

Stock Data

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| Share Price: | 1.15p |
| Market Cap: | £39.3m |
| Shares in issue: | 3,421 m |

Company Profile

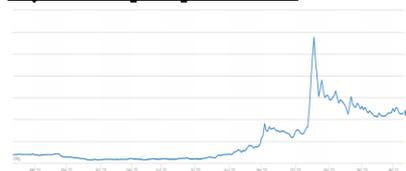
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| Sector: | Mining |
| Ticker: | UFO |
| Exchange: | AIM |

Activities

Alien Metals ('Alien', 'UFO', 'the Group') holds a multi-commodity portfolio of mostly wholly owned mining projects in jurisdictions with established mining communities and a stable political background, where strong operational controls can be assured. The Group's management team are experienced explorers, mine developers and operators.

Alien website: www.alienmetals.uk/

1-year share price performance



Source: [LSE](https://www.lse.com)

Past performance is not an indication of future performance.

Turner Pope contact details

Turner Pope Investments (TPI) Ltd
8 Frederick's Place
London
EC2R 8AB

Tel: 0203 657 0050
Email: info@turnerpope.com
Web: www.turnerpope.com

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Barry Gibb
Research Analyst
Tel: 0203 657 0050
barry.gibb@turnerpope.com

Andrew Thacker
Corporate Broking & Sales
Tel: 0203 657 0050
andy.thacker@turnerpope.com

Zoe Alexander
Corporate Broking & Sales
Tel: 0203 657 0050
zoe.alexander@turnerpope.com

Alien Metals Limited

Alien has today announced that following the signing of an Earn-in Agreement (the 'Agreement') with [Capstone Mining Corp](#) ('Capstone') (TSX: CS) on **22 October 2020**, covering its [Donovan 2 Copper-Gold Volcanogenic Massive Sulphide](#) project (the 'Project') in Mexico, Capstone has confirmed completion of their initial 2020 obligation for exploration expenditures and will now advance to the next phase of the Agreement. With Alien having managed to get the previous drilling permit re-granted at the end of 2020, Capstone has indicated a planned initial 2,500m drilling program as part of its required US\$450,000 commitment to the Agreement in 2021. Although provisional planning is already underway, drill locations are expected to be finalised on receipt of Capstone's Induced Polarisation ('IP') geophysical survey results which are now in the final stages of reporting and interpretation. Post the fund raise of **23 November 2020**, the Group is well capitalised with around £4.3m (US\$5.8m) cash for its planned 2021 programme of works. This leaves Alien well positioned to advance its other highly prospective base and precious metals projects in Mexico and Australia, along with any newly identified opportunities.

Close spaced surface IP geophysical survey completed

The core of the work carried out by Capstone in 2020 was to complete a detailed close spaced surface IP geophysical survey across the majority of the prospect tenement to both add infill detail to the northern anomaly already defined by Alien as well as an extension to the historic geophysical work it also undertook. Carried out over 27.3 line kilometres and capturing data over 24 days the survey was carried out by Zonge International of Arizona, USA, who have extensive experience of working in Mexico. So far, the results confirm and extend the anomalies that Alien had identified in the north and east-central areas of the claim block along with additional new features being observed along its western and southern limits. Having successfully completed this on-site work in December 2020, final reporting and interpretation is currently being undertaken and should be available within a few weeks.

TPI sees potential to reset its original base-case valuation

Alien is now reasonably well capitalised, which should provide a working runway in excess of one full year. During this time, it is expected to build upon the exceptional recent run of development progress reported across its portfolio of highly prospective base and precious metals exploration projects. These include its 51%-owned high grade [Hamersley Iron Ore projects](#) and 100%-owned [Elizabeth Hill Silver Project](#) in Western Australia as well as the newly acquired surrounding Exploration Licence, while also carrying out a maiden drilling programme at its 100%-owned [Los Campos and San Celso silver projects](#) in Mexico and continuing to review other projects that would suit the development of Alien. In this respect, it is worth recalling that TPI's original assessment of Alien in its [Initiation Research of 6 April 2020](#), considered potential for only two of the Group's exploration opportunities. These were Donovan 2 (as detailed above) and the San Celso & Los Campos epithermal targets, where it contemplated potential for a resource of as much as 10m oz silver. Its valuations were based on nearest neighbours, having applied an EV/resource multiple derived from a selected peer group. Reapplying the same methodology, TPI is now considering whether recent exploration progress provides scope not only to reduce the aggressive 60% discount factor that was applied to this analysis (to account for remaining execution, financing and dilution risks) in expectation of both being able to declare compliant resources, but also to award prudent valuations elsewhere amongst the Group's exciting, albeit earlier stage, prospects. In expectation of further heavy news flow, Alien's share price might continue to anticipate potential for further high-impact results.

Please note that TPI's valuation is based on financial modelling and there is no guarantee that such a valuation will ever be realised, therefore please do not base investment decisions on this valuation alone. Also please note that past performance is not a reliable indicator of future results.

Donovan 2 copper-gold prospect - Highlighting similarities with Capstone’s nearby [Cozamin](#) mine

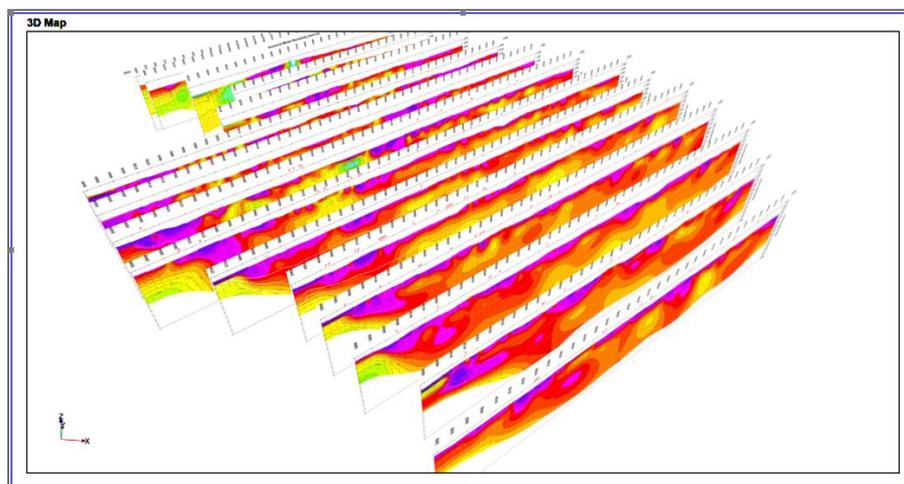
Donovan 2 is in the mineral-rich state of Zacatecas, located some 55km southeast of Capstone’s producing Cozamin mine, being accessed via Federal Highways 45 and 49. The imminent start of drilling on Donovan 2, however, now highlights a number of project similarities and sets potential goals. In 2006, for example, Capstone acquired Cozamin for cUS\$3.5 million and went on to invest c.US\$30 million to bring the mine into production; two years later, it invested an additional c.US\$20 million to expand the operation. Since then, Cozamin has generated free cash flow at all points of the copper cycle and has delivered over \$450 million in cumulative free cash flow (up to 31 December 2019). In 2020, a further capital investment of US\$5 million to debottleneck underground operation by building a one-way ramp commenced, with a view to unlocking 50% more metal output to over 50 million pounds copper and 1.5 million ounces of silver per year by early 2021. A ramp up to 1.35 million tonnes milled per annum remains on track for Q2 2021. Cozamin published an updated Reserve Estimate on [30 April 2020](#), detailing a Proven and Probably Reserve of 10.2Mt at 1/79% Cu, representing a 134% increase in contained copper and a 102% increase in contained silver at 36g/t Ag.

Location of Donovan 2 Project, Zacatecas Region, Mexico in relation to Capstone Mining’s Cozamin Mine and the San Nicolas VMS deposit



Source: Alien, RNS of [13 January 2021](#)

Donovan 2 provisional resistivity 2D inversion sections in a 3D view looking north, Capstone, January 2021



Source: Alien, RNS of [13 January 2021](#)

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