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Trading Symbols

AIM: UFO

FWB: I3A1

15 March 2024

Alien Metals Ltd

("Alien Metals" or "the Company")

Funding Facility of up to A\$2 million

Board Appointment and Project Update

Alien Metals (AIM: UFO), a company focused on the exploration and development of the Hancock iron ore Project ("**Hancock Project**") and the Pindari Hills project in Western Australia, advises that it has entered a short-term funding facility on terms outlined below and continues to progress project development across its diversified resource portfolio.

Overview

- A funding package of up to A\$2m has been made available through a convertible loan note (the "**Facility**" or the "**Note**") as detailed below.
- The Facility will meet short-term capital requirements and contribute towards exploration and the ongoing review of strategic funding options to maximise value for the Company's shareholders and stakeholders, including:
 - Considering various longer-term financing options, including continued discussions with strategic partners regarding offtake funding, debt, and equity project funding in connection with the Hancock Project and the Pindari Hills PGM, silver and base metals project; and
 - Actively exploring the potential for the sale or joint venture of non-core assets providing further funding for the Company.
- Appointment of Technical Director, Mr. Rob Mosig, to the Board as a Non-Executive Director, who brings significant expertise in exploration, development, and strategic partnering, whilst having direct experience on the Company's PGM and base metals project in the West Pilbara. Following Rob's appointment, Mr. Alwyn Vorster has stepped down from the Board to focus on his other directorships and business commitments. Alwyn will continue to assist Alien Metals as an advisor to the Board on the Hancock Project development.
- The Company has further strengthened its iron ore team with the appointment of an iron ore expert

from global mining consulting firm CSA Global (now ERM). CSA Global has extensive iron ore exploration and development expertise, including significant roles with Fenix Resources Ltd (ASX: FEX), which transformed from an iron ore explorer to a producer within 18 months.

- An Advisory Board is to be established, consisting of technical and mining industry experts to guide the Company on the various strategic options currently available to Alien Metals for the financing and/or development of its key assets.
- The project and technical team will continue to focus on the Hancock Project, progressing exploration to increase the resources and reserves as set out in the Development Study on (AIM [8 February 2024](#)). The study demonstrated strong economic returns from the Hancock Project, as outlined below.

Guy Robertson, Executive Director, commented:

"It is our objective to unlock the value of the Hancock iron ore project, where we have recently received positive interest from potential joint venture partners following the results of the Development Study.

"The funding announced today will provide additional capital to the Company to continue the exploration of our projects, while we explore and progress negotiations with various potential funding partners for the Hancock Project.

"We are delighted to welcome Rob Mosig to the Board who has over 40 years of experience in mineral exploration projects, including direct experience with Alien's Pilbara PGM and battery metals projects. The board thanks Alwyn Vorster for his contribution and ongoing support as a senior adviser, assisting the Company's strategic options in the iron ore portfolio."

Funding details

The Company is considering various proposals to progress the development of the Hancock Project, including funding through joint ventures, project financiers such as offtake funding, debt, and equity funding from strategic investors and the sale of non-core assets.

As work progresses on the various mining approvals and exploration development work at the Hancock Project, the Company has finalised the Facility of up to A\$2m with a long-term major shareholder.

The Board is grateful for the support of all its shareholders and believes there is a significant opportunity to unlock the value of the Company's assets in the near term.

Information on the Facility

- **Lender:** Bennelong Resource Capital Pty Limited, a shareholder in the Company, with a current holding of 7.2%.
- **Convertible Securities:** Convertible securities of up to A\$2,000,000 (**Convertible Securities**), to be drawn in three tranches: Tranche 1: A\$1,000,000, Tranche 2: A\$500,000, and Tranche 3: A\$500,000.
- **Face Value and Purchase Price:** A\$1 per Convertible Security.
- **Availability Period for drawdown:** 12 months.
- **Commitment Fee and Establishment Fee:** 3% of the maximum amount of the Facility, being A\$60,000, and A\$10,000 respectively, each to be deducted from Tranche 1.
- **Commitment Warrants:** 25,000,000 warrants to subscribe for one ordinary share in the capital of the Company ("Ordinary Share"), each with a strike price of a 25% premium to the 10-day VWAP prior to the date of the deed, being 0.18p, and an expiry date 36 months after the date of issue. These Commitment Warrants must be issued to the Lender within three Business Days after the condition to drawdown of the Facility has been satisfied.
- **Interest:** SOFR (Secured Overnight Financing Rate) (being circa 5.3% as at the date of this announcement) plus 10% per annum, to be paid at the end of each fiscal quarter.
- **Redemption Date:** 12 months or a later date as agreed between the Company and the Noteholder.

Repayment Date as months or a later date as agreed between the Company and the Noteholder, unless (i) a party other than the noteholder acquires 50% or more of the Company's shares or (ii) an event of default occurs, in which case the notes shall be repayable on the relevant event occurrence.

- **Conversion Price:** the balance due under the Facility (including accrued interest at the end of each fiscal quarter) can be converted into Ordinary Shares at the option of the Lender at the lower of:
 - (a) 85% of the VWAP over the ten trading days prior to the date of the Facility, converted into \$A at the average of the daily £/A\$ exchange rate published by the Reserve Bank of Australia over that period; or
 - (b) the price per Ordinary Share offered by the Company in any equity capital raising offered between the date of the deed and the Repayment Date, converted into A\$ at the average of the £/A\$ exchange rate published by the Reserve Bank of Australia over the five business days before settlement of that raising.For each Ordinary Share issued to the Lender pursuant to this conversion right, the Lender will at the same time also be issued one Conversion Warrant (see below for the terms applicable to each Conversion Warrant).
- **Conversion Warrants:** means a warrant to subscribe for one Ordinary Share expiring 36 months from the date of issue, each of which will have a strike price equal to the lower of 125% of the VWAP over the then 10 trading days prior to:
 - (a) the date of the deed, being 0.18p; and
 - (b) the date on which the respective conversion notice is given to the Company,The warrants are transferrable.
- **Repurchase Premium:** means an amount equal to:
 - (a) the principal sum outstanding paid by the Company to redeem the Notes (or any number of them); plus
 - (b) the percentage that is the same percentage by which the amount of the VWAP (over the 10 trading days prior to the date of this deed) exceeds the issue price of Ordinary Shares under the first equity raising of Ordinary Shares that occurs after the date of the deed (if any) over the ten trading days prior to the announcement of the capital raising, but not greater than 20%, and in any event (including regardless of whether an equity raising has occurred) not less than 10%, on the principal sum outstanding.
- **Withdrawal fee:** 2% of the facility limit in the event of withdrawal i.e. where the Company advises the noteholder it does not wish to avail itself of Tranche 1 and Tranche 2 of the facility, then 2% of Tranche 1 and 2, but not Tranche 3, unless by agreement.
- **Drawdown structure:** Tranche 1 within five days of notice. Tranche 2 subject to the Company announcing its Annual Report for the year ended 31 December 2023 and Tranche 3 is conditional upon agreement between Company and the Lender of (i) the Company's budget for the financial year ended 31 December 2024 and (ii) a form of security to be granted over the assets of the Company (or members of its group).
- **Transferability:** the notes are freely transferrable.
- **Undertakings of the Company:** the Company has given a number of customary undertakings to the Lender in relation to the operation of its business, and the provision of financial and management information regularly. In particular, key decisions will require the approval of the Lender.

It is agreed that the Lender will not convert any amounts outstanding under the Facility or exercise any Conversion Warrants such the conversion or exercise, respectively, would result in the Lender together with anyone in concert with it holding more than 29.9% of the then enlarged share capital of the Company.

If the Lender's shareholding exceeds 20% of the Company's share capital as a result of conversion of any amount outstanding under the Facility or following an exercise of Conversion Warrants, it will negotiate in good faith entering into a relationship agreement with the Company and the Nominated Adviser from time to time containing customary provisions and protections as is usual for an AIM company.

The funds raised under the Facility will be used for general short-term working capital needs and further progressing towards the grant of a mining lease in respect of the Hancock Project and further exploration targets recently identified as set out in the Company's Development Study on (AIM: [8 February 2024](#)).

Company Update and Project Outlook

New Board Appointment

The appointment of Technical Director, Rob Mosig, to the board will add significant exploration, development, and strategic partnering expertise. Rob will be assisting the Company's management team in prioritising key exploration and development activities across the Company's portfolio.

Rob was the founding Managing Director of Helix Resources Limited from 1986 to 2006 and the Managing Director of Platina Resources Limited from 2006 to 2018. Rob was instrumental in introducing Lonmin plc, a major platinum and palladium producer as a joint venture partner in the Munni Munni project in the late 1990's.

Rob's in-depth knowledge of Western Australia, and in particular the Munni Munni platinum group metals and Elizabeth Hills Silver projects will be invaluable as the Company examines options to unlock the value of the projects.

Rob has over 40 years of experience in the mining and exploration industry after receiving a Master of Science from Monash University and is a Fellow of AusIMM.

As a result of the Board changes, Guy Robertson will resume his position as Executive Chairman on an interim basis, assisting the Company with funding and financing options, along with the recruitment of additional key management personnel to progress the Company's projects. At the same time, Elizabeth Henson, Non-Executive Director, will assume the role of Senior independent Non-Executive Director.

AIM Rules for Companies: Schedule Two Paragraph (g) Disclosures

As required pursuant to Rule 17 and Schedule Two paragraph (g) of the AIM Rules for Companies, the Company confirms that Rob Mosig, aged 73, is, save for Alien Metals, currently a director/partner, or has been a director/partner in the past five years, of the following companies/partnerships:

Current Directorships/Partnerships	Past Directorships/Partnerships (held in last five years)
Javelin Minerals Limited	Future Metals NL
Mantle Minerals Limited	Rodinia Resources Pty Ltd
Colter Investment Holdings Pty Ltd	Volcanic Metals Ltd

There is no further information to be disclosed pursuant to Rule 17 and Schedule Two Paragraph (g) of the AIM Rules for Companies.

Project and Permitting Update

The Board believes that the Company's recent Development Study demonstrates that the Hancock Project has the potential to become an iron ore mine in Western Australia. The key highlights and developments of the Project, as more fully described in the Company's announcement on (AIM: [8 February 2024](#)) include:

- Execution of the Mining Agreement with the Traditional Owners, Karlka Nyiyaparli Aboriginal Corporation, paving the way for mining approvals.
- A significant high-grade (60%+ Fe) resource with the potential to significantly increase the resource and reserves:
 - MRE of 8.4Mt@ 60% Fe JORC Mineral Resource, including an upgraded Indicated Resource of 4.5Mt@ 60.2% Fe.
- Low cost, dig, truck and ship (no beneficiation or processing required other than crushing)
- Based on 8Mt of the Mineral Resource being converted to mining inventory, robust project financials of the base case produced the following:
 - An average annualised EBITDA of A\$39m
 - A pre-tax NPV₁₀ of A\$146m and a pre-tax IRR of 133%
 - Production rate of 1.25mtpa

- Production rate of 1.25mtpa
- Initial development Capital Cost of A\$28m
- Ore processing will utilise a plant capable of producing 1.25Mt to 1.5Mt of 100% fines product per annum on a single shift basis. Sprint capacity of the plant working on a double shift basis is up to 3.0Mt per annum.
- Reduction in costs will be achieved through the proximity to the mining town of Newman. The close vicinity allows the Company to avoid extensive construction capital costs associated with airstrip, mining camp and associated services.
- Provisional export capacity through the Port of Port Hedland has been secured (MoU executed) and remains on track for final approvals during the first half of 2024.

The Company has made significant progress on the Hancock Project and is currently in discussion with various parties regarding the required development funding. In the interim, the technical team will focus on securing all relevant approvals required for mining at the same time assessing strategies with the Company's technical experts to increase the existing resources and reserves which is expected to significantly increase the value of the project.

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 (AIM: UFO). The Company's focus is on delivering a profitable direct shipping iron ore operation from its 90% Hancock iron ore project in the central Pilbara region of Western Australia. The Hancock tenements currently contain a JORC-compliant resource of 8.4Mt iron ore @ 60% Fe and offers significant exploration upside which is targeted to deliver a mining operation of 2Mtpa for 10 years.

These tenements have direct access to the Great Northern Highway, which provides an essential export route to export facilities at Port Hedland, from where more than 500Mt of iron ore is exported annually (30% of global production). The Company also has an interest in two iron ore exploration projects Brockman and Vivash, located in the West Pilbara.

The Company owns the Elizabeth Hill Silver Project, located near Karratha in the Pilbara, which consists of the Elizabeth Hill Mining Lease and exploration tenements surrounding the historical silver mine which has produced some of Australia's highest-grade silver ore during the late 1990's. The Company also owns one of Australia's largest PGM deposits, Munni Munni which hosts a deposit containing a historic resource of 2.2Moz PGM (Palladium, Platinum, Gold, and Rhodium).

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