

## **Rare Minerals Plc (“Rare Minerals” or the “Company”)**

### **Interim Results for the Period to 30 June 2011**

Rare Minerals was established as a means to acquire companies engaged in the prospecting or mining of valuable minerals including rare earth metals or to acquire claims licenses for onward commercialisation by the Company and eventual disposal. Rare Minerals was admitted to trading on the PLUS Market on 28<sup>th</sup> April 2011 following a placing which resulted in the receipt of net proceeds of £680,000. In addition to the investment made by the founding investors, the Company has a total of circa £1.07m funds on account as at today’s date.

The Company continues to progress its strategy as outlined above and has considered and reviewed a number of possible acquisition targets in the area of rare earth metals exploration.

In the longer term, despite uncertain economic times, the directors believe that demand for metals, as a safe haven, will continue coupled with the influx of investment demand from investors in China following the lifting of the ban on citizens owning precious metals stocks. The directors also believe that the industrialisation of China and India will continue to provide support for industrial metals such as copper, molybdenum, tungsten, iron and so forth.

Rare earth metals remains a key target area for the Company given the huge worldwide demand and limited supply. Rare earths are found in small quantities and as such, mining and extraction is an intensive process. The ability of China to throw cheap labour at exploration has, over the past four decades, resulted in 97% of global supply coming from this region. Nevertheless, China, having reduced its export quotas to conserve what they have, is unable to meet world demand and the result is that prices have demonstrated exceptional growth.

For example, in the case of Mount Weld in Western Australia (one of the few major rare earth mines outside China) a selection of eight different rare earth metals produced by them, have moved from US\$11.6/kg in 2007 to US\$232.7/kg as at August 2011 (Source: Lynas Corporation Ltd).

#### **Investment Criteria**

The criteria as set out in the PLUS admission document remains unaltered in that the opportunities would generally have some or all of the following characteristics:

- Initial target sector of rare minerals
- Assets that are based in Africa or Asia
- Significant capital growth potential
- Opportunities where prospective vendors would consider the issuance of new ordinary shares as part of the transaction consideration

## Outlook

Our target marketplace remains rich in opportunity and the key to success is to secure prospects which have a credible path to commercialisation and the known existence of easily accessible resources in economic quantities. The directors believe that it would be folly to rush into an investment when so many first class targets exist. We will be highly selective and move only when it is to shareholders' best advantage.

28th September 2011

FOR FURTHER INFORMATION PLEASE CONTACT:

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RARE MINERALS PLC

UNAUDITED INCOME STATEMENT FOR THE PERIOD FROM INCORPORATION ON 18 JANUARY 2011 TO 30 JUNE 2011

	Period from 18 January 2011 to 30 June 2011 £'000
Administrative expenses	(48)
Operating loss	(48)
Loss before taxation	(48)
Taxation	-
Loss from continuing operations	(48)
Loss per share (see note 2) - basic and diluted (pence)	0.0029

RARE MINERALS PLC

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM INCORPORATION ON 18 JANUARY 2011 TO 30 JUNE 2011

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Loss for the period	-	-	(48)	(48)
Total recognised income and expense for the period	-	-	(48)	(48)
Issue of share capital	214	926	-	1,140
Balance as at 30 June 2011	214	926	(48)	1,092

RARE MINERALS PLC

UNAUDITED BALANCE SHEET AS AT 30 JUNE 2011

	As at 30 June 2011 £'000
Current assets	
Trade and other receivables	9
Cash and cash equivalents	1,088
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Net current assets	1,097
Current liabilities	(5)
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Net assets	1,092
	<hr/> <hr/>
Shareholders' equity	
Share capital	214
Share premium account	926
Retained earnings	(48)
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Total equity attributable to equity holders	1,092
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NOTES TO THE ACCOUNTS

1. Basis of preparation

The financial information in this interim report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and on the basis of the accounting policies described below.

The financial statements have been prepared under the historical cost convention, as modified by the accounting for financial instruments at fair value. In addition this interim financial report does not comply with IAS34 Interim Financial Reporting, which is not currently required to be applied under the PLUS rules.

The Directors are of the opinion that the financial information should be prepared on a going concern basis, in the light of the Company's financial resources.

The financial information included in this interim financial report for the period from incorporation on 18 January 2011 to 30 June 2011 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985, is unaudited and is not subject to a review by the Company's auditors. As this financial information covers the period from the Company's incorporation, no comparative information is shown.

2. Loss per share

Basic loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

The calculation of basic and diluted earnings per share is based on the following figures:

	Period from 18 Jan 2011 to 30 Jun 2011 £'000
Total loss for the period	<u>(48)</u>
	Period from 18 Jan 2011 to 30 Jun 2011
Weighted average number of shares – basic	1,637,577,914
Diluting effect of warrants in issue	<u>701,840,491</u>
Weighted average number or shares – diluted	<u>2,339,418,405</u>
Basic earnings per share	<u>0.0029 p</u>
Diluted earnings per share	<u>0.0029 p</u>

### 3. Reports

A copy of this announcement will be mailed to shareholders and copies will be available for members of the public at the Company's registered office – Finsgate, 5-7 Cranwood Street, London EC1V 9EE.