31 January 2022

ALTONA RARE EARTHS PLC

("Altona" or "the Company")

BUSINESS UPDATE

Altona (AQSE: ANR.PL), an exploration company focused on the evaluation, acquisition and development of Rare Earth Elements ("REE") mining projects in Africa, is pleased to provide shareholders with an update on its business activity.

During the course of 2021 Altona has transformed into a well-funded company, with a clear development strategy and two potentially significant REE mining projects where development work is underway and making progress. The focus for 2022 is to execute the asset development plans at both sites with an initial focus on proving the level and types of REE present.

During 2021, the Company completed acquisition agreements on two sites: a Light REE project in Mozambique and a Heavy REE project in Malawi. The deals were concluded after careful due diligence and their evaluation as a prospect for REE mining. By acquiring one light and one heavy REE project the Company has potentially positioned itself in a unique position in the rare earths supply chain.

In Mozambique, the Company commenced Phase 1 exploration drilling at the Monte Muambe Project in October 2021 and completed 43 holes totaling 3,131m (across six targets within the licence area) in late November. Following preparation at Intertek's facility in South Africa, the RC chips and core samples are currently undergoing assay with Intertek's laboratory in Australia, with the results expected by the end of March 2022. Phase 2 at Monte Muambe is expected to commence following the end of the rainy season in April 2022. The Work Plan and Budget for Phase 2 will entail a 100-hole drill programme for a depth of 8,000m focused on the best of the targets based on the assay results. Having explored less than 20% of Monte Muambe, the Company will also continue to identify additional targets on the remaining part of the intrusion.

In Malawi, the Company is undertaking preparation work at the Chambe Rare Earths Project, ahead of commencing Phase 1 drilling in April 2022. The Company is currently working to develop its community and environmental relations and part of this will be a tree planting exercise, where the Company and its local joint venture partner will plant 16,000 tree saplings, in conjunction with the villages around the licence area, in March 2022.

Altona's plans for 2022 will see these two assets continue to be developed in a phased, risk-mitigated and capital efficient approach, commensurate with the Board's strategy of developing assets to the Bankable Feasibility Study ("BFS") stage. Then, depending on the specific economics of each asset, the longer-term plan is to ascribe value to the assets through production or through other options. This hybrid strategy ensures that the Company will extract maximum value for its shareholders from each asset, whilst retaining the flexibility to redeploy profits from one asset into new, more lucrative opportunities which arise.

Finally, the Company is currently reviewing its next REE acquisition, which it hopes to complete in the first half of 2022.

Rare earths are currently among the most in-demand commodities, with Rare Earth Oxide prices at an all-time high, due to the rapidly increasing demand for Electric Vehicles and a whole array of electrical products. The world's governments "green" promises to phase out production of combustion engine vehicles within the next 20-30 years ensures demand for REE will only increase over the next 20 years.

Further, there is an ongoing squeeze on global supply, with China still being the dominant power in the sector, controlling the processing of over 90% of all rare earths supplies. The most recognised solution for this will be to

establish new long-term, alternative sources of these “critical” metals and Africa is considered a priority target due to its geology and mining infrastructure.

Christian Taylor-Wilkinson, Chief Executive of Altona, commented, “We made major progress in 2021, achieving all our targets and raising over £2 million. The next steps will be to complete new phases of drilling to produce maiden Resource Estimates at Monte Muambe and Chambe. We believe the planned transition of our stock market listing from Aquis to the London Stock Exchange, will provide access to the levels of funding we will need to take these projects to BFS within the next few years.”

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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 two REE mining projects in Africa; the Monte Muambe Project, a significant Light REE mining project in southwest Mozambique, where exploration work commenced on 1 October 2021 and the Chambe Rare Earths Project, a Heavy REE mining project in Southern Malawi, which it acquired on 21 October 2021.