



6 June 2017

Ms Anjuli Sinniah
Adviser, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Anjuli,

Pre-Quotation Information – Alderan Resources Limited (Company)

The Company provides the following information as part of its pre-quotation disclosures.

1. Annexure 1 – updated statement of commitments based on actual funds raised
2. Annexure 2 – updated financial position based on actual funds raised
3. Annexure 3 – statements and confirmations as required by ASX prior to quotation
4. Annexure 4 – full terms and conditions of all options on issue.

For and on behalf of Alderan Resources Limited

A handwritten signature in black ink, appearing to be "Brett Tucker". The signature is stylized with a large, looped 'B' and a long, horizontal stroke extending to the right.

Brett Tucker

Company Secretary
Alderan Resources Limited
+61 8 9482 0560

Annexure 1 – Updated Statement of Commitments

The Company intends to apply funds raised from the public offer, together with existing cash reserves, over the first two years following admission of the Company to the official list of ASX as follows:

Funds available	Based on actual funds raised (\$8,500,000)	Percentage of Funds (%)⁴
Existing cash reserves ¹	174,318	2%
Funds raised from the Offer	8,500,000	98%
Total	8,674,318	100%
Allocation of funds²		
Drill rig mobilisation, drilling, assays	2,910,000	33%
Geophysics, petrology, age dating	755,000	9%
Technical services – geology, logging, surveys, supervision	1,614,000	19%
Field logistics and supplies	838,000	9%
Lease and claim fees and holding costs	438,000	5%
Administration	1,180,000	14%
Promotion and marketing	132,000	1%
Costs of the Offer ²	572,803	7%
General working capital ³	234,515	3%
Total	8,674,318	100%

Notes:

1. Refer to Appendix A to the Investigating Accountant's Report set out in Section 8 of the Prospectus dated 5 April 2017 for further details.
2. This amount does not include amounts paid by the Company prior to 31 May 2017.
3. General working capital costs may include general costs associated with the management and operation of the business including administration expenses, management salaries, directors' fees, rent and other associated costs.
4. Percentages are rounded.

The above table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events (including exploration success and failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

No guarantee can be provided that the Company will not in the future be required to raise additional funds to maintain mining operations or conduct exploration activities to identify a reserve or resource in accordance with the JORC code.

Annexure 2 – Updated Financial Position

The following is an updated unaudited pro-forma statement of financial position as at 31 May 2017 for the Company based on actual funds raised of \$8,500,000 under the Prospectus issued by the Company on 5 April 2017.

	Unaudited 31-May-17 \$	Pro forma adjustments Unaudited 31-May-17 \$	Pro forma Unaudited 31-May-17 \$
Assets			
Current assets			
Cash and cash equivalents	195,229	7,990,000	8,185,229
Trade and other receivables	124,097	-	124,097
Total current assets	<u>319,326</u>	<u>7,990,000</u>	<u>8,309,326</u>
Non-current assets			
Property, plant & equipment	4,093	-	4,093
Exploration and evaluation expenditure	752,455	-	752,455
Total non-current assets	<u>756,548</u>	<u>-</u>	<u>756,548</u>
Total assets	<u>1,075,874</u>	<u>-</u>	<u>9,065,874</u>
Liabilities			
Current liabilities			
Trade and other payables	226,797	-	226,797
Total current liabilities	<u>226,797</u>	<u>-</u>	<u>226,797</u>
Net assets	<u>849,077</u>	<u>7,990,000</u>	<u>8,839,077</u>
Equity			
Issued capital	2,200,027	7,570,843	9,770,870
Reserves	99,002	419,157	518,159
Accumulated losses	(1,449,952)	-	(1,449,952)
Total equity	<u>849,077</u>	<u>7,990,000</u>	<u>8,839,077</u>

The Pro Forma financial position has been prepared by adjusting the financial position of the Company to reflect the financial effects of the following pro forma transactions:

- (i) The issue of 42,500,000 ordinary Company shares at \$0.20 each to raise \$8,500,000 before costs pursuant to the Offer;
- (ii) The payment of the remaining cash costs related to the Offer estimated to be \$510,000 excluding GST; and
- (iii) The issue of 2,300,000 options over fully paid ordinary shares, exercisable at \$0.30 each with a 3-year expiry and 2,300,000 options over fully paid ordinary shares, exercisable at \$0.40 each with a 3-year expiry to the lead manager in relation to the Offer.

Annexure 3 – Statements and Confirmations

The Company confirms the following:

1. The issue of 2,300,000 options exercisable at \$0.30 each expiring 3 years from the date of issue and 2,300,000 options exercisable at \$0.40 each expiring 3 years from the date of issue pursuant to the Prospectus in accordance with the Lead Manager Offer.
2. The Company is not able to disclose the material terms of the lease between Horn Silver Mines Inc and Great American Resources LLC dated 1 March 2010 (**GAR Lease**). However, the GAR Lease will not impact the Company's ability to conduct its mining activities for the following reasons:
 - a. the GAR Lease is restricted to marble, limestone and structural or decorative stone and does not impact with the Company's rights to the metallic minerals;
 - b. the GAR Lease applies only to a small number of claims and on areas that fall outside the Company's main prospect areas – please refer to Figure 2 and Figure 3 of the Independent Geologists Report in section 7 of the Prospectus which show the main target areas (Figure 2) and the location of the GAR Lease (Figure 3); and
 - c. the Company has full rights, under its lease agreement with Horn Silver Mines Inc, to access the GAR Lease areas, subject to notifying Great American Resources LLC.
3. The number of securities subject to ASX imposed escrow and the escrow period applied to those securities as follows:

SHARES	
Shares – Unrestricted	61,258,020
Shares – Escrowed 12 months from the date of issue of securities:	
12 months to 9 January 2018	163,333
12 months to 23 December 2017	3,046,666
12 months to 27 September 2017	694,365
Shares – Escrowed 24 months from quotation	42,801,524
Total	107,963,908

OPTIONS	
Options – Escrowed 24 months from re-quotation	18,477,454
Total	18,477,454

4. There are no, legal, regulatory or contractual impediments to the Company entering the patented and unpatented claims which form the Frisco Project (including but not limited to the "Horn Patented and Unpatented Claims" and the "Cactus Patented and Unpatented Claims") and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of ASX Listing Rule 1.3.2(b).

Annexure 4 - Terms for Options on issue

The terms and conditions of the Options are as follows:

- (a) Each Option gives the holder the right to subscribe for one Share.
- (b) The Options are exercisable in accordance with the table below:

Class	Exercise Price	Term to expiry	Vesting	Additional vesting criteria
Tranche A Management Option	\$ 0.20	4 years from grant date	After 1 year	N/A
	\$ 0.30			
	\$ 0.40			
Tranche B Management Option	\$0.60	4 years from grant date	After 2 years	N/A
	\$0.80			
Milestone Options	\$0.20	5 years from grant date	After 1 year	Resource Milestone*
Lead Manager Options	\$ 0.20	3 years from grant date	N/A	N/A
	\$ 0.30			
	\$ 0.40			

*Resource Milestone:

- (i) the Company completing a minimum of 10,000 metres of drilling on the Frisco Project prior to the date of expiry; and
 - (ii) a period of 30 consecutive calendar days where the closing share price of the Company as quoted on the ASX is in excess of \$0.30 prior to the date of expiry.
- (c) the Options are not transferable.
 - (d) Subject to the condition in paragraph (b) being satisfied, the Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the holder to exercise a specified number of Options, accompanied by a Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the holder's right to exercise the balance of any Options remaining.
 - (e) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares.
 - (f) The Options are not to be quoted on ASX and the Company is under no obligation to apply for quotation of the Options on ASX.
 - (g) The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options.
 - (h) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the Company will give each Option holder prior notice as required by the Listing Rules of the Record Date (as defined in the Listing Rules) of any proposed issue of Shares or other securities or entitlements made available to the holders of Shares generally to enable the Option holder to exercise its Options and participate in the new issue.
 - (i) There is no right to change the Exercise Price of an Option nor the number of Shares over which the Option can be exercised, if the Company completes a pro rata issue of Shares which is not a bonus issue.



- (j) If there is a bonus issue of Shares, the number of Shares over which an Option can be exercised increases by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (k) In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date, all rights of the Option holder will be varied in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.