**Trading Symbols**
**AIM: UFO**
**FWB: I3A1**

**19 October 2021**

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

# Scoping Study delivers compelling development case for the Hancock Iron Ore Project

Alien Metals Ltd (LSE AIM:UFO), a global minerals exploration and development company, is pleased to update the market on the Hancock Iron Ore Project Scoping Study.

**Highlights**

- The initial independent Scoping Study for the Hancock Iron Ore Project has demonstrated exceptionally strong returns are possible from a potential development
- Optimisations completed using an iron ore price of US$100/t result in the design pits extracting all of the initial JORC resources identified to date (10.4Mt @ 60.4% Fe)
- Initial Life of Mine studies show the current resource will sustain an 8-year life based on the following parameters:
    - Mining rate of 1.25Mtpa with a pre-production capital estimate of <US$30m
    - Exceptionally low strip ratios (c.1:1 on the Ridges deposits)
    - Operating costs of <US$60/t FOB
- Given the exceptional results from the Scoping Study, the Company has begun planning the next stages of development with the appointment of a highly experienced iron ore operations manager to commence the permitting process
- The Company is also in the final stages of planning the next phase of drilling, which is targeting extensions to the Ridges resources, where substantial resource growth potential exists

**Bill Brodie Good, CEO & Technical Director of Alien Metals, commented**:
*"We could not be more pleased with progress on the Hancock Iron Ore Project to date. Having delivered a meaningful resource so quickly, and to follow up with a very compelling mine development scenario from the independent Scoping Study, we are now working aggressively in the development, mining and permitting arena to keep the momentum up and get this project into production within a very short timeframe.*

*"We are really fortunate to have Lloyd Edmunds join the team and retain Mining Plus for the development phase. With Lloyd's background in project delivery at Australia's number 3 iron ore miner, Fortescue Metals Group ("FMG"), he is a key appointment for Alien Metals."*

Figure 1 shows the location of the Hancock Project and Table 1 shows the mineral resource statement. The Hancock Project (E47/3954) is approximately 10 km north of Newman in the prolific iron ore producing Pilbara region of Western Australia.

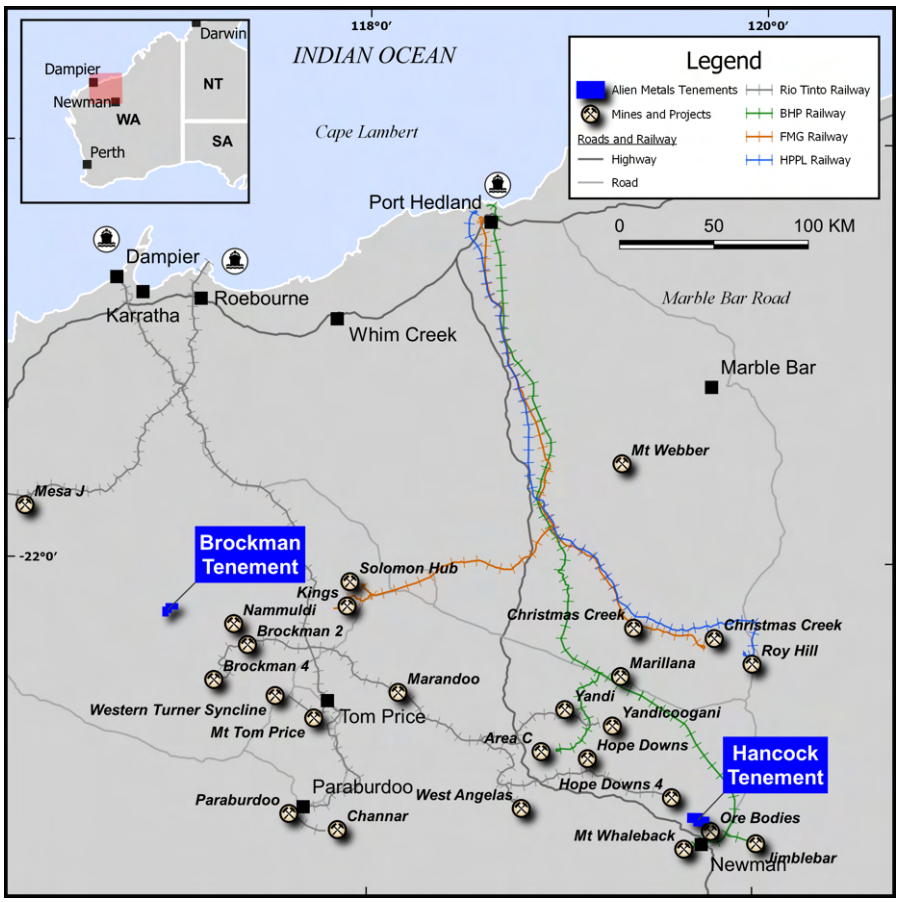



**Figure 1: Location of Hancock Iron Ore Project, Western Australia**

**Table 1: Mineral Resource Statement (MRE) (JORC 2012), Hancock Iron Ore Project, Alien Metals, September 2021**

| Classification Category | *Target* | Mass (Million tonnes) | *Average Value* | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Fe % | $SiO_2$ % | $Al_2O_3$ % | P % | LOI % | MnO % |
| Inferred | Sirius Extension | 7.8 | 60.1 | 4.1 | 3.72 | 0.17 | 5.2 | 0.05 |
| | Ridge E | 1.5 | 61.2 | 4.8 | 3.38 | 0.13 | 3.5 | 0.02 |
| | Ridge C | 1.1 | 61.9 | 4.4 | 2.93 | 0.12 | 3.5 | 0.03 |
| **Total** | | **10.4** | **60.4** | **4.2** | **3.6** | **0.16** | **4.8** | **0.04** |

Significantly, with the initial analysis of the samples, the iron ore appears to be a high-quality product with very little adverse deleterious minerals that would affect its appeal and usability.

The average grade of the DSO grade ore from the Western Ridges to date is around 61.5 % Fe and with the current volume of 2.6Mt it currently contains over 2 years' initial mining material and is recommended as the initial ore to mine.

An updated Discounted Cashflow Analysis using very recent analogous costs where required, but also up to date costs available, returns an impressive USD >$60/t Free on Board from extraction at site to delivery to the Port Hedland Public Ore Terminal, including government royalties.

Such a project, as already noted, is an extremely low capex one as it does not require any type of on-site fixed plant nor railway or port requirement to begin mining. The mining method would probably entail using surface mining machines such as those already used by FMG very effectively already and would require minimal screening and crushing. Should this be required it would be done by a mobile unit right at the mine face and then, for delivery of the ore, road transport would be a suitable and highly economic method (see figures 5 and 6). Contract mining and ore transport would be the preferred option to further reduce Capex requirements for the project.

The project is only 20 kms from the Iron Ore town of Newman so other than a small central office on site no camp would be required to be built. Contract mining and transport would be recommended as well again to negate any Capex to purchase equipment and support infrastructure to go with it (Maintenance facilities etc). The main Capex would be for putting in a suitable road between the mine face and the Great Northern Highway to the west of the tenement but once installed would need minimum maintenance. This would be in the region of half the projected Capex and based on current mine planning and current iron ore prices would be paid back in less than 6 months into the mining cycle.

Alien is also looking at off-take options as a way of securing the potential of the project and the feasibility of the project and will, now that an MRE is present, be able to talk in earnest with several parties on possible options for developing the project.

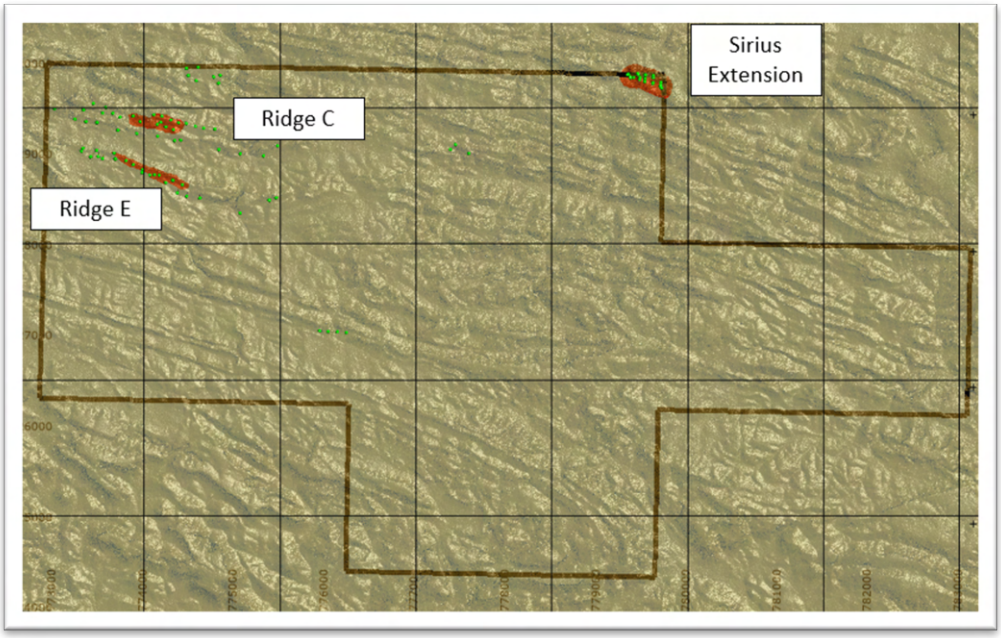



**Figure 2: Tenement boundary and target location. Drill collars shown in green, and the optimised pits shown in red**

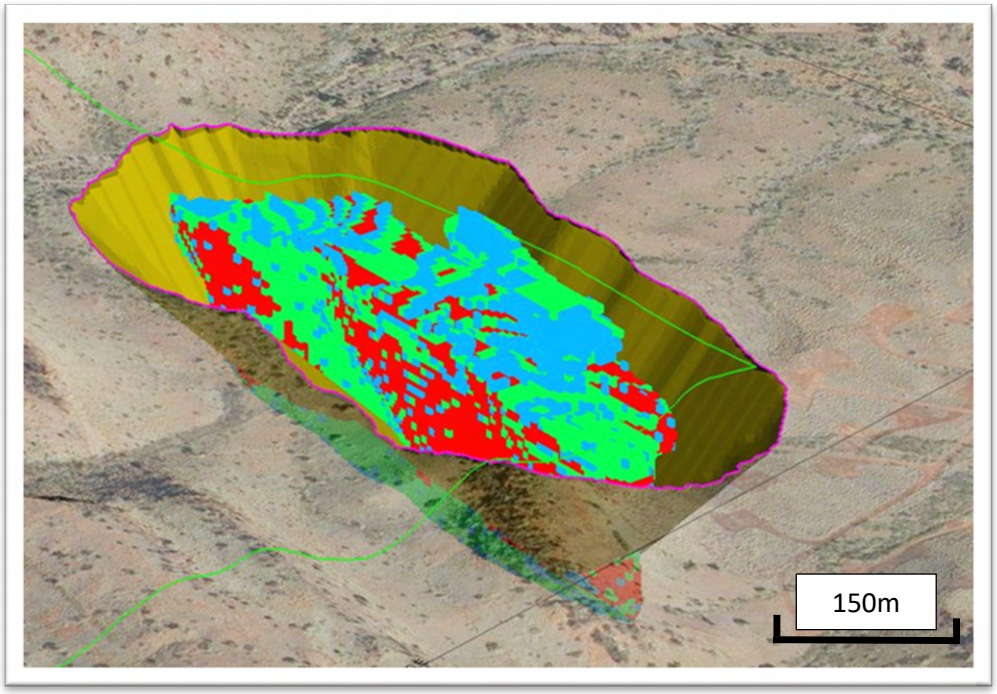
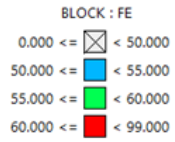



**Figure 3: Optimised pit shell, Sirius Extension, Hancock Project, October 2021**



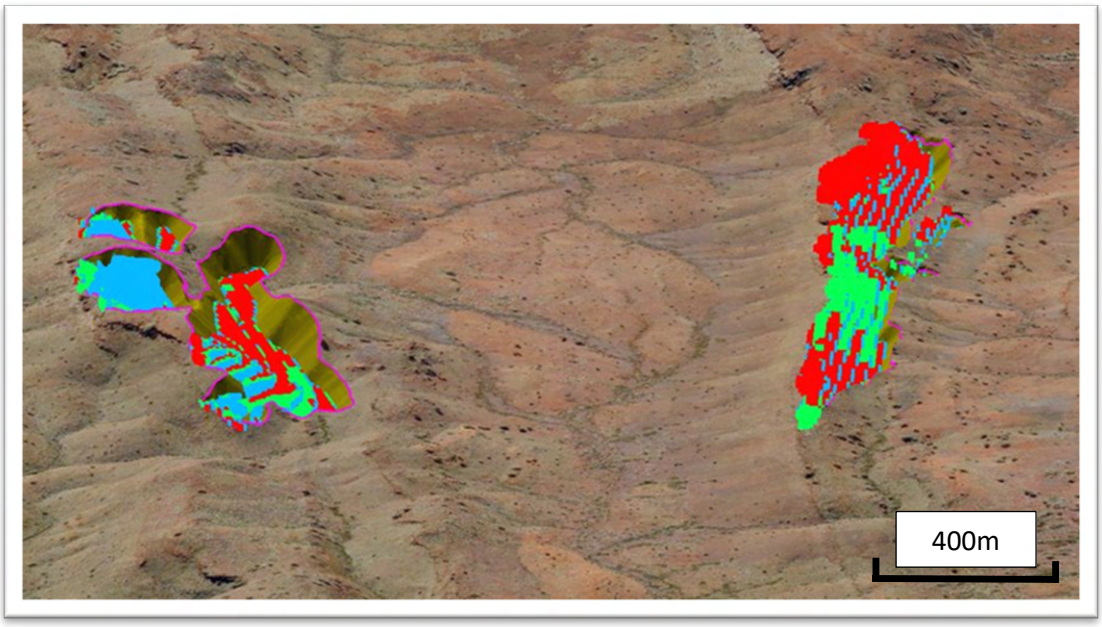




**Figure 4: Optimised pit shells Ridges C and E deposits, Hancock Project, October 2021**

**Figure 5: Surface mining method (FMG, Pilbara WA) from the ground straight into a truck**

**Figure 6: Example of a mobile screening and crushing plant**

**Upside Potential and next phase**

With the improved understanding of the DSO bearing horizon and the large extent of untested highly prospective ridges remaining, Alien plans to target these specific horizons in the next drilling programme, Phase 3, with the plan to increase both the size of the initial resource as well as the confidence. Figure 7 below shows the location of the current drilling and the extensive ridge targets still to be drill tested.

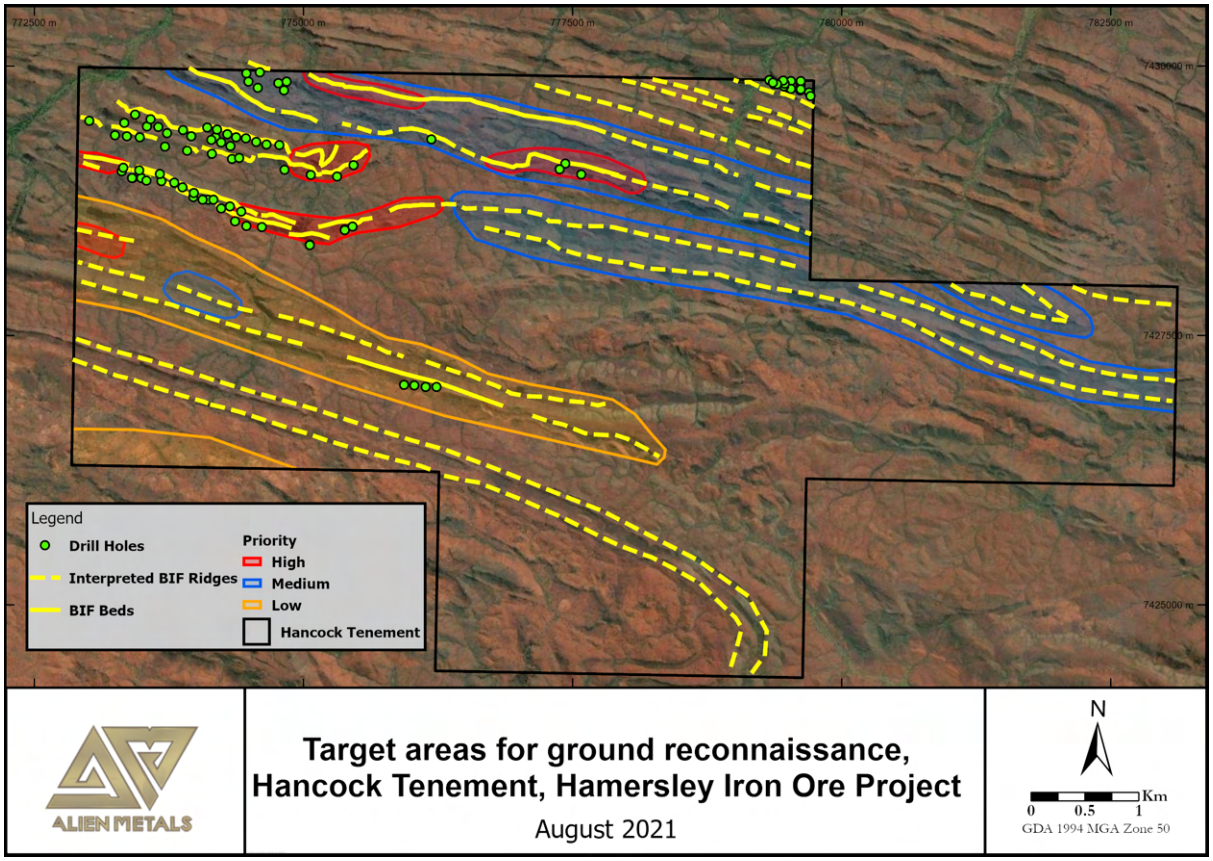



**Figure 7: Target areas for further ground reconnaissance, Hancock Tenement, Hamersley Iron Ore Project, August 2021**

**For further information please visit the Company's website at 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 has recently entered into a conditional agreement to increase its interest to 90%. In 2020 the company 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, San Celso and Los Campos, 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 holds a Copper Gold project in the same region, Donovan 2.

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.

**Competent Person**

The information in this announcement which relates to Exploration Targets, Exploration Results and the Scoping Study has been approved by Mr. Allen Maynard, who is a Member of the Australian Institute of Geosciences (“AIG”), a Corporate Member of the Australasian Institute of Mining & Metallurgy (“AusIMM”) and independent consultant to the Company. Mr. Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 40 continuous years of exploration and mining experience in a variety of mineral deposit styles. Mr. Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves” (JORC Code). Mr. Maynard consents to inclusion in the announcement of the matters based on this information in the form and context in which it appears.

**Mineral Resource**

The information in this report that relates to Mineral Resources is based on information compiled by Mr Howard Baker, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy and is employee by Baker Geological Services Ltd. Mr Baker has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Baker consents to the disclosure of information in this report in the form and context in which it appears.

Mr Baker of BGS is a resource geologist with 25 years' experience covering multiple commodities from early-stage exploration through to definitive feasibility studies. Mr Baker is the Managing Director of

BGS and previously worked for the International Mining Consultancy, SRK Consulting (UK) Ltd ("SRK") where he was employed for eight years as a Principal Consultant and Practice Leader. In his time at SRK, he focussed on the management of Mineral Resource Estimates with a strong focus on technical quality management and compliance to international reporting codes. In addition, he played a key role in advising on suitable exploration protocols and drill programmes and effectively assisted clients in the development of numerous large-scale iron ore projects. Prior to his time at SRK, Mr Baker lived and worked in Australia, working for Rio Tinto, BHP Billiton, Iluka Resources and Anaconda Nickel.

Mr Baker has extensive global experience in the geology and Mineral Resource Estimation of iron ore projects and worked as a mine geologist and specialist resource geologist in the iron ore Pilbara district of Western Australia.

**Cautionary Statement**

The Company advises the Conceptual Study referred to in this Announcement has been undertaken to determine the potential viability of the Hancock Project (the Project) in Western Australia. The Scoping Study is a preliminary assessment based on low accuracy technical and economic assessments (±25-35% Class 5). It is insufficient to support the estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Conceptual Study will be realised. Further exploration and evaluation work and appropriate studies are required before the Company will be able to estimate any Ore Reserves or to provide any assurance of an economic development case.

The Scoping Study is based on the material assumptions outlined in the Conceptual Study announcement. These include assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Conceptual Study will be achieved.

The Inferred Mineral Resource estimate underpinning the production target was prepared by a competent person in accordance the JORC Code (2012). Over the conceptual life of mine, all of the production target is currently derived from Inferred Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Measured or Indicated Mineral Resources or that the conceptual production quantities or economic assessment will be realised.

To achieve the range of outcomes indicated in the Study, funding for capital and working capital requirements in the order of $30 million USD will likely be required. Investors should note that there is no certainty that the Company will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce the Company's proportionate ownership of the Project.

The Project will need environmental approvals and the grant of a mining lease. Although the Company currently sees no impediment to acquiring these, there is no guarantee that the Company will be able to obtain these or obtain them within the timeframe proposed in the Project development schedule.

The Conceptual Study results contained in this Announcement relate solely to the Project and does not include Exploration Targets or Mineral Resources defined elsewhere. The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this Announcement.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study and this Presentation is not and should not be considered as, an offer or invitation to acquire securities in the Company.

**Glossary:**

**Mineral Resource** - A concentration or occurrence of solid or liquid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

**Inferred Mineral Resource** - that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An inferred Mineral Resource has a lower level of confidence that that applying to an Indicated Mineral Resources and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

**Reverse Circulation Drilling** - Often referred to as RC drilling, is a method of drilling which uses dual wall drill rods that consist of an outer drill rod with an inner tube. These hollow inner tubes allow the drill cuttings to be transported back to the surface in a continuous, steady flow. Drill results using this method with adequate QA/QC can be used in Mineral Resource Calculations

**DSO** – Direct Shipping Ore

**XRF** - X-ray fluorescence, used for elemental analysis and chemical analysis, particularly in the investigation of metals in the resource industry.

**QA/QC** – Quality Assurance/Quality Control - This is the combination of quality assurance, the process or set of processes used to measure and assure the quality of a product, and quality control, the process of ensuring products and services meet consumer expectations. In this case an independent verification of the laboratory analysis result.

**Deleterious Elements** – Elements that can be detrimental to the overall product, such as Phosphorus.

**Fe** - Iron

**Al** – Aluminium

**Ca** – Calcium

**K** – Potassium

**Mg** – Magnesium

**Mn** – Manganese

**Na** – Sodium

**P** – Phosphorus

**S** – Sulphur

**Si** - Silica

**Mt** – Million Tonnes

**BIF** – Banded Iron Formation

**Cap** – the upper portion of the deposit, at surface and enriched in clay material and organics