

30 April 2024

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2024

HIGHLIGHTS

- Hastings completes another quarter with no recordable injuries achieving a Total Recordable Injury Frequency Rate of 0.0
- Binding Term Sheet signed with Baotou Sky Rock providing an integrated processing and offtake arrangement whereby rare earth concentrate from the Yangibana Project will be processed in China to produce separated rare earth oxides
 - Arrangement supplements the existing offtake contract with thyssenkrupp Materials Trading for two-thirds of annual production from the Yangibana Project
 - Negotiations ongoing with other potential customers to conclude similar offtake arrangements for the remaining volumes within the offtake contract with thyssenkrupp
- Inclusion in Sustainalytics' 2024 ESG Top-Rated Companies list, ranking 10th in the diversified metals category out of 249 companies
- Review of optimisation opportunities to further de-risk the Yangibana Project and enhance economic returns, including a review of mine plan and investment in a concentrate dryer
- Review underway to optimise capital and operating cost estimates
- Pro-rata partially underwritten renounceable rights issue announced in March 2024. On closure (24 April 2024), \$15.8 million in funds was raised from eligible shareholders and underwriters.
- Hastings had \$24.9 million in cash and cash equivalents as of 31 March 2024

Hastings Executive Chairman, Mr Charles Lew, said:

"During the March Quarter we continued to put the building blocks in place to move towards the commencement of construction of the concentrator at the Yangibana Project. The successful completion of a binding term sheet with Baotou Sky Rock for an integrated processing and offtake agreement now offers Hastings enhanced Stage 1 development optionality and a stronger set of forecast project economics. With improved payability for our high-grade rare earth concentrate, we have further de-risked the project.

"This gives us a strong basis from where we can advance project financing discussions with reputable counterparties. We retain the flexibility and patience to ensure any financing agreement will not only provide for our current and future funding requirements but will be agreed upon in terms that most benefit our shareholders."

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 31 March 2024. Activity focused mainly on offtake, improved economics, capital raising, project funding and detailed engineering and design for the Yangibana Rare Earths Project’s (“Yangibana Project”) beneficiation plant in the Gascoyne region of Western Australia.

SUSTAINABILITY

Health and Safety

A Total Recordable Injury Frequency Rate of 0.00 for the quarter with zero recordable injuries in over 12 months at 31 March 2024. The health and safety team have focused on the update and preparation of the Mine Safety Management System in to include the associated risks with the mobilisation and commencement of the EPC and mining contractors.

Environmental, Social and Governance

During the quarter, Hastings was pleased to be included in Sustainalytics’ 2024 ESG Top-Rated Companies list, ranking 10th in the diversified metals category out of 249 companies. A leading independent sustainability analytics and benchmarking company, Sustainalytics’ ESG Risk Ratings covers more than 14,000 companies across 42 industries.

A significant focus during the quarter by the Environment Team ensured that Hastings submitted all required compliance and approvals papers to various government departments, ensuring the Yangibana Project remains fully permitted for the commencement of construction.

YANGIBANA PROJECT DEVELOPMENT

Baotou Sky Rock Integrated Processing and Offtake Agreement

Following the announcement of the Staged Development Study in May 2023¹ focused on the construction of the Yangibana Project’s mine and beneficiation plant, Hastings has pursued various avenues to bring forward cash flows and to realise higher prices for its rare earth concentrate.

Through this process, Hastings has leveraged its relationship with Baotou Sky Rock and its network in the rare earth industry to negotiate the Term Sheet which provides for a new process treatment and offtake arrangement for rare earth concentrate from the Yangibana Project (the “Integrated Arrangement”). Hastings had previously signed an offtake contract with Baotou Sky Rock in November 2018 for the sale of mixed rare earth carbonate (“MREC”) which lapsed in November 2023.

The Integrated Arrangement provides for a competitive fee structure for the multi-stage processing of the Yangibana Project’s concentrate through to an MREC product, and further to separated rare earth oxides. Process treatment volumes will be arranged and managed by Baotou Sky Rock with established, privately owned Chinese groups and the final rare earth oxides product will be sold at a price linked to benchmark indices for individual oxides. This arrangement is intended to allow Hastings to realise increased payability for its concentrate product, thereby significantly improving the economics of the Yangibana Project.

¹ See ASX Release ‘Corporate Presentation – Staged Development Strategy’, dated 31 May 2023

The integrated arrangement not only underpins the funding pathway for Stage 1 of the Yangibana Project, but also allows Hastings to continue assessing its strategy for downstream processing. The binding term sheet is aligned to Hastings' long-term vision to build a European-centric mine-to-magnet supply chain and further reinforces its strategic 21.15% shareholding in Neo Performance Materials Inc. ("Neo"), a leading global manufacturer of rare earth magnetic products.

Table 1: Key Terms of the Integrated Arrangement

Summary	Details
Counterparty	Baotou Sky Rock Rare Earth New Material Co. Ltd
Agreement Type	Binding term sheet for rare earth monazite concentrate supply
Products	Minimum of 10,000tpa of rare earth concentrate, commencing upon Hastings' certification that the mine has been successfully commissioned
Term	Seven years commencing on date of execution of the Term Sheet, with an option to extend for another five years at Hastings' election
Pricing	Rare earth oxide pricing to be based on 15-day average market pricing for neodymium, praseodymium, dysprosium, and terbium oxides recovered, less a competitive capped hydrometallurgical process and oxide separation fee
Payment Structure	Irrevocable letter of credit

Updated Stage 1 Yangibana Project Economics

The integrated arrangement with Baotou Sky Rock is expected to support the realisation of significantly improved economics for the Yangibana Project. Compared to the previous domestic profit-sharing model, the updated Stage 1 project economics is based on higher oxide payabilities on a 100% basis and has the potential to result in a:

- 61% increase in post-tax NPV₁₁ to \$865 million
- 14% increase in post-tax IRR to 31.28%
- 82% increase in life of mine free cashflow to \$3,345 million
- reduction in the capital payback period to 3.4 years

Hastings has been reviewing opportunities to optimise Stage 1 of the Yangibana Project to further de-risk the Project and enhance economic returns. This included a review of the mine plan which has been optimised for the first five years by bringing forward the mining of lower strip ratio zones while maintaining the grade to the beneficiation plant, resulting in higher free cashflow in the early years of operations and a reduction in the capital payback period.

As a result of the need to install a concentrate dryer to meet product moisture content specifications under the Integrated Arrangement, and additional holding costs due to changes in the funding and production schedule, an additional \$33 million has been added to the capital cost estimate now totalling \$503 million.

The impact of the Integrated Arrangement, the optimised mine plan, and the investment in a concentrate dryer on the physical and financial estimates for Stage 1 of the Yangibana Project are summarised in Table 2.

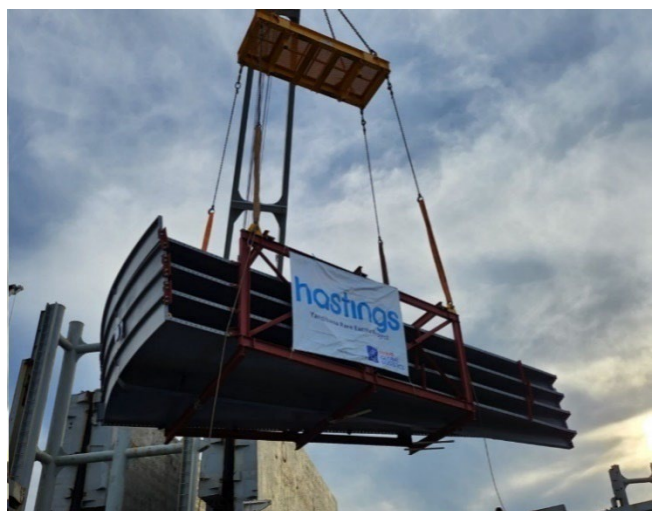
Table 2: Updated Stage 1 Yangibana Project Economics – Integrated Processing and Offtake Model

AUD	Integrated Offtake & Processing Model (February 2024)	Profit Sharing Model (May 2023)
Key Financial Metrics		
Post-tax NPV ₁₁ (ungeared)	\$865m	\$538m
Post-tax IRR (ungeared)	31.28%	27.54%
Payback period	3.4 years	4.4 years
Capital Costs (incl. \$142m spent as of 31-Dec-23)	\$503m	\$470m
Remaining Capital Costs (excl. \$142m spent as of 31-Dec-23)	\$361m	\$383m
Net revenue (LOM)	\$9,639m	\$7,201m
Free cash flow (LOM)	\$3,345m	\$1,835m
Average EBITDA per annum	\$258m	\$174m

A comprehensive summary of revised project assumptions, modelling and updates are included in the ASX announcement dated 16 February 2024 “Hastings and Baotou Sky Rock Sign Binding Term Sheet for Integrated Processing and Offtake Arrangement”.

Contracts and Procurement

Significant long-lead equipment for the Yangibana Project continued to be delivered during the quarter, including the major flotation cells and thickener components, regrind mill and conveyer drives. The village catering, flights and power station build own and operate contracts are currently under tender evaluation and negotiation with contract awards subject to final funding.



Development Activities

As at the end of the March 2024 quarter, construction progress on the Yangibana Project is at 31% complete. A total of \$147 million has now been spent on non-process infrastructure and long-lead equipment for the beneficiation plant.

While the project financing process is being progressed, site-based development activities have recently been paused to conserve capital and focus on the completion of detailed engineering and design for the beneficiation plant which is currently at 75% complete, reflecting the addition of concentrate dryer.

The infrastructure in place for the Yangibana Project will enable the rapid scaling up of personnel and activities for the mobilisation of the EPC Contractor once project financing is concluded.

CORPORATE

Rights Issue

On 27 March 2024, Hastings announced a pro-rata renounceable rights issue ("Rights Issue") to raise up to \$22.15 million before costs¹. Under the Rights Issue, eligible existing shareholders were invited to subscribe for nine (9) new fully paid ordinary shares ("New Shares") for every 20 existing shares. Additionally, one (1) free attaching listed option was offered for every three (3) shares applied for and issued to eligible shareholders with an exercise price of \$0.50 and an expiry date of two years post-issue date.

The Rights Issue closed 24 April 2024, raising \$15.88 million from existing shareholders and underwriters. The Company has elected to not place/issue any additional Shortfall Securities and has now closed the Rights Issue.

Proceeds from the Rights Issue, together with existing cash, will be applied towards activities and workstreams supporting the development of the Yangibana Project, including working capital, long lead equipment, advance engineering, professional services fees, and project finance due diligence.

Project Funding

During the quarter, Hastings received additional proposals from multiple investment banks in regard to a bond issuance in the debt capital markets. Hastings also continues to work closely with Australian government agencies including the Northern Australia Infrastructure Facility and Export Finance Australia². Post capital and operating cost optimisation and review, financing materials and due diligence reports will be refreshed for debt financing purposes.

At the Market Facility

During the quarter, the Company utilised its At-the-Market ("ATM") facility with Alpha Investment Partners ("AIP") (refer to ASX announcement dated 22 November 2023) to raise \$1,275,000 (exclusive of costs) by agreeing to a deemed issuance of 2.05 million fully paid ordinary shares to AIP at an issue price of \$0.622 per share. The shares will be set-off against the 6.5 million collateral shares already held by AIP. The issue price represents a 1.65% premium to Hasting 15-day VWAP.

¹ See ASX Release 'Renounceable Rights Issue to support Yangibana Project development pathway', dated 27 March 2024

² See ASX Release 'Quarterly Activities Report (for the period ended 30 June 2023)', dated 17 July 2023, 'NAIF increases financial support for Yangibana Rare Earths Project to A\$220 million', dated 17 January 2023, 'Letter of Support secured from Export Finance Australia for \$100m loan', dated 21 March 2023.

Quarterly Expenditure

During the quarter, the Company had cash outflows on exploration and evaluation costs of \$2.1 million, and cash outflows for project development of \$14.8 million. \$256,000 was paid in respect of directors' fees, salaries, and consulting fees. Hastings had \$24.9 million in cash and equivalents as of 31 March 2024.

Authorised by the Board for release to the ASX.

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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 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 21.15% shareholding in TSX-listed Neo Performance Materials, 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.

For more information, please visit www.hastingstechmetals.com

FORWARD LOOKING STATEMENTS

This release contains reference to certain intentions, expectations, future plans, strategies and prospects of the Company. Those intentions, expectations, future plans, strategies and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of its directors, officers, employees, advisers, or agents that any intentions, expectations, or plans will be achieved either totally or partially or that any particular rate of return will be achieved.

Given the risks and uncertainties that may cause the Company's actual future results, performance, or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategies and prospects. The Company does not warrant or represent that the actual results, performance, or achievements will be as expected, planned or intended.

The Company is under no obligation to, nor makes any undertaking to, update or revise such forward looking statements, but believes they are fair and reasonable at the date of this release.

APPENDIX – MINING TENEMENTS HELD AS AT 31 MARCH 2024

YANGIBANA PROJECT					
Gascoyne Metals Pty Ltd (70%) / Yangibana Pty Ltd (30%)			Gascoyne Metals Pty Ltd (100%)		
Tenement	Locality	Status	Tenement	Locality	Status
E09/2296	WA	Live	E09/1989	WA	Live
E09/2298	WA	Live	E09/2007	WA	Live
E09/1703	WA	Live	E09/2084	WA	Live
E09/1704	WA	Live	E09/2086	WA	Live
E09/1705	WA	Live	E09/2095	WA	Live
E09/1706	WA	Live	E09/2129	WA	Live
E09/2333	WA	Live	E09/2137	WA	Live
M09/0159	WA	Live	E09/2334	WA	Live
M09/0161	WA	Live	E09/2364	WA	Live
M09/0163	WA	Live	E09/2403	WA	Live
G09/0011	WA	Live	E09/2404	WA	Live
G09/0013	WA	Live	G09/0010	WA	Live
			G09/0014	WA	Live
			G09/0023	WA	Live
			G09/0024	WA	Live
			G09/0025	WA	Live
			G09/029	WA	Live
			L09/0066	WA	Live
			L09/0067	WA	Live
			L09/0068	WA	Live
			L09/0069	WA	Live
			L09/0070	WA	Live
			L09/0071	WA	Live
			L09/0072	WA	Live
			L09/0074	WA	Live
			L09/0075	WA	Live
			L09/0080	WA	Live
			L09/0081	WA	Live
			L09/0082	WA	Live
			L09/0083	WA	Live
			L09/0085	WA	Live
			L09/0086	WA	Live
			L09/0087	WA	Live
			L09/0089	WA	Live
			L09/0091	WA	Live
			M09/0157	WA	Live
			M09/0160	WA	Live
			M09/0164	WA	Live
			M09/0165	WA	Live
			M09/0177	WA	Live
			M09/0179	WA	Live

Yangibana Pty Ltd (100%)		
Tenement	Locality	Status
G09/0017	WA	Live
G09/0018	WA	Live
G09/0020	WA	Live
G09/0021	WA	Live
G09/0022	WA	Live
G09/0026	WA	Live
G09/0027	WA	Live
G09/0028	WA	Live
L09/0093	WA	Live
L09/0095	WA	Live
L09/0096	WA	Live
L09/0097	WA	Live
M09/0158	WA	Live
M09/0162	WA	Live
M09/0176	WA	Live
M09/0178	WA	Live
E09/1700	WA	Live
E09/1943	WA	Live
E09/1944	WA	Live
E09/2018	WA	Live

BROCKMAN PROJECT		
Hastings Technical Metals Ltd (100%)		
Tenement	Locality	Status
E80/5248	WA	Live
P80/1626	WA	Live
P80/1628	WA	Live
P80/1629	WA	Live
P80/1630	WA	Live

ARK GOLD PROJECT		
Hastings Technical Metals Ltd (100%)		
Tenement	Locality	Status
G09/0017	WA	Live
G09/0018	WA	Live