

Notice of Annual General Meeting

Rainbow Rare Earths Limited

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



NOTICE IS HEREBY GIVEN THAT that the Annual General Meeting of Rainbow Rare Earths Limited (the “Company”) will be held at 11am on Wednesday 17 November 2021 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 2021 be received and considered.
2. TO re-elect Atul Bali, who, being eligible, stands for re-election as a Director of the Company.
3. TO re-elect J Peter Pham, who was appointed as a Director of the Company since the last Annual General Meeting and, 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 2022 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, be and are hereby authorised to allot and issue Ordinary Shares as if the pre-emption provisions contained in article 6.2 of the Articles did not apply to any such allotment and issue, 10,000,000

Ordinary Shares pursuant to the placing announced on 13 October 2021 (the “Placing”), unless previously revoked or varied, such authority will remain valid until the conclusion of the next Annual General Meeting of the Company.

8. THAT the Directors, in accordance with article 6.2 of the Articles, be and are hereby authorised to allot and issue Ordinary Shares as if the pre-emption provisions contained in article 6.2 of the Articles did not apply to any such allotment and issue, up to a maximum of 5,200,000 Ordinary Shares that may be required to be issued to Pipestone Capital Inc, in which George Bennett, the Company’s CEO, has a beneficial interest, if an election is made for repayment by the issue of new Ordinary Shares of all or part of the bridging loan provided to the Company by Pipestone Capital Inc, unless previously revoked or varied, such authority will remain valid until the conclusion of the next Annual General Meeting of the Company.
9. THAT the Directors, in accordance with article 6.2 of the Articles, be and are hereby authorised to allot and issue up to a maximum number of 105,402,286 Ordinary Shares (being 20 per cent. 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) and taking into account the Ordinary Shares whose allotment and issue is authorised under Resolutions 7 and 8), 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

28 October 2021

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 to 9 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 2021. 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. Atul Bali was re-elected as a Director at the Annual General Meeting held on 31 October 2018 and J Peter Pham was appointed as a Director on 17 May 2021 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 10,000,000 Ordinary Shares to TechMet Limited that were subscribed for in the Placing.

Resolution 8 is to give the Directors the authority to allot and issue up to 5,200,000 Ordinary Shares that may be required to be issued further to the Placing. On 21 February 2020 Pipestone Capital Inc ("Pipestone"), in which George Bennett, the Company's CEO, has a beneficial interest, provided a US\$1 million unsecured bridging loan to the Company, which was re-financed in June 2020 and November 2020 as set out in note 18 to the audited financial statements issued on 27 October 2021. The loan agreement, as amended in November 2020, states that the loan was repayable in the event of an equity fundraising of at least US\$5 million. The Placing triggers that repayment obligation. The original loan agreement allowed Pipestone to elect for all or part of the loan to be repaid by way of the issue of new Ordinary Shares at the same terms as those offered to participants in the funding event that triggered repayment. Accordingly, Pipestone could elect to receive the outstanding balance of the loan in Ordinary Shares. At 31 October 2021 the loan will total US\$1,060,620, which could require up to 5.2 million shares to be issued at the price of £0.15 per Ordinary Share paid by participants in the Placing.

Resolution 9 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 and taking into account the Ordinary Shares whose allotment and issue is authorised under Resolutions 7 and 8)) 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

1. A Shareholder entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint a proxy to attend and vote in his/her place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company. Details of how to appoint the Chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes to the form of proxy enclosed with this notice. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
2. Following the Covid-19 pandemic and its impact on Guernsey, please refer to <https://covid19.gov.gg/guidance/travel> for information regarding travel into the island. Whilst there are no formal restrictions in place for islanders we would like to refer to the most recent guidance issued on the 21 October 2021 and would highly recommend to anybody attending the AGM in person to bring a face covering and use the sanitiser available upon entry to / exit of the building.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary Shares. You may not appoint more than one proxy to exercise rights attached to any one share. Where multiple proxies have been appointed to exercise rights attached to different Ordinary Shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Shareholder who appointed them would have on a show of hands if he were present at the meeting. On a poll, all or any of the rights of the Shareholder may be exercised by one or more duly appointed proxies. To appoint more than one proxy you may photocopy the enclosed form of proxy. Please indicate the proxy holder's name and the number of Ordinary Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Ordinary Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions given by you. All hard copy proxy appointments must be signed and should be returned together in the same envelope.
4. On a vote on a show of hands, each proxy has one vote. If a proxy is appointed by more than one Shareholder, and all such Shareholders have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one Shareholder, but such Shareholders have given different voting instructions, the proxy may, on a show of hands, vote both "for", and "against" in order to reflect the different voting instructions.
5. 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.
6. 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. The appointment of a proxy will not preclude a Shareholder from attending, speaking and voting at the meeting in person, should he wish to do so. If you appoint a proxy and attend the meeting and vote in person, your proxy appointment will automatically be terminated.
7. 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.
8. To be passed, an ordinary resolution requires a simple majority of the Shareholders and duly appointed proxies entitled to attend the meeting and voting on a show of hands to vote in favour (excluding any votes that are withheld) or, if a poll is demanded, a simple majority of the total voting rights cast on the relevant resolution (excluding any votes that are withheld) to be in favour.
9. To be passed, a special resolution requires not less than 75 per cent. of the Shareholders and duly appointed proxies entitled to attend the meeting and voting on a show of hands to vote in favour (excluding any votes that are withheld) or, if a poll is demanded, not less than 75 per cent. of the total voting rights cast on the relevant resolution (excluding any votes that are withheld) to be in favour.
10. 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.

Notes

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11. 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.
12. 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.
13. Any corporation which is a Shareholder may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at the meeting and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Shareholder.
14. 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 every other matter which is put before the meeting.
15. 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.
16. A copy of the Company's Articles will be available for inspection at the registered office of the Company (during business hours and excluding weekends and bank holidays) in Guernsey or otherwise 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.
17. The Directors will answer any questions raised at the meeting which relate to the business of the meeting, although no answer need be given:
 - (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information;
 - (b) if the answer has already been given on the Company's website; or
 - (c) if it is undesirable in the best interests of the Company or the good order of the meeting that the question be answered.
18. A copy of this notice of Annual General Meeting is available on the Company's website: <http://rainbowrareearth.com>.
19. The total issued share capital of the Company as at the date of this notice is 511,811,434 Ordinary Shares.
20. Pursuant to the Articles, on a show of hands every Shareholder (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative shall have one vote on a show of hands, and one vote per Ordinary Share on a poll (other than the Company itself where it holds its own shares as treasury shares).
21. 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.