

Solvay starts making noise in the rare earths sector with a Hastings MOU

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[Solvay S.A.](#) (BRU: SOLB | OTCQX: SLVYY) ('Solvay') has started making news in the rare earths space. Solvay, a Belgian chemical company, acquired Rhodia in 2011 and with it the rare earth division with plants in France and China. Since Ilham Kadri was appointed the new CEO of Solvay in March, 2019, their only press releases on its rare earth division have been about three patent infringement cases surrounding materials for catalytic converters and their treatment of exhaust gases from internal combustion engines. Then suddenly over September-October of this year, there were [3 news releases](#) that were focused on developments in Solvay's rare earths division.

On October 11, 2022, Solvay announced the signing of a non-binding offtake [memorandum of understanding](#) (MOU) with [Hastings Technology Metals Ltd.](#) (ASX: HAS) ('Hastings') where Hastings will initially supply Solvay with 2,500 tonnes per year of mixed rare earth concentrate (MREC) from its Western Australian Yangibana Project. The Solvay plant in La Rochelle, France was founded in 1948 and originally was built for the separation of rare earths from monazite. The reported capacity for La Rochelle is 10,000-15,000 tonnes per annum of rare earths concentrate, which if accurate, made it a significant producer in the 1980s and 1990s. This would mean however that the agreement with Hastings alone would not bring the plant back to full capacity, unless Hastings expands production over time or Solvay sources concentrate from other producers.

This new MOU follows Hastings' recent move to take a [significant](#)

[position](#) in [Neo Performance Materials Inc.](#) (TSX: NEO). NEO and Solvay compete vigorously in all aspects of rare earths but as noted above the main area is in the materials for catalytic converters. This move by Solvay with Hastings comes on the heels of Solvay announcing its plans to expand and upgrade its plant in La Rochelle to process rare earths and recycle rare earth magnets. NEO has also announced its plan to put magnet production capabilities in Estonia where it has a rare earth separation facility in Sillamae.

NEO's plant in Estonia has traditionally received its rare earth concentrate from Russia but given current political circumstances, it begs the question how long can this last? NEO does have an arrangement with [Energy Fuels Inc.](#) (NYSE American: UUUU | TSX: EFR) to supply concentrate from Energy's uranium operation in White Mesa, Utah. This is the only uranium production facility in the USA. Energy Fuels is going to process monazite to produce RE concentrate. To that end, Energy Fuels [announced a deal](#) in May of this year to take a position in a heavy minerals deposit in Bahia, Brazil, which contains monazite.

Another [announcement](#) from Solvay this October was that it took 100% control of Solvay Special Chem Japan (SSCJ) through its purchase of the remaining 33% from Santoku Corporation. This facility, like La Rochelle, is focused on catalyst and semiconductor industries. Decades ago this plant was processing RE concentrate from China. When China stopped exporting concentrate in the late 1990s Anan Kasei, a Japanese joint venture between Santoku Chemical and Rhodia, stopped the separation of rare earths and bought intermediate products from China again to produce more value-added products. Ilham Kadri, Solvay's CEO, commented on the transaction saying: "This transaction marks a logical step forward in our global plan to expand our leadership in Rare Earths specialties."

It will be interesting to watch Solvay and NEO position themselves in the European market which currently only has one metal/alloy producer, [Less Common Metals](#), and one magnet manufacturer, [Vacuumschmelze](#), a German producer. Let the games begin.