Tantalus Rare Earths AG: Signing of Term Sheet

17.11.2015 | DGAP

Grünwald, 17.11.2015 - Tantalus Rare Earths AG (Tantalus) announces that it has commenced a process to sell in the first stage 60% and in the second stage the remaining 40% of its Madagascar based rare earths project to a Singapore-based company (Buyer). Tantalus has signed a non-binding term sheet ("Term Sheet") with the Buyer and will shortly receive a pre-payment in order to secure the continuity of Tantalus' operations in Madagascar. The planned arrangement has the following key terms.

In the first phase, the Buyer would acquire 60% of the shares in Tantalus' subsidiary Tantalum Holding (Mauritius) Limited (which is the 100% owner of Tantalum Rare Earth Malagasy S.A.R.L.) for a cash consideration of EUR 3.7 million. Thereafter, subject to certain operative milestones the Buyer would procure not less than EUR 8 million of debt funding for the project. Tantalus is planning to apply to the District Court in Munich for a withdrawal of its application for insolvency proceedings already upon receiving part payment of the cash consideration under the first stage.

In the second phase the Buyer would acquire the remaining 40% of Tantalum Holding (Mauritius) Limited in consideration for shares the Buyer holds in a company listed on the Singapore Stock Exchange ("Listed Company"), which shares will have a market value of not less than EUR 10 million.

After these phases have been finalized, Tantalus' ownership in Tantalum Holding Mauritius Limited or in Tantalum Rare Earth Malagasy S.A.R.L. will be solely through the Listed Company. Upon Tantalus having been transferred the shares in the Listed Company, it is intended that Tantalus would carry out a distribution in specie of these shares to its shareholders.

The Term Sheet has been signed by the Buyer, by the preliminary insolvency administrator Mr. Axel W. Bierbach and the Company.

About Tantalus Rare Earths AG

Tantalus Rare Earths AG (ISIN DE000A1MMFF4) is a Germany-based exploration company, engaged in the development of rare earths in Madagascar. Tantalus's shares are quoted on the 'Primärmarkt' of the Düsseldorf Stock Exchange.

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