

FOR IMMEDIATE RELEASE

1 March 2019

**Rainbow Rare Earths Ltd ('Rainbow' or 'the Company') (LSE: RBW)
Allotment of new shares**

Rainbow announces that the Company has allotted a total of 3,425,728 new ordinary shares of no par value ('Ordinary Shares') in satisfaction of the first drawdown of US\$100k under the facility announced on 25 January 2019 with a fund managed by The Lind Partners LLC.

The new Ordinary Shares rank pari passu with the Company's existing issued Ordinary Shares and application has been made for the Ordinary Shares to be admitted to the Main Market of the London Stock Exchange. Dealings are expected to commence on 8 March 2018.

The Company's enlarged issued share capital will be 198,833,073 Ordinary Shares. The Company has no treasury shares. This figure of 198,833,073 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

****ENDS****

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Notes to Editors:

Rainbow's focus is the Gakara Project in Burundi, one of the highest-grade (47%-67% Total Rare Earth Oxide) rare earths projects globally and the only African producer.

The Company began production of rare earth concentrates in Q4 2017 and has a ten-year distribution and offtake agreement with multinational thyssenkrupp Materials Trading secured for the sale of at least 5,000tpa of concentrate produced.

The Gakara basket is weighted heavily towards the magnet rare earths, including neodymium and praseodymium, which are driving demand and account for 70% of annual global REE sales due to their use in vital components in motors, generators, wind turbines, and electric vehicles.