28 March 2022

Altona Rare Earths Plc

("Altona" or "the Company")

INTERIM RESULTS

Altona (AQSE: ANR.PL), a mining exploration company focused on the evaluation, acquisition and development of Rare Earth Elements ("REE") mining projects in Africa, announces its unaudited interim results for the six months ended 31 December 2021.

HIGHLIGHTS

- Completed Phase 1 drilling exploration programme at Monte Muambe Project
- Mobilised for Phase 2 drilling programme at Monte Muambe to prove up Resource
- Raised £1.25m at 14p in September 2021 – total raised in 2021 £2.2m
- Net Assets increased to £868,000 (H1 20: £136,000)
- Loss per share reduced to 1.55p (H1 20: 5.08p)
- REE prices at all time high, due to rising demand for EV's and renewable energy

POST-PERIOD SUMMARY

- Initial assay results from Monte Muambe show significant resource potential
- Monte Muambe TREO consistent with a Carbonatite hosted deposit
- Termination of Chambe REE project in Malawi after it did not meet investment criteria
- Process to move to LSE Standard listing moves closer to completion

Christian Taylor-Wilkinson, Chief Executive of Altona Rare Earths, commented:

"The strengthening long-term outlook for REE metals supports our strategy of investing in known REE assets and prospecting new targets across Southern and East Africa. We are pleased to be able to report success with our initial exploration programme, while also reviewing a number of new acquisition opportunities. We look forward to making more progress in 2022 and, in due course, updating the market with further operational news as well as on progress with our move to a Standard LSE listing."

For further information, please visit www.altonaRE.com or contact:

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Company Information

Altona Rare Earths Plc 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 Light REE mining project in the southwest of the country, where exploration work commenced on 1 October 2021. The Company is in the process of investigating other REE opportunities in Africa.

Operational Review

The six-month period under review is significant for Altona, as it was during this time that the Company completed its first new exploration work in over 10 years. In addition to exploration, the Company's growth strategy also includes the assessment and potential acquisition of further REE assets in Africa, with talks currently underway with possible targets. It is hoped that current acquisition opportunities could be ready to complete during the first half of 2022. Altona is also applying for Prospecting Licences in Uganda, Tanzania, Angola and Mozambique to facilitate the filing of new tenement claims directly in Altona's own name.

Subsequent to the period end it was decided to terminate the Chambe Rare Earths Project in Malawi before any exploration work was carried out, for not meeting the Company's strict investment criteria. The Company remains keen to expand its REE activities into new projects across Africa where there is significant potential, but it will not compromise on required standards of governance and performance thresholds for partners or potential assets for acquisition.

Monte Muambe Rare Earths Project, Mozambique

Monte Muambe results to date indicate potential for the project to become a valuable REE asset. The results have confirmed the presence of carbonatite-hosted rare earth mineralisation, at a typical grade Total Rare Earth Oxide ("TREO") in four of the six targets drilled. These results also reported the discovery of two new REE occurences which are open in several directions. Samples from the Phase 1 exploration programme have been sent to certified assay labs operated by Intertek in South Africa and Australia, with the full result set expected back by the end of May 2022. These results will provide valuable additional information but, as announced on 17 March 2022, the Company has made the decision to proceed to Phase 2 - Resource Drilling, based on analysis of samples conducted on site using a pXRF field analyser.

Phase 2 work, therefore, commenced in late-March 2022 and will include additional soil sampling, ground geophysics and scout drilling (1,200m RC), resource drilling (6,800 RC) and metallurgical testing, all of which will be used to produce a maiden Mineral Resource Estimate and a Preliminary Economic Assessment for Monte Muambe.

Board Appointments

Cédric Simonet was appointed Chief Operating Officer in July 2021, having been a non-Executive Director of Altona since 24 December 2020. Prior to this, he had worked for the Company as a Consultant Geologist since July 2020. Cédric is a French national with a PhD in Geology and has spent the past 25 years as a geologist in Africa, serving as Chairman of the Kenya Chamber of Mines.

Hilton Banda was appointed as a Non-Executive Director in November 2021 and following the termination of the Chambe Rare Earths Project he ceased to be non-executive director of Altona at the end of February 2022.

Financial Review

The financial loss of the Group for the six months ended 31 December 2021 was £417,000 (H1 2020: £119,000). This increase is due to the increased corporate activity of the Group in its drive to complete licence acquisitions in line with its stated strategy and its proposed listing on the London Stock Exchange.

The Group had net assets at 31 December 2021 of £868,000 (2021: £136,000). This increase was primarily due to the spend on intangible assets through the acquisition of its subsidiary and the capitalised exploration expenditure of £316,000.

During the six month period, the net cash outflow from operating activities was £507,000 but the net cash position increased by £195,000 to £631,000 due to the success the Company had with fund raising.

Outlook

The Company is excited with the plans it has put in place for 2022, which include establishing a clear valuation for Monte Muambe, as well as acquiring new Rare Earths assets, where their potential value can be explored and reported.

Altona is working diligently on all fronts to establish its presence as a major player in the REE sector with a goal to be a significant contributer in the global supply chain.

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Interim Management Report

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements for the year ended 30 June 2021, and any public announcements made by Altona Rare Earths Plc during and subsequent to the interim reporting period.

Altona Rare Earths Plc, (the “Company”) is a company registered in England and Wales. Its registered offices is at Eccleston Yards, 25 Eccleston Place, London SW1W 9NF. It is listed on the Aquis Stock Exchange (“AQSE”).

Principal Risks

The principal risks and uncertainties for the remaining six months of the financial year remain the same as those contained within the annual report and accounts as at 30 June 2021.

Related- party transactions

See note 13 for a list of the related party transactions that have taken place in the first six months of the current financial year. There have been no changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

Statement of directors’ responsibilities

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

By order of the board

Christian Taylor-Wilkinson

Chief Executive

28 March 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFT OR LOSS AND

OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Notes	Unaudited Half-year ended 31 Dec 2021	Unaudited Half-year ended 31 Dec 2020
Continuing operations:		£'000	£'000
Administrative expenses	4	(418)	(120)
Operating loss		(418)	(120)
Finance costs		-	-
Loss before taxation		(418)	(120)
Income tax expense		-	-
Loss for the period		(418)	(120)
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		1	-
Unrealised gain		-	1
		(417)	(119)
Total comprehensive loss attributable to:			
Owners of Altona Rare Earths Plc		(41)	(119)
Non-controlling interests		(12)	-
Earnings per share (expressed in pence per share)			
- Basic and diluted	5	(1.54p)	(5.08p)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		Unaudited 31 Dec 2021 £'000	Audited 30 June 2021 £'000
ASSETS			
Non-current assets			
Intangible assets	6	374	-
Property, plant and equipment		49	-
Total non-current assets		423	-
Current assets			
Trade and other receivables	8	183	21
Cash and cash equivalents		631	436
Total current assets		814	457
Total assets		1,237	457
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	7	(18)	-
Total non-current liabilities		(18)	-
Current liabilities			
Trade and other payables	9	(351)	(321)
Total current liabilities		(351)	(321)
Total liabilities		(369)	(321)
NET ASSETS		868	136
Capital and reserves attributable to owners of Altona Rare Earths plc			
Share capital	10	1,717	1,632
Share premium	10	20,933	19,869
Foreign exchange reserve		1	-
Retained losses		(21,783)	(21,365)
		868	136
Capital and reserves attributable to the owners of Altona Rare Earths plc		884	136
Non-controlling interests		(16)	-

TOTAL EQUITY		868	136

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		Unaudited Half-year ended 31 Dec 2021	Unaudited Half-year ended 31 Dec 2020
		£'000	£'000
Cash flow from operating activities			
Loss for the period before taxation		(418)	(119)
Unrealised gains and losses		1	(1)
		(417)	(120)
Increase in receivables		(163)	(72)
Increase in payables and provisions		63	8
Shares issued for services/fees		10	93
Net cash outflow used in operating activities		(507)	(91)
Cash flows from investing activities			
Expenditure on intangible assets	6	(316)	–
Expenditure on tangible assets		(49)	–
Acquisition of subsidiaries	7	(40)	–
Net cash outflow from investing activities		(405)	–
Cash flows from financing activities			
(Repayment of)/Proceeds from bank loans		(2)	25
Decrease in overdraft		–	(55)
(Repayment of)/Proceeds from Directors Loans		(31)	3
Proceeds from issue of shares		1,188	125
Costs of share issue		(48)	(7)
Net cash inflow from financing activities		1,107	91
Increase in cash and cash equivalents in period		195	–
Cash and cash equivalents at beginning of period		436	–

Cash and cash equivalents at end of period	631	–

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium	Merger reserve	Foreign exchange reserve	Retained losses	Total shareholders' equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 30 June 2020	1,431	18,697	2,001	1,223	(23,856)	(504)
Comprehensive income						
Total comprehensive loss for the period	–	–	–	–	(119)	(119)
Transactions with owners recognised directly in equity						
Issue of share capital	31	180	–	–	–	211
Share issue costs	–	(7)	–	–	–	(7)
Total transactions with owners recognised directly in equity	31	173	–	–	–	204
Balance at 31 December 2020	1,462	18,870	2,001	1,223	(23,975)	(419)
Comprehensive income						
Loss for the period					(614)	(614)
Total comprehensive loss for the period	–	–	–	–	(614)	(614)
Transactions with owners recognised						

directly in equity						
Issue of share capital	170	1,043	–	–	–	1,213
Share issue costs	–	(44)	–	–	–	(44)
Realisation of Foreign exchange reserve on dissolution of subsidiaries	–	–	–	(1,223)	1,223	–
Derecognition of merger reserve	–	–	(2,001)	–	2,001	–
Total transactions with owners recognised directly in equity	170	999	(2,001)	(1,223)	3,224	1,169
Balance at 30 June 2021	1,632	19,869	–	–	(21,365)	136
Comprehensive income						
Loss for the period	–	–	–	–	(418)	(418)
Foreign exchange movement				1		1
Total comprehensive loss for the period	–	–	–	1	(418)	(417)
Transactions with owners recognised directly in equity						
Issue of share capital	85	1,112	–	–	–	1,197
Share issue costs	–	(48)	–	–	–	(48)
Total transactions with owners recognised directly in equity	85	1,064	–	–	–	1,149

Balance at 31 December 2021	1,717	20,933	–	1	(21,783)	868

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDING 31 DECEMBER 2021

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF HALF YEAR REPORT

(a) General Information

Altona Rare Earths Plc, (the "Company") is a company registered in England and Wales. The Company changed its name from Altona Energy Plc on 27th February 2021. Its registered offices is at Eccleston Yards, 25 Eccleston Place, London SW1W 9NF. It is listed on the Aquis Stock Exchange ("AQSE").

The principal activitiy 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.

These condensed interim financial statements were approved for issued on 31 March 2022.

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accouts for the year ended 30 June 2021 were approved by the board of directors on 30 July 2021 and delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified but did include a reference to the material uncertainty surrounding going concern, to which the auditors drew attention by way of emphasis of matter and did not contain a statement under s498 (2) – (3) of Companies Act 2006.

The Company's auditors have not reviewed these condensed interim financial statements.

a. Basis of Preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Altona Rare Earths Plc transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework. This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements for the year ended 30 June 2021, which has been prepared in accordance with both "International Accounting Standards in conformity with the requirements of the Companies Act 2006" and "International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union", and any public announcements made by Altona Rare Earths Plc during the interim reporting period.

The financial statements have been prepared on a going concern basis. The Group's assets are not currently generating revenues, an operating loss has been reported and 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 and to fund exploration programmes within the next 18 months. The Company is

currently in the process of admitting its shares to trading on the London Stock Exchange, via a Standard Listing. As part of this process the Company is expecting to raise capital to fund its working capital requirements for the going concern period. The ability of the Company to meet its projected expenditure is dependent on these further equity injections. These conditions necessarily indicate that a material uncertainty exists that may cast significant doubt over the Group and Company'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 making further cost savings and/or raising finance when required and, therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. There were no new or amended accounting standards that required the Group to change its accounting policies. The directors also considered the impact of standards issued but not yet applied by the Group and do not consider that there will be a material impact of transition on the financial statements.

The accountancy policies adopted are consistent with those used in the preparation of its financial statements for the year ended 30 June 2021, except for the new accounting policies noted below.

i. Basis of consolidation (Updated to include accounting for Non-Controlling Interests)

The consolidated interim financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December 2021. Per IFRS 10, control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

The Group recognises any non-controlling interest in the acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

ii) **Tangible fixed assets – Property, plant and equipment**

Property, plant, and equipment are stated at cost, less accumulated depreciation, and any provision for impairment losses.

Depreciation is charged on each part of an item of property, plant, and equipment to write off the cost of assets less the residual value over their estimated useful lives, using the straight–line method. Depreciation is charged to the income statement. The estimated useful lives are as follows:

Heavy machinery and equipment – 8 years

Pricision machinery, computer and printers – 4 years

iii) **Foreign currencies/Foreign exchange reserve**

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results might differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2021, with the addition of the following new critical judgements and critical estimates:

a. Critical judgement in the recoverability of exploration and evaluation assets (see note 6)

Exploration and evaluation assets include mineral rights and exploration and evaluation costs, including geophysical, topographical, geological and similar types of costs. Exploration and evaluation costs are capitalised if management concludes that future economic benefits are likely to be realised and determines that economically viable extraction operation can be established as a result of exploration activities and internal assessment of mineral resources. According to 'IFRS 6 Exploration for and evaluation of mineral resources', the potential indicators of impairment include: management's plans to discontinue the exploration activities, lack of further substantial exploration expenditure planned, expiry of exploration licences in the period or in the nearest future, or existence of other data indicating the expenditure capitalised is not recoverable. At the end of each reporting period, management assesses whether such indicators exist for the exploration and evaluation assets capitalised, which requires significant judgement. As of 31 December 2021 total exploration and evaluation costs capitalised amounted to £374,000 (30 June 2021: £nil).

a. Critical estimate in accounting for acquistions and fair value (see note 7)

Acquisitions are accounted for at fair value. The assessment of fair value is subjective and depends on a number of assumptions. These assumptions may include assessment of discount rates, and the amount and timing of expected future cash flows from assets and liabilities. In addition, the selection of specific valuation methods for individual assets and liabilities requires judgment. The specific valuation methods applied will be driven by the nature of the asset or liability being assessed. The consideration given to a seller for the purchase of a business or a company is accounted for at its fair value. When the consideration given includes elements that are not cash, such as shares or options to acquire shares, the fair value of the consideration given is calculated by reference to the specific nature of the consideration given to the seller.

3. SEGMENT INFORMATION

For the purpose of IFRS 8, the Chief Operating Decision Maker "CODM" takes the form of the board of directors. The directors are of the opinion that the business of the Group focused on two reportable segments as follows:

- Head office, corporate and administrative, including parent company activities of raising finance and seeking new investment and exploration opportunities, all based in the UK and
- Mineral exploration, all based in Mozambique.

The geographical information is the same as the operational segmental information shown below.

Half year ending 31 December 2021	Corporate and Administrative (UK)	Mineral exploration (Mozambique)	Total
	£'000	£'000	£'000
Operating loss before and after taxation	412	6	418
Segment total assets (net of investments in subsidiaries)	756	481	1,237
Segment liabilities	(312)	(57)	(369)

No segmental information has been provided for prior half year as there was only one segment, being the Head office in the UK – corporate and administrative. As such the prior half year financial statements of the segment is the same as that set out in the prior half year statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows.

4. ADMINISTRATIVE EXPENSES

	Unaudited Half year ended 31 Dec 2021	Unaudited Half year ended 31 Dec 2020
	£'000	£'000
Fees payable to the Company's Auditors for other not audit services	5	–
Fees payable to previous auditors – Jeffrey's Henry for audit services	–	18
Legal and professional	118	41
Regulatory fees	25	–
Directors' remuneration	166	49
New project due diligence	42	–
Other	62	12
	418	120

5. LOSS PER SHARE

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

	Unaudited Half year ended 31 Dec 2021	Unaudited Half year ended 31 Dec 2020

Loss for the period (£'000)	(418)	(120)
Weighted average number of shares – expressed in thousands	26,884	2,344
Basic loss per share – expressed in pence	(1.55p)	(5.08p)

As the inclusion of the potential ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive and, as such, the diluted loss per share calculation is the same as the basic loss per share.

6. INTANGIBLE ASSETS

The intangible assets held by the Group increased primarily as a result of the acquisition of Monte Muambe Mining Lda ("MMM"). See note 7 for further information.

	Exploration and evaluation assets
	£'000
Cost and carrying amount	
At 1 July 2021	–
Exploration and evaluation assets acquired at fair value (note 7)	58
Additions to exploration assets	316
At 31 December 2021	374

7. ACQUISITION OF SUBSIDIARIES

On 23 June 2021, the Company acquired 1% of the issued share capital of Monte Muambe Mining Lda ("MMM"), a newly incorporated exploration company based in Mozambique, for a cash consideration of £40,000. The acquisition provides the Company with the opportunity to expand its mineral exploration programme. Altona Rare Earths Plc was deemed to have gained control over MMM on 12 August 2021, due to holding the majority of voting rights on the board of directors of MMM.

The amounts recognised in respect of the indentifiable assets acquired and liabilities assumed as a result of the acquisition are as follows:

	Net book value of assets acquired	Fair value adjustments	Fair value of assets acquired
	£'000	£'000	£'000
Intangible assets	–	58	58
Deferred tax liability	–	(18)	(18)

Total identifiable assets acquired and liabilities assumed	–	40	40
Fair Value of Consideration Paid:			
Total cash consideration			40

Under IFRS 3, a business must have three elements: inputs, processes and outputs. MMM is an early stage exploration company. It has no mineral reserves and no plan to develop mines. Is has a title to mineral properties but this could not be considered an input because of its early stage of development. The company do not have processes to produce outputs and have not completed a feasibility study or a preliminary economic assessment on any of its properties and no infrastructure or assets that could produce outputs. Therefore, the Directors' conclusion is that the above transaction is an asset acquisition and not a business combination. The fair value adjustment to intangible assets of £58,000 represents the excess of the purchase consideration of £40,000 over the excess of the net assets acquired (net assets of £nil) and a deferred tax liability of £18,000.

During the period since acquisition, MMM contributed a loss of £6,418 to the Group. If the acquisition had occurred on 1 July 2021, consolidated pro-forma loss for the half-year ended 31 December 2021 would have been £6,418.

8. TRADE AND OTHER RECEIVABLES

	Unaudited 31 December 2021 £'000	Audited 30 June 2021 £'000
Taxes and social security receivable	52	3
Other receivables	100	–
Prepayments	31	18
	183	21

The other receivables includes an amount for £100,000 which represents an amount held in Escrow. This amount was repaid into the Company's bank account on 2 March 2022.

9. TRADE AND OTHER PAYABLES

	Unaudited 31 December 2021 £'000	Audited 30 June 2021 £'000
Trade payables	129	90
Bank loan	23	25

Accruals and other payables	199	206
	351	321

The Bank Loan was fully repaid on the 18 February 2022.

10. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares – ordinary	Share Capital	Share Premium	Total
	No.	£'000	£'000	£'000
Ordinary Shares				
Ordinary shares at 30 June 2021	21,665,990	217	19,869	20,086
Shares issued in the period:				
Issued 9 September 2021	8,369,009	83	1,086	1,169
Issued 20 October 2021	200,000	2	26	28
Share issue costs	–	–	(48)	(48)
	8,569,009	85	1,064	1,149
TOTAL ORDINARY SHARES at 31 December 2021	30,234,999	302	20,933	21,235
Deferred Shares at 0.09p				
Deferred shares at 30 June 2021 and 31 December 2021	1,411,956,853	1,271	–	1,271
Deferred Shares at 9p				
Deferred shares at 30 June 2021 and 31 December 2021	1,602,434	144	–	144
TOTAL DEFERRED SHARES at 30 June 2021 and 31 December 2021	1,413,559,287	1,415	–	1,415
At 31 December 2021		1,717	20,933	22,650

During the interim period, the Company completed a Placing of 8,569,009 new ordinary shares with a nominal value of 10p at an issue price of 14 pence per share to raise gross proceeds of £1,197,000 (less costs of £48,000). Attached to these were 4,511,078 warrants, with a strike price of 20p and an expiry date of 31 March 2023.

11. WARRANTS

	Number of Warrants	Exercise Price	Expiry date
At 1 July 2020	–	–	–
Issued 21 January 2021	1,218,847	12p	31 March 2023
Issued 2 March 2021	4,387,395	12p	31 March 2023
Issued 10 March 2021	1,100,000	12p	31 March 2023
Issued 17 March 2021	1,988,895	12p	10 March 2024
Issued 5 May 2021	442,309	12p	31 March 2023
Issued 18 June 2021	740,418	20p	31 March 2023
At 30 June 2021	9,877,866		
Issued 10 September 2021	4,511,078	20p	31 March 2023
At 31 December 2021	14,388,944		

With the exception of the 1,100,000 warrants issued on the 10 March 2021 to the directors of the Company, all the other warrants issued were issued to investors as part of new share placings on a 1 warrant for each 2 placing shares basis. These investor warrants have been determined as equity instruments under IAS 32. Since the fair value of the shares issued at the same time is equal to the price paid, these warrants, by deduction, are considered to have been issued at nil value.

The Directors warrants of 1,100,000 were issued to encourage the Directors to invest in the company. As such they are treated in line with the investor warrants noted above.

12. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2021 the only capital commitments of the Company relate to the Farm-Out Agreement in Mozambique. In order to earn further Farm-Out interest, the Company has committed to spending a minimum of US$400,000 in the first phase of the Farm-Out. This commitment has been met as at 31 December 2021. The next phase of the Agreement commits the Company to a further minimum spend of US$700,000 from the start of April 2022 for a period of 12 months.

13. RELATED PARTY TRANSACTIONS

During the half year £13,000 was paid to Jahazi Consultants Ltd, a company wholly owned by the Director Cédric Simonet and a balance was outstanding to Leander PR Limited, company wholly owned by the Director Christian Taylor-Wilkinson of £57,000 (30 June 2021: £57,000).

14. POST REPORTING DATE EVENTS

On 18 February 2022, the Business Bounce-Bank Loan was fully repaid.

On 17 March 2022, the Company announced its commitment to continue with Phase 2 of the MMM project. *(see note 12)*