



Trading Symbols
AIM: UFO
FWB: I3A1

30 May 2022

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

Strategic Acquisition of 100% of the Vivash Gorge Iron Ore Project, Western Australia

Alien Metals Ltd (LSE AIM:UFO), a global minerals exploration and development company, is pleased to update the market that it has entered into a Binding Heads of Agreement with ASX-listed Zenith Minerals Ltd (ASX:ZNC) (Zenith) to acquire, subject to the satisfaction of certain conditions, 100% of the Vivash Gorge Iron Ore Project in the Pilbara region of Western Australia.

Highlights:

- The Company considers Vivash Gorge as a strategic acquisition to add to the IOCA portfolio of DSO iron ore projects within the Pilbara Region
- Vivash Gorge (E47/3071) covers ~47km² and is strategically located 60km south of the Company's Brockman project and only 80km from Tom Price
- Fortescue Mining Group (**FMG**) has defined a high grade Iron Ore Mineral Resource of **28Mt @ 58.8% Fe (1)** over neighbouring ground (the "Vivash SW Resource"), which abuts the eastern central boundary of the Vivash Gorge tenement
- FMG has historically drilled up to the Vivash tenement boundary, returning high grade results such as **70m @ 60.5% Fe** from surface (hole VV0111) ¹
 - Based on the geological mapping and proximity and strike of the Vivash SW Resource, Alien considers that the Vivash SW Resource continues into the Vivash Gorge tenement, providing a 'walk up' drill target
 - Several identical geological targets on strike within Vivash Gorge tenement also remain untested
- Programme of Work (POW) for drilling of up to 150 RC holes of a maximum of 200m each has been granted to Zenith already, which will allow Alien immediate access
- With Vivash Gorge, the Company will have three strategically located iron ore projects within the Pilbara region (combined tenement package of 108 km²), each surrounded by the iron ore majors and with significant development opportunities

- Transaction consideration split between upfront consideration of GBP 56,500 (to be satisfied through the issue of Alien shares at the 10-day VWAP prior to completion) and deferred condition subject to certain milestones being reached

¹ Source: Mineralisation Report 29 September 2020 in support of application for mining lease, section 49 conversion of prospecting licence 47/1672 by FMG Pilbara Pty Ltd (within the Vivash South Iron Ore Project, Pilbara)

Bill Brodie Good, CEO & Technical Director of Alien Metals, commented: *“The potential acquisition of the Vivash Gorge iron ore project from Zenith Minerals will be a great addition to our growing iron ore portfolio. Given the adjacent DSO grade deposits defined by iron ore major Fortescue Metals Group, coupled with what we believe to be the tenement’s highly prospective yet untested geology, Vivash Gorge provides Alien with a third strategically located high grade iron ore project within the Pilbara region.*

“With drilling approvals already in place, we see the immediate potential to get on the ground and test the numerous targets that are on strike from Fortescue’s Vivash SW deposit.”

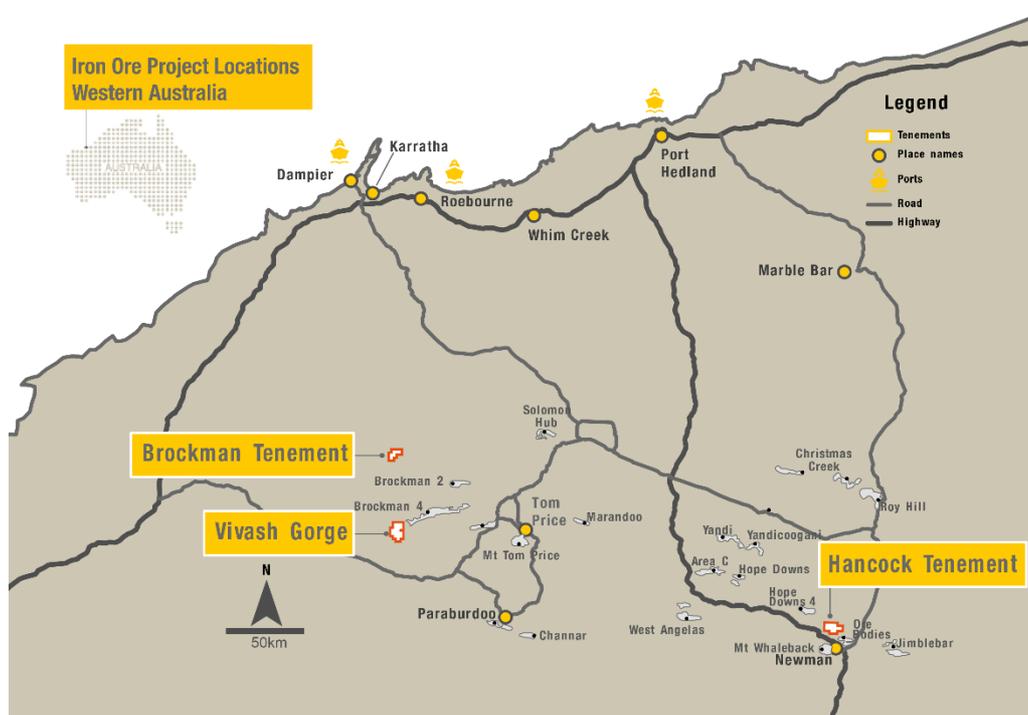


Figure 1: Location of Vivash Gorge Project, Pilbara, Western Australia, May 2022

Project Location

The Vivash Gorge project (Exploration Licence E47/3071) is located approximately 80km west of the Tom Price Township in the southern section of the Brockman Syncline. Access to the area is via the Nanutarra-Wittenoom road, station tracks, and purpose built exploration tracks (Figure 2).

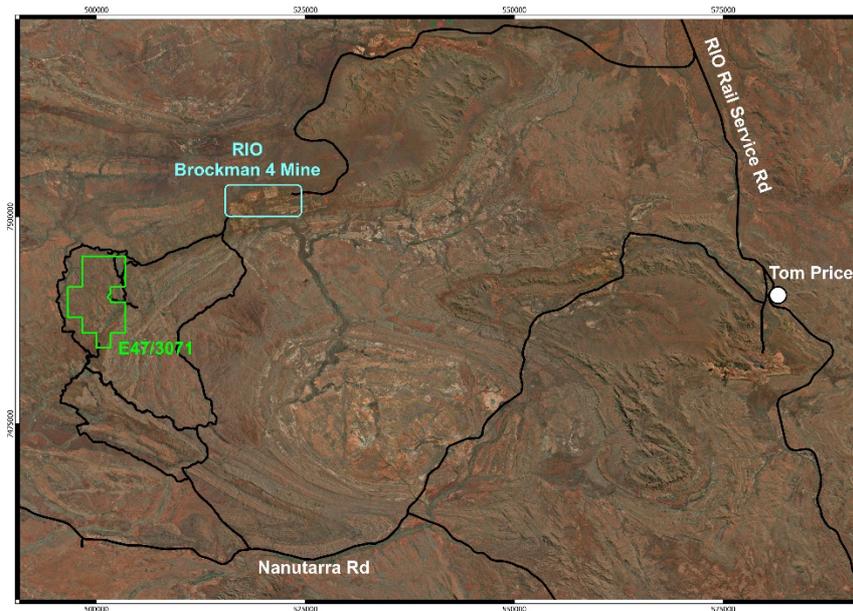


Figure 2: Vivash Gorge Tenement in relation to local access and facilities over satellite image, May 2022

Local Geology

The major Brockman Syncline to the north controls the general strike of the rocks in the Tenement to a NE-SW direction and with a moderate dip of 20-30 degrees. Folding in the region exists as both kilometre scale F2 folds striking E-W and smaller (metre to hundreds of metre wavelength) open to tight folds E-W (F2) or NW-SE (F3) striking axial surfaces. Three major NW striking faults exist within the Tenement, which have a horizontal displacement of up to 2.5km. (Source: Rio Tinto Exploration Pty Limited ANNUAL REPORT, For the Period 5 October 2019 to 4 October 2020 Mineral Exploration Annual Report for Vivash Gorge E47/3071).

Previous exploration

Previous exploration work undertaken by Rio Tinto Ltd (RIO) between 2018 and 2020 included geological mapping followed by limited drilling of targets in the north and south of the tenement through an exploration and option agreement with Zenith. The Company estimates, following a review of the available data, that the areas drilled were of a lower priority than the central east west trending untested zone over which the current POW is granted. RIO completed 9 RC drill holes in the north eastern area, with the 4 RC holes drilled in the south eastern corner with the best intersection returning 8m @ 53.8% Fe from surface (Source: Rio Tinto Exploration Pty Limited ANNUAL REPORT, For the Period 5 October 2019 to 4 October 2020 Mineral Exploration Annual Report for Vivash Gorge E47/3071).

Zenith carried out a limited rock chip sampling programme in the tenement's south eastern area, which returned a high of 55.4% Fe. Detailed geological mapping has been completed by previous explorers, providing Alien with good base geological maps to build on. No work has been conducted on the central area of the tenement, which will focus on the Company's exploration once the acquisition is complete.

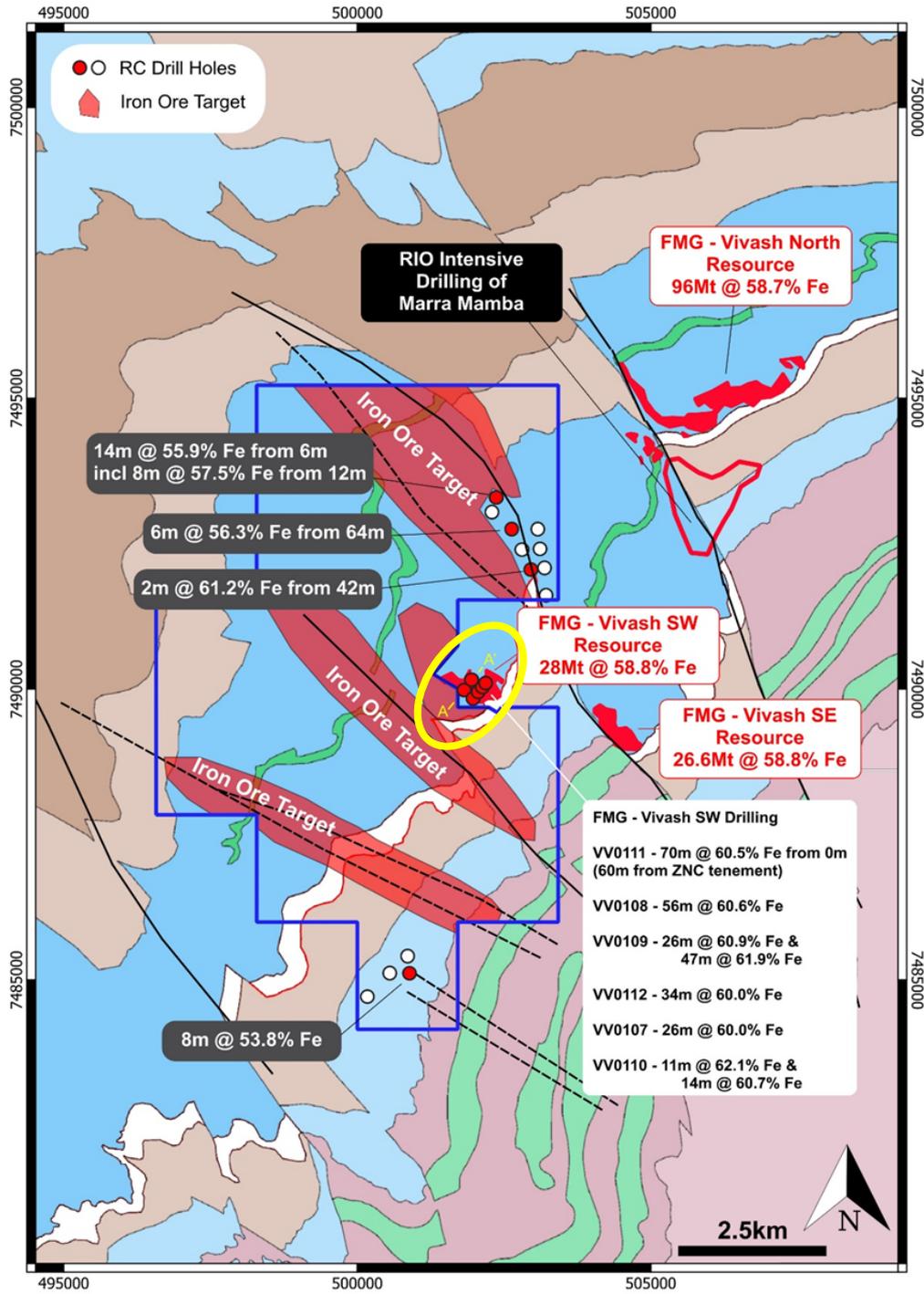
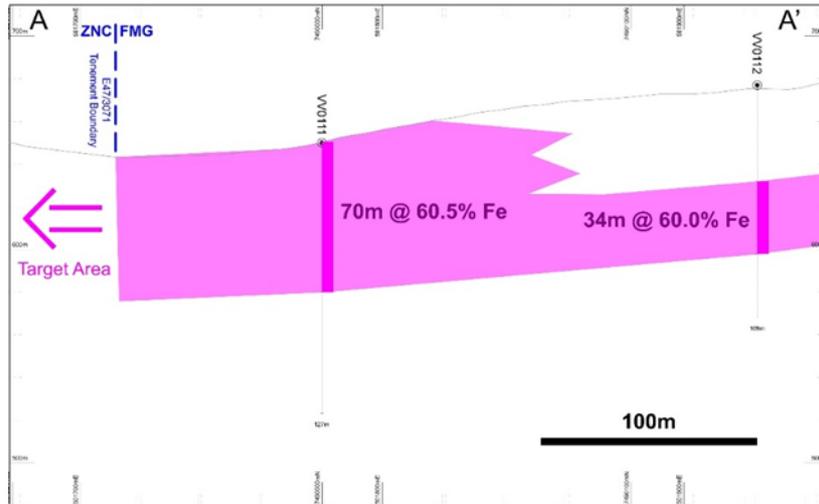


Figure 3: Summary of historic drilling and sampling in and around Vivash Gorge Project, May 2022
 (Source – Zenith Minerals Ltd)



**Figure 4: Schematic cross section showing potential continuation of DSO grade material into Vivash Gorge licence, (Line A – A' in centre of figure 2 above)
(Source – Zenith Minerals Ltd)**

The limited exploration by RIO and Zenith showed the presence of 55% iron ore within the tenement to date. At the same time, significantly, FMG on the eastern boundary has defined a JORC resource of 28Mt @ 58.8% Fe. Of interest to Alien is FMG's hole VV0111, which returned **70m @ 60.5% Fe** from the surface, which was drilled only 60m east of the Vivash Gorge tenement boundary.

The existing POW granted to Zenith in October 2021 (valid for four years from the date of grant) covers the area of the tenement where the Brockman Iron Formation is situated and allows for 150 RC drill holes of a maximum of 200m per hole to be drilled within its outline (see Fig 5 below) providing a significant area for the Company to be able to work with initially.

FMG's DSO grade resource at Vivash Gorge SW appears likely to continue into the Vivash Gorge tenement (see figure 3 above). Therefore, the Company believes that the area has the potential to host high grade iron ore.

There is good existing track access to the central eastern area due to the historic drilling by RIO. The granted POW allows for up to 70km of additional tracks to be made across the initial area of interest for the Company.

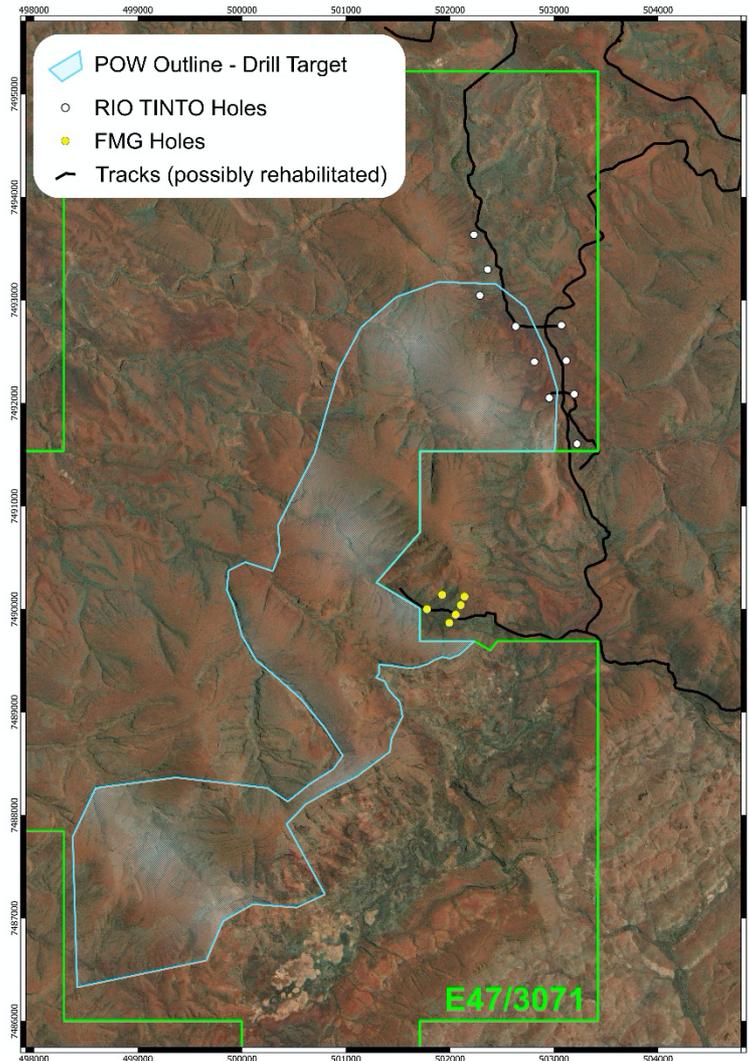


Figure 5: Vivash Gorge Tenement with location of valid POW, May 2022
(Source: Zenith Mining Ltd)

Key Terms of the Vivash Gorge Heads of Agreement (HOA)

Alien has the ability to acquire a 100% interest in the Vivash Gorge iron ore project from Zenith through a mixture of upfront and performance based considerations as follows:

- At completion, Alien will issue Zenith with A\$100,000 (GBP56,500) of new Common Shares in Alien at a deemed price equal to the VWAP of the Company's Common Shares in the ten trading days prior to the date of Completion ("Consideration Shares"); and
- The issue of the following number of New Common Shares to Zenith as deferred consideration (Deferred Consideration Shares), subject to the satisfaction of the following milestones (each, a Milestone):
 - i. That number of New Common Shares equal to the value of A\$50,000 at a deemed price equal to the VWAP of Common Shares in the ten trading days prior to the release of an announcement confirming an initial, economic direct shipping ore (DSO) resource being defined at the area covered by the Vivash Gorge tenement, reported in accordance with the JORC Code and estimated (or based on

- documentation prepared) by a Competent Person as defined by the JORC Code (Milestone 1);
 - ii. That number of New Common Shares equal to the value of A\$100,00 at a deemed price equal to the VWAP of the Common Shares in the ten trading days prior to the release of an announcement on the London Stock Exchange (LSE) confirming the conversion of the Licence from an exploration licence to a mining licence (Milestone 2); and
 - iii. That number of New Common Shares equal to the value of A\$200,000 at a deemed price equal to the VWAP of the Common Shares in the ten trading days prior to the release of an announcement on the LSE confirming an economic, > 10Mt DSO resource, reported in accordance with the JORC Code and estimated (or based on documentation prepared) by a Competent Person as defined by the JORC Code (Milestone 3)
- Subject to the satisfaction of the relevant Milestone, the Company will issue the relevant number of Deferred Consideration Shares within seven days of each announcement being released on the London Stock Exchange

In addition to the Consideration, Alien agrees to grant Zenith an ongoing royalty payment whilst in production of \$1.00/dwt (Dry Wet Tonnes) of the quantity of shipped ore derived from the area within the boundaries of the Licence, as those boundaries exist at Completion (**Royalty**).

Completion of the Acquisition is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- i) Completion of technical, financial and legal due diligence by Alien on the Sale Assets, within 14 days of the date of execution of the HOA (**Execution Date**), with the results of those due diligence enquiries being satisfactory to the Purchaser in its sole and absolute discretion;
- ii) There being no Material Adverse Effect in respect of Alien on or before the date of satisfaction or waiver of the other Conditions Precedent;
- iii) Alien applying to the LSE for, and obtaining all required approvals for, the issue and quotation of the Consideration Shares and Deferred Consideration Shares;
- iv) Zenith and Alien entering into the Royalty Deed;
- v) The Parties having obtained all necessary shareholder, third party, FIRB and regulatory approvals required under the Corporations Act, listing rules of the LSE or any applicable law which is required to be obtained to allow the Parties to lawfully complete the Acquisition;
- vi) If requested by Alien, Zenith procuring any statutory licences, approvals, consents, authorisations, rights or permits relating to the Licence from the Department or other similar government department or agency, in so far as they may be transferred by Zenith; and
- vii) The Parties entering into a deed of covenant with FMG pursuant to the Access Deed,

(together, the **Conditions Precedent**).

The HOA otherwise contains standard terms, such as representations and warranties, as customary for a transaction of this nature.

For further information please visit the Company's website at www.alienmetals.uk, or contact:

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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.

Notes to Editors

Alien Metals Ltd is a mining exploration and development company listed on the AIM market 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 with a conditional agreement to increase its interest to 90% in May 2021 also being put in place.

The Company acquired 100% of the Elizabeth Hill Silver Project, which consists of the Elizabeth Hill Historic Silver Mine Mining Lease and the 115km² exploration tenement around the mine. The

Company also holds two silver projects, San Celso and Los Campos, located in Zacatecas State, Mexico, 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 also holds a Copper Gold project in the same region, Donovan 2.

In March 2022 the Company acquired 100% of the former joint venture interest in the Munni Munni Platinum Group Metals and Gold Project in the West Pilbara, Western Australia, one of Australia's major underexplored PGE and base metals projects. Munni Munni holds a historic deposit containing 2.2Moz 4E PGM: Palladium, Platinum, Gold, Rhodium.

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 than 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

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

Green Iron Ore – High Grade > 60% Iron Ore needing lease processing for manufacture of steel

Fe - Iron

Al – Aluminium

Ca – Calcium

K – Potassium

Mg – Magnesium

Mn – Manganese

Na – Sodium

P – Phosphorus

S – Sulphur

Si2O3 – Silica

Mt – Million Tonnes

BIF – Banded Iron Formation