

28 June 2024

ALTONA RARE EARTHS PLC

("Altona" or "the Company")

£1,290,000 FUNDRAISE, CONVERTIBLE LOAN NOTES CONVERSIONS

Altona (LSE: REE), a resource exploration and development company focused on critical raw materials in Africa, today announces that it has conditionally raised £390,000 through a subscription of 39,000,000 new ordinary shares of 1 pence each (the "Shares") in the Company (the "Subscription") and £900,000 in debt through two loan agreements of £600,000 and £300,000 respectively (together "New Loan Facilities"). The new Shares will be issued at a price of 1 pence per share (the "Issue Price"), which represents a discount of 1.2% to the closing mid-price of 1.012 pence per share on 27 June 2024.

The total amount raised is therefore £1,290,000 ("Fundraise"). Of this amount, £900,000 was provided by Tracarta Limited, a privately held investment company acting as cornerstone investor for this fundraise, of which £300,000 formed part of the Subscription and £600,000 as a loan.

The Subscription is subject to the publication of a Financial Conduct Authority approved prospectus ("Prospectus"), which the Company is working with its advisers to complete as soon as possible.

The net proceeds of the Fundraise will provide the Company with working capital to:

- progress its Monte Muambe rare earths project to support on-going efforts to secure a strategic investor for the project.
- complete the Sesana and Kabompo South copper projects acquisitions.
- carry out the exploration program at the Sesana project, with the objective of generating drilling targets and drilling the first exploration boreholes by the end of 2024.

In addition to the New Loan Facilities, pre-existing loan facilities have been converted or amended, details of which are set out below.

New Loan Facilities

Key details of the New Loan Facilities:

- Fixed interest rate of 12%
- Non-convertible
- Maturity date of 30 October 2025
- A total of 135,000,000 warrants exercisable at a price of 1.5p
- Funds received by the Company from the exercise of the above warrants will be used in priority to repay these loans to the extent they are still outstanding.

Convertible Loan Notes ("CLN") dated 1 February 2023

The holders of the CLN have passed a written resolution amending various technical terms of the CLN including, inter alia, changing the conversion price to 1 pence per Share. The Company has subsequently received conversion notices and commitments for the conversion of £263,000 principal amount of the CLN into 26,300,000 new Shares, which will be issued subject to the publication of the Prospectus. This represents 96% of the total amount of the CLN in issue. The Warrant Instrument attached to this CLN has also been amended to change the exercise price of the existing warrants to 1.5p.

attached to this CLN has also been amended to change the exercise price of the existing warrants to 5 pence per Ordinary share and extend their maturity date until 31 December 2025.

Catalyse Capital Ltd Loan Facility ("CCL Loan") dated 20 December 2023

The Company also received a conversion notice in respect of the conversion of £70,000 principal amount of the CCL Loan into 7,000,000 new Shares, at a conversion price of 1 pence per Share, which will be issued subject to the publication of the Prospectus.

The terms of the unconverted balance of the CCL Loan (£200,000) have been amended to replicate the terms of the New Loan Facilities set out above save for the entitlement to receive 1.5p warrants.

In addition, warrants arising from the CCL Loan and from an earlier loan facility from Catalyse Capital Ltd announced on 10 November 2022, were reset to an exercise price of 1 pence per share and their number recalculated to a total of 67,500,000 warrants.

Directors and other creditors

Cedric Simonet and Louise Adrian have participated in the Subscription at the Issue Price, as follows:

- Cedric Simonet subscribed for 1,000,000 shares
- Louise Adrian subscribed for 2,500,000 shares

Subject to the publication of the Prospectus, the Company will also issue 1,834,000 new Shares in lieu of deferred cash salary payments for certain Directors. This has been calculated at a price of 2.5 pence per share. Louise Adrian will be issued 407,968 new Shares in lieu of cash salary payments, in accordance with her contract, as part of the Company's last year's London Stock Exchange Listing arrangements. The number of these Shares was calculated using the volume weighted average price ("VWAP") of 2.01p, calculated under the terms of her contract, over the period from 1 September 2023 to 31 May 2024.

The Company will also issue 931,791 new Shares to satisfy other existing creditors to the value of £20,486.

Of the total number of shares to be issued, 5,741,968 will be issued to PDMRs as shown in the table below:

Director participating	Number of Subscription Shares	Shares paid in lieu of salary or fees	Resultant Shareholding at admission	% of shares in issue at admission*
Cedric Simonet	1,000,000	nil	1,925,711	1.19%
Louise Adrian	2,500,000	407,968	3,313,274	2.04%
Martin Wood	nil	1,040,000	2,620,056	1.61%
Simon Charles	nil	602,000	602,000	0.37%
Audrey Mothupi	nil	192,000	192,000	0.12%

*following issue of the Subscription Shares, the CLN and CCL loan conversion shares, and new Shares in lieu of deferred cash payments to Directors and other existing creditors as referenced above on an undiluted basis

General Meeting

In order that the Company has sufficient shareholder authority to enable the issue of shares arising from any exercise of the warrants in connection with the New Loan Facilities and the CCL Loan, a General Meeting ("GM") will be convened following publication of the Prospectus, notice of which will be posted to Shareholders shortly.

Cédric Simonet, CEO of Altona, commented: *"I am delighted with the outcome of this successful fundraising, particularly against a background of difficult markets, which will now enable us to focus on continuing to build value through the implementation of our expanded strategy. I am particularly excited by the value creation potential of the Monte Muambe rare earths project, for which we are in talks with*

several potential strategic investors, and of the Sesana copper and silver project in Botswana, which due to its geology offers an opportunity to fast track grass root exploration towards a potential discovery.

"I am also very pleased to welcome Tracarta to the family of our shareholders. Tracarta's investment in Altona is a testimony to the solidity of our projects and the soundness of our strategy."

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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