



Press release

January 2012

Deutsche Rohstoff AG: Foundation of „Seltenerden Storkwitz AG“ for development only known rare earth deposit in Central Europe Completion of EUR 2.2 million first round financing/IPO planned in 2012

Heidelberg. Deutsche Rohstoff AG (Heidelberg) has established the "Seltenerden Storkwitz AG", a new company in order to promote the development of the rare earth deposit Storkwitz in the license area Delitzsch. The deposit is the only known rare earth elements (REE) deposit in Central Europe. REE are mainly found in high- and environmental technology. Preliminary exploration results state that the deposit in Saxony accounts for approximately 38,000 tons of rare earths and 8,000 tons of niobium. First round financing provided EUR 2.2 million and was conducted exclusively with investors from Germany. The initial target will be to bring the historical resource to an internationally accepted standard and to significantly increase the deposit subsequently. With 63% Deutsche Rohstoff AG (DRAG) holds the majority of the Chemnitz-based Seltenerden Storkwitz AG. For the year 2012, an IPO is planned in Germany. At the moment the licence is being transferred from Deutsche Rohstoff AG to Seltenerden Storkwitz AG.

Dr. Titus Gebel, Chairman and CEO of Deutsche Rohstoff AG: "The only rare earth deposit in Central Europe can now be quickly developed further. Since GDR times, geologists agree that this deposit could still grow far below. Seltenerden Storkwitz AG has access to the best experts and was able to win Bernhard Giessel, an experienced industrial managers, as CEO."

Bernhard Giessel, chairman of the new company, said: "Not least because of the support of the increasing commodity policy of the Federal Government, actions of German companies gather pace, such as the planned "Alliance for securing raw materials". WE are convinced that the deposit will also be of interest for German industry."

Chance discovery during GDR times

The Storkwitz deposit has been discovered during uranium exploration activities in the 1970s, just like many other deposits in the former GDR. The completely unexpected discovery was already a sensation at that time, since comparable rare earth deposits were never discovered previously in Germany. Out of 29 drill holes in the area the ore body was already defined by five holes. The deposit includes light REE, such as Cerium, Lanthanum, Praseodymium and Neodymium, but also heavy rare earths such as Europium and Yttrium.

In spring 2012, a drilling program will begin in order to transform the deposit into an internationally accepted resource according to the Australian JORC standard. Subsequently, the extension of the deposit at depth shall be examined further in particular. Historical exploration work lead to the assumption, that the deposit has significant further potential. The discoverer, the German-Soviet uranium company Wismut, estimated the potential amount of REE up to 136,000 tons in 1975.

**Rare earth elements: one of the most critical raw materials**

The 17 elements of the rare earths are used primarily in technologically sophisticated products. In particular, high-tech industries and also wind-power depend on several of these elements. Approximately 97% of the world production of rare earths comes from China, but the People's Republic controls the export of these metals and has been severely cutting export several times over the past years. Accordingly, the prices for REE have increased severely in this period.

Both the Federal Government and EU Commission classify the REE as a strategically important metal whose supply is endangered. Even within the German economy, the supply of the rare earth is viewed as critical.

Heidelberg, 10 January 2012

Deutsche Rohstoff AG (Heidelberg, Germany), listed in the Entry Standard segment of Frankfurt Stock Exchange, is establishing a new primary producer. The company's focus is placed on gold, oil & gas and so called high tech metals such as tin, tungsten, and rare earth metals. All projects are located in countries marked by political stability, the core area being Germany. The business concept is based on redeveloping deposits which have been well explored in the past. A first production started in January 2011. For more information please visit www.rohstoff.de.

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