Alderan Resources Limited

ABN 55 165 079 201

Annual Consolidated Financial Report
30 June 2019

Contents

CORPORATE INFORMATION

ABN 55 165 079 201

Directors
Mr. Ernest Thomas Eadie
Mr. Frank David "Bruno" Hegner
Mr. Nicolaus Heinen
Mr. Peter Williams
Dr. Marat Abzalov

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
Ground Floor, 16 Ord Street
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
Automic Share Registry Pty Ltd
Level 3, 50 Holt Street
Surrey Hills NSW 2010
Telephone: 1300 288 664 (within Australia)
+61 (0) 2 9698 5414 (outside Australia)
+61 (0) 8583 3040

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 2019.

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 Director	Appointed on 1 March 2015
Mr. Christopher Robert Wanless	Executive Director	Appointed on 31 July 2013 Resigned 11 February 2019
Mr. Peter Williams	Non-executive Director	Appointed 13 May 2019 Appointed Managing Director 21 August 2019
Dr. Marat Abzalov	Non-executive Director	Appointed 13 May 2019
Mr. F. D. Hegner	Executive Director	Appointed on 1 November 2017
Mr. Ernest Thomas Eadie	Executive Chairman	Appointed on 23 January 2017
Mr. Brett William Tucker	Company Secretary Non-executive Director	Appointed Company Secretary on 19 October 2016 Appointed Non-executive Director on 11 February 2019 Resigned Non-executive Director on 13 May 2019

Current Directors and Officers

Mr. Ernest Thomas Eadie
Executive Chairman
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. Peter Williams
Non-Executive Director
Qualifications: B Sc (Hons first class), M Sc, AUSIMM, AICD
Mr Williams was formerly Chief Geophysicist and Manager of Geoscience Technology for WMC Resources. He was one of the founding members of Independence Group Limited and developed high powered 3 component 3D TEM applications that lead to the discovery of over 75,000t of nickel at the Victor Long Nickel Mine in Kambalda. Peter has extensive experience in West Africa where he was the vendor of Gryphon Minerals' Banfora Gold Project, was involved in the project generation of Papillion's Mali projects and was a founding director of Ampella Mining Ltd. Peter was a co-founder of the International Resource Sector Intelligence company, Intierra, and was a co-founder of the first dedicated hard rock mineral seismic company in the world, HiSeis.

Mr. Nicolaus Heinen
Non-Executive Director
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.

Current Directors and Officers (continued)

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 Monoglia'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 form 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. 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.

Dr. Marat Abzalov
Non-Executive Director
Qualifications: PhD Geology

Dr Abzalov is a geologist with 35 years of experience holding a PhD degree in Geology obtained for studying nickel deposits in Russia and Fennoscandia. In his diverse geological career with the projects encompassing five continents, different commodities and deposit types, he has fulfilled various roles in research, exploration and mining geology, including senior management positions at WMC Resources (Geology Manager – Projects) and Rio Tinto (Exploration Manager – New Opportunities, Eurasia). Dr Abzalov has managed and consulted on a wide range of exploration and mining project studies from green-field exploration to bankable feasibility and using his innovative approach of geostatistically assisted 3D structural modelling, has led WMC Resources to successful resource growth at Olympic Dam and Cliffs Nickel deposits. He was also instrumental in the discovery of uranium resources in Jordan.

His expertise and technical skills have been acknowledged in the industry. In 2015 he was awarded the Dani Krige's Gold Medal by the South African Institute of Mining and Metallurgy (SAIMM) and his monograph "Applied Mining Geology", published in 2016, has increasingly become the preferred technical guide for exploration and mining geology specialists.

Mr. Christopher Robert Wanless
Resigned as Director on 11 February 2019
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.

Mr. Brett William Tucker
Resigned as Director on 14 May 2019
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
Ernest Thomas Eadie	3,234,583	2,606,875	-
Peter Williams	2,343,750	6,171,875	-
Nicolaus Heinen[1]	1,182,501	900,000	-
F.D. Hegner	-	2,000,000	600,000
Marat Abzalov	1,562,500	5,781,250	-
Total	**8,323,334**	**17,460,000**	**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
19/07/2019	Tranche A	7,000,000	0.06	19/07/2022
19/07/2019	Tranche B	7,000,000	0.10	19/07/2022
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
07/08/2019	Tranche A	5,000,000	0.10	07/08/2021
07/08/2019	Tranche B	5,000,000	0.20	07/08/2021
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
Investor Options				
07/08/2022	Tranche A	25,000,000	0.10	07/08/2022

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
15/11/2017	Tranche A	75,000	2.50	15/11/2021
15/11/2017	Tranche B	75,000	3.00	15/11/2021
12/06/2018	Tranche A	125,000	1.00	12/06/2022
12/06/2018	Tranche B	100,000	1.50	12/06/2022
12/06/2018	Tranche C	100,000	2.00	12/06/2022
12/06/2018	Tranche D	100,000	2.50	12/06/2022
19/07/2019	Tranche A	750,000	0.10	19/07/2022
07/08/2019	Tranche A	750,000	0.10	19/07/2022
Total		**66,287,454**		

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.

The following employee & consultant options lapsed during the year:-

- 500,000 options exercisable at $2.50, expiring on 30/11/2021
- 500,000 options exercisable at $3.00, expiring on 30/11/2021
- 500,000 options exercisable at $3.50, expiring on 30/11/2021 & vesting on 1/11/2019
- 500,000 options exercisable at $4.00, expiring on 30/11/2021 & vesting on 1/11/2020
- 25,000 options exercisable at $2.50, expiring on 02/11/2021
- 25,000 options exercisable at $3.00, expiring on 02/11/2021
- 25,000 options exercisable at $3.50, expiring on 02/11/2021 & vesting on 16/10/2019
- 25,000 options exercisable at $4.00, expiring on 02/11/2021 & vesting on 16/10/2020
- 75,000 options exercisable at $3.50, expiring on 15/11/2021 & vesting on 01/09/2019
- 75,000 options exercisable at $4.00, expiring on 15/11/2021 & vesting on 01/09/2020
- 275,000 options exercisable at $1.00, expiring on 12/06/2022 & vesting on 12/06/2019 and 12/06/2020
- 250,000 options exercisable at $1.50, expiring on 12/06/2022 & vesting on 12/06/2019 and 12/06/2020
- 250,000 options exercisable at $2.00, expiring on 12/06/2022 & vesting on 12/06/2019 and 12/06/2020
- 250,000 options exercisable at $2.50, expiring on 12/06/2022 & vesting on 12/06/2019 and 12/06/2020

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
180,214,897	66,287,454	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 prospective Frisco project located in Beaver County, Utah, for copper, gold, zinc, silver 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. 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
Accrington
The Group commenced drilling at Accrington in June 2018, focussing on copper-zinc-silver bearing garnet-magnetite skarns and an interpreted possible buried porphyry target, identified by Induced Polarisation surveying. In November 2018. Due to the onset of winter the Group then moved drilling to lower elevations because of the risk of access difficulties on elevated roads, and drilled two holes at the Peacock and Washington prospects.

Road cuts on the access road to the top of the quartzite ridge at Accrington uncovered mineralised skarn. Channel sampling of the side of the road gave the following results:

- **28m @ 0.33% Cu, 15 gpt Ag, 0.19 gpt Au**
- **10m @ 0.39% Cu, 12 gpt Ag**
- **16m @ 0.44% Cu, 16 gpt Ag, 0.12 gpt Au**
- **12m @ 0.33% Cu, 15 gpt Ag**

Hole **FR18-004** was completed in August 2018, which targeted a deeply buried, interpreted large (diameter 2.5 kms), coincident chargeability (IP) and resistivity high, suggesting a buried porphyry system. Although the hole intersected weak mineralisation and alteration, the source of the deep chargeability anomaly is not known from the one hole test. However, shallower mineralisation occurring in the Upper Garnet Skarn was intersected (102m @ 0.58%Cu, 0.6% Zn from 194m down hole depth) and confirms that the mineralised system continues to the east of the Imperial Mine where historical drilling was undertaken by Bear Creek Mining Company in 1967. Refer to ASX announcement dated 24 September 2018 for complete assay results and JORC reporting.

In October 2018 Alderan reported results for drill holes FR18-005 and FR18-006, which confirmed the continuation of thick garnet-skarn hosted copper-zinc-silver mineralisation.

FR18-005 was drilled to target the eastern limb of an interpreted syncline and to target the upper and lower garnet skarn. Significant intercepts included:

- **40m @ 0.40% Cu, 0.60% Zn, 7 g/t Ag from 104m; and**
- **14m @ 0.25% Cu, 0.27% Zn, 6 g/t Ag from 180m**

Drill hole **FR18-006** was drilled from the same drill pad as FR18-004 and FR18-005 targeting the keel of the interpreted syncline and angled away from the Cactus Stock. Results were received for the first 206.5m and included:-

- **26m @ 0.38% Cu, 3.06% Zn, 16 g/t Ag from 48m**
  including **10m @ 0.52% Cu, 6.6% Zn, 32 g/t Ag, 0.11 g/t Au from 52m; and**
- **90.6m @ 0.41% Cu, 0.29% Zn, 7 g/t Ag from 116m to 206.6m**
  including **6m @ 1.8% Cu, 0.17% Zn, 29 g/t Ag, 0.18 g/t Au.**

Refer to ASX announcement dated 22 October 2018 for full results and JORC reporting.

Further drilling focused to the south of the Cactus Stock directly targeting the lower garnet skarn which outcrops at surface at Accrington East where it hosts magnetite skarn with mineralisation.

In October 2018, Alderan announced that interpretation of geological, geochemical and geophysical data identified new base and precious metal targets in the southern parts of Accrington at the **Washington, Peacock and Apex targets**. These targets are located along a structural corridor historically named the "Reciprocity Shear Zone" at the southern edge of the 4km by 2km Accrington skarn.

DIRECTORS' REPORT (continued)

In November 2018 the Company reported results for drill hole **FR18-007** which was drilled approximately 100m to the south-east from FR18-006, targeting the mineralisation within the upper garnet skarn. The drill hole intersected well mineralised magnetite and garnet skarn from 46m to 100m and variably mineralised skarn thereafter with the Cactus stock being intersected at 209m. Results include:-

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

Further assays were also received for FR18-006 extending the zone of mineralisation beyond 206.5m to 216m.

Refer to ASX announcement dated 14 November 2018 for full results and JORC reporting.

Drill hole **FR18-008** tested for extensions of copper-zinc-silver mineralisation to the south-east returning **60m @ 0.22% Cu, 0.47% Zn, 0.21 g/t Au, 5.4 g/t Ag from 20m**.

FR18-009, was drilled to the south-west of FR18-004/5 intersecting a fault, indicating that mineralised beds may be faulted off in this location. Copper-zinc-silver mineralisation has been mapped at surface to the south of FR18-008 and FR18-009 indicating a continuation of mineralisation.

Full results and JORC disclosures for FR18-008 and FR18-009 were announced to the ASX on 30 January 2019.

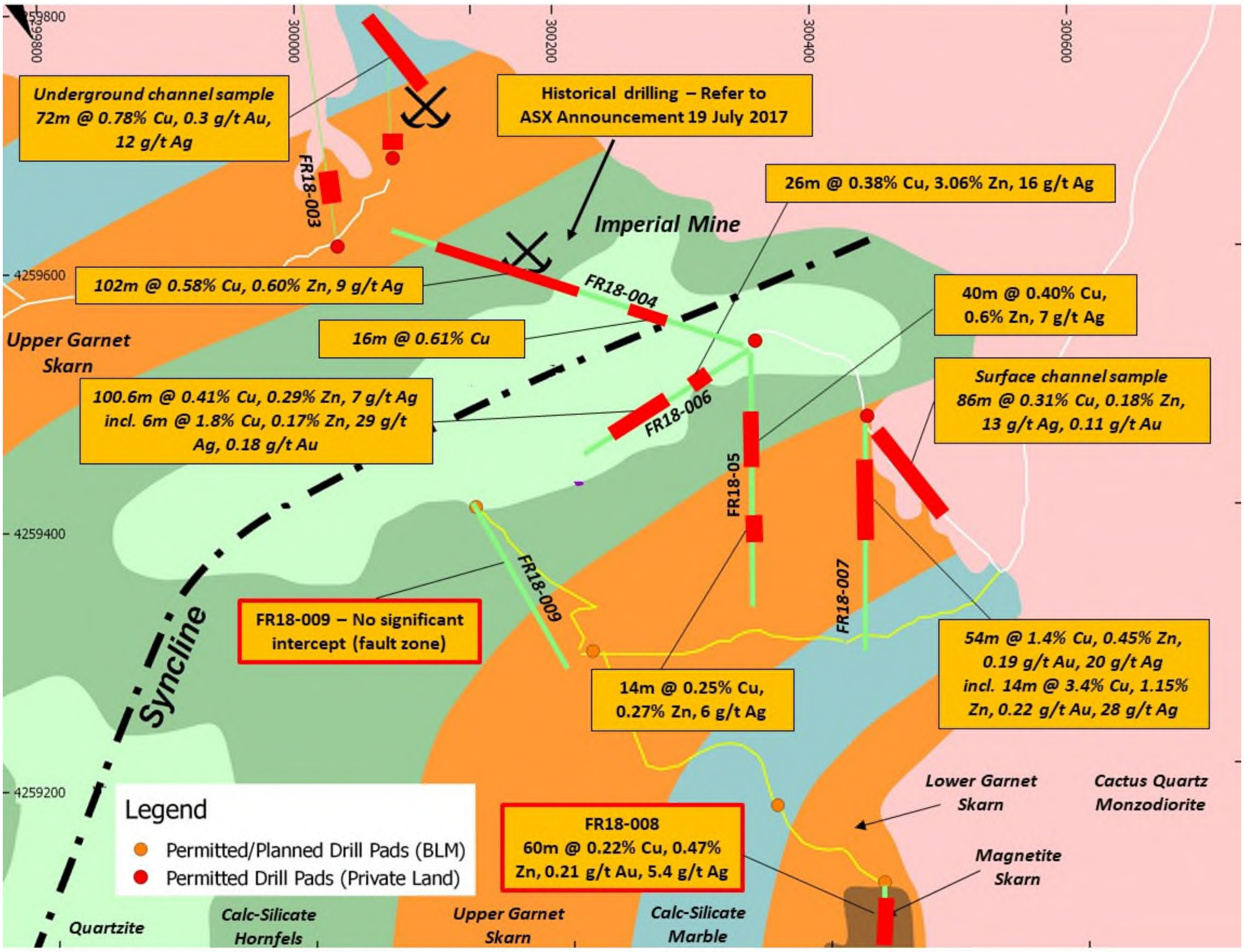

Figure 1: Results at Accrington confirm thick copper-zinc-silver bearing skarn across more than 800m strike.

From results to date it appears that copper mineralisation at Accrington is strongly related to late stage retrograde alteration and exhibits strong structural controls. Mineralisation is therefore unlikely to be restricted to specific stratigraphic units. Copper mineralisation, associated with magnetite, also occurs approximately 2km to the west at the Cupric Mine, demonstrating that copper may be more widespread.

DIRECTORS' REPORT (continued)

Washington & Peacock Prospects

At the **Washington Prospect**, a total of two holes were drilled following completion of drilling at Accrington. The first hole, **FR18-010** was drilled to target stratigraphically and structurally controlled lead-zinc-silver mineralisation, as intersected in historical drilling, along with a zone of increased chargeability (>15 mV/V) at depth, possibly representing a zone of higher sulphide content associated with a several kilometre long structure historically named the Reciprocity Corridor.

Drilling intersected a broad zone of lead-zinc-silver mineralisation within calc-silicate skarn before intersecting a porphyritic intrusive, fault zone and quartzite with moderate to strong iron oxides along fractures. Results from FR18-010 returned 30m @ 0.89% Pb, 0.25% Zn, 19.5 g/t Ag, 0.12 g/t Au from 6m; including 14m @ 1.54% Pb, 0.32% Zn, 36.5 g/t Ag, 0.19 g/t Au.

FR18-011 was drilled to target a structure hosting mineralisation at the historical **Washington Mine** and to test for higher temperature mineralised garnet skarn at depth. FR18-011 intersected variably mineralised calc-silicate skarn to 196m and brown-garnet skarn to 250m. Numerous faults and breccia zones were intersected between 131m and 207m hosting pyrite and sphalerite. Assay results returned several broad intercepts of weak zinc mineralisation including some elevated molybdenum including **50m @ 0.2% Zn** from 78m and **16m @ 305 ppm Mo** from 160m.

Following cessation of drilling, the Group continues to undertake a detailed review of the results of the 2018 drilling programme at Frisco and conducted additional mapping by an independent consultant. Targets of high interest arising from this include (see Announcement 12 March 2019)

- New Years Breccia pipe
- South West Zone (gold-tourmaline breccias)
- The Copperopolis Prospect (gold tourmaline breecia system, historic mineralisation overs hundreds of meters, coincident IP anomaly and magnetic low)
- Accrington Skarn area
- Proximal Horn Lead-Silver Mine (Manto style mineralisation)
- Copper King Prospect and extensions.

The company conducted and continues to conduct a review of opportunities in the surrounding areas. The review has led to the 100% staking of the White Mountain Epithermal Gold Project, located 10km SW of Frisco.

The company is reviewing the gold paragenesis and zoning in the mineralising systems peripheral to Frisco.

White Mountain Epithermal Gold Project

The White Mountain Gold prospect is a 5 kilometre long, outcropping epithermal system showing many attributes of a large, fully preserved epithermal gold/ silver system. Sinter terraces, large zones of chalcedony/quartz and argillite/alunite alteration occur over approximately 5km by 2km at surface indicate an upper level setting of the system with the potential of a larger hydrothermal system preserved at depth. Alunite has been historically mined in larger quantities in the area and historical minor workings for gold exist.

The epithermal systems shows evidence of a high level setting of a large, epithermal system, which is a style of deposit seen in the nearby blind Midas discovery in Nevada[1].

[1] https://www.hecla-mining.com/midas/

DIRECTORS' REPORT (continued)

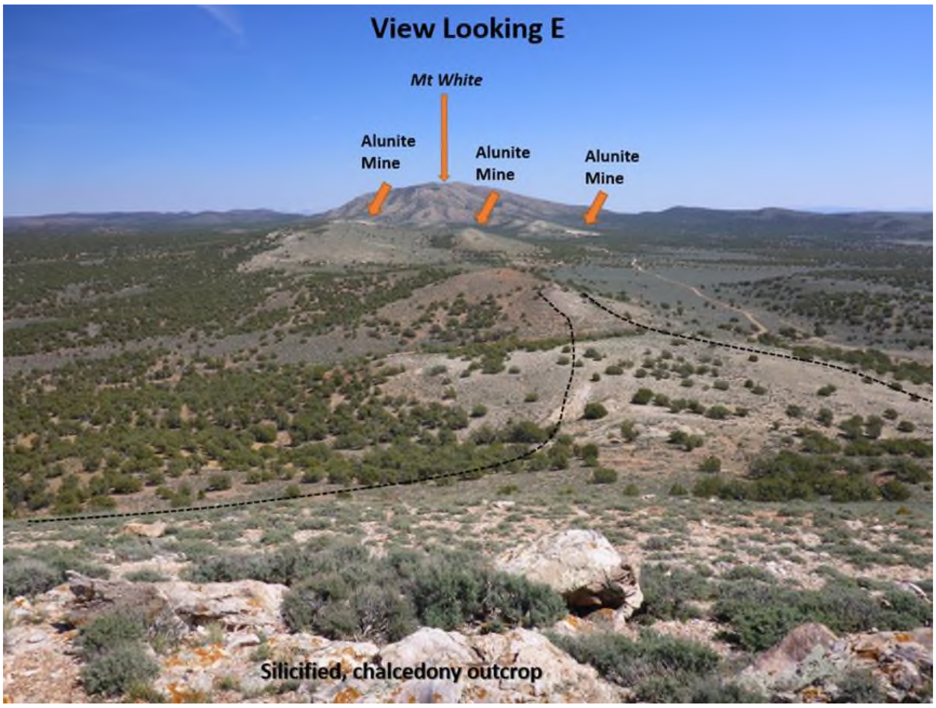

Figure 2: View looking East from the chalcedony outcrop showing large scale epithermal alteration and silicification on surface for about 2.5km and historic WWII Alunite mines in the background

Future Exploration

The Company is continuing to assess the results from the previous 100 years of mining and exploration at Frisco and in the surrounding areas, to gain a better understanding of the mineralising systems, and the mineral potential. The company is conducting detailed mapping, geochemical sampling and a ground geophysical program, within the targeted areas at Frisco and at the Copper King areas, with the objective to define and refine commercially significant drill targets. A drill program, incorporating the recommendations of this review and detailed mapping is currently being planned.

The Company continues to review its options to fund future exploration at its Frisco, Star Range and White Mountain projects.

The company continues to review high value style mineralisation hosted in underexplored terrains.

Corporate Events

- On 9 August 2018 the Company issued 30,000 shares on exercise of incentive options at $0.30 each;
- On 11 September 2018 the Company issued:-
  - 1,615,000 shares on exercise of 1,045,000 incentive options at $0.20 each and 570,000 options at $0.30 each; and
  - 600,000 performance rights to Director Bruno Hegner as an incentive for future performance as approved by shareholders. The performance rights comprise three tranches:-
    - 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $1.00 for more than a total of 120 trading days within two years from grant date;
    - 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $1.50 for more than a total of 120 trading days within three years from grant date; and
    - 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $2.00 for more than a total of 120 trading days within four years from grant date.
- On 28 September 2018 the Company announced it had received firm commitments to raise $3 million at 20 cents per share. The shares were subsequently issued progressively on 8 October 2018 and 22 October 2018;
- On 24 December 2018 the Company announced that a number of employee & consultant options had lapsed as disclosed elsewhere in the Director report;
- On 3 January 2019 the Company advised of reductions to the remuneration of the CEO, Mr Chris Wanless and Mr Bruno Hegner as part of ongoing cost reduction measures;

DIRECTORS' REPORT (continued)

- On 11 February 2019 the Company announced the resignation of Christopher Wanless as CEO and Director, the appointment of Tom Eadie as interim Executive Chairman and the appointment of Brett Tucker as Non-Executive Director; and
- On 13 May 2019 the Company announced the appointment of Mr Peter Williams and Dr Marat Abzalov as Non-Executive Directors.

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

Operating results for the year
The comprehensive loss of the Group for the financial year ended 30 June 2019, after providing for income tax amounted to **$3,854,787 (2018: $6,492,308).**

Review of financial conditions

The Group had a net bank balance of $749,162 as at 30 June 2019 (2018: $1,665,364).

Loss Per Share

	30 June 2019 $	30 June 2018 $
Basic loss per share (cents per share)	**(3.26)**	**(6.15)**

Employees

The Company had 7 employees as at 30 June 2019 (2018: 7 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 2019. 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 Ernest Thomas Eadie	Executive Chairman	Appointed on 23 January 2017
	Non-Executive Chairman	Appointed on 13 May 2019
Mr Peter Williams	Non-Executive Director	Appointed on 13 May 2019
	Managing Director	Appointed on 21 August 2019
Mr Frank D Hegner	Executive Director	Appointed on 1 November 2017
Mr Marat Abzalov	Non-Executive Director	Appointed on 13 May 2019
Mr Nicolaus Heinen	Non-Executive Director	Appointed 1 March 2015
Mr. Brett William Tucker	Non-Executive Director	Appointed on 11 February 2019 Resigned on 13 May 2019
Mr Christopher Robert Wanless	Executive Director	Appointed on 31 July 2013 Resigned on 11 February 2019

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 2019 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 no options issued under the Long-Term Incentive Plan during the year (2018: 1,850,000). There were no shares issued under the Long-Term Incentive Plan during the year (2018: Nil).

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Managing Director Service Agreement

The Company entered into an Executive Service Agreement with Mr Peter Williams on 21 August 2019. Mr Williams is to provide services as managing director and geological consultant.

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

- Mr Williams is employed in the position of Managing Director.
- Mr Williams will be paid an annual salary of $100,000 plus superannuation for between two to three working days per week. 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 Service Agreement

The Company entered into an Executive Service Agreement with Mr Tom Eadie on 11 February 2019. Mr Eadie is to provide services as executive director and chairman. Mr Eadie resigned as Executive Director in conjunction with the appointment of Mr Peter Williams as Managing Director on 21 August 2019.

The material terms of the employment agreement with Mr Eadie were as follows:

- Mr Eadie is employed in the position of Executive Chairman.
- Mr Eadie will be paid an annual salary of $120,000 plus superannuation for between two to five working days per week. 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 Service Agreement

The Company entered into an Executive Service Agreement with Mr Bruno Hegner on 23 October 2017. The material terms of the employment agreement with Mr Hegner are as follows:

- Mr Hegner is employed in the position of Executive Director and Vice President of the Company's subsidiary, Volantis Resources Corp;
- Mr Hegner will be paid an annual salary of US$129,600 plus superannuation for 60% full time equivalent work hours. 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;
- Entitlement to severance and redundancy package payments shall continue to be calculated based on previous annual salary of US$216,000.

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.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

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:

2019	Short-term benefits Salary & fees $	Super-annuation $	Termination payments $	Share-based payment Perf rights $	Share-based payment options $	Total $
Directors						
Nicolaus Heinen	36,131	-	-	-	18,696	54,827
Chris Wanless [1]	130,875	12,433	120,735 [2]	-	31,160	295,203
Peter Williams	3,548	-	-	-	-	3,548
Marat Abzalov	4,032	383	-	-	-	4,415
F.D. Hegner	251,480	-	-	101,420 [4]	1,058,699	1,411,599
Ernest Thomas Eadie	64,821	6,158	-	-	12,464	83,443
Brett Tucker[5]	-	-	-	-	-	-
Other KMP						
Peter Geerdts [3]	132,553	1,267	-	-	31,160	164,980
Total	**623,440**	**20,241**	**120,735**	**101,420**	**1,152,179**	**2,018,015**

[1] Resigned as CEO and Director on 11 February 2019
[2] Termination paid upon the resignation of Chris Wanless
[3] Ceased employment on 30 April 2019
[4] Share based payment expense relates to an issue of 600,000 performance rights which convert into fully paid ordinary shares upon curtained share price milestones which remain unconverted at 30 June 2019 and at the date of this report. See Note 15 for further details
[5] Was appointed as a non-executive director from 11 February 2019 to 13 May 2019. He did not receive any remuneration for his service as a director.

2018	Short-term benefits Salary & fees $	Super-annuation $	Termination payments $	Share-based payment shares $	Share-based payment options $	Total $
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 Geerdts	139,861	-	-	-	187,031	326,892
Total	**698,643**	**34,215**	**187,861**	**-**	**1,980,477**	**2,901,196**

[1] Ernest Thomas Eadie was appointed as Director on 23 January 2017.
[2] Peter Geerdts resigned as Director on 9 January 2018.
[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.

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.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Directors						
Nicolaus Heinen	66%	31%	-	-	34%	16%
Chris Wanless [1]	89%	44%	-	-	11%	56%
Peter Williams	100%	100%	-	-	-	-
Marat Abzalov	100%	-	-	-	-	-
F.D. Hegner	17%	13%	-	-	83%	87%
Ernest Thomas Eadie	85%	43%	-	-	15%	57%
Brett Tucker[6]	-	-	-	-	-	-
Other KMP			-	-	-	-
Peter Geerdts [3]	81%	43%	-	-	19%	57%

Cash bonuses granted as compensation for the current financial year.

No cash bonuses were granted during the year ended 2019 (2018: nil).

Other transactions with related parties

There were no other transactions with related parties during the year ended 30 June 2019. (2018: nil).

Loans from key management personnel

As at 30 June 2019, there were no outstanding amounts due to key management personnel (2018: nil).

Use of remuneration consultants

During the financial year ended 30 June 2019, the Company did not engage the services of an independent remuneration consultant to review its remuneration for Directors, key management personnel and other senior executives.

Voting and comments made at the company's Annual General Meeting ('AGM')

The Company received 96.7% "for" votes on its Remuneration Report for the year ended 30 June 2018.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Incentive Securities granted to KMP

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

	Grant date	Expiry date	Number of perf rights granted	Total number of performance rights at the end of the year
Directors				
F.D. Hegner	11 Sept 2018	11 Sept 2020	200,000	200,000
	11 Sept 2018	11 Sept 2021	200,000	200,000
	11 Sept 2018	11 Sept 2022	200,000	200,000
Total			**600,000**	**600,000**

600,000 performance rights to Director Bruno Hegner as an incentive for future performance as approved by shareholders. The performance rights comprise three tranches:-

- 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $1.00 for more than a total of 120 trading days within two years from grant date;
- 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $1.50 for more than a total of 120 trading days within three years from grant date; and
- 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $2.00 for more than a total of 120 trading days within four years from grant date.

The conditions for conversion of the performance rights into fully paid ordinary shares were not met by 30 June 2019 or at the date of this report.

Key management personnel equity holdings

Fully paid ordinary shares

30 June 2019	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	-	450,000	-	1,182,501	450,000
Christopher Wanless[2]	10,541,196	-	745,000	(11,286,196)[4]	-	7,884,949[4]
Peter Williams[3]	-	-	-	-	-	-
Marat Abzalov[3]						-
F.D. Hegner	-	-	-	-	-	-
Ernest Thomas Eadie	1,940,833	-	200,000	-	2,140,833	57,500
Executives						
Peter Geerdts	5,000,000	-	-	(5,000,000)[4]	-	5,000,000[4]

[1] Mr Heinen acts as an agent of Belgrave Capital which held 30,769,082 shares in the Company at 30 June 2019
[2] Chris Wanless resigned as CEO and Director on 11 February 2019
[3] Appointed as a Director on 13 May 2019
[4] Balance on resignation

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Key management personnel equity holdings (continued)

Share options

30 June 2019	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	-	450,000	-	1,182,501
Christopher Wanless[1]	4,250,000	-	745,000	(11,286,196)[3]	-
Peter Williams[2]	-	-	-		-
Marat Abzalov[2]	-	-	-	-	-
F.D. Hegner	2,000,000	-	-	(2,000,000)[4]	-
Ernest Thomas Eadie	800,000	-	(200,000)	-	600,000
Executives					
Peter Geerdts	2,700,000	-	(150,000)	(2,550,000)[3]	-

[1] Chris Wanless resigned as CEO and Director on 11 February 2019
[2] Appointed as a Director on 13 May 2019
[3] Balance on resignation
[4] Options were cancelled

Year	2019	2018	2017	2016
Revenue	**1,560**	**26,763**	**1,343**	**33,848**
EBITDA	(4,481,137)	(6,598,091)	(1,571,934)	(212,723)
EBIT	(4,165,366)	(6,700,557)	(1,572,488)	(212,091)
Loss after income tax	(4,167,457)	(6,706,218)	(1,574,377)	(209,507)

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

	2019	2018	2017	2016
Share price at financial year end ($)	0.044	0.885	0.465 *	-
Total dividends declared (cents per share)	-	-	-	-
Basic and diluted loss per share (cents per share)	(3.26)	(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.

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

2019	No. eligible to attend	No. attended
Nicolaus Heinen	12	12
Christopher Wanless	5	5
Peter Williams	1	1
Marat Abzalov	1	1
F.D. Hegner	12	12
Ernest Thomas Eadie	12	12

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.

After Balance Date Events

The Company held a meeting of shareholders on 19 July 2019 to ratify and approve the issue of placement shares to raise up to $1.6 million as announced to the ASX on 23 May 2019, amongst other matters.

Following the meeting the Company issued the following securities:-

- 605,989 shares as consideration for the deferral of acquisition payment for mineral claims within the Frisco project;
- 14,000,000 unlisted incentive options to Directors as an incentive for future performance as detailed in the notice of meeting dated 17 June 2019, broken down as:-
    - 7,000,000 unlisted options over shares exercisable at $0.06 each and expiring 19 July 2022; and
    - 7,000,000 unlisted options over shares exercisable at $0.10 each and expiring 19 July 2022;
- 750,000 incentive options to key management personnel pursuant to the Company's long-term incentive plan, each exercisable at $0.10 and expiring 19 July 2022.

On 7 August 2019, the Company issued 17,597,773 fully paid ordinary shares at an issue price of $0.032 per share, being the second tranche of the capital raising via a share placement. These shares were issued to participants in a placement to sophisticated and professional investors.

Further, the Company issued 25,000,000 unlisted options which were free attaching to shares issued to placement participants, as approved by shareholders, on a 1-for-2 basis. The placement options are exercisable at $0.10 each and expire on 7 August 2022.

Further the Company issued 10,000,000 unlisted options to a nominee of the lead manager to the placement as consideration for brokerage services, with the following terms:-

- 5,000,000 unlisted options exercisable at $0.10 each and expiring 7 August 2021; and
- 5,000,000 unlisted options exercisable at $0.20 each and expiring 7 August 2021.

DIRECTORS' REPORT (continued)

After Balance Date Events (continued)

Finally, the Company issued 750,000 unlisted options to an employee under its option incentive plan, each exercisable at $0.10 and expiring 19 July 2022.

On 21 August 2019 the Group announced that Mr Tom Eadie is to step down as Executive Chairman and that Mr Peter Williams was appointed as Managing Director.

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.

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 20 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. Peter Williams
Managing Director
Dated this 30th day of September 2019

Competent Persons Statement

The information in this report as it relates to geological, geochemical, geophysical and exploration results was compiled by Mr Tom Eadie, FAusIMM, who is a Director of Alderan Resources Ltd. Mr Eadie has more than 20 years experience in the activities being reported on and has sufficient expertise which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the JORC Code . He consents to the inclusion of this information in the form and context in which it appears in this report.

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Alderan Resources Limited for the year ended 30 June 2019, 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

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 30 September 2019

TUTU PHONG
Partner

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	30 June 2019 $	30 June 2018 $
Other income	3 (a)	-	11,145
Interest income		1,560	15,618
Consulting and administration expenses	3 (b)	(1,233,357)	(2,118,603)
Depreciation and amortisation expense		(117,229)	(108,128)
Employee benefits expense		(1,073,207)	(1,405,083)
Foreign exchange gain/(loss)		14,000	(89,544)
Impairment of exploration and evaluation expenditure		-	-
Project expenditure		(120,160)	(258,162)
Share based payment expense	15 (a)	(1,632,625)	(2,747,800)
Finance costs		(2,091)	(5,661)
Asset sale		(4,348)	-
Loss before income tax expense		**(4,167,457)**	**(6,706,218)**
Income tax expense	4	-	-
Loss after income tax for the year		**(4,167,457)**	**(6,706,218)**
Other comprehensive income, net of income tax			
Exchange differences on translation of foreign operations		312,670	213,910
Other comprehensive gain for the year, net of income tax		**312,670**	**213,910**
Total comprehensive loss for the year		**(3,854,787)**	**(6,492,308)**
Loss attributable to members of the Company		**(3,854,787)**	**(6,492,308)**
Total comprehensive loss attributable to members the Company for the year		**(3,854,787)**	**(6,492,308)**
Basic loss per share (cents per share)	5	**(3.26)**	**(6.15)**
Basic loss per share from continuing operations (cents per share)	5	**(3.26)**	**(6.15)**

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	30 June 2019 $	30 June 2018 $
Assets			
Current Assets			
Cash and cash equivalents	6	749,162	1,665,364
Trade and other receivables	7	207,798	193,522
Total Current Assets		**956,960**	**1,858,886**
Non-Current Assets			
Plant and equipment	8	341,412	502,693
Exploration and evaluation expenditure	9	9,330,402	6,564,208
Total Non-current Assets		**9,671,814**	**7,066,901**
Total Assets		**10,628,774**	**8,925,787**
Liabilities			
Current Liabilities			
Trade and other payables	10	771,926	942,951
Loans payable	10	-	37,862
Total Liabilities		**771,926**	**980,813**
Net Assets		**9,856,848**	**7,944,974**
Equity			
Issued capital	11(a)	16,506,842	12,372,806
Options reserve	11(d)	5,504,747	3,973,541
Performance share reserve	11(b)	101,420	-
Foreign currency reserve	11(c)	526,580	213,910
Accumulated losses		(12,782,741)	(8,615,283)
Net Equity		**9,856,848**	**7,944,974**

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued capital $	Options reserve	Perform rights reserve	Foreign currency reserve $	Accumulated losses $	Total equity $
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	-	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**
Balance at 1 July 2018	12,372,806	3,973,541	-	213,910	(8,615,283)	7,944,974
Loss for the year	-	-	-	-	(4,167,457)	(4,167,457)
Other comprehensive income for the year, net of income tax	-	-	-	312,670	-	312,670
Total comprehensive loss for the year	-	-	-	312,670	(4,167,457)	(3,854,787)
Contributions of equity, net of transaction costs	4,134,036	-	-	-	-	4,134,036
Share based payments	-	1,531,205	101,420	-	-	1,632,625
Balance at 30 June 2019	**16,506,842**	**5,504,746**	**101,420**	**526,580**	**(12,782,740)**	**9,856,848**

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019 $	30 June 2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,492,601)	(3,249,160)
Payments for exploration and evaluation expenditures		(2,476,458)	(5,036,532)
Interest received		1,560	15,618
Interest paid		(2,091)	(5,661)
Net cash (used in) operating activities	6	(4,969,590)	(8,275,735)
Cash flows from investing activities			
Receipt from sale of plant and equipment		39,703	-
Payments for plant and equipment		-	(575,380)
Net cash provided by / (used in) investing activities		39,703	(575,380)
Cash flows from financing activities			
Proceeds from issue of shares (net of capital raising costs)		3,745,036	2,821,044
Proceeds from exercise of options		389,000	-
Payment of borrowings		(37,861)	(3,312)
Net cash provided by financing activities		4,096,175	2,817,732
Net (decrease)/increase in cash held		(833,712)	(6,033,383)
Effect of foreign exchange		(82,490)	17,572
Cash and cash equivalents at the beginning of the year		1,665,364	7,681,175
Cash and cash equivalents at the end of the year	6	**749,162**	**1,665,364**

The accompanying notes form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 statements, the Group incurred a loss of $4,167,457 and had net cash outflows from operating activities of $4,969,590 for the year ended 30 June 2019. As at that date, the Group had net current assets of $185,034. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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 13, on 7 August 2019, the Company issued 17,597,773 fully paid ordinary shares at an issue price of $0.032 per share to raise $563,129 via a share placement. These shares were issued to participants in a placement to sophisticated and professional investors.
- 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.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2019

For the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period.

AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments became mandatorily effective on 1 January 2018. Accordingly, these standards apply for the first time to this set of financial statements. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Any new or amended standards and interpretations that are not yet mandatory have not been early adopted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Group for the annual reporting period ended 30 June 2019. 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 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 Group will adopt this standard from 1 July 2019 and the impact of its adoption is expected to be minimal on the Group.

Statement of compliance

The financial report was authorised for issued in accordance with a resolution of the Directors on 28 September 2019.

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).

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 activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2019 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.

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 at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2019

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 2019 and 30 June 2018.

	Continuing Operations			
30 June 2019	United States of America $	Australia $	Unallocated items $	Consolidated $
Segment revenue	-	1,560	-	1,560
Intersegment revenue	-	-	-	-
Revenue from external customers	-	1,560	-	1,560
Segment result	(1,740,023)	(2,427,434)	-	(4,167,457)
Segment assets	9,913,554	715,220	-	10,628,774
Segment liabilities	549,861	222,065	-	771,926

	Continuing Operations			
30 June 2018	United States of America $	Australia $	Unallocated items $	Consolidated $
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: REVENUE AND EXPENSES

	30 June 2019 $	30 June 2018 $
a. Other income		
Refunds	-	11,145
	-	**11,145**
b. Consulting and administration expense		
Accountancy fees	70,480	126,327
Listing fees	43,711	49,271
Rent	126,289	46,175
Admin & consultancy fees	753,762	798,764
Insurance	97,706	112,606
Legal fees	45,268	375,184
Exploration project related costs and others	32,911	379,409
Promotion and investor relations	15,822	81,642
Travel expenses	47,408	149,225
	1,233,357	**2,118,603**

NOTE 4: INCOME TAX

	30 June 2019 $	30 June 2018 $
(a) Income tax benefit	**-**	**-**
(b) Numerical reconciliation between tax-benefit and pre-tax net loss		
(Loss) before tax from continuing operations	(4,167,457)	(6,706,218)
(Loss) before tax from discontinued operations	-	-
Accounting (loss) before income tax	(4,167,457)	(6,706,218)
Income tax benefit using the Company's domestic tax rate of 27.5% (2018: 27.5%)	(1,146,051)	(1,050,258)
Other non-deductible items	(553,882)	755,645
Unrecognised deferred tax asset attributable to tax losses and temporary differences	1,699,933	793,951
Income tax attributable to entity	**-**	**-**
(c) Unrecognised deferred tax		
Tax losses for which no deferred tax asset has been recognised		
Losses available for offset against future taxable income	(9,068,666)	(2,887,094)
Total	(9,068,666)	(2,887,094)
Potential tax benefits at 27.5% (2018: 27.5%)	**(2,493,883)**	**(1,541,085)**

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 2019

NOTE 5: LOSS PER SHARE

	30 June 2019	30 June 2018
	Cents per share	Cents per share
Basic loss per share	(3.26)	(6.15)
Basic loss per share from continuing operations	(3.26)	(6.15)

Losses used in the calculation of basic and diluted loss per share is as follows:	$	$
Loss for the year	**(3,854,787)**	**(6,706,218)**
Loss from continuing operations	**(3,854,787)**	**(6,706,218)**

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	**127,879,527**	**109,059,798**

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 2019 $	30 June 2018 $
Cash in bank and on hand	749,162	1,665,364
	749,162	**1,665,364**

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

	30 June 2019 $	30 June 2018 $
Loss for the year	(4,167,457)	(6,706,218)
Adjustment for non-cash income and expense items		
Depreciation and amortisation	117,229	108,128
Loss on sale of assets	4,348	
Write-off		22,544
Share-based payment expense	1,632,625	2,747,800
Change in assets and liabilities		
Trade and other receivables	(14,277)	50,126
Trade and other payables	(171,025)	704,285
Exploration and evaluation expenditure	(2,371,033)	(5,202,400)
Net cash (outflow) / inflow from operating activities	**(4,969,590)**	**(8,275,735)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7: TRADE AND OTHER RECEIVABLES

	30 June 2019 $	30 June 2018 $
Bonds	175,711	153,271
GST receivable	16,811	40,251
Sundry debtors	-	-
Prepayment	15,276	-
	207,798	**193,522**

NOTE 8: PLANT AND EQUIPMENT

	Office Equipment $	Motor Vehicle $	Exploration Equipment $	Total $
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 1 July 2018	5,802	140,773	356,118	502,693
Asset sale	-	(44,053)	-	(44,053)
Depreciation	(1,570)	(18,530)	(97,128)	(117,228)
Balance at 30 June 2019	**4,232**	**78,190**	**258,990**	**341,412**

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2019 $	30 June 2018 $
Carrying value at the beginning of the year	6,564,208	1,162,236
Expenditure incurred during the year	2,370,929	5,202,401
Exchange differences	395,265	199,571
Carrying value at the end of the year	**9,330,402**	**6,564,208**

NOTE 10: FINANCIAL LIABILITIES

	30 June 2019 $	30 June 2018 $
Trade and other payables		
Trade creditors	101,764	132,170
Accruals and other payables	173,162	810,781
Property acquisition payment	497,000	-
Total	**771,926**	**942,951**
Loans payable		
Unsecured loans	-	37,862
Total	**-**	**37,862**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 11: ISSUED CAPITAL

a) Ordinary shares	Year to 30 June 2019		Year to 30 June 2018	
	No.	$	No.	$
Fully paid				
Balance at beginning of year	112,963,908	12,372,806	107,963,908	9,551,762
Options exercised (i)	1,645,000	389,000	-	-
Issue of shares (ii)	15,000,000	3,000,000	5,000,000	3,000,000
Issue of shares (iii)	32,402,227	1,036,871	-	-
Less share issue costs	-	(291,835)	-	(178,956)
Balance at the end of the year	162,011,135	16,506,842	112,963,908	12,327,806

(i) The Company issued a total of 1,645,000 shares on exercise of 1,045,000 incentive options at $0.20 each and 600,000 options at $0.30 each
(ii) The Company issued 15,000,000 shares at $0.20 per share to raise a total $3,000,000
(iii) The Company issued 32,402,227 shares to sophisticated investors at $0.032 per share to raise a total of $1,036,871

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) Performance rights reserve	Year to 30 June 2019		Year to 30 June 2018	
	No.	$	No.	$
Fully paid				
Balance at beginning of year	-	-	-	-
Issue of performance rights (i)	600,000	101,420	-	-
Balance at the end of the year	600,000	101,420	-	-

(i) 600,000 performance rights to Director Bruno Hegner as an incentive for future performance as approved by shareholders. The performance rights comprise three tranches:-
- 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $1.00 for more than a total of 120 trading days within two years from grant date;
- 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $1.50 for more than a total of 120 trading days within three years from grant date; and
- 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $2.00 for more than a total of 120 trading days within four years from grant date.

The conditions for conversion of the performance rights into fully paid ordinary shares were not met by 30 June 2019 or at the date of this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 11: ISSUED CAPITAL (CONTINUED)

c) Foreign Currency Reserves

	30 June 2019 $	30 June 2018 $
Balance at beginning of year	213,910	-
Movement during the year	312,670	213,910
Balance at the end of the year	526,580	213,910

NOTE 11: ISSUED CAPITAL (CONTINUED)

d) Options

	30 June 2019		30 June 2018	
	No.	$	No.	$
Balance at beginning of year	20,707,454	3,973,541	19,857,454	1,225,741
Exercise of incentive options by directors and management (i)	(1,645,000)	-	-	-
Issue of options to Directors and key management (iii)	-	-	2,000,000	1,332,711
Options issued to consultant (iv)	-	-	800,000	609,555
Options issued under the long-term incentive plan (v)	-	-	1,850,000	254,323
Existing options to employees and management vesting	-	534,491	-	665,480
Options forfeited (ii) (vi)	(1,075,000)	(187,242)	(3,800,000)	(114,269)
Options cancelled (ii)	(2,200,000)	1,183,956	-	-
Balance at the end of the year	15,787,454	5,504,746	20,707,454	3,973,541

(i) The Company issued a total of 1,645,000 shares on exercise of 1,045,000 incentive options at $0.20 each and 600,000 options at $0.30 each

(ii) The following employee & consultant options cancelled and forfeited during the year:-
- 500,000 options exercisable at $2.50, expiring on 30/11/2021
- 500,000 options exercisable at $3.00, expiring on 30/11/2021
- 500,000 options exercisable at $3.50, expiring on 30/11/2021 & vesting on 1/11/2019
- 500,000 options exercisable at $4.00, expiring on 30/11/2021 & vesting on 1/11/2020
- 25,000 options exercisable at $2.50, expiring on 02/11/2021
- 25,000 options exercisable at $3.00, expiring on 02/11/2021
- 25,000 options exercisable at $3.50, expiring on 02/11/2021 & vesting on 16/10/2019
- 25,000 options exercisable at $4.00, expiring on 02/11/2021 & vesting on 16/10/2020
- 75,000 options exercisable at $3.50, expiring on 15/11/2021 & vesting on 01/09/2019
- 75,000 options exercisable at $4.00, expiring on 15/11/2021 & vesting on 01/09/2020
- 275,000 options exercisable at $1.00, expiring on 12/06/2022 & vesting on 12/06/2019 and 12/06/2020
- 250,000 options exercisable at $1.50, expiring on 12/06/2022 & vesting on 12/06/2019 and 12/06/2020
- 250,000 options exercisable at $2.00, expiring on 12/06/2022 & vesting on 12/06/2019 and 12/06/2020
- 250,000 options exercisable at $2.50, expiring on 12/06/2022 & vesting on 12/06/2019 and 12/06/2020

(iii) 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**

(iv) 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**

(v) 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**

(vi) 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 2019

NOTE 12: CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2019 (2018: nil).

NOTE 13: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

The Company held a meeting of shareholders on 19 July 2019 to ratify and approve the issue of placement shares to raise up to $1.6 million as announced to the ASX on 23 May 2019, amongst other matters.

Following the meeting the Company issued the following securities:-

- 605,989 shares as consideration for the deferral of acquisition payment for mineral claims within the Frisco project;
- 14,000,000 unlisted incentive options to Directors as an incentive for future performance as detailed in the notice of meeting dated 17 June 2019, broken down as:-
    - 7,000,000 unlisted options over shares exercisable at $0.06 each and expiring 19 July 2022; and
    - 7,000,000 unlisted options over shares exercisable at $0.10 each and expiring 19 July 2022;
- 750,000 incentive options to key management personnel pursuant to the Company's long-term incentive plan, each exercisable at $0.10 and expiring 19 July 2022.

On 7 August 2019, the Company issued 17,597,773 fully paid ordinary shares at an issue price of $0.032 per share, being the second tranche of the capital raising via a share placement. These shares were issued to participants in a placement to sophisticated and professional investors.

Further, the Company issued 25,000,000 unlisted options which were free attaching to shares issued to placement participants, as approved by shareholders, on a 1-for-2 basis. The placement options are exercisable at $0.10 each and expire on 7 August 2022.

Further the Company issued 10,000,000 unlisted options to a nominee of the lead manager to the placement as consideration for brokerage services, with the following terms:-

- 5,000,000 unlisted options exercisable at $0.10 each and expiring 7 August 2021; and
- 5,000,000 unlisted options exercisable at $0.20 each and expiring 7 August 2021.

Finally, the Company issued 750,000 unlisted options to an employee under its option incentive plan, each exercisable at $0.10 and expiring 19 July 2022.

On 21 August 2019 the Group announced that Mr Tom Eadie is to step down as Executive Chairman and that Mr Peter Williams was appointed as Managing Director.

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 14: DIVIDENDS

The directors have not declared any dividend for the year ended 30 June 2019 (2018: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 15: 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 2019 $	30 June 2018 $
Expense arising from option-settled share-based payment transactions	1,531,205	2,747,800
Expense arising from performance right-settled share-based payment transactions	101,420	-
Net share based payment expense recognised in the profit or loss	**1,632,625**	**2,747,800**

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 2019		30 June 2018	
	Number	WAEP	Number	WAEP
Outstanding at beginning of year	20,707,454	$0.83	19,857,454	$0.44
Granted by the Company during the year	-	-	4,650,000	$2.37
Exercised during the year	1,645,000	$0.24	-	-
Forfeited during the year	(1,075,000)	($1.83)	(3,800,000)	($0.44)
Cancelled during the year	(2,200,000)	($3.27)	-	-
Outstanding at end of year	**15,787,454**	**$0.48**	**20,707,454**	**$0.83**

c) Summary of performance rights granted as share-based payments

On 24 August 2018, 600,000 performance rights were issued to Mr. Hegner under the Long-Term Incentive Plan, on the terms and conditions detailed as follows:

Class	Number	Expiry Date	Vesting Conditions
A	200,000	24 August 2018	Converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $1.00 for more than a total of 120 trading days within 2 years from grant date.
B	200,000	24 August 2018	Converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $1.50 for more than a total of 120 trading days within 3 years from grant date.
C	200,000	24 August 2018	Converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than $2.00 for more than a total of 120 trading days within 4 years from grant date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 15: SHARE-BASED PAYMENTS (continued)

The Group has measured the fair value of the performance rights issued during the half year by using the Monte-Carlo pricing model with the following inputs.

Class	Grant Date	Expiry Date	Spot Price	Vesting Hurdle (120 days)	Fair value	Expected Volatility	Dividend Yield	Interest Rate
A	24 Aug 2018	24 Aug 2020	$0.34	$1.00	$0.15	100%	0%	1.98%
B	24 Aug 2018	24 Aug 2021	$0.34	$1.50	$0.17	100%	0%	2.03%
C	24 Aug 2018	24 Aug 2022	$0.34	$2.00	$0.19	100%	0%	2.21%

NOTE 16: RELATED PARTY TRANSACTIONS

a) Key management personnel

	30 June 2019 $	30 June 2018 $
Short-term employee benefits	643,681	698,643
Post-employment benefits	120,735	222,076
Share-based payments – performance rights	101,420	-
Share-based payments - options	1,152,179	1,980,477
	2,018,015	**2,901,196**

b) Related party balances

As at 30 June 2019, there were no balances owed from/to key management personnel and or companies associated with the shareholders and Directors (2018: nil)

c) Other transactions with related parties

Mr Brett Tucker was a related party to the Company while appointed as a Director between 11 February 2019 and 14 May 2019.

Mr Tucker is an employee of Ventnor Capital which received fees for providing Company Secretarial, accounting, book-keeping and registered office services during his appointment as a Director, totalling $18,732 (ex GST).

There were no other transactions with related parties during the year ended 30 June 2019 (2018: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 16: 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 2019	30 June 2018
Volantis Resources Corp, Inc.	USA	100%	100%
Valyrian Resources Corp.	USA	100%	100%
Alderan US Holdings, Inc	USA	100%	100%
Star Range US Holdings, Inc	USA	100%	100%
Star Range Resources Limited	AUS	100%	100%

Alderan Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

NOTE 17: FINANCIAL INSTRUMENTS

a) Overview

The Group'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 Group 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 Group 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 2019	30 June 2018
	$	$
Financial assets		
Cash on hand and in bank	749,162	1,665,364
Trade and other receivables	207,798	193,522
	956,960	**1,858,886**
Financial liabilities		
Trade and other payables	771,926	942,951
Loans payable	-	37,862
	771,926	**980,813**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 17: 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 2019	**30 June 2018**
	$	**$**
Cash on hand and in bank	749,162	1,665,364
Trade and other receivables	207,798	193,522
Total	**956,960**	**1,858,886**

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 2019

NOTE 17: FINANCIAL INSTRUMENTS (continued)

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

	30 June 2019 $	30 June 2018 $
Interest-bearing financial instruments		
Bank balances	749,162	850,516
Total	**749,162**	**850,516**

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 2019 Profit or loss		30 June 2018 Profit or loss	
100bp Increase	**100bp Decrease**	**100bp Increase**	**100bp Decrease**
7,492	**(7,492)**	**8,505**	**(8,505)**

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 2019	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
Financial Liabilities					
Trade and other payables	273,960	497,966	-	-	771,926
Loans payable	-	-	-	-	-
Total	**273,960**	**497,966**	**-**	**-**	**771,926**

30 June 2018	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 17: 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 2019 $	30 June 2018 $
US dollar denominated balances	**66,030**	**504,950**

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 $660 (2018: $5,049); and net assets will increase/decrease by $660 (2018: $5,049).

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 18: COMMITTMENTS

	30 June 2019 $	30 June 2018 $
Exploration expenditure and annual lease/claim payments		
Committed at the reporting date but not recognised as liability:		
Within one year	655,394	465,888
One to five years	369,918	1,120,832
	1,025,312	**1,586,720**

Where the commitments are due in US Dollars, the Company has used the spot rate on 30 June 2019 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 2019

NOTE 19: PARENT ENTITY INFORMATION

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

	Parent	
	30 June 2019 $	30 June 2018 $
Statement of profit or loss and other comprehensive income		
Loss after income tax	(3,854,787)	(6,492,308)
Total comprehensive loss	(3,854,787)	(6,492,308)
Financial Position		
Total Assets	10,078,913	8,031,965
Total Liabilities	(222,065)	(86,991)
Net Assets	9,856,848	7,944,974
Issue Capital	16,506,842	12,372,806
Reserves	5,606,166	3,973,541
Accumulated Losses	(12,256,160)	(8,401,373)
Total Equity	9,856,848	7,944,974

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 2019 and 30 June 2018.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital commitments
The commitments disclosed in Note 18 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 20: AUDITOR'S REMUNERATION

The auditor of the Group is RSM Australia Partners.

	30 June 2019 $	30 June 2018 $
Audit or review of the financial statements	31,500	28,000
	31,500	**28,000**

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 2019 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. Peter Williams
Managing Director
Dated this 30th day of September 2019

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

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 2019, 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 2019 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Group incurred a loss of $4,167,457 and had net cash outflows from operating activities of $4,969,590 for the year ended 30 June 2019. As at that date, the Group had net current assets of $185,034. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Expenditure Refer to Note 9 in the financial report	
The Group has capitalised exploration and evaluation expenditure with a carrying value of $9,330,402 as at 30 June 2019. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including: • 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.	Our audit procedures included: • 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; • Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; • Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest; and • Critically assessing and evaluating management's assessment that no indicators of impairment existed.

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 2019, 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 2019.

In our opinion, the Remuneration Report of Alderan Resources Limited, for the year ended 30 June 2019, 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

Perth, WA
Dated: 30 September 2019

TUTU PHONG
Partner

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

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	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. 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. The Company currently has no female board members or senior executives.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; (b) 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 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). The Company has undertaken an annual review which is still ongoing and will be reported in the Company's next Annual Report.
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. If it does not have a nomination committee, the Board should disclose that fact and the processes it employs to address board succession issues	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 Charter, which includes specific responsibilities to be carried out by those committees when they are established.

	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.		The Company's Nomination Committee Charter and Remuneration Committee Charter are available on the Company's website.
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	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service for each director	Yes	Details of the Directors and their independence status as follows:-. Tom Eadie, Non-executive Chairman – Independent Peter Williams, Managing Director – Not independent Hegner, Executive Director - Not independent Nicolaus Heinen, Non-executive Director – Not independent Marat Abzalov, Non-executive Director – Independent 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). The length of service for each director is disclosed in this Annual Report.
2.4	A majority of the board of a listed entity should be independent directors	Yes	As disclosed in the response to Recommendation 2.3 above, only two of the Directors are considered to be independent. 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.
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	Yes	Mr Eadie is the Chairman and is considered to be independent.
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	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.

	knowledge needed to perform their role as directors effectively.		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	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. 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.	Yes	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. 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. The Company's Audit and Risk Committee Charter is available on the Company's website.
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	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. If it does not have a risk committee, the Board should disclose that fact and the processes it	Yes	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.

	employs for overseeing the entity's risk management framework.		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.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	The identification and management of risk has been continually at the forefront of the Company's recent activities. In accordance with the Audit and Risk Committee Charter, the Board will review the Company's risk management framework on an annual basis. Such as 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.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	Yes	Given the present size of the company, the Board has decided that a formal internal audit function is not required for the time being. The risk management functions employed by the Board are summarised above.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	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. Liquidity risk 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. Limited exploration on the Frisco Project 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. Exploration and evaluation risks 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.

			Title risks 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. Future capital requirements The Company's activities are likely to require substantial expenditure, in additional 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. 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. Reliance on key personnel 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 continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business. Fluctuations in Commodity prices 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. Exchange rate risks 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. Other industry specific risks 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:

			(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	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. 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	Yes	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. The Board will establish a Remuneration Committee when the size and complexity of the Company's operations and management warrant it. 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.
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	Each director has entered a separate employment or consultancy agreement with the Company. 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) in 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.
8.3	A listed entity which has an equity- based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	N/A	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. 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.

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	T278	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
Humbug	5922	22	T27S	R13W

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	T275	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
Transcendent*	5946	16	T275	R13W

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	T275	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	RI3W
Hedges Fraction	4751	15	T27S	R13W

Massachusetts	65	15	T27S	R13W
Oil City	4749	15	T27S	R13W
Quartzite No. 2	71	14,15	T27S	RI3W
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

Copperopolis No. 4	4709	10	T27S	R13W

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
Nana	4754	3	T27S	R13W

Patented Mining Claims (Continued)

ClaimName	Survey Number	Sec	Twn	Rng
Neptune	5394	4	T278	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
West Dip	4492A	3	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. 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%
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%
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.

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

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
CT 43	426719	258690

CT 44	426720	258691
CT 45	426721	258692
CT 46	426722	258693
SF 82	426723	258694
CT 47	426967	258845
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
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
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
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
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
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
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
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
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
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
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
WC 28	437552	264278
WC 29	437553	264279
WC 30	437554	264280
WC 31	437555	264281
WC 32	437556	264282
WC 33	437557	264283
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

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

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

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

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
CM119	435813	262242

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

White Mountain Group

Claim Name	Serial No.	Beaver Co. Document No.
WM 1	UMC 442729	267521
WM 2	UMC 442730	267522
WM 3	UMC 442731	267523
WM 4	UMC 442732	267524
WM 5	UMC 442733	267525
WM 6	UMC 442734	267526
WM 7	UMC 442735	267527
WM 8	UMC 442736	267528
WM 9	UMC 442737	267529
WM 10	UMC 442738	267530
WM 11	UMC 442739	267531
WM 12	UMC 442740	267532
WM 13	UMC 442741	267533
WM 14	UMC 442742	267534
WM 15	UMC 442743	267535
WM 16	UMC 442744	267536
WM 17	UMC 442745	267537
WM 18	UMC 442746	267538
WM 19	UMC 442747	267539
WM 20	UMC 442748	267540
WM 21	UMC 442749	267541
WM 22	UMC 442750	267542
WM 23	UMC 443915	267930
WM 24	UMC 443916	267931
WM 25	UMC 443917	267932
WM 26	UMC 443918	267933
WM 27	UMC 443919	267934
WM 28	UMC 443920	267935
WM 29	UMC 443921	267936
WM 30	UMC 443922	267937
WM 31	UMC 443923	267938
WM 32	UMC 443924	267939
WM 33	UMC 443925	267940
WM 34	UMC 443926	267941
WM 35	UMC 443927	267942
WM 36	UMC 443928	267943
WM 37	UMC 443929	267944

WM 38	UMC 443930	267945
WM 39	UMC 443931	267946
WM 40	UMC 443932	267947
WM 41	UMC 443933	267948
WM 42	UMC 443934	267949
WM 43	UMC 443935	267950
WM 44	UMC 443936	267951
WM 45	UMC 443937	267952
WM 46	UMC 443938	267953
WM 47	UMC 443939	267954
WM 48	UMC 443940	267955
WM 49	UMC 443941	267956
WM 50	UMC 443942	267957
WM 51	UMC 443943	267958
WM 52	UMC 443944	267959
WM 53	UMC 443945	267960
WM 54	UMC 443946	267961
WM 55	UMC 443947	267962
WM 56	UMC 443948	267963
WM 57	UMC 443949	267964
WM 58	UMC 443950	267965
WM 59	UMC 443951	267966
WM 60	UMC 443952	267967
WM 61	UMC 443953	267968
WM 62	UMC 443954	267969
WM 63	UMC 443955	267970
WM 64	UMC 443956	267971
WM 65	UMC 443957	267972
WM 66	UMC 443958	267973
WM 67	UMC 443959	267974
WM 68	UMC 443960	267975
WM 69	UMC 443961	267976
WM 70	UMC 443962	267977
WM 71	UMC 443963	267978
WM 72	UMC 443964	267979
WM 73	UMC 443965	267980
WM 74	UMC 443966	267981
WM 75	UMC 443967	267982
WM 76	UMC 443968	267983
WM 77	UMC 443969	267984
WM 78	UMC 443970	267985
WM 79	UMC 443971	267986
WM 80	UMC 443972	267987
WM 81	UMC 443973	267988
WM 82	UMC 443974	267989
WM 83	UMC 443975	267990
WM 84	UMC 443976	267991
WM 85	UMC 443977	267992

WM 86	UMC 443978	267993
WM 87	UMC 443979	267994
WM 88	UMC 443980	267995
WM 89	UMC 443981	267996
WM 90	UMC 443982	267997
WM 91	UMC 443983	267998
WM 92	UMC 443984	267999
WM 93	UMC 443985	276800
WM 94	UMC 443986	276801
WM 95	UMC 443987	276802

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.

Claim Name	**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 2019.

Quoted Securities – Fully Paid Ordinary Shares

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

a) Distribution of Security Number

Category	Ordinary Shares	
(Size of holding)	Shareholders	Shares
1 – 1,000	99	48,113
1,001 – 5,000	141	413,953
5,001 – 10,000	108	910,164
10,001 – 100,000	203	7,935,484
100,001 and over	96	170,907,183
Total	**647**	**180,214,897**

There are 647 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

b) Marketable parcel

There are 53 shareholders with less than a marketable parcel, being 10,090 shares, amounting to 0.01% 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 2 substantial shareholders listed on the Companies register as at 27 September 2019, holding 61,023,582 fully paid ordinary shares, being 33.86% of the fully paid ordinary shares on issue.

1	BELGRAVE CAPITAL MANAGEMENT LIMITED	30,769,082	17.07%
2	KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	30,254,500	16.79%

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	17.07%
2	KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	30,254,500	16.79%
3	QUAALUP INVESTMENTS PTY LTD	8,838,337	4.90%
4	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	8,675,990	4.81%
5	KINGSLANE PTY LTD <CRANSTON SUPER PENSION A/C>	7,375,000	4.09%
6	TR NOMINEES PTY LTD	6,156,250	3.42%
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,512,292	3.06%
8	PETER GEERDTS	5,150,000	2.86%
9	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,908,448	2.72%
10	GONDWANA INVESTMENT GROUP PTY LTD <KUMOVA FAMILY SUPER FUND A/C>	3,078,334	1.71%
11	BUPRESTID PTY LTD <HANLON FAMILY S/F A/C>	2,975,000	1.65%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,667,827	1.48%
13	RL HOLDINGS PTY LTD <AIRLIE A/C>	2,643,641	1.47%
14	TAURUS CORPORATE SERVICES PTY LTD	2,510,308	1.39%
15	MR CARLO CHIODO	2,475,474	1.37%
16	HAWTHORN GROVE INVESTMENTS PTY LTD	2,437,500	1.35%
17	CHRISTOPHER WANLESS	2,401,247	1.33%
18	SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	2,343,750	1.30%
19	MR PETER WILLIAMS	2,073,259	1.15%
20	KINGSLANE PTY LTD <CRANSTON SUPER FUND A/C>	2,000,000	1.11%
		135,246,239	**75.05%**

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	Ordinary Options	
(Size of holding)	Optionholders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	5	396,952
100,001 and over	34	65,890,502
Total	**39**	**66,287,454**

There are 39 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 were no substantial option holders as at 27 September 2019

3) Performance Rights

Category	Performance Rights	
(Size of holding)	Holders	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**

The performance rights convert 1:1 to fully paid ordinary shares upon satisfaction of conditions as announced to the ASX on 26 July 2018 which have not been satisfied.

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.