



Trading Symbols
AIM: UFO
FWB: I3A1

13 January 2021

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

Capstone to shortly commence 2,500m drill program at Donovan 2 Cu-Au Project

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

Alien Metals Ltd (**Alien Metals** or the **Company**), a minerals exploration and development company, is pleased to announce that since executing the earn-in agreement (**Agreement**) with Capstone Mining Corp (**Capstone**) (TSX: CS) over its Donovan 2 Copper-Gold project (the **Project**) in Mexico (**Transaction**), Capstone have completed their initial 2020 obligation of exploration expenditures and will advance to the next phase of the Agreement.

Pursuant to the terms of the Agreement, Capstone can acquire a 65% interest in Donovan 2 through committed expenditure and cash payments totalling ~US\$3.9million. Capstone can move to an 80% interest in the Project through free-carrying Alien to completion of a prefeasibility study.

The core of the work carried out by Capstone in late-2020 was to complete a detailed close spaced surface Induced Polarisation (IP) geophysical survey across the majority of the tenement, as announced by Alien Metals on 13 November 2020, to both add infill detail to the northern anomaly already defined by Alien and as an extension to historic geophysical work undertaken by Alien. This work was successfully completed in December 2020 with the final reporting and interpretation currently being completed.

Capstone have indicated that they have planned an initial 2,500m drilling program as part of their required \$450,000 USD expenditure commitment for 2021. Drill locations will be finalised following interpretation of the IP report, with provisional planning well underway.

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

"The Company is extremely encouraged by the speed of progress by the Capstone technical team, who mobilised quickly in an effort to drive exploration of the project. Capstone considered that commissioning a more detailed ground IP survey to compliment historic work undertaken by Alien while awaiting the necessary drill permitting would refine or reaffirm the existing drill targets.

Capstone have been managing the main elements of the program while Alien provide the necessary early stage on the ground support. We are looking forward to some positive results from this work.

Alien has managed to get the previous drilling permit granted on Donovan 2 at the end of 2020, and with Capstone now ready to move into the next phase of the earn-in agreement, drilling can finally start to fully test what we see as an exciting copper-gold VMS system. Given the location of Donovan 2, near to existing infrastructure and operating mines, if Capstone are successful in identifying a commercial deposit it is well placed for rapid advancement."



Figure 1: Location of Donovan 2 Project, Zacatecas Region, Mexico in relation to Capstone Mining’s Cozamin Copper/Silver Mine and the Teck San Nicolas VMS Copper deposit.

The IP survey was completed for 27.3 line kilometres and the data capture took 24 days. The IP survey was carried out by Zonge International of Arizona, USA, who have extensive experience of working in Mexico. The work was completed in late December 2020 with no reportable safety or environmental incidents and Capstone as agreed kept Alien updated on every step of the work with the Alien team offering support as required.

An initial review of the provisional data generated by this IP survey appear to confirm and extend upon the anomalies that Alien had identified in the north and east-central areas of Donovan 2. Additional new features are also observed along the western and southern limits of the license. The original drill plan designed by Alien may be subject to change upon Capstone’s review of the finalised geophysical data.

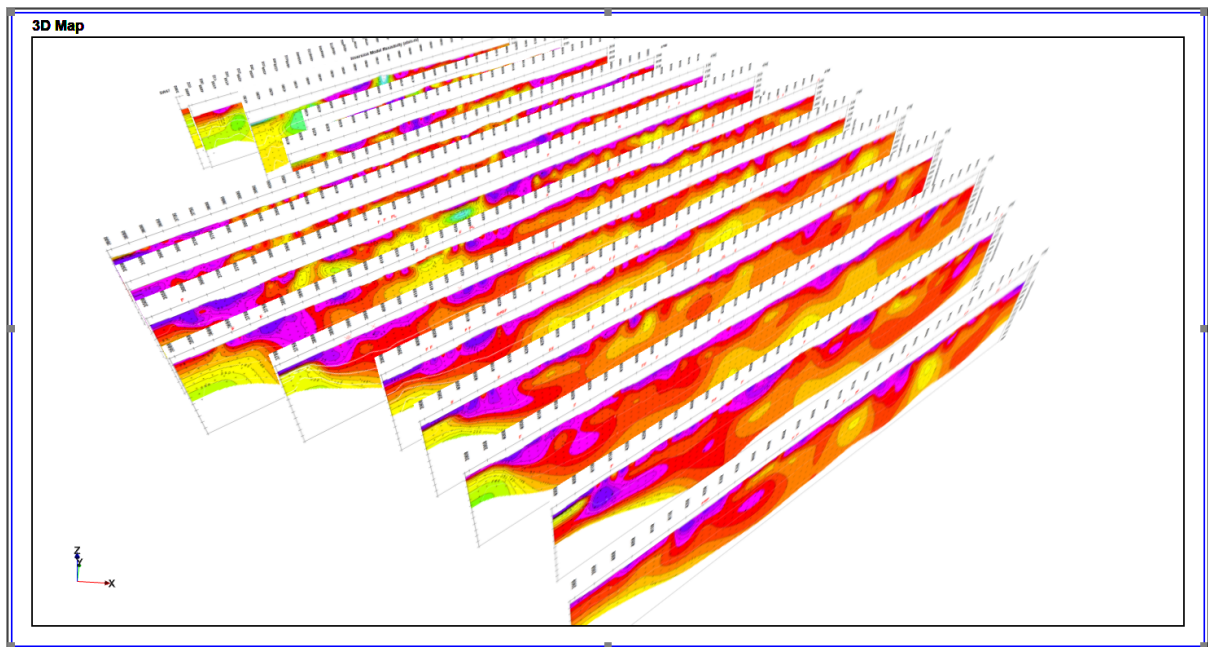


Figure 2: Donovan 2 provisional resistivity 2D inversion sections in a 3D view looking north, Capstone, January 2021

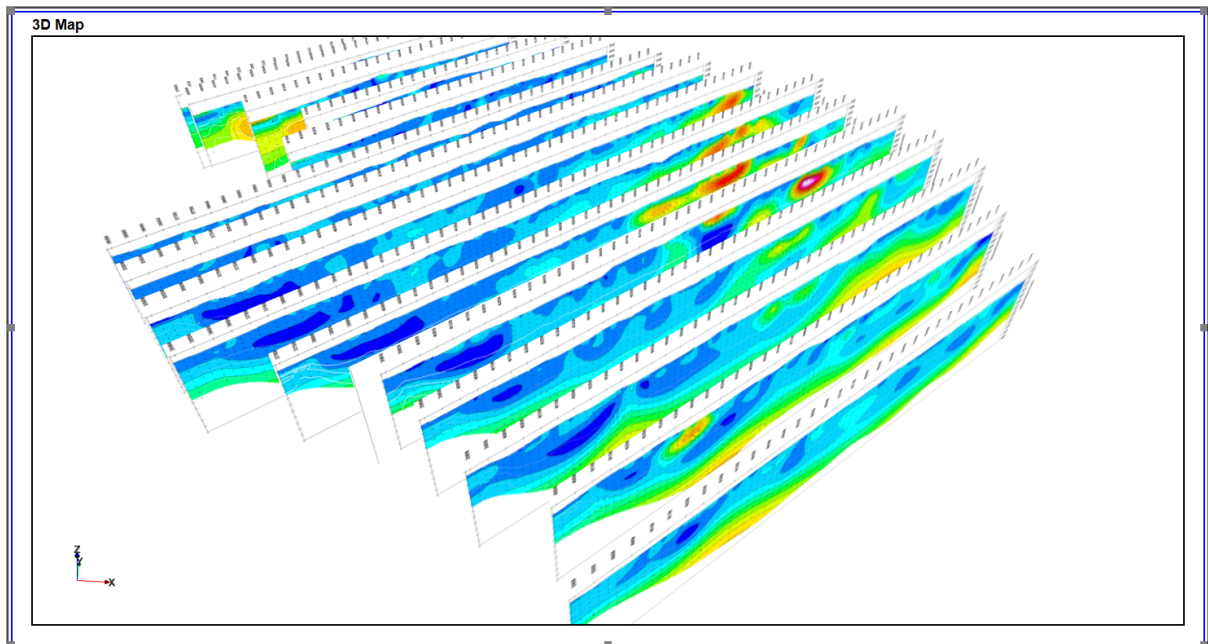


Figure 3: Donovan 2 provisional chargeability 2D inversion sections in a 3D view looking north, Capstone, January 2021

Alien are looking forward to the final interpretation and results of this programme and to the next stage of work at Donovan 2 and are delighted with the work and engagement of Capstone in all aspects.

The Board of Alien continues to assess a range of mineral projects and opportunities, with particular focus on exploration projects with significant exploration and value upside.

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.

Alien Metals has embarked upon an acquisition-led strategy headed by a high-quality geological team to build a strong portfolio of diversified assets including two recent acquisitions in 2019. These include the Brockman and Hancock Ranges high-grade (Direct Shipping Ore) iron ore projects and the Elizabeth Hill Silver projects both located in the Pilbara region, Western Australia.

In addition to progressing and developing its portfolio of assets and following its strategic review of its portfolio of silver and precious metals projects in Mexico, Alien Metals has identified priority exploration targets within its 9 mining concessions which it is working to advance systematically. The Company's silver projects are located in the 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.