

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

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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.