

External memo

From: Kennecott Exploration

RTX AMR Copper

To: Alderan Resources

CC: David Simpson, Clinton Roberts

Reference:

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Number of pages: 5

Sawmill Canyon (Frisco) Quarterly Report for Q1 2020

Q1 2020 Summary of Activities

During the first quarter of 2020, the Kennecott Exploration has focused on planning for an initial diamond drill program to follow up on high grade intersections at the Cactus Breccia and Accrington Skarn targets as well as a deeper hole testing the Reciprocity IP Anomaly. Field visits have been conducted to assess ground conditions and determine requirements for logistics and safety. Kennecott Exploration geologists have completed first-pass field work to review areas of interest and ground truth existing and potential targets for future drilling activities. Several weeks were spent reviewing selected Alderan drill holes to tune the technical team into the geology of the property and begin developing Kennecott Exploration specific core logging procedures.

Drilling

An initial four-hole, 2,000m drill program has been planned to drill targets at the Cactus Breccias, Accrington Skarn and Reciprocity areas. At the Cactus Breccias, a hole is planned to test for possible continuity between the Cactus and Comet Breccias. At Accrington Skarn a hole is planned to test an approximately 50 meter step out from significant historic intercepts and to help determine continuity in the area. At the Reciprocity target, a deeper hole is planned to test the IP anomaly where Alderan drilled a hole which may have been terminated before reaching the anomaly depth, based on Kennecott Exploration's modelling of the geophysical data.

Kennecott Exploration has contracted Boart Longyear out of Phoenix, AZ as our contractor of choice and will use either an LF-160 with an automated rod handling system or an LF-90 drill rig where ground conditions require a small site set up.

Permitting

Kennecott Exploration has worked closely with Alderan Resources and the Utah Division of Oil, Gas, and Mining to permit near term drilling activities. A total of 15 previously permitted drill sites have been removed from Alderan Resources' existing permits and moved into a permit under Kennecott Exploration. As of March 20th, Kennecott has received approval from UDOGM to move forward with planned groundwork and drilling activity.

Zone	Alderan ID	KEX ID	Easting (m)*	Northing (m)*	Elevation (ft)
Bandit	BD-PAD003	KEXBD-2	298918	4263214	6142
Cactus	CAC-PAD012	KEXCAC-1	299800	4262700	6332
	CAC-PAD018	KEXCAC-2	299899	4262530	6396
	CAC-PAD021	KEXCAC-3	299991	4262629	6527
	CAC-PAD024	KEXCAC-4	300105	4262571	6526
	CAC-PAD030	KEXCAC-5	299995	4262689	6517
	CAC-PAD033	KEXCAC-6	299951	4262751	6520
	CAC-PAD034	KEXCAC-7	299959	4262707	6506
	CAC-PAD040	KEXCAC-8	300072	4262601	6567
	CAC-PAD044	KEXCAC-9	300147	4262531	6512
Accrington	HIP-002	KEXACC-1	300368	4259525	7687
	HIP-003	KEXACC-2	300445	4259483	7598
	PFR005	KEXACC-3	300149	4259421	7267
Reciprocity	PFR021	KEXREC-1	299488	4258710	6398
	PFR023	KEXREC-2	299206	4258892	6221

Table 1. Drill site locations that were removed from existing Alderan permits and placed in a Kennecott Exploration permit. Easting and Northing values are in meters and NAD83 UTM Zone 12N. Elevations is given in feet.

Health, Safety, Environment, and Communities

RTX required documentation including but not limited to Integrated Project Management Plan, Risk Register, Vehicle and Traffic Management Plan, and Data Management Plan were drafted during the beginning of 2020 in preparation for field work and drilling activities anticipated in Q2.

The emergence of COVID-19 has delayed original plans to begin drilling an approximate 4 hole, 2000m drill program until later in the year. Significant attention has been paid to reassessing project plans and making adjustments to mitigate, as much as reasonably possible, the potential impacts to project staff, contractors, and community members.

Limited community engagement was conducted and consisted of a brief meeting with the Mayor and Administrator for the City of Milford and introductory meetings with Mark Wintch to discuss if and how he could support drilling by providing access to water.

Geophysics

Nothing to report in Q1 2020.

Surface Mapping and Sampling

RTX geologists spent 28 days doing reconnaissance field mapping across Alderan ground. A total of 113 rock samples and 20 soil samples were taken. Assay and spectral results will be included in the 2020 Q1 data package (See Figure 1; QC samples included in totals).

Area	# of Rocks	Total Hours
Cactus	39	296.8
Horn	15	87.3
Tank	0	27
Shoshone	21	16.5
Unpatented	58	366.3
Total	133	793.9

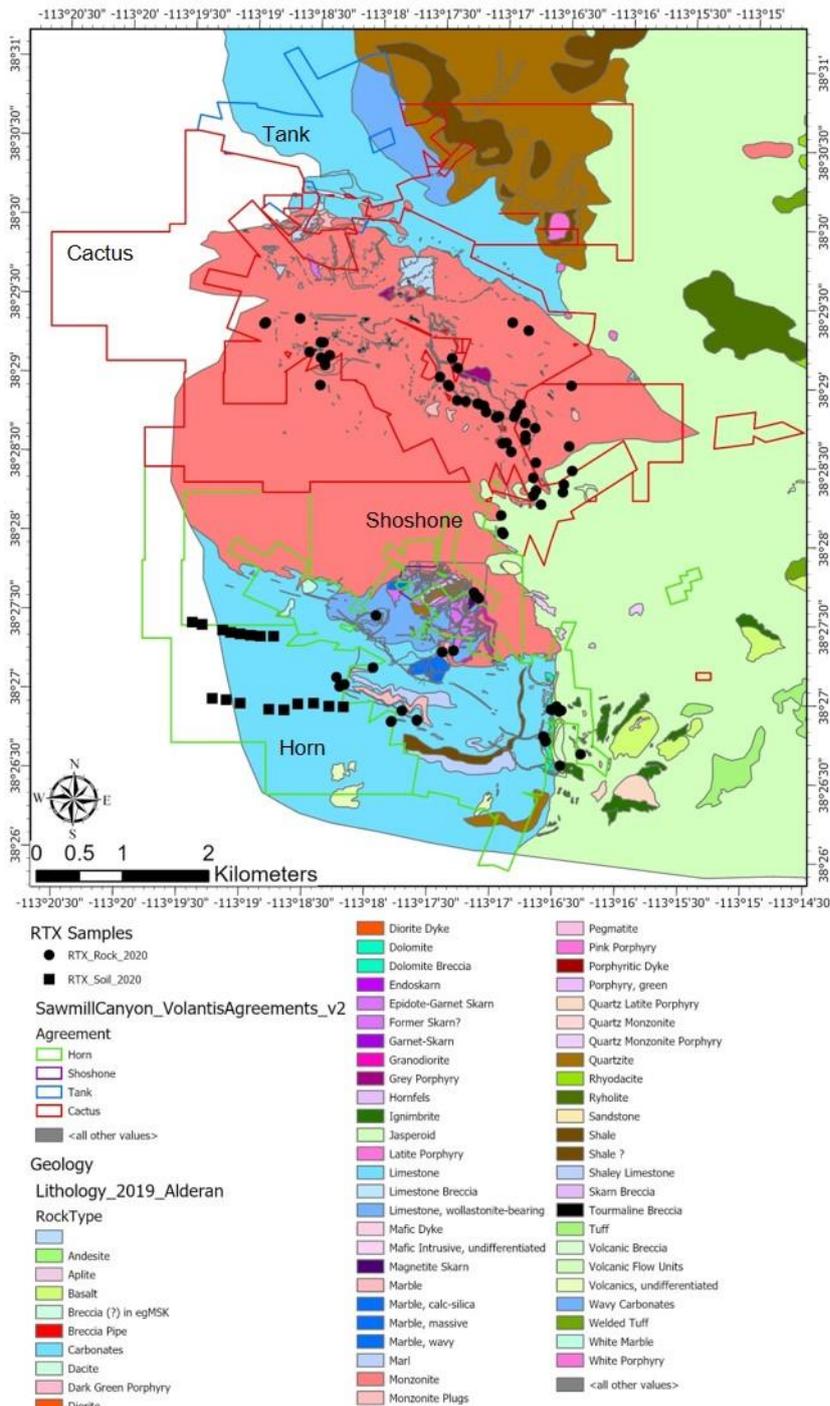


Figure 1. Tenement outlines and RTX sample locations over Alderan lithology.

Drill Core Re-logging

KEX personnel re-logged 2,121m of core across eight holes (Table 1) from January-March, 2020. Alteration logs had not been created previously and were captured for all the Bandit and Cactus holes that were re-logged. Core photos were also added for ALCA002 and ALCA005. ALBD001 had not been assayed previously, but the first 210m had been cut and placed in sample bags. The remaining 190m of core was cut and the entire hole was sampled and sent to ALS for assaying. More detailed data was added on all holes for lithology and all the Bandit and Cactus holes for mineralization.

Hole ID	EOH	Zone	Logging Status	Photos Added	Alteration Added	Mineralization Re-logged	Assayed
ALBD001	399.9	BANDIT	Complete	No	Yes	Yes	Yes
ALCA002	403.2	CACTUS	Complete	Yes	Yes	Yes	No
ALCA005	230.3	CACTUS	Complete	Yes	Yes	Yes	No
ALCA009	327.8	CACTUS	Complete (24%)*	No	Yes	Yes	No
ALCA010	158.3	CACTUS	Complete	No	Yes	Yes	No
FR18-004	362.2	ACCRINGTON	Complete (71%)*	No	0-84.69m	0-84.69m	No
FR18-006	367.9	ACCRINGTON	Complete	No	No	No	No
FR18-007	228.3	ACCRINGTON	Complete	No	No	No	No

Table 1: Core that was re-logged by RTX. *represents holes that were not available in their entirety and thus were only partially re-logged.

Expenditure

The majority of expenditure in Q1 2020 was around staff and contractor costs during field visits to assess logistic and operational requirements, field mapping and sampling, and drill core re-logging. Other larger costs included assay of surface samples collected by Kennecott Exploration and submitting ALBD001 which had been partially sampled by Alderan, but never sent to the lab for analysis.

Type	Cost
Land Payments	\$41,510
Drilling	\$0
Drilling (Misc.)	\$789
Earthworks	\$0
KEX Staff	\$179,508
Contractors	\$43,285
Assay	\$15,673
Field Support	\$18,214
Muds	\$0
Rentals	\$0
Fuel (Diesel)	\$1,027
Fuel (Gasoline)	\$649
Misc.	\$3,880
Total Spend	\$304,535

Data Package and Handover

Along with this and future quarterly reports, the KEX team intends to provide a data package(s) containing all new results generated from field activities and drilling. These packages will contain all primary and raw datasets. The basic workflow is as follows:

1. KEX project team will generate and QC datasets.
2. Various individuals identified as subject matter experts will validate that the data is final.

3. An encrypted .zip file(s) will be created, these files will be sent to individuals identified by Alderan via Pipeline Exchange.
4. Alderan is encouraged to review the data and provide feedback to KEX if necessary.

Kennecott Exploration will keep a data tracking sheet to monitor the status of datasets (date created, QC, validation, and transfer). All data packages and validation correspondence will be archived until deemed no longer necessary.