

30 April 2021

Altona Rare Earths Plc
("Altona" or "the Company")

**DECISION TO PROCEED WITH ACQUISITION
OF MONTE MUAMBE RARE EARTHS PROJECT**

Altona (AQSE: ANR.PL), a rare earths exploration and mining company, announces that following the announcement of the Memorandum of Understanding ("MoU") on 24 March 2021, between the Company and Ussokoti Investimentos Limitada ("Ussokoti"), the board of Altona is pleased to state that the due diligence on the acquisition target and Prospecting License 7573L (Monte Muambe Rare Earths Project), has been satisfactorily completed and that the Company has now informed Ussokoti that it wishes to proceed with the project.

To this effect, Altona has instructed its UK legal counsel to prepare the final contract, as per the terms of the MoU, to start the earn-in process which will end up with Altona owning 70%. A further announcement will be issued on signature of the deal.

Christian Taylor-Wilkinson, Chief Executive of Altona, commented, "We are pleased with the speed this deal is moving forward. Monte Muambe is, we believe, a significant rare earths project and it is clear both parties are motivated to agree terms and move the project into the exploration phase. I would like to acknowledge the exceptional support we have received from our legal team in Mozambique, as well as from Ussokoti's management."

-ends-

For further information, please visit www.altonaenergy.com (a new website, currently being built, can be found at www.altonaRE.com) or contact:

Altona Rare Earths plc
Christian Taylor-Wilkinson, Chief Executive
Martin Wood, Non-Executive Chairman

+44 (0) 7795 168 157

Alfred Henry Corporate Finance Ltd (AQSE Corporate Adviser)
Jon Isaacs / Nick Michaels

+44 (0) 20 3772 0021

Company Information

Altona is a exploration and 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.altonaenergy.com. This website is where items can be inspected under Rule 4.14 of the AQSE Growth Market Access Rulebook.

Information on Monte Muambe Rare Earths Project

The tenement is located in Tete Province, Northwestern Mozambique, held by Ussokoti under Prospecting Licence 7573L. The licence 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 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%. Three significant intercepts have been reported:

- 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,

These 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.