

Jack Lifton with David Woodall on Alkane's rare earths demerger and ASM's 'game changer' technology for strategic minerals

"We had an AGM with Alkane where shareholders voted 99.95% in approval to de-merge. The rationale is very simple. The market likes to have pure plays. So, Alkane which went into rare earths and then into gold, will be purely a gold focused company and ASM will be purely a strategic minerals company." States David Woodall, Managing Director of Australian Strategic Materials Limited (ASX: ASM), in an interview with the InvestorIntel's Jack Lifton.

David went on to say that ASM will be producing key strategic minerals like neodymium, dysprosium, zirconium, hafnium and praseodymium at its Dubbo Project. He also said that ASM's strategy is to become a vertically integrated strategic materials company.

David also provided an update on ASM's joint venture with Korean R&D partner ZironTech which he said will be a "game changer for the rare earths and strategic minerals industry". ASM and ZironTech recently produced titanium metal alloy using 45% less energy. David continued, "The trade tensions and the COVID-19 impact on the supply chains has made people look at the modification of the global supply chain. I think ASM is well located to be able to go into that supply chain and work cooperatively with various companies."

To access the complete interview subscribe to the **Technology Metals Show** and get exclusive access to member only content

through this exclusive site! Or Log-In Here for the latest conversations, debates, updates and interviews with the leaders, thought leaders and investors focused on issues relating to sustainability in the critical materials sector.

For more information on the **Technology Metals Show** email us at info@technologymetals.com or reach us direct at +1 (416) 546-9233

Neo Performance Materials manufactures high performance materials including very valuable rare earth magnetic powders

High performance materials, especially those involving rare earths magnet powders, are about to experience a huge demand as several massive macro trends develop this decade. Two of the biggest trends will be electric vehicles (EVs) and renewable energy (notably solar and wind). An important component for the best electric motors is powerful rare earth magnets.

Did you know?

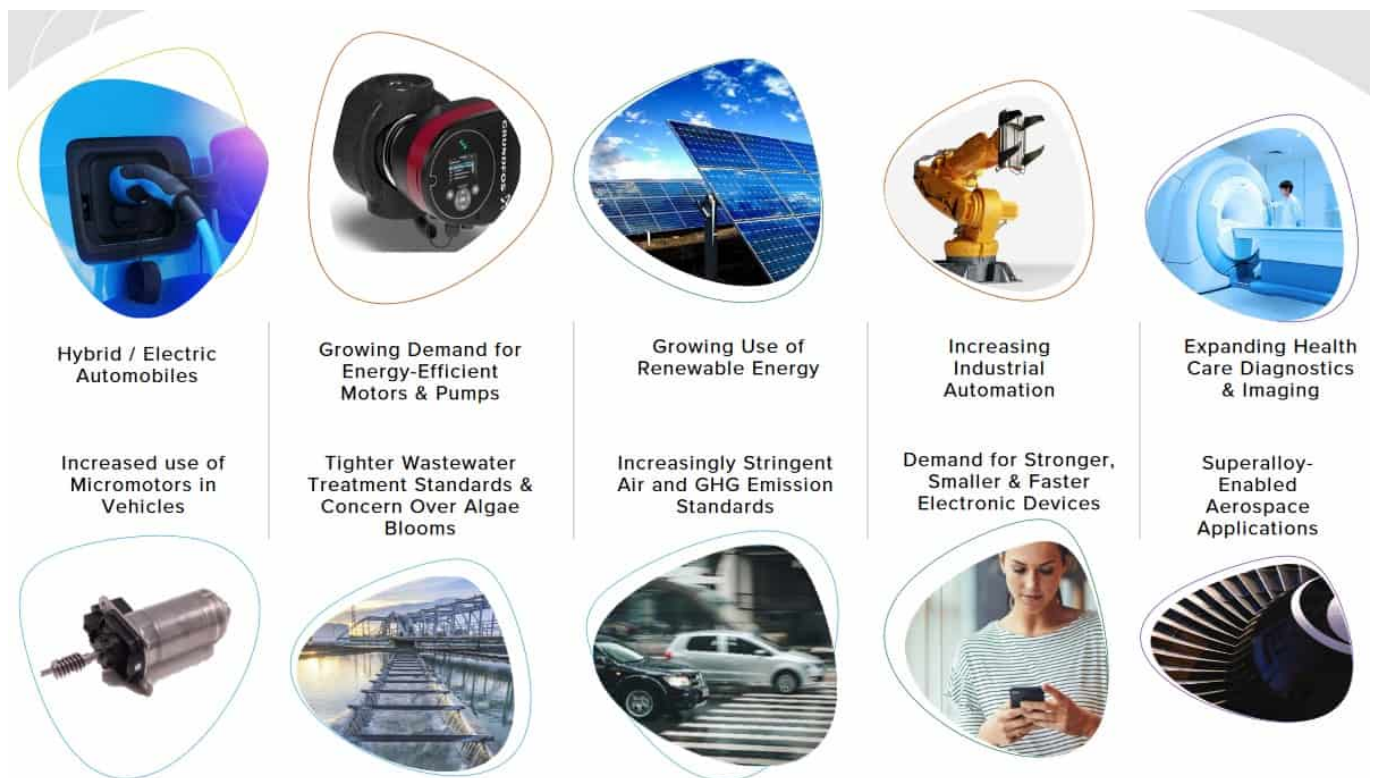
- By 2030, global demand for the two main rare earth metals (neodymium and dysprosium) used in wind turbines and electric vehicles is forecast to grow by 2.1x (that's over 100% growth).
- In a 100% EV world the demand for rare earths is

forecast to grow by 655%.

Whilst China dominates rare earths processing and end products, there is one 'Western' company that is globally diversified and not fully dependent upon China.

Neo Performance Materials Inc. (TSX: NEO) manufactures the building blocks of everyday products and emerging technologies, including very valuable rare earth magnetic powders. The Company is headquartered in Canada but has operations in China, U.S., Germany, U.K., Canada, Thailand, South Korea, Singapore, and Estonia. Neo has over 1,800 staff. Neo is positioned to benefit from key macro trends including vehicle electrification, industrial automation, consumer electronics, energy efficient lighting, air and water pollution control, and greater use of superalloys.

Macro trends that drive demand for Neo's advanced industrial materials



Source: Company investor presentation

Neo's materials deliver a range of powerful properties to the

products in which they are used, including magnetic, catalytic, luminescent, electrochemical, thermal stability, and superconductive.

Neo's three main operational segments (with revenue % in brackets) are:

- Magnequench (42%) – Production of magnetic powders used in bonded and hot deformed fully dense magnets.
- Chemicals and Oxides (35%) – Distributes a broad range of light and heavy rare earth functional materials.
- Rare Metals (23%) – Sources, produces, reclaims, refines and markets high value metals and their compounds, such as tantalum, niobium, hafnium, rhenium, gallium and indium.

Neo has a balanced and well-diversified customer base that includes large industrial, consumer electronics and chemical processing companies. A significant portion of revenue contribution is from customers who have been with Neo for 10+ years. As western companies look to diversify their supply chains away from China Neo stands to be a potential winner.

Neo Performance Materials has a diversified and long standing customer base

Representative Longstanding Customers

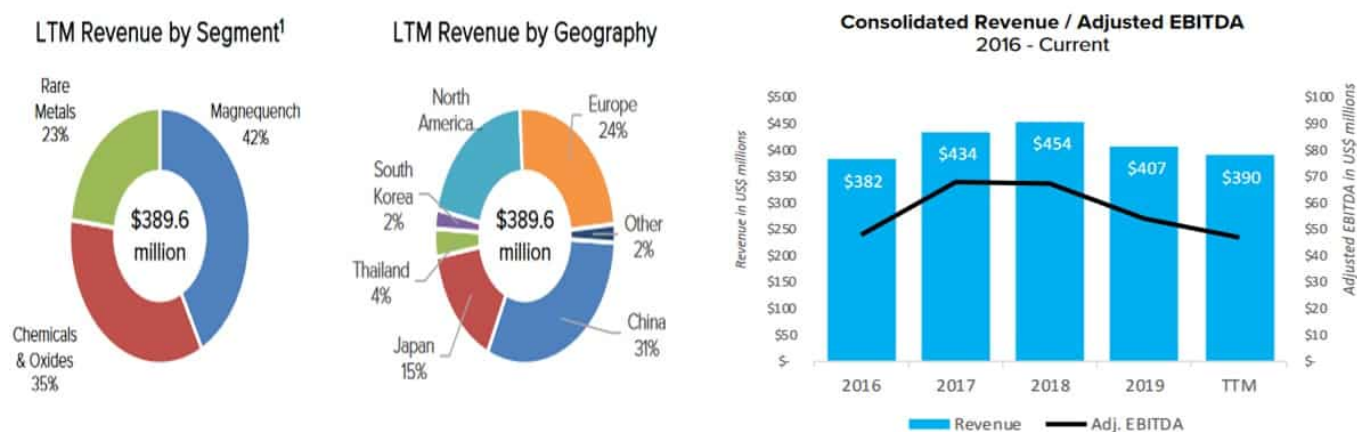


Source: Company investor presentation

Neo is a profitable, dividend-paying company with a strong balance sheet and robust cash-flow generation. As you can see in the chart below revenue was impacted negatively in 2019 and so far in 2020 due to the global slowdown from the trade war and COVID-19 pandemic. Naturally the stock price was also impacted; however this is the opportunity for investors.

The current market cap is C\$326 million. 2021 and 2022 revenues and margins are forecast to improve on 2020. 2021 forecast PE looks attractive at 14.0 and 2022 is 12.8. Analyst's consensus is an 'outperform' with a price target of C\$10.42, representing ~20% upside. Risks revolve around the length of the current global slowdown, demand for Neo's specialty products, and Chinese competition.

Neo Performance Materials revenue breakdown



Quarterly Dividend of C\$0.10/share and Strong Net Cash Balance of \$78.8 Million¹

Source: Company investor presentation

Closing remarks

Neo Performance Materials offers investors a safe jurisdiction and exposure to some of the biggest macro trends ahead this decade.

The EV boom is set to take off this decade and so is renewable energy which includes wind turbines and numerous energy efficient products, as well as superalloy and other high

performance materials. Added to this there will be a surge in demand for auto catalyts to reduce air pollution. Neo supplies the specialty materials for all these areas.

Investors can consider buying Neo during the current market lull knowing that once the global demand for Neo's materials picks up, the Company will also pick up. Neo Performance Materials is somewhat under the investment radar, but this could well change soon once word gets out and revenues start to turn higher again.

The War is on for Strategic Materials in France

✘ February 23, 2014 – Jack Lifton, Sr. Editor of InvestorIntelReport provides a confidential synopsis for members of his participation last week in Paris at the French National Assembly Building (Parliament) for a roundtable “The War of Strategic Materials”. Attended by 20+ members of Parliament, plus an additional 250 members from the critical materials sector. Jack offers commentary and conclusions on his respective understanding of what was achieved at this event.

For starter, France does not produce domestically any of the technology materials needed to maintain its technological society. Cognizant of the fact that they (the French) are completely reliant on the Chinese, and very well aware of the increasing demand required for the build out of some of the most sophisticated technologies, this is the second time in the last year that Jack has been asked to come and speak on the issues surrounding strategic materials. In this honest

commentary by Jack, he lays the foundation for understanding how the French perceive this dependence, and their respective priorities as they have the “...most comprehensive rare earth supply chain outside of Japan. They have the only large total rare earth separation plant in the world and the longest running one...”

What is particularly compelling is Jack’s insight into the refinery leadership, abilities and processing capabilities. He touches on how there is only one active project in Europe for production of rare earths, which is Tasman Metals in Sweden. He also discusses that the two priorities discussed: 1) They do not want to be dependent on China (for raw materials or finished goods) and 2) They want to preserve their culture, and maintain industrial survival.

This commentary becomes even more fascinating when Jack discusses France’s role in producing most of the nuclear fuel for the world. To access this full interview, log into InvestorIntelReport, or [click here](#) to become a member