$	1-5 Years \$	≥5 Years \$	Total \$
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Financial Liabilities

Trade and other payables	470,311	472,640	-	-	942,951
Loans payable	37,862	-	-	-	37,862
Total	508,173	472,640	-	-	980,813

30 June 2017	≤6 Months \$	6-12 Months \$	1-5 Years \$	≥5 Years \$	Total \$
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Financial Liabilities

Trade and other payables	238,666	-	-	-	238,666
Loans payable	2,500	-	-	-	2,500
Total	241,166	-	-	-	241,166

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 18: FINANCIAL INSTRUMENTS (continued)

f) Foreign Exchange Risk

The Company has an exposure to foreign exchange rates given that the Company operates in the United States of America. A fluctuation in foreign exchange rates may affect the cost base of the costs and expenses of the company. The carrying amounts of the Company's foreign currency denominated monetary liabilities as at the reporting date expressed in Australian dollars are as follows:

	30 June 2018 \$	30 June 2017 \$
US dollar denominated balances	<u>504,950</u>	<u>9,168</u>

Foreign currency sensitivity analysis

The sensitivity analysis below details the Company's sensitivity to an increase/decrease in the Australian Dollar against the United States Dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items. A 100 basis point is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the possible change in foreign exchange rates.

At reporting date, if foreign exchange rates had been 100 basis points higher or lower and all other variables held constant, the Company's loss will increase/decrease by \$5,495 (2017: \$92); and net assets will increase/decrease by \$5,495 (2017: \$92).

The Company's sensitivity to foreign exchange rates has not changed significantly from prior year.

g) Fair values

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

NOTE 19: COMMITMENTS

	30 June 2018 \$	30 June 2017 \$
Exploration expenditure and annual lease/claim payments Committed at the reporting date but not recognised as liability:		
Within one year	465,888	385,828
One to five years	<u>1,120,832</u>	<u>1,518,438</u>
	<u>1,586,720</u>	<u>1,904,266</u>

Where the commitments are due in US Dollars, the Company has used the spot rate on 30 June 2018 as a conversion for the commitments into Australian Dollars.

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals and to meet the minimum expenditure requirements by the Mineral Resources Authority. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided for in the financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 20: PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

	Parent	
	30 June 2018	30 June 2017
	\$	\$
Statement of profit or loss and other comprehensive income		
Loss after income tax	(6,492,308)	(1,565,689)
Total comprehensive loss	(6,492,308)	(1,565,689)
Financial Position		
Total Assets	8,031,965	9,109,604
Total Liabilities	(86,991)	(241,166)
Net Assets	7,944,974	8,868,438
Issue Capital	12,372,806	9,551,762
Reserves	3,973,541	1,225,741
Accumulated Losses	(8,401,373)	(1,909,065)
Total Equity	7,944,974	8,868,438

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018 and 30 June 2017.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

Capital commitments

The commitments disclosed in Note 19 relate solely to the parent entity.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- a. Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity

NOTE 21: AUDITOR'S REMUNERATION

The auditor of the Group is RSM Australia Partners.

	30 June 2018	30 June 2017
	\$	\$
Audit or review of the financial statements	28,000	18,000
Investigating accountant's report	-	8,000
	28,000	26,000

DIRECTORS' DECLARATION

In the opinion of the Directors:

1. The consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Group's financial position as at 30 June 2018 and its performance for the year then ended; and
 - b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001.

This declaration is signed in accordance with a resolution of the Board of Directors.



Mr. Christopher Robert Wanless
Director

Dated this 28th day of September 2018

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ALDERAN RESOURCES LIMITED**

Opinion

We have audited the financial report of Alderan Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Carrying Value of Capitalised Exploration and Evaluation Expenditure Refer to Note 9 in the financial report	
<p>The Group has capitalised a significant amount of exploration and evaluation expenditure, with a carrying value of \$6,564,208 as at 30 June 2018.</p> <p>We determined this to be a key audit matter due to the significant management judgments involved in assessing the carrying value in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, including:</p> <ul style="list-style-type: none"> • Determination of whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining evidence that the Group has valid rights to explore in the specific area of interest; • Reviewing and enquiring with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; • Agreeing a sample of additions to capitalised exploration and evaluation expenditure to supporting documentation and ensuring that the amounts were capital in nature and relate to the area of interest; • Enquiring with management and reviewing budgets and plans to test that the Group will incur substantive expenditure on further exploration for and evaluation of mineral resources in the specific area of interest; and • Critically assessing and evaluating management's assessment that no indicators of impairment existed.
Going Concern Refer to Note 1 in the financial report	
<p>For the year ended 30 June 2018, the Group incurred a net loss of \$6,706,218 and had net cash outflows from operating activities of \$8,275,735 and net cash outflows from investing activities \$575,360.</p> <p>The directors' have prepared the financial report on the going concern basis.</p> <p>The directors' assessment of the Group's ability to continue as a going concern is based on a cash flow budget. This cash flow budget includes future capital raisings.</p> <p>We determined this assessment of going concern to be a key audit matter due to the significant judgements involved in preparing a cash flow budget.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the appropriateness and mathematical accuracy of the cash flow budget prepared by management; • Challenging the reasonableness of key assumptions used, including the likelihood of future capital raisings; • Critically assessing the directors' reasons of why they believe it is appropriate to prepare the financial report on a going concern basis; and • Assessing the adequacy of the going concern disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporation Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report*Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2018.

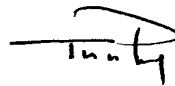
In our opinion, the Remuneration Report of Alderan Resources Limited, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 28 September 2018

CORPORATE GOVERNANCE

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.

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	<p>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.</p> <p>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.</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	Yes	<p>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.</p> <p>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.</p>
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.

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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.
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	<p>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.</p> <p>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.</p> <p>The Company currently has no female board members or senior executives.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors;</p> <p>(b) and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>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).</p> <p>The Company has undertaken an annual review which is still ongoing and will be reported in the Company's next Annual Report.</p>
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.	Yes	The Board is responsible for periodically evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives. Performance evaluations were undertaken during the reporting period in accordance with the process.
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.	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

	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.		<p>Charter, which includes specific responsibilities to be carried out by those committees when they are established.</p> <p>The Company's Nomination Committee Charter and Remuneration Committee Charter are available on the Company's website.</p>
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.
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service for each director</p>	Yes	<p>Details of the Directors and their independence status as follows:-</p> <p>Nicolaus Heinen, Non-executive Chairman - Not independent</p> <p>Christopher Wanless, Executive Director and CEO - Not independent</p> <p>F.D.</p> <p>Hegner, Executive Director - Not independent</p> <p>Ernest Thomas Eadie, Non-executive Director – Independent</p> <p>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).</p> <p>The length of service for each director is disclosed in this Annual Report.</p>
2.4	A majority of the board of a listed entity should be independent directors	No	<p>As disclosed in the response to Recommendation 2.3 above, only one of the Directors is considered independent.</p> <p>However, the Company is confident that current composition of the Board is optimal for its current level 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.</p>

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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 as he is an agent of a substantial shareholder of the Company. However, the Company believes that Mr Heinen is suited to carrying out the functions of the Chair as Mr Heinen's specific expertise 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.
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	<p>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.</p> <p>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 of the audit engagement partner.</p>	Yes	<p>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.</p> <p>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.</p> <p>The Company's Audit and Risk Committee Charter is available on the Company's website.</p>

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.
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	<p>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.</p> <p>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.</p>	Yes	<p>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.</p> <p>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.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>The identification and management of risk has been continually at the forefront of the Company's recent activities.</p> <p>In accordance with the Audit and Risk Committee Charter, the Board will review the Company's risk management framework on an annual basis. Such a review has not taken place since the Company adopted its risk framework and listed on the ASX. The Company intends to conduct this review prior to its next annual reporting date.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>	Yes	<p>Given the present size of the company, the Board has decided that a formal internal audit function is not required for the time being.</p> <p>The risk management functions employed by the Board are summarised above.</p>
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental	Yes	The Company provides its material risks below, 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.

	<p>and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Liquidity risk</p> <p>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.</p> <p>Limited exploration on the Frisco Project</p> <p>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.</p> <p>Exploration and evaluation risks</p> <p>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.</p> <p>Title risks</p> <p>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.</p> <p>Future capital requirements</p> <p>The Company's activities are likely to require substantial expenditure, in addition 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.</p> <p>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.</p> <p>Reliance on key personnel</p> <p>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</p>
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Alderan Resources Limited

			<p>continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p> <p>Fluctuations in Commodity prices</p> <p>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.</p> <p>Exchange rate risks</p> <p>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.</p> <p>Other industry specific risks</p> <p>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:</p> <ul style="list-style-type: none"> (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.
8.	REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	<p>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.</p> <p>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</p>	Yes	<p>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.</p> <p>The Board will establish a Remuneration Committee when the size and complexity of the Company's operations and management warrant it.</p> <p>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.</p>

Alderan Resources Limited

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	<p>Each director has entered a separate employment or consultancy agreement with the Company.</p> <p>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) 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.</p>
8.3	<p>A listed entity which has an equity- based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	N/A	<p>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.</p> <p>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.</p>

SCHEDULE OF MINING CLAIMS HELD AT REPORTING DATE

Patented Mining Claims The Horn Patented Claims

ClaimName	Survey Number	Sec	TwN	Rng
022**	5946	15	T27S	R13W
Absolom	5921	23	T27S	R13W
Accrington No. 1	5986	22	T27S	R13W
Accrington No. 2	5986	22	T27S	R13W
Accrington No. 3	5986	22	T27S	R13W
Accrington No. 4	5986	22	T27S	R13W
Accrington No. 5	5986	22	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	3399	23	T27S	R13W
Dolly	61	23	T27S	R13W
Dolly	5921	23	T27S	R13W
Drum	5986	22	T27S	R13W
Drum	5986	22	127S	R13W
Drum	5986	22	T27S	R13W
Dumbarton	73	14, 23	127S	R13W
Emporia	5921	26	T27S	R13W
Emporia No. 7	5986	22	127S	R13W
Emporia No. 8	5986	22	T27S	R13W
Emporia No. 9	5986	23	127S	R13W

Patented Mining Claims (Continued)

ClaimName	Survey Number	Sec	TwN	Rng
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

Alderan Resources Limited

Humbug	5922	22	T27S	R13W
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Patented Mining Claims (Continued)

ClaimName	Survey Number	Sec	Twn	Rng
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
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

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Transcendent*	5946	16	T27S	R13W
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Patented Mining Claims (Continued)

ClaimName	Survey Number	Sec	Twn	Rng
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
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 are owned 50% by Horn Silver Mines, 50% by Shoshone Resources. Volantis holds an option to purchase a 100% interest in these claims under two separate option agreements.

** These claims are subject to a March 1, 2010 lease from Horn Silver Mines Inc. to Great American Resources, LLC in which have the carbonates are leased to Great American Resources. Volantis holds an option to purchase all non-carbonate minerals on the same claims, subject to the terms of the GAR lease.

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 San Francisco Mining District 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.

A 50.5% undivided interest in the following described patented lode mining claims located in the San Francisco Mining District, Beaver County, Utah:

ClaimName	Survey Number	Sec	Twn	Rng
Granite	72	15	T27S	R13W
Hedges Fraction	4751	15	T27S	R13W
Massachusetts	65	15	T27S	R13W

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Oil City	4749	15	T27S	R13W
Quartzite No. 2	71	14,15	T27S	R13W
Quartzite	66	14	T27S	R13W
Vorheas	4750	15	T27S	R13W

The Cactus Patented Claims

ClaimName	Survey Number	Sec	TwN	Rng
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 Milisite	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	127S	R13W
Copper Spring Mine	4709	11,14	T27S	R13W
Copperopolis No. 3	4709	10	T27S	R13W

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Copperopolis No. 4	4709	10	T27S	R13W
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Patented Mining Claims (Continued)

ClaimName	Survey Number	Sec	TwN	Rng
Copperopolis No. 5	4709	10	T27S	R13W
Copperopolis No. 6	4709	11	T27S	R13W
Copperopolis No. 7	4709	10	T27S	R13W
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

Patented Mining Claims (Continued)

ClaimName	Survey Number	Sec	TwN	Rng
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
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	T278	R13W
Midvale Placer	4877	9	T27S	R9W
Moose	5303	3	T27S	R13W
Morrison No. 2	4876	8	T27S	R13W

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Nana	4754	3	T27S	R13W
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Patented Mining Claims (Continued)

ClaimName	Survey Number	Sec	TwN	Rng
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	127S	R13W
San Antonio	4492A	3	127S	R13W
Sapho	4709	11	T27S	R13W
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

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West Dip	4492A	3	T27S	R13W
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*These claims are owned 50% by Horn Silver Mines, 50% by Shoshone Resources. Volantis holds an option to purchase a 100% interest in these claims under two separate option agreements.

** These claims are subject to a March 1, 2010 lease from Horn Silver Mines Inc. to Great American Resources, LLC in which have the carbonates are leased to Great American Resources. Volantis holds an option to purchase all non-carbonate minerals on the same claims, subject to the terms of the GAR lease.

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 San Francisco 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.

MEMORANDUM OF MINING LEASE THE PROPERTY

ClaimName	Survey Number	Sec	Twn	Rng	District	Owner	Ownership %
Contact	Lot 37	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% / 25%
Cunningham	Lot 38	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% / 25%
Belcher	MS 5815	34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Eagle	MS 5815	28	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Fraction	MS 5833	34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Genuine Contact	MS 5815	34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Good Luck	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Good Luck No. 2	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Granite	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Granite Extension	MS 5815	32,33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Granite No. 2	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Granite No. 3	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Granite No. 4	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Indian	MS 5815	34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%

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Indian Chief	MS 5815	34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Indian Queen	MS 5815	33,34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%

Patented Mining Claims (Continued)

ClaimName	Survey Number	Sec	TwN	Rng	District	Owner	Ownership %
Jumbo	MS 5815	28,33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Jumbo Fraction	MS 5847	28,34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Jumbo No. 2	MS 5846	28,35	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Jumbo No. 3	MS 5846	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Jumbo No. 4	MS 5847	28,33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Jumbo No. 5	MS 5847	27,28	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Leland No. 1	MS 5815	27,34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Leland No. 2	MS 5815	34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Leland No. 3	MS 5815	27	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Leland No. 4	MS 5815	27	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Leland No. 5	MS 5815	27,34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Leland No. 7	MS 5815	33,34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Little Jenna	MS 3269	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Papoose	MS 5815	34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Papoose Extension	MS 5933	34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Pirate	MS 3270	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Ricko	MS 3269	33,34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Senga (AKA Senaca)	MS 5815	34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Sunnyside	MS 5815	34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Treasure	MS 3269	33,34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%

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Ute	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Venus	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%

Patented Mining Claims (Continued)

ClaimName	Survey Number	Sec	TwN	Rng	District	Owner	Ownership %
Venus No. 2	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Venus No. 3	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Venus No. 4	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Venus No. 5	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Willow	MS 5815	34	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%
Wino	MS 5815	33	26S	13W	Pruess- San Francisco	TANK LC / W HUGHES BROCKBANK	50% /50%

² All claims are located in Beaver County, Utah, with the township and ranges listed 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.

Alderan Resources Limited

Unpatented Mining Claims Volantis Resources Corp

Claim Name	Serial No.	Beaver Co Document No.
AW 1	437250	264029
AW 2	437251	264030
AW 3	437252	264031
AW 4	437253	264032
AW 5	437254	264033
AW 6	437255	264034
AW 7	437256	264035
AW 8	437257	264036
AW 9	437258	264037
AW 10	437259	264038
AW 11	437260	264039
AW 12	437261	264040
AW 13	437262	264041
AW 14	437263	264042
AW 15	437264	264043
AW 16	437265	264044
AW 17	437266	264045
AW 18	437267	264046
AW 19	437268	264047
AW 20	437269	264048
AW 21	437270	264049
AW 22	437271	264050
AW 23	437272	264051
AW 24	437273	264052
AW 25	437274	264053
AW 26	437275	264054
AW 27	437276	264055
AW 28	437277	264056
AW 29	437278	264057
AW 30	437279	264058
AW 31	437280	264059
CT 1	426677	258648
CT 2	426678	258649
CT 3	426679	258650
CT 4	426680	258651

Alderan Resources Limited***Unpatented Mining Claims (Continued)***

Claim Name	Serial No.	Beaver Co Document No.
CT 5	426681	258652
CT 6	426682	258653
CT 7	426683	258654
CT 8	426684	258655
CT 9	426685	258656
CT 10	426686	258657
CT 11	426687	258658
CT 12	426688	258659
CT 13	426689	258660
CT 14	426690	258661
CT 15	426691	258662
CT 16	426692	258663
CT 17	426693	258664
CT 18	426694	258665
CT 19	426695	258666
CT 20	426696	258667
CT 21	426697	258668
CT 22	426698	258669
CT 23	426699	258670
CT 24	426700	258671
CT 25	426701	258672
CT 26	426702	258673
CT 27	426703	258674
CT 28	426704	258675
CT 29	426705	258676
CT 30	426706	258677
CT 33	426709	258680
CT 34	426710	258681
CT 35	426711	258682
CT 36	426712	258683
CT 37	426713	258684
CT 38	426714	258685
CT 39	426715	258686
CT 40	426716	258687
CT 41	426717	258688
CT 42	426718	258689

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CT 43	426719	258690
CT 44	426720	258691
CT 45	426721	258692
CT 46	426722	258693
SF 82	426723	258694
CT 47	426967	258845

Unpatented Mining Claims (Continued)

Claim Name	Serial No.	Beaver Co Document No.
CT 48	426968	258846
CT 49	426969	258847
CT 50	426970	258848
CT 51	426971	258849
CT 52	426972	258850
CT 53	426973	258851
CT 54	426974	258852
CT 55	426975	258853
CT 56	426976	258854
CT 57	426977	258855
CT 58	426978	258856
CT 59	426979	258857
CT 60	426980	258858
CT 61	426981	258859
CT 62	426982	258860
CT 63	426983	258861
CT 64	426984	258862
CT 65	426985	258863
CT 66	426986	258864
CT 67	426987	258865
CT 68	426988	258866
CT 69	426989	258867
CT 70	426990	258868
CT 71	426991	258869
CT 72	426992	258870
CT 73	426993	258871
CT 74	426994	258872
CT 75	426995	258873

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CT 76	426996	258874
CT 77	426997	258875
CT 101	434804	261072
CT 102	434805	261073
CT 103	434806	261074
CT 104	434807	261075
CT 105	434808	261076
CT 106	434809	261077
CT 107	434810	261078
CT 108	434811	261079
CT 109	434812	261080

Unpatented Mining Claims (Continued)

Claim Name	Serial No.	Beaver Co Document No.
CT 110	434813	261081
CT 111	434814	261082
CT 112	434815	261083
CT 113	434816	261084
CT 114	434817	261085
CT 115	434818	261086
CT 116	434819	261087
CT 117	434820	261088
CT 118	434821	261089
CT 119	434822	261090
CT 120	434823	261091
CT 121	434824	261092
CT 122	434825	261093
CT 123	434826	261094
CT 124	434827	261095
CT 125	434828	261096
CT 126	434829	261097
CT 127	434830	261098
CT 128	434831	261099
CT 129	434832	261100
CT 130	434833	261101
CT 131	434834	261102
CT 132	434835	261103
NW 101	434836	261104

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NW 102	434837	261105
NW 103	434838	261106
NW 104	434839	261107
NW 105	434840	261108
NW 106	434841	261109
NW 107	434842	261110
NW 108	434843	261111
NW 109	434844	261112
NW 110	434845	261113
NW 111	434846	261114
NW 112	434847	261115
NW 113	434848	261116
NW 114	434849	261117
NW 115	434850	261118
NW 116	434851	261119

Unpatented Mining Claims (Continued)

NW 117	434852	261120
NW 118	434853	261121
NW 119	434854	261122
NW 120	434855	261123
NW 121	434856	261124
NW 122	434857	261125
NW 123	434858	261126
NW 124	434859	261127
NW 125	434860	261128
NW 126	434861	261129
NW 127	434862	261130
NW 128	434863	261131
NW 129	434864	261132
NW 130	434865	261133
NW 131	434866	261134
NW 132	434867	261135
NW 133	434868	261136
NW 134	434869	261137
NW 135	434870	261138
NW 136	434871	261139
NW 137	434872	261140
NW 138	434873	261141

Alderan Resources Limited

NW 139	434874	261142
NW 141	434875	261143
NW 142	434876	261144
LIR 31	434877	261145
NW 1	428552	259870
NW 2	428553	259871
NW 3	428554	259872
NW 4	428555	259873
NW 5	428556	259874
NW 6	428557	259875
NW 7	428558	259876
NW 8	428559	259877
NW 9	428560	259878
NW 10	428561	259879
NW 11	428562	259880
NW 12	428563	259881
NW 13	428564	259882

Unpatented Mining Claims (Continued)

Claim Name	Serial No.	Beaver Co Document No.
NW 14	428565	259883
NW 15	428566	259884
NW 16	428567	259885
CT 78	428568	259886
SF 82	428569	259887
SF 83	428570	259888
SF 84	428571	259889
SF 85	428572	259890
NW 17	435319	261331
NW 18	435320	261332
SF 1	426435	258176
SF 2	426436	258177
SF 3	426437	258178
SF 4	426438	258179
SF 5	426439	258180
SF 6	426440	258181
SF 7	426441	258182
SF 8	426442	258183

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SF 9	426443	258184
SF 10	426444	258185
SF 11	426445	258186
SF 12	426446	258187
SF 13	426447	258188
SF 14	426448	258189
SF 15	426449	258190
SF 16	426450	258191
SF 17	426451	258192
SF 18	426452	258193
SF 19	426453	258194
SF 20	426454	258195
SF 21	426455	258196
SF 22	426456	258197
SF 23	426457	258198
SF 24	426458	258199
SF 25	426459	258200
SF 26	426460	258201
SF 27	426461	258202
SF 28	426463	258269
SF 29	426464	258270

Unpatented Mining Claims (Continued)

Claim Name	Serial No.	Beaver Co Document No.
SF 30	426465	258271
SF 31	426466	258272
SF 32	426467	258273
SF 33	426468	258274
SF 34	426469	258275
SF 35	426470	258276
SF 36	426471	258277
SF 37	426472	258278
SF 38	426473	258279
SF 39	426474	258280
SF 40	426475	258281
SF 41	426476	258282
SF 42	426477	258283
SF 43	426478	258284

Alderan Resources Limited

SF 44	426479	258285
SF 45	426480	258286
SF 46	426481	258287
SF 47	426482	258288
SF 48	426483	258289
SF 49	426484	258290
SF 50	426485	258291
SF 51	426486	258292
SF 52	426487	258293
SF 53	426488	258294
SF 54	426489	258295
SF 55	426490	258296
SF 56	426491	258297
SF 57	426492	258298
SF 58	426493	258299
SF 59	426494	258300
SF 60	426495	258301
SF 61	426496	258302
SF 62	426497	258303
SF 63	426498	258304
SF 64	426499	258305
SF 65	426500	258306
SF 66	426501	258307
SF 67	426502	258308
SF 69	426503	258309

Unpatented Mining Claims (Continued)

Claim Name	Serial No.	Beaver Co Document No.
SF 70	426504	258310
SF 71	426505	258311
SF 72	426506	258312
SF 73	426507	258313
SF 74	426508	258314
SF 75	426509	258315
SF 76	426510	258316
SF 77	426511	258317
SF 78	426512	258318
SF 79	426513	258319

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SF 80	426514	258320
SF 81	426515	258321
WC 1	437525	264251
WC 2	437526	264252
WC 3	437527	264253
WC 4	437528	264254
WC 5	437529	264255
WC 6	437530	264256
WC 7	437531	264257
WC 8	437532	264258
WC 9	437533	264259
WC 10	437534	264260
WC 11	437535	264261
WC 12	437536	264262
WC 13	437537	264263
WC 14	437538	264264
WC 15	437539	264265
WC 16	437540	264266
WC 17	437541	264267
WC 18	437542	264268
WC 19	437543	264269
WC 20	437544	264270
WC 21	437545	264271
WC 22	437546	264272
WC 23	437547	264273
WC 24	437548	264274
WC 25	437549	264275
WC 26	437550	264276
WC 27	437551	264277

Unpatented Mining Claims (Continued)

Claim Name	Serial No.	Beaver Co Document No.
WC 28	437552	264278
WC 29	437553	264279
WC 30	437554	264280
WC 31	437555	264281
WC 32	437556	264282
WC 33	437557	264283

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WC 34	437558	264284
WC 35	437559	264285
WC 36	437560	264286
WC 37	437561	264287
WC 38	437562	264288
WC 39	437563	264289
WC 40	437564	264290
WC 41	437565	264291
WC 42	437566	264292
WC 43	437567	264293
WC 44	437568	264294
WC 45	437569	264295
WC 46	437570	264296
WC 47	437571	264297
WC 48	437572	264298
WC 49	437573	264299
WC 50	437574	264300
WC 51	437575	264301
WC 52	437576	264302
WC 53	437577	264303
WC 54	437578	264304
WC 55	437579	264305
WC 56	437580	264306
WC 57	437581	264307
WC 58	437582	264308

Alderan Resources Limited

Unpatented Mining Claims Valyrian Resources Corp

Star Range Group

Claim Name	Serial No.	Beaver Co. Document No.
SR 109	436723	263169
SR 110	436724	263170
SR 111	436725	263171
SR 112	436726	263172
SR 113	436727	263173
SR 114	436728	263174
SR 115	436729	263175
SR 116	436730	263176
SR 117	436731	263177
SR 118	436732	263178
SR 119	436733	263179
SR 120	436734	263180
SR 121	436735	263181
SR 122	436736	263182
SR 123	436737	263183
SR 124	436738	263184
SR 125	436739	263185
SR 126	436740	263186
SR 127	436741	263187
SR 128	436742	263188
SR 156	436770	263216
SR 158	436772	263218
SR 160	436774	263220
SR 162	436776	263222
SR 181	436795	263241
SR 182	436796	263242
SR 183	436797	263243
SR 184	436798	263244
SR 185	436799	263245
SR 186	436800	263246
SR 187	436801	263247
SR 188	436802	263248
SR 189	436803	263249
SR 190	436804	263250
SR 191	436805	263251
SR 192	436806	263252
SR 193	436807	263253
SR 194	436808	263254
SR 195	436809	263255
SR 196	436810	263256
SR 197	436811	263257

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SR 198	436812	263258
SR 199	436813	263259
SR 200	436814	263260
SR 221	436835	263281
SR 223	436837	263283
SR 224	436838	263284
SR 225	436839	263285
SR 231	436845	263291
SR 232	436846	263292
SR 233	436847	263293
SR 234	436848	263294
SR 235	436849	263295
SR 236	436850	263296
SR 237	436851	263297
SR 238	436852	263298
SR 239	436853	263299
SR 240	436854	263300
SR 245	436859	263305
SR 246	436860	263306
SR 247	436861	263307
SR 248	436862	263308
SR 249	436863	263309
SR 250	436864	263310
SR 251	436865	263311
SR 252	436866	263312
SR 253	436867	263313
SR 254	436868	263314
SR 257	436871	263317
SR 259	436873	263319
SR 261	436875	263321
SR 262	436876	263322
SR 263	436877	263323
SR 264	436878	263324
SR 265	436879	263325

Alderan Resources Limited

Elephant Canyon Group

Claim Name	Serial No.	Beaver Co. Document No.
ECR20	438373	264591
ECR39	438392	264610
ECR41	438394	264612
ECR53	438406	264624
ECR54	438407	264625
ECR55	438408	264626
ECR58	438411	264629
ECR60	438413	264631
ECR65	438418	264636
ECR66	438419	264637
ECR67	438420	264638
ECR68	438421	264639
ECR97	438450	264668
ECR225	438578	264796
ECR227	438580	264798
ECR229	438582	264800
ECR231	438584	264802
ECR233	438586	264804
ECR235	438588	264806
ECR237	438590	264808
ECR251	438604	264822
ECR253	438606	264824
ECR265	438618	264836
ECR266	438619	264837
ECR267	438620	264838
ECR268	438621	264839
ECR269	438622	264840
ECR270	438623	264841
ECR271	438624	264842
ECR272	438625	264843
ECR273	438626	264844
ECR274	438627	264845
ECR275	438628	264846
ECR276	438629	264847
ECR277	438630	264848
ECR278	438631	264849
ECR282	438635	264853
ECR283	438636	264854

Alderan Resources Limited

Cave Mine Group

Claim Name	Serial No.	Beaver Co. Document No.
CM25	435719	262148
CM26	435720	262149
CM27	435721	262150
CM28	435722	262151
CM29	435723	262152
CM30	435724	262153
CM31	435725	262154
CM32	435726	262155
CM33	435727	262156
CM34	435728	262157
CM39	435733	262162
CM40	435734	262163
CM41	435735	262164
CM42	435736	262165
CM43	435737	262166
CM44	435738	262167
CM45	435739	262168
CM50	435744	262173
CM51	435745	262174
CM52	435746	262175
CM53	435747	262176
CM54	435748	262177
CM68	435762	262191
CM69	435763	262192
CM70	435764	262193
CM71	435765	262194
CM72	435766	262195
CM73	435767	262196
CM74	435768	262197
CM75	435769	262198
CM89	435783	262212
CM90	435784	262213
CM91	435785	262214
CM92	435786	262215
CM93	435787	262216
CM94	435788	262217
CM95	435789	262218
CM101	435795	262224
CM102	435796	262225
CM109	435803	262232
CM110	435804	262233
CM111	435805	262234
CM112	435806	262235
CM118	435812	262241

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CM119	435813	262242
CM126	435820	262249
CM127	435821	262250
CM128	435822	262251
CM129	435823	262252
CM130	435824	262253
CM131	435825	262254
CM132	435826	262255

Utah State Lease for Metalliferous Minerals (ML53495)

Lessee	Effective Date	Term	Rent	Premises	Acres
Valyrian Resources Corp.	1 November 2017	10	USD\$1 per acre	T28S, R11W, SLB&M Sec. 27: E2NE4 T28S, R12W, SLB&M Sec. 2: Lots 1(24.31), 2 (24.28), 3 (24.26), 4 (24.23), 5 (40.00), 6 (40.00), 7 (40.00), 8 (40.00), S2N2, S2 (ALL)	817.08

Patented Mining Claims **Valyrian Resources Corp.**

ClaimName	Survey Number	Sec	TwN	Rng	Interest*
Copper King	5242	5,6,8	28S	11W	50%
Copper King # 2	5242	5,6,8	28S	11W	50%
Copper Queen	5242	5,6,8	28S	11W	50%
Copper Queen # 2	5242	5,6,8	28S	11W	50%
Copper Queen # 3	5242	5,6,8	28S	11W	50%
Copper Mountain	5242	5,6,8	28S	11W	50%
Copper Mountain # 2	5242	5,6,8	28S	11W	50%
Copper Head # 1	5242	5,6,8	28S	11W	50%
Copper Head # 2	5242	5,6,8	28S	11W	50%
Bear	5242	5,6,8	28S	11W	50%
Bear # 2	5242	5,6,8	28S	11W	50%
Moccasin	5242	5,6,8	28S	11W	50%

* Valyrian Resources Corp holds an Option to Purchase a 50% interest in the Patented Claims from the Rosemary D. Bowman Trust

ADDITIONAL SECURITIES INFORMATION

SHAREHOLDER INFORMATION

The security holder information set out below was applicable as at 27 September 2018.

Quoted Securities – Fully Paid Ordinary Shares

There is one class of quoted securities, being fully paid ordinary shares.

a) Distribution of Security Number

Category (Size of holding)	Ordinary Shares	
	Shareholders	Shares
1 – 1,000	109	53,255
1,001 – 5,000	178	523,438
5,001 – 10,000	129	1,079,459
10,001 – 100,000	198	7,307,183
100,001 and over	66	105,645,573
Total	680	114,608,908

There are 680 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

b) Marketable parcel

There are 153 shareholders with less than a marketable parcel, being 116,540 shares, amounting to 0.10% of issued capital.

c) Voting rights

On a show of hands every person present who is a member or a proxy, attorney or representative of a member has one vote and upon a poll every person present who is a member or a proxy, attorney or representative of a member shall have one vote for each share held

d) Substantial Shareholders

There were 3 substantial shareholders listed on the Companies register as at 27 September 2018, holding 51,796,864 fully paid ordinary shares, being 45.19% of the fully paid ordinary shares on issue.

1	BELGRAVE CAPITAL MANAGEMENT LIMITED	30,769,082	26.85%
2	KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	13,142,833	11.47%
3	QUAALUP INVESTMENTS PTY LTD	7,884,949	6.88%

e) On market buy-back

There is no on-market buy-back scheme in operation for the company's quoted shares or quoted options.

ASX ADDITIONAL INFORMATION (continued)

g) Top 20 security holders

The names of the twenty largest holders of each class of quoted equity security, being fully paid ordinary shares, the number of equity security each holds and the percentage of capital each holds is as follows:

Number	Shareholder Name / Entity	Number of Ordinary Shares	% of Issued Capital
1	BELGRAVE CAPITAL MANAGEMENT LIMITED	30,769,082	26.85%
2	KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	13,142,833	11.47%
3	QUAALUP INVESTMENTS PTY LTD	7,884,949	6.88%
4	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	5,470,517	4.77%
5	PETER GEERDTS	5,150,000	4.49%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,746,295	4.14%
7	TR NOMINEES PTY LTD	4,200,616	3.67%
8	CITICORP NOMINEES PTY LIMITED	3,826,101	3.34%
9	CHRISTOPHER WANLESS	3,401,247	2.97%
10	GONDWANA INVESTMENT GROUP PTY LTD <KUMOVA FAMILY SUPER FUND A/C>	2,453,334	2.14%
11	THEA MANAGEMENT PTY LTD <THEA FAMILY A/C>	2,033,333	1.77%
12	MR ARNAB SEN	1,809,907	1.58%
13	HAWTHORN GROVE INVESTMENTS PTY LTD	1,733,333	1.51%
14	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	1,607,392	1.40%
15	J P MORGAN NOMINEES AUSTRALIA LIMITED	1,567,214	1.37%
16	BUPRESTID PTY LTD <HANLON FAMILY S/F A/C>	975,000	0.85%
17	MR CARLO CHIODO	912,974	0.80%
18	TRES ALTUS CO LTD	833,332	0.73%
19	ANTHONY MOREY	761,667	0.66%
20	MR HARRY HATCH	725,000	0.63%
Total		94,054,126	82.07%

ASX ADDITIONAL INFORMATION (continued)

2) Unquoted Securities – Company Options

The Company's options are unquoted.

2A) Company Options

a) Distribution of unquoted Options holder numbers

Category (Size of holding)	Optionholders	Ordinary Options Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	14	19,062,454
Total	14	19,062,454

There are 14 holders of Company Options.

b) Voting rights

Unlisted options do not entitle the holder to any voting rights.

c) Holders of more than 20% of unquoted options.

There was 1 substantial option holder as at 27 September 2018, holding 6,377,454 unquoted options, being 33.46% of the options on issue.

TR NOMINEES PTY LTD	6,377,454	33.46%
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3) Performance Shares

Category (Size of holding)	Holders	Performance Shares Number held
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	1	600,000
Total	1	600,000

Consistency with business objectives - ASX Listing Rule 4.10.19

The Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

The Company believes it has used its cash in a consistent manner to which was disclosed under the prospectus dated 5 April 2017.

Restricted Securities

Class	Number Escrowed	Date Escrow Period Ends
Fully Paid Ordinary Shares (FPOS) comprising:		
42,801,524 FPOS issued on various dates	42,801,524	09/06/2019
1,545,000 FPOS issued on various dates	1,545,000	09/06/2019
Total FPOS escrowed	44,346,542	