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External memo

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RTX AMR Copper
To: Alderan Resources
CC: David Simpson, Clinton Roberts
Reference:
Date: July 29, 2020
Number of pages: 7

Sawmill Canyon (Frisco) Quarterly Report for Q2 2020

Q2 2020 Summary of Activities

Kennecott Exploration (KEX) commenced a four-hole, ~2000m drill program to test for high grade mineralization at the Cactus Breccia and Accrington Skarn as well as a blind IP anomaly at Reciprocity. Site preparations and earthworks began on May 8th with the Boart Longyear (BLY) LF-90 arriving shortly after. As of June 30th, two drill holes have been completed at the Cactus Breccia and a third hole was started at Reciprocity. Brief geologic summaries of the drill core are being captured in Milford, UT with all core subsequently shipped back to KEX's warehouse in Salt Lake City (SLC) for detailed core logging.

Drilling

The project experienced significant delays due to the emergence of COVID-19; however, after careful consideration and identification of controls to best protect the health and wellbeing of KEX staff, contractors, and local communities, the project was given the go-ahead to proceed with work in mid-May. This represents a delay of approximately one month after the original planned start date for the 2020 drill program.

As one of the main controls to protect the health of the field crew, KEX, BLY, and Wilderness Medics are currently working a 20 days on, 10 days off rotation using only one full set of crew members. This has led to the overall duration of the program extending several months longer than originally planned. Additionally there were other delays encountered that have impacted the duration of the drill program including: unanticipated ground conditions and a wildfire that shut down drilling operations from June 26-27th.

Diamond drilling operations began on May 16th with the initiation of SAWM0001. This hole was intended to follow up on historic (pre-Alderan) drilling that intercepted a mineralized interval which lacked assay results for several elements of interest, including Au and Ag. SAWM0001 presented numerous challenges including poor ground conditions, no water return, and historic mine workings that were encountered at depth. This lead to the hole requiring significantly more time to complete than anticipated and an associated increase in planned costs. SAWM0001 was completed on June 18th at a final end depth of 377.04m (1237ft) and abandoned upon completion; reclamation of the drill site is pending. Assay results for the upper portion of the hole have been received but the remaining samples are still pending at this time.

SAWM0002 began on June 19th and was targeting a gap in historic drilling between the Cactus and Comet Breccia zones. Drilling conditions improved significantly when compared to the first hole; however, the crew was still unable to maintain any considerable water return. The hole was completed on June 28th with a final depth of 383.13m (1257ft). SAWM0002 was abandoned once the final depth was reached and a total of 800 feet of PQ casing was lost when the rods twisted off at a depth of 90 feet. No Assay results have been received to date.

SAWM0003 is targeting a buried IP anomaly identified at Reciprocity. Drilling began on June 30th and no results are available for Q2.

HOLEID	EAST	NORTH	RL	Planned Depth (m)	Total Depth (m)	Azimuth	Dip	ALD Pad ID
SAWM0001	299991	4262629	1989.4	-	377.16	283.74	-79.5	CAC-PAD21
SAWM0002	300072	4262601	2001.7	-	383.13	236.96	-71.2	CAC-PAD40
SAWM0003	299488	4258710	1950	800	-	283.46	-80.4	PFR021

Table 1. Drill hole collar details. Coordinates are in NAD83 UTM Zone 12N. Azimuths represent the shallowest single shot reading available and are corrected to grid north.

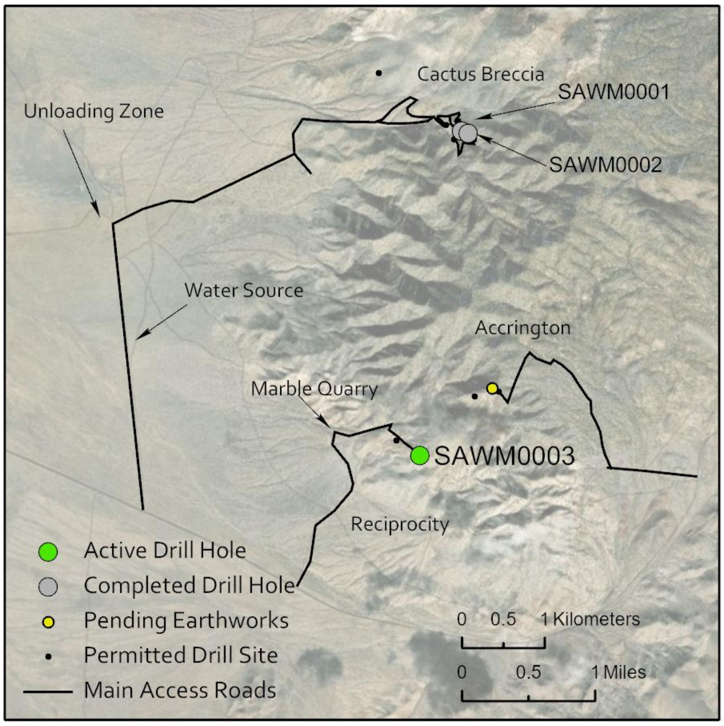

Figure 1. Plan map showing the location and status of KEX drill holes.

Geology

SAWM0001 begins in fractured and faulted medium grained equigranular monzonite and clay-rich breccia. Pervasive chloritization of mafic minerals in the monzonite was observed throughout the hole, along with weak sericitization and moderate to strong clay concentrated in the brecciated monzonite and fault zones. FeMn oxides are observed in veins and fracture surfaces. Sulfides occur throughout the hole below 43m in veins cutting the monzonite (both in intact sections and in monzonite breccia clasts) and less commonly disseminated in fault gouge. Pyrite±chalcopyrite±bornite veinlets that locally have small sericite halos are observed throughout, and quartz-pyrite/sericite veins are found locally. Sulfide vein density slightly increases proximal to fault zones and proximal to the breccia. From 223.50m to 230.20m, the monzonite is intruded by two dikes: one is a porphyritic diorite and the other is altered beyond identification. Trace shreddy biotite and A veins are observed in the monzonite above the transition to hydrothermal breccia at 230.20m. Clasts of moderate to strong sericite altered monzonite clasts are cemented by quartz-tourmaline-sericite matrix. Breccia is dominantly matrix supported with localized zones observed to be clast supported. The hydrothermal breccia exhibits constant >1% pyrite±chalcopyrite mineralization primarily in the matrix though strongest mineralization is in both clasts and matrix near the base of the interval. At 292.96m, there is a transition to moderate sericite altered monzonite with localized hydrothermal breccia and tourmaline veins. Pyrite±chalcopyrite mineralization decreases substantially. A basaltic andesite dike was intercepted form 337.17m to 337.71m. Calcite veins and weak chloritization of mafic minerals were observed. At 337.71m, the hole transitions to a quartz-anhydrite-siderite-tourmaline breccia. This breccia is poorly pyrite±chalcopyrite mineralized exclusively in matrix and is texturally different then the hydrothermal breccia intersected at 230.2m. The hole transitions to a trace to weak sericite altered monzonite through to the termination depth at 377.04m. Veins with a weak to moderate sericite vein halos are commonly observed. Mafic minerals are partly chloritized and tourmaline veins±kspar halos and biotite-magnetite veins are rare.

<table>
<tr><th>From (m)</th><th>To (m)</th><th>Lithology</th><th>Py %</th><th>Cpy %</th><th>Bn %</th><th>Mo %</th><th>Alteration</th></tr>
<tr><td>0</td><td>12.84</td><td>Overburden</td><td rowspan="2">-</td><td rowspan="3">-</td><td rowspan="3">-</td><td rowspan="3">-</td><td></td></tr>
<tr><td>12.84</td><td>43</td><td rowspan="8">Highly fractured and faulted monzonite</td><td>Weak chloritic; goethite+hematite on fractures</td></tr>
<tr><td>43</td><td>49.98</td><td>0.1</td><td>Weak chloritic; weak epidote; minor pyrite veinlets</td></tr>
<tr><td>49.98</td><td>66.77</td><td>0.2</td><td>0.01</td><td rowspan="3">0.01</td><td rowspan="2">0.01</td><td>Weak chloritic; minor pyrite±quartz±chalcopyrite±bornite±molybdenite/sericite and trace pyrite-epidote/albite veins</td></tr>
<tr><td>66.77</td><td>79.1</td><td>0.05</td><td>0.1</td><td>Weak chloritic; weak epidote; minor pyrite±quartz±chalcopyrite/sericite veinlets</td></tr>
<tr><td>79.1</td><td>102.9</td><td>0.05</td><td rowspan="3">0.01</td><td>-</td><td>Weak chloritic; trace epidote; pyrite±quartz±chalcopyrite/sericite veins</td></tr>
<tr><td>102.9</td><td>115.82</td><td>0.1</td><td rowspan="5">-</td><td>0.01</td><td>Weak chloritic; trace epidote; pyrite-chalcopyrite±molybdenite/sericite veins; gypsum on fractures</td></tr>
<tr><td>115.82</td><td>174.95</td><td>0.05</td><td rowspan="7">-</td><td>Weak chloritic; trace epidote; pyrite-chalcopyrite±quartz/sericite veins; trace pyrite-epidote/albite veins</td></tr>
<tr><td>174.95</td><td>223.5</td><td>0.5</td><td>0.2</td><td>Moderate-strong pervasive sericite; pyrite-chalcopyrite±quartz±bornite/tourmaline veins</td></tr>
<tr><td>223.5</td><td>230.02</td><td>Monzonite with altered intermediate intrusive dikes</td><td>1</td><td>0.05</td><td>Weak-strong sericite alteration; weak chlorite locally</td></tr>
<tr><td>230.02</td><td>258.66</td><td rowspan="4">Quartz-Tourmaline-Sericite Breccia</td><td rowspan="2">2</td><td>0.25</td><td>Strong sericite alteration in monzonite clasts and tourmaline-quartz-sericite matrix; sulfides disseminated in matrix</td></tr>
<tr><td>258.66</td><td>261.19</td><td>10</td><td>0.01</td><td>Strong sericite alteration in monzonite clasts and tourmaline-quartz-sericite matrix; sulfides disseminated in matrix and clasts</td></tr>
<tr><td>261.19</td><td>279.15</td><td>3</td><td>1</td><td rowspan="5">-</td><td>Strong sericite alteration in monzonite clasts and tourmaline-quartz-sericite matrix; sulfides disseminated in matrix.</td></tr>
<tr><td>279.15</td><td>292.96</td><td>1</td><td>5</td><td>Strong sericite alteration in monzonite clasts and tourmaline-sericite matrix; sulfides disseminated in matrix and locally in clasts</td></tr>
<tr><td>292.96</td><td>319.43</td><td>Monzonite with trace hydrothermal breccia</td><td>0.2</td><td>0.1</td><td>0.01</td><td>Weak-moderate sericite vein halos; trace kspar vein halos; cpy-py-tourmaline veins; trace-weak chlorite after mafics</td></tr>
<tr><td>319.43</td><td>321.52</td><td>Sheared Tourmaline Breccia</td><td rowspan="2">0.1</td><td>0.3</td><td rowspan="2">-</td><td>Strong tourmaline; moderate sericite in clasts; moderate calcite veins</td></tr>
<tr><td>321.52</td><td>332.2</td><td>Monzonite with minor fault gouge</td><td>0.05</td><td>Moderate-strong pervasive sericite; weak tourmaline veins; trace-weak kspar vein halos</td></tr>
</table>

From (m)	To (m)	Lithology	Py %	Cpy %	Bn %	Mo %	Alteration
332.2	333.64	Hydrothermal breccia					Moderate pervasive sericite; weak kspar veins; weak chlorite after mafics
333.64	337.17	Monzonite		0.15			Moderate pervasive sericite; weak tourmaline veins; trace kspar vein halos
337.17	337.71	Basaltic Andesite dike	-	-			Calcite veins; chlorite after mafic phenos
337.71	362.56	Quartz-Anhydrite-Siderite-Tourmaline Breccia	0.3	0.3		0.01	Moderate-strong pervasive sericite; quartz-anhydrite-siderite-specularite-cpy-py matrix
362.56	377.04	Monzonite	0.03	0.1		0.01	Weak-moderate sericite vein halos; weak chlorite after mafics and veins; trace tourmaline veins; trace kspar halos; trace biotite-magnetite veins

Table 2. Summary logs for SAWM0001.

SAWM0002 begins in fractured and faulted monzonite with trace to weak sericite alterations and mafic minerals partly chloritized. From 35.13m to 38.95m, a porphyritic andesite dike with moderate to strong green-grey sericite alteration was intersected. Veins of tourmaline-pyrite-calcite-sericite ± quartz-chalcopyrite-specularite-chlorite cut by late calcite±pyrite veins are observed in the dike. Monzonite with trace to wake sericite alteration and zones that are faulted and fractured follow the dike. Near the base of the interval a few, up to decimeter scale, unaltered, aplite dikes are observed. At 58.74m, the hole transitions into a monzonite breccia with tourmaline-sericite-quartz matrix. A zone near the beginning of the interval contains a fair amount of biotite and chlorite after biotite in the breccia matrix. Pyrite is estimated well below 1% with trace specs of chalcopyrite rarely observed form the beginning of the hole to a depth 91.59m. At 91.59m, weak chlorite altered monzonite with zoned of tourmaline-quartz-sericite breccia are intercepted. Calcite-siderite-rhodochrosite veins cut are observed cutting the monzonite and are primarily hosted in the breccia matrix. In brecciated zones, clasts show strong sericitic alteration and are cut locally by pyrite veinlets. Weak chalcopyrite mineralization is found locally with siderite and euhedral quartz filling void space in the matrix. Sulfide mineralization is dominantly pyrite with trace to weak chalcopyrite. At 198.76m, the hole returns to fractured and faulted monzonite with veins exhibiting sericite haloes. Tourmaline veins with sericite halos are infrequent. Rarely veins will contain k-spar, epidote, magnetite, or shreddy biotite. The hole remains in fractured and faulted monzonite until its termination depth of 383.13m.

From (m)	To (m)	Lithology	Py %	Cpy %	Mo %	Alteration
0	3.1	Overburden	-	-	-	
3.1	20.75	Fractured and faulted monzonite	-	-	-	Weak chlorite after mafics; goethite+hematite on fractures
20.75	35.13		0.1	0.01	-	Weak chlorite after mafics; 0.1-0.5% veins of calcite-chlorite-pyrite/sericite ± quartz-specularite-chlorite-tourmaline-siderite
35.13	38.95	Porphyritic Andesite Dike	1		-	Moderate-strong pervasive green/gray sericite (illite+muscovite) with clots of tourmaline and disseminated pyrite; 0.1-0.5% veins of tourmaline-pyrite-calcite/sericite ± quartz-chalcopyrite-specularite-chlorite cut by late calcite±pyrite veins
38.95	53.09	Fractured and faulted monzonite	0.1		-	Weak chlorite after mafics; trace epidote; 0.2% veins of tourmaline-pyrite-calcite/sericite ± quartz-siderite-chalcopyrite-specularite-chlorite cut by late calcite-pyrite veins
53.09	58.74	Monzonite cut by aplite	0.15		-	Weak-moderate chlorite after mafics; chlorite-calcite/sericite-epidote veins
58.74	64.1	Biotite breccia	0.5	-	-	Pervasive weak chlorite after biotite in bx cement; clasts alt to green-gray illite; chlorite-calcite/white sericite-epidote veins

<table>
<tr><th>From (m)</th><th>To (m)</th><th>Lithology</th><th>Py %</th><th>Cpy %</th><th>Mo %</th><th>Alteration</th></tr>
<tr><td>64.1</td><td>72.38</td><td>Quartz-calcite-siderite-tourmaline breccia</td><td>1</td><td>0.01</td><td>-</td><td>Illite/smectite after plag and kspar in groundmass of MZ; chlorite after mafics; siderite-anhydrite-calcite-dolomite/sericite vein: 1-3mm euhedral calcite crystals in siderite and patchy anhydrite on rim w/ dolomite</td></tr>
<tr><td>72.38</td><td>86.81</td><td>Tourmaline-quartz-sericite breccia</td><td>0.1</td><td>-</td><td>-</td><td>Tourmaline+white illite/smectite matrix with strongly sericite (green phengite±smectite) altered MZ clasts; local tan sericite after feldspar</td></tr>
<tr><td>86.81</td><td>88.2</td><td>Intermediate intrusive dike</td><td>0.5</td><td rowspan="3">0.01</td><td>-</td><td>Pervasive illite repl groundmass of MZ clasts. 2.5cm tm-py/kspar vein cutting dike. Patchy py in vein with fine disseminations in kspar halo. Calcite veinlets cutting tm. Pervasive repl of plag phenos with clay. qz--sid-calc vein w/ tm rim below with similar plane -orientation.</td></tr>
<tr><td>88.2</td><td>91.59</td><td>Tourmaline-quartz-sericite breccia</td><td>2</td><td>-</td><td>Tourmaline-quartz-calcite-siderite matrix with phengite-altered MZ clasts; silicification(?) of a few clasts with minor k-spar(?) flooding observed; disseminated calcite observed in clasts surrounded by high density of calcite in matrix</td></tr>
<tr><td>91.59</td><td>105.8</td><td>Monzonite</td><td>0.1</td><td>-</td><td>Trace tourmaline-quartz-pyrite/sericite veins; weak chlorite after primary mafics</td></tr>
<tr><td>105.8</td><td>106.8</td><td>Tourmaline-quartz-sericite breccia</td><td>2</td><td>0.25</td><td>-</td><td>Tourmaline-quartz-pyrite-chalcopyrite matrix with pale green illite>gray-green phengite alteration of clasts</td></tr>
<tr><td>106.8</td><td>113.27</td><td>Monzonite</td><td rowspan="2">0.2</td><td>0.05</td><td>-</td><td>Moderate tourmaline-quartz-pyrite±chalcopyrite veins with gray-green phengite inner halos and pale green illite outer halos; weak oxidized hematite in veins</td></tr>
<tr><td>113.27</td><td>115</td><td>Reworked tourmaline-sericite breccia</td><td>-</td><td>-</td><td>Moderate pale green illite and weak gray-green phengite alteration of monzonite; weak tourmaline that is locally brecciated</td></tr>
<tr><td>115</td><td>117.96</td><td>Monzonite</td><td>1.5</td><td rowspan="2">0.25</td><td>-</td><td>Strong phengite and weak illite alteration of monzonite; weak tourmaline-quartz-pyrite-chalcopyrite veins</td></tr>
<tr><td>117.96</td><td>119.11</td><td>Tourmaline-siderite-sericite breccia</td><td>4</td><td>-</td><td>Strong phengite and moderate illite alteration of clasts; weak tourmaline-quartz-pyrite-chalcopyrite-siderite matrix</td></tr>
<tr><td>119.11</td><td>143.73</td><td>Monzonite</td><td>0.1</td><td>0.01</td><td>-</td><td>Weak-moderate pale green illite; weak-moderate gray-green phengite; weak chlorite after mafics; trace tourmaline-quartz-pyrite-oxidized hematite veins</td></tr>
<tr><td>143.73</td><td>183.59</td><td rowspan="2">Reworked tourmaline-specularite-siderite-sericite breccia</td><td>2</td><td>0.2</td><td>-</td><td>Tourmaline-quartz-sericite-pyrite-chalcopyrite matrix; strong sericite alteration of clasts; local quartz-chalcopyrite-siderite filling void spaces in the matrix</td></tr>
<tr><td>183.59</td><td>198.76</td><td>0.1</td><td>0.01</td><td>-</td><td>Strong sericite alteration of monzonite clasts; rock flour matrix of sericite-tourmaline-siderite</td></tr>
<tr><td>198.76</td><td>211.14</td><td rowspan="4">Fractured and faulted monzonite</td><td>1.5</td><td>0.15</td><td>0.01</td><td>Weak tourmaline-quartz-pyrite-chalcopyrite/sericite and kspar veins; moderate chlorite</td></tr>
<tr><td>211.14</td><td>213.04</td><td>2</td><td>2.5</td><td>-</td><td>Moderate tourmaline-pyrite/sericite veins</td></tr>
<tr><td>213.04</td><td>304.83</td><td>0.15</td><td rowspan="2">0.01</td><td rowspan="2">0.01</td><td>Weak to moderate chlorite; patchy K-feldspar flooding; quartz-pyrite/sericite-shreddy biotite veins w/ local K-feldspar flooding; trace gypsum-zeolite veins; trace epidote</td></tr>
<tr><td>304.83</td><td>364.81</td><td>1</td><td></td></tr>
</table>

<table>
<tr><th>From (m)</th><th>To (m)</th><th>Lithology</th><th>Py %</th><th>Cpy %</th><th>Mo %</th><th>Alteration</th></tr>
<tr><td></td><td></td><td rowspan="2"></td><td></td><td rowspan="2">0.2</td><td rowspan="2"></td><td>Weak quartz-pyrite/shreddy biotite and trace magnetite-only veins and quartz-pyrite-chlorite-tourmaline/Kspar veins; weak chlorite</td></tr>
<tr><td>364.81</td><td>383.13</td><td>0.1</td><td>Biotite±magnetite and magnetite-pyrite-chalcopyrite veins; weak chlorite; ~1m zone of strong pervasive sericite at 381m</td></tr>
</table>

Table 3. Summary logs for SAWM0002.

Permitting

Minor modifications were made to the project's bond to allow a few holes to be drilled deeper than shown in the original permit. Holes SAWM0001 and SAWM0002 have been abandoned and the required documentation provided to UDOGM. No reclamation of drill pads has been completed as of June 30th.

Health, Safety, Environment, and Communities

Significant attention was given to reassessing KEX's original plans to conduct the 2020 drill program due to the impacts of COVID-19. The project team has since developed a modified operational plan to allow for the program to proceed while introducing new controls in an effort to protect the health and wellbeing of all team members. Key controls are centered around the use of face masks on site and in public, social distancing through RV based accommodations, and the use of medics for health monitoring.

Geophysics

Nothing to report in Q1 2020.

Other Activities

Review of datasets provided by Alderan Resources as well as historic in-house datasets has been ongoing in an effort to advance the project through the identification of new target areas and review of existing ones. Currently there are a number of proposed drill hole locations that have been generated across the entire property and KEX is looking into options for cultural surveys with the goal of eventually permitting additional drill sites.

KEX has contracted Exploration Mapping to purchase a World View 3 data set that covers the property. The data and interpretive work has been provided to KEX; however, all associated files are currently being loaded into managed systems and are not available for transfer to Alderan Resources at this time. These datasets will be provided in the next quarterly report and data transfer.

Expenditure

The vast majority of costs for Q2 are related to the ongoing drill program. Table 4 shows estimated total costs for the quarter (*note: some spend is estimated due to pending invoices or approved invoices that have not been fully processed*).

Q2 2020 Expenditure	Amount (USD)
Drilling	$420,917
KEX Staff	$216,526
Land Payments	$151,510
Wilderness Medics	$101,842
Contractors	$91,834

Q2 2020 Expenditure	Amount (USD)
Field Support	$52,000
Earthworks	$46,624
Misc.	$31,550
RTX Paid Accommodations	$30,331
Muds	$29,322
Assay	$22,372
BLY Fuel (Diesel)	$8,354
AMC	$8,205
Water	$5,830
RTX Fuel (Diesel)	$1,845
BLY Fuel (Gasoline)	$1,351
RTX Fuel (Gasoline)	$1,163
Drilling (Misc.)	$789
aiSIRIS	$364
Total	$918,195

Table 4. Q2 estimated expenditure.

Data Package and Handover

A data package has been prepared for Q2 and includes: drill holes logs for SAWM0001 and SAWM0002 and assay results for finalized drill core samples received to date (*note: only the upper portion of SAWM0001 assays are available at this time, the remaining samples are currently being processed by ALS Chemex*).