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Altona Rare Earths PLC
24 October 2023

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ALTONA RARE EARTHS PLC

("Altona" or "the Company")

FINAL RESULTS

Altona (LSE: REE), a resource exploration and development company focused on Rare Earths in Africa, is pleased to announce its final results for the year ended 30 June 2023. A copy of the Annual Report will be available shortly on the Company's website: www.altonaRE.com/investors/documents. A further announcement will be made with the date of the Annual General Meeting in due course.

PERIOD HIGHLIGHTS

- Successful listing on the London Stock Exchange ("LSE") on 9 June 2023
- Fundraise of £2.0 million at 5 pence per share completed in conjunction with the LSE listing

POST-PERIOD HIGHLIGHTS

- Mineral Resource Estimate published on 25 September 2023, reporting:
  - 13.6 million at 2.42% Total Rare Earths Oxide ("TREO")
  - 58% of tonnage reported as Indicated, balance as Inferred.
- Scoping Study published on 18 October 2023, reporting:
  - Post tax NPV8 of US$283.3 million
  - Post tax IRR of 25%
  - Life of Mine ("LoM") of 18 years
  - LoM EBITDA of US$1.67 billion
- The Scoping Study:
  - Provides sufficient confidence to proceed to Prefeasibility Study (PFS) stage;
  - Identified several potential upsides to be developed during PFS.

The financial information set out below does not constitute the Company's statutory accounts for the year ending 30 June 2023.

FINANCIAL HIGHLIGHTS

- Net Assets increased to £1.9 million (FY 22: £1.1 million)
- Cash at year end increased to £1.1 million (30 June 22: £0.3 million)

- Loss for the year increased to £1.3 million (FY 22: £0.8 million), mainly due to the cost of the LSE listing and fundraise

Cedric Simonet, CEO of Altona, commented, "For Altona, the Financial Year 2023 ended on a positive note, with the Company completing its long-anticipated move to the Main Market of the London Stock Exchange on 9 June 2023. The simultaneous fundraise allowed the Company to complete its Phase 2 deliverables (the MRE and Scoping Study) and to meet the requirements to increase Altona's holding in the Monte Muambe Project to 51%.

"The Scoping Study serves as an affirmative initial validation of the potential economic viability of the Project and provides a solid foundation for its subsequent progression to the Prefeasibility Study stage.

"We are looking forward to a busy and exciting time ahead as we enter Phase 3 and continue de-risking the Monte Muambe project whilst delivering on the Prefeasibility Study, a Mining Concession and the subsequent increase in our holding of the Project to 70%."

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About Altona Rare Earths Plc

Altona is a resource exploration and development company focused on Rare Earths in Africa. The Company is listed on the Main Market of the London Stock Exchange.

Rare Earths are a group of 17 chemical elements, many of which are critical to the World's ongoing transition from carbon-based to renewable energies, and to the defence and communication sectors.

The Company currently focuses on the development of Monte Muambe, its flagship Magnet Rare Earths Project, located in Northwest Mozambique. The Project was acquired in June 2021, and the Company has so far drilled over 7,800m, and defined a maiden JORC Mineral Resource Estimate of 13.6 million tons at 2.42% TREO. A Competent Person Report including the Scoping Study for Monte Muambe was published on 18 October 2023. The Project is now entering its Prefeasibility Study stage.

Altona continues to take advantage of its position in Africa to assess other possible Rare Earths opportunities on the Continent.

CHAIRMAN'S STATEMENT

It has been a transformational year for Altona Rare Earths as we completed our move from the AQSE Growth Market to the LSE Main Market Standard Segment list and announced an impressive maiden resource at our flagship Monte Muambe Project.

Monte Muambe's encouraging Scoping Study, published on 18 October 2023, underpins the speed with which we are progressing and de-risking the Project, and will continue to do so as work on the Prefeasibility Study is now starting.

I am particularly pleased with the advancements we made considering the unfavourable macroeconomic conditions and general business environment we are currently navigating.

Continued global inflation, and the high interest rates that the Bank of England (and other central banks) is employing to combat it, has reduced the amount of disposable income, making it one of the main factors contributing to generally disappointing returns across the small cap resource sector this year.

To compound this general lethargy, rare earth spot prices sank to their lowest levels since 2020 on soft demand from green energy companies and a rising supply from China. I suspect this is driven by lower consumer demand which in turn has stemmed primarily from the aforementioned higher interest rates. Less consumer demand means lower need for inventory from green energy companies and lower internal demand in China leaves higher balances for export, depressing global spot prices.

But, the case for green metals and particularly rare earths remains structurally sound. The green revolution is a real thing and embedded in the government policies of nations as disparate as the UK, China, USA, France, Germany, Canada, Tanzania and Ecuador, with even petro economies like Saudi Arabia investing heavily in the post carbon economy.

The UK government remains at the forefront of the green revolution with its legal commitment to net zero emissions and we are seeing progressively more signs of this and other governments growing willingness to give meaningful assistance to nascent companies looking to be part of the solution.

At Altona Rare Earths we remain confident that we are putting in place the building blocks for a viable mining operation in Mozambique and we are excited about driving Monte Muambe forward while continuing our search for further high quality rare earths assets to add to our portfolio.

Martin Wood
Chairman
Altona Rare Earths Plc

CEO'S STATEMENT

For Altona, the Financial Year 2023 ended on a positive note, with the Company completing its long-anticipated move to the Main Market of the London Stock Exchange on 9 June 2023. The Company simultaneously raised £2 million in new funds (the "Fundraise"), to cover the completion of Monte Muambe's Phase 2 and the increase of Altona's holding in the project to 51%.

The listing process took longer than expected, and this admittedly resulted in delays in the completion of Monte Muambe's maiden mineral resource estimate ("MRE") and Scoping Study, although the Company managed to complete sufficient resource drilling at Target 1 and Target 4 by the end of November 2022 to support the MRE.

The Company, however, drawing on the experience of more advanced projects in its peer group, has developed a focused strategy to concentrate its efforts and resources on the areas of the deposit that have the highest likelihood to be viable, as opposed to "drilling for numbers". The continued implementation of this strategy through the Monte Muambe Prefeasibility Study and beyond is expected to offer opportunities to make up for these delays.

As funds became available in June 2023, the Company immediately engaged Snowden Optiro to rapidly process collected data and finalise the work on the MRE and the Scoping Study.

The maiden MRE published in late September 2023 reported 13.6 million tonnes at 2.42% total rare earth oxide ("TREO"), which included 0.31% NdPr Oxide (at a 1.5% TREO cut-off). Importantly, through the implementation of a well-designed drilling plan, Altona ensured that 58% of the tonnage was in the Indicated category, while the rest was in the Inferred category. This resource forms a solid base for a future ore reserve. The 2024 drilling campaign will be focused on increasing the MRE's tonnage, and degree of confidence to the measured and indicated categories. This will be achieved through down-dip drilling at Target 1 and Target 4, in-fill drilling and resource drilling on other targets at Monte Muambe.

On 18 October 2023, Altona published the Monte Muambe Scoping Study. The study covers an open pit mining operation considering Target 1 and Target 4 over an 18-year life of mine, and the extraction and processing of 750,000 tons of ore per year. A mixed rare earths carbonate ("MREC") will be produced through a two-step process involving comminution and flotation to produce a concentrate, followed by gangue leaching and caustic cracking.

With a NPV8 of USD 283.3 million, an IRR of 25%, and a life of mine EBIDTA of USD 1.67 billion, the Scoping Study serves as an affirmative initial validation of the potential economic viability of the Monte Muambe project ("the Project") and provides, together with the MRE, a solid foundation for the Project's subsequent progression. It also enables the Company to establish its presence amongst other prospective REE producers in Africa in a niche but critically important industry.

The completion of the Scoping Study also means the increase of Altona's holding in the Project to 51%. As at the date of this report, the contractual and administrative processes to effect this change have commenced, therefore further de-risking the project and increasing shareholder value.

Numerous avenues for increases of the Project's value proposition have been identified in the Scoping Study and will be developed in the Prefeasibility Study. These include:

- Increasing the resource base and the life of mine
- Mining, Processing, Energy Mix and Logistics optimisation
- Considering further on-site, in-country or regional separation and refining
- Responsible Sourcing systems

The market for magnet metals is projected to grow five-fold by 2040, and the existing NdPr Oxide supply deficit to grow to 90,000 tonnes by that time[1]. This growth is largely driven by the world's green energy transition, which relies on rare earths based permanent magnets as an essential component of wind turbines and electric vehicles. In addition, the current dominance of China over the rare earths supply chain is seen as a geopolitical and strategic threat by the rest of the world ("RoW") and in particular Western governments. Supported by new Critical Minerals policies and legislations, RoW supply chains are rapidly developing.

The future of the rare earths and magnet metals supply chain though, is more likely to reflect an integration of China and RoW supply chains rather than a separation. A key development that the Company anticipates, however, is the increased importance of the consumers demand for products manufactured with responsibly sourced products. It is expected that sources certified and verified as responsible will have competitive advantage as opposed to other sources. The continued development of the Project will therefore encompass responsible sourcing aspects and systems at an early stage.

As Monte Muambe enters the Prefeasibility Stage, the Company will now focus on completing exploration activities on targets other than Target 1 and Target 4, to firm up the 2024 resource upgrade drilling plan, and on extensive metallurgical testing. The objective is to define, by the end of 2024, an updated MRE with an increased tonnage

and level of confidence which can be converted into an ore reserves statement as part of the Prefeasibility Study.

Monte Muambe is Altona's flagship project, and the Company will therefore continue to drive its rapid development, following its strategy focussed on viability. However, the Company, taking advantage of its position, geological knowledge and networks in Africa, will continue to assess new rare earths opportunities with a view to adding more quality projects to its portfolio. This will be done with a focus on short timelines to production, as well as diversifying the Company's exposure in terms of deposit type (ionic clays) and of rare earths basket (heavy rare earths).

We are looking forward to a busy and exciting time ahead as we continue de-risking Monte Muambe with our next deliverables: the Prefeasibility Study, a Mining Concession and our holding increased to 70%.

Dr Cédric Simonet
CEO
Altona Rare Earths Plc

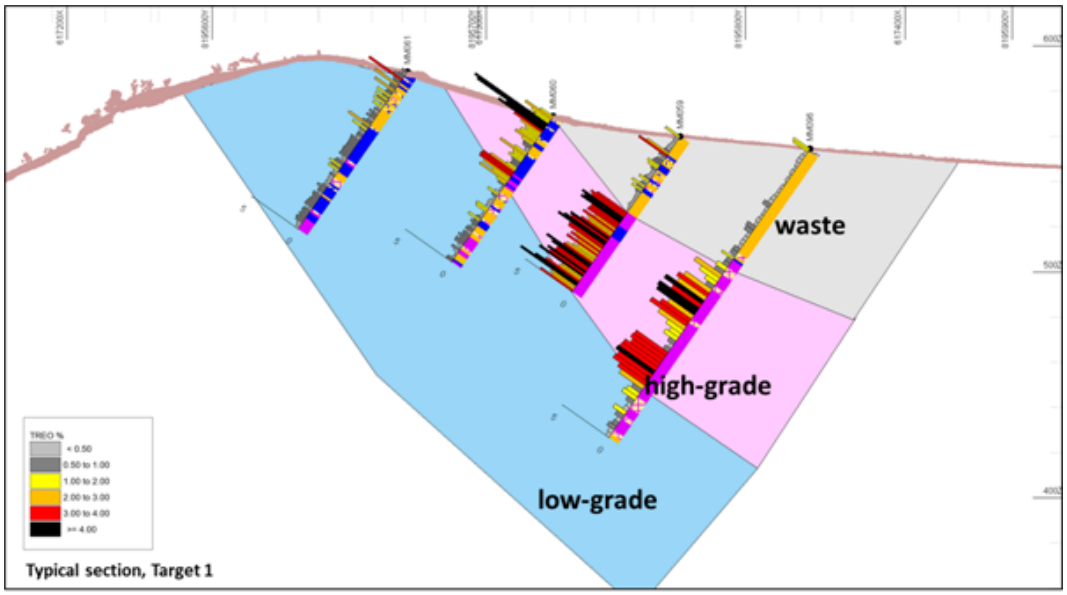
OPERATIONS REVIEW

Pre-Financial Year activities

The 2022 field campaign started in February 2022, with a thorough soil sampling survey, and continued with Reverse Circulation drilling at Target 1 and Target 4 in May 2022.

Work done up to 30 June 2022 allowed the Company to:

- Identify 5 new drilling targets on the basis of soil sampling results (Targets 1E, 7, 8, 9 and 10)
- Confirm the shape, orientation and extent of Target 1 at target level, and plan appropriately additional drill holes.
- Confirm the validity of Target 4 for resource drilling
- Gain additional understanding on the characteristics of REE mineralisation at Monte Muambe, in particular with respect to the existence of two different types of ore: low grade ore, with 0.5 and 1% TREO and some Niobium, and high-grade ore, with 2.4 to 2.5% TREO in average and no Niobium, and to the geometry of the mineralised bodies.



The high-grade mineralisation, as can be seen on this cross section of Target 1, forms consistent and continuous zones from surface.

Financial Year 2023 activities

Monte Muambe licence successfully renewed and transferred to Monte Muambe Mining Limitada ("MMM")

On 26 October 2022, Prospecting Licence LPP7573L was renewed for a further 3-year term (up to 22 May 2025) and transferred to Monte Muambe Mining Limitada, the project's Special Purpose Vehicle.

Field activities

After a brief interruption to review drilling data, drilling activities at Monte Muambe resumed on 12 July 2022. Activities during the reporting year were focused on building the project's database to back a maiden Mineral Resource Estimate, with a focus on Target 1 and Target 4.

Drilling completed during the period totalled 2,201 meters (21 holes). This included 4 exploration holes at Target 9, while the rest was at Target 1.

Hole No	Target	X	Y	Z	Azimuth	Dip	Total Depth	Completion Date
MM076	T9	616,709.690	8,193,847.957	510.441	90	-55	54.8	Jul 12, 22
MM077	T9	616,770.253	8,193,844.485	539.416	90	-55	84.8	Jul 15, 22
MM078	T9	616,830.119	8,193,850.715	567.111	90	-55	84.7	Jul 16, 22
MM073	T1	617,074.876	8,195,826.149	553.284	213	-55	84.75	Jul 20, 22
MM053	T1	617,113.490	8,195,851.378	546.097	213	-55	84.87	Jul 21, 22
MM054	T1	617,168.973	8,195,792.119	562.715	213	-55	84.85	Jul 26, 22
MM074	T1	617,203.181	8,195,844.416	553.251	213	-55	150.8	Jul 27, 22
MM079	T1	617,146.434	8,195,901.754	537.240	213	-55	150.7	Jul 29, 22
MM091	T1	617,091.345	8,195,958.888	526.924	213	-55	132	Aug 4, 22
MM093	T1	617,057.290	8,195,909.039	526.968	213	-55	84.7	Aug 6, 22
MM063	T1	617,375.902	8,195,669.974	562.403	213	-55	84.8	Aug 8, 22
MM065	T1	617,483.587	8,195,688.624	548.008	213	-55	150.75	Aug 10, 22
MM066	T1	617,451.982	8,195,641.067	551.211	213	-55	84.75	Aug 13, 22

MM094	T1	616,994.254	8,195,951.692	517.843	213	-55	72.8	Aug 15, 22
MM095	T1	617,440.120	8,195,767.399	552.447	213	-55	55	Nov 9, 22
MM096	T1	617,379.712	8,195,822.855	554.475	213	-55	156	Nov 15, 22
MM100	T1	617,448.312	8,195,763.258	551.998	213	-55	36	Nov 15, 22
MM097	T1	617,293.751	8,195,839.825	555.826	213	-55	120	Nov 18, 22
MM098	T1	617,242.484	8,195,901.002	545.401	213	-55	144	Nov 22, 22
MM099	T1	617,188.363	8,195,955.179	534.597	213	-55	150	Nov 24, 22
MM101	T1	617,427.188	8,195,796.987	552.743	213	-55	150	Nov 28, 22

Collar information of holes drilled during the FY 2023

In August 2022, Altona published an updated Competent Person Report including an Exploration Target estimate based on drilling results at Target 1 and Target 4 up to 5 July 2023.

	Tonnes (millions)		TREO%	
cutoff TREO%	0.5% Grade Shell	1.0% Grade Shell	0.5% Grade Shell	1.0% Grade Shell
1.00%	56.6	21.7	1.65	1.78
2.00%	11.5	6.5	2.41	2.47

The Exploration Target estimate:

- provided a first-pass estimation of the potential size of the deposit,
- confirmed the presence of high-grade zones in the mineralised system,
- helped review and confirm the drilling plan for the remainder of the year.

Drilling done after the publication of the Exploration Target estimate focused on the deeper parts of Target 1.

In November 2022, the Company commissioned a real time kinetics (RTK) system on site and undertook a complete RTK survey of all holes drilled in 2021 and 2022 as well as legacy holes.

All selected samples from the 2022 drilling campaign, as well as re-composited samples from the 2021 drilling campaign, were shipped to Intertek laboratories' facility in Johannesburg by early December 2022 for preparation, and subsequently forwarded to Intertek Perth for assay.

In addition, a batch of 20 samples was sent for mineralogical studies. XR Diffraction results for this batch were received in January 2023.

In June 2023, Altona contracted Snowden-Optiro, a reputable geological consultancy company, to prepare its maiden JORC Mineral Resource Estimate.

Post-Financial Year activities

Maiden JORC Mineral Resource Estimate

On 25 September 2023, Altona published Monte Muambe's maiden JORC Mineral Resource Estimate, reported in the Table below using a 1.5% TREO cut-off.

Target	Classification	TREO Cut-off (%)	TONNES (Mt)	TREO%	CeO_2 ppm	Pr_6O_{11} ppm	Nd_2O_3 ppm	Tb_4O_7 ppm	Dy_2O_3 ppm	NdPr Oxide (ppm)	Contained TREO (t)
1	Indicated	1.5	8.0	2.38	11,400	910	2,250	15	80	3,160	191,000
	Inferred	1.5	0.8	2.28	10,900	861	2,140	15	78	3,000	18,000
	TOTAL	**1.5**	**8.8**	**2.38**	**11,400**	**905**	**2,240**	**15**	**80**	**3,150**	**209,000**
4	Indicated	1.5									
	Inferred	1.5	4.8	2.50	11,300	872	2,190	26	143	3,060	119,000
	TOTAL	**1.5**	**4.8**	**2.50**	**11,300**	**872**	**2,190**	**26**	**143**	**3,060**	**119,000**
OVERALL	Indicated	1.5	8.0	2.38	11,400	910	2,250	15	80	3,160	191,000
	Inferred	1.5	5.6	2.47	11,200	871	2,190	24	134	3,060	137,000
	TOTAL	**1.5**	**13.6**	**2.42**	**11,400**	**894**	**2,230**	**19**	**102**	**3,120**	**329,000**

Notes:

- Million tonnes are rounded to one decimal place. Grades are rounded to two decimal places for % and whole numbers for ppm.
- The MRE has been reported in consideration of reasonable prospects for eventual economic extraction (RPEEE) using a pit shell based on a 1.5% TREO cut-off, revenue of 24.65 USD/kg TREO MREC and average total recovery to MREC of 48%.
- Mineral resources are reported as dry tonnes on an in-situ basis.
- Rare earth elements are inclusive of the TREO and not additional to it.
- "NdPr Oxide" is the sum of Nd2O3 and Pr6O11.

The MRE represents an increase in tonnage compared to the high-grade part of the Exploration Target estimate, consistent with the fact that additional drilling was done at Target 1 after the Exploration Target estimate was compiled.

Estimate	Parameters	Tonnes (millions)	Grade % TREO
Exploration Target August 2022 (range)	1% TREO grade shell and 2% TREO cut-off grade	6.5	2.47
	0.5% TREO grade shell 2% TREO cut-off grade	11.5	2.41
MRE Indicated and Inferred Sept 2023	1.5% TREO cut-off Optimized pit shells Target 1 and Target 4	13.6	2.42

Reconciliation between 2022 Exploration Target and 2023 MRE

The MRE's tonnage and grade compares favourably to Ore Reserve Statements of more advanced carbonatite REE-projects in Monte Muambe's peer group in Africa and in Australia.

In 2024, the Company intends to increase the tonnage and the level of confidence of the existing MRE through:

- In-fill drilling at Target 1 and Target 4 (to take the MRE on these two mineralised bodies to Measured and Indicated levels);
- Down-dip drilling at Target 1 and Target 4 (to increase the tonnage);
- A re-evaluation of the potential viability of Target 6, which has known high-grade mineralisation at a depth of 30 to 50m below the surface;
- Resource drilling at Targets 3, 9 and 11 among others.

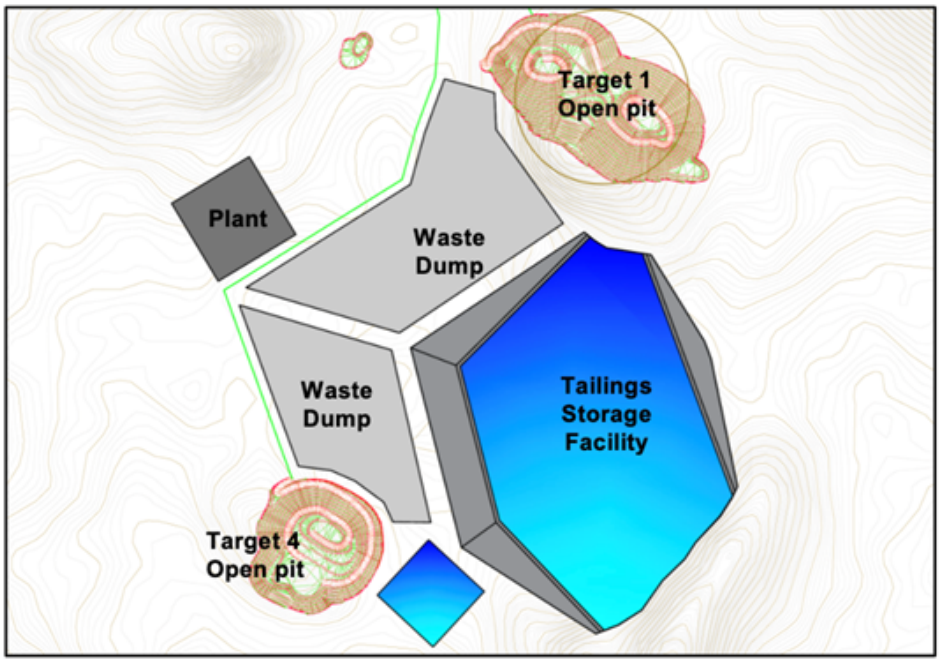
Scoping Study

On 18 October 2023, Altona published an updated CPR including a Scoping Study (the "Study") for the Monte Muambe project.

The Study was prepared by geology and mining consultancy firm Snowden-Optiro, to assess the potential viability of an open pit mining and MREC production operation, to assess project development options, and to give sufficient confidence to the Company to advance to the Prefeasibility Study stage.

The Study is preliminary in nature and includes material assumptions outlined in the CPR, including product price assumptions. Capex estimates qualify as Class 4 estimates as per the Association for the Advancement of Cost Engineering (AACE) Recommended Practice 47R-11. The accuracy of the opex and of the initial capex estimate is assessed at +35 % to −30 %. The base case includes an indicative life of mine extraction and production schedule, which is based on a Mineral Resource Estimate, 58% of which classified as Indicated and 42% as Inferred.

The Study takes into consideration open-pit mining of Target 1 and Target 4, at a Life of Mine ("LOM") strip ratio of 1.6, over a period of 18 years. An anticipated 750,000 tonnes of ore per annum will be extracted and processed through a beneficiation plant to produce a rare earths concentrate. The beneficiation process will include crushing, milling and flotation. The concentrate will then be processed through a hydrometallurgical plant to produce an average of about 15,000 tonnes of MREC per annum. The hydrometallurgical process will involve a weak acid gangue leach, followed by rare earths leaching and purification. The MREC product will be packaged and transported via existing road infrastructure to the port of Beira, in Mozambique, for export.



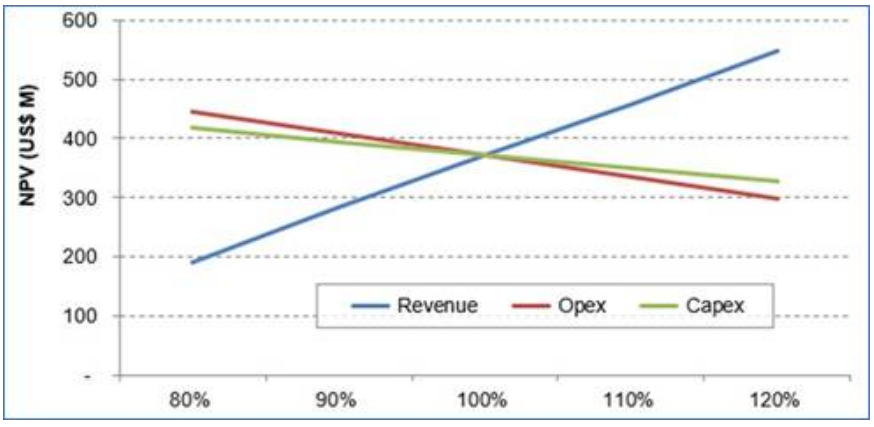
Schematic layout of the Monte Muambe project

Base Case Technical and Economic parameters are summarised in the table below:

Parameter	Unit	Value
Ore processed	Mt	13.5
MREC produced	kt	270.7
Initial Capex	M US$	276.3
Sustaining Capex	M US$	63.0
Opex LoM	M US$	1,519
Opex per ton MREC	US$/t	5,613
Gross Revenue LoM	M US$	3,670
Net Revenue LoM	M US$	3,193
EBITDA LoM	M US$	1,674
Revenue per ton MREC	US$/t	13,558
Payback from first MREC	years	2.5
Post tax NPV 8	M US$	283.3
Post tax NPV 10	M US$	207.0
Post tax NPV 8 (Upside Scenario)	M US$	409.9
Post tax IRR	%	25%
Operating margin	%	42%

Sensitivity Analysis

Using an NPV of US$283.3 million with an applied real discount rate of 8%, the Project is most sensitive to revenue (price, recovery, grade and exchange rates), less sensitive to opex and least sensitive to capex.



Project sensitivity analysis

The Scoping Study demonstrates the potential for Monte Muambe to become a viable mining operation.

Considerable upside potential has been identified in the Scoping Study and will be developed further in the Prefeasibility Study ("PFS"). This includes:

- Increase of the resource base, as well as of the LoM and/or ore extraction rate;
- Mining parameters optimisation;
- Processing and Metallurgy, both for the beneficiation and hydrometallurgical plants;
- Energy sources mix and logistics options;
- Evaluation of the possibility of doing further onsite, in-country or regional separation and refining;
- Setting up Responsible Sourcing systems.

Completion of Phase 2 and holding increase to 51%

On 24 October, in accordance with the Farm-Out Agreement, the Company notified the original shareholders of Monte Muambe Mining Lda of the successful completion of Phase 2 and of its intention to proceed to Phase 3.
At the date of this report the contractual and administrative processes have been initiated and completion is expected in the next few weeks.

Phase 3 activities

Progressing Monte Muambe towards PFS

As a short-term objective, the Company intends to continue de-risking the project through:

- Lodging a Mining Concession application, and an application for land-rights
- Starting the EIA Licensing process for the mining operation
- Starting Prefeasibility Study activities with a priority on:
    - Grass-root exploration activities on targets other than Target 1 and Target 4 to firm up the 2024 resource upgrade drilling plan
    - Extensive metallurgical testing and process flowsheet development
- Drilling aimed at producing an upgrade MRE, convertible into an Ore Reserves Statement, by Q1 2025.

New Projects

Target generation and business development activities will also continue, with the view of securing at least one new project during the course of the year.

Outlook

The robust financial forecasts of the Monte Muambe Scoping Study serve as an affirmative initial validation of the Project's economic viability, enabling the Company to establish its presence amongst other prospective REE producers in Africa. It provides, together with the MRE, a solid foundation for the Project's subsequent progression. As the Project moves into its PFS stage, the Company will continue to work towards de-risking Monte Muambe and, with its local partners, to optimise its technical, commercial and financial parameters. We believe the timing for this achievement is impeccable, at a

time where the global rare earths supply chain is diversifying away from China's decades-long domination, and Western processing facilities are starting to come online.

The magnet metals present at Monte Muambe are critical components of the global green energy transition. The supply deficit for Neodymium and Praseodymium Oxide is forecast to grow to 90,000 tonnes per year by 2040 and, to allow the decarbonisation of energy sources, more magnet metals mines must come on stream in the following years.

Altona intends to play its part in supporting this crucial agenda, by working in a responsible manner to reduce the dependence on China for critical mineral supplies. As Monte Muambe progresses, the Company will continue to make the most of its knowledge of African geology, local networks, and presence on the ground to acquire and develop new projects. This will be done with a focus on short timelines to production, as well as diversifying the Company's exposure in terms of deposit type (ionic clays) and of rare earths basket (heavy rare earths).

Dr Cédric Simonet
CEO
Altona Rare Earths Plc

CORPORATE REVIEW

Financial Review

Balance sheet -investment, capital expenditure, equity placing and asset growth

The Group's total assets have increased from £1.4m to £2.7m, largely due to the £2m fundraise which the Company completed on 9 June 2023 in conjunction with its LSE admission. These proceeds were used to fund the ongoing exploration at MMM and meet corporate debts and expenditure. Total non-current assets increased by £0.4m, to give total non-current assets at year end of £1.4m. This mainly correlates to the intangible assets, such as capitalised drilling, assay studies and licence costs in relation to MMM's LPP7573L.

The cash position increased from £0.3m to £1.1m, giving the Group sufficient funds to complete the MRE and Scoping Study at MMM, and commence Phase 3 of the Farm-Out Agreement in the final quarter of 2023.

Total liabilities increased from £0.3m to £0.8m, mainly due to convertible loan note that was entered into in February 2023 to enable the Group to continue to meet its working capital obligations.

Overall, this resulted in an increase in the Group's net assets from £1.1 million as at 30 June 2022 to £1.9m at 30 June 2023.

Income Statement

The loss for the year was £1.3m as compared with a £0.8m loss in the prior year. This increase mainly corresponds to the increase in legal and professional fees of £0.2m

arising from the change in exchange (from AQSE to LSE) and the Fundraise. The Company also incurred finance costs of £0.2m which arose from the £0.2m loans and £0.3m CLNs that were arranged during the year.

The Company is focused on controlling administration costs and aims to keep these to a minimum. Management use a KPI to monitor the ratio between operating costs and corporate costs and ensure that, as far as possible, it is maximised.

Liquidity and Cash Flow

The Group monitors its cash position, cash forecasts and liquidity regularly.

Net cash used in operating activities decreased from £0.8m to £0.6m, this decrease is mainly due to the increase in creditors which were all paid down post year end. Cash used in investing activities also decreased from £0.9m to £0.5m as Phase 2 was extended whilst the Company waited for further monies to be raised at the Fundraise.

During the last quarter of 2022, the Company entered into a short term loan agreement for a £0.2m loan, and this was paid back before year end. In February 2023, it also issued £0.3m of convertible loan notes with an interest rate of 15%. These will be converted into shares or paid back in full in May 2024 and have been included in the balance sheet as a short term liability.

Warrants extension

In March 2023, the Company extended the expiry date of all existing warrants to 31 March 2025 (in prior year the Company replaced all 20 pence warrants with new warrants with an exercise price of 12 pence per Ordinary Shares). This exercise was completed to recognise the value of shareholders who had previously invested in the Company and were yet to see the expected growth.

Board appointments

On 9 June 2023:

- Cédric Simonet, the Company's Chief Operating Officer, was appointed Chief Executive Officer
- Louise Adrian, the Company's Financial Controller, was appointed Chief Financial Officer and an Executive Director
- Simon Charles was appointed as an Independent Non-Executive Director.

Christian Taylor-Wilkinson stepped down as both Chief Executive Officer and Director on 9 June 2023. He remains as an employee of the Company in a Business Development capacity.

Simon Tucker resigned as a Non-Executive Director on 2 August 2022.

London Stock Exchange Listing

On 1 June 2023, the Company announced that it had raised £2.0 million via an oversubscribed placing of £1,677,300 and a subscription of £322,700 through the issue

of 40 million new ordinary shares at 5 pence per share, together the "Fundraise". The Company also issued 4.9 million fee shares to various advisers and Directors.

On 9 June 2023, the Company announced the Admission of the Company's entire issued share capital to the Official List of the Financial Conduct Authority by way of a Standard Listing under Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's Main Market for listed securities ("Admission"). The Company's shares are listed under the new ticker "REE".

Post Balance Sheet Events

On 25 September 2023, the Company announced the Monte Muambe Project's maiden JORC Mineral Resource Estimate, with a total of 13.6 million tonnes at 2.42% TREO at a cut-off grade of 1.5% TREO.

On 18 October 2023, the Company announced the completion of an updated Competent Person Report for Monte Muambe, including a Scoping Study. More information is given in the Operations Review.

Louise Adrian
CFO
Altona Rare Earths Plc

STATEMENT OF CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2023

	2023 £'000	2022 £'000
Continuing operations:		
Administrative expenses	(1,068)	(642)
Exploration costs (not capitalised)	-	(59)
Listing costs	(48)	(100)
Operating loss	(1,116)	(801)
Finance costs	(180)	-
Loss before taxation	(1,296)	(801)
Income tax	-	-
Loss for the year from continuing operations	**(1,296)**	**(801)**
Total loss for the year attributable to:		
Owners of Altona Rare Earths Plc	(1,221)	(774)
Non-controlling interests	(75)	(27)
	(1,296)	**(801)**
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss:		
Exchange differences on translation of foreign operations	17	2
	(1,279)	**(799)**

Total comprehensive loss attributable to:		
Owners of Altona Rare Earths Plc	(1,205)	(773)
Non-controlling interests	(74)	(26)
	(1,279)	**(799)**
Earnings per share (expressed in pence per share)		
- Total Basic and Diluted earnings per share	(3.23)p	(2.72)p

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

As at 30 June 2023

	2023 £'000	2022 £'000
ASSETS		
Non-current assets		
Intangible assets	1,290	866
Tangible assets	146	173
Total non-current assets	1,436	1,039
Current assets		
Trade and other receivables	168	119
Cash and cash equivalents	1,130	283
Total current assets	1,298	402
TOTAL ASSETS	**2,734**	**1,441**
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	-	(77)
Total non-current liabilities	-	(77)
Current liabilities		
Trade and other payables	(593)	(314)
Convertible loan notes	(256)	-
Total current liabilities	(849)	(314)
TOTAL LIABILITIES	**(849)**	**(391)**
NET ASSETS	**1,885**	**1,050**
EQUITY		
Share capital	2,239	1,790
Share premium	22,950	21,404
Share-based payment reserve	121	14
Other equity - CLN reserve	12	-
Foreign exchange reserve	17	1
Retained deficit	(23,360)	(22,139)
	1,979	**1,070**
Non-controlling interest	(94)	(20)
TOTAL EQUITY	**1,885**	**1,050**

STATEMENT OF CONSOLIDATED CASH FLOWS
For the year ended 30 June 2023

	2023 £'000	2022 £'000
Cash flows from operating activities		
Loss for the year before taxation	(1,296)	(801)
Adjustments for:		
Finance costs	65	-
Depreciation	24	5
Shares issued for services	306	10
Foreign exchange movements	25	2
Operating cashflows before movements in working capital	**(876)**	**(784)**
Increase in trade and other receivables	(49)	(98)
Increase in trade and other payables	277	50
	228	(48)
Net cash used in operating activities	**(648)**	**(832)**
Cash flows from investing activities		
Investment/acquisition of subsidiary, net of cash acquired	(40)	(80)
Purchases of property, plant and equipment	(3)	(178)
Purchases on intangible assets	(462)	(617)
Net cash used in investing activities	**(505)**	**(875)**
Cash flows from financing activities		
Proceeds from issue of shares	2,000	1,688
Costs of issue	(207)	(78)
Proceeds from Convertible loan notes	275	-
Costs of Convertible loan notes	(28)	-
Proceeds from loans	150	-
Repayment of loans	(150)	(56)
Finance costs	(40)	-
Net cash generated from financing activities	**2,000**	**1,554**
Net increase/(decrease) in cash and cash equivalents	847	(153)
Cash and cash equivalents at beginning of the year	283	436
Cash and cash equivalents at the end of the year	**1,130**	**283**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2023

	Share capital £'000	Share premium £'000	Foreign exchange reserve £'000	Share-based payment reserve £'000	CLN Issue £'000	Retained deficit £'000	NCI £'000	Total equity £'000
Balance at 30 June 2021	**1,632**	**19,869**	**-**	**-**	**-**	**(21,365)**	**-**	**136**
Comprehensive income								
Loss for the year	-	-	-	-	-	(774)	(27)	(801)
Currency translation	-	-	2	-	-	-	-	2
NCI share in translation difference	-	-	(1)	-	-	-	1	-
Total comprehensive income	***-***	***-***	***1***	***-***	***-***	***(774)***	***(26)***	***(799)***
Transactions with owners recognised directly in equity								
Issue of shares	158	1,627	-	-	-	-	-	1,785
Cost of shares issued	-	(92)	-	14	-	-	-	(78)
Additional transactions with NCI	-	-	-	-	-	-	6	6
Total transactions with owners recognised directly in equity	***158***	***1,535***	***-***	***14***	***-***	***-***	***6***	***1,713***
Balance at 30 June 2022	**1,790**	**21,404**	**1**	**14**	**-**	**(22,139)**	**(20)**	**1,050**
Comprehensive income								
Loss for the year	-	-	-	-	-	(1,221)	(75)	(1,296)
Currency translation	-	-	17	-	-	-	-	17
NCI share in translation difference	-	-	(1)	-	-	-	1	-
Total comprehensive income	***-***	***-***	***16***	***-***	***-***	***(1,221)***	***(74)***	***(1,279)***

Transactions with owners recognised directly in equity								
Issue of shares	449	1,797	-	-	-	-	-	2,246
Cost of shares issued	-	(251)	-	41	-	-	-	(210)
Share-based payments	-	-	-	66	-	-	-	66
CLN Issue	-	-	-	-	12	-	-	12
Total transactions with owners recognised directly in equity	***449***	***1,546***	***-***	***107***	***12***	***-***	***-***	***2, 114***
Balance at 30 June 2023	**2,239**	**22,950**	**17**	**121**	**12**	**(23,360)**	**(94)**	**1,885**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES

GENERAL INFORMATION

Altona Rare Earths Plc (the "Company") is incorporated and domiciled in England & Wales, with registered number 05350512. Its registered office is at Eccleston Yards, 25 Eccleston Place, London SW1W 9NF.

On 9 June 2023, the Company announced its admission to the Main Market of the London Stock Exchange under the Standard Segment of the Official List under the ticker "LSE:REE". The Company ceased trading on the AQSE Growth Market on 17 March 2023.

The principal activity of the Company and its subsidiaries (the "Group") is in rare earths exploration, and the development of appropriate exploration projects, focusing on opportunities in Africa. The Group is made up of the Company and the subsidiaries as set out in note 10 below.

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006. The principal accounting policies are summarised below. They have been applied consistently throughout the year. The financial statements have been prepared on the historical cost basis, except for the assets acquisition which was measured at fair value.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the parent company is Pounds Sterling (£) as this is the currency that finance is raised in. The functional currency of its main subsidiary is Mozambique Meticals (MTN) as this is the currency that mainly influences labour, material and other costs of providing services. The Group has chosen to present its consolidated financial statements in Pounds Sterling (£), as the Directors believe it is the most relevant presentational currency for users of the consolidated financial statements. All values are rounded to the nearest thousand pounds (£'000) unless otherwise stated. Foreign operations are included in accordance with the policies set out below.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in Note 2.

GOING CONCERN

The Company raises money for exploration and capital projects as and when required. There can be no assurance that the Company's projects will be fully developed in accordance with current plans or completed on time or to budget. Future work on the development of these projects, the levels of production and financial returns arising therefrom, may be adversely affected by factors outside the control of the Company.

An operating loss is expected in the 12 months subsequent to the date of these financial statements. As a result the Group will need to raise funding to provide additional working capital within the next 12 months. The ability of the Group to meet its projected expenditure is dependent on these further equity injections and / or the raising of cash through bank loans or other debt instruments, and/or government grants, and/or loans. These conditions necessarily indicate that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern and therefore their ability to realise their assets and discharge their liabilities in the normal course of business. Whilst acknowledging this material uncertainty, the Directors remain confident of raising finance and therefore, the Directors consider it appropriate to prepare the consolidated financial statements on a going concern basis. The consolidated financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

The Auditors have made reference to going concern by way of a material uncertainty within the financial statements.

POST REPORTING DATE EVENTS

On 11 July 2023 an additional 1,033,600 Ordinary Shares were issued in lieu of fees of £51,680, including an amount of £50,000 to settle fees owed to Leander PR Limited, a

company wholly owned by Christian Taylor-Wilkinson.

On 25 July 2023, Cedric Simonet transferred the 0.1% of the share capital of Altona Mozambique, Lda and Altona Mozambique II, Lda that he was holding on behalf of Altona Rare Earths Mauritius Limited to Altona Rare Earths Mauritius Limited, (both for nil consideration), giving it a 100% total holding of the share capital in both companies.

On the same day, Altona Rare Earths Mauritius Limited, transferred 5% of the share capital of Altona Mozambique, Lda and Altona Mozambique II Lda, (for nil consideration), to Ossanzaya Empreendimentos Lda, a company registered in Mozambique.

On 25 September 2023, the Company published its Maiden Resource Estimate which reported that there is an estimated 13.6 million tons at 2.42% TREO with a cut-off grade of 1.5% TREO. The Scoping Study published on 18 October 2023 demonstrated the potential for Monte Muambe to become a viable mining operation and provided the Company with sufficient confidence to proceed with the Prefeasibility Study and with Phase 3 of the Farm-Out Agreement.

The Company has also initiated the contractual and administrative process to increase its holding in MMM to 51% for a further consideration of £40,000 and one million shares.

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[1] Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040", Q2 2023

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