25 June 2021

**ALTONA RARE EARTHS PLC**

("Altona" or "the Company")

**AGREEMENT TO ACQUIRE MONTE MUAMBE**

**RARE EARTHS MINING PROJECT**

Altona (AQSE: ANR), it is pleased to announce it has entered into an exclusive agreement to acquire its first asset in the rare earth elements ("REE") mining sector.

The Company has entered into an agreement with Ussokoti Investimentos Limitada ("Ussokoti") to acquire up to 70% ownership of the Monte Muambe Rare Earths Project, via a farm-in arrangement. Ussokoti is the holder of Prospecting Licence 7573L, which was granted in May 2017 and can be renewed for a further three years, on its expiry in May 2022.

The project will be run through a Special Purpose Vehicle ("SPV") controlled by the Company, to which the licence will be transferred. The acquisition is subject to government regulatory approval as is standard when transferring the ownership of a prospecting licence. The farm-in commitments are spread over three phases. The Company will increase its interest in the SPV subject to the fulfillment of work and expenditures commitments, as well as payments by Altona in cash and Altona ordinary shares, to the original SPV shareholders. The Company will bear 100% of the project costs up to completion of Phase 3 and holds a majority position on the board of the SPV.

Payments in cash and shares are as follows:

| Stage | Cash Payment | Share Payment | Holding in SPV |
|---|---|---|---|
| On signing | | | 1% |
| Phase 1 | £40,000 (at start) | 1 million Altona shares (at end) | 20% |
| Phase 2 | £40,000 (at start) | 1 million Altona shares (at end) | 51% |
| Phase 3 | £160,000 (4 tranches of £40,000 over the period) | 1 million Altona shares (at end) | 70% |

The work and minimum expenditure commitments are as follows:

Phase 1 (8 months): 3,000m exploration drilling programme, with a minimum expenditure commitment of USD400,000.

Phase 2 (12 months): In-fill drilling programme to produce a maiden Mineral Resource Estimate to establish the Total Rare Earths Oxide ("TREO") present, and first pass metallurgy which is a key parameter for REE projects, with a minimum expenditure commitment of USD700,000.

Phase 3 (2 years): Preparation of a feasibility study, with a minimum expenditure commitment of USD2 million. The Company will also apply for a mining concession during this phase.

Current available historical data from exploration work carried out between 2010 and 2012 indicates that REE mineralisation at Monte Muambe is at least partly bastnaesite-hosted, and that individual REE intercept grades reach up to 4.1%. Significant intercepts include:

- 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,

Available data shows that the project has the potential to host a REE deposit amenable to open pit mining. Initial exploration work will focus on exploring the extensions of known mineralised zones and identifying new ones in the yet unexplored parts of the licence, while ascertaining the basic metallurgical characteristics of the ore, which is essential for REE projects. Five targets have been defined by Altona for first pass drilling.

Altona has embarked on the environmental licensing process as well as logistical and procurement matters and expects to mobilise drilling rigs to the site by the end of Q3 2021.

**Christian Taylor-Wilkinson, Chief Executive of Altona Rare Earths, commented,** "This is a major milestone for Altona and its shareholders. We have investigated a number of rare earths projects in Africa over the past 12 months and Monte Muambe is definitely a stand-out asset, with the potential to become a significant producer of rare earths for those industries around the world which are desperate for an alternative source of reliable and sustainable rare earth metals.

"We continue to work diligently to complete further acquisitions, adhering to our strict criteria for investment, in this highly competitive and critical mining segment. We are also pursuing a change of stock market listing, from Aquis to the London Stock Exchange, which we believe will bring major advantages to our acquisition programme, as well as benefiting the development of our rare earths mining projects."

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For further information, please visit www.altonaenergy.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.

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.altonaenergy.com. This website is where items can be inspected under Rule 75 of the Aquis Rules for Issuers. A new Company website is currently under construction at www.altonaRE.com

**Information on Monte Muambe Rare Earths Project, Mozambique**

The Monte Muambe tenement is located in Tete Province, Northwestern Mozambique, and covers a 4km diameter circular carbonatite intrusion.

The project has seen previous exploration for the mineral fluorspar, between 2010 and 2012, including 165 reverse circulation drillholes totalling 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.

The project is located in a province of Mozambique which hosts several operating coal mines, a major iron mining and steel manufacturing project, and many exploration projects for a wide range of commodities. The project area is easily accessible, 30km off a major tarred road linking Mozambique to Malawi. The Tete Province has ample power supply with the presence of the 2GW Cahora Bassa hydroelectric power plant and an advanced stage 300MW coal-fired power station project.

Mozambique is a stable country with a well-developed exploration and mining industry, trained workforce, and available drilling and exploration contractors.