31 March 2021

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

INTERIM RESULTS

Altona (AQSE: ANR.PL), a rare earths exploration and mining company, announces its unaudited interim results for the six months ended 31 December 2020.

HIGHLIGHTS

- Entered into Heads of Agreement to acquire Ugandan Rare Earths Exploration Project
- Entered into Heads of Agreement to acquire Malawian Rare Earths Exploration Project
- Exploration Licence granted at Ugandan Nankoma Rare Earths project
- Completed first Placing to raise £140,000 at 6.5 pence in December
- Appointed new Chairman and Geologist to the Board
- Target generation and review of possible acquisitions in Africa

POST PERIOD END HIGHLIGHTS

- Signed Option Agreement with Leadway Group to acquire 51% interest in Nankoma Rare Earths Project in Uganda
- Completed further Placings to raise a further £642,000 at 6.5 pence
- Two new highly experienced Non-Executive Directors appointed
- Change of Company name to Altona Rare Earths Plc
- Commenced Applications process for the LSE Standard Market
- Entered into MoU with Mozambique Rare Earths Exploration Project and started legal due diligence
- Due diligence on Malawian Rare Earths Project started
- Identified three potential new Rare Earths projects currently being investigated

Christian Taylor-Wilkinson, Chief Executive of Altona Rare Earths, commented, "The Company has made a positive start with its investment strategy into rare earths mining, having now secured one acquisition and looking to finalise two more in the next quarter."

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

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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.

Operational Review

The period under review is significant for Altona and its shareholders, as it was the start of the Company's new mining investment strategy into Rare Earth Elements projects in Africa.

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 batteries 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, gives an imperative to world's governments to establish new and sustainable sources of these "Critical Metals", as over 90% of the world supply is currently controlled by China.

Altona, by fulfilling its strategy to acquire majority interests in a number of African rare earth mining projects, hopes to be part of this valuable supply chain at some point in its future.

Chambe Rare Earths Project, Malawi

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 next two months.

Altona's African based director and geologist, Cedric 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 Total Rare Earth Oxide ("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 (OPEX and CAPEX), as well as shorter times for development.

Nankoma Rare Earths Project, Uganda

The rationale for the acquisition of the Nankoma Rare Earth Project is based, at this time, on the close proximity of the tenements to Australian Stock Exchange ("ASX") listed Ionic Rare Earth Limited's ("IonicRE") REE exploration project, which lie immediately from the north-west to the east of the Nankoma tenement and has a similar geology and geomorphology. IonicRE has recently announced exceptional exploration data, showing high levels of critical REEs.

On 21 September, the Company announced it had signed non-binding Heads of Agreement with Leadway Group Ltd to acquire a 70% legal and beneficial interest in a greenfield mining project in Uganda, known as the Nankoma Rare Earth Project ("Nankoma") (tenement TN03385). The tenement covers an area of 67.5 km2 and is located approx. 50 km east of Jinja, which lies 130 km east of Kampala in Eastern Uganda.

The Company signed a binding option agreement over an initial 51% of the asset on 30 March 2021, ahead of conducting legal and technical due diligence and an in-depth study of the tenement's geology, by perforning a scout exploration drilling programme in Q2 2021.

The terms of the new Option Agreement state Altona will be responsible for 100% of the agreed budgeted costs to complete a Feasibility Study on the establishment of commercial scale REE mining and processing operations at the project site. Altona will be the manager and operator of the project.

Monte Muambe Rare Earths Project, Mozambique

The Company entered into a Memorandum of Understanding ("MoU") with Ussokoti Investimentos Limitada ("Ussokoti") on 20 March 2020, to start a legal and technical Due Diligence period of 90 days with a view to acquiring up to 70% in the Monte Muambe Rare Earths Project, via an earn-in arrangement.

The tenement is located in Tete Province, Northwestern Mozambique, held by Ussokoti Investimentos Limitada 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.

Board Appointments

On 28 October, 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, the board appointed Cedric Simonet as a Non-Executive Director. Cedric 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. While the Covid-19 restrictions have made travel to Africa difficult for the rest of the board, Cedric has been the Company's local eyes and ears across the jurisdictions Altona has an interest in, maintaining the Company's presence and performing both technical and corporate roles with a high level of professionalism and success. His knowledge of the African mining landscape makes him a natural fit for Altona's board and Rare Earths mining strategy.

Financial Review

The financial loss of the Group for the six months ended 31 December 2020 was £119,000 (H1 2019: £78,000), reflecting the Group's increased activity in its pursuit of its rare earths strategy.

The Group had total liabilities of £536,000 at 31 December 2020 (H1 2019: £377,000), being made up of a bank loan and overdraft facility of £68,000 and the remainder relating to the deferred salaries of Mr Taylor-Wilkinson and Mr Sutherland and other accrued expenses. At the date of this report, the liabilities have been reduced to £189,000, with a portion of the amounts owing to Mr Taylor-Wilkinson and Mr Sutherland having been settled in shares. Any further payment of accrued salaries will not be made to the detriment of the business's planned future operations.

At the date of this report, the Group's cash reserves places it in a strong financial position to meet the immediate funding requirements of the contracts that it has recently signed in order to progress its strategy of acquiring new rare earth mining projects in Africa.

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 the three mining assets it is working towards acquiring, will be excellently positioned to take advantage of this rising need for new sources of rare earths elements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Notes	Unaudited Half-year ended 31 Dec 2020	Unaudited Half-year ended 31 Dec 2019	Audited Year ended 30 June 2020
		£'000	£'000	£'000
Other income		–	–	42
Impairment expense		–	–	–
Administrative expenses		(120)	(78)	(270)
Operating loss			(78)	(228)

Operating loss and loss before taxation		(120)	(78)	(228)
Income tax expense	2	–	–	–
Loss after taxation		(120)	(78)	(228)
Loss for the period		(120)	(78)	(228)
Items that may be reclassified subsequently to profit and loss:				
Exchange differences on translation of foreign operations		–	–	(1)
Unrealised gain		1	–	–
Total comprehensive loss attributable to the equity holders of the parent company		(119)	(78)	(229)
Earnings per share (expressed in pence per share) – attributable to the equity holder of the parent company				
Loss per share				
– Basic and diluted	3	(5.08p)	(4.87p)	(14.23p)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		Unaudited 31 Dec 2020 £'000	Unaudited 31 Dec 2019 £'000	Audited 30 June 2020 £'000
ASSETS				
Non-current assets				
Intangible assets		25	–	–
Other receivables		–	3	–
Total non-current assets		25	3	–
Current assets				
Trade and other receivables	4	92	21	20
Cash and cash equivalents		–	–	–
Total current assets		92	21	20
Total assets		117	24	20

LIABILITIES				
Current liabilities				
Trade and other payables	5	(536)	(377)	(524)
Total current liabilities		(536)	(377)	(524)
Total liabilities		(536)	(377)	(524)
NET ASSETS		(419)	(353)	(504)
Capital and reserves attributable to owners of Altona Energy plc				
Share capital		1,462	1,431	1.431
Share premium		18,870	18,697	18,697
Merger reserve		2,001	2,001	2,001
Foreign exchange reserve		1,223	1,224	1,223
Retained losses		(23,975)	(23,706)	(23,856)
TOTAL EQUITY		(419)	(353)	(504)

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Unaudited Half-year ended 31 Dec 2020	Unaudited Half-year ended 31 Dec 2019	Audited Year ended 30 June 2020
	£'000	£'000	£'000
Operating activities			
Net loss for the period	(119)	(78)	(228)
Unrealised gains and losses	(1)	–	–
Cashflow from operations before adjustments	(120)	(78)	(228)
(Increase) / decrease in receivables	(72)	11	12
Increase in payables and provisions	8	67	188
Shares issued for services/fees	93	–	–
Cash used in operations	(91)	–	(28)
Income tax benefit received	–	–	–
Net cash outflow used in operating activities	(91)	–	(28)

Investing activities			
Interest received	–	–	–
Net cash outflow from investing activities	–	–	–
Financing activities			
Proceeds from bank loans	25	–	–
Increase/ (decrease in overdraft)	(55)	–	3
Proceeds from Directors Loans	3	–	–
Proceeds from issue of shares	125	–	25
Costs of issue	(7)		–
Net cash inflow from financing activities	91	–	28
Increase/decrease in cash and cash equivalents in period/ year	–	–	–
Cash and cash equivalents at beginning of period / year	–	–	–
Cash and cash equivalents at end of period / year	–	–	–

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Share capital	Share premium	Merger reserve	Foreign exchange reserve	Retained losses	Total shareholders' equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 30 June 2019	1,431	18,697	2,001	1,224	(23,628)	(275)
Total comprehensive loss for the period	–	–	–	–	(78)	(78)
Balance at 31 December 2019	1,431	18,697	2,001	1,224	(23,706)	(353)
Total comprehensive loss for the period	–	–	–	–	(150)	(150)
Other comprehensive	–	–	–	(1)	–	(1)

income						
Balance at 30 June 2020	1,431	18,697	2,001	1,223	(23,856)	(504)
Total comprehensive loss for the period	–	–	–	–	(119)	(119)
Issue of share capital	31	180	–	–	–	211
Share issue costs	–	(7)	–	–	–	(7)
Balance at 31 December 2020	1,462	18,870	2,001	1,223	(23,975)	(419)

NOTES TO THE INTERIM REPORT

FOR THE HALF YEAR ENDING 31 DECEMBER 2020

1. GENERAL INFORMATION

Altona Rare Earths Plc, (the "Company") is a company registered in England and Wales. The Company changed its name from Altona Energy Plc on 27th February 2021. The condensed consolidated interim financial statements of the Company for the six months ended 31 December 2020 comprise the result of the Company and its subsidiaries (together referred to as the "Group") and have been prepared in accordance with the AQSE Growth Market Access Rulebook. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statement" in preparing these interim financial statements.

The consolidated interim financial information for the period 1 July 2020 to 31 December 2020 is unaudited. In the opinion of the Directors the condensed interim financial information for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed interim financial information incorporates unaudited comparative figures for the interim period 1 July 2019 to 31 December 2019 and extracts from the audited financial statements for the year to 30 June 2020.

The financial information contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006.

The comparatives for the full year ended 30 June 2020 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified but did include a reference to the uncertainties surrounding going concern, to which the auditors drew attention by way of emphasis of matter and did not contain a statement under s498 (2) – (3) of Companies Act 2006. The interim report has not been audited or reviewed by the Company's auditor. The key risks and uncertainties and critical accountancy estimates remain unchanged from 30 June 2020 and the accountancy policies adopted are consistent with those used in the preparation of its financial statements for the year ended 30 June 2020.

2. TAXATION

No current taxation has been provided due to losses in the period.

3. LOSS PER SHARE

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

	Unaudited 31 Dec 2020	Unaudited 31 Dec 2019	Audited 30 June 2020
Loss for the period (£'000)	(119)	(78)	(228)
Weighted average number of shares – expressed in thousands	2,344	1,602	1,606
Basic loss per share – expressed in pence	(5.08p)	(4.87p)	(14.23p)

As the inclusion of the potential ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive and, as such, the diluted loss per share calculation is the same as the basic loss per share.

4. TRADE AND OTHER RECEVIABLES

	Unaudited 31 Dec 2020 £'000	Unaudited 31 Dec 2019 £'000	Audited 30 June 2020 £'000
Taxes and social security receivables	63	21	20
Prepayments and other receivables	29	–	–
	92	21	20

The prepayments is made up of the prepaid part of the Chairman's salary of £35,000 which was paid upfront in shares, on his appointment to the Board.

5. TRADE AND OTHER PAYABLES

	Unaudited 31 Dec 2020 £'000	Unaudited 31 Dec 2019 £'000	Audited 30 June 2020 £'000
Trade payables	214	115	166
Shares to be issued	32	–	–
Bank overdraft	43	100	99
Bank loan	25	–	–
Directors loans	28	–	20
Accruals and other payables	194	162	239

536 377 524

6. POST REPORTING DATE EVENTS

The following events occurred subsequent to period end:

On 27 January 2021, the subsidiary companies Arckaringa Coal Chemical Joint Venture Co Pty Ltd and Altona Australia Pty Limited were deregistered. On 18th February 2021 Arckaringa Energy Pty Ltd was deregistered.

On 29 January 2021, the Company announced a further fundraising of approximately £523,000 before expenses at an issue price of 6.5 pence per share.

On 11 March 2021, due to excess demand in the initial raise, the Company announced a further fundraising of £259,000 at an issue price of 6.5 pence per share.

On 27 February 2021 the Company changed its name to Altona Rare Earths plc.

On 30 March 2021 the Company entered into an Option Agreement with Leadway Group Ltd to acquire a 70% interest in the Nankoma Rare Earths Project in Uganda.