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External memo

From: Kennecott Exploration

RTX AMR Copper

To: Alderan Resources

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Reference: Sawmill Canyon Q2 2021 Report

Date: 23 July 2021

Number of pages: 4

Sawmill Canyon (Frisco) Quarterly Report for Q2 2021

Q2 2021 Summary of Activities

Kennecott Exploration (KEX) has completed a UAV (un-crewed aerial vehicle) magnetics and orthophoto survey over portions of the property. A few days of geologic field work were conducted to review recently identified targets of interest. The field review, along with the preliminary magnetics data, has generated several proposed drill targets that are currently being considered for further archaeological survey and permitting.

Drilling

Drilling activities remain postponed until further notice.

Geology

The team reviewed two areas of interest over four days of field work, including a high mag feature just south-southwest of the Cactus Breccia and a resistivity low (conductive) anomaly between Accrington and Reciprocity. A total of 20 samples were collected and sent for assay. Geochemistry is available in Despatch EB80001498 (ALS Chemex Labjob EL21117619; Figure 1).

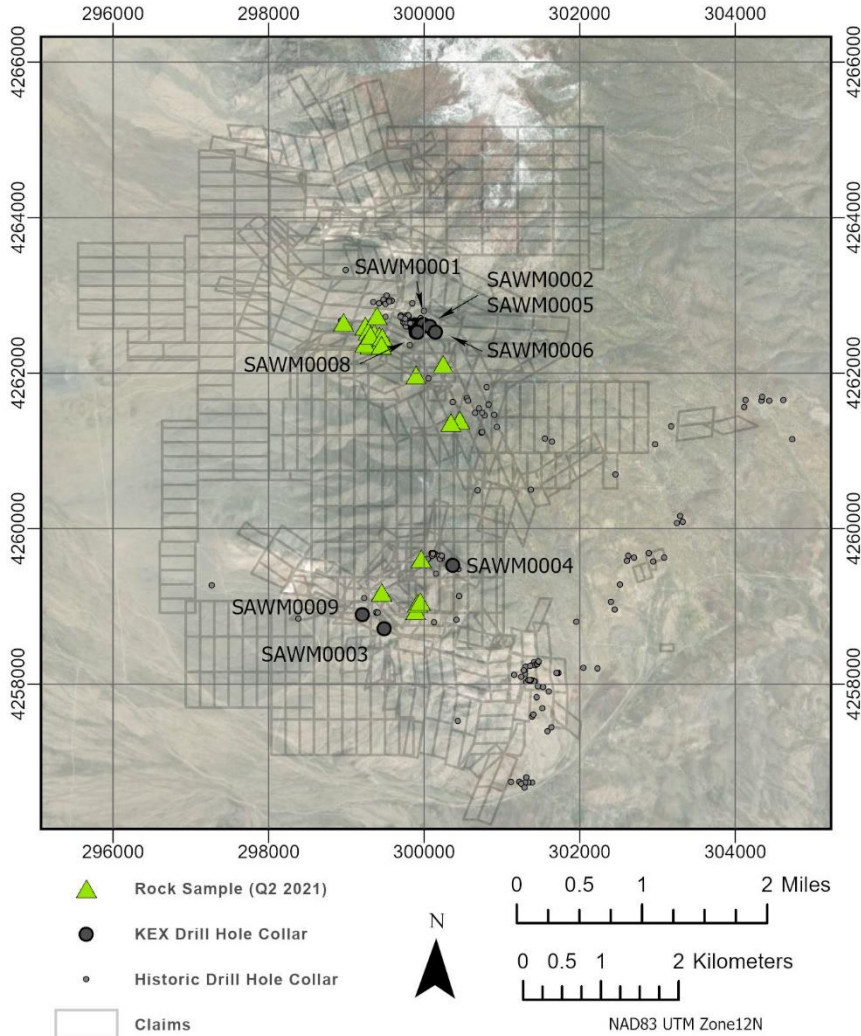


Figure 1. Plan map showing the location of surface samples collected in Q2 2021.

Permitting

No new permitting activities have commenced; however, the team is considering additional cultural surveys and an amendment to include 5-10 new drill sites and associated trails where needed.

Health, Safety, Environment, and Communities

Nothing to report.

Geophysics

UAV based magnetics and orthophoto surveys were completed in Q2 2021. These surveys covered the majority of Sawmill Canyon in greater detail than previous aerial surveys for the property. A total of 21.5 km² were flown for magnetics at 25m line spacing (see Figure 2) and 30.8 km² for the orthophotos. Results clearly define existing targets areas with known magnetic signatures and have highlighted areas of interest for further follow-up (which may include field mapping, surface and/or soil sampling, and/or drilling in the future).

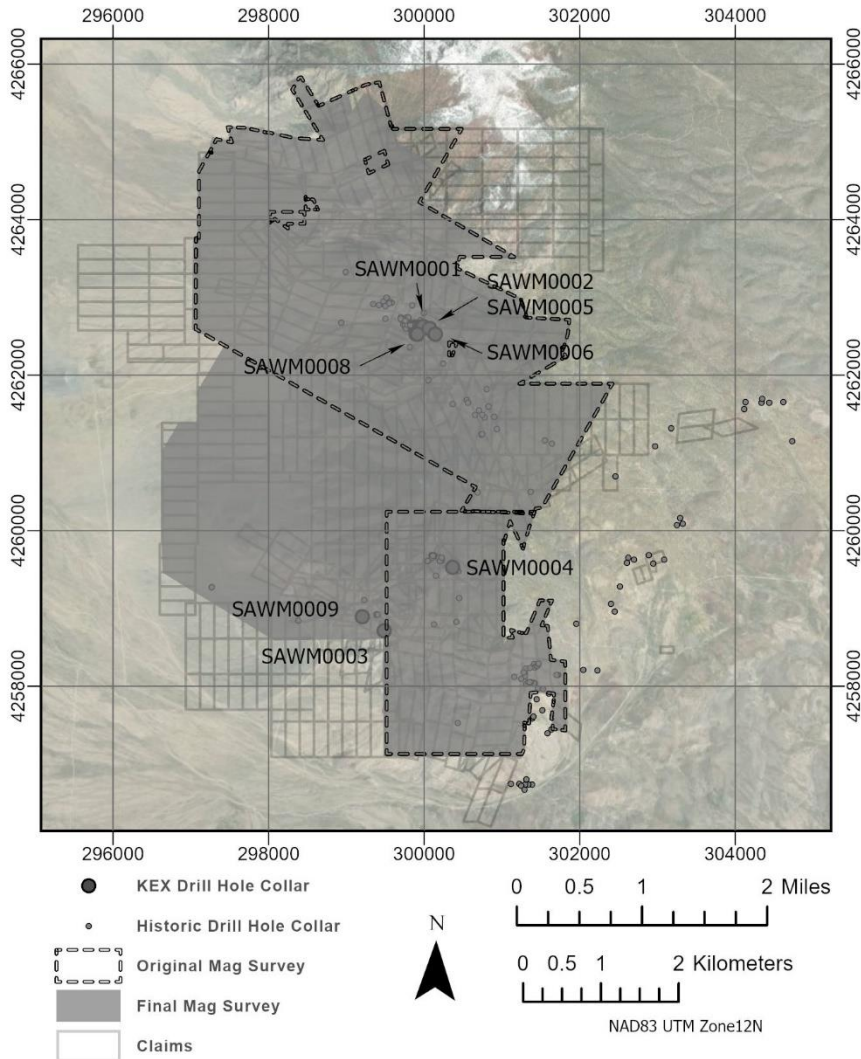


Figure 2. Plan map of originally proposed and final UAV magnetics survey boundaries.

Other Activities

Nothing to report.

Expenditure

Tables 1 and 2 include a summary of expenditures for Q2 2021. Significant costs during Q2 included the UAV magnetics and orthophotos surveys completed by MWH (Drilling and Contracted Labour), staff costs for individuals supporting the geophysical work, and some limited field work. There were a few credits to the project code during Q2 including refund for unused drilling muds (Drilling Support) and corrections related to staff cost allocation (i.e. reallocation of staff to other codes for time not directly tied to the support of Sawmill Canyon field activities). Field Support and Misc. costs included food, fuel, and accommodations for individuals supporting on site activities. The additional spend in Q2 2021, brings the total all-in expenditure to **\$4,509,425**.

2021										
	Drilling & Geophysics	Drilling Support	Professional & Consultant	Field Support	Staff	Land	Misc.	Depreciation	Interest	Legal
January	-	-	\$8,689	\$4,266	\$29,694	\$379	-	-	-	-
February	-	-	\$7,071	\$11,051	\$58,697	\$73	-	-	-	-
March	-	-	\$7,376	\$5,533	\$57,772	\$40,155	\$72	-	-	-
April	-	-	\$5,061	\$3,071	\$38,311	-	-	-	-	-
May	\$56,000	-\$538	\$4,364	\$3,604	\$37,794	-	\$323	-	-	-
June	\$86,324	-	\$11	-\$3,156	-\$29,210	\$125,005	-	-	-	-
Y-T-D	\$142,324	-\$538	\$32,572	\$24,371	\$193,058	\$165,612	\$395	\$0	\$0	\$0

Table 1. Summary of expenditures for Sawmill Canyon during Q2 2021.

	2021				YTD Spending
	Q1	Q2	Q3	Q4	
Drilling & Geophysics (BLY, drilling support, muds, UAV)	\$0	\$141,786	\$0	\$0	\$141,786
Professional & Consultants	\$23,137	\$9,935	\$0	\$0	\$33,072
Field and Transportation	\$20,851	\$3,021	\$0	\$0	\$23,871
Payroll & Benefits	\$146,163	\$46,895	\$0	\$0	\$193,058
Titles & Tenements	\$40,606	\$125,005	\$0	\$0	\$165,612
Travel & Accommodations	\$72	\$323	\$0	\$0	\$395
Administrative Charge 10%	\$23,083	\$32,696	\$0	\$0	\$55,779
Quarterly Totals	\$253,912	\$359,660	\$0	\$0	
	Total Current Year Expenditures:				\$613,572

Table 2. Subtotal of expenditure by month with administrative charge and total earn-in expenditure for Q2 2021.

Data Package and Handover

Assay results and associated documentation will be provided Pipeline Exchange. The results of the magnetic survey are pending finalization and will be provided to Alderan Resources as soon as reasonable possible. Orthophoto data files are very large and KEX will likely need to provide these via physical hard drive which will be arranged once the files can be compiled and loaded.

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