

Hastings Technology Metals Ltd: and Neo Sign Non-Binding Heads of Agreement for Rare Earth Concentrate Offtake and Downstream Collaboration

13.06.2023 | [ABN Newswire](#)

[Hastings Technology Metals Ltd.](#) (ASX:HAS) (FRA:5AM) and Neo Performance Materials Inc (TSE:NEO) (Neo) are pleased to announce the signing of a non-binding Heads of Agreement, signalling their intention to take an important step forward in a potential strategic partnership between the two companies to strengthen their shared vision for an integrated mine-to-magnet rare earth supply chain.

The Agreement outlines the framework for both parties to negotiate a binding offtake agreement and pursue further downstream technical and commercial collaboration.

HIGHLIGHTS

- Hastings Technology Metals (Hastings) and Neo Performance Materials (Neo) sign a non-binding Heads of Agreement (Agreement), outlining the framework for the parties to negotiate a binding commercial offtake agreement for the supply of rare earth concentrate from Stage 1 of the Yangibana Rare Earths Project (Yangibana or Project)
- In Yangibana Stage 1, Hastings would supply up to 25,000 tonnes per annum of concentrate from Q1 CY2025 for Neo's downstream processing facilities across Europe and Asia, to be followed by up to 10,000 tonnes per annum of Mixed Rare Earth Carbonate upon completion of Stage 2
- The offtake arrangement for concentrate from the Yangibana Project would provide an additional source of feedstock for NPM Silmet OU (Silmet), Neo's rare earth separation facility in Sillamae, Estonia
- Silmet plans to produce separated rare earth oxides for Neo's sintered rare earth permanent magnet manufacturing plant under development in nearby Narva, Estonia, which is expected to supply the European electric vehicle and renewable energy markets
- The contemplated offtake arrangement could cover up to 70% of Stage 1 and 2 Yangibana production for an initial period of 10 years
- The Agreement also provides for cooperation in the areas of evaluating joint downstream processing opportunities, technical, and commercial collaboration

Hastings Executive Chair, Mr Charles Lew, said:

"The signing of this Heads of Agreement builds on Hastings' strategic investment in Neo Performance Materials, representing a significant step forward in our vision to advance synergies between both companies with a view to creating a fully integrated mine-to-magnet supply chain. We share this vision with our partner Wyloo Metals, who has been very supportive in our mine-to-magnet strategy as we see a unique opportunity to be a major player in building a European centric magnet supply chain during this decade."

"This agreement with Neo represents the first step in a strategic partnership that will establish Hastings as a reliable supplier of rare earth feedstock to the European permanent magnets industry, and further strengthens the staged development strategy for the Yangibana Project, with a pathway to early project cashflows from Stage 1 concentrate sale."

Neo Performance Materials CEO, Constantine Karayannopoulos, said:

"This initiative supports Neo's strategic efforts to continue to globally diversify our sources of rare earth feedstock and to provide our customers with maximum supply chain optionality. The Yangibana resource is an attractive potential source of magnetic rare earths--NdPr in particular--and it could contribute to meeting the feedstock targets of our planned Estonia magnet manufacturing facility as well as a potential future expansion in North America. Neo looks forward to working toward a definitive agreement with Hastings on

the material from the Yangibana project."

Headquartered in Perth, Western Australia (WA), Hastings is developing the Yangibana Rare Earths Project, which involves the initial development of a mine and beneficiation plant to produce 37,000 tonnes per annum of mixed rare earth concentrate with one of the world's highest Neodymium and Praseodymium (NdPr) concentrate grades. The second stage is expected to involve the construction of a hydrometallurgical plant to produce 15,000 tonnes of Mixed Rare Earth Carbonate (MREC) (refer to ASX Announcement dated 31 May 2023).

Based in Toronto, Ontario, Neo is a global leader in the manufacture of rare earth magnetic powders and Neodymium bonded magnets. 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 a dedicated research and development centre in Singapore.

The rare earth concentrate feedstock from Yangibana would assist in meeting Neo's growing requirements for its existing and new facilities. This includes the only industrial-scale, commercially operating rare earth separation facility in the Western hemisphere in Sillamae, Estonia. Neo has also commenced the development of a sintered rare earth permanent magnet manufacturing plant.

This strategic partnership builds on Hastings' 19.9% investment in Neo and the vertical integration strategy of both companies to supply magnets to the European electric vehicle traction motor market and other electrification markets including wind turbines, robotics and other advanced technologies.

KEY TERMS - HEADS OF AGREEMENT

The Agreement provides a framework for both parties to negotiate a binding offtake agreement for the supply of up to 70% (approximately 25,000 tonnes) of the annual concentrate production from Stage 1 of Yangibana. The 10-year initial term would commence with the production of Stage 1 concentrate (from Q1 CY2025) that would be processed into MREC by a third party. It would continue until such a time as MREC is produced by Hastings at Stage 2 of Yangibana, when the offtake agreement is expected to evolve to supply up to 10,000 tonnes per annum of MREC.

Other key terms of the Agreement are:

- Prior to the commencement of operations at Hastings' planned Stage 2 hydrometallurgical plant in Onslow WA, Neo and Hastings will cooperate to arrange processing of the Stage 1 concentrate into MREC prior to delivery to Neo's facilities;
- Pricing for the concentrate would be determined using a mutually agreed formula based on the Neodymium (Nd), Praseodymium (Pr), Dysprosium (Dy) and Terbium (Tb) content in basket value, referencing an index publishing a representative Nd, Pr, Dy and Tb price with regards to the Total Rare Earth Oxide (TREO) content of the delivered concentrate; and
- Toll treatment and third-party processing fees for the Stage 1 concentrate remain to be negotiated and will be applied as a set off against the payment to Hastings.

Hastings and Neo will work towards executing a binding offtake agreement by Q1 2024.

In addition, both parties have also committed to cooperating to further evaluate joint downstream processing opportunities including the production of oxides, metals and alloys. Hastings and Neo expect to complete future studies to determine whether the end product demand justifies future production increases from the Yangibana mine.

About Hastings Technology Metals Ltd:

[Hastings Technology Metals Ltd.](#) (ASX:HAS) is advancing its Yangibana Rare Earths Project in the Upper Gascoyne Region of Western Australia towards production. The proposed beneficiation and hydro metallurgy processing plant will treat rare earths deposits, predominantly monazite, hosting high neodymium and praseodymium contents to produce a mixed rare earths carbonate that will be further refined into individual rare earth oxides at processing plants overseas.

Neodymium and praseodymium are vital components in the manufacture of permanent magnets which is used in a wide and expanding range of advanced and high-tech products including electric vehicles, wind turbines, robotics, medical applications and others. Hastings aims to become the next significant producer of

neodymium and praseodymium outside of China.

Hastings holds 100% interest in the most significant deposits within the overall project, and 70% interest in additional deposits that will be developed at a later date, all held under Mining Leases. Numerous prospects have been identified warranting detailed exploration to further extend the life of the project.

Brockman Project

The Brockman deposit, near Halls Creek in Western Australia, contains JORC Indicated and Inferred Mineral Resources, estimated using the guidelines of JORC Code (2012 Edition).

The Company is also progressing a Mining Lease application over the Brockman Rare Earths and Rare Metals Project.

Hastings aims to capitalise on the strong demand for critical rare earths created by the expanding demand for new technology products.

Source: [Hastings Technology Metals Ltd.](#)

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<https://www.goldseiten.de/artikel/583317--Hastings-Technology-Metals-Ltd--and-Neo-Sign-Non-Binding-Heads-of-Agreement-for-Rare-Earth-Concentrate-Off>

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