

Tantalus Rare Earths AG: Tantalus Signs Supply Contract with ThyssenKrupp

May 13, 2015 (Source: Tantalus Rare Earths AG) – Tantalus Rare Earths AG (“Tantalus”) (ISIN DE000A1MMFF4) is delighted to announce the signing of a multi-year supply contract for rare earth oxides with ThyssenKrupp Metallurgical Products GmbH (“ThyssenKrupp”).

Under the agreement, ThyssenKrupp will annually purchase 30 per cent of the output (up to 3,000 tons, once full production capacity is reached) of mixed rare earths oxide from the Tantalus’ project in Northern Madagascar. ThyssenKrupp will act as Tantalus’ exclusive distributor in Germany, and one of the distributors for Europe. The initial duration of the contract is three years from the start of commercial production at the project, with the option to extend it for a further seven years. The option for a total duration of 10 years is subject to ThyssenKrupp arranging debt funding for Tantalus covering 30 per cent of the planned investments until annual production level of 10,000 tons of mixed rare earths oxide is reached.

The pricing of the mixed rare earths oxide in this contract is linked to the content of various rare earths oxides present in the Tantalus product as well as to independently quoted market prices of such oxides. Rare Earth Elements identified in the Tantalus ionic clay deposit include Praseodymium, Neodymium, Terbium and Dysprosium, all in high demand for fast-growing magnet applications in the automotive and renewable energy industries.

Tantalus will commence commercial production upon receipt of the necessary exploitation license, currently expected in the

second half of 2016. After a ramp-up period of app. three years Tantalus is expected to reach its first phase full-production level of 10,000 tons per annum of mixed rare earths oxide.

With the purchase agreement signed with Shenghe Resources in February 2015 and the contract signed with ThyssenKrupp, Tantalus now has agreements covering 6,000 tons or 60 per cent of its planned annual production. This represents an annual value of app. USD 180 million based on current market prices for rare earths. Production of 10,000 tons per annum from the Tantalus project will be worth app. USD 300 million.

The resource estimate made by SGS published in December 2014 shows app. 560,000 tons of contained total rare earth oxides as measured, indicated and inferred resources. With a production of 10,000 tons per annum, this represents a mine life of 50 years.

Thomas Hoyer, Tantalus Rare Earths CEO commented: "This contract we have signed with ThyssenKrupp is not only a significant milestone for Tantalus but it also represents a further key endorsement of both the viability of our rare earths project in Madagascar and the robust demand for the magnet rare earth metals we will produce. We have now gained two globally leading companies in our sector as commercial partners, ThyssenKrupp from Germany and Shenghe Resources from China. We are now extremely well positioned to become one of the globally leading suppliers of magnetic rare earths material used in fast growing technological applications, such as electric cars and in renewable energy."

About Tantalus Rare Earths AG

Tantalus Rare Earths AG (ISIN: DE000A1MMFF4) is a German holding company, which, through its subsidiary, holds a 100 % interest in a large ionic clay based rare earths exploration project in North West Madagascar. The shares of TRE AG are

listed on the primary market of the Düsseldorf Stock Exchange, Germany. Bloomberg: TAEN GR; Reuters: TAEN.D

About ThyssenKrupp Metallurgical Products GmbH

ThyssenKrupp Metallurgical Products GmbH is part of the Business Area Materials Services of ThyssenKrupp group, a diversified industrial corporation based in Essen, Germany, and ranks amongst the leading commodity trading houses in the world.