

External memo

From: Kennecott Exploration

RTX AMR Copper

To: Alderan Resources

CC: Martin Sauv , Clinton Roberts, Erik Best, Sara Jergenson

Reference: Sawmill Canyon Q1 2022 Report

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Sawmill Canyon (Frisco) Quarterly Report for Q1 2022

Q4 2022 Summary of Activities

Kennecott Exploration (KEX) has conducted field mapping and sampling over priority areas of interest including the Cu Gulch porphyry target, the Reciprocity-Accrington area porphyry target, and limited work on the Northern Carbonate (Tank) leases in Q1 2022. There has been some minor delay to planned drilling activities due to drill rig and crew availability, but the team is still planning for a small drill program in Q2 2022.

Drilling

Boart Longyear (BLY) have been contracted to complete planned drilling at Sawmill Canyon in 2022. Early in the year, the project had planned to begin drilling in early Q2, however the Omicron surge and limited rig and crew availability have pushed the start date back. At this time, diamond drilling is still planned for Q2 but no firm date has been set for drill rig mobilization.

Earthworks to prepare drill sites and trails began in late March in anticipation of drilling later in the spring or early summer.

Geology

Several geologists have completed field mapping and sampling over higher priority target areas including the Cu Gulch porphyry target, the Reciprocity-Accrington area porphyry target, and limited work on the Northern Carbonate (Tank) leases. A detailed summary of observations can be found in Appendix A.

Project geologists attended an online lecture hosted by Ore Deposits Hub focused on a study that used tourmaline as a vectoring tool at the Giant Copper Porphyry system in British Columbia. The system consists of 8 mineralized zones: 7 mineralized tourmaline breccias and 1 zone with conventional porphyry copper style mineralization. The study found that Fe-rich tourmaline, associated with well mineralized pipes, increased moving towards the breccia while Mg-rich tourmaline decreased. Additionally, spectral data was collected over the area using a drone and showed that Fe-OH, Mg-OH, and Al-OH spectra can be used to identify tourmaline at the district and regional scale. The team is using downhole spectral data from previous drilling at the Cactus Breccia to test whether a similar relationship between Fe and Mg-rich tourmaline is observed vectoring inward. The remote sensing methodology will also be applied to available, project scale spectra datasets to potentially identify additional mineralized breccia pipes exposed at surface on the property.

A total of four mineralized, Mo bearing samples from holes across the project area were sampled for Mo age dating (Table 1 and Figure 1). These have been submitted for analysis and results are pending

(expected in 2-3 months). While some age dates exist for the Cactus Stock Monzonite, only relative ages of other events, including the sulphide mineralization at the Cactus Breccia, are known, and based on cross cutting relationships. These new dates are anticipated to provide clarity on the timing of observed mineralized events.

Hole ID	From (m)	To (m)	Mo Date ID	Assay ID	Lithology	Sample Description	Vein Types
ALCA009	171.9	172.1	40408738	40408738	Monzonite	Monzonite with potassic/phyllitic veins	Quartz-chalcopyrite-pyrite-molybdenite veins with sericite and biotite halos
SAWM0001	344.5	344.6	40408740	40408740	Hydrothermal Breccia	Anhydrite-quartz-siderite-tourmaline-specularite hydrothermal breccia with late pyrite-chalcopyrite-molybdenite infill. Clasts of phengite-illite altered MZ	Qtz-tourmaline-siderite-anhydrite breccia veins with pyrite-chalcopyrite-molybdenite infill
SAWM0003	285.3	285.4	40408742	40408742	Andesite Porphyry	ANP with pervasive k-spar and shreddy biotite. Qtz-mo-py veins. 5-10% disseminated pyrite	Quartz-molybdenite-pyrite
SAWM0008	217.2	217.4	40408743	40408743	Monzonite	Monzonite with potassic/phyllitic veins	Quartz-molybdenite-pyrite-chalcopyrite veins with sericite-biotite halos

Table 1. Summary table of samples collected for Mo age dating.

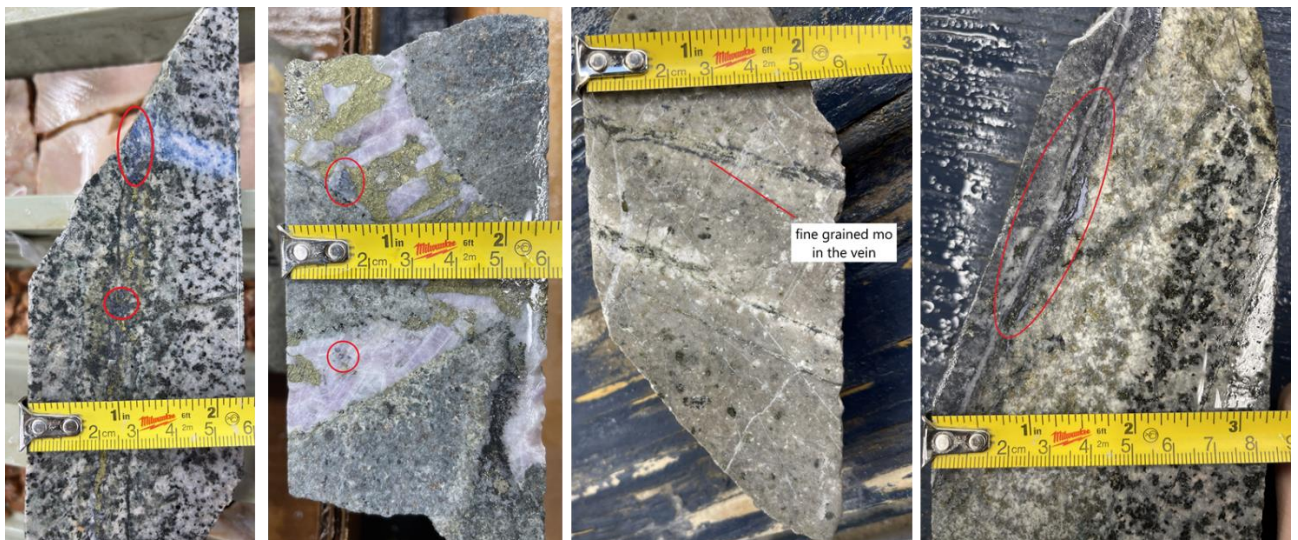


Figure 1. Mo age dating samples, (from left to right) ALCA009 at 171.92m, SAWM0001 at 344.5m, SAWM0003 at 285.25m, and SAWM0008 at 217.18m.

Permitting

Tetra Tech have been contacted to discuss additional cultural surveys for potential sites that are being considered for a possible permit amendment later in 2022. No work is planned at this time, however, permitting work maybe completed following results of the current field mapping and planned drilling.

Health, Safety, Environment, and Communities

A 2022 agreement with Wintch Livestock has been executed allowing access to water for drilling and to a small portion of property west of the project area that will be used for a laydown.

Geophysics

Nothing to report.

Other Activities

Nothing to report.

Expenditure

Tables 2 and 3 include a summary of expenditures for Q1 2022. The majority of costs during Q1 were associated with land payments and in-house staffing costs. Field support and Misc. costs included food, fuel, and accommodations for individuals supporting on site activities. The additional spend in Q1 2022, bring the total all-in expenditure to **\$4,978,484**.

		2022					
	Drilling & Geophysics	Drilling Support	Professional & Consultants	Field Support	Staff	Land	Misc.
January			\$3,825.90	\$4,728.38	\$9,992.00	\$204.25	
February			\$9,078.72	\$4,800.36	\$20,360.00	\$40,000.00	
March			\$20,873.16	\$4,398.25	\$33,532.80	\$434.50	\$115.16
April							
May							
June							
July							
August							
September							
October							
November							
December							
Y-T-D	\$0.00	\$0.00	\$33,777.78	\$13,926.99	\$63,884.80	\$40,638.75	

Table 2. Summary of expenditures for Sawmill Canyon for the year and Q1 2022 by month.

	2022					2021	2020	Project
	Q1	Q2	Q3	Q4	YTD Spending			Total
Drilling & Geophysics	-	-	-	-	\$0	\$140,132	\$1,606,696	\$1,746,828
Professional & Consultants	\$33,778	-	-	-	\$33,778	\$45,524	\$677,061	\$756,362
Field and Transportation	\$13,927	-	-	-	\$13,927	\$32,976	\$301,971	\$348,875
Payroll & Benefits	\$63,885	-	-	-	\$63,885	\$287,875	\$684,122	\$1,035,882
Titles & Tenements	\$40,639	-	-	-	\$40,639	\$322,893	\$269,310	\$632,841
Travel & Accommodations	\$115	-	-	-	\$115	\$2,467	\$2,525	\$5,107
Administrative Charge 10%	\$15,234	-	-	-	\$15,234	\$83,187	\$354,168	\$452,589
Quarterly Totals	\$167,578	-	-	-	\$167,578	\$915,053	\$3,895,853	\$4,978,484

Table 3. Subtotal of expenditure by quarter with administrative charge and total earn-in expenditure for Q1 2022 and annual summaries.

Data Package and Handover

Field observations and primary assay sample locations for work conducted in Q1 2022 will be provided as GIS shapefiles and transferred via Pipeline Exchange following this report.

Report prepared by:



Robert Rush
Principal Geologist
Sawmill Canyon/Frisco Project Manager

Report reviewed by:

Martin Sauvé, Exploration Manager US
Clinton Roberts, Principal Geologist- Copper Projects

Appendix A: Q1 2022 Field Mapping Observations and Discussion

Summary of observations from rotation 1:

The western edge of the Northern Carbonate area contains minor structurally controlled Pb-Zn mineralization with no further work recommended at this time. The northern stock-carbonate contact was mapped further to the east in mapping trip 2. The area directly north of the Cactus Breccia contains only trace tourmaline breccias and sericitic alteration in the monzonite proximal to andesitic dikes, but with no pervasive alteration or mineralization. Alteration and mineralization are stronger over the Copper Gulch target, which closes off other directions around the Cactus Breccia as a possible vector for the porphyry-style veining observed in drillholes and further supports the Copper Gulch target. To the south in the Reciprocity/Accrington area, mineralization appears to be controlled by three sets of structures: NW-SE (same trend that controls mineralization elsewhere on the property), N-S, and NE-SW. Garnet skarn was observed throughout the area with local patches of an epidote-chalcopyrite retrograde overprint.

Summary of observations from rotation 2:

Over Cu Gulch, two zones of NW-striking phyllically-altered quartz eye porphyry dikes with associated quartz-tourmaline-oxidised sulphide-sericite veins/breccias were mapped out. Alteration and mineralization within the surrounding monzonite are restricted to <10m halos around these structures. One of these structures is found just south of the first planned drillhole which will test the down-dip potential of these dikes. Historic Cu assays are also elongated NW-SE and appear to follow where these structures are mapped at surface. On the southern contact, garnet-chalcopyrite+/-magnetite skarn was observed on contact with the monzonite stock. Mineralization continues to be focused along N-S, NW-SE, and NE-SW structures as seen during previous mapping efforts.

Two traverses were completed targeting the carbonate contact with the Monzonite of the Cactus stock located on the northern portion of the Sawmill Canyon project. The contact in the area is faulted placing weak to strongly recrystallized marble with fresh monzonite (Cactus Stock). Endo skarn was observed regularly, and garnet skarn was observed in float, though no outcrop exhibiting the contact was found. It is likely that there are some "fingers" of the monzonite intruding the carbonate as endoskarn was observed in areas that have been mapped as carbonate by the USGS. One outcrop of a feldspar porphyry (likely a SE trending dike) was noted and appears to be the same as those noted in the Reciprocity area. Mineralization was observed primarily in historic workings that almost exclusively targeted structure trending roughly north-west to east-west (Figure 2). Structures in prospects typically had associated garnet/diopside skarn. There appears to be some bedding control associated with skarnification proximal to mineralized structures. Copper mineralization was mostly Cu carbonates, Cu silicates and less commonly chalcopyrite. Pyrite was common in garnet skarn. More field work in this area would be recommended only to support newly identified geophysical or geochemical targets that have not been identified to date. If drilling were to be considered in the northern portion of Sawmill Canyon, it is recommended to begin drilling in the carbonates, targeting structure, and drill perpendicular to the regional bedding until the contact with the Monzonite is reached.

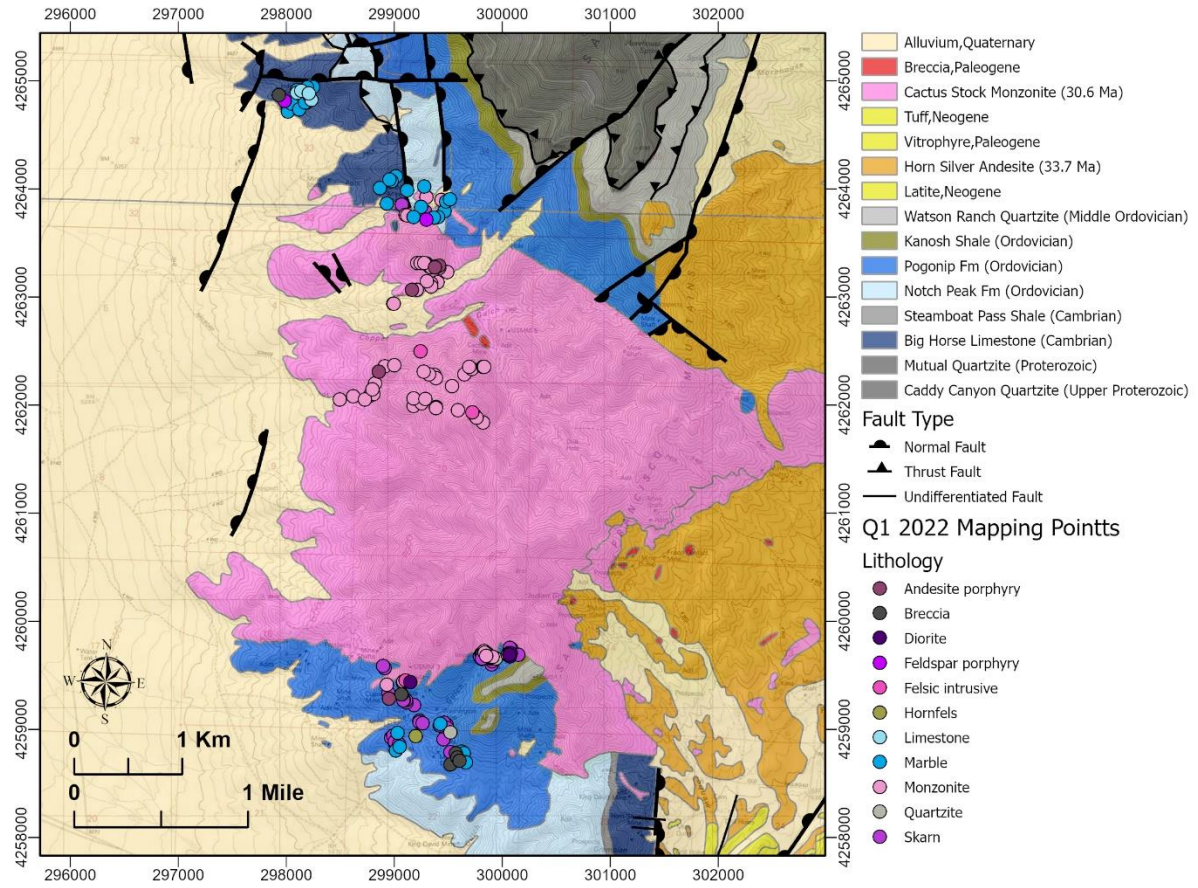


Figure 1: geologic map with field points collected February-March 2022

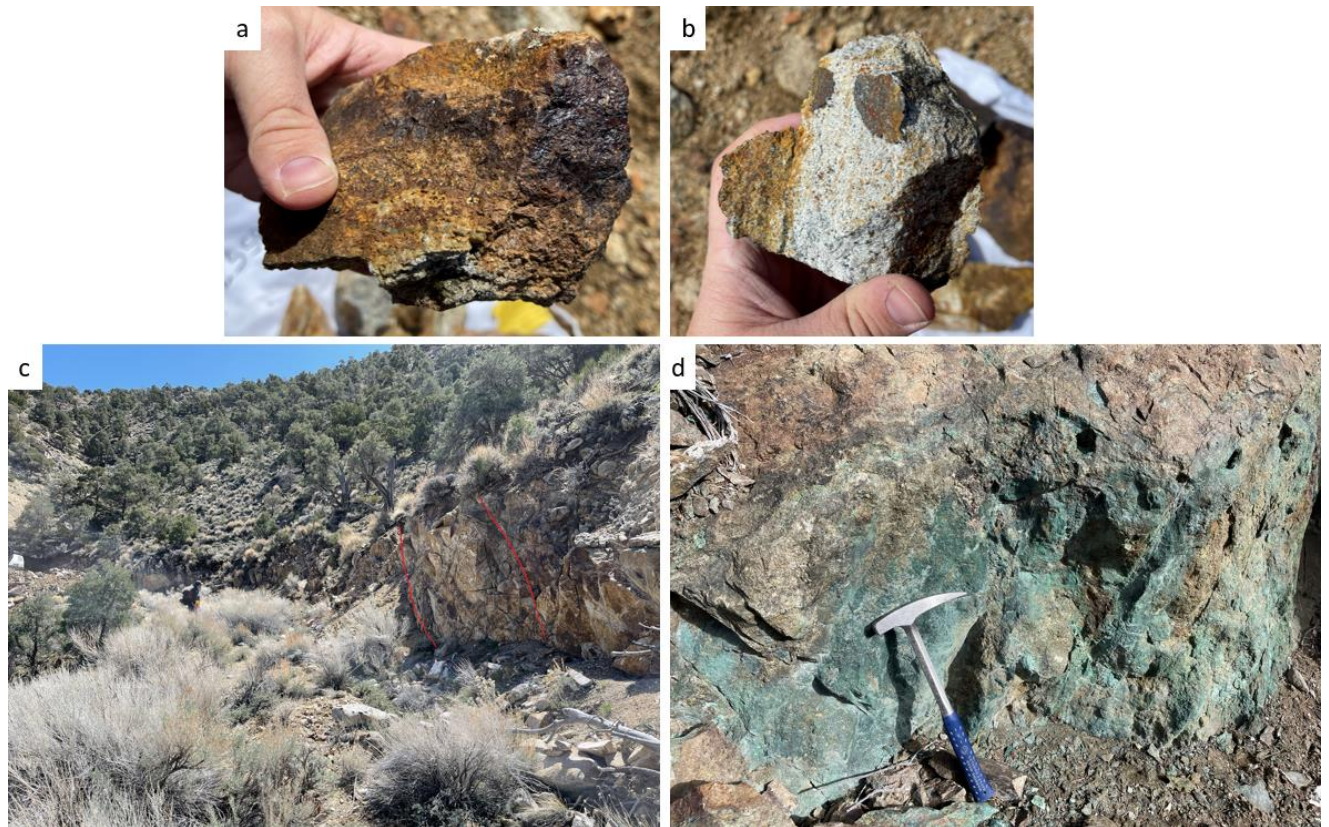


Figure 2: a) quartz-sericite veins with glassy FeOxides at Cu Gulch; b) quartz-oxidised sulphide-sericite veins at Cu Gulch; c) 5m wide quartz eye porphyry dike marked in red with <10m sericitic alteration halo in surrounding monzonite

with first proposed drill pad at Cu Gulch on left side of photo; d) pod of partially oxidised massive chalcopyrite at the Imperial mine in the Accrington area



Figure 3. (left) fault surface exposed in prospect targeting garnet skarn and hematite/magnetite vein, (center) C. Hoffman at fault surface exposed in prospect targeting garnet skarn and hematite/magnetite vein, and (right) fault contact above the Indian Queen mine.