Tantalus Rare Earths AG

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Tantalus Rare Earths confirms massive scale of Madagascar project

Tantalus Rare Earths (XETRA:TRE) has revealed a new resource estimate for the TRE project in Madagascar which has confirmed its massive scale.

The review, carried out by consultant SRK, has defined a 435mln tonne resource at 0.08% total rare earth oxides (TREO), which equates to 348,000 tonnes of contained TREO.

This triples the size of the resource, which was last assessed in 2011.

"Our optimistic view of the value of the Tantalus project continues to be supported by the results of the exploration programme," said chief executive Jurgen Schillinger.

"The issue of this updated JORC compliant inferred mineral resource represents a further milestone for the TRE project.

"It confirms the massive scale and grade of the project. It justifies proceeding with the proposed technical evaluation and preparation of a preliminary economic assessment."

Tantalus also confirmed that analysed material shows that 19% of the REOs are in the ‘heavy’ category – across the industry these ‘heavy’ rare earths are typically considered to be premium products.

And the company says that once cerium is excluded in production the heavy rare earth ratio will increase to about 31%.

It was also highlighted in that the research being conducted by the University of Toronto has confirmed that the project’s rare earth material can be processed using very basic and environmentally friendly leaching method, which will separate a rare earth concentrate from ionic clays.

This material, according to Asian Metal, which is conducting separate research, is similar to the ion absorption clays found in China, which yield production costs averaging just US$3 to US$4 per tonne.

Tantalus said that the REO basket price for the material is estimated, by Asian Metal, at US$71.26 per kilogram.

Meanwhile, after applying a 35% discount to that basket price, Tantalus says the in-the-ground rare earth resource (excluding cerium, which cannot be processed simply) would be worth an estimated US$9.9bn.

"The suggested presence of a relatively large ion adsorption type clay deposit at the TRE concession renders it of particular importance to global efforts."

Share Information

Code: TAE
Listing: ETR
Sector: Rare earths & specialist minerals
Website: www.tre-ag.com

Company Synopsis:

Tantalus Rare Earths is a rare earths exploration company focussed on its Tantalus Rare Earths project, located on the Ampasindava Peninsula in north-western Madagascar, where Tantalus holds the exploration license to a 300 km² concession area. The company's rare earths project benefits from a relatively high ratio of the more valuable heavy rare earths at 19% of total rare earth oxides.
towards the expansion of HREO supply.

“The ion adsorption clay deposits of Southern China are currently the primary source for the vast majority of global heavy rare earth production, and have endowed China with a distinct economic advantage, as they are generally comparatively simpler and less expensive to exploit than their bedrock counterparts.

“Assuming additional studies reinforce test work indicating the presence of ion adsorption type clays, the development of the TRE Project will constitute an important step towards the establishment of an ex-China HREO supply chain that is directly comparable, and potentially competitive on a price basis, with that of China.”

The new resource estimate is based on a large amount of data taken from 289 drill holes, 968 pits and more than 20,000 samples.

Last week, Tantalus received regulatory approval for a share issue to raise up to €10.5mln.
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