



6 June 2023

Rainbow Rare Earths Limited
("Rainbow" or "the Company")
LSE: RBW

Grant of Share Options

Rainbow Rare Earths announces that pursuant to its Long Term Incentive Plan ("LTIP") approved in January 2021 its Board of Directors, on the recommendation of the Remuneration Committee, has approved the grant of 1.4 million nil priced share options to employees, including 400,000 options issued to Dave Dodd who is a Person Discharging Managerial Responsibility of the Company.

The options will vest in equal tranches over three years: one third after 12 months, one third after 24 months and one third after 36 months; there are no other vesting conditions.

In aggregate the share options granted above represent 0.23% of the existing issued share capital of the Company. Following this award the Company has 19,799,400 share options in issue under the existing share option schemes, representing 3.3% of the existing issued share capital of the Company, including 8,258,000 nil priced options issued under the LTIP and 11,541,400 options with a weighted average exercise price of 13.33 pence per share under the unapproved share option plan.

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them

1	Details of the person discharging managerial responsibilities/person closely associated		
a)	Name	Dave Dodd	
2	Reason for the notification		
a)	Position/status	PDMR	
b)	Initial notification/ Amendment	Initial Notification	
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	Rainbow Rare Earths Limited	
b)	LEI	213800HONYSAXTG6KS11	
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		
a)	Description of the financial instrument, type of instrument	Ordinary shares of no par value	
	Identification code	GG00BD59ZW98	
b)	Nature of the transaction	Award of option to purchase ordinary shares of the Company. Following the transaction, Mr. Dodd holds 1,650,000 options to purchase ordinary shares.	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		Nil	400,000
d)	Aggregated information		
	Aggregated volume	400,000	
	- Price	Nil	
e)	Date of the transaction	6 June 2023 Note: the Company is not considered in a close period at the time of this transaction.	
f)	Place of the transaction	Outside a trading venue	

For further information, please contact:

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Notes to Editors:

Rainbow Rare Earths aims to be a forerunner in the establishment of an independent and ethical supply chain of the rare earth elements that are driving the green energy transition. It is doing this successfully via the identification and development of secondary rare earth deposits that can be brought into production quicker and at a lower cost than traditional hard rock mining projects, with a focus on the magnet rare earth elements neodymium and praseodymium ("NdPr"), dysprosium and terbium.

The Phalaborwa Rare Earths Project, located in South Africa, comprises a total Mineral Resource Estimate of 30.4 Mt at 0.44% TREO contained within unconsolidated gypsum stacks derived from historic phosphate hard rock mining. High value NdPr oxide represents 29.0% of the total contained rare earth oxides, with economic Dysprosium and Terbium oxide credits enhancing the overall value of the rare earth basket in the stacks. Rainbow will use a proprietary separation technique developed by its partner K-Technologies, Inc. for the plant at Phalaborwa, which simplifies the process of producing separated rare earth oxides (versus traditional solvent extraction), leading to cost benefits, as well as being more environmentally friendly.

The Phalaborwa Preliminary Economic Assessment has confirmed strong base line economics for the project, which has a base case NPV₁₀ of US\$627 million^[1], an average EBITDA operating margin of 75% and a payback period of < two years. Pilot plant operations will commence in 2023, with the project expected to reach commercial production in 2026, just five years after work began on the project by Rainbow.

^[1] Net present value using a 10% forward discount rate

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