



Trading Symbols
AIM: UFO
FWB: I3A1

4 December 2019

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

ALIEN TO ACQUIRE HIGH-GRADE HISTORIC AUSTRALIAN SILVER MINE

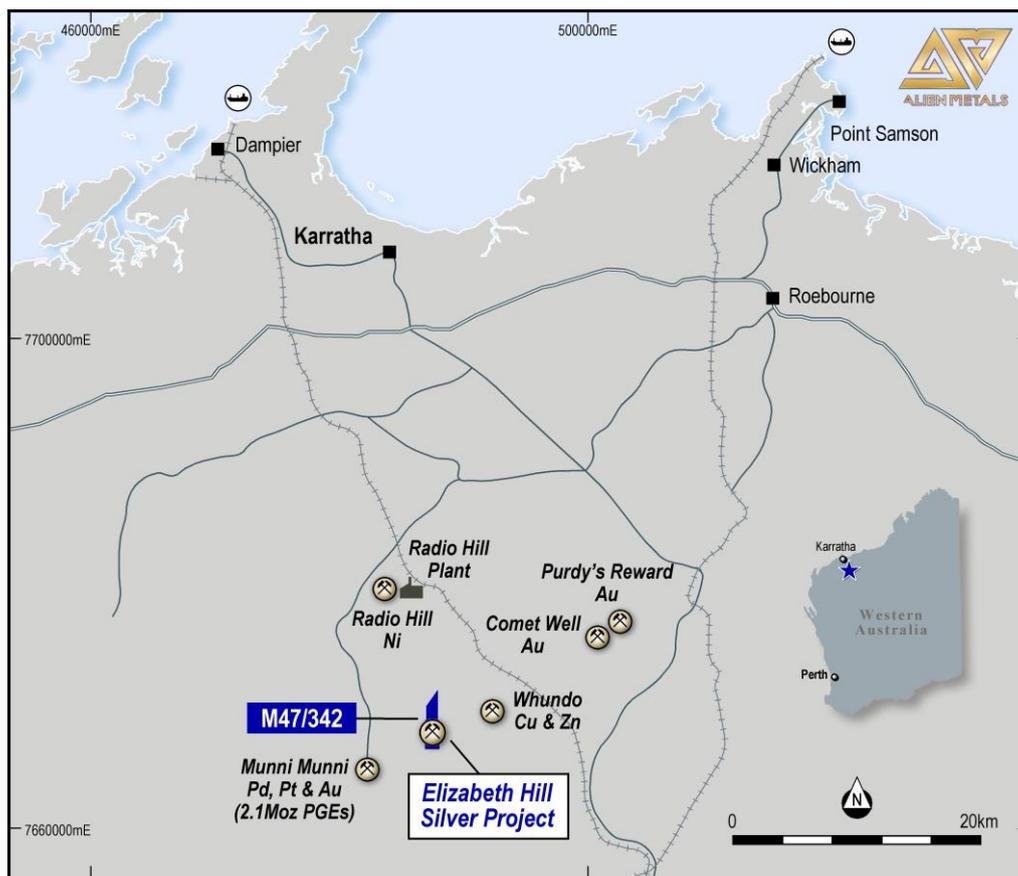
This announcement is available in PDF format from www.alienmetals.uk/assets/docs/nr/nr-2019-12-04-elizabeth-hill.pdf.

Alien Metals Limited ("Alien Metals" or "Company") is pleased to announce that it has entered into a conditional agreement (the "Agreement") to acquire, a 100% interest in the former producing Elizabeth Hill Silver Project ("Elizabeth Hill Project" or the "Project") from Karratha Metals Group Limited ("KMG") in Western Australia ("the Agreement"). Completion of the acquisition is conditional on, amongst other matters, satisfactory mutual due diligence on the Project and Alien by the parties, required regulatory approvals and approval by KMG's shareholders for the distribution (as further detailed below).

Highlights:

- **Elizabeth Hill Silver Project produced over 1,170,000 oz silver between 1998 and 2000**
 - **Exceptionally high mine head grade averaging 2,195 g/t Silver (70.24 oz/t)**
 - **Mined during low silver price environment of ~US\$5 an ounce (currently ~US\$17)**
 - **Significant historic exploration including a total of 470 holes for over 50,000 m of drilling**
 - **One of the very few primary (native) silver mines in Australia**
- **Elizabeth Hill Silver Project contains high grade silver mineralisation associated with the Munni Munni Complex, which is one of Australia's most significant Platinum Group Metals occurrences (2.1m oz Pt/Pd/Au)**
- **Located in the Pilbara region of Western Australia near major PGM and nickel mines / deposits and ~45 km from the major regional centre of Karratha**
- **Alien's second low cost (all share) acquisition, delivering on the strategy to build a portfolio of precious and base metal high value assets**
- **Following completion, the Company anticipates the next steps to include a site visit and the compilation of historical information ahead of outlining an initial exploration program**

The geographic location of the Elizabeth Hill Project (Pilbara, Western Australia), is set out in figure 1: www.alienmetals.uk/assets/img/191204_figure1.jpg



Bill Brodie Good, Technical Director of Alien, commented:

“The Elizabeth Hill Silver Project is a great addition to our silver assets in Mexico and it is also complementary to the Hancock Ranges and Brockman Iron Ore projects located in the Pilbara Region of Western Australia. The historical information on the property viewed to date gives us excellent indication that this project has significant upside potential, especially as silver prices are now nearly four times the average price when production ceased in 2002. Of note, some of the largest silver ‘nugget’ specimens in Australia have been pulled from Elizabeth Hill.”

Elizabeth Hill Silver Project overview

The Elizabeth Hill Silver Project is situated approximately 45 km south of Karratha in the 61,000 km² 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. Grid power and groundwater are available on site, and the area has an abundant skilled workforce nearby.

High-grade silver was discovered during nickel-copper exploration by AGIP in 1987. Further exploration of the project by ASX-listed East Coast Minerals (now KMG) and Legend Mining Ltd (ASX-LEG) discovered a very rich silver deposit. Mineralisation is related to shear structures that are related to the Munnii Munnii Complex lying immediately to the west. Native silver and lesser amounts of silver sulphide minerals occur as both fine and coarse grains within a coarse-grained calcite vein stockwork.

Previous Work on the Elizabeth Hill Project¹

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, including some very large specimens of native silver.

¹ Source: KMG Prospectus dated 29 June 2018 and a report prepared for KMG by an independent mining consultant dated 19 June 2018

Alien will carry out a site visit and data compilation of historical information ahead of outlining an initial exploration program on completion of this deal to ascertain the following phase of work needed to advance this project to the next stage.

ACQUISITION AGREEMENT

As outlined in the Agreement, the Company has the ability to acquire a 100% interest in tenement M47/342 (covering 3.63km²), which encompasses the Elizabeth Hill Silver Project for consideration of 200,000,000 Common shares (“**Shares**”) and 50,000,000 warrants in Alien Metals, which KMG will distribute to its shareholders (“**Distribution**”). The Shares would be deemed to be issued at a price of £0.0014 each, and each warrant would entitle the holder to purchase one share at a price of £0.0025 for 18 months from the date of allotment of the Shares.

Completion of the transaction is conditional upon, amongst other things, satisfactory mutual due diligence, and obtaining all required third party approvals (including under the Mining Act (WA) and from KMG’s shareholders for the Distribution) and is expect to occur in first quarter 2020. Pursuant to the Agreement, Alien will enter into a royalty agreement with a third party under which the third party will be entitled to a royalty of 2% from all net smelter revenue from the Elizabeth Hill Silver Project.

Under the terms of the Agreement, Alien will as soon as reasonably practicable and by no later than 6 December 2019, and at its costs obtain a legal opinion on the Project.

- a) Upon obtaining the legal opinion and at its sole election, Alien will lend KMG up to A\$120,000 on the following terms and conditions (“**Loan**”):
- b) the Loan is limited recourse and only repayable in the event the Seller breaches its obligations under the agreement or the Seller’s shareholders do not approve the Distribution;
- c) the Loan accrues interest at 1% per month;
- d) proceeds may only be used to perform the Seller’s obligations under this agreement (including using reasonable endeavours to satisfy the Conditions).

Daniel Smith is the sole director and shareholder of Kingmaker Metals Pty Ltd (“**Kingmaker**”). Kingmaker holds approximately 22% of the issued share capital of KMG. In the event the transaction completes and KMG undertakes the Distribution, Kingmaker will hold approximately 2.5% of the issued share capital of the Company.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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 an AIM quoted mining exploration and development company. Since the restructure of the company in 2018, Alien has focused on delivering its strategy of acquiring mining projects which demonstrate significant development upside, in jurisdictions with established infrastructure and mining codes, and where strong operational controls can be assured.

In addition to progressing its acquisition-led strategy, following the strategic review of its portfolio of projects in Mexico during 2018-19, the Company has identified exploration targets across its 12 mining concessions in Zacatecas, Mexico, which it is working to advance systematically.

Qualified Person

The information in this report that relates to exploration targets, exploration results, and other information of a technical nature has been reviewed by Dr Lex Lambeck Ph.D, a technical consultant to the Company. Dr Lambeck is a Member of the American Institute of Professional Geologists and a Certified Professional Geologist, CPG-11734, with over 15 years of relevant experience in exploration and assessment of resource projects.

Forward-Looking Information

This press release contains certain "forward-looking information". All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are deemed forward-looking information.

This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company as well as certain assumptions, including the availability of sufficient funds. Forward-looking information is subject to a number of significant risks and uncertainties and other factors that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on the Company.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Glossary:

g/t - Gram per ton

Oz/t – Ounce per ton

Ag – Silver

Munni Munni Complex – A specific geological sequence of specific rocks that are different to the overall surrounding area and unique to this region in Western Australia

Silver sulphide – Mineral containing a mixture of silver and sulphide minerals such as Pyrite

Calcite – Very common mineral found extensively, with a chemical formula of CaCO_3

Vein stockwork – a series of thin veins clustered in a random orientation and are common in many ore deposit types