2 August 2021

Altona Rare Earths Plc

("Altona" or "the Company")

FINAL RESULTS

Altona (AQSE: ANR), a rare earths exploration, development and mining company, announces its audited final results for the year ended 30 June 2021.

HIGHLIGHTS

- Completed first Rare Earths acquisition – Monte Muambe Project, Mozambique
- Raised a total of £1.1 million via four placings
- Highly experienced board now in place
- Entering final stages of LSE Standard listing process

- Three further Rare Earths projects currently being investigated

Christian Taylor-Wilkinson, Chief Executive of Altona Rare Earths, commented, "Following our first acquisition of the potentially significant Rare Earths mining project in Mozambique, the board is now focused on commencing maiden exploration work by the end of September, while expecting to complete further acquisitions by the year end to help mitigate shareholder risk and increase our chances of entering into the production of this critically important group of metals."

-ends-

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

Altona Rare Earths plc
Christian Taylor-Wilkinson, Chief Executive +44 (0) 7795 168 157
Martin Wood, Non-Executive Chairman

Alfred Henry Corporate Finance Ltd (AQSE Corporate Adviser)
Jon Isaacs / Nick Michaels
+44 (0) 20 3772 0021

Company Information

Altona is a mining company focused on the evaluation, development and extraction of rare earth metals in Central and East Africa.

The Company was admitted to trading on AIM on 10 March 2005 and was subsequently admitted to Aquis Stock Exchange on 1 February 2019. A copy of its admission documents dated 4 March 2005 can be accessed on its website, www.altonaRE.com. This website is where items can be inspected under Rule 4.14 of the AQSE Growth Market Access Rulebook.

Chief Executive's Statement

Operational Review

This current reporting year is significant for Altona and its shareholders, as it saw the start of a new direction in the Company's mining focus; to acquire Rare Earth Elements mining projects in Africa. The 12 months have been spent assembling a new management team, with a blend of experience to provide the best opportunity for Altona to succeed in this new venture. The year has also seen the Company investigate a number of potential acquisition targets, in its strategy to ultimately own and develop multiple rare earths mining projects in order to reduce shareholder risk, by increasing the chance of taking one or more projects into production.

The Company's financial business model is to identify and acquire rare earth mining assets which the board believes could provide significant returns for shareholders. The Company will approach this in two ways; firstly by conducting an in-depth exploration programme on an asset to prove the mineral resource and then either, take the asset into production using its own capital or, look to sell the asset to a dedicated production company and realise its investment to begin the process again. Each route has its own merits; selling a developed and proven asset will provide a large injection of capital for the Company, while becoming a producer of rare earth metals would provide a long-term stream of revenue.

At the start of the period, in July 2020, the Company signed its first Memorandum of Understanding to acquire a rare earths project in Malawi and it ended the year, by signing an agreement on 23 June 2021 to acquire 70% of a rare earths mining project in Mozambique.

The Company raised a total of £1.1 million in the year, through the completion of four placings; the first three completed at a price of 6.5 pence and the last one, in June 2021, at 12 pence, a 30% premium to the share price at the time. Each placing saw the issue of warrants on the basis of one warrant for every two shares subscribed for. The warrant price for the first three placings was 12 pence, and the June placing at 18 pence.

The cash inflow allowed the Company to pursue its objective to becoming the owner of multiple rare earths mining projects in Africa, while driving forward to attain a listing on the London Stock Exchange Standard market.

At this early stage in the Company's strategy, it is impossible to decide whether successful projects will be taken into production by Altona, or whether the Company will look to find a buyer or partner to take on this hugely costly process of mining production. The focus for the foreseeable future, therefore, is to explore each asset to establish the mineralisation and value of the rare earths.

As previous mentioned, the Company is looking to complete a listing on the London Stock Exchange, Standard segment. The application process is underway and it is expected that the Company will complete is admission to the LSE before the end of Q3 2021. The Company intends to raise funds on listing, providing up to 18 months working capital, based on exploration work on two projects.

Rare Earths Projects

Rare Earth Elements form a group of 17 essential period metals used in many high-end technology industries, especially those with a focus on green energy, including, electric vehicle (EV) and wind turbine motors, by their *critical* presence in the manufacturing of permanent magnets. Rare earths are also used in a number of everyday consumer items, such as mobile phones, computer memory drives, camera lenses and catalytic converters. Their vital use in military technology, such as missile guidance systems, nuclear submarines and aircraft electronic systems, makes it imperative that the world's governments establish new and sustainable sources of these "Critical Metals", as over 90% of the world supply is currently controlled by China.

The Company entered into an agreement on 23 June 2021 with Ussokoti Investimentos Limitada ("Ussokoti"), to acquire up to 70% in the Monte Muambe Rare Earths Project, via an earn-in arrangement. The board believes this project will show significant rare earth mineralisation, due to its long history of exploration and the geological formations of the crater which forms the licence area.

The tenement is located in Tete Province, Northwestern Mozambique, under Prospecting Licence 7573L. The licence covers a 4km diameter circular carbonatite intrusion. The Company has taken an initial 1% interest in the

licence owning company, Monte Muambe Mining Limitada ("MMM") for a consideration of £40,000. Altona's ownership will rise in increments over the next three years as the Company completes exploration work. The Company is responsible for all mining costs and holds a majority position on the board of MMM.

The project has seen previous exploration for the mineral fluorspar, between 2010 and 2012, including 165 reverse circulation drillholes totaling over 12,000m. Drill holes intersected Rare Earth Elements ("REE") mineralisation in at least four different zones within the intrusion, all of which are open in several directions. Additionally, only about 5% of the surface area of the intrusion have been drilled so far, thus leaving significant potential for discoveries.

Available data indicate that REE mineralisation is at least partly bastnaesite-hosted, and that individual REE intercept grades reach up to 4.1% Total Rare Earths Oxide ("TREO"). Examples of significant intercepts from historical data, are as follows:

```
--  49m at 2.51% Total Rare Earths Oxide ("TREO") from the surface,
--  36m at 2.53% TREO from the surface, and
--  96 m at 2.2% TREO from surface,
```

Such intercepts show that the project has the potential to host a REE deposit amenable to open pit mining. Initial exploration work will focus on expanding the mineralised zones and identifying new ones while ascertaining the basic metallurgical characteristics of the ore, which is essential for REE projects.

The project is now in the environmental permitting process and field work is expected to start by end of September.

On 29 July 2020 the Company signed Heads of Agreement with Akatswiri Mineral Resources Ltd, a Malawian mining consultancy and 100% owner of Akatswiri Rare Earths Ltd ("ARE"). ARE had, in February 2020, been granted, pending approval, an Exploration Licence (APL 0153) over the area known as the Chambe Rare Earths Project ("Chambe"), in Mulanje, Southern Malawi.

Altona is looking to acquire an initial 51% interest, rising to 75% on certain milestones being completed. The Company is still in the process of completing its legal due diligence on this acquisition project, which it hopes to complete in the coming months. One of the conditions precedent for Altona to acquire Chambe, is for the Company to be listed on the London Stock Exchange.

Altona's COO, Cédric Simonet, working with the consultancy team at Akatswiri Mineral Resources, has provided a conceptual exploration target of between 45 to 100Mt @ 500 to 900 ppm TREO, based on data available, dimension of the basin, as well as a reasonable assumption of the thickness and density of the mineralised geological formation. Importantly, the exploration target grade is within range of the documented ionic clay deposits in Asia and Africa.

Chambe is a large, ionic adsorption clay-hosted Rare Earth Elements ("REE") project bearing appreciable quantities of critical heavy and light REEs, particularly Neodymium and Praseodymium, Ytterbium, Dysprosium and Yttrium. Extensive exploration work has been carried out on the site since September 2010, by the previous owners, confirming the presence of mineralised Rare Earth Oxide clays, similar to many of the larger REE mines in China. The benefits of extracting REE from ionic clay deposits include lower operating and capital costs, as well as shorter times for development.

The board considers that Chambe could be the right type of project for Altona to take into production, should the exploration results prove economical.

During the year, the Company investigated and rejected a total of three other rare earths projects, for not meeting the board's strict investment criteria. The Nankoma Mining Project in Uganda, with which the Company signed an option agreement in March 2021, was not exercised on 30 June 2021, due to the due diligence being unable to be completed. This project was considered by Altona to be a low-interest acquisition target, as it is a greenfield

site and the board believes there are significantly higher priority rare earths projects in Africa which the Company could look to acquire.

Board Appointments

On 28 October 2020, Martin Wood was appointed as Non-Executive Chairman and has brought to the Company a wealth of experience in both the financial and mining industries; his background being investment banking in the early part of his career and latterly, running Vicarage Capital, an FCA registered brokerage house working with junior resources companies, as well has being CEO of ASX listed, Kogi Iron Limited, providing him with experience of the African mining sector.

On 24 December 2020, the board appointed Cédric Simonet as a Non-Executive Director. Cédric was appointed Chief Operating Officer on 14 July 2021. He is highly experienced geologist, who has spent most of the past 25 years living and working in Africa and has been working with the Company since July 2020 as a consultant geologist. His knowledge of the African mining landscape makes him a natural fit for Altona's board and Rare Earths mining strategy.

On 8 March 2021 the Company appointed Audrey Mothupi and Simon Tucker as Non-Executive Directors. Audrey is CEO of South African based SystemicLogic Group and sits on the board of a number of other companies in Africa. Simon is CEO of AIM listed SRT Marine Systems Plc, a position he has held since 2012; prior to this he was the company's Business Development Director, taking SRT through its AIM listing in 2003.

Financial Review

Expenditure during the year from 1 July 2020 to 30 June 2021 totalled £733,000 (FY20: £225,985), reflecting the Company's new strategy of investments into rare earths projects in Africa and the ongoing corporate costs of the Company. Expenditure was less than the net cash flow used in operations as some creditors were paid in shares rather than cash.

Current liabilities were reduced to £321,000 (FY20: £524,000) and included a trade creditor balance of £90,000 and an accruals balance of £169,000. A Government Bounce Back loan of £25,000 was arranged on 17 July 2020 and will be repaid according to the standard terms, commencing on 1 August 2021.

During the year, net cash flow used in operations was £502,000. These outflows were all incurred in relation to the Company's ongoing corporate costs and its operations to discover new investment opportunities.

The net cash inflow from financing activities of £964,000 related to the raising of capital through additional share issues, a decrease in the Company's bank overdraft and repayment of Directors loans of £25,000.

The Company had cash in the bank of £318,647 as at 31 July 2021.

Outlook

The rare earths sector is among the fastest growing mining industries and its "technology metals" are among the most in-demand elements; a statistic which is only likely to grow as the world moves towards being more environmentally conscious and starts to fulfil its green potential. Altona, through Monte Muambe and the additional rare earths mining assets it is working towards acquiring, will be excellently positioned to take advantage of this rising global need for new sources of rare earths elements.

The objective of the Company is to be part of this valuable supply chain.

Christian Taylor-Wilkinson

Chief Executive

Altona Energy Plc

30 July 2021

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	2021 £'000	2020 £'000
Other income	–	42
Administrative expenses	(547)	(268)
Exploration costs	(182)	–
Operating loss	(729)	(226)
Finance costs	(4)	–
Loss before taxation	(733)	(226)
Tax (charge) / credit	–	–
Loss for the year attributable to the equity holders of the Company	(733)	(226)
Total comprehensive income attributable to the equity holders of the Company	(733)	(226)
Earnings per share (expressed in pence per share)	(7.73)p	(14.1)p
– Basic attributable to the equity holders of the Company		
– Diluted attributable to the equity holders of the Company	(7.73)p	(14.1)p

All of the above operations during the year are continuing.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	2021 £'000	2020 £'000
ASSETS		
Non-current assets		
Investment in subsidiaries	–	–
Total non-current assets	–	–
Current assets		
Trade and other receivables	21	20
Cash and cash equivalents	436	–
Total current assets	457	20

TOTAL ASSETS		457	20
LIABILITIES			
Current liabilities			
Trade and other payables		(321)	(524)
Total current liabilities		(321)	(524)
TOTAL LIABILITIES		(321)	(524)
NET ASSETS/ (LIABILITES)		136	(504)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		1,632	1,431
Share premium		19,869	18,697
Merger reserve		–	2,001
Retained deficit		(21,365)	(22,633)
TOTAL EQUITY		136	(504)

STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

		2021 £'000	2020 £'000
Cash flows from Operating activities			
Loss for the year before taxation		(733)	(226)
Adjustments for:			
Interest paid		4	–
		(729)	(226)
Shares issued for services		306	–
(Increase)/decrease in receivables		(1)	10
Increase/(decrease) in payables		(104)	188
		201	198
Net cash used in operating activities		(528)	(28)
Cash flows from Investing activities			
Investments in subsidiary	9	–	–
Net cash generated from/(used in) investing activities		–	–

Cash flows from Financing activities		
(Repayment of)/Proceeds from bank overdraft	(99)	3
Repayment of Directors loans	(25)	–
Proceeds from loan	25	25
Proceeds from issue of shares	1,118	–
Costs of issue	(51)	–
Finance costs	(4)	
Net cash inflow from financing	964	28
Net increase/(decrease) in cash and cash equivalents	436	–
Cash and cash equivalents at beginning of the year	–	–
Cash and cash equivalents at 30 June	436	–

NOTES TO PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2021

1. The financial information set out above does not constitute statutory accounts for the purpose of Section 434 of the Companies Act 2006.The financial information has been extracted from the statutory accounts of Altona Rare Earths Plc and is presented using the same accounting policies, which have not yet been filed with the Registrar of Companies, and on which the auditors gave an unqualified opinion on 30 July 2021 and included the following paragraph in their audit report.

   “Material uncertainty related to going concern:

   We draw attention to note 1 in the Financial Statements, which indicates that the Company is not currently generating revenue and remains reliant on shareholder funding. The Company incurred a net loss of £733,000 during the year ended 30 June 2021. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company’s ability to continue as a going concern. The Company is reliant on a successful fundraise by the Company to fund its operations for the foreseeable future. Our opinion is not modified in respect of this matter.

   In auditing the financial statements, we have concluded that the director’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the Company’s ability to continue to adopt the going concern basis of accounting included:

2. Reviewing cash flow forecasts prepared by management for the period up to July 2022, corroborating, providing challenge to key assumptions and reviewing for reasonableness;

3. Reviewing post-year end Aquis announcements and holding discussions with management on future plans, including the planned admission to the standard list on the London Stock Exchange; and

4. Assessing the adequacy of going concern disclosures with the Audit Report and financial Statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report."

The preliminary announcement of the results for the year ended 30 June 2021 was approved by the board of directors on 30 July 2021.

1. EARNINGS PER SHARE

The loss for the year attributed to shareholders is £733,000 (2020: loss £226,000).

This is divided by the weighted average number of Ordinary shares outstanding calculated to be 9.485 million (2020: 1.6 million) to give a basic loss per share of 7.73 pence (2020: basic loss per share of 14.1 pence).

For the year ended 30 June 2021 and 2020 the issue of additional shares on exercise of outstanding share options and warrants would decrease the basic loss per share and there is therefore no dilutive effect.

-ends-