



ASX Announcement

3 May 2023

HASTINGS REDUCES YANGIBANA DELIVERY RISK AWARDS EPC PROCESS PLANT CONTRACT TO GR ENGINEERING

HIGHLIGHTS

- Binding Engineering, Procurement and Construction (EPC) terms sheet entered with GR Engineering Services Limited (GRES) for delivery of the beneficiation plant and associated infrastructure for the Yangibana Rare Earths Project (Yangibana).
- The \$210 million EPC contract is lower than cost estimates for an equivalent scope under the current Engineering, Procurement and Construction Management (EPCM) model, and includes:
 - A fixed price component of \$180 million for the beneficiation plant; and
 - A provisional component of \$30 million, mainly for earthworks associated with the beneficiation plant and tailings storage facility.
- The EPC contract offers additional benefits and lowers risk in multiple areas, compared with the EPCM model, including guarantees on time, cost and product quality with first concentrate delivery in Q1 CY2025.
- GRES will commence work immediately under a three-month early works agreement.
- Change in delivery model for the beneficiation plant is an outcome of the ongoing Hastings review of the capital cost, schedule and project execution strategy.

Hastings Executive Chairman, Charles Lew, said:

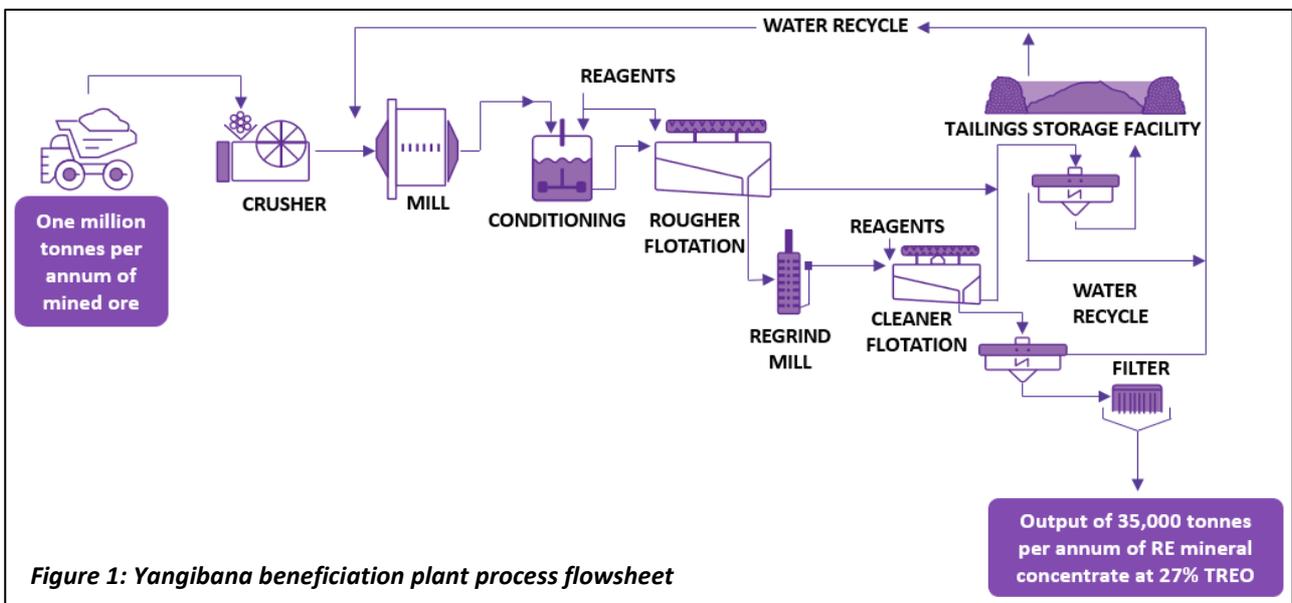
“The appointment of GR Engineering, one of Australia’s leading process engineering companies, for the construction of the Yangibana plant marks an important milestone on Hastings’ path to first rare earth concentrate production by late 2024. Achieving a fixed price EPC contract significantly reduces the risk of ongoing cost increases, which was a key objective set by the Hastings Board for interim CEO Alwyn Vorster when he joined in late 2022.”

“With \$221 million in contractual commitments already made to date on the world-class Yangibana project, we remain confident it is well-positioned to move into main construction in Q3 CY2023, establishing Hastings as a significant player in the critical minerals sector and generating strong returns for our shareholders.”

Australia’s next rare earths producer, Hastings Technology Metals (ASX: HAS) (Hastings or Company), is pleased to announce that it has taken an important step forward in the development of the Yangibana Rare Earths Project (Yangibana), after entering into a binding terms sheet with GR Engineering Services Limited (GRES) (ASX:GNG) for delivery of the Yangibana beneficiation plant and associated infrastructure.

The terms sheet sets out the key aspects of the Engineering, Procurement and Construction (EPC) works, with a final agreement incorporating the agreed terms and other standard industry conditions expected to be finalised by the end of July 2023. The parties will also enter into an early works agreement which allows GRES to commence work immediately, pending entry of the final agreement.

Under the \$210 million contract, GRES will design and construct the Yangibana beneficiation plant, including engineering, manufacture, supply, installation, commissioning, and testing of the facility over a period of less than 18 months. The plant will have a feed capacity of one million tonnes per annum and a rare earth concentrate output capacity of 35,000 tonnes per annum. Mobilisation and construction commencement is targeted in Q3 CY2023.



In 2019, Hastings engaged DRA Global as its Engineering, Procurement and Construction Management (EPCM) contractor to undertake the front-end engineering and design (FEED) work to progress the early design stages, while the project scope was refined and project funding strategies progressively advanced. DRA Global has delivered substantial progress on the design and engineering work to date, with approximately 50 per cent design maturity achieved under the existing EPCM type services contract.

Following a comprehensive and systematic review of the project’s capital expenditure during the last three months, Hastings has concluded that a fixed-price EPC contract is the preferred alternative to substantially reduce overall project risk.

The EPC model provides a number of key benefits:

- A reduction in cost and providing cost certainty compared to the current estimates of the same scope if delivered through an EPCM model;
- Greater certainty around the timeframe with practical completion expected to be three months shorter compared to the EPCM delivery model – completion estimated by December 2024 and first concentrate delivery and sales in Q1 CY2025;
- Consolidation of 50 separate construction related packages into one EPC package which reduces delivery and package interface risks; and
- Additional benefits and lower risk in multiple areas, including guarantees on time, cost and product quality.

Hastings Chief Executive Officer, Alwyn Vorster, said:

“GR Engineering has a strong track record in the design, construction and commissioning of mineral processing plants across a range of commodities. Considering the current construction industry cost pressures, the EPC contract with GR Engineering is a positive step to reduce overall cost and schedule risk for our shareholders and lenders.

“Hastings also acknowledges the quality engineering and design work completed by DRA Global since 2019, which has enabled Hastings to progress critical path activities during the early stages of the project.

“The EPC contract is an important outcome of the project review initiatives which are close to being finalised and will set out the overall project execution strategy, capital cost and schedule, enabling the Company to clarify its medium to long term funding requirements.”

Authorised by the Board for release to the ASX.

FOR FURTHER INFORMATION CONTACT:

Alwyn Vorster
Chief Executive Officer (Interim)
+61 8 6117 8621

MEDIA QUERIES:

Stephanie Vanicek
Communications Manager
+61 405 183 237

ABOUT HASTINGS TECHNOLOGY METALS LIMITED

Hastings Technology Metals Limited (ASX: HAS) is a Perth based rare earths company primed to become the world's next producer of neodymium and praseodymium concentrate (NdPr).

NdPr are vital components in the manufacture of permanent magnets used every day in advanced technology products ranging from electric vehicles to wind turbines, robotics, medical applications, digital devices, etc.

Located in the Gascoyne and Pilbara regions, Hastings' flagship Yangibana Rare Earths Project comprises a mine and beneficiation plant at the Yangibana site and a hydrometallurgical plant at Onslow.

The project contains one of the most highly valued NdPr deposits in the world with NdPr:TREO ratio of up to 52 per cent in some areas of the orebody. It is permitted for long-life production and with offtake commitments signed and debt finance in advanced stage.

In 2022, Hastings acquired a strategic 19.9 per cent shareholding in TSX-listed Neo Performance Metals, a leading global rare earth processing and advanced permanent magnets producer, providing the Company with the opportunity to explore opportunities to create a fully integrated mine-to-magnet business.

Hastings also owns and operates the Brockman project, Australia's largest heavy rare earths deposit, near Halls Creek in the Kimberley.

For further information on the Company and its projects visit www.hastingstechmetals.com

ABOUT GR ENGINEERING SERVICES LIMITED

GR Engineering is a leading engineering consulting and contracting company that specialises in providing high quality engineering design and construction services to the mining and mineral processing industries.

The Company's services cover all aspects of the project life cycle from the initial evaluation and study phase through to design, construction, commissioning and operational support.

GR Engineering has a proven track record of delivering integrated project solutions having provided services in over 20 countries for a vast range of precious, bulk and industrial commodities.

GR Engineering's clients range from junior and mid-size resource companies through to international mining houses. In a number of cases, GR Engineering has successfully delivered the client's first project and successfully tracked their growth by maintaining and expanding their operations.