Rio Tinto Mining & Exploration Ltd.
2640 West 1700 South
Salt Lake City, Utah 84104
USA

External memo

From: Kennecott Exploration

RTX AMR Copper

To: Alderan Resources

CC: David Simpson, Clinton Roberts

Reference: Sawmill Canyon Q3 2020 Report

Date: October 28, 2020

Number of pages: 8

Sawmill Canyon (Frisco) Quarterly Report for Q3 2020

Q3 2020 Summary of Activities

With encouraging results from SAWM0001, Kennecott Exploration (KEX) agreed to fund additional drilling beyond the originally planned scope for 2020. Five drill holes were completed in Q3, SAWM0003-7, with an additional hole, SAWM0008, in progress. In preparation for 2021, cultural surveys were conducted for proposed drill sites/trails and work is ongoing to permit sites.

Drilling

Diamond drilling operations continued in Q3 with targets tested at Reciprocity and Accrington after which the drill rig returned to Cactus. A total of seven drill holes have been completed to date for a total meterage of 2502.91m. As of the end of Q3, SAWM0008 is in progress at Cactus. One additional hole is planned at Reciprocity and will likely be the last drill hole of the 2020 program.

The project continues to use an operational model where there is limited on site staff with core logging, project management, etc. remaining based in Salt Lake City, UT. Core logging activities have been impacted by internal staff availability and turn around times for assay results are also longer than usual.

HOLE ID	EAST	NORTH	RL	Planned Depth	Total Depth	Azimuth	Dip	ALD Pad ID
SAWM0001	299991	4262629	1989.4	-	377.04	283.74	-79.5	CAC-PAD21
SAWM0002	300072	4262601	2001.7	-	383.13	236.96	-71.2	CAC-PAD40
SAWM0003	299488	4258710	1950	-	697.08	283.46	-80.4	PFR021
SAWM0004	300368	4259525	2343	-	224.33	280.36	-75.7	HIP-002
SAWM0005	300072	4262601	2001.7	-	413.36	339.76	-89.7	CAC-PAD40
SAWM0006	300147	4262531	1985	-	348.08	145.96	-61.6	CAC-PAD044
SAWM0007	299898.7	4262529.5	1949.4642	-	59.89	27.46	-74.5	CAC-PAD018
SAWM0008	299909.85	4262523.53	1949.41	400	-	30.96	-74.3	CAC-PAD018

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.

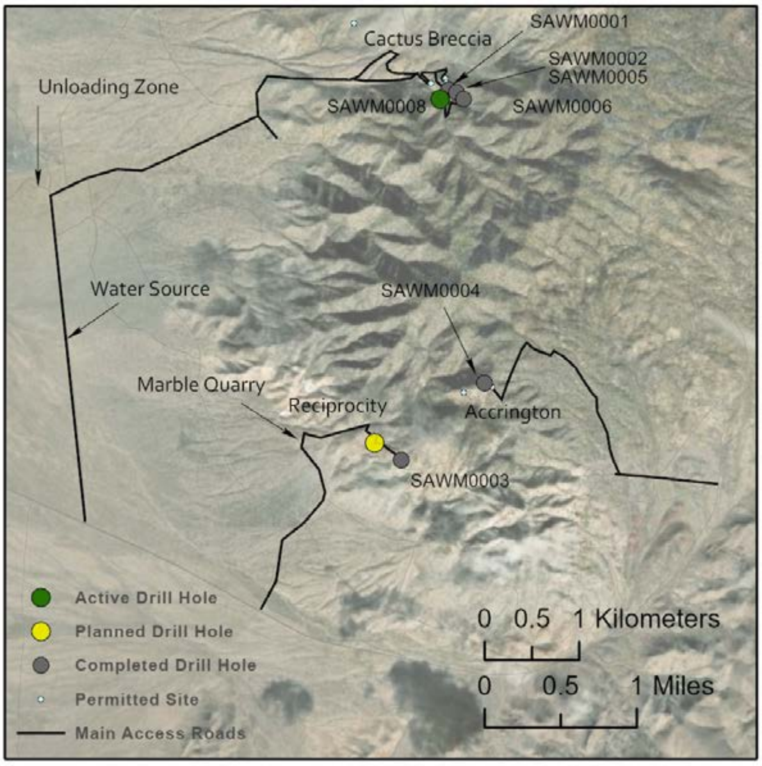

Figure 1. Plan map showing the location and status of KEX drill holes.

Geology

SAWM0003 begins in strongly oxide stained limestone cut by bleached and oxidized porphyritic intermediate dikes. Fe-oxides and Mn-oxides are prevalent on fractures within the limestone along with trace to weak light green serpentine on bedding. After 15.86m, the hole begins intersecting thinly bedded limestone with intermittent brecciated zones of weakly marbleized subangular limestone clasts in a calcite - Fe-oxide matrix. At 69.19m, the limestone transitions to dolostone which continues until 235.27m with similar zones of intermittent brecciation. Trace copper oxide, patches of Fe-Mn oxides with elevated Cu-Pb-Zn pXRF values, and trace pyrite are routinely observed on fractures and in veins. The first contact between the marbleized carbonates and the 88.4m interval of porphyritic andesite is marked by a large, oxidized fault zone. Small pyrite+/-quartz veins with biotite halos are seen throughout the andesite porphyry. Below 355.24m, quartz-pyrite+/-molybdenite veins with large K-feldspar halos and proximal K-feldspar flooding is observed. Potassic veining and alteration often obscures the igneous texture of the intrusive. Late calcite-pyrite-chlorite+/-pyrrhotite veins cut and offset the K-feldspar and biotite veins and locally contain arsenopyrite. Pyrite is estimated to be up to 5.00% in the andesite. The large body of porphyritic andesite lasts until 396.86m, where dolomitic limestone is then encountered until hole termination at 683.06m. The limestone is variably marbleized with only small intervals of moderate-strong recrystallization. Minor pyrrhotite-pyrite-ilmenite tends to follow bedding throughout the limestone. Several meter-scale andesite porphyry dikes cut the limestone and locally contain garnet-pyroxene alteration accompanied by bands of pyrite-pyrrhotite+/-chalcopyrite along the contacts with the carbonates. K-feldspar flooding/veins and biotite veins that were observed in the larger intrusive body are also observed within these smaller dikes. Calcite-pyrite+/-quartz veins with phlogopite halos occur locally within the dikes.

From (m)	To (m)	Lithology	Py %	Alteration
0.00	1.70	Overburden	-	
1.70	3.66	Limestone		FeOxides>Mn Oxides on fractures; weak serpentine
3.66	15.86	Limestone with porphyritic intermediate dikes	-	FeOxides>Mn Oxides on fractures; weak marbleization and serpentine in limestone
15.86	38.57	Limestone with local oxidized breccia	0.01	Weak-moderate marbleization of limestone; weak serpentine; moderate-strong FeOxides in brecciated zones
38.57	69.19	Limestone	-	Weak-moderate marbleization; weak-moderate serpentine; weak FeOxides
69.19	235.27	Dolostone	0.05	Weak-moderate marbleization; weak FeOxides>Mn Oxides on fractures
235.27	303.05	Limestone	0.25	Trace-weak marbleization; trace-weak serpentine; weak-strong FeOxides
303.05	308.46	Faulted limestone	0.01	Strong FeOxides; moderate montmorillonite; weak calcite
308.46	315.77	Faulted porphyritic andesite	0.01	Strong FeOxides; moderate montmorillonite; weak calcite
315.77	355.24	Porphyritic andesite	4.00	Weak chlorite; weak biotite vein halos; weak sericite in groundmass
355.24	396.86		5.00	Weak-strong kspar vein halos; weak-moderate biotite halos;
396.86	551.20	Limestone with local porphyritic andesite dikes	0.10-10.00	Trace-strong marbleization; local serpentine in marble; minor garnet-pyroxene skarn on contacts; moderate kspar and biotite vein halos in dikes
551.20	683.06		0.25-5.00	Weak to strong marbleization in limestone/dolostone; minor garnet-pyroxene skarn on dike contacts; moderate kspar and biotite vein halos in dikes

Table 2. Summary logs for SAWM0003.

SAWM0004 begins in coarsely crystalline quartzite extending to 103.21m, with pervasive Fe-oxide staining and veins of Fe-oxide and calcite. Mn-oxide often occurs on fracture surfaces and less commonly with Fe-oxide veins while Cu-oxides coexist with Fe-oxides in patches and on fracture surfaces. Monzonite dikes are regularly observed with trace to weak sericite and chlorite accompanied by biotite and K-feldspar in vein selvage. Further downhole, K-feldspar flooding becomes prevalent in the monzonite. At 71.03m, the hole intersects a 6.73m interval of green diopside-biotite hornfels. At 79.26m, a 26cm interval of endoskarn is encountered with up to 2.00% chalcopyrite. Between 104.42m and 125.70m, a large zone of diopside hornfels, followed by velvet-colored biotitic hornfels, is observed with less common intervals of garnet-diopside skarn. The biotitic hornfels is brecciated by millimetre scale monzonite dikelets. After 125.70m, garnet-diopside skarn becomes the dominant lithology until its contact with monzonite at 187.67m. Diopside in the skarn occurs in small patches while the garnet is pervasive. The strongest chalcopyrite mineralization is primarily hosted in the garnet-diopside skarn and estimated between 0.25%-1.00%. Mineralization sharply decreases to trace amounts after crossing the lower skarn-monzonite contact. Other minerals of interest observed in the skarn are specularite, sphalerite, and galena, which all occur locally in trace to weak amounts after 150.42m.

<table>
<tr><th>From (m)</th><th>To (m)</th><th>Lithology</th><th>CuOx (%)</th><th>Py (%)</th><th>Cpy (%)</th><th>Bn (%)</th><th>Total Sulphide (%)</th><th>Alteration</th></tr>
<tr><td>0.00</td><td>71.03</td><td>Quartzite with monzonite dikes</td><td>0.01</td><td>-</td><td>-</td><td rowspan="2">-</td><td>0.00</td><td>Fe-oxides with Mn-oxides (dendritic). Pervasive staining. Sericite after plagioclase in monzonite. 1-3mm biotite phenocrysts.</td></tr>
<tr><td>71.03</td><td>79.26</td><td>Hornfels with monzonite dikes</td><td>0.5</td><td>0.01</td><td>0.20</td><td>0.21</td><td>Calc Silicate (diopside) and biotite in hornfels.Chlorite and clay in dikes.</td></tr>
<tr><td>79.26</td><td>79.52</td><td>Endoskarn</td><td>0.10</td><td rowspan="2">0.10</td><td>2.00</td><td>0.10</td><td>2.20</td><td>Epidote near contact.</td></tr>
<tr><td>79.52</td><td>86.20</td><td>Quartzite with monzonite dikes</td><td rowspan="5">0.01</td><td rowspan="5">0.01</td><td rowspan="5">0.01</td><td>0.12</td><td>Trace Fe-oxides on fractures.</td></tr>
<tr><td>86.20</td><td>88.94</td><td>Hornfels</td><td rowspan="4">0.15</td><td rowspan="4">0.17</td><td rowspan="3">Calc Silicate (diopside)</td></tr>
<tr><td>88.94</td><td>91.09</td><td>Quartzite</td></tr>
<tr><td>91.09</td><td>94.18</td><td>Hornfels</td></tr>
<tr><td>94.18</td><td>104.42</td><td>Quartzite with monzonite dikes</td><td>Sericite and chlorite in monzonite. Trace to weak Fe-oxides on fractures. K-feldspar phenos and flooding in dikes near contacts.</td></tr>
<tr><td>104.42</td><td>114.88</td><td>Hornfels with monzonite dikes</td><td>-</td><td>0.10</td><td>0.05</td><td>-</td><td>0.15</td><td>Calc Silicate (diopside) and biotite in hornfels. K-feldspar flooding monzonite near contacts. Quartz veins cutting hornfels.</td></tr>
<tr><td>114.88</td><td>116.9</td><td>Skarn with monzonite dikes</td><td>-</td><td rowspan="2">0.20</td><td>0.03</td><td>-</td><td>0.23</td><td rowspan="2">Calc Silicate (garnet, diopside). Biotite in clast. K-fledspar and chlorite in monzonite.</td></tr>
<tr><td>116.9</td><td>121.51</td><td>Hornfels; Skarn</td><td>0.05</td><td>0.05</td><td>0.01</td><td>0.26</td></tr>
<tr><td>121.51</td><td>125.70</td><td>Hornfels</td><td>-</td><td>0.25</td><td>-</td><td>-</td><td>0.25</td><td>Calc Silicate (diopside, garnet). Banded biotite in hornfels.</td></tr>
<tr><td>125.70</td><td>131.44</td><td>Skarn</td><td rowspan="3">0.05</td><td>0.05</td><td>0.10</td><td>0.05</td><td>0.20</td><td>Calc Silicate (garnet, diopside)</td></tr>
<tr><td>131.44</td><td>133.79</td><td>Hornfels</td><td>0.01</td><td>0.05</td><td>-</td><td>0.06</td><td>Calc Silicate (diopside)</td></tr>
<tr><td>133.79</td><td>187.66</td><td>Skarn with monzonite dikes</td><td>0.25</td><td>0.75</td><td>0.03</td><td>1.03</td><td>Calc Silicate (garnet, diopside). Patchy magnetite. Chlorite (biotite ?) veinlets with K-feldspar selvage in monzonite.</td></tr>
<tr><td>187.66</td><td>224.33</td><td>Monzonite</td><td>-</td><td>0.05</td><td>.01</td><td>-</td><td>0.06</td><td>Pervasive kaolinite and palygorskite. Chlorite after mafics. Pervasive Fe-oxides. Patchy calcite.</td></tr>
</table>

Table 3. Summary logs for SAWM0004.

SAWM0005 begins in sericite-altered monzonite with zones of pervasive montmorillonite and kaolinite. The first intersected breccia at 59.31m has a monzonite rock flour matrix but grades to a tourmaline-sericite-quartz-pyrite-chalcopyrite matrix with green illite altered monzonite clasts. The monzonite below the breccia shows a significant increase in pyrite content and trace chalcopyrite is found in quartz-pyrite-tourmaline-chalcopyrite//sericite veins. Vein controlled sericite halos have an inner light green-gray phengitic zone and an outer dark pale green illite zone. Below 83.42m, K-feldspar and biotite become common in vein selvage. A porphyritic diorite dike is encountered at 168.36m with weak-moderate chlorite after mafics and green illite after plagioclase. The diorite is estimated to have greater than 1.00% pyrite along with elevated disseminated chalcopyrite. Increased chalcopyrite mineralization (~0.25%) is observed in sericite-blasted diorite intersected at 179.20m. A tourmaline-chalcopyrite-pyrite-sericite-quartz breccia with trace mineralization sits below the diorite. The highest-grade chalcopyrite mineralization (~0.50%) is hosted in a tourmaline-sericite-pyrite-chalcopyrite-quartz-siderite+/-tennantite+/-tetrahedrite breccia from 202.66m to 218.50m. The chalcopyrite is chunky and rimmed by the grey sulfosalts. There is a significant decrease in mineralization after 218.50m. The hole encounters more monzonite with trace epidote and chalcopyrite in veins. A few diorite dikes are intersected but relatively barren. The hole is terminated in sericite-altered monzonite with trace to weak chalcopyrite mineralization.

From (m)	To (m)	Lithology	Py (%)	Cpy (%)	Mo (%)	Total Sulfide (%)	Alteration
0.00	22.35	Monzonite	0.10	0.01	0.01	0.11	Goethite in veins and on fractures. Quartz-tourmaline vein. Pervasive montmorillonite and kaolinite. K-feldspar and epidote veins locally. Chlorite after mafics. Trace quartz-pyrite//illite+/-pyrite veins. Local calcite//chlorite-pyrite.
22.35	59.31						Quartz-pyrite+/-tourmaline//illite-pyrite+/-K-feldspar veins. Trace quartz-pyrite-tourmaline-chlorite+/-specularite+/-chalcopyrite//illite-pyrite+/-kspar veins. Trace epidote-chlorite-calcite veins. Weak chlorite replacing mafics. Vein controlled green illite halos.
59.31	75.33	Hydrothermal Breccia	0.15	0.02	-	0.17	Pervasive green illite in monzonite clasts and matrix. Tourmaline in matrix.
75.33	83.42	Monzonite	0.25	0.01		0.26	Green illite replacing feldspars. Quartz-pyrite-tourmaline//sericite veins. Sericite halos have inner light green-gray phengitic zone and outer dark pale green illite zone. Chlorite in veins and after mafics.
83.42	129.59			0.05		0.30	Montmorillonite-kaolinite in gouge. Quartz-pyrite-tourmaline+/-chlorite//sericite veins. Sericite halos have inner light green-gray phengitic zone and outer dark pale green illite zone. Quartz-pyrite-chlorite//K-feldspar+/-biotite vein.
129.59	168.36		0.75	0.10	0.01	0.85	Epidote after plagioclase in competent monzonite. Biotite//K-feldspar-green illite veins. Chlorite-specularite-pyrite//sericite veins. Quartz-pyrite-tourmaline+/-chlorite//sericite veins; Sericite halos are fine-grained white micas. Tourmaline-pyrite+/-specularite//kspar.
168.36	172.62	Porphyritic diorite; Hydrothermal breccia	1.50	0.05	-	1.51	Chlorite after mafics and green illite after plagioclase in diorite. Within breccia, light gray phengite in clasts and light green phengite in matrix with lesser green illite. Tourmaline-sericite-quartz-pyrite-chalcopyrite matrix.
172.62	179.20	Monzonite; Hydrothermal breccia	2.00	0.01		2.01	
179.20	183	Porphyritic diorite; Hydrothermal breccia		0.25		2.25	
183	202.66	Monzonite	1.00	0.10	0.01	1.10	Quartz-tourmaline-pyrite-chalcopyrite+/-siderite+/-specularite//phengite+/-illite veins. Montmorillonite along fractures and replacing feldspars.
202.66	218.50	Hydrothermal Breccia	1.50	0.50	-	2.00	Tourmaline-sericite-pyrite-chalcopyrite-quartz-siderite+/-tennantite+/-tetrahedrite breccia matrix. Increased calcite.
218.50	293.28	Monzonite with porphyritic diorite	0.15	0.01		0.16	Quartz-pyrite-chalcopyrite-tourmaline+/-spec+/-siderite//sericite-py veins. Sericite halos usually green illite with local inner light gray phengite. White sericite also common. Epidote in diorite.

<table>
<tr><th>From (m)</th><th>To (m)</th><th>Lithology</th><th>Py (%)</th><th>Cpy (%)</th><th>Mo (%)</th><th>Total Sulfide (%)</th><th>Alteration</th></tr>
<tr><td>293.28</td><td>393.73</td><td rowspan="3">Monzonite</td><td>0.20</td><td></td><td rowspan="3"></td><td>0.21</td><td rowspan="3">Pervasive green illite. Patchy tourmaline and gypsum.</td></tr>
<tr><td>393.73</td><td>409.30</td><td>0.50</td><td>0.20</td><td>0.70</td></tr>
<tr><td>409.30</td><td>413.36</td><td>0.25</td><td>0.10</td><td>0.35</td></tr>
</table>

Table 4. Summary logs for SAWM0005.

SAWM0006 begins in a tourmaline-gypsum-quartz breccia with sericite-altered monzonite clasts. Hematite replaces pyrite in veins and disseminations near surface but grades to un-oxidized pyrite with depth. Monzonite is intersected at 7.99m with abundant Fe-oxide//sericite veins. Tourmaline veins are less common, but also present. Pyrite vein density increases with depth; trace disseminations of chalcopyrite are common peripheral to the pyrite veins. After 26.82m, epidote +/- chlorite is found with sericite in vein selvage and after 64.35m, patchy molybdenum with pyrite. Trace K-feldspar is common in pyrite vein selvage throughout the monzonite but is relatively strong between 90.14m to 91.44m. After 186m, mafic xenos with disseminated pyrite are found in the monzonite, siderite is observed on fracture surfaces, and trace epidote is present again in pyrite vein selvage. Local zones of strong pervasive and structurally controlled sericite are continually encountered until EOH. Near the base of the hole, uncommon pyrite-tourmaline +/- gypsum//sericite veins are observed.

<table>
<tr><th>From (m)</th><th>To (m)</th><th>Lithology</th><th>Py (%)</th><th>Cpy (%)</th><th>Mo (%)</th><th>Total Sulfide (%)</th><th>Alteration</th></tr>
<tr><td>0</td><td>7.99</td><td>Hydrothermal Breccia; Fault Breccia</td><td>-</td><td rowspan="2">-</td><td rowspan="4">-</td><td>0.00</td><td>Clay; Tourmaline; Gypsum</td></tr>
<tr><td>7.99</td><td>36.78</td><td rowspan="2">Monzonite</td><td>0.10</td><td>0.10</td><td rowspan="3">Sericite; Tourmaline; Epidote</td></tr>
<tr><td>36.78</td><td>57.91</td><td>0.25</td><td>0.01</td><td>0.26</td></tr>
<tr><td>57.91</td><td>63.65</td><td>Monzonite; Fault Breccia</td><td>0.05</td><td>-</td><td>0.05</td></tr>
<tr><td>63.65</td><td>90.14</td><td rowspan="2">Monzonite</td><td>0.10</td><td>0.01</td><td>0.01</td><td>0.12</td><td>Sericite</td></tr>
<tr><td>90.14</td><td>91.44</td><td>0.50</td><td>-</td><td rowspan="4">-</td><td>0.50</td><td>Sericite; Strong K-feldspar</td></tr>
<tr><td>91.44</td><td>150.27</td><td>Monzonite; Fault Breccia</td><td>0.15</td><td rowspan="3">0.01</td><td>0.16</td><td>Sericite</td></tr>
<tr><td>150.27</td><td>290.00</td><td>Monzonite; Fault Breccia; Aplite</td><td rowspan="2">0.10</td><td rowspan="2">0.11</td><td>Strong pervasive sericite; Epidote</td></tr>
<tr><td>290.00</td><td>348.08</td><td>Monzonite</td><td>Sericite; Tourmaline; Epidote</td></tr>
</table>

Table 5. Summary logs for SAWM0006.

Permitting

Tetra Tech was contracted to conduct cultural surveys for 33 proposed drill sites and associated trails on claims within the option agreement. Field activities were completed in August 2020 and reports required for permitting were in progress as September 30th. A total of 23 proposed sites have been submitted to the BLM and/or UDOGM.

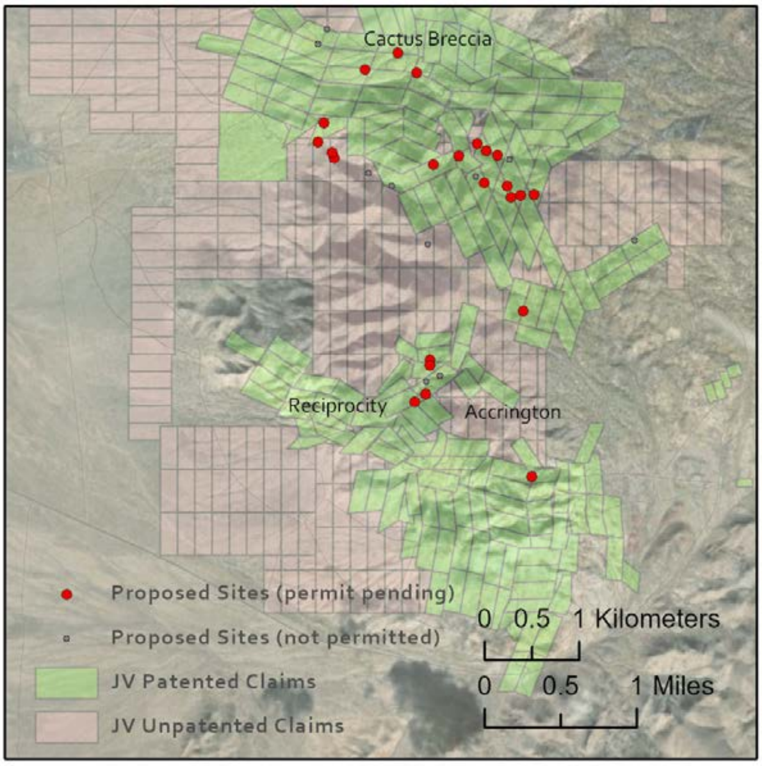

Figure 2. Plan map showing proposed sites that have been submitted for permitting as well as sites that were culturally surveyed but will not be permitted at this time.

Health, Safety, Environment, and Communities

One minor incident occurred on September 27th when drill muds were observed leaking out of a slope just below the drill rig. Attempts were made to stop the leak but were unsuccessful which led to the termination and abandonment of SAWM0007. The Utah Division of Oil, Gas, and Mining and the Division of Water Quality were contacted to inform them of the situation and request guidance on appropriate actions. Due to the materials used, location, etc. it was determined that no other immediate actions were required and the leaked fluids will be treated as would a standard sump/mud pit.

The project team decided early on to utilize camper trailers at the Beaver, UT KOA as part of the project's COVID-19 related controls. With the program extending into cooler months and the significant drive time required to get to the site, the team was given approval to relocate the field crew into the Milford, UT Travelodge beginning in October.

Geophysics

Nothing to report in Q3 2020.

Other Activities

Nothing to report in Q3 2020.

Expenditure

Table 6 shows the estimated spend for Q3. Note that some expenditures are still pending final invoice and are estimates. The 2020 program is anticipated to complete field activities in mid-Q4 at which point a final and accurate year to date spend will be compiled.

Q3 2020 Expenditure	Amount (USD)
Drilling	$589,191.42
KEX Staff	$235,156.00
Wilderness Medics	$181,800.88
Land Payments	$100,000.00
Field Support	$89,535.31
Assay	$78,822.14
AMC	$62,193.84
Earthworks	$60,837.77
Contractors	$45,760.17
RTX Paid Accommodations	$42,494.95
Misc.	$36,386.04
Muds	$34,002.73
Drilling (Misc.)	$27,714.60
BLY Fuel (Diesel)	$14,980.63
Water	$11,556.00
BLY Fuel (Gasoline)	$3,306.23
RTX Fuel (Diesel)	$3,294.34
RTX Fuel (Gasoline)	$1,002.49
aiSIRIS	$0.00
RTX Rentals	$0.00
Total Estimated Spend	$1,282,879.54

Table 6. Q3 estimated expenditure.

Data Package and Handover

To better track and manage data sharing between KEX and Alderan, drill hole datasets will be sent as single packages containing all associated files for a given drill hole rather than quarterly data transfers where all drilling data may not be available. This quarterly report will be followed by the drill hole data for SAWM0003 and going forward drill hole data will be sent as soon as everything is available and has passed KEX internal QAQC and validation processes.