

# HALLGARTEN + COMPANY

## Special Situations Note

Christopher Ecclestone  
[cecclstone@hallgartenco.com](mailto:cecclstone@hallgartenco.com)

## Hastings Technology Metals

(ASX: HAS | OTCQB: HSRMF | FSE: 5AM)

Strategy: AVOID

### Key Metrics

Price (AUD)	\$0.43
12-Month Target Price (AUD)	\$0.50
Upside to Target	16%
12mth high-low	\$0.25 to \$1.03
Market Cap (AUD mn)	\$95.40
<b>Shares Outstanding (mns)</b>	221.9
Warrants, Options, DSUs & RSUs	5.8
<b>Fully diluted</b>	227.7

Monday, January 9, 2023

# Hastings Technology Metals

## Lobster Traps & Rare Earths

- + Kudos goes to “Twiggy” Forrest on exiting the Hastings *imbroglio* with a very healthy stake in Neo Performance Materials and with an even healthier capital gain
- + Rare Earth prices have resurged in recent years and have largely held firm at levels substantially above the average levels of the last ten years
- + Neo Performance Materials ultimately dodged a bullet, at little cost to itself, in realizing that the Greenland target was a lemon
- ✘ A frenzy of positioning during 2022 by Hastings Technology, Neo Performance Materials, Wyloo and Solvay signaled that bigger things were afoot, but ultimately came to naught
- ✘ Hastings is left like a husk blowing in the wind with no obvious buyer in sight
- ✘ China still has the whiphand in REE-pricing and can sink prices, suddenly, at will
- ✘ The US government (and the Australian government) have massively skewed the REE marketplace by their mistaken (in so many ways) strategy of choosing champions
- ✘ To call the REE space overpopulated in an understatement indeed, its standing room only and most mid- and junior players are doomed by the aforementioned government meddling, subsidies and price support mechanisms

### Easy to Get in, Harder to Get Out

There have been more changes of positioning at Hastings in recent years than for a weathervane in a Force Ten gale.

The main character in this corporate drama has been Andrew “Twiggy” Forrest who has had a colourful (and roller-coaster) career, to say the least. One of his wilder rides has been that on Rare Earth wannabe, Hastings Technology Metals. However, it seems that sometimes the thrills and spills aren’t worth hanging on for... that seems to be the case here.

Several weeks ago, the news filtered out that his vehicle, Wyloo Metals, is selling its 60% stake in the Yangibana REE project in Western Australia. This would bring to the end a colourful period where many moving parts were moving, and not moving.

This has been interpreted in the marketplace as a retreat from the sector by Andrew Forrest. The project, which Wyloo operates in a JV with Hastings Technology Metals (40%), has a 17-year mine life, focusing on high-grade NdPr. Bids are due late May 2026.

### Weird Mating Dance – Wyloo/Hastings/Neo Performance/Solvay

The Wyloo involvement dates back to a series of events early in the second half of 2022 which, at the time, struck us as one of the most bizarre mating dances in the Rare Earth world.

Monday, January 9, 2023

Up until that time, Hastings had often been seen as a bit of shape-shifter as to whether it was a catspaw of Peking or an Overseas Chinese plaything.

The first of the string of transactions back then was in late August of 2022, when Neo Performance Materials (TSX: NEO) announced that it had agreed to buy a REE mining project in Greenland.

Then came the shock announcement that Hastings was to acquire a strategic shareholding in Neo Performance Materials (TSX: NEO).

This transaction was to be funded by financing from Wyloo Metals to Hastings.

In October 2022, it was announced that Hastings Technology had signed a non-binding MOU with Solvay, covering 2.5k tpa Mixed Rare Earth Carbonate (MREC), to supply the La Rochelle separation facility in France.

Something was awry here as the new “power” (Twiggy Forrest) via Hastings was also taking a big stake in Neo Performance Materials. And yet Hastings was signing on with Neo's only Western “competitor”.

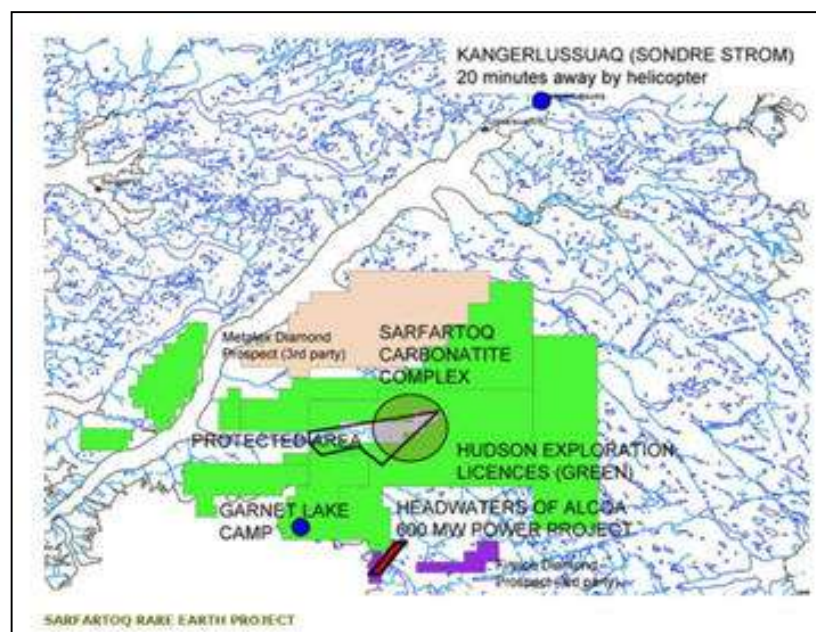
As noted, all this skein of transactions has now come undone, with whom owning what and who doing what to whom being quite dramatically changed from what looked like happening back then.

### The Neo Angle

As mentioned the first transaction was back in late August of 2022, when Neo Performance Materials (TSX: NEO) announced that it had agreed to buy a REE mining project in Greenland that was owned by Hudson Resources (HUD.V). The motivation was given as “to supply its growing needs for the minerals to produce permanent magnets”. Note the obligatory verbiage as it made all the right noises as if it was going to move that forward to development. That, needless to say, has still not happened.

The deal was for Neo to buy the Sarfartoq project for a total of \$3.5mn with Neo initially paying Hudson CAD\$250,000 and then, upon the Greenland government approval, paying an additional \$3.25mn for the project, which will be placed into a special purpose entity, Neo North Star Resources Inc. (NNSR).

The Sarfartoq deposit is located in a valley about 50 km SSE of Kangerlussuaq airport.



Monday, January 9, 2023

The pyrochlore is accumulated as vein shaped bodies in a marginal zone around the central part of the carbonatite mass.

In April of 2023, the project received approval from the Government of Greenland for transfer of an exploration license covering a portion of the Sarfartoq Carbonatite Complex in southwest Greenland. Accordingly, Neo completed the purchase of the License from Hudson for the agreed-upon compensation of US\$3.5mn. It was reported that Hudson may under certain conditions receive additional compensation in the form of equity interests or a share of future sale proceeds.

The license was then transferred to NNSR. NNSR, while majority-owned by Neo also had a significant investment from Weston Energy III LLC, a portfolio company of Yorktown Partners LLC. NNSR then initiated exploration activities and said that it intended to raise additional capital as necessary to complete its initial exploration program.

NNSR has also entered into an offtake agreement with Neo's affiliate, NPM Silmet OÜ giving Silmet rights to purchase up to 60% of the ore or mineral concentrate produced from the project once it is in operation.

It's worth noting that, in 2021, the government of Greenland banned uranium mining, effectively halting development of the Kuannersuit rare earth project owned by Greenland Minerals (GGG.AX). It was noted though that the Sarfartoq project does not contain elevated levels of uranium.

### **Hastings into Neo**

The announcement that Hastings was to acquire a strategic shareholding in Neo Performance Materials came in XXXXX. As we all know NEO is THE leading global Rare Earth 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 has been for the last decade the cornerstone for Europe's REE processing strategy.

The market cap of NEO, on the eve of this announcement was CAD\$605mn. The acquisition by Hastings was at an agreed price of CAD\$15.00 per Neo share, representing a total consideration of CAD\$135mn.

This was a bargain basement buy, or so it seemed.

The acquisition was intended to be funded by an AUD\$150mn strategic investment in Hastings by Wyloo Metals, through the issuance of secured, redeemable, exchangeable notes.

The stake that was changing hands was not a de novo investment by Hastings, but rather the purchase of a stake from an affiliate of Oaktree Capital Management, L.P.. This stake dated back to the ancient history of when Molycorp went spectacularly bust just in 2015 and Neo was reconstituted out of the ruins. The stake vended by Oaktree consisted of 8,974,127 common shares in Neo, representing a 22.1% shareholding (diluted down now to around 19%).

Monday, January 9, 2023



The proposed acquisition provided Hastings (and Wyloo) with a strategic stake in Neo and exposure to the global downstream processing of Rare Earth materials into magnets.

All of this seemed to be the cobbling together of a comprehensive vertically integrated REE mines to magnets story, the Holy Grail of the REE world.

### **Solvay – The Deal that Never Was (or Was It)**

Then in October of 2022, it was announced that Hastings had signed a non-binding MOU with Solvay, covering 2.5k tpa Mixed Rare Earth Carbonate (MREC), to supply the La Rochelle separation facility in France. It was reported that this product would be mainly neodymium destined for magnet makers.

It was reported in the Rare Earth Observer that “Solvay's product will be mainly neodymium to be supplied to magnet makers.

That offtake quantity from Hastings (2.5k tpa) may turn out raw material for less than 2,000 tonnes of sintered high-working-temperature NdFeB magnets. EU imports 2022 from China .....: almost 21,000 tonnes of rare earth permanent magnets”.

### **Solvay - the Rip Van Winkle of Rare Earths**

In the beginning there was *Societe de Terres Rares* (STER) and it was good. If one goes back far enough

Monday, January 9, 2023

one finds that the company (then folded into French chemicals giant, Rhône-Poulenc) even held a 41 % stake in Baotou Luxi Rhône Rare Earths in a plan to exploit Bayan Obo. That was, of course, in the days when China was not viewed as the enemy in the Rare Earth world. The rest is history.

So how is it then that the most advanced REE processor in the world in the 1990s should have been overhauled by Silmet, which as an ex-Soviet facility, might best have been described as a pile of scrap metal?

Rhodia was a public company that was founded in January 1998 following the spin-off of the chemicals, fibres, and polymers activities of Rhône-Poulenc when it merged with the German company, Hoechst. On June 25, 1998, Rhône-Poulenc sold 32.7% of its share in Rhodia's capital to the public. Rhodia became a listed company. Embedded within the spin out was the old Rare Earths division of R-P.

We have discussed the Solvay “activities” in Rare Earths in a more substantial note several years ago which [can be accessed here](#).

### **The Latest Resurrection**

In mid-September 2022 Solvay made a cryptic announcement of plans to expand its Rare Earths operations in La Rochelle “to enter the value chain for Rare Earths permanent magnets in Europe”.

However, by most accounts they were happy to announce this and then reticent to actually flesh out what they intended to do. The announcement thus came out rather half-baked.

As noted earlier, for decades, Solvay’s predecessor firms were technology leaders in Rare Earths separation, recycling, purification, finishing and formulation. Despite its low-profile over the last decade they claimed “the plant is already active in the separation and recycling of rare earths for captive use”.

Solvay then pinned its flag to the mast with an ambition to “create a powerful rare earths hub in Europe in the coming years”. The La Rochelle plant currently serves the automotive emissions control and semiconductors markets.

The unquantified new investment was to expand and upgrade an existing unit, adding the production of separated Rare Earth oxides for permanent magnets to the site. Solvay’s new/old hub was said to potentially help develop European autonomy for these critical materials and also address the shortage of Rare Earth key elements by playing a role in the recycling of magnets.

Unspoken in this is that the EU still does not have any primary production of the Rare Earth minerals and attempts thereat (such as Norra Karr in Sweden) are at the mercy of localist NIMBY tendencies/activists.

The plant (shown on the page that follows) is state of the art, and much better positioned geographically than the Silmet facility (in Estonia) of Neo Performance Materials (TSX:NEO). It’s also worth noting that Solvay have a REE separation plant in Liyang, Jiangsu, China.

Monday, January 9, 2023



The plant (above) is state of the art and substantially better positioned, geographically, than Neo Performance Materials' Silmet facility.

Wednesday, May 20, 2026

We were bemused by the statement that “Solvay has been continuously reinventing its rare earth business through numerous technology, legislation and market evolutions” when most players in the Rare Earth field didn’t even know of this hidden gem until the announcement. We have long seen it as having the potential to become a French, or EU, champion in REEs, but instead it has been a long-ignored opportunity.

We are further intrigued by the statement that “Solvay will pursue alliances with other global champions in this field and has active participation in European consortia to secure partnerships and funding”. This left us wondering who such “global champions” might be.

In an interview around that time, Michael Finelli, president of Solvay Growth Initiatives stated that Solvay “continues to prepare a new REE processing project” for EV and wind turbine markets at La Rochelle. This plant is the recipient of "tens of millions of euros" in investment and will supply material to magnet makers for "millions" of EVs.

### **In the Meantime**

Then in early March of 2024, Solvay and Carester announced the signing of a Memorandum of Understanding (MOU) to form a strategic partnership, aimed at leveraging the expertise of both companies to pursue manufacturing opportunities within the rare earth industry for the permanent magnets value chain in Europe. Carester, had built the Caremag industrial project at Lacq, France, which is dedicated to magnet recycling and the extraction of Heavy Rare Earths from mining concentrates.

After that point we heard nothing more about the Solvay/Hastings tie-up.

### **Dividing the Neo Spoils**

Then fast forward to February of 2025, when with Wyloo’s enthusiasm was still undimmed, it moved to the 60% stake in Yangibana (which is now on the auction block).

Interestingly at the same time, Wyloo Consolidated Investments Pty Ltd acquired through a private sale, 8,350,311 common shares (19.99%) in Neo from Hastings for an aggregate purchase price of CAD\$72,063,184 (equivalent to AUD\$79,848,403) or CAD\$8.63 per share. Exchangeable Notes owing by Hastings to Wyloo of the corresponding value were then cancelled. Neither Wyloo nor any of its affiliates own or control any other shares or securities of Neo.

The deal turned out to be sweet for Wyloo and a bitter pill for Hastings as NEO then went on a tear, rising more than threefold since the deal was struck.

Hastings continued to own 623,816 common shares of Neo which remained subject to a pre-existing share pledge in favour of Wyloo as security for its Exchangeable Notes.

### **Resource**

The last resource statement from Hastings looks like this:

<b>Yangibana - JORC Resource from 2022</b>				
	<b>Tonnes (mns)</b>	<b>TREO %</b>	<b>NdPr %</b>	<b>TREO tonnes</b>
<b>Measured</b>	4.97	0.96%	0.37%	47,721
<b>Indicated</b>	19.51	0.88%	0.32%	171,936
<b>Total M &amp; I</b>	24.49	0.90%	0.33%	219,657
<b>Inferred</b>	5.45	1.05%	0.31%	57,298

### **A Word on Radioactivity**

The majority of the REE are hosted by the phosphate mineral monazite, the mineral containing low levels of Thorium and Uranium and their decay progeny, in approximate secular equilibrium.

Uranium concentrations are relatively consistent across mineralised areas of the project, while thorium concentrations show a greater variability.

<b>Location</b>	<b>Uranium (ppm)</b>			<b>Thorium (ppm)</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
<b>Bald Hill</b>	10.2	44.6	2.4	142.8	1134.5	18.1
<b>Fraser's</b>	6.7	14.1	1.9	52.5	132.7	20.2
<b>Yangibana North</b>	10.7	26.4	2.5	321.6	1472.5	21.4

This variability is attributed to the association of Thorium to the mineralisation. Average concentrations are considerably higher than the global averages of 10 ppm thorium and 3 ppm uranium (UNSCEAR 2000).

### **Production**

Production of 3,400tpa of NdPr oxides, capable of supplying up to 8% of forecast global NdPr demand.

### **The CapEx and Funding It**

In mid-2020 the company announced that its total CapEx for Yangibana had been revised to AUD\$449m from AUD\$517mn, this being due to an AUD\$68mn, or 13%, reduction based on the relocation of the Hydrometallurgical Plant. Even at these levels, the amount of funding is still eye-watering, and one might wonder whether this project is actually needed at this juncture.

Wednesday, May 20, 2026

However, as is the way of the world in Rare Earths, in February of 2022, the company announced revised economics for Yangibana and the direct capital cost for all production and infrastructure was revised to \$354 million. The indirect capital cost, including owner's costs, project management costs (including growth allowances) was \$228mn, resulting in a total capital cost blowout to AUD\$582mn pre-contingency. The company claimed to have conservatively allotted an additional 13% of contingency for a total capital cost of AUD\$658mn. Ergo, more than \$200mn higher than in 2020.

To fund this, Hasting has secured an AUD\$140mn loan facility from Northern Australia Infrastructure Facility (NAIF) in February 2022. This forms part of a planned AUD\$300-400mn debt package (including UFK and Finnvera) planned for the project. Apparently, the NAIF portion could potentially be increased to ~\$200mn. Thus, even more equity will need to be raised.

The company gives its current status as being more than AUD\$160mn invested in capital infrastructure. The project is fully permitted and, those immortal words, "shovel-ready".

In February of 2026 the company announced that it had recalibrated its returns and capex for the Yangibana project. The updated project economics were based on the definitive feasibility study completed by Hastings in 2017 and revised in late 2021. These came in at:

- Post-tax Net Present Value increased by 84% to \$1.012bn
- Post-tax Internal Rate of Return of 26%
- Life of Mine pre-tax Free Operating Cashflow increased by 71% to \$4.376bn

The revised capital cost was estimated at \$582mn (which including contingencies amounted to \$658mn).

This announcement came with the nugget that the \$20 million early works program to deliver the core site infrastructure at Yangibana was "well underway". We would note that "AUD\$160mn invested in capital infrastructure" in stated current presentation so these claims are inconsistent, to say the least.

### **The Ucore Angle**

In October of 2025, the Hastings/Wyloo joint venture entered into a non-binding Heads of Agreement with Ucore Rare Metals Inc. (TSX-v: UCU) a company we have covered on and off for 15 years. This deal speaks of the potential supply of up to 37,000 tonnes per annum of REE concentrate. The arrangement also contemplates evaluation of a hydrometallurgical processing facility in Louisiana, USA.

The goal here seemed to be to see a potential pathway into the promised land of the US supply chain for REEs (and potential government-supported financing initiatives).

### **Thailand – Real or Not?**

This mooted operation appears prominently in the current promotional efforts of Hastings. It consists

Wednesday, May 20, 2026

(or will consist) of a “purpose-built” modular hydrometallurgical facility located at Kabin Buri, Thailand, some 175km from the Laem Chabang deep-water port.



We are not sure about the “purpose-built” aspect of this because they show a disused factory in the corporate presentation.

The output will be Mixed Rare Earth Chloride (MREC), which Hastings claims is the preferred feed for REO separation. The plant is mooted to have a capacity of 6,000 tpa initial MREC output capacity, expanding to 12,000 tpa in Year 2 following a planned US\$3mn (estimated cost) expansion, with future phases targeting up to 36,000 tpa MREC output. The feedstock is said to be monazite-bearing concentrates, providing “flexibility across multiple ore sources”.

Thus far, as far as permitting is concerned, there is an existing factory license and EIA approval in place.

The original announcement was in XXXX with the execution of a binding Term Sheet with Enuo Holdings Pte Ltd, owner of a Thai Company that owned the aforementioned fully-permitted hydrometallurgical Mixed Rare Earth Chloride processing facility in Kabin Buri, Thailand. Total consideration was capped at US\$15mn comprising Hastings shares, production-contingent deferred payments and commissioning costs funded by Enuo.

It was claimed that this transaction “transformed the future of Hastings, as it establishes a southeast Asian processing hub for rare earth feedstock, including potentially that from the Yangibana Rare Earths and Niobium Project”.

What this new excursion does to the arrangement with Ucore was unclear. To the humble outsider it looks like it superseded it, but that was not stated.

### **Gina to the Rescue?**

Some reports would indicate that the REE empire of Gina Rinehart has a value of over US\$2.4bn as at May 2026. Through her company, Hancock Prospecting, she has taken significant stakes in major

Wednesday, May 20, 2026

producers, including the US-based MP Materials (MP), Lynas Rare Earths ASX: LYC), and other such as Arafura Rare Earths (ASX: ARU) and Brazilian Rare Earths (ASX: BRE). She is now supposedly the largest shareholder in MP Materials.

We would note that recently we met with Niobium-developer in Brazil, St George Mining (ASX: SGQ) which has a REE component to its deposit and it mentioned having GR as its largest shareholder.

Buying up everything in sight does not seem like a “discriminating buyer” to us. This makes her a possible buyer for Hastings.

### **Risks**

The whole Rare Earth industry finds itself in a different world, with some constants from the previous “boom”, but also quite a few things have changed. However, it is worth enumerating some of the risks that may be faced:

- ✘ A return to weak Rare Earth prices
- ✘ The REE market is still controlled largely by China
- ✘ Failure of demand to match rising production (i.e. build it and no-one comes)
- ✘ Excessive number of competing projects could crowd the scene and investors’ attention in the event that REE prices remain robust

Rare Earth prices are not likely to go lower than the levels they have been at in recent years, even the Chinese are not running a charity anymore. Prices have been ebullient for the last two years but there is no rationale for them to even vaguely test the highs of 2011-12. The Chinese have learnt their lesson from last boom and that lesson is that the best way to maintain control and discipline market players is by aggressive predatory pricing. Even now there is talk swirling of the Chinese pondering ramping down (!) LREE prices.

Despite all the hullabaloo, there is not a lot of money for major REE capex pipedreams out there, especially those without access to the Government push and market pull that comes with being in the USA or those needing to wrangle an NRC permit or its equivalent in other developed countries. The MP Materials SPAC came with \$500mn embedded, which got the company off to the races. Energy Fuels (TSX:EFR) entered the Rare Earth space on an experimental basis and initially operated that silo on the smell of an oily rag. The rest of the fakers and wannabes are promoting the hell out of the concept but not actually spending anything.

With the EV “revolution” finally gaining traction outside of China the potential for greater demand for REE magnets from that quarter is enhanced. We see no reason for REE demand to slacken and indeed there is the potential for it to finally start to meet some of the bullish projections of 10 years ago.

Finally, there is the issue of competing projects. The Canadian projects have a few contenders to be real,

Wednesday, May 20, 2026

but most of the promoters there remind us of Mark Twain's definition of miners, except that most don't even have a hole to stand at the top of. Projects farther away (and we don't mean Greenland or Angola) stand some prospect (particularly if located on the territory of US allies, i.e. Australia, see Lynas) of being seen as being "as good as onshore".

### Investment Thesis

Some REE projects have an element of a lobster trap about them. Easy to get in, impossible to get out. Is the action by Wyloo a recognition that a division into winners and losers in the REE space is shortly to occur? We are well known for positing this theory. With governments backing the good, bad and the ugly in the REE space, mainly on bigness grounds, that leaves a heaving mass of wannabes without a snowflake's chance in hell.

There must be 60 or more REE wannabes out there at the moment, and still less than a handful of producers. We feel that maybe ten miners can probably be sustained going forward and the rest are surplus to requirements.

In the ballet of Rare Earths, NEO is one of the Principal Swans and Hastings is one of the geese fluttering around in the back row, trying to look like swans.



It will be interesting to see if other interlopers (e.g. Gina Rinehart, PE funds etc) also come to the same conclusion that not all the dodos will survive the next extinction event in the REE space. Notably, Denham Capital/Vision Blue grabbed the money and ran from Serra Verde in Brazil in recent weeks.

What looks to some like a retreat by Twiggy might very well be him escaping the lobster trap with a juicy stake in NEO under his arm and leaving Hastings and Yangibana to their *corps du ballet* status.

### Target & Rating

Wyloo have seen what is "under the hood" at Hastings and seemingly would rather forget what they have seen. The target company is in the second-, if not third-, tier of the Rare Earth Wannabes. That is a far from auspicious place to be. The Chinese are frequent recipients of the dross of the REE space, but

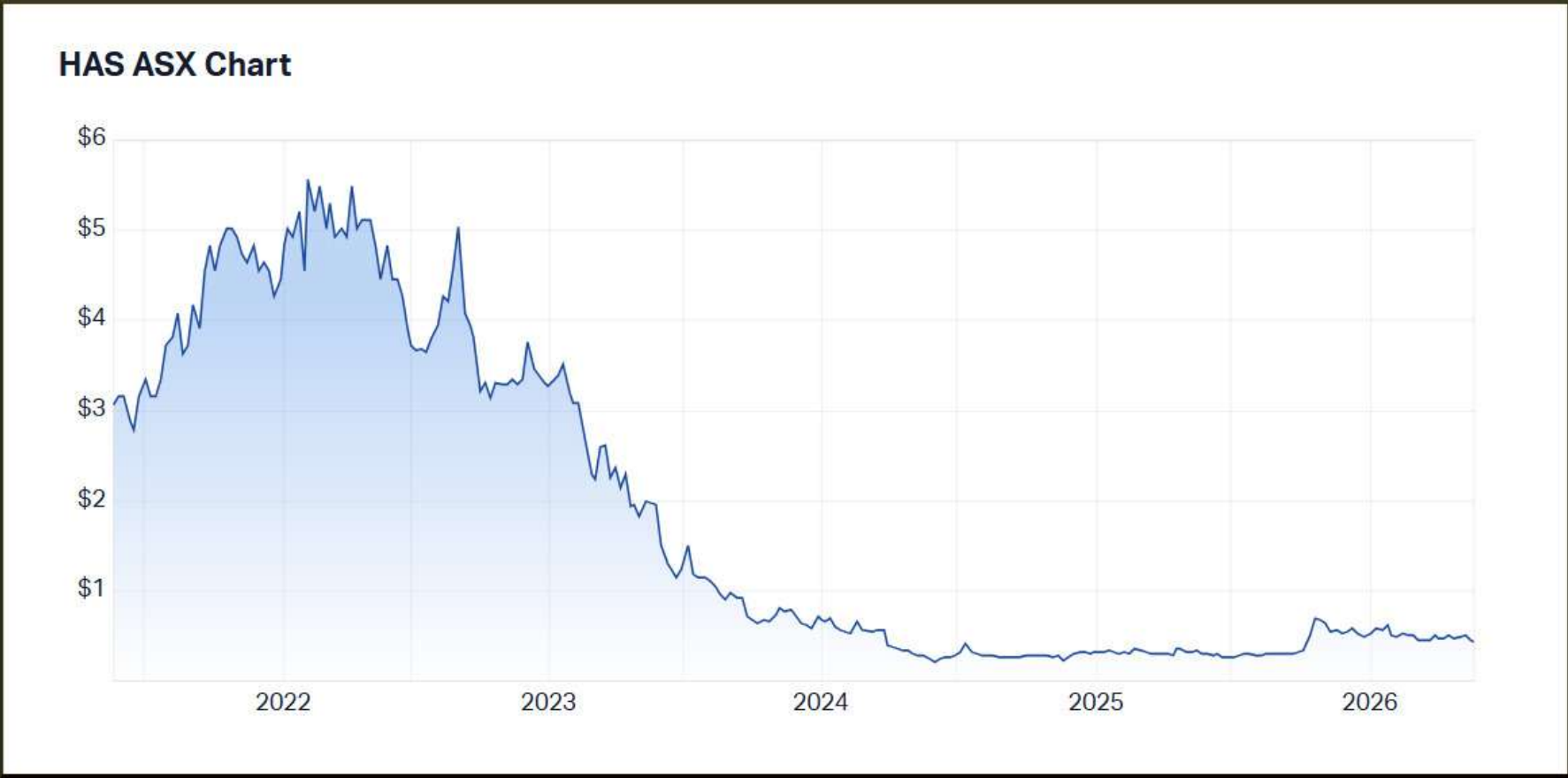
Wednesday, May 20, 2026

now the expulsion order issued to the Chinese at Northern Minerals shows clearly that onshore REE projects in Australia are off-limits.

Then there is the Greater Fool theory, which frequently resorts to touting Gina Rinehart's interests as the collector of pets for her Lost Dog's Home of Critical Minerals Stories. We suspect even she would pass on this one, principally because her Noah's Ark is already overloaded.

Thus, we are instituting an **AVOID** rating on Hastings Technology, as it begs the question "Who needs it?", and the answer is far from obvious, if not "Nobody". Therefore, our twelve-month target price for Hastings Technology Metals remains below AUD 50cts.

.



Source: [marketindex.com.au](http://marketindex.com.au)

## Important disclosures

I, Christopher Ecclestone, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Hallgarten's Equity Research rating system consists of LONG, SHORT and NEUTRAL recommendations. LONG suggests capital appreciation to our target price during the next twelve months, while SHORT suggests capital depreciation to our target price during the next twelve months. NEUTRAL denotes a stock that is not likely to provide outstanding performance in either direction during the next twelve months, or it is a stock that we do not wish to place a rating on at the present time. Information contained herein is based on sources that we believe to be reliable, but we do not guarantee their accuracy. Prices and opinions concerning the composition of market sectors included in this report reflect the judgments of this date and are subject to change without notice. This report is for information purposes only and is not intended as an offer to sell or as a solicitation to buy securities.

Hallgarten & Company or persons associated do not own securities of Solvay or Hastings and may not make purchases or sales within one month, before or after, the publication of this report. Hallgarten policy does not permit any analyst to own shares in any company that he/she covers. Additional information is available upon request.

© 2026 Hallgarten & Company Ltd. All rights reserved.

Reprints of Hallgarten reports are prohibited without permission.

### Web access at:

Research: [www.hallgartenco.com](http://www.hallgartenco.com)

60 Madison Ave, 6th Floor, New York, NY, 10010