

The Australian Government Steps into the Critical Minerals Supply Chain Ring

written by Jack Lifton | March 14, 2024

A recent monumental development within the mining and rare earths sectors is the Australian government's [financial endorsement](#) of [Arafura Rare Earths Limited](#)'s (ASX: ARU) rare earth mine and refinery project. This marks a significant step forward in the global pursuit of sustainable and secure Non-Chinese owned or operated sources for critical minerals. This move, underscored by an impressive A\$840 million in loans and grants, signals a strong Australian governmental belief in the necessity and potential profitability of domestically sourced rare earth elements, vital for electric vehicle (EV) motors and renewable energy technologies.

Gina Rinehart's Hancock Prospecting, alongside other private equity interests, has seen a notable appreciation in value following this announcement, illustrating the private sector's growing confidence in rare earth ventures as a viable and lucrative investment avenue. This confidence is buoyed by government backing, which often acts as a catalyst for further private investment by demonstrating a commitment to the sector's success and stability.

Australia's strategic decision to support Arafura's project, situated near Alice Springs, showcases its ambition to become a frontrunner in the production of rare earth elements, crucial for EVs and wind turbines. This initiative not only addresses the immediate financial hurdles faced by the mining industry but also aligns with broader goals of establishing Australia as a key player in the global supply chain for renewable energy

technologies.

The involvement of figures like Gina Rinehart and Andrew Forrest, both of whom have substantial stakes in mining ventures, underscores a deeper shift towards mining as an investment that offers both substantial returns and strategic value in the context of the global green transition. Their investments in rare earths and the potential for vertical integration, as seen in the partnership between Forrest's [Hastings Technology Metals Limited](#) (ASX: HAS) and [Neo Performance Materials Inc.](#) (TSX: NEO), highlight a keen understanding of the sector's critical role in future technologies and energy solutions.

Australia's proactive stance, contrasted with the more cautious approaches of other Western nations, illustrates a deep understanding of the strategic importance of rare earths and the necessity for domestic processing capabilities. This is not just about securing supply chains but also about capturing more value within the country, creating jobs, and fostering technological advancements in green energy and EV production.

Moreover, the broad financial and strategic implications of this government support extend beyond the immediate economic benefits. They underscore a pivotal moment for the global rare earths market, emphasizing the critical need for diversified, reliable sources of these essential materials. As tensions and competitions intensify on the international stage, Australia's move represents a significant step towards greater independence and resilience in the face of geopolitical and market pressures.

In conclusion, this development is a clarion call to nations and investors alike to recognize the indispensable role of rare earths in the modern world. It is a testament to the vision and audacity of those like Rinehart and Forrest, who see beyond the

immediate to the immense potential that rare earths hold for the future of technology, energy, and national security. As Australia forges ahead, it sets a compelling example for others to follow, highlighting the comprehensive strategy needed to fulfill the burgeoning demand for domestic sourcing of rare earth magnets, especially among European and American EV automotive OEMs.



Neo Performance's Rahim Suleman on being 'the most vertically integrated rare earth magnetics company in the world.'

written by InvestorNews | March 14, 2024

During an engaging interview at PDAC 2024 with [Critical Minerals Institute](#) (CMI) Co-Chairman Jack Lifton, Rahim Suleman, President, CEO, and Director of [Neo Performance Materials Inc.](#) (TSX: NEO), shed light on the company's strategic endeavors and

its unique positioning in the rare earth materials sector. Suleman emphasized Neo's role as a pivotal player in the rare earth magnetics market, underlining the critical importance of these materials in driving the energy transition and their explosive demand growth. He highlighted Neo's existing vertical integration in the rare earth magnet sector and its innovative dual supply chain strategy that provides a robust solution to the market's over-reliance on China, which dominates the extraction, processing, and magnet production of rare earth materials. "We are the most vertically integrated rare earth magnetics company in the world," Suleman remarked, illustrating Neo's commitment to mitigating concentration risks and fostering resilience in the supply chain.

Suleman further detailed Neo's significant investments in expanding its operational footprint, particularly mentioning the development of a sintered magnet facility in Estonia, which is poised to serve both the North American and European markets starting in 2025. This ambitious project, heralded as a landmark move to diversify the global rare earth magnet production landscape, underscores Neo's proactive approach to addressing the critical shortage of rare earth permanent magnet manufacturing capacity outside China. With plans to extend its manufacturing capabilities to North America and ongoing support from the European Union, Neo is strategically positioning itself to meet the burgeoning demand for rare earth magnets essential for electric vehicles and other green technologies. "We're in the process of investing in phase one... but we would immediately follow it with phase two and then immediately follow that and probably even concurrent to that do a large phase in North America as well," Suleman shared, highlighting Neo's comprehensive strategy to fulfill European and American EV Motor OEMs' demand for domestic sourcing of rare earth magnets.

To access the complete interview, [click here](#)

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About Neo Performance Materials Inc.

Neo manufactures the building blocks of many modern technologies that enhance efficiency and sustainability. Neo's advanced industrial materials – magnetic powders and magnets, specialty chemicals, metals, and alloys – are critical to the performance of many everyday products and emerging technologies. Neo's products help to deliver the technologies of tomorrow to consumers today. The business of Neo is organized along three segments: Magnequench, Chemicals & Oxides and Rare Metals. Neo is headquartered in Toronto, Ontario, Canada; with corporate offices in Greenwood Village, Colorado, United States; Singapore; and Beijing, China. Neo has a global platform that includes ten manufacturing facilities located in Canada, China, Estonia, Germany, Thailand, the United Kingdom, and the United States, as well as one dedicated research and development centre in Singapore.

To learn more about Neo Performance Materials Inc., [click here](#)

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Company's profile on [SedarPlus.ca](https://www.sedarplus.ca) and to carry out independent investigations in order to determine their interest in investing in the Company.

Neo Performance Materials Establishes a Brighter Future with New Permanent Magnet Plant in Estonia

written by InvestorNews | March 14, 2024

They say in tough times it makes sense to make acquisitions and expand the business ready for the cyclical upturn that inevitably follows. Well, that is what today's company is doing with a new acquisition, a new investment, and the commencement of construction of a new permanent magnet facility.

Neo Performance Materials Inc. (TSX: NEO) ("Neo")

[Neo Performance Materials](#) manufactures advanced industrial materials including magnetic powders and magnets, specialty chemicals, metals, and alloys. These products are critical to the performance of many everyday products and emerging technologies.

Neo has recently acquired 90% of SG Technologies Group Limited, invested to acquire 44% of Neo North Star Resources, and

completed the groundbreaking for a new permanent magnet manufacturing plant in Narva, Estonia. They also delivered a record [Q2 2023 revenue](#) of US\$170.4 million, albeit with lower adjusted net income for the quarter.

SG Technologies Group Limited's 90% acquisition

As [announced](#) on April 18, 2023, Neo has agreed to acquire 90% of SG Technologies Group Limited ("SGTec") for "an initial payment of £10.8 million (US\$13.4 million) plus future earn-out considerations of between 0 and £5.4 million (US\$6.7 million) based on Adjusted EBITDA performance over the SGTec's fiscal years 2024 through 2026." SGtec is one of Europe's leading advanced, specialty manufacturers of rare earth and other high performance magnets. The announcement [stated](#):

"Today, SGTec produces a variety of high-performance magnets and magnetic assemblies for some of the world's leading brands in electric and hybrid vehicles, multi-fuel and medium-duty engines, hydrogen fuel cell vehicles, off-highway fuel systems, automotive systems, and consumer electronics. It is recognized as a leader in the production of fully dense bonded neodymium-iron-boron ("NdFeB") magnets, soft magnetic composites (used in high-speed solenoids and electric motor applications), and other high-performance magnets."

A summary of SGTec's business – now 90% owned by Neo Performance Materials

Your partner for engineered magnetics solutions



Magnetics Excellence

Magnetics is at the heart of everything we do.

[Learn more](#)



Be part of the Future of Magnetics

We are seeking new talent to join our team.

[Learn more](#)



Sustainability

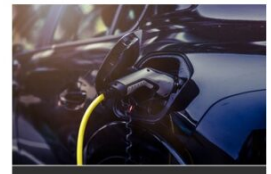
Sustainability is at the forefront of our business.

[Learn more](#)



Advanced Production Technologies

We design and build bespoke production solutions.



Transport Electrification

Our products help power some of the worlds most technologically advanced electric motors

Source: [SGTec website](#)

Investment to acquire 44% of Neo North Star Resources

In Q2, 2023 Neo completed an investment of [~US\\$4.5 million for a 44% stake](#) of Neo North Star Resources Inc. ("NNSR"), including an off-take agreement of 60% of the product produced. NNSR is a JV between Neo and North Star Resources which owns the license for the Greenland Sarfartoq Rare Earth Project. Neo's plan is for the Project, once in production, to be a source of neodymium and praseodymium ("NdPr") for their Estonia rare earth separations plant.

You can read more details [here](#) about the Neo North Star Resources Inc. JV and the Greenland Sarfartoq Rare Earth Project [here](#).

Permanent magnet manufacturing plant in Estonia

As [reported](#) on July 7, 2023, Neo has commenced construction of their European permanent rare earth magnet Plant in Estonia.

Interestingly the Plant will recycle end-of-life magnets to make new permanent magnets. High-purity magnetic rare earth oxide feed will come from Neo's existing rare earth separations plant in Estonia. Once in operation, the two Neo plants will form Europe's first and only fully integrated supply chain for sintered rare earth permanent magnets designed to produce specialized rare earth permanent magnets for use in electric vehicles, wind turbines, and other clean energy technologies.

Neo [state](#):

"Phase 1 production of 2,000 tonnes/year is slated to begin in 2025, an amount that can support the manufacturing of ~1.5 million electric cars. Neo's expected Phase 2 production of 5,000 tonnes/year can support the manufacturing of ~4.5 million electric cars."

Given the [typical forecasts](#) for global plugin electric cars is an increase from ~14 million pa in 2023 to ~24 million pa by the end 2025 and ~50 million pa by the end of 2030, there should be enormous demand for permanent rare earth magnets, even if some cheaper EVs choose to use inferior magnets. Added to this will be all the other demand areas such as wind turbines etc.

The recent groundbreaking ceremony of Neo's new rare earth magnet manufacturing facility in Estonia, Europe (set to begin in 2025)



Source: [Neo news July 7, 2023](#)

Record Q2 2023 revenue, but lower adjusted net income

As [reported](#) on August 11, 2023, Neo achieved record Q2 consolidated revenue of US\$170.4 million compared to US\$168.2 million for the same period in the prior year; an increase of \$2.2 million or 1.3% YoY. Adjusted Net Income was US\$2.5 million (US\$0.05 per share), down from US\$15.9 million (US\$0.39 per share) in the corresponding period of the prior year. Neo ended Q2, 2023 with a cash balance of US\$126.9 million, after funding acquisitions and investments of \$16.1 million, distributing \$6.7 million in dividends to its shareholders, and repurchasing \$1.2 million of shares.

[New Neo Performance Materials CEO](#), Rahim Suleman, [stated](#):

“Despite the subdued market environment for rare earth magnetism, and continuing lead-lag pricing challenges that we must navigate, our top-line performance was helped by high

volumes for value-added rare earth products outside of China. This performance generated healthy cash from operations and free cash flow, which allowed us to fund the acquisition of SG Technologies Group Limited, the investment in Neo North Star Resources, and the groundbreaking for our permanent magnet manufacturing plant in Narva, Estonia. Neo continues to be well positioned to execute our future growth initiatives."

Closing remarks

Neo is using the tough current market conditions to grow their business ready for the next cyclical upturn. Neo has done this via a clever acquisition and investment, combined with pushing forward on a new permanent magnet plant in Estonia. The current subdued demand for magnet products (typically used in powerful electric motors such as wind turbines and electric vehicles) will turn around at some point. And when it does Neo should potentially be better positioned than where it was before we entered the current global slowdown, at least in terms of its product lineup and supply chain.

Neo Performance Materials trades on a market cap of [C\\$393 million](#).

Weathering the rare earth prices storm, all eyes are on

Neo Performance

written by InvestorNews | March 14, 2024

“Neo Performance Materials’ organization today is the closest that North America has yet come to a totally vertically integrated rare earth permanent magnet supplier. Now, the company has acquired and is moving to bring a significant rare earth deposit in Greenland into production. When that occurs, it will be the first company outside of China, ever, to be a totally vertically integrated manufacturer of rare earth permanent magnets. We should all be watching Neo Performance as if our (self-sufficient and secure) independent economic lives depend on it.” – Jack Lifton, Co-Chairman, Critical Minerals Institute

Neo Performance Materials Acquisition Positions it to Benefit from European Rare Earth Magnet Demand

written by InvestorNews | March 14, 2024

If you believe some of the strategic minds at [Tesla](#) (NASDAQ: TSLA), then rare earths may no longer be required in future EV motors. At last month’s investor day, Franz Von Holzhausen, Lead Design Executive at Tesla Motors, announced that its next generation of electric motors would not use rare earth materials. The motivation is understandable as Tesla looks to

avoid processes with potential environmental and health risks, as well as keep costs down by reducing or eliminating commodities that can be at risk of wild price swings. But let's face it, the whole reason for moving towards EVs is to end the carbon-emitting, fossil fuel consuming internal combustion engine's (ICE) impact on the environment. And despite what anyone says, we are still a long way from achieving that goal. Additionally, as Jack Lifton pointed out in [this article](#), Tesla is not the driver of the global demand for rare earths.

Neo Performance Materials

Suffice it to say, I don't think we need to worry that the trajectory for rare earths demand is going to change anytime soon. It might someday in the future, but I suspect you could potentially be missing out on many opportunities as an investor if you take Tesla's prognostication to heart and abandon all exposure to rare earth investments right now. And one of those opportunities can be found in the form of [Neo Performance Materials Inc.](#) (TSX: NEO).

Neo plays a key role in the supply chain for rare earths magnet powders and various high-tech metals including the only operating commercial rare earth separation facility in Europe (Estonia). The Company manufactures the building blocks of many modern technologies that enhance efficiency and sustainability including magnetic powders and magnets, specialty chemicals, metals, and alloys.

Neo to Acquire Leading European Magnet Manufacturer

Coming off another [record year for annual revenue](#) since Neo's re-emergence as a public company in 2017, the Company recently [announced an acquisition](#) that will allow Neo to move further

along the value chain and expand its specialty manufacturing footprint in Europe. Neo is acquiring a controlling interest in [SG Technologies Group Limited](#) (SGTec), one of Europe's leading advanced, specialty manufacturers of rare earths based and other high-performance magnets for industrial and commercial markets. Neo acquired a 90% interest in SGTec by paying £10.8 million (US\$13.4 million) plus future considerations of up to £5.4 million (US\$6.7 million) based on Adjusted EBITDA performance over SGTec's fiscal years 2024 through 2026. The remaining 10% of SGTec will continue to be owned by members of SGTec's senior management team.

This tuck-in acquisition is very complimentary to Neo's stated plans to invest in a new venture to manufacture and distribute sintered rare earth magnets in Europe. In a [recent interview](#) with InvestorIntel at PDAC 2023, CEO and Director of Neo Performance Materials, Constantine Karayannopoulos, discusses the Company's strong relationships with big-name clients in the electronics and automotive industries, including Tier 1 suppliers and original equipment manufacturers (OEMs) who have asked Neo to turn the existing rare earths production into magnets for motors for drive trains. Neo expects to launch Phase 1 production of 2,000 tonnes/year of neodymium-iron-boron (NdFeB) magnet block in Estonia starting in 2025.

There are primarily two types of rare earths magnets, sintered and bonded, based on the differences in the production processes. Bonded magnets are formed by injection molding, while sintered magnets magnet are formed by high-temperature heating.

Given that SGTec is a recognized leader in the production of fully dense bonded NdFeB magnets, soft magnetic composites (used in high-speed solenoids and electric motor applications), and other high-performance magnets it's not a surprise that Neo made this acquisition to help expand its magnet manufacturing and

product development in Europe. SGTec is also known in the industry for its decades-long track record of R&D commercialization and reputation for its exceptional product quality, technical skill, creativity, and product innovation. This acquisition should help Neo increase its exposure to new markets and high-growth applications.

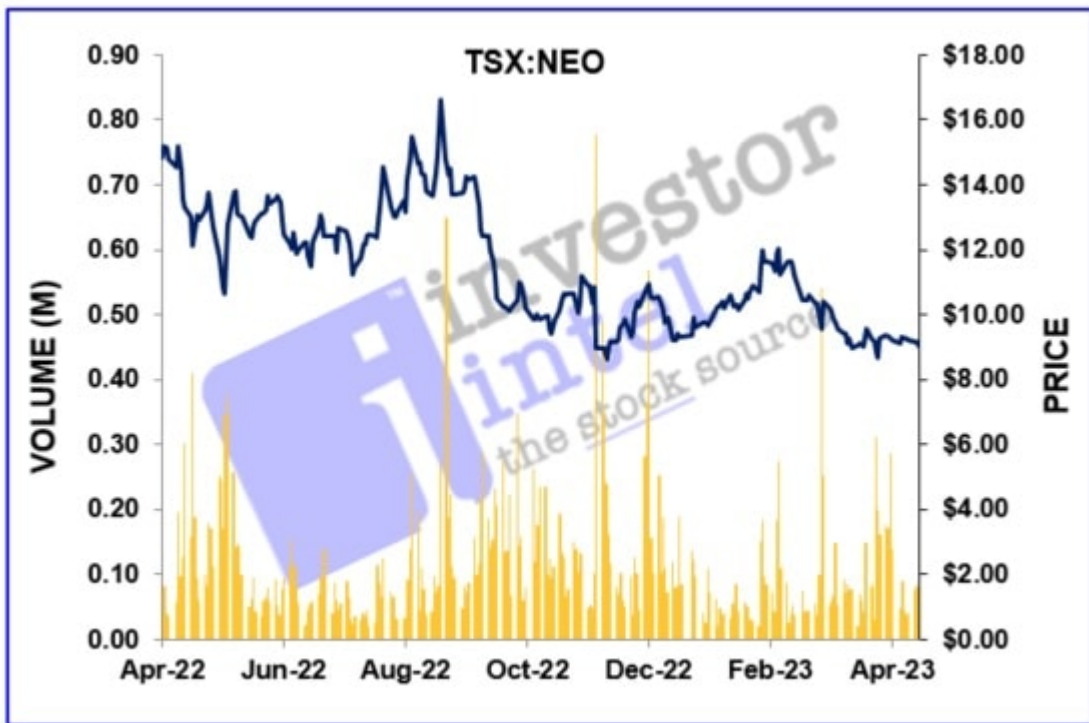
All this speaks to an interesting future for Neo Performance Materials but the question is when does all this promise flow through to the bottom line? Despite [record revenues in 2022](#), income and profit margins were down slightly year over year, primarily due to higher cost of sales and a decline in sales volumes in the Company's key Magnequench segment.

Final thoughts

Is there going to be a recession in the U.S. and other developed countries? Is China turning the corner post-COVID lockdowns?

The Company is well financed at present with US\$147 million in cash and cash equivalents as of December 31, 2022 (less the US\$13.4 million to acquire SGTec). Technically, the stock is trading close to its 52-week low (currently C\$9.04 versus C\$8.31 low) and appears to be putting in a solid base between C\$8.75 and C\$9.00. Some of the fundamental headwinds (higher cost feedstock inventory) seem to be dissipating. And the reality is, if Europe gets as aggressive as the U.S. when it comes to the source of materials for its EV market, Neo is pretty much the only game in town. Plus, you are getting a 4.4% dividend yield while you wait for Neo to unlock and monetize some of these opportunities. Sure it's not as safe as a GIC/CD, but there could be a whole lot more upside.

NEO Performance – 1-Year Stock Chart



Source: S&P Capital IQ

Assessing China's Potential Rare Earth Export 'Bomb': Dud or Threat?

written by Melissa (Mel) Sanderson | March 14, 2024

Recent press reports suggest that China might ban export to the US of rare earth-related products and technologies, particularly magnets, in response to the US decision to restrict exports of chipmaking technology to China. Japan and the Netherlands have signed on to these restrictions, but so far, the EU has not. Perhaps part of the EU delegation visit to Beijing is designed to cool tempers and avert a broader "trade war."

I suspect they must be smiling in Beijing today at the degree of

alarm these articles have produced. But let's take a collective breath and look at the potential consequences from a couple of angles and see if it makes geopolitical sense. After all, the Chinese are nothing if not pragmatic.

Rare earth magnets

Let's begin with magnets, the single most important product. China does not have a monopoly on production and arguably is not even making the best quality magnets. Bonded neodymium (neodymium, iron, and boron or "NdFeB") magnets are made in Japan, Korea, the Philippines, Thailand, Germany, the UK, and the US (albeit in small quantities) in addition to China. Rare earths ("RE") oxides are converted to metals in Vietnam and Thailand, as well as the UK. NdFeB alloys are made in Vietnam, Thailand, Japan, Germany, and the UK. The highest-performance sintered magnets in the world are made by Shin-Etsu in Japan. Hitachi is a close second. TDK Corporation is close behind. The Chinese magnet producers always try to close the gap in performance with the Japanese.

All of this suggests that, from this angle at least, global sourcing could work around a Chinese product ban.

Rare earths refining

What about refining? Rare earths currently are refined in Malaysia by [Lynas Rare Earths Ltd.](#) (ASX: LYC) (although some recent political difficulties there for Lynas suggest that might change in the near future), in Estonia by [Neo Performance Materials Inc.](#) (TSX: NEO), in France by [Solvay SA](#) (ENXTBR: SOLB) and in Japan by [Shin-Etsu](#) (TSE: 4063) and [Mitsui](#) (TSE: 8031) subsidiaries.

The technology to refine both light and heavy rare earths is

well known outside of China. The organic extractants to separate REEs were all imported into China for decades and are still produced by non-Chinese companies (Solvay, Albright & Wilson, and a collection of Japanese).

So, alternative sources also exist for refining, although China does remain the processing giant by output, accounting for approximately 85% of refining activity.

Returning to Chinese pragmatism, and its history of avoiding making the second mistake twice: the rare earth embargo China imposed in 2010 against Japan led to an important defeat for China in 2015 at the WTO, an organization China continues to view as useful to its strategic ends. Having a ruling already in place that export quotas violate trade rules imposes a significant constraint on history repeating itself.

US perspective

From a purely US perspective, however, the refining question is troublesome and Washington knows it. The sole rare earth mining company operating in the US, [MP Materials Corp.](#) (NYSE: MP), currently sends its output to China for processing. That issue will change in a couple of years, since MP, with partial funding from the Department of Defense, has begun work on a processing facility near its operations. Australia's Lynas Corp is building two new processing facilities in Texas, one for Light Rare Earths and another for Heavy Rare Earths, also with US Government ("USG") funding assistance. Two other processing facilities reportedly are under consideration, one in Arkansas and yet another in Texas.

Thus, the processing issue is a real vulnerability for the US, as MP could not swiftly pivot to send its output to one or more of the existing processing facilities cited above, even if those

would have space to accommodate additional flow on an urgent basis, which they might not.

From this perspective, China still has a means by which to “strike” the US if that truly were its intention – and perhaps it is. Interestingly, Presidents Xi and Putin met recently: one can wonder what sort of “economic penalties” against the US that Mr. Putin might have floated to a Chinese leader potentially irked by various recent US moves, including luring Taiwan SemiConductor to establish a huge factory in Arizona (visited by President Biden in March) or the potential ban of TikTok currently being bandied about in DC. Or – most irritatingly of all – the USG funding the growth of rare earths processing capability in the US. I would add that Washington needs to feel an equal sense of urgency and commitment to building more rare earth mines in the US to ensure secure sourcing of the minerals needed to transform the economy.

Rare earths and the automotive industry

Finally, let’s look at a concrete example of an industry whose future seems irrevocably tied to access to rare earths – the automotive industry. Pat Ryan, Chairman and Chief Executive Officer of [Ucore Rare Metals Inc.](#) (TSXV: UCU) contributed:

“In the automotive world there are three primary markets, Europe, North America and the Far East. Risk mitigation in each of these markets is more important now than ever before, including the sourcing of critical metals, as supply chains must be independent of each other and shift from high dependency to diversified, sustainable, circular and innovative solutions.

This is absolutely necessary so that individual markets, including North America, are secure, costs can be understood

and managed by OEM's and jobs created in the market where products are sold. Threats or posturing are just that, and never forget that decade after decade North America has been successful because of its innovation, openness and entrepreneurial ideas. That is a point of reference and confidence and with a global energy transition upon us, the sense of urgency is more paramount than ever."

Final thoughts

So generally speaking, I can't share the current alarm. Not while so many other more subtle and effective means remain available to China if it really wants to make problems for the US economy. After all, the problem with a 'nuclear bomb' is that once used, it's impossible to contain the fallout.

Neo Performance Materials Reports Record Revenue and Growth Initiatives on All Fronts

written by InvestorNews | March 14, 2024

[Neo Performance Materials Inc.](#) (TSX: NEO) is a Canadian company with a key role in the supply chain for rare earths magnet powders and various high-tech metals. Neo owns the only operating commercial rare earth separation facility in Europe. Neo manufactures rare earth metals, alloys, rare earth magnet

powders, specialty chemicals, technology metals, and alloys. These are all critical to the performance of many everyday products such as the magnets used in both internal combustion and electric vehicles and in direct-drive wind turbine electric generators.

Neo's business is organized into three segments: Magnequench, Chemicals & Oxides, and Rare Metals. The Magnequench business unit is a leader in bonded neodymium-iron-boron (NdFeB) magnetic powders, magnets, and their applications.

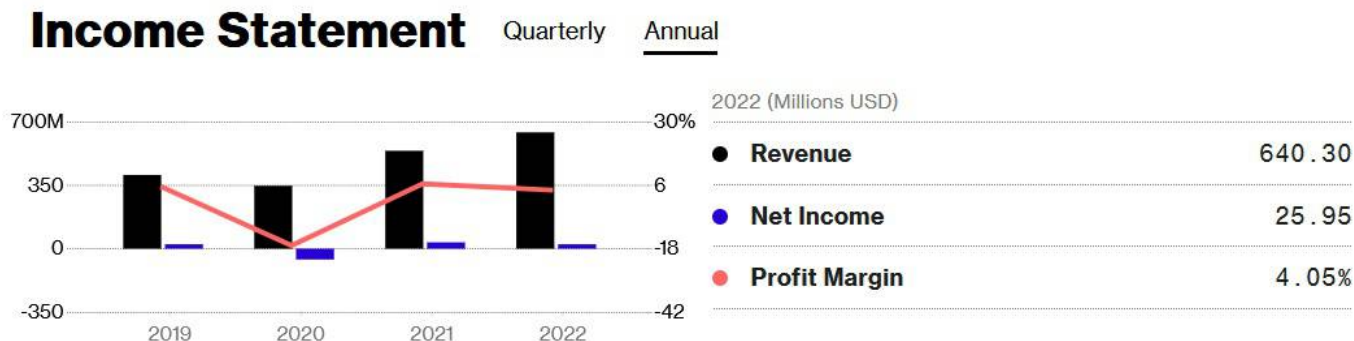
Neo's fourth quarter and full-year 2022 financial results

Neo recently reported its [Q4 and full year 2022 financial results](#), and the results were a bit of a mixed bag.

On the positive side, Neo yet again achieved record revenue, this time with 2022 full-year revenue of US\$640.3 million, an increase of 18.7% year-over-year (YoY).

On the negative side, Neo's net income for the full year 2022 was [US\\$25.95 million](#), down YoY, mostly due to a higher cost of sales and higher finance costs, which led to a slightly lower net [profit margin of 4.05%](#) in 2022, .

Neo Performance Materials revenue grew to a record again in 2022



Unwrapping Neo's 2022 financial results

2022 was a tough year for the global economy and particularly the auto market, a key user of magnets. As a result of this environment and various supply chain upheavals, Neo's key Magnequench segment saw a decline in sales volumes with respect to the prior-year period.

Neo [stated](#):

*"Margins per ton in the Magnequench segment were lower in the fourth quarter of 2022 compared to higher margins achieved earlier in 2022. Magnequench has pass-through pricing agreements on the vast majority of its sales contracts, and with rare earth magnetic prices having declined from March 2022, Magnequench is beginning to see the reversal of the lead-lag benefit in the latter half of 2022. **The long-term growth outlook for Magnequench's magnetic materials remains strong,** and the division's long-term focus remains on the value-add spread margin between the input commodity cost and the value of the functionalized materials that are manufactured."*

Note: Bold emphasis by the author.

Clearly, the 2022 slowdown in the global economy impacted negatively several end products that use magnets, including smartphones, PCs, and cars.

Looking ahead, 2023 may remain a tough environment but at least low-interest rates in China and an improving China economy with the COVID-19 re-opening could help boost the global economy.

Other Neo revenue segments such as chemicals & oxides and rare earth elements continue to do quite well. Regarding the latter

Neo [stated](#):

“Rare Metals achieved record earnings in 2022, continuing the improvement that started in the fourth quarter of 2021. Rare Metals experienced strength in pricing for key products such as hafnium and tantalum. ... The Rare Metals business continues to make progress in several key strategic initiatives, including selling more products outside of the aerospace industry, expanding its customer base, and diversifying its total end-market exposure. Sales prices in a number of end markets have recovered and gallium-based products are exhibiting improved market demand.”

Neo's advanced materials are essential components of many of the world's fastest-growing cleantech applications



Source: [Neo company presentation](#)

Growth drivers

Looking ahead Neo has numerous growth initiatives, including growing current businesses, plans for vertical integration, diversifying its global footprint, developing new applications, Mergers & Acquisitions, and Joint Ventures.

Neo sees the global demand for magnetic REE oxides growing 3-times by 2025, mostly driven by double-digit growth from the electric vehicle and wind power sectors.

In November 2022, Neo announced that it has been awarded a grant of up to €18.7 million from the Government of Estonia, under Europe's Just Transition Fund ("JTF") program, to help pay for the cost of constructing a rare earths permanent magnet manufacturing facility in Estonia. Neo plans to fund the remaining construction costs for the plant from its balance sheet and expects it to be operational in 2025.

For full details on Neo's growth plans, see its latest company presentation located [here](#).

Closing remarks

Despite 2022 being a tough year for many businesses Neo managed to get through reasonably well, achieving record revenues and slightly lower net profits and net margins.

As a result of lower sentiment in the rare earths related market Neo's stock price has been hit, [down 39%](#) over the past year. This situation, of course, represents an opportunity for investors to consider stocks during cyclical lows.

In the case of Neo, it now trades on a [PE of 11.2](#) and a market cap of [C\\$421 million](#).

Given we are only just entering the EV and renewable energy

booms and a period where Western-sourced critical materials are becoming very favorable, Neo Performance Materials should definitely be on investors' radar.

Constantine Karayannopoulos from Neo Performance Materials Discusses the Rare Earths Industry

written by InvestorNews | March 14, 2024

In this InvestorIntel interview during PDAC 2023, Tracy Weslosky talks with Constantine Karayannopoulos, CEO and Director of [Neo Performance Materials Inc.](#) (TSX: NEO) about the news that, in the near future, Tesla might not need rare earths in its electric vehicles (EVs), but Constantine thinks it's "highly aspirational" and believes "there isn't a realistic alternative that exists or is even showing the potential" to replace rare earth magnets in EV motors.

He says that Neo has strong relationships with big-name clients in the electronics and automotive industries, including Tier 1 suppliers and original equipment manufacturers (OEMs). The company is receiving a lot of interest due to the transition to EV vehicles and he believes there is some urgency from them as the supply chains and mineral resource production are not ready to accommodate what the world will need in the short term.

He mentions that it is building a new rare earth magnet plant in

Estonia to accommodate it. The company is also considering M&A opportunities due to its leading position in the market and has recently bought an asset in Greenland and is working on a “tuck in” acquisition in the magnet space.

To access the full InvestorIntel interview, [click here](#).

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About Neo Performance Materials Inc.

Neo manufactures the building blocks of many modern technologies that enhance efficiency and sustainability. Neo’s advanced industrial materials – magnetic powders and magnets, specialty chemicals, metals, and alloys – are critical to the performance of many everyday products and emerging technologies. Neo’s products help to deliver the technologies of tomorrow to consumers today. Neo’s business is organized into three segments: Magnequench, Chemicals & Oxides, and Rare Metals. Neo is headquartered in Toronto, Ontario, Canada; with corporate offices in Greenwood Village, Colorado, US; Singapore; and Beijing, China. Neo operates globally with sales, research and development, and production facilities and offices across 10 countries: Japan, China, Thailand, Estonia, Singapore, Germany, the United Kingdom, Canada, the United States, and South Korea. For more information, please visit www.neomaterials.com.

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Neo Performance Materials' Constantine Karayannopoulos and Energy Fuels' Mark Chalmers on the 2023 Critical Minerals Market

written by InvestorNews | March 14, 2024

Starting with the issues being compounded by extraordinary deadlines being made by the 2030 electric vehicles ("EV") mandates, they touch on some of the subjects they will kick off the Critical Minerals Institute Summit II on June 14-15th in Toronto. Addressing the EV Demand Drivers in the Race to Achieve a Critical Minerals Supply Chain, the speakers also address the investment, resource, infrastructure, and skills gaps that governments and industries need to bridge in order to meet Net Zero deadlines.

Hastings Technology Metals Poised to Emerge as a Major Player in the Rare Earths Market

written by InvestorNews | March 14, 2024

With all the talk of on-shoring, near-shoring, friend-shoring,

or whatever is the popular term this week, it's easy to lose sight of the fact that most commodities are global in nature. I know I've become fixated on North American solutions when it comes to critical materials and rare earths but that's a somewhat myopic view. There are plenty of countries out there, near and far, that we consider our friends and who may or may not have cost advantages that overcome any incremental transportation fees to compete in our domestic market. Thus, we shouldn't fall into the trap of thinking that just because the U.S. Inflation Reduction Act, and other similar legislation, look to limit parts of the world from contributing to "made at home" solutions, as perhaps, North American miners and explorers aren't necessarily the best option.

One such example is [Hastings Technology Metals Limited](#) (ASX: HAS | OTC PK: HSRMF), a Company engaged in the exploration, development, and mining of rare earths and specialty metals in Western Australia. This Perth-based company is primed to become the world's next producer of neodymium and praseodymium concentrate (NdPr). Hastings' flagship Yangibana Project (which comprises a mine and beneficiation plant at the Yangibana site, and a hydrometallurgical plant at Onslow), in the Gascoyne and Pilbara regions of Western Australia, contains one of the most highly valued NdPr deposits in the world with NdPr:TREO ratio of up to 52%. The Project is permitted for long-life production, with offtake contracts signed and debt financing in an advanced stage. The first product to ship is targeted for H1/2025. Hastings also owns and operates the Brockman project, Australia's largest heavy rare earths deposit, near Halls Creek in the Kimberley.

Earlier this month, the Company increased the mineral reserves at the [Yangibana Project](#) and it now has JORC-compliant Proved and Probable Ore Reserves of 20.93 million tonnes at 0.90% TREO which includes a 37% component NdPr, making it one of the

largest and highest-grade rare earths projects in the world. The company has made significant progress in advancing the project over the past few years, with a Pre-Feasibility Study completed in 2018 and a Definitive Feasibility Study (DFS) completed in 2020. The DFS confirmed that Yangibana is a highly viable project, with low operating costs and strong economic returns.

But where I find this story gets interesting is all the various financial dealings that Hastings is involved in. More than half of ~A\$400 million of total debt financing required for the Yangibana Project has been secured from the Northern Australia Infrastructure Facility (NAIF), which recently increased its financial support to A\$220 million with a 12½-year tenor. Hastings also completed a Two-Tranche Placement to raise A\$110 million in new equity to progress the Yangibana Project in October 2022. Nothing unusual about these two deals but here's the one that intrigues me. On October 14, 2022, the Company announced the completion of the acquisition of an approximate 19.9% shareholding in [Neo Performance Materials Inc.](#) (TSX: NEO) for an aggregate price of C\$134.6 million. [The acquisition](#) was funded by a A\$150 million cornerstone investment in Hastings by Wyloo Metals.

It would appear that the management team at Hastings does not doubt that this mine is moving forward. The NEO acquisition provides Hastings with a strategic stake in NEO and exposure to the global downstream processing of rare earth materials into magnets, critical components of environmentally friendly products such as electric vehicles and wind turbines. Additionally in October (seemingly a very busy month for the Company), Hastings signed a non-binding offtake Memorandum of Understanding (MOU) with [Solvay](#), a French-based global leader in Materials, Chemicals, and Solutions. The deal outlines the intent of both parties to enter into a binding commercial offtake agreement for the supply of Mixed Rare Earth Carbonate

(MREC). Under the agreement, the supply of an initial 2,500 tonnes per annum of MREC will be sent from Hastings' Yangibana Project to Solvay's plant in La Rochelle, France. Deals like this might explain why NAIF was comfortable increasing its financial support for the project.

Lastly, it's worth mentioning that Hastings has implemented rigorous environmental and social sustainability standards to ensure that its operations are in line with international best practices. This commitment and transparency were recognized with an exceptional ESG risk rating by Morningstar Sustainalytics with Hastings ranked 4th out of 159 companies rated in the Diversified Metals Mining subindustry category and placed 9th out of 193 companies in the Diversified Metals industry category. Hastings also undertook an EcoVadis assessment and achieved 68/100 which placed the company in the top 5% of companies assessed. This has not only helped the company attract investment from socially responsible investors but also win recognition for its efforts.

Hastings Technology Metals looks ready to take on the rare earths supply market and become a force to be reckoned with. The Company had A\$172.2 million in cash and equivalents as of December 31, 2022 and seemingly no issues raising additional capital as needed. Agreements are in place for ~70% of production for the first 10 years and there is still plenty of blue-sky exploration upside to further expand the resource at Yangibana. It appears I need to start looking past my own backyard for resource opportunities that are world-class.