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14 November 2024

FUNDING AND DEVELOPMENT UPDATE

Hastings Technology Metals Limited ("Hastings" or the "Company") provides clarification in relation to recent speculative media articles, which contain incomplete information that requires clarification.

Staged Project Development and Funding

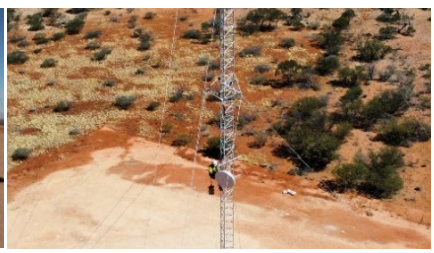
Hastings has been steadily developing the Yangibana Rare Earths & Niobium Project ("Yangibana" or the "Project") in discrete phases, which is currently 33% ($156 million[1]) complete (as of 30 September 2024). In addition to the $156 million spent on Yangibana project costs, Hastings has spent an additional $67 million on hydrometallurgical plant (Stage 2) equipment and project costs. Total capital costs (Stage 1 & 2) incurred to date is $223 million. Key staged development activities to date include:

- Non-process Infrastructure ("NPI") including the Kurrbili Accommodation Village (294 rooms, kitchen, mess facilities, medical centre, sports court, administration buildings), a 1.8km airstrip capable of landing 70-seater aircraft, the construction of six production bores, 30km water pipeline, telecommunications towers, and over 20kms of site access roads - completed and operational.
- Design works are well advanced in terms of engineering and design for the key areas of process engineering, bulk earthworks, concrete, structural engineering, mechanical and piping. The electrical, instrumentation and control system engineering and design have commenced.
- Majority of long lead equipment for the Beneficiation plant (e.g. SAG mill, regrind mill, flotation cells) procured to date have been delivered and held in storage in Perth.
- Significant long lead Hydrometallurgical plant equipment (e.g. Off-gas Scrubber, rotary kiln, thickeners) have also been procured and delivered and in storage in Perth.
- Further development (drilling and metallurgical testwork) of additional critical minerals by-product credits from niobium and hafnium.


Kurrbili Accommodation Village



Yangibana Airport


Communications Tower



SAG Mill


Long lead equipment in WA


Flotation Cells & Structural Steel in WA

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Hastings entered into a Project Loan Note facility[1] to continue progressing the phased development at Yangibana. Funds from the recently issued Project Loan Notes are being utilised for Project related costs, with pre-mobilisation work planned to commence in Q1 2025.

Equator Capital Management Ltd ("Equator") is the initial subscriber for $5 million for the Project Loan Notes, which is used to provide additional tranche-based funding in line with the staged project development plan. These funds are in addition to the $9.9 million cash balance reported in the Quarterly Activities Report for Q1 FY25 (as at 30 September 2024). Hastings issued $150m of Exchangeable Notes to Wyloo Consolidated Pty Ltd ("Wyloo") in October 2022.[2] On 6 November 2024, Hastings received a purported notice of default from Wyloo in connection with the Project Loan Notes and sought legal advice and provided a response regarding the creation of a security interest over the acid bake rotary kiln (comprising part of the hydrometallurgical (Stage 2) plant which is not required for the Yangibana's Beneficiation plant). Hastings confirms that no default has occurred in relation to the Exchangeable Notes and that it has complied with the documentation of both facilities.

The maturity date for the Exchangeable Notes is fixed for October 2025. Hastings is in discussions with Wyloo in respect of the Exchangeable Notes in advance of their maturity.

Neo Investment and Exchangeable Notes Funding

In mid-2022, Hastings entered into a Share Purchase Agreement to acquire ~8.97m shares[3] (now representing a 21.5% stake) in Neo Performance Materials Inc. ("Neo"), a magnet manufacturer listed on the Toronto Stock Exchange (NEO-TSX; Mkt Cap: $372 / C$334 million)[4]. Hastings' investment in Neo is in line with its strategy of building a vertically integrated mine-to-magnet supply chain.

The Neo shares were funded using Exchangeable Notes (as mentioned above) issued to Wyloo in October 2022. The Exchangeable Notes are secured over Hastings' shareholding in Neo. The value of the 21.5% Neo stake since announcement has ranged between $161m and $57m (currently C$8 per share/ $80m). Neo's share price has increased 41% from its low in May 2024. It is a strategically valuable stake as it is the only western public listed rare earths magnet manufacturing company globally.

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. In addition, Neo operates the only rare earth oxides separation plant outside of China, at its Sillamäe facility in Estonia[6].

In 2023, Neo commenced construction of its new sintered magnets manufacturing facility in Narva, Estonia, with an estimated cost of US$75 million. The facility has obtained significant support, including a grant of up to US$20 million (€18.7 million) from the European Union's Just Transition Fund in 2022. Earlier this month, Canada's Export Credit Agency ("ECA"), Export Development Canada (EDC) provided a US$50m credit facility to support the construction and commissioning of the Narva facility[5].

[1] ASX Announcement dated 28 October 2024 'Quarterly Activities Report'
[2] ASX Announcement dated 11 October 2022 'Issue of Exchangeable Notes to Wyloo Completed' and 26 August 2022 'Agreement to acquire strategic shareholding in Neo Performance Materials and cornerstone investment in Hastings by Wyloo Metals'
[3] ASX Announcement dated 26 August 2022 'Agreement to acquire strategic shareholding in Neo Performance Materials and cornerstone investment in Hastings by Wyloo Metals'
[4] As at close of trading on TSX on 12 November 2024
[5] TSX Announcement dated 4 November 2024 'Neo Secures US$50 million Credit Facility for Sintered Magnets Facility in Europe'

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Groundbreaking ceremony at Neo's sintered magnet manufacturing plant in Narva, Estonia. Hastings Executive Chairman, Charles Lew in attendance (fourth from right) – June 2023

In June 2023, Hastings and Neo announced the signing of a non-binding Heads of Agreement[6], which outlines a framework for offtake and further downstream technical and commercial collaboration. The strategic partnership builds on 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.

In July 2024, Neo's Board of Directors appointed Hastings' nominee, Dr John McGarva, as an independent director on the Neo board. Dr McGarva has over 30 years of experience and was formerly Head of Engineering at Dyson (Haircare Product line) and is a seasoned leader in product development and manufacturing[7].

Neo has consistently paid quarterly dividends with Hastings receiving C$7.2m (gross of withholding tax) since acquiring the shares in October 2022.

Funding Pathways for Beneficiation Plant and Stage 2 (Hydrometallurgical Plant)

Following the phased construction to be managed under an experienced owner's team led by Peter Phan (recently appointed Project Director[8]) for initial separable portions/ packages, Hastings will look to finalise the funding package for the beneficiation plant construction. The final funding solution associated with the beneficiation plant construction will be evaluated at that juncture to ensure the terms and conditions are in the long-term interest of shareholders.

Hastings has previously reported funding for the Project of $140 million[9] from the Northern Australia Infrastructure Facility ("NAIF") which was subsequently increased to $220 million[10] with a 12 ½ year tenor.

[6] TSX Announcement dated 12 June 2023 'Hastings and Neo sign non-binding Heads of Agreement for rare earth concentrate offtake and downstream collaboration'
[7] TSX Announcement dated 22 July 2024 'Neo Announces Update to its Board of Directors' and 14 June 2024 'Neo Announces Strategic Review Process Intended to Maximize Shareholder Value and Announces Intention to Add Hastings Technology Metals Nominee to the Board'
[8] ASX Announcement dated 18 October 2024 'Management and Board Structure Update'
[9] ASX Announcement dated 2 February 2022 'NAIF approves $140m loan for Yangibana Rare Earths Project'
[10] ASX Announcement dated 17 January 2023 'NAIF increases Financial Support for Yangibana Rare Earths Project to A$220m'

The NAIF facility was based on a single stage combined Beneficiation and Hydrometallurgical plant to be built at Yangibana and Onslow respectively. The facility has not yet reached contractual close nor drawn down. Hastings is also in discussions with potential partners in strategically aligned countries for a joint venture to build its hydrometallurgical plant i.e. stage 2.

Subject to the project's alignment, Hastings may request an amendment to the funding facility with NAIF and/or seek other potential government agency/ECA funding including from German development bank and European ECAs.[11]

For further information regarding Hastings, please visit the ASX platform (ASX: HAS) or the Company's website www.hastingstechmetals.com

Authorised by the Board for release to the ASX.

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[11] ASX Announcement dated 31 October 2022 'Quarterly Activities Report'

ABOUT HASTINGS TECHNOLOGY METALS LIMITED

Hastings Technology Metals Limited is a Perth-based rare earths company focused on the development of its 100% owned Yangibana Rare Earths and Niobium Project. Located in the Gascoyne region of Western Australia, the Yangibana Project contains one of the most highly valued deposits of NdPr in the world with an NdPr to Total Rare Earth Oxide ratio of up to 52% in some areas of the orebody.

With an initial mine life of 17 years, the Yangibana Project will become a globally significant source of NdPr, a critical component in the manufacture of permanent magnets used in advanced technology products including electric vehicles, renewable energy, humanoid robotics, and digital devices.

The Yangibana Project is fully permitted for immediate development and is well-timed to meet the forecast supply gap for rare earth elements accelerated by the growth in electric vehicles and wind turbines, both vital for the global energy transition. It will be developed in two stages with an initial focus on the construction of the mine and beneficiation plant to produce 37,000 tonnes per annum of mixed rare earth concentrate.

Hastings continues to assess downstream processing opportunities including the development of a hydrometallurgical plant to capture more of the rare earth value chain. The Company holds a strategic 21.5% shareholding in TSX-listed Neo Performance Materials Inc., a leading global rare earth processing and advanced permanent magnets producer, providing future optionality to explore the creation of a mine to magnet supply chain.

Hastings recognises in its geological model and mine plan the potential for a multi-commodity recovery process stream which underpins the economic recovery of rare earth minerals and associated critical minerals like ferro-columbite, and hafnium-enriched zircon.

For more information, please visit www.hastingstechmetals.com

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