

NOTICE OF ANNUAL GENERAL MEETING

RAINBOW RARE EARTHS LIMITED

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

In light of the COVID-19 pandemic, shareholders will not be permitted to attend this year's Annual General Meeting ("AGM") in person. The AGM will be held as a closed meeting with a minimum quorum present in order to allow the essential business of the AGM to be conducted. However, your vote is important and to ensure that your vote is counted, shareholders should submit a proxy appointment in advance of the meeting either electronically or by post in accordance with the instructions in this document. All shareholders are strongly encouraged to appoint the Chair of the meeting as their proxy to ensure that their vote is counted.

NOTICE IS HEREBY GIVEN THAT that the Annual General Meeting of Rainbow Rare Earths Limited (the "**Company**") will be held at 11am on Wednesday 18 November 2020 at the Company's registered office, Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL to consider and if thought fit pass the following resolutions, which will be proposed as ordinary resolutions and special resolutions as set out below:

Ordinary resolutions

To be proposed as ordinary resolutions:

1. THAT the annual audited financial statements, including the profit and loss account and balance sheet, and the reports of the Directors and Auditors for the year ended 30 June 2020 be received and considered.
2. TO re-elect Adonis Pouroulis, who, being eligible, stands for re-election as a Director of the Company.
3. TO re-elect Robert Sinclair, who, being eligible, stands for re-election as a Director of the Company.
4. THAT BDO LLP be re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.
5. THAT the Directors be authorised to fix the Auditors' remuneration.

Special resolutions

To be proposed as special resolutions:

6. THAT the Company be and is hereby authorised in accordance with Section 315 of the Companies (Guernsey) Law, 2008, as amended, to make market acquisitions of its own shares (either for the retention as treasury shares for resale or transfer, or cancellation) provided that:
 - (a) the maximum number of Ordinary Shares (as defined in the Company's articles of incorporation (the "**Articles**") authorised to be acquired is such number as represents

14.99% of the Ordinary Shares in issue as at the latest practicable date prior to the date of publication of this notice (excluding any Ordinary Shares held in treasury) rounded to the nearest whole number);

- (b) the minimum price which may be paid for an Ordinary Share is 1p;
 - (c) the maximum price which may be paid for an Ordinary Share is not more than 5% above the average of the middle market quotations for the relevant Ordinary Shares, as published by the London Stock Exchange for the five business days before the purchase is made; and
 - (d) such authority shall expire on the date of the Annual General Meeting of the Company due to be held in 2020 unless the authority is varied, renewed, or revoked prior to such date by a special resolution of the Company in a general meeting or the Company has made a contract to purchase its own Ordinary Shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration.
7. THAT the Directors, in accordance with article 6.2 of the Articles of Incorporation, be authorised to allot and issue or grant up to a maximum number of Ordinary Shares, options, warrants or other rights over Ordinary Shares ("**Equity Securities**") equal to 84,369,508 Ordinary Shares (being 20% of the number of Ordinary Shares in issue as at the latest practicable date prior to the date of publication of this notice (excluding any Ordinary Shares held in treasury)), whether generally in relation to the allotment and issue or grant by the Company of Equity Securities or in relation to allotments and issues or grants of a particular description or in relation to a specified allotment and issue or grant 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 or grant, 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 Equity Securities to be allotted and issued or granted after the conclusion of the next Annual General Meeting of the Company and the Directors may allot and issue or grant Equity Securities pursuant to such an offer or agreement notwithstanding the expiry of the authority given by this resolution.

By order of the Board of Directors

Rainbow Rare Earths Limited

Ian Clarke

Director for and on behalf of Artemis Secretaries Limited
Company Secretary

Date: 30 October 2020

Registered office:

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

Explanatory Notes:

This section contains an explanation of each of the resolutions to be put to the AGM. Resolutions 1 to 5 are ordinary resolutions requiring the approval of a simple majority of shareholders present (in person or by proxy) and voting at the AGM. Resolutions 6 and 7 are special resolutions requiring the approval of 75% of shareholders present (in person or by proxy) and voting at the AGM.

Resolution 1 is to receive and consider the reports of the Directors and the Auditors and the audited accounts for the financial year ended 30 June 2020. The Directors are required to present to the meeting the annual accounts and reports which are contained in the Annual Report.

Resolutions 2 and 3 are to approve the re-election of two of the Directors of the Board. The Articles of Incorporation provide that (i) any Director who was elected or last re-elected a Director at or before the Annual General Meeting which falls nearest to the third anniversary of the Annual General Meeting at which he was appointed shall retire by rotation; and (ii) any Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following Annual General Meeting and then be eligible for election. Adonis Pouroulis and Robert Sinclair were re-elected as Directors at the Annual General Meeting held on 14 November 2017 and are offering themselves for re-election in accordance with the above.

Resolution 4 is to approve the reappointment of the Company's existing Auditors, BDO LLP. The Company is required to appoint auditors at each Annual General Meeting to hold office until the next such meeting.

Resolution 5 authorises the Directors to agree the Auditors' remuneration.

Resolution 6 is to allow the Company to make market purchases of the Company's own Ordinary Shares subject to the conditions which are set out in the resolution. The Articles of the Company provide that the Company shall have the power, subject to statutory requirements, to purchase its own shares.

Resolution 7 is to give the Directors the authority to allot and issue or grant up to a maximum number of Equity Securities equal to 20% of the number Ordinary Shares in issue as at the date latest practicable date prior to the date of publication of this notice (excluding any Ordinary Shares held in treasury) without first having to offer such shares to existing holders of Ordinary Shares ("**Shareholders**") (known as 'disapplication of pre-emption rights'). The Directors believe this will give the Company flexibility with regard to raising equity finance, while the maximum of 20% limits the extent to which existing Shareholders would be diluted by any such equity raise.

Notes:

The evolving developments and related restrictions in response to COVID-19 have affected the ability of shareholders to attend our AGM this year and it will not be possible to hold our AGM in the normal way. In normal circumstances, the Board values greatly the opportunity to meet shareholders in person. However, in order to protect the health and safety of our shareholders and people the Board has concluded that it is appropriate to request shareholders not to attend the AGM in person this year and to hold the AGM as a closed meeting.

Our AGM this year will be purely functional to comply with the relevant legal requirements. The Chairman, exercising the votes of members who have validly appointed him as their proxy will conduct the essential business of the meeting in a closed forum.

Instead of attending this year's AGM, shareholders are asked to exercise their votes by submitting their proxy electronically or by post, as explained below.

1. All holders of Ordinary Shares are entitled to vote at the AGM. Any member so entitled may appoint one or more proxies to vote instead of him or her. However, to ensure that your vote is counted you are strongly encouraged to appoint the Chairman as your proxy as there will be no right for any other person to attend the meeting to represent you. Your proxy must vote as you instruct, and details of how to vote are set out in the notes to the proxy form.
2. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares but please see above in relation to attendance this year. You may not appoint more than one proxy to exercise rights attached to any one share.
3. 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 any other matter which is put before the AGM.
4. 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 any adjournment thereof. **Please note that the Board has resolved to accept forms of proxy sent by e-mail (in PDF form) to the following email 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.
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. 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.
8. In order for the voting preferences of all shareholders to be taken into account, a poll will be conducted on all resolutions at the AGM this year. The results of the voting will be posted on the Company's website as soon as practicable after the meeting.
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 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. 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 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 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.
12. A copy of the Company's Articles will be 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.
13. A copy of this notice of Annual General Meeting is available on the Company's website: <http://rainbowrareearths.com>.
14. The total issued share capital of the Company as at the date of this notice is 421,847,541 Ordinary Shares.
15. All capitalised expressions used in this notice of Annual General Meeting not otherwise defined herein shall have the same meaning given to them in the Articles of the Company.