

29 January 2018

Rainbow Rare Earths Ltd ('Rainbow' or 'the Company')
Report on Payments to Governments for the 12 months ending 30 June 2017

Rainbow, the rare earth element mining company, today publishes its report on payments to governments for the 12 months ended 30 June 2017 (the "Report").

The Report provides an overview of the payments to governments made by Rainbow and its subsidiaries, arising from mining and exploration activities, for the year ended 30 June 2017 as required under the UK Reports on Payments to Governments Regulation 2014 and its amendment in December 2015 (the UK Regulations). This Report is also intended to satisfy the requirements of the Disclosure and Transparency Rules of the Financial Conduct Authority in the United Kingdom.

This information is substantially a reproduction of information set out on page 10 of the 30 June 2017 Annual Report.

The governments to whom payments listed in this report have been made are those of the United Kingdom, and the Republic of Burundi.

For the year ended 30 June 2016, and until commencement of operations at Gakara in earnest in April 2017, activity on the ground in Burundi was limited to that required to keep the permits in good order, which meant that taxation and other government payments were modest during this period.

The table below sets out the key payments to government, as direct taxes (such as land taxes, duties etc) as well as indirect taxes arising as a result of Rainbow's activity (such as payroll taxes, withholding tax, and net VAT paid in the period).

Payments disclosed in this report are shown in US Dollars. Actual payments have been made in British pounds sterling and Burundian Francs, however have been translated at average monthly rates.

12 months to 30 June	2017 (unaudited)			2016 (unaudited)		
US\$'000	UK	Burundi	Total	UK	Burundi	Total
Royalties	-	-	-	-	-	-
Permit and land taxes	-	15	15	-	85	85
Corporation tax	-	-	-	-	-	-
Duties & other	-	10	10	-	-	-
Total tax borne	-	25	25	-	85	85
Payroll tax	199	15	214	59	5	64
Withholding tax	-	1	1	-	-	-
Net VAT	-	7	7	-	-	-
Total net payments to government	199	48	247	59	90	149

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