



Alderan Resources Limited

ABN 55 165 079 201

Consolidated Interim Financial Report
For the Half Year Ended 31 December 2021

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CORPORATE INFORMATION
ABN 55 165 079 201

Directors

Mr Ernest Thomas Eadie
Mr Scott Caithness
Mr Frank “Bruno” Hegner
Mr Peter Williams

Company Secretary

Mr Mathew O’Hara

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DIRECTORS' REPORT

The Directors of Alderan Resources Limited (**Company**) present their report on Alderan Resources Limited and its subsidiaries (**Group**) for the half year ended 31 December 2021.

Directors

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

Name	Position	Date appointed / resigned
Mr Scott Caithness	Managing Director	Appointed on 6 April 2021
Mr Ernest Thomas Eadie	Non-Executive Chairman	Appointed on 23 January 2017
Mr Frank David Hegner	Executive Director	Appointed on 1 November 2017
Mr Peter Williams	Non-Executive Director	Appointed on 13 May 2019

Review of Operations

The principal activity of Alderan Resources Ltd (**Alderan** or the **Company**) is mineral exploration for gold and copper in Utah, USA. Detroit is Alderan's flagship project and key focus, while exploration at Valley Crossroads and White Mountain projects is at an early stage. Kennecott Exploration Limited (**KEX**), a subsidiary of Rio Tinto, is exploring to earn an interest in the Frisco project.

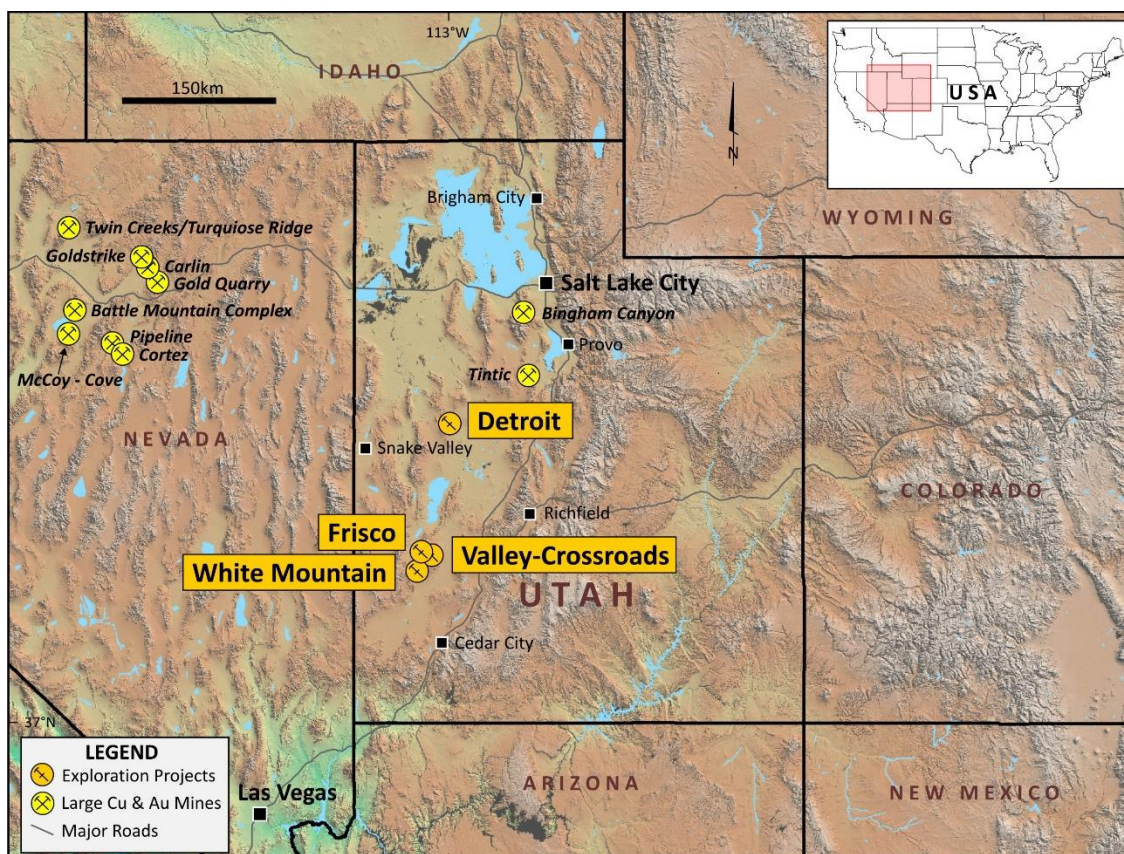


Figure 1: Alderan Resources project locations in western Utah.

Detroit Project, Utah

The Detroit Project is one of four Alderan projects (Figure 1) in Utah, USA. It lies within the Detroit Mining District, approximately 175km southwest of Salt Lake City, and contains numerous historical copper, gold and manganese mines. The district has been explored for copper and gold in the past by major mining companies such as Anaconda Copper, Kennecott, Newmont, BHP and Freeport-McMoRan but no one company was able to build a significant contiguous land position to enable district-wide modern exploration. The United States Geological Survey (USGS) has also explored the area, sampling extensive mineralised jasperoids.

Option Agreement over historic Drum Gold Mine

On 30 September 2021, Alderan announced it had signed an option agreement with North Exploration LLC covering unpatented lode mining claims covering the historic Drum Gold Mine at its Detroit Project, located in the Drum Mountains region of western Utah, USA. The Drum Gold Mine lies in the southeast of Alderan's consolidated 24.7km² exploration area at Detroit and it abuts Alderan's tenement to the south.

The Drum distal disseminated gold deposit is the largest historical mine in the Detroit District and was one of the most productive and economically important, sediment-hosted gold deposits in Utah. It was discovered in 1982 with a drill intercept of 15m grading 8.5g/t gold and was mined from two open pits (Southwest Pit and Northeast Pit) between 1984-89¹.

Over its six-year mine life, it reportedly produced 125,000oz of gold from 3.17 million tonnes of oxide ore grading 1.22g/t gold from open pits. Towards the end of its life, a small underground operation was developed in the Southwest Pit which produced mined grades of +4g/t gold.

Alderan's modelling of historical data suggests the 1980's drill defined gold deposit at Drum has exploration potential for remnant gold mineralisation totalling approximately 1.2 - 1.5 million tonnes at a grade of approximately 1.1 - 1.4g/t gold (approximately 42,000 - 67,000 ounces)². This estimate of exploration potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate Mineral Resources and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

In addition the deposit is open along strike to the south and down dip to the southwest with historical drill hole YC-174 intersecting 15.2m grading 4.5g/t gold 150m to the southwest of the West Pit.

Detroit Drilling Programme

Alderan's strategy since consolidating the Detroit project has been to complete first pass exploration over the entire project area to enable it to prioritise of its future exploration on targets with the potential for economic discovery. In line with this strategy, the Company completed geological mapping, stream, soil and rock sampling plus magnetic and IP geophysical surveys at Detroit which culminated in the identification of a number of high potential geophysical and geochemical targets for initial drill testing.

During October 2021, Alderan commenced its drill programme of approximately 3,000m, at Detroit. The first six holes, targeting distal disseminated gold and porphyry copper deposits were completed during the half-year and were focused on chargeability geophysical anomalies associated with historical mine workings and gold and copper in rock samples on the southern, northwestern and northern margins of the Basin Complex and within the Basin Complex. The objective of the programme was to intersect economic grades of mineralisation over mineable widths and hence determine whether these prospects warranted further exploration.

¹ Krahulec, K. "Sedimentary Rock-Hosted Gold and Silver Deposits of the Northeastern Basin and Range, Utah" Utah Geological Survey; Jan 2011

² Refer Alderan ASX releases dated 18 and 19 November 2021.

The first two holes in the programme testing geophysical targets were drilled to their planned depths, as reported in November 2021. The first hole, 3DD21-001, testing the Southern chargeability anomaly for gold was drilled to a depth of 332.4m while hole 7DD21-003 testing the Basin Main magnetic anomaly for porphyry copper mineralisation reached a final depth of 513.07m. Hole 7DD21-002 testing the Basin Main magnetic anomaly was abandoned due to technical issues. Holes 6DD21-004, 6DD21-005 and 6DD21-006, the fourth, fifth and sixth holes in the programme, were drilled into the Copperhead and Northern Extension prospects to planned depths of 209.4m, 441.07m and 211.0m respectively. These holes targeted distal disseminated gold mineralisation on the margins of the Basin porphyry in the Chisholm and Tatow formation limestones and clastic sediments which host Alderan's high potential Mizpah and Drum gold deposits 2km and 4km respectively to the southeast.

Alderan released assay results for a 21m section of hole 6DD21-004 and a 31.8m section of hole 6DD21-005 on the ASX on 30 December 2021. Final assays are awaited for drill holes 7DD21-003, 6DD21-004, 6DD21-005 and 6DD21-006 which were completed on its Detroit project prior to the 2021 Christmas-New Year shutdown.

Following receipt of the initial assays for drilling completed pre-Christmas 2021 and completion of Alderan's modelling of the historical drill hole data at Drum Gold Mine, it was decided to focus future drilling on Drum and the Mizpah gold prospect as the modelling indicated potential for significant oxide gold deposits with primary gold untested.

In February 2022, Alderan received initial assay results for drillhole 9DD22-001, completed at the historical Drum Gold Mine in its planned programme aimed at verifying and extending remnant oxide mineralisation. Hole 9DD22-001 drilled to 117.95m was designed to test for modelled remnant gold mineralisation in the zone surrounding historical hole YC-16 on the western side of Drum's East Pit. YC-16 intersected **56.4m @ 1.8g/t Au** from 44.2m downhole in the Tatow unit which hosts historical ore in the East Pit. Alderan modelling of historical drill data suggests approximately 10-20m of the YC-16 mineralised intersection remains below Drum's pit bottom (includes sample grades up to 7.1g/t Au).

Alderan received 9DD22-001 gold-only assays³ for 20 samples ranging in length from 0.5 - 2.15m between 57.0 - 78.3m down the hole. The highest-grade assays are **6.01g/t Au** (0.61m), **5.23g/t Au** (0.92m) and **3.4g/t Au** (1.13m) and the mineralized intersections include:

- **6.3m grading 2.9g/t Au** from 65.9m downhole and,
- **1.5m grading 5.6g/t Au** from 70.7m downhole, within
- **16.15m grading 1.04g/t Au** from 60.04m downhole (includes internal waste intervals grading <0.15g/t Au) which lies approximately 20m below the pit wall.

Hole 9DD22-001 was drilled as an angle hole to the east from the western pit wall of the East Pit rather than a twinned vertical hole next to YC-16 which was not possible due to historical mining. It is concluded from the grade of mineralisation and the length of the intersection that it represents a strong verification of the mineralisation intersected in YC-16.

³ Refer ASX release dated 25 February 2022.

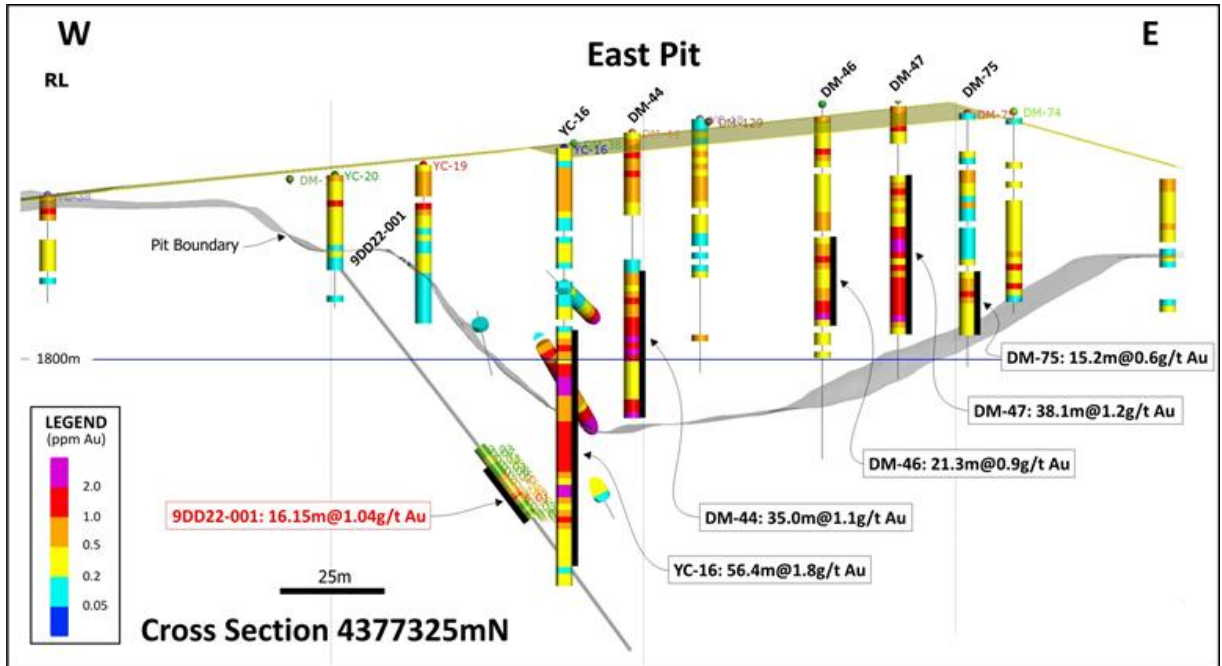


Figure 2: Drum East Pit cross section 4377325N showing historical drill hole intersections and Alderan's 9DD22-001 intersection.

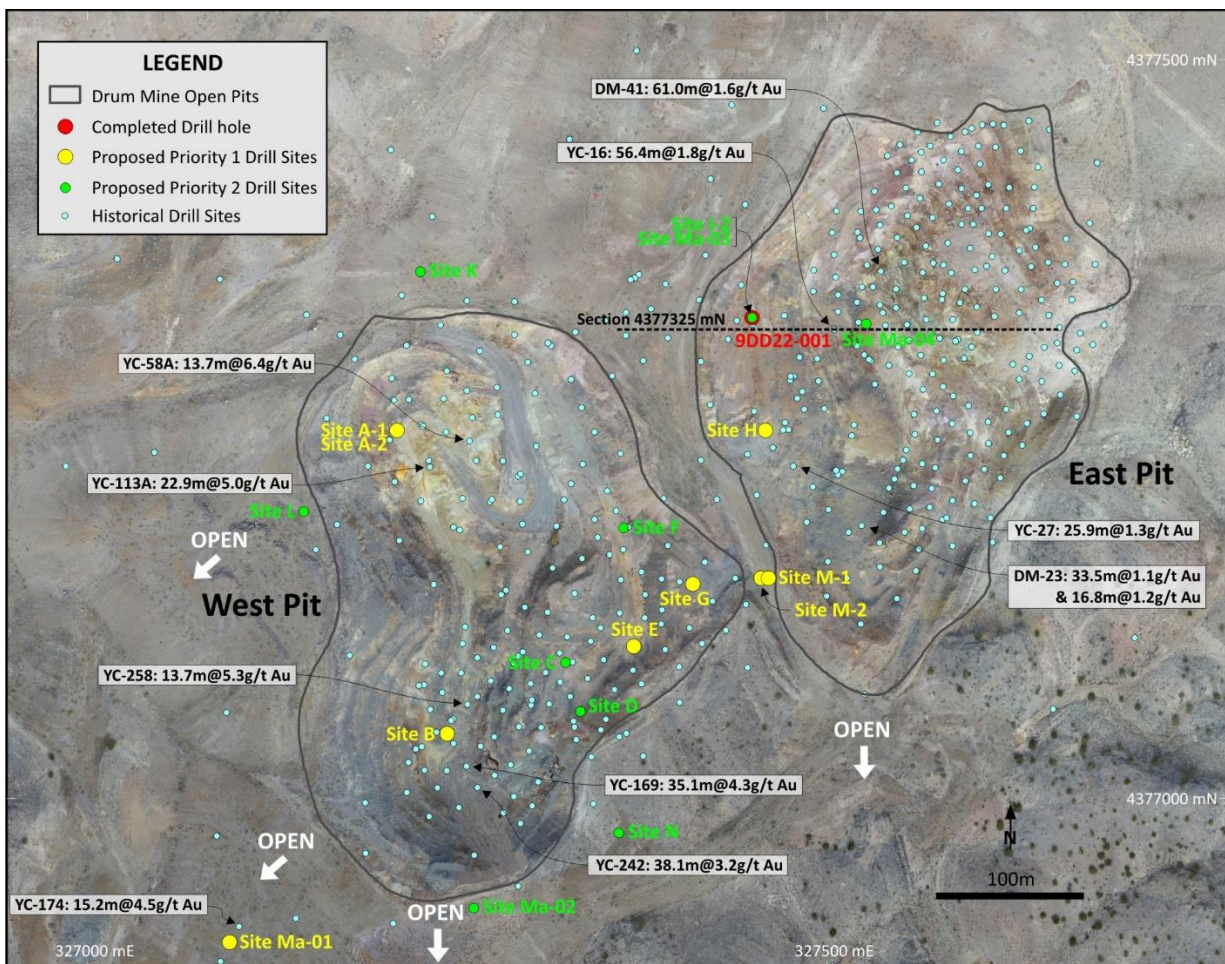


Figure 3: Aerial view of Drum showing pit outlines, significant historical drill intersections plus completed (red) and proposed Alderan drill holes. Priority 1 sites (yellow) are in the current programme while Priority 2 sites (green) are contingent.

A further nine holes planned in this phase of drilling at the Drum Gold Mine commenced in early March following a drill crew break and rig change.

Frisko Project

During the half-year, Rio Tinto subsidiary, KEX, completed a UAV (drone) magnetic survey at Alderan's Frisko Project in Utah, USA, which identified three new targets⁴.

The survey aimed to identify new magnetic targets and provide better resolution of existing targets⁵. In addition to identifying the new magnetic low targets, it has better defined the Cactus Porphyry, Reciprocity and North Carbonate anomalies which have been the subject of previous exploration.

Drilling completed by KEX at Frisko in 2020 returned results including:⁶

- SAWM0001: 41.0m @ 1.9% Cu, 0.62g/t Au, 7.1g/t Ag, 62.8ppm Mo
- SAWM0002: 12.0m @ 0.23g/t Au
- SAWM0004: 34.0m @ 0.99% Cu, 0.14g/t Au, 13.3g/t Ag
- SAWM0005: 16.7m @ 0.29% Cu, 1.6g/t Au

The UAV (drone) orthophoto survey enabled the development of a high-quality digital elevation model which was used to enable safe low altitude flying of the magnetics survey in rugged terrain. The surveys were flown by MWH Geo-Surveys International Inc. and involved collecting 1,435-line kilometers of UAV magnetics data at a line spacing of 25m over an area of 34.4km².

Processing of the magnetic data produced total magnetic intensity, reduction to pole and first vertical derivative of reduction to pole images. Following modelling and interpretation, KEX identified three new magnetic low anomalies and better resolved known anomalies at the Cactus mine and Reciprocity prospects and east of the historical Mountain Queen mine in the Northern Carbonates zone.

KEX can earn up to a 70% interest in Frisko by spending US\$30 million in three stages over 10 years under an agreement signed with Alderan in 2019.

⁴ Alderan ASX announcement dated 21 January 2022.

⁵ Alderan ASX announcement dated 11 June 2021.

⁶ Alderan ASX announcements dated 5 and 19 August 2020, 18 November 2020, 11 March 2021 and 11 June 2021.

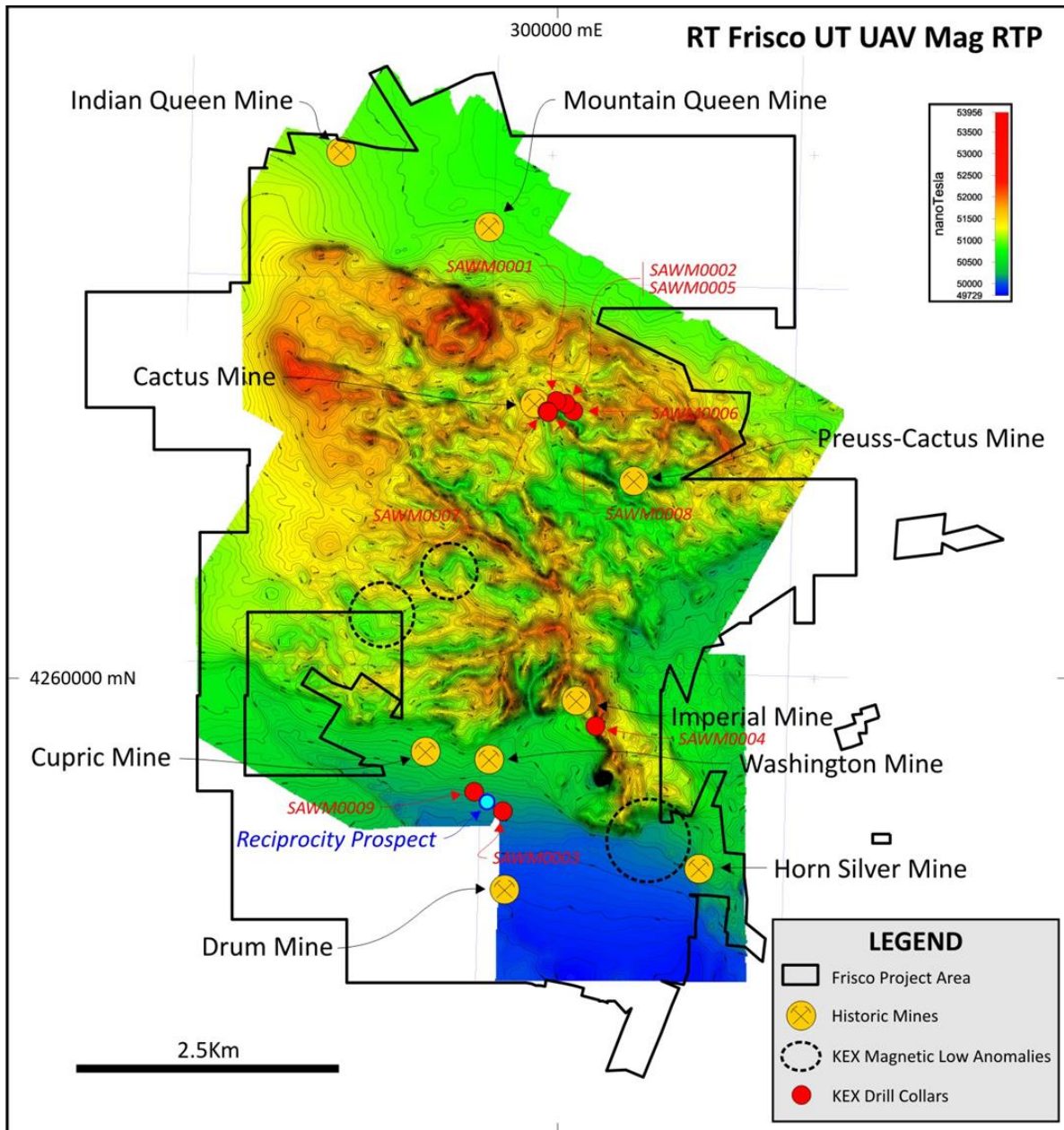


Figure 4: Frisco drone magnetic survey area – reduced to pole image.

Corporate

In August, Alderan announced it had received firm commitments to raise \$5 million (before costs) through the issue of approximately 125 million new shares to institutional, sophisticated and professional investors at a price of \$0.04 per Share (**Placement**).

Funds from the Placement are being used towards exploration at the Company's copper-gold projects in Utah, USA, specifically a diamond drilling program at the Detroit project, and for working capital purposes.

The Placement was settled in two tranches. Tranche 1 raised approximately \$1.76 million and was issued under the Company's existing placement capacity under ASX Listing Rule 7.1. Tranche 2 raised approximately \$3.24 million, and was subject to shareholder approval, which Alderan received at an Extraordinary General Meeting (EGM) held on 23 September 2021.

Alderan Directors participated in the Placement for an additional \$105,000 (approximately 2.63 million Shares), which shareholders approved at the EGM.

Canaccord Genuity (Australia) Limited acted as Sole Lead Manager to the Placement and was issued a total of 20 million unquoted options, 10 million exercisable at \$0.11 and 10 million exercisable at \$0.15, expiring 3 years from date of issue.

Competent Persons Statement

The information contained in this report that relates to the exploration potential for the Drum gold mine peripheral to the historical pits is based on, and fairly reflects, information compiled by Dr Marat Abzalov, who is a Fellow of the Australian Institute of Mining and Metallurgy. Dr Abzalov is a consultant to Alderan and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Abzalov consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Dr Abzalov holds securities in the Company.

The information in this announcement that relates to historical exploration results were reported by the Company in accordance with listing rule 5.7 on 5 August 2020, 19 August 2020, 18 November 2020, 11 March 2021, 11 June 2021, 18 November 2021, 19 November 2021, 21 January 2022 and 25 February 2022. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement.

Significant Events After the Reporting Date

Between the end of the half-year and the date of this report there are no items, transactions or events of a material or unusual nature likely, in the opinions of the directors, to affect significantly, the results of those operations, or the state of affairs of the Group in future financial years that require disclosure.

Operating Results for the Period

The loss after tax of the Group for the financial period, after providing for income tax amounted to \$769,201 (31 December 2020: loss of \$1,289,778).

Review of Financial Conditions

The Group had a net bank balance of \$2,768,530 as at 31 December 2021 (30 June 2021: \$791,510).

Auditor Independence

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

Signed in accordance with a resolution of the Directors.



Mr Tom Eadie

Chairman

Dated this 14th day of March 2022

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Alderan Resources Limited for the half-year ended 31 December 2021, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS



MATTHEW BEEVERS
Partner

Perth, WA
Dated: 14 March 2022

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Notes	31 December 2021 \$	31 December 2020 \$
<i>Continuing operations</i>			
Interest income		6,572	1,696
Consulting and administration expense		(347,849)	(210,938)
Employee benefits expense		(210,156)	(161,895)
Share-based payment expense	5	(194,944)	(320,625)
Depreciation and amortisation expense		(22,824)	(29,860)
Finance costs		-	(1,817)
Write off of exploration expenditure on relinquishment of tenements		-	(566,339)
Loss before income tax		(769,201)	(1,289,778)
Income tax		-	-
Loss for the half year after tax		(769,201)	(1,289,778)
<i>Other comprehensive income, net of income tax</i>			
Exchange differences on translation of foreign operations		422,399	(1,149,924)
Other comprehensive income for the half year, net of income tax		422,399	(1,149,924)
Total comprehensive loss for the half year		(346,802)	(2,439,702)
 Basic and diluted loss per share (cents per share)		 (0.21)	 (0.48)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		31 December 2021	30 June 2021
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents		2,768,530	791,510
Trade and other receivables		165,670	131,603
Total Current Assets		2,934,200	923,113
Non-Current Assets			
Plant and equipment		193,486	209,056
Exploration and evaluation expenditure	3	14,152,663	11,587,899
Total Non-current Assets		14,346,149	11,796,955
Total Assets		17,280,349	12,720,068
Liabilities			
Current Liabilities			
Trade and other payables		209,149	262,888
Total Liabilities		209,149	262,888
Net Assets		17,071,200	12,457,180
Equity			
Issued capital	4	26,651,452	22,157,574
Options reserve	5	7,344,258	6,877,314
Performance rights reserve	5	101,420	101,420
Foreign currency reserve		277,708	(144,691)
Accumulated losses		(17,303,638)	(16,534,437)
Net Equity		17,071,200	12,457,180

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Issued Capital \$	Option and Perf. Rights Reserves \$	Foreign Currency Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2020	19,027,550	6,425,650	744,522	(14,485,002)	11,712,720
Loss for the half year	-	-	-	(1,289,778)	(1,289,778)
Other comprehensive income	-	-	(1,149,924)	-	(1,149,924)
Total comprehensive loss for the half year	-	-	(1,149,924)	(1,289,778)	(2,439,702)
Contributions of equity	3,050,024	-	-	-	3,050,024
Share based payments	80,000	240,625	-	-	320,625
Balance at 31 December 2020	22,157,574	6,666,275	(405,402)	(15,774,780)	12,643,667
Balance at 1 July 2021	22,157,574	6,978,734	(144,691)	(16,534,437)	12,457,180
Loss for the half year	-	-	-	(769,201)	(769,201)
Other comprehensive income	-	-	422,399	-	422,399
Total comprehensive loss for the half year	-	-	422,399	(769,201)	(346,802)
Contribution of equity	4,493,878	272,000	-	-	4,765,878
Share based payments	-	194,944	-	-	194,944
Balance at 31 December 2021	26,651,452	7,445,678	277,708	(17,303,638)	17,071,200

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities		
Payments to suppliers and employees	(723,164)	(691,390)
Payments for exploration and evaluation expenditure	(1,807,167)	(1,416,673)
Interest received	6,549	2,361
Interest paid	-	(1,816)
Net cash (used in) operating activities	<u>(2,523,782)</u>	<u>(2,107,518)</u>
Cash flows from investing activities		
Payments to acquire tenements	(136,627)	-
On-payment of royalty previously received	(136,627)	-
Net cash (used in) investing activities	<u>(273,254)</u>	
Cash flows from financing activities		
Proceeds from issue of shares (net of capital raising costs)	4,765,878	2,680,758
Proceeds from options exercised	-	237,500
Net cash provided by financing activities	<u>4,765,878</u>	<u>2,918,258</u>
Net increase in cash held	1,968,842	810,740
Effect of foreign exchange	8,178	(4,244)
Cash and cash equivalents at the beginning of the half year	791,510	2,133,424
Cash and cash equivalents at the end of the half year	<u>2,768,530</u>	<u>2,939,920</u>

The accompanying notes form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose interim financial statements of Alderan Resources Limited (**Company**) and controlled entities (**Group**) for the half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Alderan Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 31 December 2021

In the period ended 31 December 2021, 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. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group.

Standards and interpretations in issue not yet effective

The directors have also reviewed all of the new and revised standards and interpretations in issue not yet effective for the half-year ended 31 December 2021.

As a result of this review, the directors have determined that there will be no material impact of these standards and interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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 half year ended 31 December 2021 and 31 December 2020.

	United States of America \$	Australia \$	Unallocated Items \$	Consolidated \$
31 December 2021				
Segment income	-	6,572	-	6,572
Intersegment revenue	-	-	-	-
Revenue from external customers	-	6,572	-	6,572
Segment result	(162,359)	(608,842)	-	(769,201)
Segment assets	14,819,833	2,460,516	-	17,280,349
Segment liabilities	154,984	54,165	-	209,149
31 December 2020				
Segment income	-	1,696	-	1,696
Intersegment revenue	-	-	-	-
Revenue from external customers	-	1,696	-	1,696
Segment result	(726,537)	(563,241)	-	(1,289,778)
Segment assets	9,922,158	2,925,267	-	12,847,425
Segment liabilities	135,464	68,294	-	203,758

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2021 \$	30 June 2021 \$
Carrying value at the end of the half year/year	<u>14,152,663</u>	<u>11,587,899</u>
<i>Movements during the half year</i>		\$
Balance at 1 July 2021		11,587,899
Expenditure incurred		2,127,809
Foreign exchange differences		436,955
Balance at 31 December 2021		<u>14,152,663</u>

NOTE 4: ISSUED CAPITAL

	31 December 2021		30 June 2021	
	No.	\$	No.	\$
Fully paid ordinary shares	<u>425,566,080</u>	<u>26,651,452</u>	<u>297,941,092</u>	<u>22,157,574</u>
<i>Movements in Ordinary Shares</i>			No.	\$
Balance at 1 July 2021			297,941,092	22,157,574
Issue of Placement Shares (Tranche 1) ¹			44,116,163	1,764,647
Issue of Placement Shares (Tranche 2) ²			80,883,825	3,235,338
Issue of Placement Shares (Directors) ³			2,625,000	105,000
Share issue costs			-	(611,107)
Balance at 31 December 2021			<u>425,566,080</u>	<u>26,651,452</u>

1. 44,116,163 fully paid ordinary shares issued under a Placement (Tranche 1) to professional and sophisticated investors on 6 August 2021 at an issue price of \$0.04 per share.
2. 80,883,825 fully paid ordinary shares issued under a Placement (Tranche 2) to professional and sophisticated investors on 1 October 2021, following shareholder approval, at an issue price of \$0.04 per share.
3. 2,625,000 fully paid ordinary shares issued to Directors on 1 October 2021, following shareholder approval, at an issue price of \$0.04 per share.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 5: RESERVES

	31 December 2021	30 June 2021
	\$	\$
Options reserve	7,344,258	6,877,314
Performance rights reserve	101,420	101,420
Total	<u>7,445,678</u>	<u>6,978,734</u>

<i>Options Reserve</i>	31 December 2021		30 June 2021	
	No.	\$	No.	\$
Options	<u>96,732,292</u>	<u>7,344,258</u>	<u>76,732,292</u>	<u>6,877,314</u>

<i>Movements in Options</i>	No.	\$
Balance at 1 July 2021	76,732,292	6,877,314
Options issued to Brokers ¹	20,000,000	272,000
Expense for Employee Options issued ²	-	53,793
Expense for MD Options issued ²	-	141,151
Balance at 31 December 2021	<u>96,732,292</u>	<u>7,344,258</u>

- On 1 October 2021, 20,000,000 unquoted options were issued to Brokers who assisted with the Placement, as follows:
 - 10,000,000 unquoted options exercisable at \$0.11 on or before 1 October 2024 (Tranche A); and
 - 10,000,000 unquoted options exercisable at \$0.15 on or before 1 October 2024 (Tranche B),
- In prior periods, unquoted options have been issued to Employees and the Managing Director. The fair value of these unquoted options was determined at the grant date and expensed over the vesting period. The amounts above relate to the portion of the expense to be recorded at 31 December 2021. Refer the Annual Financial Report for the year ended 30 June 2021 for the valuation details and further information.

Broker Options	Number	Grant date	Expiry date	Exercise Price \$	Fair value at grant date \$	Vesting date	Recognised as expense at 31-Dec-21 \$
Tranche A	10,000,000	1-Oct-21	1-Oct-24	0.11	146,000	1-Oct-21	146,000
Tranche B	10,000,000	1-Oct-21	1-Oct-24	0.15	126,000	1-Oct-21	126,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 5: RESERVES (CONTINUED)

<i>Performance Rights Reserve</i>	31 December 2021		30 June 2021	
	No.	\$	No.	\$
Performance Rights	200,000	101,420	400,000	101,420
<i>Movements in Performance Rights</i>			No.	\$
Balance at 1 July 2021			400,000	101,420
Class A expired on 24 August 2021			(200,000)	-
Balance at 31 December 2021			200,000	101,420

The performance rights on issue as at 31 December 2021 are as follows:

Class	Number	Expiry Date	Vesting Conditions
C	200,000	24 August 2022	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.

The Group measured the fair value of the performance rights at the date of issue by using the Monte-Carlo pricing model.

NOTE 6: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Between the end of the half-year and the date of this report there are no items, transactions or events of a material or unusual nature likely, in the opinions of the directors, to affect significantly, the results of those operations, or the state of affairs of the Group in future financial years that require disclosure.

NOTE 7: DIVIDENDS

The directors of the Company have not declared any dividend for the half year ended 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 8: CONTINGENT ASSETS AND LIABILITIES

On 11 February 2021, the Company announced it had completed several strategic land deals whereby the Company executed Option Agreements. If the Company decides to exercise the various Option Agreements, additional liabilities will be incurred, as follows:

Option Agreement with Drum Mountain Mineral Properties LLC (DMMP):

- 55% interest for \$3 million in exploration expenditure over 3 years;
- Upon Volantis (100% owned Alderan subsidiary) completing expenditures to earn 55%, DMMP will have a one-time option to contribute at 45%. If the option is not exercised, Volantis may earn 70%;
- 70% interest for an additional \$2 million over 5 years; and
- 1% Net Smelter Royalty (NSR) if a party's interest is reduced to less than 10%.

Option Agreement with Hartshorn Claim Group:

- Annual payments from acquisition date of \$15,000, \$15,000 and \$30,000; and
- Purchase price \$200,000 in 3 years plus a 2% NSR (with 1% purchasable for \$200,000).

Option Agreement with George Miller / Ron Myers Patented claims:

- Purchase price \$4,550,000 in 12 months from agreement date (27 March 2022)

On 30 September 2021, the Company announced it's 100% owned subsidiary, Valyrian Resources Corp, had executed an Option Agreement with North Exploration LLC to purchase 10 State of Utah mining claims totalling 210 acres located in Millard County, Utah. If the Company decides to exercise the Option Agreement, additional liabilities will be incurred, as follows:

- First Anniversary: US\$15,000, plus SITLA, BLM and county fees;
- Second Anniversary: US\$25,000 plus SITLA, BLM and county fees;
- Third Anniversary: Purchase for US\$450,000;
- Option can be terminated at any time by the Company; and
- 2% Net Smelter Return Royalty, with the option to purchase 1% for US\$450,000

Under the Option Agreement, an annual work commitment of US\$20,000, US\$40,000 and US\$60,000 for the first three years respectively is also required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 9: COMMITMENTS AND CONTINGENCIES

	31 December 2021 \$	30 June 2021 \$
Exploration expenditure and annual lease/claim payments Committed at the reporting date but not recognised as liability:		
Within one year	210,354	1,205,143
One to five years	-	-
	<u>210,354</u>	<u>1,205,143</u>

Where the commitments are due in US Dollars, the Company has used the spot rate on 31 December 2021 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.

DIRECTORS' DECLARATION

In the opinion of the Directors of Alderan Resources Limited:

- a. The accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - i. Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - ii. Complying with AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution by the Board of Directors made pursuant to section 303(3)(a) of the Corporations Act 2001.



Mr. Tom Eadie

Chairman

Dated this 14th day of March 2022

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alderan Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Alderan Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Alderan Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alderan Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



MATTHEW BEEVERS
Partner

Perth, WA
Dated: 14 March 2022