

FOR IMMEDIATE RELEASE

28 August 2019

**Rainbow Rare Earths Ltd ('Rainbow' or 'the Company') (LSE: RBW)
Management Change and Trading Update**

Rainbow, the rare earth element mining company, is pleased to announce the appointment of George Bennett to the Board as Chief Executive Officer, with immediate effect.

With over 25 years' experience in mining, finance and management, George has led a number of mining and energy companies, including Shanta Gold Ltd (which he successfully listed on the London Stock Exchange in 2005), OreCorp Ltd, Argentum (Pty) Energy, and most recently Karo Power (Pvt) Ltd.

In 2006, George established MDM Engineering Ltd, which he successfully listed on the London Stock Exchange in 2008. MDM Engineering Ltd is a mining engineering company building mineral process plants and mining infrastructure throughout Africa. In 2014, George was instrumental in selling the business to Foster Wheeler Limited for US\$120 million.

In addition, George has been a partner and director with a number of leading financial, broking and advisory businesses including Fergusson Bros, Simpson Mckie, and HSBC Securities Africa (Pty) Ltd.

Martin Eales, who has been CEO since 2014 and under whose oversight the Company was transformed from an early-stage exploration play to Africa's only producing rare earth mine, fully listed on the London Stock Exchange, is stepping down.

Rainbow's Chairman Adonis Pouroulis stated, *"We are delighted to bring someone of George's calibre on board. George has considerable experience in developing assets, particularly in the natural resources and energy space, and has a track record of success. We think he will be instrumental in helping Rainbow reach the next stage of its development. At the same time, I would like to thank Martin for his support during the early stages of Rainbow's development, IPO, and initial production."*

George Bennett, Chief Executive Officer, said, *"I am looking forward to the challenge of the role. Rainbow has a truly unique asset, with enormous potential, which is as yet largely untapped. My focus will be on setting out a clear strategy based on two areas: stabilising production at Gakara; and developing an understanding of the deposit, through a programme of exploration, combined with a robust study of how best to develop this exciting project."*

George holds or has held the following Directorships of publicly quoted companies in the last five years:

Current	Previous
Karo Power Generation (Pvt) Ltd	MDM Engineering Ltd
Brainworks Ltd	OreCorp Ltd

There are no further details in relation to this new director which require disclosure pursuant to paragraph 9.6.13 of the Listing Rules of the Financial Conduct Authority.

Trading update for the quarter ended 30 June 2019

	Q4 2018-19 (30 June 2019)	Q3 2018-19 (31 Mar 2019)	FY 2018-19 (30 June 2019)	FY 2017-18 (30 June 2018)
Ore mined (tonnes)	230	347	1,638	1,005
Concentrate sold (tonnes)	100	100	850	475
Grade TREO per tonne concentrate sold	56%	56%	57%	58%

During the three months to 30 June 2019, operations at the Company's Gakara Project continued to be affected by seasonal rainfall, and in particular by the inability of locally-rented haul trucks to operate effectively in wet conditions. This meant that stripping of waste was impaired, and progress was far slower than hoped.

Activity picked up in June in line with the dry season, with waste removal teams at both the Gasagwe and Murambi pits working double shifts to catch up on stripping. However, ore mined was lower in the quarter at 230 tonnes, and only one batch of 100 tonnes of concentrate was exported.

These production challenges clearly underlined the importance of raising finance to purchase new trucks in order to address operating efficiencies ahead of the next rainy season, which begins in October. Orders for new items of equipment are now being put in place, in order to meet these deadlines.

Realised concentrate prices were also lower in the quarter, at US\$1,448 per tonne v US\$1,653 per tonne in the quarter to 31 March 2019.

****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.