

11 March 2019

**Rainbow Rare Earths Ltd ('Rainbow' or 'the Company')**  
**Report on Payments to Governments for the 12 months ending 30 June 2018**

Rainbow, the rare earth element mining company, today publishes its report on payments to governments for the 12 months ended 30 June 2018 (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 2018 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 11 of the 30 June 2018 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.

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.

| <b>12 months to 30 June</b>             | <b>2018 (unaudited)</b> |                |              | <b>2017 (unaudited)</b> |                |              |
|---|-------------------------|----------------|--------------|-------------------------|----------------|--------------|
| <b>US\$'000</b>                         | <b>UK</b>               | <b>Burundi</b> | <b>Total</b> | <b>UK</b>               | <b>Burundi</b> | <b>Total</b> |
| Royalties                               | -                       | 189            | 189          | -                       | -              | -            |
| Permit and land taxes                   | -                       | 40             | 40           | -                       | 15             | 15           |
| Corporation tax                         | -                       | 2              | 2            | -                       | -              | -            |
| Duties & other                          | -                       | 183            | 183          | -                       | 10             | 10           |
| <b>Total tax borne</b>                  | -                       | <b>414</b>     | <b>414</b>   | -                       | 25             | 25           |
| Payroll tax                             | 327                     | 78             | 405          | 199                     | 15             | 214          |
| Withholding tax                         | -                       | 100            | 100          | -                       | 1              | 1            |
| Net VAT                                 | 6                       | 84             | 90           | -                       | 7              | 7            |
| <b>Total net payments to government</b> | <b>333</b>              | <b>676</b>     | <b>1,009</b> | 199                     | 48             | 247          |

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