

30 October 2020

Rainbow Rare Earths Ltd ('Rainbow' or 'the Company')
Report on Payments to Governments for the 12 months ending 30 June 2020

Rainbow, the rare earth element mining company, today publishes its report on payments to governments for the 12 months ended 30 June 2020 (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 2020 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 21 of the 30 June 2020 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.

US\$'000	2020			2019		
	UK	Burundi	Total	UK	Burundi	Total
Royalties	-	59	59	-	185	185
Permit and land taxes	-	20	20	-	-	-
Corporation tax	-	41	41	-	1	1
Duties & other	-	23	23	1	6	7
Total tax borne	-	143	143	1	192	193
Payroll tax	228	89	317	218	99	317
Withholding tax	-	92	92	-	88	88
Net VAT	2	(77)	(75)	(7)	14	7
Total net payments to government	230	247	477	212	393	605

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