31 March 2021

ALTONA RARE EARTHS PLC
("Altona" or "the Company")

AGREEMENT TO ACQUIRE

NANKOMA RARE EARTHS MINING PROJECT

Altona (AQSE: ANR.PL), has signed an Option Deed to acquire a 70% legal and beneficial interest in Leadway Group Ltd, a Ugandan registered company, which is the owner of the Nankoma Rare Earths Project ("**Nankoma Project**"), in Uganda.

The Nankoma Project is held under Exploration Licence EL00115 and covers an area of 67.5 km^2 and is located approx. 50 km east of Jinja, which lies 130 km east of Kampala in Eastern Uganda.

The Company has commenced a three-month period of legal and financial due diligence on Leadway Group, ahead of exercising its first Option Right, to acquire an initial 51% interest by 30 June 2021 ("**First Option Shares**"). The initial period will also see the Company perform a small-scale scout exploration programme, including core analysis of the samples in respect of the Nankoma Project. In consideration for the grant of the Option Rights, the Company is required to pay a fee of £25,000 to the shareholders of Leadway Group (or its nominee) and issue 250,000 Ordinary Shares in the Company ("**Option Fee Shares**") to the shareholders of Leadway Group (or its nominee). The shareholders have nominated Mayflower Capital Investments Pty Ltd. as its nominee for the fee and the Option Fee Shares. The cost of exercising the first Option Right is £1. This will be followed by a three-month period of technical due diligence, where, upon successful further exploration, and the agreement of a 12-month work programme and exploration budget for the Nankoma Project by the Company and Leadway Group, the Company will exercise its second Option Right to acquire an additional 20% interest to give the Company a total 71% interest in Leadway Group by 30 September 2021. The cost of exercising the second Option Right will be £125,000 of Altona ordinary shares, calculated by the 10-day average market price ending on the date of the delivery of the Exercise Notice.

If the Company elects not to exercise the second Option Right it has the obligation and right to re-transfer the First Option Shares back to the Shareholders of Leadway Group to ensure the Company has no further obligation or liability with respect to Leadway Group.

As mentioned in the RNS of 21 September 2021, the rationale for the acquisition of the Nankoma Project is based, at this time, on the close proximity of the tenement to Australian Stock Exchange listed Ionic Rare Earth Limited's ("IonicRE" – ASX: IXR) rare earths exploration project, which lies immediately from the north-west to the east of the Nankoma tenement and has a similar geology and geomorphology.

IonicRE has reported, from its Makuutu Project, an estimated total resource of 315 million tonnes at 650 ppm Total Rare Earth Oxide ("TREO"). Crucially, IonicRE reported high levels of Critical Rare Earth Oxides ("CREO"), at 310 ppm, which include the elements, Neodymium and Praseodymium, two of the rare earth elements which Altona is focused on extracting, due to their demand in many green and high tech industries.

Considering that IonicRE's resource is of the ionic-clay adsorption type deposit, the TREO and CREO figures are highly encouraging, due to the ease of recovery and low-cost nature of this type of deposit. This has provided to the Board of Altona with sufficient confidence to invest in the Nankoma tenement.

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

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Company Information

Altona is an 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. A new Company website is currently under construction at www.altonare.com