



Trading Symbols
 AIM: UFO
 FWB: I3A1

31 August 2022

**Alien Metals Ltd
 (“Alien” or “the Company”)**

IOCA signs agreement with Anglo American for exclusive right to negotiate up to US\$15m project funding and 100% offtake

Alien Metals Ltd (LSE AIM:UFO), a global minerals exploration and development company, is pleased to announce that it has, through its wholly-owned subsidiary Iron Ore Company of Australia Pty Ltd (“IOCA”), entered into a mandate letter providing for an exclusive right to negotiate project funding and offtake arrangements (“Mandate Letter”) with Anglo American (LSE: AAL; JSE: AGL), in relation to the Hancock iron ore project (“Hancock”) located in the Pilbara, Western Australia (Figure 1)

Highlights:

- IOCA has granted Anglo American an exclusive right to negotiate and agree terms with IOCA for up to US\$15 million in funding and 100% of offtake from the Hancock Project, including:
 - US\$10,000,000 in Advance Payment Facility
 - 100% Offtake for Sinter Fines and Lump from the Hancock Project
 - Offtake terms to include vessel prepayments for up to US\$5,000,000 for the first 12 months
- Anglo American to receive an agreed royalty for 24 months.
- Exclusive right commences immediately and will conclude the earlier of 60 calendar days after IOCA delivers to Anglo American an agreed Base Case Financial Model together with all necessary supporting documents or such later date that the parties may agree upon.
- Anglo American is a leading, global mining company with a portfolio of competitive, world class operations, including annual production of more than 60Mt of premium quality iron ore from South Africa and Brazil.

Bill Brodie Good, CEO of Alien Metals, commented: *“We are really pleased to have signed this Mandate Letter with a leading, global mining company of Anglo American’s stature.”*

“The Mandate Letter provides a pathway to negotiate and agree the potential development debt funding, and a 100% offtake solution. This Mandate Letter supports our near-term production aspirations and, unlike conventional debt finance, the potential bespoke funding with offtake provides alignment between the parties for the pursuit of scale across multiple assets with a world class counterparty. The Board is continuing to assess development plans at Hancock which may reduce the initial capex requirement outlined in the October 2021 Scoping Study and will advise once

this process is complete.”

“We thank the Anglo American team for the interest in and support for our project and we look forward to working with them”

Anglo American is a leading, global mining company with a portfolio of competitive, world class operations and a broad range of future development options. For more information about Anglo American refer to: www.angloamerican.com.

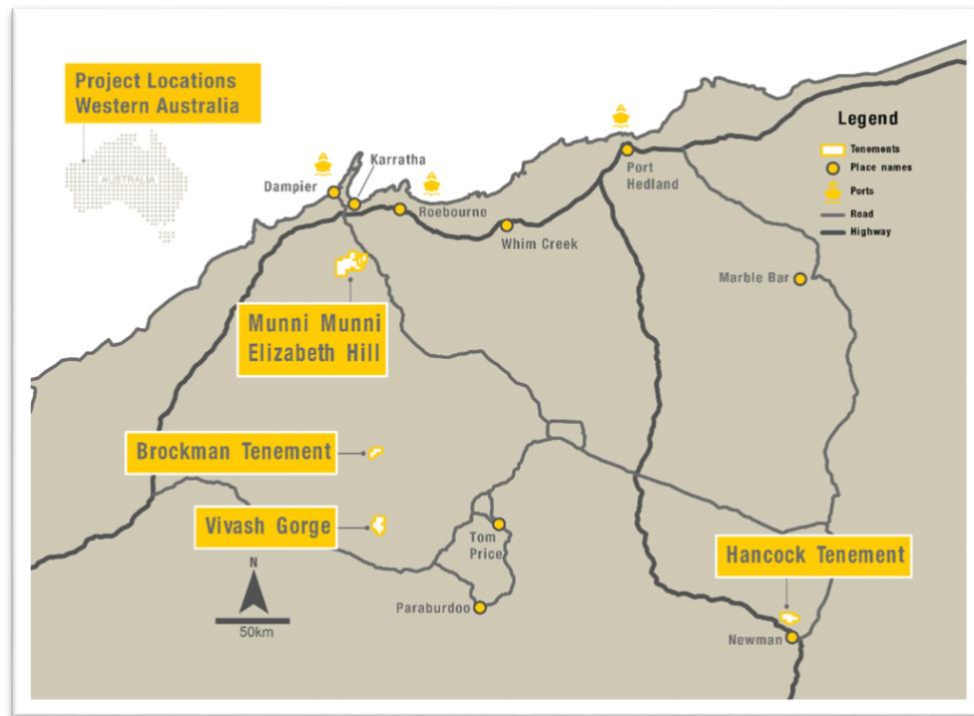


Figure 1: Location of Hancock Iron Ore Project, Western Australia

The key terms of the Mandate Letter are set out below:

- IOCA has granted Anglo American an exclusivity period of 60 calendar days after IOCA delivers to Anglo American an agreed Base Case Financial Model together with all necessary supporting documents or such later date that the parties may agree upon
- The parties have agreed to negotiate and, subject to due diligence satisfactory to Anglo American and Anglo American’s internal approvals, agree legally binding documentation for:
 - i. the provision by Anglo American of US\$10 million of debt funding for Hancock repayable over two years; and
 - ii. offtake by Anglo American of 100% of iron ore products from Hancock, which will include vessel prepayments of up to US\$5 million for the first 12 months, for an initial period of 3 years or longer should the minimum quantity not be delivered.
- Conditions precedent, customary for transactions of this nature, including but not limited to:
 - i. new equity raised by Alien, and evidence that such amount has been utilized for Hancock in this case, of US\$5 million;
 - ii. relevant reports, such as a technical report, environmental report, insurance report and legal due diligence report;
 - iii. documentation for mandatory hedging to be executed and provided by a third party or Anglo American; and
 - iv. permits, approvals, licenses in relation to the mining and construction and

operation of the Project including, confirmed port allocation and permit to use main road.

- It is noted that whilst the terms of the Mandate Letter in particular as regards exclusivity, confidentiality and fees are expressed to be legally binding the indicative terms of any project funding and offtake are not and therefore are subject to definitive documentation.

Hancock Project Overview:

Hancock hosts a JORC compliant Inferred Mineral Resource of 10.4Mt @ 60.4% Fe (Announcement: 22 September 2021), and as announced earlier this year, the project hosts significant potential to find more direct shipping ore (DSO) grade material on the tenement across ridges F, G & H (announcement: 30 March 2022).

Table 1: Mineral Resource Statement, Hancock Iron Ore Project, Alien Metals, September 2021

Classification Category	Area	Mass (Million tonnes)	Average Value					
			Fe %	SiO ₂ %	Al ₂ O 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

Hosting DSO grade iron ore with low impurities, the Company are confident that future production from Hancock will be highly sought-after product; as such the Iron Ore Company of Australia ("IOCA") team is driving development plans forward on all fronts.

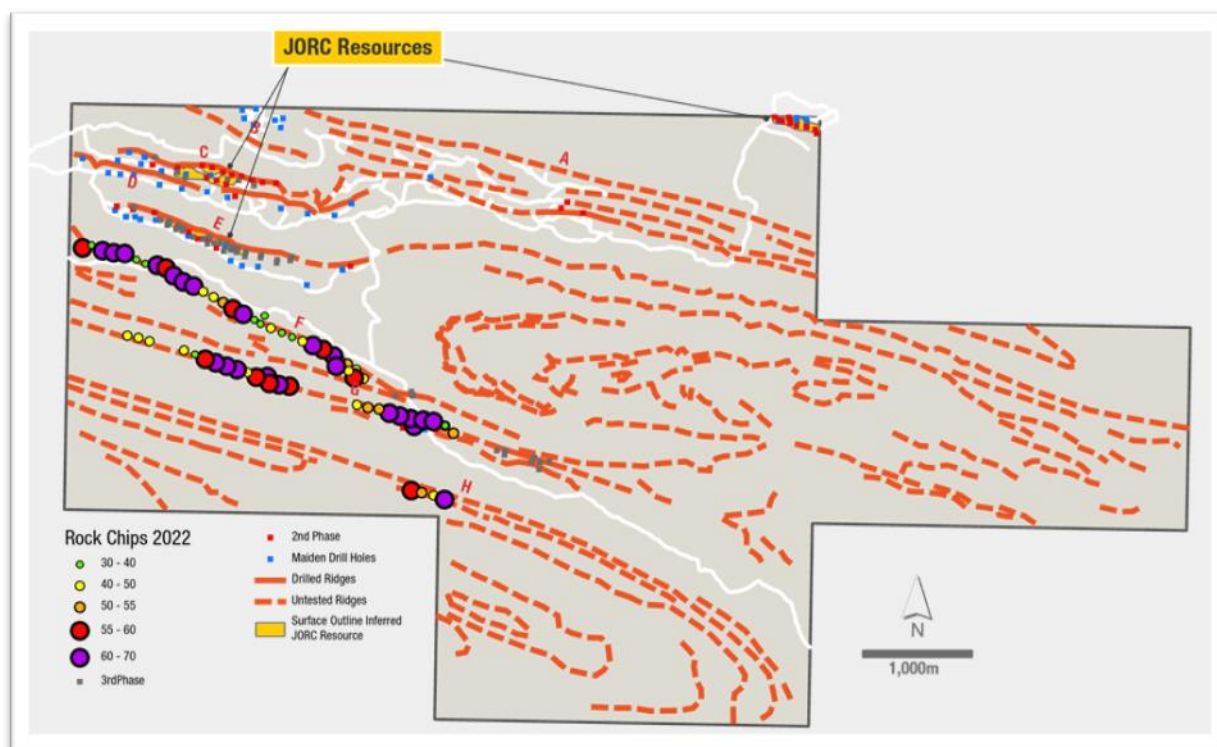


Figure 2: Location and results of rock chip sampling program, Hancock Iron Ore Project, Western Australia, March 2022

Being a high-grade DSO iron ore with low impurities, as evidenced in the Bulk Sample and Metallurgical test work to date (Announcement: 4th February 2022), the Company remains confident to be in production in 2023 given the high level of interest shown by all related parties at this stage in its development.

Table 2: Bulk Sample grab sample assay results, Hancock Project, February 2022

	Fe %	Al ₂ O ₃ %	Mn %	P %	SiO ₂ %	LOI %
AM21BLK_C_001	59.63	2.59	0.015	0.08	5.09	3.91
AM21BLK_C_002	60.5	3.17	0.016	0.081	5.29	3.18
AM21BLK_C_003	63.03	2.86	0.015	0.078	3.96	2.31
AM21BLK_C_004	62	3.15	0.016	0.091	4.5	2.89
AM21BLK_C_005	62.25	2.81	0.015	0.092	4.15	2.84
AM21BLK_C_006	64.31	1.94	0.01	0.096	3.23	2.18
AM21BLK_C_007	63.97	2.23	0.011	0.101	3.2	2.29
AM21BLK_C_008	62.78	2.82	0.013	0.108	3.85	2.66
AM21BLK_C_009	61.57	3.31	0.012	0.106	4.4	3.12
AVERAGE	62.23%	2.76%	0.01%	0.09%	4.19%	2.82%

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 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 executed an option agreement to increase its interest to 90% in August 2022.

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.

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.

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.

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.

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 least 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