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

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During an engaging interview at PDAC 2024 with Critical Minerals Institute (CMI) Co-Chairman Jack Lifton, Rahim Suleman, President, CEO, and Director of <u>Neo Performance Materials Inc.</u> (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, <u>click here</u>

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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 Greenwood Village, Colorado, in offices United States; Singapore; and Beijing, China. Neo has a global platform includes ten manufacturing facilities located that 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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## Ucore Rare Metals is building its rare earths Field of Dreams with RapidSX

written by InvestorNews | March 14, 2024 To misquote the famous line in the 1989 movie '*Field of Dreams*', "if you build it, they will come" (the actual line from the movie is <u>he</u> will come – referring either to Kevin Costner's character's father or shoeless Joe Jackson or perhaps both). Making a giant leap from that to the world we find ourselves in today, where 80% of the worlds rare earth resources are controlled by China, if you build it, or at least can process the raw materials into rare earth oxides (REOs), then arguably everyone will come. OK, maybe that was a bad segue but you're just going to have to live with it. The point is, there are billions of dollars being invested over the next couple of years on EV battery manufacturing facilities in North America and the U.S. has recently implemented legislation (the Inflation Reduction Act), which requires that 40% of battery components be sourced from factories in the U.S. or its free trade agreement partners, and that Chinese components and minerals be phased out beginning in 2024. On-shoring is the name of the game as we transition to a lower carbon future.

There are numerous rare earth explorers pursuing processing capabilities but perhaps no one is closer to commissioning than Ucore Rare Metals Inc. (TSXV: UCU | OTCQX: UURAF). Ucore is focused on rare- and critical-metals resources, extraction, beneficiation, and separation technologies with the potential for production, growth, and scalability. Ucore has an effective 100% ownership stake in the Bokan-Dotson Ridge Rare Earth Element Project in Southeast Alaska. Ucore's vision includes disrupting the People's Republic of China's control of the U.S. rare earths supply chain through the near-term development of heavy and light rare-earth processing facilities - including the Alaska Strategic Metals Complex in Southeast Alaska. And to that end Innovation Metals Corp., a wholly owned Ucore subsidiary, has developed the RapidSX separation technology resulting in the production of commercial-grade, separated rare earth oxides at the pilot scale.

Sounds promising but what exactly is <u>RapidSX</u>? The process combines the time-proven chemistry of conventional solvent extraction (SX) with a new column-based platform, which significantly reduces time to completion and plant footprint, as well as potentially lowering capital and operating costs. SX is the international rare earth industry's standard commercial separation technology and is currently used by 100% of all rare earth producers worldwide for bulk commercial separation of both heavy and light rare earths. Utilizing similar chemistry to conventional SX, RapidSX is not a new technology but represents a significant improvement on the well-established, wellunderstood, proven conventional SX separation technology preferred by rare earth producers. As an investor, I prefer disruption of existing technology versus reinventing the wheel as it is typically more capital efficient and quicker to market, unless of course, it's cold fusion type of disruption, in which case I'm all ears.

As for the progress of RapidSX, Ucore announced in mid-July that it had upscaled its rare earth Demonstration Plant capabilities and streamlined the RapidSX commercial deployment plan. In early 2022 Ucore received very positive results from the independent RapidSX technology evaluation, including the conclusion that a RapidSX production plant can potentially have a 2/3rds smaller footprint than a conventional SX facility with the same throughput. The team then received buy-in from all stakeholders to expand the design and construction of the Demo Plant. Ucore's enhanced Demo Plant will be able to process: tens of tonnes of mixed rare earth concentrate on a per annum basis; many feedstock sources, including planned light and heavy rare earth element feedstocks for the Strategic Metals Complexes; and all RapidSX splits required to produce individual praseodymium, neodymium, terbium, and dysprosium. Ucore has planned product qualification trials in Q4-2022 for prospective North American metal/alloy makers and original equipment manufacturers (OEMs).

All this is only one aspect of Ucore's business, they are also a rare earth explorer with the advanced Bokan-Dotson Ridge rare

earth deposit. Highlights at Bokan include a NI 43-101 <u>Preliminary Economic Assessment</u>, with a resource estimate that remains open down-dip and on-strike with further drilling planned. The project can be "near shovel ready" for construction in less than 30 months after receipt of the next stage of development funding. And the Company boasts that Bokan is the highest grade NI 43-101 HREE resource in the U.S. But we'll save digging further into the details on Bokan for another day.

Bottom line, Ucore is very close to churning out rare earth oxide material at its Demonstration Plant which could lead to supply offtake agreements with EV manufacturers and/or other downstream customers. This could be huge for Ucore in light of the fact that on-shoring is going to be a high priority for the foreseeable future. With a market cap of C\$34 million, there could be a bright future for Ucore if all the pieces fall into place.

## Neo Performance and Hastings — Will Wonders Never Cease?

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The term "Holy Moley" is seldom, if ever, used by us but our powers of speech are severely hampered by trying to digest the implications of the <u>latest deal</u> in the rare earths space. <u>Neo</u> <u>Performance Materials Inc.</u> (TSX: NEO) has now succeeded in flooring us twice in two weeks.

First, there was its <u>announcement</u> that it was acquiring a rare earths elements (REE) mining project in Greenland and making all

the right noises as if it was going to move that forward (and if anyone can, it would be them). And then we have the shock announcement that <u>Hastings Technology Metals Ltd</u> (ASX: HAS), the sometime REE developer in Australia, is to acquire a 22.1% strategic shareholding in Neo Performance Materials. We need not remind investors that Neo is not only <u>a</u> leading global rare earths processing and advanced permanent magnets producer, but it is <u>THE</u> leading global rare earths processing and advanced permanent magnets producer outside China, with a string of plants around the world and most particularly its Silmet plant in Estonia, which is a cornerstone of the monazite sands processing strategy of <u>Energy Fuels Inc.</u> (NYSE: UUUU | TSX: EFR).

The market cap of Neo, on the eve of this announcement, was CAD\$605 million. The acquisition has been agreed at a price of CAD\$15.00 per Neo share, representing a total consideration of CAD\$135 million. Bargain basement, indeed, in our view.

According to the release, the acquisition is intended to be funded by an AUD\$150 million strategic investment in Hastings by Wyloo Metals through the issuance of secured, redeemable, exchangeable notes.

Interestingly, the stake is not a *de novo* investment by Hastings but rather the purchase of a stake from an affiliate of Oaktree Capital Management. Those with long memories will recall that this stake dates back to the ancient history of when Molycorp went spectacularly bust just under ten years ago and Neo was reconstituted bigger and better out of the ruins. The stake being vended by Oaktree consists of 8,974,127 common shares in Neo, representing a 22.1% shareholding.

The proposed acquisition provides Hastings (and Wyloo) with a strategic stake in Neo and exposure to the global downstream

processing of rare earth materials into magnets.

We have written about Hastings' Yangibana deposit so long ago that we must fight through a veil of cobwebs to find what we wrote. The company claims that the project remains the key priority for Hastings, "with good progress being made on funding initiatives and other key milestones." But they would say that, wouldn't they?!

The acquisition of the Neo stake, and in particular the Wyloo investment, are subject to shareholder approval (50% voting threshold). All this begs the question as to whether Canada (or indirectly the US) will allow the crown-jewel (indeed the Queen on the REE chessboard) to pass into the hands of Wyloo Metals.

# New rare earths processing facility announced in Appia Energy's backyard

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### Government announcement is more good news following Appia's successful results and expansion

Any mining company will tell you that success is the result of a combination of good decisions and good fortune, and Appia Energy Corp. (CSE: API |OTCQB: APAAF) ("Appia") has recently had both.

On August 28 the Saskatchewan Research Council ("SRC") and the Government of Saskatchewan <u>announced</u> their plan to develop a "first-of-its-kind" Rare Earth Processing Facility in Saskatchewan, Canada — essentially in Appia's Alces Lake high grade rare earths project's backyard. This is a highly significant announcement as it has enormous potential to benefit Appia down the track, as they can potentially leverage of what is already provided by the local government. The facility is planned to be fully operational in late 2022 and will be capable of processing both hard rock ores (monazite and bastnaesite), and converting them into saleable individual rare earth oxides. This matches perfectly with Appia's shorter term needs and would be North America's first rare earths processing facility.

Speaking exclusively to InvestorIntel, Appia President and CEO, Tom Drivas, welcomed the news. "Appia congratulates the Saskatchewan Research Council and the Government of Saskatchewan for their initiative to develop a first-of-a-kind rare earth processing plant in Saskatchewan, Canada," he told InvestorIntel. "Appia is very pleased and excited to learn that the Saskatoon rare earth processing plant will be up and running by the end of 2022, especially since it is in such close proximity to Appia's high-grade critical rare earth Alces Lake project. Having the SRC plant in the same province as our project will substantially benefit Appia and its shareholders. Appia's Alces Lake project's rare earths are hosted in monazite, which the SRC plant will be processing. Appia has a wellestablished working relationship with SRC."

This comes on the heels of a recent string of exploration and other news for Appia. In July 2020 Appia reported a 1.0 meter channel sample line grading 0.471 wt% total rare earth oxide ("TREO") at Appia's Loranger Property. Appia also found <u>over 65 metres of continuous uranium mineralization</u> at surface grading 0.018 wt%  $U_3O_8$  at their Eastside Property.

"The composite  $U_3O_8$  grades from Eastside are comparable to other world-class open pit uranium mines," <u>said Appia Vice-President</u>, Exploration and Development, James Sykes, "such as the Rössing and Husab uranium mines in Namibia. Based on historic assay results and those obtained from Line 3 of Area 51, we believe zones with higher uranium grades are possible on the Property. The Property remains underexplored."

On August 4 Appia announced that it had <u>staked 8,014 additional</u> acres at its high-grade rare earth Alces Lake Property, expanding the total property to an area of 17,577 hectares (43,434 acres). The new staking around Hawker ensures that all of the historic surface occurrences and potential geological trends are located within the Alces Lake Property. The two new land acquisitions now provide Appia with an additional 11 km of prospective trends to explore for additional high-grade rare earth element and uranium zones, bringing the total to 41 km along a continuous regional geological trend.

On August 6 Appia <u>announced</u> that they had discovered at least seven surface rare earth and uranium zones on the Alces Lake Project. Mr. James Sykes <u>said</u>: "We continue to discover more of the REE mineral system at surface, and for many kilometers outside of the main area where we've been focusing exploration for the past couple of years. This suggests we're looking at a very large system across the property and also at depth."

Some uses for rare earths and hence a strong decade ahead

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### <u>Source</u>

### The Alces Lake Property (100% owned by Appia)

The Alces Lake property has monazite ore that is enriched in

valuable critical rare earth elements, particularly Neodymium (Nd), Praseodymium (Pr), Dysprosium (Dy), and Terbium (Tb). These four elements account for between 23-25% of the TREO, or ~85% of the potential value at Alces Lake. Alces Lake hosts the 2nd highest average REE grade in the world. At a 4 wt% Total Rare Earth Oxides (TREO) cutoff, Alces Lake average grade is exceptionally high at 16.65 wt% TREO. The Alces Lake Project's rare earths are near surface and hence suitable for an open pit mine. Permitting should be smooth being in northern Saskatchewan Canada and the CapEx and OpEx should be reasonably low given the good grades and near surface resource. Finally the recent development by the Government of Saskatchewan to develop a "first-of-its-kind" Rare Earth Processing Facility in Saskatchewan is extremely promising for Appia.

Appia Energy Alces Lake Project has one of the highest grade rare earths in the world with favorable monazite ore

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### <u>Source</u>

### Closing remarks

Appia Energy continues to expand their rare earths and uranium resource potential via a very significant neighboring land acquisition and further exploration in their Summer campaign. Phase 1 has already uncovered numerous targets and phase 2 plans 2,000 to 3,000m of new diamond drilling on their Alces Lake Project.

The announced new SRC Saskatchewan rare earths processing facility is a potential game changer for Appia. All the pieces of the puzzle are coming into place – very high grade rare earths, expanded land package with exploration upside and success, and finally a nearby processing facility. As the renewable energy and EV boom take off this decade the demand for a secure supply of western-made rare earths will intensify. It is starting to look like Appia Energy can be a significant player one day with continued good results and good fortune.