

## **NOTICE OF ANNUAL GENERAL MEETING**

### **RAINBOW RARE EARTHS LIMITED**

*(A non-cellular company incorporated in Guernsey with registered number 53831)*

**NOTICE IS HEREBY GIVEN THAT** that the Annual General Meeting of Rainbow Rare Earths Limited (the “**Company**”) will be held at 12pm on Tuesday 14 November 2017 at the Company’s Registered Office, Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL to consider and if thought fit pass the following resolutions:

#### **Ordinary business**

1. THAT the annual audited financial statements, including the profit and loss account and balance sheet, and the reports of the Directors and Auditors for the year ended 30 June 2017 be received.
2. THAT Adonis Pouroulis be re-elected as a Director of the Company.
3. THAT Robert Sinclair be re-elected as a Director of the Company.
4. THAT BDO LLP be re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at which the accounts are presented to the Company.
5. THAT the Directors be authorised to fix the Auditor’s remuneration.

#### **Special business**

6. THAT the Company be and is hereby authorised in accordance with Section 315 of the Companies (Guernsey) Law 2008, as amended, to make market purchases of its own shares provided that:
  - (a) the maximum number of ordinary shares authorised to be acquired is such number as represents 14.99% of the shares in issue from time to time (rounded to the nearest whole number);
  - (b) the minimum price which may be paid for a share is 1p;
  - (c) the maximum price which may be paid for a share is not more than 5% above the average of the middle market quotations for the relevant shares, as published by the London Stock Exchange for the five business days before the purchase is made; and
  - (d) such authority shall expire on the date of the Annual General Meeting of the Company in 2018 unless the authority is varied, renewed, or revoked prior to such date by a resolution of the Company in a general meeting or the Company has made a contract to

purchase its own shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration.

7. THAT the Articles of Incorporation, as amended by special resolution on 9 January 2017, be amended to include the following new Article 12 with successive Articles renumbered:

*12. Disclosure of Beneficial Interests*

*12.1 All provisions within this Article 12 are subject to the rules of any Recognised Investment Exchange and/or any competent regulatory authority.*

*12.2 The Board shall have power by notice in writing to require any Member or any other person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares issued by the Company to disclose to the Company the identity of any person (an "Interested Party") who has, or who has during that time held, any interest (whether direct or indirect) in the shares and the nature of such interest. For these purposes, a person shall be treated as having an interest in shares if they have any interest in them whatsoever, including but not limited to any interest acquired by any person as a result of:*

- (a) entering into a contract to acquire them (whether for cash or other consideration);*
- (b) being entitled to exercise, or control the exercise of, any right conferred by the holding of the shares;*
- (c) being a beneficiary under a trust where the property held on trust includes an interest in the shares;*
- (d) having a right to subscribe for the shares;*
- (e) having the right to call for delivery of the shares;*
- (f) having the right to acquire an interest in shares or having the obligation to acquire such an interest; or being the holder, writer or issuer of derivatives involving shares.*

*12.3 Any such notice shall require any information in response to such notice to be given in writing within such reasonable time as the Board shall determine.*

*12.4 The Board shall be required to exercise its powers under Article 12.2 above if requisitioned to do so by Members holding at the date of the deposit of the requisition not less than one-tenth of the issued shares of the Company.*

*12.5 Any Member who has been given notice of an Interested Party in accordance with Article 12.2 who subsequently ceases to have any party interested in his shares or has any other person interested in his shares shall notify the Company in writing of the cessation or change in such interest and the Board shall promptly amend the register of interested parties accordingly.*

*12.6 For the purposes of this Article a person shall be treated as being connected with a Director if that person is:*

- (a) a spouse, child (under the age of eighteen) or step child (under the age of eighteen) of the Director; or*
- (b) a partner (acting in that capacity) of the Director or persons described in Article 12.6(a) above.*

8. THAT the Directors, in accordance with article 6.2 of the Articles of Incorporation, be authorised to issue up to a maximum number of 30,925,292 Ordinary Shares (being not more than 20% of the number of Ordinary Shares in issue as at the date of this notice) or such other number being not more than 20% of the Ordinary Shares in issue at the date of the Annual General Meeting, whether generally in relation to the issue by the Company of equity securities or in relation to issues of a particular description or in relation to a specified issue of equity securities which

(unless offered pro rata to existing Shareholders or pursuant to further authorisation by Shareholders), as if the pre-emption provisions contained in article 6.2 of the Articles do not apply to any such issue, and that, unless previously revoked or varied, such authority will remain valid until the conclusion of the next Annual General Meeting of the Company, save that the Company may make prior to such expiry any offer or agreement which would or might require Ordinary Shares or equity securities to be issued after the conclusion of the next Annual General Meeting of the Company and the Directors may issue Ordinary Shares or equity securities pursuant to such an offer or agreement notwithstanding the expiry of the authority given by this resolution.

By order of the Board of Directors

**Ian Clarke**  
Director for Artemis Secretaries Limited  
Corporate Secretary

**Date: 19 October 2017**

**Registered office:**  
Trafalgar Court  
2nd Floor, East Wing  
Admiral Park,  
St Peter Port,  
Guernsey GY1 3EL

## **Explanatory Notes:**

**Resolution 1** is to receive and consider the reports of the Directors and the Auditors and the audited accounts for the financial year ended 30 June 2017. The Directors are required to present to the meeting the annual accounts and reports which are contained in the Annual Report.

**Resolutions 2 and 3** are to approve the re-election of two of the Directors of the Board. The Articles of Incorporation provide that (i) any Director who was elected or last re-elected a Director at or before the Annual General Meeting which falls nearest to the third anniversary of the Annual General Meeting at which he was appointed shall retire by rotation; and (ii) any Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following Annual General Meeting and then be eligible for re-election. Adonis Pouroulis and Robert Sinclair were appointed as Directors upon incorporation in August 2011 and are offering themselves for re-election.

**Resolution 4** is to approve the reappointment of the Company's existing Auditors, BDO LLP. The Company is required to appoint auditors at each Annual General Meeting to hold office until the next such meeting, at which accounts are presented.

**Resolution 5** authorises the Directors to agree the Auditor's remuneration.

**Resolution 6** is to allow the Company to make market purchases of the Company's own ordinary shares subject to the conditions which are set out in the resolution. The Articles of Incorporation of the Company provide that the Company shall have the power, subject to statutory requirements, to purchase its own shares.

**Resolution 7** is to give the Company power to investigate interests in shares in order to determine underlying beneficial interests.

**Resolution 8** is to give the Directors the authority to allot up to 20% of the Company's equity share capital without first having to offer such shares to existing shareholders (known as 'disapplication of pre-emption rights'). The Directors believe this will give the Company flexibility with regard to raising equity finance, while the maximum of 20% limits the extent to which existing shareholders would be diluted by any such equity raise.

## **Notes:**

1. A member of the Company entitled to attend and vote at the Meeting convened by the notice set out above is entitled to appoint a proxy to attend and, on a poll, to vote in his/her place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2. An instrument for the purposes of appointing a proxy is enclosed. To be valid, the instrument and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received by Artemis Secretaries Limited, Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote or, in the case of a poll, before the time appointed for taking the poll and, in default, the instrument shall not be treated as valid.

**(Please note that the Board have resolved to accept Instruments of Proxy sent by e-mail to the following e-mail address [RainbowEmail@artemisci.com](mailto:RainbowEmail@artemisci.com) or by facsimile to the following number +44 1481 729499).**

3. Completion of the instrument appointing a proxy does not preclude a member from subsequently attending and voting at the Meeting in person if he/she so wishes.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
5. In the case of a member which is a company, this Proxy should be either given under the company's common seal or signed for and on its behalf by a duly authorized officer or attorney of the company.
6. In the case of joint holdings, the signature of the first named member on the Register of Members will be accepted to the exclusion of the votes of the other joint holders.
7. Pursuant to Regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009, the Company gives notice that only those shareholders entered on the relevant register of members (the "**Register**") for certificated or uncertificated shares of the Company (as the case may be) 48 hours before the time of the Meeting (the "**Specified Time**") will be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at the time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at the Meeting. Should the Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. Should the Meeting be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in the notice.