



**Trading Symbols**

**AIM: UFO**

**FWB: I3A1**

**20th May 2021**

**Alien Metals Ltd  
("Alien Metals", "Alien" or "the Company")**

**Conditional Agreement for Alien Metals to increase interest in Hamersley Iron Ore Project to 90%**

**Excellent results from maiden drilling program and Iron Ore price performance underscore the rationale**

**Follow the link to view the announcement in full including all figures:**

Alien Metals Ltd (LSE AIM:UFO), a minerals exploration and development company, is pleased to advise that it has executed a conditional Share Sale Agreement ("SSA") to increase its effective interest in the Hamersley Iron Ore Direct Shipping Ore ("DSO") Project, situated in the world-class Pilbara region of Western Australia (the "Project") from 51% to over 90% (the "Acquisition").

**Highlights**

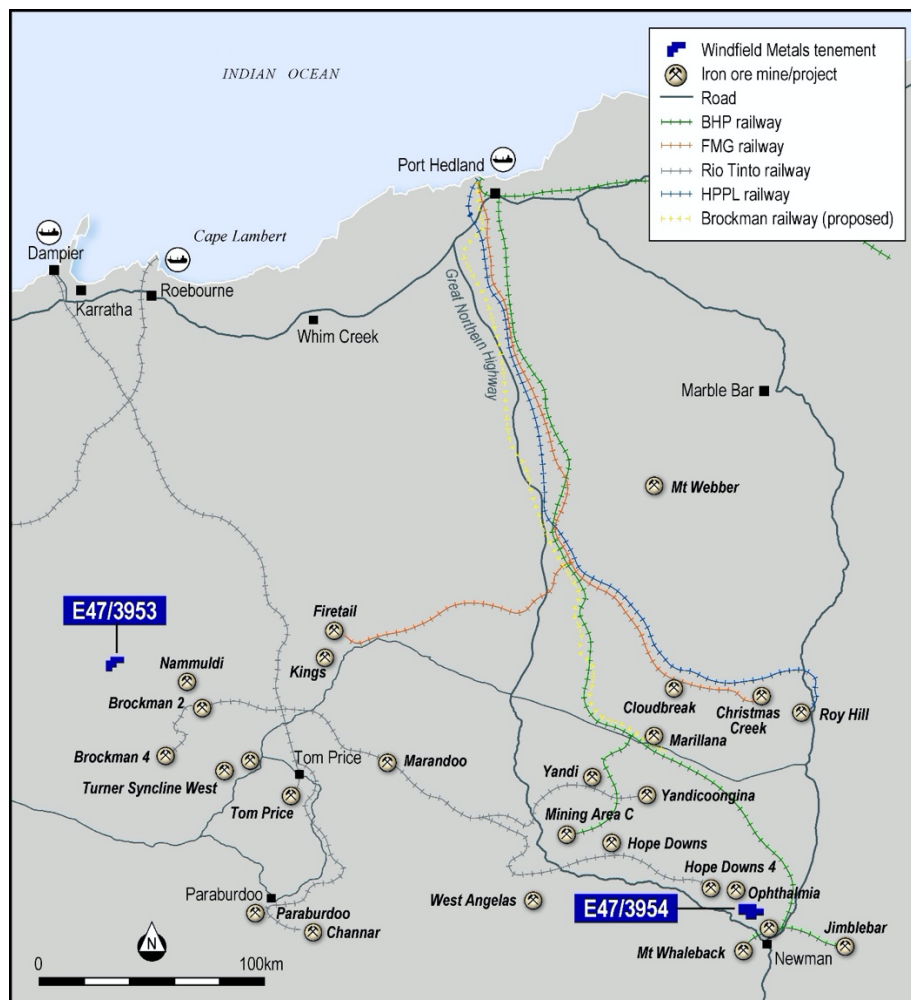
- The Acquisition will increase Alien's interest in the Hamersley Iron Ore Project to over 90%
- The Project consists of 2 granted exploration licences, the Hancock and Brockman licences, that cover 56.7 km<sup>2</sup> and are surrounded by major iron ore companies including Rio Tinto (LSE:RIO), Fortescue Metals (ASX:FMG) and Hancock Prospecting
- The Acquisition provides increased flexibility to fund the Project via Joint Venture, partial sale or spin off
- Recent drilling undertaken by Alien as well as limited historic drilling intersected significant DSO iron mineralisation on the Hancock Licence with maiden drilling still to commence on the Brockman Licence
- Best results to date from the Hancock Licence include:
  - 126m @ 60.3 % Fe (Hole 14SERC002, Volta 2014)
  - 26m @ 54.3 % Fe from surface,
    - including 13m @ 61.5 % Fe from 2m depth hole AM21RC001 006.
  - 18m @ 55.1% Fe from surface hole AM21RC001 016.
  - 10m @ 55% Fe from 3m hole AM21RC001 012.
  - 66m of Banded Iron Formation (BIF) intercepted in hole AM21RC001 027 (results pending)
- Maiden drilling on Brockman Licence in planning stage
- Follow up drilling on Hancock licence imminent

**Bill Brodie Good, CEO & Technical Director of Alien Metals, commented:**

*“The excellent initial assay results we’ve seen from our maiden drilling program on the Hancock licence, recent field work carried out on both licences, and along with the continued surge in demand and price for Iron Ore, have underscored the rationale for this acquisition and we are delighted to be increasing our stake in the Hamersley Project to over 90%. By obtaining the major controlling interest, we will have greater flexibility to both manage and monetise the Project as our continued exploration moves it up the value curve.*

*“Iron ore has recently broken through the US\$200 per tonne barrier, driven largely by global infrastructure demand and stimulus spending as economies look to shake off the COVID-19 economic slump. These factors are showing no sign of slowing as global demand for Iron Ore continues to rise and we see continued resilience in the price. Against this backdrop, we feel this Acquisition is highly value accretive for the Company and will deliver significant value for shareholders.*

*“The Company is in the process of commencing a follow-up drill program on the Hancock licence with a view to generating a maiden JORC compliant resource and, once permits have been received, we will commence our maiden drill program at the Brockman licence as well, which contains historic BHP iron prospects and remains an exciting licence in its own right.”*



**Figure 1: Hamersley Iron Ore Project, location of licences, Western Australia, May 2021**

## Transaction Terms

Alien currently has a 51% direct interest in the Project, with the remaining 49% held by Windfield. The Project consists of exploration licence EL47/3953 Brockman and EL47/3954 Hancock licences in the Pilbara region of Western Australia. Pursuant to the SSA with Windfield, Alien will acquire an 80% interest in Windfield, thereby bringing Alien's direct and indirect holding in the Project to 90.2%. Alien has agreed to acquire Windfield on the basis that its sole asset will be the interest in the Project and on a nil net cash basis

1. The Upfront Consideration payable for the transaction is set out below subject to satisfaction of the conditions precedent including Alien conducting legal, financial and operational due diligence on Windfield and being satisfied, in its discretion, with the outcome of that due diligence:
  - a. £60,000 cash (less any Set Off Amounts);
  - b. 200,000,000 UFO shares issued at a deemed price of 1.1 pence each ("Deemed Issue Price"); and
  - c. 50,000,000 share purchase warrants, exercisable at 1.65p to the Deemed Issue Price payable to the advisers to the transaction.
2. Following completion, Alien will appoint 2 directors to the board of Windfield and will be responsible for day-to-day management.
3. Alien will free-carry the shareholder in Windfield (effectively a free carry of 9.8%) until completion of a Bankable Feasibility Study on either the Brockman or Hancock Ranges projects.
4. If, within 24 months of executing the SSA, Alien disposes of its interest in Windfield or Windfield's interest in the Project, the Company will pay the Windfield seller a performance payment in addition to the Upfront Consideration ("Performance Payment").
5. The Performance Payment is calculated by:
  - a. In the event of a Tenement Sale: 50% of the value uplift attributable to the Projects; or
  - b. In the event of an IPO/Spin-out event: 50% of the value uplift attributable to Windfield

Windfield's sole asset is the 49% interest in the Project and in the year to 30 June 2020 it reported minimal revenue, a loss before tax of A\$191,573 and Net Assets as at 30 June 2020 of A\$191,473.

For further information please visit the Company's website at [www.alienmetals.uk](http://www.alienmetals.uk), or contact:

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**Notes to Editors**

Alien Metals Ltd is a mining exploration and development company listed on AIM of the London Stock Exchange (LSE: UFO). The Company's focus is on precious and base metal commodities, with its operations located in proven mining jurisdictions and it has embarked upon an acquisition-led strategy headed by a high-quality geological team to build a strong portfolio of diversified assets.

In 2019, the company acquired 51% of the Brockman and Hancock Ranges high-grade (Direct Shipping Ore) iron ore projects and in 2020 acquired 100% of the Elizabeth Hill Silver Project, which consists of the Elizabeth Hill Historic Silver Mine Mining Lease and the surrounding Munni Munni North Exploration Tenement. The Australian projects are located in the world-renowned Pilbara region of Western Australia.

The Company also holds two silver projects located in Zacatecas State, Mexico's largest silver producing state, which produced over 190m oz of silver in 2018 alone, accounting for 45% of the total silver production of Mexico for that year. The Company's Donovan 2 Copper Gold project in the same region is currently under an Earn-in agreement with Capstone Mining Corp. of Canada.

The company was also awarded an Exploration Licence in Greenland in late 2020, which surrounds the world class Citronen Zinc-Lead deposit.

In addition to progressing and developing its portfolio of assets and following its strategic review of its portfolio of silver and precious metals projects, Alien Metals has identified priority exploration targets within all of its projects which it is working to advance systematically.

## Appendix

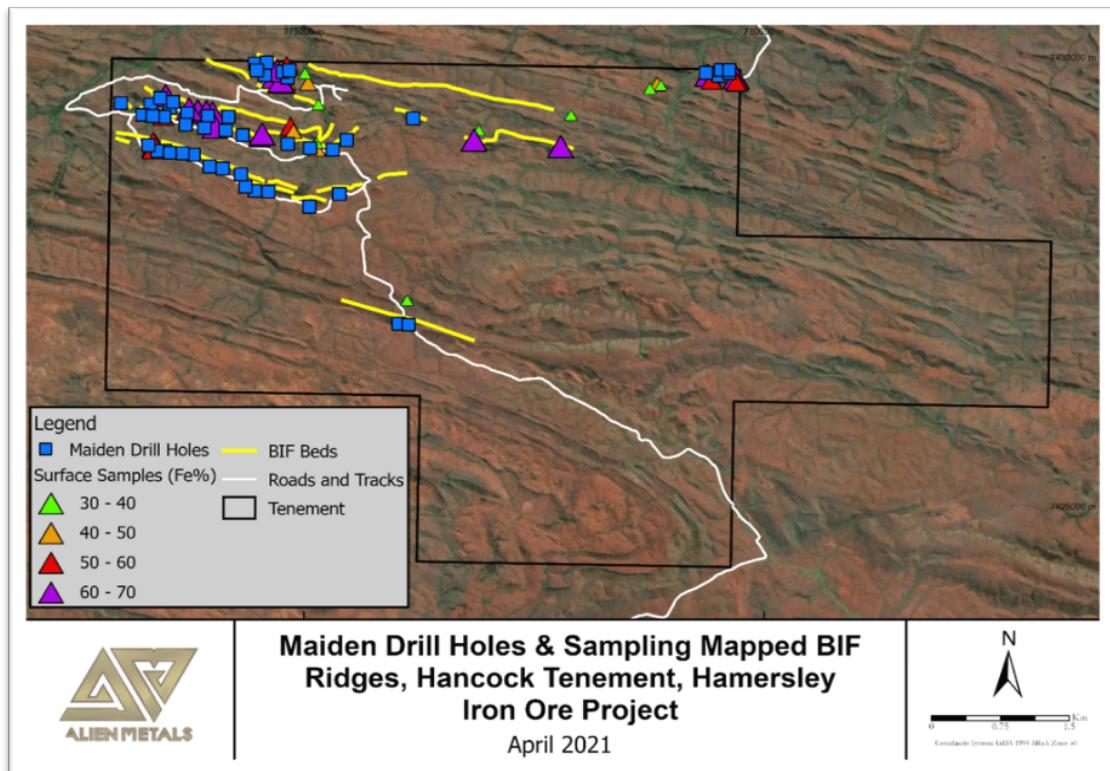


Figure 1: Drill holes locations under historic surface sampling, Hancock Tenement, Hamersley Iron Ore Project, April 2021

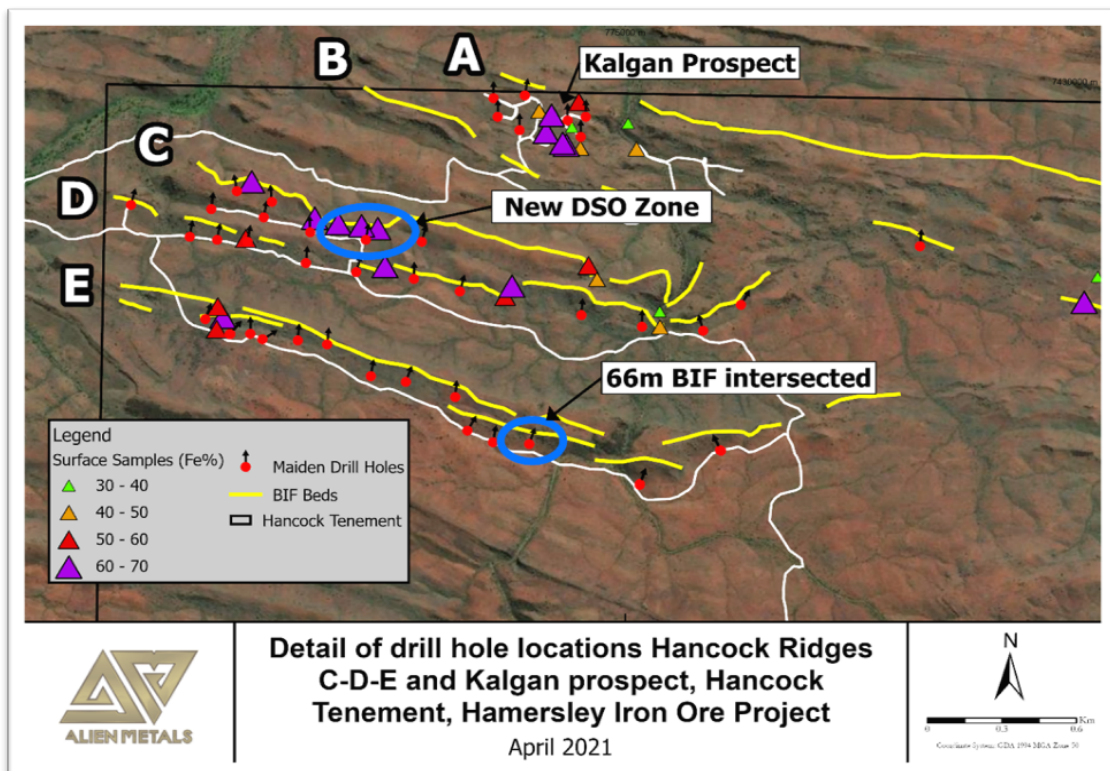


Figure 2: Detail of drill hole locations, Hancock Ridges A-E and Kalgan Prospect, Hancock Tenement, Hamersley Iron Ore Project, March 2021



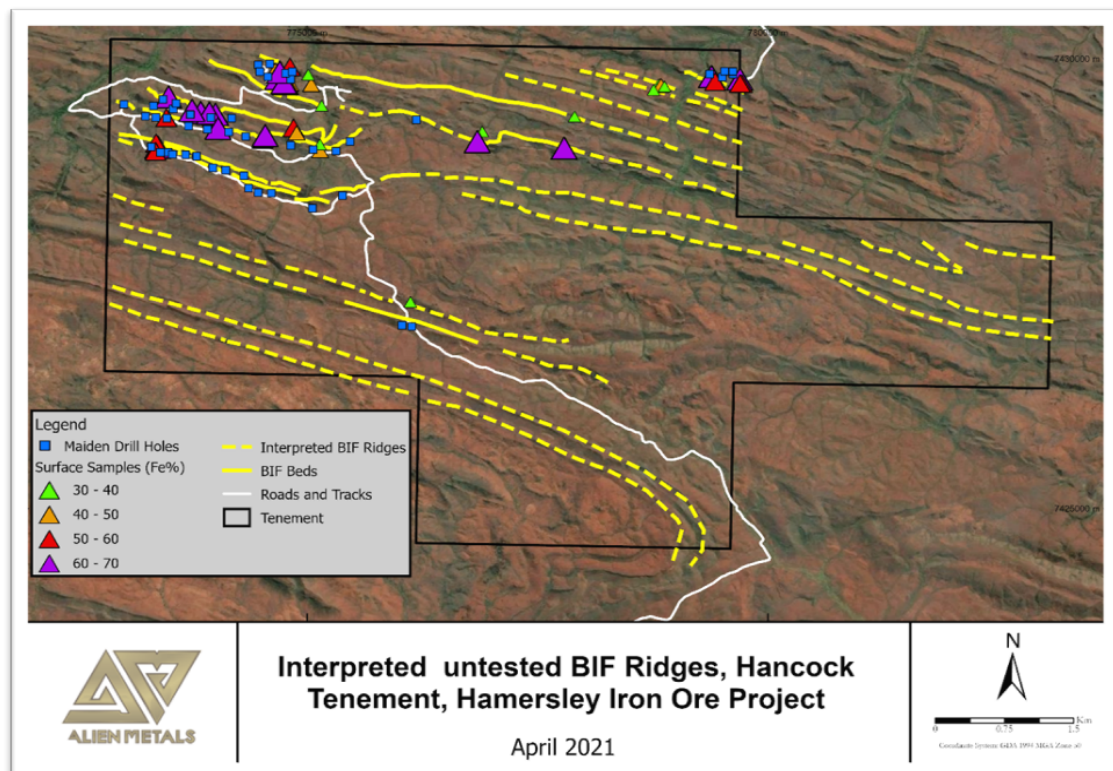


Figure 3: Interpreted untested BIF Ridges, Hancock Tenement, Hamersley Iron Ore Project, April 2021

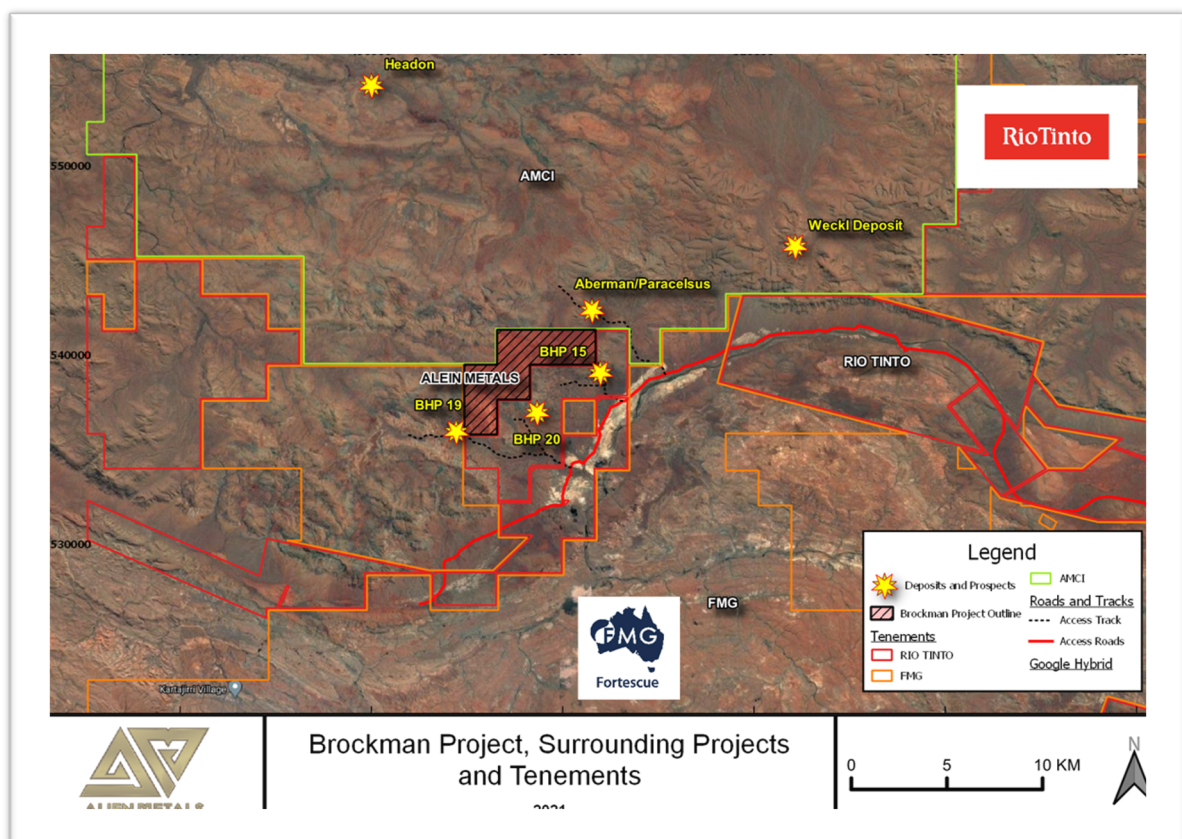


Figure 4: Location of Brockman Project, Hamersley Iron Ore Project, April 2021