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NEOTERRA GROUP PLC

("NeoTerra" or the "Company")

Operational Progress and Strategic Market Update

NeoTerra (LSE: TERA) (OTCQB: ANRF), the African critical minerals exploration and development company, is pleased to provide an update on operational progress at its Monte Muambe Project and on recent developments in the global rare earths and gallium markets.

Highlights

- Metallurgical breakthrough significantly de-risks development of Monte Muambe's multi-commodity flowsheet, confirming a practical route to produce premium acid-grade fluorspar while separating heavy rare earths and gallium bearing materials.
- Gallium successfully upgraded by approximately 100% during initial flotation testing, demonstrating a potential low-cost pathway towards pre-concentrating one of the world's most strategically important critical metals.
- US Government-funded US$1.875 million rare earths prefeasibility programme moves towards execution, with leading international engineering groups shortlisted and contract award expected shortly.
- Growing commercial engagement with strategic partners and critical metals traders from Europe, North America and Asia, reflecting increasing demand for secure non-Chinese supplies of heavy rare earths and gallium.
- Rapidly widening price premium for non-Chinese heavy rare earths further enhances Monte Muambe's strategic value, with tightening export restrictions reinforcing the importance of independent supply chains.

Metallurgical Testwork Advances and Derisks Multi-Commodity Recovery

Maelgwyn metallurgical testing laboratory has so far executed 14 scout flotation tests on blended fluorspar ore samples from Monte Muambe, with products assay results pending the last 5 tests.

Tests completed to date have allowed the Company to define a **two-stages flotation pathway** to reject silicates and oxides (first stage) and subsequently reject carbonates (second stage) in order to produce an acid grade fluorspar concentrate. The 5 tests with pending results are aimed at optimizing the first stage parameters, which already show a very high selectivity against fluorite (with less than 2.1% CaF_2 in the scout test no 6 tailings). As initially anticipated, gallium reports to the first stage tailings, **resulting in a ~100% gallium concentration increase in these tailings in relation to the run of mine**.

These results substantially de-risk the proposed process flowsheet by demonstrating that fluorite and gallium-bearing minerals respond differently during flotation. This charts a practical route for integrating gallium pre-concentration into the fluorspar flowsheet.

Upon receipt of the pending results, the laboratory will now focus its attention on the second stage of the process, including the separation of carbonates from fluorite, and the recovery of the heavy rare earths concentrate separately from the acid grade fluorspar concentrate.

In parallel, specific gallium recovery metallurgical testing is on-going at SGS Lakefields in Canada and at COMEX in Poland. SGS has completed the sample (which contains 184 g/t Ga_2O_3) characterisation and preparation and is now proceeding with hydrometallurgical extraction, with initial results expected in July. Results from COMEX are expected imminently and will be announced when received.

Metallurgical testwork is inherently iterative, and the additional complexity of developing an integrated process capable of recovering three valuable products - commercial-grade fluorspar, a heavy rare earths by-product, and a pre-concentrated feedstock for potential gallium extraction - has extended the optimisation programme. While this has impacted on the timeline, the Company believes the additional work will significantly enhance the overall value and commercial potential of the project.

USTDA-funded Programme Advances Towards Execution

The high level of interest received from leading US engineering and metallurgy groups reflects the strategic importance of Monte Muambe and the growing international focus on establishing independent rare earth supply chains

Received proposals were carefully evaluated, and the Company is in final discussions with shortlisted candidates. Final selection and contract signing are expected to take place within the coming weeks, with initial tasks commencing in due course. In preparation for the metallurgical sampling drilling campaign, the Monte Muambe Mining Lda's operational team was mobilized and has already started required preparation activities on site.

Accelerating Supply Chain Decoupling Enhances Monte Muambe's Strategic Positioning

In June, NeoTerra's CEO Cedric Simonet, attended the annual Rare Earths Industry Association conference which took place in Frankfurt, Germany. The event was well attended by rare earths industry participants across the entire supply chain, in particular from Europe, America, and Asia (excluding China). Discussions throughout the conference confirmed that the long-term magnet rare earths market fundamentals remain very strong, but also that the decoupling between Chinese and non-Chinese rare earths supply markets is accelerating. This acceleration has largely been driven by increasingly restrictive Chinese export controls covering not just rare earth products, but also technologies and processing know-how. The enforcement of stricter regulations announced from November 2026 is expected to exacerbate the situation durably.

As a result, non-Chinese market heavy rare earths prices are significantly higher, and in the case of Yttrium, orders of magnitude higher than those on the Chinese domestic market. Yttrium is a rare earth element used in a multitude of highly strategic high-technology applications, including thermal barriers for jet engines, gas turbines and space propulsion systems, solid oxide fuel cells, defence lasers and semiconductors. European market Yttrium oxide prices have recently reached peak prices of over US$1,000 per kg on the back of severe shortages, effectively x140 their year-on-year prices.

Yttrium is present in the main Monte Muambe rare earths deposit, but it is one of the heavy rare earths showing an enriched level in the fluorspar ore, with **individual intercepts grades of up to 4,304 ppm Yttrium oxide**, and **significant intercepts of up to 9m at 2,355 ppm Yttrium oxide**. The rapidly widening price differential significantly enhances the strategic value of heavy rare earth mineralisation identified within the Monte Muambe fluorspar system, **the production of which would follow the same timeline as that of the fluorspar**.

Beside the main Monte Muambe rare earths resource, the potential production of a heavy rare earths by-product of fluorspar, and the progress on the gallium has generated significant commercial interest from European, US and Asian (non-Chinese) specialty critical metals traders, and from a Japanese potential strategic partner, with which the Company is currently advancing follow-up discussions. The Monte Muambe gallium resource estimate, among the first carbonatite-hosted gallium mineral resources to be defined globally, and one of the most advanced in terms of identifying metallurgical recovery routes, has attracted a lot of attention.

Challenges affecting the development of non-Chinese rare earths supply chains were also highlighted at the REIA conference. Access to capital has been clearly identified as a major hindrance to the development of upstream and midstream rare earths projects. This highlights the importance of building strong partnerships backed by clear and committed government policies, such as the $1.875 million USTDA funding obtained by the Company and the relationship being strengthened with the US Government.

Cedric Simonet, CEO of NeoTerra, commented:

"Our latest metallurgical results are an important milestone for NeoTerra. They materially de-risk the development of the Monte Muambe fluorspar mine and reinforce the potential to generate value from three strategically important commodities within a single project.

"Alongside this technical progress, market conditions continue to strengthen. Global supply chains are rapidly shifting as governments and industry seek secure supplies of critical minerals outside China. As a result, we are seeing engagement from a rapidly growing pool of strategic partners and downstream participants who recognise our unique position, and we look forward to materialising this interest through formal agreements over the coming months.

"With the US Government-funded rare earths work programme about to commence, multiple commercial discussions progressing and metallurgical programmes continuing to deliver encouraging results, we believe NeoTerra is entering an exciting phase of value creation."

For further information, please visit the Company's website:

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About NeoTerra Group Plc

NeoTerra Group Plc (LSE:TERA)(OTCQB:ANRF) is a London Main Market-listed exploration and development company focused on unlocking the value of critical raw materials across Africa. The Company is pursuing a diversified strategy, targeting assets with potential for near-term monetisation alongside long-term growth.

The multi-commodity Monte Muambe Project in northwest Mozambique is a highly prospective tenement hosting rare earths, fluorspar, and gallium mineralisation. Published JORC mineral resource estimates include:

- 13.6Mt at 2.42% TREO
- 3.48Mt at 20.6% CaF_2
- 11.73Mt at 54.7g/t Ga_2O_3

The project is held under a 25-year mining licence and has received US Government support in the form of a US$ 1.875 million grant from USTDA to advance the rare earths component through the prefeasibility stage.

NeoTerra's diversified portfolio also includes the Sesana Copper-Silver Project in Botswana, strategically located just 25 km from MMG's Khoemacau Zone 5 copper-silver mine.

With a unique combination of critical raw materials projects, NeoTerra is well positioned to contribute to the global supply of strategically important commodities essential for clean energy, high technology, defence and industrial applications.

The Company and the Board remain actively focused on identifying and evaluating additional projects that align with our investment profile and strategic objectives, leveraging our extensive network and combined industry experience to uncover compelling opportunities that can drive long-term growth.

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