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Altona Rare Earths PLC
09 April 2024

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

BOTSWANA 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 a binding option agreement (the "Agreement") with Ignate African Mining P/L, with respect to exploration for copper and silver on Prospecting Licence PL2329/2023 (the "Tenement"), located in the Northwest District of Botswana, known as the Sesana project (the "Project").

Highlights

- The Project is located in the heart of the highly prospective Kalahari Copper Belt ("KCB"), close to major copper-silver discoveries.
- The Project is located 25 km from the producing Khoemacau underground copper-silver mine and situated in an active exploration area of the KCB (Khoemacau, Galileo Resources, ARC Minerals).
- Recent airborne geophysical data interpretation shows prospective geological structures for copper-silver mineralisation passing through the Tenement.
- Botswana considered one of the most attractive mining investment jurisdictions in Africa, and indeed, in the world.

The Tenement

The Tenement has a surface area of about 274 km^2 and is valid until 31 March 2026, after which it can be renewed twice for periods of up to 2 years each. It is valid for copper, cobalt, gold, silver, lead, zinc, aluminium, chromium, iron, titanium and platinum group metals.

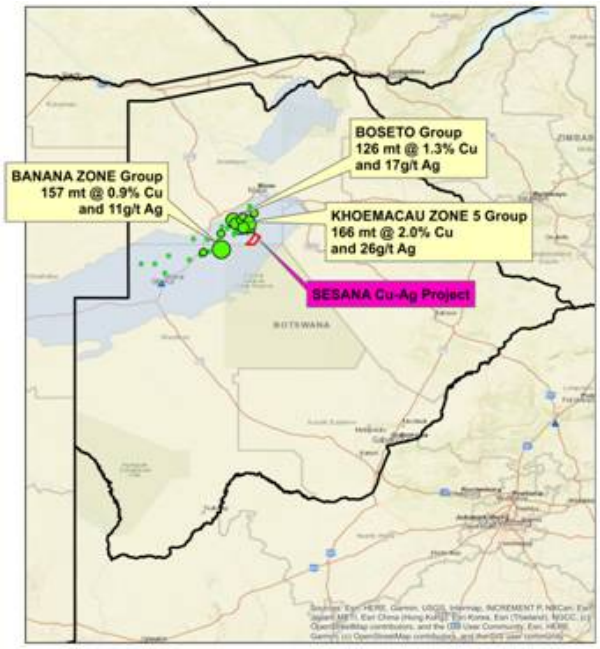


Figure 1 - Location of the KCB (light blue), main Cu deposits, and Altona's Sesana Cu-Ag Project

The Kalahari Copper Belt

The Project is located along the eastern margin of the KCB, a continental-scale geological feature stretching in a Southwest-Northeast direction across Namibia and Botswana hosting sedimentary copper-silver deposits. Copper-silver mineralisation typically occurs along the contact between the D'Kar Formation, which is mostly made up of reduced siltstones, and the Ngwako Pan Formation, which consists mainly of oxidised sandstones. The contact is repeated across strike at the favour of isoclinal folds. The position of copper-silver mineralisation is controlled by the lithology and oxidation state contrast along the contact, as well as the presence of folds and associated structures.

The KCB is home to the low-cost Khoemacau copper-silver mine which started production in June 2021. The mine has a full rate production rate of ca. 60ktpa Cu and ca. 1.6Mozpa Ag, extracted from ore from the Zone 5 underground mining operation, which is located about 25 km from the Tenement.

The Tenement is located next to Galileo Resources licence PL039/2018 and near ARC Minerals licence PL135/2017 (Virgo Copper-Silver Project), where a 3km long soil anomaly associated to the D'Kar / Ngwako Pan formations contact has been recently identified.

Recent interpretation of regional airborne magnetic data shows that a ca. 10km long stretch of the contact between the D'Kar and Ngwako Pan formations contact is passing through the northern part of the Tenement, along the eastern margin of a fold structure, which makes it a perfect setting for copper-silver mineralisation.

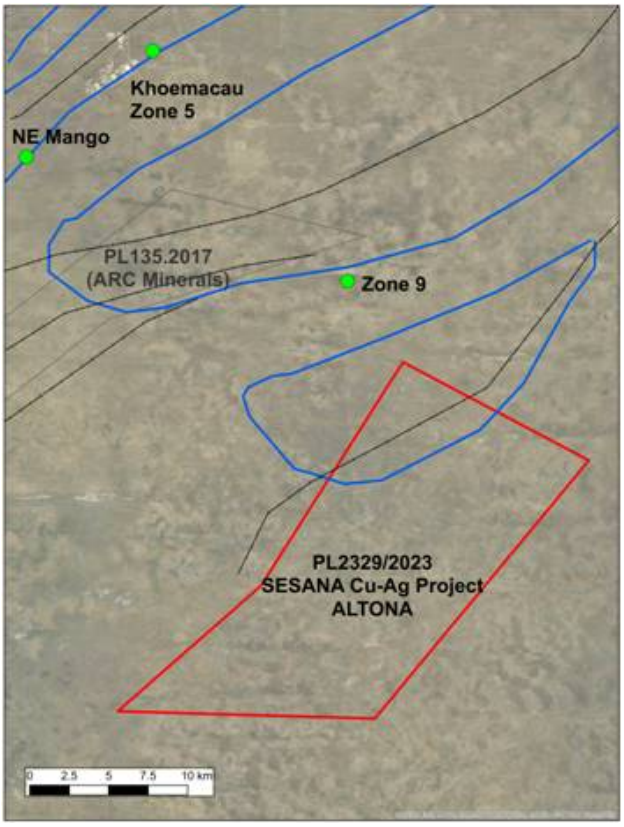


Figure 2 - Sesana Cu-Ag Project map - Red outline: PL2329/2023 outline; blue outline: D'Kar / Ngwako Pan formations contact; black line: fold axis. Green dots: Cu-Ag deposits.

Botswana

Botswana is a safe and mature mining jurisdiction with a supportive regulatory framework. The 2022 Fraser Institute Annual Survey of Mining Company ranked Botswana as best in Africa in terms of investment attractiveness and placed this country in the top 10 world's mining jurisdictions alongside North American and Australian jurisdictions. The country has one of the lowest corruption perception index in Africa.

Mining is a significant contributor to the country's GDP and its main source of foreign currency income.

While Botswana has been producing copper since the early middle-ages and on an industrial scale since the 1960s, recent discoveries in the KCB have triggered a marked increase in interest for this emerging world-class copper province. While impressive copper deposits such as Zone 5 have already been put in production, exploration in the KCB is still in its infancy and more major discoveries can be expected.

Consideration

The Agreement gives Altona an exclusive option to acquire an up to 85% interest in the Tenement in consideration for payments in three tranches spread over a period of four years totalling USD 110,000 in cash and USD 250,000 in Altona shares, with phased exploration technical and expenditure commitments.

These payments will be broken down as follows:

- USD 10,000 in cash and USD 50,000 in Altona new ordinary shares ("Shares") upon satisfaction of the final agreement's conditions precedent. The Shares will be issued at the VWAP for the 10 days before the signature of the final agreement,
- USD 50,000 in cash and USD 100,000 in Shares 12 months later, upon start of phase 2. The Shares for this phase will be issued at the VWAP for the 10 days before the start of phase 2.
- USD 50,000 in cash and USD 100,000 in Shares 18 months later upon start of phase 3. The Shares for this phase will be issued at the VWAP for the 10 days before the start of phase 3.

In addition, Altona has paid an exclusivity fee of USD 10,000 upon signing of the option agreement.

Should a resource of over 20 million tonnes at over 1% Cu equivalent be defined, the original Tenement owner will also be entitled to a one-off payment of USD 250,000 in cash and USD 250,000 in Shares. These Shares will be issued at the VWAP for the 10 days before the announcement of the corresponding resource statement.

Post this period, non-funding parties will be diluted according to a standard straight line dilution formula and, if their interest falls below 10%, it will be replaced by a 1% Net Smelter Royalty.

Next steps

Initial exploration work will include a combination of geochemical and geophysical exploration methods which will be deployed during the course of 2024. Soil sampling associated to ionic leach assays is particularly suitable for the KCB context, in which the substratum is blanketed by a sand cover of varying thickness. Detailed magnetometer survey will allow a detailed mapping of lithology and structures while induced polarization will allow the direct localisation of disseminated sulphides to allow accurate reconnaissance drilling planning.

Cedric Simonet, CEO of Altona, commented: *"We are delighted with the option agreement for the Sesana copper and silver Project, located in the heart of an emerging copper province where world-class discoveries have already been proven through mine development. Furthermore, Botswana is considered as one of the best mining destinations in the world and much remains to be discovered.*

"Past exploration along the KCB has focused on the along-strike extensions of initial discoveries, ignoring some of the numerous parallel folds that recurrently bring the D'Kar / Ngwako Pan formations contact near the surface. Recent interpretation of regional airborne geophysics data clearly shows this contact passing through the Sesana Project area, giving us a high level of confidence in its potential.

"The acquisition of the Sesana Project is in line with the implementation of Altona's portfolio diversification strategy. This, and the recently acquired Kabompo South critical raw materials project in Zambia, is expected to generate news flow at a relatively low cost and will complement our flagship Monte Muambe rare earths project in Mozambique."

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).

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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 diversifying its portfolio by acquiring a limited number of critical raw material projects to complement Monte Muambe. The acquisition of the Kabompo South copper project in Zambia and of the Sesana copper-silver project in Botswana represents the first steps towards the implementation of this expanded strategy.

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