

External memo

From: Kennecott Exploration

RTX AMR Copper

To: Alderan Resources

CC: David Simpson, Martin Sauvé, Clinton Roberts

Reference: Sawmill Canyon Q4 2020 Report

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Sawmill Canyon (Frisco) Quarterly Report for Q4 2020

Q4 2020 Summary of Activities

Drilling activities continued into Q4 2020 with the completion of SAWM0008 (Cactus) and the upper portion of SAWM0009 (Reciprocity). Due to increasing cases of COVID-19, the project was ceased prior to the completion of the final drill hole but plans for 2021 include returning to SAWM0009 to take the hole to target depth.

Permitting activities of 23 additional drill sites are in progress and a proposal for 2021 drilling has been submitted to the KEX senior leadership team.

Drilling

Diamond drilling operations continued in Q4 with targets tested at Cactus and Reciprocity. A total of nine drill holes have been completed to date for a total meterage of 3,378.7m. The ninth and final hole for 2020 was in progress when KEX decided to halt field activities due to rising COVID-19 cases in Utah and reports that medical facilities including ICUs were becoming strained. All crew members returned to their home locations and equipment was demobilized from site as of 18 November 2020. SAWM0009, at Reciprocity, was drilled to a current depth of 459.03m and has been temporarily abandoned with planned completion to take place in 2021.

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	-	416.66	30.96	-74.3	CAC-PAD018
SAWM0009	299206	4258892	1896	700	459.03	204.56	-74.2	PFR023

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.

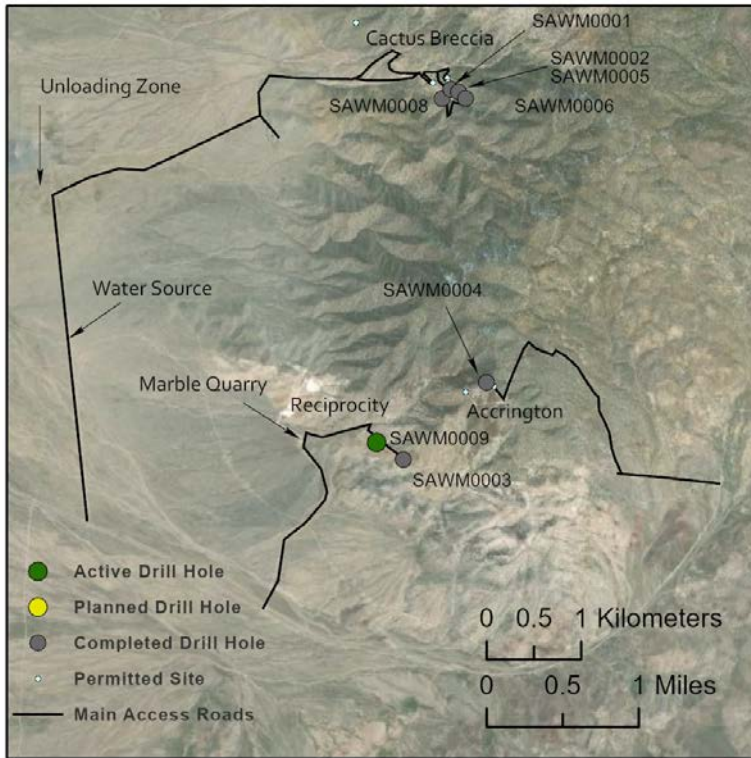


Figure 1. Plan map showing the location and status of KEX drill holes.

Geology

SAWM0009 begins in marbled limestone with minor calc silicate alteration. Iron and manganese oxides are common in veins and on fracture surfaces. At 24.23m, an endoskarn-altered intermediate porphyritic intrusive was intercepted. Trace amounts of disseminated pyrite, molybdenite, and chalcopyrite were observed in disseminations and veins. The upper contact between calc-silicate alteration and marble is irregular and not well defined while the lower contact at 27.45m is brecciated with a hydrothermal component. The hole then continues in diopside-garnet skarn with intervals of recrystallized dolomite containing minor calc-silicate alteration. Weak sulphide mineralization is observed in veins and as patches of pyrite with lesser sphalerite, chalcopyrite, and galena. Beginning at 55.47m, zones of hydrothermal breccia are regularly observed in garnet-diopside skarn and calc-silicate altered dolomite. At 85.84m, the hole becomes dominantly marbled dolomite with minor calc-silicate alteration and occasional hydrothermal breccia. Total sulphide content decreases slightly and is present as pyrite, sphalerite, galena, and chalcopyrite in small wiry veins and patches. A transition back to garnet-diopside skarn with similar sulphide mineralization to that of the skarn interval described above begins at 108.01m and continues to 136.36m. Recrystallized and marbled dolomite with trace pyrite follows with a small, strongly sericite-altered intermediate intrusive intersected at 163.98-164.63m. The intrusive has broken contacts and is strongly oxidized with iron and lesser manganese oxides as well as vein hosted pyrite. The marbled dolomite contains regular intervals of fault breccia and gouge. Fractures and faults zones are often coated and stained with iron oxides +/- manganese oxide. Trace disseminated pyrite is the only observed sulphide within the dolomite. Evidence of faulting drastically decreases at 330.01m. Marbled limestone and dolomite with trace sulphide persist to a depth of 339.42m. Low abundances of pyrrhotite, chalcopyrite, and weak calc-silicate alteration are observed in the marble to a depth of 410.57m which then transitions to dolomite with trace pyrite and marbled dolomite with trace pyrite to the final depth of 459.03m.

SAWM0009 is currently temporarily abandoned with casing left in place and smooth grout used to stabilize the lower, uncased portion of the drill hole. UDOGM was contacted prior to mobilizing the rig for approval to leave the hole in this condition beyond the 30-day limit.

From (m)	To (m)	Lithology	Py %	Po %	Sph %	Gn%	Cpy %	Mo %	Alteration
0.00	4.23	Overburden							
4.23	16.96	Marble	-		-		-	-	Marbleization; Weak calc-silicate; oxidation on fracture surfaces and veins
16.96	24.28	Skarn	0.3		0.2		0.15		Skarn; oxidation on fracture surfaces and veins
24.28	27.45	Intermediate Intrusive	0.1				0.01	0.01	Calc-silicate, endoskarn
27.45	60.12	Skarn; Marble	0.3		0.1	0.05			Skarn; Calcsilicate; Recrystallization; oxidation on fracture surfaces and veins
60.12	85.84	Skarn; Zoned Hydrothermal Breccia	0.1		0.01	0.01	-		Skarn; oxidation on fracture surfaces and veins
85.84	93.50	Dolomite; Marble	0.01		-				Recrystallization; oxidation on fracture surfaces and veins
93.50	108.01	Skarn; Zoned Hydrothermal Breccia	0.15		0.1		0.01		Skarn; oxidation on fracture surfaces and veins
108.01	133.41	Skarn; Marble	0.35		0.01	0.01	0.15		Skarn; Recrystallization
133.41	163.98	Skarn; Marble	0.25		0.01		0.01		Skarn; Recrystallization
163.98	330.01	Dolomite; Marble; Zoned Fault Breccia	0.01						Recrystallization; oxidation on fracture surfaces and veins
330.01	339.42	Marble	0.01						Recrystallization; oxidation on fracture surfaces and veins
339.42	410.57	Marble		0.15			0.01		Recrystallization; Calc-silicate; oxidation on fracture surfaces and veins
410.57	459.03	Marble	0.01	-			-		Recrystallization

Table 2. Summary log for SAWM0009.

Permitting

Review of the KEX permit amendment by the UDGOM continued in Q4 with assistance from Tetra Tech (archaeology). As of the end of 2020, permit approval was pending.

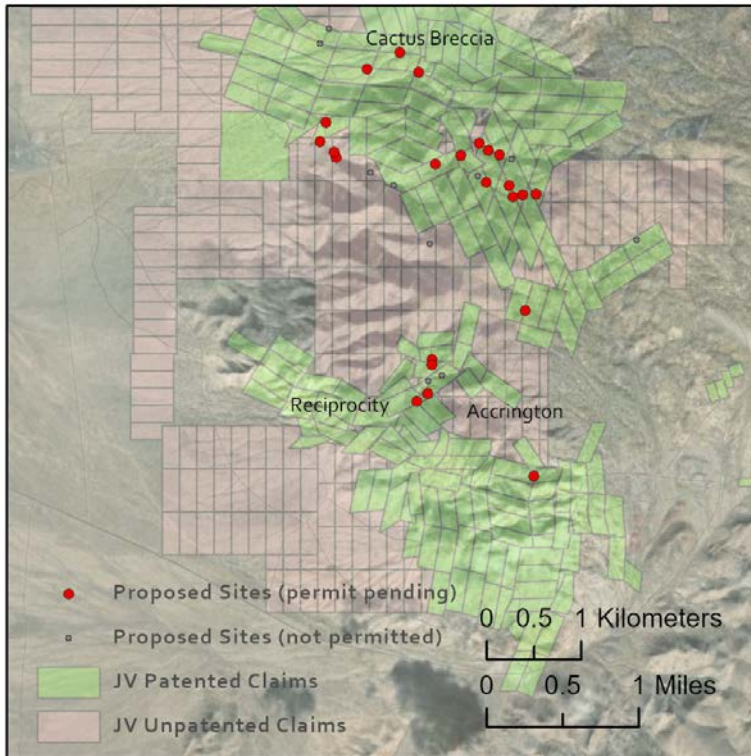


Figure 2. Plan map showing proposed sites that have been submitted for permitting as well as sites that were culturally surveyed but will not be permitted at this time.

Health, Safety, Environment, and Communities

The field team was relocated to the Milford Travelodge in Q4 as cooler temperatures made the use of camper trailers more logistically challenging. No issues were reported by the team and the project will likely use the hotel to accommodate the drillers, geologists, etc. going forward.

Geophysics

Nothing to report in Q3 2020.

Other Activities

The project submitted a proposal for four additional drill holes at Frisco to the KEX senior leadership team. The proposal along with an initial \$2M USD budget have been approved but funding is contingent the outcome of follow-up meeting that will take place in January 2021.

Beginning January 1, 2021, Martin Sauvé will be taking on the role of Exploration Manager for the US. Martin should be included on any communications with KEX regarding agreement details, issues or concerns, and any matters of a sensitive or business critical nature.

Expenditure

A table of 2020 exploration expenditures with all spend up to 30 November 2020 was provided in December. With the drill program coming to an end shortly before this date, the remaining expenditure for 2020 is dominantly internal staff and contractor wages. Table 3 shows the additional cost not previously reported. Please note that there are six outstanding assay batches (831 primary and QAQC samples) currently pending analysis at ALS Chemex for a total estimated cost of ~\$50,000 (not included in the summary of expenditures below).

2020 Total Spend	USD
Cactus	\$2,711,076
Shoshone	\$435,413
Horn	\$1,259,305
Sawmill Canyon (all inclusive)	\$4,766,719
Total additional expenditure	USD
Cactus	\$58,467
Shoshone	\$33,480
Horn	\$39,262
2020-2021 Fiscal Year	USD
Cactus	\$2,272,129
Shoshone	\$421,653
Horn	\$1,250,085

Table 3. Total 2020 expenditure summary, additional expenditures not previously reported (from 1-31 December 2020), and total expenditure per agreement for the 2020-2021 fiscal year. All totals are through 31 December 2020.

Data Package and Handover

Following receipt of the Q4 report, KEX will begin transferring outstanding core photos for SAWM0004. Summary table of 2020 expenditures and supporting documentation (invoices) received after 11/30/2020 will also be provided.

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