



**Trading Symbols**

**AIM: UFO**

**FWB: I3A1**

20 May 2021

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

**Financial Results for the Year Ended 31 December 2020**

Alien Metals Ltd (LSE: AIM:UFO), a minerals exploration and development company, today announces the release of its audited, financial results for the year ended 31 December 2020.

The Company's full annual report including all notes to the accounts, will be sent to shareholders, together with a Notice of Annual General Meeting in due course and will be available on the Company's website, [www.alienmetals.uk](http://www.alienmetals.uk).

Extracts of the Annual Report are set out below:

**Chairman & Chief Executive's statement**

2020 marked a year of growth as the Company, headed by a high-quality geological team, focused on its strategy to advance its assets up the value curve; with new prospects in Western Australia added to our diversified portfolio, they lay the groundwork for a busy and productive year.

The impact of the Covid-19 pandemic influenced all aspects of the Company and the personnel for the whole year but the whole team pulled together to mitigate wherever possible any risk of infection to all employed and contracted personnel and ensure all worked within their relative government guidelines to keep everyone safe while progressing where possible and safely exploration work in the field and research and business dealings in the office.

Even with the global pandemic impacting all aspects of normal life the Company was able to still achieve some significant milestones during the year notably further acquisition of a significant exploration licence around the Elizabeth Hill Mining licence in the Pilbara region of Western Australia and signing a mid tier Canadian Exploration and Mining company for a significant earn in agreement on the Donovan 2 Copper Gold project in Mexico while also having a significant uplift in the markets awareness of the company.

The Company's Technical Director, Bill Brodie Good, with over 25 years of experience in mineral exploration, was appointed CEO in September 2020 and continued on an acquisition-led strategy as well as looking for partners to work with moving forward. We focused on strengthening our portfolio of diversified assets to encompass silver and precious metals projects in Mexico and newly acquired silver and iron ore projects in Western Australia.

Reducing overheads is a practice from previous years that has stayed with us and was even more necessary in 2020 whereby all aspects of cost cutting were maintained including the Directors taking a reduction in directors fees, streamlining corporate overhead costs where possible to minimise

overheads. In 2020, we continued to bring value by acquiring a significant new project within an established mining community that has a stable political background and assures a strong operation control.

During 2020, we are delighted to have finalised the acquisition of the Elizabeth Hill Silver Project in the Pilbara region of Western Australia and furthermore securing a significant new exploration licence ELA47/4422, Munni Munni North, covering some 117km<sup>2</sup> that wraps around the Elizabeth Hill Mining Licence including a significant historical data package and some surface soil samples collected in 2019 but never processed.

Furthermore, in October 2020 Alien signed an Earn-in Agreement with Capstone Mining Corp of Canada (TSX: CS) over the Donovan 2 Copper-Gold project in Mexico. Pursuant to the Agreement, Capstone has the ability to acquire up to an 80% interest in Donovan 2 by sole funding the Project up to completion of a Prefeasibility Study. Highlights of the agreement are that Capstone can earn an initial 65% interest in Donovan 2 through a combination of cash payments and committed expenditure, consisting of US\$290,000 in cash payments to Alien over three years and US\$3,600,000 in valid exploration expenditure over three years (including US\$150,000 being incurred by 31 December 2020). Capstone can increase their interest from 65% to 75% by making a further cash payment of US\$200,000 and funding the costs associated with a Preliminary Economic Assessment (PEA). Following delivery of the PEA, in the event Alien elects not to contribute pro-rata to its 25% interest, Capstone Mining has the ability to sole-fund the costs of a Prefeasibility Study (PFS) to earn an additional 5% in Donovan 2 (bringing their holding to 80% and Alien 20%). Thereafter, each party will fund their pro-rata interest in the Project or dilute according to industry standard mechanisms. In the event Alien dilutes to below 5%, its interest will convert to a 2% Royalty. This was a significant transaction with Capstone and delivered the potential for immediate advancement of the Donovan 2 Copper-Gold project while allowing Alien to focus exploration activities across its other project portfolio.

We are committed to continue delivering on the strategy of advancing our projects through the exploration phases with our high quality geological team's expertise while seeking to identify a suitable partner for an earned-in agreement or a joint venture at a price which will not overly dilute existing Shareholders. We intend, as we have proved with the Capstone deal, in joining with potential partners on other projects, to ensure the costs and capital commitments are minimised.

We believe that in order to successfully grow this vision, we need to focus on channelling the funds invested in it towards exploration activity and business development, and this is at the heart of everything we do.

The Company's work to identify suitable partners for a joint venture or earned-in agreement included our Mexican silver projects and gold and copper project. Alien works based on a strict selection criteria centred on assessing risk, appropriate scale and likely upside.

We look forward to sharing further results from our exploration work at our various sites following the completion of our 2 placings in Q3 and Q4 2020 that were extremely successful and have provided the Company with an excellent funding for advancing all the exploration projects as well as looking at further acquisitions in 2021.

## **Business overview**

### **Strategy and business model**

Alien Metals' objective is to create a multi-commodity portfolio of exploration and mining projects in jurisdictions with established mining communities, stable political backgrounds, and where strong operational controls can be assured.

The Group has operated in Mexico for over ten years during which time it has established long-term relationships with local government, communities, and key stakeholders.

Alien Metals' geological experts assess and identify projects for potential mineralisation. Wherever possible, the projects are acquired on a low-cost option basis whilst preliminary exploration is undertaken to assess the merits of further work.

The Company routinely evaluates mining projects in jurisdictions other than Mexico and Australia. During 2020, this included West Africa, Europa and Latin America.

Where preliminary studies evidence sufficient mineralisation, increasingly comprehensive studies will be undertaken with a view to delineating a compliant mineral resource estimate in readiness of potential sale of the asset to a producing mining company, at which time a significant premium over its acquisition and development cost may be justified.

#### Financial highlights

All dollar amounts in this annual report and financial statements are US dollars, unless stated otherwise.

As at 31 December 2020, the Group had total assets of \$9.4 million (2019: \$0.7 million) of which \$5.6 million (2019: \$0.2 million) was cash. The Group had total liabilities of \$0.3 million (2019: \$0.1 million) of which \$0.3 million were current liabilities (2019: \$0.1 million).

In the year ended 2020 the Group made an operating loss of \$1.2million (2019: \$1 million) and a loss per share of 0.052 cents (2019: 0.1 cents).

#### Overview of operations

During 2020, the Group completed its initial high-level review and some exploration work over its portfolio of mining concessions in Mexico covering an area of over approximately 1,500 hectares, to advance the projects in knowledge and potential. The Group was also active across its highly prospective Australian projects of Elizabeth Hill Silver and the Hamersley Iron Ore projects.

As at 31 December 2020, the Company held 12 fully owned mining concessions in Mexico, and was in the process of obtaining an option to acquire an interest in 1 additional project. It should be noted that the Company dropped 4 of these licences in Mexico in early 2021 by not paying the required annual rent as per Mexican Mining Code due to the 4 projects being too small, totally underexplored and the Company felt of no value to maintain.

#### Copper project

##### *Donovan 2 project*

The Company's 750-hectare Donovan 2 project is located to the southeast of Zacatecas city and in close proximity to other wholly owned projects within Alien's portfolio within the Mexican precious and base metals belt. The Teck Resources San Nicolás copper zinc deposit and Minera Frisco El Coronel gold mine are both located within 25km.

Alien Metals' preliminary exploration programme on this project, has identified several areas that exhibit pathfinder indicators of volcanogenic massive sulphide (VMS)-style mineralisation, and ground

magnetic geophysics and induced polarisation have confirmed indications of sub-surface VMS-style mineralisation.

Further to the earn in agreement with Capstone Mining a more detailed ground IP survey was carried out by Capstone in November/December 2020 to further delineate drill targets. Results and targets were defined in early 2021 to coincide with planned drilling program by Capstone.

### Silver & Precious Metals projects

#### *Elizabeth Hill project*

The Elizabeth Hill project is situated approximately 45 km south of Karratha in the 61,000 km<sup>2</sup> Achaean Pilbara Block of the Pilbara Craton. The Project is well located, lying 40 km from the deep-water port at Dampier and 8 km from rail infrastructure.

The Elizabeth Hill Silver Project was mined between 1998 and 2000 via underground mining, primarily between the 62 m and 102 m levels. Silver production totalled approximately 16,800 tonnes of ore grading 2,195 g/t Ag (70.24 oz/t Ag) generating 1,170,000 ounces Ag, including some very large specimens of native silver.

#### *Munni Munni North project*

ELA 47/4422 is a 117km<sup>2</sup> tenement which wraps around the Elizabeth Hill Silver Mining Lease on all sides and includes a portion of the Munni Munni intrusive complex to the south and southwest. The highly prospective Munni Munni fault strikes north-south through the tenement and into the Elizabeth Hill ML on which the Elizabeth Hill Silver deposit is associated with. There is also some strike length of the Hunters Reef, a Platinum Group Element target geological feature related to the Munni Munni Deposit defined just to the south of this ELA.

#### *Los Campos project*

The Los Campos project comprises four concessions covering an area of approximately 500 hectares and is located on the south side of the city of Zacatecas and only 3 km from the Endeavour Silver El Compas silver mine. The property contains at least two known veins: the Los Campos vein and the San Rafael vein, which were both partially mined historically.

The Los Campos vein system has been developed along a strike distance of 3.3km and to depths exceeding 100m. Geological mapping and sampling discovered additional veins running either parallel or nearly parallel to the Los Campos vein.

#### *San Celso project*

The 88-hectare San Celso project is located in the historic mining district of Pánfilo Natera-Ojocaliente. It contains two highly mineralised veins: the San Celso and Las Cristinitas veins which were also partially mined historically. Work carried out during 2019 and 2020 confirmed the high grade of these veins.

### Iron Ore projects

#### *Hancock Ranges Project – 51%*

The Hancock Ranges Iron Ore Project E47/3954, is within 20kms of the Newman township and borders licences held by Fortescue Metals Group, Hancock Prospecting, BHP Billiton (Mount Whaleback), Hope Downs and Brockman Mining.

The Licence has been subject to historical exploration by Rio Tinto plc, BHP Group plc, and more recently Volta Mining Limited, where drilling intercepted mineralisation within the Brockman Iron Formation including 126m @ 60.28% Fe from surface (Hole 14SERC004).

#### *Brockman Iron Project – 51%*

This tenement hosts part of the historic BHP Deposit 20 iron ore target and the historic BHP Deposit 19 Fe target sits on the south-eastern boundary.

This tenement is dominated by the Brockman Iron Formation which underlies the majority of the tenement area. Recent alluvial cover is prevalent and covers the indicated Brockman Iron Formation.

In late 2020 the Company undertook further field exploration at Hancock Range and Brockman Iron, which culminated in the maiden drilling program at Brockman commencing in early 2021.

#### Future outlook

The Company entered 2021 with a strong balance sheet and a solid portfolio of advanced exploration assets in Western Australia and Mexico. Despite global challenges attributed to the COVID-19 pandemic, Alien has been able to advance its key projects, Hamersley Iron Ore, Elizabeth Hill and Donovan 2.

So far in 2021, the Company has successfully completed a maiden drilling program at the Hancock Ranges Project, undertaken an airborne magnetic survey at Elizabeth Hill and Munni Munni North, and progressed a number of desktop studies to guide high-impact exploration work in the second half of the year. Alien is well financed, with quality assets and a strong technical team, and looks forward to a busy 2021 and beyond.

**Consolidated statement of comprehensive income For the year ended 31 December 2020**

(Tabulated amounts expressed in thousands of US dollars unless otherwise stated)

	Note	2020	2019
<b>Continuing operations</b>			
Administrative expenses		(1,223)	(1,042)
<b>Operating loss</b>	4	(1,223)	(1,042)
Net finance charges	7	(3)	(4)
Loss for the year before taxation		(1,226)	(1,046)
Tax	8	-	-
<b>Loss for the year attributable to equity shareholders of the parent</b>		(1,226)	(1,046)
<b>Other comprehensive income that may be reclassified to profit or loss:</b>			
Foreign exchange translation differences recognised directly in equity		362	10
Movement in equity instrument	19	40	(81)
<b>Other comprehensive income for the year</b>		402	(71)
<b>Total comprehensive loss for the year attributable to equity shareholders of the parent</b>		(824)	(1,117)
Basic and diluted loss per share (US cents/share)	9	(0.052)	(0.1)

All activities relate to continuing operations.

**Consolidated statement of financial position As at 31 December 2020**

(Tabulated amounts expressed in thousands of US dollars unless otherwise stated)

	Note	2020	2019
<b>Assets</b>			
Financial asset investments	19	40	-
Intangible assets	10	3,641	492
Property, plant and equipment	11	-	1
<b>Total non-current assets</b>		<b>3,681</b>	<b>493</b>
Trade and other receivables	12	135	63
Cash and cash equivalents	13	5,627	166
<b>Total current assets</b>		<b>5,762</b>	<b>229</b>
<b>Total assets</b>		<b>9,443</b>	<b>722</b>
<b>Equity attributable to equity shareholders of the parent</b>			
Share capital	14	65,181	56,814
Warrant reserve	14	872	261
Share-based payment reserve	14	1,033	1,121
Equity investment reserve		(232)	(272)
Foreign exchange translation reserve	14	2,249	1,887
Accumulated losses		(59,957)	(59,212)
<b>Total equity</b>		<b>9,146</b>	<b>599</b>
<b>Liabilities</b>			
Trade and other payables	17	297	123
<b>Total current liabilities</b>		<b>297</b>	<b>123</b>
<b>Total liabilities</b>		<b>297</b>	<b>123</b>
<b>Total equity and liabilities</b>		<b>9,443</b>	<b>722</b>

**Consolidated statement of cash flows For the year ended 31 December 2020**

(Tabulated amounts expressed in thousands of US dollars unless otherwise stated)

	Note	2020	2019
<b>Cash flows from operating activities</b>			
Loss before tax from continuing operations		(1,226)	(1,046)
Adjustments for non-cash items:			
Depreciation	11	1	2
Exchange difference		5	(6)
Issue of share options		24	
Finance charges	7	3	5
Equity-settled share-based payment transactions		-	64
(Increase)/Decrease in trade and other receivables	12	(70)	34
Increase in trade and other payables	17	176	46
<b>Cash used in operating activities</b>		<b>(1,087)</b>	<b>(901)</b>
<b>Cash flows from investing activities</b>			
Net interest expense	7	(3)	(1)
Purchase of intangible assets	10	(590)	(261)
<b>Cash used in investing activities</b>		<b>(593)</b>	<b>(262)</b>
<b>Cash flows from financing activities</b>			
Proceeds from convertible loan		-	264
Proceeds from issue of share capital	14	6,185	834
Issue costs	14	(371)	(76)
Exercise of options and warrants		971	-
<b>Cash from financing activities</b>		<b>6,785</b>	<b>1,022</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,105</b>	<b>(141)</b>
Cash and cash equivalents at 1 January		166	298
Effect of exchange rate fluctuations on translation		356	9
<b>Cash and cash equivalents at 31 December</b>		<b>5,627</b>	<b>166</b>



## Consolidated statement of changes in equity

For the year ended 31 December 2020

(Tabulated amounts expressed in thousands of US dollars unless otherwise stated)

	Share capital	Warrant reserve	Share based payment reserve	Equity investment reserve	Foreign exchange translation reserve	Accumulated losses	Total
<b>Balance: 31 December 2019</b>	<b>53,870</b>	<b>2,183</b>	<b>1,057</b>	<b>(185)</b>	<b>1,871</b>	<b>(58,166)</b>	<b>630</b>
Loss for the year	-	-	-	-	-	(1,046)	(1,046)
Foreign exchange translation differences recognised directly in equity	-	-	-	(6)	16	-	10
Movement on equity investment fair value	-	-	-	(81)	-	-	(81)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(87)</b>	<b>16</b>	<b>(1,046)</b>	<b>(1,117)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(56)</b>	<b>(70)</b>	<b>(1,533)</b>	<b>(1,659)</b>
Shares issued for cash	1,098	-	-	-	-	-	1,098
Share issue costs	(76)	-	-	-	-	-	(76)
Issue of share options	-	-	64	-	-	-	64
Cancellation of warrants	2,166	(2,166)	-	-	-	-	-
Fair value of warrants issued	(244)	244	-	-	-	-	-
<b>Balance: 1 January 2020</b>	<b>56,814</b>	<b>261</b>	<b>1,121</b>	<b>(272)</b>	<b>1,887</b>	<b>(59,212)</b>	<b>599</b>
Loss for the year	-	-	-	-	-	(1,226)	(1,226)
Foreign exchange translation differences recognised directly in equity	-	-	-	-	362	-	362
Movement in equity investment	-	-	-	40	-	-	40
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>362</b>	<b>(1,226)</b>	<b>(824)</b>
Shares issued	6,185	-	-	-	-	-	6,185
Share issue costs	(371)	-	-	-	-	-	(371)
Shares issued to settle creditors	6	-	-	-	-	-	6
Issue of share options	-	-	24	-	-	-	24
Exercise of share options	46	-	(55)	-	-	55	46
Share options lapsed	-	-	(57)	-	-	57	-
Project acquisitions	2,230	-	-	-	-	-	2,230
Fair value of warrants issued	(653)	981	-	-	-	-	328
Exercise of warrants	924	(369)	-	-	-	369	924
<b>Balance: 31 December 2020</b>	<b>65,181</b>	<b>872</b>	<b>1,033</b>	<b>(232)</b>	<b>2,249</b>	<b>(59,957)</b>	<b>9,146</b>

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

**Alien Metals Limited**

Bill Brodie Good, CEO & Technical Director

Tel: +44 (0)20 3907 4060

**Turner Pope Investments (TPI) Limited (Joint Broker)**

Andy Thacker/James Pope

Tel +44 (0)20 3657 0050

**Beaumont Cornish Limited (Nomad)**

James Biddle/ Roland Cornish

[www.beaumontcornish.com](http://www.beaumontcornish.com)

Tel: +44 (0) 207 628 3396

**First Equity Limited (Joint Broker)**

Jason Robertson

Tel +44 (0)20 7374 2212

**Yellow Jersey PR (Financial PR)**

Sarah Hollins / Joe Burgess / Matthew McHale

[alienmetals@yellowjerseypr.com](mailto:alienmetals@yellowjerseypr.com)

Tel: +44 (0) 20 3004 9512

**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.