

Stock Data

Share Price:	0.27p
Market Cap:	£6.39m
Shares in issue:	2,365m

Company Profile

Sector:	Mining
Ticker:	UFO
Exchange:	AIM

Activities

Alien Metals ('Alien', 'UFO', 'the Company') holds a multi-commodity portfolio of mining projects in jurisdictions with established mining communities, stable political background, where strong operational controls can be assured. The Company is an experienced explorer, mine developer and operator. Alien's existing portfolio of exploration stage assets include volcanogenic massive sulphide (VMS) style mineralisation (copper, zinc and lead) and silver projects in Mexico. Alien is also progressing the purchase of iron ore assets in Australia.

1-year share price performance



Source: [LSE](#)

Past performance is not an indication of future performance.

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Alien Metals Limited

Alien has announced the details of its proposed maiden exploration drilling program on the Donovan 2 Copper Gold Volcanic Massive Sulphide ('VMS') project in Mexico. A total of 6 diamond core drill holes for 1,000m are planned within the highly prospective Zacatecas geological corridor; 4 of these will be at Cerro de la Cruz (to test defined magnetic and gravity anomalies) and 2 at El Alamos (to test an identified geological anomaly). This targeting follows a detailed reinterpretation of historical data combined with in-depth discussions with geophysical consultants having significant experience and knowledge of the region and specifically the nearby San Nicolás VMS deposit. Alien will now update its existing drill permission documentation with a view to commence the new works as soon as is safely possible given the current COVID-19 related situation.

Prospecting on the [Zacatecas Silver belt](#)

All of Alien's concessions are located in Zacatecas, Mexico's largest silver producing state, having produced over 190Moz in 2018 and accounting for 45% of the total silver production of Mexico for that year. [Teck Resources Limited](#) ('Teck'), for example, controls the San Nicolás VMS deposit, which lies within 24km of Donovan 2 and hosts a Measured and Indicated resource of 108.9Mt, with average grades of 1.16% Cu and 0.43g/t Au. In June 2017, Teck acquired the remaining 21% minority interest from Goldcorp (now Newmont) for a cash consideration of US\$50m which implies a total value of US\$238m.

Alien's project lies within a cluster of other well-known VMS deposits including: El Salvador, Fransciso I. Madero, El Coronel, and Real de Angeles. Donovan 2 is situated in a flat lying area located about 45km south east of Zacatecas City where there is excellent existing access and local infrastructure. To date, the Company has completed surface mapping and sampling plus two ground-based geophysical surveys in the last couple of years, through which it identified anomalous zinc and copper values synonymous with VMS-style mineralisation.

Having considered all available data and conducted detailed reviews supported by consultations with geophysicists highly experienced in regional prospecting and mine development, two robust drill targets, Cerro de la Cruz and El Alamos, were identified for a maiden exploration drilling program.

TPI maintains its base-case risk-adjusted valuation of £10.3m

Given the lack of compliant resource estimates, TPI continues to employ a relative valuation approach for Alien. Its non-compliant mineral resource estimate for the Company's Donovan 2 and San Celso projects has been based on its nearest neighbours, having applied an EV/resource multiple derived from a selected peer group. Following this, a 60% risk factor is factored-in to account for the substantial execution, financing and dilution risks. TPI is encouraged nevertheless by the latest survey results from Donovan 2 and the identification of two highly prospective drill targets. TPI looks forward to a finalised drill programme to test the geophysical anomalies, ahead of which the base-case risk-adjusted valuation of £10.3m for Alien is maintained.

Please note this valuation is relative and such valuation may never be realised, therefore please do not base investment decisions on this information alone.

IP Survey Results at Donovan 2

On [11 February 2020](#) Alien commissioned TMC Exploracion, S. R.L. de C.V. of Mexico, also responsible for the previous geophysical studies on the prospect, to carry out a further ground based IP survey on Donovan 2 with a view to assisting in defining a coherent drill target(s). Results published on [14 April 2020](#) detailed the data acquisition work for an Induced Polarisation ('IP') Program over ground magnetic targets extending for 9.4 line km. The previous geophysical survey comprised 52.4 line km of magnetics and 2.6 line km of IP.

As a result, good quality targets were generated coincident with previous geophysical and sampling results, including the definition of the two robust drill targets: (i) North zone prospect known as Cerro de la Cruz where ground magnetics, gravity and IP geophysics all returned coincident anomalies; and (ii) Central prospect known as El Alamos where historical anomalous rock samples and ground IP geophysics returned coincident anomalies.

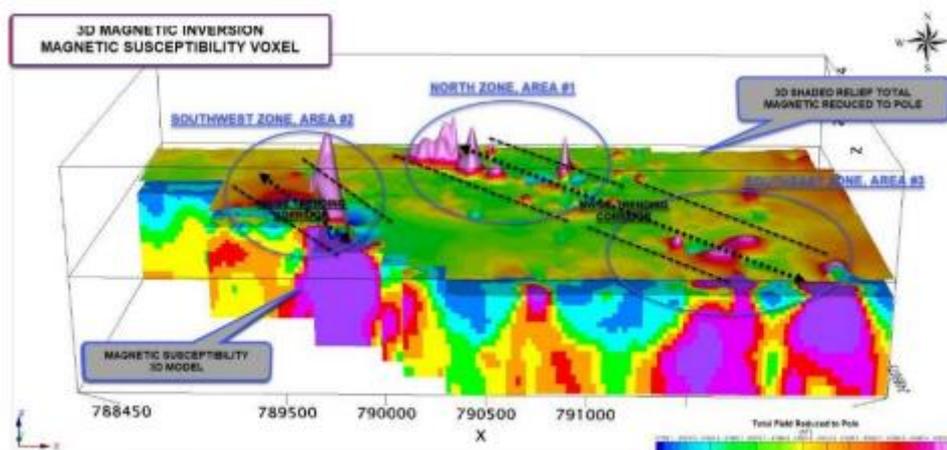
Such prospective VMS deposits occur globally and throughout the geological time column in virtually every tectonic domain that has submarine volcanic rocks as a significant constituent. They are major sources of copper and zinc and also contain relevant quantities of gold, silver, lead and tin along with minor amounts of other metals. Consisting of massive accumulations of sulphide minerals (typically in excess of 60%) which occur in lens-like or tabular bodies parallel to the volcanic stratigraphy or bedding, Teck's VMS San Nicolás deposit proximal to Donovan 2 is one such a deposit.

Location of Donovan 2 project, Zacatecas State



Source: [Alien](#)

3D inverse Ground Magnetic response, Donovan 2, TMC 2018



Source: [Alien](#)

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