

Rainbow Rare Earths Limited

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Rainbow raises US\$7.75m of new financing facilities in place

Rainbow Rare Earths LTD (LON:RBW) is raising up to US\$7.75m through a combination of a US\$750,000 unsecured convertible security and a 24-month equity facility of up to US\$7.0 mln.

The counterparty is an entity managed by The Lind Partners LLC.

WATCH: Rainbow Rare Earths publishes maiden JORC resource for Gakara

There will be an immediate initial share subscription of US\$100,000, meaning gross initial funds of US\$850,000 will be advanced to Rainbow within five business days.

The structure is tailored to provide maximum flexibility for Rainbow's capital requirements during 2019 as production increases, expressly allowing other financing options and the right to pause or terminate the agreement at minimal or no cost

The funding agreement provides Rainbow with the certainty of a base level of funding, as may be required, over 24 months

"We believe that this agreement with Lind provides the company with maximum certainty of funds whilst retaining sufficient flexibility to minimise dilution of shareholders where possible," said chief executive Martin Eales.

"It is an adaptable financing solution well suited to Rainbow, as we seek to increase production from existing mining sites and develop new areas."

The unsecured convertible security amount of US\$750,000 has a two-year term and carries no coupon.

It is convertible into shares at a face value of US\$900,000 after a minimum of four months from the date of the agreement. The conversion price will be the lower of 5.28p, being 130% of the 20-day VWAP prior to this announcement, or a 10% discount to the average of the five consecutive daily VWAPs chosen by Lind during the 20 trading days prior to conversion.

The company has the right to settle any conversions in cash in lieu of Ordinary Shares and, at any time, repay the convertible security amount in full for cash, subject to Lind retaining the option to convert up to a maximum of 33% of the convertible security amount at such time.

Price: 2.74

Market Cap: £11.56 m

1 Year Share Price Graph



Share Information

Code: RBW

Listing: LSE

52 week	High	Low
	4	1.35

Sector: General mining & base metals

Website: www.rainbowrareearths.com

Company Synopsis:

Rainbow Rare Earths is a mining company focussed on production from, and expansion of, the high grade Gakara Rare Earth Project in Burundi, East Africa. With in-situ grades in the range of 47-67% Total Rare Earth Oxide (TREO), Gakara is one of the world's richest rare earth deposits. First production and sales to Rainbow's offtake partner, thyssenkrupp Materials Trading, commenced in Q4 2017.

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