

**FOR IMMEDIATE RELEASE**

29 October 2019

**Rainbow Rare Earths Limited**  
("Rainbow" or the "Company")  
(LSE: RBW)

**Operational Update**

Rainbow Rare Earths Ltd, the Rare Earth Element ("REE") mining company, is pleased to provide the following operational update with regards to the Gakara Project in Burundi ("Gakara").

**Highlights:**

- REE shipments continued post financial year-end; a further 100 tonnes of concentrate grading c.56% total rare earth oxides ("TREO") dispatched in October
- Demand for product remains strong
- Delineated exploration programme to run in parallel to current mining with updated JORC-compliant resource statement targeted in early 2020
- New technical management identified to complement existing team
- Further cost reductions identified to improve Project economics

**Rare Earth shipments and production**

Rainbow has continued with concentrate shipments from its operations in Burundi and is pleased to report that a further 100 tonnes of concentrate grading c.56% TREO have been dispatched. This shipment was completed in the first week of October 2019, with additional shipments of concentrate due for processing in the coming weeks.

Significantly, the shipments of TREO contain very low levels of radioactive material, a common issue in rare earth shipments from many other operations. The concentrate from Gakara contains very low levels of both uranium and thorium, meaning it is readily shippable on the open seas.

Demand for Rainbow's concentrate remains strong as a result of both the quality and limited impurities.

As previously indicated, production levels are expected to be reduced whilst the Company performs the work necessary to achieve higher production target levels as it moves its focus from high-grade vein mining to a more broad, mechanised operation as outlined in the most recent financial results commentary notified on 9 October 2019.

### **Exploration programme**

In order to achieve the transformation to a mechanised operation, the Company is undertaking detailed geological work to establish a drill area that will support this strategy.

This exploration programme will be supervised by Malcolm Titley, the former head of mining consultant CSA Global (“CSA”) in the UK, and by CSA Global itself, with the immediate aim of generating a prioritised ranking of exploration targets in order to complete a JORC-compliant Resource in early 2020, that will support the targeted production levels. Rainbow’s mining licence has a total of 30 exploration targets, all of which have been shown to have numerous REE occurrences that contain mineralisation. Of these 30 targets, seven targets were historically mined, a very good indicator of high-grade mineralisation in mining deposits in Africa. CSA are well known international experts in the mining industry and have specific expertise in rare earths, having been the competent person to Lynas Corporation Ltd, a leading integrated supplier of rare earths, amongst others.

Further additions to the management team will be announced shortly.

### **Cost control**

The Company has implemented an operational cost reduction programme within the first month of new management changes which has led to a material reduction in operational costs. The management estimate breakeven level of concentrate production for the operation to be stable and support the above outlined strategy has been reduced from around 270 tonnes per month to 110 tonnes per month of concentrate.

**\*\*ENDS\*\***

For further information, please contact

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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.