21 October 2021

ALTONA RARE EARTHS PLC

("Altona" or "the Company")

AGREEMENT TO ACQUIRE CHAMBE

RARE EARTHS MINING PROJECT

Altona (AQSE: ANR) is pleased to announce it has entered into an agreement to acquire an initial 51% interest in the Chambe Rare Earths Project ("Chambe") in Malawi, through a joint venture agreement with Akatswiri Mineral Resources Ltd ("AMR"). Chambe is held under exploration licence EPL 0594/20 which was granted on 9 September 2021 and valid until 6 September 2024, with an option to renew. The tenement covers an area of 128 km^2 in the Mulanje region of Southern Malawi.

Chambe is a large, weathered ionic adsorption clay-hosted ("Ionic Clay") Rare Earth Elements ("REE") project which contains kaolinitic soils which could lend itself to carrying bulk REE deposits. Historic exploration work was carried out on the site between 2009 and 2014, confirming the presence of mineralised Rare Earth Oxide clays, similar to many of the larger, high-value Heavy REE mines in China. Analysis of samples from 2010 show the soils contain from 475 to 739 ppm total REE, including the key Neodymium and Praseodymium (NdPr) metals. The benefits of extracting REE from shallower ionic clay deposits include lower operating and capital costs, as well as shorter times for development.

The project will be run through Akatswiri Rare Earths Ltd ("ARE"), into which the exploration licence is in the process of being transferred. The acquisition is subject to government regulatory approval as is standard when transferring the ownership of a licence.

An initial payment of 1 million Altona shares will be made immediately and will be held in escrow by the Company's Malawian lawyer, until such time as the licence is transferred from AMR to ARE. Simultaneously, Altona will immediately receive 51% of the issued share capital of ARE.

Altona can increase its interest in ARE to 70%, subject to the fulfillment of work and expenditures commitments, as well as payments over the course of the project by Altona to AMR, including 5 million Altona ordinary shares, paid over three tranches. The Company will bear 100% of the project costs up to completion of Phase 3 and holds a majority position on the board of ARE. The total cash expenditure in respect to the purchase of Chambe is expected to be approximately £200,000.

The planned work programme commitments are as follows:

Phase 1: Orientation drilling on three targets – Chambe and two smaller geologically important areas, Linje and Lichenya. Includes test pitting, in-situ permeability testing and basic metallurgical testing. This work is expected to commence in November 2021.

Phase 2: JORC compliant Resource Estimate – will include a scoping study for a rare earths production operation

Phase 3: Bankable Feasibility Study

Phase 4: Development of a Mining Facility

As part of the joint venture, AMR will nominate a candidate for consideration as a Non-Executive Director of Altona.

A key part of the Chambe project is its ongoing relationship with the local community. Therefore, a dedicated Community Engagement Programme is currently being run, where members of the joint venture will meet with a number of village leaders and the local communities over a four day period between 18 and 21 October. The initiative is two-fold, firstly to explain the rational and benefits of the Chambe project to the Mulanje region, and secondly, to distribute Covid-19 prevention measures, such as face masks, hand sanitisers and washing stations.

Altona's justification for this second acquisition in the rare earths sector is due to the rapid expansion of new energy sectors and the increasing, global demand for electric vehicles and wind powered electricity, which is driving demand for neodymium, praseodymium and other REE "technology" metals which are used in the manufacture of permanent magnets, a key component. It has been widely reported that many manufacturers and governments are looking for alternative REE supplies outside China, which has controlled the supply for the past several years.

Christian Taylor-Wilkinson, Chief Executive of Altona Rare Earths, commented, "We are delighted to have agreed the acquisition of the Chambe Rare Earths Project. By adding an Ionic-Clay rare earths project to our portfolio of assets, it delivers two probable benefits: firstly, it gives us access to REEs not typically found in carbonatite formations, as is currently being explored at our Monte Muambe project, and secondly, it enables us to realistically look at entering into production of rare earth metals in a timeframe much shorter than carbonatite REE projects afford.

"We look forward to working closely with our new partners at Akatswiri Mineral Resources in developing this important rare earths project."

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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. Its first acquisition was the Monte Muambe Project, a significant rare earths mining project in southwest Mozambique, which it entered into in July 2021 and where exploration work commenced on 1 October 2021.