28 April 2022

ALTONA RARE EARTHS PLC

("Altona" or "the Company")

INTENTION TO LIST ON THE LSE

STANDARD SEGMENT OF THE OFFICIAL LIST

PROPOSED EQUITY RAISE

Altona (AQSE: ANR.PL), a mining exploration company focused on the evaluation, acquisition and development of Rare Earth Elements ("REE") mining projects in Africa, is pleased to confirm its intention to apply for admission of its ordinary shares (the "Ordinary Shares") to the Standard Segment of the Official List and to trading on the London Stock Exchange's ("LSE") Main Market for listed securities ("Admission"). Admission to trading of the Company's Ordinary Shares on the AQSE Growth Market will be cancelled simultaneously with Admission. It is also proposed that on Admission, the Company will change its TIDM to REE.

Concurrently with Admission the Company is seeking to raise funds to satisfy its working capital requirement for a period of 12 months from Admission, by way of a placing of new Ordinary Shares (the "Fundraising"). Altona's will use the Fundraising proceeds to finance its current and future rare earths mining projects in Southern and Eastern Africa.

The Directors believe that an LSE listing will provide access to the future capital it will need to develop its asset portfolio and be of benefit when negotiating acquisitions in Africa. It will also increase liquidity in the Company's shares. The Directors currently anticipate that Admission will become effective during May 2022.

For more information on Altona and its current mining projects please visit: www.altonaRE.com

RARE EARTHS SECTOR HIGHLIGHTS

- "NdPr" are the critical rare earth metals needed to propel the green revolution
- Rare Earths market size approx. USD13.2 billiion in 2019 and set to rise USD19.8 billion by 2026*
- Record rare earths commodity prices recorded in Q1 2022
- Permanent magnet demand driven by increase in Electric Vehicles and Wind Turbines
- Permanent magnet production doubled to 125,000 tonnes between 2006 – 2021
- Projected to reach 315,000 tonnes by 2030
- Demand for rare earths outstripping production by 3,000 tonnes per year and rising

COMPANY HIGHLIGHTS

- Altona acquired its first rare earths project in July 2021 – Monte Muambe in Mozambique
- Phase 1 exploration drilling proghramme completed in November 2021
- Assay results show multiple intercepts over 2.5% TREO with the highest recorded at 7.24% TREO
- REE carbonatite projects considered viable for BFS over 1% TREO
- Monte Muambe a potentially significant light rare earths asset

2022 HIGHLIGHTS

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--  Commenced Phase 2 exploration – Resource Drilling – in April 2022
--  Negotiating two new acquisitions expected to complete in H1
--  Investigating multiple opportunities in various African countries –
    Angola, Tanzania, Uganda, Burundi
--  Cash raised at listing will fully fund Altona's current exploration
    activity and acquisition strategy for 12 months
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(* Global Market Insights)

Christian Taylor-Wilkinson, Chief Executive of Altona, commented, "Our move to the LSE Main Market signals the greater maturity of the Altona business and the increasing opportunity within the sector. It supports our strategy to develop the significant rare earth asset at Monte Muambe, where we have seen exploration success, while pursuing other rare earth exploration and acquisition opportunities.

"Our goal is to fill a significant gap in the market as global demand for NdPr and the other critical metals continues to rise. Altona has spent the last two years building its African infrastructure, including local partners, highly experienced directors and resource ministry relations.

"The growth of this rare earth asset platform, means now we can both be nimble and responsive to opportunities, as well as able to implement long-term development plans across different countries within Africa."

Rare Earth Critical Metals

The Rare Earths mining sector is one of the most in demand and fastest growing industries in the world, yet it is also one of the least known about.

This classification of metals, which lies at the bottom of the Periodic Table and categorised as 'Rare Earths', is made up of 17 elements and are used in a vast array of industries, manufacturing processes and technologies - becoming "everyday" end-product items. However, it is a sub-set of these elements, those known as the "critical metals" - those used in the production of permanent magnets - which are most in demand. These metals represent only 20% of the total rare earths consumed but 80% of the value. They are vital to many high technology applications, especially in renewable energy.

The individual prices of these metals varies widely. Those used in glass polishing and ceramics, for example, cost only dollars per kilo, whereas the critical metals – Neodymium (Nd), Praseodymium (Pr), Dysprosium (Dy) and Terbium (Tb) now have prices ranging from hundreds of dollars to thousands of dollars per kilo.

These prices have significantly risen over the last decade and are set to increase further as demand, coupled with supply chain issues, increases.

The wider market context helps us understand these extraordinary prices. The growth of electric vehicles ("EV") and the global roadmap for replacing traditional energy sources with sustainable renewable energy (in the form of wind turbines) are driving demand. At last November's COP-26 Summit, world leaders set out a timeframe to remove internal combustion engines from car production lines – some countries, including the UK, elected as short a timeframe as 2030.

At the heart of all EVs are two key components, the battery and the electric motor drivetrain – it is in the drivetrain where you will find rare earths. Each EV requires kilos of rare earths to make a magnet powerful enough to power the drivetrain which propels a vehicle. Similarly with wind turbines, an 80-metre turbine requires hundreds of kilos of critical metals to produce the permanent-magnet synchronous generators. There is an additional benefit from using rare earths in wind turbines; the power units they create require very little maintenance which is ideal for offshore wind farms, where regular access is nigh on impossible and costs are high.

EV sales boomed in 2021, despite the pandemic, with almost 2 million new cars registered around the world, taking the total to over 10 million vehicles. Almost 20% of new UK sales so far in 2022 are EVs or hybrids. By

2050 the number of EVs on the road is expected to be over 700 million vehicles, accounting for over 60% of all cars, globally. For the foreseeable future, there is no alternative to rare earths.

China is the current dominant player in the rare earths market. Due to a number of favouring factors in the late 90s, China was able to establish itself quickly as the leading producer and price other major country producers out of the market. The rise of China's middle-classes between 2000s - 2010s, with their demand for consumer goods and new housing forced the Chinese government to retain many metals for their own consumption. This, combined with an abundance of high-grade, heavy rare earths mines, allowed China to become the producer of over 80% of the world's supply. More importantly, as China crucially still remains the only major processor of rare earths, it has effective control over approximately 95% of the world's supply.

These statistics have become a cause for concern for the other major economic powers around the world. Not only could China disrupt the much-desired phasing-out of combustion engines over the next 20 years, but crucially, they have it in their power to squeeze supply to those industries, including the military and defence sectors, thereby denying the US and Europe their independent ability to build fighter jets, nuclear submarines, lasers and missile systems.

At a time of heightened global sensitivities due to the current war in Ukraine, these matters are weighing heavily on the governments of the world, leading the US to begin stockpiling rare earths. This has led to the current record prices we are seeing across the board.

Strategy

Altona has a simple and clear strategy; to acquire controlling interests in multiple, over-looked or forgotten about mining tenements which have reported the presence of rare earth metals at some point over the past 30 years, but which have not been extracted. The reason there are many of these overlooked rare earths assets in Africa is because until only 10-15 years ago there wasn't the global demand that there is today. Many mining companies, while looking for other minerals, discovered the presence of rare earths in the course of drilling. While data was published, these metals remain in the ground, as there was not at the time viable demand for them to justify extraction. The current increase in global demand for rare earths has now supported Altona's strategy to acquire these overlooked rare earths projects, across different African jurisdictions, and take them into production.

Africa is the perfect ground for discovering these critical elements; the geological formations caused by the shift in tectonic plates along the 4,000 mile long East Rift Valley, which runs down the eastern side of Africa, have caused outcroppings of carbonatites on a vast scale. Many of these have experienced heavy weathering over the millennia, producing highly concentrated areas of rare earths that can be mined in economically viable amounts. Africa also contains ionic-adsorption clay deposits, which are typically smaller formations but easier to recover and process.

Altona is looking to build its portfolio around a blend of these two geological formations, providing the Company with large, long-term but high-value assets *and* smaller, quick to market but equally valuable ionic-clay assets. Altona's board believes this strategy makes the Company stand-out from its peer group.

For more information on Altona and its current mining projects please visit: www.altonaRE.com

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Altona Rare Earths Plc

Christian Taylor-Wilkinson, Chief Executive +44 (0) 7795 168 157

Martin Wood, Non-Executive Chairman +44 (0) 7880 787 080

Alfred Henry Corporate Finance Ltd (AQSE Corporate Adviser)

Jon Isaacs / Nick Michaels +44 (0) 20 3772 0021

Optiva Securities (Broker)

Daniel Ingram	+44 (0) 20 3411 1882

Yellow Jersey PR

Tom Randell/ Annabelle Wills	+44 (0) 20 3004 9512

About Altona Rare Earths Plc

Altona is a mining exploration company focused on the evaluation, development and extraction of Rare Earth Element (REE) metals in Africa. It owns a REE mining project in Mozambique; the Monte Muambe Project, a significant Light REE mining project in the southwest of the country, where exploration work commenced on 1 October 2021. Positive assay results from the initial drilling programme has led the Company to progress with Resource Drilling in April 2022. The Company is in the process of investigating other REE opportunities in Africa.

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