



KARRATHA METALS GROUP TO SELL ELIZABETH HILL PROJECT

Karratha Metals Group Limited (**KMG** or **the Company**) is pleased to advise that it has entered into a binding sale and purchase agreement with Alien Metals Limited (AIM: **UFO**) to sell 100% of its interest in the former producing Elizabeth Hill Silver Project located 40km south of Karratha (**Elizabeth Hill Project** or the **Project**) (**Transaction**).

Under the terms of the Transaction, the Company will be issued 200,000,000 UFO shares and 50,000,000 options (exercisable at GBP0.025 within 18 months from the date of issue) which will be distributed to KMG shareholders via via an in-specie distribution.

Completion of the Transaction is conditional on:

1. Mutual due diligence to the satisfaction of the Company and UFO;
2. UFO lending KMG the Loan (see below);
3. The Company obtaining all necessary shareholder approvals in respect of the Transaction;
4. UFO entering 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 Project; and
5. Receipt of governmental and third-party consents and authorisations being obtained in respect of the Transaction.

KMG has applied for a tenement which is separate from the Elizabeth Hill Project. Should this tenement be granted to the Company, under the terms of the Transaction, the tenement will be included in the Transaction (with no change to the consideration issued to KMG); with 50% of the tenement transferred to UFO and the remaining 50% transferred to a third party (who has assisting in the tenement application).

Under the terms of the Transaction and at its election, UFO will lend KMG up to \$120,000 (**Loan**) to fund KMG's costs in completing the Transaction (including preparing a prospectus for the distribution of UFO securities to KMG shareholders). The Loan has limited recourse and is only repayment in the event the Company breaches its obligations under the Transaction.

KMG Non-Executive Chairman, Tony Sage stated "We're pleased to have successfully negotiated the sale of Elizabeth Hill to Alien Metals and look forward to its future development under their management. The transaction will give KMG shareholders securities which can be traded on AIM".

UFO Non-Executive Chairman, Dan Smith, said "The Elizabeth Hill Project would be a strong addition to our well positioned portfolio of assets. The historical information on the property gives us good indication that this silver project has significant upside potential, especially as silver prices are now over three times the average price when production ceased in 2002."

Elizabeth Hill Project (Tenement M47/342)

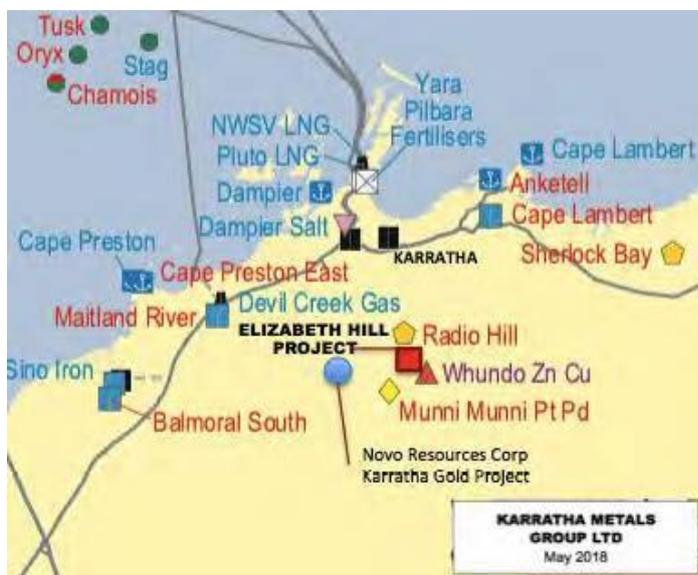
The Elizabeth Hill Project is situated approximately 40 km south of Karratha in the 61,000 km² Achaean Pilbara Block of the Pilbara Craton. The Elizabeth Hill Project consists of one significant mining tenement in the Pilbara Basin covering 363 hectares. The Project is well located, lying 40 km from 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. Existing silver mineralization at the Elizabeth Hill Project is situated within the current mining lease.

High-grade silver was discovered during nickel-copper exploration by AGIP in 1987. Further exploration of the prospect by East Coast Minerals and Legend Mining revealed a very rich, but small, silver deposit. Mineralization occurs in a series of rich pods formed in a shear structure that linked to the Munni Munni Fault lying immediately to the west. Native silver and lesser amounts of silver sulfide minerals occur as both fine and coarse grains within a coarse-grained calcite vein stockwork.

The Project was mined between 1998 and 2002 via underground mining, primarily between the 62 metre (m) and 102 m levels. Silver production totalled approximately 16,800 tonnes of ore grading 2,195 grams of tonne (or 70.24 ounces per ton) generating 1,170,000 ounces, including some very large specimens of native silver. There is potential for remnant high-grade pillars and other un-mined mineralization, as silver averaged US\$5.00 per ounce during production.

There is potential additional mineralization in the approximately 20-30 metres above the underground mine levels. This area was not mined as it was too close to the bottom of the open pit. Additional exploration potential exists along the granite and ultramafic contact for repetitions of silver pods to the east and west of the former mine and also at depth below known mineralization. To date, no drilling has targeted the contact zone looking for silver repetitions nor has there been any deep drill holes.

Refer to the KMG Prospectus dated 29 June 2018 for further information on the Elizabeth Hill Project.



Alien Metals Limited

Alien Metals Ltd is an AIM quoted (AIM:UFO) 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.

Timetable

UFO anticipates making an election on the Loan by mid December 2019. If the election is made, KMG anticipates that a notice of meeting (including detailed information on UFO and its assets) will be sent to KMG shareholders by end-March 2020, with a shareholder meeting to occur approximately 3 weeks later and completion shortly thereafter.

For more information, contact investor relations at ir@karrathametals.com.au.

On Behalf of the Board of Directors,

Tony Sage
Non-Executive Chairman