RAINBOW
RARE EARTHS

DEVELOPING ONE OF THE WORLD'S RICHEST RARE EARTH DEPOSITS:

NEAR TERM, LOW COST PRODUCTION

INVESTOR PRESENTATION Q4 2017

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OVERVIEW

FOCUSED ON BECOMING AN INDEPENDENT SUPPLIER OF HIGH-GRADE CONCENTRATE TO THE GLOBAL RARE EARTH MARKET BY BRINGING THE GAKARA PROJECT INTO PRODUCTION

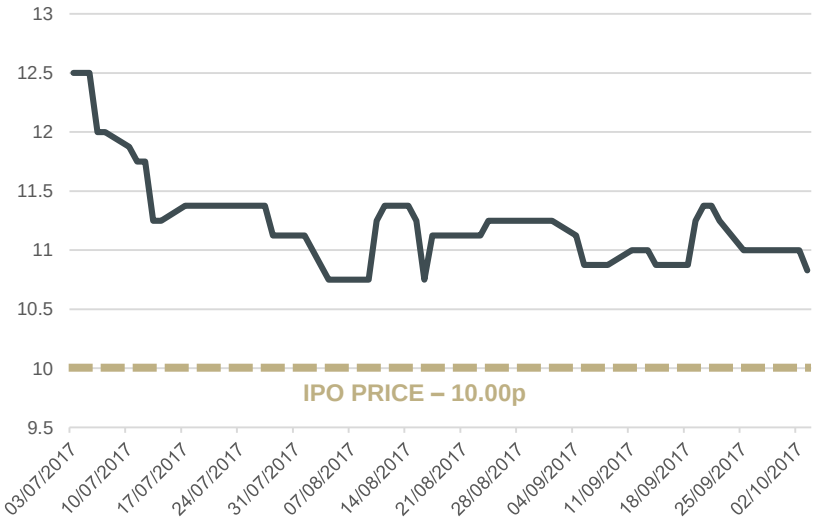
- Developing one of the world's highest grade rare earth projects
- Straightforward, low cost mining and processing routes
- Fully permitted project with first production and sales in Q4 2017
- Distribution agreement with multinational thyssenkrupp Raw Materials
- 25 year mining licence over 39km^2
- Rich in magnet rare earths which are driving demand

KEY DATA

TICKER	MARKET	MARKET CAP	SHARE PRICE	SHARES IN ISSUE	JOINT BROKERS
RBW.L	LSE	£16.74m	11.00p	154.63m	HANNAM & PARTNERS ARDEN PARTNERS

As at 03.10.17

SHARE PRICE GRAPH



SIGNIFICANT SHAREHOLDERS

SHAREHOLDER	HOLDING
Adonis Pouroulis	29.33%
Other Board & Management	6.41%
Shawn McCormick	5.63%
Legal & General PLC	4.86%
Miton Asset Management	3.23%
Alexander Lowrie	3.21%

ANNUAL RESULTS TO 30 JUNE 2017

RAPID DEVELOPMENT SINCE THE IPO

Initial labour force recruited on site

EPCM contract signed for Gakara processing plant

Primary focus at Gasagwe: haulage & access road construction & basic infrastructure for mine site

Mining site preparation, stripping and exposure of rare earth veins

Debt free: Re-paid Pala Investments US$1.7M full & final settlement

Participated in well attended public meetings with strong support from community & national administration

Delivery of 1st fleet of mining machinery

Processing Plant area selected and bulk earthworks complete

Environmental Permits granted and local compensation paid

Total local employees are now over 100

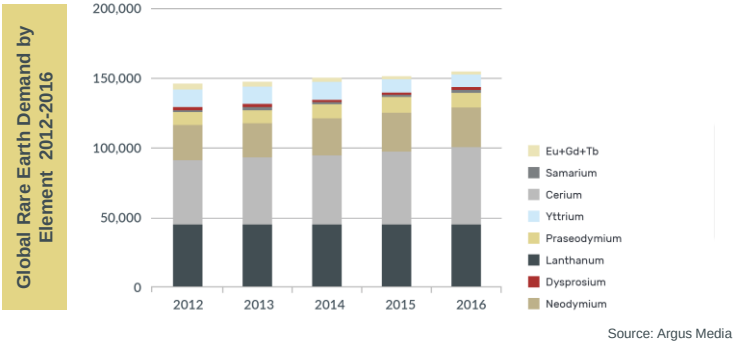
Cash balance at 30 June 2017: $3.2m

Source: Company photo of fully inducted, trained and equipped staff

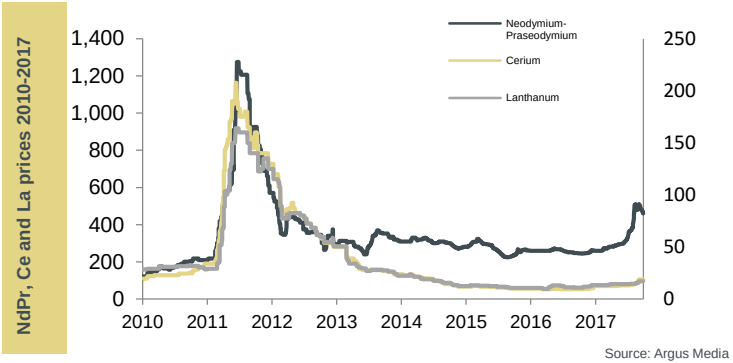
RARE EARTHS

LONG TERM AND CONSISTENT GROWTH IN GLOBAL DEMAND FOR RARE EARTHS

- Properties vital for many high-tech applications
  - Magnetism, high thermal and electrical conductivity, luminosity, and catalytic action
- Market currently driven by increasing demand for powerful magnets used in electric motors and generators – rare earth magnets are the strongest and lightest
- China dominates supply and large part of demand, but global demand is also growing and seeking non-Chinese sources of supply
- China supplies 90-95% of global REE/REO production
  - Lynas Corp is the only significant non-Chinese supplier of rare earths
- Fears persist that 2011 price spike caused by Chinese export restrictions could return



Source: Argus Media



Source: Argus Media

THE “TECHNOLOGY METALS”

Nd & Pr ARE THE MOST VALUABLE ELEMENTS IN THE LANTHANIDE GROUP

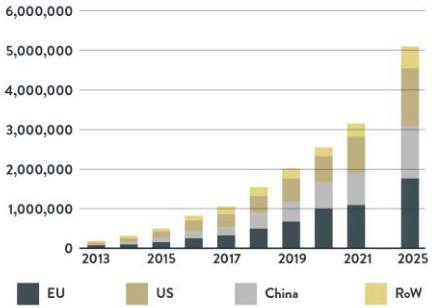
Magnet Rare Earths are critical in these key booming markets amongst others

Electric vehicles:
Forecast demand growth for NdPr is primarily driven by the anticipated uptake of EVs as well as growth in all electric motor usage

Smart phones :
Neodymium gives your phone the power to vibrate

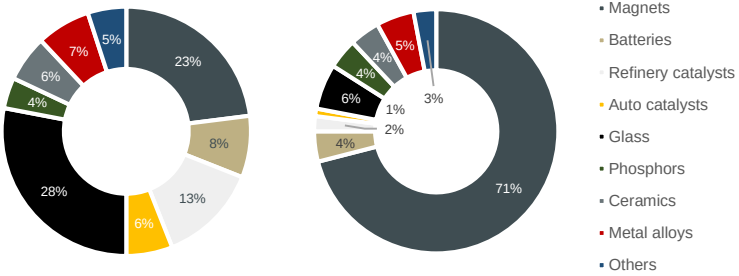
Wind turbines:
NdFeB magnets have allowed wind turbines to reduce costs and increase efficiencies

Projected Global Electric Vehicle Sales



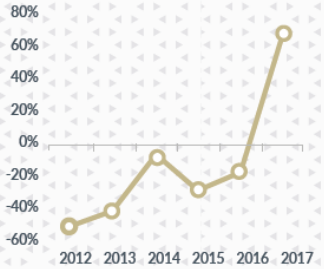
Source:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3986/plug-in-vehicle-infrastructure-strategy.pdf

% Value of Rare Earth Applications



Source:
Argus Media

Improving NdPr prices in 2017



The price of NdPr oxide in China is up 50% year-to-date and 70% year-over-year

China dominates supply (90-95%) and a large part of demand, but global demand of REEs is also growing and seeking non-Chinese sources of supply

Source: Adamas Intelligence, August 2017

EXECUTIVE & MANAGEMENT TEAM

TECHNICALLY, OPERATIONALLY AND FINANCIALLY PROVEN IN MINE DEVELOPMENT IN AFRICA

Martin Eales
CEO

- 15 years' broking and investment banking expertise specialising in the resources sector
- Previously Managing Director at RBC Capital Markets in London. Was long-term adviser to numerous London-listed resource companies and joined Rainbow in September 2014
- Qualified Chartered Accountant

Jim Wynn
CFO

- Qualified Chartered Accountant previously employed by Anglo American plc and Avocet Mining plc
- Extensive experience in francophone Africa and London PLCs

Braam Jankowitz
Project Manager

- Professional geologist (MSc Geology) and mine manager with diverse experience in various levels of mineral resource management and mining
- 30 years' experience exploration and mining in various African countries, the Arabian Peninsula and Australia with experience in numerous precious metal and mineral exploration and mining projects, including bringing several into production

Gilbert Midende
General Manager

- Geologist: Doctorate in Geological Science obtained at the Université Libre de Bruxelles
- Appointed Burundi Director General of Geology and Mines (1987) and Minister for Mines (1988-1993)
- Principal of the University of Burundi and Minister for Higher Education (1996 – 2001)
- Also currently Professor of Economic Geology at the University of Burundi

Cesare Morelli
Technical Director

- Geologist: 29 years' experience in minerals exploration in Africa including 18 years in diamond exploration with De Beers managing projects in south, west and central Africa
- Four years with BHP Billiton as Exploration Manager for Africa

THE GAKARA RARE EARTHS PROJECT

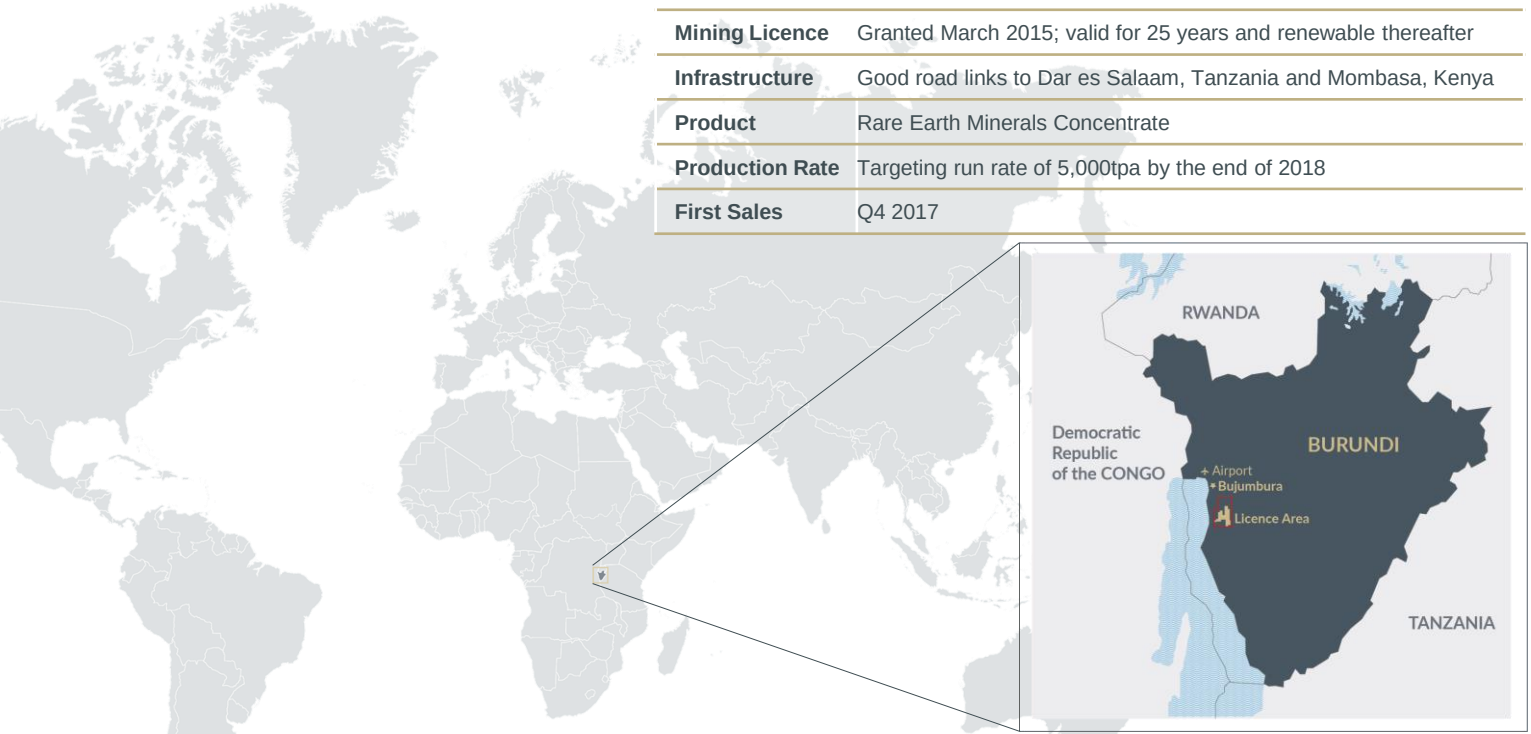
Source: Company's aerial photo of Gasagwe operation.

PROJECT OVERVIEW

NEAR TERM PRODUCTION FROM HIGH-GRADE RARE EARTH MINE

Key Facts

Location	**Mining Areas:** 35km by road from Bujumbura, Burundi's capital city **Processing Plant:** 13km South of Bujumbura by road
Interest	90% with a non-dilutable 10% owned by the Republic of Burundi
Mining Licence	Granted March 2015; valid for 25 years and renewable thereafter
Infrastructure	Good road links to Dar es Salaam, Tanzania and Mombasa, Kenya
Product	Rare Earth Minerals Concentrate
Production Rate	Targeting run rate of 5,000tpa by the end of 2018
First Sales	Q4 2017



GAKARA PROJECT: KEY STRENGTHS

HIGH-GRADE, LOW CAPEX PROJECT WITH NEAR TERM PRODUCTION

HIGH GRADE

- Extremely high-grade ore
- Numerous and extensive veins containing nearly pure bastnaesite and monazite minerals
- Estimated in-situ grade in the range 47-67% TREO[1]
- Exploration target of 20,000 - 80,000 tonnes of vein material[1] with upside potential
- 408 in-situ veins identified to date. Mining and exploration activities have historically uncovered new veins
- Grade from initial mining area at Gasagwe tested at 62% TREO

SIMPLE OPERATION

- Ore extracted by manual mining from the host rock (free-digging – no explosives required)
- Production guidance for 2017/2018 – 2,250-3,000 tonnes of mineral concentrate
- Intention to move to commercial production at target rate of 5,000 tpa run rate by the end of 2018
- Low-risk, low capex mining and processing route
  - Simple, physical separation of minerals from waste rock to produce high-grade concentrate
  - No complicated or hazardous chemistry required
- Plant & fleet capex = US$2.5m
- Plant construction time = 9 months

MANAGEMENT & PARTNERSHIPS

- Distribution agreement in place with thyssenkrupp Raw Materials
- Samples of Gakara concentrate have been trialled with potential customers
- Board and management team have the expertise and in-country experience to bring the project into production in the near-term
- Strong local and governmental support
- Fully permitted: 25 year mining licence

[1] Source: MSA Competent Person's Report, October 2016

THE DEPOSIT

HIGH GRADE EXTENSIVE INVENTORY

- 835 occurrences of high-grade vein material have been identified to date:
  - 408 established as in-situ veins (the rest are transported material)
  - Only those veins exposed at surface have been included
- Independent Consultant MSA calculated an Exploration Target* of 20,000-80,000 tonnes of vein material, grading 47-67% TREO
- Characteristics of the REE veins (width, spatial continuity, compositional variability) cannot be easily quantified with enough confidence to report a Mineral Resource
- Proceeding with mining activities to confirm the economic viability of the Gakara Project as recommended in the Competent Person's Report, conducted by MSA
  - Potential to uncover new veins
  - Considerable upside to increase tonnage of mineralisation by documenting lateral and down-dip continuity of individual REE veins beyond parameters used for tonnage estimation

*Exploration Target: a statement of the exploration potential of a mineral deposit in a defined geological setting for which there has been insufficient exploration to estimate a mineral resource

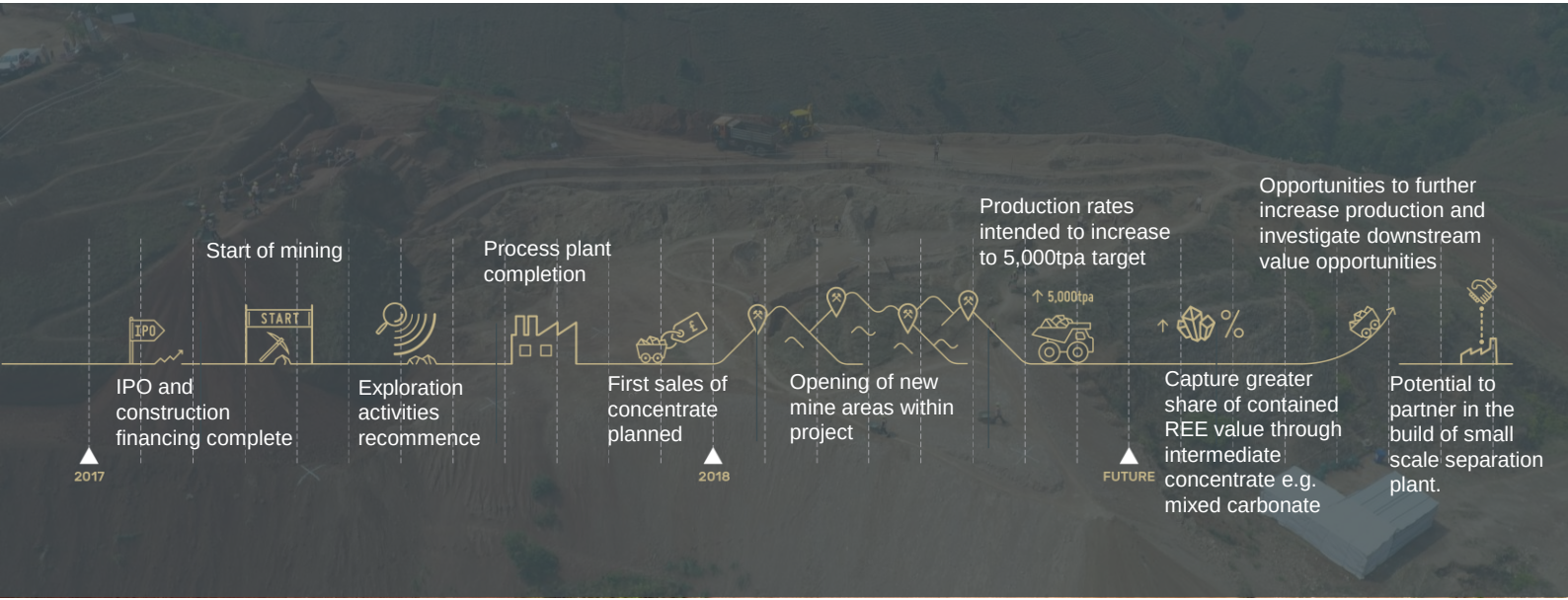
Sample of ore

Gravity Surveying

Sample of ore

DEVELOPMENT SCHEDULE 2017/2018

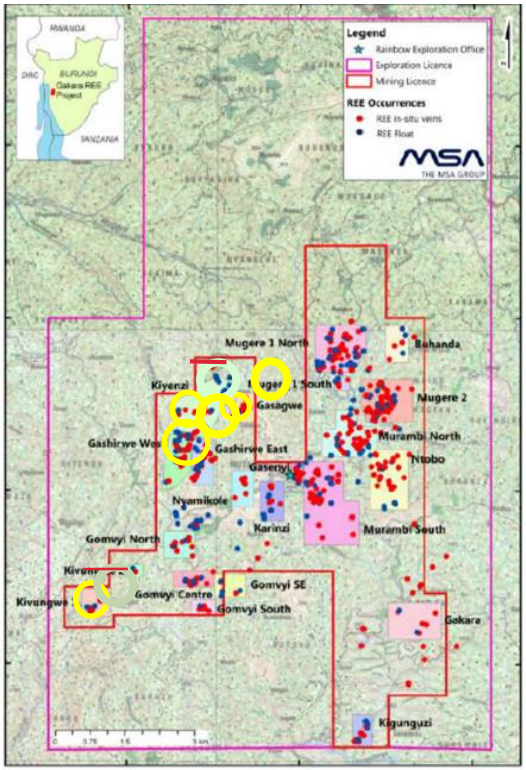
DEFINED DEVELOPMENT PLAN TO MAXIMISE PRODUCTION POTENTIAL AND BUILD VALUE



SIGNIFICANT ECONOMIES OF SCALE BENEFITS AS PRODUCTION INCREASES

GAKARA PROJECT: LICENCE AREAS

MINE PLAN DEVELOPED FOR NEXT TWO YEARS



Initial Mine Areas

GASAGWE & GASHIRWE WEST

GAKARA PROJECT: GASAGWE

FIRST MINING AREA NOW WELL ADVANCED AND ORE EXTRACTION UNDERWAY

- Total production from Gasagwe planned for over 5,000 tonnes of concentrate over two years
- Manual bench mining to remove overburden commenced at initial mine site Gasagwe in April 2017
- Extraction of ROM ore commenced in September 2017
- Discovery of several unrecorded veins at Gasagwe further supports the Company's confidence of significant upside to the known mineralisation
- Limited dilution of Run of Mine ore due to ease of extraction of veins

GAKARA PROJECT: GASHIRWE WEST

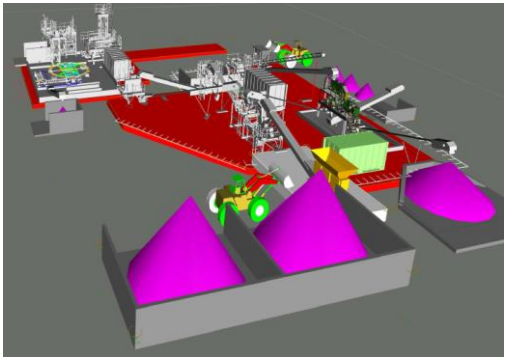
GASHIRWE WEST, THE SECOND DEPOSIT PLANNED TO BE MINED, IS SITUATED IN THE CENTRAL NW PART OF THE MINING LICENCE

Example of adit

- Planned production from Gashirwe West commencing 2018
- Underground up-dip room and pillar manual mining accessed by hand-dug adits

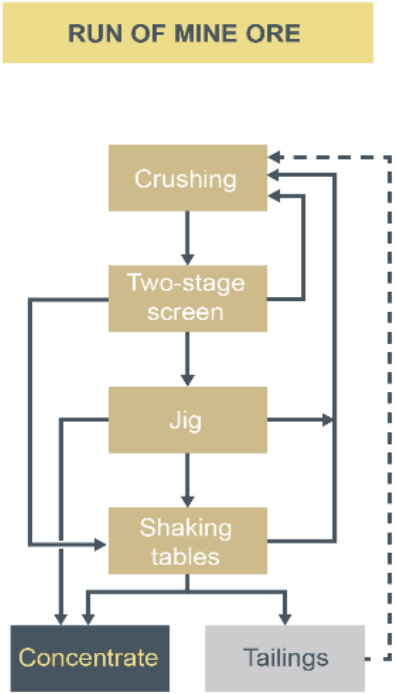
ORE PROCESSING

SIMPLE, CHEMICAL-FREE PROCESSING TO PRODUCE HIGH-GRADE CONCENTRATE



3D Image of the Processing plant Source: Rainbow Rare Earths

- Process plant will have 5tph throughput, therefore total annual production capacity significantly greater than short term run rate of 5,000tpa by end of 2018
- Physical gravity separation only based on higher density of vein minerals – no need for hazardous chemicals
- ROM ore will be subjected to crushing, screening, jigging and shaking table processes to produce concentrate



PROCESSING PLANT

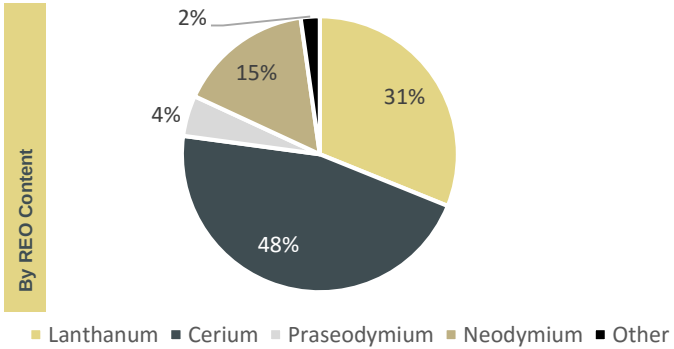
- ROM ore processing plant is situated at Kabezi approximately 20km from the Company's mining areas
- Successful drilling and capping of a borehole has been completed to confirm adequate water supply for all of the site's processing and office/warehouse requirements
- Completion of all bulk earthworks by end of June, and commencement of civil works to complete October 2017, and construction and commissioning of the plant during Q4 2017
- All necessary environmental and building permits received for the construction of the processing plant
- The site is next to a main asphalt road which will provide ease of access for the container trucks collecting rare earth concentrate for export

Foundation pouring at the site location of Rainbow's ROM ore processing plant at Kabezi

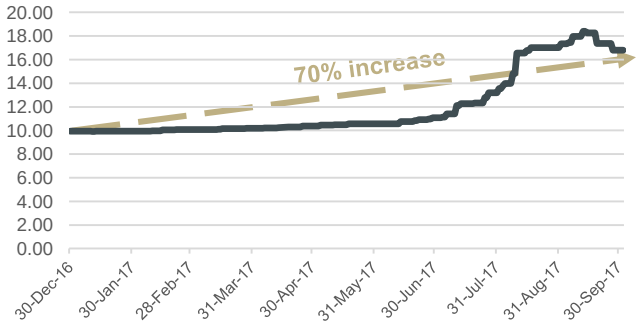
GAKARA BASKET

ORE VALUE STRONGLY WEIGHTED TOWARDS MAGNET RARE EARTHS

Basket composition



Rainbow Basket price 2017



Based on average grades of REOs within Gasagwe in situ vein samples and market prices of separated REOs on China FOB basis as at

Magnet Rare Earths

- **Magnets REEs:** Magnets containing **neodymium** and **praseodymium** are the **strongest commercially available** and are vital components in many electric motors and generators, where its use is being driven by industries such as **electric and hybrid vehicles** and **wind turbines**
- **Gasagwe**: Based on average samples from Gasagwe, **magnet REEs account for approximately 19% of the contained REOs** within the ore, representing an average of **over 84% of the contained value** of REOs at current market prices
- Contained value of average REO content of Gakara concentrate samples over US$10,000/t (on a separated basis)
  - Opportunity to capture greater share of this value by adding downstream processing at a later date

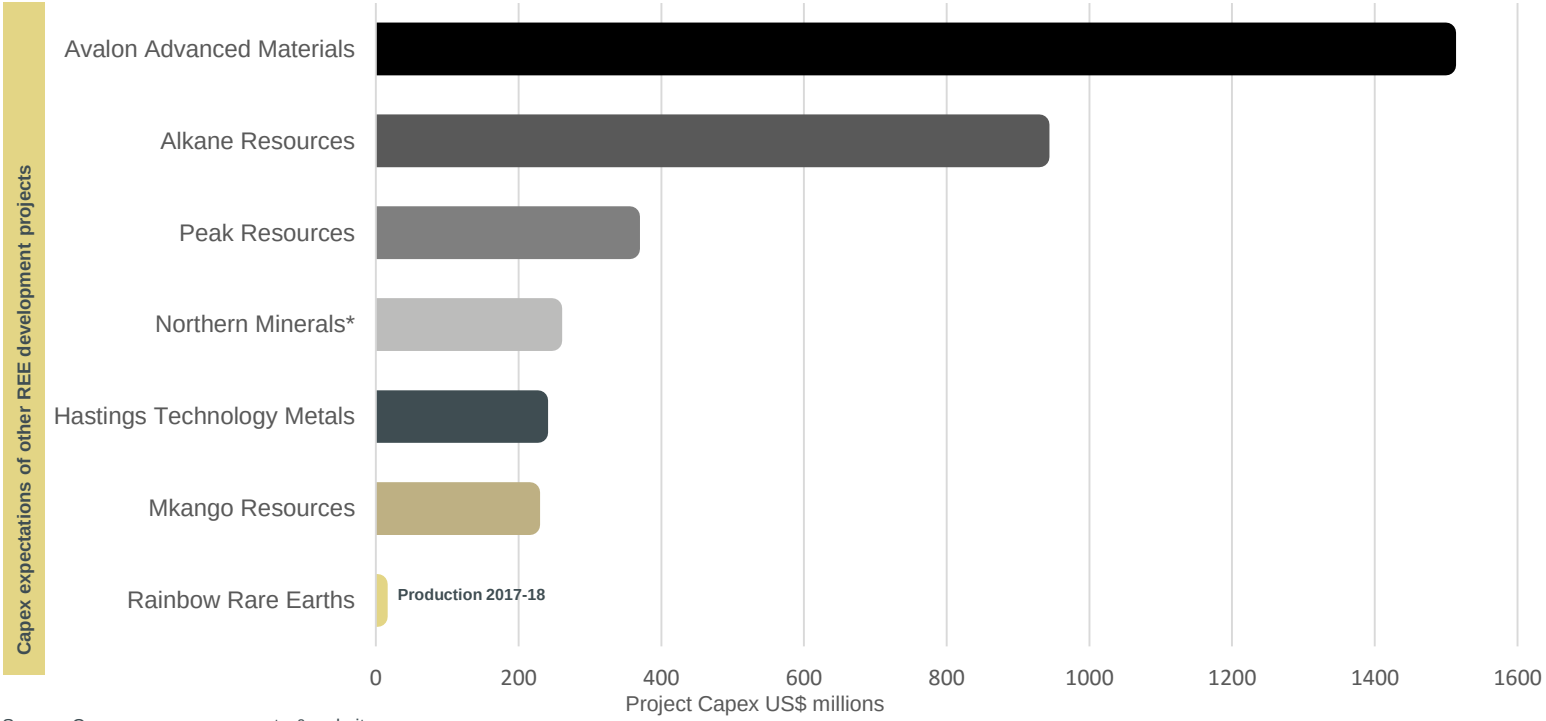
PARTNERS: THYSSENKRUPP

SUBSIDIARY OF GERMAN MULTINATIONAL THYSSENKRUPP SECURED AS DISTRIBUTION AND OFFTAKE PARTNER FOR CONCENTRATE

- 10 year distribution and offtake agreement with thyssenkrupp Raw Materials (“tk Raw Materials”), an active worldwide metals trader with offices in Europe, North America, South America and China
- Agreement is for exclusive sales of 5,000 tonnes per annum of concentrate with a right of first refusal over the next 5,000 tonnes per annum
- tk Raw Materials has tested samples of Gakara concentrate with customers and expecting first sales in Q4 2017

PEER COMPARISON

RAINBOW EMERGES AS THE LOWEST CAPEX RARE EARTHS COMPANY WITH THE FASTEST ROUTE TO PRODUCTION



Source: Company announcements & websites

* 3 year pilot underway, 2018 to produce 590t TREO carbonates

FUTURE STRATEGY

NUMEROUS OPTIONS TO DRIVE FUTURE VALUE FOR SHAREHOLDERS

Demonstrate profitability through trial mining and achieve commercial production target of 5,000 tpa by the end of 2018

Continued exploration expected to uncover more veins

Increase production beyond 5,000 tpa

Capture greater share of contained REE value through intermediate concentrate e.g. mixed carbonate

Potential to partner in the build of small-scale separation plant

Limited requirement for further capital investment creates opportunity to use any future positive cash flow for dividends

KEY STRENGTHS

- High grade
- Attractive rare earth mix
- Simple processing route
- Supportive government
- EV transformational demand drive
- Near-term production
- Low capex operation
- Fully permitted
- Distribution partner established
- Team to deliver

APPENDIX

BOARD

A BLEND OF CORPORATE, AFRICAN, RARE EARTH & PROJECT DEVELOPMENT EXPERIENCE

Adonis Pouroulis
Non-Executive Chairman

- Mining engineer: an entrepreneur whose expertise lies in the discovery, exploration and development of natural resources across Africa including diamonds, precious/base metals, coal and oil and gas.
- Founder and Chairman of Petra Diamonds (LSE:PDL); Founder and Director of Chariot Oil & Gas (AIM:CHAR) and Founder of Pella Resources Limited

Martin Eales
CEO

- 15 years' broking and investment banking expertise specialising in the resources sector
- Previously Managing Director at RBC Capital Markets in London. Was long-term adviser to numerous London-listed resource companies
- Qualified Chartered Accountant

Shawn McCormick
Non-Executive Director

- International affairs specialist
- Over 25 years of political and extractive industries sector experience having served in The White House as Director for African Affairs on the National Security Council (Washington)
- Previously Political Affairs Director of BP (London) and VP of TNK-BP (Moscow)

Robert Sinclair
Non-Executive Director

- Chartered Accountant with over 38 years' experience in finance & accountancy
- Managing Director of Artemis Trustees Limited
- Fellow of the Institute of Chartered Accountants in England and Wales

Alexander Lowrie
Non-Executive Director

- Investment banker with 13 years' experience and previous director roles at Deutsche Bank and RBS
- Co-founder of Telemark Capital LLP
- Significant market experience: IPOs and primary and secondary equity offerings

Atul Bali
Non-Executive Director

- Corporate CEO with extensive experience in tech, government contracting and regulated industries
- Currently Director of Gaming Realms Plc and Chairman of Meridian Gaming
- Previously held divisional CEO or President positions with IGT (NYSE), Aristocrat (ASX), and Real Networks (NASDAQ), as well as a venture capital firm

DEVELOPMENT CHRONOLOGY

HISTORICAL MINING PROVIDES SUBSTANTIAL DETAIL ON MINERALISED SYSTEM

Gakara mine, 1957

- Historical production from 14 different sites
- Product sold as 66-71.5% TREO concentrate to Rhone Poulenc and Th Goldschmidt AG

HISTORICAL

Discovered

1936

1948 — 1978

Total of 5,000t of +50% ore mined (low production rates due to extremely small then global market for REE)

1981 — 1985

German Geological Survey exploration and feasibility study in six primary sites resulting in delineation of c.5,000t resource at 50% TREO

DEVELOPMENT CHRONOLOGY

DEFINED DEVELOPMENT PROGRAMME TRANSLATED INTO A MINING-READY ASSET

RAINBOW DEVELOPMENT

2011
Gakara exploration licence granted

2013
Completion of initial exploration work

2014
Exploration licence renewed (2 years)

Mining Licence Application

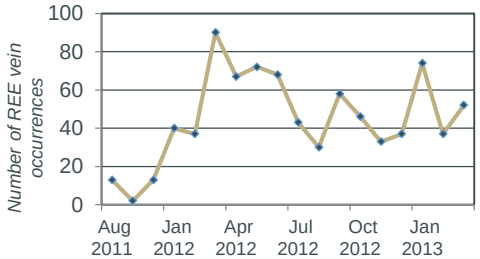
2015
thyssenkrupp offake agreement signed

Mining licence awarded

Start of internal production study

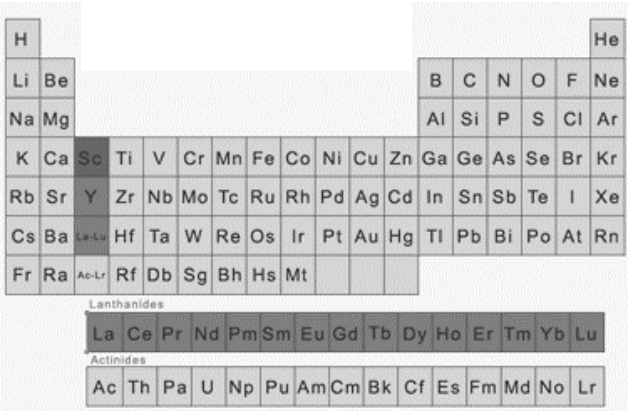
2016
Completion of internal production studies and MSA report

RATE OF DISCOVERY OF VEINS INDICATES GAKARA PROSPECTIVITY



- **835** occurrences of high-grade vein material have been identified to date
- **US$6.0 million** invested to date (30 June 2017, audited)

RARE EARTH ELEMENTS AND THEIR USES



Scandium (Sc)
Yttrium (Y)
Lanthanum (La)
Cerium (Ce)
Praseodymium (Pr)
Neodymium (Nd)
Promethium (Pm)
Samarium (Sm)
Lutetium (Lu)
Europium (Eu)
Gadolinium (Gd)
Terbium (Tb)
Dysprosium (Dy)
Holmium (Ho)
Erbium (Er)
Thulium (Tm)
Ytterbium (Yb)

APPLICATION	RARE EARTHS	DEMAND DRIVERS
Magnets	Nd, Pr, Sm, Tb, Dy	Automotive, Wind turbines, Drives for computers, mobile phones, mp3 players, cameras, Voice coil motors. Hybrid and Electric vehicles, Cordless power tools, Sensors, Medical imaging (MRIs)
LaNiH Batteries	La, Ce, Pr, Nd	Hybrid vehicle batteries. Hydrogen absorption alloys for re-chargeable batteries
Phosphors	Eu, Y, Tb, La, Dy, Ce, Pr, Gd	LCDs, PDPs, LEDs. Energy efficient fluorescent lights/lamps
Fluid Cracking Catalysts	La, Ce, Pr, Nd	Petroleum production – greater consumption by 'heavy' oils and tar sands
Polishing Powders	Ce, La, Nd	Mechano-chemical polishing powders for TVs, monitors, tablets, mirrors and (in nano-particulate form) silicon chips
Auto Catalysts	Ce, La, Nd	Tighter NO_x and SO_2 standards – platinum is re-cycled, but for rare earths it is not economic
Glass Additive	Ce, La, Nd, Er	Cerium cuts down transmission of UV light. La increases glass refractive index for digital camera lens
Fibre Optics	Er, Y, Tb, Eu	Signal amplification

CORPORATE SOCIAL RESPONSIBILITY/COMMUNITY INITIATIVES

COMMITTED TO IMPROVING THE LIVELIHOOD OF LOCAL COMMUNITIES

- Rainbow is committed to stimulating the economy on both a local and national level.
- By utilising the local labour market in the development of its project, Rainbow is able to provide employment and on-going training within the communities that it operates.
- As part of its efforts to minimise any adverse effects on the community, the Company is committed to a thorough engagement programme with local people to fully understand local issues and make a positive impact, where possible.
- Rainbow has allocated a fund for community developments. Specific project contributions already made have included:
  - Construction of municipal infrastructures in the project area consisting of multi-purpose rooms, offices and equipment
  - Organisation of a catering co-operative to supply food to workers
  - Supplying the uniforms for cultural groups in the three municipalities which are located within the project area
  - Supplied building materials to local communities
- The Company is committed to providing the highest standards of health and safety at the operation

YEAR ENDED 30 JUNE 2017 – SUMMARY P&L AND B SHEET

INCOME STATEMENT

US$'000	30 June 2017	30 June 2016
Operating expenses	(1,431)	(674)
Net finance cost	29	(526)
Total loss in period	**(1,402)**	**(1,200)**

- Income statement reflects support costs incurred during the year – higher in 2017 due to increased activity post IPO
- Finance costs in 2016 relate to Pala loan, with accruals released on settlement in 2017

BALANCE SHEET

US$'000	30 June 2017	30 June 2016
Non-current assets	5,973	3,828
Cash	3,198	70
Other current assets	22	-
Loans	(20)	(1,653)
Other payables	(429)	(765)
Net assets	**8,744**	**1,480**

- Fixed assets of US$6.0m relate to Gakara project
- Cash of US$3.2m at year end – now c US$1.2m end September
- Pala loan repaid during 2017 post IPO

YEAR ENDED 30 JUNE 2017 – SUMMARY CASHFLOW

CASHFLOW STATEMENT

US$'000	30 June 2017	30 June 2016
Net cash used in operating activities	(844)	(690)
Exploration spend	(769)	(583)
Capex	(1,363)	-
Repayment of Pala loan	(1,700)	-
Other borrowings	250	1,264
Net proceeds of equity raising	7,410	71
FX	144	-
Net cashflow after FX	**3,128**	**62**
Opening cash	70	8
Closing cash	**3,198**	**70**

- IPO proceeds (net of transaction and listing costs) amounted to US$7.4m
- US$1.7m of this was used to settle the Pala loan during the period
- US$2.1m was spent on exploration and mine development capex
- US$0.8m was used for non-capitalised costs
- Closing cash balance of US$3.2m at 30 June – now US$1.2m as at 30 Sep 2017

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