



Quarterly Activities Report

For the period ended 30 June 2023

17 July 2023

HIGHLIGHTS

- Strong health and safety performance resulted in no recordable injuries for the period
- Early infrastructure works at Yangibana nearing completion with the finalisation of the airstrip, site access road, water supply infrastructure and 50% of the new Kurrbili Village becoming operational
- Announcement of a staged development strategy to reduce initial funding requirements and project execution risks, and provide early cash flows
- Initial focus will be on construction of the Yangibana mine and beneficiation plant to produce a rare earth concentrate (Stage 1), followed by development of a hydrometallurgical plant to produce mixed rare earth carbonate (Stage 2)
- Updated Stage 1 capital cost estimate of \$470m (inclusive of contingency) reflecting industry-wide cost escalations
- Terms for a binding fixed price EPC contract agreed with GR Engineering Services Limited for delivery of beneficiation plant to minimise risk of capital cost increases and provide guarantees on project schedule and product throughput
- Non-binding Heads of Agreement with Neo Performance Materials outlining framework to negotiate commercial offtake agreement for supply of Stage 1 rare earth concentrate
- Discussions advancing with multiple interested project financiers and optimal funding source being reviewed
- High calibre and experienced management team recruited and in position, ready to undertake construction phase
- Interim CEO Alwyn Vorster has successfully completed his mandate and elected not to extend his fixed term contract to focus on his non-executive roles and opportunities in the industry
- Hastings had \$102m in cash and equivalents as of 30 June 2023.

Australia's next rare earths producer, Hastings Technology Metals Ltd (ASX: HAS) (Hastings or the Company), is pleased to report on development, corporate and exploration activities for the three-month period to 30 June 2023. Activity focused mainly on advancing construction of the Yangibana Rare Earths Project (Yangibana) in the Gascoyne region and planning for a proposed Hydrometallurgical Plant in the Pilbara region of Western Australia.

Hastings Executive Chairman, Mr Charles Lew, said:

“The June quarter marked a period of significant momentum for the Yangibana Project with early infrastructure works nearing completion and the dispatch of long-lead critical path items, both vital to maintaining our fast-track development schedule to achieve first rare earths concentrate sale in Q1 2025.”

“The completion of the comprehensive project delivery and capital review has repositioned the project for a lower risk construction and commissioning phase through the staged development strategy.”

“The market fundamentals for rare earth elements remain strong, driven by unprecedented growth in demand for clean energy technologies. Notwithstanding the ongoing challenges in delivering a rare earth project such as Yangibana, the project economics reaffirms the two-stage approach to implementation plan which has the benefits of enabling a faster pathway to early project cash flows.”

SUSTAINABILITY

Health and Safety

Health and safety continued to be a key focus on the Project with contracting partners and Hastings’ employees. No recordable injuries were reported during the quarterly period and the total recordable frequency rate (TRIFR) has reduced to 3.66.

Environmental, Social and Governance

During the quarter, a number of ESG activities were progressed including:

- Compulsory cultural awareness training for all Hastings employees, as part of the Company’s obligation under the voluntary Native Title agreement with the Thiin-mah Warriyangka, Tharrkari and Jiwarli People
- Ongoing engagement with local governments and communities, including a project update in Gascoyne Junction
- Finalising agreements with both local and Traditional Owner businesses – Coral Coast Plumbing, Redcliff Electrical and Maarlu Resources – to provide electrical, plumbing, water treatment, water supply and mechanical services to the project site
- Continued focus on addressing outstanding secondary approvals for the Yangibana and Onslow projects. Draft permits have been received from environmental authority on Onslow Hydromet facility
- Completed flora and vegetation monitoring survey and subterranean survey activities to support Yangibana Expansion Project environmental assessment

YANGIBANA PROJECT DEVELOPMENT

Staged Development Strategy

On 31 May 2023, Hastings released a Project Update announcing the outcome of the project capital and delivery model review, which supported a two-stage development strategy to reduce upfront capital requirements and project execution risks.

Under the new strategy, the Yangibana Project will be developed in two stages:

- Stage 1: Develop Yangibana mine and beneficiation plant to produce up to 37,000tpa of rare earth concentrate (27% REO grade) and achieve first concentrate on truck by Q1 CY2025; and
- Stage 2: Develop Hydrometallurgy plant at Onslow to produce up to 15,000tpa of Mixed Rare Earth Carbonate (59% REO grade).

During the quarter, Hastings announced the results of the comprehensive capital and operating cost review. The capital cost estimate for Stage 1 is \$470m, which includes \$55m for contingency and management reserves. Hastings has incurred \$106m of the \$470m capital cost to advance early infrastructure works at Yangibana.

To provide greater certainty to the capital estimate and delivery schedule, Hastings has elected to adopt a fixed price Engineering, Procurement and Construction (EPC) contract model to reduce overall project risk. On 3 May 2023, the Company announced that it had entered into a binding term sheet with GR Engineering Services Limited (GRES) for the delivery of the Yangibana beneficiation plant and associated infrastructure.

The \$210m EPC contract is lower than cost estimates for an equivalent scope of works under the former Engineering, Procurement and Construction Management (EPCM) model, in addition to offering additional benefits and lowering risk in multiple areas. This includes guarantees on time, cost and product quality with first concentrate delivery in Q1 CY2025, providing a pathway to early project cashflows.

Construction for Stage 1 of the Yangibana Project is expected to commence in Q3 CY2023 following the completion of early works and site infrastructure at late stages of completion, and after securing the final project funding to develop the Project.

Construction Activities

Early infrastructure works at Yangibana are in the final stages with a number of important milestones achieved during the quarter – these works are all critical items for Hastings' to allow them to meet the current development schedule which is targeting commencement of construction in the third quarter of 2023. As at 30 June 2023, \$106m has been incurred for early works and include:

- **Site Access Road:** construction of a ~25km access road alignment to connect with the shire road network – 100% complete
- **SipHon Well Borefield:** works to install water infrastructure including six bores and a 20 km pipeline to supply water to the village, mine and construction works – 100% complete
- **Yangibana Airstrip:** construction of a 2km x 30m airstrip to allow for up to 70-seater aircraft – 100% complete with the first flight landing on 18 May 2023
- **Communications:** series of communication towers installed to allow permanent high speed communication with site – 100% complete
- **Kurbilli Accommodation Village** – 83% overall completion
 - **Stage 1:** construction of the first 126 of 298 rooms, kitchen, messing facilities, medical centre, administration buildings and gym – 100% complete
 - **Stage 2:** construction of remaining rooms and sports courts



Figure 1: Site Access Road



Figure 2: SipHon Well Borefield



Figure 3: Yangibana Airstrip



Figure 4: First flight landing at Yangibana Airstrip

Procurement Packages

In June 2023, the first major piece of long-lead equipment for the project was dispatched by Metso-Outotec. Weighing 27,692 tonnes and measuring 6.64m-wide in diameter and 5.54m-high, the shell will form part of the semi-autogenous grinding (SAG) mill – a key component for the Yangibana beneficiation plant.



Figures 5/6: SAG mill shell dispatched by Metso-Outotec

Engineering Designs and Contracts

Engineering designs for the Yangibana beneficiation plant were handed over to GRES during the quarter, at 60% complete.

Further key contracts awarded during the period were as follows:

- EPC early works contract - \$3.5m
- Tailings Storage Facility detailed design and associated geotechnical works - \$1.3m

These contracts allow for early works to commence on mobilising and planning works for the EPC contractor ahead of the commencement of main construction in the Q3 2023, and risk reduction in sourcing construction materials and finalising construction methodology.

CORPORATE

Management Team Update

Interim CEO Alwyn Vorster has elected not to extend his fixed term contract beyond its expiry on 31 July 2023 to focus on his non-executive roles and other opportunities in the industry. Chief Operating Officer Rudolph van Niekerk will assume the role of Acting CEO, overseeing the advancement of the Yangibana Project, while a formal search process for a permanent CEO is underway.

The Board recognises the valuable contribution that Mr Vorster has made over the past seven months, including achieving the highlights outlined in this report, and recruiting a high calibre and experienced management team capable of taking the project forward into development.

During the quarter, a number of other management appointments were made, including:

- Mr Gareth Fleming as Project Director, bringing over two decades of experience working in construction across Europe and Australia as a professional engineer, project manager and construction manager
- Dr Louis Schurmann as Chief Geologist bringing over three decades of experience leading scientific teams, most recently working on rare earth, copper-gold and critical minerals projects in Zambia, North East Asia and Queensland
- Mr Ian Hind as GM Marketing and Logistics bringing over two decades working in marketing, sales and logistics at leading mineral producers including Rio Tinto, Iluka Resources, Kalium Lakes and Western Metals
- Mr Neil Foster as GM Environment and Sustainability brings over 25 years' experience managing sustainability, environmental and community-related matters across multiple geographies, most recently at Iluka Resources.

Offtake arrangements

During the quarter, Hastings signed a non-binding Heads of Agreement with TSX-listed rare earth magnet manufacturer, Neo Performance Materials (Neo), in which Hastings holds a 19.9% interest, signalling both companies' intention to negotiate a binding offtake agreement for Hastings' Stage 1 concentrate. This will extend to a Mixed Rare Earth Carbonate (MREC) following the construction of the Onslow hydrometallurgical plant in Stage 2 or earlier via third party tolling arrangements.

Under the offtake arrangement, Hastings would initially supply up to 25,000 tonnes per annum of concentrate from Q1 2025 for Neo's downstream processing facilities across Europe and Asia. This arrangement could cover up to 70% of Stage 1 and 2 Yangibana production for an initial period of 10 years.

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 and robotics. Potentially, the strategic partnership with Neo could generate higher margin MREC economics at Stage 1 via the tolling arrangement with third parties prior to Stage 2 becoming operational.

Project Finance

Hastings is continuing discussions and is assessing interest for up to 60% gearing for the total Stage 1 funding from multiple funding sources including export credit agencies (ECA), development finance institutions (DFI), commercial banks, mining/credit funds, and debt capital markets (bonds)/fixed income investors.

As previously announced, the Northern Australia Infrastructure Facility (NAIF) approved a \$220m loan facility for the Yangibana Project (single stage combined beneficiation and hydrometallurgical plants construction¹) and Export Finance Australia (EFA) provided a letter of support to lend up to \$100m for the Project². During the quarter, two commercial banks provided a letter of support and indicative proposal for \$110m for Stage 1.

Subject to an agreed offtake structure and funding terms, the company aims to finalise the optimum funding for the Project during the current quarter.

Quarterly Expenditure

The Company had cash outflows on exploration and evaluation costs for the quarter of approximately \$1.4 million and project development cash outflows of approximately \$40 million for the quarter.

¹ See ASX Release 'NAIF Increases Financial Support for Yangibana Rare Earths Project to A\$220 million', dated 17 January 2023

² See ASX Release 'Letter of Support secured from Export Finance Australia for \$100m loan', dated 21 March 2023

This report has been approved by the Board for release to the ASX.

FOR FURTHER INFORMATION CONTACT:

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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 and digital devices.

Located in the Gascoyne and Pilbara regions of Western Australia, Hastings' flagship Yangibana Rare Earths Project is underpinned by its world-class deposit with an average life-of-mine NdPr:TREO ratio of 37% surpassing most global projects.

The Project will be developed in two stages with an initial focus on the construction of the Yangibana mine and beneficiation plant to produce up to 37,000 tonnes per annum of mixed rare earth concentrate, followed by the construction of a hydrometallurgical plant in Onslow with the capacity to produce up to 15,000 tonnes per annum of Mixed Rare Earth Carbonate. The Yangibana Project is permitted for long-life production and with offtake commitments and debt finance being finalised.

In 2022, Hastings acquired a strategic 19.9% shareholding in TSX-listed Neo Performance Materials, a leading global rare earth processing and advanced permanent magnets producer, providing the Company with the opportunity to explore opportunities to create a mine-to-magnet supply chain.

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

For more information, please visit www.hastingstechmetals.com



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COMPETENT PERSONS AND QUALIFYING PERSONS STATEMENT

The information in this announcement that relates to Mineral Resources is based on information compiled by David Princep. Mr. Princep is an independent consultant to the Company and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Princep has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code").

The information in this announcement that relates to the Ore Reserves at Bald Hill, Simon's Find, Fraser's, Auer, Auer North, Yangibana, Yangibana North is based on information reviewed or work undertaken by Mr. Stephen O'Grady, member of the Australasian Institute of Mining and Metallurgy, and a Director of Intermine Engineering Consultants. Mr O'Grady has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the preparation of mining studies to qualify as a Competent Person as defined by the JORC Code 2012. Mr O'Grady consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The scientific and technical information in this announcement and that relates to process metallurgy is based on information reviewed by Ms. Narelle Marriott (GM Process Development) Hastings Technology Metals Limited. Ms. Marriott is a member of the AusIMM and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined by the JORC Code 2012. Ms. Marriott consents to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

APPENDIX – MINING TENEMENTS HELD AS AT 30 JUNE 2023

YANGIBANA PROJECT			
All tenements are in Western Australia			
Gascoyne Metals Pty Ltd (100% subsidiary)			
Tenement	Locality	Status	Holder/s
E09/1989	WA	Granted	Gascoyne Metals Pty Ltd
E09/2007	WA	Granted	Gascoyne Metals Pty Ltd
E09/2084	WA	Granted	Gascoyne Metals Pty Ltd
E09/2086	WA	Granted	Gascoyne Metals Pty Ltd
E09/2095	WA	Granted	Gascoyne Metals Pty Ltd
E09/2129	WA	Granted	Gascoyne Metals Pty Ltd
E09/2137	WA	Granted	Gascoyne Metals Pty Ltd
E09/2334	WA	Granted	Gascoyne Metals Pty Ltd
E09/2364	WA	Granted	Gascoyne Metals Pty Ltd
E09/2403	WA	Granted	Gascoyne Metals Pty Ltd
E09/2404	WA	Granted	Gascoyne Metals Pty Ltd
G09/10	WA	Granted	Gascoyne Metals Pty Ltd
G09/14	WA	Granted	Gascoyne Metals Pty Ltd
G09/23	WA	Granted	Gascoyne Metals Pty Ltd
G09/24	WA	Granted	Gascoyne Metals Pty Ltd
G09/25	WA	Granted	Gascoyne Metals Pty Ltd
L09/66	WA	Granted	Gascoyne Metals Pty Ltd
L09/67	WA	Granted	Gascoyne Metals Pty Ltd
L09/68	WA	Granted	Gascoyne Metals Pty Ltd
L09/69	WA	Granted	Gascoyne Metals Pty Ltd
L09/70	WA	Granted	Gascoyne Metals Pty Ltd
L09/71	WA	Granted	Gascoyne Metals Pty Ltd
L09/72	WA	Granted	Gascoyne Metals Pty Ltd
L09/74	WA	Granted	Gascoyne Metals Pty Ltd
L09/75	WA	Granted	Gascoyne Metals Pty Ltd
L09/80	WA	Granted	Gascoyne Metals Pty Ltd
L09/81	WA	Granted	Gascoyne Metals Pty Ltd
L09/82	WA	Granted	Gascoyne Metals Pty Ltd
L09/83	WA	Granted	Gascoyne Metals Pty Ltd
L09/85	WA	Granted	Gascoyne Metals Pty Ltd
L09/86	WA	Granted	Gascoyne Metals Pty Ltd
L09/87	WA	Granted	Gascoyne Metals Pty Ltd
L09/89	WA	Granted	Gascoyne Metals Pty Ltd
L09/91	WA	Granted	Gascoyne Metals Pty Ltd
M09/157	WA	Granted	Gascoyne Metals Pty Ltd
M09/160	WA	Granted	Gascoyne Metals Pty Ltd
M09/164	WA	Granted	Gascoyne Metals Pty Ltd

M09/165	WA	Granted	Gascoyne Metals Pty Ltd
M09/177	WA	Granted	Gascoyne Metals Pty Ltd
M09/179	WA	Granted	Gascoyne Metals Pty Ltd
P09/489	WA	Granted	Gascoyne Metals Pty Ltd
E09/1703	WA	Granted	Gascoyne Metals Pty Ltd
E09/1704	WA	Granted	Gascoyne Metals Pty Ltd
E09/1705	WA	Granted	Gascoyne Metals Pty Ltd
E09/1706	WA	Granted	Gascoyne Metals Pty Ltd
E09/2296	WA	Granted	Gascoyne Metals Pty Ltd
E09/2298	WA	Granted	Gascoyne Metals Pty Ltd
E09/2333	WA	Granted	Gascoyne Metals Pty Ltd
G09/11	WA	Granted	Gascoyne Metals Pty Ltd
G09/13	WA	Granted	Gascoyne Metals Pty Ltd
M09/159	WA	Granted	Gascoyne Metals Pty Ltd
M09/161	WA	Granted	Gascoyne Metals Pty Ltd
M09/163	WA	Granted	Gascoyne Metals Pty Ltd

Yangibana Pty Ltd (100% subsidiary)			
Tenement	Locality	Status	Holder/s
G09/26	WA	Granted	Yangibana Pty Ltd
G09/27	WA	Granted	Yangibana Pty Ltd
G09/28	WA	Granted	Yangibana Pty Ltd
L09/96	WA	Granted	Yangibana Pty Ltd
L09/97	WA	Granted	Yangibana Pty Ltd
M09/176	WA	Granted	Yangibana Pty Ltd
M09/178	WA	Granted	Yangibana Pty Ltd
E09/1700	WA	Granted	Yangibana Pty Ltd
E09/1943	WA	Granted	Yangibana Pty Ltd
E09/1944	WA	Granted	Yangibana Pty Ltd
E09/2018	WA	Granted	Yangibana Pty Ltd
G09/17	WA	Granted	Yangibana Pty Ltd
G09/18	WA	Granted	Yangibana Pty Ltd
G09/20	WA	Granted	Yangibana Pty Ltd
G09/21	WA	Granted	Yangibana Pty Ltd
G09/22	WA	Granted	Yangibana Pty Ltd
L09/93	WA	Granted	Yangibana Pty Ltd
L09/95	WA	Granted	Yangibana Pty Ltd
M09/158	WA	Granted	Yangibana Pty Ltd
M09/162	WA	Granted	Yangibana Pty Ltd

BROCKMAN PROJECT			
All tenements are in Western Australia			
Brockman Project Holdings Pty Ltd (100% subsidiary)			
Tenement	Locality	Status	Holder/s
E80/5248	WA	Application	Brockman Project Holdings Pty Limited
P80/1626	WA	Granted	Brockman Project Holdings Pty Limited
P80/1628	WA	Granted	Brockman Project Holdings Pty Limited
P80/1629	WA	Granted	Brockman Project Holdings Pty Limited
P80/1630	WA	Granted	Brockman Project Holdings Pty Limited

EXPLORATION PROJECT			
All tenements are in Western Australia			
Ark Gold Pty Ltd (100% subsidiary)			
Tenement	Locality	Status	Holder/s
E09/2385	WA	Granted	Ark Gold Pty Ltd
E09/2399	WA	Granted	Ark Gold Pty Ltd