

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at the Extraordinary General Meeting to be held at 10 a.m. on Friday, 19 July 2019 at the Company's registered office, Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred only part of your registered holding of Ordinary Shares, you should retain this document and the accompanying documents. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK or Guernsey. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.



Rainbow Rare Earths Limited

(Incorporated in Guernsey as a non-cellular company limited by shares)

(Registration number 53831)

Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the Chairman of the Company, which is set out on pages 5 to 8 of this document, which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

The Notice of the Extraordinary General Meeting of the Company, to be held at 10 a.m. on Friday, 19 July 2019 at the Company's registered office, Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL, is set out at the end of this document. A Form of Proxy for the purposes of appointing a proxy accompanies this document. To be valid, the Form of Proxy 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 the Company secretary, Artemis Secretaries Limited, at 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 form of proxy proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for taking the poll and, in default, unless the Board directs otherwise, the Form of Proxy shall not be treated as valid.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company in any jurisdiction in which such offer or instruction would be unlawful nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. The distribution of this document in jurisdictions other than the United Kingdom or Guernsey may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

FORWARD-LOOKING STATEMENTS

This document includes “forward-looking statements” which includes all statements other than statements of historical fact, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group’s control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication and posting to Shareholders of this document	3 July 2019
Latest time and date for receipt of Forms of Proxy	10 a.m. on 17 July 2019
Extraordinary General Meeting	10 a.m. on 19 July 2019

Notes:

- (1) References to times in this document are to London time (unless otherwise stated).
- (2) The dates set out in the timetable above may be subject to change.
- (3) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to a regulatory information service.

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Admission”	the admission of the Placing Shares to the standard segment of the Official List of the UKLA and to trading on the Main Market of London Stock Exchange plc;
“Arden Partners”	Arden Partners plc, broker to the Company for the purposes of the Placing;
“Articles”	the articles of incorporation of the Company as at the date of this document;
“Board” or “Directors”	the directors of the Company as at the date of this document, whose names are set out on page 5 of this document;
“Certificated”	a share or security which is not in uncertificated form (that is, not in CREST);
“Company” or “Rainbow”	Rainbow Rare Earths Limited;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened for 10 a.m. on 19 July 2019, notice of which is set out at the end of this document;
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the Extraordinary General Meeting;
“FSA”	Financial Services and Markets Act 2000 (as amended);
“Group”	the Company together with its Subsidiaries (as defined in the UK Companies Act 2006) as at the date of this document;
“Joint Broker”	Arden Partners and TPI, as brokers to the Company for the purposes of the Placing;
“Lind Facility”	the funding agreement between the Company and Lind comprising an unsecured convertible security amount of US\$750,000 and a 24 month equity facility of up to US\$7 million;
“Lind Facility Shares”	the 17,843,891 new Ordinary Shares to be issued to Lind pursuant to the conversion of the outstanding convertible security amount under the Lind Facility;
“Lind”	Lind Partners LLC, investing through the Australian Special Opportunity Fund LP;
“Lind Options”	the 16,718,987 share options granted to The Australian Special Opportunity Fund, LP, an entity managed by Lind, exercisable at a price of £0.0528, at any time prior to 23 January 2023;
“London Stock Exchange”	London Stock Exchange plc;
“Management Shares”	the 4,859,603 new Ordinary Shares, to be issued to the Directors

	and certain senior managers in lieu of payment of part of their director fees and bonus payments which remain outstanding as at 30 June 2019;
“Non-Executive Directors”	Adonis Pouroulis, Shawn McCormick, Robert Sinclair, Alexander Lowrie and Atul Bali;
“Notice of EGM”	the notice convening the EGM, which is set out at the end of this document;
“Ordinary Shares”	ordinary shares of no par value in the capital of the Company;
“Pella Ventures Loan”	the loan of US\$700,000 advanced to the Group pursuant to a loan agreement, further details of which are set out on pages 6-7 of this document;
“Pella Ventures”	Pella Ventures Limited;
“Placing”	the placing by the Joint Brokers on behalf of the Company of the Placing Shares pursuant to the Placing Agreement;
“Placing Agreement”	the conditional agreement between the Company and the Joint Brokers dated 3 July 2019, as announced by the Company;
“Placing Price”	the Placing Shares placed at a price of 3 pence per Ordinary Share;
“Placing Shares”	the 41,763,334 new Ordinary Shares, to be issued pursuant to the Placing;
“Prospectus Rules”	the prospectus rules published by the FCA under Part VI of the FSMA;
“Resolutions”	the resolutions set out in the Notice of EGM;
“Shareholders”	holders of Ordinary Shares from time to time and the term “Shareholder” shall be construed accordingly;
“Subscription”	the subscription for new Ordinary Shares by investors at the Placing Price;
“Subscription Shares”	the 79,444,444 new Ordinary Shares, to be issued pursuant to the Subscription;
“TPI”	Turner Pope Investments (TPI) Ltd, broker to the Company for the purposes of the Placing;
“UKLA”	the United Kingdom Listing Authority;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland; and
“£”	pounds sterling, the lawful currency of the United Kingdom.

LETTER FROM THE CHAIRMAN OF RAINBOW RARE EARTHS LIMITED



(Incorporated in Guernsey as a non-cellular company limited by shares)

(Registration number 53831)

Directors:

Adonis Pouroulis (Non-Executive Chairman)
Martin Eales (Chief Executive Officer)
Shawn McCormick (Non-Executive Director)
Robert Sinclair (Non-Executive Director)
Alexander Lowrie (Non-Executive Director)
Atul Bali (Non-Executive Director)

Registered Office:

Trafalgar Court,
Second Floor East Wing,
Admiral Park,
St Peter Port,
Guernsey GY1 3EL

3 July 2019

Dear Shareholder

Notice of Extraordinary General Meeting

1. Introduction

The Company announced on 3 July 2019 that it had conditionally raised £4.3 (US\$5.5 million) (before commissions and other fees and expenses) arranged by Arden Partners plc and Turner Pope Investments Limited, with new and existing investors at 3 pence per new Ordinary Share. In connection with the Placing, the Company also announced:

- (a) the subscription by Alex Lowrie, a Director, in 333,333 new Ordinary Shares, at the Placing Price, raising £10,000 (US\$13,000);
- (b) that Rainbow's largest shareholder, Pella Ventures (in which the Company's Chairman, Adonis Pouroulis has a beneficial interest), is converting its US\$700,000 loan plus accrued interest of US\$4k as announced on 7 May 2019 at the Placing Price; and
- (c) the Directors and certain senior managers had agreed to be issued with a total of 4,859,603 new Ordinary Shares in lieu of payment of part of their director fees/bonus payments, outstanding at 30 June 2019.

Each of the above are subject to, inter alia, publication of a prospectus and Shareholder approval of certain resolutions to authorise the disapplication of the pre-emption rights in the Articles in respect of the allotment and issue of new Ordinary Shares (including the Placing Shares) which will be sought at the EGM, notice of which is set out at the end of this document.

At the EGM, the Directors are also seeking authority to disapply pre-emption rights in respect of the allotment and issue of new Ordinary Shares in connection with the grant of the 16,718,987 share options to The Australian Special Opportunity Fund, LP, an entity managed by Lind, exercisable at a price of £0.0528, at any time prior to 23 January 2023, as well as authority to disapply pre-emption

rights in respect of the allotment and issue of 17,843,891 new Ordinary Shares to Lind pursuant to the conversion of the outstanding convertible security amount under the Lind Facility (as announced by the Company on 10 June 2019).

The purpose of this document is to explain to Shareholders the background to and reasons for the matters set out above and to seek Shareholders' approval of the Resolutions (at the EGM) to enable completion of the Placing and Admission, approve the disapplication of pre-emption rights in respect of the allotment and issue of the Subscription Shares, the Management Shares, the Lind Facility Shares, the new Ordinary Shares arising on the exercise of the Lind Options, as well as to seek general authority to disapply pre-emption rights in respect of the allotment and issue of new Ordinary Shares until the next Annual General Meeting of the Company. The Notice of EGM is set out at the end of this document and a Form of Proxy is also enclosed for you to complete and return, whether or not you intend to attend the EGM.

Due to the Prospectus Rules (which limit the number of new shares that a company can admit to trading (and in effect issue) in any 12 month period), the Company would only be able to allot and issue any new Ordinary Shares in satisfaction of the proposals set out above and seek admission of those Ordinary Shares to trading on official list of the UKLA and to trading on Main Market of London Stock Exchange plc once a prospectus was published. Accordingly, the Company is in the process of preparing and having approved a prospectus covering the issue of the Placing Shares and the other new Ordinary Shares in respect of which the Directors are seeking approval at the EGM.

2. Background to and reasons for the proposals

Placing and Subscription

The Company is undertaking the Placing and Subscription to raise cash proceeds to invest in production growth at its producing Gakara Rare Earth Project in Burundi, including the purchase of new mining fleet and equipment, development of two new pits and an enhanced exploration campaign, which the Board believes will generate further Shareholder value.

Funding will also strengthen the Group's balance sheet, which will provide additional stability during the ramp-up of production from the new mining areas over the coming months

The net proceeds of the Placing and Subscription will be applied in the following principal areas:

- Purchase of new mining fleet to replace locally rented equipment;
- Development and opening of two new mining areas;
- Additional drilling campaign focused on larger-scale, lower grade Kiyenzi area alongside metallurgical testwork focused on efficient processing of this ore; and
- Strengthening balance sheet to provide working capital prior to additional mining areas delivering production.

Pursuant to the Placing Agreement, the Joint Brokers were appointed as agents to the Company to procure places for the Placing Shares, at the Placing Price. The obligations of the Joint Brokers remain conditional, inter alia, upon Resolution 1 being passed at the EGM, as well as admission of the Placing Shares taking place by 8.00 am on 22 July 2019. The Placing Agreement contains customary warranties from the Company in respect of the Placing Shares and the operations and business of the Group, as well as an indemnity in favour of the Joint Brokers.

In addition, 5 individual investors have entered into subscription agreements with the Company in respect of the Subscription Shares (determined by reference to the Placing Price). Completion of the Subscription remains subject to the passing of Resolution 1 and Admission.

Conversion of the Pella Ventures Loan

Pursuant to the Pella Ventures Loan, Pella Ventures advanced US\$700,000 to the Company for a period of 12 months at an interest rate of 15 per cent. per annum from drawdown. The terms of the loan agreement, dated 7 May 2019, provide that the principal amount of US\$700,000 and the outstanding interest (totalling US\$4,442) shall convert into new Ordinary Shares on the same terms as apply to the next equity fundraising undertaken by the Company.

Therefore, subject to completion of the Placing, the Pella Ventures Loan shall, subject to Resolution 1 being passed, be converted into 18,636,040 new Ordinary Shares at the Placing Price, which shall be issued to Pella Ventures at Admission.

Lind Options

Pursuant to the Lind Facility, the Company granted 16,718,987 share options to The Australian Special Opportunity Fund, LP, an entity managed by Lind, exercisable at a price of £0.0528, at any time prior to 23 January 2023. Resolution 1, which will be proposed at the EGM, seeks the approval of Shareholders to disapply pre-emption rights in respect of the allotment and issue of the Ordinary Shares arising on the exercise of any of the Lind Options.

Lind Facility Shares

The Company announced on 10 June 2019 that it had received an exercise notice from Lind, in respect of the conversion of the full outstanding amount of the convertible loan advanced to the Company under the Lind Facility and that due to the Prospectus Rules (which limit the number of new shares that a company can admit to trading (and in effect issue) in any 12 month period), the Company would only be able to allot and issue the Lind Facility Shares once a prospectus was published. Accordingly, the Lind Facility Shares will be allotted and issued to Lind at Admission, subject to Resolution 1 being passed.

Settlement of amounts due in Ordinary Shares-Directors and Management

The Non-Executive Directors have agreed to have the following fees (outstanding as at 30 June 2019) settled by the allotment and issue to them of the corresponding number of Ordinary Shares (determined by reference to the Placing Price, and using an USD:GBP rate of 1.26):

Name	Amount (US\$)	Ordinary Shares
Adonis Pouroulis	14,167	472,222
Shawn McCormick	9,167	305,555
Robert Sinclair	9,167	305,555
Atul Bali	9,167	305,555
Total:	41,668	1,388,887

The following have agreed to have their deferred cash bonuses (outstanding as at 30 June 2019) settled by the allotment and issue to them of the corresponding number of Ordinary Shares (determined by reference to the Placing Price):

Name	Amount (US\$)	Ordinary Shares
Martin Eales	35,477	1,182,563
Jim Wynn	25,341	844,688
Cesare Morelli	19,209	640,315
Gilbert Midende	24,094	803,150
Total:	104,121	3,470,716

Settlement of amounts due in Ordinary Shares – Align Research

Align Research has agreed to receive 1,428,571 Ordinary Shares (the “Align Shares”) in settlement of fees totalling US\$54k (determined by reference to the Placing Price).

3. Extraordinary General Meeting

The Company is convening the EGM to seek authority from Shareholders, pursuant to Resolution 1, to disapply pre-emption rights in respect of the allotment and issue of the Placing Shares, the Subscription Shares, the Management Shares, the Lind Facility Shares, the new Ordinary Shares arising on the exercise of any of the Lind Options, as well as, pursuant to Resolution 2, to seek general authority to disapply pre-emption rights in respect of the allotment and issue of up to 20 per cent. of the Ordinary Shares in issue at the date of the Admission and taking into account the Ordinary Shares whose allotment and issue is authorised under Resolution 1.

Set out at the end of this document is the notice convening the EGM to be held at 10 a.m. on Friday, 19 July 2019 at the Company's registered office at Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL at which the Resolutions will be proposed.

4. Action to be taken

Shareholders will find enclosed with this document (if in hard copy), or on the Company's website at <http://rainbowrareearths.com/investors/corporate-documents/>, a Form of Proxy for use at the EGM. Whether or not you intend to be present at the EGM, you are requested to complete and sign the Form of Proxy and return it to the Company secretary, Artemis Secretaries Limited, at Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL, by e-mail to RainbowEmail@artemisci.com, or by facsimile to +44 1481 729499, as soon as possible and, in any event, so as to arrive no later than 10 a.m. on 17 2019. Unless the Form of Proxy is received by this date and time, it will be invalid. The completion and return of a Form of Proxy will not preclude you from attending the EGM and voting in person if you so wish.

Shareholders are reminded that, if their Ordinary Shares are held in the name of a nominee, only that nominee or its duly appointed proxy can be counted in the quorum at the EGM.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company in any jurisdiction in which such offer or instruction would be unlawful nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. The distribution of this document in jurisdictions other than the United Kingdom or Guernsey may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

5. Recommendation

The Directors consider that the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the EGM, as they intend to do in respect of their aggregate interests of 68,906,037 Ordinary Shares (representing approximately 31.85 per cent. of the Ordinary Shares in issue as at 2 July 2019).

Yours sincerely

Chairman
Adonis Pouroulis

NOTICE OF EXTRAORDINARY GENERAL MEETING

RAINBOW RARE EARTHS LIMITED

(A non-cellular company limited by shares incorporated in Guernsey with registered number 53831)

NOTICE IS HEREBY GIVEN THAT that an Extraordinary General Meeting of Rainbow Rare Earths Limited (the "**Company**") will be held at 10 a.m. on Friday, 19 July 2019 at the Company's registered office, Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL for the purpose of considering and, if thought fit, pass the following resolutions (the "**Resolutions**"), which will each be proposed as special resolutions:

SPECIAL BUSINESS

1. THAT the Directors, in accordance with article 6.2 of the Articles, be and are hereby authorised to allot and issue Ordinary Shares as if the pre-emption provisions contained in article 6.2 of the Articles did not apply to any such allotment and issue, provided that this power shall be limited to the allotment and issue of: (i) 41,763,334 Ordinary Shares pursuant to the Placing; (ii) 79,444,444 Ordinary Shares pursuant to the Subscription; (iii) 18,636,040 Ordinary Shares to Pella Ventures Limited, pursuant to the conversion of the Pella Ventures Loan; (iv) 17,843,891 Ordinary Shares to The Australian Special Opportunity Fund, LP pursuant to the conversion of the convertible loan under the terms of the Lind Facility; (v) 16,718,987 Ordinary Shares to The Australian Special Opportunity Fund, LP pursuant to the exercise of the Lind Options granted to The Australian Special Opportunity Fund, LP under the terms of the Lind Facility; (vi) 4,859,603 Ordinary Shares to the Directors and certain senior managers in lieu of payment of part of their respective director fees and bonus payments which remain outstanding as at 30 June 2019, and (vii) 1,428,572 Ordinary Shares to Align Research in settlement of outstanding fees 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 allotted and issued after the conclusion of the next Annual General Meeting of the Company and the Directors may allot and issue Ordinary Shares or equity securities pursuant to such an offer or agreement notwithstanding the expiry of the authority given by this resolution, and such authority shall be in addition to any other such authority granted to the Directors from time to time.
2. THAT the Directors, in accordance with article 6.2 of the Articles, be and are hereby authorised to allot and issue up to a maximum number of 79,406,774 Ordinary Shares (being 20 per cent. of the Ordinary Shares in issue at the date of the Admission and taking into account the Ordinary Shares whose allotment and issue is authorised under Resolution 1), whether generally in relation to the allotment and issue by the Company of equity securities or in relation to allotments and issues of a particular description or in relation to a specified allotment and issue of equity securities, as if the pre-emption provisions contained in article 6.2 of the Articles did not apply to any such allotment and 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 allotted and issued after the conclusion of the next Annual General Meeting of the Company and the Directors may allot and issue Ordinary Shares or equity securities pursuant to such an offer or agreement notwithstanding the expiry of the authority given by this resolution, and such authority shall be in addition to any other such authority granted to the Directors from time to time.

Save where otherwise defined herein, capitalised terms used in this Notice of EGM and the Resolutions, shall have the meanings given to them in the document of which this Notice of EGM forms part (the "**Circular**") or the Articles of the Company, as appropriate.

By order of the Board of Directors
Rainbow Rare Earths Limited

Ian Clarke
Director for Artemis Secretaries Limited
Company Secretary

Date: 3 July 2019

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

Explanatory Notes:

Resolution 1 is to give the Directors the authority to allot and issue Ordinary Shares without first having to offer such shares to existing Shareholders.

Paragraph (i) of Resolution 1 disapplies pre-emption rights in respect of the allotment and issue of 41,763,334 Ordinary Shares pursuant to the Placing. On 3 July 2019, the Company announced that it had raised £4.3 (US\$5.5 million) (before commissions and other fees and expenses) pursuant to the Placing. The Placing Shares will represent approximately 10.52 per cent. of the issued share capital of the Company immediately following Admission and the admission of the Subscription Shares, the Conversion Shares, the Lind Facility Shares, the Lind Options (if exercised) and the Management Shares to the standard segment of the Official List of the UKLA and to trading on the Main Market of London Stock Exchange plc (collectively "**Aggregate Admission**").

Paragraph (ii) of Resolution 1 disapplies pre-emption rights in respect of the allotment and issue of 79,444,444 Ordinary Shares pursuant to a subscription for new Ordinary Shares by certain of the Directors (or their related entities) with the Company, as set out in further detail in the Circular. The Subscription Shares will represent approximately 20.01 per cent. of the issued share capital of the Company immediately following Aggregate Admission.

Paragraph (iii) of Resolution 1 disapplies pre-emption rights in respect of the allotment and issue of 18,636,040 Ordinary Shares to Pella Ventures Limited (in which the Company's Chairman, Adonis Pouroulis has a beneficial interest) pursuant to the conversion of the Pella Ventures Loan. The loan and outstanding interest shall convert into 18,636,040 new Ordinary Shares (the "**Conversion Shares**"), determined by reference to the Placing Price. The Conversion Shares will represent approximately 4.69 per cent. of the issued share capital of the Company immediately following Aggregate Admission.

Paragraph (iv) of Resolution 1 disapplies pre-emption rights in respect of the allotment and issue of 17,843,891 Ordinary Shares to The Australian Special Opportunity Fund, LP pursuant to the conversion of the convertible loan under the terms of the Lind Facility. The Lind Facility Shares will represent approximately 4.49 per cent. of the issued share capital of the Company immediately following Aggregate Admission.

Paragraph (v) of Resolution 1 disapplies pre-emption rights in respect of the allotment and issue of 16,718,987 Ordinary Shares to The Australian Special Opportunity Fund, LP pursuant to the exercise of the Lind Options granted to The Australian Special Opportunity Fund, LP under the terms of the Lind Facility. The new Ordinary Shares arising upon the exercise of the Lind Options will represent approximately 4.21 per cent. of the issued share capital of the Company immediately following Aggregate Admission.

Paragraph (vi) of Resolution 1 disapplies pre-emption rights in respect of the allotment and issue of 4,859,603 Ordinary Shares to the Directors and certain senior managers in lieu of payment of part of their director fees and bonus payments outstanding as at 30 June 2019. The Management Shares will represent approximately 1.22 per cent. of the issued share capital of the Company immediately following Aggregate Admission.

Paragraph (vii) of Resolution 1 disapplies pre-emption rights in respect of the allotment and issue of 1,428,571 Ordinary Shares to Align Research in settlement of outstanding invoices as at 30 June 2019. The Align Shares will represent approximately 0.36 per cent. of the issued share capital of the Company immediately following Aggregate Admission.

Resolution 2 is in addition to the authority which was given at the Annual General Meeting of the Company held on 31 October 2018 which has now been fully utilised and is to give the Directors the

additional authority to allot and issue up to 79,406,774 Ordinary shares, being 20 per cent. of the Company's equity share capital as at the date of the Admission and taking into account the Ordinary Shares whose allotment and issue is authorised under Resolution 1 (the Aggregate Admission), without first having to offer such shares to existing Shareholders. If granted, Ordinary Shares may be allotted and issued pursuant to this general authority other than pursuant to the authority granted pursuant to Resolution 1 although the Directors do not currently have any intention to do so. The Directors believe this will give the Company flexibility with regard to raising equity finance, while the maximum of 20 per cent. limits the extent to which existing Shareholders would be diluted by any such equity raise.

Notes:

1. A Shareholder entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint a proxy to attend and 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. Details of how to appoint the Chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes to the form of proxy enclosed with this notice. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary Shares. You may not appoint more than one proxy to exercise rights attached to any one share. Where multiple proxies have been appointed to exercise rights attached to different Ordinary Shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Shareholder who appointed them would have on a show of hands if he were present at the meeting. On a poll, all or any of the rights of the Shareholder may be exercised by one or more duly appointed proxies. To appoint more than one proxy you may photocopy the enclosed form of proxy. Please indicate the proxy holder's name and the number of Ordinary Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Ordinary Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions given by you. All hard copy proxy appointments must be signed and should be returned together in the same envelope.
3. On a vote on a show of hands, each proxy has one vote. If a proxy is appointed by more than one Shareholder, and all such Shareholders have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one Shareholder, but such Shareholders have given different voting instructions, the proxy may, on a show of hands, vote both "for", and "against" in order to reflect the different voting instructions.
4. A form of proxy for the purposes of appointing a proxy is enclosed with this notice. To be valid, the form of proxy 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 the Company secretary, Artemis Secretaries Limited, at 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 form of proxy proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for taking the poll and, in default, unless the Board directs otherwise, the form of proxy shall not be treated as valid. **Please note that the Board has resolved to accept forms of proxy sent by e-mail to the following e-mail address RainbowEmail@artemisci.com or by facsimile to the following number +44 1481 729 499.**
5. Shareholders may change proxy instructions by submitting a new proxy appointment using one of the methods set out above. Note that the cut-off time for receipt of proxy appointments (see note 4 above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If you submit more than one validly proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. The appointment of a proxy will not preclude a Shareholder from attending, speaking and voting at the meeting in person, should he wish to do so. If you appoint a proxy and attend the meeting and vote in person, your proxy appointment will automatically be terminated.
6. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company secretary, Artemis Secretaries Limited, at Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL. In the case of a Shareholder which is an individual the revocation notice must be under the hand of the appointer or of his attorney duly authorised in writing or in the case of a Shareholder which is a company, the

revocation notice must be executed under its common seal or under the hand of an officer of the company or an attorney duly authorised. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.

7. To be passed, a special resolution requires not less than 75 per cent. of the Shareholders and duly appointed proxies entitled to attend the meeting and voting on a show of hands to vote in favour (excluding any votes that are withheld) or, if a poll is demanded, not less than 75 per cent. of the total voting rights cast on the relevant resolution (excluding any votes that are withheld) to be in favour.
8. The quorum for a general meeting shall be one or more Shareholders present in person or by proxy and holding five per cent or more of the voting rights available at such meeting whether or not the Company has one Shareholder. In the event that a quorum is not present for the meeting within 30 minutes of the time appointed for the meeting, the meeting shall stand adjourned for fourteen clear days at the same time and place and no notice of adjournment need be given. At any such adjourned meeting, those Shareholders who are present in person or by proxy shall constitute the quorum.
9. Where there are joint registered holders of any shares, such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the register of members shall alone be entitled to vote.
10. In the case of a Shareholder which is a company, the form of proxy enclosed with this notice should be either given under the company's common seal or signed for and on its behalf by a duly authorised officer or attorney of the company.
11. Any corporation which is a Shareholder may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at the meeting and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Shareholder.
12. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to every other matter which is put before the meeting.
13. 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.
14. A copy of the Company's Articles will be available for inspection at the registered office of the Company (during business hours and excluding weekends and bank holidays) in Guernsey or otherwise available on request from the Company Secretary, Artemis Secretaries Limited (telephone +44 (0) 1481 729466), from the date of this notice until the time of the meeting.
15. The Directors will answer any questions raised at the meeting which relate to the business of the meeting, although no answer need be given:

- (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information;
 - (b) if the answer has already been given on the Company's website; or
 - (c) if it is undesirable in the best interests of the Company or the good order of the meeting that the question be answered.
16. A copy of this Notice of Extraordinary General Meeting is available on the Company's website: <http://rainbowrareearths.com>.
17. The total issued share capital of the Company as at the date of this notice is 216,339,000 Ordinary Shares.
18. Pursuant to the Articles, on a show of hands every Shareholder (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative shall have one vote on a show of hands, and one vote per Ordinary Share on a poll (other than the Company itself where it holds its own shares as treasury shares).
19. All capitalised expressions used in this Notice of Extraordinary General Meeting not otherwise defined herein shall have the same meaning given to them in the Circular or the Articles of the Company, as appropriate.