



ELIZABETH HILL PROJECT SALE UPDATE

As announced on 9 December 2019, Karratha Metals Group Limited (**KMG** or **the Company**) has entered into a 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 GBPO.025 within 18 months from the date of issue) which will be distributed to KMG shareholders via an in-specie distribution.

To comply with the Corporations Act, the in-specie distribution to KMG shareholders requires a prospectus. Preparing this has been delayed due to the need for Alien to complete its accounts, a process which under AIM rules and UK law was not required until 30 June 2020.

The indicative timetable in respect to completion of the Transaction is as follows:

Event	Date
Notice of meeting (including detailed information on UFO and its assets) sent to KMG shareholders	3 July 2020
Record date for in-specie distribution	28 July 2020
Shareholder meeting to approve the Transaction	29 July 2020

The Directors of KMG are considering options for the Company following the Transaction, at which time the Company will have no assets or liabilities. One option is to voluntarily liquidate of the Company. Shareholders are encouraged to approach the Directors or Company Secretary of KMG if they have any suggestions in respect to this manner.

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

On Behalf of the Board of Directors,

Tony Sage
Non-Executive Chairman