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Altona Rare Earths PLC
31 October 2024

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ALTONA RARE EARTHS PLC

("Altona" or "the Company")

ANNUAL RESULTS AND NOTICE OF AGM

Altona (LSE: REE), a resource exploration and development company focused on diversified critical raw materials in Africa, is pleased to announce its audited results for the year ended 30 June 2024, and give notice of its 2024 Annual General Meeting (AGM).

The Report and Accounts for the year ended 30 June 2024, are now available on the Company's website at https://investors.altonare.com/, a copy will also shortly be made available on the FCA's National Storage Mechanism ('NSM') in electronic format, as required under DTR obligations.

PERIOD HIGHLIGHTS

- Publication of the Group's first JORC compliant Mineral Resource Estimate at Monte Muambe
- 13.6 million tons at 2.42% TREO(1) using a cut-off grade of 1.5% TREO - Includes 0.31% NdPrO(2) representing 42,500 contained tons NdPrO
- Increase in Altona's holding in its Monte Muambe Rare Earths Project to 51%
- Mining Licence application lodged with Mozambique Government
- Advanced metallurgical studies ongoing on Monte Muambe, the results of which are expected to lead to a significant improvement of the project's opex and capex
- Portfolio expansion and diversification started with the Kabompo South Copper project in Zambia and the Sesana Copper-Silver project in Botswana
- £1.3m fundraise through equity and debt and conversion of existing convertible loans

POST-PERIOD HIGHLIGHTS

- Exercise of option to acquire the Sesana Copper-Silver project
- Confirmation that Kabompo South is prospective for Iron Ore Copper Gold ("IOCG") copper mineralisation
- Encouraging initial rougher flotation testing results for rare earths at Monte Muambe
- Assessment of potential short term fluorspar production from high-grade fluorspar veins at Monte Muambe

NOTICE OF AGM

The Company also hereby gives Notice of its 2024 Annual General Meeting (AGM), which will be held on 27 November 2024 at 11:00 am UK time at the office of Orana Corporate LLP, Eccleston Yards, 25 Eccleston Place, London SW1W 9NF, to transact the business as stated in the Notice of AGM. A copy of the Notice of AGM and related forms of proxy will be posted to shareholders shortly and will also be available on the Company's website athttps://investors.altonare.com/documents. The Company's CEO Cedric Simonet, Chair Simon

Charles and CFO Louise Adrian will be physically present and shareholders are encouraged to attend in person for an opportunity to interact with the Company's executives.

The Company will simultaneously stream the meeting via the Investor Meet Company platform, to enable shareholders to follow the proceedings, but note that shareholders will not be able to vote online during the meeting. Therefore, to register to vote prior to the meeting shareholders will need to visit www.shareregistrars.uk.com and follow the on-screen instructions. Shareholders who wish to follow the proceedings online should use the following link to register their interest:

https://www.investormeetcompany.com/altona-rare-earths-plc/register

Shareholders are invited to submit questions for the Board to consider. Questions can be pre submitted via the Investor Meet Company Platform up until 9am the day before the meeting and can be submitted at any time during the AGM itself.

Please note that, as in prior years, printed copies of the Annual Report and Accounts will not be available as Altona focuses on a digital approach to investor communications in line with its environmental commitments.

Cedric Simonet, CEO of Altona, commented,*"The financial year 2024 started with the completion of the Monte Muambe Phase 2 deliverables (the JORC MRE and the Scoping Study), which allowed the Company to meet the requirements to increase its holding in the project to 51%.*

"The Scoping Study serves as an affirmative initial validation of the potential economic viability of the Monte Muambe project, provides a healthy foundation for its subsequent progression to the Prefeasibility Study stage and, importantly, underpins the solid value rapidly built by Altona since project inception in mid-2021 through focused exploration activities.

"The Company's portfolio diversification strategy is taking shape nicely, with exciting copper exploration acquisitions in Botswana and Zambia, two highly regarded mining jurisdictions of Africa, which I look forward to advancing rapidly over the next months. The conceptual study for the potential short-term production of metallurgical grade fluorspar from high-grade fluorite veins at Monte Muambe is another important action of this strategy."

Simon Charles, Chair of Altona, commented,*"These results show continued progress for the Company in line with our asset acquisition and diversification strategy. I look forward to welcoming shareholders to our AGM on the 27th November."*

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://investors.altonare.com

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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 represent the first steps towards the implementation of this expanded strategy.

CHAIRMAN'S STATEMENT

Our Company's results for the year ended 30 June 2024 cover a period of further change, development and progress for our Company, consistent with our strategy.

Having listed on the Official List in June 2023, we believe this step has improved our standing in the eyes of potential partners and counterparties. It has enabled us to access the capital markets more effectively.

We have undertaken fundraises to support the plan for Monte Muambe, and we have welcomed new shareholders on to our register. Progress has occurred at Monte Muambe, with our interest having increased to 51% and our formal application having been made for a 25 year mining concession for that project. The scoping study results were encouraging and positive.

2023/2024 saw output for rare earths rise globally, demand for rare earth elements softened due to the global economic downturn, and competition in production has brought further pressure on producers. The equity markets have been difficult for junior miners, especially for those of us still in the exploration phase. Nonetheless, we take a long term view, and believe our strategy to create and to nurture a diversified portfolio of mineral assets in Africa to be the right one.

During the period under review, we acquired a copper project in the Mufumbe district in Zambia, and entered into an option to acquire a copper and silver exploration licence in Botswana - the Sesana project. These acquisitions are consistent with our strategy, and we continue to look for appropriate acquisition opportunities.

We face the future with determination to deliver on our strategy, with a focus on its implementation, and with resolve to generate value for our shareholders. Your board is cohesive, aligned, and single minded about delivering results. Our work continues.

Simon Charles
Chair
Altona Rare Earths Plc

CEO'S STATEMENT

The Financial Year 2024 was a year of significant value building for Altona.

The Company's focused exploration approach at the Monte Muambe rare earths and fluorspar project led to the production of a maiden JORC mineral resource estimate ("MRE") and of a positive scoping study barely 2 years after the acquisition of the project. With 13.6 million tons at 2.42% TREO, out of which almost 60% is already in the Indicated category, this MRE forms a solid base for further increase and for a future ore reserve statement. As a result of the completion of this milestone, Altona's ownership of this important rare earths resource increased from 20% to 51%. The project is now at prefeasibility study level.

According to Adamas Intelligence[1], the global consumption of NdBeB magnets rose by 13.3% in 2023. This largely reflects the increasing permanent magnets demand for electric vehicles drive trains, and wind turbines, driven by the green energy transition. The same analyst forecasts the demand to grow at a compound annual growth rate ("CAGR") of 8.7% from 2024 through 2040, whereas the supply is expected to grow at a CAGR of 5.1% over the same period. This underpins strong long-term market fundamentals, pushed by both decarbonisation and robotics applications, the latter being expected to become the largest global demand driver for permanent magnets by 2040.

Rare earths prices, however, after a peak in 2021 and 2022, have failed to meet analysts' previsions and fell to their current level (about USD 75 per kg for Neodymium-Praseodymium alloy). Such prices have delayed or hindered the development and funding of many rare earths projects.

Cognisant of these facts, in early 2024, the Company announced and started to implement an expansion and diversification strategy in order to mitigate its exposure to rare earths only, and to build a portfolio of critical raw materials projects which we hope will open opportunities for early monetisation of these assets. The Board defined clear selection criteria covering a limited number of commodities in tier 1 African jurisdictions

and narrowing down on low acquisition cost and low initial exploration cost opportunities.

The acquisition of the Kabompo South copper project in Zambia in March 2024 and the option to acquire the Sesana copper-silver project in Botswana in April 2024, (this option being exercised post year end in July 2024) marked the start of this strategy's implementation.

The Sesana project, located in the heart of the emerging Kalahari Copper Belt ("KCB"), and in a jurisdiction widely regarded as the most mining-friendly in Africa, is particularly exciting. The Sesana licence covers a well identified geological feature, the D'Kar - Ngwako Pan formations contact, which is known to host copper mineralisation in the KCB. It is located just about 25km from MMG's Khoemacau Zone 5 underground copper-silver mine, where production capacity is currently being increased.

As part of the implementation of this strategy, Altona has also initiated a review of the fluorspar production potential of Monte Muambe. This includes the possibility of rapidly putting the low-tonnage / high-grade (50% to 70% CaF_2) fluorspar veins located in the Western part of the intrusion into production, thus generating much needed cash flow for the Company. I am particularly excited by this opportunity to turn an existing asset into a profit centre in the short term.

Fluorspar is a little-known but very important critical raw material. Fluorspar demand and prices have been steadily increasing over recent years and are expected to increase further as green energy transition applications such as the manufacturing of electric vehicles batteries require significant amounts of fluorspar. High-grade fluorspar veins lend themselves to the production of metallurgical grade fluorspar through simple extraction, comminution and gravity concentration methods.

In the meantime, the Company will continue derisking the Monte Muambe rare earths project in order to unlock the tremendous value it created through 3 years of investment in this project. This will be done through focused spending on priority activities such as securing a 25 year mining concession (which is expected to be granted before the end of this year) and on-going metallurgical testing, as well as continuing to seek a strategic investor involved in the rare earths supply chain.

Dr Cédric Simonet
CEO
Altona Rare Earths Plc

OPERATIONS REVIEW

Financial Year 2024 activities - Monte Muambe Rare Earths and Fluorspar project

Maiden JORC Mineral Resource Estimate

On 25 September 2023, Altona published Monte Muambe's maiden JORC Mineral Resource Estimate, reported in the table below using a 1.5% TREO cut-off.

Target	Classification	TREO Cut-off (%)	TONNES (Mt)	TREO%	CeO_2 ppm	Pr_6O_{11} ppm	Nd_2O_3 ppm	Tb_4O_7 ppm	Dy_2O_3 ppm	NdPr Oxide (ppm)	Contained TREO (t)
1	Indicated	1.5	8.0	2.38	11,400	910	2,250	15	80	3,160	191,000
	Inferred	1.5	0.8	2.28	10,900	861	2,140	15	78	3,000	18,000
	TOTAL	**1.5**	**8.8**	**2.38**	**11,400**	**905**	**2,240**	**15**	**80**	**3,150**	**209,000**
4	Indicated	1.5									
	Inferred	1.5	4.8	2.50	11,300	872	2,190	26	143	3,060	119,000
	TOTAL	**1.5**	**4.8**	**2.50**	**11,300**	**872**	**2,190**	**26**	**143**	**3,060**	**119,000**
OVERALL	Indicated	1.5	8.0	2.38	11,400	910	2,250	15	80	3,160	191,000
	Inferred	1.5	5.6	2.47	11,200	871	2,190	24	134	3,060	137,000
	TOTAL	**1.5**	**13.6**	**2.42**	**11,400**	**894**	**2,230**	**19**	**102**	**3,120**	**329,000**

Notes:

- Million tonnes are rounded to one decimal place. Grades are rounded to two decimal places for % and whole numbers for ppm.
- The MRE has been reported in consideration of reasonable prospects for eventual economic extraction (RPEEE) using a pit shell based on a 1.5% TREO cut-off, revenue of 24.65 USD/kg TREO MREC and average total recovery to MREC of 48%.
- Mineral resources are reported as dry tonnes on an in-situ basis.
- Rare earth elements are inclusive of the TREO and not additional to it.
- "NdPr Oxide" is the sum of Nd2O3 and Pr6O11.

The MRE's tonnage and grade compares favourably to Ore Reserve Statements of more advanced carbonatite REE-projects in Monte Muambe's peer group in Africa and in Australia.

The MRE covers two (Target 1 and Target 4) of 11 identified REE targets at Monte Muambe and there is considerable scope to increase its size. As part of the Prefeasibility Study, the Company intends to increase the tonnage and the level of confidence of the existing MRE through:

- In-fill drilling at Target 1 and Target 4 (to take the MRE on these two mineralised bodies to Measured and Indicated levels);
- Down-dip drilling at Target 1 and Target 4 (to increase the tonnage);
- A re-evaluation of the potential viability of Target 6, which has known high-grade mineralisation at a depth of 30 to 50m below the surface;
- Resource drilling at Targets 3, 9 and 11 among others.

Scoping Study

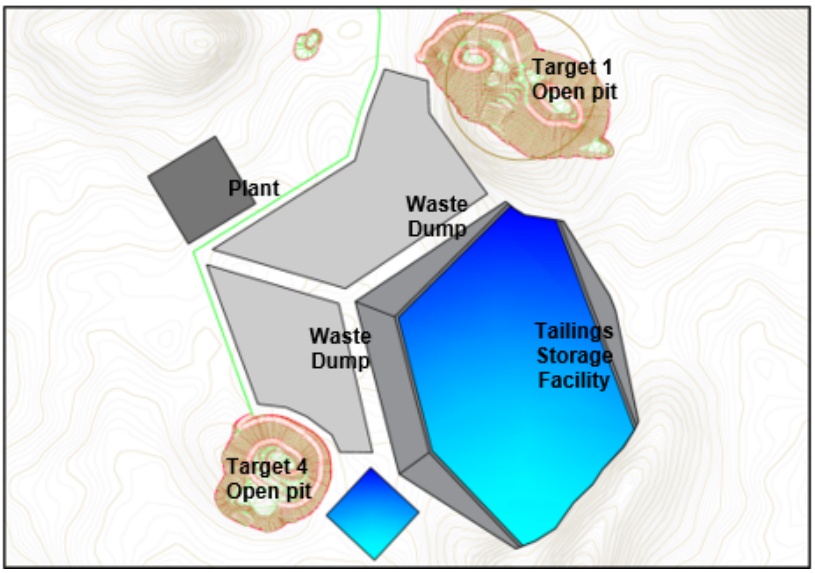
On 18 October 2023, Altona published an updated CPR including a Scoping Study (the "Study") for the Monte Muambe project.

The Study was prepared by geology and mining consultancy firm Snowden-Optiro, to assess the potential viability of an open pit mining and MREC production operation, to assess project development options, and to give sufficient confidence to the Company to advance to the Prefeasibility Study stage.

The Study is preliminary in nature and includes material assumptions outlined in the CPR, including product price assumptions. Capex estimates qualify as Class 4 estimates as per the Association for the Advancement of Cost Engineering (AACE) Recommended Practice 47R-11. The accuracy of the opex and of the initial capex estimate is assessed at +35 % to −30 %. The base case includes an indicative life of mine extraction and production

schedule, which is based on a Mineral Resource Estimate, 58% of which classified as Indicated and 42% as Inferred.

The Study takes into consideration open-pit mining of Target 1 and Target 4, at a Life of Mine ("LOM") strip ratio of 1.6, over a period of 18 years. An anticipated 750,000 tonnes of ore per annum will be extracted and processed through a beneficiation plant to produce a rare earths concentrate. The beneficiation process will include crushing, milling and flotation. The concentrate will then be processed through a hydrometallurgical plant to produce an average of about 15,000 tonnes of MREC per annum. The hydrometallurgical process will involve a weak acid gangue leach, followed by rare earths leaching and purification. The MREC product will be packaged and transported via existing road infrastructure to the port of Beira, in Mozambique, for export.



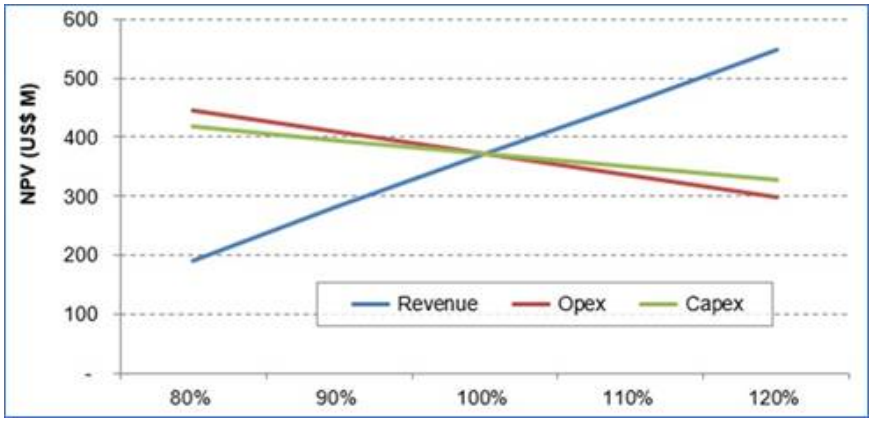
Schematic layout of the Monte Muambe project

Base Case Technical and Economic parameters are summarised in the table below:

Parameter	Unit	Value
Ore processed	Mt	13.5
MREC produced	kt	270.7
Initial Capex	M US$	276.3
Sustaining Capex	M US$	63.0
Opex LoM	M US$	1,519
Opex per ton MREC	US$/t	5,613
Gross Revenue LoM	M US$	3,670
Net Revenue LoM	M US$	3,193

EBITDA LoM	M US$	1,674
Revenue per ton MREC	US$/t	13,558
Payback from first MREC	years	2.5
Post tax NPV 8	M US$	283.3
Post tax NPV 10	M US$	207.0
Post tax NPV 8 (Upside Scenario)	M US$	409.9
Post tax IRR	%	25%
Operating margin	%	42%

Using an NPV of US$283.3 million with an applied real discount rate of 8%, the Project is most sensitive to revenue (price, recovery, grade and exchange rates), less sensitive to opex and least sensitive to capex.



Project sensitivity analysis

The Scoping Study demonstrates the potential for Monte Muambe to become a viable mining operation.

Considerable upside potential has been identified in the Scoping Study and will be developed further in the Prefeasibility Study ("PFS"). This includes:

- Increase of the resource base, as well as of the LoM and/or ore extraction rate;
- Mining parameters optimisation;
- Processing and Metallurgy, both for the beneficiation and hydrometallurgical plants;
- Energy sources mix and logistics options;
- Evaluation of the possibility of doing further onsite, in-country or regional separation and refining;
- Setting up Responsible Sourcing systems.

Completion of Phase 2 and holding increase to 51%

On 24 October, in accordance with the Farm-Out Agreement, the Company notified the original shareholders of Monte Muambe Mining Lda of the successful completion of

Phase 2 and of its intention to proceed to Phase 3. This triggered the transfer of an additional 31% of Monte Muambe Mining Lda, which was completed on 5 December 2023 and received the formal approval from the Minister on 14 December 2023.

On 14 December 2023, Monte Muambe Mining Lda applied for a Mining Concession over the area of Prospecting Licence 7573L for a duration of 25 years. At the date of this report, the application is in the final stages of its process and the Mining Concession is expected to be granted shortly.

Phase 3 - Prefeasibility Study

During the 3rd quarter of 2023, the Company carried out additional drilling (10 RC holes totalling 790m) and trenching at Monte Muambe, with a view to define better the mineralised envelope at Target 4, and to test Target 3.

Significant intercepts, based on on-site p-XRF assays, include:

Hole	Target	From (m)	To (m)	Length (m)	TREO%(1)
MM086	T4	25	67	42	1.570
MM102	T4	33	84.4	51.4	2.620
MM103	T4	Surface	80	80	1.897
MM105	T4	Surface	76	76	3.426
MM106	T4	Surface	28	28	1.590
MM107	T4	27	70	43	1.865
MM090	T4	44	77.5	33.5	1.675
MM110	T3	Surface	30	30	2.735

(1) Sum of La, Ce, Nd, Pr and Y from Altona's pXRF assays, in oxide percent.

Other Prefeasibility Study activities carried out during the financial year include the thorough mineralogical characterisation of a representative 100kg ore sample from Target 1, which was sent to SGS Lakefields in Canada.

Financial Year 2024 activities - Other projects

In February 2024, the Company carried out a review of its strategy and announced its intention to expand and diversify its portfolio of projects in Africa into other critical raw materials. The Company started assessing potential new opportunities with a focus on projects having a low entry-cost and a clear pathway to early results and to majority ownership. During the financial year, the Company advanced on the acquisition of two projects: the Kabompo South copper project in Zambia and the Sesana copper-silver project in Botswana.

Kabompo South Copper project, Zambia

On 28 March 2024, the Company announced entering into an agreement with Sustineri Group Ltd and with the beneficial owners of Phelps Dodge Mining (Zambia) Limited 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 Kabompo South Licence"), located in the Mufumbe District of Northwestern Province of Zambia.

The Kabompo South Licence has a surface area of approximately 616 km2 and is valid for copper, cobalt, nickel, lead, zinc, gold and diamonds. The Licence is located 4 km west of the Kamweji copper mine, and 60 km southwest of the Mufumbwe copper mine (22 million tonnes at 1.6% Cu), along strike.

The Kabompo South Licence was previously held by copper giant Freeport McMoRan until this company's strategic decision to exit Zambia in April 2020. The Kabompo South Licence 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 licence area, overlapping a possible demagnetised zone.

Sesana Copper-Silver project, Botswana

On 9 April 2024, the Company announced that it entered into a binding option agreement ("BOA") with Ignate African Mining P/L, with respect to exploration for copper and silver on Prospecting Licence PL2329/2023 (the "Sesana Licence"), located in the Northwest District of Botswana. This option was exercised post year end and at the date of this document the parties are in the process of finalising the final agreement.

The Sesana Licence 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 is considered one of the most attractive mining investment jurisdictions in Africa, and indeed, in the world.

The Sesana Licence has a surface area of about 274 km2 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.

Renowned Kalahari Copper Belt expert David Catterall was subsequently hired to guide and advise the Company with respect to its exploration program for the Sesana Licence.

Post-Financial Year activities

Monte Muambe Rare Earths and Fluorspar

The Company's post-financial year activities are focused on continuing to derisk the project, through the grant of the Mining Concession, and through key metallurgical testing activities.

As at the date of this report, the process of the Mining Concession application is believed to be in its final stage.

The representative ore sample sent to SGS Lakefields is currently undergoing metallurgical testing, with a focus on flotation rougher tests. Initial test results, received in September 2024, are highly encouraging and show a rare earth recovery of 69.3%, and a good selectivity between rare earths and fluorspar.

On-going flotation metallurgical testing is expected to improve the characteristics of the rare earths concentrate which will be produced on site and subsequently processed through a hydrometallurgy plant, also on site, to produce Mixed Rare Earths Carbonate.
This is expected to lead to a significant reduction of the hydrometallurgy plant opex and capex, and to an improvement of the financial results outlined in the scoping study.

In October 2024, the Company started a re-assessment of the potential of Monte Muambe for fluorspar production. Disseminated fluorspar in rare earth ore from Target 1 and Target 4 is considered as a potential by-product of future rare earths mining and is covered in the scope of current metallurgical testing. In addition, low-tonnage high-grade hydrothermal fluorspar veins located in the western part of the carbonatite intrusion may lend themselves to short-term development into a producing mine.

Kabompo South Copper

A field visit was undertaken by the Company's CEO and lead geologist Cedric Simonet in September 2024. Subsequently, geophysical consultant Earthmaps Consulting was hired to carry out the reprocessing and interpretation of legacy geophysical data to generate soil geochemistry follow up for copper and possibly for diamonds.

Sesana Copper and Silver

On 29 July 2024 the Company announced that it notified Ignate African Mining P/L of the exercise of the option over the Sesana Project. At the date of this document the parties are in the process of finalising the final agreement.

Outlook

2024 has been an important year for Altona, which saw the completion of key milestones for the Monte Muambe Rare Earths and Fluorspar project, including a maiden JORC MRE, a scoping study, an application for a 25 year Mining Concession, and the increase of the Company's ownership of the project from 20% to 51%.

The Company also made a strategic decision to expand and diversify its portfolio of critical raw materials projects in Africa, targeting opportunities which:

- Are located in tier 1 African mining jurisdictions
- Have a low acquisition cost and a clear path to majority ownership
- Have a low initial exploration cost and can be fast-tracked
- Will contribute to building a portfolio of assets widening monetization and early revenue options

The acquisition of the Kabompo South copper project in Zambia and the Sesana copper-silver project in Botswana were two important steps towards the implementation of this strategy.

Over the past year, green energy transition driven demand for rare earths has tremendously increased. The supply chain remains largely dominated by China, but alternative supply chains are steadily developing in Europe, America, Australia and Asia. Neodymium and praseodymium prices, however, remain depressed, well below the peak levels of late 2021 and early 2022. In this situation, the Company is convinced that its diversification strategy is sound and appropriate.

Over the next year, Altona will continue to build a balanced portfolio of assets in accordance with the above strategy, through carefully selected acquisitions and targeted exploration. This is expected to open up early monetisation opportunities, through disposal or through short-term development of suitable assets.

The Company will continue to derisk Monte Muambe through investment in priority activities including the completion of the Mining Concession process, an application for land rights, the on-going metallurgical studies, as well as securing a strategic investor involved in the rare earths mid-stream or down-stream value chain for the project.

The Company has also started to review the potential for fluorspar production at Monte Muambe. Fluorspar is an important critical raw material which is used in many industrial manufacturing processes, including for the production of electric vehicles batteries. Because fluorspar has been used in many other application, its price is not subject to the sharp variations that rare earths have experienced over the past years. Fluorspar is often associated to rare earths in carbonatites. At Monte Muambe fluorspar occurs both in disseminated form in the rare earths ore (on-going metallurgical testing is also aimed at recovering fluorspar as a by-product of rare earths), but also in low-tonnage high-grade fluorspar veins.

The high-grade fluorspar veins will be the object of a conceptual study to assess the possible short-term development of a fluorspar mining operation at Monte Muambe, thus opening up the possibility for early cash flow from this asset.

The Company will also commence exploration activities at Kabompo South and Sesana, with the aim of rapidly building the value of these two assets.

Dr Cédric Simonet
CEO
Altona Rare Earths Plc

CORPORATE REVIEW

Financial Review

Statement of Financial Position

During the financial year to 30 June 2024, the Company experienced growth in key areas, reflecting strategic investments and capital expenditures. Investments increased from

£1.6 million to £2.1 million, driven by an increase in ownership in the underlying asset, Monte Muambe Mining Lda, from 20% to 51%, and additional capital contributions to fund the ongoing development of this asset. Intangible assets also grew from £1.3 million to £1.6 million, primarily due to continued expenditure on the mining asset, demonstrating the Company's commitment to developing and enhancing its core operations. Trade receivables and payables remained stable, while loans increased by £0.4 million, reflecting additional financing secured during the year.

Equity saw a slight increase during the year, rising from £25.2 million to £25.4 million. Post year end equity increased by a further £0.8 million to reflect the equity raise of £0.4 million, the conversion of outstanding CLNs of £0.3m and the settlement of creditors through shares in lieu of cash payment of £0.1 million.

Income Statement

The Company's income statement highlights a stable operating performance, with the operating loss remaining steady at £1.1 million for both 2023 and 2024. However, finance costs increased significantly from £0.2 million to £0.5 million, primarily due to the finance costs associated with the increased debt taken on in the year and the warrants issued with respect to this raising of finance. This increase in finance costs underscores the impact of the Company's financing strategies on its overall financial performance. During the year the Company renegotiated the outstanding CLNs which led to the conversion, post year end, of £0.3 million debt into equity, improving the Company's balance sheet and another £0.2 million of CLNs being reprofiled as debt with a repayment date of 30 October 2025.

Liquidity and Cash Flow

The Company's liquidity position saw a reduction in cash reserves, decreasing from £1.1 million to £0.4 million by year end. This reduction was mainly due to the corporate costs of being a public company and the ongoing capital expenditure on the mining asset at MMM. The Company received a further £0.3 million in loans during the year and as mentioned above renegotiated/reprofiled its existing CLNs. It also received subscription funds of £0.3 million for equity that was issued post year end.

Despite this decrease in the cash position, the Company strengthened its liquidity position with a new loan package of £0.9 million from two investors with a fixed interest rate of 12% and repayment date of 30 October 2025. This money is being received in 8 tranches with £0.1 million received before year end.

This investment will allow the Company to enhance its asset base, manage its financial obligations, and position itself for future growth while maintaining stability in its core operations.

Board Changes

There were no Board changes during the financial year. However, post year end the Board saw a significant revision with the resignation of Audrey Mothupi on the 1 August 2024 and Martin Wood, the Chair on 10 August 2024.
The Company appointed Kristoffer Andersson on the 1 August 2024, as a Non-Executive Director and we were pleased that Simon Charles was willing to step up to fill the Chair's

position, effective from 10 August 2024.

Post Balance Sheet Events

On 19 July 2024, the Company announced the issue of 76,248,759 new ordinary shares as follows.

- 39,400,000 Shares were issued to raise funds of £394,000
- 33,300,000 Shares were issued for the conversion of existing convertible loan notes of £303,000; and
- 3,548,759 Shares were issued to certain Directors in lieu of fees and to various other creditors.

On 29 July 2024, the Company announced it had exercised its option to acquire a 51% share in the prospecting licence PL2329/2023, in Botswana from Ignate African Mineral (Pty) Ltd for an initial consideration of USD$10,000 in cash and USD$50,000 in shares. The minimum expenditure commitment is USD$100,000 for a 12 month period.

Louise Adrian
CFO
Altona Rare Earths Plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTONA RARE EARTHS PLC

Opinion

We have audited the financial statements of Altona Rare Earths plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2024 which comprise the Statement of Consolidated Profit or Loss and Other Comprehensive Income, the Statement of Consolidated Financial Position and the Parent Company Statement of Financial Position, the Statement of Consolidated Cash Flows and the Parent Company Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the Parent Company Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, the ability of the Group to meet its projected expenditure is dependent on these further equity injections and / or the raising of cash through bank loans or other debt instruments, and/or government grants, and/or loans. These conditions indicate that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern and therefore their ability to realise their assets and discharge their liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the cashflow forecast and budgets for the going concern period being twelve months from the anticipated date of signing the financial statements and the corresponding key assumptions and inputs used. This included inflows from capital fundraises that management anticipate being achieved in the going concern period;
- Discussing with management regarding the future plans of the group;
- Comparing actual results for the year to forecasts to assess management's forecasting abilities and the accuracy of its forecasts;
- Challenging management's key assumptions and inputs of forecast cash receipts from fundraising and cash outflows in respect of committed costs;
- Testing the arithmetical accuracy of the cashflow forecasts; and,
- Performing a sensitivity analysis on the key assumptions and inputs.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations,

helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole. Based on our professional judgement, we determined the materiality thresholds for the financial statements as follows:

	Group financial statements	**Parent company financial statements**
Material for the financial statements as a whole	£55,000 (2023: £58,000)	£37,500 (2023: £55,000)
Performance materiality	£38,500 (2023: £40,600)	£26,250 (2023: £38,570)
Basis for materiality for the financial statements as a whole	5% (2023: 3%) of the group's net assets	3% (2023: 3%) of the parent company's net assets
Rationale	The group is still in the exploration stage and is not revenue generating. Net assets are therefore viewed as the key area of relevance to stakeholders in assessing the financial performance of the group in its early years of exploration, as the net asset value is driven by the exploration assets which will ultimately drive future profitability of the group. The percentage applied to the benchmark has been selected to bring into scope all significant classes of transactions, account balances and disclosures relevant for the members, and also to ensure that matters that would have a significant impact on the results were appropriately considered. Performance materiality has been set at 70% (2023: 70%) of materiality for the financial statements as a whole, for both the group and company. The percentage applied was determined based on our risk assessment of the control environment and our cumulative knowledge of the group and company.	

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. The audit of Monte Muambe Mining, Lda, the wholly owned subsidiary, was performed by a component auditor, with materiality set by us at £45,000 (2023: £26,000). Performance materiality was set at £31,500 (2023: £18,200). We agreed with the audit committee that we would report to them misstatements identified during our audit above £2,250 (2023: £1,300) for the group audit and £1,875 (2023: £2,755) for the company audit, as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Our approach to the audit

The group includes the listed parent company and its subsidiary. We tailored the scope of our audit to ensure that the planned procedures allowed us to gain sufficient appropriate audit evidence to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes, and the industry in which they operate.

As part of our planning, we assessed the risk of material misstatement including those that required significant auditor consideration at the component and group level. In particular, we looked at areas of estimation, for example in respect of the valuation of exploration and evaluation assets, the valuation of investments in subsidiaries and the matters set out in the material uncertainty related to going concern paragraph above. We performed procedures to address the risks identified and for the most significant assessed risks of misstatement, the procedures performed are outlined below in the key audit matters section of this report.

An audit was performed on the financial information of the group's significant operating components which, for the period ended 30 June 2024, were located in the United Kingdom and Mozambique. The component in Mozambique was audited by a component auditor operating under our instruction to undertake a full scope audit. We communicated regularly with the component auditors and we were responsible for the scope and oversight of the audit process. This, in conjunction with additional procedures performed by us, provided sufficient appropriate audit evidence for our opinion on the group and parent company financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	**How our scope addressed this matter**
Valuation of investment in subsidiary (parent company)	
The parent company holds a material investment in Monte Muambe Mining, LDA ("MMM") as at 30 June 2024 of £2,051,000, the balance of which includes	Our work in this area included: · Obtaining management's impairment review for all investments held and challenging the key assumptions; · Confirming the ownership of MMM, including evidence of the additional 31% acquired during the year;

loans reclassified as capital contributions to its subsidiary. **Given that MMM is loss making and the exploration and evaluation assets are the main assets of the group, there is a risk that the investment and intragroup loan balance may not be recoverable. Consequently, the valuation of these balances is considered to be a key audit matter.**	· Reviewing the accounting and disclosure of the additional share capital purchased in MMM; · Ensuring that no impairment indicators exist in accordance with IAS 36 *Impairment of Assets*; · Challenging the judgements and estimates used by management to assess the recoverability of the investment including the reclassified intragroup loans; and · Considering the recoverability of investments and intragroup loans by comparing these to underlying asset values and exploration projects. **Key observations** We found management's assessment of the valuation of investments including the reclassified intragroup loans to be reasonable.
Valuation of exploration and evaluation assets	
The group has material intangible assets of £1,607,000, being capitalised exploration costs in respect of exploration and evaluation activities in Mozambique. **There is a risk that these assets have been incorrectly capitalised in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources* and that there could be indicators of impairment as at 30 June 2024.** **Management's assessment of the IFRS 6 indicators of involves judgement, particularly in early-stage exploration projects.** **There is a risk that the carrying value of these intangible assets are overstated. Given that exploration and evaluation assets are subject to judgement and estimation, this area is**	Our audit work included: Confirming, through the review of the component auditor's files, that the group has good title to the applicable exploration licence; Reviewing the terms and conditions of the exploration licence; Reviewing the component auditor's work over capitalised costs including consideration of appropriateness for capitalisation under IFRS 6; Assessing the progress of the project during the period and post year-end and reviewing forward-looking exploration budgets; Reviewing and challenging management's indicator of impairment assessment; and Reviewing the JORC Mineral Resource Estimate and Scoping Study to assess the IFRS 6 indicators of impairment. **Key observations** Based on the audit procedures performed, we are satisfied that management's assessment of the valuation of intangible assets is reasonable. However, we draw attention to the disclosure within notes 11 and 2a to the Report and Accounts, which state that the group's existing exploration licence will expire in May 2025 and that the group has applied for a mining licence in December 2023. Should the application not be successful, this may result in impairment to the carrying value of the exploration and evaluation assets and to the investment in MMM.

considered to be a key audit matter.	

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and,
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or,
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or,
- certain disclosures of directors' remuneration specified by law are not made; or,
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in Statement of Directors' Responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the natural resources sector to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through detailed discussions with management about and potential instances of non-compliance with laws and regulations both in the UK and in Mozambique. We also selected a specific audit team based on experience with auditing entities of a similar size within this industry.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
    - o Listing Rules and Disclosure Guidance and Transparency Rules listing rules
    - o Quoted Companies Alliance (QCA) Corporate Governance code
    - o Anti-Bribery and Money Laundering Regulations
    - o Local industry regulations in Mozambique
    - o Local tax laws in the UK and Mozambique
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to: enquiries of management and discussions with the component auditor, review

of board minutes and a review of legal expenses and review of Regulatory News Services (RNS) announcements.

- We also identified the risks of material misstatement of the financial statements due to fraud.
- We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the valuation of investment in a subsidiary and the valuation of exploration and evaluation assets as described in the Key Audit Matter*s* section above. We addressed this by challenging the assumptions and judgements made by management when auditing these significant accounting estimates and ensuring that there were adequate disclosures included in the respective notes of the financial statements.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Compliance with laws and regulations at the subsidiary level was ensured through conducting enquiries of management and reviewing correspondence for any instances of non-compliance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:*www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the directors of Altona Rare Earths plc on 24 June 2021 to audit the financial statements for the period ending 30 June 2021 and subsequent financial periods. Our total uninterrupted period of engagement is 4 years, covering the periods ending 30 June 2021 to 30 June 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Hutson (Senior Statutory Auditor) 15 Westferry Circus
For and on behalf of PKF Littlejohn LLP Canary Wharf
Statutory Auditor London E14 4HD

30 October 2024

STATEMENT OF CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2024

	2024 £'000	2023 £'000
Continuing operations:		
Administrative expenses	(971)	(1,068)
Exploration costs (not capitalised)	(102)	-
Fundraise costs	(72)	(48)
Operating loss	(1,145)	(1,116)
Finance costs	(527)	(180)
Loss before taxation	(1,672)	(1,296)
Income tax	-	-
Loss for the year from continuing operations	**(1,672)**	**(1,296)**
Total loss for the year attributable to:		
Owners of Altona Rare Earths Plc	(1,618)	(1,221)
Non-controlling interests	(54)	(75)
	(1,672)	**(1,296)**
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss:		
Exchange differences on translation of foreign operations	15	17
	(1,657)	**(1,279)**
Total comprehensive loss attributable to:		
Owners of Altona Rare Earths Plc	(1,606)	(1,205)
Non-controlling interests	(51)	(74)
	(1,657)	**(1,279)**

Earnings per share (expressed in pence per share)

- Total Basic and Diluted earnings per share	(1.97)p	(3.23)p

STATEMENT OF CONSOLIDATED FINANCIAL POSITION
As at 30 June 2024

	2024 £'000	2023 £'000
ASSETS		
Non-current assets		
Intangible assets	1,607	1,290
Tangible assets	117	146
Total non-current assets	1,724	1,436
Current assets		
Trade and other receivables	174	168
Cash and cash equivalents	392	1,130
Total current assets	566	1,298
TOTAL ASSETS	**2,290**	**2,734**
LIABILITIES		
Non-current liabilities		
Loans	(322)	-
Total non-current liabilities	(322)	-
Current liabilities		
Trade and other payables	(585)	(593)
Convertible loan notes	(362)	(256)
Total current liabilities	(947)	(849)
TOTAL LIABILITIES	**(1,269)**	**(849)**
NET ASSETS	**1,021**	**1,885**
EQUITY		
Share capital	2,283	2,239
Share premium	23,072	22,950
Paid in share capital to issue	345	-
Share-based payment reserve	474	121
Other equity - CLN reserve	12	12
Foreign exchange reserve	29	17
Retained deficit	(25,097)	(23,360)
	1,118	**1,979**
Non-controlling interest	(97)	(94)
TOTAL EQUITY	**1,021**	**1,885**

The financial statements were approved by the Board and authorised for issue on 30 October 2024 and signed on its behalf by:

Cédric Simonet - Chief Executive

STATEMENT OF CONSOLIDATED CASH FLOWS
For the year ended 30 June 2024

	2024 £'000	2023 £'000
Cash flows from operating activities		
Loss for the year before taxation	(1,672)	(1,296)
Adjustments for:		
Shares/warrants issued for fees and services	487	306
Interest paid and payable	157	65
Depreciation	40	24
Foreign exchange movements	15	25
Operating cashflows before movements in working capital	**(973)**	**(876)**
Decrease in trade and other receivables	(6)	(49)
(Decrease)/increase in trade and other payables	(8)	277
	(14)	228
Net cash used in operating activities	**(987)**	**(648)**
Cash flows from investing activities		
Payment for additional equity in subsidiary	(107)	(40)
Purchases of property, plant and equipment	(11)	(3)
Purchases of intangible assets	(250)	(462)
Net cash used in investing activities	**(368)**	**(505)**
Cash flows from financing activities		
Proceeds from issue of shares (paid in not issued)	345	2,000
Costs of issue	-	(207)
Proceeds from convertible loan notes	-	275
Costs of convertible loan notes	-	(28)
Proceeds from loans	313	150
Repayment of loans	-	(150)
Interest paid	(41)	(40)
Net cash generated from financing activities	**617**	**2,000**
Net (decrease)/increase in cash and cash equivalents	**(738)**	**847**
Cash and cash equivalents at beginning of the year	1,130	283
Cash and cash equivalents at the end of the year	**392**	**1,130**

Significant non-cash transactions

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Share capital £'000	Share premium £'000	Paid in share capital to be issued £'000	Foreign exchange reserve £'000	Share-based payment reserve £'000	CLN Issue £'000	Retained deficit £'000	NCI £'000	Total equity £'000
Balance at 30 June 2022	**1,790**	**21,404**	**-**	**1**	**14**	**-**	**(22,139)**	**(20)**	**1,050**
Comprehensive income									
Loss for the year	-	-	-	-	-	-	(1,221)	(75)	(1,296)
Currency translation	-	-	-	17	-	-	-	-	17
NCI share in translation difference	-	-	-	(1)	-	-	-	1	-
Total comprehensive income	***-***	***-***		***16***	***-***	***-***	***(1,221)***	***(74)***	***(1,279)***
Transactions with owners recognised directly in equity									
Issue of shares	449	1,797	-	-	-	-	-	-	2,246
Cost of shares issued	-	(251)	-	-	41	-	-	-	(210)
Share-based payments	-	-	-	-	66	-	-	-	66
CLN Issue	-	-	-	-	-	12	-	-	12
Total transactions with owners recognised directly in equity	***449***	***1,546***	***-***	***-***	***107***	***12***	***-***	***-***	***2, 114***
Balance at 30 June 2023	**2,239**	**22,950**	**-**	**17**	**121**	**12**	**(23,360)**	**(94)**	**1,885**
Comprehensive income									
Loss for the year	-	-	-	-	-	-	(1,618)	(54)	(1,672)
Currency translation	-	-	-	12	-	-	-	3	15
Total comprehensive income	***-***	***-***	***-***	***12***	***-***	***-***	***(1,618)***	***(51)***	***(1,657)***
Transactions with owners recognised directly in equity									
Issue of shares	44	122	-	-	-	-	-	-	166
Shares to be issued	-	-	345	-	-	-	-	-	345
Share-based payments	-	-	-	-	353	-	-	-	353
Additional transactions with NCI	-	-	-	-	-	-	(119)	48	(70)
Total transactions with owners recognised directly in equity	***44***	***122***	***345***	***-***	***353***	***-***	***(119)***	***48***	***793***
Balance at 30 June 2024	***2,283***	***23,072***	***345***	***29***	***474***	***12***	***(25,097)***	***(97)***	***1,021***

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES

GENERAL INFORMATION

Altona Rare Earths Plc (the "Company") is a publicly listed company incorporated and domiciled in England & Wales. Its registered offices are at Eccleston Yards, 25 Eccleston Place, London SW1W 9NF.

On 9 June 2023, the Company announced the admission of the Company's entire issued share capital to the Official List of the Financial Conduct Authority by way of a Standard Listing under Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's Main Market for listed securities ("Admission"). The Company's shares are listed under the new ticker "REE". From 29 July 2024, this two tier system was replaced and the Company is now in the "Equity Shares - Transition" category.

The Company's principal activity is focused on the discovery and development of Critical Raw Materials mining projects in Africa.

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordancewith UK-adopted international accounting standards and the requirements of the Companies Act 2006.The principal accounting policies are summarised below. They have been applied consistently throughout the year. The financial statements have been prepared on the historical cost basis, except for the assets acquisition which was measured at fair value.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the parent company is Pounds Sterling (£) as this is the currency that finance is raised in. The functional currency of its main subsidiary is Mozambique Meticals (MTN) as this is the currency that mainly influences labour, material and other costs of providing services. The Group has chosen to present its consolidated financial statements in Pounds Sterling (£), as the Directors believe it is the most relevant presentational currency for users of the consolidated financial statements. All values are rounded to the nearest thousand pounds (£'000) unless otherwise stated.Foreign operations are included in accordance with the policies set out below.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in Note 2 to the Report and Accounts.

GOING CONCERN

The Group and Company raise money for exploration and capital projects as and when required. There can be no assurance that the Group and/or Company's projects will be fully developed in accordance with current plans or completed on time or to budget. Future work on the development of these projects, the levels of production and financial returns arising therefrom, may be adversely affected by factors outside the control of the Group or Company.

An operating loss is expected in the 12 months subsequent to the date of these financial statements. As a result the Group and Company will need to raise funding to provide additional working capital within the next 12 months. The ability of the Group and Company to meet its projected expenditure is dependent on these further equity injections and / or the raising of cash through bank loans or other debt instruments/and or government grants and/or loans. These conditions necessarily indicate that a material uncertainty exists that may cast significant doubt over the Group and Company's ability to continue as a going concern and therefore their ability to realise their assets and discharge their liabilities in the normal course of business. Whilst acknowledging this material uncertainty, the Directors remain confident of raising finance and therefore, the Directors consider it appropriate to prepare the consolidated and parent company financial statements on a going concern basis. The consolidated and parent company financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

The Auditors have made reference to going concern by way of a material uncertainty within the financial statements.

POST REPORTING DATE EVENTS

On 19 July 2024, the Company announced the issue of 76,248,759 new ordinary shares as follows:

- 39,400,000 Shares were issued to raise funds of £394,000;
- 33,300,000 Shares were issued for the conversion of existing convertible loan notes of £303,000; and
- 3,548,759 Shares were issued to certain Directors in lieu of fees and to various other creditors.

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[1] https://www.adamasintel.com/new-report-rare-earth-magnet-market-outlook-to-2040/

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