RNS Number : 6693I
Altona Rare Earths PLC
28 March 2024

28 March 2024

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

ZAMBIA COPPER LICENSE ACQUISITION

Altona (LSE: REE), a resource exploration and development company focused on critical raw materials in Africa, is pleased to announce that it has entered into an agreement with Sustineri Group Ltd ("Sustineri") and with the beneficial owners of Phelps Dodge Mining (Zambia) Limited (the "Target") to acquire the entire issued share capital of Phelps Dodge Mining (Zambia) Limited, the registered holder of Large Scale Exploration Licence 21403-HQ-LEL ("the Licence") , located in the Mufumbe District of Northwestern Province of Zambia ("Tenement").

Consideration

The consideration for the transfer of the exclusivity over the Tenement from Sustineri to Altona is £40,000 to be satisfied by the immediate issue of 800,000 new ordinary Altona shares ("Shares") at a price of 5p.

The consideration for the transfer of the Target from its present owners to Altona will be as follows:

- US$ 40,000 on completion, being the later of the date of the acquisition of the Target and the date of renewal of the Licence, payable in Shares at the 30 day volume-weighted average price, from which will be deducted any costs incurred by Altona to renew the Tenement and to transfer the Target; and
- US$ 150,000 12 months after completion, payable in Shares at the 30 day volume-weighted average price.

The Tenement

The Tenement is located in the Mufumbe District of Northwestern Province, Zambia. It has a surface area of approximately 616 km^2 and is valid for copper, cobalt, nickel, lead, zinc, gold and diamonds. The Tenement is located 4 km west of the Kamweji copper occurrence, and 60 km southwest of the Mufumbwe copper mine (22 million tonnes at 1.6% Cu), along strike.

Zambia is a safe and mature mining jurisdiction known for its unique geology, dominated by the Central Africa Copper Belt, where copper, cobalt and silver have been mined for over a century,

and where world class copper deposits continue to be discovered on a regular basis.

The Tenement was previously held by copper giant Freeport McMoRan until this company's strategic decision to exit Zambia in April 2020. The Tenement has seen prior grassroot exploration including 4,000 line kilometre of ground magnetometer survey and a partial leach soil geochemistry survey over a 4 kilometre square grid. This work highlighted the presence of a large copper gold silver anomaly in the Northeastern part of the Tenement, overlapping a possible demagnetised zone.

Immediate exploration work will include reprocessing of the magnetometer survey data and an ionic leach soil sampling survey at a reduced sample spacing, ahead of defining drilling targets by the end of the year.

Portfolio expansion and diversification

This proposed acquisition represents the first step in the implementation of the Company's updated corporate strategy announced on 19 February 2024.

As the Monte Muambe Prefeasibility Study is progressing with the on-going advanced metallurgical studies, Altona recognises that the time is right for the Company to expand and diversify its portfolio of projects in Africa. The Company continues to actively assess additional potential new opportunities with a focus on projects having a low-entry cost with a clear pathway to early results and to majority ownership.

Cedric Simonet, CEO of Altona, commented: *"Securing an asset with enough potential to have historically attracted the attention of a major player in the copper mining industry is a significant achievement for Altona. We are delighted to make our entry into Zambia with this acquisition; a country where world-class copper and cobalt discoveries regularly make the news.*

"As mineralogy and metallurgy work at Monte Muambe continues, the Kabompo South copper project acquisition demonstrates Altona's commitment to deliver on its updated corporate strategy through a careful selection of a limited number of high-quality projects."

Application is being made for the 800,000 Shares to be admitted to trading on the Main Market of the London Stock Exchange which is expected to be on or around 3 April 2024. The Shares will rank pari passu with the existing ordinary shares of the Company. Following this issue of 800,000 shares, the Company's enlarged share capital and total voting rights in the Company will comprise 86,767,107. The Company has no shares held in Treasury. This figure of 86,767,107 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

This announcement contains information which, prior to its disclosure, was inside information as stipulated under Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 (as amended).

To subscribe for RNS alerts, please visit: https://www.altonare.com/investors/regulatory-news-alerts/

-ends-

Altona Rare Earths Plc
Cedric Simonet, CEO +44 (0) 7778 866 108
Louise Adrian, CFO +44 (0) 7721 492 922
Christian Taylor Wilkinson, Business Development +44 (0) 7795 168 157

Novum Securities Ltd (Corporate Finance) +44 (0) 20 7399 9400
David Coffman
Daniel Harris

Allenby Capital Ltd (Joint Broker) +44 (0)20 3328 5656
Kelly Gardiner / Guy McDougall (Sales)
Nick Athanas (Corporate Finance)

Optiva Securities (Joint Broker) +44 (0) 20 3411 1882
Daniel Ingram

About Altona Rare Earths Plc

Altona is a resource exploration and development company focused on Critical Raw Materials in Africa. The Company is listed on the Main Market of the London Stock Exchange with the ticker "REE".

Rare Earths are a group of 17 chemical elements, many of which are critical to the World's ongoing transition from carbon-based to renewable energies, and to the defence and communication sectors.

The Company is currently developing Monte Muambe, its flagship Magnet Rare Earths Project, located in Northwest Mozambique. The Project was acquired in June 2021, and the Company has so far drilled over 7,800m, and defined a maiden JORC Mineral Resource Estimate of 13.6 million tons at 2.42% TREO. A Competent Person Report including the Scoping Study for Monte Muambe was published on 18 October 2023. The Project is now at Prefeasibility Study stage, with a focus on metallurgical testing and process.

Altona is presently assessing new critical raw material projects acquisition opportunities, including both Rare Earths and non Rare Earths projects.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services.

For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

ACQUWUNRSNUOURR