

#### Stock Data

Share Price:	3.05p
Market Cap:	£10.8m*
Shares in issue:	422.0m*

\*Post-Placing numbers

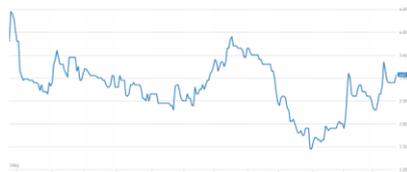
#### Company Profile

Sector:	Mining
Ticker:	RBW
Exchange:	LSE

#### Activities

Rainbow Rare Earths Limited ('RBW', 'Rainbow', 'the Company') is principally focused on its the Gakara Project in Burundi, one of the highest-grade (47%-67% Total Rare Earth Oxide ('TREO')) rare earths projects globally and the only African producer. First production and sales to Rainbow's offtake partner, thyssenkrupp Materials Trading, commenced in Q4 2017.

#### 1-year share price performance



Source: [LSE](#)

Past performance is not an indication of future performance.

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## Rainbow Rare Earths Limited

Rainbow yesterday announced that it had conditionally placed 41,666,667 new ordinary shares with new and existing shareholders at a price of 3p each in order to raise gross proceeds of £1.25 million. Its Balance Sheet has also been bolstered by extension of the repayment terms of Pipestone Capital Inc.'s unsecured loan out to end-2021. This news anticipates the Company's passing of a major milestone in the coming weeks, with its declaration of a maiden JORC (2012) compliant resource.

### Use of Funds

The placing proceeds will be directed for general working capital purposes and more specifically to accelerate Rainbow's Burundi trial mining operations. This will include capital additions to the trial mining fleet along with pilot processing plant at the Gakara Rare Earth Project ('Gakara', 'the Project'). Particular focus is seen remaining on the prospect's Murambi zone, with a view to demonstrating continuity of both the strength of mineralisation and the simple nature of the mineralogy for production of a high-grade rare earth concentrate suitable for direct shipment.

To date, Rainbow has produced and shipped 1,600 tonnes of high-grade concentrate from Gakara with an average grade of 57% total rare earth oxides (of which over 19% represents high value Neodymium and Praseodymium oxide used for the manufacture of permanent magnets). Significant demand expansion for such magnets is expected to continue in order to satisfy growth in both electric vehicle and wind turbine production, along with other industrial uses, thereby underpinning the inherent value of the Project.

### Finalisation of a maiden resource expected in coming weeks

Rainbow is expecting the finalisation of a maiden JORC (2012) compliant resource statement for Gakara within the coming weeks. This will mark an important milestone for the Company. It will allow further definition of the capital requirements for both exploration to grow the resource and further trial mining to demonstrate its continuity of mineralogy. Data generated is expected to support a technical and economic study commissioned to specify expansion of mining operations at the Project to full commercial scale. In parallel, Rainbow will continue to explore options for additional downstream processing of the high grade Gakara concentrate, potentially into a premium-value mixed rare earth carbonate or individual rare earth oxides, which should allow it to further realise the true opportunity of the deposit for shareholders.

### Potential world class REE production

As Africa's only REE producer, Rainbow has been producing concentrate from its 90%-owned Gakara project since Q4 2017. It hosts one of the highest-grade deposits in the world, with in-situ grades ranging between 47% and 67% TREO consisting of REE-bearing minerals bastnaesite and monazite contained within a system of narrow veins. Significantly in this respect, the mineral basket is weighted heavily towards the magnet rare earths, including neodymium and praseodymium, which are driving international demand and presently account for [c.70% of annual global REE sales](#) due to their use in vital components for motors, generators, wind turbines, and electric vehicles. Indeed, the opportunity presented has already been reflected through Rainbow's securing of a ten-year distribution and offtake agreement with multinational thyssenKrupp Materials Trading for the sale of at least 5,000tpa of concentrate. Anticipating an evolving supply/demand imbalance resulting from accelerated transition toward more environmentally friendly production, together with governmental pressure to secure new independent sources of long-term supply, the mine's low-radioactivity and a highly scalable REE deposit with elementary mining/simple processing means Gakara has potential to become world-class.

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