

**FOR IMMEDIATE RELEASE**

10 June 2019

**Rainbow Rare Earths Ltd ('Rainbow' or 'the Company') (LSE: RBW)  
Full Conversion of Convertible Loan**

Rainbow announces that it has received an exercise notice from The Lind Partners LLC ('Lind') requesting full conversion of the outstanding US\$900,000 convertible loan facility announced on 28 January 2019.

Under the terms of the convertible loan, taking into account collateral shares already issued by Rainbow, Lind is entitled to be issued with a further 26,290,251 ordinary shares of no par value in the Company ('Ordinary Shares') which equates to an effective conversion price of 2.69p for each new Ordinary Share issued.

Under the Prospectus Rules, there is a limit on the number of new shares that a company can admit to trading (and in effect issue) in any 12-month period, without incurring the obligation to publish a prospectus.

For all of the 26,290,251 new Ordinary Shares requested by Lind to be admitted to trading Rainbow will be required to publish a prospectus.

Therefore, Rainbow has agreed with Lind to allot a total of 8,446,360 shares immediately and the balance of 17,843,891 Ordinary Shares pending publication of a prospectus, which Rainbow expects it will publish in July 2019. Lind has reserved the right to revoke its exercise notice in relation to the allotment and issue of the additional 17,843,891 Ordinary Shares

The 8,446,360 new Ordinary Shares now issued to Lind rank pari passu with the Company's existing issued Ordinary Shares and application has been made for these Ordinary Shares to be admitted to the Main Market of the London Stock Exchange. Dealings are expected to commence on 14 June 2019.

Following the issue of the 8,446,360 new Ordinary Shares to Lind, the Company's enlarged issued share capital will be 216,339,000 Ordinary Shares. The Company has no treasury shares. This figure of 216,339,000 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.